

Is Technology taking the Human Touch out of Human Resources?



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Introduction

Human Resources as a function has been in existence since as long as anyone can remember, and is arguably one of the most valuable departments of any business. That makes it a prime candidate for some “Maverick” thinking*.

Welcome to the latest NGA newsletter featuring research from Gartner!

In this issue, we explore the changes that IT has brought to the HR department and the modern workforce across the employee lifecycle.

Has the prevalence of IT, as well as cost reduction efforts that drive lead to greater IT adoption, taken the human touch out of Human Resources? Does today’s HR Manager, who would likely describe him/herself as a “people-person,” feel that technology creates a bridge to the workforce – or serves as a barrier? And how about employees themselves, do they feel technological automation of HR services makes them more self-sufficient and empowered or abandoned?

This issue digs deep into fundamental challenges today’s HR department is grappling with, including:

- What is gained and lost when HR automates
- The fact that many HR departments have been thinking about technology wrongly from the start
- How and when companies should better use the wealth of data at their disposal – and how HR is uniquely positioned to add value in this area
- And why IT may be leading the HR department down the wrong path and lessening its standing in the organization

An introduction from Michael Custers, NGA HR’s Senior Vice President of Marketing, kicks off this newsletter, questioning why the user experience was such a low priority at the crossroads of HR and IT. Now, one new technology may be changing that intersection, potentially disrupting the entire HR services delivery model.

Across the entire employee lifecycle from first day on the job to retirement, there are tremendous occasions where an organization communicates with its employees. Maximizing the user experience at all those points is key to realizing a happy workforce.

Source: NGA HR

*This is the latest of Gartner’s “Maverick” research pieces, designed to explore new insights and deliberately expose unconventional thinking, even if that may not agree with Gartner’s official positions. We believe this makes it interesting reading to think about the way forward.

Employee Experience: The Top Objective of HR Leaders

The last three years have probably seen more change in HR technology and services than the preceding 30 years. That may seem a bold statement but – if you consider the extent to which HR has changed due to cloud, social and mobile technologies – you are likely to agree. When Gartner introduced the idea of a nexus of forces combining to generate the next wave of technological innovation, very few CIO's would have expected HR to be at the center of the action. And yet, here we are.

In recent years, we've seen more than \$15 billion in M&A activity related to HR, across 15 major deals, with every software or services giant involved in one way or another. However, in the midst of this tsunami of technology, we've started picking up concerns from CHRO's. And although they – and the departments they lead – benefit from more-accessible data, easy-to-use self-service systems and powerful HR analytics, many also wonder how their customer – the employee – feels about this.

All too often, HR projects have been IT-led, rather than HR- or business-led. Cloud technology has changed that somewhat, but it hasn't fundamentally answered this key question: How do employees feel about the prevalence of technology in HR service delivery?

Not to mention some ancillary questions: Do employees feel this has resulted in an improved HR experience? Do all the new funky tools play together well? Does automation truly reduce administrative workload? Or does it create more – electronic – transactions? Do managers get more insight or just more data? Can we relate HR information with business information, or is everything still locked away in data silos? Do we make better decisions or do we only change course faster?

These are all very valid questions that need to be answered. At NGA, we feel that technology is a powerful enabler, not a solution on its own. It is the role of the HR department to create an environment that is responsive to the needs of employees. Such a workplace helps to attract top

talent and create a great company where people feel engaged, inspired, challenged, proud and respected. To achieve that, we need to focus on the overarching goal of HR leaders: developing an employee experience that aligns with business needs.

The HR Department – From Paper to Digital

How much has HR changed in 30 years? Let's look at a real-world example. When employees in 1980 requested a day off, they had to fill out a form on a paper sheet and send it to their manager. Once the manager approved the absence, the form was forwarded through the internal mail system (and we are not speaking here about an online platform but a physical movement from point A to B) to the HR department which manually entered the information into the payroll and workforce administration system.

The elapsed time between initiating the request and updating the employee's file in HR could easily take a few days. Today this journey can be completed in a few minutes thanks to automation, and employee and manager self-service tools. It's a clear example of efficiency improvement in addition to a great employee experience.

The HR "Customer"

This simple process automation not only increased efficiency, it also improved the interaction and communication with HR. In fact, all parties involved experienced better "customer satisfaction." For example:

- The employee has an immediate answer to the request enabling him/her to make holiday plans;
- The manager has to make a decision and simply click YES or NO on-screen;
- HR saves time as the system automatically updates the time and attendance schedule of the employee resulting in correct payroll runs;
- Stakeholders have a real-time view of up-to-date employee information/status.

The advantages are countless and definitely pay off when calculating the return on your HR technology investment. However, when it came to overhauling the entire HR service delivery model – rather than the automation of a single process – how high did user experience rank on the priority list?

Traditionally, when considering new HR technology, the user experience was not a high priority for developers. That's because the front-end interface was something bolted on to an existing back-end solution, with emphasis on one-size-fits-all. Getting the front- and back-ends to merge together well was more important than delivering an easy-to-use experience for end users. But with the explosion of Cloud-based technologies, user experience suddenly took precedence because an intuitive interface is a component built into the system from the ground up, with modular components turned on or off depending on the environment.

That experience more closely matches the technology employees encounter after they leave the office. This applies to not only desktop devices, but also for mobile. It may be even more applicable to mobile platforms, as the number of mobile devices surpassed the number of desktops in 2013. As a consequence we can say that the frequency of interaction with target user groups – the “consumers” of HR services – also increased. This heightened interaction gave the HR department more opportunity to learn about and get to know the employees they supported.

Consumerization of HR

Going forward we also see that employee-centric software is shaping up to be one of the most disruptive trends in HR. At NGA, we call it the consumerization of HR, meaning that, for the first time, consumers (read: employees) have better technology than businesses. The Bring Your Own Device (BYOD) spirit is causing many headaches to IT and network managers today, because they need to figure out how to protect their IT infrastructure from illegitimate access while still allowing consumers to use their preferred device.

Organizations that are designing their future workplace and need to attract new employees are better off taking new market trends such as these into account. At the same time, it's important to remember that expectations in the workforce vary greatly, from baby-boomers to Generation X to Generation Y. These co-workers differ in attitude, preference for written versus verbal, technology skills, etc. One generation's preferences are no better than the other – just different.

At NGA, we understand the importance of workplace trends and are constantly striving to shape our HR services in accordance to the full range of market expectations. By combining our core expertise in HR Outsourcing services and the innovative features of typical Cloud-based software, NGA is leading the “Business Process as a Service” market (aka BPaaS). This model, launched in 2012 by Gartner, is the next generation of HR Outsourcing that assists organizations in increasing employee satisfaction while fulfilling business objectives such as reducing costs. We see it as the right spot to support today's workforce, at the intersection of HR services and technology.

Source: NGA HR

Research from Gartner

Maverick* Research: You've Lost That Lovin' Feeling — The Dehumanization of Human Resources

HR is automating itself toward irrelevancy. Technological myopia dilutes HR's strategic potential, obscures real workplace issues, and positions HR as a support function. (Maverick research deliberately exposes unconventional thinking and may not agree with Gartner's official positions.)

Key Findings

- HR is rightly replacing human effort with automation in HR service delivery, but it's doing so without much forethought. Technology is implemented primarily for efficiency and cost gains but not integrated into broader HR, IT and enterprise strategies and priorities.
- Many HR leaders still measure the function's success by how little it costs; technology overuse paints HR leaders as administrators and cripples their internal reputation as business strategists. HR instead should be adding real value and then shouting about it.
- Technology is only one of several tools to help HR attain its ultimate goal: *provide the workforce components required to meet the enterprise's business goals*. But HR should invest heavily in workforce data analysis to help it attain a corollary goal: *provide strategic workforce insights and intelligence* that will equip HR to participate in strategic enterprise discussions.

Recommendations

- Prove HR's strategic value by using technology with a goal of *developing intelligence that contributes to the enterprise's strategy*. The technology must be seen as a tool to accomplish organizational goals, not a goal in itself.
- Position HR technology to empower employees in directing their careers, increase productivity, enable collaboration, improve the employee-user experience, focus employees' line of sight to enterprise goals and show employees where they fit in achieving those goals.

- As new technology is implemented, apply change management techniques to the HR function by replacing, reskilling and refocusing staff — freeing them to harness new capabilities that directly support the enterprise's goals.

Analysis

*Maverick Research

This is "Maverick" research, designed to spark new, unconventional insights. Maverick research is unconstrained by our typical broad consensus-formation process in order to deliver breakthrough, innovative and disruptive ideas from our research incubator. We are publishing a collection of more than a dozen Maverick research lines this year, all designed for maximum value and impact. We'll explore each of these lines of research to help you be ahead of the mainstream and take advantage of trends and insights that could impact your IT strategy and your organization (see Note 1 and Note 2).

For this document, Gartner conducted research based on leading HR technology trends we have observed; discussions with providers of HR services and products; surveys of leaders, decision makers and buyers in both HR and IT; and discussions with Gartner clients.

Is Human Resources "Human" Anymore?

"... And there's no tenderness like before in your fingertips.

You're trying hard not to show it (baby), but baby, baby I know it ..."

From "You've Lost That Lovin' Feeling," written by Barry Mann, Phil Spector and Cynthia Weil

HR began its slow descent into irrelevancy the first time it heard the phrases "cost savings" and "technology" used in the same sentence. Since that point, too many HR leaders have defined (or have allowed other C-suite residents to define) the function's worth in terms of minimizing expense. It has focused its gaze on all things

technological in order to decrease costs and increase efficiency — and hopefully add some hipness in the process. But in the zero-sum game that is business prioritization, the more HR has focused on technology, the less it has focused on adding strategic value, or on understanding that its strategic value is manifested by *building workforce effectiveness*. HR has dehumanized itself not simply by removing humans from the department but by thinking technology can replace humanity in the workplace.

HR's technological myopia is a learned, not inherited, trait. It started when HR leaders sought to introduce "mechanics" into work processes, and then "computerization," "paperless," "technology," "e-HR," "self-service" and other terms. (It's bad enough that HR's title refers, in a detached sense, to the workforce as "humans"; why not just go for "anthropoid units" or "sentient resources"?) But too often, this pattern has blinded HR to larger workplace trends — both macrolevel trends and possibly trends within its own enterprise. In many situations, HR tries to add strategic value but simply does not understand how to do it; consequently, its technology investments do little to enhance strategic thinking. If HR continues down this path, it will never be able to distance itself from its long-held reputation as a support function, and it will obstruct its own quest for that proverbial seat at the management table.

Certainly, there are forward-thinking HR leaders who have already positioned their function as being critical to the enterprise's strategy. For these leaders, achieving cost and efficiency gains was the first step in moving toward freeing resources that could focus on business impact. They replaced administrative staff with others savvy in broad HR, enterprise, vertical and market

issues. They also redistributed budgets to invest in analysis of employee data, industry benchmarks and workplace trends — producing insights that directly help the enterprise.

But HR's very purpose is to understand *how the organization can best function*. HR should be studying what work needs to be accomplished to meet the enterprise's goals, what types of talent can accomplish it, how employees can work together, and what resources they need to accomplish that work efficiently. Technology is simply one tool out of several that HR can utilize toward those ends. But implementing more technology — as attractive and as useful a solution as that may sometimes be — isn't a license to forgo addressing underlying workplace- and organization-related issues.

In its most succinct form, HR's charter can be expressed as *providing those workforce components required for meeting the enterprise's business goals*. Unquestionably, providing these components requires general HR activities, such as staffing, talent management, rewards, training, organizational design and compliance. Other critical components include policies, procedures, tools and programs that facilitate an efficient organization, support meaningful people management, and enable productive, satisfying individual work performance. (See sidebar, HR's Strategic Role.) It's a huge job, but no one ever said HR's responsibilities — even the administrative ones — were easy.

HR's Strategic Role

The business leaders, HR practitioners, authors, consultants and other thought leaders interviewed for this document articulated the following broad array of functional goals HR must accomplish in order to create strategic value for the business:

- Understand what workforce components are required to support the enterprise's strategy, and what demands that strategy will make on the HR function in the future
- Create a dynamic organizational design that supports the enterprise's strategy and adapts to changing business scenarios
- Ensure employees understand the enterprise's strategy, mission, vision and values and have line of sight between their position and the strategy
- Source candidates for positions that optimize their ability to contribute to the enterprise's goals, while at the same time promoting the enterprise's brand as an employer to those candidates
- Supply technological resources that empower employees to accomplish their work, meet their responsibilities, contribute to their productivity and satisfaction, and enable them to work collaboratively
- Provide interpersonal (that is, human) assistance when needed for issues related to career direction, sensitive or adverse employment issues, coaching and mentoring
- Understand how work is best performed in the enterprise, and supply those tools and workplace policies, procedures and processes that support productive work effort and minimize or eliminate obstacles
- Develop and analyze HR-related data in ways that create insights and enable intelligent decision making across the entire enterprise
- Manage change that impacts the enterprise across the workforce
- Manage the administration of all processes pertaining to employment in general and HR in particular

Note: Gartner advocates a similar strategic approach for the IT group. Gartner's Engagement Initiative suggests that IT leaders can play a critical role in guiding business strategy by helping the organization navigate myriad workplace changes, such as consumerization, demographic shifts, and the movement toward more knowledge-based and collaborative work. As part of that effort, the Engagement Initiative suggests a closer relationship between the HR and IT groups.

But for the majority of HR leaders, HR's problem today isn't stating its charter; the problem is HR's stubborn determination to define itself meekly in terms of how little investment it requires, without simultaneously shouting about the value it actually brings. HR has painted itself into an administrative corner by focusing on what it *isn't* rather than on what it *is*. Without rebalancing resources away from administration and toward enterprise strategy, HR misses opportunities to glean insights based on the very data its new technology provides. Consequently, while HR has been taking the "human" out of human resources, it has also been taking itself out of enterprise strategy discussions.

What Is Gained — or Lost — When HR Automates Processes?

Not all dehumanization of HR is negative on its face. Examples can be found in every business function, in every industry, where human interaction has been eliminated or where a manual process step has been automated. Buyers now often state they prefer the new automation and would be remiss if human effort were reinserted into the process. In fact, generally the younger the users, the less they prefer human interaction — they feel it slows the process. (See below, *Dehumanization Is Pervasive*.)

Dehumanization Is Pervasive

Automating common HR processes and transactions should bring no surprises to today's workforce, regardless of position, age, location or technological proficiency. Dehumanization is pervasive. Beyond ATMs and self-service gasoline, many common, once-human transactions, like those listed below, are now automated, and many are paperless. Yet customers and users seem to have adapted perfectly well:

- Automated toll payments
- Individual and commercial bill and invoice payment
- Retail purchase check-out
- Airline check-in and bag drop
- Car rental
- Hotel check-in and check-out
- Doctor's office and hospital check-in
- Ticket purchase for movies, sports and other entertainment
- Password resets for internal and commercial applications
- DVD rental — both physical and digital formats
- Self-storage unit rental

Modern commerce has moved through its phases of postindustrial, and then service-based, and then today, knowledge-based, and tomorrow, experience-based. HR technology investments have indeed significantly reduced the HR function's efforts, staffing and costs; improved employee and manager performance through increased functionality and data access; and better aligned HR's objectives with those of the enterprise. So even if these sound investments were implemented with inadequate positioning or integration, it's never too late for experienced HR leaders to re-emphasize a technology's known benefits, harnessing and leveraging its capabilities in the process. Sounding the call to work smarter is never passé.

But the pervasiveness of technology throughout the workplace further increases the demand for HR leadership. Tech- and app-savvy HR staff can identify and articulate constantly changing capabilities the business needs when finding knowledgeable, experienced candidates, and they know how to source from a global talent pool. Therefore HR must be prepared to collect, own, protect, manage and analyze huge amounts of data related to candidates, employees, and the aggregate enterprise workforce in order to take a more analytical approach to meeting the enterprise's workforce challenges.

HR leaders have an obligation to prove their function's strategic value to the enterprise — not by defining that value in terms of technology, but by using technology to *develop intelligence and insights that contribute to the enterprise's strategy and mission*. This effort indeed includes the use of effective technology, but the increasing use of technology must be seen as a tool to accomplish primary organizational goals, not a goal in itself.

HR's Wrong-Headed Thinking About Technology

How do experienced, intelligent HR leaders develop this technology myopia and inadvertently position themselves as administrators instead of strategists? Could HR leaders' missteps with technology actually result from deeper misconceptions, more fundamental in nature, regarding their own (versus others') perception of HR's role in the enterprise? And is outsourcing administrivia the only secret to HR's adding more strategic value?

Highly technocentric HR functions whose leaders were interviewed for this research faced common

challenges. Most were rooted in misconceptions and miscalculations of how much HR technology (even when successfully implemented) can be expected to benefit the enterprise or the HR function's value, or both. Research for this document, including input from HR professionals themselves, points to several specific weaknesses — or downright wrong-headedness — in many HR leaders' thinking that ultimately doom them to the administrative netherworld. Those weaknesses most prevalent in our research include the following.

Failing to Foresee Workplace and Employment Evolution and Technological Trends

Who needs to be told that technology is causing constant change in the workplace? Telecommuting, virtual teams, global collaboration, and public and corporate networks (both social and professional) are just a few examples of technologically induced workplace upheaval. But ask some HR leaders how and when technological changes will impact their workforce in the future, and they draw a blank — either they haven't thought ahead, or perhaps they didn't allow enough budget for consulting, communications or training support needed to study and prepare for that impact. To add strategic value, HR must understand, first, where the enterprise and its industry is headed; and then, what demographic, employment, workplace and general HR trends (impacted by technology but by other factors as well, such as macroeconomic trends) are occurring; and finally, where, when and how these forces will intersect.

Focusing on the *What* but Not the *How* and the *Why*

One area of study that directly impacts both HR's and the enterprise's strategy — but one that is woefully ignored — is the nature of how work gets done, what contributes to high-performance work, and what the best tools, practices and processes are that enable those methods. Most HR philosophies, as well as most corporate cultures, emphasize *what* needs to be accomplished by employees — using individual objectives, goals and outcomes, and performance against those items — but not *how* the work is best accomplished or *why* certain processes need to be followed. Some HR technologies overautomate or complicate what previously were simple activities. (To be fair to HR, it is sometimes the executives themselves, usually of older generations, who are not able to grasp how the nature of work has changed;

many HR leaders trained in organizational design recognize this problem but can't get past the embedded mindset.) HR leaders would be wise to invest in the area of "work management" (not to be confused with "workforce management"). Work management focuses on the tasks, processes, work streams, decision points and obstacles for completing a work effort most efficiently. And in today's hyperconnected workplace and society in general, social tools (to enable collaboration) and mobile apps (to facilitate a work-anywhere mindset) play critical parts.

Having an Exclusively Enterprise-Centric Perspective

It is certainly a valid exercise when HR categorizes its activities among the familiar "administrative," "consultative/partnering" and "strategic" and seeks to minimize the first and maximize the last. However, employees don't see HR's priorities the same way; when it comes to how HR can meet their needs, employees are more likely to prefer the categories of "commodity" (or better, "required/necessary"), "empowering" and "differentiating." When HR can identify those career and work management activities and responsibilities that empower employees and differentiate the employer, employee productivity will improve as a direct result — and in the process, HR will better understand employees' current and future needs.

Promoting E-Paternalism

Some HR leaders still believe the enterprise should be paternalistic toward employees; indeed, some organizations and even entire industries (utilities, energy and education) have vestiges of such a culture. Having access to more technology, these leaders and organizations simply use those tools to support the same message — an e-paternalism of sorts. But in the highest-performing companies, HR leaders have reset employee expectations about the nature of their employment: This HR philosophy holds employees directly responsible for their careers, including being responsible for all data, decisions and problem-solving associated with career decisions. "Employee self-service" is recast as "employee self-sufficiency." This approach assumes, of course, that the organization's fundamental talent management elements of career path structures, position descriptions, and competency and training requirements have been developed and are made

available to employees and managers so that they can, in fact, direct their careers. Employee self-sufficiency — even the name itself — will change employees' perspectives on career and employment, allow HR to transfer some administration to employees and managers, and position HR as a guide for employees rather than a police officer.

Succumbing to the Tyranny of the Urgent

HR oversees critical processes that affect employees' as well as the enterprise's well-being. Inevitably, things can go wrong, and some problems (for example, payroll timeliness) simply cannot be delayed even for a moment. Yet HR does not always distinguish between what is truly mission-critical to the business or workforce, and what can be tolerated as a temporary problem; as a result, in many cases, it applies a fire-drill response to any and every problem that arises — resulting not only in an administrative focus, but also a reactive mindset. To gain strategic stature, HR must flip this mindset to one of proactivity — anticipating and aggressively planning around potential issues early — and place boundaries around its administration effort (through staffing or possibly through external providers) in order to protect its strategic effort. Not doing so paints a damning picture of HR simply fighting (administrative) fires.

Attempting to Automate a Relationship, Instead of a Responsibility

You can't buy love, and you can't automate a relationship. HR technologies are sometimes introduced that futilely attempt to build a "relationship" — a personal connection — between an employee and the company. But automation intrinsically puts distance between humans; it actually reduces intimacy. Such methods as animated portal design, overly familiar live chats and hip jargon are the usual examples of evidence in these cases. Employees (that is, all humans, actually) not only respond poorly to these methods — they are dismissive and usually suspicious of them. And no one will argue that managing talent in the digital world takes new tools and a lot of creativity. But the effective automation of HR processes results in more information, control, alternatives and collaboration that empower employees and managers to make smart and timely decisions that will benefit themselves and the business.

Failing to Analyze Data Understand How to Analyze Data

All major HR administration systems (on-premises, software as a service [SaaS] or outsourced) now include analytics and business intelligence capabilities incorporating a host of tools: core analytics, reports, dashboards, middleware, workforce planning models and more. These tools make it easy to perform valuable exercises, such as analyze (and predict) turnover, forecast workforce demands, identify skills gaps and develop long-term people strategies. Having these capabilities to analyze their own data, HR leaders are without excuse for not creating robust, intelligent, forward-looking insights into the directions their own workforce is taking and how the workforce and broader employment trends will impact the enterprise. It is this analysis that generates *insight*, adds strategic value to the enterprise and positions HR as a valuable participant in the strategic exercise.

Unwilling to Redesign the HR Function

As much as HR leaders strive toward a strategic Shangri-La for their function, many of them don't know how to get there, how to prepare for the trip or what they would do when they arrived. Surely they know that *strategic HR* takes different skill sets than *administrative HR*, and that their current staff, collective capabilities, tools and even budget will all need to morph into something different as they move toward becoming strategic. But so many HR leaders put the horse behind the cart — they believe that only *after* they reach a point of adding strategic value will they obtain the talent they need to manage it ongoing. Instead, they should apply their change management techniques to their own function — and in the process, replace, reskill and refocus staff for HR's new priorities and goals.

Not Improving Their Financial Skills

Many HR leaders stubbornly refuse to build their financial skills (or invest in staff who have those skills) that will allow them to calculate and communicate financial ROIs for HR initiatives. Meanwhile, CEOs and CFOs have moved far beyond wanting to know the ROIs for straightforward HR processes like employee turnover, training programs or hiring bonuses. They want to know the savings, costs and impact on revenue, profit and growth resulting from such highly complex and technology-based workforce initiatives as:

- Implementing global collaboration and team management efforts
- Using social networks to build communities of expertise and leverage enterprise knowledge
- Evaluating candidates according to thinking patterns
- Migrating proprietary systems to tablet applications to reduce office space expense and encourage a work anytime/anywhere mentality
- Identifying components for direct versus indirect costs, capex versus opex, employee versus staff effort, and other ongoing financial metrics

HR leaders must be able not only to convert HR initiatives into hard-dollar impacts, but also to communicate these impacts in business language. Otherwise, they will never be able to understand strategic discourse, and may not be invited to participate. (The same could be said for some of HR leaders' counterparts in supply chain and IT.)

Failing to Engage Imagination

When focusing on technology exclusively as a cost-reducing resource, HR fails to imagine or plan ahead for the integration required with various other technologies — or even with human interaction. Prominent examples where HR often fails to plan ahead include failure to build an efficient HR portal (by extracting often-used employee data from internal and external sources) or to incorporate single sign-on capability to avoid multiple employee logins (this is partly the fault of IT). But an automated solution doesn't have to mean 100% self-service. Instead, HR should pursue flexibility, scalability, adaptability, effectiveness and degree of empowerment when implementing HR process solutions; and it should evaluate a technology not only as a possible stand-alone solution, but also as one component in a larger, integrated, multichannel solution.

When HR leaders see HR technology only as an end in itself, without forethought regarding intended outcomes, they become like the 2-year-old with a hammer — everything is a nail. Rather than propose a new technology as the solution for every cost-cutting dilemma or the path to every efficiency gain, HR leaders must reprioritize their efforts, reallocating their function's resources to

understand where a technology — or more likely, a combination of technologies — can best meet the need at hand. As discussed below, the question is not whether technology can meet a need, but how technology can best meet a need.

What Successful HR Technology Looks Like

When we conducted research for this document among HR leaders, common themes appeared that mark the successful implementation, ongoing use and right positioning of HR technology. HR leaders in companies that have highly respected and influential HR functions recognize that effective technology and its wise use can result in these gains to the HR function, as well as to the enterprise's workforce:

- Directly and indirectly supports the strategy, goals and mission of the organization
- Saves costs, produces efficiencies and increases the quality of HR services to internal customers — employees, managers, HR staff and executives
- Results in access to more, and more accurate, individual and broad workforce data — in context and on demand — for future analysis and decision support
- Improves employees' and managers' general employment experience and individual productivity
- Enables employee self-development that in turn allows employees to maximize productivity, build competencies and direct their careers
- Contributes to better employee-manager relationships and thus to higher employee satisfaction (since the quality of the employee-manager relationship is consistently identified by employees in surveys as one of the top satisfiers in their job)
- Surprisingly, makes up for the loss of human interaction in a process, or in some cases creates a preferred process without the previous human effort
- But ultimately: Allows HR leadership to make better-informed decisions, produce intelligence and insights from analysis of trends and prevalences gleaned from workforce data, and bring the strategic perspective and advice the enterprise needs in pursuing its strategy and mission

Some technology is being used brilliantly; others, not so much. See sidebar, HR Technology Gone Wild!, for examples of both.

HR Technology Gone Wild!

Some HR technology is mind-blowing; some is the practical, “why didn’t we think of that?” type. And then some other is ... questionable. Here are some examples where the HR function is using technology to empower employees, enhance the work experience and equip managers, and for other real-time uses:

- A global bank monitors disasters so that if a catastrophe disrupts electronic communication, by referencing its HR information system (HRIS) it can ensure that employees receive wages — even if cutting paper checks is the only alternative, and even if they are hand-delivered by local managers.
- A global hotel chain has utilized workforce analytics and exit interviews to determine the four primary factors that affect how long front-office employees will stay (for example, distance of hotel from their home) — and then applied the factors when recruiting new candidates in order to reduce turnover.
- An Israeli advertising firm is seeking to determine applicants’ analytical abilities by rigorously questioning recruits while they play the Diablo III video game. And a Turkish advertising firm takes an EEG (which monitors electrical activity in the brain) of recruits while they watch screenings of legendary television advertisements, in order to use brain activity as a measure of each recruit’s passion for the job.
- Move over, social networking. Numerous high-tech and telecommunications employers have adopted game theory and various gamification tools to draw candidates into their job sites — and eventually to qualify, by solving the game, for an interview.
- To address competition for its pharmacy benefits management (PBM) business in the U.S., a global prescription drug company initially looked at general population demographics (per capita income, proximity to hospitals and so forth) to locate their new PBM centers. But after analyzing the “supply side” of the data — employees’ and pharmacists’ home addresses — they discovered that employees were already in high-demand neighborhoods and also would be more amenable to transferring someplace nearby — simultaneously solving the problem of how the company would be able to staff the PBMs once they were open.
- Numerous U.S. employers who sponsor 401(k) plans integrate their HRIS with the database of a large retail retirement and investment service company that provides end-to-end, online transfers of distributions from one 401(k) (or other retirement plan) to another — improving the employment experience both for new recruits and leaving employees.

Contributors to Success

Research sources cited five specific objectives of new HR technology and of an HR function's approach to implementing it, which are vital to the technology's success. (See sidebar, Attributes of Effective HR Technologies, Tools and Techniques.) The five objectives most frequently cited are in priority order below; the last three apply to all technology and their implementations, but the implications for HR technology are articulated.

No. 1 — Couple Empowerment With Responsibility

Research sources said that prior to introducing new HR technology (or perhaps after experiencing a failed effort), they were challenged to develop a *philosophy of empowerment* that provided a framework into which all HR technology would be positioned. At the same time, sources said that coupling that philosophy with a *transfer of responsibility* to the user heightened users' adoption of the system; when users recognized that ownership of the data or process results rested on them, they were more likely to accept the responsibility with the promise of empowerment. This coupling of empowerment and responsibility created a satisfying "push and pull" effect that was successful in many cases.

No. 2 — Incorporate Intelligence and Intuitiveness

Sources for this research referenced the design of electronic games and popular mobile and Internet applications being incorporated into workplace technology; their belief is that a new technology will experience faster adoption and more effective use when its design (and related training) assumes intelligent understanding and the capacity for self-education on the user's part. When designing or selecting new technology, sources also held to the proverb, "Feed a man a fish, you feed him for a day; teach a man to fish, you feed him for a lifetime": Demonstrate a new technology's outcomes and benefits, hold a user's hand the first time, and then leave the user to learn independently (albeit with some resources like hyperlinks to instructions and FAQs) and build self-sufficiency.

No. 3 — Present Meaningful Data and Ask Meaningful Questions

Who wants to be asked to verify their employee ID number one more time? Or enter indicative information, like job title or work site location number, which HR undoubtedly already has a record of? Without exception, research sources

said that HR technology, whatever its function or goal, must present, request and/or give access to *meaningful data* for the user. Requiring effort by users that is seen as duplicative or purposeless is certain not only to delay adoption, but also to increase resistance. The HR professionals interviewed warned that this goal requires either an irrefutable system of record or highly integrated stand-alone systems, or both, in order to avoid the irritation of duplicative user effort (not to mention erroneous data). Further, the more demanding goal of contextually embedded analytics — those that provide "just in time" data within a process flow to enable the user to make a decision without having to go elsewhere — is more difficult but even more valuable. Achieving integrated data requires no small effort or investment on HR's or the enterprise's part, but the result is more efficient user effort, higher HR credibility and more workforce data reliability.

No. 4 — Ensure Consistency and Flexibility

Both HR and IT professionals stated that new technology must be consistent with existing technology in its look and feel, be integrated closely with HR's broader service delivery model, be built with a high degree of intuitiveness for its initial learning and ongoing usage, and incorporate flexibility in the choices and outcomes it presents. These sources pointed out that "technology flexibility" must be applied very broadly; it not only includes computerized alternatives embedded in software and applications with which a user might engage, but also assumes multichannel options for users if they reach an impasse: links to documents and other sites, a virtual assistant, interactive voice response, live e-chat, and live HR representatives. Additionally, a technology solution must be flexible in terms of allowing for differences in users' languages, technical proficiencies, and points in their career and life cycle.

No. 5 — Assess Scalability and Agility

The HR function (really, any business function) performs poorly and loses credibility when it fails to foresee the limitations or the future life cycle needs of its own tools. Even the latest technology must be assessed in terms of its eventual obsolescence, along with its interim scalability and agility. A majority of HR and IT leaders voice a preference for having a single HR structure, such as a single HR management system platform with which all other HR subsystems integrate. But in a technology environment where functionality and even delivery models (such as SaaS) change

frequently, this goal takes tremendous ongoing effort and expense, will take years to achieve, and may remain elusive as the enterprise's needs change. HR leaders pointed out that, even considering all other overarching objectives for HR

technology, it must be scalable in case of rapid employee population changes (up or down) and agile for integration with other HR systems, now and in the future.

Attributes of Effective HR Technologies, Tools and Techniques

Based on their experience, HR leaders identified the primary attributes of an effective HR technology and its implementation. These attributes applied regardless of the HR area (for example, talent management, rewards or training) for which a technology was implemented, and they applied whether it was a technology (software) or other tools or techniques being implemented. It must:

- Present information and choices in ways that are engaging and meaningful to the user
- Expand the user's access to information, including static data, employee networks and communities of expertise
- Transfer to users both the ownership of their indicative data and the decision-making responsibility for their career-related choices
- Be intuitive to learn initially (that is, it allows for self-training) and intuitive to use ongoing (such as when enhancements or upgrades are released)
- Be adaptable to multiple languages, generations, demographic and technology proficiency levels
- Provide flexibility for the unique needs of various employee segments — minorities, unions, disabled employees and others
- Have extensive search capabilities and provide flexible data gathering and manipulation
- Be accessible via multiple technologies, including Web portals and mobile devices
- Allow exit to other channels, such as an interactive voice response system, live chat or a live HR representative
- Be scalable in ways that will allow for new categories of information, new employee segments and new technologies

Your Path to Failure

The same HR sources for this research railed against the common trend of indiscriminately implementing HR technology with the sole purpose of reducing human effort — translated into “cutting HR staff,” thus reducing HR costs. This approach was especially criticized when the technology is poorly designed or poorly communicated, or when its use actually results in confusion, inefficiency, unreliable data or additional process steps. Not only are these outcomes disastrous in themselves, but they can also neutralize any financial gains, negatively impact employee satisfaction and productivity, and finally, undermine HR’s very effort to “focus on strategic issues” by freeing themselves from administrative effort.

The following four mistakes were cited as particularly detrimental to HR’s objectives (also see below, When Implementing HR Technology Goes Wrong):

- **Automating a process ill-suited to technology.** HR professionals agreed: Some HR processes should never be automated. The most obvious examples pertain to employee relations; employees are generally unwilling to document highly sensitive information, such as complaints against a manager, in an email. However, in some of these areas, the initiation of a process, such as an initial intake form, can be automated. (See sidebar, HR Processes That Cannot — or Should Not — Be Automated.)
- **Automating a process before improving it.** Processes usually grow from a set of actions or practices that become repetitive. But such a set of practices can grow into a good process or a bad one. Automating a bad process doesn’t make it better, it just makes it ... automated. Process evaluation must be part of the assessment exercise for new technology in case improvement or redesign of some processes is required prior to implementation.
- **Implementing technology/functionality that is a poor fit or poorly designed.** HR technology that is redundant, inefficient, nonintuitive or inflexible (allows few or no choices), or that newly limits information or control — from employees’ perspectives, not HR’s own perspective — is, on its face, a failure.
- **Adding process steps.** Hard as it may be to believe, many HR decision makers implement technology that actually adds process steps, sometimes even when it eliminates human effort. The task of having a user simply input data (for example, to record and verify the data) is itself a new process step; if the new technology doesn’t replace or hopefully eliminate other process steps, its adoption will have challenges.

When Implementing HR Technology Goes Wrong

HR practitioners were candid — and sometimes brutal — when assessing HR technology initiatives that failed or had significant challenges. The underlying causes varied, but it took only one of them to bring about an initiative’s demise:

- Insufficient communication, training or change management associated with implementing the technology
- Failure to determine the impact on employees or managers prior to implementation, or to mitigate anticipated challenges
- Introduction of automation that was inflexible or inadapttable, was close-ended (that is, it provided no alternative source for information when needed), was confusing, or created new process steps
- Failure to incorporate positive employee-user experience into the design, including every aspect of functionality, from the graphical user interface to the breadth and depth of accessed information
- Moving design or control of an automated process away from its content owners
- Failure to obtain input and buy-in from all stakeholders prior to implementation

HR Processes That Cannot — or Should Not — Be Automated

Most HR practitioners and consultants agree that certain HR processes (or steps within processes) cannot be automated — or if they can be, they shouldn't be. Doing so risks alienating employees or managers, creating inefficiency, or running afoul of HR regulatory compliance. These include:

- Employee relations issues (for example, claims of discrimination, harassment or abuse)
- “Career passage points” — where employees must make decisions that impact not only their position, but also their career or life direction (for example, promotions, transfers or retirement)

Some elements of performance management and career development, where discussion is critical.

Where Technology Is Taking HR

First, let's talk about the elephant in the room: In many organizations, HR is not highly regarded. And no wonder. Historically it has often focused on the wrong objectives — and then failed at achieving them. HR's use of technology seems to be having the same result. HR may:

- Introduce technology simply for the sake of automation, without fully understanding or communicating the technology's purpose or benefits
- Pursue the latest, hippest functionality (for example, social networking) without understanding how that functionality can contribute to (or worse, how it may detract from) productive work
- Collect terabytes of data but fail to manage, analyze and glean workforce truths from it
- Engage technology service and product providers but doesn't — or can't — govern them effectively or optimize the services procured
- Fail to take advantage of tools and resources to provide workforce-related and data-based intelligence and insights that will contribute to corporate strategy

Simply increasing automation (if done successfully) does not necessarily diminish HR's impact on the enterprise (or others' perception of HR's impact) nor necessarily decrease its chances of making significant contributions to corporate strategy. Recent trends in adoption of HR technology seem to point away from having a primary goal of reducing expenses to one associated with *preparing for growth*. Increasingly, surveys of buyers of HR technology and services indicate a weakening in “reducing administration costs” as being the most important priority in pursuing a solution.

Here are reminders of ideas discussed in this document worth considering in the long term:

- HR process technology when used alone doesn't create intimacy or trust — it can actually breed distance and suspicion.
- Implementing automation without communicating expected outcomes or benefits can actually create resisters.
- Employee (and manager) *self-sufficiency* should be HR technology's guiding technology principal, not employee (and manager) self-service.
- HR must study how work is done and how technology (HR or other) can enable and affirm those behaviors that increase productivity and work quality.
- There is no single point on the HR automation spectrum (from “very little amount” to “a great amount”) where every constituency or demographic will be satisfied.

In the end, an effective human resources philosophy doesn't really focus on being “human” — it focuses on engaging and empowering employees in the success of the enterprise.

Evidence

The positions expressed in this document are based on the following sources of information, all gathered directly by Gartner:

- Interviews with HR leaders at large publicly and privately held companies and at not-for-profit, education and government organizations
- Interviews with CEOs and leaders of strategy, product, sales, marketing and research for some of the largest HR technology and service providers in the world

- Information and perspectives gained from HR technology buyers, related through Gartner inquiry
- Publicly available information (for example, annual reports, press releases, reports and white papers)
- More formal data sources, such as annual Gartner surveys of CIOs, other executives and business leaders who make decisions regarding HR technology and services

Note 1. Roots of the Word “Maverick”

Derived from the name of Texas rancher Samuel Maverick and his steadfast refusal to brand his cattle, “maverick” connotes someone who willfully takes an independent — and frequently disruptive or unorthodox — stand against prevailing modes of thought and action.

Note 2. Commonly Held Beliefs About the HR Function

A brief look at the history of the human resources function in an organization would benefit this discussion.

At the start of the 20th century, when industrialization was beginning to have an impact on commerce in the U.S. and Britain, mechanization and standardization of work processes allowed companies to grow larger than ever before. The increase in job openings in rapidly growing organizations (for example, in the manufacturing and utilities industries), and the expanding operational footprint of these large companies, resulted in the gradual centralization of workforce-related tasks: Initially, recruitment and hiring, payroll, training, and safety were centralized; later, benefits, compensation management, performance management, succession planning, organizational design, and other areas were. The “Hiring” department became “Personnel,” which became “Human Resources,” which, for various companies today, has become “People Management” or “Talent Management.”

In the 1970s and 1980s, three general trends among large companies, especially in Westernized countries, began to appear that collectively generated pressure from the C-suite on HR departments to reduce their size and costs:

- There was a realization that HR departments, typically having grown in direct proportion to the size of the entire organization, had become large cost centers — which in turn fed a presumption that the large departments were, de facto, operating inefficiently and not leveraging existing staff and resources.
- The introduction of the personal computer and its rapid application to business processes created the first opportunities for HR (as well as other enterprise functions) to automate transactional processes — but it also originated the mindset that technology could be the *sole* tool for reducing HR’s costs and increasing organizational effectiveness.
- The concept emerged that an organization’s employees — its human resources — could create a competitive advantage, putting a spotlight on the HR function to develop expertise at finding candidates who, through their experience, knowledge, productivity and skills, would contribute (individually and collectively) to enterprise goals.

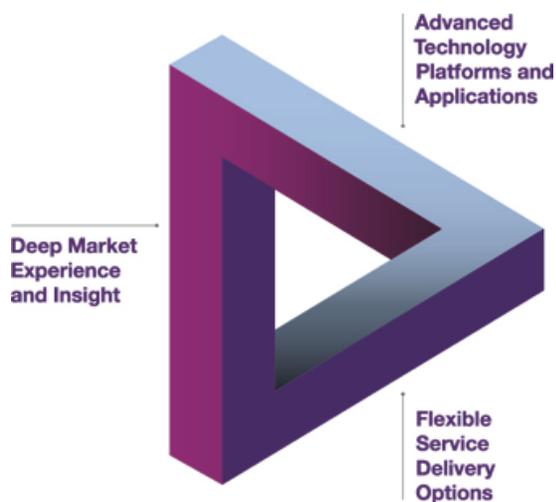
These trends, combined with others in general business and in some particular industries, created dual pressures on the HR function — to reduce its costs while adding strategic value. Unfortunately, as this document posits, HR functions and their leaders have indeed become more efficient and effective through a myopic focus on technology, while neglecting the growth of their skills in strategic perspective and contribution.

About NGA HR

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We help our clients become better employers through smarter, more streamlined business processes — to save money, manage employee life cycles, and support globally connected, agile organizations. This is how NGA makes HR work.

What sets us apart is The NGA Advantage. It's a combination of deep HR experience and insight, advanced technology platforms and applications and a global portfolio of flexible service delivery options.



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