



Why Traditional Human Capital Management Isn't Cutting It

Context-Aware HR Technology is the Key to Maximize Workforce Productivity

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An organization's people are a CEO's top priority¹ and one of the primary forces driving the rapid growth of HR technology adoption.² As people have become a main focus for organizations, ahead of operational excellence and even innovation, HR technology's role has increased dramatically. Human Resources leaders look to technology to help their employees become more productive in their current jobs and better prepared for future roles.

The Unfulfilled Promise of HR technology

Most HR technology buyers don't achieve even half the benefits they expected when they selected the technology,³ and two out of three people don't think HR technology helps them do their jobs better.⁴ The issue is that most of this technology is created as if people are to be, and act, the same. Consider the terminology many vendors use – human capital management (HCM) – as if the same technology we use to track and record physical assets is right for our people. Human capital management technology was designed to enable the efficient distribution of one-size-fits-all HR solutions to people in an organization who are anything but “one size.”

As a result of today's specialized jobs and increasingly diverse workforce, the time for cookie-cutter technology has long passed. Human Resources leaders will no longer

accept hard-to-use, impersonal HR solutions that don't fulfill their promise. They know that their workforce is the foundation of their competitive advantage and are demanding technology that puts people, not some pre-determined process, at the center. They want, and need, HR technology that delivers easily accessible, relevant information to the individual at the time and place they need it and in the context of the task at hand.

Easy-to-Use is the Price of Admission

A recent trend in HR technology has vendors touting “consumer-grade user interfaces” as having solved these issues. According to Deloitte,⁵ “Poor user engagement with enterprise applications is the/a leading reason enterprise software fails to deliver the desired business results for organizations.” The problem is that easy-to-use software needs to be more than just a slick user interface. It needs to provide immediate value to them – the end users.

Focusing on People Instead of Process

Human Resources technology usually puts process, not people, front and center. This technology often promises increased productivity and engagement, but it's usually built around automating and centralizing key tasks and functions. While this is an important aspect to HR technology, it's insufficient for creating real value. Putting a new user interface on process-oriented software is like putting lipstick on a pig (that's bad; we checked). “Without rules or workflow engines, users are left to perform the same inefficient tasks, just through a new front-end.”⁶

Take mobile for instance. Many vendors provide an app or some functionality on mobile devices, but most are slimmed-down versions of what is available in their full-product versions, with functionality focused on basic task automation. These vendors explain that if employees want to perform more complex tasks, they'll wait until they're at their desk. But, many employees don't sit at a computer all day. These employees deserve to have fully cross-functional tools available on-demand, wherever they are. Putting people before processes requires that a solution work well at a desk and on mobile devices – and even access content offline.

Putting people at the center also helps organizations maintain compliance. For example, integrating an organization's HR technology with the location-aware capabilities of today's mobile devices can ensure that non-exempt employees don't access training and other content while away from their work location and off the clock.

Context is the Key

To get real value from your HR technology, people must see personal value in it. That means their experience needs

to be personalized – the information and recommendations they receive and the actions they take must all be relevant and helpful to them.

“Almost none of the enterprise systems have considered how to incorporate the experience of users in the context of their broader roles and functions,” Deloitte explained. “Improving user engagement with enterprise applications requires understanding users’ behavior and roles – how professionals in various job functions use these systems on a daily basis.”

Context-aware software combines situational and environmental information with other information to proactively offer enriched, usable content, functions and experiences.⁷ By leveraging a broad range of information about an individual to hyper-personalize the user experience, context-aware software creates significantly greater end-user value. Consider the technology tools one uses in their day-to-day routine. For example, they might use Facebook to communicate with their friends and family. Facebook is somewhat notorious for using any information a person shares on its platform to target advertisements presented to that individual. Its software is contextually aware.

As another example, consider Yelp. It takes information about a person, similar users, and businesses they may be interested in, and uses that information to provide personalized recommendations. Yelp’s software is context aware. And Amazon.com has literally millions of products that one could buy on its website, but it uses information about its products, user profiles, buyer histories, and recommendations to present only the few things the company thinks each individual should buy. Amazon’s software is context aware.

According to Fast Company, “In the coming years, there will be a shift toward what is now known as contextual computing. Within a decade, contextual computing will be the dominant paradigm in technology. Even office productivity will move to such a model. By combining a task with

Context

With HR technology, integrated cross-functional data can provide context for actions in the system and allow focused and targeted recommendations and advice. Think about Amazon.com or other consumer websites that offer suggestions of products based on the item you are searching and information they already have about you. In the workplace, imagine you’ve taken on a new project or task you’ve never done before, and your HR technology provides you with information and recommendations to help with that specific activity. That’s how powerful context can be.

broad and relevant sets of data about us and the context in which we live, contextual computing will generate relevant options for us.”

“Context provides the key ingredient in improving outcomes,” explained R. “Ray” Wang, the principal analyst, founder and chairman of Constellation Research,

Inc. “Context provides the relevancy required for not only anticipation, but also prediction. For example, offering a premium channel upsell to an upset cable customer when their cable is down may not be the wisest idea.”

The New Wave of HR Technology

While the average HCM solution can provide some context, it’s usually very little and often built around no more than one data dimension. For example, many learning management systems can tie competencies to learning activities. That works fine when employees are only using learning to develop against specific competencies. But, what about an issue that is more task-related or involves a combination of factors? And what about situations that require actions that live outside of formally catalogued learning, like forming a new social connection or providing an employee with a new incentive?

Data Drives Context

Providing contextual, relevant information is impossible without data. The value and relevancy of the information improves significantly as the accuracy, quantity, and diversity of the available data elements increase. This data provides the context that has a direct impact on the results. Context built on one data element is likely to have minimal value, and that quickly decreases over time. This is why, with more input, applications like Pandora get better at providing you with content you like. They’re figuring you out. The more you use the application, the more data is collected about your likes, dislikes, music genres and more. The data is continually combined and analyzed to develop a holistic view of you as an individual. With this information, Pandora can not only suggest songs or artists that you have already listened to, but predict new music you may never have found on your own.

Organizations collect a lot of data about their people. In fact, many HR departments have more than three separate systems containing workforce information and even more operational systems that hold data on what their people are trying to accomplish and how they are performing. But, even with all that information, most lack the holistic view of their people that is needed for context because the data is housed in multiple internal and external systems. In an attempt to bring data together, some organizations seek out HR systems consolidations – buying and implementing everything from one vendor – but these are expensive and risky propositions. Additionally, most organically built out-of-the-box solutions ignore the fact that you already have systems in place that you can’t easily abandon.

Human Resources Information Systems consolidation isn’t the only way to integrate HR systems and information. Master data management (MDM) technology exists today that can process, consolidate, and standardize data from separate systems into a single model. As a paradigm shift evolves in the HR technology industry, integration, master data management, and cross-functional process orchestration are becoming core disciplines.

The Value of a Single Source of Truth

Organizations with leading-edge data management practices are 68 percent more satisfied with the quality of their business decisions. They also generate twice as much revenue and have four times lower operating costs than average-performing organizations.

Source: Aberdeen Group, "Master Data Management in 2013: Bridging the Gap to Best-in-class Performance."

Human Resources technology that enables organizations to merge, blend, and modify data from any system or third-party applications is key to delivering context-aware information. Once a virtual system of record is established, the intelligence that HR leaders can derive from their data will become exponentially robust as more quality data is collected over time.

With full access and visibility into your workforce, this level of contextual awareness provides relevant information and recommendations at the right time, giving the workforce what they need, when they need it.

For example, context-aware HR technology can:

- Tell individuals which development activities will prepare them for that job they've been coveting, instead of forcing them into a one-size-fits-all development program or leaving employees to figure it out on their own. With today's constantly changing business needs and increasingly complicated labor regulations, organizations must think of learning and development as a core function of workforce management.
- Help managers schedule people based on who will be most effective for a particular shift or project instead of selecting based solely on availability. In highly-regulated industries like finance and manufacturing, many employees need specific certifications to fill a position. By integrating workforce and learning management systems and removing the data from silos, managers are able to easily maintain compliance and make sure they are scheduling the right person with the right qualifications at the point of need.
- Provide people with a specific action to improve performance before they miss a target and connect people in the organization who have knowledge others may need to get a task done well.
- Give organizations a robust amount of meaningful data to help make larger business decisions – like whether they'd be better off opening that new office in Beijing or Shanghai.
- Deliver hyper-personalized information and recommendations to people at the point of need and move the entire performance bell curve of your organizations to the right (that's better; we checked that one too).

Create Real Value with HR Technology

By 2015, Gartner expects context to be as influential to mobile consumer services and relationships as search engines are to the Internet. A great user experience is about more than just a pretty UI. It's about providing software that is easy to use, adds significant immediate value to the end user, and is easily accessed where the user is already working, even if that means other external systems or technologies. The future of HCM solutions is context-aware experiences made possible by tools that people use because they want to, not because they have to, and helps people be better at their job and expand their talent.



Context-aware HR technology allows for pervasive workforce management for employees across the board with a variety of tasks and needs. Bringing data together from separate systems for one holistic view of information about employees ensures that organizations can maintain compliance, and facilitate a higher-performing organization, one that optimizes the return on their investment in their most important asset – their workforce.

Endnotes

- 1 The Conference Board, "CEO Challenge 2013."
- 2 Bersin By Deloitte, "Managing Talent Through Technology: HCM Buying Trends in 2013."
- 3 Panorama Consulting, 2012.
- 4 Penn Schoen Berland, 2012.
- 5 Deloitte, "Enterprise Software: Why the User Experience Matters."
- 6 Deloitte, "The New Heights of User Engagement."
- 7 Gartner, "2013 Hype Cycle for Big Data: Context-Enriched Services."

About the Author



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