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Dream Teams

Human resource and information technology departments at many companies have put aside old antagonisms and are working together as one.

BY TOM STARNER

On the face of it, the human resource and information technology departments seem to have about as much in common as John Deere and Microsoft. Until about a decade ago, in fact, the differences were nearly as stark. HR people took care of hiring, payroll, benefits and so forth, but had little positive impact on the bottom line (or so the conventional wisdom had it). IT-ers were the geeks, the people who installed and ran the company's major computer systems, and were critical to bottom-line success. Back then, the HR folks were lucky if they could get IT's attention, let alone consideration for an HR request to be the next "big" project.

Today, with technology finally helping HR's drive for strategic relevance, those two previously disparate departments are successfully collaborating on major projects in such business-critical areas as e-recruiting, self-service, training, compensation and talent retention.

Despite the much-improved state of HR and IT relations, however, things didn't get ironed out without some twists and turns.

"For the last 10 years, there has been an interesting evolution," says Steve Joyce, practice leader for HR at The Hackett Group, the Atlanta-based business-process advisory firm that provides best-practices research services. "During that time, HR really took control over its own technology."

Joyce says that, during the late 1980s, when most corporate computer systems were based on mainframe technology, the message from IT to HR was pretty simple. "They told HR, 'Slip your requests under the door. We'll get back to you in six months with a solution, and you'll love it,'" he says.

However, by the 1990s, a real revolution had arrived in the form of PC-based software and client/server technology. All of a sudden, Joyce says, HR executives had a greater say in determining their technology priorities. In fact, many HR executives decided they didn't really need IT anymore, and created their own IT groups within HR. The HR/IT organization was born.



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"It was a necessity to get out from the yolk of IT prioritizations, when HR usually ended up at the bottom of the pile," Joyce adds.

Thus equipped with those newly flexible muscles, HR went off on its own, he says. But as the decade wore on, those same HR executives began to realize that implementing massive technology projects was a tough, risky business, as HR never really acquired the depth of skills and discipline necessary to implement those IT projects.

"HR made a lot of promises in areas such as productivity, financial results, employee accessibility, etc.," Joyce says. "But many HR organizations had difficulty executing those IT projects."

Many installed the entry-level phase of their projects, he adds, but eventually they had to reach out to IT to help get them "over the finish line" on business cases that were never realized.

"HR executives realize they can't do it alone, that it's much smarter and safer to collaborate with IT," Joyce says.

Also, as HR's dependence on technology to push it to a new level within the organization grows, so do the table stakes for success.

"The kinds of projects that require HR/IT collaboration are often multiyear and multi million-dollar outlays," says Michael Horne, a San Francisco-based organizational development management and HR consultant who led the OD practice at Marriott International and has held HR management positions at Nortel Networks. "They have really become important."

With those issues driving the change, this collaborative spirit has found its way into many large companies across different industries. Time Warner, Corning, AFLAC and Qualcomm—four very different organizations—have used HR and IT collaboration to achieve success in recent HR technology projects.

Across those four companies, in fact, a few major themes and strategies recur within successful HR and IT collaborations.

Robust Conversations

One emerging strategy is that the stereotype of IT people being of one mind and HR being of another no longer applies. By creating cross-functional teams to tackle a major HR tech project, companies can really get the best efforts, and talents, from both sides.

At Corning Inc., Mark Clark, director of corporate staff IT, says the idea is to blend HR and IT on both the technological side and process design, so they can see each other's point of view, and work more effectively.

"The IT person brings the knowledge about the tools needed to automate the process, and HR brings the knowledge on how to best apply those tools," says Clark.

In 2003, the Corning, N.Y.-based company launched an initiative to drive corporate staff functions (finance, procurement and HR) to achieve "top quartile cost performance." The initiative included heavy investments in process re-engineering, internal shared services and IT solutions. The result so far has been over \$100 million in savings, with HR committed to \$14 million in savings by 2006. To date, HR has reduced its costs by over \$10 million through a combination of increased shared services, process simplifications and improvements, and employee self-service.

"We needed to make broader decisions more quickly, which meant a global view of the HR

function and employee data," he says. The savings, Clark adds, will come directly from this massive technology investment and data standardization.

At San Diego-based Qualcomm, which provides advanced wireless technologies to the mobile phone industry, a common vision shared by HR and IT has been critical to the success the company has enjoyed in launching its homegrown employee self-service applications, says Phil Pins, senior manager of HR management systems. "It has helped us position our employee self-service portal as an 'employee' project, not HR or IT," he adds. "We share a lot of common ground, so as a baseline, the common vision was important."

Pins notes that because the company's employee portal was custom-built in-house—without using any large ERP or third-party vendor application—ownership was definitely a team effort. Qualcomm decided to build its own portal four years ago because, at the time, it believed the HRMS vendors couldn't deliver the type of functionality it desired.

"Our names are on the product, as part of the credits page," says Nancy Hemry, director of Qualcomm's HR management systems. "When it has your name on it, the ownership issue is right out there."

Both departments also put a premium on teamwork.

"Two separate organizations could present a challenge at other companies, but we try to blend the teams into one team, and try hard to run it like one group," says Pradnya Powale, manager of Qualcomm's IT group. "We even call it the 'Dream Team.' "

According to Time Warner's Greg Fittinghoff, vice president of business systems development, IT is treated as an integral member of the HR department, not a separate entity, at the New York-headquartered media and entertainment giant.

"I attend the senior vice president of HR's leadership meetings, even if they have nothing to do with technology," says Fittinghoff.

Time Warner focuses on maintaining open lines of communications between IT and HR, he adds, and for large projects (Time Warner, for example, recently implemented BrassRing as its e-recruiting solution) it puts a priority on preventing turf battles.

"We leverage customer service as a unifying force," says Fittinghoff, adding that during joint meetings, you'd be hard-pressed to identify the IT people from the HR people.

"That way, easy, robust conversation flows, and both parties contribute," he says. "No one is telling the other side what to do."

Lauren Levine, Time Warner's director of recruitment operations, and Randy Gross, manager of talent management systems, recently followed that strategy for the company's massive BrassRing implementation (1,500 users across the organization).

"When we started the project four years ago, we had a vision that anything that challenges us or offers the possibility to take the project in a better direction," both departments would take up that challenge together, says Levine, who comes from the HR side.

"Lauren and I share project planning, resource planning and budgeting," adds Gross, an IT person. "We even interview each other's hires. We've really blurred the line between departments."

Strong Relationships

Another successful strategy for HR and IT collaboration, along the same lines as the blended team approach, is management-level reporting relationships. At many large enterprises, reporting relationships reflect the new focus on HR and IT collaboration.

For example, at Columbus, Ga.-based AFLAC, a global provider of supplemental insurance, the HRIS organization sits "between" IT and HR, according to Casey Graves, AFLAC's second vice president for HR support. In this case, HRIS reports to Graves, and he reports to the senior vice president of HR, not the CIO or other top-level IT executives.

"Looking across the industry, in 50 percent of organizations HRIS reports to HR; the other 50 percent are on the IT side of the house," Graves says. "HRIS is the go-between liaison, and may report to either IT or HR."

"HRIS works work well with IT, but a little bit of tension is good between organizations," Graves adds. "Part of our job is to keep the foot on the accelerator of IT. We also ensure they are applying adequate resources for any HR project."

Time-Warner's Fittinghoff has a "dotted line" reporting relationship with the senior vice president of compensation and benefits, but a solid line to the CIO.

"I have a foot in both worlds," he says. "My role is not pure IT. I actually participate in many of the HR discussions, and work with my peers on the HR side and the administration side. It's a very collaborative environment whereby we build a trusting working relationship that allows me to bring value as an IT person, as an employee and as someone working in HR."

Fittinghoff explains that his role has morphed over the years, from a support role to a more strategic role with HR.

"HR understands who they are working with, and what they can or can't do," Fittinghoff says. "When projects are identified, everyone has a good working knowledge, so we're not starting from scratch."

"To be honest with you, I've been in IT for 20 years," he adds. "So I understand now why there has been such a high rate of failure when you don't have a tight relationship between HR and IT."

Corning's Clark says his company has modified his reporting relationships, so he now has a direct relationship with the company's senior vice president of global compensation and benefits. To emphasize the importance of that relationship, Clark says his efforts have a direct effect on his annual compensation. Clark believes his dual role (solid reporting lines to both the top IT and HR executives) is a major factor in Corning's HR transformation success of the past three years.

"We have a weekly one-on-one session, with open, honest dialogue," he says. "We identify clear objectives and goals with input from both sides. We both contribute."

The Perfect Plan

Getting the teams right and adjusting reporting relationships certainly are key success factors in HR/IT collaborations, but the final leg of the stool is taking those first two and using them to properly plan and manage an HR technology project, according to Michael Horne, the OD/HR consultant.

Horne helps companies get their HR technology projects up and running. Based on his experience, he says, the main success factors can be boiled down to three: maintaining perspective, proper prioritization and understanding boundaries. "It's critical to put together the

right coalition and teams," he says. "But you also have to be careful that the coalition is making decisions on issues that matter. A lot of time, in the drive for collaboration, these teams end up making everyday decisions better left to respective organizations."

For example, Horne says, in the area of budgeting, the team might focus its energy on decisions that are out of its purview. The team might determine that allocations should be made in ways that weren't intended by organizational leadership.

Or, the combined team may determine that it's best to allocate human resources in ways that might serve the long-term interest of the project. But in doing so, the team members could end up neglecting other organizational requirements.

According to Horne, a combined HR and IT team could find itself bogged down in relatively mundane issues while losing sight of the project's ultimate goal. For example, if the team considers the format of a report at the expense of the outcomes of the organizational change, it loses energy and focus. Or, the team may focus on strategy at the expense of tactics.

"It's a paradox," he says. "We've seen these combined teams work on great strategies that have no chance of ever seeing daylight because the teams fail to consider organizational resource realities. When this occurs, it's about the politics of self-interest as opposed to organizational service."

Respecting Boundaries

Finally, Horne says, collaboration is a given, but both sides must understand the boundaries of each group, especially when it comes to specific expertise.

"It's critical to determine boundaries, team size, responsibilities and accountabilities," he says. "What I have noticed is you have to have a view toward resources. Teams can generate a lot of great ideas, but must learn to keep those ideas within the scope of the project's resources." AFLAC requires every HR technology project (or any IT project, for that matter) that will entail more than 200 hours of IT time to undergo an extensive analysis conducted by a project review committee, which must sign off on funding approvals and then assign a project manager to help form a tri-partnership among HR, IT and project management. "We run very lean," Graves says. "It's vital to take the time up front and do a good job of documenting requirements, so when we hand them off to IT, they are good to go."

Corning's Clark says the most important planning hurdle used to be the question of who owned the process, but now the company's HR technology projects have shared responsibility from the start.

"IT has enough people to talk about HR with credibility, and HR also some strong functional people who can get deep into the technology and how to apply it," he says. "We always have challenges, but the roles and governance rights make it easy to understand that IT and HR are so integrated," he says. "The shared responsibility factor is there to make sure it works well."

Finally, Corning's Clark says the cost of transformation and developing the value proposition has become formidable.

"These aren't small investments," he says. "They are high-cost decisions that require very tight alignment to get the value on the back end. Any company you ask, it's going to cost more than they thought. Without good alignment with IT, it might not have been worth it."

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