



How to Build an HR Tech Stack That Drives Performance

Introduction

An HR technology stack is a must-have for any modern People team. Selecting the right combination of relevant technologies helps HR professionals to manage, execute, analyze, and optimize all of their People practices — and we mean *all*.

Today's HR technology solutions cover all aspects of the HR profession, like recruiting, professional development, payroll, benefits administration, employee recognition, and so much more. By assessing your company's needs and choosing the best solutions for your use cases, you can create the ultimate HR tech stack for your team. Having too many solutions can create an administrative burden on your team and hurt employee adoption rates, while having too few risks not having the breadth and depth of capabilities you need for your People programs to succeed.

While HR tech comes with some upfront costs, it's an investment that will pay for itself. In fact, the *right* solution can save your team hours of work a week and give you valuable insight into your workplace and workforce. The result is that you get to dedicate more time and resources to strategic initiatives that actually drive business results.

Every 1% increase in engagement can lead to an additional 0.6% increase in new business.

As Lattice founder and CEO Jack Altman put it, “The way to have a great business is to have happy, engaged, high-performing employees. A people-centric company believes that people are the center of everything and a key input to its success.”

When your company makes people feel successful, everyone benefits — your employees, your customers, and your business. In fact, studies have shown that every 1% increase in engagement can lead to an additional 0.6% increase in new business. And, according to Gallup data, highly engaged teams are 21% more profitable and 17% more productive than their less-engaged counterparts. They were also 41% less likely to have problems with absenteeism. That's because happy and engaged employees are more innovative, productive, and loyal — all factors that help your business grow and flourish.

Ready to start building your HR tech stack? In this eBook, we'll explore the many different kinds of HR solutions and their benefits, so you can decide what to include when building the optimal HR tech stack for your business.

3 Key Focus Areas of HR Tech

Modern HR teams are typically tasked with managing three key functions: core HR, talent acquisition, and people success. Because each of these areas is so vastly different, most solutions specialize deeply in one area rather than scratching the surface of all three.

But first, what do these functions all mean?

- **Core HR platforms** focus on back-office HR functions like managing employee information, payroll, and benefits.
- **Talent acquisition platforms** help improve the job applicant experience by streamlining interviews and onboarding.
- **People success platforms** handle all other aspects of the employee experience — from an individual’s first day at your company to their last.

Within each of these parent categories exists specialized solutions that can help your business with more specific use cases, like measuring employee engagement and onboarding new hires, for example. While the ideal HR tech stack looks different for every business, choosing at least one solution from each of these categories can help your company build a workforce that is supported, engaged, and productive – without burdening your People team with too many vendors to manage.

The Complete HR Tech Stack

Core Solutions	Talent Acquisition	People Success
<ul style="list-style-type: none">• HRIS & HCM platforms• Payroll solutions• Benefits management software	<ul style="list-style-type: none">• Applicant tracking systems• Interview platforms• Employee referral software	<ul style="list-style-type: none">• Employee recognition software• Performance management solutions• Employee development systems• Engagement solutions• Workplace communication tools• Compensation management platforms

Below, we’ll explore each of these solutions in-depth, explain the major problems they can help your team solve, and share how they can help your business build a high-performing workplace.

1 Core Solutions

Core HR responsibilities refer to the fundamental duties of an HR department: employee information, payroll, and benefits administration. Here are three tools to help with each:

HR	Payroll	Benefits
<ul style="list-style-type: none">• Onboarding• Profile management• Time off management• Custom reporting• Employment verification letters	<ul style="list-style-type: none">• Quarterly and annual tax filing• Integrated timekeeping• Multistate taxation• Electronic paystubs• Form W-2 and 1099 generation• Automated benefits deductions	<ul style="list-style-type: none">• Paperless enrollment• Affordable Care Act (ACA) reporting• Integrated carrier feeds• Support for traditional and voluntary plans

Human Resources Information Systems & Human Capital Management

Human resources information systems (HRIS) and human capital management (HCM) platforms are a set of technologies that maintain and manage employee information, HR policies, and procedures. They're the swiss army knife of HR software, as there isn't much they can't do. In fact, they support a wide variety of people management areas, including:

Managing all of these processes in one system can help your HR team streamline administrative tasks, automate processes, and win back some time in your day. But while the convenience and cost-savings of an all-in-one HRIS and HCM system can be tempting, these solutions often come with poor useability, clunky functionality, disjointed data storage, and poor customer service. For these reasons, many businesses invest in solutions that integrate with their HRIS, like [Lattice and Workday](#), so they can get the best of both worlds.

Payroll

To help eliminate errors and ensure employee wages are paid accurately and on time, many businesses turn to a payroll solution. This type of HR solution can automatically incorporate your business' benefits, employee data, time off, attendance, and leave information into employee paychecks, so you can ensure paycheck deductions are always up to date.

Payroll software can also assist with:

- Quarterly and year-end reporting
- Electronic Form W-4s, 1099s, and W-2s
- Garnishment administration
- Tax calculations and filings
- Timesheets

More importantly, it can also empower employees to self-serve. Employees can use the platform to view past paychecks, change withholdings, track their hours, and even update their personal information.

Benefits

Benefits administration software helps automate open enrollment, employee eligibility, and life events while ensuring employee information is safe and accurate. Employees can view available insurance, retirement, and fringe benefits plans, pick the coverage they need or contributions they want to make, and automatically enroll via the platform. These elections are then sent directly to your HRIS and/or payroll provider to deduct the cost from employee paychecks, as well as to the insurance carriers to verify employees' plan enrollment.

Open enrollment can be a confusing and even frustrating time of year for your employees, but benefits administration software can help make the process straightforward. Online enrollment can walk employees through their options step-by-step so they can make informed decisions for themselves and their dependents in just a few minutes. This solution can also automate life qualifying events for your employees, sending them reminders to update their insurance selections when they first join your company or experience a major life event, so no one misses an opportunity to get the coverage they need.

Balancing administrative functionality with strategic capability?

Learn how to get the best of both worlds in our eBook, [How Workday Pairs With Lattice for Success](#).



2 Talent Acquisition

Every business's most important resource is its people. Here are the solutions your growing business can use to hire the best employees for the job:

Applicant Tracking Systems

An ATS, or applicant tracking system, is a one-stop shop for all of your recruiting needs. If your business is experiencing a period of high growth, it may make sense for your recruiting team to invest in an ATS to help simplify and scale their hiring efforts. From posting job openings to interviewing candidates to making an offer, an ATS can help talent professionals at every stage of the recruitment process. Recruiters can evaluate, archive, advance, and communicate with candidates from one screen, helping them connect with the right candidates faster to accelerate hiring timelines.

Your talent team's key clients are your applicants. It's their job to ensure every applicant has an exceptional candidate experience, whether their journey ends in an offer or not. To help, most applicant tracking systems have robust analytics dashboards, so you can see key metrics around average time to hire, candidate feedback scores, source of hire, diversity information, and more.

Interviewing Platforms

If your company is growing, odds are your recruiting team could use a little extra help. To save them from the never-ending pile of resumes and time-intensive phone screens, your business can invest in an interview platform. Interviewing platforms have job applicants film themselves answering a set of standardized questions and submit the video recording for hiring managers to review. For your applicants, these videos allow them to stand out from other candidates and share more details about their skills, competencies, and experience than what's on their resumes. On the business side, this allows your team to screen applications faster, identify top candidates early in the hiring process, and accelerate hiring timelines.

Referral Software

Finding and hiring quality candidates can be a long, tiring, and costly process. Luckily, your business already has access to one of the best and most cost-effective recruiting resources: your current employees.

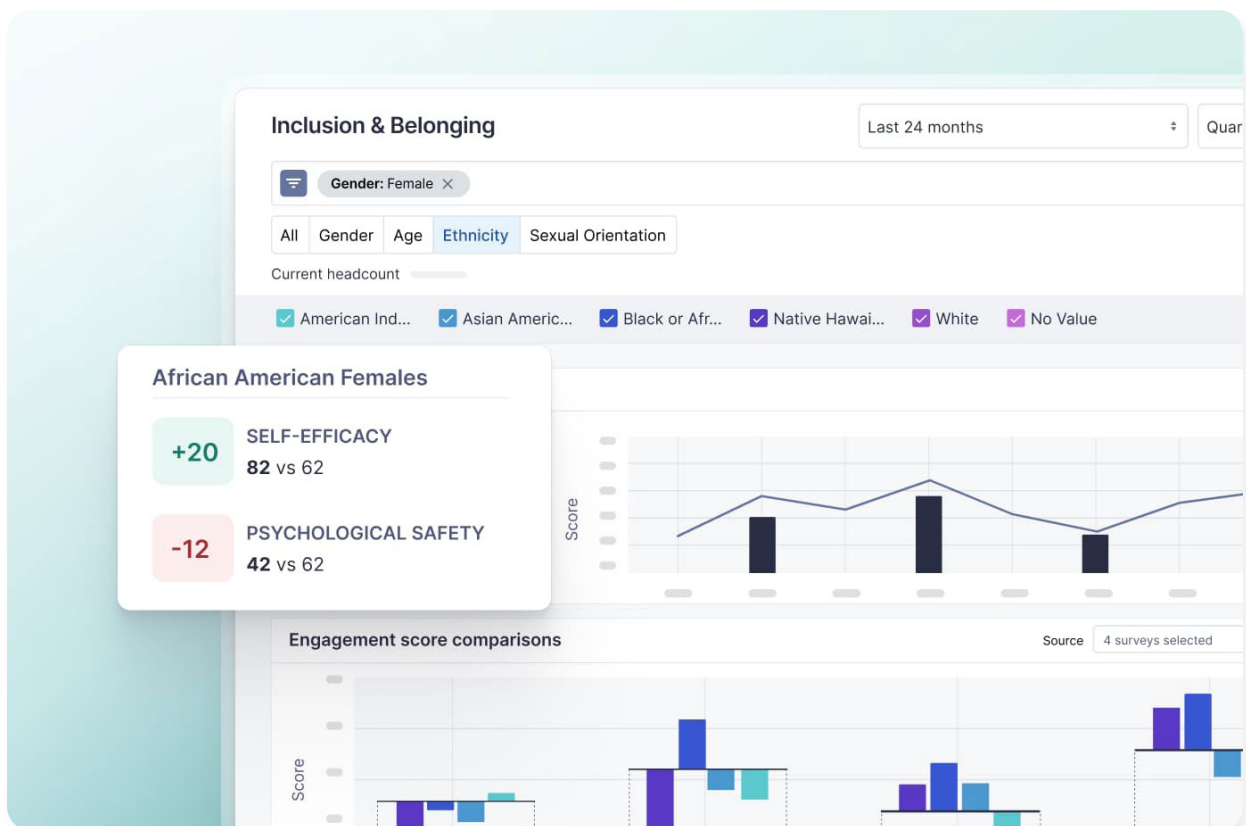
Referral software makes it easy for your current employees to browse open roles, submit a resume and cover letter, and track their application throughout the hiring process — while storing everything in one place for your recruiting team. Your business can also offer monetary incentives to employees who referred successful applicants. This can help motivate more employees to share your open roles with their networks and ensure your talent team has a steady stream of qualified applicants.

3 People Success

The final focus area is People Success, which refers to everything else under the HR umbrella, like employee recognition, performance management, goal-setting, career development, employee engagement, workplace communication, compensation management, and people analytics.

HR Analytics

The goal of HR data collection and analysis is shifting from reporting for headcount and planning purposes to understanding how employees work, communicate, and collaborate best. As more companies strive toward creating an equitable, inclusive work culture, data collection methods have evolved to include employees as active participants.

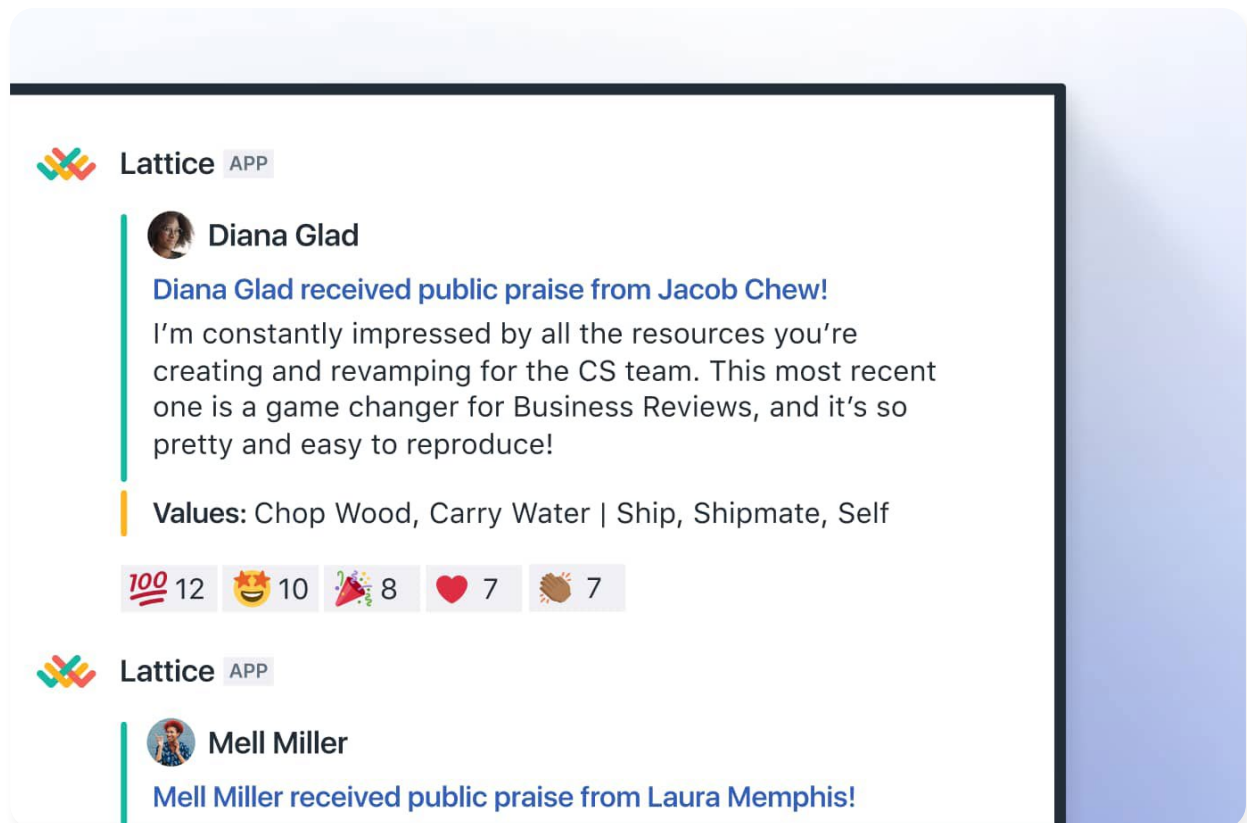


Analytics isn't just about reporting numbers after the fact — real-time monitoring and routine surveys keep a pulse on company progress and provide data-driven, actionable insights to address potential problem areas before they become a real issue. For example, platforms like Lattice offer an in-depth look at [diversity, equity, inclusion, and belonging \(DEIB\) analytics](#) — not just with respect to representation, but also employee engagement within specific demographics.

Rewards and Recognition

Having a way to formally and regularly celebrate individual and team wins does more than reinforce good behavior and [motivate employees to work hard](#), it can even boost productivity and cross-organizational collaboration.

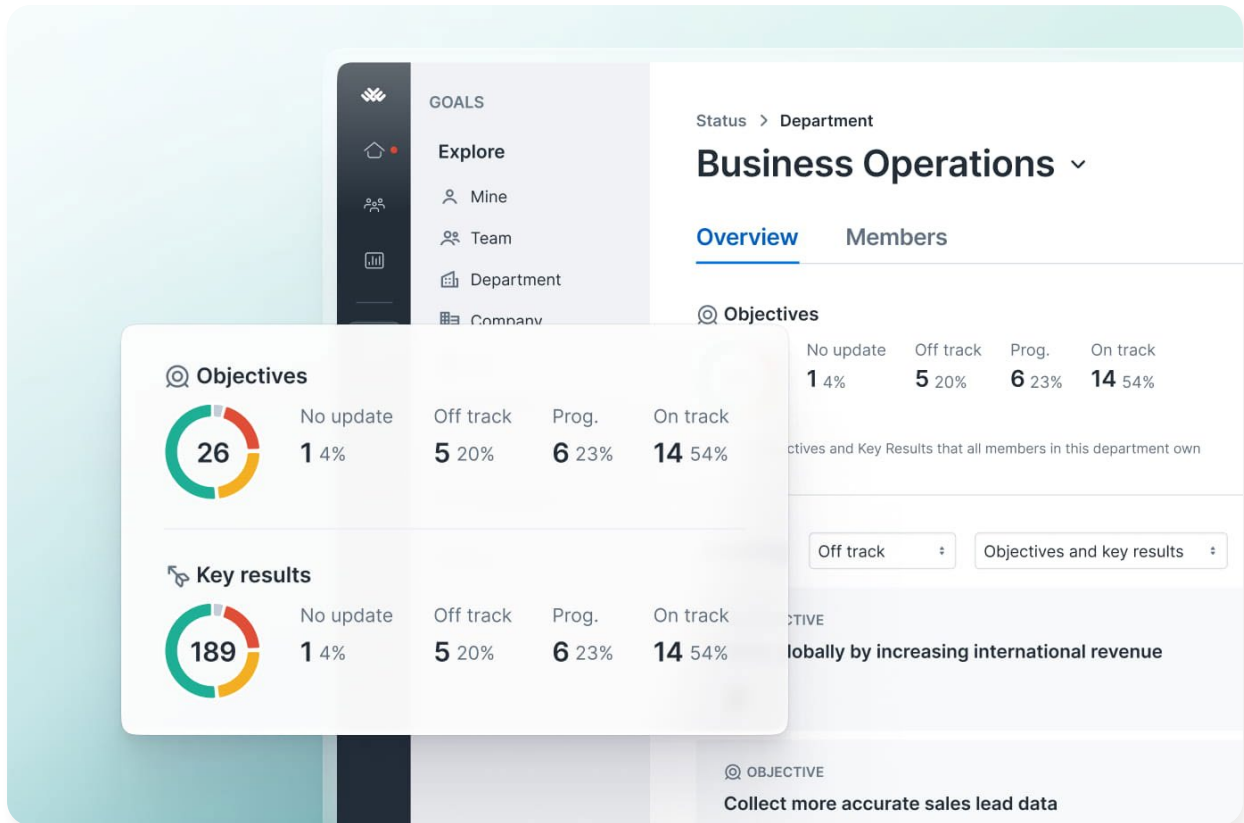
While shoutouts in meetings and one-on-ones are a great way to show employees you appreciate them, the audience and impact of these verbal commendations are often small and short-lived. Instead, implementing an employee recognition tool, like [Lattice Praise](#), empowers employees of all levels to publicly call out their colleagues' and teammates' amazing work.



[Lattice Praise](#) also allows employees to select what company values an individual embodies to help your business visibly reinforce cultural strength and alignment. Many of these solutions even [integrate](#) with Slack and Microsoft Teams to increase the visibility of these recognitions and encourage more individuals to congratulate or commend a colleague.

Performance Management and Goal Setting

Performance management often gets a bad rap for being a time-consuming administrative headache. Fortunately, performance management software helps automate and streamline most review and goal-setting tasks, so your managers and employees can spend less time on paperwork and more time having impactful performance and growth conversations.



If your company still uses ad-hoc spreadsheets and documents to manage performance, it may be time to level up your review processes. With a [performance management solution](#), your employees and managers can easily access everything they need to have purposeful and unbiased review cycles. Employees can search, find, and reference [past reviews](#), [one-on-ones](#), [updates](#), [goals](#), and 360-degree feedback to create more thorough, thoughtful, and fair evaluations.

Career Development

Top-performing employees want more than a job with a paycheck. They want a fulfilling career that pushes them to grow personally and professionally.

While most learning happens through on-the-job training, your business can supplement this education by adopting a learning management system (LMS) or e-learning solution. This allows employees to watch interactive courses and videos to improve a chosen skill at their own pace.

But learning new skills is only half of the development equation. High-performers excel because they are always thinking ahead, and they want to know if they can grow their careers with your business. Developing and sharing career paths gives your best people a concrete view of their growth opportunities within the organization. They can easily see and understand the skills, competencies, and experience they need in order to climb to the next level of their careers.

The screenshot displays a user profile for Laura Memphis, a Software Engineer. The interface is divided into several sections:

- Profile Header:** Includes a profile picture, name (Laura Memphis), title (Software Engineer), and navigation tabs (Overview, 1:1s, Updates).
- GROWTH AREAS:** A section with an 'Add' button containing two items:
 - Technical Ability:** 'Take online courses on Udemey', last updated yesterday.
 - Strategic Alignment:** 'Monitor the success metrics of the next 2 major releases', last updated yesterday.
- CAREER VISION:** A section with an 'Edit' button containing two items:
 - Career goals:** A text area with the content: 'Consider what gives you meaning, what purpose is, and what is best in. This is in no way set in stone but, rather, a way of thinking. Over time, it may remain exactly as you write it here, or it may change.' Below this is a text input: 'I want to go into management and eventually lead my team, supporting and guiding others, and mentorship are skills I want to develop.' Below that is a list: 'In order to achieve this, I want to:' followed by a bulleted list: 'Find a mentor', 'Learn about different leadership styles', 'Identify processes within my current team that can help me grow', 'Attend a leadership conference', and 'Become more involved in the hiring process'. The last updated date is '10 days ago'.
 - Motivations:** A text area.

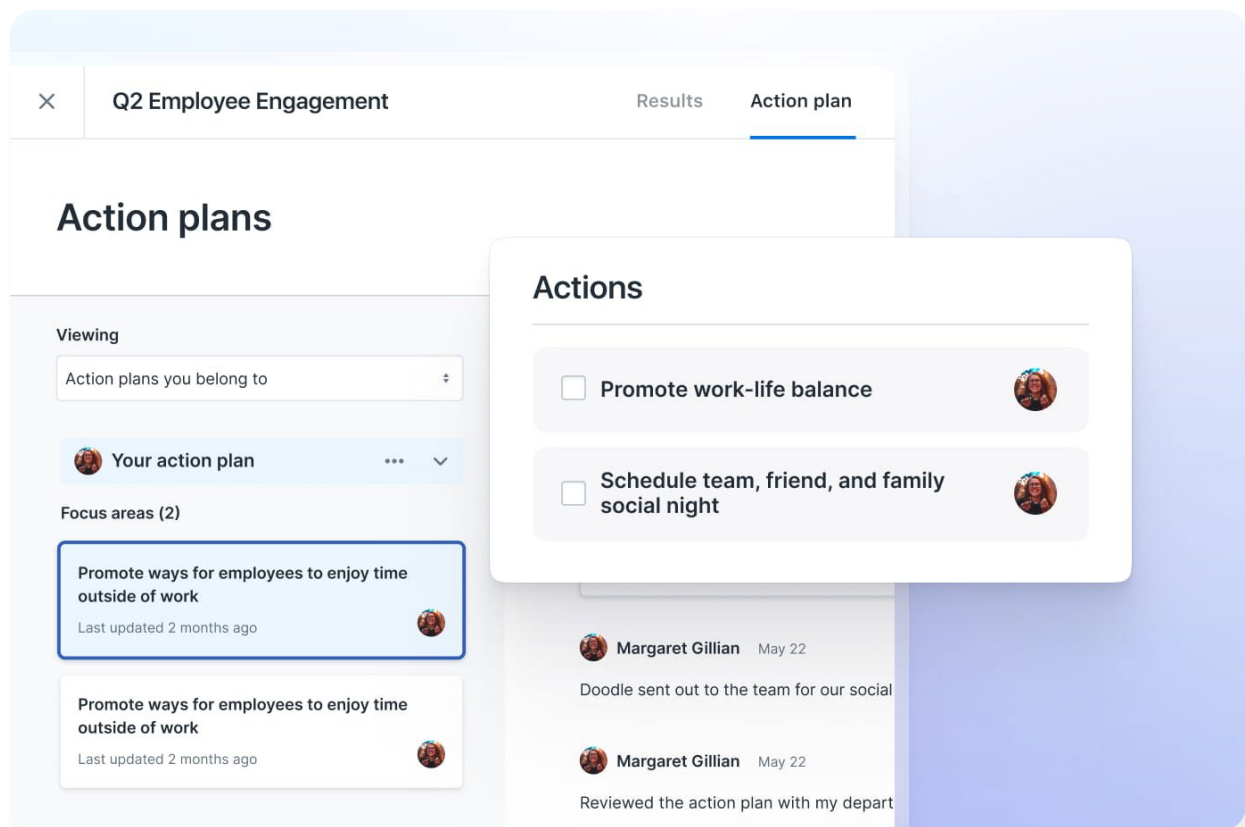
In order for managers to have effective professional development conversations with their direct reports, they need tools like [individual development plans \(IDP\)](#) to define an individual's career goals and the long- and short-term steps they'd need to take to achieve them. These plans can be a powerful motivator, pushing employees to do their best work, learn new skills, and own their career growth — but more often than not, they're created and forgotten.

That's where an [employee development solution](#) can help keep both IDPs and career paths top of mind for your employees, managers, and mentors. Lattice Grow even offers conversation guides and reminders to ensure your managers have ongoing career conversations with their direct reports and share feedback continuously so their employees make adjustments and feel more confident as they grow.

Employee Engagement Surveys

The secret to employee engagement is simpler than you might think. All you have to do is listen.

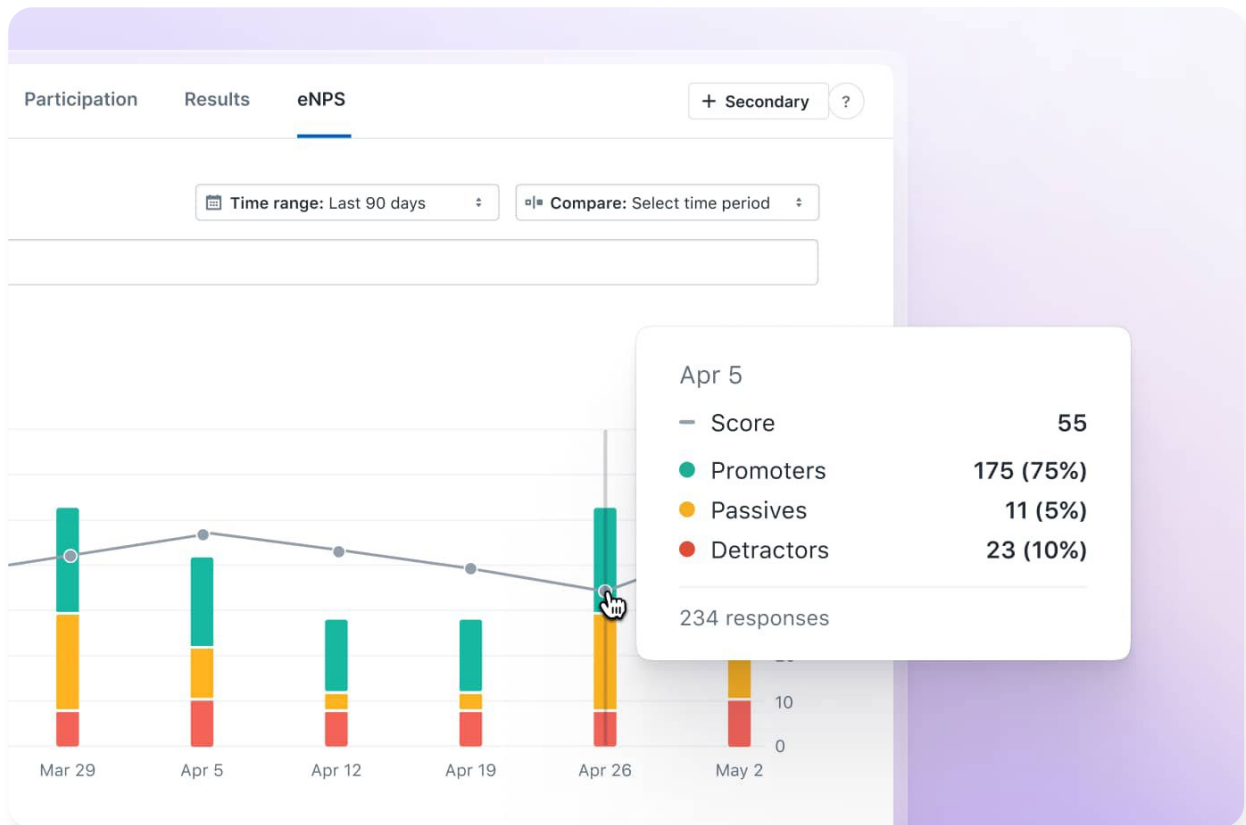
Workplace surveys allow you to hear about engagement directly from the people it affects most: your employees. Their insights and feedback contain everything your business needs to identify problem areas, create and implement an [action plan](#), and track the impact of your efforts. Rinse and repeat, and you're one step closer to building the best workplace possible for your employees.



But, it takes more than one annual engagement survey to perfect your [employee net promoter scores \(eNPS\)](#). There are a number of workforce engagement solutions that can also help you hone in on every aspect of the employee lifecycle:

- [Pulse surveys](#)
- Diversity and inclusion surveys
- [Onboarding and exit surveys](#)
- Crisis Response Surveys

Employee Net Promoter Score (eNPS) Tracker



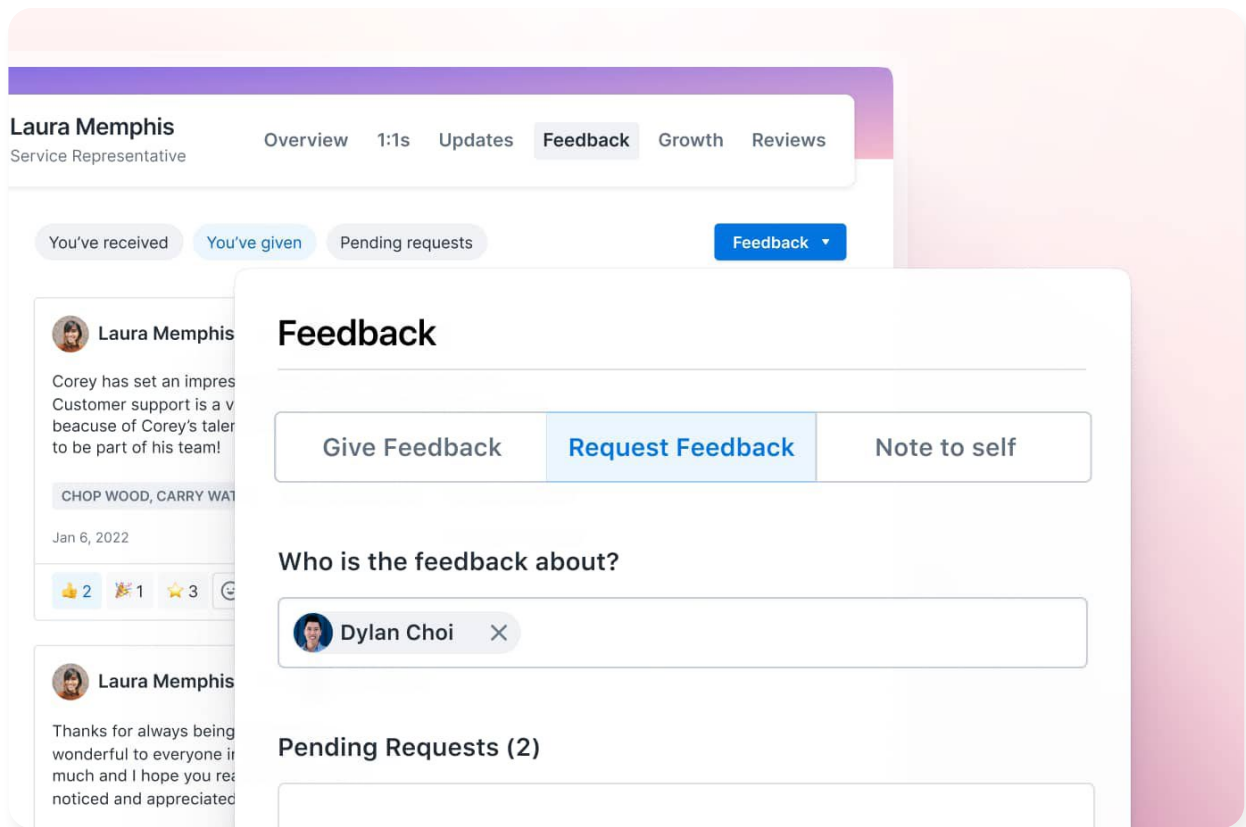
While your business can use one-off surveys to collect these insights, this won't give you the in-depth analysis you need to make real change within your organization. [Engagement solutions](#) give you access to your past survey results to track changes in employee sentiment over time, benchmark data to contextualize your findings, and robust filters to help you drill down into your results. This gives you all the support and resources you need to see where your business is excelling and where it's falling behind, so you can proactively take action to amplify successes and course correct when necessary.

Feedback Tools

Workplace communication is challenging when employees are in the same room, let alone when they're miles and time zones apart. As many businesses continue to embrace remote and hybrid work, there's never been a larger need for effective workplace communications tools.

For some organizations, this might entail finding an internal messaging program like Slack or Microsoft Teams, or even a project management software to keep teams organized and on track to meet project deadlines. While these systems can help, your business can go a step further to streamline communication and collaboration between employees and managers.

Continuous Feedback Tool



[Lattice's Feedback](#), [1:1s](#), and [Updates tools](#) ensure your managers and their employees are always on the same page when it comes to performance, goal progress, roadblocks, career development, and more. By providing a dedicated space for employees to request and share feedback, as well as flag obstacles and keep each other up to date on progress, you're empowering employees to communicate effectively whether they're meeting face-to-face or sharing updates asynchronously.

Compensation Management

Money matters. Not only is compensation key to attracting top performers, it's also important to retaining them.

If you're trying to build a compensation strategy that benefits both your employees and your organization, [compensation management software](#) is the perfect place to start. Effective compensation tools do more than connect performance with pay. They also help:

- Establish salary and pay bands
- Track merit increase budgets
- Share employee salaries securely
- Increase salary transparency

Compensation Management Hub

3 Merit raise guidance

Provide recommenders with raise guidance for each eligible employee by entering a target percent increase on total pay (including variable if applicable) for each performance score.

PERFORMANCE SCORE	EMPLOYEES	TOTAL SALARY	INCREASE (%)	TOTAL GUIDANCE

Projected distribution

• Merit raise guidance	50%	\$50,000.00
• Promotion guidance	40%	\$40,000.00
• Remaining budget	10%	\$10,000.00
Total budget	100%	\$100,000.00

Upload CSV Skip Continue

These tools give managers a full view of their team’s available budget, current pay ranges, performance ratings, and more, so they can make empowered decisions around merit increase recommendations and track employee salaries over time. Not only does this help surface the rationale behind pay decisions to ensure clarity and consistency exist across the entire company, it also boosts trust and retention with your top employees.

Align your best people around business results.

Download our eBook, [How to Reward Top Talent With Pay-for-Performance](#), to learn more.



Choosing Between Platforms and Point Solutions

Whether you're in the market for an engagement survey software or compensation management tool, you'll likely find yourself asking: Should I consolidate to an "all-in-one" suite, or accumulate dedicated solutions to get the job done? While it depends what you're looking for, some HR functions really are better together.

An engaged workforce needs to be cultivated and nurtured through every element of your People Success strategy, from recognition and feedback to career planning and compensation. Rather than operating as separate processes, these elements work best when implemented together. Think of it this way:

When you prioritize career growth, create a healthy culture of feedback, and compensate competitively and fairly for hard work, your employees are more likely to be engaged long-term with their work and with your organization's mission as a whole. Engagement fuels great performance, and performance cultivates retention through committed employees that will strive to do their best for your organization.

This also applies to HR teams, who rely on feedback to understand and predict what motivates and engages employees. But to leverage this relationship on a scalable basis, you need to build regular processes and norms that work in *conjunction* to make an impact.

The right People Success tools equip HR teams with the ability to listen and take action across the entire employee experience. By uniting the different elements of People Success into one holistic system, you can gain vital insight into what motivates your employees to bring their best selves to work on a daily basis. From a software perspective, that means shifting away from a "point solution" mindset and opting for a platform approach that can seamlessly integrate multiple focus areas – from performance management, to development, to compensation, and beyond.

Interested in a 195% return on investment?

Download [The Total Economic Impact of Lattice](#) featuring Forrester to see how our People Success platform can drive \$3.5m in benefits for your business



5 Steps to Building a Cutting-edge HR Tech Stack

Now that you know what an HR tech stack can contain, it's time to build your own collection of solutions that helps put your people first. Every business is different, so your unique needs might require certain solutions over others. Keep these steps in mind as you determine your People needs and shop around for the best HR software for your business:

1 Audit your processes.

Kick off the process by taking an in-depth look at your existing people processes and systems. Ask yourself what's working well and, more importantly, where gaps or bottlenecks are holding your team back. This can help you craft a list of "must haves" and "nice to haves" to guide your search. You'll also want to consider what features and functionality your business will need in the coming months and years if you have plans to scale rapidly, revamp certain processes, or hire specialists on your HR team.

2 Map out the user experience.

Next, you'll want to consider the experience of your two user groups: your HR team and your employees. For your HR team, you'll want to preview the back-end interface of any system you're considering to better understand if the system is easy-to-use and can support your intended use cases. You'll also want to ask about what types of customer support the company offers, so you can ensure a live human can assist you any time of day.

Then, you'll want to look at the experience of an end-user, or employee. The employee experience should be just as important as the admin user experience since you don't want to invest in an expensive tool no one will use. Unfortunately, the bar is high. Many employees expect any technology they use to be beautifully designed and intuitive, which can quickly lead to frustration when this isn't the case.

3 Ask about integrations.

To build a results-driven HR tech stack, you'll want to choose solutions that work together. When your systems integrate, employee data can flow freely between all of the solutions in your tech stack, helping reduce administrative work for your team and ensuring every HR solution you use has the most up-to-date information. For example, if an employee changes their benefits elections after a qualifying life event, your benefits solution can send this change directly to your insurance provider and payroll solution to enroll them in coverage and update their paycheck deductions. When your systems have strong integrations, these connections can save your team time and effort, while reducing human error. That frees up more time for you to focus on the important stuff, like [building a high-performing HR team](#).

When all of your systems “talk,” HR teams can access all of their people data at once, providing a deeper understanding of the end-to-end employee experience. It also empowers more data-driven decisions. During the software evaluation process, be sure to ask vendors if their systems integrate with the existing solutions in your tech stack so you can get the most out of your investment.

4 Seek feedback.

Once you’ve chosen and implemented a new HR technology solution, you’ll want input from those who will be using it every day: employees. While tracking employee adoption rates and platform usage can help you begin to understand whether your employees like or dislike the software, running surveys can give you even more insight into what they really think. This can help you collect both qualitative and quantitative data you can use to optimize how your company uses the software, trains employees on it, and even rolls out new features.

5 Think ahead.

Lastly, it’s important to remind yourself where your business is trying to go in the next few years. HR technology is costly and time-consuming to implement, so you want to make sure you pick a partner that meets your company’s needs today and in the future. After all, you don’t want to have to switch providers year after year.

While some things are unpredictable (like a pandemic), others can be anticipated. For example, if your business is planning to become remote-first, you might need to find new ways to stay connected with dispersed employees. Or, if you plan on opening a new global office, you could need international compliance help. Keep these considerations in mind as you evaluate HR software as you’ll want to choose the solution that can evolve with your business and give you all the tools you need to support your people today and in the future.

HR Technology Requirements Checklist

HR tech buying decisions are high-stakes decisions. The systems you use, for better or worse, influence your people strategy and long-term business success. That's why when you evaluate software, it's important to consider whether it meets your organization's current (and future) needs. Keeping a requirements list makes it easier for you — and everyone else in the buying process — to stay aligned on what you're trying to achieve with your HR tech stack.

	Requirement	Questions to Ask
<input type="checkbox"/>	Compatibility With Existing Systems	Can the potential system sync with your current HRIS, communication platform, email, SSO, etc.?
<input type="checkbox"/>	Reporting Functionality to Show Value	Can the system easily show adoption across modules, and drive long-term habits?
<input type="checkbox"/>	Self-Service Guidance	Can admins roll out programs and encourage tool adoption with pre-created content? (Look for tools like Lattice University , Change Management Hub , and content for all personas.)
<input type="checkbox"/>	Product Velocity and Innovation	Does the vendor innovate new tools for HR admins often and ahead of other peers, and make thoughtful product updates consistently? What have they told you about product feedback so far?
<input type="checkbox"/>	Flexibility to Support Various HR Programs	For example, can the tool support different goal and feedback methodologies? Are they flexible enough to meet your people programs' current and future needs?
<input type="checkbox"/>	Reliable Support and Service	What awards have their customer care team won? What does the CSM relationship look like, from implementation and beyond?
<input type="checkbox"/>	Speed and Ease of Implementation	What do ratings sites like G2 share about the tool's ease of implementation? Does the vendor provide a clear plan?
<input type="checkbox"/>	Broad and Connected Platform	Are features built in-house and do they easily intersect with one another to drive accountability and adoption?
<input type="checkbox"/>	Thought Leadership and Partner Ecosystem	Does the company have an advisory team to help formulate the company's strategic program and offer suggestions throughout the partnership?
<input type="checkbox"/>	Widely Adopted Tooling	What's the reputation of a vendor from the user's perspective, manager's perspective, and admin's perspective?
<input type="checkbox"/>	Trusted because of strong brand reputation	Does the partner have great Glassdoor reviews, notable awards, a positive external brand, and a trusted HR community?

Conclusion

While this guide shares an exhaustive list of the most popular HR software solutions, your business doesn't need each and every one to build a high-performing company. The perfect HR tech stack will look different for every company based on its current and future needs.

Planning to automate your recruiting workflows? An ATS can help. Need to resolve growing skill gaps in your organization? Employee development software may be right for you. Looking to boost employee morale? A recognition solution can help celebrate your wins.

Whatever your pressing HR needs are, just know there's a software solution to help, like Lattice. With performance, goals, engagement, growth, and compensation tools, Lattice is the complete people success platform that helps you put people first. See how our solution complements your overall HR tech stack and [schedule a demo](#) today.

Looking for specific vendors?

Want to learn more about specific vendors?

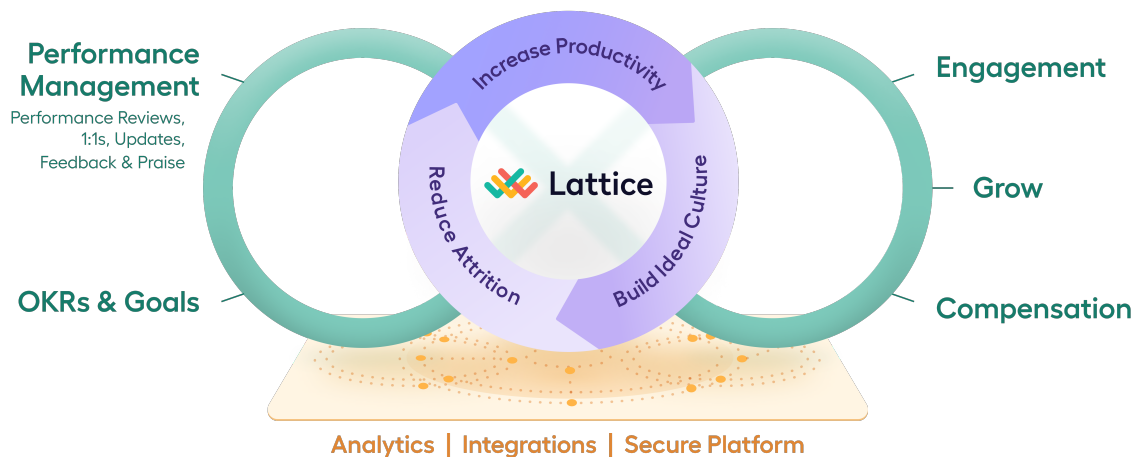
Read our whitepaper,

[Navigating the Employee-First Era of HR Technology.](#)



About Lattice

Lattice is the people success platform that enables HR leaders to develop engaged, high-performing teams. By combining continuous performance management, employee engagement, development, compensation, and growth in one solution, organizations get powerful, real-time analytics that leads to actionable insights turning managers into leaders, employees into high performers, and companies into the best places to work.



The Lattice People Success Platform

Lattice works with companies that aspire to put people first. Whether redefining the beauty industry or building self-driving cars, all of our customers have one thing in common: They value their employees and want to invest in the development and success of their people. To see Lattice's platform in action, [schedule a product tour](#).

Trusted by the best places to work

Discover how Lattice empowers thousands of companies to build award-winning cultures.

[Request a demo](#)

