PEOPLE MANAGEMENT IN THE PUBLIC SECTOR

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Delivering cost savings while protecting or enhancing services to employees and other stakeholders is not a new challenge faced by the UK Public Sector. Long before the radical overhaul of local authority budgets introduced by today’s coalition government, Sir Peter Gershon was tasked by the Labour government with performing a review of Public Sector efficiency. His report, published in 2004, provided a series of recommendations for introducing efficiencies to back-office functions, including HR. It also marked the beginning of a realisation across local authorities that the efficiency agenda was here to stay.

Fast forward to today and the Public Sector now finds itself working under unprecedented budget constraints. The efficiency agenda remains vital, but stripping costs out of the operation is not enough to meet the scale of the cuts demanded. The focus is also on performing core business processes in a smarter way, which has led to an increasing number of transformation initiatives. Each change programme has massive implications for employees and, inside many local authorities, HR has been central to their delivery. Then there’s the transformation occurring within the function itself, as HR moves from a transactional ‘hand-holding’ department to a business partner ‘strategic change function’. Fresh insights and new, innovative approaches are called for to help organisations rethink core HR processes, and to re-engineer them when necessary to support future expectations.
A new approach to transformation

Technology has a key role to play in any transformation initiative, but today it requires a different emphasis focused more on ‘user-centricity’. Central to this is the ability to provide an effective user experience, with the capabilities to differentiate between casual and more specialised users, and between formal and informal processes. Information delivery also needs to be re-imagined, to ensure the right information is available at the right time to help users make more informed decisions.

This fundamental understanding has driven the development of Oracle HCM Fusion, technology that delivers a revolutionary step forward in HR system design and operations. Users no longer need to worry about customising the software – at a business process level they can simply configure the steps and the fields the organisation requires, while users can easily personalise what they want to see and create the best working environment geared toward their own productivity.

Deploying transformation – flexible options

Oracle HCM Fusion offers an array of flexible deployment options, providing customers with unprecedented choice without the need to commit to any one delivery mechanism:

- **On-premise:** the Authority owns the licence and maintains responsibility for software and infrastructure management, providing them with complete flexibility and control over the process.

- **Hosting:** the Authority owns the licence but Oracle is responsible for software and infrastructure management, an approach that requires no infrastructure investment.

- **SaaS:** Oracle maintains responsibility for software and infrastructure management, alongside retaining ownership of the licence, with the Authority subscribing to the service.

- **Hybrid:** the Authority chooses to remain with their existing on-premise product, while bringing in an HCM Fusion application in either a hosted or SaaS model.
Cheshire West & Chester City Council transform pay and rewards

In response to recent government announcements on public spending, Cheshire West & Chester City Council has targeted net savings of **£38 million** over the next three years. As part of the initiative, the Council plans to create a single set of terms and conditions for all staff, together with new contracts, in a move aimed at saving **£4 million per annum**. A key aspect of these new terms and conditions is the creation of a new reward and recognition programme – which aligns with the Council’s objective to become a high performing authority which rewards and retains high performers. Technology is a key enabler of the change programme, and the platform of choice is Oracle’s new Fusion HCM applications delivered via Software-as-a-Service (SaaS).

The capabilities

Fusion Compensation Workbench allows managers and reward professionals to plan, model, and allocate pay without the need for spreadsheets. Users can distribute budgets and compensation based on established guidelines, see worksheet views of employees, their performance ratings and total compensation. They can also promote employees and provide new performance measurements.

In addition, powerful analytics provide statistical review, internal and external comparisons, compensation history, and overviews of current budgets and allocations to provide managers with real-time decision support. All of this is done within a secure environment with a configurable notifications and approvals workflow.
The value of the model

Cost benefits
By subscribing to a SaaS application, the Council has avoided the overheads associated with implementing, installing and patching conventional software. Time-to-benefit is quicker as the “go live” date can be accelerated by taking advantage of pre-built business processes. In addition, the annual subscription fee is for a service – making it an operating rather than a capital purchase cost.

The budget is spent on functionality rather than infrastructure:
Oracle SaaS eliminates the need to purchase and support a server infrastructure in-house, as the solution is housed in a data centre owned and managed by Oracle, running Oracle hardware, with highly skilled Oracle staff maintaining all patching and upgrade processes. This ensures the Council has access to the latest software releases, and enjoys the maximum security, reliability, and scalability available.

By taking this innovative approach to technology adoption, Cheshire West & Chester City Council has introduced enormous potential for cost savings, with Fusion Compensation Workbench supporting a dynamic transformation of pay and rewards at the Authority.
Driving transformation – HR self-service

The concept of HR self-service has been around long enough now for the benefits to become clear, and it should come as no surprise that the most important factor behind implementation is cost reduction. Simplifying processes and automating tasks through self-service is a proven formula for increasing HR productivity. But the value doesn’t end there, and Public Sector organisations are increasingly putting self-service to broader use across the people management field, touching everything from recruitment and eLearning, to absence management and flexible working.

There has been a tendency in the past to view web-based self-service systems as primarily addressing cost and efficiency issues for HR. Employees are empowered to enter data such as bank account details online, view their past payslips, sign up for training courses, submit requests for annual leave, review absence records and so on. All of this completed without direct involvement from over-stretched HR resources that can then shift their focus away from basic administrative tasks towards more value-adding work.

Embedded value

This situation is evolving with self-service becoming increasingly embedded in multiple day-to-day activities, driven by the demand for greater efficiency across local and central government. With access to the internet, employees can make decisions based on their own HR needs, resulting in a more content and productive workforce that is spared the perceived challenge of navigating multiple layers of management to get their issues resolved. Managers also benefit from greater visibility into performance reviews, training schedules and absence levels that support more detailed trend analysis.

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Connecting through people – South Lanarkshire Council

As part of a wider national trend to move away from traditional, paper-based and administratively cumbersome personnel policies to a more strategic, service-based approach, South Lanarkshire Council took the decision to implement Oracle HR Self-Service.

An immediate impact

The project began in 2009, was delivered on time and 12% under budget, and is now used by over 80% of the Council and its partners’ 18,500 employees. Impact has been immediate, with a significant reduction in work effort for Pay and HR administration, employees and managers. This has been achieved through quicker processes and a simplified number of steps and handovers.

Other benefits have included:

- Reduced payslip printing and distribution costs (more than 95% eliminated)
- Associated sustainability benefits
- Improved employee and manager engagement
- Improved auditability and visibility
- Ability to meet equality, legislative and policy requirements at lower cost
- Money equivalent savings allow project pay back in three years
Self-service learning – Log on to Care

In a heavily regulated environment, and with increasingly stringent budget cuts causing many traditional courses to become unavailable, Log on to Care provides Local Authorities with high-quality, self-service training programmes for staff working in a range of social care settings.

The project was initiated and funded by nine local authorities in the Thames Valley, and consists of three core elements:

Learning Management System – a growing range of content that includes 60 modules and 25 titles.

Website – an intuitive interface presenting user information on course availability and recent developments.

Blended Learning – combining face-to-face supervision and computer-based learning, as well as quarterly user groups to discuss projects and identify any areas for improvement.

The key benefits for learners:

- Simple and fast access to eLearning courses
- Ability to quickly view and track progress
- ‘Last place in the course’ bookmark for the next session
- Provides a record of assessment scores
- View and print certificates of achievement

The organisational benefits are also impressive. After setting up user access controls, managers can quickly review completed/uncompleted courses by week or month to gain a detailed insight into how individual modules are being used, how quickly people are moving through them, and how employee skillsets are developing.

‘I’ve just completed the Health and Safety course and just wanted to say it was the most engaging Health and Safety course I have ever completed!’

Coordinator – Personal Assistant Register, Volunteer Charity, Reading
Oracle HR Self-Service benefits

With Oracle HR Self-Service, managers and employees can access and manage information and transactions in a paperless environment, updating and using employee-specific information that is personalised to an individual’s role, experience, work content, and language needs.

It allows you to:

Operate a single source of truth – increased data accuracy and timeliness provide both managers and employees with a single point of entry to all HR information and processes, with embedded online advice to further reduce errors.

Drive employee self-service – enable employees to manage everything from personal profiles and expenses to benefits, payroll, and more, through self-service portals.

Empower managers – enable managers to quickly perform core HR tasks, including transfers, re-grading, employee training enrolment, terminations and skills searches.

Support career development – provide employee access to targeted training and job opportunities, and managers with the capability to search for suitably skilled individuals and match them to work or learning opportunities.

Speed processes with workflow – deliver reports, status messages and approval requests to approvers in sequence via workflow to streamline processes, remove bottlenecks, and reduce administrative costs.

Configurable to support your organisation

By deploying Oracle HR Self-Service, Public Sector organisations can quickly improve efficiency by configuring applications to address the information needs of their workforce. Users can easily configure content, labels, links, and logos to match their operational structure. This can include knowledge repositories, HR policies or external links to third-party resources such as benefits providers.
Driving transformation – talent management

Our experience across a broad swathe of the UK Public Sector suggests that few organisations have any formal talent management processes. Where they do exist, the tendency is to focus on top tier executives, sectors where compliance is a key driver (such as social care), or in graduate training programmes. This absence of any formal process or governance can lead to people opting into talent management by self-promotion, networking and politics, as well as encouraging individuals to bypass the performance review process in favour of internal and external networking. As recent research from Ashridge Business School and the IDeA has highlighted, very little in the way of career planning currently exists within the Public Sector. Only 20% of authorities provide any formal planning, with most career development considered ‘haphazard’ and career routes ‘ill-defined’.

For organisations looking to implement processes and technology in support of their talent management goals, part of the challenge is the high cost and lack of flexibility in extending traditional back-office solutions into the area of performance management. It is also an area where Oracle can provide a unique range of supporting capabilities. Our new Fusion Talent Management products can be deployed as both Software as a Service (SaaS) and traditional on-premise solutions. As part of the SaaS offering, Oracle will host and manage the applications, providing live, working applications that include pre-built integration into existing HR solutions. Delivery is typically completed within a three-month timeframe, and at a price that reflects the usage and roll-out of the talent programme. Fusion Talent Management also offers groundbreaking functionality through its Talent Review graphical process and advanced social networking capabilities.

Oracle and the UK Public Sector

Almost 65% of the UK Public Sector is paid and/or managed using Oracle applications. We are the only vendor that can provide on-premise, hosted and Software-as-a-Service solutions to the widest range of Public Sector customers.

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Want to know more?

To gain a better understanding of how Oracle HR Self-Service, Learning Management and Fusion Talent Management helps streamline HR processes, decrease costs and improve service, please contact:

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