



HR Technology: From Back Office Function to Full Business Partner

By Todd Hicks, BASF Corporation

Human Resources technology, from a macro view, describes the systems and processes that come together in an organization to support human capital and the management of HR data. The HR technology landscape developed in the early 1990s was dominated by mainframe enterprise resource planning (ERP) systems. Enterprise resource planning systems have come a long way since then, as have the programming languages on which they are built, but the real shift is not in the technology itself, but in what it can do. Today, HR technology is about providing a more user friendly, robust experience that supports business growth in proactive way.

Human Resources technology today can best be summed up as Software-as-a-Service (SAAS) / cloud applications. This has shifted the fundamental set of core skills and experiences needed among HR professionals who support third-party applications. This momentum shift has been characterized by standardization and configuration versus customization. This article will explore several examples of this shift at a leading global chemical company.

My Journey

My journey into the HR technology field started in 1998 when I worked at the world's largest privately-held consumer packaged goods (CPG) company as an IT manager in their corporate headquarters in McLean, Virginia. I supported the Corporate Management Development Review (MDR)

sessions from an HR systems perspective. These were the annual talent reviews for the top 100-plus executives in the company. The annual talent review process was comprised of identifying key HR elements such as developmental actions, performance over time, learning agility, readiness to advance, and mobility. In that role, I learned that HR data was at the center of the most critical decisions being made by business leaders. Human Resources information, financial KPIs, and other data elements determined job moves, succession planning, and the identification of key positions within the business.

I was intrigued by how key business decisions relied on HR and financial data. So, I joined the IT team that supported corporate HR and financial systems. In my first two years on that team, I focused on development and support of SAP R/3 for the corporate financial system that produced the monthly corporate financial results. In my third year, I led a project to replace the legacy corporate mainframe system with the SAP HR system that was being rolled out in North America. My role consisted of project management, as well as documenting the “as-is” and “to-be” HR processes. Documenting the HR processes from “hire to retire” provided me with a wealth of knowledge about the HR function. I worked on the project for one and a half years through the implementation, rollout and decommissioning of the legacy mainframe system. At the completion of the project, I took a position as the Global Training and Reporting Strategy manager in the HR function. I was responsible for developing the global HR reporting and training center of excellence (COE). The COE provided expert level reporting and training programs. I also established the global HR business scorecard as the quantitative dashboard for measuring progress and performance against the goals of the global HR strategy.

I managed and led the Global Training and Reporting team for several years before taking a position with BASF Corporation, leading the HR Information Management and Technology function for North America. In my current position, I am responsible for the development and implementation of the North America HR Systems strategy transfor-

Today, HR technology is about providing a more user friendly, robust experience that supports business growth in proactive way.

mation. I also lead the HR Process and Data Governance function. In addition, I am the HR Mergers and Acquisitions (M&A) leader for North America and have HR responsibility for acquisitions and divestitures.

As I look back, my career journey through IT to HR/HRIS as a senior leader was not intentional. A project assignment and opportunity to learn about key HR processes and systems was what positioned me in the HR/HRIS function. The skills that made me successful in IT such as project management, technical learning, problem solving, functional/technical skills, drive for results, leadership capability, and managing/leading team and customer focus are the same skills that I utilize today.

Continuing to Change and Evolve

Human Resources technology continues to change and evolve; the core HRIT skills necessary today to support HR systems and HR technologies are different than what was needed 20 years ago. Cloud applications continue to dominate the HR systems landscape and programming experience once needed in languages, such as Cobol, C++, and developing JCL code to run mainframe transactions is becoming obsolete. The core HRIT skills needed today include understanding the value drivers of, and the differences between, configuration versus customization, vendor management, process and data governance, human capital management (HCM) strategic planning, functional/technical system knowledge and project management.

Technology continues to drive innovation in the HR function and, more specifically, in the talent management, reporting and payroll areas. Every day, I read about a new vendor that has entered this market space and is able to provide a cloud solution to eliminate on-premise and systems support. Let's take a look at how technology is providing BASF Corporation with a competitive advantage in the HR function.

In 2000, BASF made a strategic decision to outsource its HR systems to ACS/Mellon for services such as personnel administration for employee master data, payroll, payroll timekeeping and attendance, compensation planning, performance management and talent management. At the time, several companies were using human resources outsourcing (HRO) providers as a way to leverage a full range of services and capabilities with one provider, thereby streamlining operations and realizing cost efficiencies. In 2005, BASF made a strategic decision to employ Fidelity for HRO services. Fidelity had invested a significant amount of money and resources in its HRO business, and BASF wanted to capitalize on the integrated services. BASF Corporation continued to utilize the HRO model until 2010, when Fidelity decided to exit the HRO business. BASF had already been discussing the possibility of implementing SAP HR in the North America region, so the announcement by Fidelity actually accelerated the timeline for implementation. When we built the business case for

Technology continues to drive innovation in the HR function and, more specifically, in the talent management, reporting and payroll areas.

insourcing to the SAP HR platform versus continuing to outsource, several key business drivers guided our decision:

- Finding a replacement for the payroll business, since Fidelity decided to exit the business;
- Eliminating high ongoing integration and enhancement costs incurred by outsourcing;
- Leveraging existing global SAP HRIS/Payroll infrastructure and to harmonize processes and systems;
- Providing increased service levels to our customers;
- Improving data quality and analytics;
- Changing HR effectiveness by decreasing time spent on administration by managers and employees; and,
- Enhancing control of employee master data management, payroll and enhancements by insourcing.

In 2009, BASF Corporation implemented a new talent management system: SuccessFactors. When we launched the tool, we built four separate interfaces due to the complexity of having one core HRIS system and three legacy HRIS systems. This proved to be a significant challenge. Building four interfaces required the core master data in all of the systems to be clean in order to interface with common data elements. We spent a significant amount of time cleansing data and creating common data elements in order to ensure the accuracy of the data that resided in the talent management and HRIS systems.

The Landscape Today

Today, BASF is implementing a global talent management system. This will harmonize the processes for employee development, talent management, performance management and learning management into a single global system. One of the key challenges with any global implementation is gaining globally aligned and harmonized processes. The project has given the regions an opportunity to revisit the core talent management processes globally, reduce complexity, and focus on functional aspects such as development goals, developmental competencies and development

actions to ensure the system functionality supports the business processes.

There have been trade-offs and compromises from each region to implement the globally standard harmonized system. We've established a global approach to have three global iterations and one user acceptance testing to ensure that the functional requirements and global processes are incorporated within the global core system solution. Talent management systems and cloud solutions have challenged us to review the processes in detail to ensure that we can configure the functionality within the system. Talent management systems, like many other cloud solutions, do not provide the functionality for customization. The business processes must fit within the system in order to configure the business functional requirements. We are currently entering iteration three, which will focus on reviewing and addressing the global issues and actions log and extensive testing to ensure that the functional requirements are accurately captured in the system. The North America regional implementation is slated to start in July 2014 with a targeted go-live date of January 1, 2015.

Forming the Best Team

Another example of how BASF utilizes HR technology as a competitive advantage is with the implementation of the applicant tracking system (ATS). Forming the best team is a top priority for BASF, and in order to provide our Talent Acquisition team and hiring managers with the HR tools they need in order to source and recruit the best talent, BASF made the strategic decision in North America to implement a leading ATS. The ATS provides managers, recruiters, and HR the ability to upload requisitions and initiate the workflow for posting positions internally and externally. We've also recently rolled out an on-demand video interviewing platform to source talent more effectively through broader channels. This technology has streamlined the process for initial phone screens by providing an interactive forum for candidates to answer prescreened questions to determine which candidates will continue in the interview process.

BASF Corporation has also invested heavily in HR metrics, workforce planning and analytics. It's been a focused journey over the last five years. In 2009/2010, we conducted leadership team interviews on strategy and the workforce, supported by data and analysis to highlight the trends. As a result, it delivered insight into unit-specific talent gaps. In 2011, we created new diversity plus inclusion and talent dashboards, conducted ad hoc analysis to inform BASF's regional talent strategy, and developed analytic-driven reporting. We also expanded workforce planning to include talent strategies.

In 2012, emphasis was placed on providing analytics to

support talent strategy, development of a workforce planning tool kit, human capital report, unit dashboards, and building an SAP HR Business Warehouse (BW) in order to support data and dashboards. Last year, we developed and delivered self-service reporting in the SAP HR BW on metrics/ analytics that roll up to provide a regional view. In 2014, the focus is on developing a regional workforce plan derived from unit dashboards connected to the personnel planning process.

The Future of HR Technology

The future for the HR technology professional will continue to evolve and the focus will shift from on-premise, customization and deep technical knowledge to cloud technologies, functional and business process expertise, and third-party vendor management. More and more emphasis is being placed on HR technology, process and data governance, project management, and integrated talent management processes and systems to drive the talent and people agendas in businesses. At the same time, the core skills to be successful in HRIS and IT will continue to overlap and play an integral part for HR and IT departments. More HRIS professionals will be sought after for their deep project and process management skills by other HR departments due to their experiences working on various projects across the HR function and COEs. Cloud technology will continue to drive the focus on supporting integrated talent management processes, and complete HCM and talent management suites will likely be the norm in the not-too-distant future. Opportunities for HRIS professionals will continue to grow, yet the supply will likely fall short of this robust demand.

About the Author



Todd Hicks is head of HR Information Management and Technology, North America, BASF Corporation, and is a senior HR leader with more than 19 years of comprehensive experience in the areas of HR technology, IT, M&A, process and data governance, global reporting and training, finance, talent acquisition and university relations. BASF is the world's largest and leading chemical company. He joined BASF in 2008 and is currently responsible for leading the development and implementation of the HR systems strategy transformation for North America. In addition, he is responsible for HR data, systems and processes as they impact acquisitions and divestitures, and for managing the Process & Data Governance function. He has a B.B.A. in Information Systems with a minor in Economics from Howard University. He can be reached at todd.hicks@basf.com.