HR: Paper shufflers to talent managers

'People are our biggest asset.' It sounds a little clichéd, but for a great many companies, it's also a simple reality. Consequently, it is incumbent upon organisations which make this claim to manage their people in a way that recognises their value, applies and grows talent to the benefit of the individual and the company, and allows people to underpin the organisation's strategic ability. Donovan Jackson *explores developments in human resources (HR) management and discovers how technology is shaping this field...*

Managing people is a substantial challenge, since none of us is quite like any other, and matching individual goals to those of an organisational can be, well, tricky. It's a challenge which makes herding cats seem simple – and yet, in companies around the world, every day, it is done successfully. That's confirmed in a discussion with Paula Demarie-Crook, group remuneration and benefits manager at Fletcher Building, who starts by providing a quick glimpse into the multinational's workforce: "We have over 18000 employees in 40 countries covering Europe, the Americas, Asia, and of course, Australia, New Zealand and the Pacific."

Demarie-Crook explains that until recently, Fletcher Building managed this workforce with a variety of disparate systems including spreadsheets and a somewhat integrated payroll for Australia and New Zealand. "That meant working with different sources and information that lacked global data standards. In turn, there wasn't the necessary visibility of Fletcher Building's employee asset base; for HR managers, a lot of time was spent putting reports together which were outdated before they were finished."

Recognising this shortcoming, Demarie-Crook says Fletcher Building is in the process of implementing a global HR system. "[To date] we haven't had the tools to maximise potential and talent, but the implementation of best in class HR software, with appropriate security, governance and alignment of HR processes and global data standards is taking the company in that direction."

Director of Datacom PaySystems Kevin Murphy notes that there are many talent management applications available. "The most sophisticated require input of mission, values and strategy, breaking these down through the organisational chart through to relevant performance criteria for each role. Such applications require a lot of thought during implementation so that they drive the right outcomes for each role, and they also must be updated at any time that any aspect, like strategy, changes. These applications are perfect for an organisation with clear roles and strong systems, such as huge industrial corporations, but can be completely unsuitable for more agile organisations."

Consumerisation of IT and how HR software is changing

Talent management is both complicated and potentially greatly improved by the phenomenon of the consumerisation of IT. In a nutshell, consumerisation means more people have access to (and are using) more technology than ever before. It's most definitely not just a geek thing any longer, says Gordon Zeilstra, vice president of human capital management at SAP Australia and Japan.

"When people join the workforce today, they often have less access to technology than they did at home or at university, because organisations tend to shut down access to services or use outdated stuff. Probably for the first time ever, we're in a situation where enterprise technology has to keep pace with consumer technology," he says.

People are empowered in an unprecedented way, continues Zeilstra, and corporations have to be able to work with them in familiar ways to unlock talent for the company's advantage – and that of the individual. "That means HR managers are confronted with a remarkable level of change. Add to consumerisation the emergence of a 'just in time' workforce mindset and the fact that there are now five generations of people in the workforce at the same time. What you have is people of different ages and demographics in adjoining cubicles – and how they learn, interact and respond to technology is very different," he points out.

That includes more instant feedback – the sort of thing we've become accustomed to from social media, agrees Zeilstra. "Traditional approaches to talent management meant formal performance reviews annually. Now, particularly millennials [people born between the 1980s and 2000s] want constant feedback, not just to validate what they are doing, but also to steer them in a direction to grow their personal brand and performance. It's a Facebook approach to HR."

The other big shift, continues Zeilstra, is in the learning space. That's gone from formal classroom environments to a 'sound bytes' approach which draw on the likes of YouTube for inspiration. "Instead of learning disrupting the working day, it is delivered in easily accessible and digestible segments, made available for when and where convenient on any device."

Evolving HR systems support these trends, Zeilstra says, enabled to some degree by cloud computing, which facilitates the extension of the formerly 'boxed in' systems, to any device anywhere. "Many companies are looking at hybrid approaches, keeping some aspects on-premise and putting others in the cloud."

However, he also stresses that while technology systems are evolving, the greater part of the shift to modern HR depends on organisational approach. "Software isn't everything. It's a very important tool, but more important is a strong partnership [with your vendor] and a services oriented approach."

Murphy adds to Zeilstra's comments, noting that techniques associated with the technology industry are being applied to HR management. For example, "When it comes to performance reviews, there are many different possible approaches. Crowd-sourcing performance reviews has a growing uptake in the United States, where employees are encouraged to provide feedback on their peers in real time. Elements of 'gamification' such as leaderboards, and other features built into software can encourage and reward employees for commenting on the performance of their peers. And ERP systems often provide performance data on employees that can also be used as the basis for performance reviews."

Certifications and compliance

Most companies have to keep track of their employees' professional certifications as well as other applicable regulations, such as those pertaining to health and safety; in the technology industry, for example, it is necessary to demonstrate a proficient workforce in order to achieve partner status with vendors.

MyHR managing director Jason Ennor has worked in several large organisations and confirms systems are typically in place to track and manage all training and qualifications. "This included vendor certifications, where required. In the case of maintaining partner status with software vendor SAP, it was always an absolute requirement for the contractors and employees to ensure certification was maintained and up to date; for the help desk staff it was Microsoft certifications. We would also track other required industry qualifications, first-aid training, tertiary education, and so on," he says.

Providing further insight, Murphy says Datacom has around 3700 people working in 23 offices across New Zealand, Australia and SE Asia and maintains partnerships with major suppliers such as Cisco, Microsoft, VMWare and others. "Each has well defined partnership criteria and offers different levels of partnership; the capabilities of [a company like Datacom] is assessed by certifications held by our staff."

Datacom maintains an up to date inventory of certifications held by each employee – a process which is complicated as some qualifications have expiry dates which must be reconciled against the vendor's records and partnership requirements. "[Our HR system] allows storing, managing and reporting on any information in the employee database. Employees can update their own certification details, managers can validate them, and the system can even automate salary increments or bonuses based on certifications held," Murphy explains.

Ennor says it can be quite surprising that a number of even large companies don't have good HR systems in place and are tracking this sort of essential information using manual systems. "What often happens is 'homegrown' systems, usually involving Excel spreadsheets, are developed. Payroll is sometimes used in conjunction with Excel, depending on the quality of the system, but what you end up with is a cumbersome approach to HR management which perpetuates the 'paper shuffling' aspect of this function."

From pushing paper, to strategic management Ennor says there is a distinct need for more companies to consider better ways of managing talent, which allows HR to move away from time-consuming, effort-sapping paper-based processes. "While it's dangerous to say the HR department is responsible for organisational culture and how well 'people are our greatest asset' is put into practice, you do want to equip those tasked with managing the greatest asset with the best tools possible," he points out.

It is in exactly that process that Demarie-Crook is deeply involved for Fletcher Building. Such systems, she confirms, allow HR managers to spend more time on strategic added-value activities. "These systems allow a focus on the people and not the paper that surrounds the processes. They also deliver visibility, giving managers accurate and up to date information about employees at any time."

They also deliver an essential function for compliance and reporting against critical requirements such as professional certifications, Occupational Health and Safety, and more. "That means going from a situation where business units have to be pushed to ensure their training and certification is up to date, to one where the system itself drives the process," she notes.

There is a lesson in that, says Ennor: if smaller companies approach HR strategically early on, they can implement systems which are capable of growing with the organisation. "In the absence of a good system, HR people get caught in that paper-based bureaucracy, hampering their ability to perform a strategic function in the business. Even if you're a local company, it's an international problem, because if you're not managing people well, you'll be losing talent overseas. You have to be able to offer benefits, career growth and payment structures to compete; good technology will help you become more strategic," says Ennor.

However, he says there can be reluctance to embrace new technology within the HR profession (although it should be noted that resistance to change is a human condition, not limited to specific vocations). "Take new employment agreements," says Ennor. "These are typically paper documents signed in duplicate. Twelve years ago, we got the Electronic Transactions Act, and how often does HR insist on printed agreements? All the time."

Better tools, better results

Demarie-Crook stresses that software is an

enabler. "You can't build a system with data alone. Data standards, and process optimisation and alignment prior to implementation, is a critical step of the project. A lot of them fail if this isn't kept in mind."

Having in the past played a role in major HR system implementations, she says it can take time to gain the benefits of these systems – and she explains what those benefits include. "From a business perspective, that means being able to effectively develop and leverage talent across the business. A good system enables critical decision-making and management of talent in a streamlined manner. It allows for increased focus and alignment of company goals and how we track against those. It provides real time global workforce insight that allows for the business to make decisions based on relevant, up-to-date and robust data."

Ennor is on the same page. "Because HR is a process-driven function, that also means automating a lot of the inevitable bureaucracy. You want HR to engage effectively in the business and not become swamped in administration. But people can tend to get carried away, expecting the technology to solve the problem. You don't buy a hammer and wait for it to build a house and so it is with the HR system. Implement it and by goodness, use it if you are to get the benefit."

It's all about information (of course)

Good HR systems, says Ennor, reduce risk and, as they combine all personnel information in one place and provide reminders for when certifications, training or continuous professional development are to take place, there is very little chance of missing or forgetting anything. "So much can be handled online and be automated with a good system: performance reviews, candidate sorting for recruitment, leave management, document signing, storage and filing. A good HR system frees up HR managers to focus on the stuff that really counts, allowing the HR department to become a professional service that can enhance

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and improve the business."

A great part of that is human interaction, even with remote teams. "Good HR systems should improve these interactions, not get in the way of them," he adds.

Echoing Murphy's comments on aligning human resources with strategic direction and agreeing with Ennor, Demarie-Crook says a repository of all information relating to human capital also provides insight into the steps which need to be taken to progress in any given strategic direction. "However, the system won't do anything if it is not set up properly. But when it is, and it identifies and captures critical roles, you can plan for today and into the future."

That means HR can behave more strategically, becoming proactive by ensuring the right people are available for the business at the right time. "You can also see early on if, for example, you're losing critical skills so you can do something about it. Detecting trends and being proactive depends on having all employee information in one place and readily available, equipping the company to make the best decisions faster," she concludes. ∎