



NEXT ONE Human Capital Management

What is the essence of a successful HR-IT strategy?



The shortage of skilled workers has a profound impact on HR and the entire company. To be successful in the competition for qualified employees, digitization and strategic solutions in HR management are essential. A future-oriented HR IT strategy combines HR cloud solutions, efficient processes and data excellence.

According to estimates of the US Chamber of Commerce, there are 9.8 million job openings in the U.S., but only 5.9 million unemployed workers. The shortage of skilled workers is changing the expectations of applicants and employees alike. The modern HR department is primarily responsible for how the company is perceived in the „moments that matter“ from the first point of contact to the application, through the entire employee lifecycle, to leaving the organization. To do justice to this complex mesh of experiences in all professional, creative and emotional facets, today we speak of human capital management.

However, the expectations of companies towards future employees are also changing. Recruiting is no longer just about professional know-how, but also about the ability to develop and implement new ideas, and the fit with the company's own corporate culture is also of growing importance.

HR must work closely with management and, with the company's goals in mind, develop innovative approaches to support the corporate strategy with the HR strategy. This is why the possibilities of digital transformation are also in demand in HR in particular: systems, processes and the underlying organization must be rethought in terms of a future-oriented HR-IT strategy to maintain the top position in the „Race for Talents“.



HR-IT Strategie: Der Cloud gehört die Zukunft

A future-proof HR-IT strategy is not static, but continuously evolving. Efficient and effective HR processes are equally necessary, as is the ability to quickly align strategically and leverage new technologies such as AI. HR is in a constant balancing act between agility and stability. Cloud solutions in particular meet this requirement, a prime example of which is SAP SuccessFactors. These offer numerous advantages, such as flexible extensions to the scope of functions, and are easily scalable in the event of growth and global expansion, as no in-house IT infrastructure is required. Innovation cycles are also shorter, and updates can be activated and implemented easily. Cloud solutions are the future: even though SAP will continue to offer the on-premise alternative SAP HCM for S/4HANA (H4S4) until 2040, news and innovations are reserved for the cloud flagship SAP SuccessFactors alone.

Currently, many companies still have isolated solutions for the various HR functions, with heterogeneous processes and inconsistent data. A holistic HR IT strategy should aim to integrate the various systems, e.g., for payroll, master data management, talent management, and time, attendance, and absence management, into a single platform. This enables end-to-end and scalable processes across systems. Employees, in turn, find all functions in one place and benefit from a seamless employee experience, while HR managers do not have to find their way around many heterogeneous tools.

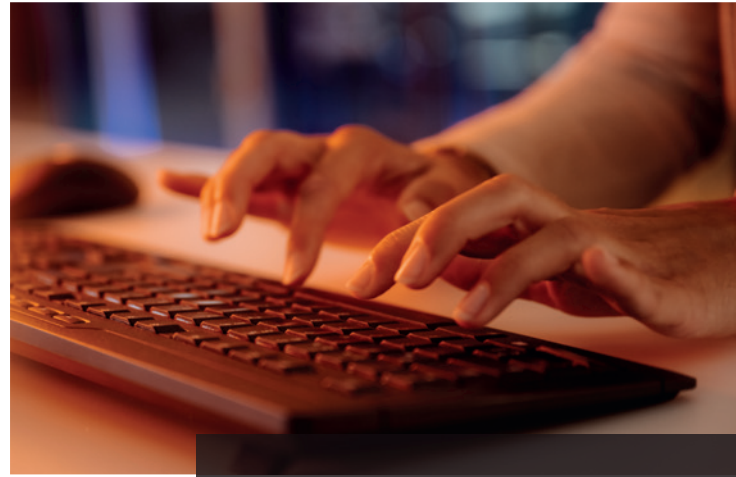


However, software-as-a-service solutions like SAP SuccessFactors also require a change in thinking compared to the on-premise world. Work must be done close to the vendor's best practices and standards, which places demands on process redesign and change management. Technical implementation can also be a challenge. Especially in grown heterogeneous system landscapes, the different deployment options must be considered, with different weighting of on-premise and cloud components.

Leveraging the benefits of digitization

Recruiting, developing and keeping employees enthusiastic about the company in the long term is crucial to the company's success. It is therefore important to support the operational and strategic work in the HR area with digital solutions and to reduce the administrative effort. Efficiency will be created primarily through the digitization, harmonization and standardization of processes. In this context, the automation of recurring HR processes should also be brought into focus. A practical example would be an internal system notification principle that informs about incoming applications on the HR platform instead of sending applicant data and documents manually by e-mail. Efficiency and user-friendliness are by no means contradictory: if workflows are optimized and sources of error eliminated, this also directly benefits the candidate experience, as the application process runs smoothly and efficiently.

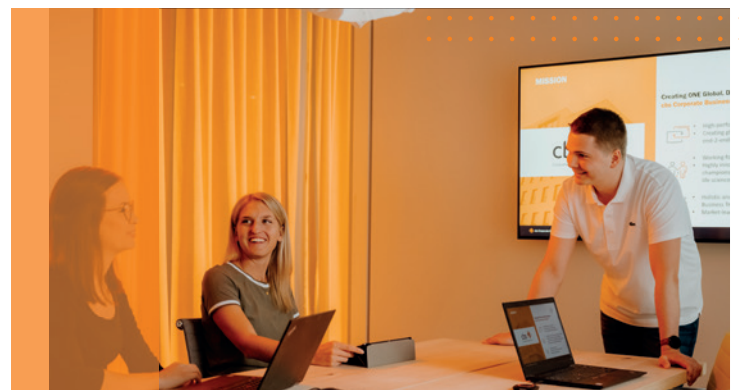
In the same way, Employee & Manager Self-Services (ESS/MSS) solutions and also innovative key technologies such as AI can make a decisive contribution to successful HR work. For example, generative AI can already create job postings or filter applications on the basis of defined parameters, which relieves recruiters and hiring managers. Chatbots, in turn, independently answer simple questions without delay.



Data: Challenges and potentials

A future-oriented HR strategy must also pay special attention to data. On the one hand, security precautions must be taken to ensure the confidentiality and integrity of data. In addition, media discontinuities and duplicate data maintenance pose a challenge because on-premise and cloud solutions often coexist. On the other hand, data offers enormous potential: by using business intelligence (BI) and data analytics, crucial insights can be gained that support workforce planning, talent development and decision-making. By integrating modern technologies and focusing on data-driven decision making, HR can better fulfill its strategic role in the organization and support the company's success in the long term.

Where do you stand with your HR IT strategy? The path to a data-driven, efficient and successful HR system is challenging, but manageable and well worth the effort. We work with you to develop a custom-fit HR-IT strategy so that your HR goals are optimally supported by your IT landscape. From strategy development and an individual HR IT roadmap to implementation and execution, we can support you throughout the entire journey. We look forward to working with you!



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