EMPLOYEE SELF-SERVICE AS A SIGNIFICANT COST SAVINGS SOLUTION

2015

THE RAPID RATE

at which Human Resource departments are evolving is forcing a paradigm shift in HR professionals who have often assumed the roles of compliance managers, benefits administrators, paperwork processors, policy and procedure educators and recruiters.

The changes to the Human Resource job functions are because of a move away from traditional processes that HR formerly had to handle and a move toward empowering employees with self-service solutions for their HR needs. Employee Self-Service (ESS) is the cornerstone of a smart, forward-thinking Human Resource strategy and it must begin today to ensure your department remains relevant. Human Resource departments can no longer afford to be bogged down with mundane administrative tasks. Josh Bersin references the Deloitte Global Human Capital Trends 2015 study on his blog which states, "The results show that 87% of companies now rate 'retention, engagement, and culture' as an important imperative and 50% rate it 'urgent'". With human resource departments constantly working on data entry projects, and similar task-based work, how can there be time to focus on what is truly important, and in 50% of cases, urgent? This is where embracing employee self-service technology makes all of the difference. The Society for Human Resources Management (SHRM) published a study called, "Transforming HR Through Technology" which stated, "…organizations that combine effective HR management processes with effective HR technology are likely to be more profitable than those that do not." Though this is something that can be understood by noting the sheer variety of HRIS software providers in the marketplace, the facts that we will present in this paper will walk you through some of the best uses of employee self-service so you can focus on the evolving role of the Human Resources department.

WHAT IS ESS?

There are many ways to begin to implement employee self-service, but it is important to understand what employee self-service really means to both the employee and the organization. SHRM's study, Transforming HR Through Technology, states, "Employee self-service (ESS) is an approach in which employees access and maintain their personal HR data…A well-designed ESS allows employees to make informed choices and to become self-reliant for many HR services. For employees, this means increased convenience; for organizations, this means significant cost savings." There is a clear win-win that happens when employee self-service is adopted throughout an organization. Technology has enabled departments to become more productive, and by allowing hardware and software to encourage employee self-service as well as to automate mundane tasks, Human Resource departments are able to show tangible savings.

Some of the employee self-service practices include compliance and reporting tracking, benefits management, e-compensation, e-learning, and though not technically an employee self-service practice (because

the person taking the action is not yet an employee), e-recruiting. Can you fathom how much time and costs associated with the above mentioned HR functions could be saved with a transition to self-service? If you cannot, this paper is going to show you.

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DOCUMENTATION PREVENTS FINES & PENALITIES

Compliance and reporting are hot button issues right now in Human Resources. Government policy changes have made the job of Human Resource departments much more challenging. What happens when you have a disconnected workforce with employees at multiple locations and working on various projects? How do you remain compliant and ensure you have the correct documentation? According to SHRM's study, "Organizations continue to be affected by state and federal compliance requirements, which require HR to collect and report additional information. Firms increasingly will need to adapt to HRIS in order to remain compliant. Pending change in tax codes, financial reports, equal employment opportunity compliance and health care all suggest that compliance and reporting demands will increase. For

example, the new Patient Protection and Affordable Care Act will significantly increase the amount of corporate reporting required by the federal government." How do you achieve all of this without a significant increase in HR expenditures? An easy way to do so would be to combine a smart HRIS with a computer kiosk at key locations where your employees work. Employee self-service plays an important role here, especially when you need documentation from your employees working at remote locations. It would be incredibly powerful to offer a scanning solution so the paperwork could be sent digitally to the proper offices, and to have a digital receipt sent to your HR department and a printed receipt for your employee. You have connected your disconnected workforce. The correct office has documentation, the Human Resources department has documentation and the employee has documentation.

improves the user experience, while making it easier for employers to track and report benefits-related information. Integrating an online enrollment system with other HR systems such as payroll and tax can boost efficiencies and cost savings". When an employee can manage their own benefits, Human Resource departments can advise on more critical employee needs. Time is not wasted by consistently answering

only by reducing transaction costs, but also by avoiding fines and penalties".

COMPENSATION – NOT JUST PAYROLL & PERFORMANCE REVIEWS

Employee compensation, unlike compliance, reporting and online benefits management, is not an HR function that immediately is considered a possibility for employee self-service in the traditional way of thinking. When many people think about compensation, they think of payroll processing and performance reviews. E-compensation is changing the way we look at traditional compensation processes and the success Dell has seen since implementing e-compensation has been huge. According to the SHRM study, "E-compensation streamlines the salary planning

THE BIG THREE – RETENTION, ENGAGEMENT AND COMPANY CULTURE

EMPOWERING EMPLOYEES WITH SELF-SERVICE BENEFITS MANAGEMENT

Similar to compliance and reporting, online benefits management is another part of the employee self-service model that works to save time, save costs and prevent unnecessary fines and penalties. The Wichita Business Journal lists "Online Benefits Enrollment" as #2 in their article, "5 HR technologies companies should consider", describing the process as follows, "…online benefits enrollment focuses on creating a completely paperless process that reduces errors and significantly

questions that could easily be accessed through the employee self-service portal. An employee in a factory setting could visit one of the interactive kiosks, login to their HRIS employee self-service portal and scan and email all of their new hire paper work (I9, W4) and their health insurance forms. Once again, it all comes back to cost savings, time savings and avoiding unnecessary penalties. SHRM's study further explains, "Managers responsible for compliance with legal mandates (such as COBRA, or the Family and Medical Leave Act) use systems to monitor employee status, payment and eligibility for health care benefits. Many mandated benefits programs carry significant financial penalties for noncompliance. E-benefits applications often can have a positive ROI in a relatively short time, not

processes, reducing both time and costs. Dell was able to reduce time spent on the salary planning process by nearly 65% (eight weeks to three weeks). Another company reported that its salary survey process was reduced from six months to six week. In addition, a major financial services company was able to achieve more than 10 million in savings by implementing e-compensation." By allowing employees to access a 360 degree view of their compensation package – health insurance benefits, life insurance benefits, paid time off, and salary, for example, as well as to allow employees to submit self-performance reviews, the compensation process is viewed as more fair by the

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employee. Along with maintaining employee morale, the online HRIS processes that Human Resource departments now have access to make the time and cost savings palpable. The SRHM study goes on to state, "Organizations with e-compensation systems outperform those without them. A recent survey found that companies with e-compensation systems achieved an average of 10.1-percent sales growth, versus 8.8-percent growth for companies that did not have such systems." The move to adopt HR technologies is now. It is one more way that technology will prove the value of Human Resource departments by saving both time and costs and freeing Human Resource professionals to focus on the most important department KPI's – retention, engagement and company culture.

E-LEARNING SCHOOLS ON DRAMATIC COST SAVINGS

The big three – retention, engagement and company culture – can often describe the following Human Resource department responsibility. It is one that is ongoing, and often dynamic – employee education and training. Policies in manufacturing may change as best practice are uncovered, such as with OSHA, and Human Resource departments must stay on top of the change and employees must be educated on the new procedures. This also ties back into the need for accurate, timely compliance and reporting. (As you can see, many of these employee self-service practices are interrelated and build upon one another.) Yet another example of corporate policy training that needs to be completed is sexual harassment training, which is almost universally required across industries. How can Human Resource departments continuously stay on top of significant procedural changes and

ensure employees are up to speed on these changes? E-learning clears the path so Human Resource departments can do just that while anticipating large scale cost savings. Referring again to the SHRM study, "Organizations implementing e-learning can realize dramatic savings, ranging from 40-50 percent within a couple of years. For example, IBM reported that it was able to save more than 400 million annually through e-learning". The ability for employees to log into their HRIS account

E-LEARNING

through a computer kiosk on a factory floor or in an office space, watch the required videos, take the required test afterwards and have the documentation that they have completed their training then submit to Human Resources is an enormous cost savings to the company. It is also a significant time saver, as the required training can be completed when it is convenient for the employee and his or her department. Productivity is not negatively affected since group trainings are no longer necessary.

RECRUITING YOUR FUTURE WORKFORCE WITH INTERACTIVE TECHNOLOGY

Finally, after taking the time to learn about how employee self-service can empower your workforce, and lead to both cost and time savings, you must also consider the future workforce, or applicant self-service. E-recruiting has been growing in recent years and we have frequently seen interactive kiosks running web based

software applications for recruiting purposes. Target is one retailer who immediately comes to mind and one where you can find computer kiosks in their stores, encouraging potential candidates to sit down and apply for a position at the company. Citing the SHRM study once again,

> "Online recruiting can cut cycle times by 25 percent, and can reduce recruitment costs by more than $8,000 per hire – a 95-percent reduction"

Those are drastic improvements in cost effectiveness, which any company CEO would be incredibly impressed with.

ADAPTING TO CHANGE IS THE RECOMMENDED COURSE

Human Resources is an ever changing field, and though it is easy to assume that these transitions will only impact Fortune 500 companies, that is simply not true. The need to streamline processes happens on a much smaller scale. Len April, Vice President of Zenith Talent, cites a study that counters that assumption with the reality of the current situation stating, "Perhaps the most surprising discovery in Software Advice's research involves the types of companies looking to move beyond their manual processes. You'd typically expect this sort of decision from a larger organization or one experiencing explosive growth. Yet the push is coming from small and mid-sized enterprises. Companies ranging from one to 250 employees account for 60 percent of the respondents looking to automate". Surprising? Perhaps. Important? Absolutely. Automating processes with the use of a multi-purpose HRIS system, recruiting software and the proper hardware, such as an interactive kiosk, is the only way to remain relevant in the changing Human Resources landscape by saving your organization both time, as well as, significant cost savings.

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