



HRIS

The road to success

When evaluating your current and future HRIS needs, it's important to align people, process and technology for the best outcome, says Simon Lind. He outlines the approach to take to move from being a cost centre to a value centre.

Is it a human resource information system (HRIS) or a human resource management system (HRMS)? And where do specialist recruitment or performance management systems fit into this mix? There are many different names for the numerous software applications human resource teams use to deliver their HR processes to an organisation. They certainly don't look and feel the same. They probably don't do the same things either, but they all come under the same umbrella. In some way, shape or form, they help manage people processes and provide information on your people.

Trends in HRIS selection

Historically, when selecting HRIS applications, many organisations have gone with bigger vendors who claim to cover all their HR needs. The 'one stop shop' best describes this offering where all HR processes can be managed by one product. The main issue organisations find with 'one

stop shops' is they often underwhelm with their functionality and are slow to deliver new, advanced functionality.

In the past, when vendors failed to meet HR requirements, the creative and well-resourced organisations employed developers to build their own customised systems to meet their needs. However, over time these too became painful as the developers moved on and the bespoke systems were no longer maintained and improved.

Over the last decade, there has been a shift to niche players who specialise in delivering specific HR processes. This shift to the specialised vendors enabled organisations to pick and choose the best product for each process. This 'best of breed' approach generally resulted in a suite of stand-alone applications. The issue with this approach is that it is often expensive to purchase and support all the solutions, and CIOs don't ideally like having to support half a dozen or more stand-alone applications for one department to run their processes—and especially not human resources!

On top of that, a lack of integration between the systems means manual data entry often needs repeating in numerous places. The fact that some systems are hosted elsewhere while others are hosted internally by IT can create some real headaches.

The latest trend we are experiencing with our clients is to try to find a middle ground—a balance between 'best of breed' and using as few vendors as possible. We refer to this as our 'optimal solution'.

This is where you pick vendors who can deliver solutions that can meet several of your HR processes. You get some of the benefit of 'best of breed' while dealing with fewer vendors and can also benefit from economies of scale in your purchasing power.

But let's be honest, there is no silver bullet for all companies. Every company is different and their optimal mix of HRIS solution is going to be different too. Novopay is still fresh in every HRIS owner's mind, and being risk averse is currently a very popular strategy. But, at the same time, the show must go on and HR must continue to become more value-driven, more efficient and effective and act less like a cost centre. To do this, it must provide more value to the organisation, and this is predominantly through how it extends and enhances the organisation through culture and performance of people.

On top of all these HRIS options, the HRIS owner has to decide on the appropriate time to trade in the old system. Can a few more miles be squeezed from the tank of the current system, or is it time for a completely new system?

The answer to that is: "It depends". And what it depends on is not on the latest, greatest and shiniest HRIS system, but rather a well-structured roadmap based on a comprehensive framework that allows organisations to ensure they can deliver success through their HRIS systems.

A framework for successful HR information systems

When evaluating your current and future HRIS needs, there must be a structure in place so that you can fully evaluate your world and prioritise the critical success factors. If you focus on just one of the core components of this framework, you are most likely to fail. The three critical success factors to any HRIS are:

- People,
- Process, and
- Technology.

People. These are the people who are in the greater HR team; the people who each day support the HR initiatives and drive them to success. They could be the administrator who ensures the HR system is kept up to date and the reports are distributed on a timely basis; or the HR analyst, if you are lucky enough to have one, who identifies trends and anomalies; or a senior advisor who does everything. They could even be the friendly IT person or consultant you call when something is amiss. In short, they are the people you rely on to get the job done. As HR practitioners, we often state our people are our greatest resource. Well, your HR people are your greatest resource.

Why are people the first component? Without the right people we are hamstrung. Like any department, we need to have the right mix of skills, experience, knowledge and attitude and when this mix is out of balance, our ability to execute is also out. We need to make sure our HR team is well balanced. That way we can be sure we can execute the following two components.

Process. This component is about the things we do and the way we do them. For example, your recruitment process:

- What are the steps in that process?
- How many steps are in that process?
- How much manual data entry is in the process and is the data that is captured worthwhile?
- Could we be doing our process better?
- Is it a decentralised or centralised process?
- What is the cost of the recruitment process?

Again, there are many questions and many options and these have to be optimised for every organisation because everyone is different! We need to fully understand our processes, the touch points in the organisation, the flow of information. If we don't have a well-structured and optimised process, we can't execute efficiently and effectively.

Technology. I can hear you asking "This article is about HRIS applications, so why is technology your last component?" The answer is simple. Before we can commit to any HRIS, or in fact any business application, we need to know we have the people and the processes in place so that, when we mix in the technology, we can execute with efficiency and effectiveness.

I have worked in an organisation where technology was imple-

mented before the organisation was ready for it. In this particular example, there were no formal processes in place to manage their sales team. The decision was made to implement some software to manage the team and their processes with the hope that the team would be more transparent in their activities, while also becoming more efficient and effective. However, because the organisation had not previously implemented and refined a process prior to the software implementation, no one followed the new system-driven process.

The technology was deemed a failure. So out the door went the application and in came a new one. The new system was implemented for a significantly larger amount of money than the previous system and within a short period of time the new system was described as the biggest waste of money the CEO had ever undertaken. This was because the data in the system was deemed inaccurate. The CEO would log into the system, review the sales team figures, see they were out of date and ring the team to discuss the 'real' figures.

In reality, the process was broken. The sales team thought no one was auditing their system activity, and that they only had to provide the data manually to the CEO. We fixed the process by clarifying that the system had to be used and by distributing reports among the sales team and managers. The data quality was improved and the process fixed. It took a week to fix the process and the new system was now referred to as the best investment ever, or so the vendor was told by the CEO! In this instance, process was the killer.

People can have the same effect. An example is where you have a recruitment system that is owned by one of your team members. They drive the process, ensure the system is upgraded and configured appropriately. Then they leave the organisation. No one with the right skills, knowledge and attitude replaces them. The system is left to stagnate. You miss a few upgrades and suddenly the 'technology' is failing. But is it really the technology or just that people are missing from the equation?

Technology, however, does have a rightful place as one of the three components. Many organisations complete paper-based performance reviews and development plans. Because they are paper-based, they are usually rushed and seldom provide the desired value, predominantly because the data captured is all on pieces of paper.

Imagine how long it would take to convert data for 350 employees

into something useful! Then imagine the useful information that could be reported on had it been automatically captured into an electronic system with great reporting capability. It's the technology that allows HR to be efficient, be effective, make better decisions and provide better advice to managers, all through the information sourced from their HRIS.

But how do you choose the right technology? It is through understanding your people and your processes. Find the right applications that can meet the expectations of your current people and current processes but are flexible enough to be able to grow and change as your organisation grows and changes. Focus on the technology alone, and the chances are high that it will be unsuccessful or short lived.

Move from cost to value centre

As HR practitioners, when we take the time to understand people and process in conjunction with technology, we become better equipped to make the right decisions about which technology or HRIS application to use. You will easily be able to identify whether you need new technology or whether you can get some extra miles from your existing system. You will be able to easily understand whether a hosted option is more appropriate than an in-house system. And because you have understood and aligned your people and processes before engaging technology, it will become very apparent where the efficiency and effectiveness gains will come from, and it is these gains that can go into your business case for approval.

When we align people, process and technology, we can start to influence our organisation. We can:

- Recruit better;
- Reduce turnover;
- Improve performance;
- Reward better;
- Make better decisions.

But most importantly, we can start to move from being a cost centre to being a value centre.

There's a rule in spelling – "i before e except after c". In the world of HRIS the rule is "Prepare your Ps before you come to T." **et**

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