

Monographic

HR management in the digital world: tools and practices for SMEs and freelancers

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01. ————— 3

Introduction

02. ————— 5

Objectives and benefits of implementing technological tools in HR management

03. ————— 7

Payroll management: Different options and benefits of their use

04. ————— 10

Transforming performance evaluation with digital tools

05. ————— 13

Attracting and retaining talent, especially digital talent

06. ————— 15

Digital talent: Technological tools for employee training and development

07. ————— 18

Success stories

08. ————— 20

Conclusions

09. ————— 21

References

01. ———

Introduction

Human Resources Management (HRM) is defined as the set of administrative activities aimed at coordinating an organization's personnel to achieve its objectives [REF-01]. In today's digital age, HRM faces unprecedented challenges and opportunities. Digital transformation is not just a trend but a necessity for SMEs looking to stay competitive in an ever-changing business environment. Implementing digital technologies in HRM not only improves operational efficiency by automating tasks such as time tracking and payroll but also **enhances the ability to attract, retain, and develop talent.**

According to a survey conducted by **Gartner**, which included over 500 business leaders in the HR area, **56% of them believe that their companies lack the necessary technologies** in the HR department to meet the current and future technological needs of the company. This finding suggests that digitalization in HR management is **a long path that many SMEs still need to travel** [REF-02].

To fully harness their potential and remain competitive, SMEs must have a **clear and straightforward HR** management strategy. It is essential to understand the specific needs of each SME and adapt strategies based on their size, profile, sector, and global competitive reach.

There are tools like **BIZNEO HR** that help measure the level of digitalization in human resources management within an SME. This tool includes a questionnaire covering the most common processes in personnel management. Upon completing the test, results indicate the level of digitalization in this area and provide recommendations and best practices for improvement [REF-03].

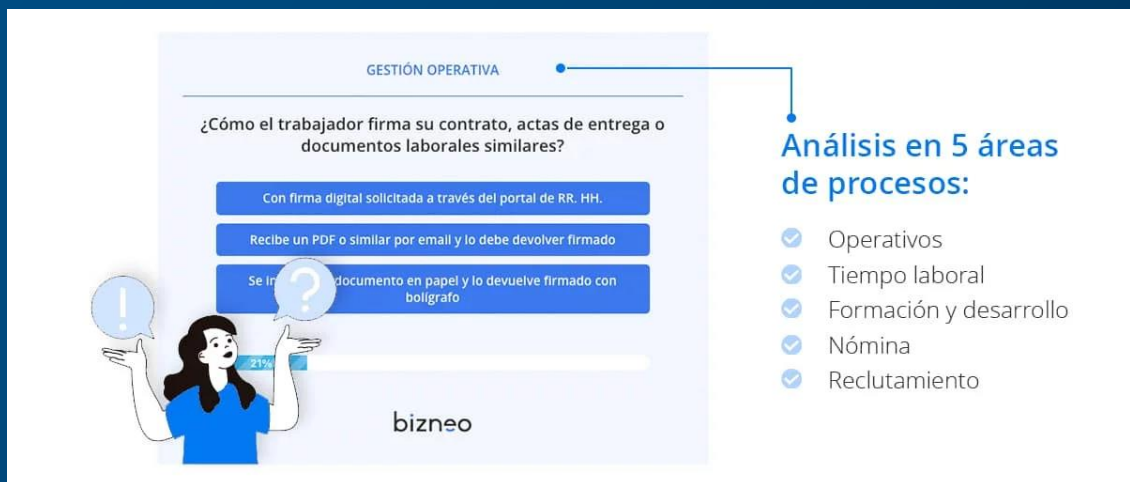


Image 1: Bizneo HR digitalization level questionnaire for HR Management

Source: Bizneo

This monograph will serve as a **practical guide for SMEs**, helping them better understand the digital tools and practices they can use to improve their human resources management. In this way, SMEs will be able to implement more **effective strategies** to optimize processes such as personnel selection, training, and employee performance evaluation, thereby achieving their business objectives **more efficiently and competitively**.

02. ———

Objectives and benefits of implementing technological tools in HR management


The technology applied to human resources management is an opportunity to optimize the resources of an SME and allow HR professionals to **focus** on more innovative aspects that **generate greater value**. The impact of technology extends more and more each time, offering a wide range of benefits in various areas.




Talent acquisition and retention: Technology facilitates attracting and retaining valuable talent in SMEs. Tools like social media tracking systems, such as LinkedIn, and chatbots that maintain active communication with candidates are examples of how technology can support these processes.



Process management efficiency: Technology has simplified and automated numerous HR processes, streamlining everything from hiring to employee training. It also allows for more effective monitoring of performance and attendance..

 **Better Access to Information:** Storing and quickly accessing employee data ensures accuracy and constant updates, while also offering greater security and confidentiality, complying with legal regulations.

 **Increased transparency enhances Engagement:** Digital tools provide employees with easy access to relevant information, such as company policies and benefits, promoting greater transparency and employee engagement.

 **Continuos skill development:** Digital learning platforms offer online training resources, allowing employees to manage their own professional growth.



03. ———

Payroll management: Different options and benefits of their use

Payroll management is the administrative process that involves organizing, calculating, and distributing employee salaries within a company. This process encompasses various tasks such as collecting attendance and work hour data, applying tax deductions and withholdings, calculating benefits and bonuses, and issuing payments to employees.

When managing payroll, an SME can choose between two main options. The first option is to delegate this task to a management firm that handles the entire process. Currently, there are virtual management firms like **Gestorum** [REF-04] or **Qualityconta** [REF-05] that offer considerable benefits to SMEs:



1. **Saving time and resources, and reducing errors:** Delegating tasks such as payroll management and labor administration to virtual management firms allows SMEs to focus on their core activities, improving operational efficiency.



2. **Specialized knowledge:** Digital management firms have experts who stay updated on labor regulations, ensuring that SMEs comply with all legal requirements.



3. **Cost optimization:** These platforms can generate significant long-term savings by optimizing labor costs and ensuring the correct application of benefits and bonuses.

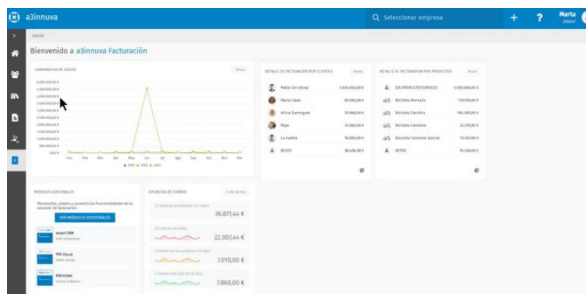
Another option that has emerged thanks to digitalization is the **use of specialized payroll management software**. These programs allow SMEs to handle this task autonomously and efficiently, offering various functionalities that facilitate the process. The following section explores different types of payroll management software, their features, and how they can benefit SMEs.

A3innuva ERP

Developed by Wolters Kluwer, a global leader in integrated solutions and management software, **A3innuva ERP** is an **accounting and payroll program** designed to simplify the management of small businesses. This software allows for automated payroll processing with maximum security, keeping data always available in a secure and updated environment.

Key features of A3innuva ERP include:

- **Automation of processes and labor procedures:** Enables employee affiliations in just three clicks, saving time and reducing errors.
- **Pay for use:** No maintenance fees, with plans that adapt to the size and needs of the company.
- **Security and availability:** Data is always available in a secure and updated environment



This ERP system offers a **free 30-day trial** and subsequently offers various packages starting from **26 euros** per month [REF-06].

Image 2: Interface A3innuva ERP

Source: Wolters Kluwer

Factorial HR

Factorial HR is a human resources tool that facilitates personnel management, payroll administration, time tracking, and performance evaluation among other functions. Factorial is designed to help SMEs manage all aspects of their human resources efficiently and in compliance with current labor legislation. The main features of Factorial HR include::

- **Legal compliance:** Ensures that all operations comply with labor laws and tax regulations, reducing legal risks.
- **Scalability:** Offers flexible plans that adapt to the size of the company and its specific needs.
- **Specialized support:** Provides assistance and advice from HR and labor law experts, helping to optimize personnel management.

Factorial HR offers a **free trial** to evaluate its functionalities and subsequently offers different subscription packages starting from **4 euros per person per month [REF-07]**.

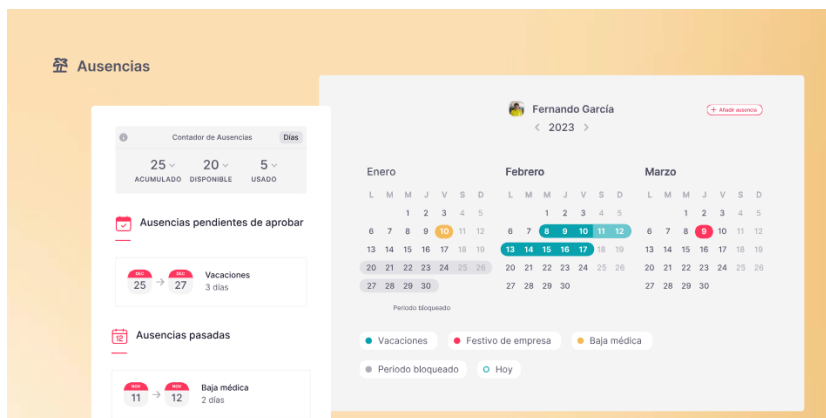


Image 3: Interface Factorial HR

Source: Factorial HR

04. ———

Transforming performance evaluation with digital tools

Performance evaluation software is a very useful tool that allows the definition of roles and objectives to measure the performance of one or several employees. Its purpose is to detect possible skill gaps and make appropriate decisions to correct them.

This type of software is especially useful for SMEs, as it allows the **evaluation of team performance**, identifying training needs, detecting improvement areas, identifying key talent within the organization, extracting conclusions based on human and social capital management, and preparing career plans based on reliable data and specific objectives.

The functions provided by performance evaluation software are aimed at developing human capital, the cornerstone of building the success of a company. Some of the most notable functions include:



Establishing and tracking clear and specific objectives: Enables the definition of measurable, achievable, relevant, and time-bound objectives. For example, a small business might use this type of tool to establish the objective of increasing sales by 10%. The software allows progress to be monitored and performance evaluated against said objective.



Feedback and communication: Use tools such as surveys and forms to gather feedback on completed projects and tasks, ensuring continuous improvement and development.



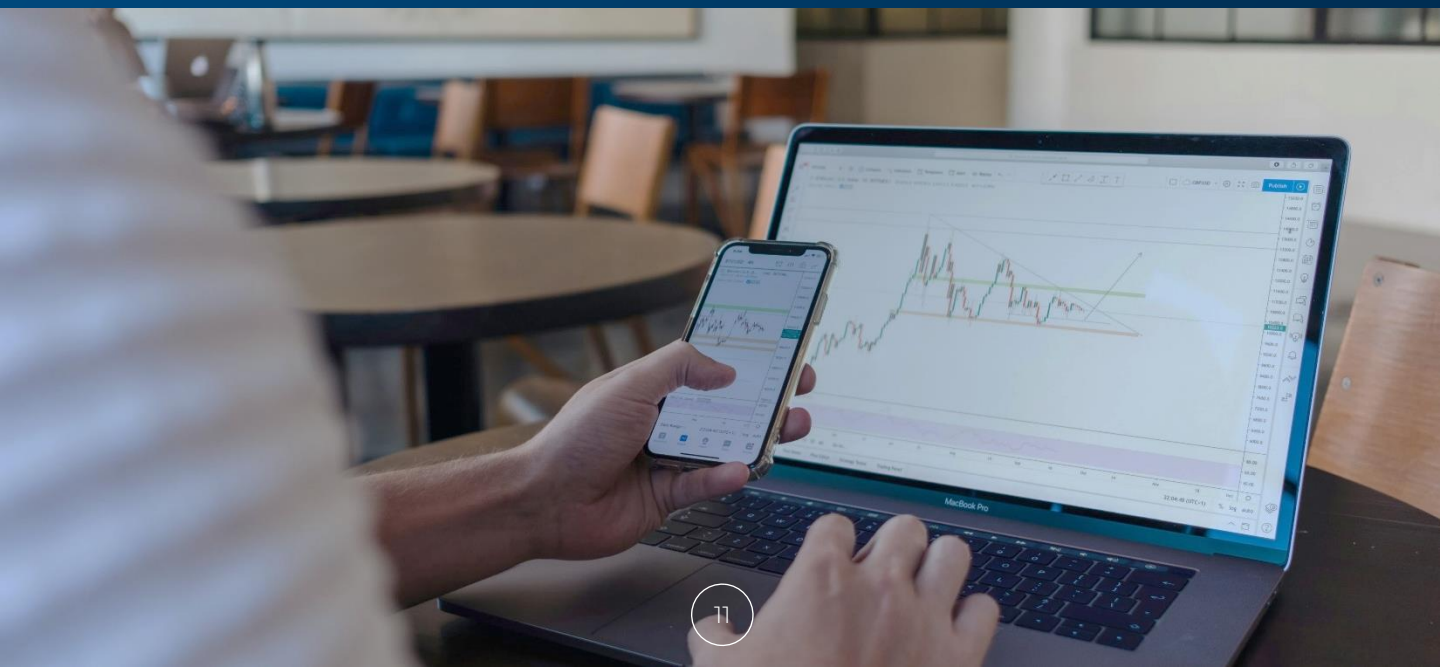
Performance evaluation and rating: Based on predefined and personalized criteria, it facilitates the precise measurement of employee performance. In a service-oriented SME, employees can be evaluated based on customer satisfaction, for example. The software allows these criteria to be customized and scores assigned, enabling individual and team performance to be measured accurately.



Talent management and professional development: Helps create strategic training and development plans after analyzing the strengths and weaknesses of employees. This assists in addressing skill gaps and fostering employee growth.



Analysis and report generation With these tools, monthly reports can be generated to analyze the performance of an SME. These reports can help identify trends and detect potential problems, providing valuable insights for continuous improvement.



There are several solutions on the market that help SMEs effectively evaluate the performance of their employees. Some of these tools are:

Talentia

This performance evaluation software allows HR and SME managers to easily monitor, analyze, and evaluate employees, ensuring that objectives are met and development needs are identified. Talentia also facilitates the creation of detailed and personalized reports that help make informed decisions [REF-08].

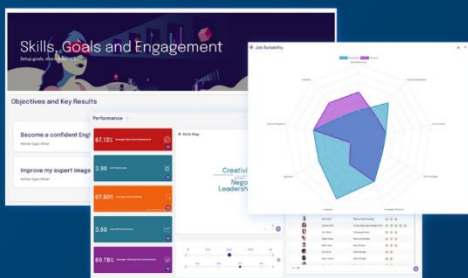


Image 4: Interface Talentia
Source: Talentia

Kenjo

It is a software that conducts performance evaluations to improve employee development and ensure greater professional growth based on data. It offers functionalities such as creating personalized development plans, evaluations, and analytical reports that provide a comprehensive view of each employee's performance and potential [REF-09].



Image 5: Interface Kenjo
Source: Kenjo

05. ———

Attracting and retaining talent, especially digital talent

Attracting and retaining talent is one of the most important tasks faced by HR departments. In a fully digital business environment, the competition for digital talent is fundamental for the competitiveness and sustainability of business models. Therefore, SMEs can use a series of **digital strategies** to address this task:

1. Create an attractive employment web page



- Design a career page that motivates candidates to apply, highlighting the reasons they should join the company.
- Ensure the best possible user experience on the page, focusing on what motivates candidates.

2. Promote the SME on employment channels and networks



- Use platforms such as LinkedIn, X (formerly Twitter), and Instagram, as well as specialized forums, to find and attract candidates.
- Share relevant content and allow detailed segmentation to directly target potential talent.
- Have internal brand ambassadors, where employees share their experiences on social networks and actively participate in the recruitment process.
- Implement a referral program that rewards employees for attracting talent to the organization.



3. Orient the candidate attraction strategy

- Place the candidate at the center of the process, allowing them to manage their data.
- Maintain an active community of candidates with an organized and automated talent pool to avoid point-in-time searches.

4. Use technology to improve the recruitment process



- Implement tools that use artificial intelligence to optimize the recruitment process.
- Preselect candidates, schedule interviews, and provide predictive analyses on the fit of a candidate within the company.
- Automate administrative tasks such as filtering resumes and initial communication to streamline the process.



There is a platform called **Skillate AI [REF-10]**, which is a great help in improving the hiring process. It offers AI-driven recruitment services, enhancing the person-job match and providing better experiences for candidates. Implementing these strategies and technological tools not only facilitates the attraction and retention of digital talent but also improves the efficiency and effectiveness of the human resources management process in SMEs.



06. ———

Digital talent: Technological tools for employee training and development

These digital talent attraction and retention strategies perfectly complement the technological tools available for employee training and development. Online training, in particular, offers multiple benefits for SMEs compared to traditional in-person training models. Some of the most notable advantages are:



Cost reduction: Online courses are usually more economical and do not require additional expenses such as travel or per diems.



Less loss of work hours: Since there are no travel requirements and no fixed schedules, training can be done during less active hours, optimizing work time.



Elimination of geographical barriers: Allows access to training from anywhere in the world, regardless of location.



Minimal technical requirements: Only a computer or a smartphone is needed to access the courses.



Integration of mobile employees: An excellent solution for employees who are frequently on the move or located in different cities, facilitating their participation in training.



Personalization: Technology provides a high level of adaptation to the needs and peculiarities of each student, offering a more effective and personalized learning experience.

When selecting an online training platform or Learning Management System (LMS), it's important to consider several criteria to ensure the tool meets your company's needs. An LMS is a learning management system that allows for the creation, distribution, and management of e-learning courses, facilitating the tracking and assessment of students. There are quality LMS options on the market that offer a free version. Here are some criteria to consider when selecting them:

Accesible platform: Ensure the platform provides an accessible learning environment at any time and place, facilitating the delivery and tracking of e-learning courses and assessments.

Essential course tracking and management functions: The platform should meet the basic functions necessary to efficiently manage and track course progress.

Free versión available: It is essential that the platform offers a free version to allow users to test its functionalities without an initial cost.

Availability in spanish: The website and platform should be available in Spanish to facilitate its use and understanding.



Here are some low-cost LMS platforms:



Canvas is a platform that allows easy integration of technology, tools, content, and services. It is most widely used in educational institutions due to its robustness [REF-11].



Learningstone is a platform that allows an SME to create a free workspace. It also offers scheduled and manual messaging options with individuals or groups taking e-learning courses. The free version includes basic features, but course design personalization is available in the paid version of the app [REF-12].



Moodle, is the most widely used LMS globally. It is an open-source platform that allows users to learn and create learning content to develop skills. Anyone can download its open-source code, although technical knowledge is needed for installation and use. It includes collaboration tools such as forums, wikis, glossaries, and databases. Additionally, users can customize course design and create an app for mobile learning. Moodle allows tracking course progress, creating questionnaires, publishing results and feedback, and creating course catalogs[REF-13]

07. —

Success stories of companies implementing digital tools in HR management

Here are some small and medium-sized enterprises that have successfully implemented digital tools in their HR management:

Company:
Grupo Castilla

Sector:
Consultancy



Grupo Castilla, a company with over 40 years of experience and more than 3,800 clients, traditionally managed payroll manually. They saw the need to digitize this process to improve efficiency and reduce errors.

To address this need, Grupo Castilla developed **Épsilon RH**, a comprehensive digital solution for payroll management. This tool has been implemented across a wide range of clients, covering all kinds of industries and offering global support for companies.

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The implementation of **Épsilon RH** has allowed Grupo Castilla to significantly **minimize errors** in payroll management and improve communication with clients. Additionally, this solution enables efficient and error-free payroll management, adapting to the specific needs of each company [REF-14].

Company:
Novolux Lighting

Sector
Commerce



Novolux Lighting, a company dedicated to the design and supply of lighting fixtures, embarked on a digital transformation to expand internationally..

Novolux initiated a project for awareness and strategic definition through **training**. They started with workshops and training sessions for the management team, fostering a digital and collaborative mindset in defining and prioritizing the digital roadmap. Subsequently, they extended this training to the rest of the staff, implementing training itineraries to cultivate a digital mindset at all levels of the organization.

This initiative has helped Novolux develop a digital culture, facilitating its international expansion and improving internal collaboration [REF-15].



08. ———

Conclusions

Human resource management (HRM) is **highly sensitive** to societal changes, making digitalization a process with unique challenges and opportunities, particularly impacting SMEs. Companies have significantly advanced in digitizing their operational processes, resulting in the management of operational bottlenecks and greater operational efficiency.

When companies automate repetitive and low-value administrative tasks, they **free up time for employees who previously handled these tasks, allowing them to focus on more valuable**, strategic activities.

Digitalization, and even the application of artificial intelligence to HR, should be seen as an opportunity for HR teams to evolve by placing people at the center. It is not only about automating existing processes but also leveraging emerging technologies to completely transform the HR function. Complete digitalization **involves integrating various tools and technological platforms** that cover the entire employee lifecycle, from attraction and selection to development and retention of talent. For SMEs, this can provide a solid foundation upon which to build their competitive advantage and the foundation of a sustainable model.

09. —

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