



The New HR Management System: Delivering Value for All

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The most effective and valuable HR systems address all users' needs within an organization.

It's that time of year again—performance appraisal “season.” Joanne, a frontline manufacturing manager, checks her desk calendar. She has three more days to submit performance feedback on her team into the company's human resources system. Did we mention she has to provide feedback on all 25 of her employees? She collects her handwritten notes and begins to enter them into the system.

Her eyes scan a maze of buttons, tabs, and text, and she wonders, “Do I have to enter the same information in two places this year?” After nearly 15 minutes of clicking through prompts, she calls Tom, her local HR business partner.

“Tom, I need your help! It's not working.”

Tom comes to Joanne's office for the rest of the afternoon to walk her through keying her information correctly into the system.

Joanne's struggle is representative of businesses that acquire HR technologies, that in the long run, are not designed to meet the needs of all of the stakeholders who interface with them.

THE RISE OF HUMAN RESOURCE INFORMATION SYSTEMS

Human Resource Information Systems (HRIS), also referred to as human resource management systems (HRMS) or human capital management (HCM) systems, are stand-alone or cloud-based software. They are designed to help businesses and organizations manage their people, policies, and procedures in one place. Records trace the first HR systems to the 1950s. Those focused primarily on transitioning manual documentation of employee records and payroll into a more centralized and automated system. In the mid-1970s, HR systems secured a foothold in the business landscape with higher computing power and the rise of employee record-keeping for legal and compliance reasons. SAP and PeopleSoft (now Oracle) led the way in creating a centralized and integrated system dedicated solely to HR.¹

Today, HR technology and tools have become a critical backbone in organizations of all sizes and across all industries. They boast an entire suite of modules to help organizations address the “hire to retire” human resources life cycle, including high-powered analytics to identify high-potential employees' turnover or compensation modeling. The global

human resources system management market is estimated to reach \$30 billion by 2025, according to Grand View Research, with dozens of vendors, including Workday, Oracle HCM Cloud, ADP, SAP SuccessFactors, Kronos, Ceridian, and BambooHR.²

SELLING THE INTENDED VALUE OF HRIS

Implementing an HRIS is a time-intensive and costly endeavor. On average, most full-scale systems take at least **90 days to six months** to fully implement, and they can cost upward of six to seven figures. According to Josh Bersin, **32 percent** of HR system implementations are over budget, and nearly half fail or never come to fruition.³ So, why even embark on the journey of identifying, vetting, and implementing these technologies in your organization?

An HRIS system can help a business gain tremendous value if it's designed strategically and intentionally. The bonuses include the following:

- **Automating and digitizing** employee records to significantly reduce paper-based records.
- **Providing a “single source of truth”** around your talent/workforce/employees to make defensible, data-driven decisions about the future of your business.
- **Enabling HR to be a true strategic business partner** by freeing up staff from administrative data-entry tasks so that they can focus on designing talent strategies and executing talent management initiatives.
- **Ensuring compliance** through standard documentation and ensuring that documentation is readily accessible for government audits and/or legal matters.

- **Empowering and engaging employees** through self-service capabilities where they are in control of accessing their records anywhere, anytime.

VALUE IN THE EYE OF THE BEHOLDERS

Like any other technology platform or system, the most effective and valuable HR systems address all users' needs within an organization. Historically, HR systems have focused on the needs of the HR function for obvious reasons. However, as self-services continue to trend across our personal and professional lives, employees expect options: the ability to pull information for themselves or to ask HR for help. Lastly, managers and supervisors round out our three core groups. They are not always elevated as key stakeholders or users of an HRIS system, but they use the

	EMPLOYEES	MANAGERS	HR FUNCTION
WHAT THEY WANT	Access to their employee information on any device, at any time, including benefits, training requirements, and requesting leave	To easily track and manage team members and adhere to management/supervisor obligations (e.g., performance appraisals) in a frictionless manner	To design, develop, and present employee data in a meaningful way to senior executives, to drive strong organizational alignment, and to support business capabilities with the right talent
THEIR PAIN POINTS	Inaccurate or outdated personnel information Accessibility limitations or restrictions Data leakage (privacy concerns)	Cumbersome or long lead time for generating reports, lack of flexibility to create custom reports Deeply nested aspects to navigate “manager” portions of the system	Poor UX places demand on HR to address administrative needs System limitations around a growing, changing workforce
INTENTIONALLY ADDRESS BY	Maximizing self-service, asking what employees can do on their own Considering nuances between geographies/countries, unionized employees, contingent/gig employees, etc., based on where your business operates and the makeup of your workforce	Working with leaders and managers to understand their responsibilities in the system	Building a matrix to understand key integration points between HR, finance, etc., regarding information needed and sources for reporting Futurecasting how your business will scale and change over time

systems frequently for strategic and tactical business decisions.

It's worth noting that these three groups are not representative of every stakeholder who will touch your HRIS (e.g., HR administrators). However, history and experience have taught us this: These three distinct but somewhat overlapping stakeholder groups represent a substantial portion of the challenges and unintended consequences if an organization implements an HRIS system and the system's promised value is not fulfilled.

VALUE IN BUYING WHAT YOU ACTUALLY NEED



A common HRIS fallacy is that when you decide to purchase one, you need to “go big or go home.” While many vendors today provide robust “all-in-one” HR suites, the reality is the most integrated of “all-in-ones” still are not “plug and play.”

In “Crossing the Chasm,” Geoffrey Moore writes, “With technology investments, there is always the potential to return significant dollars, but it always depends on the factors beyond the system itself.”⁴ In other words, the systems thrive only in an environment that has strong organizational processes, clear communication and collaboration channels outside of any systems, and a well-aligned top-to-bottom strategy across HR and the business.

Based on the value drivers we have outlined and the key stakeholders who will regularly interface with the system, consider a best-in-class module approach. A best-in-class module approach is attractive for the following reasons:

- It allows your organization to buy the “best product” for the core module it has prioritized (e.g., XX for recruiting, XX for performance management, XX for payroll, XX for knowledge management).
- It avoids anchoring your business to what you don't need or a less-than-desirable module for a critical part of your business.
- With technology rapidly evolving, system updates to individual modules have less impact or disruption to the overall business than an all-in-one solution.
- It provides the flexibility to scale with your business needs and requirements as you enter new geographies or introduce new types of workers into your talent mix.

Final thoughts

The HRIS has come a long way from merely a payroll system. Whether you're in the market for a new HRIS or looking for renewal options, recognize what seems like a laborious process of developing a business strategy around the technology and identifying clear user personas requirements up front, will pay in dividends across the lifetime of your contract. Also, Tom and Joanne can effectively do their jobs and will thank you for it. ●

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