

# HRD

THE ONLY INDEPENDENT STRATEGIC HR PUBLICATION

the **HR**DIRECTOR

APRIL 2022 | ISSUE 210

## IN THIS ISSUE:

### EXCLUSIVE EXTRACTS:

*LESSONS LEARNED*

*MISSION CONTROL*

DIGITALISATION OF HR

UPSKILLING, RESKILLING & MULTISKILLING

BUSINESS ETHICS - A NEW ERA

CONTRACTS, POLICIES & PROCEDURES

# INNOVATE

“ROBOTS AND AI WILL SUPERSEDE HUMANS IN TRADITIONAL WORK SETTINGS, BUT PEOPLE WILL BE EVEN MORE FUNDAMENTAL TO INNOVATION”

ANTHONY HUYGHEBAERT  
CHIEF HR OFFICER  
BARCO







ARTICLE BY MAX BAILEY, TECHNOLOGY ADVISORY EXECUTIVE DIRECTOR -  
LACE PARTNERS

# BRICKS & DATA

"A BUILDING IS A GOOD ANALOGY FOR HR TECHNOLOGY, WITH THE PEOPLE  
INSIDE IT BEING THE DATA. IT'S POSSIBLE TO HAVE THE BEST BUILDING IN  
THE WORLD, BUT WITHOUT PEOPLE POPULATING IT, IT'S A LIFELESS SHELL"

*Vision to transform to a people-focused digital organisation is not being obscured by a lack of commitment to spend on tech. Indeed, budgets are assigned and we are on the cusp of becoming people-focused digital organisations. However, digital transformation is reliant upon four essential elements, three are often in abundance - vision, tech and budget - but a crucial one, is evidently in deficit. As companies formulate their transformations, data has to be at the fulcrum of the plan.*

Across our profession it seems we're on the cusp of becoming people-focused digital organisations. Digital transformation can open up new worlds of potential for HR, gaining the capacity for a single, integrated view of each employee globally, the capability to enable talent mobility and improve diversity. All this and more is within reach and, with the Cloud empowering HR, there is less reliance on IT departments, systems are faster to implement and versions are updated regularly, meaning users benefit from new, evergreen functionality, without the pain of traditional upgrades. There are prolific amounts of new HR tech solutions to choose from and according to Human Resource Executive, global HR technology has never had so much investment - over \$17billion in 2021. In an article, George LaRocque, Founder

of WorkTech, put this down to pent-up demand and low interest rates creating a lot of money 'looking for a place to go', as well as COVID-19 and societal issues, demanding new HR capabilities. The C-Suite understands that many key issues need solving - improving hybrid working, communication, performance or wellbeing - because likely, they're experiencing the fall out. But again, returning to the crux of the issue, where organisations unsurprisingly unite in falling down, time and time again, is data.

It is tempting to think that shiny new tech will fix data and process issues, but it will not. Long before technology is purchased or a system integrator steps in, it's fundamental that an organisation puts its house in order, so that it can achieve the capabilities that new Cloud tech can deliver. Having data and processes in the

best place possible not only minimises the expense of new tech implementation, it also maximises transformation potential. Organisations that don't prepare will go through a painful implementation or worse, they later discover that the same problems with the previous system have not been solved, they've spent the budget and they cannot deliver promised results. None of this is straightforward, but it is achievable and the eventual outcome is worth striving for, where meaningful reporting and analytics - based on consistent processes and data - can quickly provide insights for talent, capability gaps, cost and resource efficiencies.

A building is a good analogy for HR technology, with the people inside it being the data. It's possible to have the best building in the world, but without people populating it, it's a lifeless shell.

A building also needs structure - hallways and rooms, wiring and pipes and, in this analogy, these are the processes that people use to do their work. The more these are standardised, where everyone uses the right room, in the right way, the more harmonious it becomes. For a Cloud transformation to work well, organisations need to agree a set of processes, albeit with permissible variations to local needs. These processes can vary tremendously and it's perhaps comforting to know that it is an issue that hasn't changed significantly over the past ten-to -15 years. For instance, firms have long had the problem of reducing thousands of job definitions globally to a more reasonable number of standardised jobs. It's the same situation for salary scales, the definition of full-time equivalent (FTE) and any number of other HR dimensions and processes.

The first step is to have a clearly defined people data architecture. Start with the data that is available today and where it's right. This is a data residency and ownership matrix. With this, it's possible to look clearly at how future functionality can be structured, so that it is possible to start putting in place as the logical building blocks and data dependencies. Although there isn't a lack of funding for new technology in many businesses, HR can often grapple with two core issues when it comes to progressing visions - the 'do nothing' problem and the fact that HR is a support service and so rarely at the top of the pile for extra budget. Since every business is different and that there is no standard route to become Cloud ready, the importance of creating a clearly defined strategy, business case and conceptual design is undeniable. These will show how proposed investment will support people, business operations and anticipated growth plans. It is important to understand both the full proposed costs, as well as how the system will reduce operating costs. Further, how organisational benefits will be measured needs to be defined and agreed and current systems and contracts also need to be reviewed to consider exit clauses.

Building a step-by-step plan brings clarity of process to understand the efficiencies that can be gained. For HR, not only will this ease immediate struggles, it will help avoid pitfalls, rework and costs later. It's true that Cloud transformation is less expensive than implementing previous on-premise technology, but it still comes at a price. To provide a rough idea, if an on-premise technology change costs 100 units, a Cloud-driven transformation for the same scope is likely to cost about 60-70 units. There's also a potential to save costs by updating existing systems and many organisations are doing this, but this isn't

"IT IS TEMPTING TO THINK  
THAT SHINY NEW TECH WILL  
FIX DATA AND PROCESS  
ISSUES, BUT IT WILL NOT.  
LONG BEFORE TECHNOLOGY  
IS PURCHASED OR A SYSTEM  
INTEGRATOR STEPS IN, IT'S  
FUNDAMENTAL THAT AN  
ORGANISATION PUTS ITS  
HOUSE IN ORDER"

a route to gain wholesale transformation. Be clear whether current technology is fit for purpose and whether enhancing a current platform can work for the organisational needs. Bear in mind too, that Cloud transformations can be just as complicated as on-premise transformations, but in different ways. The technology complexity may be less, but the change management complexity is more. Essentially, on-premise systems can be adapted, within reason, to what an organisation needs, without the need to change as much. Cloud platforms on the other hand, do have flexibility, but within certain parameters, meaning more organisational change is likely. Indeed,

Cloud comes with the mantra of 'adopt not adapt', meaning that the system should be used as delivered, rather than trying to customise it.

New systems also require adoption and behaviour change from users, so guiding people to use them efficiently is part and parcel of the activity. An advantage with Cloud systems is that they tend to have a significantly improved user experience. What's more, it's easier to automate and streamline HR activities in Cloud based systems, providing a relatively lower investment for the benefits. Creating a transformative experience for an organisation using Cloud systems, is not necessarily resource intensive, but the quantitative nature of it means it can take time. Hurdles will arise, so having a sense of humour during the transformation journey is best practice. But the journey is invariably worth it because, when the implementation has taken place, the insights available can drive consistency, informed decision-making for the business and support the house and all its occupants. This right isn't straightforward, but it is within reach. Organisations can get to meaningful reporting and analytics based on consistent processes and data, so they can quickly provide insights for talent, capability gaps, cost and resource efficiencies.

FOR FURTHER INFO  
[WWW.LACEPARTNERS.CO.UK](http://WWW.LACEPARTNERS.CO.UK)