

 WHITE PAPER

Putting the “Human” Back in HR

How to Balance High Tech and High Touch



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Executive Summary

The new digital landscape offers ample HR technology options. But in our rush to automate everything, will we unwittingly erase the “human” part of “human resources”? Digitalization has yielded a bounty of HR tools—but less so a roadmap for which tools to use and how to balance automation with manual processes. Which parts of HR can we leave to the ‘bots? And where is the “human” in HR practices becoming even more crucial to preserve?

From Frankenstein HR to the Suite Life

To appreciate the HR technology available today, we should remember its fragmented past. Previously, Human Resources departments assembled a patchwork of technology with separate systems to handle payroll, compliance, scheduling, learning, etc. The logic behind this was that piecing together the “best of breed” options would result in the most value overall. Organizations selected solutions that would ostensibly ease the role of HR, making it simple to run reports and pull data.

However, sewing together disparate systems into a “Frankenstein HR” was fundamentally flawed for two main reasons: The user experience was an afterthought, and there was no data sharing among systems. The result was that the technology wasn’t enthusiastically adopted, and the siloed data was useless without any context. It’s this lack of analytics that has driven companies to seek new solutions: A Bersin by Deloitte study found that 57% of organizations were seeking new HR technology chiefly due to their inability to generate analytics with their current system.¹

Today, HR has predominantly moved to integrated suites. Learning, workforce management, and talent management have converged into one, frictionless Human Capital Management system. These integrated HCMs address the entire employee lifecycle and serve the employee as well as the employer. As Deloitte contends, “Inconvenient people programs that exist in isolation are going the way of the dinosaurs—the workforce is unlikely to engage with any process or platform that does not contribute to their work, build their network and relationships or enhance their wellbeing.”²



57% of companies seeking new HR technology are doing so because of their current systems' inability to generate analytics.

¹ "Enabling business results with HR 'Measures that matter.'" Deloitte.

² "Predictions for 2019: The Productivity Imperative," David Mallon, Deloitte, 2018.

Where to Go High Tech over High Touch

In order to compete in this competitive labor market and digital economy, organizations must embrace a few key developments in HR technology:

A Seamless User Experience

HR technologies have been lagging behind consumer products when it comes to user-friendly interfaces. But they’re catching up, as an intuitive UX has become a baseline expectation for consumer technology. And these consumer expectations are not checked at the door anymore. Across all generations, employees no longer tolerate anything less than the attractive and enjoyable user experience to which they’ve grown accustomed outside of the office. By offering a solution that employees want to use, organizations not only increase adoption but also benefit from their employees generating the data they have long sought to help build a more robust talent strategy.

Mobile HR is catching up, too, as learning and recruiting apps are starting to match the functionality of their desktop counterparts. The trend is clear in consumer data: People are increasingly using their phones for daily tasks like email and ecommerce purchases. If we want our employees to engage, we need to meet them where they are. And that means making mobile HR a priority—from on-the-go learning to mobile-friendly scheduling. Mobile-ready HR lowers the barriers to employee development and facilitates learning in the flow of work.

When HR technology offers a best-in-class user experience, it enables personal growth—and overall workforce productivity—rather than hindering it through clunky technology.

Personalization through Predictive Analytics

Predictive analytics promises to further personalize the employee experience. Consumer brands have eagerly adopted predictive analytics to drive consumer behavior: Netflix knows what shows you’ll want

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to binge next, and Target knows when you’re pregnant (and can estimate your due date within an unnervingly narrow window).³

The same technology is out there for the workplace, although it’s only a budding trend at this point. The possible applications, though, are exciting: from identifying high potentials to spotting capability gaps to fueling Diversity & Inclusion efforts. Analytics can complement diversity and inclusion efforts by, for instance, identifying pay disparities. In the coming years, people analytics and predictive modeling will become table stakes for HR, so keep your eye on this trend.

Automation of Operational Tasks

Before exploring the futuristic possibilities of predictive analytics, make sure to get the basics down: Automate rote HR tasks. Typical HR departments currently spend about 60% of their time on operational duties, while best-in-class HR departments spend less than 40% of their time and resources on such transactional tasks.⁴ This includes maintenance, care and reporting using Excel sheets, which require considerable effort to update and leverage. Worst of all, the data is siloed and often dated. Leaving such repetitive activities to machines will greatly increase efficiency.

Tech-savvy HR is Non-Negotiable

In 2019, companies that do not update their HR systems to align with current trends face a greater risk of extinction in 2020. Record-low unemployment and widening skills gaps have put incredible pressure on the HR function to acquire and retain employees. Former Federal Reserve Chairman Alan Greenspan remarked, “This is the tightest [labor] market I’ve ever seen.”⁵ With HR thrust into the spotlight to navigate this talent crisis, leveraging technology to gain a competitive edge has become non-negotiable.

³ “How Companies Learn Your Secrets.” Charles Duhigg, *New York Times*, 2012.

⁴ “The CEO’s Guide to Competing through HR.” *McKinsey Quarterly*, July 2017.

⁵ “Ex-Fed chief Greenspan: This is the tightest labor market I’ve ever seen.” *Berkeley Lovelace Jr.*, *CNBC*, 2018.



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Digitalizing HR isn’t a choice anymore; it’s an exigency. The grace period is over. As competition for talent intensifies, the problems of clinging to a Frankenstein HR system will compound. Organizations that have adopted a fully integrated HCM solution are benefitting from the multi-dimensional data aggregated through learning, performance, and work systems. This contextualized data paints a more holistic view of employees, providing actionable insights to companies. It’s almost impossible to overstate the impact of data integration on the role of HR. These powerful HCM solutions connect formerly-segregated information to provide an unprecedented view of what’s happening in an organization. This web of data then enables HR leaders to make strategic decisions that propel business performance.

Here are just a few of many applications of new HR technologies:

Identifying Flight Risks

Aligning compensation and performance can help determine flight risks—and that’s a game-changer in this time of record employee turnover.⁶ It may be as simple as, “Nadia has stellar performance reviews, but she hasn’t received a raise in three years.” This is a basic observation that wasn’t easily gleaned from separate compensation and talent management systems. The ability to identify flight risks helps ensure that you don’t lose top performers due to basic oversight.

Data-Driven Succession Planning

Traditional succession planning relies on gut instincts, while integrated HCMs draw from a complex network of data to deliver consistent insights. These insights can help inform succession planning, providing at-a-glance answers to questions like, “Which employees are ready for a management role?” “Who can be upskilled or reskilled for a different function?” “How strong is our organization’s leadership bench?” In addition to employee information, machine learning draws on past succession planning data, allowing users to benefit from years of accumulated wisdom.

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⁶ “Work Institute Releases National Employee Retention Report.” Chastity Fox, Work Institute, 2018. The 2018 Retention Report by the Work Institute estimated that 1 in 4 employees left in 2018, and estimates the increasing cost to employers as \$680 billion by 2020.

Career Pathing

Seamlessly connecting the various aspects of the employee experience with employees’ individual career aspirations, a unified HCM creates a career path that is tangible, visual, and attainable. The HCM ties it all together—for instance, linking directly to the learning needed to progress to the next step. Charting a clear path for employees to grow within the organization increases engagement and retention; employees invest in an organization when an organization invests in them. This trend grows more prominent by the day.

Learning in the Flow of Work

Evolving beyond a “check-the-box” task, HCM-enabled learning will become integrated into the flow of work: on-demand and tailored to the individual. As part of a unified suite, the LMS will keep tabs on real-time performance data to trigger the delivery of relevant learning content to the learner and at the point-of-work.⁷ The integration will become so seamless and unobtrusive that it will almost make the LMS invisible to the end user—by design.

More than the Sum of its Parts

A unified HCM is much more than the sum of its parts: An LMS serves up training content, a recruiting platform gathers resumes, payroll software issues paychecks...and so on. But the data analytics generated by connecting these segments creates value far beyond the operational “musts” of HR. The insights outlined above—both qualitative and quantitative—are delivered to leadership in real time, immediately informing choices in the flow of work. Decisions move from intuition-based to data-driven. And the systematic delivery of these insights is how HR will drive continuous value through talent strategy: McKinsey estimates that companies using such analytics could realize an average increase of 275 basis points in profit margins by 2025, as a result of increased productivity,

⁷ “Predictions for 2019: The Productivity Imperative.” David Mallon, Deloitte, 2018.



A unified HCM charts a path for employees to grow within the organization, increasing retention.



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efficient recruiting and onboarding and lower attrition.⁸

Through these capabilities, the focus of HR will change, shifting to tasks where personal attention has high impact. By contextualizing the data-producing capabilities of new technologies, HR leaders can better drive strategic initiatives. With their finger on this pulse, McKinsey conceives the HR leader of the future as a “Talent Value Leader.” They envision this HR leader as a highly analytical individual who uses data to “diagnose and prescribe talent actions; transcribe talent decisions into profit-and-loss impact; [and] measure talent outcomes and their impact on value while holding managers accountable.”⁹ Separated from the operational aspects of HR, these “Talent Value Leaders” would devise a talent strategy for their organization’s current and future needs. With a consistent eye on employee engagement, attrition, capability gaps, and internal skills development, HR leaders would more precisely be able to quantify the impact of their talent strategy. Bottom line: HR data can change the trajectory of their business.

But where’s the human in all this tech? The human (i.e. employee) is the beneficiary. The power of this technology is that it accelerates and informs decisions that affect employees at a very personal level—like identifying someone who deserves a promotion or planning out a clear career path for a high potential. The technology brings to the forefront things that might go by the wayside when HR and managers are overwhelmed by the daily grind. In effect, the integrated HCM introduces opportunities to serve the individual employee in a more personal way.

Will Robots Replace HR?

The promises of efficiency and futuristic capabilities may spark concern that something like “HR Alexa” will—in an ironic twist—replace the humans working in Human Resources. Let’s allay these fears: Technology will not replace HR. Rather, it will liberate HR from routine tasks and elevate the



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⁸ “The CEO’s Guide to Competing through HR.” Frank Bafaro, Diana Ellsworth, and Neel Gandhi; McKinsey Quarterly 2017

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function to a more strategic position.

And the increased efficiency doesn’t stop with the Human Resources department. Technology will also decrease the HR-related responsibilities of non-HR employees. Imagine the time saved from circumventing the traditional performance review: With the current process, managers complete a report, the direct reports complete their report, and if they don’t align, everyone goes back to Square One. It’s a major time drain that a technology-enabled, continuous review process can avoid. This dramatic decrease in internal overhead alone will open up major resources to be invested elsewhere.

By creating efficiencies, technology will unshackle the humans who work in HR from the incarceration of the Excel sheet (hence the name “cells”), freeing them up for more human tasks. For instance, in recruiting, AI can conduct unbiased evaluations of hard skills. Harj Taggar, co-founder and CEO of Triplebyte, which offers a credentials-blind process for assessing engineers, says, “AI is starting to outperform humans at making hiring decisions in certain areas. [...] AI then frees up recruiters to focus more on conducting soft-skill and culture-fit evaluation in a more structured way.”¹⁰

Stop Trying to Hire your Way out of the Talent Crunch

The advances in recruiting technology are exciting, but they come with a caveat: You cannot hire your way out of the talent shortage. The hiring landscape is like the parched, barren earth of Death Valley. You cannot find all the talent you need out there—unless you’re prepared to pay a premium. The more sustainable option is to develop talent in-house, and the only way to do this is with actionable data that comes from the intersection of these formerly disparate HR systems.

The mistake that many companies are making is attempting to hire superstars. But recruiting (and compensating) these million-dollar-idea people is at best unsustainable, if not impossible.

“Technology will unshackle the humans who work in HR from the incarceration of the Excel sheet (hence the name “cells”), freeing them up for more human tasks.”



¹⁰ “5 Ways Technology is Changing the Face of HR.” Meghan Biro, *TalentCulture*, 2018.

With the advent of smart recruiting tech—just in time for the current talent crisis—many organizations are clamoring to streamline recruitment. A Fast Company article tracking hiring trends for 2019 explains the logic: “[R]ather than waste anyone’s time with several in-person meetings, online features will allow hiring managers to send out personality, writing or functional tests an interested professional must complete before moving forward,” reasoning, “This saves headache—and heartache—on both sides of the process.”¹¹

What this article (and many thought pieces) fails to take into account is that these purportedly time-saving exercises demand more of the *candidate’s* time and effort. And yet, in this current labor market, *talent* is the high-demand resource. Jobs are plentiful, particularly in highly-skilled and technical areas. Organizations struggling to find the right talent are not in the position to ask candidates to jump through superfluous hoops.

What organizations *should* do is look internally to identify potential stars and cultivate opportunity-spotters. HR technology can help you understand who is ready to take on new challenges, as well as provide training for employees to bridge those skills gaps. By investing in internal talent development—rather than myopically focusing on hiring—organizations will achieve better engagement and greater, more sustainable impact.

When you do hire, hire for potential—and then invest in growing the value of existing talent. An astute, self-motivated high school graduate with a growth mindset can be a better bet in the long run than an experienced college grad with all the desired skill certifications. Ask yourself, “Which of these candidates can change...and continue to grow?” *These are the people you want in your organization.*

Of course, hiring younger or more inexperienced people comes with its own set of challenges. In a recent roundtable of CHROs, a major point of discussion was how many new employees lack basic adulting skills. Before on-the-job training even starts, HR is helping some employees open their first bank accounts to receive their paychecks. Many inexperienced workers also need coaching in soft

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Generation Z workers may need coaching in soft skills, like how to handle conflict or how to facilitate a meeting. The hands-on investment from HR here can be worth it—but it requires a commitment to talent development.

¹¹ “Watch for these 5 hiring trends in 2019.” Lindsay Tigar, *Fast Company*, 2019.

skills—how to handle conflict, for instance, or how to facilitate a meeting. The hands-on investment from HR here can be worth it—but it requires a commitment to talent development.

If HR is to be the prophesized kingpin in the war for talent, it must claim ownership of the entire employee lifecycle—and have the integrated analytics to drive the personalized, human actions that add value to both employer and employee.

How Far is Too Far?

In our enthusiasm to leverage these powerful new technologies, it’s crucial to exercise constraint. Just as Gmail’s Smart Compose AI should not replace a thoughtful response to a personal email, high tech should not take over high-touch activities that have meaningful—and measurable—impact on individuals.

Before implementing new technology, ask yourself, “Does this enable efficiency—or introduce unnecessary tasks? Does it improve the individual’s experience? Would adopting this technology have counterproductive side effects?”

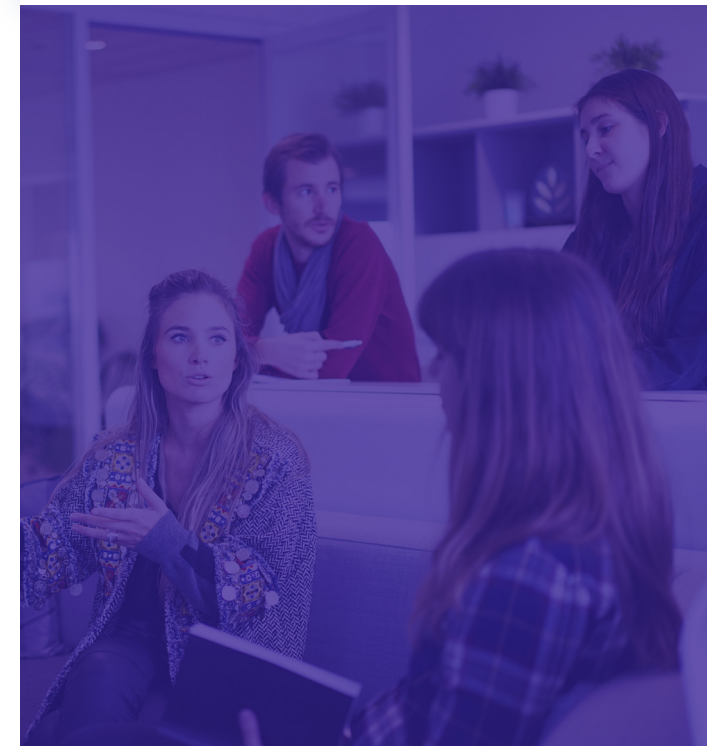
Empowering Strategic Leadership

By employing the right technology, HR can free up time for strategic initiatives, cross-functional alignment, and highly impactful hands-on experiences. As a Deloitte article succinctly puts it, “[H]umans will do what they do best, and machines will do what they do best.”¹²

Rather than shrinking the role of HR, technology will expand HR’s strategic purview and elevate the position of HR as organizational leaders. Instead of making one-off decisions based on instinct alone, an integrated HCM provides leaders with a powerful tool of robust, hire-to-retire data, as well as the means through which to execute strategic talent objectives. These unified systems produce rich,

¹² “Prediction: Organizations will rethink work for a more productive workforce.” Kathi Enderes, Deloitte, 2018.

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contextualized data that connects formerly disjointed parts of the employee lifecycle. Actionable insights produced from this web of data can help improve the employee experience. In turn, organizations benefit from a highly engaged and self-improving workforce—and are equipped to act in real time to the insights the data generates.

As HR technologies proliferate in the marketplace, picking the right technology and striking the right balance between high tech and high touch are critical tasks for HR leadership to master. As the chiefs of talent strategy at this pivotal time, HR must carefully evaluate the utility of each technology, keeping the human consequences top of mind.

The overall mandate is clear: The digital economy demands both increased operational efficiency and an overarching talent strategy. How can HR meet both big picture and small picture expectations? Automate the minutiae, integrate HCM systems, and use the resulting insights to power a high-impact talent strategy—*for* humans and *by* humans.



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The baseline standards for HR digitalization are rising. To determine where your organization is from a technology maturity aspect, read the white paper “[Organizational Maturity Index: Maximizing Success in a Changing World](#)” to pinpoint your progress and learn what steps to take next.

Meet The Author

Brent Colescott is the Senior Director of Business Strategy and Transformation for SumTotal. With over 20 years of experience in the learning and talent fields, he has successfully initiated and optimized online learning platforms and programs during his career in the HR, Utilities and Energy industries. His notable accomplishments include being recognized by WebEx as their “Innovator of the Year” in 2005 and by Skillsoft as the “2007 Learning Leader of the Year.” Brent holds a Master of Education in Administration and Technology and is a former Chairman and Executive Board Member of the Humble ISD Education Foundation.









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About SumTotal

SumTotal Systems provides a unified, comprehensive and flexible Talent Development suite spanning the entire employee lifecycle. The award-winning solution for attracting, retaining, developing and engaging today's multi-generational workforce is grouped into four HR Suites: Talent Acquisition, Learning Management, Talent Management and Workforce Management—all on a common platform. SumTotal is forged from decades of experience providing learning and talent solutions to companies of all sizes, in all industries including airlines, financial services, healthcare, manufacturing and pharmaceuticals. The company's beautiful technology provides a gateway to all content libraries, while seamlessly integrating access to the largest corporate learning library from Skillsoft. SumTotal also supports content aggregation leveraging the latest standards, including xAPI and CMI5. Learn more at www.sumtotalsystems.com

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