

## TODAY'S STATE OF THE ART HUMAN RESOURCE SYSTEM

It has been 15 short years since I began working with Human Resource Systems but in many ways it seems like a century has passed. In those few years we have gone from the legacy mainframe systems to client server to Intranet based self-service to Internet portals. We have experienced outsourcing, call centers, imaging, resume scanning, manager and employee self-service, workflow, knowledge management, the Intranet and ebusiness, to name a few. We have dreamed of a day when Human Resources (HR) would be thought of as more than merely overhead but rather a strategic business partner, essential to the survival of the business. That day has arrived.

HR executives are increasingly being asked to make practical suggestions regarding compensation planning, recruiting and retention, training programs and a myriad of other strategies and programs in an attempt to remain competitive. To enable them to perform effectively it is critical that analytical information be immediately available for projections and forecasting. This requires a state of the art human resource system.

Today's state-of-the-art ebusiness Human Resource ERP implementations include three distinct components:

- A core human resources ERP data repository and transaction processing system, such as PeopleSoft, Oracle, SAP, or Lawson's HRMS, etc.
- A centralized shared service center, and
- An enterprise information portal.

## A HUMAN RESOURCE ERP SYSTEM

A state-of-the-art Human Resource System provides the underlying data, tools and technology to manage and execute human resource activities in an integrated environment. It should provide all of the necessary functions and tools required to "run the business" of HR including:

- |                          |                                  |                            |
|--------------------------|----------------------------------|----------------------------|
| - Payroll                | - Personnel                      | - Ad Hoc Reporting         |
| - Benefits               | - Compensation                   | - Regulatory Reporting     |
| - Applicant Tracking     | - Career and Succession Planning | - Security                 |
| - Time and Labor         | - Skills                         | - Multinational Capability |
| - FSA Administration     | - Position Management            | - Workflow Capability      |
| - Pension Administration | - Health & Safety                | - Web Capabilities         |
| - Stock Administration   | - Grievance Management           | - Date Effectivity         |

Many of the leading HRMS ERP systems have or are scheduled to release standard self-service applications, such as benefits, recruitment, compensation, personal data, employment data, career and training development, paycheck, and time management.

## A CENTRALIZED SHARED SERVICE CENTER

Shared services is a consolidation of common functions that maximizes efficiency while liberating business units from the burden of routine administration, allowing the most effective use of local resources. A shared service center handles routine data transactions, payroll, disbursements, and other administrative or common functions on a decentralized basis.

An essential aspect of service centers is to provide for a consolidation of functions and resources while incorporating self-service technology. HR self-service and shared service centers need to be closely linked. While self-service can be an efficient and cost effective way to handle many HR functions, there will still be some issues that will always require human intervention for resolution.

## AN ENTERPRISE INFORMATION PORTAL

The latest and most exciting component of a state of the art HR system is the enterprise information portal (EIP). Similar to a myYahoo! site, an EIP provides a personalized view of data and information and helps manage and control the large volume of information common in today's workplace. It is essentially, one stop shopping for employees and managers, providing decision making tools that allow them to more effectively execute self-service transactions and workflow, run metrics on key business indicators, receive answers to questions that are specifically designed around that employee's role in the organization and much more. The emergence of the EIP has helped provide one source for employees to launch into more detail for easy to use, easy to find, business transactions and content.

## SO WHAT DOES THIS ALL MEAN?

The race for the best and brightest in today's workforce is intensively competitive. Those companies who want to strategically position themselves to compete effectively will have implemented all three components of a state of the art human resource system. But more than that, they will be using the information available to them to recruit and retain employees who have the knowledge and drive to help their companies grow. Business survival will be for those companies who have made a commitment to invest in their most critical asset – human capital.

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