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Is Your Organization Ready to Consider an HRMS? Before you look at acquiring an HRMS, look inside your organization. How intrinsic to your company's strategic direction is the acquisition of an HRMS? What is the meaning of an HRMS to your executives? Are they convinced of the strategic importance of HR? Or will your executives' views be limited to an HRMS with only basic record keeping functions (such as demographics data or payroll information)? Your success in obtaining strong executive sponsorship will dictate where you look and what package you will select. You will need to consider the overall budget. Who needs to be on side to develop a credible business case? What about technology? Is your organization ready to consider solutions that allow widespread web access? What impact would technology have on external organizations like employee groups? Should they be brought on board early in the cycle? Finally, competing projects may impede your executives' consideration of this project. Your company's resources may be fully engaged in other initiatives.

This will affect your overall timeline. What Functionality Do You Need? There are many options. Basic HRMS include payroll applications with little or no HR functionality. Comprehensive systems include payroll and may include compensation, benefits, positions, health and safety, training and development, and time and labour. In addition to raw function, some packages make it easier to do your job by offering workflow capability.

For example, an email message can be automatically triggered to a benefit administrator to enroll an employee on benefits when an applicant is. Others have non-traditional ways of accessing information: for example, Interactive Voice Response (IVR) married to workflow can trigger actions like job

scheduling. Alternatively, your organization may want to use a kiosk to enable employees to access and update their own personnel information. To determine your scope, your organization should go through a requirements study or needs analysis. Consider where the payroll system fits in. Should you track detailed payroll records in your financial system? Do you have extensive requirements in the areas of pension administration? Considering both present HR activities and future directions of HR in your organization, list ten case studies that will give you the greatest return on investment. For help with creating the case studies, obtain the HR Matrix available from HRMS Directions or the International Association for Human Resource Information Management (IHRIM). By relating your case studies to return on investment, you can avoid being distracted by insignificant items in vendor demonstrations.

Remember to consult with individuals within and outside of the HR functional area to develop your detailed case studies. Other users across the organization may have systems or even desktop applications that will be replaced by this package. If needed, hold facilitated sessions to draw on the experiences and ideas of individuals throughout your organization. Finally, consider whether your case studies rigidly mirror current practice, or are reflective of ways you might consider addressing the target business processes. You want the latter. But What About the Technology? Involve your information technology (IT) group early in your requirements discussions. While they may not be interested in the detailed case studies, they will be interested in the application usage.

For example, how many potential users will be accessing the software at the same time? What platform will the software run on? How compatible is it with current technology? If you are considering web access to information, this may mean significant changes to your IT environment. What are the interfaces to the system? Will the HRMS package need to supply data to or receive data from any other systems? Still... Is an Implementation Feasible?

The Hot Buttons: Resources – Based on the application you choose, look at your company's resources to determine whether you are likely to have both the people and the skills available in-house when you will need them. Senior staff who best understand the business area and individuals with implementation experience will need to be part of your team. Project roles will depend on project size and scope and will include, for example, project manager, sponsor, functional experts, technical experts, database administrators, change management and business process improvement experts. If you do not have the required resources in-house, you may be wise to look externally to one or more consulting organizations that specialize in project implementation to partner with you or lead the project.

Full-time Commitment – Many an organization has thought that complex applications can be implemented with a team of people who work on the project part-time and continue to do their regular jobs. This is a recipe for disaster. Find the best people, assign them to the project full-time, and find ways to back fill their regular jobs.

Business Processes – A second common assumption is the belief that the system must do exactly what you do today. Increasingly, software is being built on best practices. Vendors have worked with consultants to research <https://assignbuster.com/is-addition-to-raw-function-some-packages-make/>

organizations that have been successful, and may have implemented their processes (known as best practices) in software solutions. Do you really want to automate what you have been doing for the past 10 years? Or do you want a better way of doing it? Where organizations include business process improvement as part of their implementation, they stand to derive greater benefits. Customizations – Software changes can be very costly. You need to factor in the costs of the changes today and the ongoing maintenance of those changes in future software releases. Remember that HR/Payroll software is very closely linked to government regulations and taxation changes; your software vendor will be coming out with new releases quite frequently. And of course, they will want to offer you new features as their product and the technology evolve.

You must be aware, however, that if you adopt a policy of “no modifications”, i. e. no changes to the software, you may be turning a large amount of your HR strategic direction over to a software vendor. What you and your vendor believe are important strategically may not be the same a few years down the road. Change Management – The solutions you identify will require changes impacting both people and business processes. For new technology and software applications to be embraced by your users and accepted throughout the organization, you need a plan.

In developing your plan, consider communication, organizational and job design, leadership, training and support issues. Planning Contingencies – When considering your overall time horizons for implementation, remember to build in contingencies. For example, printing might seem like an insignificant topic but it is often overlooked in both technology and

implementation planning of HR projects. Ensure that any plans you develop allow significant elapsed time for testing (at least 6 weeks) and consultation with your internal departments and the bank before you need to print that first cheque! Your Vendor – Your relationship with your vendor of choice is a long term one. Vendor selection should be based on both the product and the company. Is the vendor company financially sound? Does the company invest in research and development? What do they see as the direction of their product? You may be faced with a replacement implementation if the vendor does not survive. Outline of the Selection Process Software procurement can be complex. While the steps outlined below may seem cumbersome, they are the result of other companies experiences and can be adapted to fit your organization.

Request for Proposal – Once you have developed and prioritized your requirements, the next step is usually to issue a Request for Proposal/Quotation (RFP/RFQ) or Request for Interest (RFI). To easily compare responses, your request for information from every vendor should be in a consistent, standardized format. Vendor List – Determine which vendors will be sent your RFQ. To limit time-consuming analysis, avoid sending your request to a multitude of vendors. Through some initial research (for example, discussions with HR colleagues, browsing vendor web sites, obtaining annual reports) you can narrow your list. Consider the vendors growth rate, its investment in research and development, its customer base, and the industries using its product.

Many software packages and vendors will purport to meet your requirements. Take the time to question these vendors in detail. Understand <https://assignbuster.com/is-addition-to-raw-function-some-packages-make/>

how the vendor package addresses the functions that you identified earlier as key. While the software may handle x activity, it may not be at the depth you require.

Site Visits – Optimally, visit organizations in your industry that have already implemented some of the products under consideration. Remember, however, that the organization you visit may not want or have time to communicate less than pleasant experiences. Try to ensure that the benefits will outweigh the costs. Short List – Once initial responses are analyzed, develop a short list to consider further. Based on your case studies, request at least one scripted demonstration of the system. This is your chance to “see” the software and delve further into areas of concern or interest.

Subsequent Information Gathering – Based on your analysis to this point, you may request additional demonstrations from potential vendors. This provides you with an opportunity to ask additional questions regarding functionality, and will enable you to examine in greater depth questions regarding vendor support, future versions, etc.

In addition, interviews with the sales team, technical support staff, and vendor executives may give you valuable insight to determine whether your company should embark on a long term relationship with a particular vendor.

Contracting – Prior to signing any agreements, make sure a lawyer, knowledgeable in software and ideally HR systems, reviews the contract.

Consider incidental costs that may not be included in the initial costing, for example, training, support, or additional resources. Finally, remember that HRMS are complex systems. To derive the greatest value, implementation will take time, planning and energy. Set realistic goals. Your organizations

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ability to absorb change will directly drive and impact the overall implementation schedule. By taking the time to assess your organization, you can feel confident in answering the key question posed at the outset of this article: " Does your organization really need an HRMS and is it ready to step up to the implementation?" The entire recruiting function is undergoing a virtual revolution.

Self-service systems are being installed on both the supply side for applicants and the demand side for hiring managers, using the Internet not only to help provide the match, but also to help handle the hurdles along the way, such as applicant testing and background screening. Companies can search thousands of resumes, internationally, either through proprietary databases or those of vendors such as The Career Connect, CareerMosaic, CareerWeb, The Monster Board, or SkillsScape. Most resumes still come to companies on paper but whatever the media, paper, e-mail, the Web or fax, they can be scanned and re-formatted according to corporate specifications, and then made available to the hiring manager or HR manager anywhere in a company. Improvements in optical character recognition have played an important part in this new capability, as have improvements in expert systems that provide categorizations and recognition of terms and rules.

Systems can make inferences about skills and potential based on the words and phrases used in a resume. New technology not only helps with the review of a large number of resumes, but it also gets them to the right people quickly, using a variety of media and vendors. The next generation of recruiting software is incorporating skill-based questions enabling the hiring company to pre-screen applicants. The HR function, being one of the most

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data-intensive in any organization, is one of the leading beneficiaries and exploiters of these new achievements in technology. Now, HR professionals are more computer literate. They know how to use the technology to their advantage and to the overall benefit to the company. Utilizing the power of new computers and software applications, notably the web, coupled with the reengineering process, many organizations have started capturing self-served data for all personnel actions, such as new hires, salary changes and transfers, enrollment for training, as well as recruiting and staffing.

All of this means more time for employees to do their job and it has meant valuable

Bibliography: