Opening Doors Around the World…

Thought Leadership Paper from

Jeitosa Group International

2010-2011 Going Global Report

By Karen V. Beaman

…Solutions for Global Success!

In collaboration with

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By Karen Beaman, Jeitosa Group International

Introduction

Global forces affecting today's business operating environment are creating a radical transformation for human resource organizations. The convergence of three major global trends is having a profound impact: changes in workforce demographics, new methods of societal interaction, and a paradigm shift in technology and tools. These sweeping changes are shaped by an environment of increasing regulatory control, mounting concerns regarding data privacy and protection, and heightened trepidations over corporate litigation. As the global economy slowly emerges from recession, HR organizations are searching for ways to compete in this new global environment with more cost-efficient and process-effective services and practices.

Changing workforce demographics – the retiring Baby Boomers and the emerging Net Generation (also known as "Gen Y") – are putting new demands on organizations to change the way that work has always been done. Rigid organizational structures, inflexible business processes, and unintuitive technology will not be accepted by the new generation. Organization with their conventional HR practices and legacy tools must change with the times or risk that their best and brightest will work elsewhere.

With the boundless growth of the Internet and the ubiquity of social networking software, methods of societal interaction – and therefore business interaction – are changing forever. Social software and instant messaging transcend organizational structures and geographic boundaries, bringing diverse, global communities together to interact and share experiences, enabling worldwide collaboration and crowd-sourcing in the development of new products and services that are global at the core.

The modern technology paradigm – based on cloud computing and a consumer-internet-like user experience – is bringing a plethora of new products and tools to the market that global HR organizations must evaluate for functional and technical fit with their current and future business needs. The cloud computing model more easily supports a global infrastructure, effortlessly putting HR technology into the hands of end-users across the globe – from HR professionals to line managers, field workers, and executives alike.

To better understand these issues, Jeitosa Group International, in conjunction with the association for International Human Resources Information Management (IHRIM), conducted its third annual *Going Global Survey*. The goal of this survey is to better understand the strategies and tactics used by global organizations and to assess the evolution and growth of global HR and HR technology organizations.

Global Enterprise Model

Jeitosa's *Global Enterprise Model (GEM)* provides a visualization of the necessary components for designing, developing, and managing the global HR function (see Figure 1). All seven components of GEM must be equally assessed and actively managed to ensure the success of the global HR organization.

Strategy. The *Strategy* component encompasses the HR vision, mission, values, and strategic objectives for the global organization.

Organization. The *Organization* component outlines the global organizational design for service delivery, including shared services and outsourcing strategies.

People. The *People* component comprises the skills and competencies needed by the people working in the global environment.

Figure 1. Jeitosa's Global Enterprise Model (GEM).

Process. The *Process* component focuses on the business processes that the global HR function is responsible for, that is, the major business functions and activities of the HR organization.

Technology. The *Technology* component consists of the application systems, infrastructure, and tools required to support the global HR function.

Project Management. Effective *Project Management* by skilled project managers with the know-how to manage large, global projects can ensure that major HR initiatives are successful.

Change Management. Comprehensive *Change Management* ensures that the impact of change, no matter how big or how small, is holistically managed. Lack of effective Change Management is one of the most frequently cited reasons for project failure and inability to achieve the expected business case results.

R1: Jeitosa recommends that organizations adopt the Global Enterprise Model to ensure that the impact on all seven components for any initiative is adequately assessed and actively managed to affect a successful outcome. We've all heard far too many stories about failed technology implementations, misguided organizational designs, inadequate/un-trained resources, broken/rigid processes, user resistance, and so on. When all components of the enterprise model are holistically and simultaneously managed, such global initiatives have a much greater likelihood of success.

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Global Survey Background

Between August and October 2010, 122 organizations responded to Jeitosa's *Going Global Survey*. Survey participants were solicited from IHRIM's membership community and via Jeitosa's transnational network, spanning over 50 countries.

Survey Demographics. Organizations from a wide range of industries (see Figure 2) and a large distribution of employee population sizes (see Figure 3) participated in the survey. The majority of respondents (65%) come from organizations between 1,000 and 50,000 employees.

Fifty-five percent of respondents are in the human resource information systems (HRIS) field and 24% are from human resources. Respondents are primarily mid-level management (managers and directors (53%), and 8% are executives at the vice president level.

Over three-quarters (78%) of responding organizations have their headquarters based in North America, 12% in Europe, and 10% in other parts of the world. The global reach of the organizations in the survey ranges from three countries to 87 countries. The demographics show a fairly even split among organizations operating in three or few countries (34%) to organizations in three to 20 countries (30%) and organizations with operations in more than 20 countries (36%) (see Figure 4).
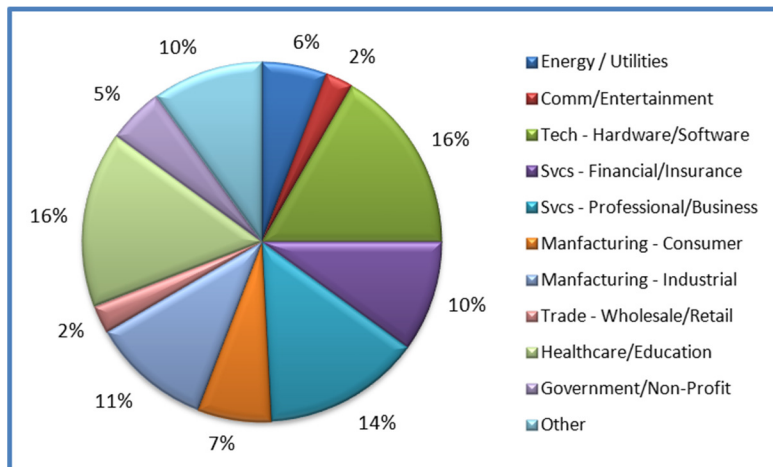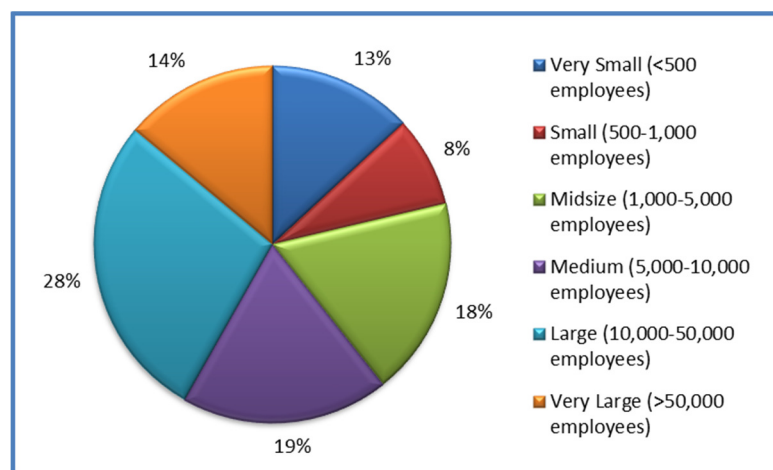

Figure 2. Global Industries. Represented. (n=122)
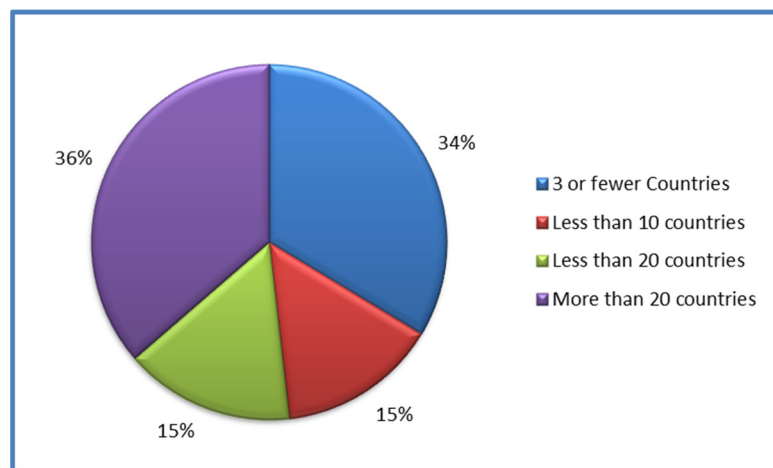

Figure 3. Global Population Size. (n=122)

Figure 4. Global Country Reach. (n=110)

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Global Software Usage

For many years, the CedarCrestone *HR Systems Survey* has tracked HR software adoption and provides a comprehensive analysis of the types and levels of HR software being adopted by different types of organizations.[1] The focus of Jeitosa's *Going Global Survey* is to take a broader look at the global HR function, covering not only the technology adoption, but also the people, process, and organizational issues that support or hinder global development. By way of background, following is a high-level overview of software adoption among the global organizations in Jeitosa's *Going Global Survey.*

HR Systems. PeopleSoft continues to lead the pack with 21% adoption of it global HRMS (see Figure 5)[2]. They are closely followed by ADP (14%) and SAP (13%), and Oracle (12%). A quarter of the market (26%) is made up of a variety of legacy vendors including Infinium, Deltek, Kronos, Loga, Starvision, and various homegrown systems.

Figure 5. Global HR Vendors in Use. (n=145)

Payroll Systems. ADP leads the pack for payroll systems with the global survey participants with 31% adoption (see Figure 6). The other major vendors in use are PeopleSoft (11%), SAP (9%), and Ceridian, Oracle, Lawson, and Ultimate each at 5%. The Other category is truly a varied assortment consisting of a plethora of legacy and/or outsourced service providers, including Kronos, Paychex, Jefferson, Loga, Logica, and many others.

Talent Management Systems. The major Talent Management vendors in use by the global organizations in the survey are SuccessFactors and Taleo at 19% each. The survey respondents also use a wide variety of other vendors, including Authoria, Cornerstone, DoubleStar, Kenexa, PeopleClick, Plateau, Saba, SkillSoft, Silkroad, SoftScape, and Virtual Edge, as well as numerous inhouse developed systems.

Figure 6. Payroll Vendors in Use. (n=175)
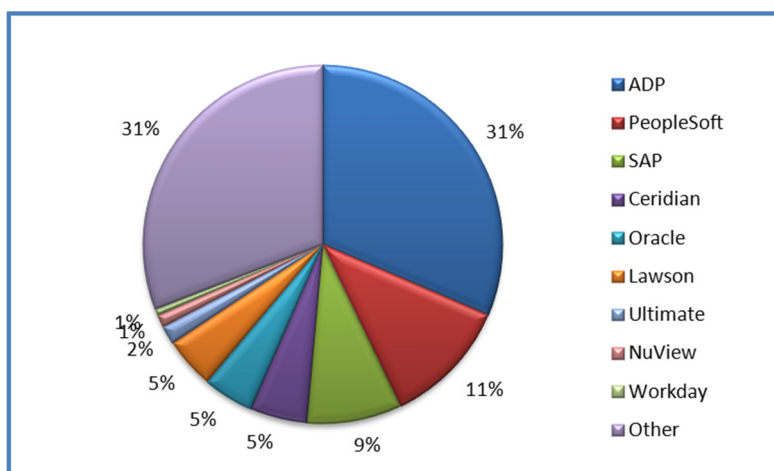
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[1] See the latest CedarCrestone HR Systems Survey at http://www.cedarcrestone.com/research.php.

[2] Total responses are greater than the number of respondents as some organizations have more than one system.

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Global Challenges and Successes

Survey participants were asked to rank their top five challenges in going global with HR. As in prior years, the top challenge for global organizations continues to be dealing with cultural differences (see Figure 7). Forty-five percent of respondents cite this as their top challenge, followed by time zone differences (41%), lack of global leadership, global resources, and global technology and systems (the latter all at 34% each).
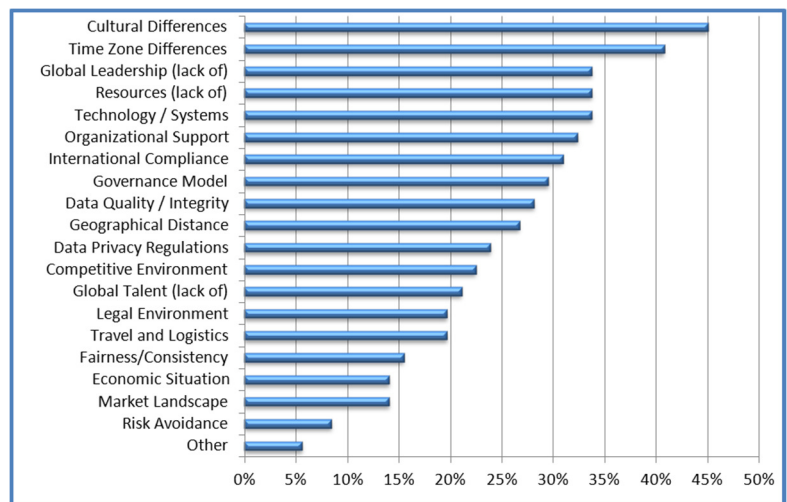

Figure 7. Top Challenges in Being Global. (n=71)

Cultural Differences. An understanding and appreciation of cultural differences and their impact on collaboration styles, decision-making, meeting etiquette and other aspects of business life cannot be underestimated. The best global companies understand this and provide cultural training for their project and day-to-day operational teams to increase their effectiveness in working internationally.

Global Mindset. Much has been written on global mindset – the ability to understand and empathize with individuals from other cultures – and the role it plays in successful international work (see Beaman 2003). From our earlier work, the key factors in building a global mindset are cultural sensitivity and liking, accommodation and flexibility, as well as extroversion and risk-taking skills.

Global Technology. In today's digital age, it is nearly impossible to run an effective global organizational without the right technology in place to support local, regional, and global collaboration efforts and to meet global information needs. HR technology vendors haven't made this easy in the past, as only the largest vendors have mature global platforms. Most technology applications have been built within a single country, and only a few have ventured to provide regional solutions.
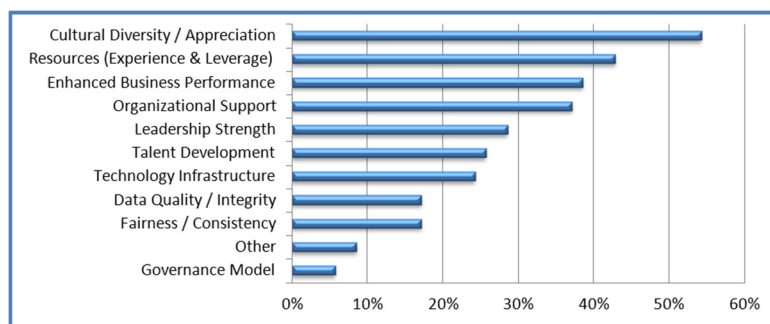
Figure 8. Top Successes in Being Global. (n=70)

While cultural differences and lack of global resources are the top challenges that organizations face when working globally, cultural diversity and experience turn out to be the top successes they achieve (see Figure 8), clearly demonstrating that the greatest challenge can become the greatest strength!

Technology infrastructure (24%) and data quality and integrity (17%) are cited as a success by only a minority of companies, indicating that there is still significant room for improvement in these areas.

Top Challenges in Being Global

Following are some of the challenges participants say they are facing in the coming three to five years:

Organization:
- *"Governance. Implementing a Global Shared Services Model. Implementing Global Data Management Strategies."*
- *"Accepting that corporate HQ doesn't have all the answers and creating an environment where there is structured or controlled anarchy and flexibility."*
- *"Having one culture and one company is a big challenge. Having a common set of company objectives that all employee objectives are tied to is another."*

People:
- *"Shedding the corporate ego-centric view and recognizing individual input has value. Each geographical area should be working in a partner role, feeding information up and as well as receiving down."*
- *"Continuing to recognize and address local cultural norms and market practices in our own environment as we potentially expand into emerging markets."*
- *"The biggest challenge is and continues to be acquiring, developing and retaining talent."*

Process:
- *"Transitioning from international mindset to global mindset. We struggle with all locations coming forward with a portfolio of all the work they are doing so that we can move toward a standard and global approach."*
- *"Streamlining business processes to gain operational efficiencies and to improve productivity, while also respecting local business practices and cultural diversity."*
- *"Being able to understand all legal, regulatory, compliance requirements of a new location quickly."*

Technology
- *"Having one consistent source of data for all employees and costs in one location that is accurate."*
- *"Global reporting tool to provide one-stop access to data contained in various systems via a data warehouse…, as well as business intelligence dashboards to be pushed out to executives and managers alike."*
- *"Getting the organization to use newer technology to support better global communications."*

The overall trend we see is the need to be sensitive to local issues, while implementing global standards to achieve efficiencies and cost savings. The ultimate challenge for the modern HR organization going global today is how to effectively balance the needs of local business units and global operations to ensure a win-win solution for all stakeholders.

Global Organizational Models

The model that Jeitosa follows to assess organizational effectiveness in being global is based on the work of Christopher Bartlett and Sumantra Ghoshal and their seminal research, *Managing Across Borders: The Transnational Solution* (1979). Bartlett and Ghoshal describe four global organizational models, based on how power and control is distributed across the organization (see Figure 9).
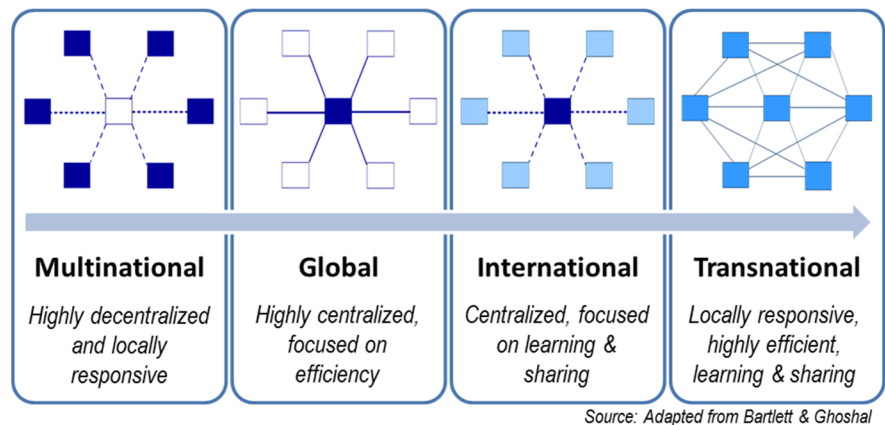

Multinational	**Global**	**International**	**Transnational**
Highly decentralized and locally responsive	*Highly centralized, focused on efficiency*	*Centralized, focused on learning & sharing*	*Locally responsive, highly efficient, learning & sharing*

Source: Adapted from Bartlett & Ghoshal

Figure 9. Global Organizational Models.

Multinationals. The *Multinational* organizational model is one that is highly decentralized—all power and control reside in the local business units, and the role of corporate is primarily one of financial consolidation. Often called, "multi-local," this type of organization consists of independent business units, linked together primarily through legal and financial reporting requirements.

Globals. The *Global* organizational model is the inverse of the *Multinational*; it is highly centralized with all power, control, and operational management residing at the corporate level, with the local business units serving primarily as pipelines to the local markets. New initiatives, innovations, and operational controls are driven completely from headquarters to operations throughout the organization.

Internationals. The *International* organizational model is one that takes a more balanced approach between centralization and decentralization. A key characteristic of this organizational model is that it seeks to understand the needs and share the learnings of its local business units and then to drive best practice approaches from headquarters throughout the worldwide organization.

Transnationals. The *Transnational* organizational model is a hybrid approach that combines the best of the other three models: responding to local needs, standardizing for efficiency, and leveraging learnings in the sharing of best practices. Often called "federated" or "networked," this organizational model seeks to distribute responsibility and control to the entity best suited to meet the need.

Clearly there are advantages and disadvantages to each of the models. The *Multinational* model is the most responsive to local business unit needs, yet lacks standards and efficiencies. The *Global* model is the most standardized and efficient, yet can lack sensitivity to local requirements. The *International* model searches for learnings from local operations, yet identifying and integrating local practices within the global model can be challenging. The *Transnational* model seeks to balance the best aspects of the other three models, yet can be difficult to implement and manage on an on-going basis.

Participants in Jeitosa's Going Global survey were asked to specify the type of model their organization primarily follows according to the following descriptions.

As a global organization, please classify your organizational model by selecting one of the following:

Multinational: Focused on flexibility and local responsiveness. The organization is highly decentralized with multiple, independent locations, united primarily through financial reporting.

Global: Focused on centralization and efficiency. The organization is highly centralized and standardized with major decisions made at corporate and then rolled out to local operations.

International: Focused on learning and sharing. The organization is moderately centralized, leveraging competencies and sharing learning from both corporate and local operations.

Transnational: Focused on efficiency, flexibility, and learning. The organization combines aspects of the other three models, leveraging efficiencies, maintaining flexibilities, and sharing learning and innovations worldwide.

As in prior years, there is a broad distribution of organizations across all four organizational models (see Figure 10). The largest group is the *Globals*, with 36%, followed by the *Multinationals* at 26%. As the world of HR continues to globalize, we have been seeing a continuing increase of the *Global* organizational model, from 22% in 2008 to 34% in 2009, and now 36% in 2010. The *Global* model is one that seeks standards and efficiencies to lower costs. With the world recession that business has been struggling under over the last couple of years, it is certainly no surprise to see an increase in the *Global* model.
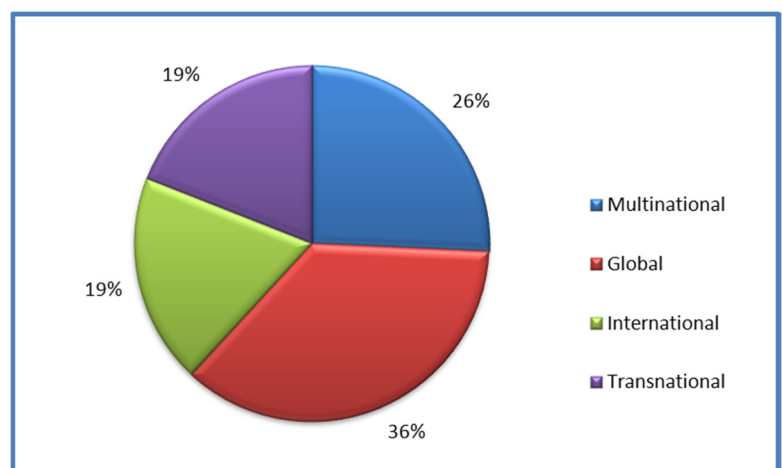

Figure 10. Global Organizational Models. (n=105)

R2: Jeitosa recommends that organizations understand the corporate strategy and business model and seek to implement practices that support the organization's goals and strategies. Globals should strive to standardize their systems and processes; Multinationals should seek to integrate relevant standalone processes to support consolidated, global reporting; Internationals should identify learnings and best practices that can be shared across business units; and, Transnationals should endeavor to leverage the right resources for the right activities based on overall organizational strengths and weaknesses.

Global Strategic Practices

One of the ways to assess the strategic value of the global HR function is to understand how involved HR is in the organization's strategic business planning efforts. Jeitosa's *Going Global Survey* looks at the involvement of HR from the business site, local country, region, business unit, and global headquarters perspectives to determine how much influence local and regional HR operations are likely to have on global HR strategy and operations.
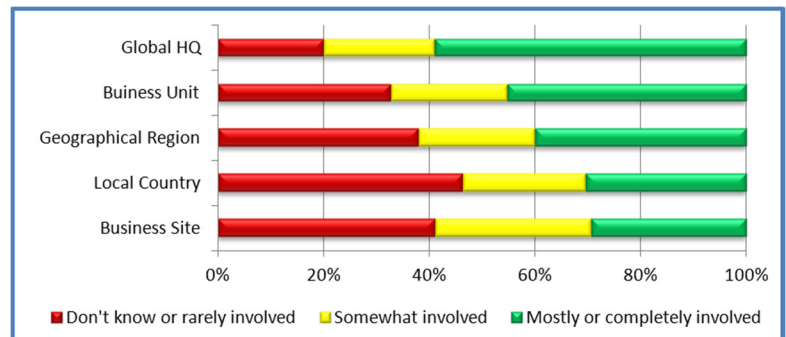

Figure 11. HR Involvement in Business Planning. (n=95)

With 60% of the organizations in the survey, global headquarters is primarily responsible for business planning efforts (see Figure 11). Only about a quarter of organizations consistently involve HR from local business sites and countries. Surprisingly, around 40% of organizations do not involve local or regional HR in business planning efforts at all! This is a statistic in which we have not seen any measurable change over the past three years. While more companies are going global, they appear to be missing a critical opportunity to leverage knowledge, key learnings, and best practices from their local operations around the world.

Some of the survey respondents mentioned specific example of innovative and best practices that they had experienced from working across countries. In the words of one respondent:

> "In Singapore they have good transition practices for when people leave/join the company. In Spain, they have good job shadowing/cross training in the IT Center of Excellence. In Canada, they do a good job of workforce management as far as planning and scheduling."

R3: Jeitosa recommends that organizations systematically involve HR partners from the local and regional business units in strategic business planning efforts to enhance understanding of global issues and to develop a more inclusive, holistic, and relevant global strategy.

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Global Organizational Practices

Following the Global Enterprise Model, Jeitosa's *Going Global Survey* looks at several areas of organizational design, such as how the HR and HRIT functions are organized and what types of local, regional, or global sourcing strategies are in use. Figure 12 shows that HRIT is most often managed globally (61%), even though IT is managed only half the time on a global basis (51%). HR is most often locally or regionally

Figure 12. Organizational Management. (n=90)

managed, with only a litte more than a third (38%) of organizations driving HR operations globally. While the HR function is typically organized as a matrix, the "solid line" of reporting is most often to the local business unit, with loose ties to global headquarters. In Jeitosa's experience, the best-run global HR functions are those that switch the "solid line" of reporting to the global head of HR, with the "dotted line" to the local business group. To implement global standards and streamline business processes for effectiveness and efficiency, a more global approach to managing the HR organization is critcal.
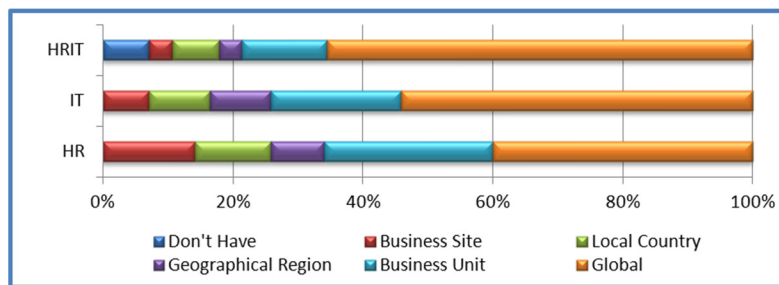
The *Going Global Survey* also assesses the extent to which organizations leverage alternative organizational strategies, such as offshoring, outsourcing, and shared services. Figure 13 shows that 40% of organizations in this survey have outsourcing and shared service strategies in place globally. A significant opportunity exists for those 30% of organizations who have not yet implemented Shared Services. Numerous
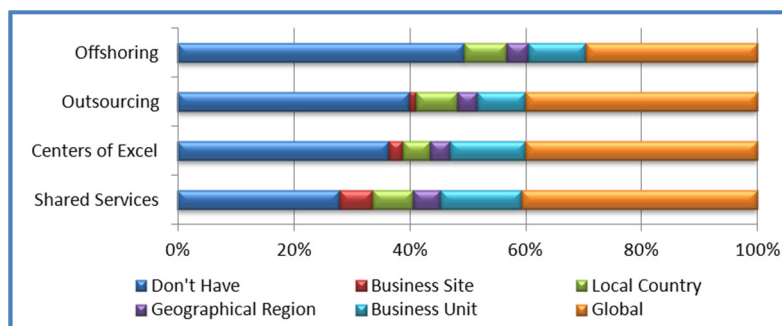

Figure 13. Service Delivery Strategies. (n=90)

research studies (Hackett, TowersWatson, Jeitosa, and others) have shown that a carefully planned and effectively implemented multi-dimensional approach to Shared Services and Outsourcing standardizes business operations, reduces costs, and enhances business performance.

> *R4: Jeitosa recommends that organizations structure the HR function on a more global basis and follow a multi-dimensional sourcing strategy to standardize HR operations in order to improve processing, reduce costs, and drive business performance.*

Global People Practices

Following the Global Enterprise Model, the next area that Jeitosa's *Going Global Survey* covers are the people practices and competencies needed for working in a global environment. As in prior years, Global Mindset and Cultural Intelligence/Sensitivity top the list as the most important skills that respondents indicate are needed for working globally (see Figure 14). Being Adaptable to Change and Strategic Thinking are also two skills rated as critical by more than 50% of the survey respondents.

Figure 15 shows the type of training that organizations regularly provide for individuals prior to beginning an international assignment. The big question is that if Cultural Differences is the greatest challenge companies face in working globally (see Figure 7) and if Global Mindset and Cultural Intelligence are the top two most critical skills individuals need to be effective (see Figure 14), why is it that only 33% of organizations regularly provide training for their global workforce in these areas (see Figure 15)?

Figure 14. Key Competencies Needed in Being Global. (n=74)
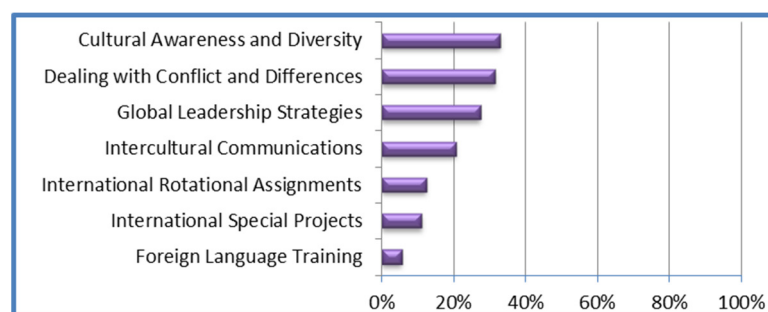
Figure 15. Global Training Regularly Provided. (n=73)

One survey respondent commented that one of the best practices of her organization is *"immersion training on language and culture before international assignments."* Clearly this practice is one that more organizations should consider if they want to effectively tackle the challenge of dealing with culture differences.
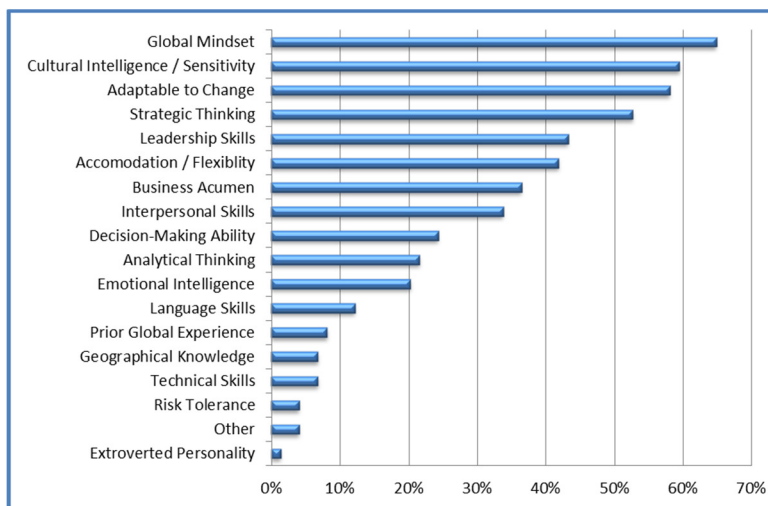
R5: Jeitosa recommends that organizations systematically and consistently provide training in cultural awareness, diversity, global leadership, and intercultural communications to help individuals develop a Global Mindset and increase their effectiveness in working internationally.

Global Business Processes

Process Globalization

One way to evaluate how global business is evolving and to assess just how global an organization really is, is to look at how global business processes are managed. Jeitosa's *Going Global Survey* looks at 16 business processes – high-level HR functions – to determine which ones are most likely to be globalized (see Figure 16). As in prior years, we continue see Risk Management, International Compliance, and Data Privacy being managed globally by the majority of organizations. Compensation, Succession Planning, and Metrics & Analytics are the functions next most likely to be globalized, followed by Top Talent, Learning, Performance, and Workforce Planning. Core HR processes, such as hires, transfers, and terminations, are less likely to be managed on a global basis. Least likely to be globalized are Time & Attendance and Recruiting processes.

Looking at the globalization of business process management over the last three years (see Figure 17), we are seeing an overall average increase in globalization of 37%. With the exception of Compensation and Learning processes – which show only modest change – the other 14 functions show a 45% increase in globalization over the last three years! This movement toward global process management naturally goes hand-in-hand with the evolution of the *Global* organization model that we saw earlier in Figure 10.
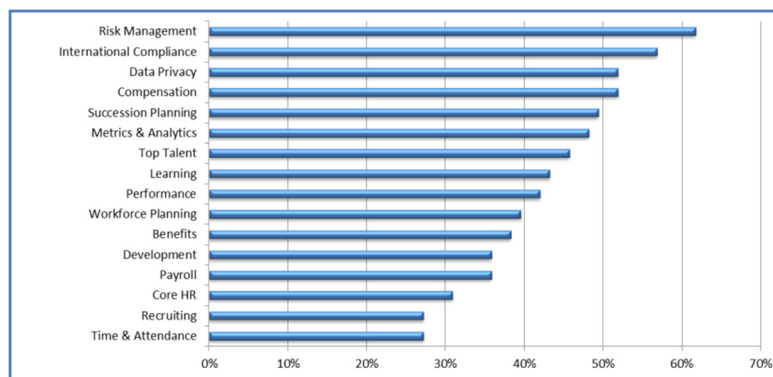

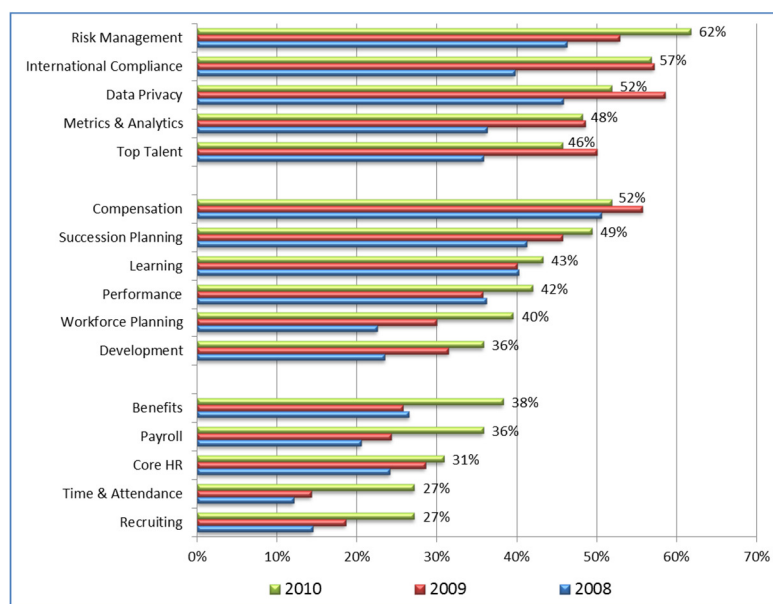Figure 16. Globalization of Business Process Management. (n=81)

Figure 17. Year-Over-Year Globalization of Business Processes. (n=81)

R6: Jeitosa recommends that organizations seek "to be as global as possible, as local as necessary." It is important to evaluate which processes can bring the greatest benefit to the organization by being global and which ones make sense to keep local. For example, a standard, global on-boarding process provides a unified experience when employees transfer across business units and geographies and can ensure that training in policies and procedures is consistently delivered. However, delivery of payroll is most effective when all taxes, deductions, and local legislation are seamlessly and efficiently handled by knowledgeable local professionals.

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Business Process Automation

Another area of global business that Jeitosa's survey evaluates is the extent that global business processes are manual, standalone, integrated, or workflow-enabled (see Figure 18). The results of the survey show that a surprising number of organizations are still laboring under manual and standalone processes – close to 70% in the highly strategic and critical areas of International Compliance, Risk Management, and Top Talent. Close to 60% of organizations have manual and/or standalone processes for

Figure 18. Integration of Global Business Processes. (n=79)

Learning, Development, Succession, and Workforce Planning. The greatest workflow-enabled processes are in the Core HR (38%), Recruiting (35%), and Payroll (31%) functions. These results show that global organizations still have a long way to go in automating and integrating their global business processes.
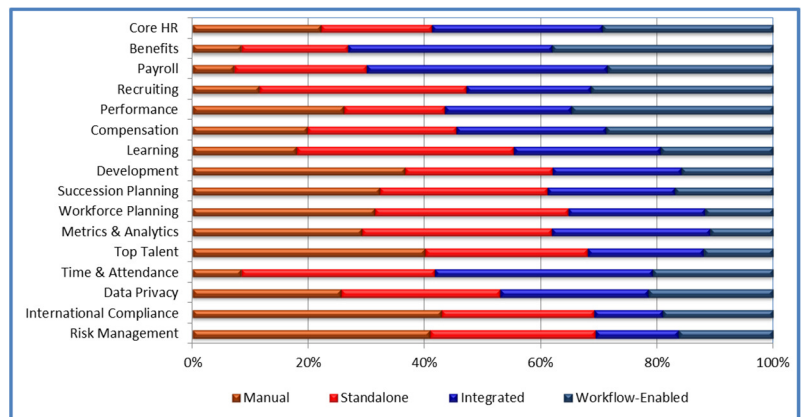
Data Privacy

Critical to any global enterprise is to have in place a strategy for global data privacy and protection, particularly when dealing with the European Union, as well as with the other 20+ countries with extensive data privacy regulations in force. Seventy-seven percent of global companies have implemented or are in the process of implementing a global data privacy policy (see Figure 19). This is an 11% increase, from 66% in last year's survey. Global organizations are taking the mounting concerns over data privacy and protection quite seriously and initiating measures to protect the unauthorized use of personal data.
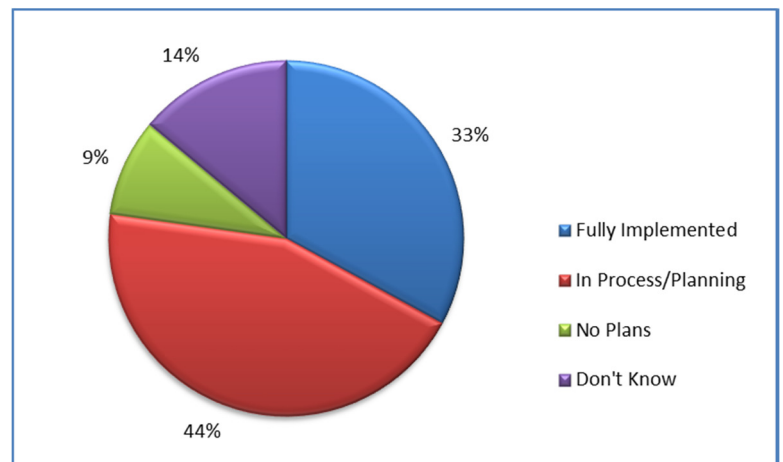

Figure 19. Global Data Privacy Policy. (n=79)

> **R7:** Jeitosa recommends that global organizations take a systematic and process-driven approach and evaluate their HR functions process-by-process to determine the highest priority processes for global integration and workflow-enablement.

Global Technology Practices

Jeitosa's *Going Global Survey* looks a several different technology practices and their usage in global organizations.

Global Systems Adoption

The survey substantiates that the world of HR technology is becoming ever more global — and at a very fast pace! Looking at year-on-year growth over the last three years, companies are globalizing their technology in every area. Benefits and Payroll are seeing the greatest growth in globalization, more than doubling over two years ago (see Figure 20). Adoption of one single global HR system shows the highest penetration, 61%, while Payroll shows the lowest, 30%; however 30% for Global Payroll systems represents a 106% increase from 14% in 2008! Similarly, Global Data Warehousing has increased by 62%, and Global Reporting and Metrics by 45%.

Figure 20. Year-Over-Year Globalization of Technology - Core Systems. (n=74)

Companies are also rapidly implementing global Talent Management applications (see Figure 21), showing an overall 42% increase
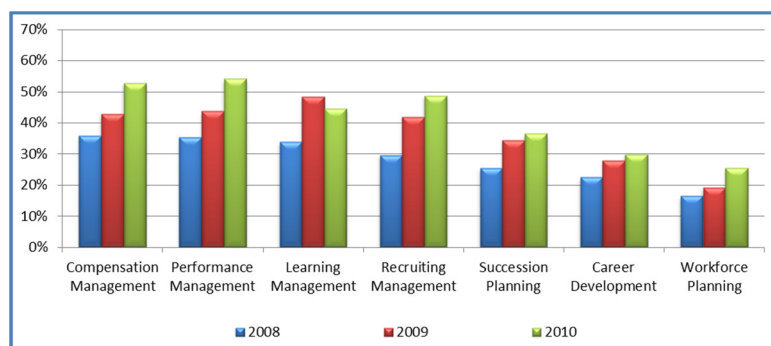
Figure 21. Year-Over-Year Globalization of Technology - Talent Systems. (n=74)

over two years ago, with Global Compensation, Performance, Recruiting, and Learning systems leading the way. Global Workforce Planning systems have increased from 16% in 2008 to 25% in 2010, showing a 25% growth.

There is no doubt that globalization is on the rise and is here to stay. Companies are realizing that implementing a global HR infrastructure with global talent management capabilities can help them reduce costs, improve operational efficiency, and leverage their talent more effectively on a worldwide basis.
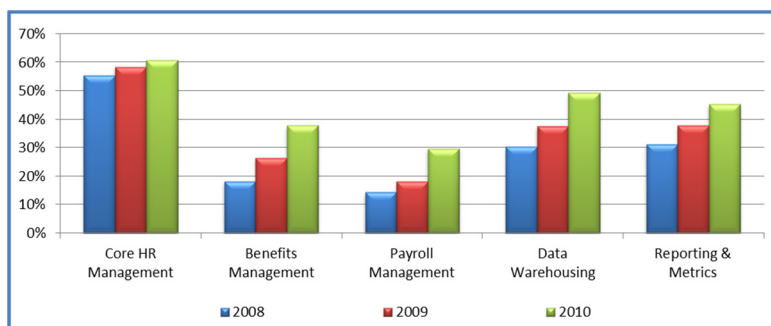
> *R8: Jeitosa recommends that organizations continue their globalization journey, starting first by globalizing core HR systems and then moving to performance, compensation, recruitment, learning, and succession management systems. The ultimate goal in the globalization of HR systems should be to provide a single platform for global metrics and analytics to enable global workforce planning and build organizational effectiveness, thereby enhancing global business value.*

Global Application Maturity

Some vendors claim to be "global" simply because their product can be accessed via a browser from anywhere around the world. Most vendors use the word "global" quite liberally, without any precise definition. Jeitosa defines vendor globalization maturity along two axes: business impact and complexity. *Business Impact* refers to the value that globalizing that function provides to the organization. *Business Complexity* refers to the difficulty in globalizing that function. Figure 22 depicts the differing levels of global maturity along these two axes.

Figure 22. Vendor Globalization Maturity Model.

The first level of application globalization is about the data. Some vendors consider themselves to be global if they have modified their data structures to handle international name, address, and telephone number formats. This is a fairly simple level of globalization that does not add significant business value.

The second level of vendor globalization concerns the languages the vendor supports. There are several sub-levels, such as has the vendor translated only the self-service screens or have they translated the entire application, even those functions used by the HR professionals and back-office administrators? Do they provide for translation of code and table values, as well as for free-form text? Clearly there is greater business benefit to the customer if more of the product has been translated.

The third level of globalization deals with the business processes. Does the vendor allow for different business processes by country and by region? For example, can the product handle the complex employment and severance agreements, vacation accrual and time off policies, and global benefits and pension programs across countries, such as superannuation calculation in Australia? With the plethora of legislation and regulations around the world, this level is clearly much more complex for the vendor.

The fourth level of globalization — and the one that brings the greatest business value — deals with business compliance. How well does the vendor support the ability to comply with legislation around the world (beyond simple data capture)? What framework does the vendor provide for global governance and data privacy and protection? This level of globalization provides the customer with the greatest business value, but it is also the most difficult to achieve.

R9: Jeitosa recommends that global organizations assess vendors' global maturity across four critical levels – Data Model, Language Translations, Business Process Framework, and International Compliance. HR evaluation teams should validate vendor claims to ascertain just how global the product really is to ensure an effective fit with their globalization objectives.

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Global SaaS Adoption

As with many other studies, Jeitosa's survey shows the continued growth of SaaS (Software-as-a-Service) as a viable and effective delivery model for global HR systems. The survey shows, over the last three years, deployment of SaaS and Hosted systems, though still relatively low overall, has increased 80% for Core HR systems — from 6% in 2008 to over 13% in 2010 (see Figure 24). Similarly SaaS and Hosted solutions for Payroll have increased 34% — from 4% in 2008 to 13% in 2010. SaaS-based HCM vendors, such as Ultimate and Workday, and SaaS Payroll vendors, such as Patersons, Safeguard, OneSource VHR, and Workday, are spearheading this movement.

Figure 24. Year-Over-Year Adoption of SaaS/Hosting - Core Systems. (n=74)
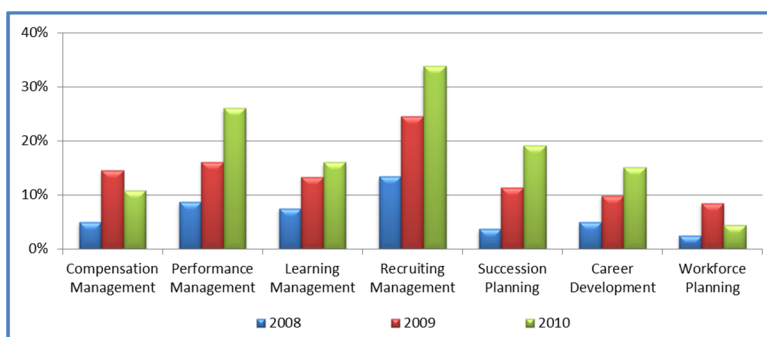
Figure 23. Year-Over-Year Adoption of SaaS/Hosting - Talent Systems. (n=74)

Jeitosa's *Going Global Survey* also shows continued growth in SaaS-based Talent Management systems, in particular Recruiting (43% growth), Performance (52% growth), Career Development (34% growth), and Succession Planning (17% growth), over the last three years (see Figure 23).

Gartner expects SaaS adoption to continue to increase — 17% this year and to double by 2012. And this is not just in the small and mid-sized market, but also in large, global enterprises.

> "There has been a 27 percent increase in SaaS revenue this year.... 'The popularity of the on-demand deployment model has increased significantly within the last four years. Initial concerns over security, response time, and service availability have diminished for many organizations as SaaS business and computing models have matured and adoption has become pervasive,' said Sharon Mertz, research director at Gartner. The advantages of SaaS are IT affordability, shorter implementation cycle, reduction of IT costs, and scalability" (Gartner Predicts Great Growth of SaaS Adoption, 2010).
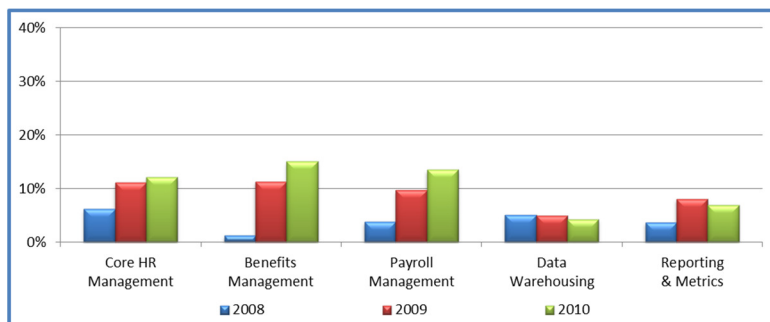
R10: Jeitosa recommends that companies evaluate SaaS-based solutions when considering an upgrade or conversion from a legacy system. Numerous studies have shown that SaaS solutions can provide enhanced functionality with greater ease-of-use – thereby bringing faster and broader user adoption – for lower total cost of ownership with typical returns on investment of three to four years.

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Conclusion

The world of global HR is complicated by the sheer number of options and variety of different parameters that must be understood and validated for applicability to each organization's unique situation. Jeitosa's Global Enterprise Model provides a model that organizations can use in assessing their readiness and effectiveness at being global. Based on the results of the *Going Global Survey*, Jeitosa proposes 10 recommendations to help organizations be more effective in going or being global.

Jeitosa's "Being Global" Recommendations

R1: Adopt Jeitosa's Global Enterprise Model to ensure that the impact on all seven components for any initiative is adequately assessed and actively managed to affect a successful outcome.

R2: Understand the organization's corporate strategy and business model and seek to implement practices that support the organization's goals and strategies.

R3: Systematically involve HR professionals from local and regional business units in strategic business planning efforts.

R4: Organize the HR function on a more global basis and follow a multi-dimensional sourcing strategy to standardize HR operations to improve processing, reduce costs, and drive business performance.

R5: Consistently provide training in cultural awareness, diversity, global leadership, and intercultural communications.

R6: Seek "to be as global as possible, as local as necessary" by evaluating which processes can bring the greatest benefit to the organization by being global and which ones make the most sense to keep local.

R7: Take a systematic and process-driven approach and evaluate HR functions process-by-process to determine the highest priority processes for global integration and workflow-enablement.

R8: Start first by globalizing core HR systems and moving to talent management systems, with the ultimate goal being to provide a single platform for global metrics, analytics and workforce planning.

R9: Assess vendors' global maturity across four critical levels – Data Model, Language Translations, Business Process Framework, and International Compliance.

R10: Evaluate SaaS-based solutions when considering an upgrade or conversion from a legacy system to provide enhanced functionality and lower total cost of ownership.

To stay up-to-date with Jeitosa's Going Global research, subscribe to Jeitosa's blog at www.jeitosa.com/blog. Be sure to look for our next report in this series, *Leading Practices of Top Performing Organizations in Being Global,* due out in December 2010. For more information on Jeitosa's Going Global research or global service offerings, contact Jeitosa at contact@jeitosa.com.

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About the Author

Karen V. Beaman is the Founder and Chief Executive of Jeitosa Group International (www.jeitosa.com), a worldwide strategic business consultancy focused on providing solutions to enable global success. Karen led the team that developed the strategy for the global core of Workday's new Human Capital Management (HCM) system. Previously she held global responsibility for the sales and delivery of ADP's professional services across the Americas, Europe, and Asia/Pacific. She was based in Paris for four years, where she was responsible for building and leading ADP's professional services business across Europe and for launching the company's professional services in Latin America.

Karen is an internationally recognized speaker and author and has published works on such topics as global human resources issues, information technology, transnational organizational design, strategic sourcing, sociolinguistic variation, cultural diversity, and global leadership. Her first edited volume, *Boundaryless HR: Human Capital Management in the Global Economy* (2002), addresses global strategic planning and implementation issues and her second, *Out of Site: An Inside Look at HR Outsourcing* (2004) takes an in-depth look at human resource outsourcing. Her third book, *Common Cause: Global Shared Services for Human Resources* (2006), looks at the planning, implementation, measurement, and ongoing management of shared services for HR operations. Her newest book, *HR Frontiers: Shifting Borders and Changing Boundaries* (2008) takes a broad look at the field of global human resource information technology from strategic planning to people management, from implementation and operations to measurement, compliance and governance.

She has a B.A. from Old Dominion and an M.S. from Georgetown University and was promoted with distinction to Ph.D. candidate in Sociolinguistics and Historical and Computational Linguistics. Her Ph.D. thesis conducted a quantitative analysis of sociolinguistic variation in Schwäbisch, a dialect spoken in southern Germany. She is the co-founder and Editor-in-Chief of the *IHRIM Journal*, Program Chair for IHRIM's Global Forum Summit), past-Chair of the *IHRIM.link* Magazine Editorial Committee, a former member of the IHRIM Board of Directors, and currently a Managing Editor of IHRIM's *Workforce Solutions Review*. In 2002, Karen received the Summit Award, IHRIM's highest award honoring her lifetime achievements in the field. She is fluent in English, German, and French, and has a working knowledge of Spanish and Portuguese. She can be reached at karen.beaman@jeitosa.com.

About Jeitosa

Our Company

Jeitosa Group International was founded in 2004 as a global advisory and systems deployment firm servicing companies across the world in the areas of human resources, finance, and information technology. Jeitosa is a global organization with 50+ global business advisers covering 20+ countries focusing on the mission critical challenges and issues companies face as they grow — challenges and issues that are local, global, regional, and transnational.

Our Name

The name Jeitosa (pronounced zhay-taw-za) comes from the Brazilian Portuguese word *jeitosa* [from *jeito + -osa*], an adjective meaning able to find astute or ingenious solutions; skillful, adroit, clever, innovative, solution-oriented, problem-solving; making the impossible happen (Dicionário Aurélio). Working in the global, digital, virtual world demands a creative approach in finding elegant solutions to complex business problems, which is why this name aptly describes the kinds of solutions we provide for our clients.

Our Mission

Our mission is quite simple: *"we bridge people, process, and technology through agile, modern solutions to make global business possible."* Our goal is to be a global partner to our clients, enabling "Better HR" through more adroit and knowledgeable people, more effective and efficient business processes, and best-fit modern technologies.

Our Services

Our expertise centers around three global practice areas. In our Strategy practice we help global HR organizations create and achieve their vision by supporting effective strategic planning, business case development, shared services deployment, change management, and other strategic business services. Our Deployment practice supports organizations in implementing best-in-class global HR solutions, including functional, technical, and project management support. Our Communities practice fosters research, learning, and networking opportunities for global HR organizations and professionals.

Our Values

Jeitosa abides by six core values that govern interactions with all of our associates, partners, and clients:

- *Integrity* – fostering openness and fairness in all our business relationships.
- *Motivation* – going the extra mile to ensure our clients' and partners' success.
- *Partnership* – engaging with all our associates for long-term relationships.
- *Knowledge* – sharing best-in-class global business and technology solutions.
- *Excellence* – delivering superior value to our clients, partners, & shareholders.
- *Balance* – building symbiosis in work, life, diversity, profitability, and fun.

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