



White Paper

Delivering on the promise of improved HR service delivery

Why the core HRMS is not enough

Executive summary

Most HR professionals are familiar with the term human capital management (HCM) as a descriptor of the processes and technology used to support the management of human resources in their organization. If HCM is the “what,” then HR service delivery is the “how.”

What role does the system of record play in the “how” of HCM? Kym Burke, vice president of HR Connect for Iron Mountain, put it this way: “The truth is the truth. A single source of truth—an identified system of record—is a critical component to the service delivery ecosystem. It is the very DNA for value and drives data-based decisions that drive business performance and produce desired results.”

This white paper will explore the following issues with regard to HR service delivery technologies:

- The role that the HR system of record has in the HR service delivery architecture, and why the HR management systems’ (HRMS) employee and manager self-service applications alone can’t accelerate HR service delivery
- The trends HR consultants (who advise practitioners) are seeing in HR service delivery
- How new technologies use consumer-like interfaces to provide the kind of high-touch, high-yield experience that is core to HR service delivery success and adoption as a major strategy

When asked why the system of record is important, Ms. Burke elaborated: “Many service organizations try to limp along with aging technology and complex, inaccurate data. Often, there are entire meetings about the accuracy of the data, the meaning of fields and reports, and looking at outputs from multiple sources to figure out what the story is. The investment and support in a system of record—for whatever process, opportunity or problem you are trying to solve—is immeasurable in its value. A single source of truth provides a common point that unites stakeholders across interests, across functions and across oceans. The story, then, has a purpose, a plot, and clear connections that can be used to support data-based decisions that drive business performance and produce desired results.”



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Having a system of record that is a single source of truth is foundational to successful HR service delivery. The credibility of the HR function often hinges on its ability to deliver timely and accurate data. The technologies and processes that you implement downstream are only as effective as the data being supplied.

HR transformation

Michael Martin, associate partner with Aon Hewitt's Organization and HR Effectiveness practices, regards the current state of HR systems generally this way: "As companies continue to strive to reshape their HR operating model to best position the function to carry out business and human capital strategies, there is more and more opportunity to leverage their core HR technology platforms. Increasingly, we are seeing clients expand their view of a core HRIS solution, leveraging talent and other functionalities that continue to be offered by leading Software-as-a-Service (SaaS) vendors. The good news is that the talent functionality being bundled with core HRIS solutions is becoming more and more robust with each release cycle. Driving the talent agenda continues to be top-of-mind for business leaders, and HR technology continues to be a driver vis-à-vis putting talent processes, analytics and modeling tools in the hands of not only HR business partners, but business executives as well. Today's HR technology enables the conversations to be more about performance, high performers, and successors to leadership and less about accuracy of head count data."

Despite the increasing adoption of HR information systems over the past 25 years, the systems themselves have done little to make HR functions more strategic contributors to the organizations they serve. Human Resources systems remain, however, stubbornly separate, both from each other and from the systems that run other areas of operations. In discussions with HR practitioners, I have found that systems have remained separate for two main reasons:

- It is hard to establish technical integration across different kinds of systems, and this makes them expensive to maintain
- Business process integration is much harder to achieve than technical integration

Jim Scully, president of the Shared Service Institute, LLC, provides insight as to how organizations are tackling these challenges: "With the meteoric rise in cloud-based HRMS solutions, we're seeing companies turn to this new generation of unified HCM platforms to not merely improve, but transform HR service delivery. Worker self-sufficiency, especially in management transactions, is in the midst of a quantum leap forward. Whereas, in the past, organizations were using technology to help make old ways more efficient, they now are using it to discard old ways completely. Contact centers are being replaced by portals. Kiosks are being replaced by smart phones and tablets. And, processors are being replaced by what I call "fishing instructors," whose job is to help workers do for themselves rather than doing for them."

According to the latest CedarCrestone HR Systems Survey (16th Annual), HR service delivery is one of the three fastest growing trends in planned HR technology spend and deployment over the next three years. An increased focus and spend in HR service delivery indicates that its impact goes far beyond HR's "back office" concerns of tactical efficiencies gained through automation, and aligns it more with the tangible C-level challenges of better employee engagement, brand management, and support of overall business goals.

Self-service has become a ubiquitous channel in our everyday lives and is leveraged in grocery stores, libraries, online shopping and gas stations. It has become both natural and expected for employees to have some level of self-service at work where they can enroll in benefits, update their address or tax withholding, and request time off via online tools.

The immediate impact of HR service delivery is well documented. Lexy Martin, the CedarCrestone survey author, states: “A service delivery model that entails moving to shared services and adopting more service delivery technologies consistently delivers the highest level of efficiency over the past five-plus years among our survey respondents—between 10 percent and 41 percent or higher, depending on the service delivery approach.” With HR departments spending as much as 80 percent of their time dealing with employee services and transactions, a reduction by even the low-end of that range is significant. But, the broader implications of HR service delivery—beyond these efficiencies, and beyond the early incarnations of the 1980s HR service and call centers—is less well-documented. This is, in part, because the technologies that are enabling it are relatively new, and offer more strategic possibilities.

Combining education and action

Organizations today seek to deliver excellent service to their employees without adding cost. Most are challenged with “doing more with less” as their budgets get cut and head counts reduced. One way to improve service delivery efficiency is to deploy enabling technologies, including knowledgebase and case management solutions. By extending Tier 0—the self-service layer—to employees and giving them access anywhere/anytime, employers can help employees help themselves. Self-service has become a ubiquitous channel in our everyday lives and is leveraged in grocery stores, libraries, online shopping, and gas stations. It has become both natural and expected for employees to have some level of self-service at work where they can enroll in benefits, update their address or tax withholding, and request time off via online tools.

Self-service certainly has benefits for employers, as it reduces the high-touch and high cost of in-person or phone service channel interactions. I would argue it also has vast benefits to the employee who gets information when they need it, on their schedule. Employees have questions on the weekends or late at night when traditional service call centers are not open. The reality today is that those HR/talent vendor promises and dreams of employee self-sufficiency, when based entirely on the traditional employee self-service paradigm, have fallen short. In the past, organizations have invested in their core HR and talent solutions where they have varying degrees of employee self-service rolled out. Simply making unintuitive self-service available to employees is no longer enough—as evidenced by the abysmal adoption across companies and industries.

Today's organizations are looking to combine education and action. Employees are most likely to initiate a transaction for themselves if they first know what it is they need to do and how to do it. Once they have this context, they can be guided directly to the self-service transaction. Many organizations rolled out core HR and talent self-service without providing the "how" element that is crucial to successful adoption. The organizations that are reaping the most benefit from prior self-service investments are those that have deployed an employee portal with a knowledgebase. These organizations are successful in educating the employee and driving them to the specific transaction or transactions that they need to submit. They are realizing some very tangible ROI as employees seek information in the knowledgebase portal and initiate their own transactions. These organizations are seeing reduced call volumes, a decrease in their service spend per employee, and an increase in employee service satisfaction.

Once organizations have mastered the knowledgebase portal and multi-tier service delivery model, alternate service channels such as chat, mobile applications, and other social tools are the next evolutionary step. However, technology alone is not going to improve your HR service delivery. Organizations that deploy the multi-tier service model can achieve the best results by focusing less on the technology itself, and more on the expected gains that these technologies enable. The gains-oriented approach puts emphasis on maximizing the "yield" of an investment.

Not all knowledgebases are created equal

A high-yield approach focuses on personalized self-service. Human Resources shared services is about efficiency—how quickly and easily employees can answer their own questions, so HR professionals are free to focus on more strategic activities. Therefore, the number one factor is ensuring that your self-service options resolve a high percentage of inquiries. This approach delivers a powerful return on investment and achieves greater employee satisfaction.

Traditionally, the defining feature of HR shared services has been the call center, where HR domain expertise is consolidated in one place and made accessible to employees by phone. This puts undue emphasis on the ticketing system technology used to create and manage "cases" associated with employee calls.

The high-yield approach starts by looking at how calls can be effectively eliminated—fulfilling the philosophy that "the best case is no case." Using this end result as the starting point, the high-yield approach looks at three aspects of self-service—knowledge, transaction and assistance.

The purpose of each of these is to maximize the yield so that every question or issue is resolved with the least effort by the employee and the lowest overall cost to the organization. For true high-yield, not all knowledgebases are created equal.

This is a technology framework to efficiently answer questions, provide seamless access to employee and manager self-service transactions, and to efficiently provide human assistance for the times when self-service is not enough.

The focal point of this approach is a “high-yield knowledgebase.” This is a technology framework to efficiently answer questions, provide seamless access to employee and manager self-service transactions, and to efficiently provide human assistance for the times when self-service is not enough.

A high-yield knowledgebase is not simply a case management system with a tacked-on document “knowledgebase.” It is a full-fledged, robust framework with content, engineered to maximize the self-service yield. Because the terminology used by different vendors is often very similar, it can often be difficult to differentiate a system that meets the criteria for high-yield from ordinary knowledgebase systems. There are four defining aspects of a true high-yield HR knowledgebase:

1. Organization—for efficient content management structure
2. Contextualization—to connect related information and transactions
3. Personalization—to provide filtered content for the users specific needs
4. Collaboration—for easy access to assistance from shared services

Each aspect is leveraged by the others to achieve the highest possible yield.

Organization—This is the process of building a manageable content structure. It also ensures that the caretakers have a framework that will support their content. A high-yield knowledgebase helps users find information, not documents. The foundation of high yield is an organization structure that will ensure that the information is accurate and updated for years to come.

Contextualization—The process of connecting users to a broad range of information by leveraging robust search is contextualization. It’s based on the real-life, everyday usage by employees who may use completely different search terms to define the same issue. For example, one employee needing to enroll a spouse into a medical plan might start by looking for “enrollment,” while another may start by looking for his or her medical plan, and still another may start with, “I just got married, what do I need to do?” An effective contextualization strategy helps users find answers regardless of how the question is structured. Contextualization starts with value-added guidance and instruction to help orient a user. It then adds an HR-optimized search strategy to produce relevant targeted answers. Finally, it provides cross-referenced links to both detailed information and self-services transactions.

Personalization—Personalization maximizes yield by providing users with only the documents, links, and search results that are personally relevant to them. It ensures that users get to the right information, in the right language, based on their HR profile without having to wade through irrelevant content.

While many company portals and document management systems have some limited role-based access controls, a high-yield HR knowledgebase accounts for hundreds of different personalization options based on the complex business rules derived directly from your HR system.

Collaboration—This is a systematic approach to helping users when they get stuck or have a problem that goes beyond self-service. New technologies provide the infrastructure to connect an employee with HR shared service personnel that can address the need, or escalate the issue to someone who can. It extends the knowledgebase yield by adding a cost-effective layer to address issues before they reach highly compensated HR talent.

The “collaborative” approach differs from both emerging social trends and traditional call center case management. While social is very effective in other business applications, the private nature of HR issues makes social features such as crowd-sourced answers inappropriate. The collaborative approach emphasizes one-on-one contact over group participation. It also differs from traditional call center systems by making support a natural extension of a self-service knowledgebase. Collaborative case management in the high-yield approach provides a set of features on both sides of the employee/service agent relationship to enable efficient, secure, and personalized collaboration. For the employee, case management is an extension of the knowledgebase.

Conclusion

Maximizing the yield is all about maximizing the return on investment. Every issue resolved via self-service reduces hard costs. When using the yield approach, we must look at a continuum of technologies and the expected range of results where yield is a measure of questions or issues addressed before the need to engage HR domain experts.

Your HR system of record is core to your ability to deliver efficient services to contribute to the overall effectiveness of the organization. It is important that your information regarding the workforce be accurate and available. Driving the next generation of HR service delivery is the way in which technologies are, and will be, leveraged. No longer can we rely on an HR system of record to do it all. We must increasingly seek to unify our legacy systems with emerging technologies like SaaS, mobile, and social in a way that it is not just efficient for the organization, but effective in providing a better experience for employees and increased value to the business.

This article first appeared in the December 2013/January 2014 issue of *Workforce Solutions Review*.



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