

HRIS: helping HR

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Human resources information systems (HRIS) can play an important part in a company's HR function. After all, we live, work and play in the information age. Implementing an effective HRIS can be sure-fire for HR to stay on the cutting edge in its bid to deliver more effective and streamlined service. *Craig Donaldson* delves deep into the world of HRIS

How HRIS helps HR

HRIS can assist human resources in numerous ways, but particularly in their day-to-day duties by streamlining workflow processes through control processes, system interfaces and database validation. One of the most common HR gripes is being bombarded with mundane e-mail and administrative work that takes away from the actual practice of 'walking the floor'.

For instance, a HRIS can automatically route e-mails to a generic mailbox that anyone in HR might open up and see what processing and transactions have been going on, according to Ian Ross, director of Rossearch, a specialist HRIS selection and project management company. For those e-mails that need approval it can use the information structure within the HR database to work out which person works in which division, who has approved it initially and who to forward that approval to the next person, says Ross.

In this instance a database can also maintain all the rules, so if the e-mail is not acted on for several days, the HRIS then escalates the issue and goes to the next in charge or works out what it needs to do, which in turn reduces paper flow adds Ross.

When a new employee comes on board, for instance, the HRIS creates e-mails that need to be generated so that security knows about the new employee, switchboard is notified and the legal department is advised about if there are any compliance or registration issues.

Browser based self-service systems for employees are also removing the administration burden for HR by lacing policies and procedures online and keeping employees up to date about the latest company news, according to Michael Specht, senior consultant with EmployeeConnect.

"By creating a portal HR can integrate ESS, online documentation with knowledge management, external and internal company news, business process automation and workflow resulting in a collaborative working environment for employees," Specht says.

HRIS has can help a company primarily through the organisation of its people data, according to Peter May, Deloitte Touche Tohmatsu's national director for people & knowledge, with far more accurate demographics around the business and cost

allocations or cost centres. “But the real value add is around helping us to manage our performance management systems, learning systems and succession planning business as well so it is about managing our human capability in all dimensions,” says May.

Probably the most profound way in which HRIS can manage human capability is by providing end-to-end solutions around the employee life cycle. This is a combination of skills and technology, according to May. Recruitment, for example, is a play between human resources (around helping to identify what talent means), the business itself (around what it’s looking for in terms of future capabilities) as well as IT to help put the IT infrastructure and applications in.

“You will see an enormous convergence of skill-sets that HRIS will be able to facilitate around technology, human resources and the business itself and the capabilities for the future,” says May.

The other place HRIS will add value is by pushing the management of employees back onto managers within the business and away from HR thus allowing people to self manage more importantly, May explains. “For the future it can provide a very powerful base to manage the capability for the future, and that’s what it’s about in a very fast moving economy.”

Two other areas HRIS can assist HR in include gaining greater control of payroll processing at a fraction of the cost of outsourcing, and ensuring government and payroll tax compliance with automatic updates that keep you up-to-date on the latest regulations.

HRIS – the latest and greatest

With continued technological breakthroughs HRIS systems are becoming increasingly advanced. One of the most core HRIS functions is intranet HR self-service. Some larger companies use their intranet today for online appraisals, career management, sentiment surveys, training registrations and publishing people related company information, according to Wal Wilkinson, marketing & alliance manager for Rebus Australia.

HRIS can also integrate with desktop applications including e-mail, word document merges and schedules via triggered actions within the HRIS, so that events and actions are monitored, documents generated, appointments booked and checked and emails prepared and sent, Wilkinson adds.

According to Ross, other latest and greatest HRIS include time-clock systems, OLAP (online analytical processing databases), real time systems, web GUI’s and scanned data. OLAP databases allow direct links into online systems so that data can be entered via the web, and when that information is saved it is actually submitted via a direct link into the HRIS he says.

When to upgrade?

There's a general consensus in our rapidly changing technological world that older HRIS systems that have their origins in DOS, Cobol or other early generation languages will find it increasingly harder to keep up with technological advances, according to Wilkinson.

However, Specht argues that it's not length of time as to how often HRIS should be upgraded but a matter of functionality. "If your existing systems are meeting your business objectives there might be no reason to renew your software. Change for change's sake is never a good business decision," he says.

But just how often a HRIS should be upgraded is something that's individual to each organisation. Regular HRIS reviews can help in the process of determining whether or not systems need an upgrade. These reviews can be held once every six months, with HR bookmarking what processes are not working or time consuming, Ross advises. As part of this process, HR can check the new function made available with new upgrades and review their benefit and applicability adds Ross.

"You have to make sure you are not just moving from one system that is doing a rather lacklustre job to another one that does just a little bit better. If you are going to upgrade your HRIS you need to make sure you are leapfrogging ahead to the next generation of a product," says Ross

Specht says if it's obvious that certain processes within a HRIS aren't working, then a wholesale renewal of your systems is not the best approach and sometimes it's not easy discerning the bells and whistles from the must haves. "Instead, you should be looking to leverage your existing investment in say your HR/Payroll solution to see if it can interact with a your desired portal solution," he says.

There is also the option of outsourcing the HRIS system and accessing the information via an ASP (Application Service Provider). ASP allows organisations to take the cost of HRIS off balance sheet, according to Wilkinson. This way the cost of HRIS via ASP becomes a regular, predictable, operational cost in line with the organisation's business requirements. There are many ownership options available when using this model and the ASP may offer a variety of services ranging from fully managed to hosted only HRIS.

"The ASP model is gaining momentum in Australia as organisations look to control costs, improve efficiencies, concentrate on core business IT issues and minimise the risk of IT systems redundancy," Wilkinson says. "Workforce and people management systems are ideally suited to an ASP environment."

HRIS pitfalls

One of the most common pitfalls of HRIS is lack of buy-in from important parties, according to May. "Certain people within the company decided to go with our HRIS, and we didn't necessarily go through the stakeholder management process or get the buy in

prior to implementation. So that was an area we will improve on next time we do any sort of major HRIS implementation,” May says.

Another common issue is that HR and payroll go forward and purchase software that’s not compatible with the mainstream organisation or is not compatible with a broader IT strategy, according to Specht. This again comes down to in-depth consultation and lack of appropriate buy in, where prevalent thought may be along the lines of ‘HR/payroll is confidential and therefore no one from IT can be involved.’

“This severely limits the potential return on investment, as the information cannot be unlocked for the organisation at large,” says Specht. This also has a cascade effect within the company, with HR professionals sometimes investing heavily in HR focussed rather than employee focussed software.

“A typical scenario is training administration where the overhead of HR completing the data entry outweighs the potential benefits. Purchasing employee focused software avoids this by allowing the data administration to be completed by the employees, the true owners of the data – essentially taking the application from the back office to the desktop of your employees,” he says.

American express found similar problems in the implementation of their HRIS. “Implementation was ‘vanilla version’ and being global we had to accommodate over 60 countries”, according to Anne Johnston, director of human resources for American Express. “So the paperwork attached and the training of managers was immense. There was also the aligning of reporting and linkages, which was never-ending.”

Even though this was “much more work” to being with, American Express recently moved to online forms instead of faxes, which has decreased HR’s involvement in the everyday processing of paper flow. “It’s worth spending a little more and minimising re-working and ‘vanilla’ versions. Go straight to online forms,” says Johnston.

HRIS marketers can also present you with slickest of slick presentations, but it’s important be savvy about this and not just believe the sales pitch says Ross. “The sales spiel always looks good and the salesperson usually has a little gimmick or two, but anymore than that and they’re a bit out of their depth,” cautions Ross. It can be a good idea to check client references and ask for test software to benchmark test data and make sure that it does what you want it to do.

The other major HRIS pitfall from the user’s perspective is project teams who design and implemented systems, Ross says. As soon as the project’s finished, those teams may up and leave which leaves users with a system they don’t know how to work. It’s important that HR owns the system and is either involved in the project or has the full sign off so the ball is not dropped when passed to them says Ross.

What to look for in a HRIS supplier

Some of the basic prerequisites should be a proven track record over a reasonable period of time, a history of continued product development and innovation, financial stability and a solid user base who are happy to talk about their experiences, according to Terry Leister, national sales manager for Aurion Corporation.

After the initial background-check of any HRIS vendor, the next hurdle they should pass is that they are prepared to be a *partner* throughout the entire selection, implementation, handover and support phases, according to Wilkinson.

The IT department should also give it a thorough inspection – is it built on an open systems platform? Can it directly access the market leading databases like MS-SQL or Oracle? “Most importantly, can it keep pace with rapid developments in computing technology or is it passed it used by date? For on-going stability and peace of mind, is it easily supported or are specialist people and skills required?” asks Wilkinson.

The final ingredients, Ross says, are a commitment to the Australian market and “support, support, support!”

How to sell HRIS to the CFO

A HRIS is no small commitment, either financially or logistically, and careful consideration and research needs to be undertaken before going ahead with any HRIS project. If you do decide to go ahead with a HRIS, there are a number of things that will make selling the idea to the CFO easier.

Preparing a business case showing how the HRIS will reduce costs and save money is the primary ingredient, Wilkinson says. “Calculate how long will it take to recover the investment and project the on-going support costs,” Wilkinson advises. A solid ROI analysis showing you are attempting to move HR from a transactional function to a strategic partner with executive management assists greatly. “We sold on the reporting but to do that, make sure the data loaded is accurate,” says Johnston.

It can also help to document a comparison of cost savings by implementing the HRIS against not implementing it, including a projection of increasing cost of headcount including benefits versus the potential one-off HRIS investment.

Coming HRIS trends

With the US generally 12 months ahead of Australian HR, there are some coming HRIS trends to Australia’s HR shores. These trends will become the driving force behind corporate portal initiatives, according to Specht. A corporate portal is a single, easy-to-use entry point for employees, comprised of elements such as transactional processing, analytics and knowledge management to provide personalised, self-service transactions (not just for HR but all administrative functions), workflow, internal and external content publishing, legacy data stores and employee demographic information overlaid with your corporate data warehouse explains Specht.

“This new environment should support the emerging technologies of eWorkplaces, mobile computing, NET, and XML (standards such as HR-XML. For some organisations this shift has happened but for others the journey has just begun,” Sprechtt advises.

Communications will also become more important as the Australian workforce evolves, Wilkinson says. With an increasing number of employees telecommuting, HRIS must be able to communicate with all staff via the web, mobile phone, WAP and PDA devices, with e-mail will driving this change. “The HRIS must be able to service the needs of all staff members no matter where they are located within the organisation,” Wilkinson says.

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