

HR "as you like it"



"Innovation in HR is emerging despite the recession as HR directors demand solution delivery on their terms" says Chris Britton at NorthgateArinso.

HR software that's delivered 'as a service', with no footprint on an organisation's IT infrastructure, has been around for over a year now. It's a useful model for companies seeking to reduce up-front investment in the tools they use to look after their people, and therefore has grown in popularity as the recession has taken hold. But what happens next for HR?

Chris Britton, product strategy manager at NorthgateArinso believes the real revolution is imminent, as HR directors demand the best for their people. HR software that serves organisations both through the downturn and into the upturn will emerge. In this article, he will argue that 'software as a service' is just the beginning of HR software becoming the control centre for workforce planning, talent management and the support mechanism for HR that supports the workforce and provides information to the business to enable great decision-making.

Recessions, we are often told, are a time for innovation. The downward pressure on costs and need to survive force us to get creative and make the most of the tools at our disposal, coming up with new solutions to business challenges. HR has felt the pressure more than most in the first six months of this year, with ongoing rounds of redundancies to manage and the need to motivate the remaining workforce to keep the company going. As such, perhaps it is not surprising that HR directors are getting innovative in their approaches, and are demanding the same from their suppliers.

Finishing at 4pm on Fridays, creative and flexible benefits, improved internship schemes and new approaches to Corporate Social Responsibility (CSR) are just some of the areas where HR has been able to show innovation. But the time has come for HR to get out of survival mode and start planning for the future. HR directors know it will take more than bringing back biscuits in the office to retain their talented people, and that attitude is changing the way they consider HR software and services.

Going beyond SaaS

The need for solutions that are 'cheap and cheerful' is being replaced by a need for real value, with a quality product that will last beyond the downturn. Increasingly, any investment needs a long-term business case – even if the model in question is 'pay as you use'. HR directors need a strategy that will steer their company through the ongoing storm of the next few months, and is then ready to help it thrive in the future.

Because of this, the first flurry of software-as-a-service solutions for HR are starting to stall, as HR directors realise that they need a more solid platform on which to base their future plans. Even now, major requirements for compliance has prevented some companies adopting solutions that exist 'in the cloud', even though they would seem the obvious solution to the need to cut costs. It is hard to set SLAs around cloud-based information, and an even bigger compliance issue emerges if it is hosted outside of the EU, and therefore comes under non-EU jurisdiction.

Businesses are not prepared to take a risk on new solutions that are unproven in the marketplace. They need a robust platform that is both able to handle all the transactional elements of HR and payroll, and go beyond the basics to supply HR decision makers with the

information they need to do their job. HR directors need more from their software, and a new breed of solution is beginning to emerge, delivering HR 'as you like it'

HR 'as you like it'

One answer is a hybrid approach, combining the strength of an on-premise HR platform with the flexibility and pricing model of on-demand. This notion of software 'as you like it' will give HR directors the functionally rich solution they require with a versatile delivery model that meets their IT and pricing needs, and reduces risk for the organisation.

In 2010 and beyond, there will be no room for HR solutions that don't cover the full remit of the HR director, from reward to payroll. Team leaders need all the information about their workforce at their fingertips, while section managers need a solution that removes the need for the duplicated effort of entering details into more than one system. And across the business, managers are increasingly comfortable with self-service HR that enables them to make requests for holiday and flexible benefits, and to enter information about sickness, expenses and other team needs.

As well as covering the needs of all involved in personnel management, HR as you like it will also have to cover the entire employee lifecycle, from the administration of web recruitment through to salary planning and talent management.

HR solutions should put workforce information at the HR team's fingertips, delivering all elements of HR and payroll from a single platform. And why not go beyond that, integrating further complementary information and tools, such as access to business intelligence, data reference-checking tools, weather reports and news feeds.



"Key points"

- Recessions are a time for innovation. The downward pressure on costs and need to survive force us to get creative and make the most of the tools at our disposal.
- HR directors need a strategy that will steer their company in the short term and is then ready to help it thrive in the future.
- The need for solutions that are 'cheap and cheerful' is being replaced by a need for real value, with a quality product that will last beyond the downturn.

The tailored approach

It goes without saying that every organisation's HR needs are slightly different, so HR 'as you like it' must be the opposite of a one-size-fits-all approach. Deployment must be on the HR and IT directors' terms – some will want the assurance of software installed in the building, while others need the flexibility of a hosted solution. And in the future, companies many want a combination of the two approaches to suit all their offices, or will need to know they can swap between models when business needs change.

HR solutions must be able to scale to an organisation's needs. The business may only require new payroll and monitoring tools now, but HR directors are already planning for a time – hopefully in the next year or so – when they will need to add modules for further areas of HR, without needing different software packages. They need to be able to add more 'seats' without then making their HR solution prohibitively expensive, supporting new staff and divisions.

For example, HR as you like it would mean you could have a managed payroll solution and in-house HR processes running on the same, hosted platform. You could then have the option to migrate to managed HR in the future, but keep reporting and Business Intelligence under your direct control.

Using software to win the war for talent

The war for talent is only going to increase as organisations remove recruitment freezes and start to re-hire. HR directors are preparing for this now by ensuring their HR platform is more than just a repository for data, but is returning valuable analysis that enables strategic decision making.

HR platforms should also support ongoing talent management, which has been pushed to one side for the last year while immediate survival tactics took priority. HR directors need to know that the right people are in the right jobs, for now and for the future. Training schemes and improving skills through broadening the workforce's experience are coming back on the agenda. As HR directors ask "who are tomorrow's VPs?", their software should be supporting them by highlighting the people with the right background and attitude, who could be challenged now to gain the skills they need for future roles.

Seeing real returns on HR investment

As HR directors plan for the future, getting financial sign off in the present may well be the biggest challenge. But as organisations look for real value, knowing that they are choosing tried-and-tested solutions that are future-proof is becoming a priority. The real business case will come from proving that the new solution will enable the HR team – and the wider business

– to focus on their core competencies, rather than getting bogged down in data entry and analysis that could be automated, across the entire programme of people management.

Organisations that are preparing for the upturn need to be focused on what they do best, not on HR administration and management, while also knowing that they have a solution in place that they can trust. HR directors need to demand the best for their people, now and in the future. The time to re-evaluate and really examine what your organisation needs is now.

For more information

With the skills, experience and market knowledge of NorthgateArinso behind you, you too can be well placed to translate the HR challenges your organisation is facing into powerful opportunities.

For an initial discussion about your requirements, call us on 0800 035 0545. Email: hrosolutions@northgatearinso.com or visit www.northgatearinso.com/uk.

