

Enabling Tech Companies Through Simplified HR: A Practical Guide



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Introduction

The Philippine IT industry has seen remarkable growth in recent years, particularly in the tech and business process management sector.

Data shows that the tech industry plays a significant role in post-pandemic recovery and spurring economic growth. **In 2021**, 98.81% of micro, small, and medium enterprises (MSMEs) and 1.19% of large enterprises comprised the **local tech sector**. When put together, they are expected to generate **\$1.75 billion in revenue this 2023**. Digital services account for the most revenue, contributing 79.6% in 2021.

Filipinos rely on digital services more than ever, using an average of **eight tech solutions** during the pandemic, up from three during the pre-pandemic years. Tech startups are behind the rise of some of these apps and platforms.

Our ebook explores the crucial role of HR leaders in driving a growing tech company's digital transformation and streamlining HR operations. In turn, this helps businesses navigate the rapidly evolving landscape.



What are the Benefits of Digital Transformation for Growing Tech Companies?

Digital transformation involves digitizing a company's processes to improve efficiency and enhance the way they do business. For growing tech companies, adopting technology can have a significant impact on both growth and revenue streams.

Here are some benefits of embracing digitalization:

- **Streamlined processes:** Technology can help growing tech companies streamline processes, reduce manual tasks, and save time. Companies can focus on improving productivity and efficiency by automating processes such as timekeeping and payroll.
- **Consistent, reliable service:** Without digitalization initiatives, companies could compromise the quality of their services and potentially harm their reputation. By automating manual processes, they can reduce human error and improve customer service.
- **Competitive advantage:** In today's digital world, companies that stick to manual HR processes risk lagging behind. Time-consuming HR work, such as employee file management and payroll discrepancies, can lead to employee disengagement and high turnover. By embracing digital transformation, startups can gain a competitive advantage and **win the war for talent.**

New Technologies & Their Impact on the Local Digital Economy

The Philippines is ramping up efforts to improve digital transformation, especially **during the pandemic**. President Ferdinand Marcos intends to build on the previous administration's digital transformation program. This includes the following:

- Developing software to improve business processes
- Establishing a cloud data center
- Providing cybersecurity solutions to ensure data privacy and protection, and
- Converting local government units into "smart cities"

One clear example of this tech upswing is in the city-wide vaccination programs, contact tracing initiatives, and distribution of financial assistance during the pandemic. But even before COVID-19, natural disasters like Typhoon Odette in 2021 and the eruption of the Taal Volcano in 2020 highlighted the role of tech in disaster response and resilience management.

These initiatives have set a high bar for storing, safeguarding, and using data, and the pandemic has only made it more urgent for the government to adopt tech solutions.

Here are just a few ways the Philippines is moving towards a tech-driven future:

The Internet of Things (IoT)

The internet of things (IoT) connects different devices to the internet, which, in turn, connects to our daily lives. IoT is the network of physical objects or “things” with embedded sensors and software that make connecting, storing, and exchanging data on the internet easier.

Despite the importance of IoT, internet services in the Philippines are slow, costly, and inaccessible. The government aims to address these issues through its **National Broadband Plan** to bring digital services to urban and remote areas. Free Wi-Fi access in public places has also been introduced to support this goal.

Meanwhile, the IT sector has adopted IoT to navigate the post-pandemic landscape, which has enabled the swift rollout of 5G in the Philippines. This allows digital networks to offer new applications more efficiently, improving efficiency and productivity for businesses.

The government can also use IoT to enhance public services, such as traffic management, waste disposal, and energy consumption. The increasing adoption of IoT in the Philippines is a significant step towards a more connected and digitalized society.

Artificial Intelligence

Artificial intelligence (AI) is gaining momentum as it has become a key driver of digital transformation in the Philippines. The Department of Trade and Industry (DTI) has developed a **roadmap** to establish the country as an AI hub, with plans to set up the National Center for AI Research (NCAIR) to **promote AI research** and nurture local AI talent. This initiative aims to create a platform for collaboration among government agencies, businesses, and academic institutions.

In the healthcare sector, AI has made significant contributions to the development of AIDA, an **AI powered chatbot**, that helps patients determine whether they require urgent care. The banking industry has also embraced AI to **personalize its services and products** to address customer needs better.

Businesses need to embrace AI to remain competitive in the digital age. With the government's support and local business initiatives, the Philippines is well-positioned to lead the way in AI development and innovation.



Robotics

During the pandemic, robotics played a crucial role in delivering essential services to the public in the Philippines. These include:

- **Automated robot alcohol dispensers** that help promote contactless sanitation and hygiene
- **A Robo-nurse** that provides remote health monitoring, medication reminders, and medical consultations, especially for elderly and vulnerable patients
- The three-level **Logistic Indoor Service Assistant Telepresence (LISA)** robot that communicates with patients remotely, allowing medical professionals to provide essential medical care and support

These improvements have revolutionized the healthcare industry, providing a safer environment for patients and medical professionals. To promote robotics research and development, the country has established a **robotic automation laboratory** for the metals and engineering industries, offering state-of-the-art tools and advanced technologies.

The increased adoption of robotics presents significant opportunities for businesses to reduce costs, improve productivity, and keep up with the fast-changing world of technology.



HR Challenges for Growing Tech Companies: Overcoming Pain Points

Handling HR's multiple areas is a constant challenge for growing tech companies. Let's go through some HR pain points that these companies face today.

Talent Acquisition & Retention

Growing tech companies face significant challenges in hiring and retaining talent, as **91% of employers** reported struggling to find suitable candidates in 2022.

To attract and retain employees, companies prioritize offering more flexibility, benefits, and opportunities for professional growth. However, 24% of job seekers have doubts about employers' promises.

Work-life integration and meaningful roles are critical factors affecting retention rates. According to McKinsey, inflexible workplaces (26%) and a lack of purpose-driven work (31%) are the **top reasons for employee resignations**.

Managing Flexible Work Arrangements

The pandemic prompted many growing tech companies to adopt remote and hybrid work setups. However, **flexible work arrangements** present challenges, such as aligning programs with workforce needs and ensuring employee and **data security**.

To overcome these challenges, growing tech companies should invest in remote work technology, establish clear policies, and foster open communication. Additionally, they should prioritize employee well-being and recognize that flexible work arrangements require ongoing support. By addressing these challenges, tech startups can promote employee satisfaction and gain a competitive edge.

Improving Employee Engagement

Creating a great workplace that fosters **employee engagement** is crucial for the success of any growing tech company. In particular, HR policies that promote trust between team members and employers can facilitate open communication and feedback. Offering **ongoing upskilling opportunities** can also demonstrate a commitment to employee growth.

Ignoring these aspects can lead to an unhealthy work environment and high turnover rates. By investing in employee engagement, growing tech companies can **attract and retain top talent**, drive innovation and growth, and achieve long-term success.

Navigating Labor Laws & Regulations

Growing tech companies must prioritize **compliance with labor laws and regulations** to avoid potential risks. Many growing tech companies need to pay more attention to this and craft the right policies so employees know the necessary rules.

Implementing an HR policy can help startups follow current regulations and avoid legal penalties or reputational damage. Compliance with labor laws and practices can help companies avoid fines, closures, and loss of customer trust. Stay up-to-date with labor laws and check out our FAQs [here](#).

Offering Competitive Compensation & Benefits

Attracting and retaining top talent has become more challenging for growing tech companies because of the **Great Resignation**. Offering inadequate pay, for example, can drive away skilled employees, which calls for the right balance in choosing the appropriate pay and benefits scheme.

Growing tech companies must find the sweet spot between compensation and benefits that attracts the right talent and aligns with the company's financial goals. A comprehensive benefits package can also be a differentiator for startups, such as offering flexible work schedules or additional paid time off.



Utilizing the Sprout Ecosystem for HR Management

As a growing tech company, juggling various HR functions can be overwhelming. Using multiple tools can result in fragmented processes and lost time. The Sprout Ecosystem offers a solution to this problem by providing a cloud-based, end-to-end HR platform.

The ecosystem integrates HR functions, such as timekeeping, payroll, and learning management, into a single, streamlined system. It keeps all HR processes in sync, saving companies valuable time while reducing errors. The platform also offers data analytics and reporting features, providing insights to help companies make data-driven HR decisions.

With the Sprout Ecosystem, growing tech companies can efficiently manage critical HR functions so they can focus on growing their business and building a strong team culture.

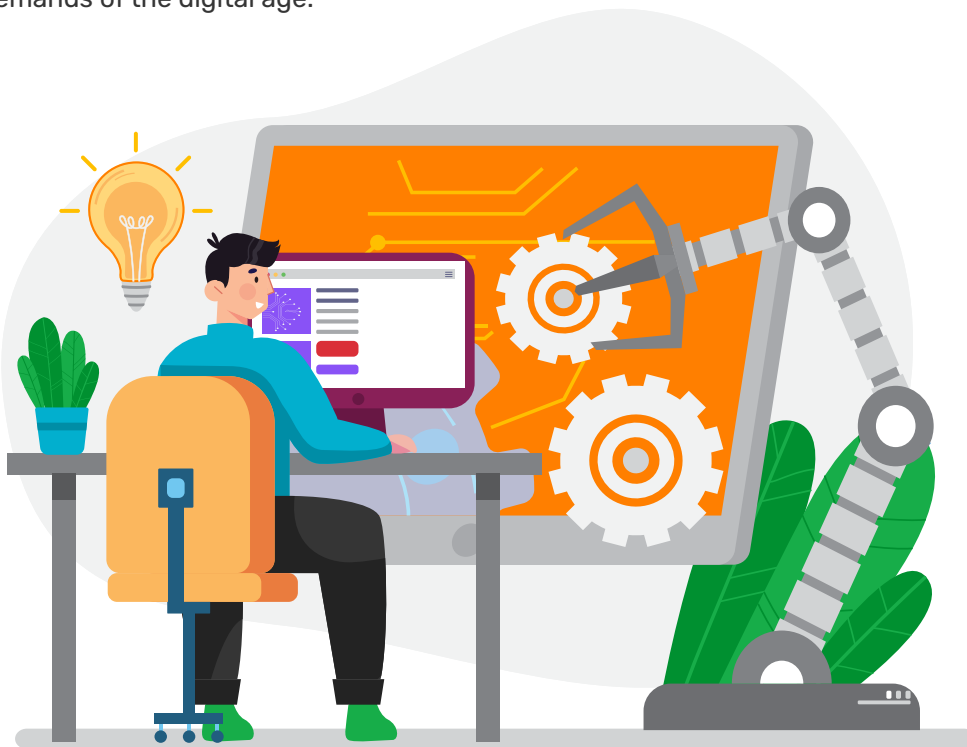
HR CHALLENGE	SPROUT'S ANSWER	BENEFITS/FEATURES
Hiring and onboarding	Recruitment (Powered by Manatal)	<ul style="list-style-type: none"> Utilize Manatal's extensive database to find the perfect candidate. Automate the hiring process and save time on manual tasks. A fully automated onboarding module to give new hires the best experience.
Flexible work arrangements	HR + Mobile	Perform administrative tasks anywhere and on any device.
Employee engagement	Pulse & Insight	<ul style="list-style-type: none"> Collect employee feedback through Pulse surveys and get insights into how they feel about the workplace. Use data-driven insights to make informed decisions about employee management.
Compliance with labor and employment laws	Professional Services	Create, enforce, and strengthen HR policies with outsourced expertise.
Competitive compensation schemes	BenchMark	<ul style="list-style-type: none"> Compare your compensation schemes with industry standards and make informed decisions. Ensure your employees are compensated fairly and competitively. Get recommendations on how to change compensation schemes to attract and retain top talent.

Key Takeaways

The COVID-19 pandemic accelerated the adoption of digital solutions in the Philippines. This has prompted startups to explore innovative technologies to help them stay ahead of the competition.

But digital transformation is not just about technology. It's about improving how startups operate, collaborate, and serve customers. It's a mindset that values agility, innovation, and resilience.

As startups navigate the challenges and opportunities brought by digital transformation, it's crucial to have the right tools and strategies. This includes modern HR solutions that can simplify HR processes, promote employee engagement, ensure compliance, and attract and retain top talent. By staying focused on what businesses, employees, and customers need, they can learn and adapt to the demands of the digital age.



About Sprout Solutions

Sprout Solutions is the biggest B2B SaaS company and HR tech leader in the Philippines. Its cloud-based HR platform provides end-to-end solutions that help businesses automate and improve their entire HR cycle, from recruitment and onboarding to performance management and benefits administration.

Through process optimization and automation, Sprout Solutions helps businesses save time, reduce costs, and gain data-driven insights that empower employees and drive business growth.

Jumpstart your journey to digital transformation. [Book a demo today.](#)