

Moving HRO Beyond Self-Service to a State of Self Sufficiency

FINALLY, A COLUMN THAT IGNORES MARKETING PITCHES IN FAVOR OF EXPLORING HRO'S "MANUFACTURING PLANTS." REMEMBER, SELF-SERVICE CAN ONLY EXECUTE WELL IF IT'S PERSONALIZED FOR EACH USER AND ROLE. BY NAOMI BLOOM

The promised benefits of HRO and the quality results we want from outsourced HRM processes aren't "manufactured" by Powerpoint, Word or Adobe. Rather, they are "manufactured" in data centers and service centers using a lot of applications software.

There are a whole range of critical success factors for our industry, from effective staffing and staff development through business strategy definition and execution and on to the management of client and subcontractor relationships. I may speak of these from time to time as they relate to the more technical issues, but I'll most often discuss the critical characteristics that you should look for in the HRM delivery system applications software platform of any prospective HRO provider, along with the best techniques for getting under the bonnet to assess that software. The list of critical

projects and matrix designs. Because the data being managed by your outsourcing provider is part of your organization's larger data management and analysis picture, we'd better make sure that the provider's software can support as many competency-centric HRM processes as we think are important.

So many places to look, and so little time, so let's begin at the beginning—self service. Because it's to achieve intelligent, role-based, self-service (self sufficiency? think Amazon!) that many of us turn to outsourcing in the first place.

When well done, self-service improves service levels very directly, lowers costs, reduces errors, improves time-to-market, minimizes regulatory and litigation exposure, improves workforce engagement, and even increases business outcomes when managers and their people-related decisions are supported. HRO providers love self-service because, when well

Consider the hiring manager who isn't forcefully reminded of the interview questions she must not ask in a particular cultural or regulatory context and of the questions she should ask to elicit and assess the relevant competencies for the open position. Consider the employee who made an address change but wasn't told that his preferred clinic doesn't serve his new hometown and learns of the problem only when he brings his sick child to his old clinic. And let's not forget the manager who approves overtime for one of his employees without realizing that he was violating the limits on overtime for workers of a particular age and/or doing particular kinds of work as well as ignoring work council rules about how overtime is to be allocated among team members. Self-service without personalized, role-based embedded intelligence and content can produce very costly side effects. It also angers users who are made to feel that they are doing HR's, or worse, the outsourcer's data entry.

Whether those side effects are borne by us or by our providers, they are not going to help to achieve the business benefits for which we outsourced in the first place. So perhaps we'd better look very carefully—using scripted scenarios of course—at the exact self-service capabilities of prospective HRO providers. And here's a hint: out-of-the box self-service from ERP/HRM providers is neither very intelligent nor content rich, which is why major providers of comprehensive HRM BPO that use ERP/HRM software as their core almost always build out from that core to enhance these capabilities. HRCE

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characteristics that shape the provider's ability to deliver high-quality, lost-cost services isn't very long, but it's a very powerful list.

So where to begin? Should we tackle first the proper handling of contract workers? Here's a hint: you don't want them stuffed into an employee database with only arcane status codes to distinguish them.

What about proper effective dating along with fully automated retroactive and prospective processing? Show me a provider with elaborate mass changes procedures, and I'll show you a provider with lousy software.

And then there's ensuring that your provider's software can handle today's complex organizational structures, including multiple concurrent reporting relationships, teams, and

done, it really reduces their costs of delivery. When self-service is done well, with sufficient, effectively dated embedded intelligence and point-of-sale content (including essential regulatory content) personalized to the multiple concurrent roles that users play, all of the expected benefits accrue to both customer and provider. So where's the catch here?

When self-service is executed badly, which is all too often, and delivered as mere transactions for user data entry, not only are more frequent and more complex calls placed to the service center, but many of the resulting problems aren't known until they've really escalated. (Worse yet is an escalation in call volume to both the customer's HR staff and the provider's subject matter experts.)



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