Adapt HR Practices to the Digital Age

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Adapt HR Practices to the Digital Age

GUEST SPEAKER
PAUL HAMERMAN, FORRESTER
KRISTEN WYLIE, KRONOS
Agenda

- The digital age empowers people and talent
- HR digital innovation opportunities
- Modernize you HR systems to leverage cloud and digital experiences
In the digital age, business practices shift from batch to real-time, retrospective to predictive, desktop to mobile, and corporate-driven to people-centric. It’s time to modernize HR.
The digital age empowers employees to take charge of their personal and professional lives.
Raise the value proposition of HR by aligning people and talent with CX

Our Employee Promise
- **Care:** We provide a work environment and experiences that our employees can feel good about.
- **Cover:** We provide benefits, services and programs for what matters to our employees.
- **Connect:** We engage our employees where, when and how they want to interact with us.

Our Customer Promise
- **Care:** We provide experiences that our customers can feel good about.
- **Cover:** We provide insurance for what matters to our customers.
- **Connect:** We engage our customers where, when and how they want to do business with us.

A great customer experience is the direct result of a great employee experience.

Source: Saskatchewan Government Insurance

Source: Forrester Research, Inc. Unauthorized reproduction, citation, or distribution prohibited.
What HR needs to do differently in the future

**Traditional HR**
1. Reactively recruit when jobs open
2. Retroactively review performance
3. Periodically measure employee satisfaction
4. Administer merit increases
5. Provide online “employee self-service”
6. Deliver structured and standardized learning resources

**People and Talent 2020**
1. Become a talent destination
2. Continuously align performance with business outcomes
3. Drive employee engagement
4. Motivate people with bonuses, rewards, and recognition
5. Deliver a digital experience to employees
6. Enable the modern workforce with just-in-time learning
Agenda

» The digital age empowers people and talent

» HR digital innovation opportunities

» Modernize you HR systems to leverage cloud and digital experiences
HR digital innovation opportunities

1. Candidate experience drives talent acquisition
2. Continuous performance
3. Employee digital engagement
4. Learning for the modern workforce
Candidate experience drives recruiting software selection

“When you were looking for a recruitment application, assuming a reliable and scalable application, rate the importance of the following:”
(Where 5 = most important and 1 = not important at all)

<table>
<thead>
<tr>
<th>Feature</th>
<th>5 = Most Important</th>
<th>4 = Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>The ease of use for the candidate</td>
<td>84%</td>
<td>18%</td>
</tr>
<tr>
<td>The ease of use for the recruiter/hiring manager</td>
<td>59%</td>
<td>31%</td>
</tr>
<tr>
<td>Mobile capabilities for candidates and hiring managers</td>
<td>47%</td>
<td>28%</td>
</tr>
<tr>
<td>Analytics that go beyond reporting and provides hiring team with insights into talent pools</td>
<td>28%</td>
<td>41%</td>
</tr>
<tr>
<td>The quality and variety of integrations with providers for background checks, on-demand and live video interviewing, etc.</td>
<td>19%</td>
<td>34%</td>
</tr>
<tr>
<td>Collaboration among the hiring team for feedback on internal and external candidates</td>
<td>9%</td>
<td>25%</td>
</tr>
</tbody>
</table>

Base: 35 HR professionals
Model the candidate experience life cycle like the customer experience

March 2015 report, “Transform The Job Candidate Experience From The Outside In”
Manage the candidate journey with best practices

- Continuous coaching
- Learning
- Career guidance
- Performance goals
- Onboarding
- Mentoring
- Productivity ramp
- Video interviews
- Communication
- Survey experiences
- Tactful disposition
- Brand
- Career site
- Social marketing
- Job sourcing
- Employee networking
- Multi-media content
- Career paths
- Health/wellness
- Mobile application
- Talent pools
- Transparent process
- Confirmation

Candidate experience drives talent acquisition
Employee performance is a broken process

- Periodic performance appraisals delay actionable feedback
- Stack rankings run counter to teamwork and collaboration
- Performance reviews are an unproductive time drain
- Performance appraisals are too closely linked to salary adjustments
- Performance appraisals are misaligned with what the business cares about
Performance and merit increases

- The merit process is of little value in 2016.
- Salary raises are tied to inflation (e.g., CPI), which averaged 2.1% since 2005.
- Stack ranking spreads merit salary increases over a range of 1% to 3%.
- Employees are not motivated by it.
- It is time-consuming for managers and commandeers the performance process.
Next-generation performance follows these 5 principles

- **Collaborative**
  - Traditional practice: Internal competition and silos detract from customer-focused results.
  - Next-gen practice: Work toward common goals by putting the customer first.

- **Continuous**
  - Traditional practice: Performance is appraised periodically, usually annually, and tied to a salary review process.
  - Next-gen practice: Provide continuous feedback to drive productivity and growth.

- **Aligned**
  - Traditional practice: Performance is typically measured in terms of soft skills rather than what matters to the business.
  - Next-gen practice: Align individual goals and measures with customer and business outcomes.

- **Engaged**
  - Traditional practice: The process is dreaded rather than embraced; employees are not empowered or rewarded appropriately.
  - Next-gen practice: Empower and motivate employees to add value.

- **Future-oriented**
  - Traditional practice: Performance looks at past performance and is not strongly linked to continuous improvement.
  - Next-gen practice: Focus on continuous improvement and future outcomes.
Approaches to continuous performance

- Goal management and OKRs
- Business analytics and metrics
- Continuous coaching interventions
- Continuous feedback from peers

“Transform Employee Performance For Continuous Engagement” Feb. 1 2016
Employee engagement: a key priority

Some organizations view employees’ satisfaction with their job as an indication of employee engagement. Satisfaction and engagement are quite different and the goal is to have both.

**Employee Satisfaction**
- Job security
- Company financial stability
- Job uses employee’s skills and ability
- Good manager relationship
- Good pay and benefits

**Employee Engagement**
- Open lines of communications
- Learning and career opportunities
- Empowerment
- Job rotation
- Voice of the employee
- Results measurement
- Recognition and rewards
- Coaching
- Health and wellness programs
Engaged employees stay longer and become advocates of the company and its products

"How likely are you to:"*

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Stay at your current employer for the foreseeable future?</td>
<td>62%</td>
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<tr>
<td>Recommend your company’s products and services?</td>
<td>56%</td>
</tr>
<tr>
<td>Recommend a job at your company to friends or family?</td>
<td>51%</td>
</tr>
<tr>
<td>Stay, recommend products, and recommend the company?</td>
<td>40%</td>
</tr>
</tbody>
</table>

Base: 7,228 Global information workers

*Note: Responded with an 8 to 10 on a scale from 1 [doesn’t describe me at all] to 10 [describes me completely]

April 2016 “Use Digital Technologies To Improve Employee Engagement”
Six levers for employee engagement in the digital age

- Engagement Surveys and Analysis
- Coaching and Performance
- Employee Communication
- Learning and Careers
- Rewards and Recognition
- Health and Well-being

Forrester Research, Inc.
April 2016 “Use Digital Technologies To Improve Employee Engagement”
Self-service vs. digital experience

› Employee self-service was developed in the 1990s to automate paper-driven processes

› HR vendors of that era developed self-service as an afterthought
  • Capabilities are infrequently used and not up to today’s usability standards

› Today’s workforce is increasingly digital native
  • It expects a consumer-grade experience accessible by smartphone

› Automation is no longer the goal, it’s engagement

› Legacy portals are not effective for communications
  • Pull (e.g., pulse surveys), peer-to-peer (e.g., social), and push (e.g., marketing) need to be addressed in this context
The modern workforce requires new learning technologies and resources

› Adopting micro-learning using varied media
› Incorporating more social
› Personalizing learning
› Curating content from MOOCs and other resources
Today’s younger workforce learns in new ways

- Eager to move toward career goals
- Expect quality, engaging learning experiences
- Value flexibility and collaboration
- Socially connected via mobile
- Expect challenging work and seek feedback
Recalibrate learning approaches for the modern workforce

New corporate learning content:
- Shorter
- Varied media
- Social
- Curated
- Personalized

versus

Traditional corporate learning content:
- Longer
- Face-to-face
- Self-paced eLearning
- Developed for corporate use
- Generic

Content is

Organizations need both
Agenda

- *The digital age empowers people and talent*
- *HR digital innovation opportunities*
- *Modernize you HR systems to leverage cloud and digital experiences*
Top HR technology trends

- SaaS
- Mobile
- Social Collaboration
- Integration
- Planning and Analytics

HRM's future
- Efficiency
- Process innovation
- Retention
- Engagement
- Flexibility

User Experience
SaaS adoption by product category

HR systems replacements with SaaS are growing rapidly

“What are your firm’s plans to use software-as-a-service (SaaS) to complement or replace the following applications?”

Replaced/planned to replace

20% have already replaced HR systems with SaaS, 26% plan to within 2 years

Human resource management

2015 2014 2013 2012

46% 36% 28% 25%

Base: NA and EU software decision-makers who know whether their firms are using or planning to use the specified package application (1,000+ employees)

Source: Forrester’s Business Technographics Global Software, 2014 and 2015; Forrester’s Forrsights Software Survey, Q4 2013, Q4 2014
Create a coherent strategy to encompass the six pillars of HRMS

<table>
<thead>
<tr>
<th>HRM core functions</th>
<th>Workforce management</th>
<th>Compensation and rewards</th>
<th>Recruitment and hiring</th>
<th>Talent management</th>
<th>Learning and development</th>
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<tbody>
<tr>
<td>Employee records</td>
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<td>Base salary administration</td>
<td>Workforce planning</td>
<td>Employee performance</td>
<td>Leadership development</td>
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<td>Stock and long-term</td>
<td>recruiting</td>
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<td>Productivity</td>
<td>Diversity and</td>
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<td>and informal</td>
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<td>certification</td>
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Human resource management (HRM) master data, reporting, and analytics

HRM Application Strategy Building Blocks

1. Tune people processes to motivate talent retention and performance with high levels of administrative efficiency.
2. Master HRM data flow and systems integration to optimize quality, timeliness, accuracy, security, and compliance of people data.
3. Engage employees with an intuitive user experience that is informative, collaborative, social, and mobile.
4. Deploy HRM applications in a mode that can be easily changed and updated, empowering HR stakeholders to manage change.
5. Align HR with business strategies, find and develop the best talent, reward and retain employees, and reinforce company values and culture to employees.

Process excellence
Information mastery
Employee digital engagement
Sustainable and flexible deployment
People strategy and culture

November 2013 “Define Your Strategic HR Technology Road Map”
HRM Road Map Methodology Key Tasks

1. Leverage results of the assessment phase.
2. Articulate your strategic HRM goals and business justification.
3. Analyze alternative scenarios.
4. Create the future state blueprint for HRM systems.
5. Define the strategic HRM road map work streams.
6. Deliver your HRM road map to stakeholders.

November 2013 “Define Your Strategic HR Technology Road Map”
Today’s HR technologies are used by all employees and not just HR

The HR Transformation Journey
The HR Transformation Journey: Optimizing the People Part of Your Business

ABC Company

Manual
- Administrative burden
- Compliance concerns / complex requirements
- Paper and spreadsheets

Automated
- Paperless HR: Automate processes to delight employees
- Efficiently attracting and hiring top talent
- Integrated systems
- Central compliance administration

Strategic
- Engaging and retaining talent
- Employee development
- Improved employee communication and collaboration

Data-Driven
- HR as a business partner
- Actionable-data: insight to business impact
- Recognize trends and identify the true impact of people on your business

One Employee Record for the Entire Workforce
ONE UNIFIED PLATFORM FOR YOUR ENTIRE WORKFORCE

ATTRACT AND RETAIN TALENT
ENGAGE YOUR WORKFORCE
MANAGE EMPLOYEE LIFECYCLE

Recruiting
Benefits
Human Resources
Performance
Compensation
Time & Attendance
Scheduling
Leave
Payroll
Scheduling

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