

## Power to the masses with MSS and ESS

**Amid increasingly sophisticated technology, HR 's challenge is to implement ESS solutions that will meet the present needs of their organisations while offering the flexibility to satisfy future requirements. Melinda Finch reports**

HR Information Systems (HRIS) and Employee/Management Self-Service Systems (ESS/MSS) functions are converging. In fact, specialist software providers in the area now refer to the product area as e-HR.

"More recently HR processes have been added to the scope of ESS such as online recruitment, management of training programs, performance management, resignation process, salary modelling and salary packaging, disciplinary procedures, management reporting and so on," says Tracy Angwin, sales and marketing manager for Rebus.

This is a good thing, as classic HRIS solutions were typically under-utilised, according to Ron Schroeder, managing director of EmployeeConnect. "Most of your classic HRIS solutions were back-office database systems designed for a few people in the HR department to have access to. While these systems had reasonable data structures and system designs ... the employees and line managers do not have direct access to the system, do not keep it up-to-date and, as a result, do not receive benefit."

In addition, administration between employee and manager for particular functions has become more streamlined. "We are now seeing ESS/MSS taking over the transactional HR processes by putting all routine transactions and reporting to the employees and managers that need them," Schroeder says. "For example, there's no reason why a company's ESS solution can't accommodate everything in the employee's corporate life span." This includes recruitment, employee induction, performance management and exit interviews.

For example, Australian Defence Industries (ADI), the country's leading defence, systems and engineering company, uses ESS as a portal for external suppliers. "Our recruitment is all outsourced and we are soon to introduce an online recruitment system via ESS which assists our recruiters to manage the internal processes as well as the external sourcing of candidates," says Gerald Richardson, ADI's group employee relations manager.

At Tourism Queensland their ESS capability allows them to monitor their staff retention accurately. "Exit interview questionnaires are completed online, providing accurate staff turnover trending analysis," says human resources advisor Diana Cuman.

Line managers also have better access to reports with the latest technology, according to Angwin. Such reports may be automatically generated and posted to secure intranet/internet sites, she says. Schroeder adds that with real-time access to management reports, "you can also take this to the next level of setting up executive dashboards for critical and real time reporting for items such as staff turnover trends and accident levels."

Tourism Queensland, for example, is in the process of including more HR functionality and real time access in their software. "We are enhancing our ESS application to include the ability for managers to request changes to employee employment contracts through the electronic workflow process. It also includes the ability for managers to generate the employee letters through a mail merge process built into the ESS application," Cuman says. "Some of the information in ESS is uploaded/merged into our payroll/HRIS system."

### Benefits for HR professionals

ESS continues to minimise administrative tasks for HR professionals and enable them to take more strategic roles in their organisations. "By putting all the routine transactional activities out to employees and managers via the web and workflow processes, HR professionals can focus on setting strategy and policy," Schroeder says.

This streamlining of otherwise very manual processes is being implemented at ADI. "Our professional development process ... used to be a logistical nightmare for HR people as well as being very time consuming for our employees. Using ESS as a tool to help gather the information, track the process, produce the reports and monitor the outcomes will be a major step forward. It also adds a lot to HR's credibility when the process is seen to work smoother and is less bureaucratic, and HR people have more important things to do than chase paper," Richardson says.

### Benefits for employees

For a start, better ESS capabilities mean employees can maintain and monitor their basic details such as personal information, payslips and leave balances. "Providing people with access to company information about themselves is undoubtedly the single most important achievement of ESS," says Mark Burden, portfolio manager of HR systems for Optus. "Companies are traditionally poor at managing personnel information. They like to think they do alright, but the reality is somewhat removed. Transaction-based activities cost time and effort, and these areas always suffer during the lean times."

The ability to keep accurate and up to date information also means employees can track their own progress and development. "More importantly, they can view at a glance their performance objectives, remuneration details, or training plans," Schroeder says.

Richardson adds that by modifying individual access rights, employees can edit or update information gathered earlier in the year in relation to their skills, qualifications, and training. "That will allow us to maintain the quality of the data obtained which has become vital for planning, tendering and compliance purposes."

### **Potential problems**

Underestimating the size of an implementation or upgrade project is another potential pitfall. At Tourism Queensland, for example, "the human resources team dedicated time to thoroughly scope the project before development occurred," Cuman says. This can also be avoided by integrating the management of ESS into the HR department, not IT. "Up until late last year, the team responsible for managing the ESS infrastructure was part of the HR division, not the IT division. This has been one of the most significant aspects to the success of ESS at Optus," says Burden.

He believes this meant isolating the ESS team from the bureaucracy that sometimes comes with IT departments. "The team saw itself as a unit of HR, delivering specifically to the needs of HR, and at the time that was an important emotion for the group to harbour." The ESS team at Optus is now part of the IT division, mainly because "the ESS systems have evolved and matured to a point where they will now more effectively benefit from the diligences that are inherent in the 'official' IT domain," he says.

Schroeder also recommends bringing IT into the process as early as possible. "In most cases, this will be the first transactional application that will be deployed across the entire company. There are significant security considerations regarding remuneration and pay data and how it is handled. All the details must be worked through, including external web access (at home and hotels, for example), setting up kiosks if applicable, encryption, system performance and database access. If you make a system selection and tell IT about it afterwards, there is a risk that they won't buy into the process and cause difficulties in the implementation," he says.

At Tourism Queensland the ICT department was involved in the project from the outset as "their role [was] crucial from a technical and project management perspective," Cuman says.

Organisations have to work hard to ensure successful implementation or upgrades of ESS systems, cautions Schroeder. "Common pitfalls are generally tied to the project implementation and rollout processes. No matter which vendor is selected, a properly implemented ESS/MSS/HR system will take significant effort on the client side. It is not a matter of sign the contract and let the vendor do all the work."

A way to prevent this could be by following the ADI example of not taking on too much at once. "When we first launched ESS, we deliberately limited the content and the types of transactions that people could see. That made initial training easier and it meant we didn't make it too complicated. As we progress, we are introducing more and more functionality and users are finding it relatively simple to adjust," Richardson says.

### **Securing executive support**

"It's all about the business case, involving them in the scoping processes, and showing them samples of the reporting that will be at their fingertips," says Schroeder. "Typically a CFO is going to be heavily involved with the decision making process, and we all know that CFOs want to see numbers and will ask 'what's in it for my bottom line?'"

Tourism Queensland secured support "by presenting to our executive directors the benefits of ESS and the efficiencies that would be gained by reducing current paper based processes into a versatile and integrated workflow process. As an example, all leave applications are submitted electronically by individual staff and forwarded to managers electronically for approval, then posted electronically to the leave and payroll systems," Cuman says.

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