Talent as a Service: Enabling Employee Engagement While Boosting Efficiencies

The human resources (HR) and human capital management (HCM) landscapes have changed radically in recent years. The HR outsourcing (HRO) solutions that brought cost reductions and efficiency in the past alienate, rather than engage, employees and place organizations at risk of being unable to obtain and retain the right talent to propel their organization forward in a highly competitive environment. Cloud-based service offerings for talent acquisition and management enable companies to focus on their core competencies while driving desired business outcomes.

Traditionally, technology managers drove the selection and purchase of HRO. That is no longer true. Today's buyer of HR/HCM solutions and services is likely to be HR leaders, who are now are the key decision makers in the selection of enabling technology and identification of business outcomes to drive employee engagement and workforce performance. HR leaders now have the proverbial "seat at the table," helping provide the business with the human capital it needs to thrive today.

Organizations are aware of the need to revisit the concept of HRO, but in a new way, via Business Process as a Service (BPaaS), in which the focus in not just on labor arbitrage and cost reduction, but on driving business results and workforce performance.

BPaaS HCM solutions provide an engaging experience for employees, including robust self-service capabilities (always one of the weakest points of traditional HRO). To achieve promised benefits, companies need to ensure their business processes are aligned with a cloud-based solution. Many companies are now choosing to have a trusted services partner handle the daily HR practices and processes in conjunction with using BPaaS for talent management.

The benefits of this approach include increased employee engagement, optimized talent acquisition and increased efficiencies. Often, a company can pay less with by using a combined BPaaS/HRO solution while boosting employee satisfaction rates.

The New World of Cloud-Based HR

The major benefit of BpaaS lies in the accelerated transformation it supports. BPaaS is faster to bring online than traditional business process outsourcing (BPO), while also being easier to adopt, with significantly improved business benefits as a result.

HRO has existed in its current form for almost 20 years and historically was considered a tool for cost reduction through labor arbitrage. The accepted model during the 2000s focused on a low-cost, lift and shift delivery model. Unfortunately, this model falls short.

Cognizant

Why Does HRO Fail?

Once they made a decision to source HR systems, corporations typically spent much money on technology platform requirements in an attempt to provide a better HR end-user experience within the traditional outsourced model. For example, business leaders often required immediate enhancements to improve business processes, which they needed IT to configure and build, at a price.

Other common examples include building portals to support a common area for HR functions, deep linking to improve on efficiency of moving between talent applications and learning management system customizations to provide for specific workforce training requirements. Employees quickly became frustrated with stagnant technology and poor service quality.

A groundswell of negative user experience led to the trend of bringing the HR function back in-house.

Cognizant Talent-as-a-Service (TaaS)

Our Talent-as-a-Service (TaaS) solution includes services focused on accelerating organizational value, by enabling cost-effective HCM transformation. The strategy we bring to our clients is three-tiered. First, we work to define the desired outcomes and future-state target operating model, then we work with our client within the parameters of a standardized cloud-based application to realize the technology and business process requirements, and finally, we manage, administer and support the solution post implementation. Shown in Figure 1, this value chain provides differentiated service to our clients.

Cognizant's Value Chain

Support through BPaaS

Standardized BPaaS Model
Employee Engagement Toolkit
World-class Employee Engagement Center
(Global, Multi-lingual)

End-to-end HR Transformation Focus
Automate end-to-end processes, Analytics and call avoidance
Integrated payroll and benifits model
Low cost, transactional pricing

Telephony · Case Management · Workflow · Document Management · Knowledge Management · Service reporting · Trend Management

Realize - Implement and Integrate

Self Service, Mobility, Analytics Standards
Solution with configuration/buisness
Data Analysis and Migration

Focus on large part of HR Core - be it "rip and replace" or phased strategy
Technology focused - implementation/integration

Advise

Advise on evolution from bespoke HCM
Disparate point solutions to ITM
Limited process standardization to best practice

HCM Blueprint for the future
Dedicated model for shared services
Process and analytics "poor"

Moving from Advisory to BpaaS

The Cognizant Difference

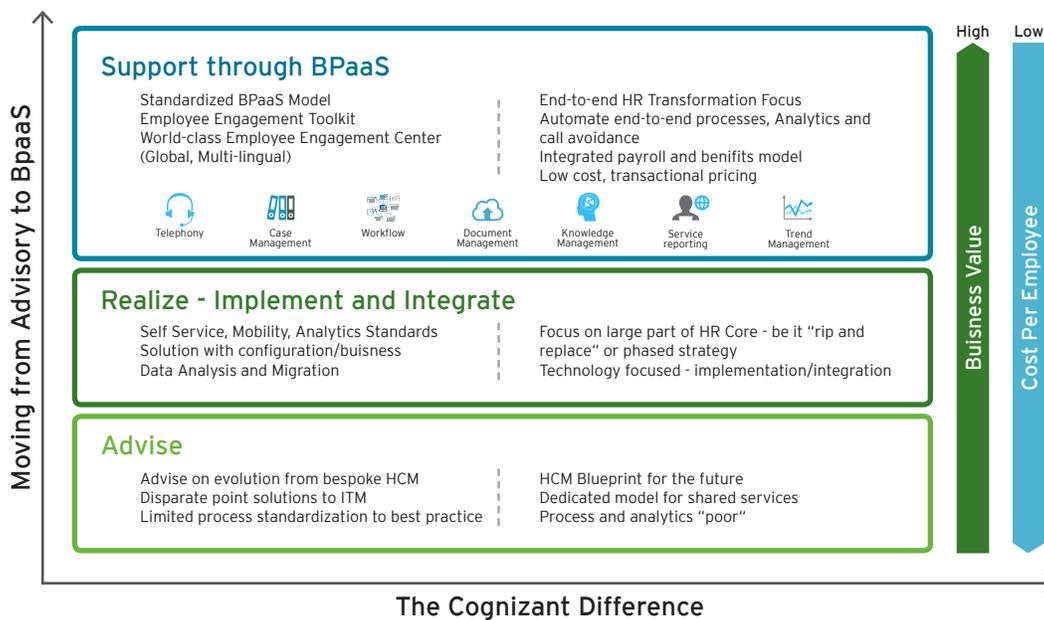High   Low

Buisness Value   Cost Per Employee

Figure 1

We leverage the top Cloud HCM vendors in the market to provide best-of-breed solutions for our clients. The approach, while standardized, is designed to allow for use of best-of-breed applications. Rather than asking our TaaS clients to throw away their existing IT infrastructure, our TaaS service is designed to be flexible, to leverage when possible our clients' existing infrastructure. The goal is to enhance the existing environment with a usage-based infrastructure and support model.

⚡Quick Take

Talent-as-a-Service in the Real World: Health Care and University System

Recently, we were brought into manage a large health and university system's talent acquisition and performance management administration activities and systems. This includes providing strategic services as new features and functions become available in its software as a service (SaaS)-based recruiting applications, assisting with the development of an ongoing social recruiting strategy and managing performance administrative processes throughout the year. Although a relatively new service, in the first six months, this organization estimates that it has achieved a 4% improvement in overall employee satisfaction with regard to end-user use of the recruiting application, a 20% reduction in time-to-hire, and a 34% improvement in costs to run the services.

What Happens During a TaaS Implementation?

During implementation we work with your HR leaders to implement a configuration based on your organization's unique processes. We look at current state, and we have the knowledge and experience to make recommendations on how your future state should look, based on the outcomes you want to achieve. The business is highly engaged in the transformation, in architecting the new look and feel of HR. These discussions go far beyond providing details on headcount and financials, the purview of traditional HRO.

In our experience, 80% of the time organizations are able to work within the defined parameters of the HCM application, based on our knowledge of global HR and talent best practices. The end result is a user-friendly HR and talent solution, driven by predictive analytics, that enables HR leaders to run their business and achieve the bottom-line results they seek.

Based on our recent joint study with APQC, we found fewer than 12% of respondents were currently leveraging predictive analytics within their organizations. The opportunity cost for holding out are high. Based on input from Oracle, sales organizations using predictive analytics to attract talent, on average, reported 24% higher operating income growth, 8% higher sales growth and 58% higher sales per employee .

Begin with a Business Case

The business case for TaaS is markedly different from that of traditional HRO. The approach is not one of an entire disruption, removal of the HR organization to a bare minimum and complete replacement of those people with lower cost "staff augmentation." TaaS deployments vary with the organization's needs. In some companies, for example, it may not make financial or functional sense to make a complete transformation of talent functions. With our TaaS solution, organizations have the option to select from a menu of services that provide the best return on investment (ROI).

Some companies opt for a fully integrated TaaS solution, some elect to phase it in over months or years, some continue to run different areas of their organization without the service model (albeit usually with a core integration strategy). We align our TaaS solution to your strategic, integrated talent strategy and HR transformation goals. Targeted talent processes can be any of the HR services that can be automated including recruiting, recruiting marketing, performance and goals, learning, compensation, payroll.

We leverage automation, standardization and repeatability using Cloud HCM infrastructure where appropriate, in such a way that dramatically reduces your overall investment in HR and talent operations while improving the employee experience.

The Stakeholder Shift

The balance of power has shifted from IT as the key stakeholder, to the HR executive, who is, perhaps more than ever, focused on the needs of the workforce to drive business ROI. Let's take a look at the old vs new engagement model for employees with respect to talent management (see Figure 2).

Employee Engagement Evolution

Old Model	New Model	Why?
Accommodate employees	Engage employees	Engagement = Productivity
Focus on the task at hand	Focus on the outcomes that needs to be driven	Outcomes = Profitability
Hit them periodically through the year	Create a dialogue using predicitive analytics	Continually influence behaviors
Wait for an action to drive an action	Motivate action through persuasive technologies	Reaction is already too late in the war for talent and retention.
The portal will meet the needs of the workforce. One experience fits all.	Right media at the right time with contextual targeting. The employee may use a portal, but the protal provides a personalized experience.	People engage through different channels. People expect a user experience at work that is engaging or better than the experience they have at home.

Figure 2

Some corporations still make the mistake of believing that IT staff alone can provide HCM cloud services, without the mindshare and experience of working in the HR field. HCM software is the technology for getting work done, but in order to successfully implement and support TaaS, support resources themselves must have foundational HR experience.

One common challenge is that it is impossible to hard code unique HR business processes to support multiple industries into one HCM application out of the box. Therefore, with HCM cloud applications it is expected that businesspeople will explicitly model how their business works, and have that model immediately executable as new business functionality. This can be an overwhelming prospect – in some situations a complete HR business process re-engineering undertaking. This is where our TaaS service adds immediate value. As part of the transfer to the TaaS model, we provide the people and services that HR business leaders need to accelerate this transformation.

Several business developments offer useful insight into how the TaaS model works. The best way to demonstrate this is through a hypothetical case study.

Consider a global corporation that has very specific goals and expected benefits around the development of a TaaS business case (see Figure 3).

Sample TaaS Business Case Benefits

Savings	Deliver more than 55% savings on the impacted baseline over a 3 year term. Transformed HR model that allows additional efficiences in a retained org to focus on strategic talent services.
Best Practice HR Process	Using best practice HR processes this client sought a uniform delivery of HR services acress all entities in a model driving consistency, quality and efficiencies, inclusive of Core HR and talent workstreams.
Global Self Service - Single HR database	SaaS based solution to provide a single global database of HR data, globally consistent self service, and a transformed user experience. A payroll strategy will include a single interface to eliminate redundancy and improve accuracy.
HR Transformation	The transformed HR deliverymodel with self service and centralized Taas solution remove administrative tasks enabling a smaller, more efficient, and more strategic structure for the Client's HR Buisness Partner

Figure 3

Figure 4 shows a sample TaaS implementation timeline.

Typical TaaS Implementation Timeline

4 months

6 months

12 months

North America/ APAC	Europe	Payroll Integration
Best practice HR Processes will be implemented based on the Cognizant T-a-a-S model	Best practice HR Processes implemented based on the Cognizant T-a-a-S model	Implement a global **Payroll in the Cloud** solution to replace existing client platforms and 3rd party contracts.
Implement **SuccessFactors Employee Central** to support an automated **self service model** aligned to the HR processes	Roll out the **SuccessFactors Employee Central** to support automated **self service** for the European population	Single common **interface** to the **SuccessFactors** global database.
Transition the work to our **Employee Engagement Center** to support the North American and APAC regions with an integrated **Toolkit** to improve efficiencies in the centralized model	Transition the work to our **Employee Engagement Center** to support the European region with our integrated **Toolkit** to improve efficiencies in the centralized model	Support payroll model through the **Employee Engagement Centers** and integrate with the transformed HR delivery model.

Figure 4

Figure 5 illustrates a hypothetical example of a fully executed TaaS target operating model. This is one example of an end solution provided to a large global tire manufacturer.
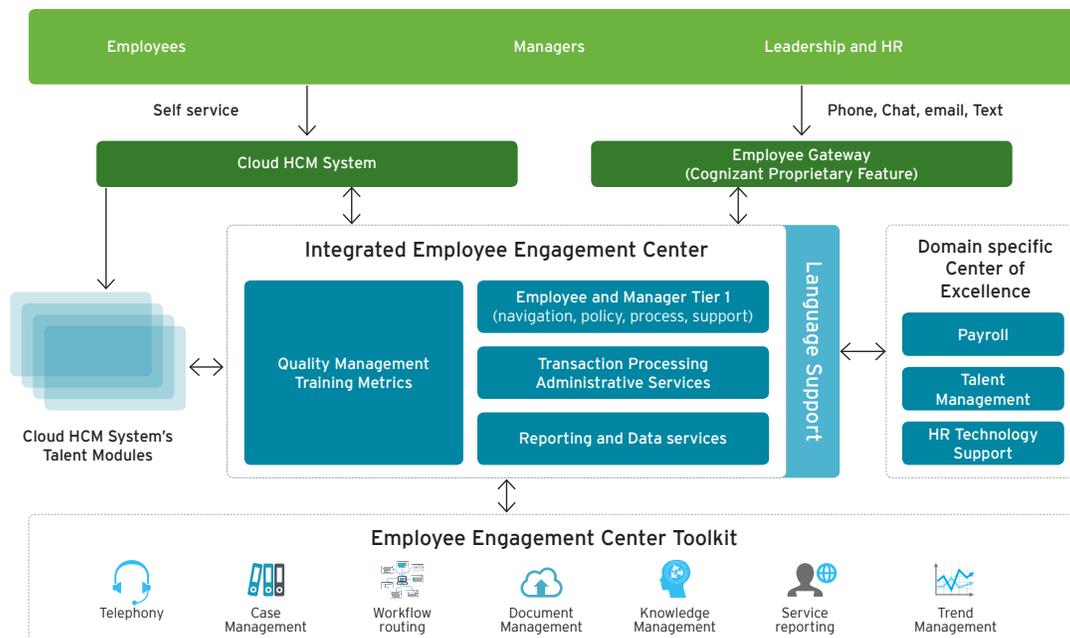
TaaS Target Operating Model

Figure 5

In this TaaS target operating model:

- The focus is on the employee, manager, leadership/HR experience, driving the model from top of the graphic to the bottom.

- All workforces have access to both a self-service layer (powered by HCM cloud technology) as well as access via smartphone, chat, e-mail and text to the employee center.

- The integrated employee center provides one-stop access to support for all talent management questions. The talent modules (or integrated talent management technology), which we administer and support.

- Language, quality management, analytics and reporting are all available to the workforce and HR organization.

- When there is a need for deep domain expertise, a group of expert, domain-specific resources are available via our centers of cxcellence.

- Further tools are available via the employee engagement center toolkit to ensure maximum efficiency and automation, which we administer.

Create Positive Disruption

Perhaps the biggest reason an implementation fails is because of employee resistance to change. Our HCM advisory practice provides organizational change management services to:

- Engage stakeholders early and manage expectations (global and regionally).

- Empower change leaders and advocates and appoint workstream project managers.

- Address the fears of employees most directly impacted by the changes. It's important to address this up front. If not, you may have an HR organization that spends more time speculating than focusing on the future

- Ensure strong leadership from the top of the organization.

- Prepare for the questions that will come. Ensure you have answers. Provide training. Then provide training again, and so on.

- Recognize that this is an organizational and people change, not just a process and technology change.

Why Cognizant?

Talent as a Service is more than just HRO plus SaaS. It's a new way to enable our clients to support their workforces.

We have the right relationships, as well as the right industry and HR expertise, on a global scale. We are pleased to announce a new division of our HCM organization focused on delivering HR services using our Talent-as-a-Service model. Our TaaS offering was jointly developed with our global strategic partner, SAP/SuccessFactors. We are the first global partner of SAP/SuccessFactors to provide this service, which we built by leveraging our core SAP/SuccessFactors-enabled workforce, our HR Advisory and Architecture organization and our HCM Center of Excellence.

For 20 years, Cognizant has delivered HRIS and HCM solutions to our Fortune 500 client base, and we are excited to be ushering many into the next phase of the talent and HR evolution. Our Talent-as-a-Service solution was developed with a keen eye to the importance of the "SMAC" stack, Social, Mobile, Analytics and Cloud innovation, key drivers of Cognizant's business strategy.

More than simply technology, with our Talent-as-a-Service solution, we provide all the necessary skilled HCM experts to administer the entire range of HR and talent processes, to whatever level of strategic partnership an organization may desire. Our focus is on process automation with an eye to the achievement of HCM business goals. Starting from the implementation, we leverage our talent accelerators and methodologies to provide a world-class solution that is scalable and future-forward.

From our work with clients, we know:

- **Many Talent-as-a-Service implementations are global.** TaaS must support multiple languages and multiple deployment environments because a business cannot predict how a business process will be used in the future, or how/where the corporation will expand in the future.

- **TaaS implementations are focused on the employee.** All processes and outcomes are driven and powered based on this focus.

- **The TaaS environment must be able to scale, and the support resources must be global with HCM and HR expertise.** We have designed

our talent model to manage a few workstreams for a handful of clients to support hundreds if not thousands of customers and processes.

- **As always, cost is a major consideration.** We have developed our model leveraging our world-class global teams, and can deploy solutions that follow the sun, and make best use of our global locations when it makes sense for our clients who require a "follow the sun" support model.

Our commitment to you as you consider our TaaS solution:

- We bring the right team. Including the right set of HR, management, process and technology experts to deliver the best value for your organization.

- We train the team. We will create a specific program through our specialized training plan to bring new resources onto the team.

- We manage the team. We are committed to providing a team that delivers from day one and will ensure that the delivery quality is maintained.

- We retain the team. We do our best to retain the talent through special initiatives that will keep employee motivation high. This includes knowledge enhancement, training and HR initiatives.

Looking Ahead

Today's human resources professionals have the opportunity to contribute greatly to business value. No longer siloed in a low-profile back-office function, HR managers are now well-positioned to help their organizations achieve business results by tapping efficient new HR and talent acquisition models. Unlike the HR outsourcing of yore, which focused primarily on labor arbitrage, today's BPaaS-based HR and HCM offerings drive employee engagement while maintaining efficiency.

Cloud-based service offerings for talent acquisition and management such as our Talent-as-a-Service solution, enable companies to focus on their core competencies while driving desired business outcomes. For more information, please contact Arlene.Demita@Cognizant.com.

About Cognizant

Cognizant (NASDAQ: CTSH) is a leading provider of information technology, consulting, and business process outsourcing services, dedicated to helping the world's leading companies build stronger businesses. Headquartered in Teaneck, New Jersey (U.S.), Cognizant combines a passion for client satisfaction, technology innovation, deep industry and business process expertise, and a global, collaborative workforce that embodies the future of work. With over 75 development and delivery centers worldwide and approximately 178,600 employees as of March 31, 2014, Cognizant is a member of the NASDAQ-100, the S&P 500, the Forbes Global 2000, and the Fortune 500 and is ranked among the top performing and fastest growing companies in the world. Visit us online at www.cognizant.com or follow us on Twitter: Cognizant.

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