

## Intelligent HR Software: The Power of Planning Ahead

By José Luis Tamargo, Meta4

It is a fact that technology advances in huge strides. The last few generations have borne witness to these amazing advances, primarily through the once trivialized technology known as television. At its inception, television was viewed as a form of entertainment. Its evolution has converted it into an information dissemination medium that is almost impossible to fully conceptualize. We now have reality at our very fingertips; thousands of channels show us the world in real time. Just as television morphed from pure entertainment into a data delivery system that would have been inconceivable at its inception, so will today's technology move ahead at breakneck speed.

This is one of the things that keeps me wide awake and on my toes. I'm not referring to the thousands of channels we can choose from, but rather to the giddy speed at which technology evolves. In particular, focusing on my area of interest, I am constantly wondering how to harness this technology to best motivate the workforce and increase its performance optimally.

Over the past decade we have observed a significant change in the way companies are managing their human resources. These changes emerged mostly from new needs arising out of a constantly evolving and increasingly globalized business world. Thanks to research efforts, we can now develop far more powerful tools for managing people with greater efficiency.

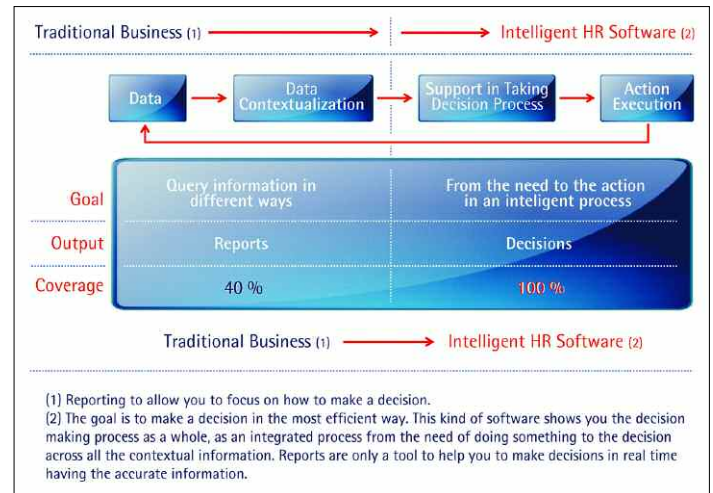


Figure 1. Evolution in Decision Support.

### The Need for Intelligent Process Support

Not so long ago, companies brought in niche software that covered a medley of requirements. Initially these applications just managed payroll and little else. Then, as markets evolved, other technology solutions came along to address new specific requirements. But these scenarios didn't truly meet the needs of companies wanting to grow, particularly if they wanted to expand beyond their borders.

Today, we have reached a level of complexity in both companies and the global business environment that makes it increasingly difficult to successfully manage people. Companies are demanding integrated solutions or software packages that support human capital strategies. It is no longer sufficient for managers to come up with their own discrete strategic plans to achieve the corporate objectives, or for such strategies to be implemented across departments without the active engagement of the human resources organization, an all-too-common scenario today. Today, it is absolutely vital that strategic planning permeates through to human resources departments so that they can analyze and detect areas of improvements and identify the future needs to be covered.

It does not stop here. It would seem that a software package managed solely by the HR department is also an insufficient approach, however powerful that software may be. More and more managers need to proactively plan for and manage their assigned human resources or team

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players. Research now has been redirected toward software that lets managers supervise their teams through intelligent applications: technologies with the capacity for generating, analyzing and, most importantly, interpreting information to produce valuable suggestions for successive actions and tasks, those not considered previously, to ensure that the best possible decisions are made.

Looking at currently available software options, even the most powerful packages are weak when it comes to interpreting all the information produced. They are capable of generating thousands of tables, graphics and analytics, but quite unable to interpret this information meaningfully to guide their users through effective decision-making processes.

Just where the capacity of these software packages fall short is precisely where the need for intelligent processes to support decision-making comes to the fore. Imagine how attractive and helpful it would be to offer managers the possible paths to investigate, not just taking into consideration the challenges for the company but also other mission-critical variables for the business, such as the macro-economic situation. In other words, we are talking about software that helps us take pre-emptive action with regard to our future needs and to make the best decisions now, thanks to this ability to anticipate requirements of the future.

### The Importance of Information

Clearly, it is not quite enough to know how to efficiently interpret all the information we have to help us get ahead of our competitors. We must also understand what information we should gather, analyze, and interpret to guide us to make the best possible decisions. The right information helps provide focus on what is important, in what areas we should invest our time and those areas that do not require our focus.

At this point, it's easy to see that we shouldn't just scrutinize the company at arm's length. Information has always been a key to the success of the entire organization. If it has been important throughout history, then today it is even more so. Stacy Chapman of Aruspex conveys it plainly in her article, "Putting the 'Strategic' into Workforce Planning." She says "A critical step in workforce planning is understanding the context in which your organization operates – the things happening inside and outside your walls affect your future. This might include demographic trends,

internal HR trends, business strategies and competitive behavior – whatever things are important to your future workforce. However, collecting data is not the important part of the requirement here, rather the critical step is deciding what data to collect, what data to ignore and why."

Intelligent software takes the cue here. It helps us decide what routes to follow in our business activities. In each situation we find ourselves, it can tell us what critical information we need to gather for the best decisions, whether from within the organization or outside it.

### The Evolution of Workforce Planning

Let's have a look at an example that is taking place around the world. Many real estate companies are filing bankruptcy or restructuring. But what is happening in companies that are managing to survive? Many of their employees, their best ones in particular, are moving to other sectors. Those that remain lose much of their effectiveness due to a lack of motivation.

What should intelligent software do? Several elements are absolutely fundamental – generate information about the degree of talent loss, the state of the available talent pool, the degree of workforce motivation, the risk of future talent leaks, succession management, and so on. It is crucial that these applications generate the required analyses for making the right correlations and comparisons. Additionally, external factors from the business marketplace should be accounted for, such as the crisis the sector is undergoing together with the economic downturn.

What is even more valuable is doing what previously has been unfathomable: to be able to anticipate the future and develop decision-making paths for exploration to better outcomes. Put another way, the software can generate suggestions for possible actions to take, providing managers with the capacity to make the best possible decisions without requiring prior knowledge of human resources management or undertaking complex training. The future lies in leveraging the business knowledge a line manager possesses together with this pre-emptive functionality made available through this sort of innovative software.

In the example mentioned earlier, and given how dire the situation is for companies in the real estate sector, this kind of application becomes even more critical. Software that can rise to these challenges, is capable of interpreting all the information generated, making suggestions to managers on the most suitable paths of next actions – not just based on corporate analysis but also in the context of how the market crisis can affect us in the future – would undoubtedly be revolutionary. Right now, this smacks of utopia.

### Is There A Solution for Workforce Planning?

In September 2008, the Aberdeen Group published their new benchmark report, "Strategies in Workforce Planning: Using Talent Acquisition & Performance Management Programs to Meet Tomorrow's Business Needs." In it they reported that organizations are placing greater emphasis on

future workforce planning initiatives in order to improve their ability to recruit and to retain the talent they anticipate will be needed in the short-term and long-term future.

Like them, many other experts stress the role of workforce planning in the future. In fact, these experts have spent years voicing the need for companies to really focus on this new reality. Back in 2001, Gartner in their article, “Workforce Planning: Cure for Government’s Aging IT Staff,” talks of the future importance of workforce planning. Cites the report: “Improved workforce planning is necessary; it includes forecasting skills needed, anticipating the long-term supply of IT skills within the enterprise and cultivating replacement talent. Ignoring the problem is likely to render the organization obsolete.”

Disregarding the problem, as Gartner says, only serves to convert companies into archaic structures incapable of surviving in the new business world order. More than ever, it is wise to invest in tools that allow us to analyze a given situation thoroughly and accurately from a multi-dimensional perspective.

The future is unknowable. Gathering and generating key information, analyzing it in the most efficient way possible, and interpreting it to best anticipate our own future becomes the cornerstone for any organization today and insurance for this indeterminate future – ensuring the right talent is in place as business needs change and evolve. I think no one will dispute that talent is the future of companies. Given the complexity and the environment in which companies now move, it is inevitable that intelligent software will become the *tour de force*, which assures that companies will find talent that meets their needs.

## The Future of Workforce Planning

At Meta4, workforce planning plays a key role in our human resources management. In order to succeed, companies of the future will depend, to a large extent, if not entirely, on their capacity to evaluate their talent needs and build a plan of action to cover these needs in the most efficient way possible. Intelligent software is a crucial keystone to help us achieve these objectives.

“The only thing certain about the future is that it is coming. But best-in-class organizations have implemented a variety of steps to take some of the mystery out of it,” said David Weldon, research analyst in the Human Capital Management practice at Aberdeen, and author of the

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benchmark report mentioned earlier. “The result is a competitive edge in both recruiting and retention efforts, as well as the ability to adapt to changes in the organization or the marketplace.” This powerful message is well-backed by surveys and interviews gathered from over 200 organizations globally in this report, which also highlights how best-in-class performers are using workforce planning programs to improve employee performance, increase employee retention and improve skills availability within the organization.

If we know how to make the most of these intelligent software tools, we will gain enormous competitive advantage in our ability to recruit the people we need, in our efforts to retain them, and in our capacity for adapting to organizational and market changes.



Figure 2. Sample Workforce Planning Dashboard.

The main mission for these software tools is to properly align decision support processes in human resources activities with organizational objectives. This is fully conceivable through emerging technologies. We are engineering change in our R&D departments, where intelligent applications are being developed that soon will revolutionize the world of human resources software.

## About the Author

José Luis Tamargo, currently HCM product manager at Meta4, is in charge of guiding how the products of the company should evolve from within corporate R&D. He has over 10 years of both national and international experience in different areas of human resources management and information systems. Over his long career, he has also occupied consulting and management positions in Hay Group, Seresco and Arthur Andersen. He has also participated as a speaker in events on talent management in organizations.

