Driving Growth Through Workforce Empowerment: The Business Case for Integrated HCM

Human Capital Management (HCM) Provides the Processes & Technology to Imp Organization Performance & Growth

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The Strategic Imperative

Executives have a strategic imperative to ensure they employ a finely tuned workforce that is aligned with the strategic mission of the organization to drive business performance.

It is the connection between the organization’s mission and worker empowerment where many organizations struggle. The knowledge and skills that the workforce embodies, which is directly responsible for the ultimate success of the organization, is often under developed. In addition, top performer compensation or worker incentive plans may not be aligned in order to retain, let alone motivate, the entire workforce.

In order to clearly understand the state of their workforce and effectively direct the path to high performance, senior executives require detailed information that enables them to make strategic workforce decisions.

Integrating Human Capital Management (HCM) processes holds the key to effectively managing workforce performance. HCM is the strategic approach to integrating workforce planning, recruiting and hiring, performance, succession planning, compensation and incentives, and learning and development.

By integrating these processes, executives now have the data required to make more informed decisions that enable them to build and steer a performance-driven workforce that impacts both the top and bottom lines.

Driving Value

HCM offers the strategic and holistic methodology to improving organizational performance. Integrated HCM technology links the strategic processes required to leverage your workforce’s skills, knowledge, and experience into a single system. This single system provides the centralized infrastructure that enables executives to measure and adjust workforce strategies in real-time. Additional value derived from an integrated HCM system enables organizations to achieve the following:
Value of Integrated HCM

• Improve quality of hires
  – Better assessment & screening tools
  – More structured and directed interviews
• Motivate employees through proactive development & career planning
• Drive performance improvement through pay-for-performance programs
• Significantly improve linkages between corporate strategy & individual goals
• Proactively conduct workforce planning

Further, the integration of disparate silos of human capital practices aligns the business behind the strategic goal of the organization. These results in turn drive the organizational imperative to:

• Retain top performers by providing clear growth paths and performance metrics
• Reduce compensation expenses by aligning pay with performance
• Improve hiring cycle time while ensuring key attributes are identified and sourced
• Ensure skills of organization are aligned to meet future growth opportunities
• Reduce training and development expenses by measuring effectiveness and linking to performance plans
• Improve staff usage by redeploying underutilized resources on new projects without over-hiring

Integration Leveraged Across Organizational Environment

The data captured in an integrated HCM environment must be leveraged throughout the entire organization to ensure a successful outcome. Taken together, the organization achieves a powerful state of readiness to execute current plans and grow to meet future goals.
Executive Mandate

It is the mandate of every senior executive to grow the top line, improve the bottom line, and drive shareholder value. To achieve this goal executives are looking to human resources (HR) to provide the strategic processes, infrastructure, and answers.

Historically, HR was often looked at as a cost center to be minimized like all other costs. HR management was then outsourced and headcount reduced. Now, leading organizations are looking at their people, and their management, as a key source of competitive advantage.

Senior executives are tasking HR leadership in supplying the organization with strategic people management technology to meet future growth objectives.

The HR Leadership Challenge

HR leaders serve as the linkage between mission and execution. They are required to provide a new level of data and insight to ensure workforce and business alignment.

The underlying data that executives require includes:

- What is our organizational readiness to meet future goals?
- Who are our top performers and what is their risk of their leaving?
- What is the impact of turnover on future goals?
- How does compensation compare to industry and competitive norms?
- What impact do incentives and rewards have on performance?
- Is worker effort aligned with organizational goals?

With historically siloed teams broken up by process, the data required to make executive decisions resided across numerous systems with no common data layer. Further, employees did not interact with the old technology in a consistent way, making it virtually impossible to derive even the base data required.

Without this connection between systems and processes across the entire organization, HR leaders are hamstrung to provide the connection and linkage that today’s executive mandates require.

Workforce Engagement

Employees are charged with executing the organizations’ mission. To accomplish this, they must be empowered to participate in the success of the organization with line-of-sight visibility into how their work translates into the organization meeting its goals.

Research indicates that the best and brightest employees are motivated by the challenge of their next opportunity. They need to have visibility into:

- How their efforts are directly driving the organization forward
- Are they compensated appropriately for their role in the organization
- Where their career is taking them

Fail in any of these areas, and it is only a matter of time before your top performers flee, lured by the challenge of that next opportunity.

1Forrester Research, “Human Capital Management Suites Are In; Are Best-of-Breeds Dead?” August 2004
Despite vast investments in the quality of tools workers use to perform their jobs, remarkably little attention is paid to the tools used to rate that same performance. This reflects poorly on the organization as a whole, and impacts overall organizational performance.

Workers expect that world-class organizations will use world-class tools to manage their performance. They want to participate in their performance and they want visibility into the process and results.

**The Danger of Silos**

The ability to execute is not made up of equal parts “process and people.” A clear strategy must still be executed by good people who are well trained, well compensated, and have a clear understanding for how their efforts are aligned with the overall mission of the organization.

Technology to manage discrete HCM process has been around for many years. However, the siloed nature of HR led to the patch work of systems and processes deployed at many large organizations. Decentralized data architecture creates an incomplete view of employee development and organizational performance, which in turn inhibits reporting & analysis. Continuing to manage the organization through this patchwork leads to:

- Substantial administrative overhead to manage separate systems and vendors
- Escalating support costs to maintain individual vendor tools
- Inability to easily upgrade to new functionality that relies on data from other sources
- Employee dissatisfaction as result of interaction with multiple systems for multiple tasks
- Workforce not empowered to participate in their own development aligned with organizational mission
- Compensation costs inflated as they are not truly based on performance
- Workforce plans are inaccurate leading to increased hiring, training, and development costs

**Conclusion**

The concepts are straight forward: hire good people, ensure they are properly trained, and provide motivation to retain the best employees. While these are seemingly simple concepts, implementing them successfully in a complex organization can be difficult.

Leaders in all business functions need the most accurate information easily accessible in order to make the right decisions. Integrating HCM processes enable new levels of knowledge that in turn drive more concrete decisions that are in-line with organizational goals.

An integrated approach to HCM enables you to achieve optimal workforce alignment across the entire organization. With the finely tuned workforce deployed, you are able to meet your executive goals of lowering costs and driving profit growth to improve shareholder value.
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About Softscape
Softscape is the global leader in complete people management software that enable organizations to more effectively drive their business performance.

Softscape’s vision and history of innovation is consistently recognized by industry analysts and luminaries. The company’s complete, end-to-end platform natively connects all human resources (HR) and talent functions, including performance management, succession planning, learning, career development, compensation, hiring and recruiting, workforce planning, social networking, and core HR records.

Softscape’s customers span 156 countries, 30 vertical industries, and include global Fortune 500/Global 2000 enterprises, mid-market companies, higher education institutions, and public sector agencies. Current customers include 7-Eleven, AstraZeneca, Seagate, GKN, Edcon, Sony Electronics, and KPMG.

Softscape is based in Massachusetts with offices in London, North Sydney, Chicago, San Francisco, Bangkok, Hong Kong, and Johannesburg.

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