

Session 280

How and Why Systems Fail

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Ian is Managing Partner Laird & Greer HR Management Consultants. Ian co-authored the 2007 released 3rd edition of: Human Resources Management Systems: A Practical Approach, has taught the practical applications of HRMS at the *Centre for Industrial Relations at the University of Toronto*, and is a frequent speaker at human resources, payroll and general management conferences in North America and abroad.

He is a Past-Chair of both IHRIM and of the Canadian Council of Human Resource Associations (CCHRA), and currently serves as a Director of the **Workforce Privacy Network**, IHRIM's special interest group on privacy.

Laird & Greer: *Big enough to deliver; small enough to care.* We are committed to providing exceptional services to our clients. We focus on understanding your vision and business framework, and then on providing our hands-on guidance and expertise in forming your future human resource management strategy and supporting human resource management systems.

We offer functional (HR, Payroll, Time Management) and technical solutions, targeting situational assessment and software selection.

We are also building a significant client base internationally with our work on global HRMS.

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The GOOD News

Making the right software selection decision is:

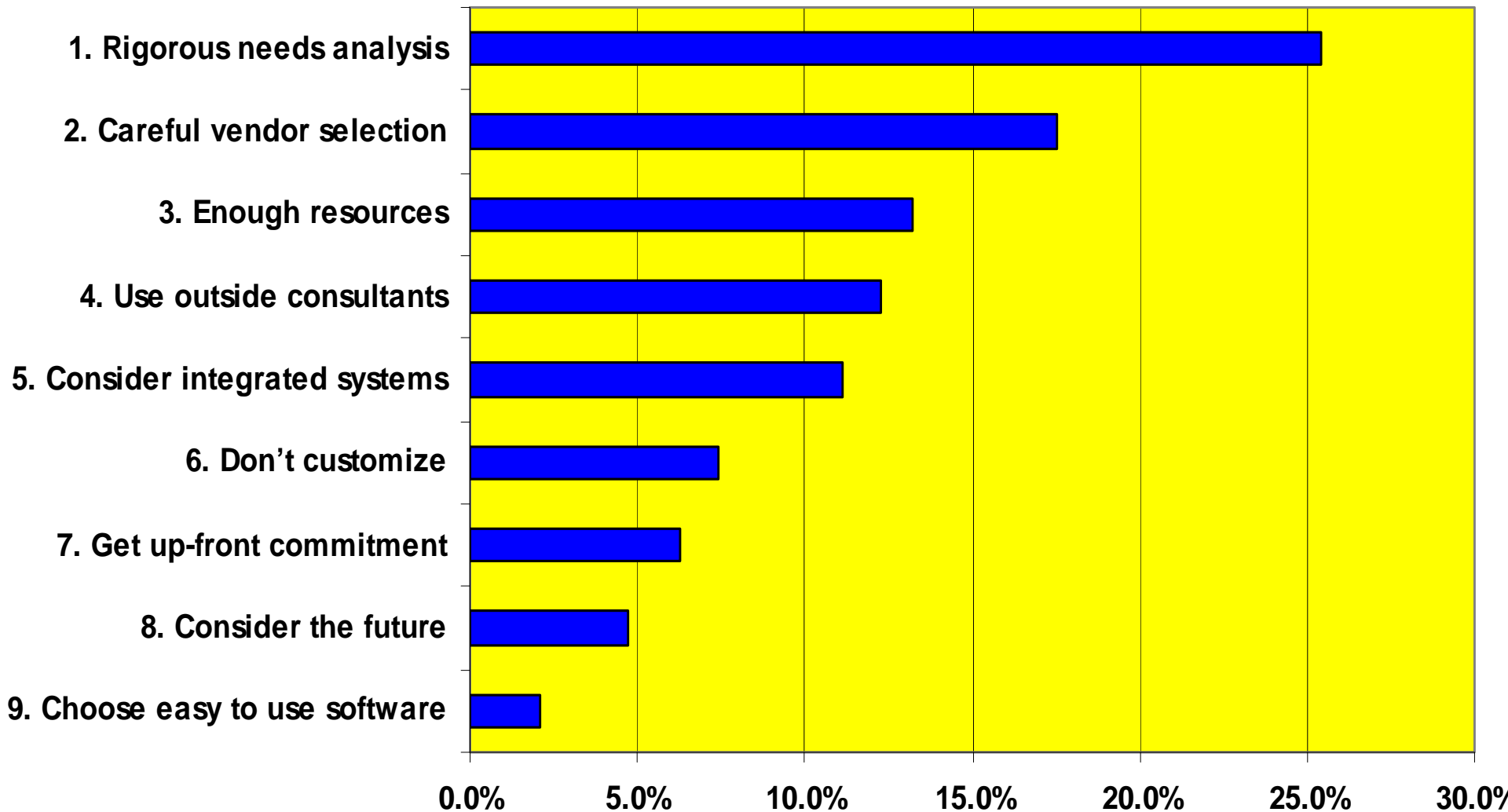
- Complex,
- Critical, and
- Entirely possible.

SO, Why do projects fail?

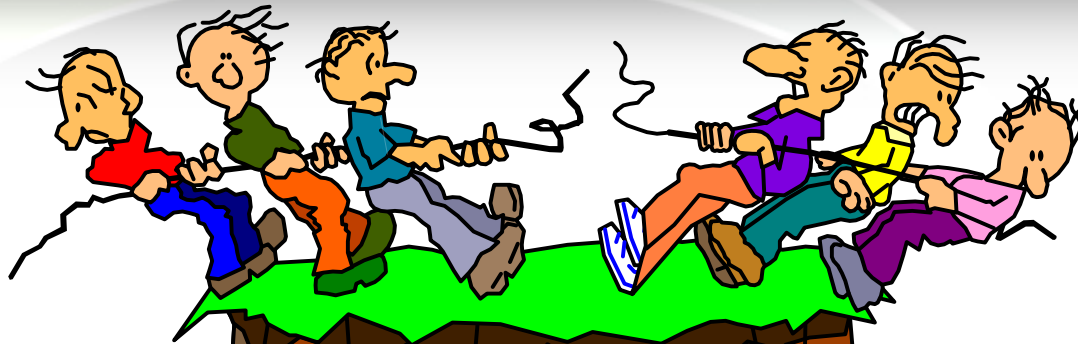
Problems with one or more of:

- Vision
- Planning
- Process
- Rationale
- Resources
- Follow through

What Experienced Users Say



Fools Rush In



Jumping into
demos can be
interesting,
but.....



KEY Driver(s)?

One of three things:

- Problem with existing situation?
 - Something isn't being done; or,
 - Not being done well enough.
- Opportunity for anticipated future situation?
 - We want to get ready for _____
- Both?

DRIVERS

- Data
 - Better
 - More timely
 - Gathered/used(and eliminated) more efficiently
- Information – turning data into actionable info
- Save money (efficiency; maybe cut staff and/or budget)
- Increase effectiveness
- Who is asking?
 - Operations
 - HR
 - Payroll
 - Finance

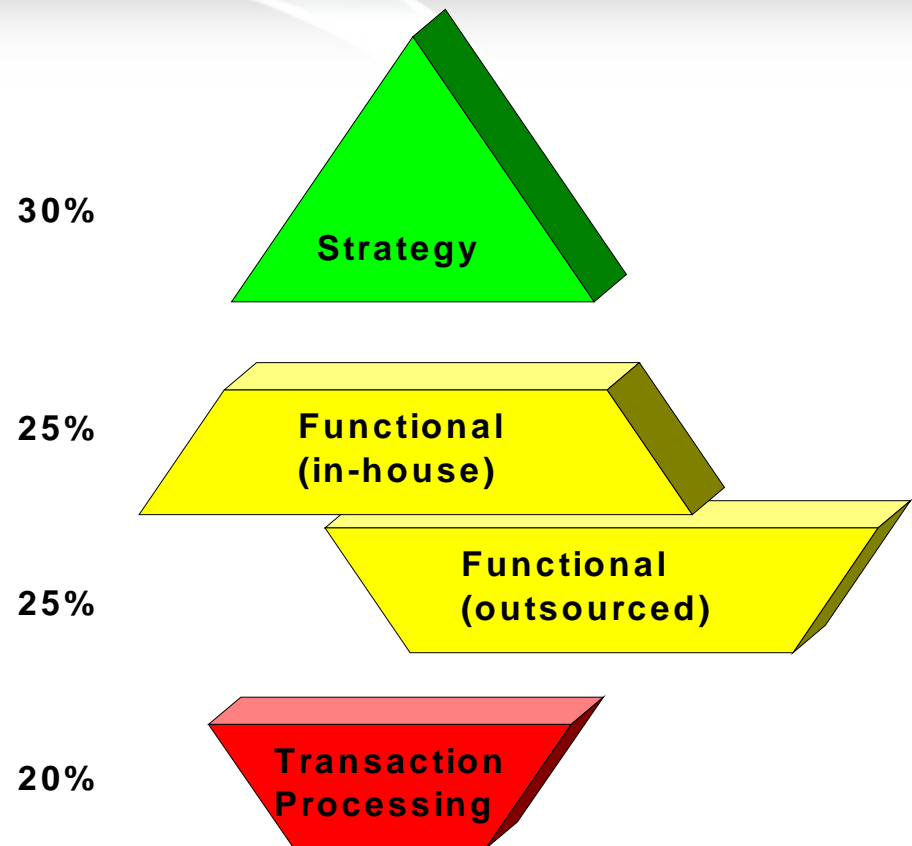
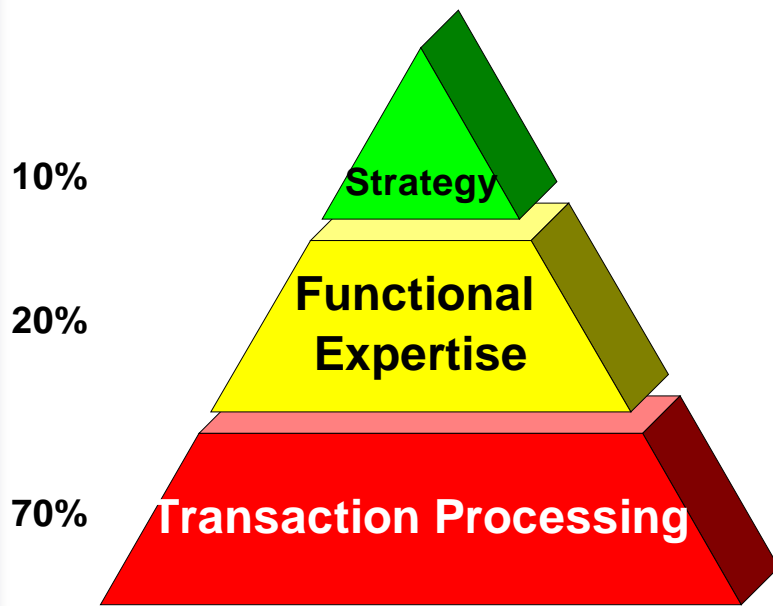
VISION

- Is it clear?
- Is it shared?
- Is it consistent (with I/T, for example)
- E.g.:
 - Reduce reliance on paper
 - Focus on business processes, not functional departments
 - I.e., information is a corporate asset
 - Collect data once, at source
 - Integrate software applications
 - Rethink organization structures and roles;
like traditional control role of PR)

The Role of HR

- Establish a framework within which:
 - Managers/supervisors can manage
 - Workers can thrive
- Provide guidance to managers/supervisors and workers as required
- Provide specialized expertise as required

HR's Roles: Today & Tomorrow



Issues of Vision

- Global or domestic?
- HRIS or HRMS (HR or HRM)
- Payroll
- Time management
- Self service?
- Workflow?
- Business process engineering?
- Metrics?
- Technology?

Global or Domestic?



- Going global requires functional & technical work
- Functionally issues include:
 - Currency
 - Language (possibly with different character sets)
 - Culture
 - Standards (different formats of even such basic things as “name”)
 - Laws and regulations (including data privacy)
- Technically can you structure a system that can operate 7/24 around the world?

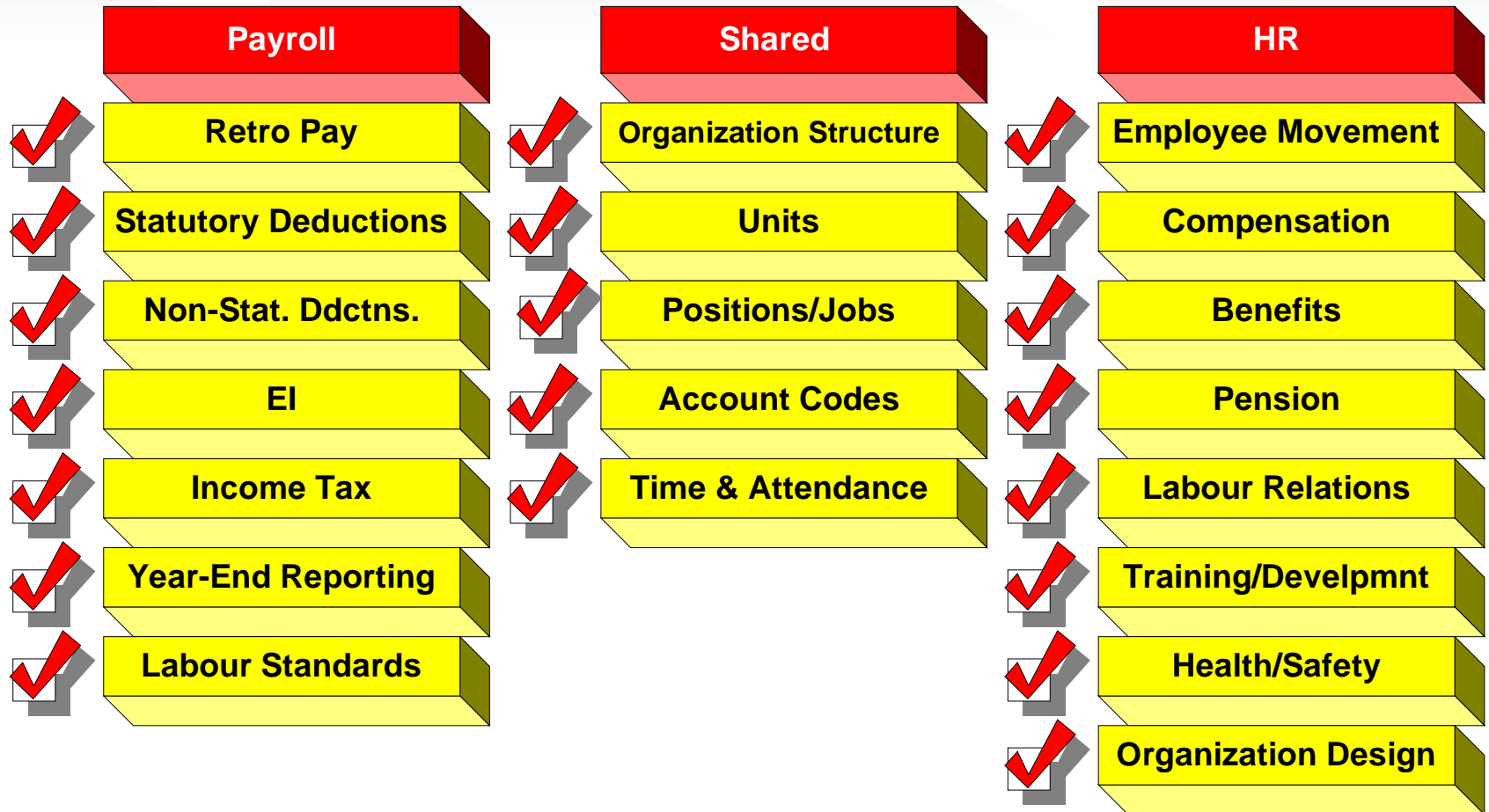
HRIS vs. HRMS

- HRIS - Human Resources Information System
 - access limited to Payroll & HR
- HRMS - Human Resources Management System
 - includes, Payroll, HR, Time management
 - implies
 - access & use by management
 - self-service - management & employee

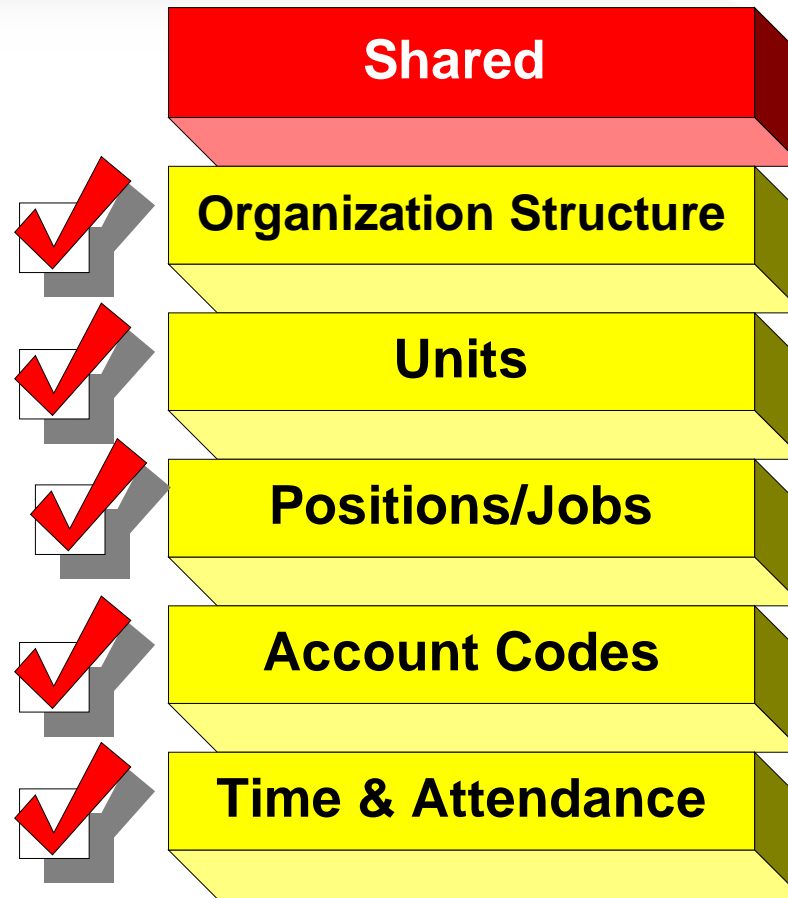
What About Payroll?

- PR & HR share common data
- Reduce duplication of effort
- Improve service to employees & management
- Payroll is the operational side of compensation

Functionality

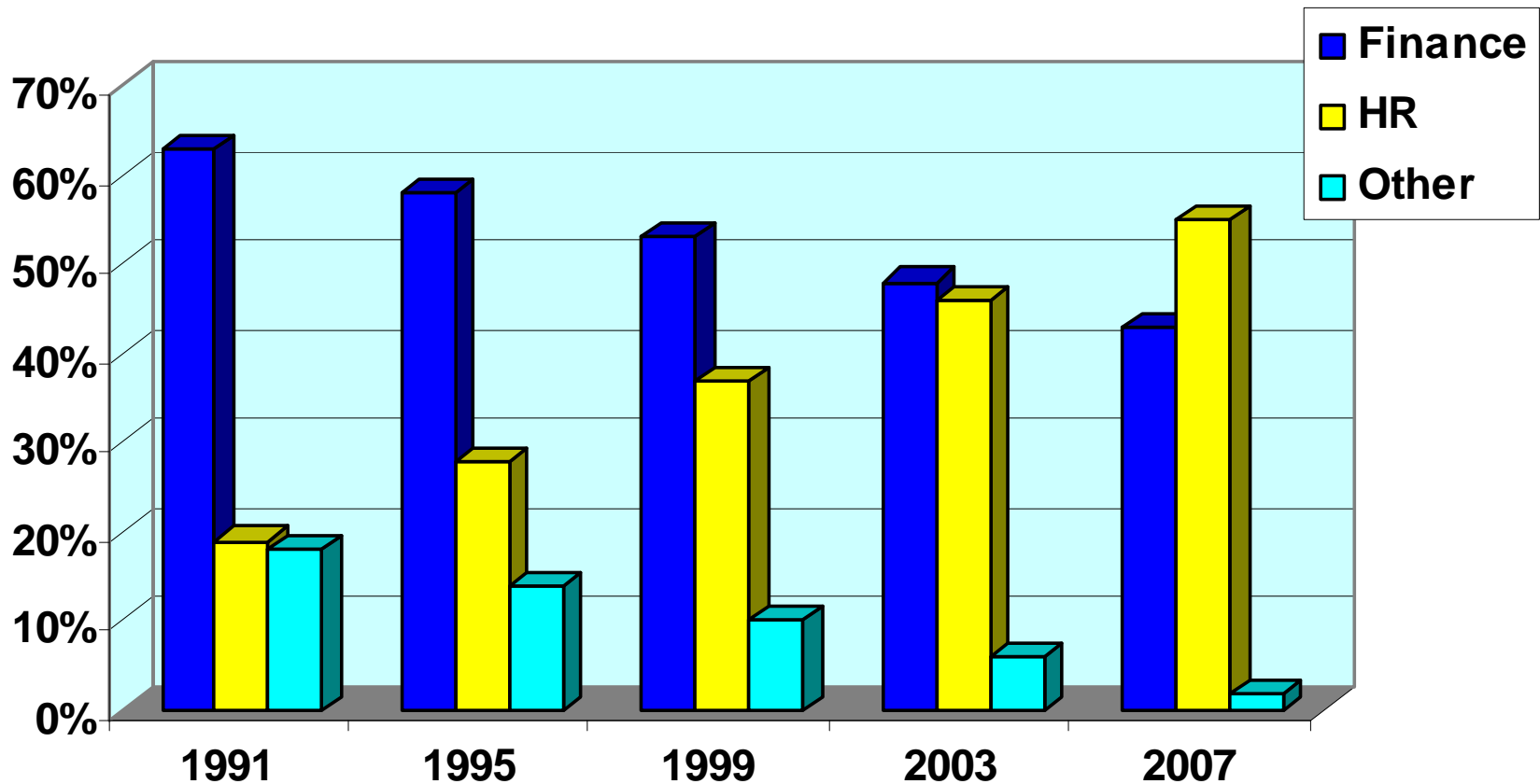


Functionality



The Trend?

Where Does Payroll Report?

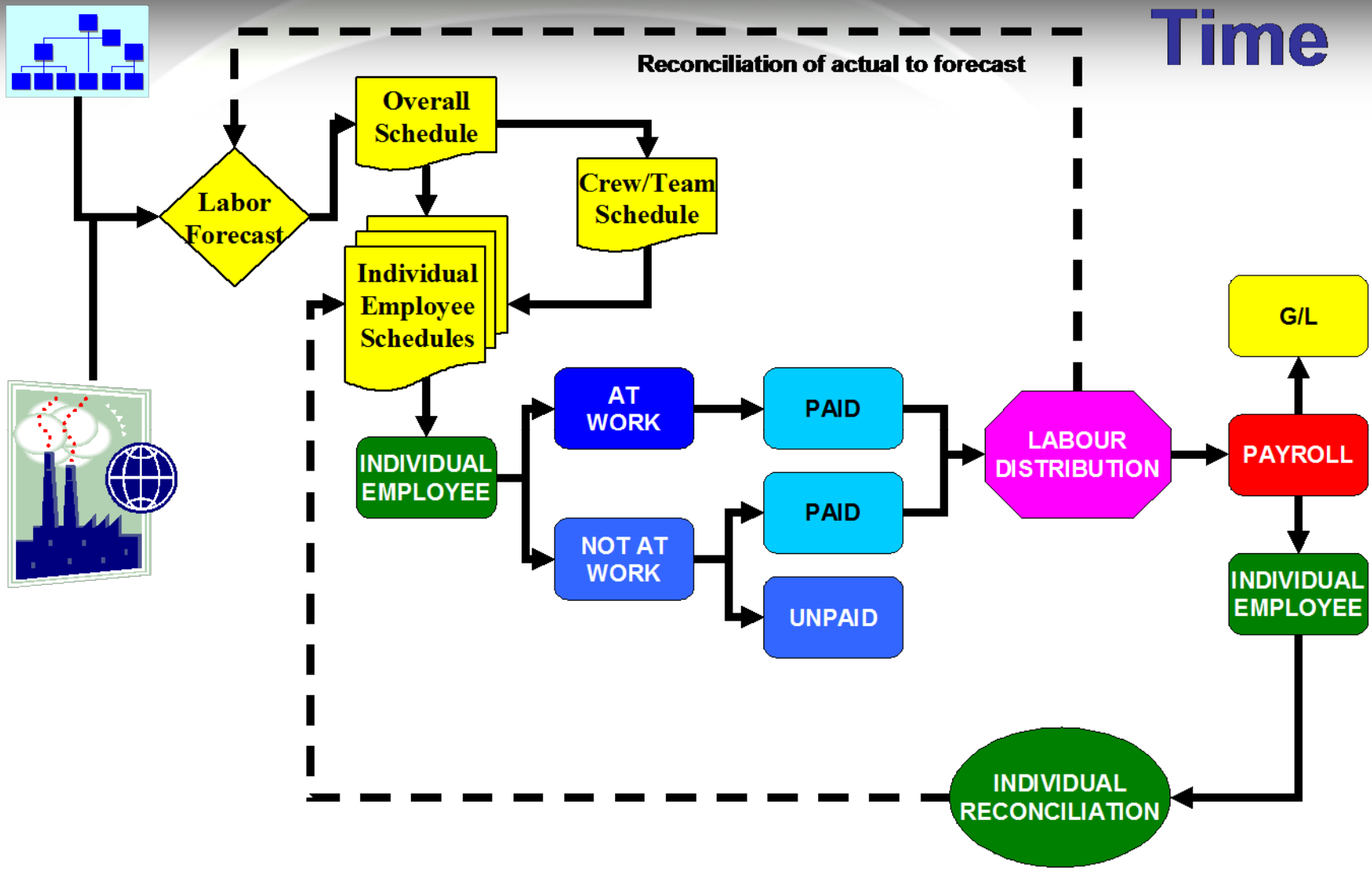


91 & 95 actuals; 99-07 projected

The Argument

- Employee/union contract/letter of offer HR
- Benefits HR
- Rate of Pay HR
- Organization structure & GL coding HR/F
- Hours worked (and on what) Ops
- Leaves -- paid or unpaid HR
- Deductions Gov't.
- Payment Banks

Time



Current “System(s)”

- Business processes?
 - Likely need a review generally
- Manual systems?
 - More? Less? Different?
- Unofficial automated systems?
 - How many are there? Really?
- Official automated systems?
 - What does HR/Payroll link to?
 - What should they link to?

HR/Business Triggers

- HRIS or HRMS (HR or HRM) – i.e., self service?
- Staffing
 - Volume? (due to growth or turnover? Cuts?)
 - New methods?
- Compensation – variable comp?
- Benefits – move to cafeteria or flex?
- Retirement – changing or amalgamating plans?
- Employee/labor relations
- Organization development – culture shifts?
- Training – new programs, approaches?
- Health & Safety – concerns? Preventative?

Employee Self-Service

- Industry sectors impact self-service strategies
 - i.e., Health-care
 - Nurses share access to computers focused on critical care; administrative functions are a distant second
 - Large populations in Housekeeping, Laundry, usually have no access to computers -- at work or at home
- Kiosks in employee common areas work for general information access
- BUT are usually not private enough for serious data exchange, nor numerous enough to provide general access

Workflow

- Providing information and/or routing work to the right people, in the right format, at the right time
- Helps to significantly reduce cycle time
- Helps 'tie' together processes that cross different functional areas
- Built in workflow vs. third party workflow tools

Business Process Engineering

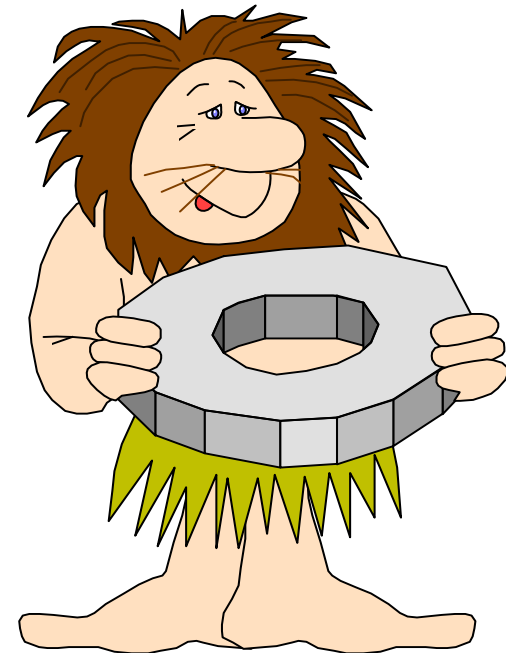
- Most processes don't get "engineered" -- they grow over time
- Don't automate before reviewing processes
- Don't do incorrect things faster
- Many processes cross functional lines



BPE - Don't Reinvent the Wheel



- Don't assume that ANYTHING has to remain the same
- Don't assume that everything has to change
- Always ask yourself: "WHY?"
- Continuous improvement
- Benchmarking/Best Practices



Document Scanning

- Principle: Get Rid of Paper
- Scan it, signatures and all
- Store the image
- Do not keep the hard copy
- **DO NOT KEEP THE HARD COPY!!!**

Metrics?

- Do you have metrics now?
- Do you want them?
- Measure: Quality, Quantity, Cost, Time
 - Cost per employee
 - Time per process
 - Cost per HR or PR staff member
 - Cost per cheque

Resources

- People
- Time
- Money

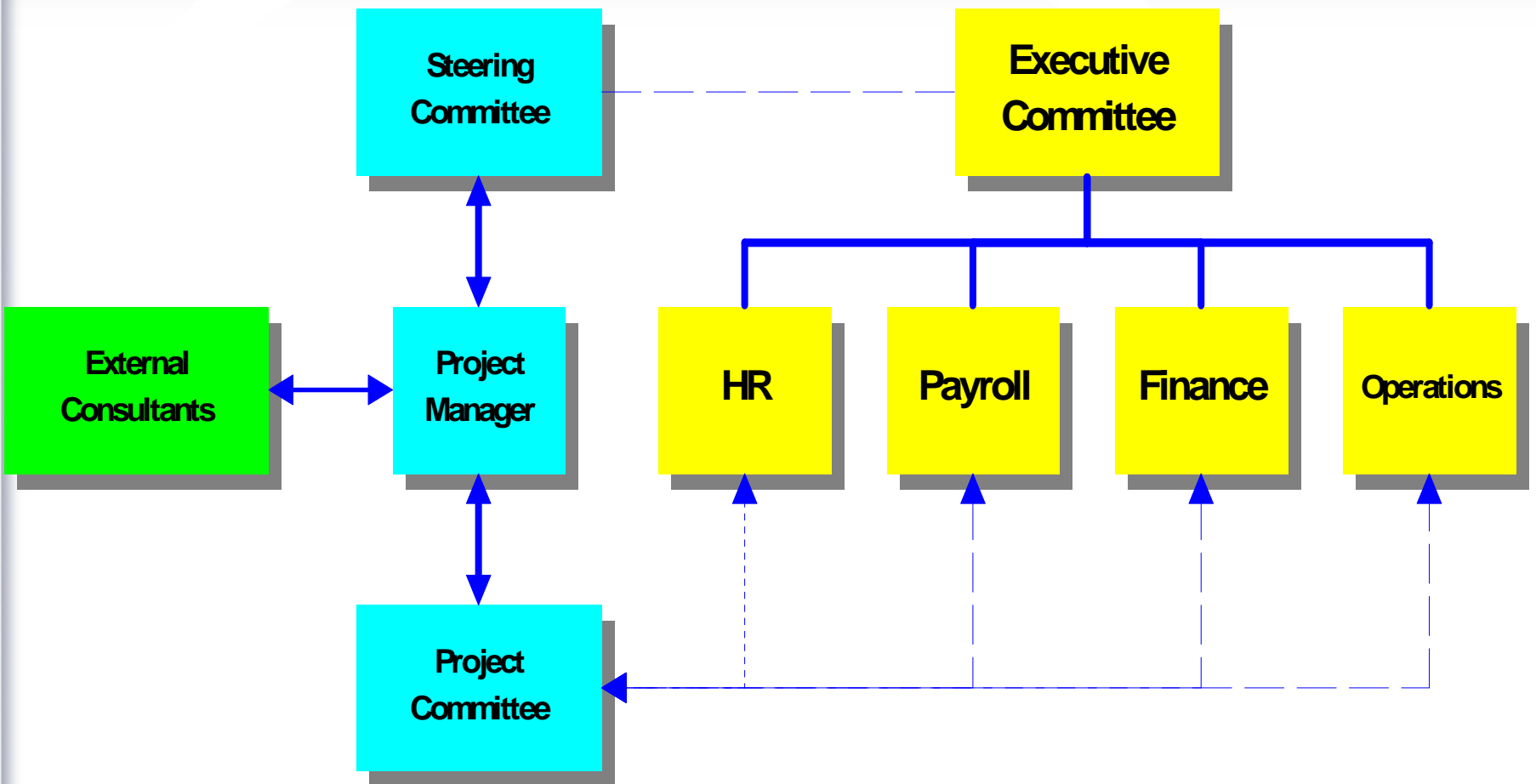
You can have it fast, cheap, or good.

Pick two.

People/Organization

- Champion
- Steering Committee
- Project Lead (FT?)
- Project Committee (FT?)

Structures/Roles



Process

Implementing a Human Resource Management System is a little like Dancing with a 900 pound Gorilla.

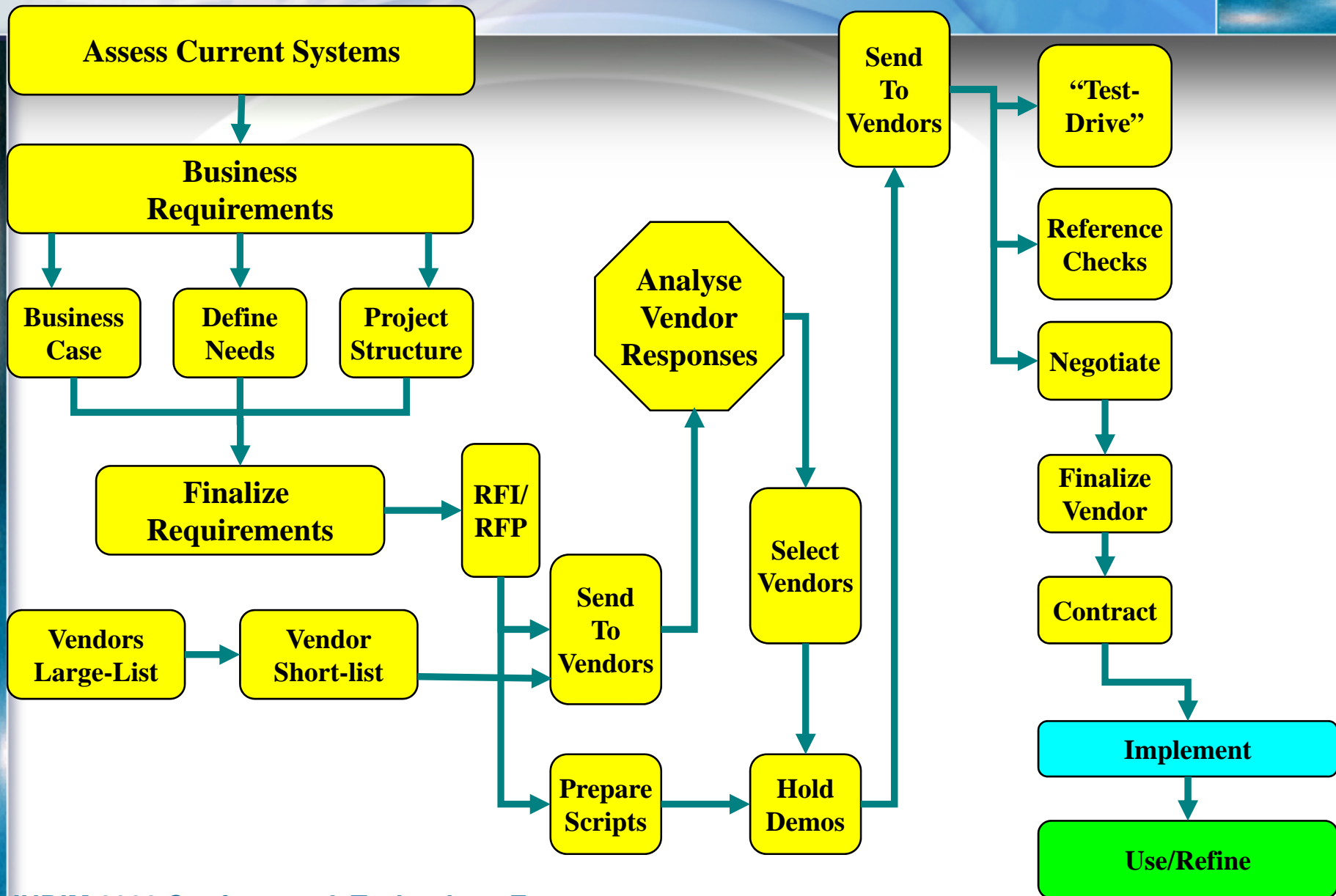


Understand that you will keep on dancing until the Gorilla wants to stop.

Approach

- Resourcing from within organization, or using consultants, or both?
- Process
 - Business Case required?
 - Needs/wants & Requirements
 - Method - RFI/RFP
 - Demos with scenarios
 - Test drives

One Approach



Business Case

- IF you need one, don't wait. It is a key objective from day one.
- Each organization (CFO, Executive team) has own requirements
- Cost/benefit – hard & soft
- Do you have recent examples of successful/unsuccessful business cases in your organization?
- Under promise & over deliver – that includes, don't low-ball your estimates just to get approval!

A Word About Outsourcing

- Options:
 - 100% in house
 - Outsource some information system(s)
 - Outsource all systems
 - Outsource I/S AND functionality
- Regardless, your organization needs the data and the information in a timely manner
- You CANNOT outsource the responsibility for the result.

Technology

- Approach
- Hardware
- Data base
- Communications

Technological Approach

- Buy, lease, outsource
- SAAS – software as a service
- Best-of-breed?
- ERP?

Hardware; Data base; Communications

- Does the HRMS solution fit into the technology framework?
- Has I/T been involved?

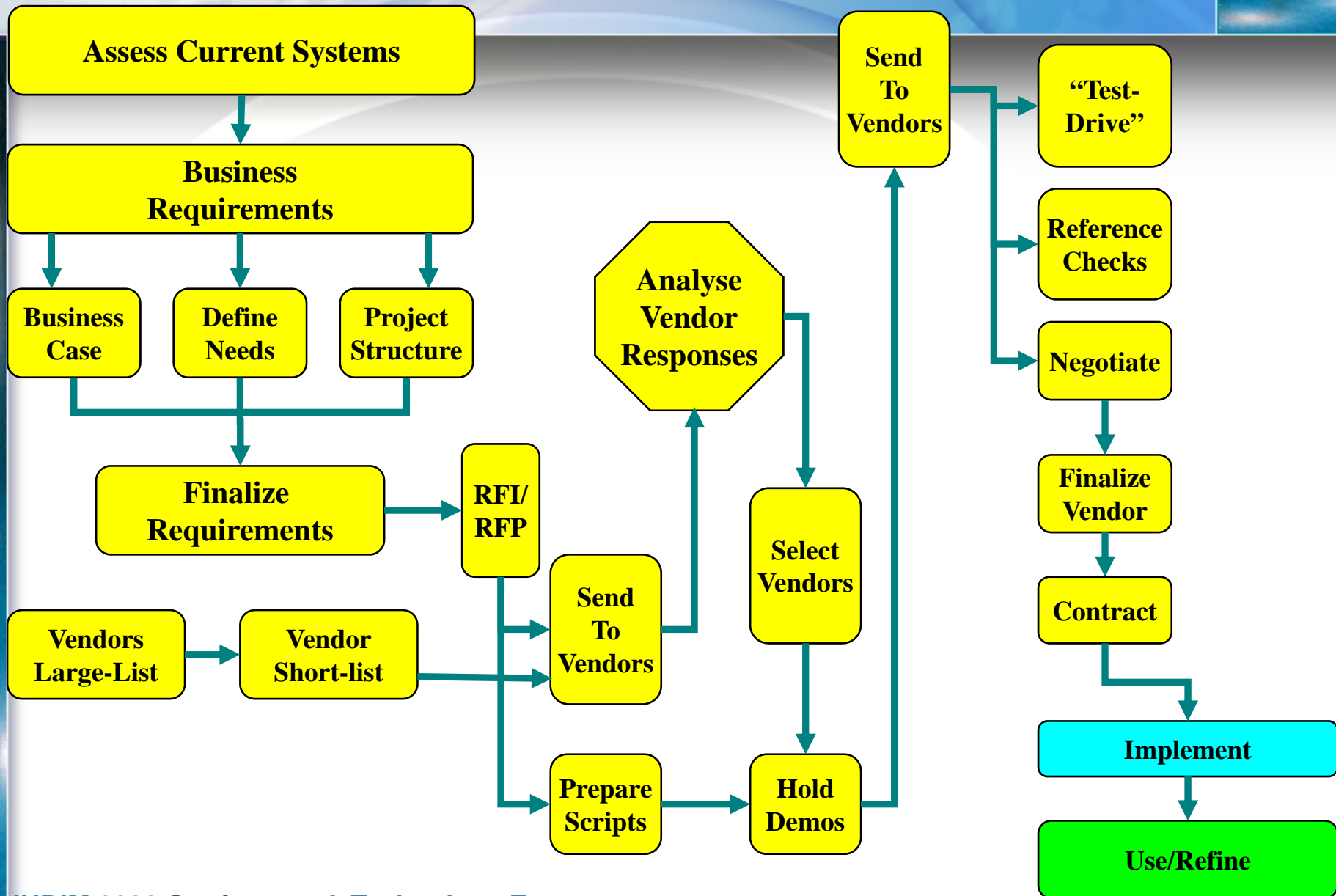
Final Steps

- Test-drive
 - Detailed review, function by function
- Reference
 - Check it out
- Negotiate
 - Everything is negotiable
- Select “winner”
 - (But keep #2 in reserve)
- Contract
 - Don't just sign the document the vendor gives you

Implementation

- Look back at business requirements
- Phased implementation is okay
- Phased acquisition and budget may not be
- Project Mgt. is a special skill
- Take enough time; do it right
- Consultants/contractors don't make up for key staff
- Consultants/contractors do provide much needed guidance and support
- Don't forget training
 - Budget for it
 - Plan for it
 - Deliver it

One Approach



**The end of implementation
is the end of the beginning;**

NOT the beginning of the end.



DO:

1. PLAN
2. Rigorous needs analysis
3. Look at functional AND technical
4. Careful Vendor selection
5. Consider the future
6. Use Consultants
7. Consider integrated systems (I/S)
8. Remember, I/S + BPR = more value added
9. Ensure adequate process
 - Willingness to use a system they helped create
 - People will care for data they use , so data is clean, consistent, timely
10. Remember, the soft stuff is the hard stuff

DO NOT:

1. Jump to demos
2. Begin without a vision
3. Or a budget
4. Forget about HR, Payroll or time management
5. Assign the entire job to a high flyer
6. Leave stuff out “for later”
7. Customize
8. Forget training
9. Assume that there is no resistance to change.
10. Forget post-implementation roles AND budgets

Recommended Resources

- Human Value Management (ISBN 1-55542-228-4) - Jac Fitz-Enz (1990)
- How to Measure Human Resources Management (ISBN 0-07-021259-7 - Jac Fitz-Enz (2nd ed, 1995)
- Benchmarking Staff Performance (1-55542-573-9) - Jac Fitz-Enz (1993)
- Handbook of Human Resource Information Systems (ISBN 0-07-067815-4 - Al Walker (1993)
- Human Resources Management Systems: A Practical Approach (ISBN 0-459-56370-X -- Rampton, Turnbull & Doran 2007)
- Project Management (ISBN 0-442-20751-4) - Harold Kerzner (1989)
- Business Process Improvement (ISBN 0-07-026768-5) - H. James Harrington (1991)
- Rethinking the Corporation (ISBN 0-8144-5022-9) - Robert M. Tomasko (1993)
- The IHRIM library: **Learning Center & IHRIM Publications**



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Thank you!