Transforming HR Outsourcing
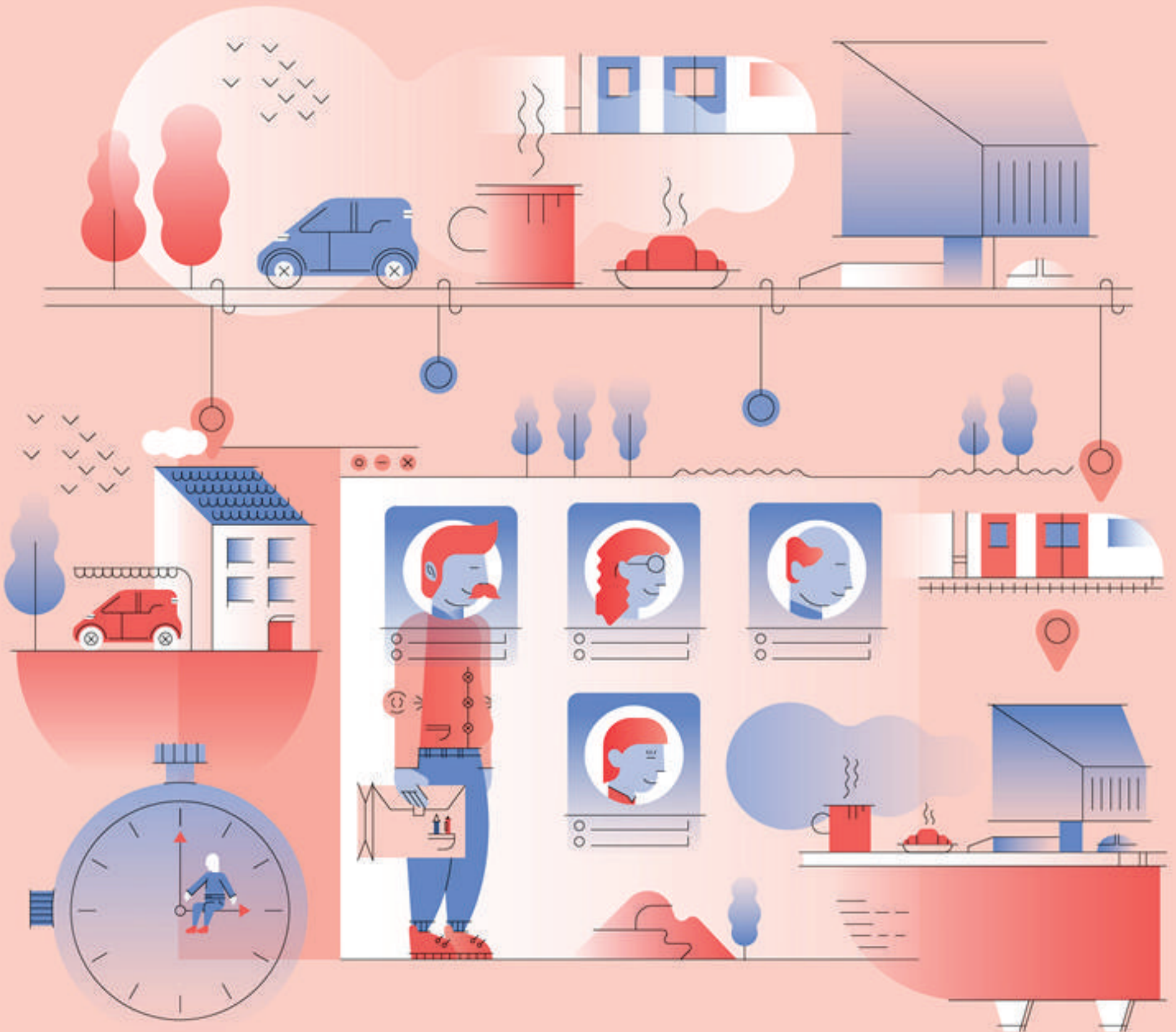
Summary

In the increasingly digital landscape of HR Outsourcing, finding the right technology can transform businesses and lead to competitive advantage. This report dives into how Black Mountain has leveraged Zoho People to upgrade their HR systems.

How technology can streamline HR outsourcing

What do modern systems mean for the future of HR outsourcing?

Whatever the size of a business and wherever it's based, handling employee data can be a huge challenge, from ensuring it's securely stored to making the best use of these insights to empower your workforce.

New standards and regulations for how data is processed are also sharpening firms' focus in this area. The new General Data Protection Regulation (GDPR) in the EU will offer more protections for EU citizens' data and require businesses to change how they collect and hold employee data. To comply, businesses must ensure several processes and standards are in place, including making sure employee information, such as payslips and leave records, are securely held and only available to those who need access.

While compliance with new data regulations may appear arduous and costly, the value of employee data should not be overlooked.

> HR systems have always kept data but how have they used that data to help the business?

"HR systems have always kept data but how have they used that data to help the business?" says Graham Corner, Managing Director of Black Mountain, which handles a range of professional services for its clients from outsourced HR administration and payroll to employee benefits and company formation.

"You need the same data to do a payroll run as you do to set up a benefit and you need the same data for leave management as you do for visa applications - it's about utilising it to allow you to do different administrative functions at once."

Employees are also driving investment in better HR systems for data, he adds: "In the information age, employees expect to be able to see that information [held by their employers] and they're expecting to see it online and to be able to access the system."

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The majority of Black Mountain's clients work in financial markets, though they also deal with some online retailers and technology businesses. Most are international companies that want to set up in one of the locations in which Black Mountain operates, for example, a US or European-based business looking to establish itself in Singapore or Hong Kong. One of the firm's biggest assets is its local market knowledge and expertise surrounding HR systems and employee expectations.

For many companies, handling employee data and meeting the needs of staff, regulators and the business has become an increasingly complex task. Different functions, such as payroll, performance management and leave and absence management each produce different data sets, and the systems or external providers which process them require information in varying formats.

Finding the right technology to help its clients has been a challenge that Black Mountain has been working on for some time. In the mid-90s, there wasn't much choice of technology to help clients with their data, information and HR systems, says Mr Corner: "We developed our own systems to help us do our work and to help our clients. As we are an outsourced company it had to be available online and at that time that meant very chunky systems with basic functionality that enabled our clients to check records and pick up payslips, but with very limited information.

> **Finding the right technology to help its clients has been a challenge that Black Mountain has been working on.**

"We cannot even contemplate being a technology company and still being a viable outsourcing operation because the technology has to change so quickly to be worthwhile. We'd end up paying developers all of the money we've got just to stay still."

> Black Mountain has been using the Zoho People product, which provides tools to track employees' leave, attendance, performance management and other records

Step in HR software specialists Zoho. For at least a year, Black Mountain has been using the Zoho People product, which provides tools to track employees' leave, attendance, performance management and other records.

"HR data is often spread in multiple tools. The finance, HCM, payroll and within HCM too - there are multiple applications. Connecting these data points is the toughest part of every platform, if purchased from different vendors they are built on a different code base. While Zoho People has its own analytical engine, we also use our business intelligence tool, Zoho Reports to connect the data from multiple sources and bring them into visually appealing dashboards. This helps HR departments to make informed decisions with very insightful data points," says Raja Ramasamy, Product Head, Zoho People.

Using Zoho to help them handle both the administrative and data side for companies helps Black Mountain save HR employees' time. The technology also has a self-service option enabling staff to access the data held on them and manage things like leave, payslips, and update their details. HR teams can, furthermore, notify staff of relevant actions they need to take as well as company announcements or policy updates. The product offers an affordable "essentials package" priced at 83 pence per employee per month with the option to add more features, such as timesheet management and 360 degree feedback, as additionally priced modules.

One of its greatest advantages, however, is perhaps its capacity for customisation. In the case of Black Mountain, this customisation has been essential for its function as an HR outsourcing company. As it works with companies in locations around the world of widely varying sizes, Zoho has developed and customised its products to support working with such a diverse client base.

> Catering to several different organisations with several requirements is a challenge that Zoho People has solved for Black Mountain.

"Catering to the needs of HR outsourcing companies is complex. You'll have several organisations, with several different requirements based on the location and industry. When you cannot customise a system that works your way then you're complicating the entire process," says Ramasamy.

"With over a decade of expertise in the HR domain, we have known the level of customisation required by HR. From configuring leave policies to how organisations do performance appraisals and attendance management, the levels of customisation vary from company to company. And this is what Zoho People has achieved for Black Mountain."

Zoho People helps HR outsourcing companies to support clients in multiple locations by managing their needs through the same platform. It can be customised to cater for the different policies, regulations and behaviours faced by businesses in different regions and can deploy varying layers of customisation at the same time. A multi-organisation view allows an outsourcer to switch between different clients' accounts from the same dashboard. Mr Ramasamy adds, "Our premium partner in UK, A2Z cloud helped us win the confidence of Black Mountain as well as with the implementation of the system onsite. Their understanding of local HR market worked in advantage to build a great relationship with Black Mountain."

Investing in the right technology for its clients and working with Zoho is crucial for Black Mountain's current operations and will only become more important as the impact of automation and artificial intelligence (AI) is felt in the HR sector. To prepare for "the biggest change" that HR systems, data and teams will face and the client and employee expectations resulting from this, the company has invested in an HR analytics company, says Mr Corner.

"The information that comes from all the various data points within an organisation, if you can utilise that properly it gives you a phenomenal amount of power," he explains.

**? Do you have the right system to fetch the reports you need?**

By applying the right technology to this data, which can come from a company's recruitment, HR and payroll systems, you can create tailor-made reports for different parts of the organisation rather than relying on an HR department to produce these.

"The responsibilities of HR departments are varied. Keeping track of employee data to create an engaging culture, all lies with the same teams. For HR to focus more on the things that most need their attention, automating repetitive tasks is a must and introducing this automation with an easy-to-use interface is key," adds Ramasamy.

If you take it to "the big data level" and analyse meeting patterns and employees' emails, for example, there's even greater potential for understanding the workforce, says Mr Corner: "You can work out which people are your best people, and which might be leaving you or feeling undervalued. All that data can be analysed if you have got the systems behind it and the AI to do it."

Learn more about how Zoho People can transform your business here.
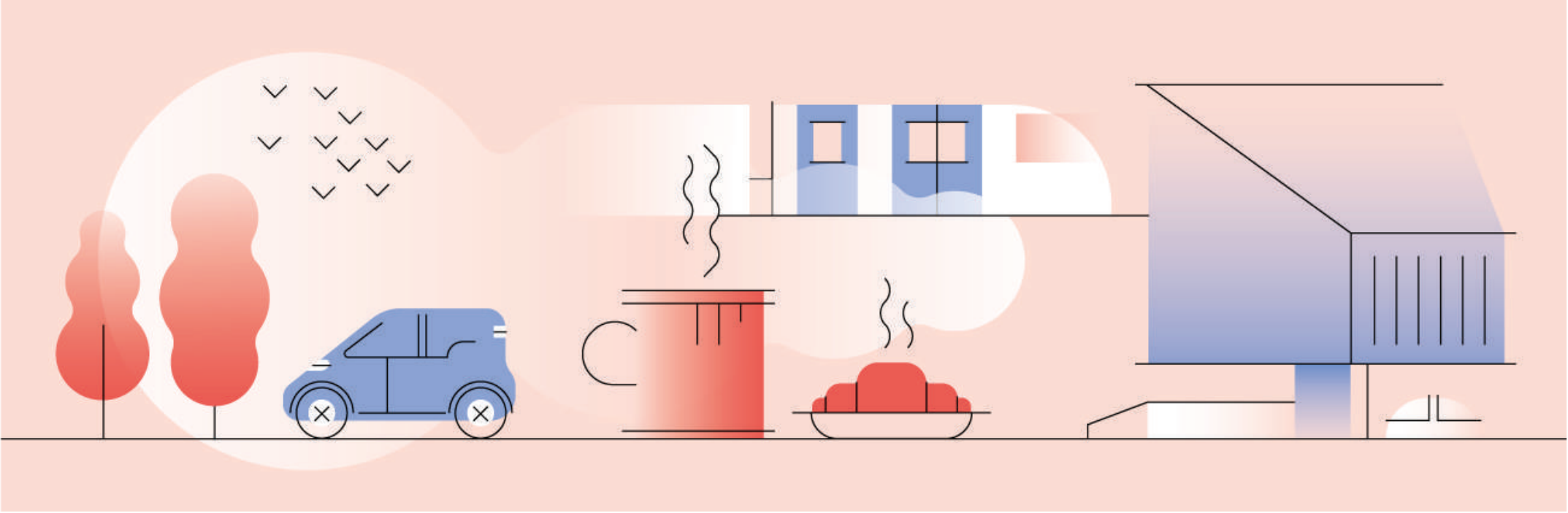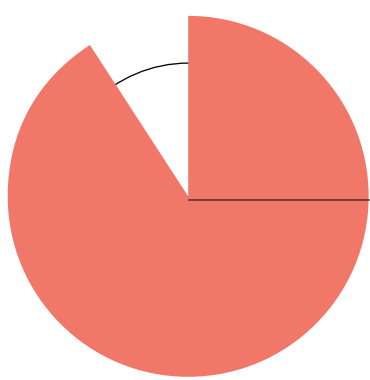
THE HR DATA AND TECHNOLOGY CHALLENGE

HR outsourcing professionals now have access to an Increasing volume of HR data and are preparing for an increasingly digital future.. In Deloitte's 2018 Global Human Capital Trends survey, "people analytics" ranks as the second-highest trend with 84% of those surveyed marking it as important or very important. More than 70% of respondents were "in the midst of major projects to analyse and integrate data into their decision-making."
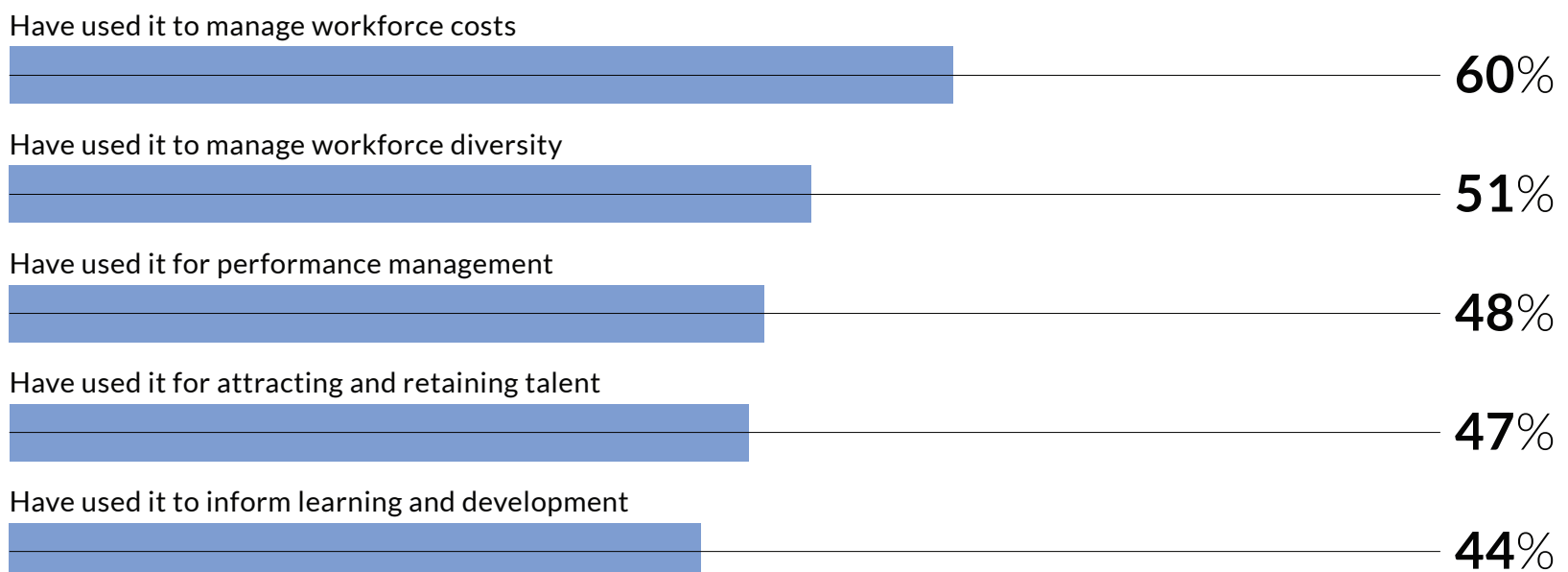
According to CIPD research, use of HR analytics is more prevalent in larger businesses with 91% of UK businesses with more than 250 employees having used them. An additional CIPD survey found that 60% of those surveyed are using them to manage workforce costs, 51% for workforce "composition and diversity", 48% for performance management, 47% for attraction, recruitment and selection; and 44% to inform learning and development.

Enterprise HR analytics

According to CIPD research

91%

of UK businesses with more than 250 employees have used HR analytics. Of those surveyed:

Have used it to manage workforce costs
60%

Have used it to manage workforce diversity
51%

Have used it for performance management
48%

Have used it for attracting and retaining talent
47%

Have used it to inform learning and development
44%

For many businesses, the biggest barrier to applying any form of HR analytics is having the right technology and data systems in place. Research on UK businesses suggests, particularly amongst larger companies, a lack of confidence in their HR technology generally being flexible enough to adapt to the changing and future needs of their business. But it is something businesses will have to address if they are to reap the benefits of more analytics and AI-powered analysis in HR, from addressing issues of diversity and gender imbalance in the workplace to the on-going desires to boost productivity and retain and engage employees.

This shift may come as HR teams and services increasingly invest in new technologies to better serve employees and digitise their business and operations. In a Deloitte survey, 56% of companies said they are redesigning their HR programmes to take advantage of digital and mobile tools. Among the respondents, 33% are using some form of artificial intelligence (AI) technology to deliver HR solutions, and 41% are actively building mobile apps to deliver HR services.
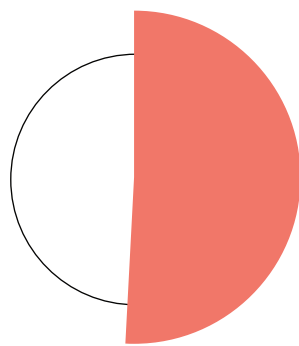
Mobility and collaboration

HR leaders are being pushed to take on a larger role in helping to drive the organization to "be digital," not just "do digital."
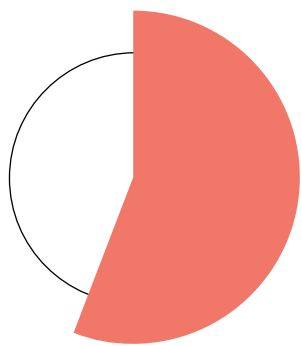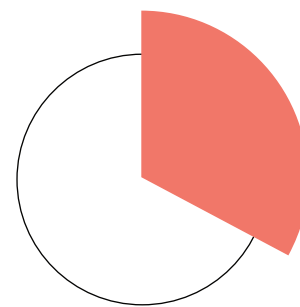
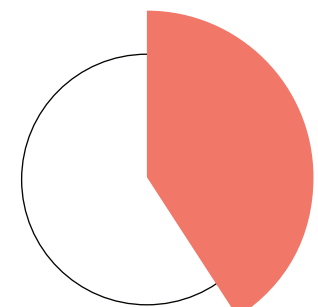|			
56%	**51**%	**33**%	**41**%
of companies we surveyed this year are redesigning their HR programs to leverage digital and mobile tools.	of companies are currently in the process of redesigning their organizations for digital business models.	of surveyed HR teams are using some form of artificial intelligence (AI) technology to deliver HR solutions.	are actively building mobile apps to deliver HR services.

? Is your HR System mobile ready?

A vital consideration in these efforts to become more digital is increasing levels of employee mobility, especially amongst large or internationally expanding businesses. Zoho People HR Tools are responding to this trend, offering both an Android and iOS mobile app, which allows employees to log their time, update leave records and check in and out of work. Users can contact colleagues by phone, email or text from within the app and search for staff members and departments, which encourages greater communication and collaboration. Zoho also allows employers to limit the geographic location or IP range within which employees can check in or out, clock time logs and access HR files.

As businesses tap into bigger and bigger pools of data and update to increasingly digital systems and process, they must ensure that these functions and the sensitive information they are handling and storing are secure. Only 10% of respondents in Deloitte's research, for example, said they felt "very ready" to deal with the challenge of protecting employee data: "Organisations are approaching a tipping point around the use of people data, and those that tilt too far could suffer severe employee, customer and public backlash."

Companies must also be aware and prepared to handle more requests from employees relating to what data is held on them and how it is being used. Some companies are going beyond traditional datasets and looking at employees' communication data.

"Advanced analytics can now track and analyse a dizzying amount of employee data, including data harvested from voice communications, personal interactions, and video interviews. Even the sentiment of employee emails can now be measured and monitored," says Deloitte's report.

While integrating this with HR and financial data to create a more nuanced picture of performance and employee needs is beneficial, clear communication of how this information is securely held will be vitally important to retain employees' trust and meet regulators' demands.

With new regulations such as GDPR introduced to increase the data rights of the individual and news of data breaches from Facebook to Equifax, employees' awareness of security issues is heightening. Businesses may need to invest in more encryption and anonymisation of data to ensure that they can still benefit from its broader benefits whilst reassuring employees.

Clearly, any technology that helps HR teams and employees to better understand and handle data must be kept simple. As the CIPD's research suggests, 60% of businesses consider a "single system for all HR needs" to be the most important attribute of HR technology.

Learn more about how Zoho People can help you utilise your employee data here.