MIND THE GAP:
Understanding The Human Resources Ecosystem

The impact of a for-service HR model in today's business environment

As of 2019, over 80% of U.S. small businesses are currently using HR software as part of their daily operations . From talent acquisition to compliance, businesses of all size and scope are relying on technology solutions to keep their operations running smoothly.

01 The HR Ecosystem

The business environment today is unequivocally more complex than ever before. The challenges of meeting business needs, employee expectations and government compliance are now thought of as rudimentary in comparison to the emergence of the pandemic, talent shortage and increasing shift to work-from-home. Business owners are expected to not only meet those challenges but ensure business growth and sustainable human capital management in the process.

To support the growth of their business, owners look to traditional HCM systems as software solutions. Examples of which are SAAS only, ASO providers, PEO providers, Online Resource Providers, and Consulting Firms. And while these tools meet the necessary functions to support HR, Payroll, Benefits and Compliance, they are in the end only tools. Tools which must be activated and managed by personnel with a wide breadth of expertise to effectively impact a business.

Software or SAAS only	UZIO	sage | People	bambooHR
Service Providers — ASO	Namely	PAYCHEX	ADP
Service Providers — PEO	TriNet	Administaff	Oasis A PAYCHEX company
Consulting Firms	AON	Deloitte.	pwc
Online Resource Providers	bambee	Mineral	Google	SHRM SOCIETY FOR HUMAN RESOURCE MANAGEMENT

02 The Challenges

Even when utilizing the proper software, a lack of training or expertise can lead to those programs being ineffective. Similarly, hiring the number of trained HR professionals needed to cover all lines of business is extremely expensive and impractical. Large PEOs, while providing software access and assigning a point person or gatekeeper to your company, do not deliver on execution of the service and lack an understanding of your unique needs. This can lead many business owners and HR staff scrambling at year end regarding compliance or while trying to handle payroll emergencies.

As a result, 70 percent of businesses with five to 49 employees add HR onto the workload of employees with little to no experience in workforce issues . This issue persists within larger organizations, as departments struggle to find the time or other resources needed to proactively work towards optimizing practices and procedures.

03 Service as a Solution

Rapidly advancing technology has changed the process by which business is conducted in recent years. Through this technological shift, the service component has emerged as a growing need across industries. Even with powerful technology available, the human element cannot be undervalued, especially in such a human-centric field as HR.

Fractional HR is designed to benefit businesses of all sizes, supplying any combination of tools and service necessary to optimize the efficiency of the processes and people in place. When HR takes on a for-service model, businesses then have the opportunity to add dedicated professionals and other specialized solutions based on the specific needs of their business, all at a price they can actually afford.

Utilized correctly, streamlined HR and operations has the power to enforce a business's growth strategy.

04 Takeaways

While there is a wide array of providers who address at least some portion of the HR spectrum, businesses benefit far more from having the ability to plug-in professionals who can dedicate themselves to unique needs of the business they are serving.

Whether it be working with existing software or helping to develop an entirely new protocol, fractional HR is the most efficient way to guarantee that you'll be getting the expertise that you need to support the growth of your business, when you need it.

Solving your HR needs can be a real puzzle.

Contact PuzzleHR to discover how a service-oriented model can help your business excel.

puzzlehr.com

References:

[i] https://blog.capterra.com/hr-digital-transformation/
[ii] https://axioshr.com/how-many-hr-people-do-you-need/