Elevating the Digital Employee Experience

To address the changing dynamic of a more digitally savvy workforce, HR organizations must tap into advanced analytics and harness ‘as a service’ delivery models to raise the bar on talent acquisition and development, as well as to inform new employee compensation and collaboration initiatives.
Executive Summary

As the digitization of business and society intensifies, a new, tech-savvy generation of employees is entering the workforce, changing the rules and driving organizations to reflect on how they might optimize their talent to gain a competitive edge. The pressure on human resources (HR) departments to master the art of human capital management (HCM) has never been more pronounced.

As baby boomers and traditionalists transition out of the workforce, a new breed of leadership and employee is taking shape, characterized by an unprecedented ease with digital communications and a willingness to embrace the virtual work environment. Gen X, Gen Y and now Gen Z talent represents a massive shift toward a more collaborative, connected and fast-paced workplace, in which self-expression is encouraged, and autonomy, recognition and global awareness are core terms of employment. To sustain organizational growth and competitive relevance, today’s HR executives must create a work environment that supports employee engagement and workforce productivity outside the box.

The “workplace of the future,” the “digital workplace” and the “digital employee experience” are all concepts emerging as HR mega trends. This white paper defines what a digital employee experience is, explores its importance to the workforce today and offers actionable guidance on creating a digital employee experience that protects the organization’s best interests, enhances productivity and supports HR’s mission, while simultaneously meeting employee quality of life concerns.
A New View of the Workplace

Over the last five years, new technologies and mindsets have emerged to effectively meet the most pressing challenges of doing business. Today, employees feel free to go out and find easy-to-use, collaborative, digital tools to execute their jobs in a more efficient, highly virtualized environment. With the proliferation of “bring your own device” (BYOD) policies, HR and IT do not always have the control they once exercised over the computing environment.

However, to make a digital workplace a “workplace,” organizations cannot allow employees to randomly download or acquire any tool they want to without some oversight. Corporations must manage the procurement, availability and security needs of these tools, using a robust technical architecture that is fully supported by IT. That’s a far cry from the anarchy that many HR leaders perceive as a liability of the digital employee experience.

On the other hand, a fully functioning digital workplace also cannot be realized by assembling a silo of corporate-sanctioned digital tools. An organization’s vetted tools represent only a small portion of the digital assets at an employee’s disposal. For example, marketing organizations commonly conduct Twitter campaigns, urging executives to regularly tweet, with the help of scheduling software that creates posts around their busy schedules. Likewise, marketing, training and recruiting departments often use sites such as LinkedIn to find opportunities and make valuable connections.

The fact is, many elements of the digital employee profile intersect with the employee’s digital work and home experiences; the lines have become blurred. For instance, posting on Facebook, buying clothes on Amazon or planning a birthday party by getting ideas on Pinterest might all be considered exclusively a part of the digital home experience. However, taking work home to create a presentation on a home computer or using an online tool such as Prezi could be viewed as a crossover.
IT teams previously tasked with running the corporate intranet are now seeking “employee experience management” experts, either as permanent team members or through consulting arrangements, to meld these environments into an industrial-strength collaboration platform.

**Bridging the Work-Home Environment**

Considering the distinctions, disparities and overlaps of the digital work and home environments, it’s important to approach the concept of creating a formal digital work experience with both environments in mind. In our experience, this goal can be accomplished through the use of a corporate intranet. Serving as an employee engagement portal and Web interface for vetted websites and collaboration channels — such as SharePoint, Yammer, Jam, Jive or other approved applications — a properly configured and monitored corporate intranet can support the digital overlap that companies need to leverage today’s blended workplace.

In fact, many organizations are already moving toward a collaborative solution that consolidates all the channels into one engagement portal, having recognized the improved work performance and employee satisfaction that comes from supporting robust digital workplace services. IT teams previously tasked with running the corporate intranet are now seeking “employee experience management” experts, either as permanent team members or through consulting arrangements, to meld these environments into an industrial-strength collaboration platform.

Within best practice organizations, the ways in which employees capture, share knowledge and connect is a growing topic of conversation. Smart companies are now assigning IT teams of architects and analysts to design user-centric digital work environments. These teams work closely with HR to establish practical, enforceable digital policies that encourage compliance. For instance, if a policy doesn’t include BYOD support, research shows employees will circumvent the policy. Making the enterprise digital workplace easy to use and providing a meaningful and contextually relevant user experience is paramount, therefore, to encouraging employee buy-in.

Our discussion of the digital employee experience includes six key elements of the digital work environment, encompassing the full HCM lifecycle:

1. **Talent acquisition**, from digital and social recruiting to employee onboarding.
2. **Compensation**, including rewards and benefits.
3. **Talent development**, setting goals, training employees and monitoring performance.
4. **Social collaboration**, enhancing productivity in a virtual work environment.
5. **Workforce analytics and planning**, using business intelligence to predict and encourage workplace performance.
6. **Business process as a service (BPaaS)**, sustaining ongoing support.
Talent optimization in the digital workplace begins at acquisition, when dominant competitors sift through a global, multigenerational talent pool in search of the best and brightest. The ability to penetrate global talent markets through the use of social recruiting introduces significant advantages, especially for organizations seeking renewed vigor in challenging times and sustained momentum as the business evolves.

Beyond choosing the right tools and communication channels, shrewd team building involves the development of a comprehensive talent acquisition (TA) strategy aimed at attracting the right candidates, even before the organization ever needs to hire. The fact is, the majority of prospective candidates are already plugged into the Internet, using mobile and social tools to perpetually gauge their employment opportunities.

More specifically, Gen X and millennials, who now comprise the bulk of the existing talent pool, fully embrace mobile and social media. These digital natives are well educated, techno-literate and achievement-oriented. They tend to multitask and prefer collaborative work. For this reason, any TA strategy must acknowledge and support a multichannel engagement model.

Additionally, as more companies expand into emerging economies, the domestic supply of quality talent is becoming inadequate, especially in the areas of science, technology, engineering and math (STEM).

Consequently, having a pulse on the broader talent pool, with a positive brand to back it up, provides a huge advantage.

Here are some elements to consider as businesses flesh out an approach to recruiting in a global, digital marketplace:

- **Recognize that TA is only one piece of the larger puzzle.** Begin by addressing the total HCM lifecycle, including development planning, performance recognition and succession management. Incorporate a powerful analytics toolset up front, to help mine organizational data for areas that currently, or soon will, require HR intervention. Where are attrition rates highest? How does the compensation package stack up against the competition? Is performance measured fairly? Is leadership development keeping pace with the aging workforce? By keeping the big picture in perspective, the return on digital investments will be optimized.

- **Seek and embrace innovation.** Be willing to push your TA efforts through the selection process using search engine optimization (SEO) and social/mobile (i.e., digisocial) strategies. More than simply posting jobs on popular jobs boards, use these platforms to analyze what candidates are looking for, and create content that improves your search visibility. Build your presence on social platforms, such as Facebook and LinkedIn. Then, integrate your talent management system with mobile capabilities to allow candidates and managers to communicate anywhere, any time. Making communications convenient for all parties compresses approval times and positions the company as a front-runner.
• **Enrich the user experience.** Design the recruitment experience to resemble the consumer experience on e-commerce and social media platforms. Examine how people search for common items, such as cars, music or major appliances; then, weave that into the online recruitment campaign. The more closely the business replicates common social collaboration practices in the recruiting network, the more successful it will be in meeting candidates where they work and live.

• **Plan ahead: Build your talent pool in advance.** Having a rich bank of targeted, qualified talent already folded into the organizational network can provide a significant competitive advantage when it comes to hiring. Organizations that simply wait for a vacancy to open up before they begin will be seriously behind the curve. Use analytics to forecast openings and areas of need, then collect candidates into a queue for future contact on an opt-in basis.

• **Stand out: Build an attractive corporate brand.** In the Internet age, transparency is the order of the day. Be sure to build a reputation for fair hiring, fair pay and corporate responsibility. By using new media public relations strategies and tactics, organizations can develop and highlight their voice on topics important to the recruiting pool across a wide variety of social media. Raising brand awareness, and doing it with professionalism, goes a long way toward breeding familiarity and creating a desire among top candidates to associate with your organization.

• **Teach leaders to be talent managers.** Involve top management early in the process, and encourage their involvement and endorsement moving forward. Show them how to build their own talent pools, build the brand and know what to look for in potential candidates, as well as where to find them.

• **Leverage innovative technology.** A new TA strategy cannot be launched on outdated processes and technologies. The more you can automate routine tasks, the more time workers will have to perform more strategic activities. Explore options on the cloud, where technological agility is the norm, and seek to integrate TA efforts, from sourcing, to screening, to hiring and onboarding. Test various social media outlets, mobile solutions, video channels, analytics tools and SEO strategies to attract the best candidates.

• **Don’t go it alone.** With all that must be considered in building an effective TA platform, having an experienced partner is critical. The domain knowledge, best practices and technical experience that can be shared by an expert partner can contribute to creating a set of KPIs that provides the latest measurement and critical thinking to TA.
Have you ever seriously analyzed why the people you hire agree to sign on and, more importantly, stay? Does it come down to salary, or does it go beyond that? How do benefits affect outcomes? Does your overall rewards strategy distinguish you from competitive employers and drive performance to new levels? Can employees articulate what your corporate compensation philosophy is? Can you?

Many companies struggle to answer these questions. The fact is, compensation is not only a differentiator, but it is also one of the main reasons for long-term retention, and it can actually be used to motivate goal-oriented performance.

With the influx of multi-generational employees into the workforce, attitudes toward compensation are changing (see sidebar above). As a result, forward-thinking digital organizations are moving away from the traditionally hierarchical compensation structures, wherein senior employees compete for the top slots between the hours of 9-to-5, Monday through Friday. The workplace of the future completely shatters the conventional mold, and organizations that don’t actively adapt are vulnerable to losing the best talent.

**Increasing Transparency**

To update their approach to compensation, organizations need to improve their “line of sight” by regularly reviewing and redefining their compensation, benefits and rewards programs. Consider the following questions:

- Are they free to make decisions, and do they understand the impact of those decisions on the company’s bottom line and their personal compensation?
• Do they understand what goals need to be reached in order to maintain their desired career path?
• Are they able to access the engagement and collaboration tools and procedures they need to effectively communicate and interact across the organization?
• Can managers access technologies and procedures to accurately analyze employee performance and make meaningful decisions on compensation (e.g., spot bonuses, out-of-cycle pay raises, ad hoc recognition through an internal social community, etc.)?

Engaging employees in conversations that reveal their understanding of compensation will help organizations reach a new understanding of “benefits.” Regular surveys, roundtable discussions and intentional monitoring of internal social networking forums can provide additional insights into designing compensation solutions that drive motivation, impact revenue and improve employee retention and satisfaction.

The dialog should continue on corporate social networks to hone the organization’s understanding of what motivates the workforce and sensitize leadership to the needs, wants and desires of the larger organization. Leadership also needs to ensure the compensation philosophy aligns with the overall business strategy, and that the company is attracting the right type of talent to enact the business mission, whether for new hires or within the succession strategy. By cultivating an environment that is engaged, open and secure, organizations can solidify a sense of corporate mission that sets them apart.

Of course, enabling this will require appropriate technologies. Generally, we recommend a software as a service (SaaS) HCM solution, as it reduces overhead and averts obsolescence. Offerings such as SAP SuccessFactors, Cornerstone OnDemand and SumTotal are among the more popular solutions that can deliver real-time talent management data through the use of dashboards. Minimizing dependence on manual processes such as spreadsheets to mine compensation data frees managers to analyze and affect the drivers that contribute to better business outcomes.

In addition, liberal use of social media and collaboration tools can empower employee engagement, strengthen teamwork, support spontaneous recognition and encourage valuable employee feedback.

A core component of any successful HCM program is talent development (TD), which can be defined as the process of changing an organization, its employees and associated stakeholders using formal and informal training methods, as well as defined processes to maintain a competitive advantage in the marketplace. The goal of TD is to engage individual employees in the business mission and reward their participation in personal growth and career advancement.

Key TD processes include:

• **Defined capabilities**: Established for each talent class, with ratings based on seniority, for the purpose of growing junior talent to the highest levels.

• **Talent analysis**: Benchmarking current talent levels and defining desired ones for each position in order to achieve the business mission.
• **Individual development plans:** Created for each employee based on the company’s business mission and the employee’s personal goals.

• **Talent reviews:** Conducted at both the manager level, to ensure the right people are on board to meet the business strategy, and the employee level, monitoring progress against the employee’s stated goals.

• **Succession management:** Proactive planning to ensure alternate candidates are prepared to succeed when incumbent workers transition out of their position (due to retirement, illness, death, etc.).

• **Leadership development:** Directed at the C-suite/director levels, to ensure the proper people are in place to achieve the business mission and are aligned with the company’s various business units and philosophy.

• **Employee development:** Directed at employees to develop and meet career aspirations and company needs.

• **Career development:** A robust HR learning resource library for employees to explore or managers to reference in support of employee development.

According to a poll of more than 15,000 employees published in the book *Love 'em or Lose 'em*, “career growth, learning, and development” was the second most frequently stated reason employees gave for staying with a job, second only to “exciting work and challenge.” MTV confirmed this notion in its workforce study, *No Collar Workers,* in which 89% of millennials emphasized the importance of “constantly learning on the job,” and six in 10 said they expected to switch jobs in five years due to “lack of engagement.”

When you consider that it can cost up to one-fifth of an employee’s annual salary to replace them, according to a recent study by the Center for American Progress, TD not only increases the value of the workforce, but it also preserves and protects the investment made in it.

### A Centralized Approach

TD costs can spiral quickly, however, especially in organizations that are geographically dispersed. In these cases, programs can also suffer from inconsistency as local offices implement their own initiatives and on-premise solutions, creating a wide gulf between performance and goals throughout the annual review cycle, and gaps across the continuum of improvement. If spreadsheets are the only means of tracking progress, the organization will lack the real-time information it takes to effectively gauge where employees are in their learning plans.

Managing performance, goals and development materials around a centralized hub can dramatically cut costs, stabilize outcomes and speed ROI. Centralization supports a common language for discussing job requirements, and provides a platform for creating and managing the common processes necessary to identify and close performance gaps.

Centralized TD processes such as defined capabilities, talent analysis and individual development plans create an economy of scale that makes TD practical across the extended enterprise. As managers leverage these assets in concert, employees consistently develop in line with the organization’s strategic competency and capability growth models.
With centralization, performance reviews can also occur more often than regularly scheduled. Such ad hoc check-in meetings can quickly correct an employee's course, as TD "coaches" work with employees directly to fine-tune career paths and performance development. Such personalized feedback also builds cohesion among the ranks.

Of course, it takes more than a new system to establish an effective TD transformation. Aligning TD processes with business expectations involves a large dose of change management and active employee engagement (see sidebar below).

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**Quick Take**

**Assembling the Key Ingredients**

A TD strategy requires the marriage of smart tools and invested leadership. Managers must actively help employees understand their development paths and learn the concepts required to progress in line with the company’s evolving business mission. If employees are not engaged, if buy-in is not established, if system investments don’t make their way to practical application, if managers don’t consistently and intentionally leverage their assets to advance employees along clearly defined paths, the business won’t get the traction it needs — and will damage its credibility for future initiatives.

A new way of thinking will take shape when the CEO makes known why a new approach is necessary, provides details on the rollout, identifies training opportunities, remains visible throughout the implementation process and solicits employee feedback.

The right tools to support the new TD mindset are equally important. Even HCM software introduced just a few years ago can often be lagging in functionality. This furthers the case for a centralized, cloud-based solution, in which virtual assets remain evergreen and scalability is simplified.

With assets in the cloud, mobile users can check-in any time, provide feedback via surveys, communicate with managers and access personalized content in a consistent format. As a result, employees can share a common TD experience, regardless of geographical location, with all data effectively managed on a single system.

We worked recently with a leading technology company to re-define its talent development process by enabling faster, specific and actionable feedback from employees. Using an analytics-based approach, we worked with key stakeholders to understand how progress would be measured in the new TD model. Melding the strategy and metrics with cloud-based technology allowed us to create a set of TD processes that reflect truly personalized best practices for the client. The technology implemented provides an engaging user experience, combined with purpose-built, digital tools to provide managers and employees with an easy-to-use feedback and communication system that is critical to the company’s growth and success.
In a virtual world, social collaboration may be the most effective way to increase employee engagement and workforce productivity. In other words, implementing social collaboration in the workplace can help organizations redefine their talent strategy and achieve their business goals.

As HR continues to transition into the digital workplace, social collaboration is often viewed as a personal collaboration tool. However, as new generations enter the workforce, virtual networking and information-sharing across digital platforms have become commonplace, endorsed, managed or standardized by employers.

For this reason, companies should adopt a social collaboration mindset, and embrace the technologies their employees find most convenient to stay connected across geographies and increase productivity.

APQC, one of the world’s leading business benchmarking, best practices and knowledge-management research firms, recently partnered with us on a survey of HR professionals. The research showed that “talent optimization” was the number one business objective for 2014-2015, with “increasing employee engagement and workforce productivity” listed as the two most important talent optimization goals.

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Rethinking the Enterprise Social Network

To get there, businesses must first re-think the common perception that the cost and change required to implement an enterprise social network (ESN) as part of their talent strategy is not worth the rewards. Nothing could be further from the truth.

An ESN, which is simply a secure social exchange platform on which employees can collaborate, share ideas and discuss projects on-the-fly, can greatly enhance the transparency, flexibility and responsiveness of the business. Indeed, there is a rising tide of demand for it; according to research conducted by Cornerstone OnDemand, 38% of workers feel there is not enough social collaboration in the workplace. Respondents cited the following key drivers in favor of the concept:

• Positive recognition on shared input (50%).
• Encouragement from senior staff (41%).
• Ability to easily share input with different departments (33%).

Since many organizations already have some level of ESN in place – albeit a bare-bones version with limited capabilities – the idea of boosting the ESN investment is often met with resistance. However, there are several reasons why social collaboration deserves a prominent place at the table as part of a long-term growth strategy:
• **Increased employee engagement.** When employees can communicate and connect conveniently with each other, it increases employee engagement and team-building, tightens coordination on projects, especially across diverse geographies, and adds significantly to workplace efficiency, productivity, communications, bottom-line results and employee satisfaction.

• **Collaborative learning.** When blended with a typical learning management system (LMS), social collaboration stimulates employees to discuss their progress and challenges, and enhances their learning and professional development to build a stronger workforce.

• **Collaborative working.** Employees across functional and business units can interact more easily, find resources and connect as a team, thereby driving greater business value. The conversations become searchable content that can be shared with a wider team to expand the effort.

• **Improved employee productivity and performance.** Engaging and collaborating not only enhances employee relationships, but it also improves performance and productivity by enabling employees to ask questions without interrupting their workflow and avoiding the perceived need to reinvent the wheel.

• **Team-building and work culture.** With more professionals working in a virtual office, social collaboration fosters a healthy, productive environment, and eliminates employee isolation. Employees can chat one-on-one or share in groups, enriching the process without the need for a physical meeting.

Done well (see sidebar below), social collaboration breaks through organizational silos, flattens hierarchies, bridges the gap between junior and senior team members, and simplifies the complicated. It opens up communications, removes fear and hesitation, and offers everyone on the team a platform to voice opinions and share ideas, collateral and recognition.

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**Quick Take**

**Building a Community**

Creating a private ESN that is secure, usable and manageable takes a good amount of front-end planning. Every employee, functionality, location and business unit must be considered to ensure the proper guidelines, policies and security protocols are in place.

The chosen technology should fully support the plan; having full functionality at program launch is vital to establishing credibility and acceptance for the initiative. In addition to having visible support of senior leadership, a designated community manager should be assigned early on, to ensure that employees understand how the ESN works and maximize its potential. The community manager is responsible for managing the onboarding of new users and resources, migrating groups and business units onto the platform, and encouraging participation. This role serves as both a coach and champion of the network, promoting its use through regular posts, training, how-to webinars and presentations.

The plan should also include an engagement strategy that recognizes participants with various awards for contributing to work discussions. The plan should also include events featuring guest speakers and subject matter experts to share their knowledge and generate interest and excitement as the community takes root, grows and matures.

In its final form, the ESN will represent a single, private platform over which every employee can connect, collaborate, learn and work together, en route to a more engaged and productive workforce. It provides an inviting forum for newcomers to feel connected and a place where thought leaders can rapidly spread insights, accelerate learning and drive performance.
Workforce analytics (WFA) is a set of advanced data analysis tools and metrics used to gauge and steadily improve workforce performance. It involves statistical research, data processing and other data sciences to provide HR decision-makers with the workforce insights they need to reach organizational and HCM goals.

Through WFA, talent acquisition, compensation, development and the details surrounding these core areas (e.g., time-to-fill, cost-per-hire, retention rate, etc.) can all be factored into strategic plans based on historical evidence and accurate forecasts, instead of guesswork. This eliminates false steps, reduces waste, improves organizational performance and ensures alignment of HCM with the business mission. Because it replaces intuition with quantifiable metrics, WFA is an essential underpinning of a modern digital employee experience and a key enabler for fostering results that matter.

Digital employee engagement starts by capturing key parameters of the talent lifecycle, from acquisition to separation. At each stage, talent information is recorded in enterprise systems, where it can then be analyzed and used for decision support. In this context, WFA can drive the transformation of data into information, and information into insight and prediction.

WFA is essential for accessing reliable, concrete data in support of critical business decisions, such as:

- **Recruiting:** Managing talent acquisition at all levels, including external and internal recruitment, contracting and building a talent pool.
- **Performance:** Tracking and predicting the key indicators that influence employee performance.
- **Workforce management:** Forecasting demand and predicting resource shortages, surpluses and required resources for niche skills.
- **Growth:** Recording and analyzing factors that influence organizational growth and making decisions that achieve strategic objectives.

### Pinpointing WFA Requirements

To ensure a proper fit and accelerate results, we recommend that organizations outline exactly what they expect to address in a well-performing WFA system:

- Document your corporate guidelines, mandates and associated HCM goals in order of priority.
- Benchmark the opportunity costs for taking or not taking action.
- Define the upper and lower limits of tolerance for various KPIs (e.g., number of resources/specialists per project, supply and demand numbers, candidates in the pipeline, etc.).
- List the types and frequency of reports needed to maintain progress (e.g., real-time, just-in-time, on-demand, presentation formats, executive snapshots, alternative views, etc.).
- Define how recommended actions should be classified by target audiences, including security and access considerations.
- Determine what offerings already exist in-house, what can be developed or modified in-house, and what offerings might best be supplied by an outside vendor, along with a vendor list.
Taking It to the Next Level

In its purest form, WFA transcends the packaged, auto-calculated ratios many software vendors currently offer to provide a more intuitive and incisive analytics experience. For instance, out-of-the-box capabilities that calculate the time to close a position may be useful, but how are bottlenecks identified in the hiring process? What are the key traits of a successful candidate for your company? What roles should be backfilled? Who is at risk of leaving? Is the company effectively using its internal talent marketplace?

These kinds of questions can’t be answered using basic, standard formulas. A more powerful – and disruptive – capability is needed to manage long-term growth and sustain the engagement strategy. A WFA solution that cuts across the boundaries of recruiting, engagement, compensation and performance can provide the wide-angle lens needed to enact the timely interventions it takes to create and sustain a healthy enterprise.

That said, no WFA solution will bloom on its own. For optimum value, it must be surrounded with allied services, such as:

• An architectural blueprint designed to capture where the organization has been, where it is currently, and where it plans to go.
• A portfolio rationalization, highlighting which components are currently useful, which ones can be enhanced or replaced, and which to retire.
• A KPI library that makes sense for the specific industry, organization and HCM environment.
• Any variety of stand-alone services, including custom components, legacy bridging, prototyping and language localization.
• Ongoing support services to manage, maintain and monitor the program.

A WFA solution is not a one-size-fits-all matter. Every organization is different in how it makes strategic and tactical decisions, and what may be a timely and meaningful HR intervention for one business can actually be a non-issue at another. Finding the right combination of out-of-the-box capabilities to accelerate ROI while concurrently customizing the solution to fit long-term needs will be a key decision point in selecting a WFA vendor (see sidebar, previous page).

The Goal: Better Business Decisions

To maximize the potential of the enormous data reservoirs at their disposal, organizations need a WFA system that can readily access reliable, concrete data in support of key business decisions. A truly organic, reliable WFA system will facilitate the research process in a way that makes sense for users, the organization and the industry.

To effect such a design, the following six project elements should be in place:

1. A relevant KPI library reflecting the ideas, frameworks and accelerators needed to achieve reliable outcomes.
2. Detailed WFA design and delivery frameworks.
3. A dedicated management office to harmonize processes, enterprise HCM consulting, transformation and program management.
4. An execution and delivery center to oversee the end-to-end implementation.

5. Value-added services, such as design, prototyping, localization and proof-of-concept testing.

6. Service and solution extenders, such as legacy bridging, modernization, mobility and a cloud-solution implementation.

While many technology and platform providers are able to meet most, if not all, of a business’s needs with little or no customization, designing a custom solution is not necessarily prohibitive. Microsoft, Java, mainframe and open source software can also provide extremely powerful results in a homegrown application. It mainly depends on how the business defines its long- and short-term goals, support requirements and vision for the future.

Clearly, a fully functioning and well-designed WFA solution can become the nerve center of a successful HCM program and sustain the organization over many years, yielding an ever-increasing ROI. WFA solutions have only begun to reveal their full impact on business outcomes. We believe the early movers will command a significant competitive advantage going forward.

No discussion of the digital employee experience would be complete without including BPaaS, a relatively new concept that combines business process outsourcing (BPO) with cloud-based, “as a service” technology models, to drive efficiencies through standardization and outcomes-based commercial models.

Rather than putting a drain on talent and profitability to create customized HR business processes, BPaaS creates business process agility. Using automated software, accessible over any device, BPaaS allows end users to directly interact with key processes and systems to conduct even the most complex HR functions. It enables business growth, maintains consistent standards and supports regulatory compliance.

To clarify, a company utilizing BPaaS works with a provider to source one or more business processes. The provider then migrates those processes to a cloud solution and executes and monitors them on a fee-for-service basis. Depending on the process, BPaaS providers charge by transaction, using a declining rate as employees move to self-service tools. Typical service level agreements for BPaaS include call wait times and first contact resolution, along with other client-specific measures to ensure quality and continuous improvement.

A Paradigm Change

BPaaS is significantly changing the way HR processes are managed. Consider a master database of employee records: Instead of stepping through a cumbersome
call center process (see sidebar), employees can now directly access their personal data through a SaaS system interface and update addresses, phone numbers and primary contact information more, quickly and easily, without third-party intervention.

BPaaS is likewise being used to improve call center interactions. Call centers can now standardize on one HR SaaS package, shared across all client companies. As a result, call center operators only have to be trained on one system, with one consistent user interface.

Another business process that is moving toward an as-a-service model is recruiting, which involves managers feeding requisitions to the service provider, which then sources, screens and provides the manager with a list of qualified candidates. The manager interviews and selects the best candidate, and the vendor negotiates the details of the offer and provides a confirmation back to the manager. The vendor can also input candidate details directly into the client’s HR information system.

Widespread Payback

As companies experiment with other outsourced HR processes, including compensation as-a-service and succession planning as-a-service, it makes sense to consider the benefits of BPaaS in the transition to a digital workplace. BPaaS is growing in acceptance because it replaces costly investments in hardware, software, support and training with a more scalable, consumable, pay-as-you-go service model. In addition, BPaaS provides:

- **Increased mobility:** Users and call centers are not tied to a specific location. The software and services can be accessed from any Internet-connected device, including mobile phones and tablets.
- **Bring your own device:** With software and services accessible via the Internet, there’s no need to maintain expensive desktops or laptops for on-premise employee access.
- **Scalability:** The organization can source an increasing number of processes, without any increase in hardware or software costs.

Quick Take

**The Origins of BPaaS**

The concept of BPaaS is a natural evolution of HR outsourcing (HRO), which developed as a way to replace expensive resources with equally experienced resources to reduce costs. HRO vendors seek to maximize resource utilization by serving multiple clients, and the cost savings are passed on to the client, with relatively little decline in service quality levels.

One of the core elements of this model was the call center. HRO companies operated vast call centers from which they could service hundreds of clients. If an employee needed to change his address, he called a number and was routed through automated voice recognition software, to the correct person for assistance. Often, resolution would take more than one call, as support documents would need to be printed, faxed, copied or e-mailed. If there was a problem with an employee’s paycheck, delays compounded the frustration. In addition, because one call center technician was responsible for serving several clients, callers had to wait for operators to access the proper information and review the policies for that specific company before a resolution could be reached. Over time, this proved to be a stumbling block for successful employee engagement.
• **Time savings:** The ability to access HR processes in a direct, self-serve environment saves time, increases productivity, speeds throughput and promotes greater employee focus on mission-critical work.

In essence, employees can access all HR business processes via the cloud, using the same style of interface they use in their daily, non-work lives, empowering them to take ownership of their data and increasing employee engagement and job satisfaction.

A typical BPaaS solution includes a self-service component, where employees and managers can connect directly with services online at any time, as well as an employee engagement center as a gateway for live phone, chat, e-mail and text messaging. The engagement center is completely integrated with the cloud-based assets and supported by domain-specific centers of excellence for payroll, talent management and tech support.

**Looking Forward**

As HR enters the digital era, it has an unprecedented opportunity to provide an enormous competitive advantage to their business. HR leaders who can fully integrate their processes into the digital workplace will reduce costs, increase engagement and add real dollars to the bottom line. The journey starts with a few simple questions:

• Do we understand what we need to measure to be successful?
• Do we have the right processes in place to truly empower employees?
• Do we have the right technology to provide the systems of engagement that are critical to success?
• What are the top three areas in which we should invest time and effort to create compelling experiences for internal and external clients?
• Do we have the internal expertise or the right partners to ensure success on this journey?

Answering these questions will enable the organization to create a meaningful roadmap to creating an innovative, rewarding and productive digital employee experience.
Footnotes


About the Authors

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Human Capital Management

As part of the Enterprise Application Services Practice, Cognizant's Human Capital Management (HCM) sub-practice helps companies address their most critical workforce challenges through an advisory and consultative approach, leveraging both on-premises and cloud-based HCM solutions. For more information, please visit www.cognizant.com/human-capital-management.

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