ramco

BECOMING A 'TRULY DIGITAL' HR ORGANIZATION

Leveraging 'Intelligent-Automation' to optimize and deliver the 'Employee Experience of Tomorrow'

**Steve Goldberg,
Global HR Technology Advisor**

Introduction

The ubiquitous use of the word "digital" in business and our personal lives is also increasing the use of another trendy term - VUCA (Volatility, Uncertainty, Complexity, Ambiguity). This is because digital has become the word that everyone can quickly define, but usually somewhat differently, or by using complicated contexts to explain it. Here is a suggested thumbnail definition of digital: "The use of intelligent automation to harness the power of exponentially increasing information, thereby transforming businesses and people's lives."

For additional clarity, "intelligent automation" is a strategy that moves enterprises from legacy technologies to a more on-demand environment that includes plug and play solutions, AI/cognitive elements, impactful analytics, highly engaging user experiences, mobile taps over mouse clicks, etc. Intelligent automation is ideally based on design thinking, and it always involves genuine customer or end-user advocacy.

Now drilling into what a "digital HR organization" means, it is about optimizing the employee (including manager) experience so that the highest levels of engagement and productivity are achieved. The digital HR organization emphasizes 5 key results areas or levers (Figure 1) to be explored here in detail.

Deploy nimble, engaging technology platforms and tools that drive workforce engagement & productivity

5

Becoming a Truly Digital HR Organization

Achieve personalization across all HR processes & interactions

1

On a mission to de-clutter the employee experience I.e. remove barriers to getting things done

4

3

2

Enable self-managing of development/career progress (self-service in the digital age)

Employees identify with company culture and employer brand, particularly with respect to innovation & agility

What role does the modern day HR organization play in enabling organizations to be truly digital enterprises; and where and how do HR teams specifically focus their skills, energies and budgets to achieve this objective? Digital innovation presents major opportunities for HR, but HR needs to redefine itself to take advantage of those opportunities. If it doesn't, or is too slow about it, HR might well become obsolete as a corporate function. This white paper offers a practical framework for becoming a truly digital HR organization, one that thinks and acts within a digital context first, and formulates strategies and tactics based on that orientation. Key HR technology considerations around implementing the framework are also explored.

Personalization across all HR processes and interactions

Unless HR organizations create an "emotional attachment" between employees and their experience at work, many of the investments in cool, innovative technologies will likely be for naught. Emotional attachment to the experience at work is the "hook" that ensures maximum ROI on employee-related investments. As we know, resigning from a company is often an emotional decision more than an intellectual, well-reasoned decision. It can even be an impulsive one at times. HR helps create the emotional attachment largely by committing to a "personalization strategy" across all HR processes and interactions. And the personalization strategy might apply to cultural alignment, job satisfaction, technology tools and platforms, physical workplace elements, management style and reporting relationships and team fit and chemistry.

To better illustrate the concept of personalization, consider individual job satisfiers and career objectives. These can vary widely depending on where someone is in their career or personal life. Other examples: A particular management style or corporate culture can inspire some employees and alienate others. Traditional classroom learning is effective with some, e-Learning or simulations work better with others. Some "B" players become "A" players when surrounded by the best and brightest, while others frankly get de-motivated. An open work environment suits some while others prefer their own space even if it's a small cubicle. In short, even though prevailing opinion is that 60-70% of what motivates employees is fairly universal (e.g., a manager that coaches instead of continually emphasizing someone's gaps), the remaining 30% can have extreme divergence of reactions and effects to different triggers.

Attention to the personalization theme is most critical in core HR processes such as Recruiting, as this approach is needed to effectively engage with passive candidates. It's valuable in On-Boarding to compress time-to-productivity, and should therefore take into account the employee's role, early training needs, potential mentors and even intro's to key colleagues or just co-workers with similar interests. Moreover, if HR departments really want to "get it right" with respect to the personalization theme, they need to develop personalized rewards and retention schemes for all key employees, which could be defined as "all employees the organization really wants to retain." Some employees would value exposure to different parts of the business or the flexibility to work from home on occasion more than a modest salary increase if that is all the compensation budget can handle.

Beyond the point of HR processes and how they intersect with the personalization theme, HR must also ensure friction-free access to the most relevant information and resources an employee needs to be productive and engaged, based on their individual preferences for content and delivery medium. This includes preferences for interacting with virtual HR agents, human staff or self-service content repositories. Finally, don't forget that managers are employees too, and valuable information (content, decision support data, predictive data, etc.) is the lifeblood of management effectiveness. As with all five cornerstones of the digital HR agenda, rich and accessible data is basically a given, but it's the #1 operational dependency for HR to achieve a personalization strategy.

Self-managing of professional development and career progress

The HR domain in general took many years to make Employee and Manager Self Service (ESS and MSS) around HR activities standard operating capabilities. After all, what could be the disadvantage when there are efficiency gains and increased levels of "customer" satisfaction (from getting quick resolution) at the same time? Yet adoption patterns have varied by company and by region as well, perhaps due to different change management or corporate culture challenges. Now that this chasm has largely been crossed, it's time for HR to promote and enable the next level of ESS / MSS, one which is much more impactful to employee engagement, retention and productivity. This next level is about allowing employees to self-manage their development and career progress as much as possible and practical. The caveat at the end is obviously needed because people don't always have realistic goals or expectations for their careers, and organizations cannot sustain being very top heavy.

Many HR organization make sure employees know what competencies are needed to progress their careers. By way of contrast though, the digital HR organization is transparent about letting employees know how long it typically takes a controller to become a CFO in their industry as compared to their organization; and if an excellent Controller has been in the role for several years longer than the industry average, tries to offer a viable path to addressing the situation. A central element in the "career self-management" arena is an appropriate level of investment in professional, technical and/or management development, with ample flexibility to allow the employee to proceed at their preferred pace, using best-fit tools and resources.

One other talent management consideration that has garnered increasing attention is the need to change the employee feedback / performance management paradigm from infrequent cycles to dynamic, quick, in-context coaching and feedback … and from those most familiar with an employee's strengths, gaps and behavioral tendencies. HCM systems that support this

model of performance optimization are gaining in popularity because they also drive higher levels of engagement and retention. A preponderance of industry research highlights that millennials in particular vastly prefer this more modern approach to managing their performance and their professional growth. These "quick feedback" data points essentially form the employee's Individual Development Plan.

Employee alignment with company culture and employer brand

The starting point for excelling in this "results area" within the digital HR framework is actually driving toward a common view of what the company culture is, what it should be – and if a gap – what needs to be done; e.g., training, new recruiting methods or profiles, etc. Then, HR needs to promote the culture both internally and externally, and enlist the involvement of a cross section of employees to be culture champions (e.g., on social media). The values that underpin the target company culture (e.g., honoring diversity, employee creativity and ingenuity, promoting community service, etc.) should not only be evident in all recruiting activities, but also reflected in training and behavior-based competencies. This plank of the digital HR model is perhaps the least tangible and therefore achievement here is probably hardest to measure.

It's not as arduous as it may seem, however. Technology tools are available today that take a read on employee sentiment, attitudes and prominent messages (indicative of cultural values). One such tool is TrustSphere, which actually analyzes employee emails in the aggregate to discern patterns that might need some HR or management attention. Another innovative product in the market is called Empsense, which provides an easy (emoji-driven) way to monitor changes in employee engagement and satisfaction on a day in-day out basis. A few HCM platforms in the market have integrated these type of technologies in their efforts to help HR functions be more digitally capable – and impactful.

Finally, it cannot be emphasized enough that two words are inextricably linked to a desirable culture and employer brand: Innovation and Agility. There is a universal sense that organizations in the upper quartile on these dimensions are almost always market leaders, but these entities also have an employer brand that can readily attract top talent. The key is for HR management and their talent acquisition staff to curate company examples of both Innovation and Agility, and make sure these find their way onto the corporate web site and into recruiting messages.

De-cluttering the employee experience

The "overwhelmed employee" is a term popularized in a recent piece of employee research by Deloitte. The study assessed employees at 3,300 global corporations across 106 countries and found that 74% of HR and business leaders thought their work environment was either 'complex' or 'highly complex'. Moreover, 65% of executives surveyed suggested the overwhelmed employee was an 'urgent' or 'important' issue. However, 44% of these same executives admitted they were 'not ready' to deal with it, and 57% of employees suggested their organizations were 'weak' in terms of helping them manage an overwhelming amount of information or other infringements on their time.

Simplification is a word bandied about more frequently these days in HR circles but HR practitioners have to do much more than agree with the concept. They have to make it happen, and know they've made it happen by measuring as much as possible. How much of a typical work day is productive vs. spent on low – or no – value activities should be a fundamental metric in an HR department's arsenal, with diagnostics/ analytics and action plans to tap into if targets are not met. Coaching and training are usually vital to this effort as well; and change management can be quite relevant given that most people would rather not have their time spent on each daily task measured akin to Fred Taylor and scientific management principles.

Nimble and engaging technology – the linchpin!

It's fairly intuitive what the words 'nimble' and 'engaging' mean when referring to the virtues of particular technology. As someone working around HR Technology since the mid-80's, and from all sides of the value chain, I can say it has taken a long time for HR technology platforms and tools to be characterized as nimble –- and even longer to ascribe the quality of engaging to these key assets. The good news is that the legacy products have largely left the market, and in their place is a new breed of HR technology offerings.

The hallmarks of today's best-in-class HCM solutions are mobile, usually cloud delivery (although some customers value the flexibility of on-premise systems if they so choose), on-demand and actionable analytics, emerging AI (cognitive, RPA, chatbot) capabilities as they're ready for prime time, and allowing plug and play with synergistic technologies through well-conceived architectures designed for inter-operability. An ability to individualize or personalize the user experience (e.g., content displayed in preferred configurations) is also core to this strategy. Some HCM solution platforms offer a user-driven (playing) card design to achieve this.

With that setting the stage, the pivotal question is: what should HR be doing to complement the deployment of nimble, engaging and impactful HR technology that is consistent with the digital HR agenda? Here are five specific actions that should be given full consideration:

Do not blend "business processes" with "business problems", in other words, segment business pains and business opportunities by those related to fixing or optimizing HR processes, and those which require more non-linear or holistic thinking. An example of the latter is: Why are we losing many of our best people to our competitors, or why does it take us so long to integrate a new business, or is there an opportunity to expand our services and be successful in the near term?

Then rely on HCM decision support tools and hubs that aggregate cross-functional (HR and non HR) data with the most relevant real-time, experiential data, trending data, comparative data, structured and unstructured data, and even sensor/device (IoT-enabled) data. Yes, that's a lot of data. Too much for human staff to conduct meaningful root cause analysis; and that's where AI capabilities come in. This is in the forms of RPA (Robotic Process Automation) to quickly aggregate and normalize data for analysis purposes, machine learning or pattern recognition, cognitive capabilities to apply logic and reasoning the way we might, and maybe even a chat bot to answer the more straightforward questions about data.

The innovations highlighted above are significantly easier to take advantage of when a unified HR technology or HCM system platform has been deployed. Disparate technologies (or modules) or those not organically linked make innovations more complicated to deploy and use. Additionally, HR executives should realize that if the HR / HCM platform can seamlessly bring in elements of adjacent processing areas such as Payroll, Time and Attendance, Leave Management or even Expense Management, the analyses are made much less daunting, and the innovations can be applied to a broader context of data and potential insights.

The digital HR professional goes beyond workforce analytics and makes good use of prescriptive analytics, or "data-driven guidance" as to the best actions to take. They use this guidance to remediate an HCM issue – or actually a business issue that, like most business issues, include a core HCM component. But data analytics guidance isn't the total answer. HR must have the courage to deal with the prescribed actions, particularly if the guidance is based on highly reliable, system-executed data crunching. While the "fix" might sometimes be a low hanging fruit such as non-controversial training, it might also entail dealing with more thorny personality or competency issues, including with members of management.

Finally, the digital HR organization looks at HR/HCM solutions and potential investments from the employee perspective or the "what's in it for the employee?" lens. If the conclusion is "I'm not sure", the department's investment in an HCM solution will probably not materially improve employee engagement, retention or productivity – the "ERP" acronym for the digital HR era.

About the Author

Steve Goldberg served as global head, HR systems and talent management processes for leading investment banks before becoming PeopleSoft's global head of HCM Product Strategy and primary spokesperson. Steven then co-founded a Recruiting Solutions company and a boutique consultancy focused on HR-M&A and Change Management. In recent years, Steve has been advising both end-customers and HR services and solutions providers on maximizing the business impact of strategic HCM initiatives, particularly involving digital technologies and intelligent automation. He has been invited to the Human Capital Institute's "Executive Roundtables of Respected HR Thought Leaders", is frequently published or cited in the media, has keynoted on 3 continents and holds an MBA in HR. Contact him at Steve.Goldberg@HRTechTruth.com

About Ramco

Ramco HCM is a complete yet refreshingly simple HR Software comprehensive in its offering from hire to retire – Core HR, Time & Attendance, Global Payroll (across 40+ countries), Talent Management, Recruitment, Planning & Analytics. Trusted by 450+ global customers, Ramco HCM has been globally recognized by NelsonHall, Everest Group, CIO Honour, Human Resources Group, CIO Choice, Global Payroll Association, and most recently Ramco has made its maiden entry into the much renowned 2017 Gartner Magic Quadrant for its Cloud HCM Suite for Mid and Large Enterprises. To know how Ramco can enable Digital HR Transformation for your organization, mail us at contact@ramco.com

contact@ramco.com

ramco.com/hcm