

**NASSCOM<sup>®</sup>**



# Technology in HR

Taking Collaboration to the Next Level

# Executive summary

The rise of the millennials (Gen-Y), technological disruptions, changing business environment and higher customer expectations – these are the factors that are impacting and influencing businesses everywhere. Organisations are facing an urgent need to re-invent and re-orient themselves to these changes, leading to a new world of work – global spread, greater collaboration, knowledge driven.

Human Resources (HR), a sector that has traditionally been associated with back-office, administrative services, with a focus on people management, has not been immune to these disruptions. In fact, as firms adjust to the new world order, HR has had to change the way it functions:

- Agile enough to access skills on demand, adjust to changing business environment
- Innovative to adopt technology for greater reach, derive deeper insights for employee engagement models, customisations
- Flexible to leverage social media for internal/external branding
- Progressive to develop leadership talent with an eye on the future

Underlying all these functions is **technology that is disrupting the status quo & opening up new possibilities for HR and business.**

A survey by Towers Watson indicates that globally:

- 88% will spend the same or more on HR technology – provide HR portal, implement SaaS, etc.
- 40% are looking to change their HR structure
- 61% are using or are planning to use mobile technology (APAC - 45%)
- 30% will replace their core HR system in 2015 – an all time high

The Indian IT-BPM industry too, is rapidly implement technology across the HR value chain with the aim of simplifying work, 24/7 access, faster turnaround time, ease of use - leading to higher efficiencies & productivity.

The degree of automation varies across various HR functions – highest adoption is in transactional areas of payroll and time & attendance management with the additional feature of self-service. This shifts the control to the employee and the manager – enabling quicker resolution of requests and freeing up HR team to focus more strategic objectives. Technology is slowly but steadily penetrating into areas of recruitment and on-boarding of new employees; also, in areas of career planning, skills mapping.

#### HR getting SMAC-ed: Empowering People, Empowering Organisations

- **Social media:** Recruitment, employee branding and connect
- **Mobility:** Learning & development, on-boarding, workforce scheduling
- **Analytics:** Attrition and sentiment analysis, skills assessment, career path
- **Cloud:** Payroll, compensation & rewards, timesheets, etc.

HR is thus providing an enriching employee experience, positively impacting E-SAT and manager satisfaction scores.

**HR of Future:** Emerging as the -

- **Change champion:** Building leaders, succession planning, digital transformation, re-skilling, etc.
- **Employee advocate:** Re-active to Pro-active – building future-ready talent
- **Strategic partner:** Maturing from administrative, HR-specific issues to focus on business-specific issues, ensuring corporate governance – impacting organisation performance

# Table of Content

Executive summary	2-3
Trends reshaping HR	5-8
Technology in HR	9-11
HR getting SMAC-ed	12-16
HR of the Future	17

# HR: In the midst of a **transitioning phase...**



## 75% of the global workforce will be millennial by 2025

- Gadget gurus-Always on, always mobile
- Citizens of the world
- Entrepreneurial attitude
- Instant gratification
- Seek meaningful, challenging work
- Rapid career advancement
- Work-life balance

## 87% of HR leaders state employee engagement & culture as the No. 1 challenge

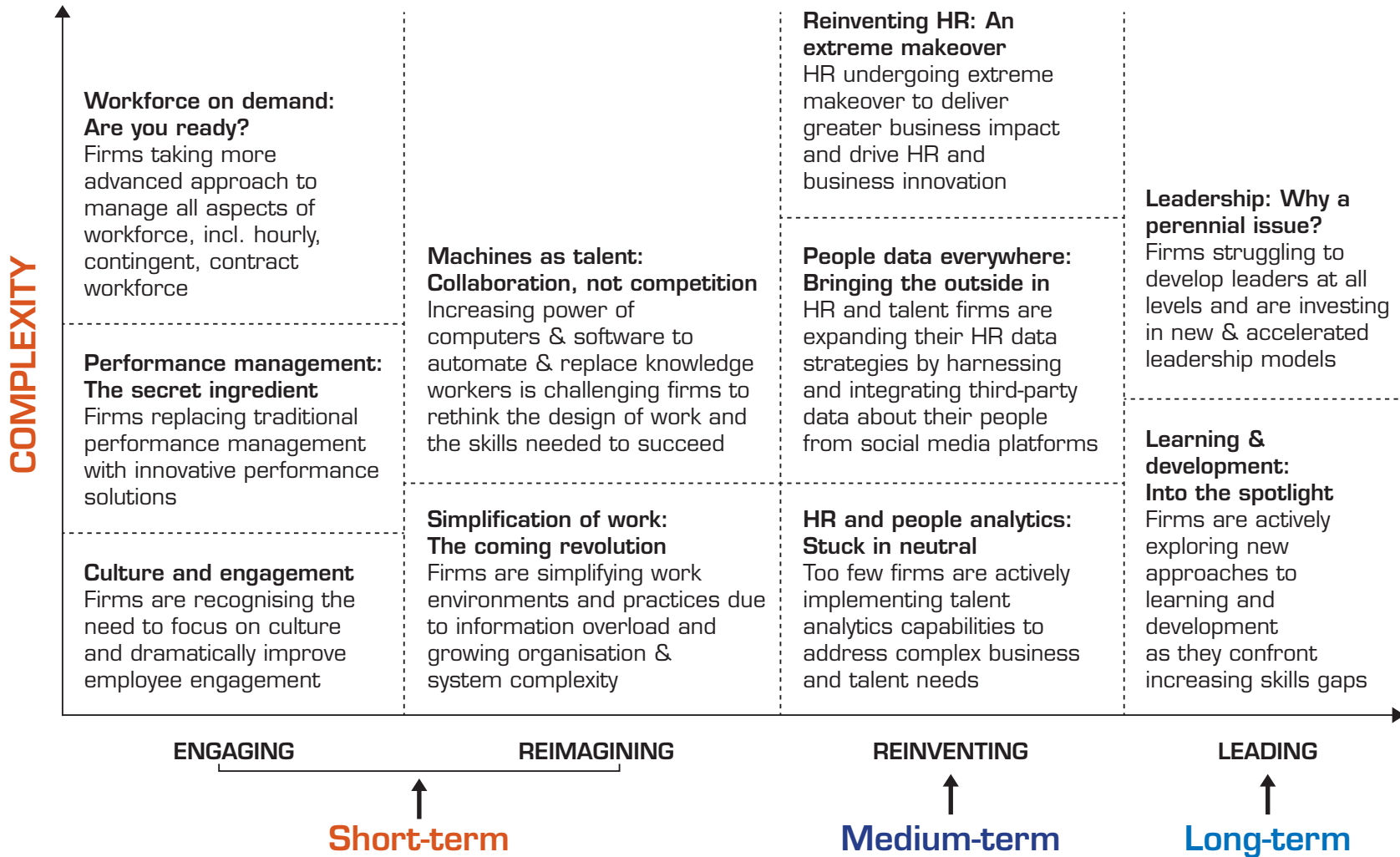
- Real-time feedback
- Need for empowerment
- Mentorship
- BYOD – access digital and social technologies
- Seek engagement with top management
- Greater flexibility in schedules and career progression

## Changing Nature of Work

- Global operations
- Knowledge workers
- Greater collaboration
- Specialised skills
- Flexible and virtual workforce
- Newer processes
- Crowdsourcing

Source: McKinsey, Oracle, NASSCOM

# ...Leading to a **New World of Work**



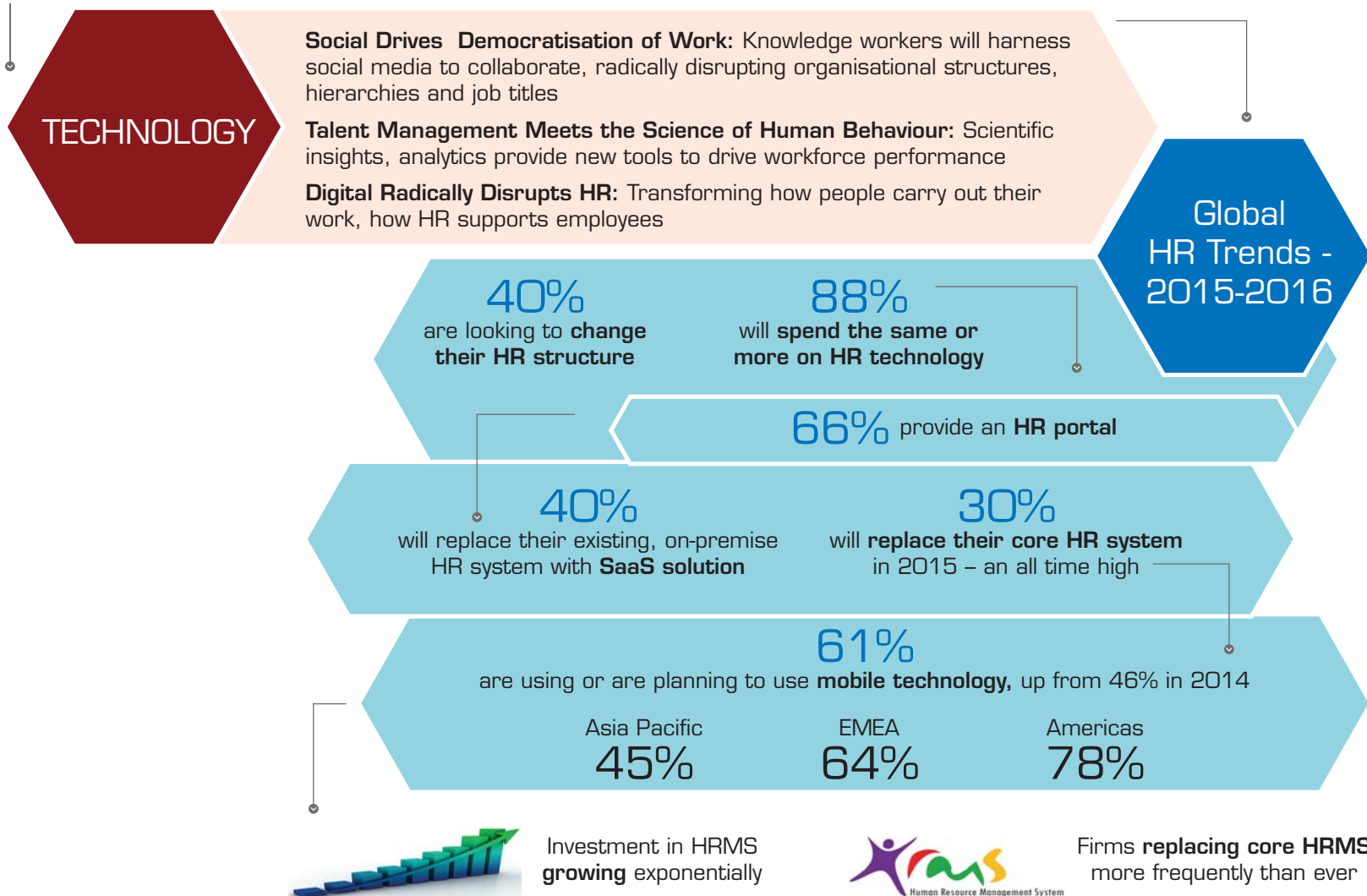
Source: Deloitte, NASSCOM

# Ten trends reshaping the future of HR (1/2)



Source: Accenture

# Ten trends reshaping the future of HR (2/2)



Source: Accenture, Towers Watson



# Technology permeating across the HR value chain

ILLUSTRATIVE

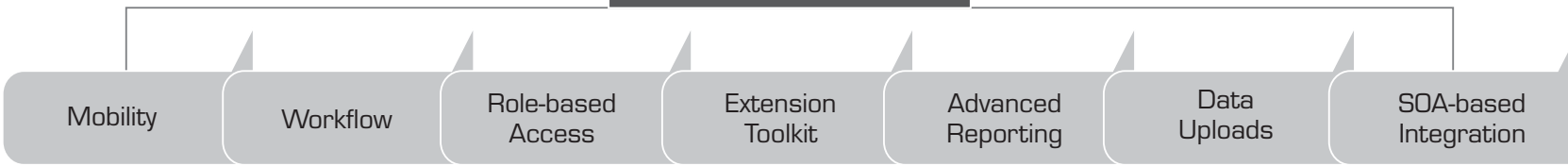
Core HR	Time & Attendance	Payroll	Talent Mgmt	Recruitment	Planning & Analytics
Organisation Mgmt	Schedule Mgmt	Gross & Net Pay Calc.	Competency Mgmt	Requisition Mgmt	Workforce Planning
Personnel Administration	Paid Time-off Mgmt	Retroactive Pay, Increment	Performance & Goal Mgmt	Sourcing Talent	Organisation Scorecard
Movements & Exit Mgmt	Time Entry Mgmt	Financials Integration	Succession Planning	Candidate Mgmt	Analytics
Benefits Administration	Project Time Booking	Direct Deposit Automation	Career Planning	Selection & Offer Mgmt	
Travel & Expenses	Absence, Over-time Tracking	Country-specific Compliance	Training Administration	On-boarding	

Legend:

- High (Dark Blue)
- Medium (Light Blue)
- Low (Orange)

## Employee and Manager Self-Service

### Enterprise Add-ons

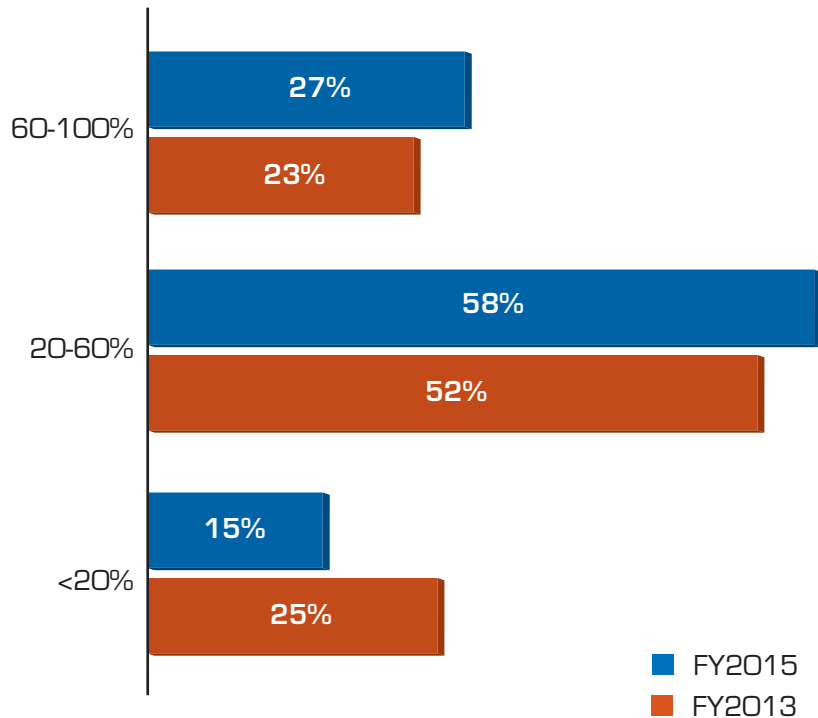


Source: Ramco

# Enabling HR on mobile, cloud is now an imperative

## FY2015: Degree of automation varies

% of respondents



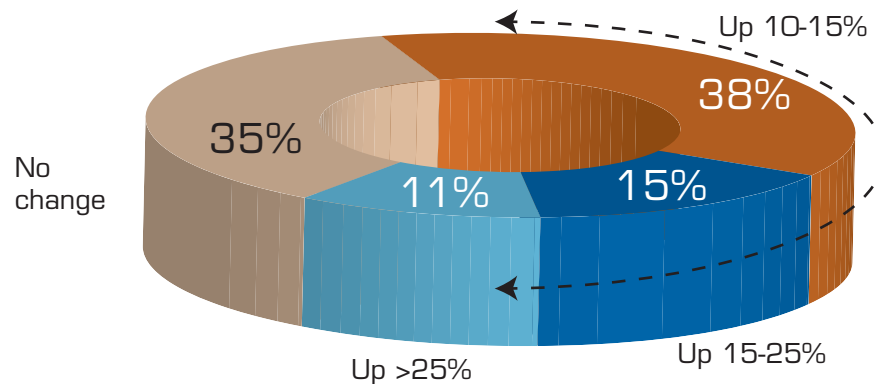
- Firms automating HR invariably implementing self-service option – reducing transactional work
- Higher percentage of SMEs leveraging cloud platform
- Mobile-enablement: Current maturity is lower, irrespective of firm size; however, picking up fast
- Payroll and time & attendance modules – the most highly automated
- Recruitment process witnessing increasing application of technology

Source: NASSCOM

# Technology in HR providing an **enriching employee experience**

% of respondents,  
FY2015

**~65% firms indicate improved E-SAT**



- Eliminate manual timekeeping for employees
- Provide employees with easy access to important information specialised skills
- Ensure payroll and records accuracy
- Allow managers and supervisors immediate feedback and work-force analysis
- Improve employee communication

## **L&T Infotech**

- Improvements in E-SAT by bringing self-service & Managers' Satisfaction by approval automation
- Reduction in time for MIS reporting

## **HCL**

- Gamification addresses renege (30%) problem in selected candidates
- Success: Of the 43% candidates who played – 77% joined

Source: NASSCOM

# HR getting SMAC-ed: Empowering people, Empowering organisations

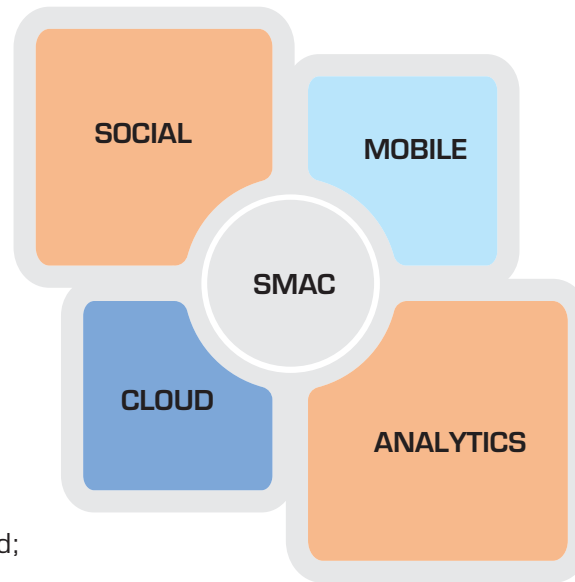
## HR adapting to emerging technologies

### Outreach to both internal and external communities:

- Social networks for accessing relevant talent
- Organisational and employee branding

### Lower maintenance, faster upgrades:

- Lower dependence on IT
- Fewer HR tech emps needed; faster implementation time



### Superior employee experience:

- Anytime, anywhere access – faster turnaround time
- Higher focus on strategic aspects of business

### Deeper insights with unstructured data:

- Predict and prevent attrition
- Workforce planning – identify demand-supply gaps

Source: NASSCOM

# Social media: Key engagement platform

## Connect, Communicate, Collaborate



### BENEFITS

- Improved brand value
- Improved belongingness
- Knowledge sharing and communication
- Team building, mentoring, innovation, learning
- Recruiting and learning opportunities

### TRENDS

- Promote opportunities & tap into employees' personal & professional networks for talent
- Establish employment brand, develop engaging content and refine pitch to better sell themselves - marketing techniques being incorporated more closely into social HCM practices
- Online learning programs (incl. mobile-enabled)

### CASE EXAMPLES

#### Geometric's Connect Plus:

Internal social platform sharing ideas/knowledge via webinars

#### TCS' Nano Learning:

Online learning platform with modules of 10-15 minutes each  
Created MOOCs – launched on "Knome" - internal collaboration platform

### Top 5 areas of application

1

Recruitment

2

Background checks

3

Employee branding

4

Alumni connect

5

Building loyalty

Source: Forrester, NASSCOM

# Mobile: Work moves with the worker

## HR-on-the-go



### BENEFITS

- Improved user experience
- Increases productivity
- Learning & development opportunities on the go
- Reduce action & response time
- Focus more and more on strategic decisions to help drive business performance
- Faster new employee on-boarding and just-in-time training

Top 5 areas of application

- 1 Learning & development
- 2 Workforce scheduling
- 3 Hiring process
- 4 On-boarding of new employees
- 5 Attendance management

### TRENDS

- 46% of HR organisations are increasing their use of mobile apps
- As the means of any time, any where access – particularly for front-line employees
- Mobile – emerging as the future of recruiting
- Fastest growing mobile-enabled HR processes include
  - Record keeping and payroll
  - Workforce scheduling
  - Absence management
  - Performance management
  - Time and attendance

### CASE EXAMPLES

**Tech M's FightBack:** Web and mobile app for women's safety-sends SOS alerts with "Tap of a Button" along with location information to police, security agencies and user's family and friends. Intelligently analyses alert data and highlights unsafe places

**TransSys Solutions:** Enabled Employee Self-service on mobile

Source: Towers Watson 2014, NASSCOM

# Analytics: Becoming a data driven discipline

## Returns on Human Capital



### BENEFITS

- Improve employee engagement; correlate engagement and performance, retention/attrition, growth of people
- Access, extract & deliver tailored insights - better business planning
- Firms that “datafy” their HR seeing **2-3X** better results in quality of hire, leadership pipelines, and employee turnover

### TRENDS

- Strategic **workforce planning**: Determine gaps between future demand for talent and the supply
- **Attrition control**: Anticipate and prevent high-potential and high performer turnover
- Predictive analytics: More effective **recruiting process**
- Measure **employee productivity** and **effectiveness**
- Firms migrating to **unified system** that merges processing power of in-memory computing with cloud & mobile apps for people mgmt

### CASE EXAMPLES

- CISCO**: Advanced analytics to assess employee satisfaction and develop retention models to identify causes of attrition for engineers & other employees
- Predict attrition in individual employees and forecast attrition across departments
  - Able to design better retention packages
- Google**: Its “People Analytics” HR is making hiring decisions
- Dramatically shortened the extended interviewing process
  - Shortened time-to-hire

### Top 5 areas of application

1  
Skillset/Skill gap assessment

2  
Attrition planning

3  
Workforce planning

4  
Employee satisfaction

5  
Career development

Source: Forbes, NASSCOM

# Cloud: A virtual reality



## BENEFITS

- Drive greater agility; more user friendly - Higher user experience scores
- Easier upgrades and removes dependence on IT
- Fewer HR tech emps needed for implementation & support; faster implementation time
- Top performers: **35%** higher revenue, **95%** higher net income with integrated talent mgmt and Core HR

Top 5 areas of application

- 1 Payroll management
- 2 Learning & development
- 3 Compensation & rewards
- 4 Timesheets
- 5 Applicant tracking system

Source: E&Y, Forrester Research, NASSCOM

## Easier to Maintain

### TRENDS

- 69% of firms moving to the cloud to drive higher user adoption of HR systems
- SaaS: By 2018, cloud-based SaaS products to account for >50% of software market
- Adopting cloud to integrate HR, attendance records, payroll & time - growing trend
- Adoption driven by need for talent mgmt, just-in-time workforce, simplification and a workplace with five generations

### CASE EXAMPLES

**Siemens AG:** Migration from PeopleSoft to Oracle Fusion HCM Cloud

To simplify & modernise core HR, payroll systems, eliminate complex customisations:

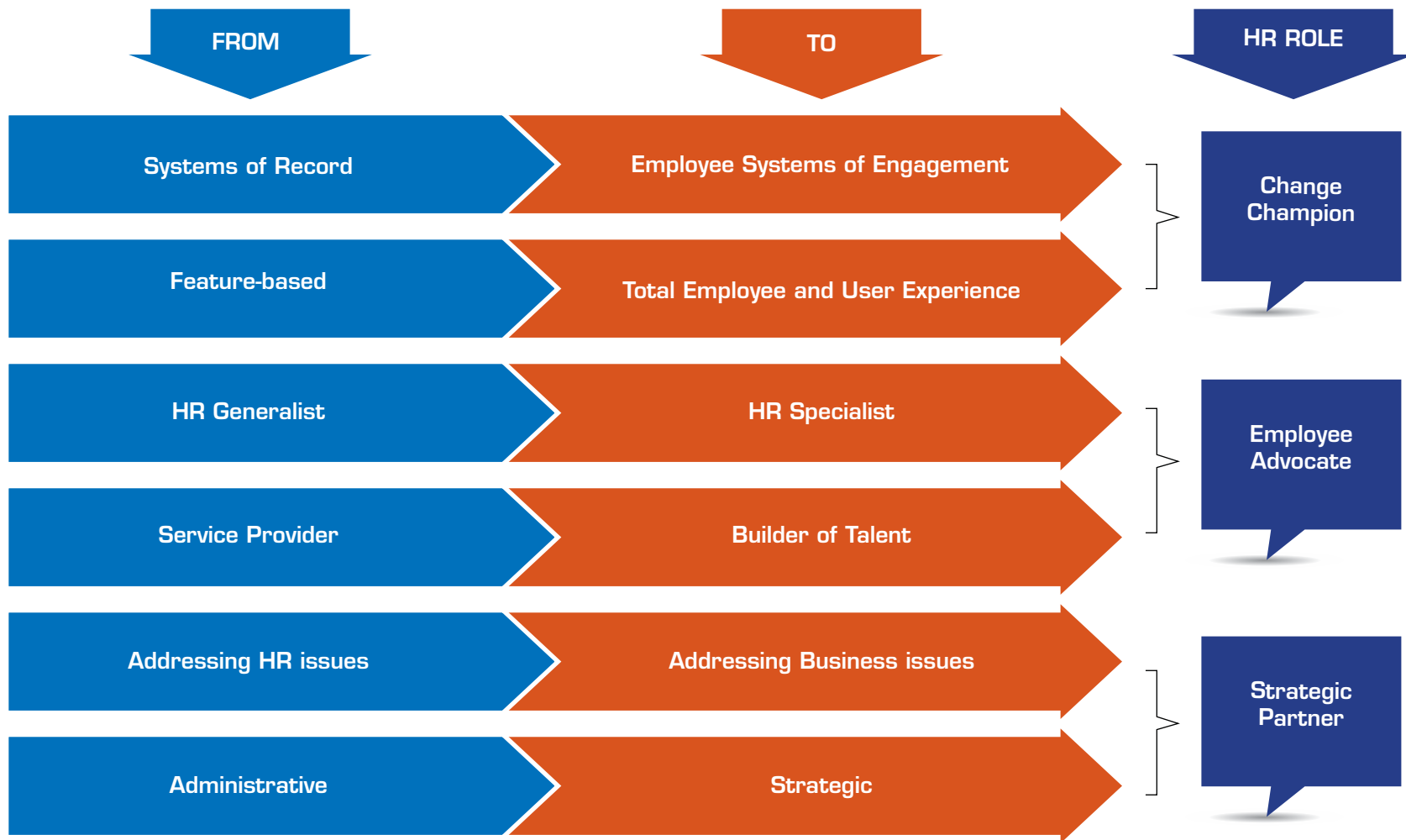
- Improved quality – validation of data at point of entry
- End-to-end automation, across department workflows
- Standardise processes to best practices
- Elimination of future major upgrades
- Reduction of fixed cost

**Altimetrik:** Workforce administration via cloud

**Infosys:** Kenexa – a cloud-based recruitment system for US; Launch-Pad – another cloud-based system for pre-joining formalities for freshers in India



# HR of the Future: Change Champion, Employee Advocate, Strategic Partner



Source: NASSCOM

**NASSCOM<sup>®</sup>**

**International Youth Centre**

**Teen Murti Marg, Chanakyapuri**

New Delhi 110021, India

**T** 91-11-23010199 **F** 91-11-23015452

[research@nasscom.in](mailto:research@nasscom.in)

[www.nasscom.in](http://www.nasscom.in)