A growing body of research suggests that a strong organizational culture can be the make-or-break factor SMBs need to attract and keep the best employees. It's a need that the right human resources technology can help them meet.

In the latest Global Culture Survey conducted by PwC's Katzenbach Center, 65 percent of respondents said that culture is more important to performance than strategy or operating model, but 80 percent admitted that their organization's culture has to evolve over the next five years if their company is going to succeed, grow, and retain the best people. As DeAnne Aguirre, U.S. leader of Strategy&, PwC's global strategy consulting arm, puts it, "There's work to be done on culture."

Paul Sarvadi, chairman and CEO of Insperity, which provides human resources and business performance solutions to SMBs, compares culture's importance in the modern workplace to the role oil plays in an engine. "It's what makes everything else..."
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work more smoothly, efficiently, and powerfully,” he says. “It’s important to recognize that culture has to be strategic and systemic, and that efforts to institutionalize your organization’s culture are equally important.”

HR technology provides tools that cultivate a great working environment, helping to support a company’s vision, culture, and shared values, says Tom Hammond, vice president of corporate strategy and product management at Paychex, a provider of payroll and HR solutions. HR tech makes communication more flexible and effective, whether it be between HR and employees or amongst employees themselves.

“Automating HR processes, such as employee access to the HR data that’s most important to them, increases efficiency and supports employee engagement through functions like social collaboration, online chat, and mobile access to all relevant tools and data,” Hammond says. “As workplaces embrace new mindsets and modern behaviors, they must also embrace the tools that facilitate the future of work.”

**Culture’s affects recruitment**

The emphasis on workplace culture must permeate every aspect of the employment process, starting in the recruitment phase. In fact, that’s where potential employees’ expectations are initially set. “In this hyper-competitive hiring environment, speed is particularly crucial, for both candidates and employers,” says Irina Novoselsky, CEO of CareerBuilder, a global technology company that provides end-to-end HR solutions. “One of the key metrics that HR technology can improve is time-to-hire.”

Novoselsky points out that 50 percent of job seekers will give up and move on if they don’t hear back from a potential employer within two weeks of submitting an application. “More than 80 percent of candidates will abandon an online application process that is complicated and time-consuming,” she says. “After all, they’re used to one-click everything as consumers.”

HR technology in the pre-employment space, which CareerBuilder calls the Hello to Hire™ process, is maturing from disparate point solutions to more seamless, connected, mobile-first platform solutions. “By integrating AI and machine learning, our new tools give anyone trying to attract talent—large HR recruiting and operations teams and small business owners alike—more information, control, and speed through the hiring process,” Novoselsky says.

One reason that organizational culture is becoming a more important factor in SMBs’ ability to attract the best employees is because it is so important to Millennials. Already the largest segment of the workforce, Millennials will account for 75 percent of all employees by 2030, according to the U.S. Bureau of Labor Statistics.

Aguirre says a good strategy for SMBs looking to hire the best Millennial employees is to help them find purpose and fulfillment at work. In PwC’s 2018 “Fulfillment at Work” survey, seven of 10 currently employed workers said they would consider an offer for a more fulfilling job somewhere else. One in three said they’d even be willing to consider doing so for lower pay.

“Culture is a source of often untapped emotional energy that helps reinforce a sense of fulfillment,” she says. “We’re seeing that culture is deeply rooted in behaviors that support a sense of belonging, making an impact, and growth and development.”

One way that HR technology can enable positive behaviors is through the use of virtual social platforms and cloud technology, which allows HR leaders to foster and sustain informal networks and social connections, Aguirre suggests. Another way is through workforce analytics, which can identify opportunities to connect people in mentorship or cross-functional relationships.

**Culture’s productivity effect**

More importantly from a bottom-line perspective, a strong organizational culture can boost employee productivity, and that effect is most pronounced among Millennial workers. Last year, Sage Group, an enterprise software company, surveyed 3,500 employees across the U.S., U.K., and Canada for “Why Your Workforce Isn’t Working,” a research report on productivity. It found that 66 percent of surveyed workers saw being valued and recognized as the most important aspects of their day-to-day employment. What’s more, while 8 percent of all respondents claimed to be more productive when their working experiences are positive, that number skyrocketed to 92 percent for Millennials.

“When you ask Millennials what they are really interested in and what is most attractive to them in the workplace, the best one-word answer is culture,” Sarvadi says. “They want to work for businesses that are values-based, communicate well with their
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people, and have good alignment in their organization. Millennials want to know what they are doing, why they are doing it, why it’s important, and what the greater good is that they are accomplishing.”

Millennials want to know where their careers are going, so they are very interested in succession planning, professional development opportunities, and especially robust online learning capabilities, Sarvadi adds. “There's HR technology available now that can show them which paths are available to them based on variables such as where they are now, what skill sets they have, and what they are learning. Just knowing there are paths available can be reassuring for employees and keep them from looking outside the company for new opportunities,” he says.

Having the right technology can send a strong signal to Millennial job candidates. “Millennials embrace HR technology because it simplifies processes like collaboration, career development, and benefits administration,” Hammond says. “It gives them—and your business’s HR organization—the ability to communicate with one another on a larger scale and in a modern fashion.”

Expanded benefits packages that include paid time off for volunteering and a flexible work environment also encourage employees, of all generations, to focus on causes that make a difference to them personally.

“All of this adds up to employees further embracing an organization’s culture and likely a more loyal workforce,” Hammond says.

**Reflecting culture in job postings**

CareerBuilder has analyzed more than 4 billion job searches, and it’s learned that the job posting is how most candidates assess whether or not they're interested in both the role and the company. “Nearly half of employees believe that a strong culture is more important than compensation, so job postings must communicate what a company is doing to build its culture and how, specifically, its employees can thrive and succeed in that culture.”

Irina Novoselsky, CEO, CareerBuilder

Whether it’s a single individual or an entire department, those in charge of human resources at SMBs have a lot on their plates these days, Hammond says. Faced with the tightest labor market in decades, they are tasked with everything from attracting new talent to maintaining a highly engaged candidate pool to helping shape long-term organization vision and strategy. The solution lies in a single HR platform or a tightly interconnected ecosystem of HR technology applications. “Luckily, there are scalable tools for every size business that can take employees from hire to retire and drive accuracy, efficiency, and productivity for both employers and employees while they’re doing it,” Hammond says.

Sarvadi stresses that it’s also important not to lose sight of the “human” in human resources. “There has been dramatic software and technology development in the HR space recently, but it’s really apparent to me that what’s going to win the day is software with a service,” he says. “It’s important to have access to experts who can analyze all of the data HR tech generates, and then deliver insight, along with a plan to drive specific outcomes. That’s when you really see HR technology that makes a difference.”

Not only can SMBs use HR technology to help their culture be more aligned with their strategy, they can also use it to help scale their businesses, Aguirre says. The automation of more transactional HR activities can drive efficiency and free up time and resources that can be focused on more strategic growth initiatives. “Having a fit-for-purpose HR system that is integrated and cloud-based better supports more standardized processes that scale up as the business grows,” she says. When used right, HR tech can be an important competitive differentiator for SMBs.
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