



How Business Process Management can transform your HR function

A Personnel Today white paper for IBM



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Introduction

How can an HR department create value for the business, if its staff are bogged down in administrative work? How can they focus on the questions that matter most – “Where will our business be five years from now? What kind of talent will we need? How will we get there, from where we are today?” – if they can’t see beyond day-to-day tasks and routine decisions? How can they become effective as strategic partners and trusted advisers, if they aren’t efficient at processing necessary but transactional work as quickly and consistently as possible and moving on to higher-level decisions?

Creating efficiencies to boost HR effectiveness

If an HR department wants to play a significant role in transforming the business, it may need to start by transforming itself. This will involve reviewing and in many cases redesigning core business processes so that they are re-aligned with business objectives, streamlined to eliminate unnecessary steps and, where possible, automated to decrease their reliance on unnecessary and time-consuming human intervention.

This is where business process management (BPM) technology comes into play. In order to run from start to finish, business processes typically involve manual tasks, steps and procedures – for example, filling in paper forms, data entry, signing approvals. They frequently depend on human decision-making and human communications such as email, telephone, face-to-face. And, as the traditional HR management software (HRMS) has been supplemented by new software in areas such as talent management or learning management systems, then business processes increasingly rely on system-to-system communications, allowing siloed applications to “talk” to each other.

The role of BPM is to seamlessly synchronise the people, activities and data involved in a business process to create a smooth train of events that leads to the desired outcome.

In this white paper, we will explore the role of BPM in making the HR department more efficient, so that it can, in turn, become more effective in meeting the goals of the wider business.

BPM in action

Has your organisation ever missed out on hiring a star candidate because its recruitment process was so slow that a competitor stepped in and snapped them up? Taken too long to complete necessary third-party checks on contracting staff, or lost a top performer, because they’d been passed over for promotion one time too many? Has it overpaid a leaver or failed to ensure that they return company-owned equipment? Mistakes like these don’t just cost an organisation money, they also make the HR department look bad, robbing it of the credibility it needs in order to take a more strategic role.

There are a number of business processes, common to all HR departments, which could be improved by taking a process-centric approach. In fact, at some organisations, BPM has already been used – with great results – to achieve significant efficiency gains.

Recruitment

While many of the processes involved in recruiting a new member of staff are “owned” by HR, they will involve other managers from other departments, not least the one where the successful candidate will work, to provide job descriptions and to help interview candidates. Various systems beyond the HRMS may be involved too, in order to advertise vacancies, manage applications, collect interview evaluations, track applicants, and so on.

Case study 1: At a large NHS Trust, the recruitment process was taking an average of 18 weeks and, in some cases, up to 26 weeks. The trust used BPM technology from IBM to integrate various systems, so that when a manager gets approval to hire a new staff member, all they need to do is to input a code to pull the relevant information from the Workforce Approval System. They then write the job advertisement and, following a review by the recruitment team, it is automatically posted on the NHS jobs site. That part of the process was immediately cut from two days to about 20 minutes. HR staff and hospital managers can now track the recruitment process via a new recruitment portal, and criminal records checks are conducted online via a vetting service, instead of sending paper forms to the Criminal Records Bureau. Over time, the trust’s reliance on agency staff to temporarily fill vacant positions will be reduced, with considerable cost savings, and administrative workload further reduced, allowing it to work towards an ultimate 12-week “time to hire” goal.

Employee onboarding

When a new hire arrives at work for the first day of their employment, another cross-functional, time-consuming and often highly manual business process overseen by HR begins. The IT department must approve the new employee for access to relevant systems and issue them with equipment, such as a smartphone and laptop. Finance must process them for payroll and benefits. They may need to be added to an employee directory and/or issued with a security badge and business cards. HR, of course, needs to add them to the HRMS. The goal is to get the recruit up and running, and as comfortable and productive in their new role, as quickly as possible.

Case study 2: A large UK-based insurance company wanted a better way to manage its new and relocating employees. The company’s onboarding processes were lacking automation: many processes were manual and involved emailing forms around the business. Time was wasted redistributing IT equipment. At the same time, the organisation was obliged to comply with Financial Services Authority (FSA) regulations regarding employee access to sensitive data. Using BPM technology from IBM, it launched a “Joiners, Movers and Leavers” programme to synchronise these activities. The results were a decreased time to productivity for new employees; improved asset tracking that reduced the cost to redistribute IT equipment; and expected annualised savings of £120m.

Recruitment and onboarding are just two processes where BPM can create new efficiencies for hard-pressed HR departments – and both occur at the start of the employee lifecycle. But, further down the line, there are other opportunities, too. These might include:

Certification

In many industries, employees are expected to work towards accreditation – in the form of independently awarded vocational certificates and qualifications – that can further their careers and, in the process, can make them more valuable to their employer. BPM technology can assist in tracking their progress, liaising with awarding bodies, and updating their employee records so that they are available for new projects when suitable opportunities arise.

Appraisal and performance review

The regular review of an individual's achievements against goals set for them by their employers can be a time-consuming process, dominated by manual processes. Using BPM, it can be transformed so that employees and their line managers are alerted when it's time for a review; necessary documentation is sent to the employee and reviewed by their manager and HR; the results can be collected and assessed by HR and other executives; and recommendations can be made for training, promotion and succession planning purposes.

There are other processes in the employee lifecycle where BPM could make a substantial improvement to HR efficiency, freeing up staff to concentrate on other, more strategic tasks for their company. These may well become clearer, however, as HR becomes more experienced at deploying BPM for business. This is why an incremental approach is advisable, so that HR can quickly prove value with a single project, build competency and skills, and then extend its learnings – and the tools – elsewhere in its operations.

Successes achieved in early projects and pilots give HR the confidence and vision to take BPM to the next level, moving beyond first projects to broader programmes that ask bigger questions:

- What processes should we focus on next?
- How can we scale what we've learned so far – and the tools that we've used – to achieve incremental efficiencies elsewhere in our operations?
- What established best practices can we now follow to maximise reuse from project to project?

By applying 'lessons learned', the early benefits of BPM are now applicable elsewhere, opening up the possibility of HR transformation. A good example occurs at the end of the employee lifecycle: when an individual leaves a company the offboarding process should, in most cases, be an inversion of an already mapped-out on-boarding process.

In other words, the IT department must shut down access to corporate systems and recover any equipment issued to them. Finance must calculate final payments and an end, or transfer of, benefits. They must be removed from the employee directory and their security badge should be returned. HR must oversee the process and amend their employee record accordingly. Again, these tasks, steps and procedures do not involve a single department or a single system. What is required is the orchestration of people, activities and data that BPM can provide.

Looking ahead

Improving the efficiency of HR processes is only the start. In its most sophisticated deployments, BPM brings into play business monitoring technologies, giving staff real-time visibility into business conditions. Using these tools, HR employees could track, on a day-to-day basis, their progress in meeting goals in terms of employee retention or diversity, for example. Scorecards and dashboards might be deployed to create a culture or real-time awareness of what's happening and when in the business.

Similarly, using business rules technologies, HR might be alerted when pre-defined goals or targets have been met, or missed. BPM isn't just for integrating processes seamlessly for a more "joined-up" approach, but for creating a company culture of real-time decision-making.

Where this could ultimately lead to is an approach outlined by Dave Ulrich and co-authors in the 2012 book, *HR From the Outside In*. In it, they discuss how, if HR professionals are truly to contribute to business, they must see the business through the eyes and expectations of its key stakeholders, and in particular, its customers. "They must take that outside reality and bring it into everything they do, practicing their craft with an eye to the business as a whole and not just to their own department," they write.

The "real business" is external, according to the authors' thinking, and it is only by focusing on "the business of the business" that HR professionals can add meaningful and sustainable value. In this world, HR trains staff in order to meet proven customer needs; it rewards them according to how they meet those needs; and it defines and builds company culture, with the expectations of customers firmly in mind.

This envisages a world where HR tasks and transactions are largely irrelevant, or at least transparent, and where what really matters is the impact that the outcomes of HR effort have on wider business success. BPM has a huge role to play for the HR department in terms of creating administrative transparency and efficiency, so its primary focus can instead be on the value created.
