

ROI of an HR Software

- Are you a newly hired HR professional?
- Have your organization and your predecessors always managed staff through numerous Excel files and various folders?
- Do you know the benefits of implementing an HR information system and are you convinced that it is the best solution for the future?

Now, you have the difficult task of demonstrating the potential savings and benefits of this system...



Good news!

This document will give you all the arguments you need to support your project.

The first major component that will allow your organization to save time and money is related to the turnover rate. Indeed, the implementation of an HRIS will allow you to set up the following processes:



Employee onboarding



Performance review



Training and career management



Work climate survey



Simplified PTO request and approval for employees and managers

These 5 processes will all contribute to improving the overall employee experience and your employer brand and, by doing so, reduce the number of voluntary departures.

At the same time, your HRIS will accurately identify the number and reasons for departures, giving you the ability to proactively identify trends and correct them with targeted action plans.

The implementation of an HRIS will allow you to reduce your current turnover rate by 5 to 15%, which will translate into significant annual savings (see report below).

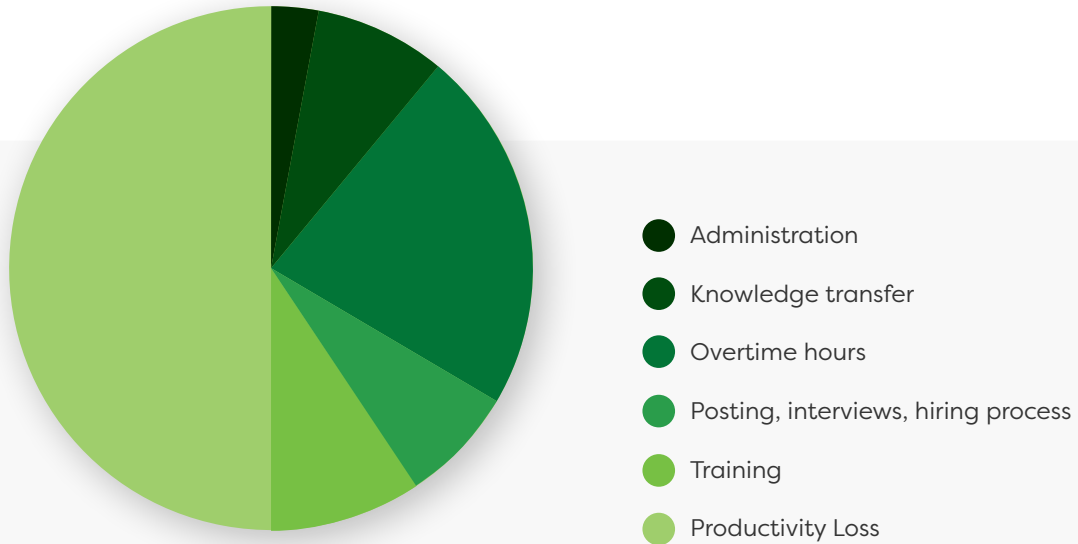
Number of Employees	Turnover Rate	Average Salary	Turnover Costs	Reduction in Turnover Rate	Savings per year
30	16%	\$60 000	\$102,734	10%	\$10,273
60	16%	\$60 000	\$205,468	10%	\$20,547
90	16%	\$60 000	\$308,202	10%	\$30,820
120	16%	\$60 000	\$410,936	10%	\$41,094
150	16%	\$60 000	\$513,670	10%	\$51,367
200	16%	\$60 000	\$616,404	10%	\$61,640
350	16%	\$60 000	\$1 130,074	10%	\$113,007
500+	16%	\$60 000	\$1 643,745	10%	\$164,375

Context

- Manufacturing company
- The company did not use external recruitment services
- The role is open for an average of 8 weeks
- The time for a new employee to become fully autonomous is 16 weeks
- Overtime must be paid while the position is open

Source: <https://amelio.co/cost-hire-employee/>

Impact on turnover costs



The second major component that will allow your organization to save time and money is the increased efficiency in your HR tasks.

On an annual basis, here is the approximate amount of time you can save on the following tasks using an HRIS:

Onboarding	105 hours
Absence, PTO and overtime request management	89 hours
Generating reports	112 hours
Answering questions	78 hours
Obtaining and filing signed documents	93 hours
Managing employee files	144 hours
Managing applicants and interviews	105 hours
Managing performance reviews	98 hours

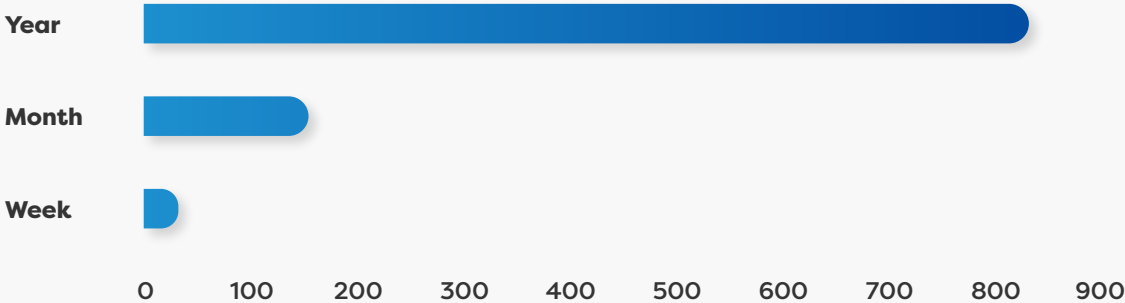
This represents more than 800 hours of annual time savings and improved efficiency.

If we start with an average salary of \$60,000, which is an approximate hourly rate of \$31, that is about \$25,000 in payroll that can be allocated to more valuable tasks.

On a monthly basis, this equals more than \$2,000, and on a weekly basis, almost \$500.



Hours Saved



¹ Based on a survey of Folks' customers in 2022. Clients surveyed were from a variety of industries and had varying numbers of employees. The estimated results may vary positively or negatively depending on your reality and the level of manual tasks you currently have to deal with.

It is now up to you to estimate your potential savings related to the reduction of your turnover rates, as well as the improvement of your efficiency, and then compare this amount to the cost of your HRIS solution. You will then be able to deduct the return on investment.

Generally speaking, the return on investment on an HRIS is achieved within a few weeks.



folks

+1 877 481-4909
info@folkshr.com

  
folkshr.com