# Insights

## Going Global: Insights Gleaned at the IHRIM 2013 Conference and from Two Research Efforts

By Lexy Martin, CedarCrestone

When I attend a conference, I like to pick a theme for the sessions I will attend. This year, I chose the sessions covering "going global," my term for those organizations operating in multiple countries, taking their HR technology solutions global. Two sessions stood out.

In addition in this article, I want to reference research on "going global" from both Jeitosa Group International and CedarCrestone based on annual surveys done by each organization. The research efforts have been both collaborative[1] and separate over the past five years. Currently, Jeitosa is focusing its work on efficiency and innovation factors and how they are used in going global specifically with payroll solutions (see *John Gibbons' article on page 18*). The CedarCrestone research focuses on using our adaptation of efficiency/innovation factors as organizations move to "go global" with a broader set of HR technologies.

But first back to the IHRIM Conference review. The first session covering "going global" I attended was "SaaS in the Trenches: Real World Pros and Cons," with Joe Almodovar, senior director Global HRIS, A.T. Kearney and Jeanne Kalinowski, director HRIS, Hyatt Hotels Corp. covering these two global organizations' SaaS work. The gist of the session is that SaaS is still an HRIS and just because it's SaaS doesn't mean you deviate from good practices during due diligence, contract review, project plans, vendor selection, staffing, security, and configuration. But it is an HRIS of a different color around implementation timing, staffing differences, frequent releases and vendor support. They gave common-sense advice on the fact that SaaS still requires due diligence particularly pre-sales where organizations should spend lots of time up-front to avoid issues on the back-end. "As you can't customize, good due diligence is a must."

The global-specific advice included the following:
- Inquire about language packs – how much do they cost and how priced? How are they updated? What's coming? Which modules are multi-language capable?
- Can they support multi-byte character sets for Asia?
- Maintenance windows – what days and times and frequency? Consider impact to your global business. If your operations work Saturdays when the vendor wants to do maintenance, you have an issue.
- Black-out periods are particularly impactful for global organizations that operate everywhere. The provider may be U.S.-centric but your operations are not. Find out when!
- Data Privacy – have they reviewed their operations from a data privacy perspective? Find EMEA/Asia customer references and discuss how they manage data privacy issues.

Another great session was "Inspect What You Expect: Building a Global Framework for Business Success," with Pat Crane, regional vice president and John Gibbons, vice president, Research and Strategy from Jeitosa Group International. The two provided a framework for understanding the complexity and business impact of data structures, language translations, business processes, and compliance to gauge vendors with global solutions.

Looking at Figure 1, data structures are the lowest level of vendor globalization. They are the easiest for vendor's to support but provide the least business impact for an organization. Nevertheless, they are vital. Data structures for international names, addresses, and telephone numbers, along with country-specific fields like religion in Germany, Hukou in China, etc., should be accommodated if a vendor under consideration is to be considered truly global.



**Vendor Globalization Strategies**
## Vendor Globalization Model

*Business Impact* (vertical axis) / *Business Complexity* (horizontal axis)

| L2: Language Translations (employee / manager self-service, HR admin / business partner roles, etc.) | L4: Global Compliance (government-mandated reporting, governance, and compliance, etc.) |
| --- | --- |
| L1: Data Structures (names, addresses, country-specific data elements, etc.) | L3: Business Processes (country-specific rules, audits and approval processes, etc.) |

Source: Jeitosa

**Business Impact:** the value of globalizing that function to the organization
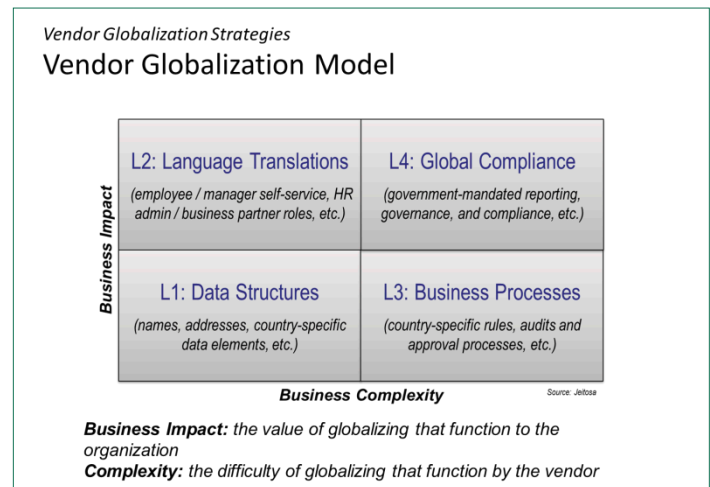**Complexity:** the difficulty of globalizing that function by the vendor

Figure 1. Jeitosa Vendor Globalization Model.

Globalization Level 2, Language translation, should be provided by the vendor and be done well to achieve some positive business impact. For example, the vendor should translate self-service screens not only for the employee but also for functions used by the HR partner and back-office administrators. Look to see whether the vendor provides for translation of code and table values, as well as free-form text translations.

Business processes is the third level of globalization and is much more complex for the vendor to provide, yet represents significant business benefit for the organization. Here, the solution should allow for different business processes by

country and region. The example provided was a discussion of the complexities of employment and severance agreements, vacation accrual and time off policies, and global benefits and pension programs in some countries.

Global compliance is the fourth level of vendor globalization and, while the most complex to achieve, provides the organization with the greatest business value. Discerning how well the vendor supports your ability to comply globally with legislation around the world beyond simple data capture is key. Also understanding whether the vendor can provide for global governance, compliance, and data privacy and protection is critical.

The speakers concluded that "Global" vendors tend to be more mature with data structures and language translations; however, there is considerable less maturity when it comes to supporting global business processes and compliance. One item of particular value provided by the speakers was a sample scorecard to use to evaluate vendors under consideration. I highly recommend listening/viewing their presentation, available at http://bit.ly/IHRIM2013_Recordings.

## Adopting Efficiency/Innovation Factors as Organizations Go Global

For CedarCrestone's research, we use the organization type framework from Jeitosa, first explored in our previously referenced *CedarCrestone – Jeitosa: Leveraging HR Technology from Global Savings to Transnational Value* paper. It recognizes differences in organization structure, strategy focus, where decisions are made, and level of standardization of processes for analysis (Multinational, Global, International, and Transnational). Our analysis using this framework leads us to see that some organization types are consistently more successful than others at mitigating the challenges of global operations as they "go global" with their HR technologies.[2] We see a path of maturity of system globalization similar to what Jeitosa suggests as organizations adopt higher levels of efficiency and innovation, with Transnationals having the highest level of HR technology adoption and being both efficient and innovative. They also excel on financial metrics such as revenue per employee, operating income growth, and return on equity.

The CedarCrestone 2013 "going global" research analysis leads us to propose that adopting the following efficiency and innovation approaches may enable organizations to improve their business outcomes as it has with the Transnational organizations. Our advice is for organizations to step right, step up from where they are, as depicted in Figure 2.

Become more efficient through:
1. Standardizing both administrative and talent management processes;
2. Moving to consolidate human resource management systems (HRMS);
3. Serving more workforce from a single HRMS and single payroll solution;
4. Consolidating talent management automation support onto the HRMS platform; and,
5. Reducing customizations.

Become more innovative through:
1. Working to expand the percentage of the workforce using self-service and adopt regional shared service centers;
2. Adopting a Software-as-a-Service (SaaS) HRMS;
3. Adopting an integrated talent management solution (consolidated on the HRMS platform);
4. Adopting business intelligence tools and rolling these solutions directly to managers; and,
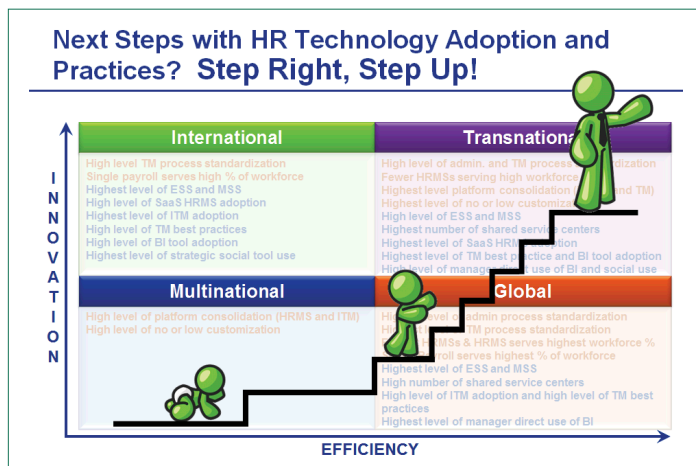5. Adopting social tools strategically.



Figure 2. HR Technology Adoption and Practices Next Steps.

## Conclusion

The journey to "go global" with HR systems need not be totally fraught with frustration. We hope the advice from practitioners from the IHRIM 2013 Conference, as well as research from Jeitosa and CedarCrestone can help. And please share your insights by commenting on Facebook https://www.facebook.com/IHRIM.Conference, Twitter https://twitter.com/IHRIM.

## Endnotes

**1** CedarCrestone – Jeitosa: Leveraging HR Technology from Global Savings to Transnational Value: http://www.cedarcrestone.com/media/whitepapers/CedarCrestone-Jeitosa_LeveragingHRTechnology.pdf

**2** Going Global with HR Technologies: 2013, Highlights and Recommendations of Organizations Operating Globally taken from 15th annual CedarCrestone 2012–2013 HR Systems Survey Results http://www.cedarcrestone.com/serv_annual_survey.php#sthash.eiMvO4kv.dpuf

## About the Author

As vice president of Research and Analytics at CedarCrestone, Lexy Martin is responsible for its annual HR Systems Survey, now in its 16th year. When not working on the survey, she works with organizations worldwide, providing HR systems strategy guidance. Projects begin with deep-dive benchmarking from survey results. She can be reached at *alexia.martin@cedarcrestone.com*.