

Riding the self-service wave

HR professionals are under continuing pressure to offer strategic business advice rather than simply overseeing services – but those administrative tasks aren't going to just go away. A popular solution in recent years has been to implement employee self-service (ESS) systems. Angus Kidman looks at how well these work in practice, how you can build a business case for ESS and what HR practitioners can learn from existing implementations

The basic concept of an ESS seems simple: give staff access via an intranet system to common tasks such as checking payslips, applying for leave or changing personal details. However, getting an ESS system in place requires not only a degree of technical savvy around issues such as integration with other corporate data systems and websites, but also a clear vision of how you'll convince both senior management and other employees that the project is worthwhile.

If implemented properly, the returns can be significant. A 2003 study by local research firm S2 Intelligence concluded that employee self-service systems delivered one of the best returns of any IT project – an outcome that's likely to please CIOs and CFOs as well as HR directors. Achieving that return requires dedication, a clear vision and a willingness to divide the project up into small and manageable chunks.

General Mills' ESS implementation

Implementing employee self service via a company intranet has been an ongoing challenge for General Mills Australia. The local offshoot of the \$US10 billion American food production giant, responsible for such brands as Old El Paso, Latina, Betty Crocker, Wraps Of The World and Pecks, employs 440 people across four locations in the region (Melbourne, Sydney, Brisbane and Auckland). Revenues for the local operation, which has been running since 1995, are well above \$200 million.

According to Heath Martin, national HR manager for General Mills, planning to move to an intranet-based system began around three years ago. "For us, it was all about trying to reduce a lot of the administrative work that the human resources team did, and making data more accessible to managers." The HR team (now a core group of seven) was frequently inundated with requests from managers for salary or leave entitlements and performance management documents, making it difficult for them to perform business value adding tasks.

Maintaining up-to-date technology was also important to General Mills' overall mission. "Having an intranet was also important to projecting the image of a professional organisation," says Martin.

General Mills moved from MicrOpay to Rebus PSE for its main payroll, and utilised technology from EmployeeConnect to build the intranet. Rather than using an integrator, the company elected to develop as much as possible in-house. "We wanted to reduce the costs of rolling it out as much as possible," he says.

That low-cost approach made it easier to win management backing. "Getting support for this project in our organisation was a challenge, but made easier because our senior management are very savvy and proactive in terms of human resources and the value it can provide. We had to justify the expenditure and the gains that we'd see, but they were very receptive. I can imagine it would be more difficult in an organisation which didn't have that understanding of HR."

Getting engagement from staff was the next challenge. "We tried to use as many hooks as possible," says Martin. Facilities offered via the intranet include leave forms and approval, online performance management, access to pay slips, and employee surveys. Pay slips were particularly valuable in giving staff an incentive to use the system.

"It's important to incorporate as many day-to-day forms, information and tools that people will use. If it's just seen as a system for HR, you're not going to get much uptake."

Guarding against the dangers of over-familiarity was also critical. "We were very careful not to make assumptions around how things work and how easy they were to use. If you're involved with a project, it's easy to get lazy."

While General Mills always planned to add multiple features to the intranet, Martin says that working on a single element at a time had resulted in a smoother rollout. "The leave process took us months to get right, and it never would have come together if we didn't have that focus."

The other key lesson was the importance of planning and testing. "You really do need to test everything and make everything work smoothly. People will make bad assumptions if one part of the system doesn't work, and they're less likely to be enthusiastic when you next add something on."

The implementation of the system has been ongoing over the past 18 months. "We've rolled it out to all of our salaried employees," says Martin. However, the next phase – giving access to staff in General Mills' manufacturing facilities, many of whom are employed on a casual basis – will create a new set of obstacles to overcome.

"The majority of our employees are manufacturing employees," Martin says. "That's going to be our biggest challenge. There's going to be employees who have never used a PC before."

To build familiarity, the company is exploring a low-key rollout option where, for example, staff might be able to print work order templates from the PC – improving their technology comfort levels – but still fill them out manually. "We might pilot one site to get an idea of how it goes."

At the same time, administrative staff already using the system are pushing to expand it. The sales department, for instance, wants more forms and reporting systems to be accessible. "There's never a shortage of things you can add on," says Martin.

Choose your technology: Fujitsu style

Technology giant Fujitsu faced a similar set of challenges when it began examining the possibility of an intranet-based ESS in 2001. "We were really faced with a lot of issues around the human resources technology infrastructure," says Rob Carroll, general manager for human resources at Fujitsu Australia. "We were a very administration-focused human resources department, and all that administration was becoming a bit of a burden. We wanted to free our HR professionals to work more on strategic issues."

Sharing information was also a priority. "We had this very strong HR database but the managers and employees didn't have any access to that information. We wanted them to be able to tap into that in a secure and confidential way."

Even for a company with a solid background in technology, choosing an appropriate solution took some time. "We looked at a number of off-the-shelf systems, and we found that nothing did what we wanted it to do," says Carroll. Eventually, the company opted to build its system internally, using elements of its iFlow workflow technology. "What we've attempted to do is take paper-based HR processes and automate them."

Selling the project, branded Employ-eVision, to management proved straightforward. "It wasn't difficult at all. One of the key drivers for doing this was reducing the human resources cost of delivery. As a business case, it spoke for itself."

Fujitsu estimates that annual savings from the system are more than \$250,000. There were also less tangible benefits. "You free up a lot of time for managers as well," he says.

The first application made available to all users was the full corporate directory, giving details on everyone in the organisation. That approach helped drive acceptance amongst employees. "Staff felt that this was an exciting way of enhancing communications," says Carroll. "They could immediately see the key advantages."

The system has now been rolled out to 1,500 employees internally, and is now being expanded to 800 employees of DMR Consulting, another Fujitsu company which has been merged with the local operation. Facilities on offer include personal and payroll information, performance appraisals and salary reviews. In the near future, Carroll hopes to add automated leave applications and the ability for staff to automatically select from a range of superannuation salary sacrifice options.

With self-service for the individual now well in hand, Carroll also wants to enhance the range of options available to managers. "I'm very keen to expand the range of reporting," he explains. "Building a full suite of management reports into this system will ultimately empower our managers to generate reports from any data relating to their staff."

Fujitsu's core competence in managing IT systems undoubtedly gave it an advantage in deploying the system. "It's gone reasonably smoothly," says Carroll. "Putting in place any IT system, there's always going to be technical issues." However, there's nothing Fujitsu would change from the basic rollout.

Asked for core lessons other HR managers could learn from the Fujitsu experience, Carroll focused on two areas: technology capability and process re-engineering.

"First and foremost, spend a lot of time checking the technology provider," he says. "As with any HR technology, you really need to do your homework."

Rolling out an ESS also provides a good opportunity to examine existing business systems and make changes. "It's a good opportunity to look at all your processes in a bit of detail," he says. There's little point in automating a fundamentally faulty process."