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An Opportunity for Change

10 Recommendations
for Advancing Your
HR Technology Strategy

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April 2009

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Executive Summary

Today's uncertain economic environment is forcing many companies into drastic measures, including major workforce reductions, business closures, and elimination of other corporate resources. Yet business leaders are still being called upon to deliver more with less. As a result, they are turning to HR for guidance on how to effectively retain and deploy their talent in alignment with organizational goals.

Not only does this present an opportunity for HR leaders to play a more proactive role in business strategy, it also calls for change and creativity in how they address overall talent management. With shrinking budgets and limited investment in new technology, HR must consider whether legacy systems and processes are optimized to create additional value for their organizations while making “smart” investments in new, strategic technologies—ultimately helping ensure that organizations are well-positioned to emerge as employers of choice from the recession.

This report outlines 10 recommendations for companies to advance their HR technology strategy. From conducting a global systems inventory and redeploying software to recalibrating talent strategies and targeting critical roles to focusing on end-user experience and tapping social collaboration, Knowledge Infusion offers easy-to-implement recommendations to help organizations survive today's economy and position themselves for long-term success.

HR leaders must play a more proactive role in business strategy.

Introduction

There is a significant opportunity to create change across HR operations to accomplish talent management objectives.

Without question, today's economy presents one of the most challenging business environments in recent history. While operating under current conditions certainly poses significant challenges, it also breeds new opportunities for organizations to evaluate their current state and identify ways to improve their business processes.

For HR organizations, specifically, the economic downturn has resulted in reduced budgets, increased burden and stress, and fewer resources. This is no surprise, as HR is often an area organizations scale down during tough times. Look across any industry and you'll see organizations cutting a percentage of their workforce, reducing their HR technology budget, or eliminating training and developing programs, for example. This is a normal reaction by many organizations.

HR leaders can help themselves by taking a more proactive approach in addressing today's business problems. There's a significant opportunity to create change across HR operations to accomplish talent management objectives in a way that not only keeps costs down, but also generates better business results. It starts with optimizing existing HR and talent management technology—that is, the systems you already have in place but are not leveraging to their full capacity—while identifying high-impact areas of opportunity for new technology investment.

While past business strategy emphasized developing longer-term (e.g. three- or five-year) plans, organizations have more immediate needs they must address, particularly as it relates to their people and talent management requirements. Fortunately there are several ways HR leaders can create positive change—and thus, deliver more with less—by reviewing their existing processes and technology to help the business through these challenging times.

10 Recommendations for Advancing Your HR Technology Strategy

Organizations can follow 10 key steps to easily and cost-effectively progress their current HR technology, in lieu of isolated IT investment and expense. By applying these recommendations, HR leaders can help create additional value for the organization without incurring significant cost—a must in today's challenging business environment.

1. Take a Complete Systems Inventory

Every organization has technology that has been purchased and used or deployed in a limited capacity. From large global corporations that can't account for which systems are actually being used in each country, region, or business unit, to small- and medium-sized businesses that simply don't understand the full capability of various systems in place, there undoubtedly is an opportunity to further tap into these existing investments to deliver new and better HR and talent management functionality across the organization.

This requires a complete inventory of systems. Organizations must look into every corner of the business—each country, region, division, department, etc.—to know which IT systems and infrastructure are in place. In doing so, organizations will identify new opportunities to a) leverage capabilities that you have already paid for and are currently not using, and b) eliminate or integrate disparate systems spread across the organization to create a more unified, seamless user experience. One example often overlooked is tapping into existing business intelligence capabilities, already resident within many organizations, to facilitate workforce planning, reporting, and analytics.

One of the most effective ways to perform such an inventory, particularly for large organizations, is to conduct a survey whereby each location, division, etc. answers the following questions for every system they own:

- Which system do you own?
- When is it due for upgrade?
- What was the initial investment spent?
- What is the year-over-year maintenance cost?
- What is the average usage of the system? Users? Frequency? Functionality?

With this complete inventory of systems, you have a clearer picture of what's being used—and what's not—across the business. You then can begin to work with individual vendors to better understand the current product set and functionality available to the organization and seek help on how to implement and/or optimize these capabilities for increased results. Lastly, you may seek to renegotiate contracts or maintenance fees where value is going undelivered.

Organizations must look into every corner of the business to know which IT systems and infrastructure are in place.

Merely automating processes does not result in strategic talent management.

2. Transform and Optimize Current Business Processes

Most organizations stand to reap significantly greater value from their existing systems by transforming current business processes. By rethinking current-state processes and seeking to transform them in a way that is focused on meeting key business objectives and integrated with talent strategies, organizations can deliver real value to the business through existing, more strategic technology investments.

Too often, organizations deploy HR systems in an attempt to merely improve efficiency, rather than truly *transform* business processes to achieve optimal outcomes. Merely automating processes does not result in strategic talent management; it's simply doing the same thing in a different manner.

For example, there is limited competitive advantage gained by simply automating an annual, backward looking performance management process. On the other hand, transforming the review process to establish and track quarterly goals or promote better and more frequent coaching and feedback, for example, helps you manage *forward*, and ultimately, change behaviors and drive business results.

Talent acquisition represents an area ripe for technology enablement and optimization. In a normal economy with an average number of candidates, your existing process may be acceptable. However, today's environment, with a much higher volume of candidates, requires greater efficiency. Organizations have a unique opportunity in the midst of great change to transform their talent acquisition process, among others, to eliminate waste, streamline operations, and keep pace with the increased candidate activity.

In short, transformation is about rethinking business processes in conjunction with technology to achieve the desired business results. To that end, all of your processes should attempt to maximize systems and ensure processes are truly integrated at each stage of the recruitment process. If you are looking at investing in new technology, avoid a path that would require heavy customization, and look for highly flexible solutions that can adapt as your business needs change.

3. Eliminate, Automate, and Standardize

Without question, the proliferation of various HR and talent management applications over the past decade has brought tremendous value to companies of all shapes and sizes, across all industries. At the same time, however, it has created a “spaghetti soup” of systems within many organizations, particularly those who have failed to integrate and manage disparate systems as they’ve been implemented.

As a result, these organizations are saddled with redundant systems and a lack of standardization across geographies and business units. For example, it’s not uncommon to see organizations with a core HR system, a separate time and attendance application, and a suite of other talent management technologies—with little to no integration. Therefore, there’s an opportunity to *eliminate* or consolidate talent processes onto a few core platforms, versus the multiple (4 or 5, sometimes 6 or 7) niche, heavily customized systems. In doing so, organizations can lower their total cost of ownership, improve users’ experience, and better leverage integrated talent management capabilities.

Also, even though HR technology has been around for decades and implemented by companies to various degrees, there is still significant opportunity to *automate* manual processes in many organizations. Some still use paper-based time cards and vacation requests, for example, which can easily be automated to streamline workflow and improve efficiency. Performance reviews and succession plans created via Microsoft Office applications and stored in binders or other paper-based systems represent another area for optimization. Automating various manual HR tasks not only increases efficiency and improves scalability (e.g., reusable data), but also helps contain costs and reduce staff time spent on administration.

Finally, organizations must look closely at standardizing as many processes across the organizations as possible. Define the parameters, how work should be done, communicate that to each location and business unit, and enforce compliance with such standardization. Too often, the same work—performance reviews, for example—is processed differently in various parts of the organization. With a lack of standardized processes, organizations struggle to report on and manage talent as a single enterprise asset.

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Organizations that balance immediate needs with future strategy stand the best chance to both survive the near-term challenges and thrive when things get better.

4. Recalibrate Talent Strategies

Talent management has been one of the hottest topics among business executives over the past few years. Many companies have spent considerable time, effort, and money creating and implementing talent strategies to support both near- and long-term business objectives. Macroeconomic market conditions are forcing organizations to reassess their strategies against today's rapidly changing business environment. What made sense six to twelve months ago—or even three months ago, for that matter—requires a new outlook.

Organizations are highly encouraged to continuously rethink their talent strategies and, specifically, what can be done differently to best attract, retain, and manage their workforce against current conditions. This is critical not only for the short-term but, perhaps even more important, for the long-term. Decisions made today will undoubtedly affect tomorrow. Those that balance immediate needs with future strategy stand the best chance to both survive the near-term challenges *and* thrive when things get better.

Timing is perfect to hit the talent “reset” button. Organizations have a great opportunity to aggressively recruit talent previously either unavailable or unwilling to leave their employer. Companies should be upgrading their talent now and building strategies to develop talent pipelines, combining both internal and external talent. In addition, companies should deploy strategies that develop existing internal talent and enable them to accelerate the mobilization of current talent “assets.”

A core component of a workforce strategy today is talent planning—matching supply with demand. What roles and capabilities are required for your organization to meet its current and future goals? Who in your organization possesses those skills and capabilities regardless of position? How can you retain, develop, motivate, and mobilize that talent to ensure your supply and demand is optimized? Do you need more “utility players” that can fill multiple roles?

Nearly every organization has an opportunity to rethink how work gets done, be it through redeployment, outsourcing, contingent staff, flexible scheduling, cross-functional project teams, etc. Each of these requires both a shift in process and technology to enable success. You might also look to refocus your current recruiting to internal talent management and mobility. Finally, leverage existing talent profiling capabilities within your talent management technology suite to collect employee data to help drive critical workforce realignment decisions.

5. Prioritize Critical Talent Segments

With greater scrutiny over resource allocation in every organization—and hence, less budget available—it's imperative for HR leaders to gain as much clarity as possible on business objectives in order to accurately prioritize the critical talent requirements to support those objectives.

In today's economy, not all roles are created equal. Nor should they be treated as such. Organizations no longer have the money to support all roles to the same degree. Therefore it is imperative to identify and prioritize the critical roles needed to survive today's economy—while positioning the organization for future success—and direct resources accordingly.

Once you've prioritized your critical roles, it's important to “nurture” them and ensure programs are in place to retain them. For example, if your learning and development budget is being slashed, be sure it doesn't adversely affect your critical roles. There is ample opportunity to get creative in your retention strategies, specifically in how you compensate your critical roles. While your organization may no longer award merit increases across the board, you may consider other incentives for top performers in critical roles or critical role “feeder pools.” Additionally, companies should be prioritizing development of their critical existing employee base to close any gaps in skills and competencies and ensure they're well positioned to deliver against short- and long-term business initiatives.

In defining and prioritizing your critical talent segments, look closely at those individuals who have the greatest impact to drive business success. Many organizations view critical talent primarily as leadership roles. However, depending on the industry, there are many other non-leadership positions that are equally critical to moving the business forward. Take a media company, for example, where digital media software engineers are a necessity. Or a financial services firm, where loan officers are essential to executing business goals. Look to your business leaders to help define your critical roles based on their business goals, strategies, and initiatives.

Lastly, audit your “bench strength.” Analyzing bench strength for critical roles and investing in succession planning now will ensure companies are positioned to emerge stronger from this downturn and aren't caught by surprise when critical roles are vacated.

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6. Enhance the User Experience

There's been a shift in recent years to focus HR technology more on the end user, versus the HR user. In the past, many applications were built to help HR staff and managers do their jobs faster and better—for example, automating payroll and benefits enrollment.

While these transactional processes have created efficiency for the HR function, they have not necessarily driven top-line results. To that end, an increased number of talent management applications have emerged with the promise of delivering greater value to the individual employees in an attempt to align productivity with engagement.

In many organizations, the HR technology footprint has become fragmented, misaligned, and disintegrated. Not only are users faced with a myriad of different systems and platforms to navigate, they often lack content and data within the technology required to do their jobs. With the growing number of applications, interfaces, and other IT tools available to users, it's imperative that organizations evaluate the most effective experience that can impact and engage users.

For those organizations that have implemented employee portals, be sure that all HR applications and content are presented in a way that makes sense to the employee and manager, not the HR user. Focus on the end-user needs by ensuring that any employee or manager self-service transaction is wrapped in an online environment that offers knowledge, content, and analytics, in addition to the transaction (KCAT). With such an approach the user experience becomes more of a “direct access” experience than a “self-service” transaction which is often viewed as a negative. Use “push/pull” technologies, including portals, dashboards, and RSS feeds to deliver information to the right person, at the right time, for the right purpose.

By creating a seamless, interactive approach targeted at unique user categories, you'll drive greater user engagement and adoption to ultimately achieve technology's intended results.

7. Consider Social Collaboration Tools

Most industry experts agree that social collaboration—a process that helps multiple people communicate and share information online using interpersonal and social networks—should be a part of every organization's talent management strategy. In fact, Knowledge Infusion's own survey-based research suggests that nearly 62% of respondents think HR should design a talent management strategy leveraging social software and technology.

While the formal implementation of social networks and Web 2.0 tools within corporate systems is still in the early phase, it's clear that an increasing number of organizations are experimenting with and benefiting from the use of these tools for business purposes. This includes chat and instant messaging applications, blogs and wikis, and the popular Facebook, LinkedIn, Twitter, Flickr, and YouTube—to name just a few.

These types of tools are becoming commonplace for many users, both for personal and professional use. Therefore, savvy organizations should look to integrate these with their existing HR technology to reach and engage their target audiences—both internal and external. Doing so can help facilitate and drive significant benefits around the talent management process, specifically in the areas of acquiring, onboarding, managing, developing, and retaining employees.

Leveraging social software and collaboration tools further helps drive greater organizational communication, employee productivity, and brand awareness, all of which can impact corporate results. The integration of these applications with existing HR technology also becomes more important considering that they will be even more popular applications for the next-generation of employees.

The bottom line is that the implementation of social collaboration processes and technology across virtually every HR and talent management process is a low-cost, high-value investment to help increase the usability of what's already deployed while drawing in more users.

The implementation of social collaboration processes and technology is a low-cost, high-value investment.

Many organizations are striving to upskill their HR staff by implementing programs that cross-train both HR and business leaders.

8. Upskill the HR Function

A majority of HR organizations are comprised of people who have “grown up” in the HR profession, developing all the knowledge, skills, and competencies to be successful within that function. As HR has been increasingly charged with delivering more strategic value to the organization, these same individuals are being called upon for greater business, technology, and financial acumen. To address this issue, many organizations today are looking to fill new HR roles and open positions with people from the business (i.e., outside of HR).

Short of bringing in people from the business, many organizations are also striving to upskill their HR staff by implementing programs that cross-train both HR and business leaders, often having them work together in a cross-functional manner to solve a business challenge. This can be accomplished through formal action learning programs or less formal cross-functional project teams. Some leading HR organizations are having tremendous success with business leaders teaching business fundamentals courses to their HR staff. A critical part of any such program is a discussion of business metrics and the key performance indicators (KPIs) used to measure business performance.

Finally, there is a tremendous amount of information and resources—in the form of industry research, articles, white papers, webinars, etc.—to help both HR leaders better understand the business, emerging talent trends, and technology.

9. Enhance Decision Support

The first wave of talent management technology went a long way toward automating HR processes but failed to deliver decision support capabilities to help drive business direction and talent strategies. With data now more accessible in these talent systems, it is time for HR to look at how it can begin to use this data to create meaningful insights into the business and HR processes and programs. Leading organizations are analyzing the data in their talent management solutions in combination with business data (sales, revenue, quality, customer service, etc.) to understand correlations and impact of talent and HR programs on the key business measures.

With talent management solutions in place, now is a good time for organizations to look at how they can begin to create meaningful insights from the data. Consider consolidating your various data sources into a data warehouse (enterprise or HR) whereby users can extract and display information in a more visual format (e.g., dashboards and analytics) to support business level decisions.

For example, a retail organization might consider working with its stores to aggregate data from its talent management, learning management, and point of sale systems to track the correlation between high performing sales associates and their talent attributes, such as competencies, learning history, source of hire, etc.

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Change, although often complex, should be presented in simple and easy terms.

10. Develop More Effective Change Management

Many technology or process improvement initiatives fail due to poor change management and communication, both of which lead to low user adoption and usage. Often, organizations spend too much time focusing on the technology or process, losing sight that these are simply enablers of success—not the success itself. As a result, HR and business leaders find themselves asking one another, “How do we get people to use it?” or “How do we change the way employees view this particular technology or process?”

It’s critical for the organization to establish a structured approach for change that reduces the risk of low engagement. Start with creating a shared vision and compelling reason for change that users can easily understand, with empowering “champions of change” located throughout the organization. Then develop a comprehensive plan and supporting deliverables to promote broad organizational acceptance through marketing, communications, and training for the user communities that will be using both existing and new systems.

People need to clearly understand the objectives or they will not engage, and they need to be kept involved and informed throughout the change. Change, although often complex, should be presented in simple and easy terms. Depending on the organization and traits of its workforce segments, a variety of media can be used to deliver relevant messages, including email, video, or text messages from senior management, payroll staffers, contests, and other communication.

Most important, you must repeatedly drive home the message of how the use of optimized technology and processes will enhance the ability to improve productivity and advance career development across the organization. HR technology will not resolve all of an organization’s workforce issues, but effective use can ensure continued workforce contribution, value, and impact.

Conclusion

The shift in our worldwide economy has forced HR organizations to reassess their role in the organization and rethink the way they leverage processes and technology to drive greater business results. With fewer resources available to spend on new initiatives and implementations, there is a significant opportunity for organizations to re-think their existing HR technology to deliver increased value at a lower cost.

Organizations that explore expanded and more integrated systems functionality across their talent management processes—acquisition, onboarding, management, development, retention, etc.—will better position themselves to both survive today's challenging business environment *and* create competitive advantage for the future.

Notes & Resources

Methodology

The thesis, conclusion, and recommendations provided in this study are based primarily on the expertise of Knowledge Infusion consultants and their work with clients in the various sectors. They are also supported by our work with the talent management technology vendor community as well as research cited in the 'Secondary Sources' section of this document.

Related Research Documents

[*Trends and Predictions for 2009*](#)

December 2008, KnowledgeCast

[*Building Bench Strength through Talent Pipelines*](#)

November 2008, Study

[*Assessing Service Delivery in Human Capital*](#)

September 2008, Note

[*Knowledge Infusion and Human Resource Executive Talent Management and Social Software Survey*](#)

November 2008, Survey

[*Building an HR Technology Team for Success: New Models in Collaboration, Organizational Structure, and Governance*](#)

August 2008, KnowledgeCast

[*The Who, What, When, Where & How of Workforce Planning*](#)

July 2008, Report

About Knowledge Infusion

Knowledge Infusion is a leading provider of strategic advisory and consulting services focused on human resources, talent management, and emerging technology solutions that drive human capital management business value. Formed in 2004, the firm works with over 200 global clients. Services include advising and creating technology strategy and deployment plans to tie HR technology to business results through a combination of people, process, and technology transformation. Knowledge Infusion offers an unparalleled source of services and information for the HCM community with a common goal in mind—maximizing the strategic direction HR has on an organization. Knowledge Infusion was named a Top 25 HR Influencer of 2007 by HR World, was recognized by IHRIM with the 2007 Partner Award, and is ranked #3 on the *Minneapolis-St. Paul Business Journal* list of fastest growing private companies. <http://www.knowledgeinfusion.com>.

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