bambooHR

CALCULATING HR:

The Real Value of HR Software

From reducing turnover to boosting employee experience, HR has a lot to offer. But if all of HR's time is eaten up by day-to-day tasks like answering benefits questions or tracking time off, they'll never be able to take on more strategic initiatives.

HR software automates many of the processes that consume valuable time in your organization. Take a look at the numbers, and see what your organization can save with HR software on your team. *(P.S. We've rounded all of the numbers to keep things nice and simple.)*

BASELINE NUMBERS

MEET CAROLINE.
She's an HR Generalist.

HER SALARY AND BENEFITS

$33 per hour

$63,000 per year

CAROLINE'S COMPANY
has 100 employees.

AVERAGE EMPLOYEE SALARY AND BENEFITS

$23 per hour

$46,000 per year

ONBOARDING SOFTWARE

+$5,450 Total Savings

BREAKING DOWN THE NUMBERS

From preparing and processing forms to setting up a new workspace, the onboarding process takes about 11 hours out of Caroline's schedule every week anytime there's a new hire.[1]

But automating the process can reduce that time investment by as much as 50 percent. That might not sound like much, but let's see what happens if there are 30 new hires each year.

TRADITIONAL ONBOARDING

11 HOURS X $33 PER HOUR = $363 IN HR time → *$363 X 30 NEW EMPLOYEES PER YEAR =*

$10,900 spent per year

$0 | $2,000 | $4,000 | $6,000 | $8,000 | $10,000

AUTOMATED ONBOARDING

5.5 HOURS X $33 PER HOUR = $181 → *$181 X 30 NEW EMPLOYEES PER YEAR =*

$5,450 spent per year | **$5,450 annual savings**

$0 | $2,000 | $4,000 | $6,000 | $8,000 | $10,000

THE STRATEGIC VALUE OF ONBOARDING SOFTWARE

Engagement: When employees believe their organization's onboarding software is effective, they are 5x as likely to report high levels of engagement.[2]

Retention: Effective onboarding software boosts new hires' confidence in their decision to join your organization, reducing turnover by as much as 30 percent.[3]

Performance & Productivity: Effective onboarding software decreases time-to-productivity by 33 percent.[4]

ELECTRONIC SIGNATURES

+$14,600 Total Savings

Caroline's entire organization spends a lot of time distributing, signing, and tracking important documents to keep things running smoothly.

But using e-signature software could save them up to 40 working hours per month.[5]

Her company can also save about $20 per document by cutting paper, printing, and postage costs. Their onboarding process includes 15 documents.[6]

40 WORK HOURS X $23 PER HOUR =

$920

savings per month

$20 SAVINGS PER DOCUMENT X 15 ONBOARDING DOCUMENTS =

$300

savings per new hire

$11,000

annual savings

$3,600

savings for every 30 employees hired

THE STRATEGIC VALUE OF ELECTRONIC SIGNATURES

Efficiency: E-signature software reduces signed document turnaround times by as much as 90 percent.[7]

Employer Brand: Using e-signatures helps attract top talent, as 92 percent of young professionals would prefer to work for an environmentally friendly company.[8]

TIME-OFF MANAGEMENT

+$55,200 Total Savings

Caroline has to keep track of employee time off on a manual spreadsheet, which takes a lot of time and careful attention. Plus, this puts her organization at risk for inaccuracies and increased absenteeism. An average employee takes up to three days of unreported PTO per year when organizations have poor tracking capabilities.[9]

Time-off management software allows everyone in Caroline's organization to request, approve, and track time off instantly.

AN AVERAGE EMPLOYEE TAKES UP TO

3 days

of unreported PTO a year

FOR A SINGLE EMPLOYEE WITH A $46,000 ANNUAL SALARY:
1 day = $184

$184 X 3 DAYS =

$552

savings per employee per year

$0 | $15,000 | $30,000 | $45,000

100 EMPLOYEES X $552

$55,200

savings per year

$0 | $15,000 | $30,000 | $45,000

THE STRATEGIC VALUE OF TIME-OFF MANAGEMENT SOFTWARE

Efficiency: Automated time-off tracking helps you better manage employee absences, which cost businesses about six percent of annual payroll.[10]

High Performance: When employees enjoy effective time-off management software, customer satisfaction levels increase up to 10 percent.[11]

EMPLOYEE SELF-SERVICE

+$19,000 Total Savings

But what really takes up most of Caroline's time are all the day-to-day administrative tasks of HR, like answering questions or updating employee information.

Employee self-service gives the people in Caroline's organization the power to answer their own questions and manage their own information, saving time for everyone. Self-service can reduce the amount of time required for administrative tasks by 40 to 60 percent or two hours per day.[12]

HR GENERALISTS SPEND AROUND 80 PERCENT OF THEIR TIME ON OPERATIONAL AND ADMINISTRATIVE ACTIVITIES.[13]

60% =

5 HOURS

per day

SELF-SERVICE CAN REDUCE THE AMOUNT OF TIME REQUIRED FOR ADMINISTRATIVE TASKS BY 40 TO 60 PERCENT.[14]

40% – 60% =

2 HOURS

per day

5 HOURS X $33 =

$79

savings per day

365 DAYS X $79

$19,000

savings per year

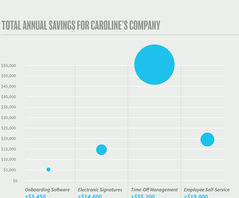
THE STRATEGIC VALUE OF EMPLOYEE SELF-SERVICE

Efficiency: Employee self-service software allows HR to serve 10 percent more employees.

Competitive Advantage: Self-service boosts your organization's performance, making those with such software about 50 percent more likely to achieve Best-In-Class status.

Performance & Productivity: 72 percent of HR generalists that use employee self-service in their organizations reported a lighter workload.[15]

TOTAL ANNUAL SAVINGS FOR CAROLINE'S COMPANY



= $94,250 ANNUAL SAVINGS

THAT'S ENOUGH TO . . .

x 31,000

Fill the break room with 31,000 popsicles.

$900 x 100

Send every employee an $900 shopping spree.

x 1

Hire another Caroline *for the HR department.*

HR software sets you free from day-to-day tasks so you can tackle turnover, increase engagement, kick burnout to the curb, and more.

Source: "Automating the Onboarding Process to Realize Significant Return on Investment," Previously unpublished data, BambooHR.
[1]iCims, "iCims, "The Real Cost of Productivity," SignMonk, "SignMonk, "SignNow," Monster Trak.com, "Appirio"report.
[2] "Total Financial Impact of Employee Absence Across the United States, China, Australia, Europe, India and Mexico," 2009. [3] "Aberdeen report," 2007.
[4] "The State of Strategic HR," Bambooworks, [5] "Employee Self-Service: A Strategic Approach," Jeanne Cadiz, [6] Hitlab.com