



THE VALUE OF HR TECHNOLOGIES: Metrics and Stories

A White Paper from CedarCrestone Research and Analytics

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Executive Summary

The value that many organizations have achieved from Human Capital Management (HCM) technologies has been shown in a series of post-implementation reviews and Return on Investment (ROI) stories by CedarCrestone and Oracle.¹ However, the “proof” required for organizations when they must do their business case varies.

In this report, we look at the value achieved from various workforce technologies by reviewing ten years of survey work conducted by CedarCrestone, research from other organizations, and three case stories illustrating results from a global implementation, talent management, and Web 2.0 tools integrated with talent management.

To support organizations that need to conduct a business case for HR technologies, we provide results achieved as reported from surveys and from case studies. From CedarCrestone surveys we show the following findings:

- Process savings range from 20% to over 80% depending on the process and the technology. Automation to enable open enrollment yields the highest process savings and manager self service typically results in 50% plus savings.
- An organizational move to shared service center and self service shows the need for 18% fewer HR staff.
- Best practice organizations in the top quartile of survey respondents have 60% lower costs for overall HR labor and 50% lower HR administrative labor costs.
- Organizations that automate various functional areas to support talent management, such as staffing, compensation, or performance management, have on average 10% fewer headcount for these areas.
- Organizations with several key technology solutions have stronger operating income growth than those without. These solutions include an HR-oriented help desk application, competency management, an enterprise warehouse with HR data, or an HR warehouse solution.

The three case stories highlight the following benefits:

- United Nations global rollout to 166 countries resulted in cost savings from the overall integrated ERP implementation in finance and customer relationship operations along with savings attributable to improved human capital management.
- Applebee's common-sense approach to creating a talent management-based organization has enabled it to standardize and streamline processes enabling shorter cycle times, time savings, and smoother store openings yielding faster time to revenue.
- Oracle is breaking new ground from programmatically using Web 2.0 tools, bundled into its Oracle WebCenter Suite. While there is as yet undocumented hard-dollar cost savings from reduced travel and office space, the potential that Oracle and other organizations adopting similar technologies have for maintaining enthusiastic and committed employees is substantially more. Organizations with engaged employees out-performed average companies in the stock market by more than two and a half times.

¹ Numerous reports are available from: www.oracle.com/applications/human-capital-management.html (search on ROI) and www.cedarcrestone.com/whitepapers (see bottom of page for “It’s Payback Time” and “Healthy Savings at HealthFirst”)

Ten Years of Surveys Show Directions to Value Achieved

In CedarCrestone's experience, when organizations conduct cost justification, they look for examples from organizations that have confirmed hard-dollar cost savings or proven financial performance improvements. CedarCrestone positions its surveys to track results that can show cost savings, time improvements, and revenue or operating income increases. We see many indications of the first two. Until our 2007–2008 HR Systems Survey, we have seen minimal evidence that implementing the various HCM technologies leads to confirmed revenue improvement.

For the past ten years, the CedarCrestone surveys² have tracked results achieved from a variety of HR technologies. We review success levels, the HR staff-to-employee ratio, transaction costs, process metrics, and ROI. Highlights from 10 years include the following:

- The longer solutions are in place, the higher the satisfaction level.
- Number of employees served per HR staff has gone from an average of 100 employees served to 120 with self service and higher when organizations move to a service center approach with call center technologies and self service.
- ROI used to take 18 months for early employee self service when organizations were reducing administrative services headcount. Some applications take longer, such as learning management. Today, headcount reductions are minimal. Organizations today are not interested in headcount reduction, so ROI can take longer. However, if the economy slows, organizations may once again need to find possible headcount reductions.
- Organizations that use best-of-breed solutions have not included cost of integration in their total cost of ownership calculations. If they do, moving to an integrated solution from PeopleSoft or Oracle will make most sense, particularly when downstream activities are included such as supporting business intelligence and providing workforce analytics.
- Early adopters to any technology often see the intrinsic value and do not need to do cost justification. Later adopter organizations frequently must use hard-dollar cost savings for justification. Today, we are seeing some early adopters to talent management or business intelligence not have to do hard-dollar cost justification. We forecast that hard-dollar cost justification will soon be mandatory for all technologies as the economy slows.
- Finding the business value of any technology continues to be a holy grail. With the most recent CedarCrestone HR Systems Survey, we are just now starting to see an indication that some organizations are improving revenue or operating income through deploying talent management solutions such as recruiting or performance management. One organization attributed 15% improvement directly to recruiting and performance management applications.

² www.cedarcrestone.com/whitepapers : 1997 to 2007–2008 HR Systems Surveys

Approaches Highlighting Value

There is no single, common approach to determining potential value from HCM technologies. It depends on the technology under review and the state of the organization interested in adopting the technology. Value can be determined using multiple approaches such as:

- **Process savings.** Using activity-based costing, it is possible to compare current state with minimal or no automation, to future state with automation activities associated with a process such as an address change or a salary change. The difference is the time and labor savings. This approach is good to use to justify any process improvement through HCM technologies, as long as the current process exists. Examples where this works well include HR record keeping and any processes impacted by self service.
- **Headcount changes.** Automation or outsourcing can also impact the number of staff needed to provide services, typically lowering the number of staff required. Organizations can benchmark on their current number of staff, such as HR administrative staff, or on the number of employees served by the given set of HR staff. This approach is also good for justifying core HR systems, self service, and in the future may be needed to justify talent management applications.
- **Metrics.** Metrics such as “time to fill” (total time required for hiring) or “cost to fill” (total costs associated with a specific requisition) before and after automation are also useful to show potential value. In this example, automation enables an organization to more quickly get staff that can then provide value while lowering overall costs for talent acquisition. The challenges to gathering HCM metrics in general is to first agree on which metrics are important and then to agree on a definition for each. The final challenge is to find comparable-sized organizations with similar service delivery models. Metrics such as time to fill or the headcount numbers are good to use to justify the various talent management technologies such as recruiting, performance management, compensation management, and other talent management applications.
- **Best practice outcomes.** Organizations must identify the best practices that make sense for their type and size of organization, understand the types of value achieved by others, compare their outcomes, and then implement the ones where improvements are possible within their organizations. An example of a best practice is shared services for service delivery. Another example is that the 401k record-keeping process is most typically outsourced. Yet another example is that organizations that automate their goal setting and development/training planning processes to enable employees to meet their performance objectives—who then instead of only doing so annually, do this more frequently—have achieved best practice.
- **Causal links and models.** Causal links and models that can predict organizational performance improvements from automation or outsourcing are just starting to be developed. These show promise for proving technology investments will create positive results. A seminal example of a causal link is from Sears Roebuck.³ This research showed that by improving employee satisfaction, customer satisfaction was improved. By improving customer satisfaction, profit was improved. This rationale was used in the early days of employee self service to augment hard-dollar cost savings arguments. Leading-edge work is underway today—by the Predictive Initiative led by Dr. Jac Fitz-Enz⁴—to develop a predictive model for human resources investments, along with applications,

³ Ricci, Anthony J., Steven P. Kirn, and Richard T. Quinn (1998) “The employee-customer-profit chain at Sears.” HBR January–February 82–98.

⁴ www.humancapitalsource.com/content/view/26/61

implementation tools, and a measurement system that focuses on positively impacting future organization performance. Other organizations are working on similar initiatives.⁵

In the sections below, we provide sample results for process savings, headcount changes, metrics, best practices, and causal links.

Process Savings

Using an activity-based costing approach to compare current time and costs for a given activity, CedarCrestone reports the following typical savings:

Figure 1: Typical Savings by Process (2007–2008)

Process	Pre-Automation Costs (without applications)	Self Service and Talent Management Application Costs	% Savings
Salary Change	\$33.50	\$18.26	45%
Approve Promotion	\$36.48	\$14.01	62%
Create Job Requisition	\$27.67	\$11.11	60%
Performance Appraisal	\$59.73	\$47.60	20%

Source: CedarCrestone 2008 Value Report

These savings are derived by taking the total time for all roles (manager, employee, and HR staff as applicable) involved in a process pre-automation and with self service or talent management. These figures come from CedarCrestone ROI and post-implementation review work. The SALARY CHANGE process goes from a manual cost, with some automation such as shared files and email, of \$33.50 for labor, materials and postage costs, to \$18.26, yielding 45% in savings on a per process basis.

This information can be used to develop potential cost savings in any organization by multiplying the costs time the number of expected transactions per year, before and after implementing the given application to show potential savings in your organization. You must redesign process and job roles to take advantage of any cost savings in the form of some labor elimination or to take advantage of any productivity savings with redirected work.

⁵ Research conducted by Dr. Lauri Bassi: www.mcbassi.com/whitepapers/Impact.pdf

Prior studies show the following typical savings:⁶

Figure 2: Typical Savings by Process (2002–2006)

Application/ Business Process	Manual Cost	Self Service Application Costs	% Savings
Enroll in benefits	\$30.06	\$4.59	85%
Enroll in training	\$9.58	\$2.31	76%
Change home address	\$1.58	\$0.36	78%
Apply for a job	\$11.55	\$6.09	47%
Request salary change	\$4.20	\$1.53	64%
Approve promotion	\$3.38	\$0.87	74%
Create job requisition	\$29.89	\$9.36	69%

Source: CedarCrestone 2002–2006 ROI Studies

Aberdeen also provides such process savings information.⁷

Headcount Changes

In the early years of our survey, CedarCrestone saw significant headcount reductions of 25% from self service and programmatic moves to a service center where not only self service but call center technologies are used for service delivery. In our 2007–2008 HR Systems Survey, we also report data on various other HR roles impacted by talent management process automation.

In the following table, the average line shows that employee self service alone yields little impact, but that manager self service does. The service center impacts most of all with more people being served. These numbers by size of organization and service delivery approach can be used for comparison to your organization.⁸





Organizations that outsource their core HR record keeping process also serve more employees per HR staff.

⁶ CedarCrestone ROI Studies, 2006

⁷ Aberdeen Group, The Strategic Development of Core HR Systems, www.aberdeen.com

⁸ These numbers vary by industry as well as size. Within the top quartile are many retail organizations, for example. Contact CedarCrestone for detailed numbers by industry and size to benchmark your organization.

Figure 3: Workforce Technologies Impact on Number of Employees Served per HR Staff – Worldwide: Part 1

Employee size category		Overall	Employee self service*		Manager self service*		Service center**	
			Average	Top quartile	Average	Top quartile	Average	Top quartile
Small (500–2,499)		85	82	136	89	137	97	150
Medium (2,500–9,999)		115	105	120	120	170	136	194
Large (10,000+)		130	135	236	140	234	172	307
Average all organizations		109	109		120		129	
In-house record keeping		106	103	179	115	175	120	260
Outsourced record keeping***		126	152	253	156	261	179	560

* Employee and Manager self service serves 40% or more of the employee or manager population.

** Service center serves 90% or more of the workforce.

*** Top quartiles for outsourced processes are small cohorts.

Source: CedarCrestone 2007–2008 HR Systems Survey

Other HR administrative and specialist roles are impacted by automation or outsourcing. In the table below, we show the number of employees served by each role by size of organization; first without automation, and then with applicable technologies. For HR Administration, for example, the technology is employee and manager self service; for performance management, it is a performance management application that automates the performance review process.

In all cases, organizations are serving a higher number of employees when they implement the applicable applications. Some areas see substantial increases in the number of employees served by the various HR roles such as succession planning. Others will always require a high level of subject matter expertise even with automation. Saratoga, a PwC division, is well known for its HR benchmarking service that includes similar numbers.⁹

Figure 4: Workforce Technologies Impact on Number of Employees Served per HR Staff – Worldwide: Part 2

Employee size category	All HR	HR Admin	Pay Admin	Staffing	Compstn Mgmt.	Perf. Mgmt.	Success Planning
Small (500–2,499)	85	333	508	378	700	679	826
Medium (2,500–9,999)	115	725	996	743	1,887	2,167	2,952
Large (10,000+)	130	803	1,643	1,492	4,835	10,115	11,715
Average all organizations	109	598	964	797	2,219	3,535	4,493
With automation	129	645	971	892	2,272	4,157	8,364

Source: CedarCrestone 2008 Value Report

For both of the tables above, see Appendix A for definitions and methodology used to develop these numbers.

⁹ www.pwc.co.uk/eng/services/saratoga_hr_metrics_and_benchmarking.html

Metrics and Best Practices

Oracle, CedarCrestone, and Saratoga developed a series of business process snapshots for HCM processes that are available through your Oracle sales representative. See sample in Appendix B. These highlight metrics associated with cost, cycle time, and quality for the following HCM processes:

- Administer Benefits
- Employee Learning and Development
- Employee and Manager Self Service
- Employee Performance Management
- HR Help Desk Service
- Manage Compensation
- Payroll and Time and Labor
- Recruiting
- Talent Management
- Workforce Administration
- Workforce Analytics

Sources such as these can be used to benchmark your organization to both median and best practice-level organizations.

From the CedarCrestone 2007–2008 HR Systems Survey, we provide the following metrics that complement the business process snapshots. Of note is that many metrics vary by size and industry. For example, the Best organizations (top quartiles) for HR labor costs are often in financial services and retail; with organizations in financial services often having a very robust set of automation and organizations in retail often not providing as many services as other industries.¹⁰

¹⁰ Organizations can use these median and best metrics for planning and justification purposes. For metrics for a specific industry, contact CedarCrestone for benchmark services.

Figure 5: Key Metrics – Cost, Headcount and Cycle Time

Key Metric – Costs	Median	Best
HR Labor Cost per Employee		
Large (over 10,000 employees)	\$586	\$184
Medium (2,500 to 9,999 employees)	\$669	\$251
Small (500 to 2,499 employees)	\$798	\$339
(Total HR employees worldwide*\$50,000)/Total employees worldwide A national average of \$50,000 is used for the average HR labor cost		
HR Administration Labor Cost Per Employee		
Large (over 10,000 employees)	\$179	\$45
Medium (2,500 to 9,999 employees)	\$182	\$109
Small (500 to 2,499 employees)	\$367	\$229
(Total HR administrative employees worldwide*\$50,000)/Total employees worldwide A national average of \$50,000 is used for the average HR labor cost		
Key Metric – Headcount	Median	Best ¹¹
HR Administration Ratio Number of employees serviced per one dedicated HR administration staff	598	645
Payroll Administration Ratio Number of employees serviced per one dedicated payroll administration staff	964	971
Staffing Headcount Ratio Number of employees serviced per one dedicated staffing staff	797	892
Compensation Headcount Ratio Number of employees serviced per one dedicated compensation staff	2,249	2,272
Performance Management Headcount Ratio Number of employees serviced per one dedicated performance management staff	3,535	4,157
Succession Planning Headcount Ratio Number of employees serviced per one dedicated succession planning staff	4,493	8,364
Key Metric – Headcount	Median	With Self Service/ Best
HR Staff/Employee Ratio for Employee Self Service Number of employees serviced per one HR staff	109	109/236
HR Staff/Employee Ratio for Manager Self Service Number of employees serviced per one HR staff	109	120/234
Key Metric – Headcount	Median	With Service Center/ Best
HR Staff/Employee Ratio for Service Center, including Employee and Manager Self Service Number of employees serviced per one HR staff	598	645

Source: CedarCrestone 2008 Value Report

¹¹ In this section, the “best” is from organizations that have implemented applicable technologies. For example, for Staffing, the organization has a recruiting application; for succession planning, the organization has a succession management solution.

Key Metric – Cycle Time	Median	With Automation/ Best
Time to Hire (in days) Average time to hire (with and without talent acquisition solution)	52	24
Time to Complete Transfer or Promotion Average personnel action cycle time (initiation of process until posting into HR record keeping system)	5	4.3/1.5
Time to Complete Salary Action Average salary action cycle time (initiation of process until posting into HR record keeping system)	6	4.3/2

Source: CedarCrestone 2008 Value Report

Causal Links

Readers have likely seen reports from various software vendors that show their customers doing better than non-customers (i.e. the customers of their competitors). Few of the studies have actually shown the direct, causal link from implementing the specific HR technology to improved performance. Many factors can be in play.

For example, if a vendor shows that its succession performance application customers do better than another set of organizations, it could also be that organizations that have any kind of succession management process at all do better than others. The technology may not matter at all. These organizations may be from a particular industry that did well that year. It could be that because these organizations are doing well already, that they invested in succession management technology. The point is that there are many factors at play and causality is not proven.

But, there are approaches to showing a link between some intervention such as technology implementation and improved financial performance. WatsonWyatt with its Human Capital Index¹² uses a cross-lag analysis that determines the direction of impact and has shown that organizations investing in several human capital management activities may likely be achieving better financial performance from these investments, instead of the other way around. CedarCrestone uses this same approach to determine whether investment in key technologies has an impact on improved financial performance.

From the CedarCrestone 2007–2008 HR Systems Survey, we found that organizations with the following technologies did better than organizations without, among our 466 survey respondents. This is indicative data only. We believe that there are likely a cluster of technologies in play that contribute to increased growth, such as:

- **HR-oriented help desk application.** Organizations with such technology have moved service delivery to a centralized service center. They focus on providing services at low cost. The move they have made to centralize services has also included process optimization.
- **Competency management application.** Such an application is at the heart of any effective talent management strategy. Organizations must know what competencies they have or do not have before they can do effective workforce planning, recruiting, competency development or establish performance management and rewards for employees with high levels of key competencies.

¹² www.watsonwyatt.com/research/featured/hci.asp

- **Enterprise warehouse with HR data** or with an **HR warehouse application**. Whether they have always practiced metrics-based management or are new to such management, organizations that base their HCM on metrics related to the workforce must have some repository of data from which they can report.

As mentioned, these studies are only showing indicative results. For now, we will have to wait for further studies focused on proving the causal links by organizations such as those headed by Dr. Jac Fitz-Enz or Dr. Lauri Bassi.

Figure 6: Key Metric – Impact on Operating Income Growth

Key Metric – Impact on Operating Income Growth	Growth Without	Growth With
With a HR-oriented Help Desk Application	21.2%	29.8%
With a Competency Management Application	21.9%	35.0%
With Enterprise Warehouse with HR Data	21.2%	40.2%
With HR Warehouse	22.2%	30.4%

Source: CedarCrestone 2008 Value Report

Three Stories Highlighting Value

When considering implementation of a specific software solution, many organizations are most interested in cases of other organizations that have already implemented the same solution. Ideally, these cases should be from organizations in their industry or of their size of organization so they can get a feel for the potential impact these technologies have with more specificity.

We offer three case stories from the public sector, retail, and high-tech. The first two industries are not often early adopters, while the third is.

Public sector organizations typically have more difficulty justifying new technologies as their business case is not based on headcount reductions. Further, they must factor in the costs of moving people whose positions may be eliminated into other activities. The first case story highlights the value achieved from a global HR/payroll implementation at the United Nations in 166 countries. This is an unfolding story. The UN has achieved substantial cost savings from the overall integrated ERP implementation in finance and customer relationship operations, and also savings that are attributable to improved HCM.

Retail organizations are also seldom early adopters of any technologies that are not part of their value proposition to customers, such as point of sale solutions. The second case story discusses the emerging talent management approach at Applebee's. While other organizations may have already achieved more value from recruiting, learning, and performance management solutions, this story highlights a common-sense approach to creating a talent management-based organization in an industry with incredibly tight profit margins.

For high-tech organizations, adopting anything high-tech is their business: they must model its use, particularly before selling it. The final story is a look ahead at the value that is achievable from using Web 2.0 tools, integrated with HCM technologies, at Oracle. Oracle is breaking new ground from programmatically using Web 2.0 tools such as blogs, wikis, instant messaging, chat rooms, podcasts, and Facebook-like systems as part of the daily arsenal of tools available to employees. Many people use these tools in their daily lives already, but Oracle is packaging them and bringing them into a secure environment, an absolute requirement for large enterprises. When these are integrated into an environment that has sophisticated talent management solutions, the value escalates.

While there are likely hard-dollar cost savings from reduced travel and office space, the potential that Oracle and other organizations have for maintaining enthusiastic and committed employees, using tools they already use in their personal lives, is substantially more. For example, in a recent book, David Sirota said, "Companies identified as having enthusiastic employees out-performed average companies in the stock market by more than two and a half times, and blazed ahead of companies with unenthusiastic employees by more than five times."¹³ Oracle stock has risen over 40%

¹³ David Sirota, Louis A. Mischkind, and Michael Irwin Meltzer; [The Enthusiastic Employee](#): How Companies Profit by Giving Workers What They Want, March, 2005.

¹⁴ Rodd Wagner, James K. Harter; [The Elements of Great Managing](#), November, 2006.

in the past two years since its acquisition of PeopleSoft. The Gallup organization¹⁴ has also done substantial research on the value of employee engagement, with such findings as follows:

- Engaged employees average 27% less absenteeism than those who are actively disengaged. Such organizations thus need fewer employees.
- Organizations with a surplus of disengaged employees suffer 31% more turnover than those with a critical mass of engaged associates. This along with replacement costs ranging from 25–80% for entry level to 75–400% for a specialist translates to lower cost of employee acquisition.
- Workgroups with high disengagement lose 51% more inventory to shrink than those with high engagement.

United Nations *Atlas* Enables Single Payroll in 166 Countries and Lays Foundation for Global Workforce Performance Excellence

United Nations Development Programme (UNDP)
 New York, NY
www.undp.org

Industry:

Public Sector

Employees:

Over 15,000

Annual Budget:

\$5 billion USD

Oracle Products & Services:

PeopleSoft Enterprise Resources Planning (ERP) including PeopleSoft Enterprise – Human Capital Management v8.9

HR

Position Management

Benefits

Training Administration

Candidate Gateway

Talent Acquisition Manager

Global Payroll

Performance Management

Absence Tracking

Employee Self Service

PeopleSoft Enterprise – Financial Management v8.4

Accounts Receivable

Accounts Payable

General Ledger

Grants/Awards

Projects

Commitment Control

PeopleSoft Enterprise – Customer Relationship Management v8.9

Contracts/Billing

We can match best practice financial and project management through our ERP, yielding both correct accounting and better results focus. With our 2008 plans, we can soon say the same for management of our global workforce.

Jens Wandel – Director, Center for Business Solution

The United Nations Development Programme (UNDP) is the global development network for the United Nations. Its purpose is to advocate for change and connect countries to knowledge, experience, and resources that will help people build a better life. It is on the ground in 166 countries, working with each to develop their own solutions to both global and national development challenges such as poverty, disease, and the trauma of natural disasters. As the agency develops local capacity, it draws on the people of UNDP and a wide range of partners.

To move to international best practice processes, UNDP began modernizing its technology platform globally in 2002 with a PeopleSoft solution. Today it is running a full suite of PeopleSoft applications: HCM, Financials, CRM, Portal, and EPM within Oracle's integrated Enterprise Resource Planning (ERP) solutions. This comprehensive technology environment, aptly named Atlas, is run in a hosted environment. It replaced a homegrown environment of legacy systems, including 21 separate applications for human resources, payroll, and procurement management. There are currently 10,000+ users across three UN partner agencies: the UNDP, UN Office for Project Services (UNOPS), and UN Population Fund (UNFPA). Atlas provides administration/payroll support for more than 15,000 employees for 40 UN agencies/missions and "after service" medical insurance for an additional 1,300 retirees.

The Atlas implementation is one of the largest ERP implementations in the industry. The first wave had an aggressive 12-month implementation timeline with 17 core PeopleSoft modules. It was accomplished with minimal customization. Combining PeopleSoft functionalities with such best-business practices as PRINCE®2 (Projects in Controlled Environments), the UNDP is enabled to operate its 6000+ projects according to best international standards. This trend will be reinforced by the adoption of International Public Sector Accounting Standards (IPSAS) in 2010 in connection with upgrading to People 9.0 Financials.

The UN agencies now manage their personnel and finances consistently across all countries and at a more professional level than with the prior legacy systems. Management has a total systemic view across people and finance using executive and managerial dashboards. UNDP can now practice and promulgate continuous process improvement.

PeopleSoft Enterprise – Supplier Relationship Management v8.9

eProcurement

Purchasing/Assets

Strategic Sourcing

PeopleSoft Enterprise – Enterprise Performance Management v8.9

Key Benefits:

- UNDP estimates it is achieving cumulative direct cost savings in financial and human resources management of 2,5–3 USD million/yearly.
- UN agencies are starting to see small process improvements such as a 22 hour time reduction in time to fill personnel requisitions.
- UNDP manages its personnel at a more professional level; instead of just paying employees, it is moving up the HR value chain and can support strategic HR activities such as recruiting and performance management.
- UN management is enabled with snapshots and dashboards which improve accessibility to data for management and control and provide analytical insights that previously consumed much time to produce locally. This also ensures all employees globally are accessing and viewing data in the same way from a single source.
- All employee information can be accessed from a single repository instead of 145. This is laying a foundation for access to workforce metrics.

The Atlas system is delivering both quantitative and qualitative benefits. For example, in the past, HR just paid employees; today it is “moving up the HR value chain,” according to Mr. Wandel, and is beginning to support more strategic processes such as recruiting and performance management. With Atlas, UNDP has laid the foundation for expanded performance excellence of the worldwide UN employee base.

Transparency through Executive Snapshots/Dashboards

Implementation activities since the initial rollout in 2004–2005 continue to expand functionality and provide value. These efforts have been focused on developing staff capacity and elevating their level of professionalism. With goals of simplifying transactions and processes and improving user support, staff has become more mature even as processes have become more complex. In some countries, this has been accomplished in the face of significant crises. Further, the UNDP has been able to deploy information management tools and business intelligence capability, engage in strategic partnership and interactions with government counterparts as well as UN agencies, improve system performance, and provide for offline capability.

Focusing on the information management tools and business intelligence capability, the UNDP has deployed a series of Executive Snapshots and Dashboards, along with customizable portal home pages. These enable Country Office, Regional Bureaus, and headquarters management to view real-time financial performance, conduct resource analysis, and monitor workforce demographics including contract expiration and which group finances a staff member. This kind of business intelligence capability provides analytical insights that previously consumed much time to produce locally. Now the information is available to everyone at all levels which fosters greater accountability at every level.



Feedback is positive:

I cannot refrain to congratulate you and your team...for these fantastic management tools. We are definitely out of the ages of darkness and the Peace Dividends from Atlas are truly starting to show!

Burkina Faso – UN Resident Coordinator/UNDP Representative

This is a great improvement in the accessibility to the data for management and control!

BRSP Liaison Office Geneva

Simply magical, especially for those of us who may not necessarily be [technology] buffs! It really puts us at the cutting age of organisations with first rate—and enjoyable—tools for management accountability. Highest commendations to you and the team behind these brilliant, at-your-finger-tips breakthroughs...

UN Resident Coordinator & UNDP Resident Representative – South Africa

Quantitative and Qualitative Benefits

Each of the various parts of Atlas, such as HCM, delivers benefits, but the organization is primarily seeing significant benefit from having an integrated solution. UNDP reports **quantifiable benefits** in three categories:

1) Streamlined, more efficient processes: Overall application portfolio management is improved and related costs are reduced. Before, the organization experienced uneven benefits from the disparate systems. UNDP with its partners estimates it is achieving cumulative direct cost savings in the areas of financial and human resources management in the order of magnitude of 2,5–3 million/yearly USD and increasing with the maturity of the implementation. One recent example of such process improvements include such results as reducing the time to complete the recruitment process by 22 hours per employee after implementing the eRecruitment functionality at UNFPA.

In addition, UNDP can now route the payment electronically, leveraging on the use of funds in certain currencies held at different locations. Therefore UNDP now yields cumulative savings from reduced banking operations and reconciliation costs.

Employee satisfaction with Atlas and the process improvements has steadily increased. UNDP systematically monitors perception on multiple fronts to show satisfaction levels and continuously makes improvements. Satisfaction is highest with the Executive Snapshot and with HR services.

2) Savings from phased-out legacy systems: There is no longer the need for multiple HR, payroll, or financial systems at country offices and headquarters. In some cases, the PeopleSoft solution has simply eliminated the need for Excel spreadsheets used to track employee pay, but in others, a complete system, its hardware, local tape backups, maintenance, and support personnel have been eliminated and the latter absorbed into more

valuable activities. Further, a single, centralized disaster recovery plan ensures availability of data and system.

- 3) Single corporate payroll for national and Assignment of Limited Duration (ALD) staff:** With Atlas, one payroll pays staff salary, pension and medical benefits correctly. The UNDP also achieves savings through the elimination or redeployment of the team of staff reconciling pension: these individuals now provide other valuable services from the global payroll service center for an increasing employee population without the need for additional administrative staff.

All employee information including language certifications, visa status, and personnel data can be accessed from a single repository instead of 145, improving productivity of country offices as it is substantially easier for staff to locate information. The improved productivity is due to a combination of shared-services approach and reduction of manual efforts required to locate the information.

The **qualitative value** to the UN system and partners include the following:

- 1) Improved data and process integrity:** Consistent and reliable processes are established for payroll and purchasing. With operations spread over 160 countries, quality control is a priority for the organization. With an integrated package like Atlas, UNDP is able to avoid double input between different modules. Moreover, by centralizing the single entry of data into Atlas in one center, Copenhagen, UNDP reduces the risk of human error and improves data quality.
- 2) Enhanced operational security:** Operations continue in a remote and safe location even in the face of disruptive events/attacks and the pre-reconstruction phase that follows a period of unrest. UNDP can increase staff security by moving them to safe locations where they can still carry out key functions via the Internet. The use of electronic banking for payroll in remote sites reduces cash exposure and threats of theft.
- 3) Management accountability and transparency:** The UNDP has implemented an internal control framework with Finance and HR user profiles. These are formalized and reinforced with regular communications and collaboration resulting in incremental improvements. Reports are available throughout management levels, and tied to specific processes and accountabilities. The end result is transparent reporting based on the single source of information.

Why Oracle

UNDP chose PeopleSoft in 2002 because of its rich functionality, low bandwidth requirements needed for satellite connections, and flexible license arrangements. Since this choice, the UNDP has been able to continue to move its own operations to higher levels of best practice through the availability of such international standards available through PeopleSoft such as PRINCE®2 and IPSAS.

Future Directions

Given the emphasis on best practice processes, UNDP plans to deepen its metrics around HCM once all personnel are on the single system, scheduled to be complete in March 2008. Atlas already provides workforce demographics, much needed in the day-to-day management of personnel. UNDP is also beginning to track such metrics as time to fill a requisition and deliver this real-time on the dashboards. Further, as part of best-practice business processes, the UN must declare liabilities such as accrued leave. The leave accrual process is manual today. With the implementation of IPSAS, talent mobility will be enhanced and employees can be moved to where they are needed with the liability pro-rated fairly across any division where the employee has worked.

The UNDP plans to more formally manage its knowledge workers through automated recruiting, job matching, and performance management. An initiative underway today continues e-Enablement through self service and e-Recruitment. Future plans include performance management. With the global Atlas, the foundation is in place to continuously improve business processes, reduce financial and operational risks, and show how people contribute to overall organizational performance goals.

The Road to Successful Talent Management at Applebee's Services, Inc.



Applebee's Services, Inc.
Lenexa, KS
www.applebees.com

Industry:
Food Service

Employees:
33,000

Annual Operating Revenue:
\$1.3 billion (2006)

Oracle Products & Services:
PeopleSoft Enterprise Human
Capital Management 8.9
PeopleSoft Enterprise Self Service
Human Resources
PeopleSoft Enterprise Benefits
Administration
PeopleSoft Enterprise Payroll for
North America
PeopleSoft Enterprise Candidate
Gateway
PeopleSoft Enterprise Talent
Acquisition Manager
PeopleSoft Enterprise Training
Administration
PeopleSoft Enterprise ePay
PeopleSoft Enterprise eBenefits
PeopleSoft Enterprise
eDevelopment

We are committed to HCM as a vehicle to deliver on our brand promise to associates and customers alike.... In the restaurant industry people are the key to our results.

Amie Broesder – HRIS Associate Director, Applebee's Services, Inc.

The phrase “talent management” is heard or read nearly everywhere you turn these days. If you are a manager or professional in Human Resources—conferences, journals, webinars, even vendors ads on billboards—talent management has become a Holy Grail in the field of HR. Achieving success with talent management is very nearly as mysterious and elusive as was the Holy Grail for King Arthur and his Knights. Simply knowing where to start the search can be daunting, so great is the challenge.

Applebee's Services, Inc. built its Talent Management Strategy around the basics and then continued by building on its successes. Its journey is still very much in process, and management knows Applebee's has far to go, but the crucial first steps in the quest have been taken. The chosen technology partner along the way is Oracle's PeopleSoft Enterprise Human Capital Management application suite.

The Company

Applebee's Services, Inc., the world's largest casual dining chain, has over 1,800 restaurants in 17 countries and across the United States. The workforce in company-owned restaurants includes some 2,100 restaurant managers and nearly 31,000 hourly employees. The chain has historically grown at a pace of 100 or more stores per year. In some locations such as those near colleges, universities and resorts, the workforce changes size significantly from season to season. Even though Applebee's turnover has been around the lowest in the casual dining industry, hourly workers generally have short tenure.

The Challenges

With its size and expansion goals, and a workforce with the high turnover rate typical of the industry, “talent management” for Applebee's was, for many years, primarily a matter of hiring enough people and doing it fast enough. In 2001, the strategic decision was made to take control of workforce management activities and to develop a technology infrastructure that would accomplish two major goals: support that aggressive growth plan of 100 new stores per year, and provide greater visibility into employee information. The technology would be critical because the sheer volume of paper and staff that naturally occurs with manual processes simply could not be maintained in any sort of cost-effective way as the organization grew.

Key Benefits:

- Standardized, streamlined processes enable shorter cycle times, time savings and smoother store openings
- With online training enrollment, staff now focus on needs assessment rather than report generation; able to analyze training impact on revenue
- New “Talent Master” provides greater depth of employee information; serves as foundation for planning, deployment and development
- Greater availability of employee information directly supports strategic goals such as Corporate Diversity and Productivity Enablement
- Foundation is in place to create a complete Total Rewards program
- Platform will help move through IHOP transition and continue to build a solid Talent Management foundation

The Beginnings of a Talent Management Strategy

The first step to achieving those central objectives—support the growth, and enable more knowledge about the workforce—was implementation of PeopleSoft’s HRMS 8.3 to manage human resources, benefits and payroll. At about the same time (2001), Applebee’s rolled out its performance management system, called ApplePM. Applebee’s wanted something very specific for its unique business requirements, so ApplePM is a custom-built system. It is the tool for online associate performance reviews. It was modified to support other functions such as a progressive discipline process and the reward and recognition systems.

The initial implementation of core HR was followed by Benefits Administration, eBenefits, Monitor Workforce, Position Management, ePay, and eProfile Manager. The primary focus was still on achieving administrative excellence through automation. In line with the drive to efficiency, the upgrade to 8.9—with additional core HR functionality, and tax updates—was completed in late 2005.

At the same time, a real talent management strategy was also growing. The HRIS team found itself involved in nearly every HR initiative as each HR function moved toward increasing automation of basic processes. Amie Broesder and her staff were at the center of a rapid evolution from focusing on transactions to focusing on information, and took advantage of their position to help shape that evolution. They started with a short-term goal, that of gaining approval of funding for a new Performance Management system; ApplePM was providing good information and basic functionality, but it was increasingly difficult and time-consuming to support. The mid-term goal is to see performance management as a concept become part of the broader picture of talent management. In the end, the HRIS team hopes to use performance management technology as a catalyst for a full-fledged talent management technology strategy.

Over time, Applebee’s HR management team uncovered six essential issues:

- Business Issues
 - Enabling Applebee’s growth and service improvement
 - Establishing uniform processes across the entire organization
- Process Issues
 - Process optimization
 - Process delivery
 - Process acceptance/readiness
- Integration Issues
 - Bringing together People, Process and Technology efficiently and effectively

From analyzing these issues, the group developed a formally stated Talent Management Strategy designed to support the overall corporate goals of growth and industry leadership. The Strategy has four key themes: Align with

the Business Plan, Increase Service, Grow and Leverage Talent, and Enable International Growth. Those themes are in turn supported by five important factors:

- Talent Management
- Total Rewards
- Productivity Enablement
- Corporate Diversity
- Seamless Delivery

The Growth of Talent Management Technology

With a strategy in place to guide the development of HCM programs and processes, the technology component began to evolve as well. New applications are now in place that deliver not only efficiency but also strategic value. In May of 2005, Applebee's rolled out PeopleSoft's Training Administration and eDevelopment. In June of 2006, the staffing function began to use Candidate Gateway and Talent Acquisition Manager. These applications, by automating a number of labor-intensive processes, clearly support the goals of increasing service and enabling productivity, but more importantly, they take Applebee's closer to the larger objectives of supporting growth and knowing more about the workforce.

The Value of Integrated Strategy and Technology

Broesder comments, "One of the interesting things about this whole process has been the way the need for technology has driven the development of strategy, and strategy has driven greater use of technology. It all started with our need to update a specific system, and has grown to touch all of our HR functions; in fact, pulling all this together has triggered a change from 'Human Resources' to real 'Human Capital Management.'" Combined with other important and complimentary initiatives, such as centralization of the staffing function, Applebee's is realizing a variety of benefits from the hand-in-hand evolution of HCM strategy and technology:

- HCM processes are standardized and more streamlined, enabling consistency, shorter cycle times for transactions, greater efficiency in managing key processes, and time saved from administrative work that is redirected to more time with employees and managers
- Because training enrollment is done online, and training completion can be tracked, reporting is more complete and accurate; staff can focus more on needs assessment instead of the cumbersome compilation of spreadsheets that previously was the only way to create corporate-wide reports; and staff are spending less time on training enrollment and more time on planning and delivery.
- Store openings are completed more smoothly because streamlined and repeatable processes reduce confusion and errors. Faster time to revenue is the result.
- Corporate Diversity—a pillar of the overall talent management strategy—is measured by regular reporting on gender and ethnic diversity.

- Productivity Enablement is supported by ongoing analysis of the impact of training on store revenue.
- Talent Acquisition Manager allows collection of skills, education, and experience formation about employees in much greater depth than was ever before possible. This information is the basis for a talent profile, a “talent master,” that will make possible a multitude of future talent management initiatives related to workforce planning, deployment and development.

Other applications are waiting in the wings. Applebee’s has licensed eCompensation Manager. Making this functionality available to managers will again streamline laborious and time-intensive manual processes, continuing the move toward efficiency and more effective use of staff time. From a strategic perspective, this will (a) allow support of a larger organization without adding back-office headcount, and (b) facilitate the integration of both information and processes directed toward a cohesive Total Rewards program.

“The Journey is Not Complete”

In a presentation at the 2007 OHUG conference, Broesder made the point that “Our journey toward full-spectrum talent management is not yet complete, but we believe we have made a very good beginning.” At this point, talent management efforts at Applebee’s are still directed more toward having information, and managers are still learning how to best make use of that information.

However, Broesder sees that a crucial foundation is set for the future. Applebee’s now has a basis for the serious use of workforce metrics and analytics. She looks forward to the day that the integration of data from across the organization will allow Applebee’s to look for correlations among factors such as Manager Length of Service, Performance Ratings, Restaurant Revenue, Hourly Turnover, Training Completed, and more. Information gathered now will be essential to competency-based management and initiatives directed toward meeting the goal of leveraging talent across the organization. Performance information, combined with competency information, will allow Applebee’s to find commonalities among top performers and build a competency model for success in the Restaurant Manager position, which has significant potential to positively influence revenue.

Applebee’s has recently been acquired by another restaurant company (IHOP), and the evolution of talent management, in terms of both culture change and technology deployment, is currently in a holding pattern as more time-sensitive issues are addressed. However, Broesder believes that Applebee’s Talent Management Strategy and the operating principles and strategic direction already in place will serve as a springboard for the new organization’s success.

Wikis, Blogs and Other Web 2.0 Tools Transform Human Capital Management at Oracle into “Employee 2.0”



Oracle Corp.
Redwood Shores, CA
www.oracle.com

I am part of a great team with a good pulse on what is going on within Oracle, what needs to be done by me and my group, all within an environment of collaboration and innovation. This is facilitated by using our talent management software and the WebCenter Suite tools, enabling a new level of strategic talent management.

Michelle Newell – Senior Director, HCM Applications Marketing

Industry:

Enterprise software

Employees:

74,000

Annual Operating Revenue:

\$18 billion (2007)

Oracle Products & Services:

- Single global instance of Oracle Release 12
- Self service
- Talent management apps
 - Goals and Competencies
 - Recruiting
 - Performance
 - Learning
 - Development
 - Compensation
- Oracle WebCenter Suite

Key Benefits:

Organization

- Decrease in travel and office costs
- Lower cost of employee acquisition among NetGeners
- Enhanced employee engagement promises increased revenue

Projects

- Captures undocumented data and knowledge
- Makes it easier to find information
- Reduces errors

Talent management takes on new meaning at Oracle, by blending best practices for talent management with cutting-edge Web 2.0 collaboration and communication tools. The end result is Oracle Enterprise 2.0 for Human Capital Management (HCM). It provides a new approach to recruiting, cultivating, and retaining talent.

With Enterprise 2.0 for HCM, staff members can use secure instant messaging, blogs, wikis, chat sessions, social networking and even virtual worlds to answer questions about benefits, share knowledge, interact with mentors, and develop new expertise. “Enterprise 2.0 for HCM transforms HCM processes by offering new approaches to employee directories, learning catalogs, collaboration, and feedback,” says Michelle Newell. “By leveraging current versions of Oracle HCM applications and Oracle WebCenter, a component of Oracle Fusion Middleware, Oracle is benefiting from Web 2.0 capabilities today.”

The Company

Oracle is an enterprise software company. Approximately half of the company’s revenue comes from sales of new software licenses, while the remainder comes from software maintenance and professional services. Although database products initially put Oracle on the map, the company also sells an array of middleware, applications, and business intelligence software. The company has acquired numerous companies over the past three years, and has successfully merged multiple cultures while maintaining an environment of engaged employees producing enviable shareholder returns.

A Day in the Life of a Staff Member—How does this look to an employee

Working from a home office, Michelle starts her day with a cup of coffee in one hand, while logging into her computer with the other. Her personal portal opens to a screen that shows her favorite external blogs so she can check on what is happening in her field. She can check for the latest internally on Oracle blogs as well. But, while checking on what others are doing, she really needs to get to work and today that is a PowerPoint presentation on Employee Engagement and how that engagement is enhanced with collaborative tools.

Individual

- Just-in-time learning and mentoring
- Support for career planning
- Expanded sense of belonging and engagement contributing to higher productivity

She first checks Oracle KIX, a kind of wiki for her talent management group, where members can post items and make updates. The wiki contains categories of information. One is product literature, which will prove useful later. Another is projects underway which includes information on status, who is working on them, customer information and feedback. She is looking for a new visual to include in her PowerPoint, but is interrupted by a chat item from a team member using Oracle's Chat. For a few minutes she interacts with her colleague, both helping him and getting a new assignment to post further information into the talent management wiki on the product roadmap. Back to the presentation, where she goes to Google Images to get a new graphic. Because she wants to include a "big picture" view of the product, she also goes to the Oracle podcast library to download an AppCast to hear from an Oracle executive. Listening to this podcast, she realizes she wants further clarification from a product specialist. So she goes to the Oracle organization chart to find the appropriate person and from there to GConnect to learn more about him. This Oracle application is similar to Facebook, defining who people are, their connections within Oracle, and what they are doing. People can also give kudos via GConnect. It is an informal mentoring network as well where Michelle can find people involved with areas where she wishes to develop further skills.

Moving into the realm of future potential for the integration of Oracle WebCenter Suite and Oracle's talent management applications, as an employee completes a current project; she could look back on GConnect and see that someone is looking for a candidate with her new competencies. She then checks iRecruitment, Oracle's full-cycle recruiting solution that gives managers, recruiters and candidates the ability to manage every phase of finding, recruiting, hiring, and tracking new employees. She can see the actual requisition and from there can look at the profile of the individual who currently has the position. By doing this, she sees she is very qualified. So, she applies for the position and after several days, gets an offer. Since this is an international job, she also gets a relocation package and information about the area. While she accepts the position in Beijing, as this is her first international assignment, she realizes she needs lots more information. She can view the Oracle International Transfer policies and procedures to gain insight. She is also interested in what she can expect when moving to Beijing and finds a Yelp-like service called localnoodles.com.

While many of us can use Wikipedia, Google, Facebook, job boards, and Yelp, the Oracle environment is significantly different. The above online experience is secure and no sensitive information will be leaked through the various social networking tools so many of us are using today. "Oracle's integrated stack of applications and technology enables us to collaborate using Web 2.0 tools with minimal security risk," says Newell.

Oracle's Approach



ORACLE

The Value of Enterprise 2.0 for HCM Combining Web 2.0 and Talent Management Applications

This combined set of wikis, forums, chat, even VOIP, documents and content (policies and procedures) integrated with Oracle's talent management suite of goals and competencies, recruiting, performance, learning, development and compensation, called Enterprise 2.0 for HCM "is the next wave of strategic talent management." "It increases employee engagement and helps an organization gain a maximum return on its most strategic investment—its people," reports Newell.

Focusing just on the Oracle WebCenter Suite and its support of a concept that some call Employee 2.0 (which stands for the "engaged employee"), is delivering **organizational savings**. First is undocumented savings in decreased travel and office costs. Further, Oracle as an employer is much more attractive to the NetGeners, making it an employer of choice and lowering its overall cost of talent acquisition.

Integrated with talent management applications, they become one more way that employees can find just-in-time knowledge or skills from others within the organization. For employees, they also help them with their career planning since it is possible to find new positions and then to find people within those positions that can provide advice or mentoring. They also provide access to information to support performance management, whereby managers can gain information on employees' career history, languages, and career interests from a much richer set of information than currently available—particularly good for remote employee/manager work arrangements.

Project savings include the capture of otherwise undocumented data and knowledge through the use of wikis. These also make it easy to find information, yielding employee productivity savings. Further, errors are reduced as employees can always find the latest and best information on products, project status, as well as mentors to guide their development.

Most importantly, however, the enhanced collaboration and innovation possible from the seamless use of these tools is enhanced employee engagement yielding both **individual value** but organizational benefit as well. Through an expanded sense of belonging and engagement, employees contribute higher levels of productivity. Employee engagement promises increased revenue as highlighted elsewhere in this report.

Appendix A: Methodology and Definitions

Methodology

Number of Employees Served:

Total employee count/HR Staff

All headcount metrics are developed the same way in order to show the total number of employees serviced by a single HR staff person. HR staff categories are defined in the section below.

Definitions

Total employees: exempt, non-exempt, full-time and part-time

HR Staff: all HR administrative services, including benefits and payroll; plus all other HR functions such as recruiting, development, and compensation, whether centralized or decentralized

HR Administration: those providing HR record keeping services only, and not including other categories listed in the question above

Pay Administration: those providing payroll administration services only

Staffing: includes HR personnel responsible for requisition processing, candidate sourcing, internal posting, interviewing, applicant screening, offer processing, college recruiting, employee referral and other staffing/recruiting-related activities but does not include hiring managers that may also be involved in these activities

Compensation Management: includes HR personnel responsible for the design of the compensation structure and pay strategies, salary administration, job descriptions/evaluations, pay adjustments and salary surveys, and other compensation-related activities

Performance Management: includes HR personnel formally responsible for the performance appraisal process

Succession Planning: includes HR personnel formally responsible for succession planning/management processes

Appendix B: Sample Process Maturity Snapshot

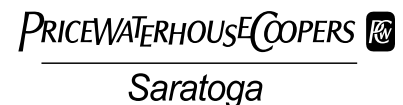
Process Overview

Studies of workforce administration costs reveal a large disparity between high-end and low-end performers, indicating that organizations can reduce their HR administration costs through a state-of-the-art core HR record keeping system. Workforce administration specifically focuses on employee demographic and personal action data management such that a single source of employee data is created and maintained, so that organization-wide data integrity is standard across all departments or business units. State of the art core HR record keeping systems automate any process related to employee demographic and personal action data management and cover personal (name, address, marital status) and work-related (position, salary, department, skills, schedule, etc.) information. The goal of the HR record keeping system is to support best-of-class human capital management and ultimately to enable optimization of human capital performance.

Key Metric – Cost	Median	Best
HR Administration Labor Cost Per Employee	\$61	\$40
<p>HR Administration Labor Costs/Regular Headcount</p> <p>HR Administration Labor Costs are defined as the total compensation costs and total benefit costs during the reporting period for regular full-time and part-time employees reporting to the HR Administration function. NOTE: To convert to local currency, use a rolling 12-month average conversion rate</p> <p>How does this metric impact me? A ratio above the median may indicate the following:</p> <ul style="list-style-type: none"> • Complex record keeping requirements, particularly with union environments or recently merged organizations • Employee record keeping is decentralized; no standard administration processes across organizational units • Lack of data integrity due to multiple non-integrated HR record keeping systems; double entry if payroll, financial, and HR systems are not integrated; large number of errors requiring repetitive corrections • Manual steps to integrate systems, including re-keying data or manual extraction, and uploading • Underutilization of technology use to improve efficiency and reduce paperwork • Lack of self service so employees & managers must work through HR to administer life and work events 		
Key Metric – Cycle Time	Median	Best
Administrative Time to Support Completion of a Personnel Action	30 minutes	10 minutes
<p>Total Time Spent per Personnel Action by Administrative, Processing, and Specialist Analyst Staff</p> <p>How does this metric impact me? A ratio above the median may indicate the following:</p> <ul style="list-style-type: none"> • A highly manual process with too many steps and resources involved; need to evaluate automation or outsourcing • Lack of standard process across organizational units • Multiple departments, such as security, facilities, and payroll, must be notified of changes • Insufficient data integration so that administrators must make multiple entries of the same change • Lack of self service, so that employees/managers cannot make changes themselves • Employees/Managers not trained or incented to use self service tools that exist 		
Key Metric – Quality	Without Integrated System	With Integrated System
Reduction in Legal or Regulatory Penalties Due to Lack of Compliance	0%	75%
<p>How does this metric impact me? Continued penalties may indicate the following:</p> <ul style="list-style-type: none"> • Difficulties with tracking and controlling employee data, profiles, and training due to country legal and regulatory requirements that vary by country • Inability to comply with health and safety requirements regarding training or incidents • Inability to track security/badge/reporting relationships that supports a transparent and virtual organization • Insufficient organizational control and documentation leads to potential Sarbanes-Oxley penalties • Difficulties tracking training requirements and completed courses by employees 		

Business Objectives	
<p>PEOPLE</p> <ul style="list-style-type: none"> Update change management plans to ensure managers and employees use self service tools ★ Managers held accountable for accuracy of personnel actions ★ Communication to employees and managers that details their roles and responsibilities for demographic and/or personnel actions Assess HR activities to ensure that HR is doing the tasks that they are supposed to; and that the right level of staff is doing the right level of task <p>PROCESS</p> <ul style="list-style-type: none"> Develop and document standard workforce administration processes across organizational units and employee groups to identify and eliminate redundant or unnecessary practices ★ Benchmark administration processes of other organizations Evaluate shared services Evaluate HR vendors/suppliers and rationalize to a balance of best practices with highest integration 	<p>TECHNOLOGY</p> <ul style="list-style-type: none"> Integrated HR, Time, Payroll, and Financial systems Automated workflow for personnel actions so that all appropriate parties are notified (security, facilities, etc.) Comprehensively implement self service for employees and manager Deploy self service to automate HR practices and thus hold managers accountable for transactional HR processes Deploy integrated systems to lower training and maintenance requirements Role-based dashboards that place appropriate information in front of HR itself and managers about the organization's human capital Multi-dimensional and trending analysis integrated to available systems (payroll, point of sale, and production systems) in order to optimize human capital management performance <p>★ QUICK WINS</p>
Business Benefits	Barriers to Change
<p>EXPENSE (OPERATING)</p> <ul style="list-style-type: none"> Greater control over administration costs Reduce or redeploy headcount to support the workforce administration process Fewer penalties and lower legal fees from noncompliance <p>PRODUCTIVITY</p> <ul style="list-style-type: none"> Improve administrative staff productivity Improve efficiencies in process times <p>REVENUE/SERVICES</p> <ul style="list-style-type: none"> HR able to focus on non-administrative issues Employee & Manager time freed to focus on strategic work <p>✓ MEASURE IT with Oracle Benefit Cards</p>	<p>PEOPLE</p> <ul style="list-style-type: none"> Organizational structure Communication between lines of business and HR HR focused on delivering services, not operating as a business <p>PROCESS</p> <ul style="list-style-type: none"> Lack of commitment to streamlining and standardizing the workforce administration processes Lack of HR credibility <p>TECHNOLOGY</p> <ul style="list-style-type: none"> Non-integrated systems that require data redundancies Software expenses and implementation requirements

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