Statistics show HR is a steadily growing area for enterprise investment. For instance, CedarCrestone expects adoption of most of the major components of HR technology, including service delivery, workforce management and talent management, to exceed 60 percent in the next three years.

There’s a good reason for the push. Strategically investing in HR represents an opportunity to better understand the workforce—a task that has been an ongoing challenge for most organizations primarily due to system disparity. In fact, some organizations can’t even provide an accurate head count, let alone identify whose skills most effectively align with opening up a new branch office or launching a new product.

While HR technology creates obvious benefits in process automation, it’s important to realize the biggest wins are not in automating the HR processes themselves. Instead, it’s the fact that HR processes and data integration can impact enterprise-wide productivity by enabling the organization to make better decisions and create competitive advantage through its people. The statistics are quite convincing. For instance, according to the Bersin HR Factbook, those embracing an integrated data approach to human resources experience a 38 percent higher employee retention rate, 40 percent higher employee engagement levels and roughly double the revenue per employee. For IT, integration also means less infrastructure, lower support costs and better alignment.

Accomplishing this level of clarity and visibility means eliminating system disparity. Fortunately, there are a host of potential avenues to help organizations reach the desired end point. One of these is the “rip and replace” approach, often encouraged by the software vendors themselves, in which organizations are compelled to discard their current HR infrastructure and start over with one vendor. Unfortunately, the traditional rip-and-replace model of buying every module from one vendor has significant flaws. The most obvious challenge is the high cost of paying for and maintaining duplicative systems while consolidating. The cost alone can cripple
a project beyond what many organizations can realistically overcome. A rip-and-replace approach also has historically high failure rates that are usually associated with deployment and change management issues. And finally, while some vendors can offer the major functionality required, there will always be the need to connect these major modules with other, peripheral software not provided by the vendor—tools for assessments, background checking and more.

The good news is there is an alternative to the rip-and-replace approach. More and more, organizations are turning to open technology platforms that are built to be interoperable from the ground up. These open architecture platforms feature comprehensive integration tools that are designed to work well with existing legacy platforms while allowing customers to leverage newer technologies such as mobile access and easy-to-use user interfaces.

Making it Happen

Overcoming the odds often means embracing best practices and staying focused on the end goal. There are a number of proven components to building and deploying a successful HR data integration strategy. Let’s examine some of them.

1 Process Mapping. Process mapping is a crucial step because it provides the big-picture view of an organization that’s necessary when trying to understand where systems of record reside, as well as the overall data flow. The key here is to recognize the difference between mapping out current processes vs. improvements. “Implementations take time and effort and have an associated cost, so no one implements a new system just to recreate their existing system with all of its current limitations,” says Hardeep Gulati, CEO of SumTotal Systems, a leading provider of HR software solutions.

Assume, for instance, the organization currently has a multistep pay-for-performance process. Typically, managers will submit salary recommendations to a review committee after which any over-budget amounts go back to managers for adjustment and resubmittal. However, an automated system can be configured to not allow lower-level managers to exceed the budget without department head approval, which can eliminate many of the review and resubmit steps of manual processes.

The focus of process mapping needs to be on how the desired state differs from the current state, while paying close attention to steps it eliminates. “It’s a mistake to define a new system based on the old system functionality, which may have had stop points and readjustments because of inefficiencies and inaccuracies of a manual process,” Gulati says.

2 Data Mapping. Without going through a solid data mapping exercise up front, rework, delays and missed deadlines can result downstream. And it’s important to have deep information on employees, not just cursory, inventory-type information. In fact, it’s not uncommon for organizations to know more about laptops and facilities than its people.

Successfully creating a data map takes a joint effort among IT and various lines of business dedicated to reconciling any data differences. Job title is a prime example since it’s not uncommon for an organization to use various titles for the same person (job title, position title, business card title, etc.). For example, if all of the employee demographic data is coming from an organization’s ERP system but the mapping exercise uncovers that the job title is currently only stored in the corporate email system today, it might be necessary to revisit Step 1 and include data integration to your corporate email server as part of the overall integration strategy. A thorough data mapping exercise will cross-check and validate the process map.

3 Security and Data Visibility. For legal and compliance reasons, it’s always crucial to pay close attention to security and data visibility. This means addressing who can see what data, as well as determining how to map roles and contexts to data visibility and editing rights. Taking the time here to configure a security model to match data requirements from the ground up is crucial to avoiding future redesigns.
Successfully completing this step means answering numerous questions, such as:

- What does an employee see about himself or herself?
- What does a manager see about his or her direct reports?
- What does a manager see about people down the line in the organization?
- What do various administrators see?

Geographic and industry concerns also play a critical role in determining what security and data visibility controls are necessary. For instance, within financial services, there are legal restrictions regarding who can and cannot provide 360-degree feedback. And in some cultures, it would be inappropriate for a subordinate to see a manager’s goals—although you may still want to support goal alignment in the rest of the organization.

4 Technology Implementation. Considering that many organizations have several systems creating and storing HR-related data, the amount of differing batch and real-time integration technologies can be overwhelming, from prebuilt connectors to flat files to Web services. For any data integration plan to succeed, it’s crucial to make sure the existing technology platform supports the proposed system. This is an important step, so having IT and vendor participation during the first two steps is critical to ensure there aren’t disconnects between process and product.

It’s one thing to have ideals when it comes to technology, but it’s important to realize that achieving the goal may need to happen in phases. After all, current systems upgrades are rarely part of the integration project scope. For instance, your desired end state might be bidirectional, real-time data integration but your ERP’s current version might only support nightly batch extracts to a text file. You may need to take a pragmatic approach, initially integrating with the nightly import of batch files and evolving to a real-time Web services infrastructure over time as you upgrade your ERP in the future.

5 Validation. A proven solution is a combination of software, customer configurations, customer data, workflows and processes. As such, validation means going through the process of testing edge cases, conducting performance load testing and coordinating with other data-dependent processes (ERP updates, analytics ETLs, etc.). Replicating the real world as much as possible is key to successful validation. Although it’s the vendor’s responsibility to make sure the core software is solid, you want to make sure your data comes in clean as well. Only by testing your software configuration with realistic data will you be able to ensure the system performs as expected.

Unfortunately, validation is often the stage that gets shortchanged because of tight timelines. However, validation is critical because these projects are often phased, so taking the time and effort to ensure the first phase is a complete success is critical in determining whether or not leadership buys in to the next phases. Validation is instrumental in building confidence. After all, ensuring data integration is successful and trusted is critical to delivering business value.

Mindful of Missteps

Like any project, pitfalls exist, and being mindful of potential problem areas can help avoid detrimental outcomes. For instance, confusing process with product during the process mapping state in particular is a common issue. Many times the process that worked in a custom/paper-and-pencil system doesn’t make sense for an automated system. It’s a mistake to change process because of technology limitations, yet you should not make process designs in a vacuum either. The key to overcoming this obstacle is to draw from a diverse team, including HR professionals, business leaders as well as IT as pivotal players.

Leaving position management strategy as an afterthought can also cause problems. “Although virtually all HRIS systems support position management, less than half of companies implement position management,” says Dan Boccabella, vice president of product strategy with SumTotal Systems. “Consider starting a phased talent management deployment with learning or performance. Succession, integrated hiring and, to a lesser extent, compensation and workforce planning implementations are more dependent upon whether or not a position management infrastructure is already in place.”
Failing to embrace a strategy for data retention and archiving can reap havoc as well. The key to success is to address what needs to be brought across (i.e., how many years of data) as well as granularity of data. For example, is there business value in recreating old forms? Probably not when simply linking PDFs and importing a few data points (overall rating, goals ratings, competency ratings) will suffice—without the extensive effort required to migrate each data point and recreate forms.

Finally, keep the project scope in check. An overwhelming scope can kill a project before it ever gets off the ground. Trying to upgrade your ERP, implement position management, roll out talent management and consolidate everything into a virtual employee record at the same time is likely too big of a task to take on for an organization of any size. However, approaching an HR data integration project as an evolution rather than a revolution helps keep the project in perspective. Always pick the quick wins to show progress and build momentum.

**Bottom Line**

Not every organization’s journey is exactly the same as it builds out an HR data integration strategy. However, the consistent key to success is to make sure there is cross-team representation in each phase, explains Gulati.

“Organizations always benefit when the data integration process undergoes a participative, agile approach,” Boccabella says. “When everyone is involved in the process, they are invested in its success and take pride in its development. This doesn’t happen when one side creates all of its requirements and throws them ‘over the fence’ to the implementation team.”

Click here to learn more about how SumTotal Systems can help your organization achieve success with its HR data integration strategy.

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**How to find the right partner**

When undergoing an HR data integration project, finding the right partner can make all the difference. Below are a few key considerations:

- **Technology consistency.** Not everyone is ready to move to the cloud. However, that does not mean the organization will have no interest three years down the road. Finding a vendor with consistent technology across private and public cloud and on-premise deployment options means there is no need to reimplement when the organization is ready to move into the cloud. You can leverage what you have using your delivery model in place today, and then transition without losing your investment in deploying and configuring your solution.

- **Optimal integration.** While most companies claim to work well with others, the most common solution is a brittle interface between the systems. When a vendor offers true interoperability and integration, the organization should be able to leverage investments already in place, upgrading only as needed.

- **Critical interoperability.** Interoperability is a significant quality because it allows for actions and information in the system to be presented in context, greatly enhancing system usability and value. For instance, imagine working on a performance appraisal for an entry-level employee who needs to be coached in communication. The system can contextually recommend learning activities based on the employee’s geographic location, level within the organization and other demographic attributes, rather than simply providing a list of every developmental activity tied to the communications competency.

- **Bringing balance.** HR and IT are very different worlds. As a result, it helps significantly to find a vendor that can offer a balance in expertise. An ideal partner has key personnel with experience in both software development and HR. A balanced vendor has a unique ability to allow you to “see around corners” and understand the downstream IT impacts of implementing your HR business requirements.