

ROI of an HR Software



Introduction



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.



Section 01 - The first major component that will allow your organization to save time and money is related to the turnover rate.



Employee onboarding



Work climate survey



Performance review



Simplified PTO request and approval for employees and managers



Training and career management

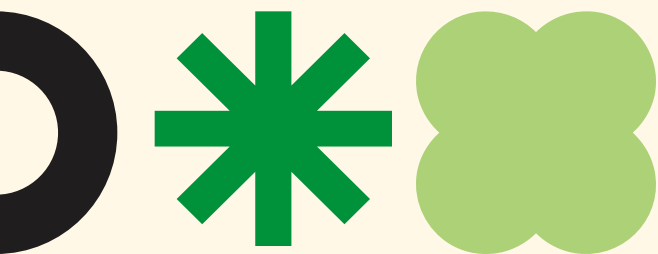
These 5 processes will all contribute to improving the overall employee experience and your employer brand and, by doing so, reduce the number of voluntary departures.

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

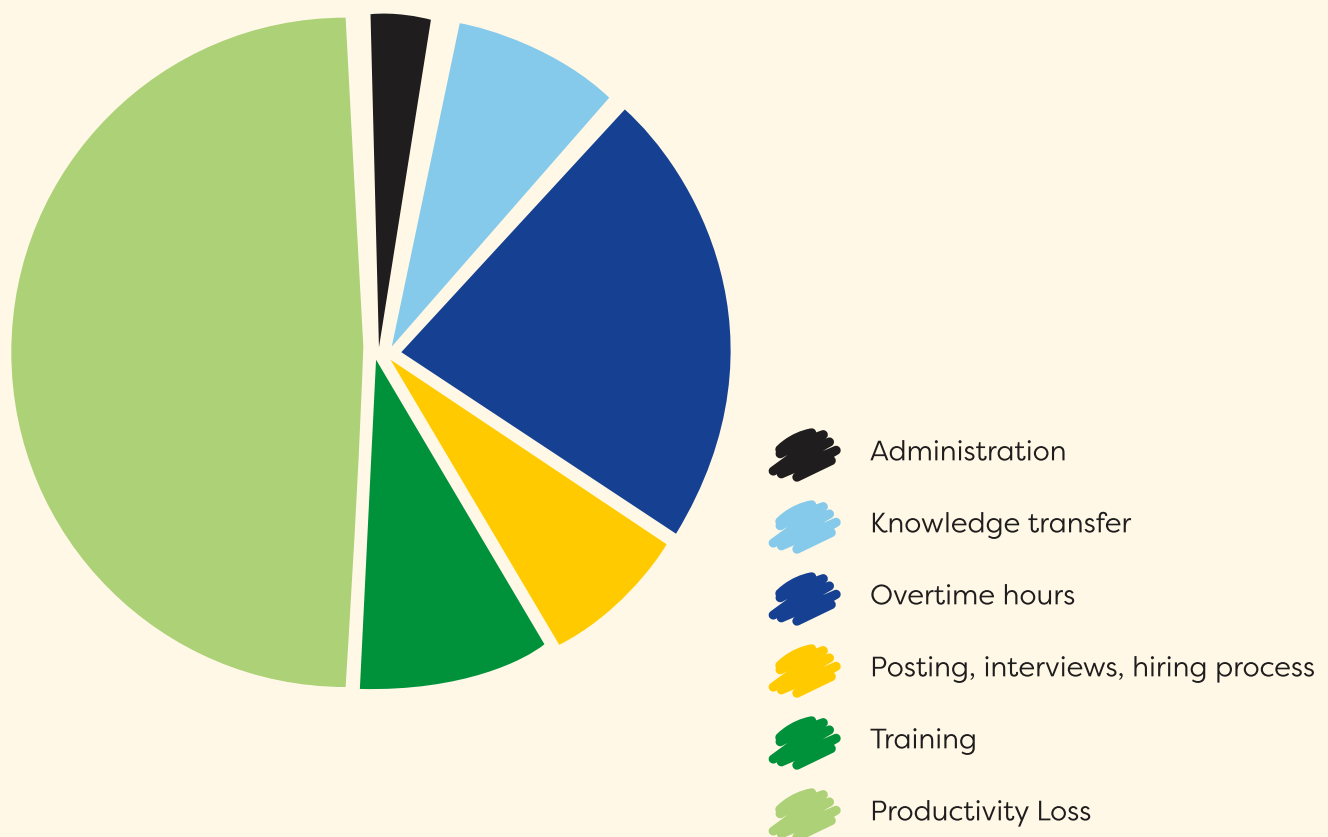
The company did not use external recruitment services

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

Impact on turnover costs



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



Section 02 - The second major component that will allow your organization to save time and money is the increased efficiency in your HR tasks.

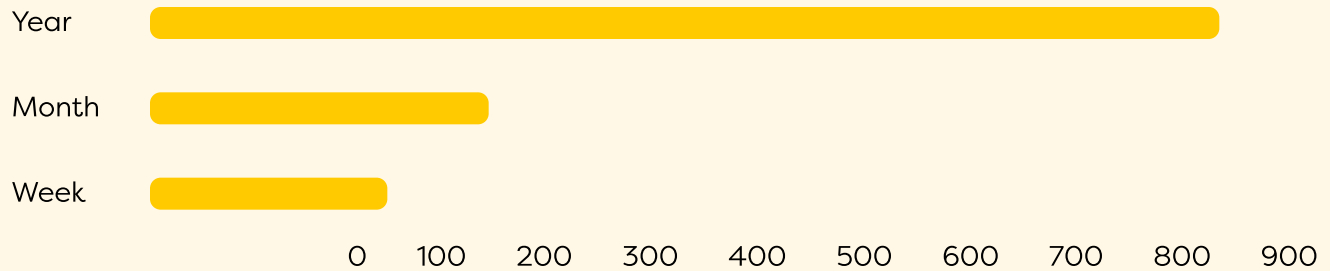
On an annual basis, here is the approximate amount of time you can save on the following tasks using an HRIS:

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



¹Based 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.





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