WE'RE NOT IN KANSAS ANYMORE TOTO: HOW TO PLAN A GLOBAL HRMS ROLL-OUT

Subash Sitaraman

IT Convergence

Introduction

The coat you wear may have a label stating "Made in …" If you aspire to be politically correct, you may not want to purchase a garment that was made in a third world country which does not have very good standing given the conditions in its sweatshops.

However, what you may not know is that even if the very garment was to sport a "Made in USA or UK" label, this may only reflect one of the stops that the garment made on its way to your wardrobe.

Global trade today moves materials and services across all sorts of political boundaries. The wool for your coat may come from New Zealand; it may have been cured in Australia, designed in France, cut in Bangladesh, stitched in China, dyed in India, finished in Cambodia, packed in Pakistan and shipped from Romania.

Not only that, the same process is followed irrespective of the end customer being a man, woman or child in the western, eastern, northern or southern hemisphere. Irrespective of the geographical diversity and the cultural differences between the regions, there are business practices that remain the same even though each end customer desires his or her own custom fitting and design.

Identifying such common business practices that can be standardized across most regions is as important when planning a global HRMS roll-out across business entities in your corporation. The following paper discusses how to accomplish that and the salient features of planning a global Oracle HRMS roll out. This document is not a full implementation guide, but rather it focuses on 3 key aspects of the global project plan: Project Scope, Project Planning and Project Resourcing.

Planning the Project

GET BUY-IN

Before embarking on any ambitious project, it is important to get a buy-in of all the major stakeholders. Typically these include corporate HR management, the board and to some extent the HR managers of local entities. They have to be enlightened on the possible roadblocks, resistance that might come up, the budgeted cost of implementation (and this is HUGE!), the time it might take to see results and other considerations.

Having the buy-in of the most senior officials will minimize the risk of the plug being pulled on the project because of the murmurs of discontent that it will generate. A global roll out has to take into account privacy issues, local customs, job definitions, language barriers, and a laundry list of cultural differences that could derail the project if you are not prepared for it. Apart from this, dissatisfaction could also arise from the lack of technological literacy and acceptance amongst your user community.

ESTABLISH A PROJECT MANAGEMENT TEAM
Simultaneous implementations across different regions imply a huge commitment of resources. But before we discuss this further, let us look at what is needed from the Project management Team.

For any global project, it is advisable to have individual leaders for the functional, technical, reporting and training aspects of the implementation. Roles of these individuals and their teams need to be clearly defined. Functional team members will be responsible for defining the business process, performing the gap analysis, preparing the BR100, setting up and configuring of the system, conducting Conference Room Pilots and posting go-live support. Technical team members are responsible for system administration, data conversion, managing interfaces and customization development. Reporting team members are responsible for defining global reporting requirements and developing and maintaining these reports. The training team will be responsible for User Training and documentation.

Needless to say, the project team should be 100% dedicated to the project. The senior project management team should definitely be comprised of employees of the corporation. This is to ensure ownership and knowledge of the corporations' defined goals. While it may be necessary to outsource some of the team members within each of these functional, technical, reporting and training teams, they should in all cases be managed by the organization. External resources should be utilized where their skill sets can best contribute to the project – the setup, configuration, and testing of the product.

However, it would be unwise for the corporation to staff the PMO with resources who do not have adequate knowledge of HRMS. Therefore it is highly recommended that the organization spend the time, money and effort in conducting an in-house training for its project management team on the basics of Oracle HRMS[1]. Knowledge of the product and its capabilities will go a long way in defining the common business processes, global standards and reporting requirements.

Change Management / Change Control

Projects, big or small, call for a significant amount of support from the users and other stakeholders. Change management is an issue that every organization has to deal with every day, irrespective of the size or complexity of the project. Global HRMS rollouts are extremely susceptible to the various cultural barriers talked about earlier. Apart from this, even a small variation in the conventions used in the product setup and configuration could affect global reports or data being viewed/extracted. To this end, it is important to have a very sound Change Management policy in place and follow it diligently.
Define:

- Global processes very clearly
- Conventions and standards
- Bare minimum information required by the application
- How a change in setup or deviation from compliance of the above will be addressed

ESTABLISH A CHANGE CONTROL TEAM AND HAVE REGULAR MEETINGS
Have every region/site bring its required changes to the meetings and approve or disallow changes after careful consideration of the impact of the change requested/suggested.

One man's meat is another man's poison. A necessary change by one region may be banned by local legislation in another. For example, most implementations use the National Identifier as the primary unique key to identify each employee. However, European Data Privacy laws prohibit the electronic storage of this information beyond the member country's borders. Unless specific approvals are obtained, this will be a major roadblock in your implementation plans.

[1] Readers who are looking for a good general overview of project management issues can find one in the white paper "Overcoming Project Management Challenges in Oracle Implementations."

Project Scope

Before we delve into the above aspects, it is necessary to define the scope of the project implementation. It is very important that the organization and its stakeholders understand the complexity that could come with a global rollout. Therefore it is important to define a scope that is manageable yet encompasses the key functions of the HR function. This will help to ensure that the business processes being implemented and its key deliverables can be measured for success.

One of the most common problems in multinational corporations is the ability to get a clean headcount of employees across the globe. Many organizations do not even realize that local HR organizations define headcount according to their own understanding. For example: Is a temporary worker part of the headcount? Is a contingent worker included? Is an employee on long term paid leave included?

There needs to be a uniform standard for including or excluding people in the headcount. This helps to plan and prepare human resources budgets.

The next big advantage of a standardized global project is the ability to identify movement of human capital across the various entities. To make this possible, it is important to identify the employees based on their qualifications, experience and job profile. This necessitates standardizing the work structure definitions (job, position and grade). The next level of standardization is the academic and professional qualifications of the employee. The employee may have a local title of Manufacturing Engineer in one location or be called an Industrial Technical Analyst in another; they may still be performing the same job function, therefore making it easier to move them across the 2 entities.

Standardizing global job, position and grades makes identification easier for succession planning or career progression.

Over the past 5 years, organizations have been facing the big challenge of ensuring SOX controls within their corporations. Defining SOX standards across the globe is not only necessary but also beneficial as it provides for transparency and good governance policies. To achieve this, the project scope should clearly identify which of the business processes are to be SOX compliant and ensure adherence to the corporate policy.

As mentioned above, defining the project scope before embarking on the long road ahead is a key challenge. But even before the project scope is defined, a core team needs to be formed. This will typically include the Project Sponsor, the Global Project Director and a few others. Global Project Management would be better managed by individuals who have specific project responsibilities – Functional (business processes, internal controls etc.) and Technical (System Administration, Conversion, Interfaces, Customizations, Database Administration and Instance Management, Reporting and Training). Together, these individuals will collectively manage the scope and project activities with their respective teams.

DON'T BITE OFF MORE THAN YOU CAN CHEW

Implementations fail because of the inability of the organization to realize that a huge project scope only adds to the complexity. Follow the KISS principle: Keep It Simple, Stupid, which states that the design should be kept simple and unnecessary complexity is to be avoided. As another popular saying goes, the chain is only as strong as the weakest link. Across the world, corporate entities are not at the same level of maturity or organizational capacity. Therefore trying to implement multiple modules will only lead to more complexity and raise the need for hiring more local staff to run those modules. If your organization follows strict SOX guidelines, the segregation of duties principle makes it necessary to increase your HR staffing levels.

Oracle Core HR is by itself a very powerful tool to manage the Human Resources functions. To begin with, this should be sufficient to map most of the HR Business processes ranging from recruitment to termination.

Within Core HR itself, it may not be necessary to implement all that it offers. Competency management is an excellent tool but can add a lot to the complexity. Yet basic competency can be measured through an intelligent implementation of academic qualifications and previous employment records.

KEEP REALISTIC GOALS

The project scope needs to be explicit in defining goals and measurable targets. What do we expect to achieve at the end of the implementation? As mentioned above some of the key deliverables could be:

- Standardization of the hiring process
- Capture of the same profile information for all new hires
- Standardization of job and position titles and grade levels
- Ability to get a clear headcount report globally or by region
- Ability to compare the human capital irrespective of location
- Identify gaps in human capital growth and deliver necessary training uniformly

Common Business Processes

If your organization has a well defined and documented HR business process that is a good place to start. Conduct an informal audit of some of your key geographical regions and find out how much they comply with the documented processes. Sometimes, because of local legislative requirements, some countries may have modified their processes to suit their laws. For example, in the United States and in many countries in Europe, it is illegal to ask the employee for their personal details such as marital status or number of dependents. Yet this information is available in their tax cards issued by the government. However, in Asia, it is common for applicant resumes to contain a lot more information regarding their personal details than what would be found in the US. Likewise, in Latin American countries such as Argentina applicants are expected to provide their marital status and birth date at the top of their resumes.

A global project scope has to define what is the minimum required and this should be the standard across regions.

A manufacturing organization having facilities across the world may be producing household appliances, automotive components, and heavy industrial equipment. Yet despite their diversity of products, they employ people similar in profile. So while local job and position titles may be varied to reflect local needs, it is important to define global titles to facilitate a comparison.

Similarly a comprehensive global compensation structure clearly defining compensation elements and benefits by grade levels helps to define compensation by region and level of employee.

All of the above lays the groundwork for global reporting which is a key objective of implementing HRMS globally

Choosing a pilot site

Before you embark on a big-bang global implementation, it would be advisable to identify a pilot site. This site should be representative of your organization yet not be extremely simple or complex. Choosing an extremely simple implementation will not prepare you for the challenges ahead. By the same token, an extremely complex site may delay the implementation and make the road ahead seem very daunting. Therefore, it is better to choose a site which has some complexity yet is manageable. This will help identify potential pitfalls where the globally defined business processes might fail. It will also provide insight into the kind of change management issues that may come up, and it will prepare the organization for future sites.

Once the pilot site has been completed with a degree of success, it is possible to fan out to other locations[2]. This time around, it would be prudent to take on 2 or 3 sites in parallel with multiple teams. As far as possible, try and adhere to the globally defined processes and setup decisions

Setup and Configuration decisions

Decide on what lookups and value sets will be globally used. These lookups could form part of the global security group and should not be allowed to be changed. If in the future any region necessitates additional values or wishes to prune the list, the lookup can be regionalized and/or tagged by legislation code.

Key Flexfields

Keep the key flexfield (kff) structures and their value sets as standard as possible for all regions. While each region and its business group will have its own KFF, the structure and value sets should be the same. Use the same attributes to enable global reporting standards.

What's in a name?

A global roll-out will often face cultural barriers across the world[3]. In the United States, it is customary to use the last name first on official forms. Asians write the family name first and then their given names, South Indians often have names of their village and also their caste included in their full name, French prefer to capitalize every letter of their last name, Dutch have hyphenated names, while Latinos/Hispanics have multiple first, middle and last names. So, is this important? Yes, because if you don't have a standard, you could offend your employees by not having their correct name on forms and other documents. One organization spent 2 months defining a name format – obviously this not a question you want to invest two months of time to answer. One approach is to identify the Last name for the main entry and use the other fields or define additional fields for the other parts of the name. Regardless, this is one issue you've got to be proactive on.

Project Resources

INSTANCE MANAGEMENT
An important aspect of a global implementation is the corporate network connectivity.

Irrespective of where you decide to place your corporate servers, you will have dissension in the ranks. You can never please everyone, therefore it is important to make them part of the decision making process and get buy-in. Deciding where to base your service depends on your needs. Having a single instance is better from a management and trouble-shooting standpoint. It becomes far easier and cost effective to manage updates and upgrades in the long run with a single instance. Also backups and disaster recovery processes are better managed with a single site.

---

[2] If your organization is considering using a Latin American subsidiary as a pilot site for an HRMS rollout, you can find more information to support such an initiative in the white paper Oracle HR Implementations in Latin America.

[3] For more on cultural issues that can affect Oracle rollouts in Latin America, please refer to the white paper : Rolling Out Oracle In Latin America - How To Meet The Challenge

At the time of implementation, it is necessary to have multiple instances for testing, development and production. Be sure to plan so that you have the appropriate level of system availability.

In a global implementation, it is very likely that multiple regions will be implementing at the same time. This is necessary to reduce the implementation timeline by avoiding the need to go to one location at a time. Therefore a well defined instance management is necessary. You may need multiple test and development instances. While this may present an increased cost upfront, the savings down the line are beneficial in the long run.

Project Sites and teams

Each individual project site needs to be staffed with adequate resources with the necessary support of the global teams. Typically, a project site should have at the very minimum the following resources:

Project Leader – a senior resource either Functional/Technical or Techno-functional by skill set with strong people and communication skills

Functional HR Lead – senior resource with strong product knowledge of functional requirements and good documentation skills for preparation of the Requirements Document, Gap Analysis and Setup document

Technical Lead – to define and document customization and interface needs, manage the data collection, collation and conversion process. Also manage system access requirements and system administration activities

Technical resources – for conversion, customization and interface development and testing
The reporting and training requirements can be met by the common global team which will in most cases be based at the corporate headquarters or designated project headquarters.

Identify and involve the Support Team

Apart from the above, it is necessary to identify one or two resources that will support the project site after go-live. The responsibility of these resources would be on-going support and maintenance in terms of product configuration, additional setups of codes, lookup values, creating specific local reporting requirements etc. These resources need not be dedicated 100% to a specific site or country but instead could be responsible for a region comprised of multiple sites/countries.

Dedicate a DBA to the project

A dedicated DBA (database administrator) supported by other DBAs will be required to manage instances, apply patches, manage migration of code and setups, backup and refresh instances etc. Normally, it would not be advisable to apply patches during the course of an implementation. However, this is fine if it is a single site implementation or one where the expected completion of the project is less than 6 to 12 months. In such cases, it might be advisable to freeze the version and family pack levels prior to implementation. However, in a global implementation, the timeline is much longer and therefore maintaining a pre-implementation level of version and family pack is neither realistic nor advisable. This is where having different test and development environments provides a sound implementation strategy. Patches and family packs which are released regularly by Oracle can be tested on a test-bed before being applied to other environments. They can then be tested by sites in implementation or live sites by their respective teams / support personnel, before being applied to the Production environments. Having a dedicated DBA for the project ensures a single point of control over this process.

Conclusion

The success of a global implementation lies in the mindset approach and attitude of the project sponsors and project management team. Remember the motto of the Boy Scouts: BE PREPARED!

- There will be challenges. There will be cultural barriers; there will be change management issues. Have a contingency plan to deal with unforeseen circumstances.
- Train your team well on the product's functionality. Awareness of what can and cannot be done is important to define the project scope.
- Define and follow a change management procedure. Do not allow ad-hoc changes or deviation from globally defined practices without proper review by the Change Control team.
- Dedicate your resources.

