White Paper

New Considerations for Human Capital Management

A guide to optimisation
The growing number of trends, models and solutions centred on successful strategic HR pose serious considerations for HR leaders tasked with optimising existing people processes. Primary concerns for optimisation include:

» Globalisation and consolidation
» Social HR and consumerisation of IT
» Mobility and employee self-service
» Workforce analytics and reporting

In order to keep these considerations from becoming complications, we must first understand what they are and why they are important. In this paper, we’ll examine each topic and how they’re changing best practices in human capital management optimisation.

Today’s leaders in human resources have their work cut out for them. Recent changes in the world economy require organisations to be more agile than ever before, otherwise advancements in technology may render them obsolete. This has numerous implications for HR – namely, a shift in focus from transactional people process and policy administration to strategic human capital management.

Many organisations with a global workforce rely on mismatched Human Resource Management Systems (HRMS) and payroll solutions that vary from one location to another.
A global company, a consolidated system

For years, globalisation – the process of international integration arising from the interchange of worldviews, products, ideas and other aspects of culture – was the realm reserved for the largest companies in the world. Today, thanks to innovation in transportation and communication, even the smallest companies do business across multiple borders.

The emergence of the internet fostered rapid development of a world economy where anyone can plug in and connect, where endless opportunities for new business and partnerships are within reach from the comfort of your home. This has allowed for expansion into foreign markets, with satellite offices abroad. It’s also brought to light certain issues around managing a global workforce.

This trend isn’t limited to companies based in the U.S. or Europe; APAC-based companies are also expanding into foreign markets.

“Chinese firms are beginning to build strong global brands with an entrenched foothold in China and now expanding globally,” says William Chin, Staffing Director at Qualcomm Asia Pacific and avid HR blogger. “They are now competing against internationally recognised corporations for global market share.”

Many organisations with a global workforce rely on mismatched Human Resource Management Systems (HRMS) and payroll solutions that vary from one location to another. This presents some unique issues.

First and foremost, managing payroll and benefits for employees in multiple locations can be a nightmare. Not only do tax and labour laws vary widely, but also maintaining a standardised process across disparate systems and myriad service providers is almost impossible.

Furthermore, issues around data access, integrity and usability abound, rendering in-depth workforce analysis and planning a pipe dream. Lacking a central data pool, administrators can’t capture an accurate picture of global performance in real time, limiting their ability to identify redundancies and cut costs.

Beyond globalisation, consolidation is an important agenda item for HR leaders looking to upgrade outdated or broken people processes. HR workflows vary from one office to the next – even within the same region. Without a consolidated recording system, process and policy changes are impossible to track and implement across the organisation.

This trend has been escalating for some time, as the need for process standardisation and lower costs shows no signs of slowing. According to research from the Jeitosa Group’s Going Global Survey, the consolidation of employee populations into a “single, global system of record” is one of the most pertinent trends facing HR leaders today.

For HR, the implications are pretty straightforward – before an organisation can begin the process of optimising key HR processes, they must have in place standard, streamlined procedures on a consolidated solution. Otherwise, efforts at organisational improvement will be as disconnected as the systems you’re relying on to manage the day-to-day.

**Examples of globalisation**

<table>
<thead>
<tr>
<th>Language translations</th>
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<tbody>
<tr>
<td>1. Employee self-service screens</td>
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<tr>
<td>2. Manager self-service screens</td>
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<tr>
<td>3. HR admin/partner screens</td>
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<tr>
<td>4. Table/code values</td>
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<td>5. Free-from text translation</td>
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<table>
<thead>
<tr>
<th>Global compliance</th>
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<tbody>
<tr>
<td>1. Global governance model</td>
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<tr>
<td>2. Data privacy &amp; protection</td>
</tr>
<tr>
<td>3. Full audit trail (who/what/when)</td>
</tr>
<tr>
<td>4. Formatted legal reports by country</td>
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<tr>
<td>5. Data capture for legal reporting</td>
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<table>
<thead>
<tr>
<th>Data structures</th>
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</thead>
<tbody>
<tr>
<td>1. Names/addresses/phone numbers etc.</td>
</tr>
<tr>
<td>2. Alternate/multiple ID formats</td>
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<tr>
<td>3. Alternate tables (e.g. job class, ethnicity)</td>
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<tr>
<td>4. Country-specific fields (e.g. religion, hukou)</td>
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<tr>
<td>5. International assignments/visas</td>
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<table>
<thead>
<tr>
<th>Business processes</th>
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<tbody>
<tr>
<td>1. Employment types/contracts</td>
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<td>2. Compensation plans/allowances</td>
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<tr>
<td>3. Termination/severance agreements</td>
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<td>4. Vacation accruals/absence management</td>
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<td>5. Global benefits/pension funds</td>
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**Complexity**

Source: Jeitosa 2010

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1 Talent Management in Emerging Markets, Asia HR Blog, March 2013
2 Going Global Survey 2012, Jeitosa Group International
Understanding consumerisation of IT and social technology

One of the more dynamic changes in the world of work has been the pervasion of consumer technology. Many employees are already using social and mobile technology to get their work done. While some HR departments have misguidedy fought this trend, with aggressive policies limiting access to these tools fearing risk of misuse or abuse, progressive organisations are taking a more strategic approach.

The result has been an influx of social-powered tools focused on fostering collaboration, improving communication, and connecting employees the world over. Though social HR is still in its infancy, the implications of this trend are hard to ignore for a few reasons.

Today’s workforce is:

**Social**

Social media is powered by the ability to build connections and share information. HR departments who are actively resisting use of and access to social technology in the workplace are fighting an uphill battle – and potentially hurting their organisation. Social HR tools leverage the desire to connect and share, to create a more engaging experience in processes like recruiting, performance management, and learning and development.

**Mobile**

According to a study conducted by the UN, six billion have access to mobile phones, while only 4.5 billion people have access to working toilets³. Of those billions, roughly 17 percent of people have smart phones⁴. As that number grows, so does demand for mobile access to company information and tools allowing employees to work from wherever they are.

The consumerisation of IT offers a great opportunity for HR to play a more strategic role in an organisation. Though this trend is still in its infancy, optimising for social and mobile HR services will go a long way to develop a more agile and engaged workforce.

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3 UN Millennium Development Goals Report, March 2013
4 Global Smartphone Installed Base Forecast by Operating System for 88 Countries: 2007 to 2017
Employee-facing HR technology – mobile or otherwise – continues to gain traction in the enterprise.

New tools are emerging every day that can free up HR manpower while improving employee access to key information and functionality.

Leveraging the power of the people with employee self-service

The most business-critical tools and technology in HR are all focused on one thing – saving time. The sad truth for many HR departments today is that the majority of time and resources still go to keeping up with daily administrative tasks.

Maintaining accurate employee records, processing new hire paperwork, managing endless paper documents using an archaic filing system; there’s little time left to develop long-term strategic goals when your HR team is at capacity. Process automation, though helpful, only goes so far. The load needs to be shared.

Today many solution providers offer robust employee portals with efficient self-service functionality. Within these portals, employees can review and update personal information, view pay and tax history, manage benefits and request time off – all on their own.

For HR administrators, this has become a major timesaver. Rather than processing requests manually, they receive notifications for items requiring approval or review. Drastically reducing the amount of time spent on everyday items, these tools are enabling HR departments to begin looking ahead to new challenges.

Meanwhile, the global workforce is increasingly mobile. To address this trend, employee-facing mobile technology offers opportunities for HR departments to operate more efficiently at all levels. For example:

» Mobile access allowing hiring managers to approve job requisitions
» Employees can complete an online training course
» Supervisors can approve schedule changes
» Business leaders can review organisational performance
Advancements in technology have made HR software more affordable for organisations of any size. Aside from streamlining and automating processes, these systems are collecting all kinds of data on your workforce. The question of what to do with all of this data is one of the headier topics of conversation recently.

While the majority of HR systems – be they recruiting, performance management, or simply record-keeping systems – offer some form of data analytics and reporting functionality; some are tracking simple metrics, but others are doing far more.

Tracking key performance indicators, comparing them with benchmark data, and searching for correlations in other areas; workforce analytics tools are getting increasingly sophisticated, and are now providing valuable and quantifiable return on investment data.

“Moving forward, HR analytics will potentially become the link between the HR function and the boardroom,” says Miranda Lee, director of people and change management at KPMG in Singapore. “HR analytics play a central role in predicting the behaviour of talent, managing it and developing a customised plan for the organisation’s workforce.”

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5 Bringing Strategy and HR Together, HRM Asia, June 2013
Align business goals and optimise HR for lasting success

As many have learned, the success of any major HR initiative is heavily dependent on support from leadership. Without it, efforts to drive change are exponentially more difficult. Upgrading from administrative to strategic human resources requires more than leadership buy-in. It requires solid business acumen, where HR leaders have an intimate understanding of company goals and business needs – and understand how HR can most effectively support them.

Unfortunately, the number of organisations doing this is small. As Steve Lane Director, Human Resources, APAC and Japan, Informatica S.E.A explains, this is a big problem:

“Without understanding the strategy, needs and priorities, it is very difficult for HR to provide the right value, and be relevant to the business. By being closer to the business and understanding the business strategy, needs and priorities, HR may focus on solving some of the pains the business is having.

Before undertaking strategic optimisation of key HR processes, consider existing business challenges. By aligning long-term and near-term business goals with your plans for HR, you can garner executive support while working within your existing framework for measuring success.

However, where a solid tie between strategic goals and human resource processes is lacking, process optimisation runs the risk of going nowhere fast.
About Talent2

Talent2 is a leading Human Resources Business Process Outsourcing (HR BPO) and Managed Services organisation in the Asia Pacific region, working with clients across diverse business types and industries to deliver end-to-end talent management solutions that put people first. These include HR Advisory, Payroll, Recruitment, RPO and Learning solutions to enable organisations to improve the power and productivity of their people.

Founded in 2003, Talent2 operates from 39 offices providing services in 32 countries across Asia Pacific, Middle East, UK and USA.

In 2012, Talent2 was privatised by its founders, Geoff Morgan and Andrew Banks, through Morgan & Banks Investments (MBI) in partnership with Allegis Group, Inc. Allegis Group, Inc., a private company founded in 1983, is a staffing and workforce management company based in Maryland, USA. Allegis Group serves its customers through several business units that provide staffing services and solutions to a wide range of industries from offices in over 300 cities throughout the Americas, Europe and Asia.

The combined strength of both businesses further cements Talent2’s position as a global organisation and gives it a unique capacity and platform to fulfill the rapidly evolving needs for talent management across the globe. The partnership positions Talent2 strongly in line with current HRO market consolidation trends demanding global capability and expertise to meet the needs of clients in the dynamic and rapidly changing economic environment of today.

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