

eWorkforce

Human Resources transformation

The Human Resources (HR) function has a critical role to play in the development of a High Performance Workforce. However, for many (HR) functions, there are still difficulties in breaking away from ‘administrivia’ – paper intensive, bureaucratic processes which prevent the function from making a contribution at the strategic level.

The Issues

To achieve this transformation, it will be necessary to fundamentally change the nature of the relationship between the employee, the employer and the HR function. A key enabler in this process will be the exploitation of information technology, to support the delivery of HR services and provide high quality management information which supports the development and monitoring of strategic initiatives. However, pure technology alone will not transform the function for the benefit of the business. A ‘big picture’ approach to HR Management will be critical, viewing technology as both an enabler and a driver of change in the

HR function. Success will come from aligning the strategic, people, process and technology issues in the business. Technology decisions must be firmly rooted in business and functional strategies and HR practices, otherwise projects will fail to maximise the potential benefits of the chosen technology. For example, the services provided by the HR function will need to be thoroughly reviewed to ensure that they are consistent with the organisation’s requirements and the overall HR strategy. This may mean outsourcing aspects of the HR service or implementing an HR shared services organisation. These decisions will drive HR technology requirements and

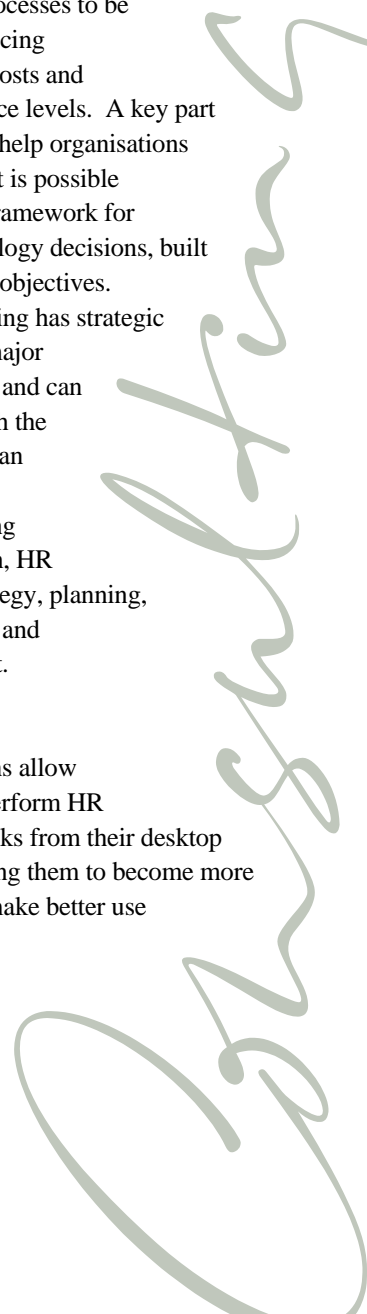
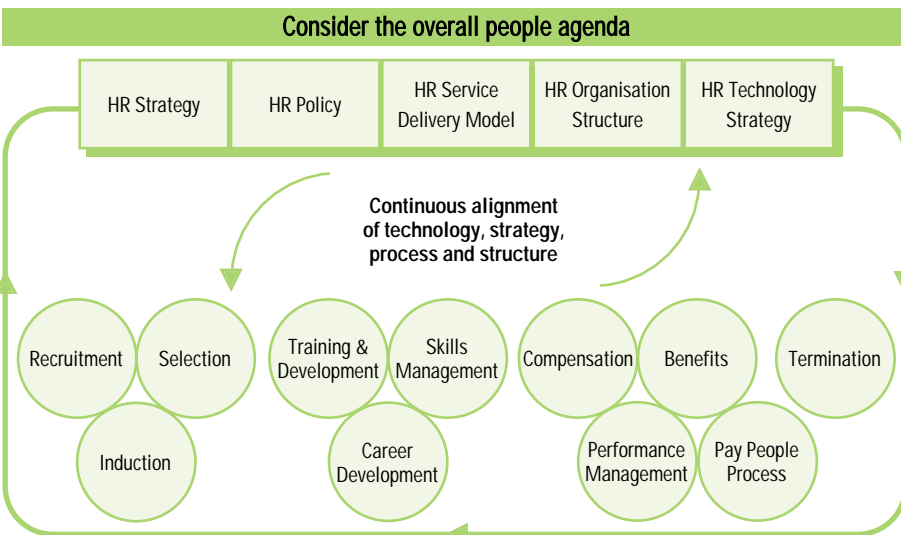
in turn HR organisation needed to support this.

HRMS applications

The core Human Resources Management System (HRMS) provides the basis for almost all HR transformation efforts. For example, the use of tools such as workflow enable complex HR transactional processes to be automated, reducing administrative costs and increasing service levels. A key part of our role is to help organisations understand what is possible and develop a framework for practical technology decisions, built around realistic objectives. KPMG Consulting has strategic alliances with major HRMS vendors and can support you with the full lifecycle of an HR technology project, including vendor selection, HR technology strategy, planning, implementation and ongoing support.

eHR

eHR applications allow employees to perform HR transactional tasks from their desktop or kiosk, allowing them to become more in control and make better use of their time. These tasks include the maintenance of personal data,



management of personal expenses, selection of benefits options, registration for training courses, the recruitment of staff (both internal and external), travel planning and booking, recording of employee performance and the administration of time and workload details. eHR reduces the HR overhead and, more importantly, frees the HR function to perform a more strategic role within the organisation. It also delivers benefits such as reduced recruiting costs, increased employee productivity and improved communications. By enabling wider access to HR information, line managers can obtain real time reporting on their staff direct from their desktops.

Workforce metrics

A critical requirement during a High Performance Workforce initiative will be to identify and monitor the HR Key Performance Indicators (KPI's) which drive increased business performance. These KPI's will support the identification of performance deficiencies, form the basis for the development of new strategies and be

used to evaluate the success of particular HR practices. A new generation of analytical tools now exists, capable of compiling, prioritising, tracking and presenting a wide range of HR KPI's in a timely, meaningful manner. KPMG Consulting can support your business in the development and introduction of these solutions.

HR Shared Services

Many HR organisations are moving towards an HR shared services concept to deliver cost and service benefits to the organisation. This typically requires a comprehensive change programme to establish a single provider of HR transactional support across all business units. It may include outsourcing service provision to a third party (see below). The establishment of a Shared Service unit for HR, perhaps as part of a larger Shared Services engagement will include implementation of appropriate technology and a review of HR business processes.

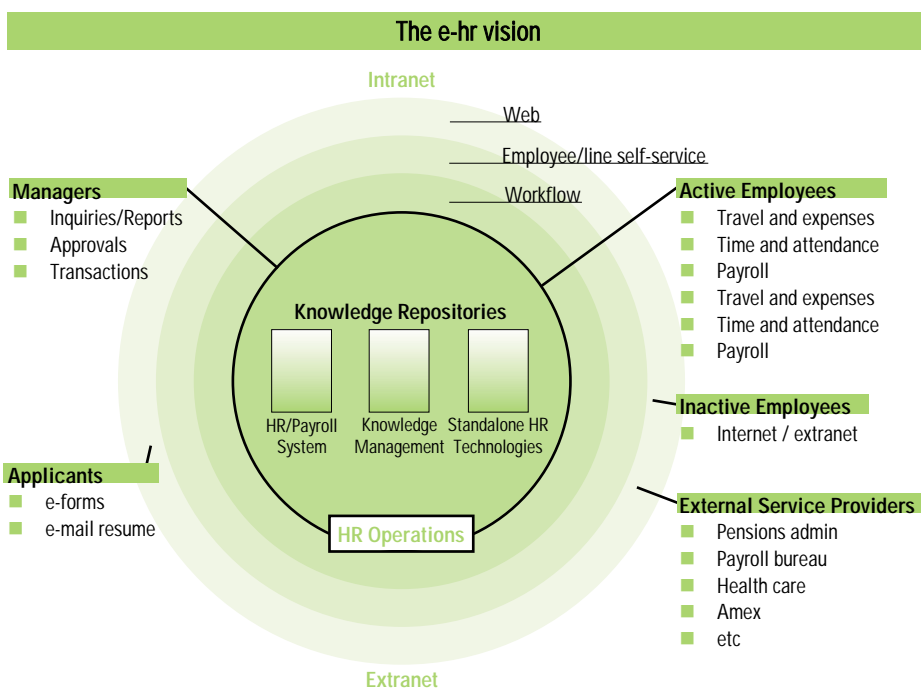
HR outsourcing

Many organisations are seeking to outsource the low value added aspects of HR administration to third party suppliers. This enables them to focus on high level HR strategic issues rather than on delivering basic, generic services. As well as traditional outsourced HR services such as payroll, pensions and training, other HR areas such as recruitment management and HR advisory support have a role to play in the transformation of Human Resources. KPMG Consulting can support the evaluation of outsourcing opportunities and help develop your HR environment.

Outcome/Benefits

The outcomes of Transforming the HR function include:

- streamlined transactional HR processes, making them cost effective and efficient;
- quality, relevant information to managers on all aspects of people management;
- increased line manager and employee self sufficiency;
- shifting the HR professional's contribution to one of internal consultant and strategic business partner;
- improving the quality of HR service delivery; and
- a reduction in the costs of providing HR services, thereby increasing value and profitability.



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