A guide to **HR software** for SMEs

Choosing a new software for your business can be a time-consuming task – especially when it comes to HR software.

How do you know you need HR software? What solutions are available? How much does it cost? And how do you know your employee data will be kept safe?

It goes without saying that this process can be an overwhelming one – particularly if you're a small business and have never used HR software before.

That's where we can help.

We've built this guide especially for SMEs like you, to give you everything you need to know about HR software and help you to make the right decision for your organisation.

What's inside?

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What exactly is HR software?

HR software is an intuitive tool that keeps all employee data in one secure place – including basic details, emergency contact information, salaries and a whole lot more.

HR software aims to manage & automate the employee journey from start to finish. With a system in place, you'll save valuable time on everyday HR tasks such as:

1. Sickness & absence tracking
2. Holiday management
3. Onboarding & offboarding
4. Expense management
5. Benefits management
6. Recruitment & applicant tracking (ATS)
7. Time logging
8. Performance monitoring
9. HR reporting
10. E-learning
11. Document storage
12. Rota management

HR software is now usually cloud-based, meaning you can access your data from anywhere with an internet connection.

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What are the *BENEFITS* of HR software?

Save valuable time on everyday admin

HR software is designed to take care of time-consuming day-to-day tasks, including leave requests, updating employee information & reporting.

So, with more time on your side, you can focus on other important tasks & spend more time with your people.

Improve efficiency

Switching to an HR software platform not only means you'll have better visibility of employee data, but your team will have visibility of their own remaining holiday allowances, personal details, sick days & more – meaning you'll save time on the never-ending admin and have more time for the bigger tasks.

Keep your data secure

Keeping your data stored in the cloud rather than in filing cabinets & folders eliminates dangerous security risks and helps you stay GDPR compliant.

Plus, HR software that is ISO27001 accredited has been especially recognised for its level of data security it offers, so you can rest assured that your data is in safe hands.

Reduce HR-related stress

With processes simplified, time saved and data stored securely, you'll no longer need to worry about holiday request slips being lost, paperwork going missing or losing track of who's off & when – saving lots of unnecessary stress for you and your team.

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Enhance the employee experience

By offering a modern system instead of old-fashioned paper documents or spreadsheets, you'll impress new employees right from the start of their journey with you.

Existing employees will thank you for it too – as they say goodbye to clunky holiday request systems and long processes which can be frustrating.

Access from anywhere

As most HR systems are now cloud-based, you can log in and access employee data wherever you might be. Historically, license-based systems meant access was limited to just one computer.

Now, whether you're at home, at your workplace or out & about – everything you'll ever need will be right at your fingertips.

Save money

As a small business, watching the pennies is a top priority.

But with time-consuming admin taken care of – which could otherwise be someone's full time job – your bank balance will soon be thanking you.

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TELL-TALE SIGNS
that you need HR software

Not used software to manage HR before? Are you trying to get by with spreadsheets, post-it notes or a holiday wall-chart?

While these methods can do the job, they're time-consuming, stressful & unnecessary.

Here are some classic signs that it's time for you to start exploring HR software and make the switch.

Your HR team are stressed

As your small business grows, the more people you'll be taking on. While this is super exciting, it also means more manual admin and paperwork for your HR function – whether it's just you or a dedicated team.

With an HR system on board, you'll be able to automate and simplify these manual processes, keeping stress levels down and your HR team happy.

High employee turnover

Are more people leaving than usual? It could be a sign that your HR team are simply too stretched to address issues, leading to unhappy employees.

With HR software in place, your HR team will save time on everyday admin and reduce their workload, meaning they'll have more time to spend with employees and identify issues before they become a bigger problem.

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Your employee onboarding process needs work

An employee's first few weeks is a critical time – it's all about first impressions, getting them settled and ensuring their employee experience gets off to a strong start.

Bombarding them with long documents and tedious forms is far from ideal.

But, with HR software, you can share documents digitally and see when your new starters have read them and keep an eye on the progress they're making. And, with tools like Breathe's Learn module, you can even enrol them into simple online courses to cover off those crucial topics such as health & safety, internet usage and office hygiene.

Data gets lost

If you're keeping employee data stored in filing cabinets, or you're managing holiday requests with post-it notes, for example, it's easy for sensitive data to get lost along the way – not only posing GDPR issues, but causing unnecessary stress for your HR team, too.

With HR software, all data is stored digitally in the cloud – with top-notch security – meaning your people-data is kept water-tight whilst being accessible at any time.

Mistakes are being made

Manual processes can often lead to human errors. You might be finding that holiday allowances are inaccurate, reports aren't quite up to scratch and details are being missed.

With everyday tasks automated with HR software, you can rest assured that everything is in hand.
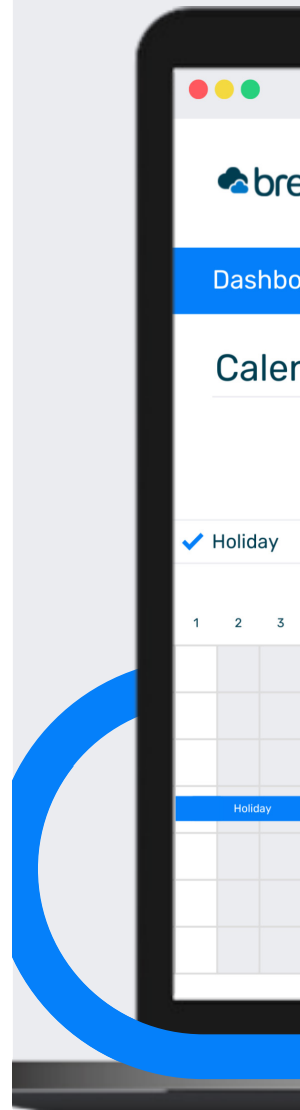
What should you look for in HR software?

Employee database

This allows you to store employee records digitally, all in one place, rather than in filing cabinets or spreadsheets.

Employee self-service

With their own profile & log-in, employees can update their own information, submit holiday requests, log sickness (and loads more) completely independently.

Holiday & sickness management

With a holiday management system, you can ditch post-it notes, emails and wall-charts. Holiday allowances are automatically calculated, saving you hours of time.

Employees can request holiday in seconds, which will go straight through to their holiday approver for review.

We'd recommend you keep your eye out for a holiday calendar, which will make it easy to check for any clashes before approving leave.

Commitment-free

With a flexible, commitment-free plan, you can rest assured that you're not tied in and can cancel at any time should you need to.

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Reporting

This one is a 'must' for any HR software.

With powerful reports, you can dive deeper into your people-data and easily spot any trends with sickness or performance, get a quick overview of holiday usage or instantly export any information that's needed (e.g. birthdays or emergency contacts).

Unlimited document storage

You'll have the ability to store company handbooks and policies, as well as personal employee documents, such as annual appraisal notes, all safely in the cloud.

And with a tool that offers unlimited document storage, you can cut right back on your paper consumption (and stress, too).

Easy to use

Make it your priority to find a system that's designed to be easy to navigate & use.

After all, the last thing you want if you're trying to simplify your processes is to switch to a system that takes hours of time for you & your team to learn.

Easy to tailor to your business

With the ability to customise your plan according to your business' needs, you'll stay in control and only pay for what you need.

Free trial

With a free trial rather than a 1-2-1 demonstration, you can explore each area of the system as you want to, in your own free time – with absolutely no pressure.

Systems like Breathe offer a generous 14-day trial – absolutely free – with no credit card needed.

Cloud-based

Always look for a system that's cloud-based. Here's why:

- Cloud-based systems offer much more robust data security
- You'll be able to access your data from anywhere with an internet connection
- Access won't be limited to licenses (e.g. to just one computer), making it easier if you work from home or different locations.

ISO27001 accredited

We'd recommend you look for a provider that's ISO27001 accredited. This is a certification that demonstrates the company has gone over & above to invest in the tools and systems needed to protect their customers' data.

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Important *THINGS TO CONSIDER* when choosing HR software

Cost & return on investment (ROI)

While you're likely to be on the hunt for the right product for your business, cost is an important factor – especially as a small business.

There are usually 2 different ways that HR software is priced: either per employee, or per account, depending on which model works best for your business.

We'd recommend you search for a software that offers high return on investment (ROI). You'll want to make sure that for what you're paying out, you're getting maximum value in return.

Implementation timeframes

With any new software comes some setting up. And with an already busy job, the last thing you want is having to spend several weeks (or even months) getting your new HR software up & running.

Luckily, not all solutions come with lengthy implementation times and multiple onboarding sessions. With a simple, self-service product like Breathe, you could get your business fully-set up in just days, not weeks.

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Data security

Your HR system will store incredibly sensitive information such as addresses, dates of birth, medical information, and sometimes even salaries & bank details – and it's your responsibility to keep this safe to avoid any data breaches.

It goes without saying that it's super-important that you choose a robust system that you trust to keep your people data water-tight. You should keep an eye out for:

Two-factor authentication (2FA) – this means that, as well as their password, anyone logging into their account will need to provide an additional factor that only they can source, such as a code from their mobile device. This adds another layer of security to your data, so is definitely something you should look for.

ISO27001 accreditation – as we mentioned in the last section, this is a certification that demonstrates a solid commitment to data security.

Software hosted in a reliable and robust data centre - such as Amazon Web Services (AWS), which uses a multi-layer security structure.

User experience

If you're rolling out a brand-new software to your whole organisation, you'll want to choose a solution that provides an enjoyable user experience. If the software is clunky and frustrating to use, your team may be reluctant to use it & will quickly become disengaged.

Remember that HR software contributes to the employee experience at your business – right from a new starter's very first day – so it's important you spend some time considering the user experience.

HR software
CHECKLIST

Here's a useful list of things you should look for when evaluating HR software. Use this as your very own guide & tick each one off as you go.

Print checklist

Flexibility

- ☐ Free trial
- ☐ Cancel at any time
- ☐ Built for SMEs
- ☐ Fast implementation
- ☐ Self-service
- ☐ Low cost
- ☐ Clear & simple pricing

Security

- ☐ ISO27001 aaccredited
- ☐ GDPR compliant
- ☐ Two-factor authentication (2FA)
- ☐ Cloud-based

Functionality

- ☐ Employee database
- ☐ Holiday & sickness management
- ☐ Performance tracking
- ☐ Unlimited document storage
- ☐ Organisation chart
- ☐ Kudos tool
- ☐ Applicant tracking system (ATS)
- ☐ E-learning
- ☐ Email employees
- ☐ Easy to use
- ☐ Bulk updates
- ☐ Expense management
- ☐ HR reporting
- ☐ Employee mobile app

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Who are Breathe?

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Wondering who we are & why we created this guide?

We're Breathe – and our mission is to help SMEs save valuable time & stress so that they can focus on their people and help their business thrive.

How? We help 10,000+ businesses (just like yours) manage people-related tasks with one integrated, easy-to-use & cost-effective system.

- Manage holiday requests
- Monitor sickness
- Store documents in one place
- Streamline HR tasks
- Manage performance & recognise achievements
- Track where your team are working
- Approve expenses
- Upskill your team with online learning
- Streamline your recruitment process

- ISO27001 accredited
- GDPR-compliant
- Designed for SMEs
- The most cost-effective solution available
- Quick & easy to implement

Try Breathe for free

Leave to approve

Milo Garcia
Holiday from 20/07/2023 to 25/07/2023

Kalani Manuel
Holiday from 12/11/2023 to 14/11/2023

Amy Collins
Holiday from 03/09/2023 to 08/09/2023

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HR

Dashboard People ▾ Reports Company ▾ Modules

My dashboard HR dashboard 23 Community

MY LEAVE

✈ **17.0 days**
holiday available

0 days requested **10 days** booked
manage leave or view calendar or log TOIL

request leave

MY SICKNESS

🩹 **1.0 day**
in the last 12 mon

over 1 absence
view my sick leav

report new sicknes

Upcoming leave

Nadia Martin
Holiday starts on 14/10/2022

Rohan Devi
Holiday starts on 21/12/2022

Laptop