White Paper

A Seat at the Table

Technology Brings Strategic
Opportunity to HR

Executive summary

It's ironic. Today, more than ever, the most important asset for employers is their people — and yet the people entrusted with cultivating that asset often are not empowered to do so. Traditionally, organization leaders overlook the human resources department and minimize its strategic contribution. Simply put, HR hasn't had a seat at the boardroom table. But with recent advances in technology, HR, payroll, and information management professionals can provide greater long-term value to their organization. This paper outlines some of the ways how.

## The challenge: making the most of your greatest asset

We've all heard the expression: Your organization's greatest asset leaves the office at 5 p.m. Or punches out at 11 p.m. Or logs off after working from home. Regardless of the location, the shift, or the type of organization, skilled, motivated employees are essential today. Despite the economic downturn and high unemployment rates, no employer can afford to take its workforce for granted. The stakes are simply too great. Competition is increasing, customers' expectations are growing, and innovation is changing traditional business approaches. And with fewer employees, employers need to do more with less. Human capital is at a premium.

However, the humans responsible for human capital — HR professionals — sometimes have lacked the technology resources to make the most of this asset. Traditionally, organizations have viewed HR as a back-office, non-revenue-producing, means-to-an-end function. Shortchanged in the ability to manage information, the department has faced a dilemma. While it's loaded with valuable data from performance appraisals, compensation reviews, and other functions, HR has been unable to mine the information to provide strategic insight, or to use technology in other ways that benefit the entire organization.

Several factors have aggravated the dilemma and prevented its solution:

- Managing HR information is often a matter of manual records and crude databases; pulling valuable knowledge from scattered documents, reports, and spreadsheets can be a painstaking, costly task

- Information technology departments can only provide limited help; in the wake of downsizings, they're stretched elsewhere, and there is continued pressure to reduce their costs

- Policies and regulations restrict how employee information can be shared, and HR is often reluctant to deploy or store it virtually because of concerns about the security of new technology

- Many off-the-shelf and custom software applications aren't robust enough to allow HR to leverage data easily and maximize employee productivity

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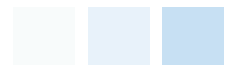
The new role of HR

Despite these challenges, the opportunity and the need today for HR to play a strategic role have never been greater. For example, a 2009 survey of HR professionals by Aberdeen Group found that competitive pressures were forcing HR to become more strategic in 46 percent of the responding organizations.[1] Another recent survey, by the Society for Human Resource Management, revealed that nearly 90 percent of organizations were planning or taking active steps to link employee performance directly to strategic business goals.[2] Clearly, employers are calling on HR to step up and provide greater value.

It's for this reason that some organizations actually have begun investing more in HR. As a report by Deloitte Consulting points out, employers have even elevated the department to the C-suite, with the creation of chief HR officers.[3] CHROs provide strategic guidance for every aspect of human resources and strengthen the connection between an organization's workforce and its overarching goals. While this approach is still an "emerging path," according to Deloitte, it is a sign that organizations and their leaders are beginning to recognize HR's seat at the table.

Technology to the rescue

But new titles and org charts aren't enough. To claim this seat and provide long-term, strategic benefits for the organization, HR, payroll, and IT can take advantage of new trends in technology. **Like a sturdy chair, this seat is also built on four "legs":**

- **Workforce analytics**
- **Cloud technology**
- **Social media and mobile communications**
- **Talent management applications**

Workforce analytics

For years, HR departments have been collecting data. From demographic information to employee satisfaction polls, performance reviews, and job exit surveys, HR holds a storehouse of information that can be mined to provide value throughout the organization.

Analytic tools help employers harness this information to make better strategic decisions. Using statistical models, these tools integrate real-time internal and external data, and drill into the data to discover rich information that identifies areas for improvement and predicts future performance. Equipped with this business intelligence, managers gain visibility into their workforce and can

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[1] Jayson Saba, *Core HR Systems: Flawless Execution Enabling Strategic HR Management* (Aberdeen Group, 2009), 4.

[2] Society for Human Resource Management, *SHRM Workplace Forecast: The Top Workplace Trends According to HR Professionals* (Society for Human Resource Management, 2011), 5.

[3] Deloitte Consulting, *Human Capital Trends 2011: Revolution/Evolution* (Deloitte Consulting, 2011), 21.

make proactive, strategic changes in HR and operations. For example, analytic tools can help you predict the likelihood that an employee will leave in a given period, identify key performance indicators that signal a potential decline in output, or anticipate workplace safety risks that affect your costs, compliance, and productivity.

The value of these analytic tools is demonstrated by the priority that organizations are giving them. In a recent survey of more than 500 HR executives, IDC examined some of the most popular HR technology trends (all are discussed in this paper) — analytics, cloud technology, social media, and mobile communication. Analytics by far ranked as the most important technology investment.[4] But the same study found that analytics also was the area where respondents were most disappointed with their current solutions; satisfaction levels didn't even come close to the priority that respondents placed on analytics. The IDC report concludes: "We draw from these results that not only is analytics highly important, but HR is not fully able to deliver on that need today. Analytics represents perhaps the most immediate opportunity for HR vendors to help HR bridge this gap."[5]

Cloud technology

Today, organizations are trimming budgets in every area, including IT. Fewer and fewer technology resources exist for managing the workforce; human resources is often seen as a low priority when divvying up scarce IT time. But by turning to vendors that host HR software through cloud technology, you can help your organization economize, freeing IT for other strategic priorities.

These vendors host HR software in large, hardened, SAS-compliant data centers and allow employers to access the applications they need virtually. Because they don't have to spend time, staffing, and capital budgets on new hardware or licenses, organizations realize a quicker time-to-value. HR becomes more nimble and can scale up or upgrade its solutions easily as needs change, or to comply with rules and policies. And IT has more time and resources for new strategic initiatives.

While HR professionals have been cautious about sharing employee information virtually, cloud technology has matured enough to allay many security concerns. And a variety of service arrangements now let HR departments find the solution that's most cost-effective for them. One of the most popular is "software-as-a-service" (SaaS), a pay-as-you-go subscription that lets you use the software on a predictable, per-employee, per-month basis.

Deloitte Consulting has found that "while software and hardware sales in general have slumped amid poor economic conditions, SaaS products and cloud-computing solutions are growing at two to three times the pace of on-premises solutions."[6] By taking advantage now of these burgeoning technology opportunities, HR can heighten the value it provides the entire organization.

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[4] Lisa Rowan, *Insight: the Four Pillars and the HR Executive* (IDC, 2012), 2.
[5] Rowan, *Four Pillars,* 4.
[6] Deloitte Consulting, *Human Capital Trends 2011*, 4.

Social media and mobile communications

Twenty-first-century employees live online and on their cells. Nearly 80 percent of all internet users visit social networking sites, and nearly 40 percent of those visitors do so over their mobile phones.[7] Social media and mobile devices go hand in hand — they enable communication anytime, anywhere. And today's employees expect their employers to meet them in this technological world, especially as more and more employees work remotely.

Employers are familiar with social media (for instance, in recruitment) and of course, mobile devices such as BlackBerry® have long been a staple in many organizations. But social and mobile technologies hold a scarcely tapped potential to help engage employees — that is, to build their loyalty, motivation, and "connection" to your organization. Employee engagement is a top strategic goal for HR today. In a recent McLean & Company survey of HR leaders, engaging employees was second in importance out of two dozen HR priorities, with 57 percent of respondents ranking it as a top priority.[8]

Social and mobile technologies help you engage employees because these tools are ubiquitous. Instead of 9-to-5, on site, they're 24/7, anywhere. Whether conducting HR transactions via an iPhone® app or providing benefit information over an employee Facebook® page, employers can use these technologies in creative ways to achieve strategic goals. Indeed, employers already are starting to do so. For example, the Society for Human Resource Management study found that two-thirds of the HR professionals surveyed were using or planning to use social media not merely for recruiting but for employer branding and other purposes.[9] And in another recent survey by Aberdeen Group, 44 percent of the best-performing employers were using mobile technology for human capital management functions, and 33 percent were planning to do so.[10]

Talent management applications

Hiring is often seen as a tactical function, not a strategic one. But skilled, experienced employees are more essential than ever. They're also quick to send out their resumes; Deloitte found that 65 percent of employees were testing the job market in 2011, up 10 points from the percentage just two years before.[11] With more and more job seekers submitting resumes at cyber speed, HR is flooded with applicants. And organizations are increasingly wary of the high costs and volatility of roller-coaster turnover. All of which means that smart, efficient hiring is becoming a strategic imperative.

New talent management applications empower you to meet that imperative. These applications use automation and selection science to help you source, screen, and select the right candidates for the right job. By streamlining the process with these applications, HR can increase the efficiency of hiring and

44% of the best-performing employers were using mobile technology for human capital management functions, and **33%** were planning to do so.

[7] NM Incite and Nielsen, *State of the Media: the Social Media Report* (NM Incite and Nielsen, 2011), 1.

[8] McLean & Company, *HR Trends & Priorities for 2012* (McLean & Company, 2011), 6.

[9] Society for Human Resource Management, *SHRM Workplace Forecast,* 28.

[10] Mollie Lombardi, *Mobile HCM: Workforce and Talent Management on the Move* (Aberdeen Group, 2010), 8.

[11] Deloitte Consulting, *Human Capital Trends 2011,* 18.

improve the experience for candidates. By using objective, predetermined hiring criteria, the applications also help HR bring on employees who perform better and stay longer.

Ideally, these applications should be integrated with other HR tools and information within your organization. A holistic approach to managing HR data begins with capturing it during the hiring and onboarding process. For example, you can correlate candidate assessments or screening data with subsequent performance scores to understand why certain new employees succeed. By bringing all the pieces of information together, you're in a better position to see how they fit.

All the pieces: WFM solutions

Today, technology exists that can help HR contribute at a strategic level and take its rightful seat at the table. Using analytic technology, HR can gain insight into the workforce and empower organizations to make better business decisions. Using cloud technology, HR can turn to hosted-software vendors to take care of many tasks, improving compliance and freeing technology resources for the entire organization. With social and mobile technology, organizations can fully engage employees on their own territory. And talent management software can help employers find, hire, and retain the right employees and so maximize productivity.

But where do you find this technology? How can the HR and IT departments take advantage of opportunities technology now provides — opportunities that go beyond their departments, to the benefit of the entire organization?

Workforce management solutions help provide the answer. These integrated, comprehensive software suites provide HR departments the tools to create strategic, bottom-line, positive-ROI value. The solutions are a one-stop shop, bringing together information throughout your organization so you can better analyze workforce performance and make more informed business decisions. Social and mobile tools help you better engage employees, while built-in talent management applications help you make wiser hiring decisions. Developers of these solutions often provide SaaS and hosted-software options as well, so you can offload HR's tactical functions to the cloud, free IT for strategic priorities, and save on the bottom line.

Conclusion

For HR, for IT, and for the organization as a whole, new technologies such as these examples are a "win-win-win." The HR and IT departments can better control costs and better comply with policies regarding the dissemination of information and tools to employees. Employees are more fully engaged, and thus more fully productive. And these benefits accrue to your entire organization. With strategic opportunities like these, HR can finally take its seat at the table.
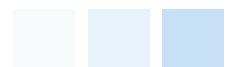
How Kronos can help

Kronos helps organizations across a variety of industries manage their most valuable, and expensive, strategic asset — their workforce. How? By giving them the tools they need to help them control labor costs. Minimize compliance risk. And improve workforce productivity. The easy-to-own workforce management solutions from Kronos make complete automation and high-quality information a reality.

Our time and attendance, scheduling, absence management, HR and payroll, hiring, and labor analytics solutions give Kronos customers the edge they need to compete in the global marketplace. With thousands of installations in organizations of all sizes — including over half the Fortune 1000® — we're proving workforce management doesn't have to be so hard.

To learn how Kronos can help you leverage workforce management tools to enhance the strategic contribution of HR, call us today at +1 800 225 1561 or visit kronos.com.
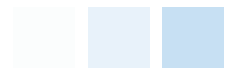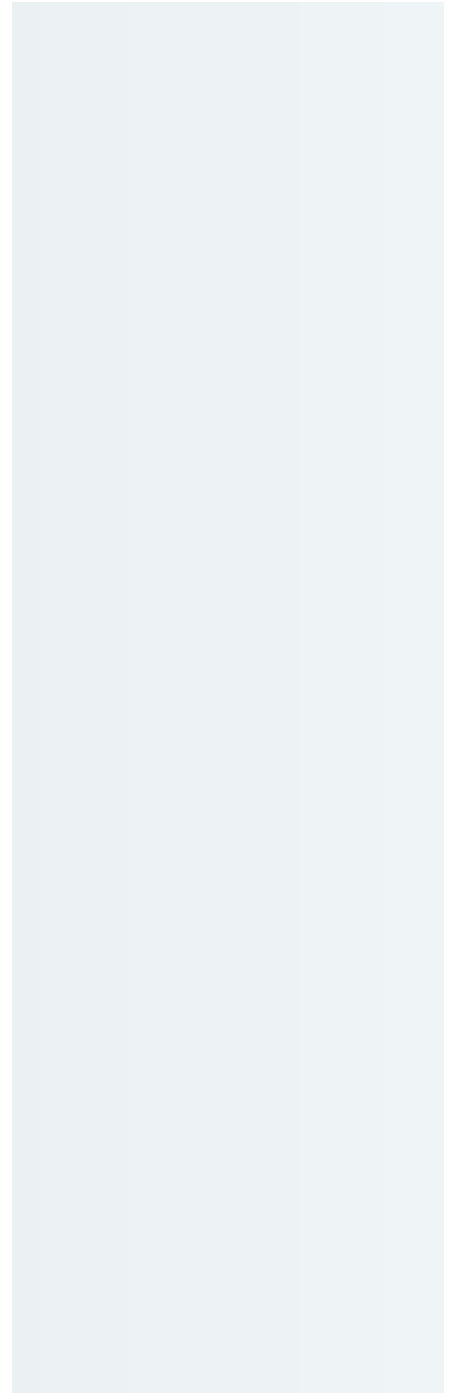
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