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OPTIMIZING TIME SPEND IN RELATIONAL HR MANAGEMENT: E-SIGNATURE AND DOCUMENTS MANAGEMENT

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The responsibilities of the modern human resources organization are changing to develop Best-in-Class labor management strategies. The shift is prompting HR to partner with external subject-matter-experts to execute strategic improvements more efficiently. To do this, HR needs to be able to perform quick and reliable data transfers. Documents management and e-signature are providing new avenues to optimize these transfers.

HR Staff Changes Warrant Informational Efficiency

The role of human resources (HR) is changing as operational data is increasingly being handled by department managers amidst the push for real-time labor performance improvements. Best-in-Class companies, today, are about equally likely to All Others (69% vs. 68%) to extend data visibility for performance management to departmental managers to improve the timeliness of problem resolution. The shift away from HR for the handling of internal data is prompting senior management to reduce HR headcount and budget.

In a 2017 survey, Aberdeen found that Best-in-Class companies can optimize a combination of labor metrics, ranging from revenue per full-time equivalent (FTE) employee, to employee retention. The survey showed that Best-in-Class companies were six times more likely than All Other companies (64% vs. 11%) to experience a decrease in HR headcount from the previous year. While process automation was the number one reason cited for staff reductions, distributing operational labor data management across the management hierarchy was a close second.

Staff reductions are spreading the remaining HR staff thin as they are still responsible for managing the quality of labor information, even if they are no longer always on the front lines of managing productivity. In fact, Best-in-Class HR organizations are 16% more likely than All Others (80% vs. 69%) to consider a lack of staff and resources, to manage labor data quality and reporting, to be one of their biggest challenges.

Aberdeen uses a maturity class that separates survey respondents into three classifications based on key performance indicators:

- ▶ Best-in-Class: Top 20% of respondents
- ▶ Industry Average: Middle 50% of respondents
- ▶ Laggard: Bottom 30% of respondents

A fourth category, All Others, is a combination of the Industry Average and Industry Laggards.

Key performance metrics in this report include:

- ▶ Best-in-Class companies are 2.1 times more likely to have seen cost-per-hire decrease in the last 12 months.
- ▶ Best-in-Class companies are 28% more likely than All Others to fill a position on time more than 50% of the time.
- ▶ Best-in-Class HR organizations are two times more likely than All Others to find that more than 50% of their candidates are highly engaged.

To answer this new resource challenge, HR departments employ external partners in the form of HR outsourcing, recruitment process outsourcing, managed services provisions, staffing partnerships, and vendor managed services. In [Best Practices in 2017: Strategizing to Optimize Time-to-Hire](#) (October 2017), Aberdeen found that just under half of HR organizations today outsource all, or part, of their talent acquisition strategy development. Analyzing other areas within Aberdeen's research coverage shows a similar trend of strategic outsourcing that extends beyond process and technology management to include collaborating with subject matter experts (SMEs) in strategic process management. In fact, Best-in-Class companies are 50% more likely than All Others (12% vs. 8%) to outsource process design, management, and implementation to a third-party SME outside of the existing relationship with the vendor.

The modern HR organization is co-strategizing for the effectiveness of outsourced relationships. Fifty-seven percent of HR organizations today are engaging outsourcing partners at a strategic level. Adapting these partnerships to workplace changes in real time depends on readily available, high-quality employee information. Best-in-Class companies are 18% more likely than All Others (67% vs. 57%) to be strategically focused on improving the efficiency of vital communications throughout both the internal organization, and vital partner channels. As a part of this effort, 23% of HR organizations are pioneering automated documents management and adaptive information access controls to better support outsourcing partnerships.

Improving Efficiency in the New HR Strategy Dynamic

Best-in-Class HR is outsourcing more strategy development, giving them access to market SMEs, but also running HR up against a wall of proprietary data access controls. Today, Best-in-Class companies are 11% more likely than All Others (20% vs. 18%) to still find that data security presents a significant challenge to daily operational performance. The low numbers stem from the fact that 80% of the Best-in-Class find they have successfully stemmed the flow of information out of the organization to unsecured, unchecked destinations. With HR embracing outsourcing at a strategic level, however, they are incurring a greater need to share information to support comparable levels of management as if they were facilitating operational measures internally. Twenty-eight percent of organizations, today, expect to increase strategic outsourcing spend in the coming year. The problem is that Best-in-Class companies are 17% more likely than All Others (35% vs. 30%) to feel a growing

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pressure from required access checks each time they release information to accommodate partner relationships.

Figure 1: Likelihood to Reduce HR Time Spend More Than 20%

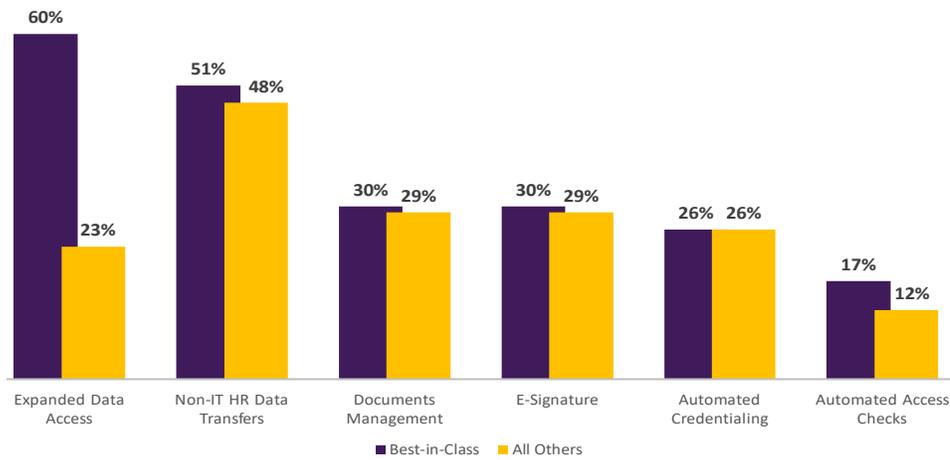


Figure 1 shows the top areas that improve how human resources organizations spend their time. Amid a growing dependence on strategic outsourcing, data access is emerging as the top area in which the Best-in-Class are reducing time. Mapping data security as a pressure for the Best-in-Class year-over-year, however, shows that as data access has expanded to incorporate HR demands, pressures from data security are no longer declining in magnitude.

In other words, Best-in-Class HR organizations are pressuring IT to extend access to internal performance information to outsourcing partners as a condition of the relationship with the partner organization. In the process, IT is giving up control over access rights at the data level. While this improves access timing and strategic execution, HR, across the board, realizes stronger benefits from improvements to other areas of data access and transfer.

In the first place, analytical reports provide HR with insights about operational and performance data. These insights are being shared as non-IT based data transfers that do not compromise the underlying data. Human resources organizations are sharing operational information with the outside world, configured so that the data is not the unit of authorization. What this means is that when the partner signs terms of use and periodic releases, HR can release insights in real time, without additional sign-offs. Treating the outsourcing partner as an extension of the internal organization is having significant operational benefits. Best-in-

Best-in-Class companies are 17% more likely than All Others to feel a growing pressure from required access checks, each time they release information to accommodate a partner relationship.



Class companies are 43% more likely than All Others (43% vs. 30%) to find that SME outsourcing partnerships help compile more vital information about employees, as HR seeks to optimize employee productivity.

While treating the outsourcing partner as an extension of the internal organization improves strategic management of the partner relationship, reviewing and authorizing can still be a challenge. Best-in-Class companies are about equally likely as All Others (30% vs. 29%) to find that documents management improves the flow of information by reducing transfer times and authorizations by more than 20%. Likewise, the Best-in-Class realize similar benefits from e-signature capabilities.

Once a partner organization has been accepted within the company, HR is finding that automating credentialing and further authorization checks have the strongest positive impact on sustaining the efficient flow of information between the company and outsourcing partner. The Best-in-Class are 42% more likely than All Others (17% vs. 12%) to find that automation helps support a seamless transfer of information.

Strategizing for a More Efficient Tomorrow

At the apex of 2017, Best-in-Class companies are seeking to engage IT once, to provide data access to strategic outsourcing partners. As the battle for the corporate budget wages on, Aberdeen has found that more than half of IT professional still engage in protective behavior regarding data, ranking data security concerns more than 40% higher than HR in its importance to business operations. Both the role of IT and the role of HR are changing, and, consequently, there are more intelligent measures for HR when working with the IT for data access. Measures such as automated conditional checks for access eligibility help build a more strategic partnership with IT, as HR seeks to strengthen the effectiveness of outsourcing partnerships.

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Table 1: Top Features that Increase HR Transaction Efficiency

	Best-in-Class	All Others
Integrated Access to Analytics and Reporting	57%	42%
Automated Access Checks	41%	36%
Full-Text Screening of Partner Data Requests	39%	37%
E-Signature	33%	29%
Documents Management	33%	29%
Compliance Verifications	27%	15%
Direct Send Capabilities	20%	21%

Source: Aberdeen (September 2017) n = 186

Table 1 shows the top features that increase HR transaction efficiency with outsourced strategy partners. As noted earlier, today's HR organizations are looking for the path of least resistance, when it comes to providing outsourcing partners with direct access to internal resources. Hunting for this often pits HR against IT in the fight over data accessibility and credentialing, leaving HR in a quandary about process efficiency.

HR's top pressure today is how to strategically drive labor productivity by improving overall talent quality. The Best-in-Class are about equally likely as All Others (72% vs. 69%) to consider a lack of strategic resources to help drive higher levels of productivity and innovation to be the top pressure facing their organization. In [Recruitment Process Outsourcing: A Lifeline in the War for Top Talent](#) (August 2017), Aberdeen found that if HR is unable to effectively make use of outside SMEs to drive Best-in-Class strategies efficiently, they'll be unable to effectively tackle this pressure.

The Best-in-Class are about equally likely as All Others to consider a lack of strategic resources to help drive for higher levels of productivity and innovation to be THE top pressure facing their organization.



The IT wall presents a significant problem for HR organizations. Engaging an outside strategy partner means that HR needs to share the inside operational data coveted and protected by IT. While Table 1 shows that today's HR organizations still seek one-stop access to the data in question, the Best-in-Class are starting to explore other avenues to establish an ongoing rapport with IT, as they establish these outside partnerships.

In the first place, Best-in-Class companies create protocols for automatically checking eligibility based on data access parameters set by IT. With a verifications strategy in place, these organizations are then engaging IT to strategize processing data requests by whatever means necessary. The addition of full-text request analyses removes the need for HR, or IT, to manually process verification requests.

Once IT and HR agree on the engagement process for managing outside requests, HR turns to documents management and e-signature, to manage the effect of changes in internal compliance requirements on the relationship with outsourcing partners. More than half of Best-in-Class companies engage an outsourcing partner in HR, with an understanding that the problem being solved is both long-term and evolving. Consequently, these HR organizations are establishing protocols to prevent changes from slowing down their ability to strategically engage all their resources to resolve problems.

Automating documents management and providing e-signature capabilities for compliance changes, prove to significantly reduce HR transaction time by more than 20%. The reduction is due to simply lowering the time needed to update compliance checks for the outsourcing partnership. Beyond real-time compliance updates, HR and IT are automating compliance checks to verify access rights of the person making the request, once it's processed and verified under the terms of the relationship agreement.

Getting back to Table 1, the features in the middle — full-text screening of partner data requests, e-signature, and documents management — are beginning to have a stronger impact on bottom-line transactional approvals between HR and their outsourcing partners. While the push for direct data access through systems integrations continues, direct send capabilities are falling out of favor, as they no longer provide efficiency improvements for HR.

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What this means, is that HR cannot drive the same kinds of efficiencies by providing full data access to outsourcing partners as is possible with a full relationship between themselves, their IT department, and the outside partner. The strategic relationship provides direction for the information needed to carry out a successful plan for HR functions, from performance optimization, to talent acquisition. Engaging in IT access checks helps HR better manage requests for information by prioritizing the information needed to successfully strategize problem resolution. Today, 56% of Best-in-Class HR organizations find that engaging IT in preparations for a new outsourcing partnership is more productive in the long run, than removing IT from relationship management as early as possible.

Connecting the Dots

Human resource organizations are turning to outside partners to develop Best-in-Class strategies for anything, from performance optimization, to talent acquisition. Aberdeen has found that increased specialization in the labor market has turned the unemployment rate on its head in such a way, that despite a high number of available workers, employers are fighting for the few who are skilled enough to fill open jobs. Eighty-seven percent of organizations today struggle to fill skills gaps across the organization.

Moving to an outsourced strategy ecosystem is turning out to provide significant benefits to companies, but it's running afoul of IT requirements for sharing internal information and data. In the past, HR organizations recoiled from this communications challenge by seeking direct systems integrations between HR resources and the outsourcing partner. Today, Best-in-Class HR is working with IT to building internal protocols for handling new outsourcing partners and changes to relationships with existing partners. To do this, they are using resources, such as documents management; e-signature capabilities; full-text documents screening and processing; and automated verifications and credentialing; to ensure that the right information is flowing to the right people in the right way—without the blockade of time-consuming, separable IT approvals. In the end, by managing their outsourcing relationships, the Best-in-Class are driving HR time savings by upwards of 20% or more, year-over-year.

Eighty-seven percent of organizations today struggle to fill skills gaps across the organization.

Related Research

[*Recruitment Process Outsourcing: A Lifeline in the War for Top Talent; August 2017*](#)

[*Best Practices in 2017: Strategizing to Optimize Time-to-Hire; October 2017*](#)

[*Boost Monitoring and Analytics for a Better View into IT Infrastructures; January 2017*](#)

[*Content Owner Reporting Helps Ensure Content Success; October 2017*](#)

About Aberdeen Group

Since 1988, Aberdeen Group has published research that helps businesses worldwide to improve their performance. Our analysts derive fact-based, vendor-neutral insights from a proprietary analytical framework, which identifies Best-in-Class organizations from primary research conducted with industry practitioners. The resulting research content is used by hundreds of thousands of business professionals to drive smarter decision-making and improve business strategies. Aberdeen Group is headquartered in Waltham, Massachusetts, USA.

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