

What does it Mean for HR Processes to be both Intelligent AND Connected?



5 Considerations for Modern Human Capital Management (HCM)

ECM is evolving into a set of capabilities that are smarter and more connected than ever before. AIIM calls this *Intelligent Information Management*.

We believe that a modern approach to information management has three core pillars:

1. A flexible and modular approach that utilizes content and information wherever and whenever it is needed – CONTENT SERVICES.
2. Process tools that can be delivered with the simplicity of an app, but within a framework that allows the business to remain in control without relying on IT – PROCESS SERVICES.
3. Automated tools to prepare ALL of its information – both data and content – for the era of machine learning – ANALYTICS SERVICES.

So how does this concept of information that is both intelligent AND connected tie to particular business processes?

Here are five key issues you need to consider when thinking about **Human Capital Management**.

1 Human Capital Management is not actually one process, but a series of connected processes with overlapping information requirements.

The best way to think about HR process automation is by thinking about it over the lifecycle of an employment relationship and the kinds of documents that are typical in each stage of the life cycle. (For illustration, the compliance documents listed below are for the U.S. These obviously vary by country, making it even more important to standardize and automate wherever possible.)

- Recruitment and Onboarding (resumes, interviews, offer letters, job description, I-9 forms, references)
- Payroll and Compensation (incentive plan documentation, W-2 forms, garnishments, leave documentation)
- Benefits (plan documentation, beneficiaries, dependents, Family and Medical Leave Act documentation)
- Performance Management (reviews, disciplinary actions, promotions)
- Learning and Development (certifications, training)
- Separation or Retirement (resignation and separation letters, COBRA, vacation payouts)

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There is a high degree of manual work in each of these processes. 63% of organizations say that HR processes are less than 50% automated. 50% of organizations say that managing unstructured information is a huge challenge in automating HR processes. (AIIM, 2018, *Enhancing Your RPA Implementation with Intelligent Information*)

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HR processes are high value and high risk.

Communications and agreements through the life of an employee's time with an organization are high value -- they shape the very nature of the employment relationship. This begins with the first impression a potential employee gets during the recruitment process and continues all the way through to communications after the employment relationship ends. Managing employee information via paper documents and in unorganized file shares leads to inefficient and error-prone HR processes -- and the potential for lots of frustration for both employees and HR executives. Employees expect proactive, personalized, and transparent HR communications and processes -- and a minimum of time-wasting manual processes.

HR processes are also high *risk*. Organizations must be able to access global employee records quickly. To mitigate legal risks, the storage, auditing, and management of all employee information must meet local, national and industry compliance standards. The key consideration in building auditable and accountable HR processes is automation and standardization of core document processes. This begins with a consistent process for how HR documents are generated, carries through to how these documents are actively managed, how they are made available to employees, and ultimately which documents become long-term records.

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The strategy for managing employee information needs to seamlessly integrate with the multiple systems used to manage HR processes.

Organizations at large scale have a long history of process-specific information silos that hinder their ability to manage and optimize *across* processes. Part of the challenge is that it has been difficult to integrate information capabilities into key enterprise processes, and HR is no exception. This problem becomes even more acute as line-of-business executives, frustrated with the pace of centralized IT innovation, adopt SaaS (Software as a Service) solutions to ease their immediate process pain.

AIIM research suggests that 55% of the unstructured content and information needed to fuel key line-of business systems (ERP, HR, Finance, CRM, Project Management, LOB, etc.) is "siloe" within those systems INSTEAD OF in a Content Management system(s). The reason for this is that integration historically has been just too difficult in monolithic ECM systems; the drive toward content *services* is a reaction to this. 70% of organizations say they "want to pick only the information capabilities we need for each process or application." (AIIM, 2018, *The State of IIM: Getting Ahead of the Digital Transformation Curve*)

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The impact of HR processes extends well beyond HR.

Users across the organization need to access HR information to do their jobs. For example, an HR business partner who is responsible for employee administration and the day to day management of employee documents needs to find all documents associated with an employee, ensure all documents for an employee are up to date, quickly respond to an audit request, and ensure all documents have been identified in the case of a legal hold. In most organizations this these are very manual, time consuming processes, prone to error as they need to go search each solution for employee documents.

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This becomes exponentially more complex when you think about other roles across the organization such as: 1) shared services; 2) a compliance officer looking to meet regulatory requirements; 3) a records manager looking to preserve employee records; 4) a compliance or security officer looking to securely control document access and protect employee privacy; or 5) a manager who is looking to access some employee documents. The problem in most organizations is that there is no single point of access to HR documents.



Human Capital Management is really about finding and retaining the best talent.

The next frontier in HR Management is mining all of the accumulated information associated with HR processes to determine how and where to find the best employees, and how to best retain them. Per Josh Bersin in Forbes, “The old-fashioned fuddy-duddy HR department is changing. The geeks have arrived...After years of talking about the opportunity to apply data to people decisions, companies are now stepping up and making the investment. And more exciting than that, the serious math and data people are flocking to HR.”

The concept of “people analytics” represents a new way of thinking about traditional problems like recruiting, training, retention, and promotion that was impossible in the days of incompatible and siloed systems. Of course, none of this is possible unless the unstructured information (i.e., content and documents) that surrounds HR processes can be first turned into machine-comprehensible structured data.

So what kinds of Intelligent Information Management capabilities should you look for in addressing these five issues? You should look for solutions that do some or all of the following:

- Digitize and manage employee documents in the cloud
- Link employee files to employee data in the lead HR System(s)
- Ensure access to employee documents is secure and audited
- Multi-channel document generation and distribution
- Provide 360-degree view of employee documents and interactions
- Provide self-service access for employees
- Guarantee document retention and disposition
- Monitor employee files for compliance
- Improved process efficiencies

This Tip Sheet is underwritten by OpenText.

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