

The Practical Guide to HR Transformation



Human Resources is under pressure to transform

At the Fair Work Ombudsman a geographically dispersed workforce and manual processes were significantly impacting the speed and effectiveness of the recruitment process, with time-to-fill often exceeding 70 days.

Within months, time-to-fill had reduced by 45%.

What was responsible for such a transformation?

The demands on Human Resources (HR) are growing. In the past, HR was expected to facilitate transactional processes, including recruitment, training, and coordinating performance appraisals. Today, organisations expect more. Much more.

HR is expected to bring a data-driven understanding of future workforce issues and capability to the executive table. In a world that's changing rapidly and unpredictably, this is no easy task.

HR is expected to actively contribute to the bottom line by correctly identifying the most critical workplace issues and the most cost-effective way to solve them.

Finally, HR is expected to know the organisation deeply, and use data insights to deliver services that meet their needs exactly now, and as they evolve.

It's an exciting shift; the chance for HR to contribute to more strategic decision-making, and to prove the critical role their business function plays in the organisation's success.

And yet, it goes without saying that throughout this shift, HR should also maintain their focus on successfully hiring and retaining key talent, while implementing a strategic plan to manage diversity, culture, learning, and careers.

There lies the challenge of HR today; how do you shape business strategy, when the functional tasks of managing your organisation's workforce necessarily dominate your time?

How do you free yourself from the traditional, to embrace something new? How do you find the time to make more time?

Get ready - we'll show you.



Understand: Transformation starts with the strategy

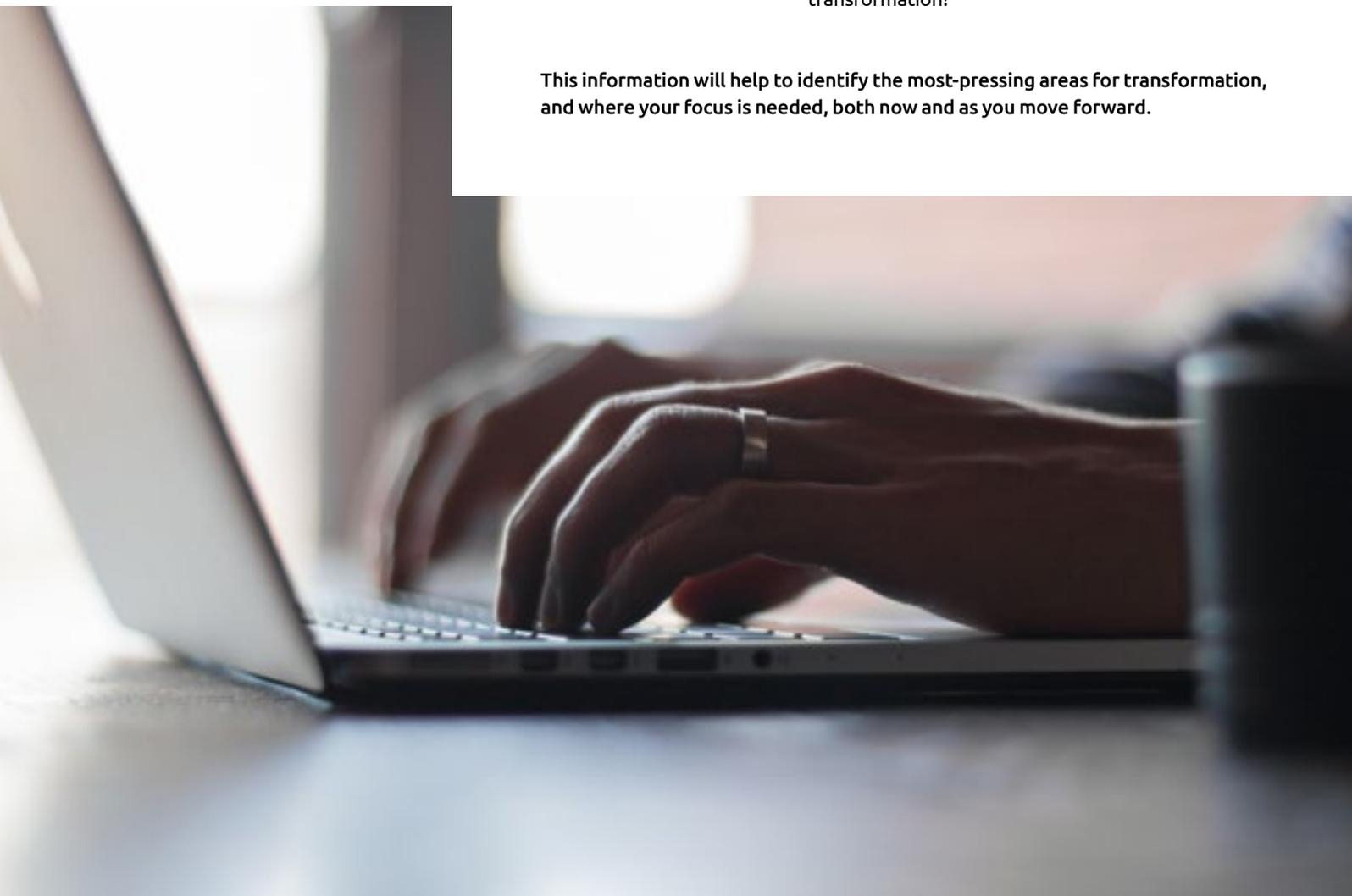
To be the HR function that your organisation requires — data-driven, forward-thinking, and aligned with business drivers — HR needs to transform.

Successful transformation requires taking a step back to consider your organisation's overall strategy. It also means clearly articulating what your organisation needs from HR, both now and in the future, to deliver on that strategy.

Before starting on the journey, some questions to consider are:

- What are my organisation's goals, and what's preventing my team from hitting those goals?
- What does the workforce of the future look like for our organisation?
- What are the highest value activities we should be performing?
- Where are the new demands for service delivery, recruiting, and learning coming from?
- How have other organisations approached this shift?
- What new processes or data insights do I require to influence discussions?
- How can I leverage technology to assist in this transformation?

This information will help to identify the most-pressing areas for transformation, and where your focus is needed, both now and as you move forward.





Shape: Technology is the backbone of a high-performing HR function

Once you've a robust understanding of what your team needs to deliver and when, it's likely evident that this won't be possible with your current capability; you'll need a new way to rise above manual processes, lack of access to data, and inefficient systems. Luckily, technology is here to help.

High performing organisations are ditching the paper-based processes and excel spreadsheets that kept HR mired in administration in favour of configurable and secure cloud-based systems as the backbone of their transformation efforts.

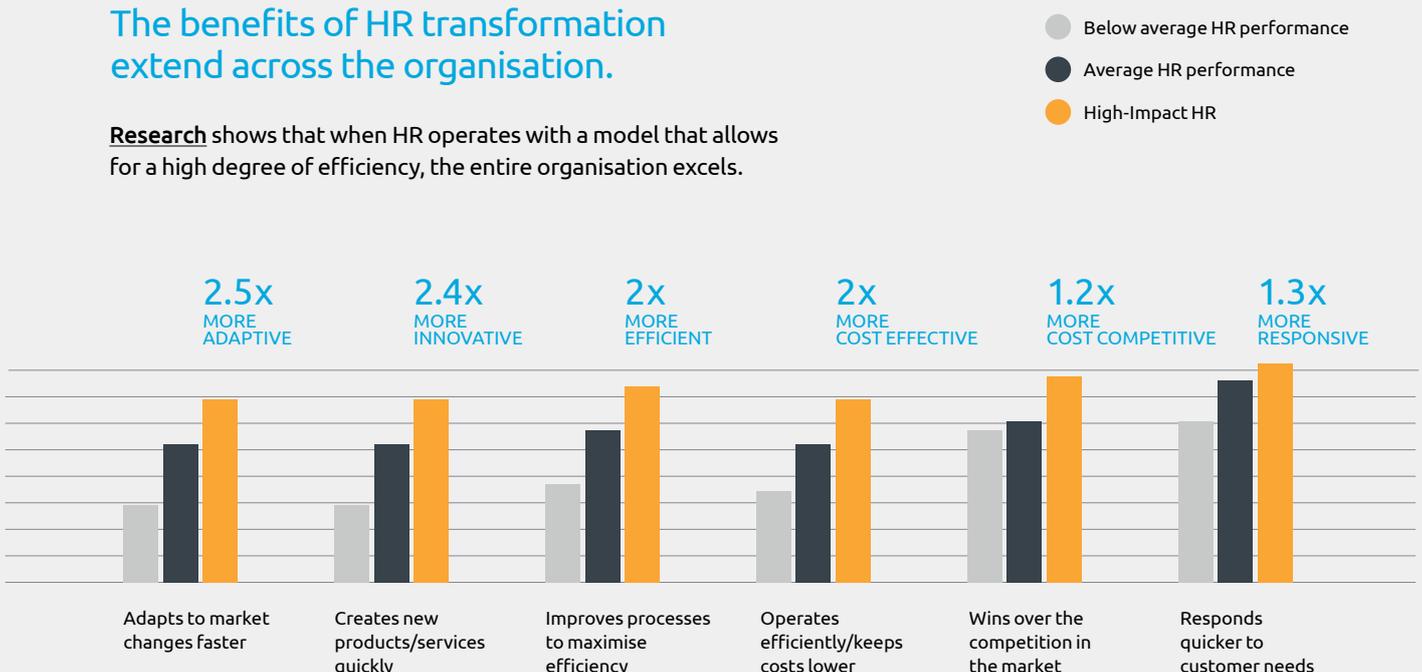
These systems are providing HR with the ability to influence executive decisions through data-driven insights. Automation is freeing up HR teams to focus time where it matters most. And they're improving employee experience through mobile-enabled self-service and user-friendly training.

Study after study bears this fact out: those HR teams measured as the highest-performing across several key areas, such as talent acquisition, learning, and talent analytics, have invested in modern cloud-based HR technology to form the backbone of their transformation.

In fact, according to Deloitte, 56 per cent of organisations are now redesigning their HR programs by leveraging digital tools, augmented by modern performance appraisals and employee onboarding processes.

The benefits of HR transformation extend across the organisation.

Research shows that when HR operates with a model that allows for a high degree of efficiency, the entire organisation excels.





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For organisations with a strategy based on leveraging internal capability, this may include building out a talent register to automatically match people to projects and work opportunities without the need for recruiters.

HR departments are already using algorithms to help identify skills gaps or job changes with high performance outcomes. AI-based sourcing models are becoming more sophisticated at measuring candidates: aggregating and weighing industry information, competitive intelligence, social profiles and company DNA.

Other organisations may simply want to avoid the lack of productivity when roles are left unfilled, which suggests the need for an automated recruitment and onboarding solution to reduce hiring times. Not only that, with the use of predictive analytics HR will be able to identify what is likely to occur, such as judging a candidate's future performance before hiring, and forecasting attrition and retention rates with far greater certainty.

With technology capable of touching so many aspects of HR, it can be difficult to make sense of both when and where to best invest in order to enable your HR team to digitally transform. Rather than approaching this in a fragmented fashion, it makes sense to apply a structured framework based on the way your transformed HR function needs to work.

The Promise of digital HR

We've entered an era where all people processes can now be both automated and understood via analytics. HR is transforming, using digital tools and apps to:

- Increase efficiency and responsiveness
- Create better employee experiences
- Empower the organisation as it evolves
- Add significant value
- Free up capacity to focus on the wider organisation
- Enable for greater credibility with decision-making
- Create the workforce of the future
- Build connections across the organisation

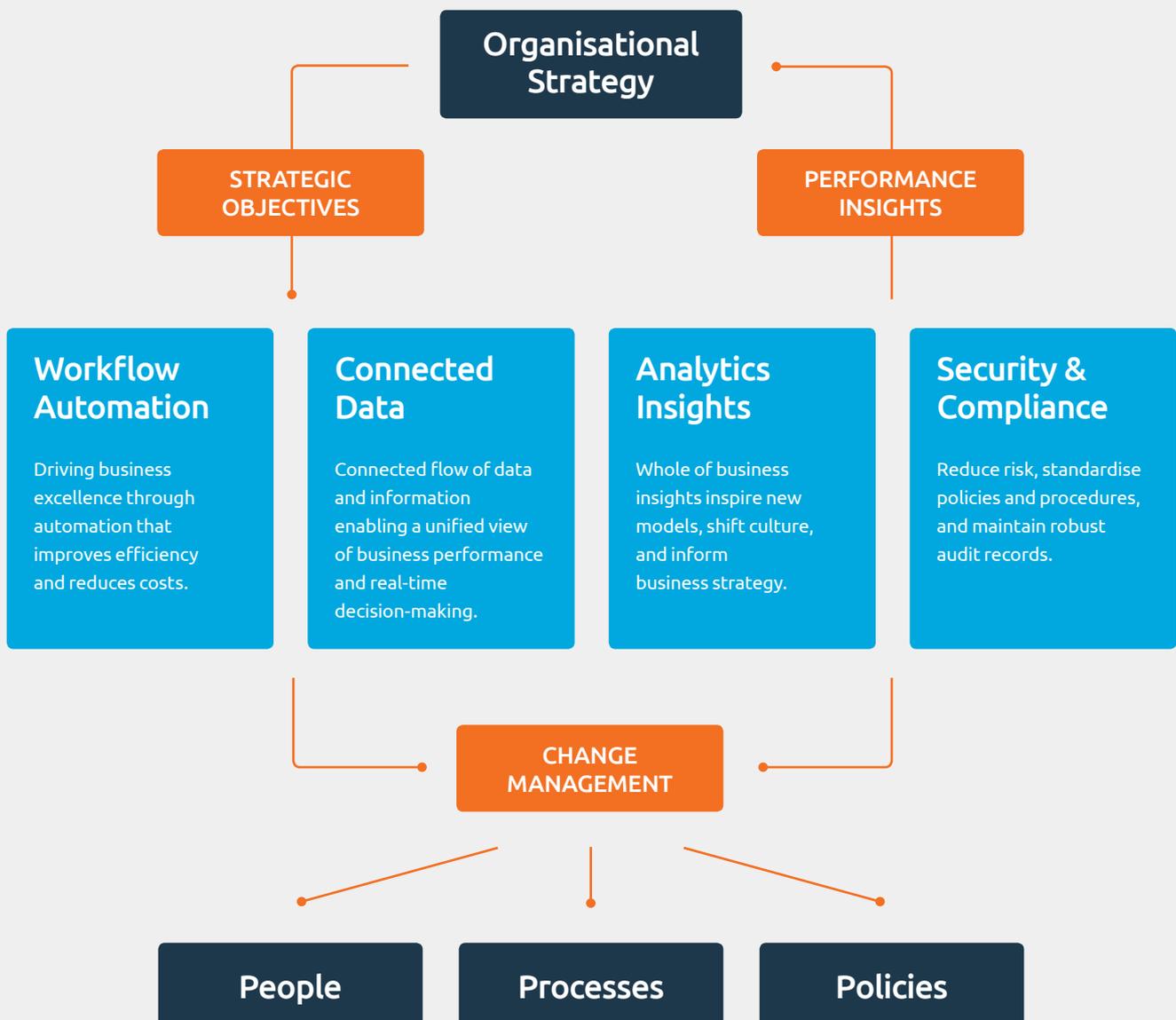




Build: A framework for HR transformation

When we look at HR transformation, the deep drivers are actually about developing capability in the right areas to deliver effective processes and policies to support people, while producing powerful performance insights to the wider organisation.

This framework outlines the four key pillars that cover how technology can be leveraged to achieve this. Focusing on these pillars will see a step change in effectiveness for the HR function.





Pillar One: Workflow Automation

For your team to focus on strategic outcomes, they need to be freed from time-consuming transactional tasks. The best way to save time is through automation.

There are some estimates that indicate up to 93 per cent of HR tasks have the potential to be automated. Simple things like managing probation reviews, completing selection reports, ensuring induction training is complete, checking employment registers, conducting background checks, and transferring staff between positions. These tasks have always been the meat and potatoes of HR, but their sheer volume often limits the sector's true potential: to shape the relationship between an organisation and its people.

Identify the processes that are slowing down your HR team. Technology provides you with the tools to automate some of the most time-consuming, manual aspects of recruitment and talent management

Generally speaking, automation is best suited to HR workflows, authorisation checks, backgrounding and talent register warehousing. But companies are using systems to improve all sorts of processes these days: planning your workforce, onboarding new employees, navigating recruitment and monitoring performance.

Key tasks that can be automated:

	Recruitment	Employee Onboarding	Performance & Development	Workforce Planning
Workflows	✓	✓	✓	✓
Report generation	✓	✓	✓	✓
Communication & requests	✓	✓	✓	✓
Document & resource sharing	✓	✓	✓	✓
Alerts	✓	✓	✓	✓
Audits & record keeping	✓	✓	✓	✓
Data export	✓	✓	✓	✓
Authorisations	✓	✓	✓	✓
Time tracking	✓	✓	✓	✓
Background checks	✓			
Talent register warehousing	✓		✓	
Learning paths			✓	
Completion certificates			✓	



Pillar Two: Connected Data

Automation is really only one piece of the puzzle. It can boost efficiency and free up staff for bigger things, but unless you can communicate the value of those 'bigger things', you'll struggle to get executive buy-in.

We see this regularly: HR departments doing fantastic work, but continually having to justify their spend or unable to automate because they can't prove the business case. KPMG research has found that only 17 per cent of senior executives say HR is good at **demonstrating** its value to the organisation.

It's evident that without a clear, data-driven understanding of how the organisation is leveraging its human resources, HR leaders have little to contribute to big-picture strategic discussions.

Improving your ability to make accurate decisions and demonstrate value to senior executives requires reengineering the way your team accesses data within the organisation.

- **Identify the required insights**

Refer to the information from your strategic review to uncover the key data insights that will be required.

- **Consolidate access to data**

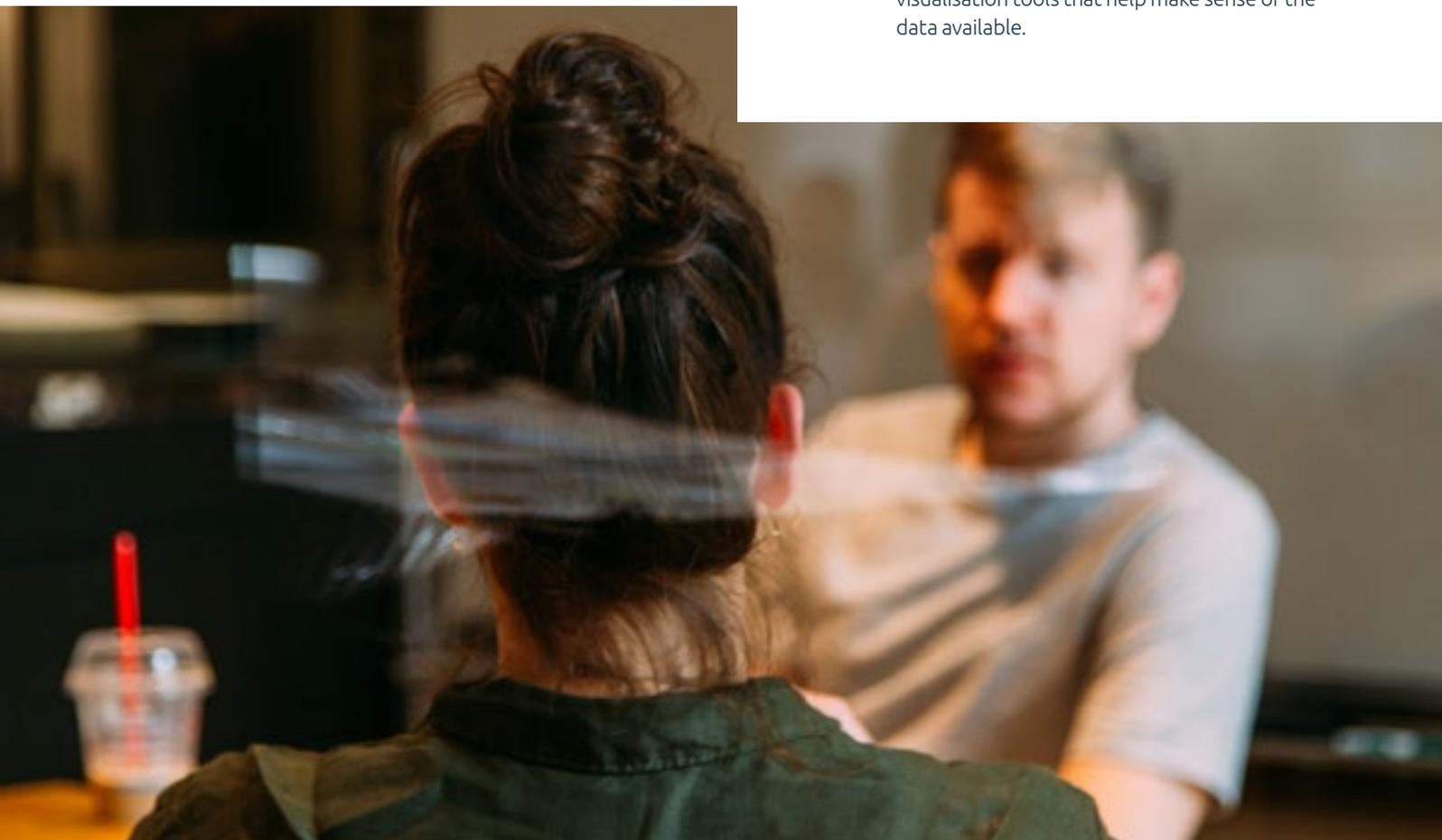
Identify where this information resides and connect using a mix of vendor software and centralised data warehouses.

- **Allow data to seamlessly flow**

Use APIs and automated data pumps to generate a real-time flow of information, allowing everyone to pull from the same source of truth.

- **Convert data to insights**

Provide your team with access to reporting and visualisation tools that help make sense of the data available.





Pillar Three: Analytics Insights

For HR, this isn't about knowing your numbers. It's about telling a story: looking at the metrics, connecting it to the wider goals of the organisation and then turning them into a narrative for various internal and external stakeholders.

The power of data isn't in having it. It's in thinking more broadly and creatively about what stories the data is showing you, and how to leverage those to drive better strategic outcomes.

Essentially this means you need a plan: a clear strategy that takes raw data and uses it to inform better business interactions across the wider organisation.

The beauty of modern HR analytics is that it allows you to measure things that were previously considered immeasurable, enabling you to hit your strategic goals. We can now quantify corporate culture. We can put a number on teamwork. Whatever the organisation's strategy is, it's now possible to measure it. Some people claim this is taking the 'human' out of 'human resources', but we find it's almost the opposite. You can't fix what you can't measure, and analytics allows HR leaders to influence (and improve) human interaction on a much more profound level.

How to inform and influence with data

- Use dynamic Key Performance Indicators (KPIs), dashboards and custom reports to get a complete and consolidated view at a glance
- Make use of visualisation tools to get a full, vivid picture without the need to decipher layers of numbers on spreadsheets
- Develop metrics to ensure alignment of your activity to the strategic problems and opportunities
- When sharing insights, concentrate on influencing for action. Rather than leading with the facts, explain what needs to be done about them

The metrics that matter.

Choose functional metrics that focus on HR's contribution to the overall organisation so that your reporting strategy is aligned with the overall business strategy. Make use of reporting and dashboards with the ability to drill down to provide more granular detail on a number of factors:

Employees and Culture

Signals overall engagement

- Overall employee satisfaction rate
- Culture Index ■ Target values behaviours

HR efficiency

Signals process excellence

- Cycle times ■ Acceptance rates
- Training utilisation

Performance and competency

Signals talent pipeline

- Retention rates ■ Promotion rates
- KPI performance ■ Skills gaps

Financial

Signals ROI of HR activities

- Cost of activities ■ Cost savings
- % of automated processes



Pillar Four: Security & Compliance

With the freedom and accessibility that a new hyper-connected HR function provides, comes the need to ensure that security and compliance requirements are carefully managed. At the same time, it affords the organisation opportunities to reduce risk, standardise policies and procedures, and maintain robust audit records.

It's this increase in control that is most interesting. Suddenly you have greater insight not only over the data itself, but who can access it, and how the data will be used. Permissions can be set appropriate to the user's role or department to limit options and maintain control. Policies can be easily standardised; a boon when facing constraints that govern how the organisation needs to operate when recruiting, managing and developing its people.

Workflows can be configured to help meet regulations, such as proving adherence to a merit-based recruitment process.

The use of automated triggers and task notifications ensure that there's a solid audit trail proving all tasks have been done efficiently and consistently, no matter who's doing it.

Look for:

- **Strong authentication mechanisms** including the ability to enforce minimum standards for password complexity, password-cycling, limits on incorrect password attempts, multi-factor authentication, and inactivity logout periods
- **Penetration testing** to be performed regularly
- **Audit logs** for all actions performed within the cloud service
- **Virus scanning** of all information input in the cloud service
- **All data within your cloud service to be encrypted** both in transit and at rest through commercial-grade encryption such as TLS 1.2
- **Full backups at regular intervals** that are retained for a specified duration
- **Legislative compliance**

Ensure your technology partners take security seriously

With the volume and the sophistication of cyber threats growing daily it's never been more critical to properly vet the systems you put in place. This becomes even more critical when considering the depth of people data that a transformed HR function will hold across various online systems.



Conclusion: The road to change

Human resource technology exists to make life easier for HR professionals and support overall organisational strategy. But it's also given rise to a better, more consistent way of doing business, driven by connected data, automation and analytics. In broad strokes, technology is transforming the way we approach human potential.

As you near this phase of transformation, remember that the only thing we can say for sure about the HR landscape is that it'll continue to change. But by taking these proactive steps to transform the efficiency and value of your HR function now, you can be certain that rather than drifting into the future, you'll be on a considered pathway towards efficiency, coordination, and adaptability.

