



*Opening Doors
Around the World...*

Going Global in 2013 – Seeking Efficiency and Innovation

June 19, 2013



*...Solutions for Global
and Local Success!*

Karen Beaman, HRIP



Jeitosa Group International

karen.beaman@jeitosa.com

- Founder and CEO of Jeitosa, a global business consultancy focused on building solutions for global success.
- Lead the team that built the global strategy for Workday's new Human Capital Management offering.
- Previously responsible for ADP's professional services across the Americas, Europe, and Asia/Pacific.
- Co-founder of the *IHRIM Journal* and Program Chair for IHRIM's Global Technology Forum.
- Published works in the fields of Linguistics, Humanities, Human Resources, and Information Technology:
 - *Boundaryless HR: HCM in the Global Economy* (2002)
 - *Out of Site: An Inside Look at HR Outsourcing* (2004)
 - *Common Cause: HR Shared Services Delivery* (2006)
 - *HR Frontiers: Shifting Borders and Changing Boundaries* (2008)
- Recipient of IHRIM's Summit Award in 2002, honoring her lifetime achievements in the field of HR and HRIT.
- B.A. from Old Dominion and an M.S. from Georgetown University; Ph.D. candidate in Sociolinguistics.
- Fluent in English, German, and French; conversational Spanish and Portuguese.

Agenda for This Session

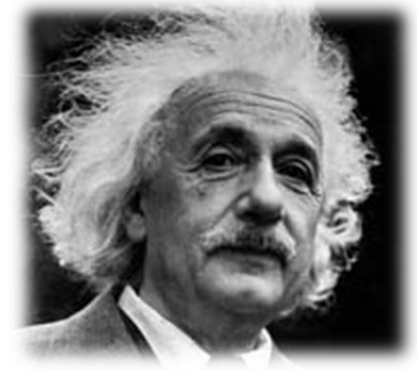
- Industry Background
- Survey Demographics
- Efficiency and Innovation
- Practices of Top Performers
- Summary



Industry Background

- Age-old paradox: how to do more with less
- Organizations are simultaneously trying to:
 - Seek efficiencies through lower costs and increased productivity
 - Pursue innovations and opportunities that promise better ways to get work done

“Everything should be made as simple as possible, but not simpler.” –Albert Einstein



Industry Background

Two overarching global trends that are omnipresent throughout the global HCM industry:

Drive for Efficiency



Pursuit of Innovation



Industry Background

In Global HCM, organizations are driving efficiencies and pursuing innovation through:

Drive for Efficiency

- *Standardized global service delivery model*
- *Global governance model*
- *Fewer vendors globally through rationalization and consolidation*
- *Standardized, globalized business processes*
- *Integrated vendor portfolio with key interfaces automated*

Pursuit of Innovation

- *Global process-driven, rather than tactical, localized approach*
- *Metrics-driven, root cause analysis and predictive analytics*
- *Formal quality methods for standardizing processes*
- *Highly automated processes with workflow, self-service, mobile*
- *Well-developed global mindset*

Industry Background

Jeitosa's annual Going Global Survey evaluates five efficiency drivers and five innovation drivers:

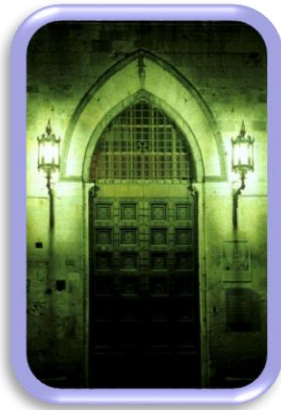
Drive for Efficiency

1. Service Delivery Model
2. Governance Model
3. Vendor Consolidation
4. Process Standardization
5. System Integration

Pursuit of Innovation

1. Global Accountability
2. Advanced Metrics
3. Formal Quality Methods
4. System Automation
5. Global Mindset

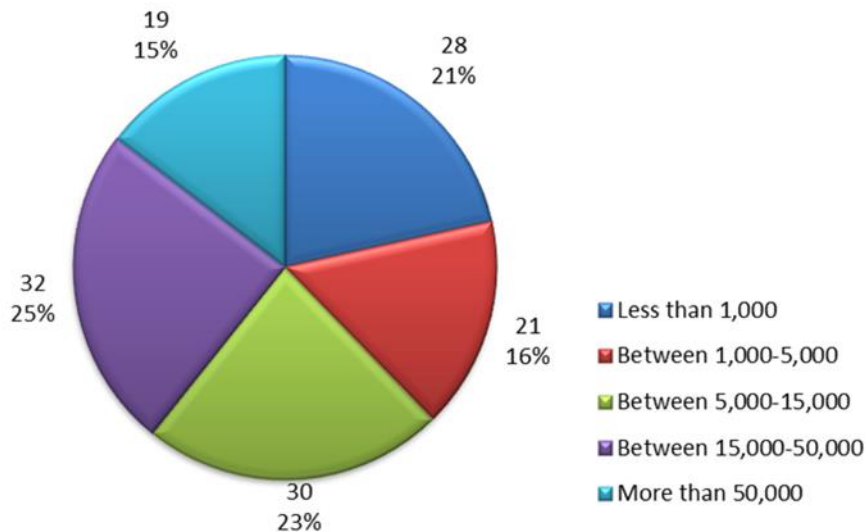
Survey Demographics



Survey Demographics (1 of 3)

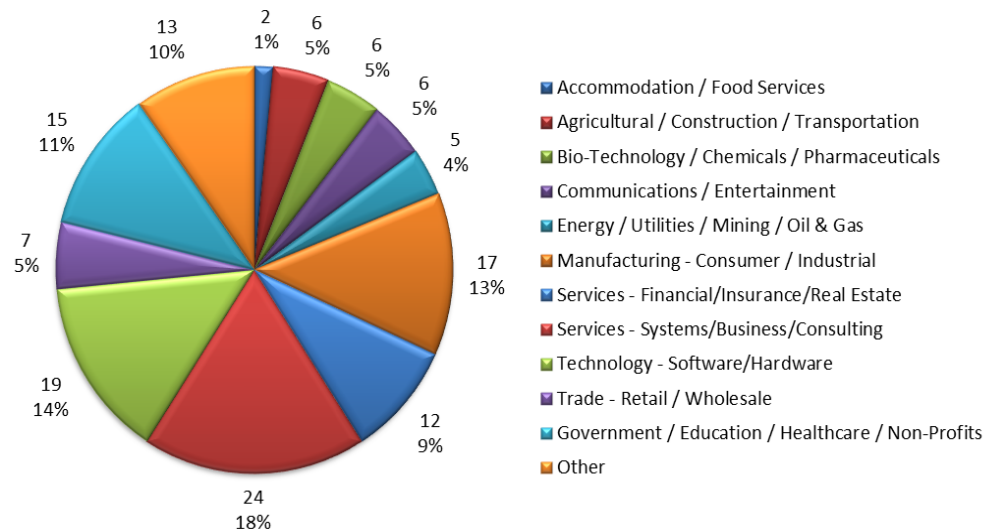
131 HR, HRIS, and IT professionals responded to Jeitosa's Going Global Survey between September and December 2012.

Survey Population



Diverse company sizes, with 78% greater than 1,000 employees globally.

Industries Represented



Wide variety of industries represented across the full spectrum.

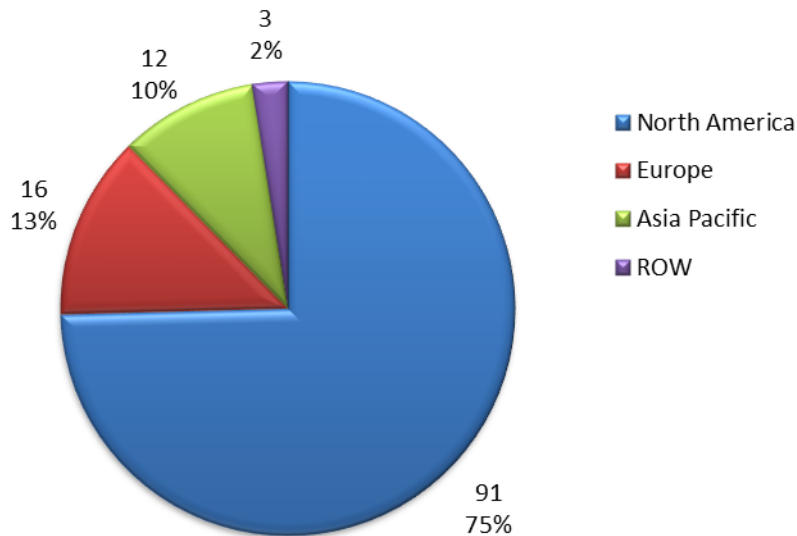
Polling Question #1

How many employees to do you have globally in your organization:

- ☐ Less 1,000 employees
- ☐ 1,001 to 10,000 employees
- ☐ 10,001 to 50,000 employees
- ☐ 50,001 to 100,000 employees
- ☐ More than 101,000 employees

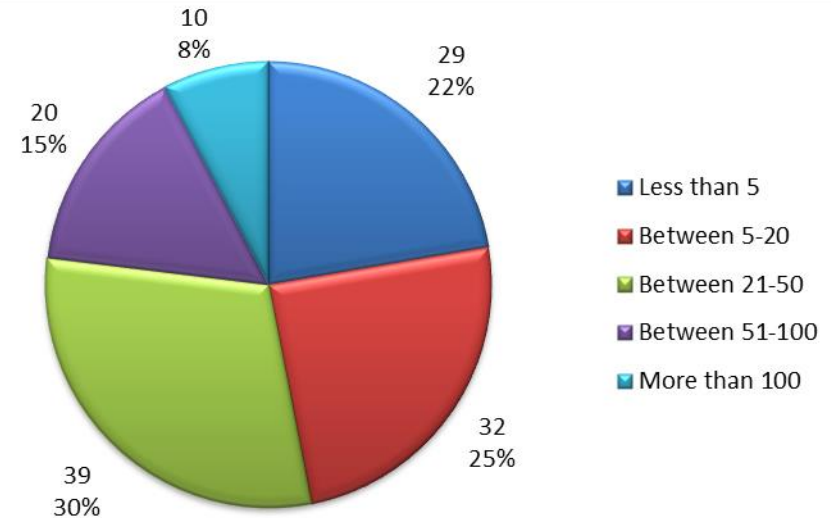
Survey Demographics (2 of 3)

Headquarters Region



Three-quarters of respondents are North American Multinationals.

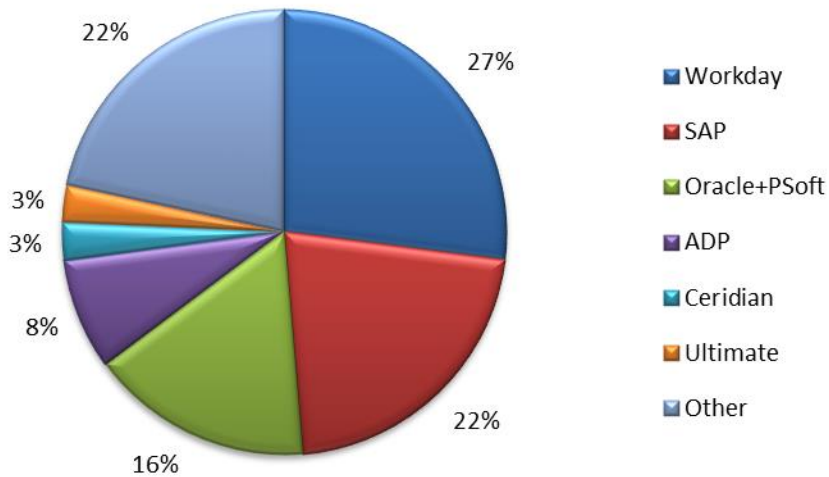
Number of Countries



More than half have representation in more than 20 countries.

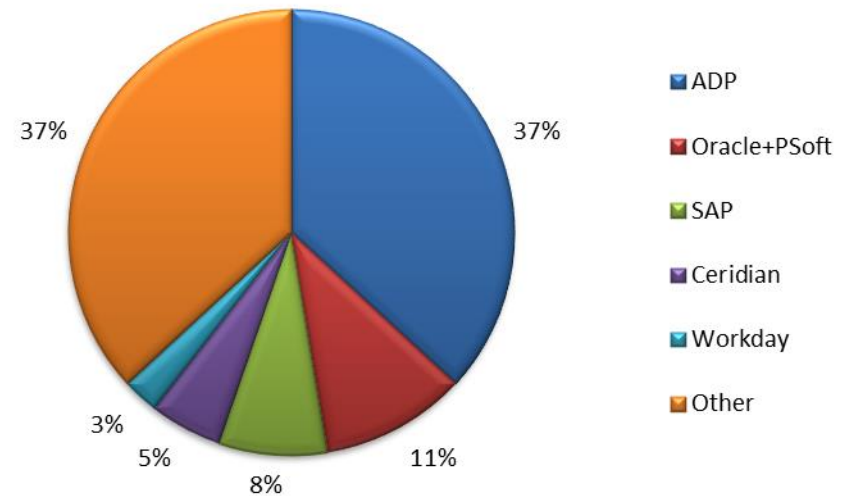
Survey Demographics (3 of 3)

HR Products in Use



This year Workday and SAP have taken over as the most common HR product by American multinational organizations.

Payroll Products in Use



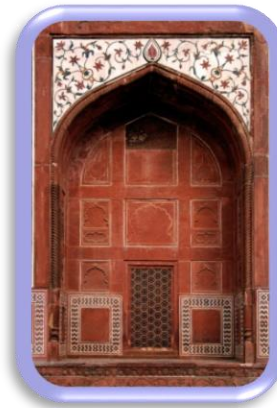
ADP continues to maintain a strong lead for payroll; the large Other category shows how fragmented this market is.

Polling Question #2

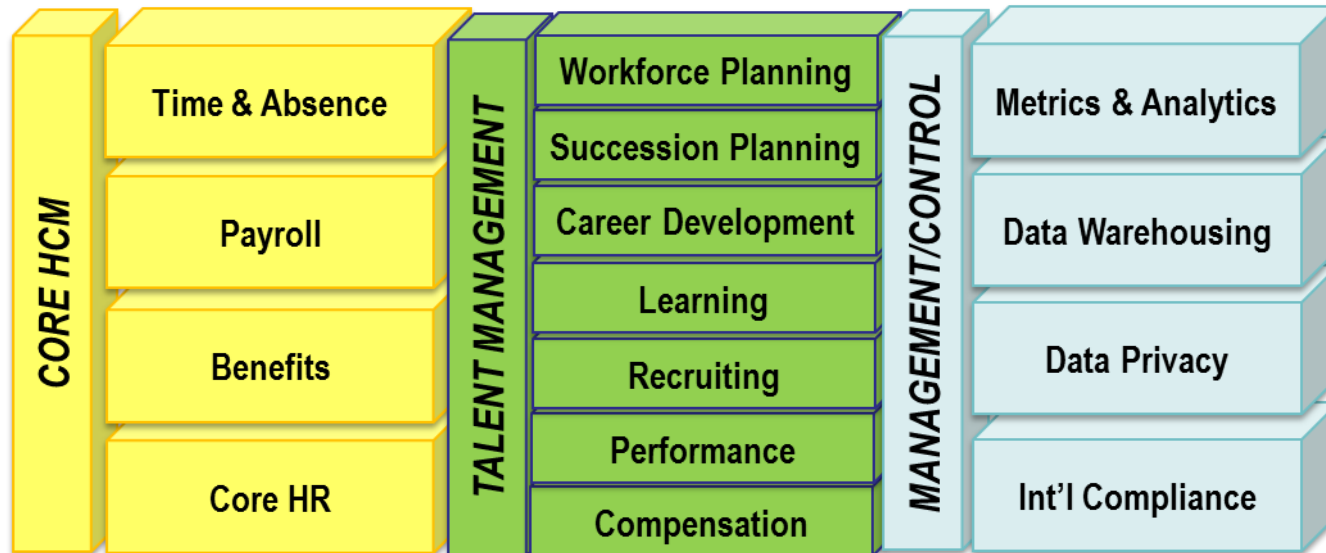
What is your global HR System of Record:

- ☐ Oracle / PeopleSoft / JDE / etc.
- ☐ SAP / SuccessFactors
- ☐ Workday
- ☐ Other
- ☐ None

Two Business Models



Key Components of a Global HCM Model



Jeitosa's Going Global Survey evaluates four Core HCM components, seven Talent Management components, and four Management & Control components.

Global Enterprise Model (GEM)



Jeitosa's Going Global Survey evaluates six key areas of global HCM:

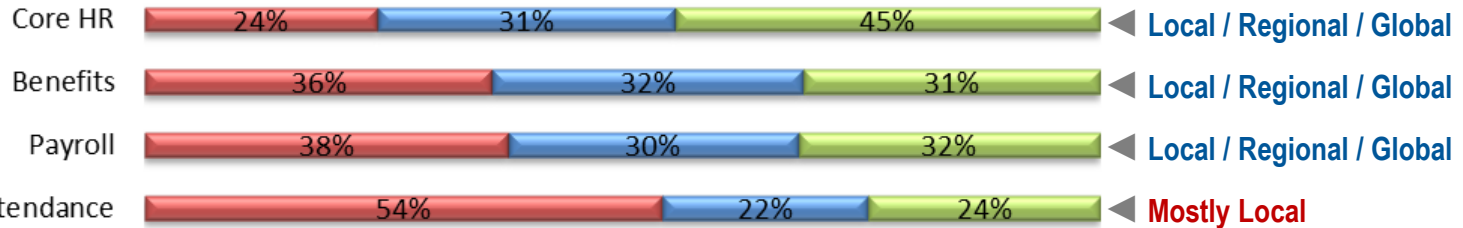
**Strategy
Organization
People
Process
Technology
Management**

Efficiency Measures

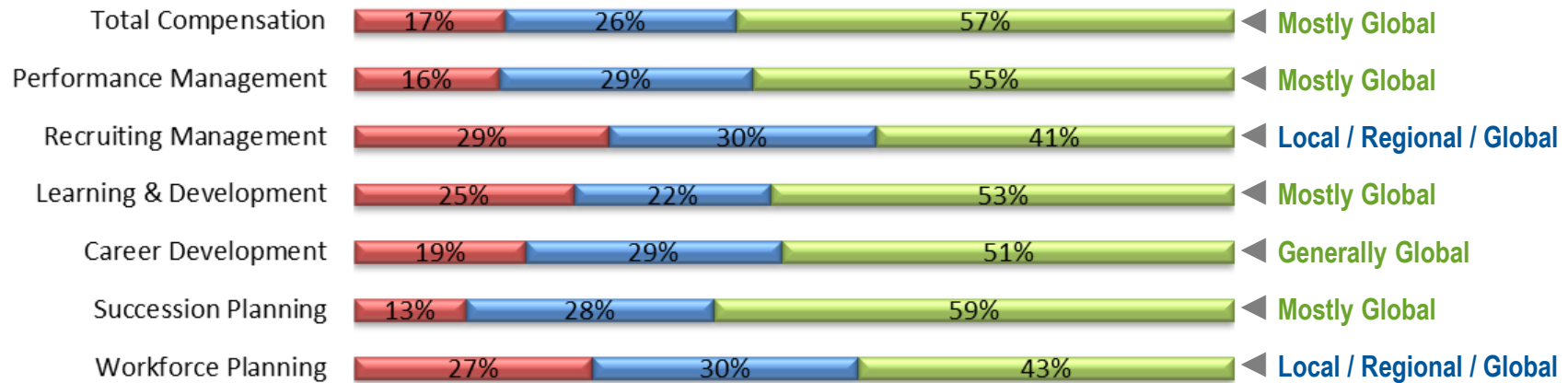


1. Global Service Delivery Model – Data Snapshot

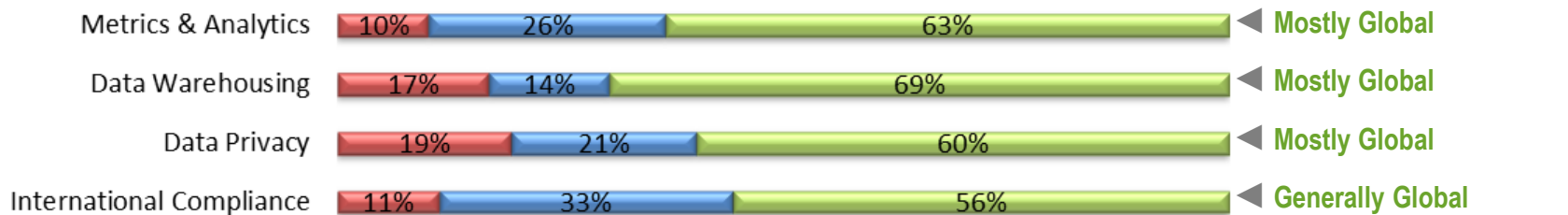
CORE



TALENT



CONTROL

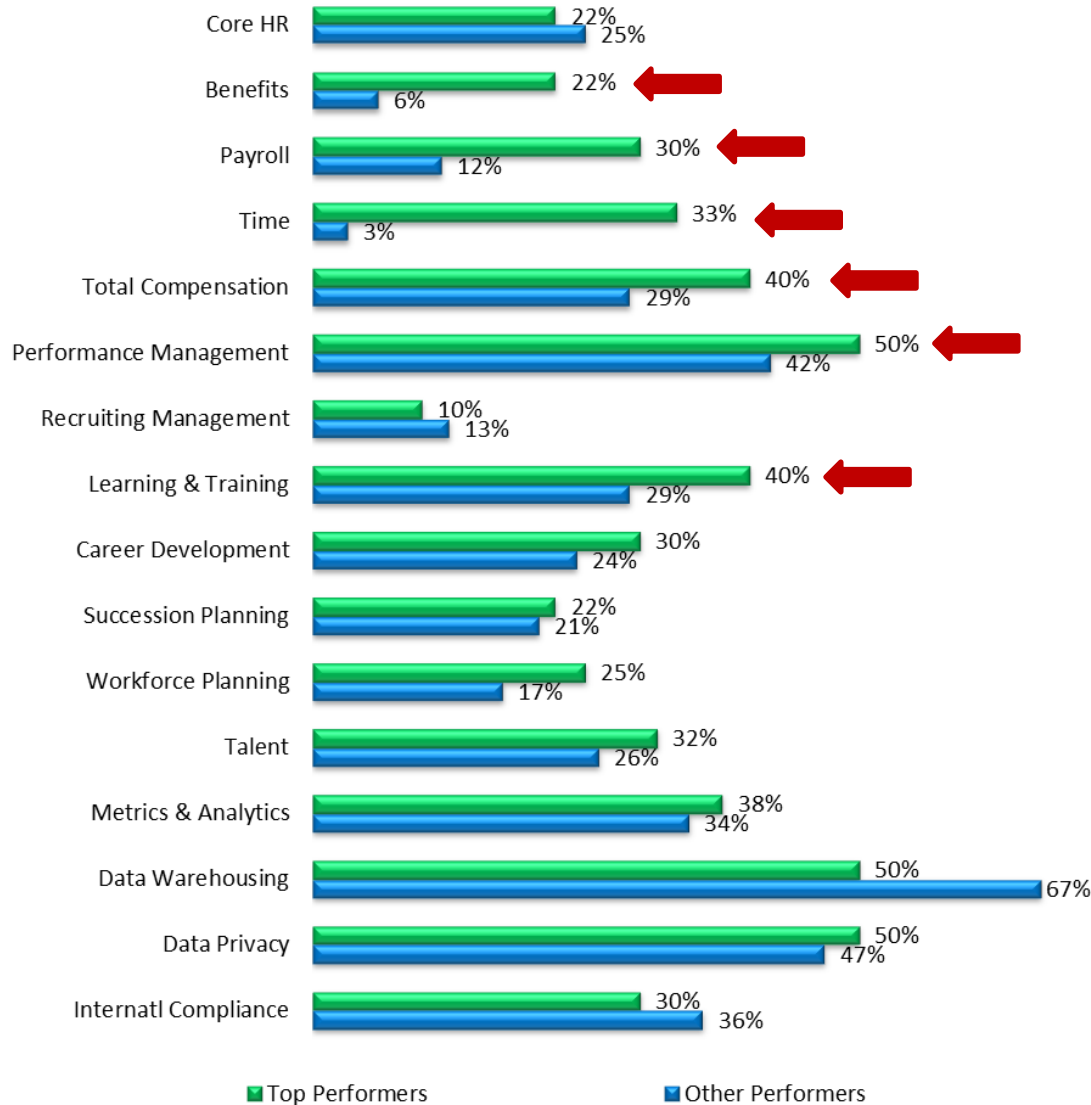


Local Regional Global

1. Global Service Delivery Model – Key Findings

- **Talent Management** services are the most globalized – by well over 50% of global organizations.
- **Management & Control** functions are also highly globalized – by close to 60% of global organizations.
- **Time & Attendance** is the most localized service – a function of the immature global vendor landscape.
- **Core HR, Benefits, and Payroll** show a broad hybrid distribution – local, regional, and global.

1. Global Service Delivery Model – Top Performers

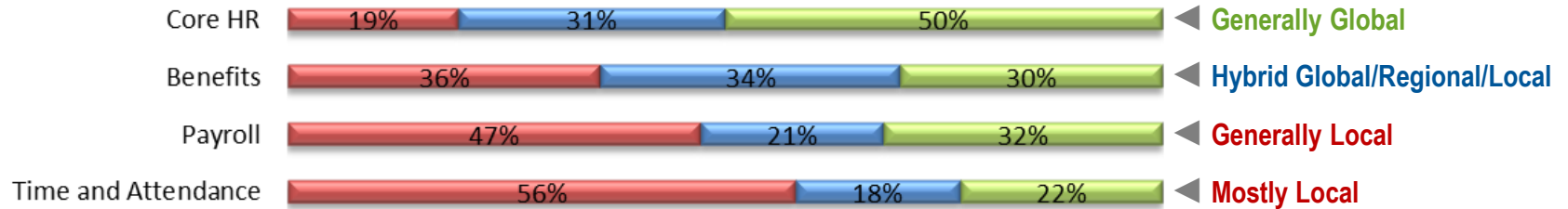


Organizations with a global service delivery model by function

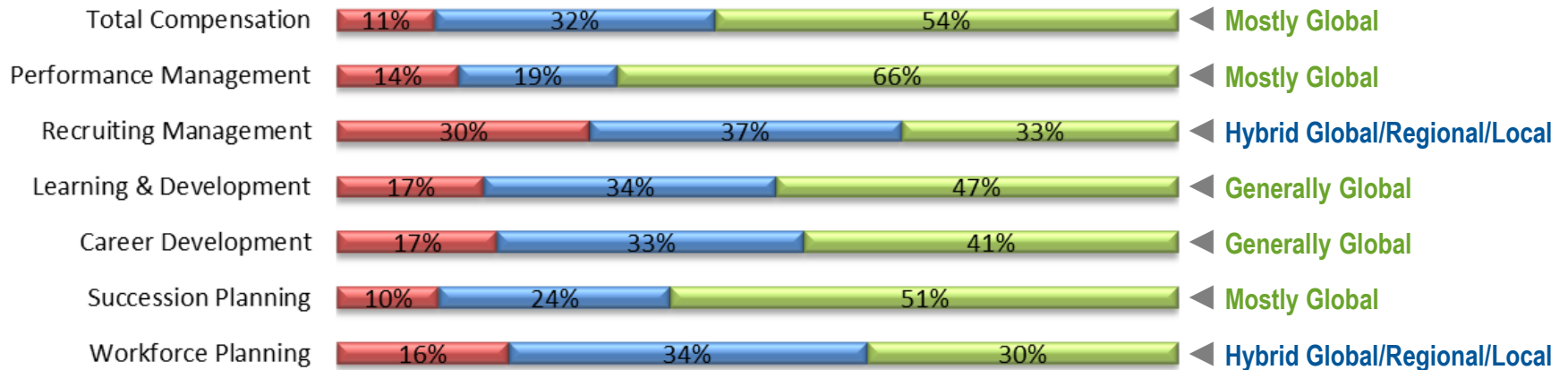
- Top Performers are more than twice as likely to have a global service delivery approach to Benefits, Payroll, and Time.
- They are also more likely to have a global service model for Total Comp, Performance Management and Learning & Training

2. Global Governance Model – Data Snapshot

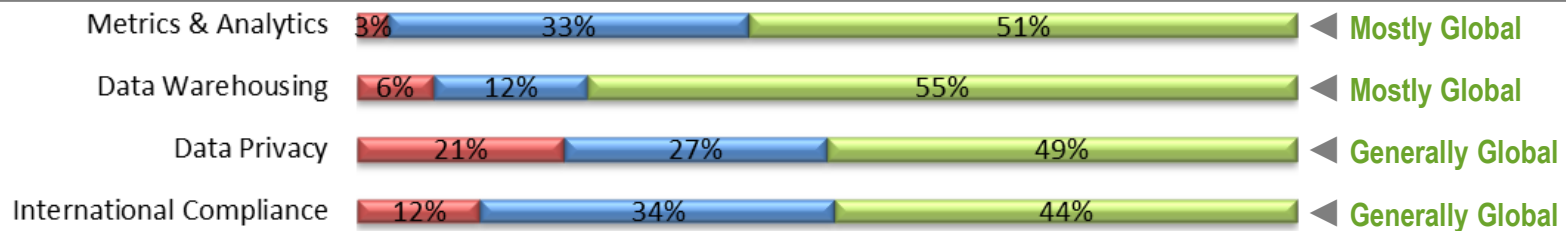
CORE



TALENT



CONTROL

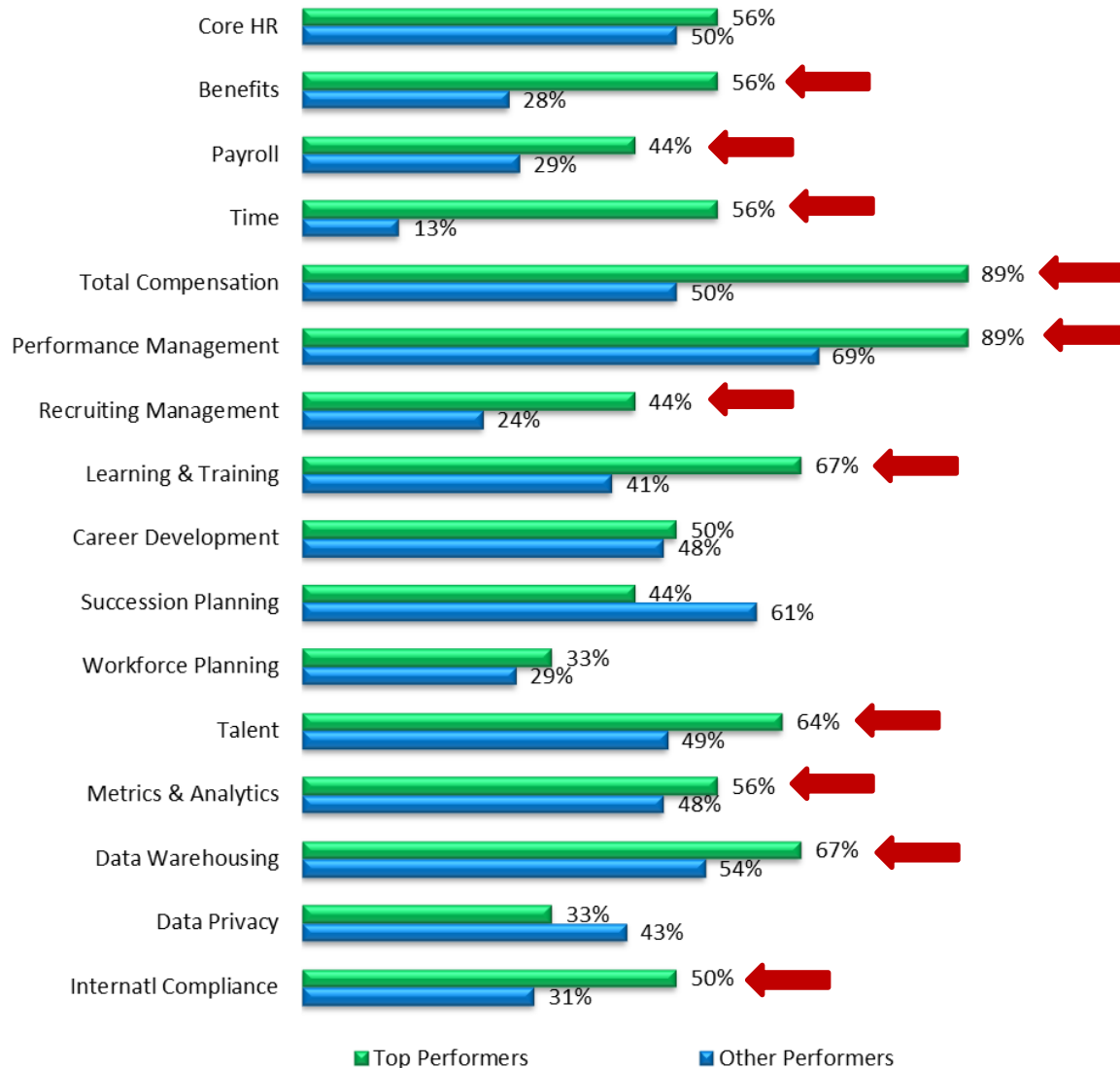


Local Hybrid Global

2. Global Governance Model – Key Findings

- **Core HR** is most likely to be governed globally – close to 50% of global organizations.
- **Talent Management** functions are the most globally governed – by well over 50% of global organizations.
- **Management & Control** functions are also globally governed – 50% of global organizations.
- **Payroll & Time and Attendance** are the most locally governed – due to local differences and complexities.
- **Benefits, Recruiting, and Workforce Planning** are more likely hybrids – governed locally, regionally, and globally.

2. Global Governance Model – Top Performers

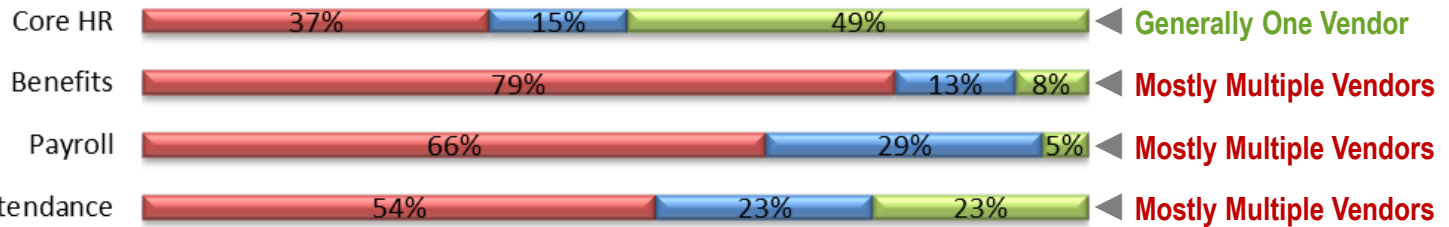


Organizations with global governance models

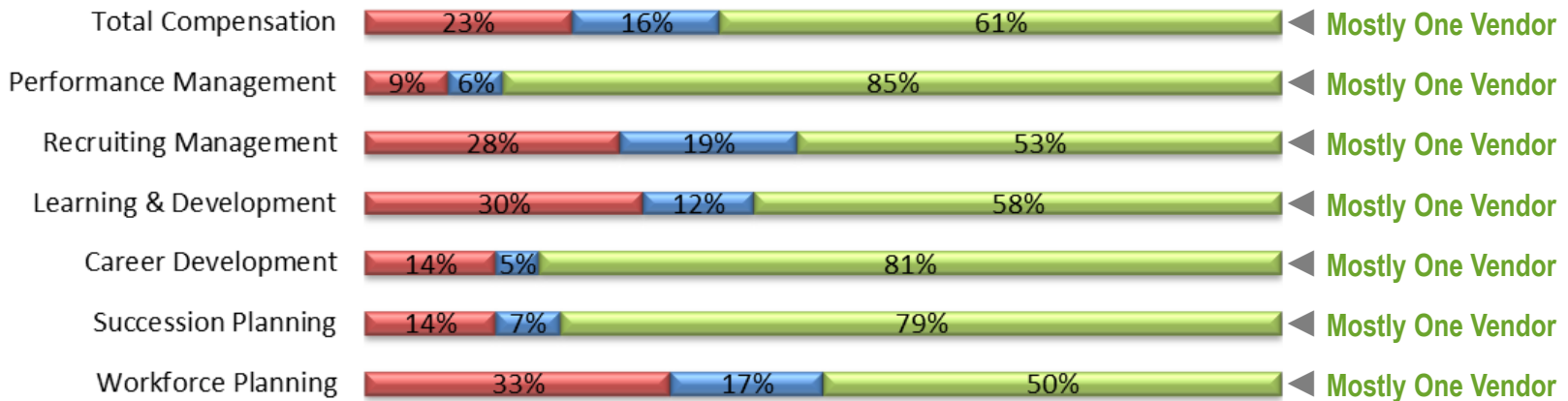
➤ *Top Performing organizations take a stronger approach to global governance over all of their critical HR processes – even over the more typical local functions such as Benefits, Payroll and Time & Attendance.*

3. Global Vendor Consolidation – Data Snapshot

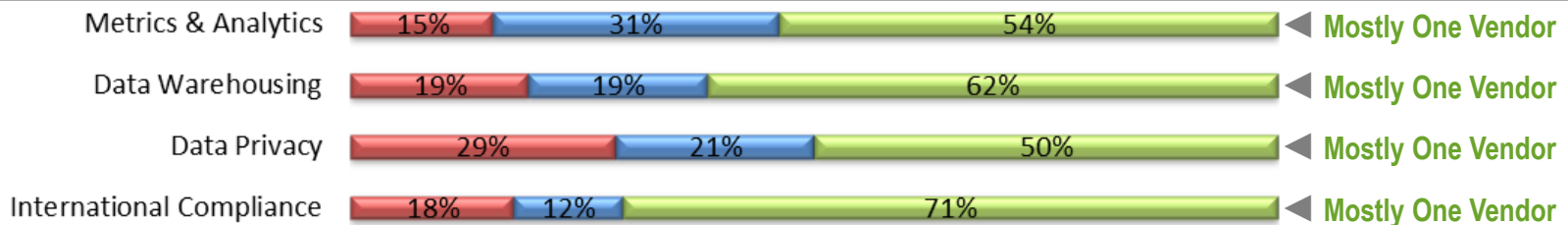
CORE



TALENT



CONTROL

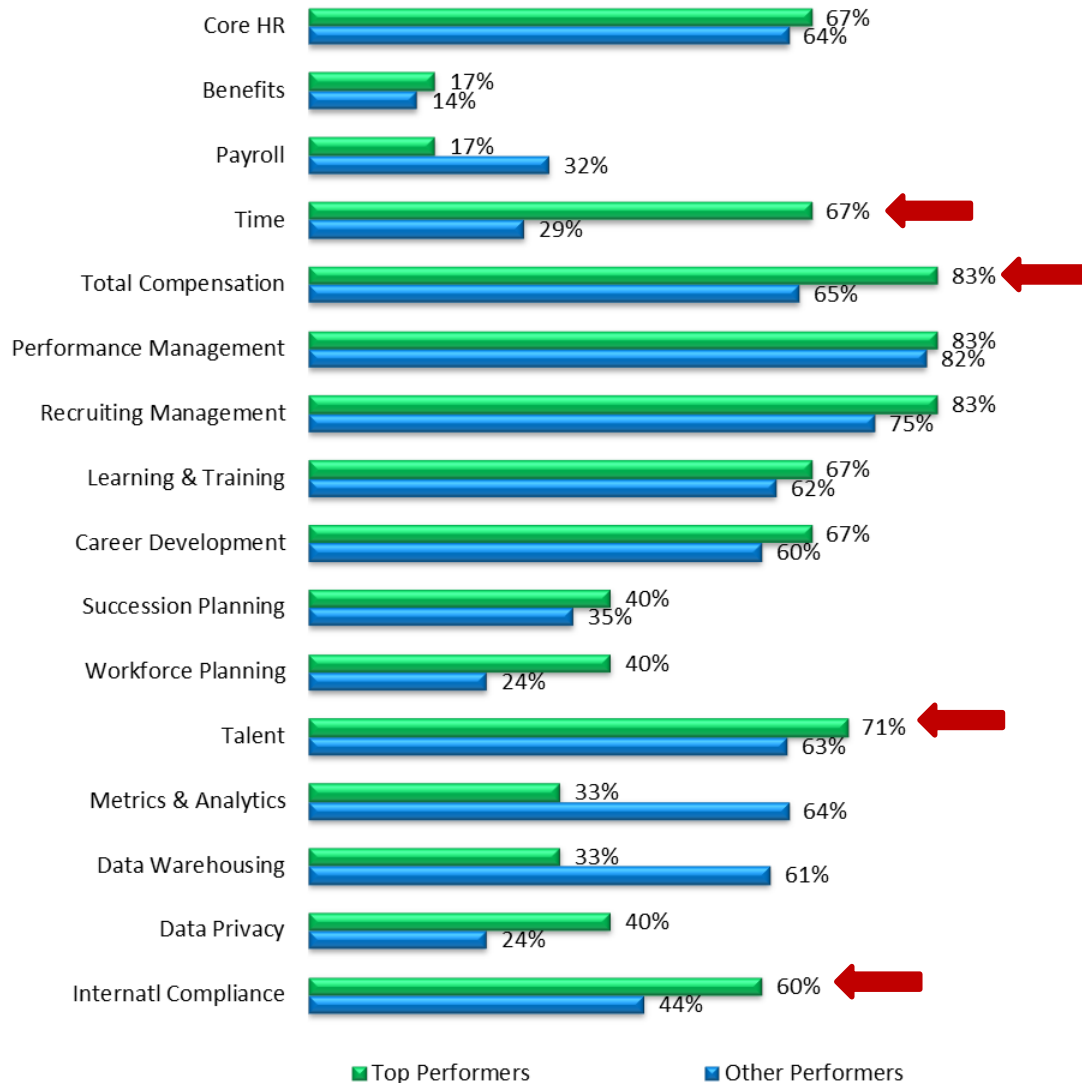


■ Multiple Vendors ■ Two-Four Vendors ■ One Vendor Globally

3. Global Vendor Consolidation – Key Findings

- **Core HR** shows 48% of global organizations using one single vendor, but a large number still using multiple vendors, 38%.
- **Talent Management** and **Management & Control** functions are more likely to have the fewest numbers of vendors – more than 50% of global organizations.
- **Benefits, Payroll, and Time & Attendance** are most likely to have the most number of vendors – again largely due to the immature vendor landscape.

3. Global Vendor Consolidation – Top Performers

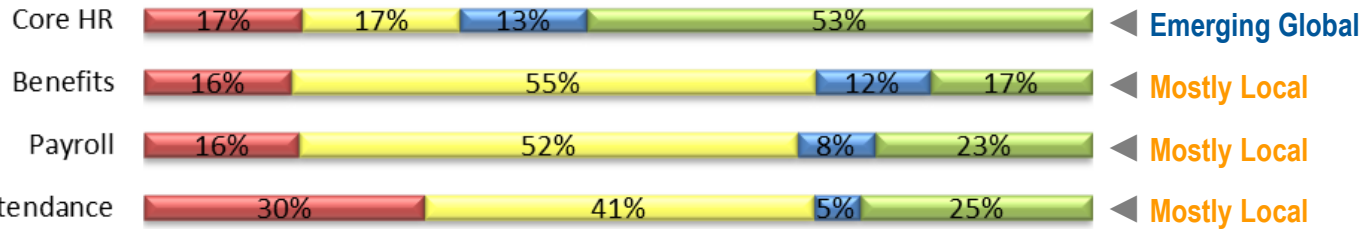


Organizations with vendors globally consolidated to less than four

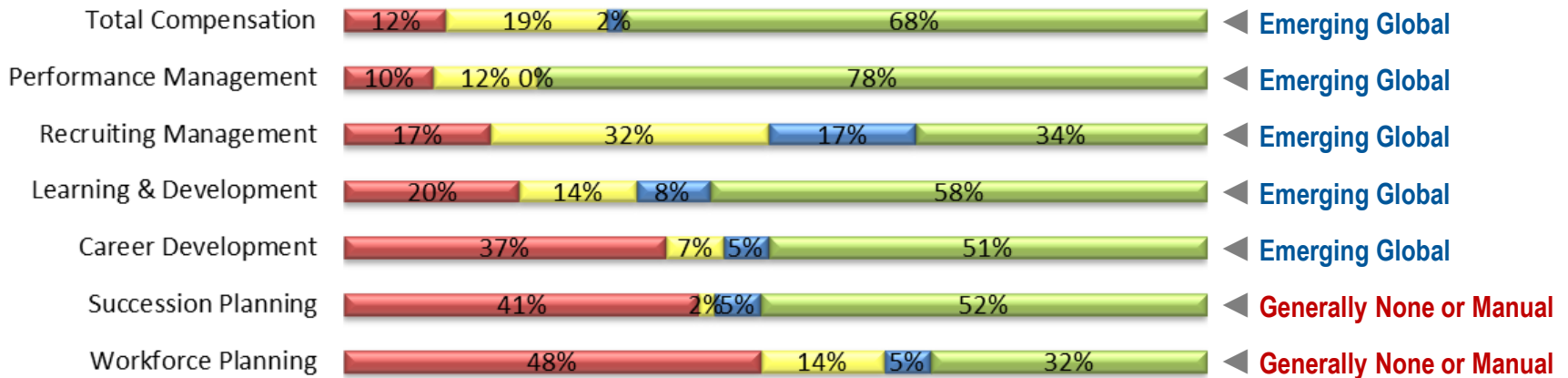
➤ *Top Performers are significantly more likely to have one single vendor in place for Time Management, Total Comp and all Talent Management functions.*

4. Global Process Standardization – Data Snapshot

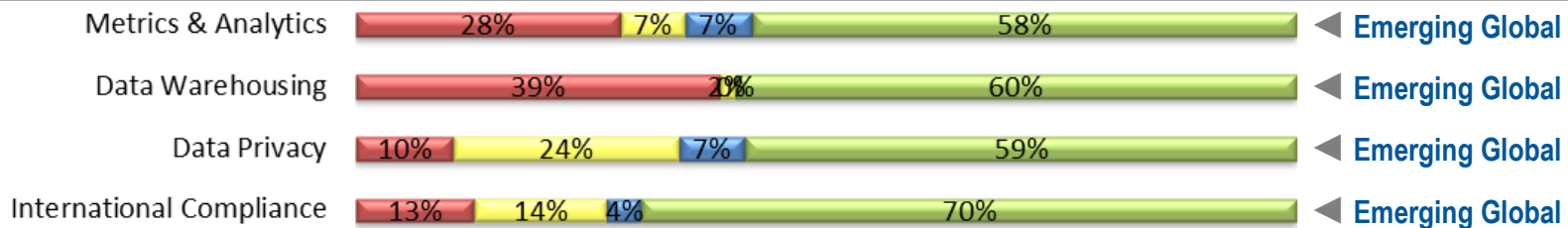
CORE



TALENT



CONTROL

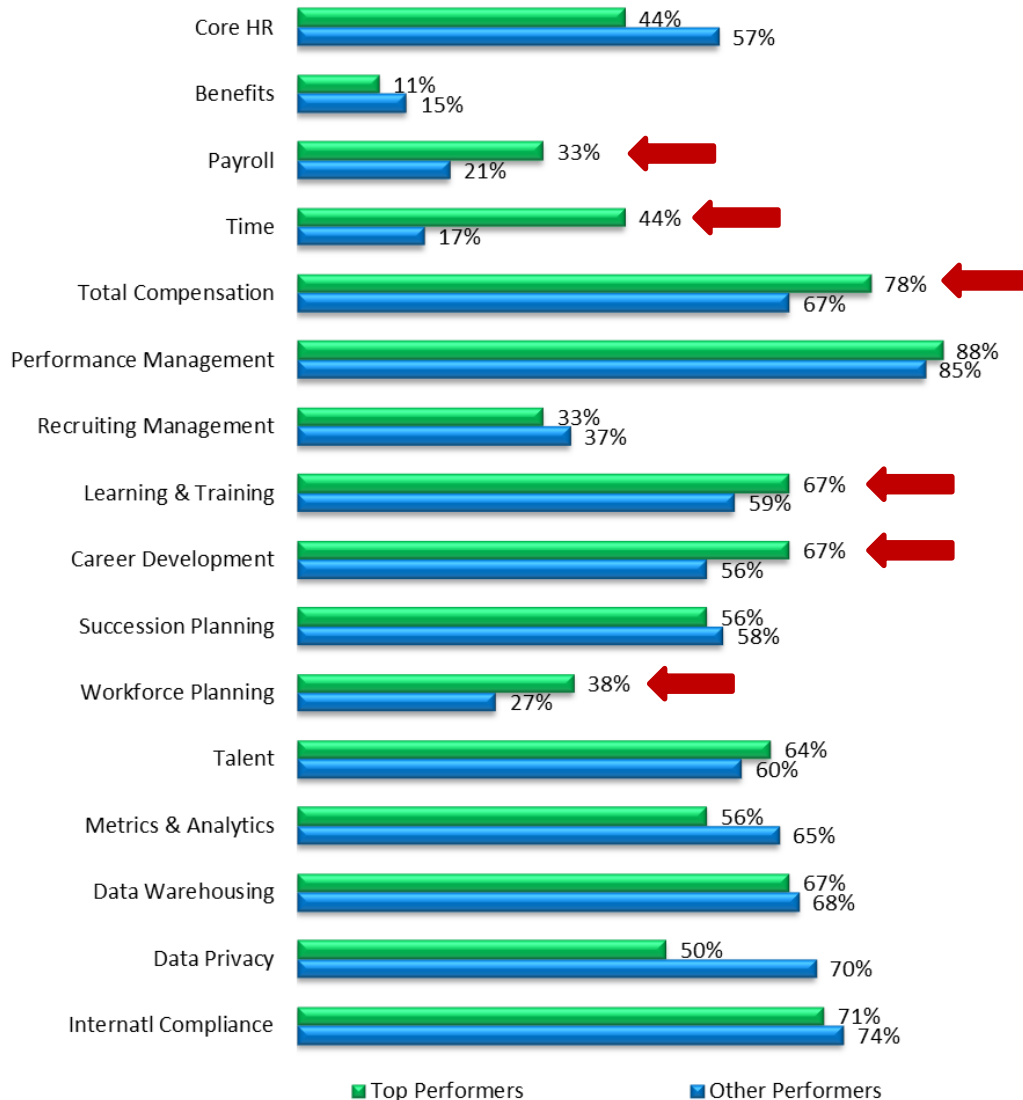


■ None/Minimal ■ Local ■ Regional ■ Emerging/Full Global

4. Global Process Standardization – Key Findings

- **Core HR, Talent Management and Management & Control** functions are more likely to have globally standardized business processes – more than 50% of global organizations.
- **Benefits, Payroll, and Time & Attendance** are most likely to be locally driven business processes – around 40-50%.
- The talent management functions of **Succession Planning** and **Workforce Planning** are most likely to be non-automated, manual functions – over 40%.

4. Global Process Standardization – Top Performers

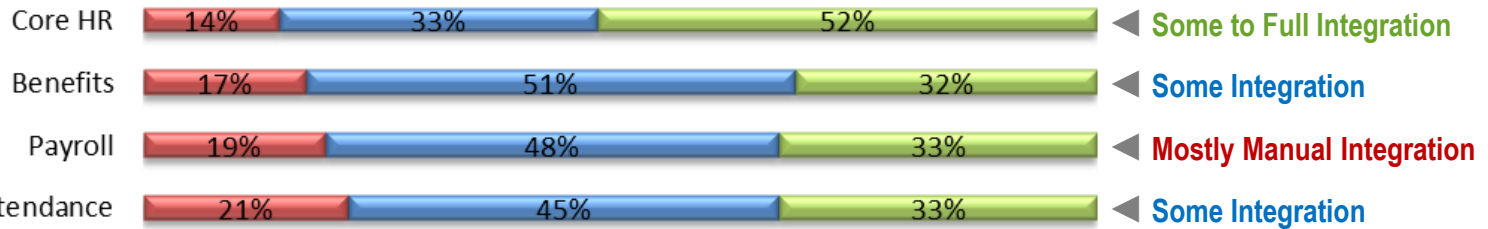


Organizations with processes standardized globally

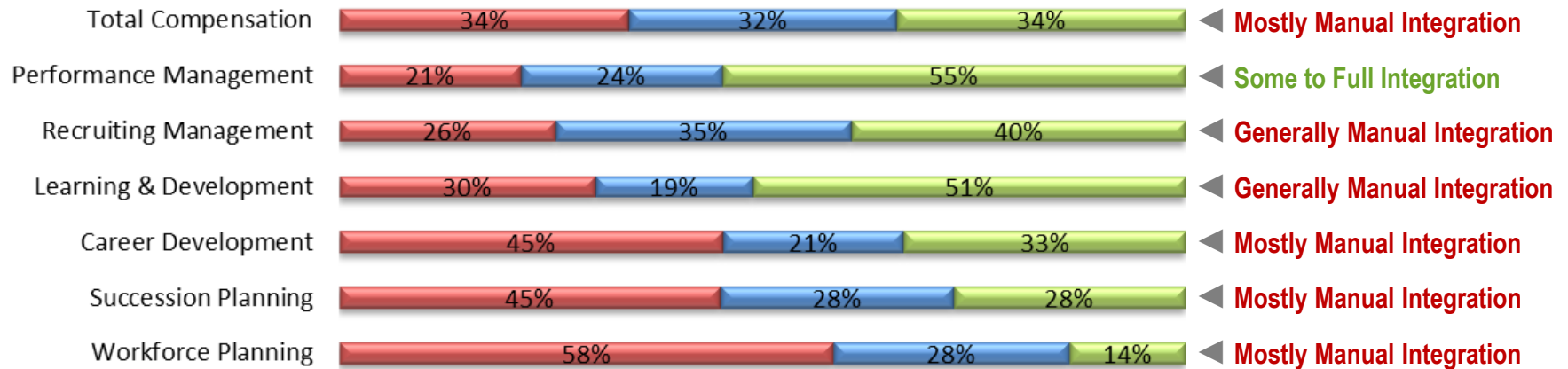
- *For the Core HR and Talent Management functions, global process standardization does not appear to be significantly different for Top Performers.*
- *However, there is a strong correlation for global, standardized payroll processes with Top Performers – 12% more.*

5. Global System Integration – Data Snapshot

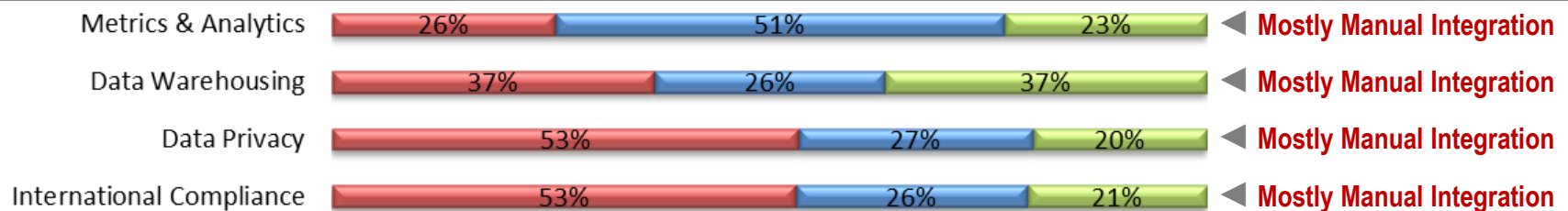
CORE



TALENT



CONTROL



Manual Integration

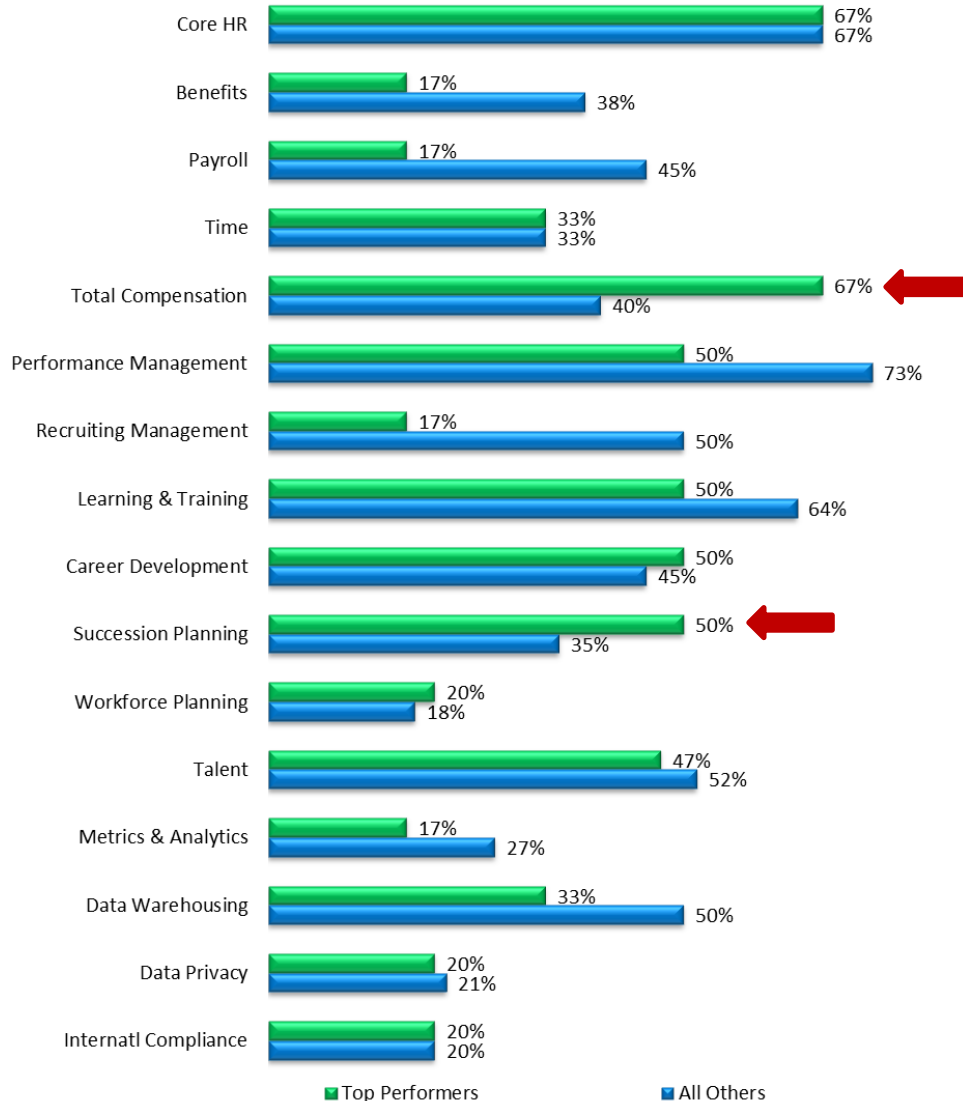
Some Integration

Full Integration

5. Global System Integration – Key Findings

- *Going Global study shows an astonishingly low level of integration between critical HCM systems.*
- **Core HR and Performance Management** are most likely to be fully integrated – around 40% of organizations.
- **Benefits and Time & Attendance** are most likely to have a moderate level of integration – around 40%.
- *This presents global organizations with a considerable opportunity for efficiency gains through the elimination of double data entry, manual uploads, and low data quality.*

5. Global System Integration – Top Performers



Organizations with highly integrated systems

➤ *While there are clearly productivity gains with integrated systems, with the exception of Total Compensation and Succession Planning, the level and type of system integration shows no correlation with company financial performance.*

Innovation Measures

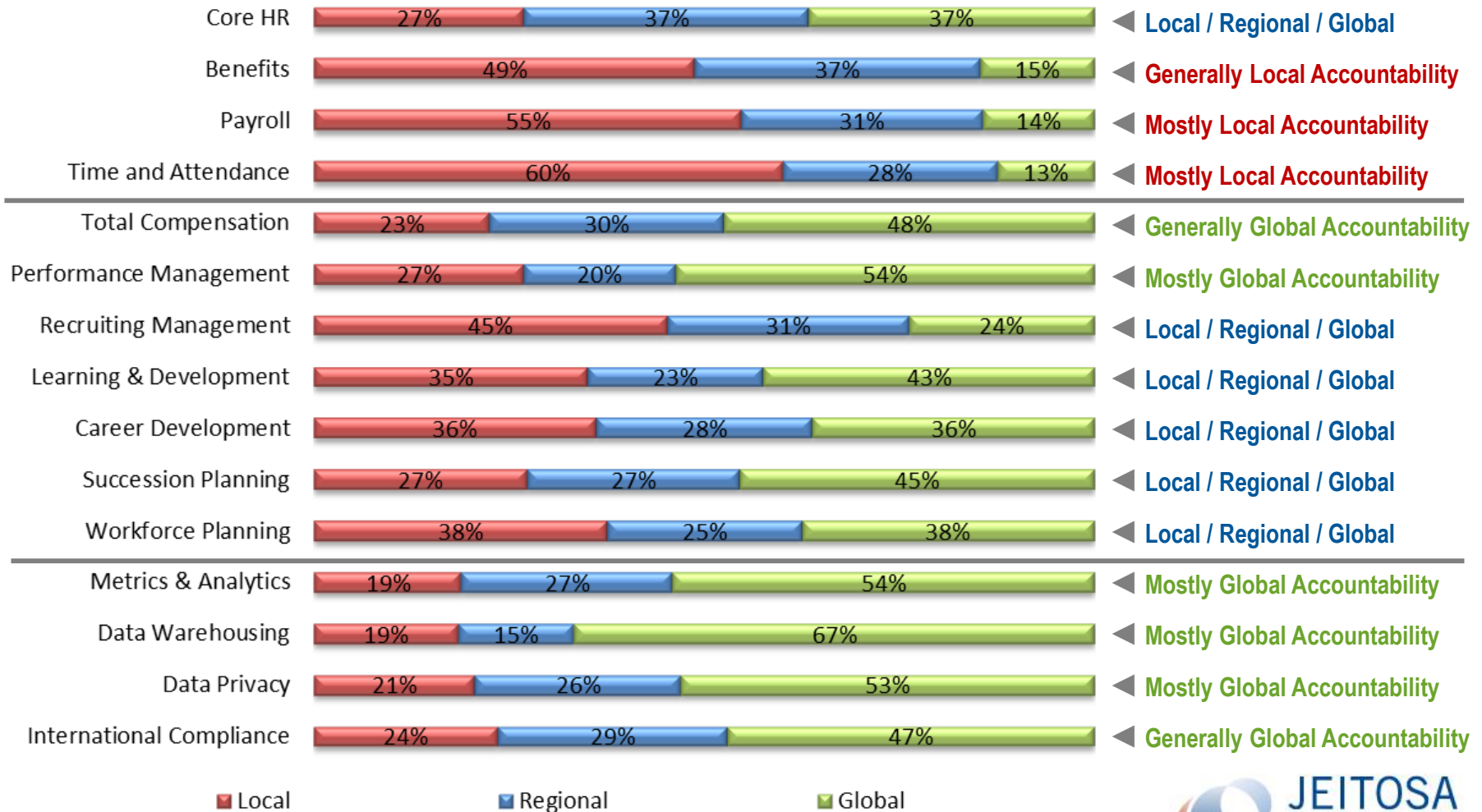


1. Global Process Accountability – Data Snapshot

CORE

TALENT

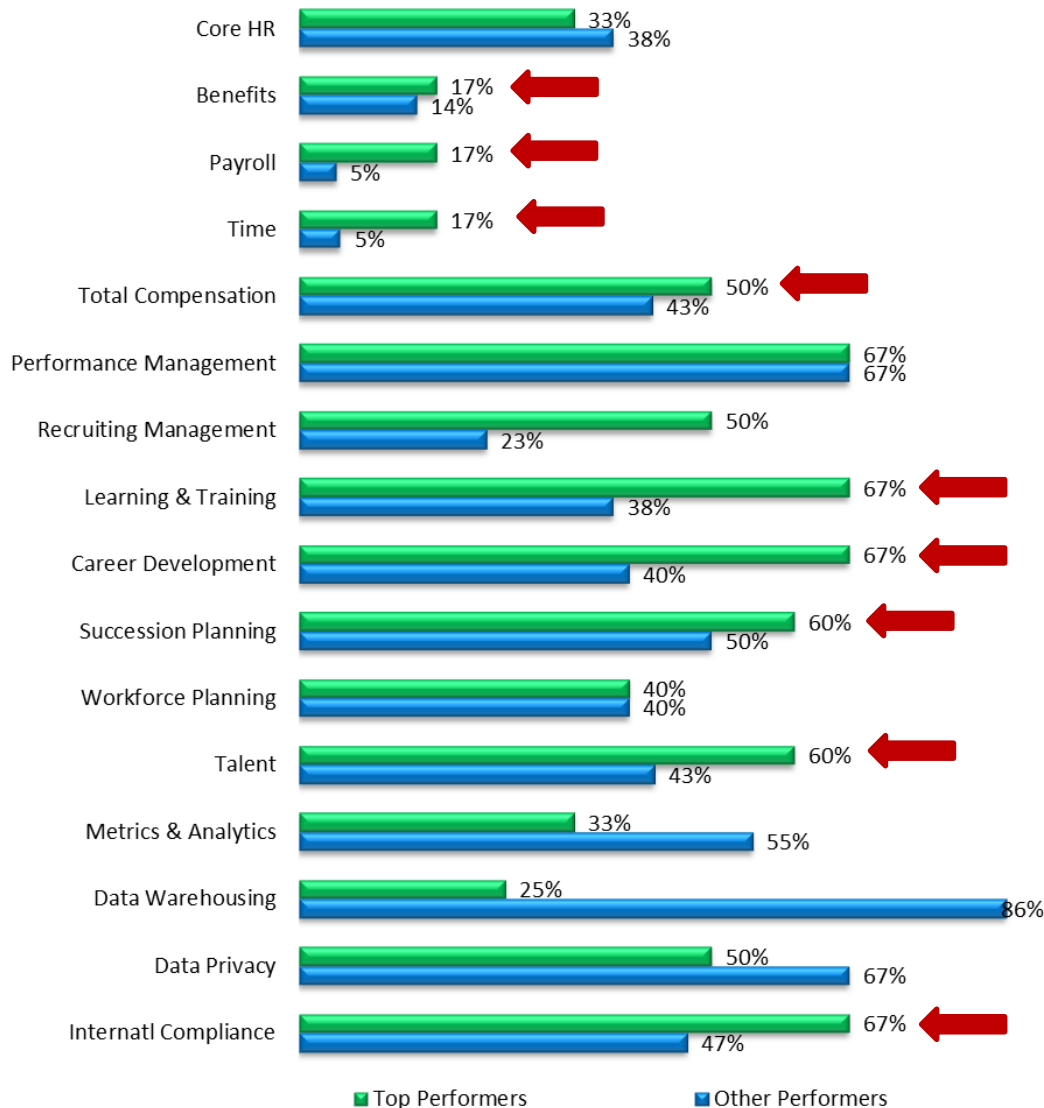
CONTROL



1. Global Process Accountability – Key Findings

- **Total Compensation, Performance Management, and the Management & Control** functions are most likely to have global process accountability – around 50%.
- Other Talent Management functions show a hybrid approach to process accountability – local, regional, and global.
- **Benefits, Payroll, and Time & Attendance** are most likely to have local process accountability – around 50%.

1. Global Process Accountability – Top Performers

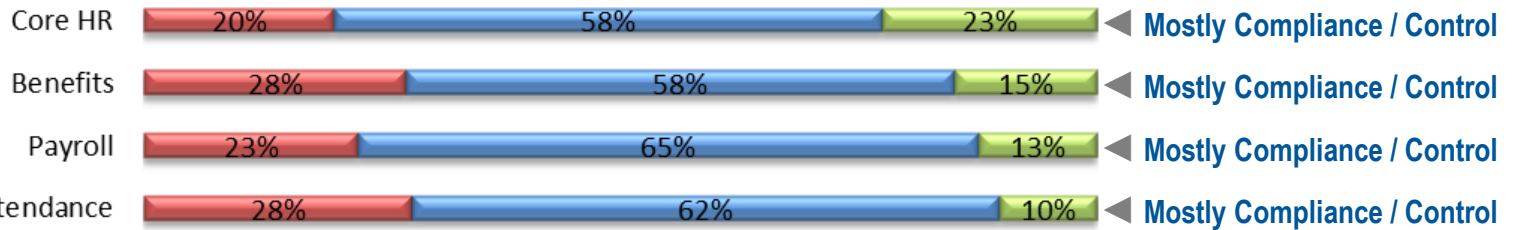


Organizations with global process accountability by function

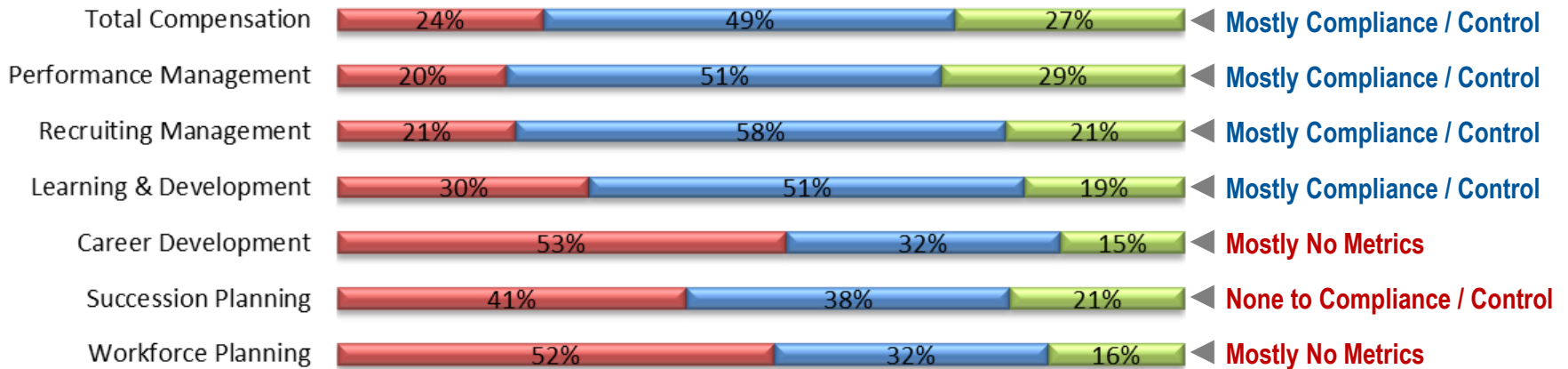
➤ *Top Performing organizations are more likely to take a global process ownership approach to Payroll (12% more) and the Talent Management (17% more).*

2. Advanced Metrics Framework – Data Snapshot

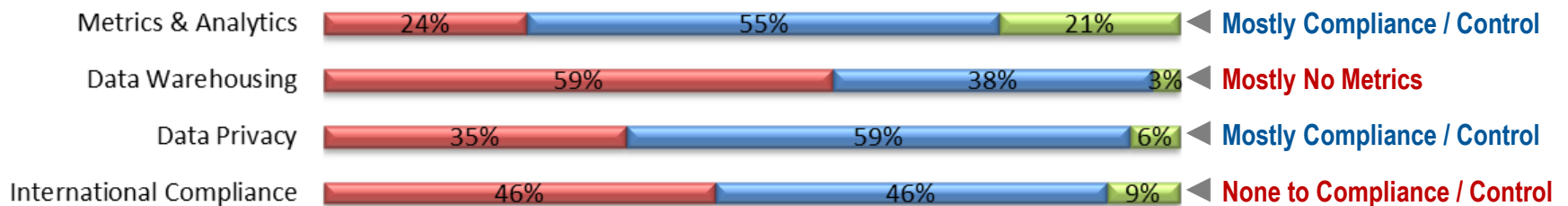
CORE



TALENT



CONTROL

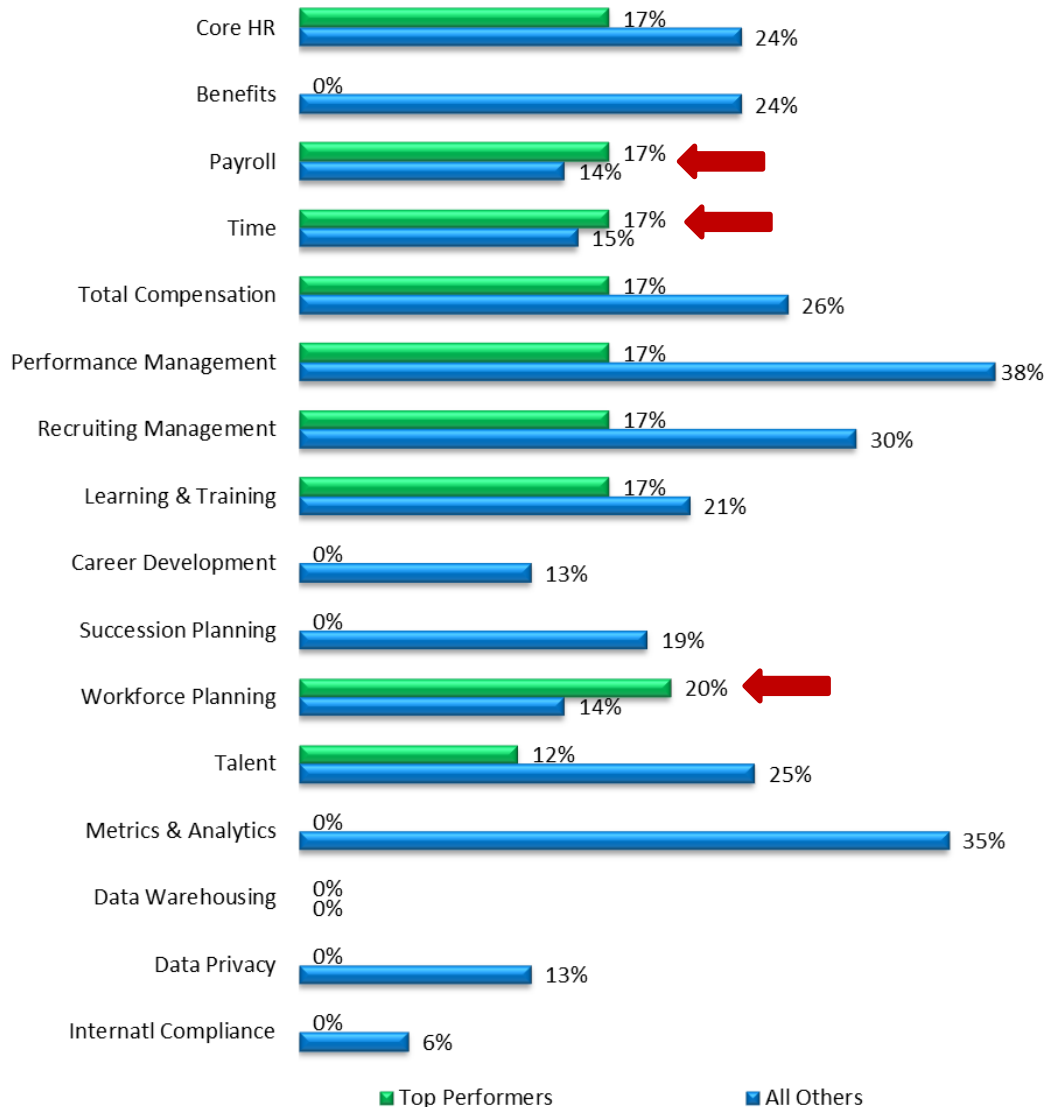


■ None
 ■ Basic / Compliance / Controls
 ■ Root Cause / Leading / Predictive

2. Advanced Metrics Framework – Key Findings

- *Most organizations have compliance and control oriented metrics in place for most HCM functions.*
- *Very few organizations (less than 20%) have advanced metrics frameworks in place, such as root cause, leading indicators, and predictive analytics.*
- *Some HCM functions have no metrics in place at all: **Career Planning, Succession Planning, Workforce Planning, International Compliance, and Data Warehousing.***

2. Advanced Metrics Framework – Top Performers



Organizations with root cause, leading indicators, and predictive analytic metrics frameworks

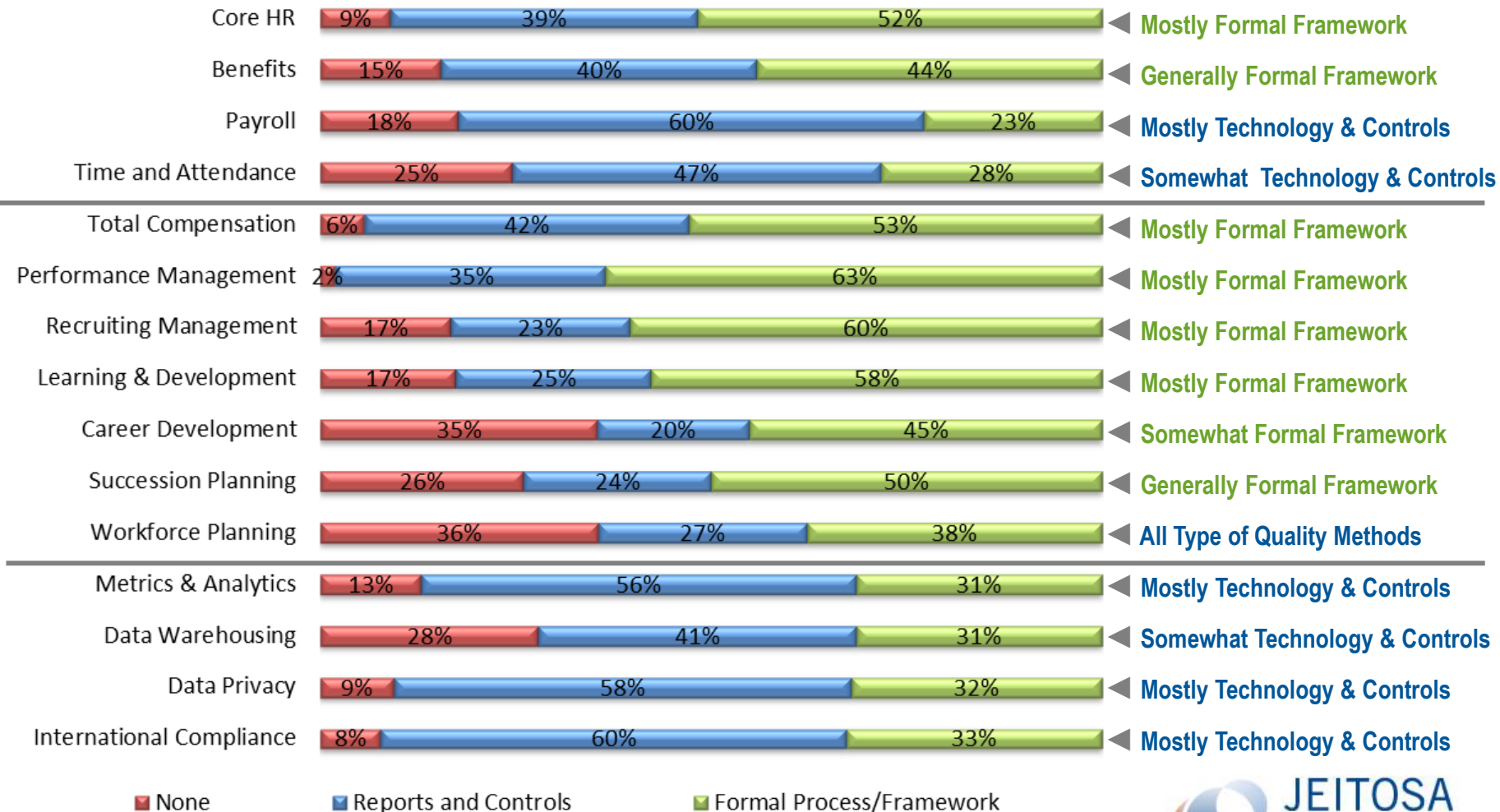
➤ *Top Performing organizations are more likely to have advanced metrics in place for Payroll, with significantly less focus seen on metrics for the Talent Management functions.*

3. Formal Quality Methods – Data Snapshot

CORE

TALENT

CONTROL



None

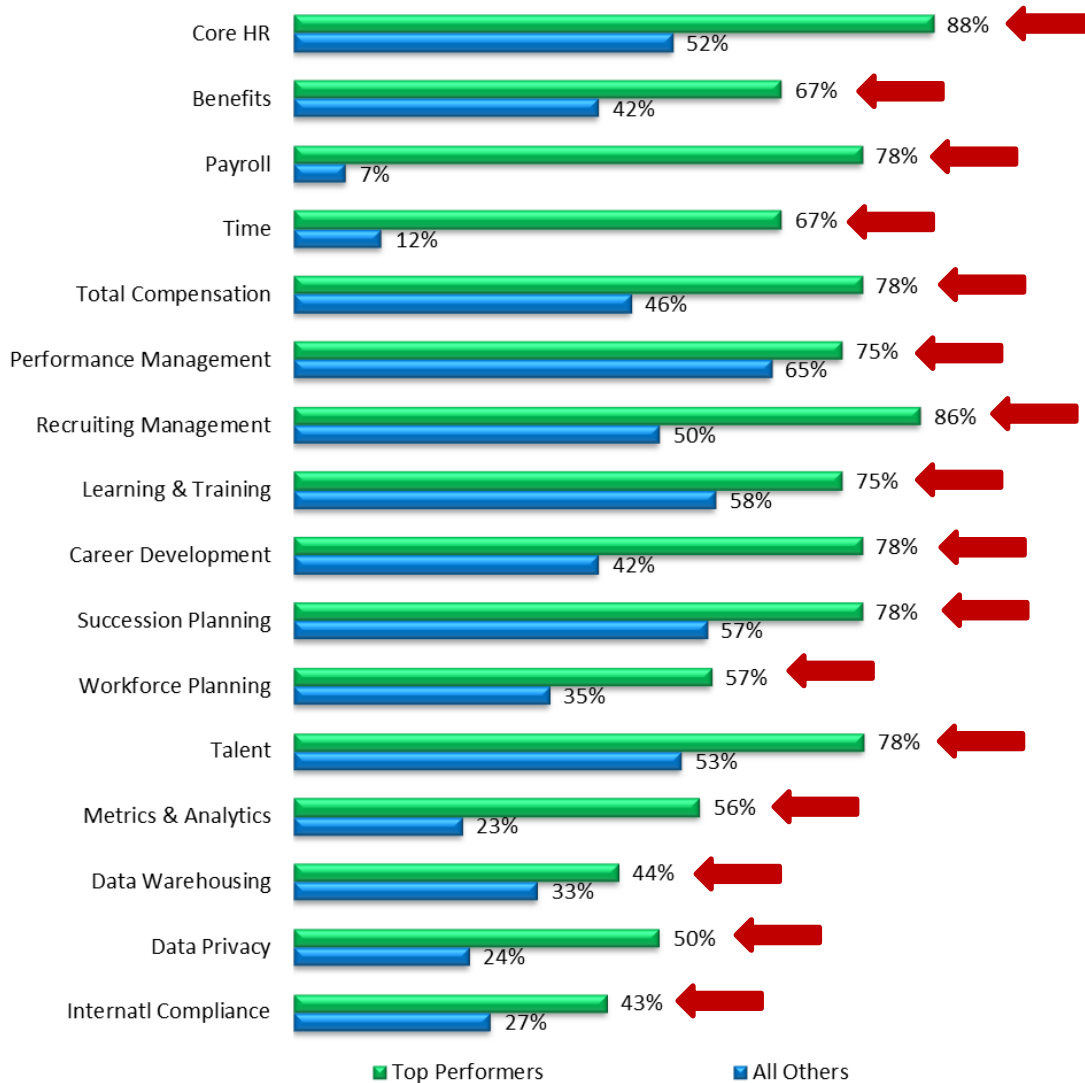
Reports and Controls

Formal Process/Framework

3. Formal Quality Methods – Key Findings

- **Core HR, Benefits, and the Talent Management** functions place a strong focus on formal quality methods for standardization, such as Lean and Six Sigma.
- **Payroll, Time & Attendance, and the Control & Management** functions tend to use technology and standard reports to manage the standardization and quality of those functions.

3. Formal Quality Methods – Top Performers



Organizations with formal (internal or external) quality methods to drive standardization

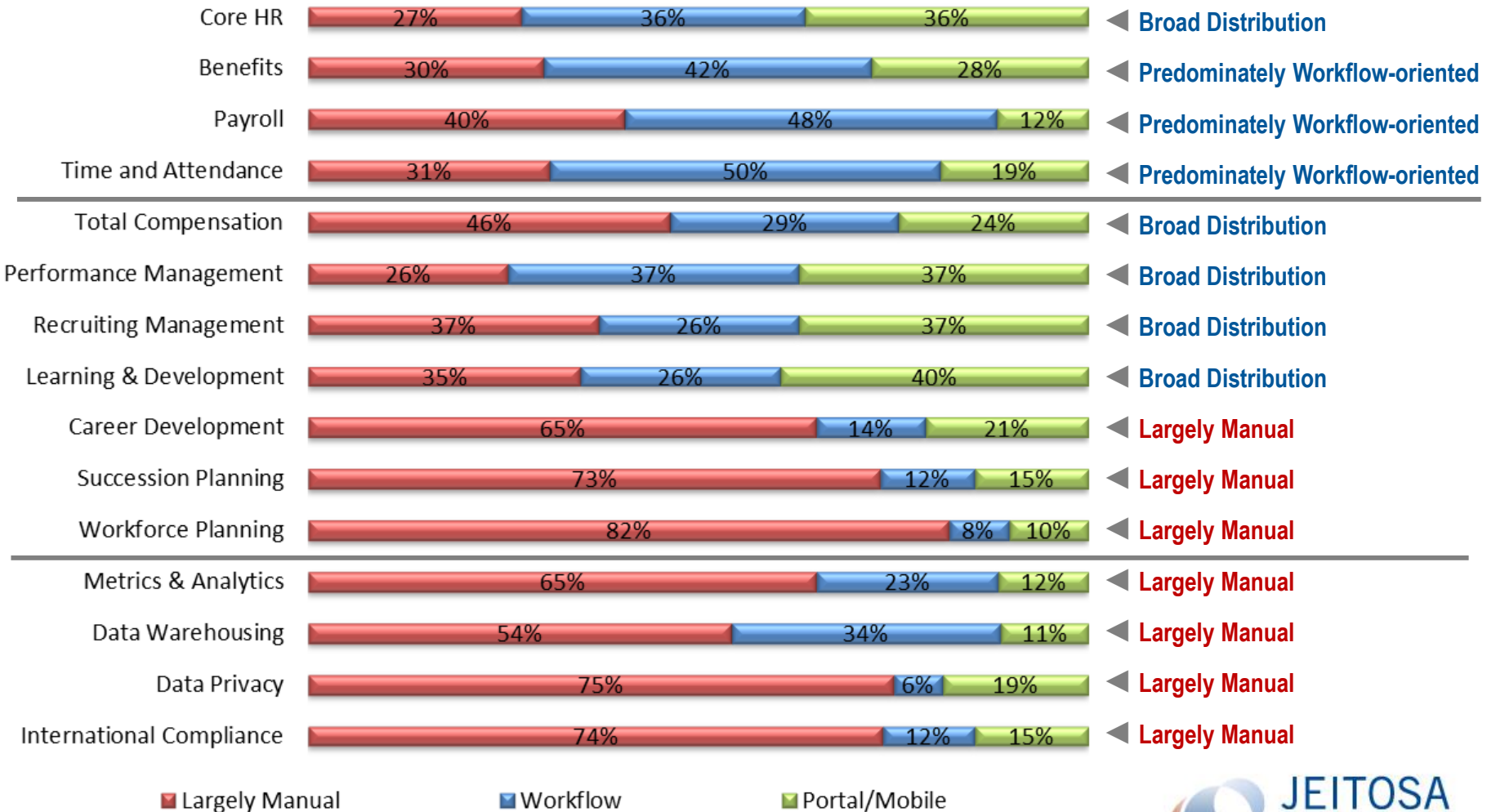
➤ *Across the board, Top Performers are significantly more likely to have formal quality methods in place (either an internal framework or Lean, Six Sigma) than other organizations who rely on technology and reports to help them standardize and manage their processes.*

4. Level of System Automation – Data Snapshot

CORE

TALENT

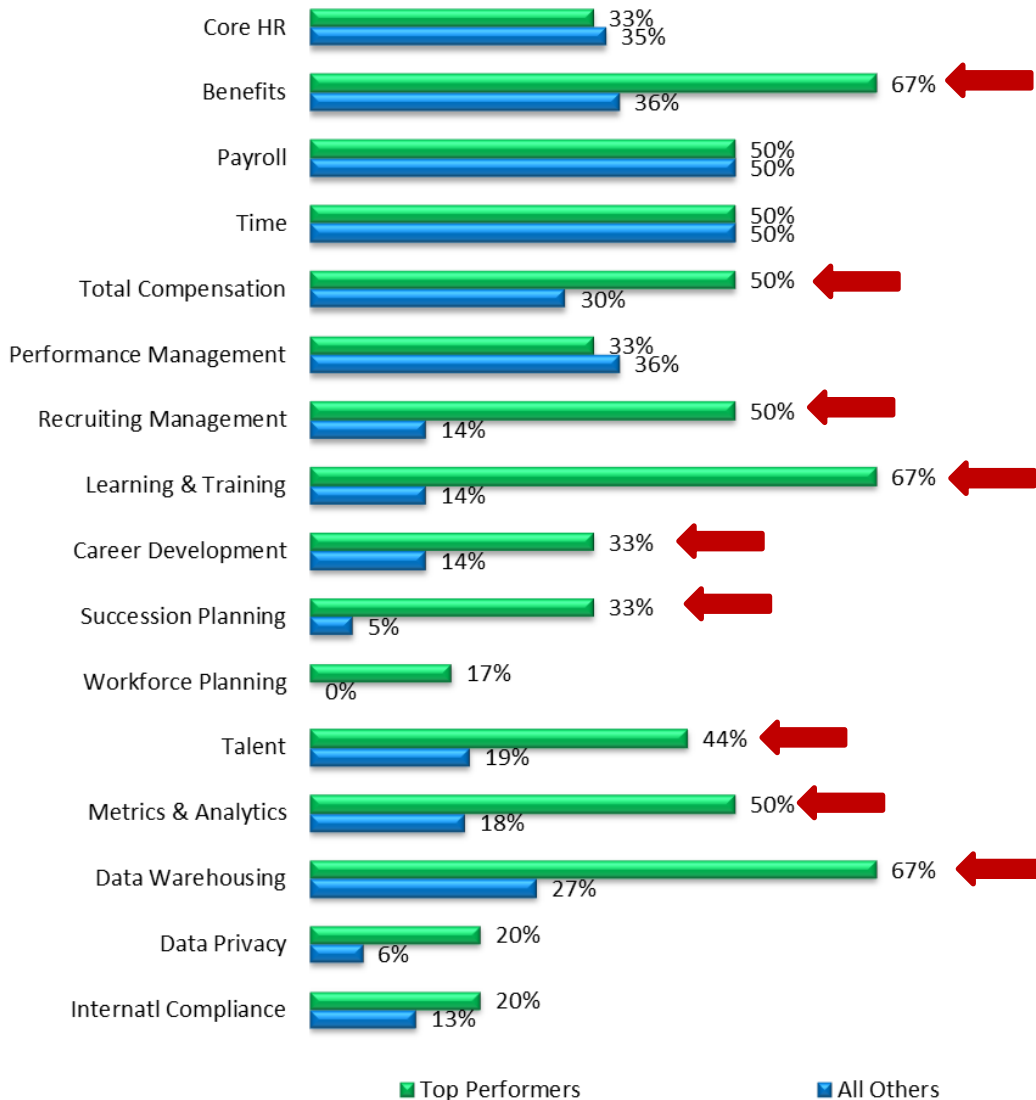
CONTROL



4. Level of System Automation – Key Findings

- *There is still a significant lack of automation in **Talent Management**, particularly in **Career Development**, **Succession Planning**, and **Workforce Planning**.*
- ***Performance**, **Recruiting**, and **Learning** show the highest levels of workflow and portal/social access, albeit still considerably low – well below 50% of organizations.*

4. Level of System Automation – Top Performers

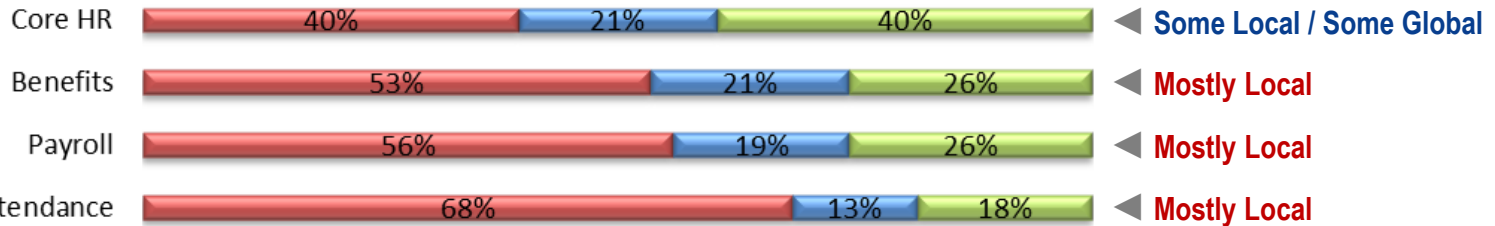


Organizations with high levels of workflow and mobile automation

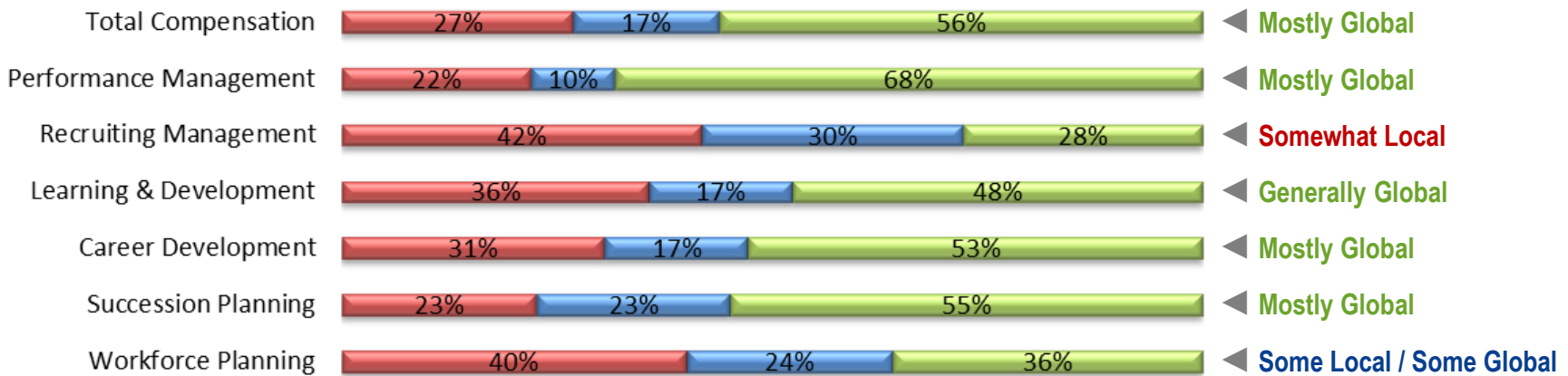
- *Top Performers show the highest levels of automation for Core HR and Payroll, 7-9% more than the others.*
- *Level and type of automation for Talent Management does not appear to be significantly different for other organizations.*

5. Global Mindset – Data Snapshot

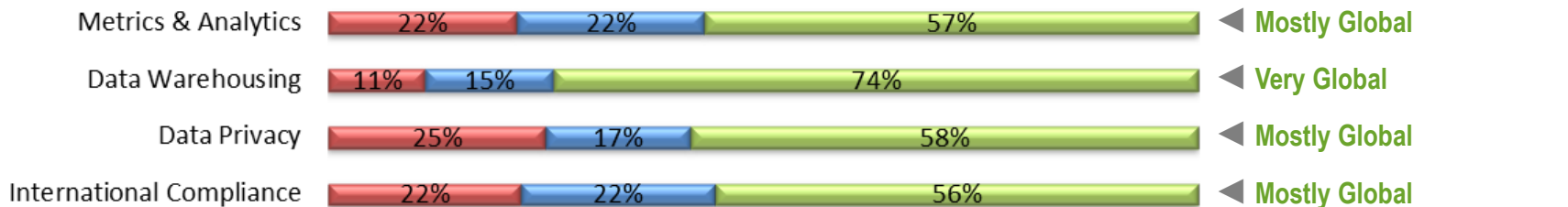
CORE



TALENT



CONTROL

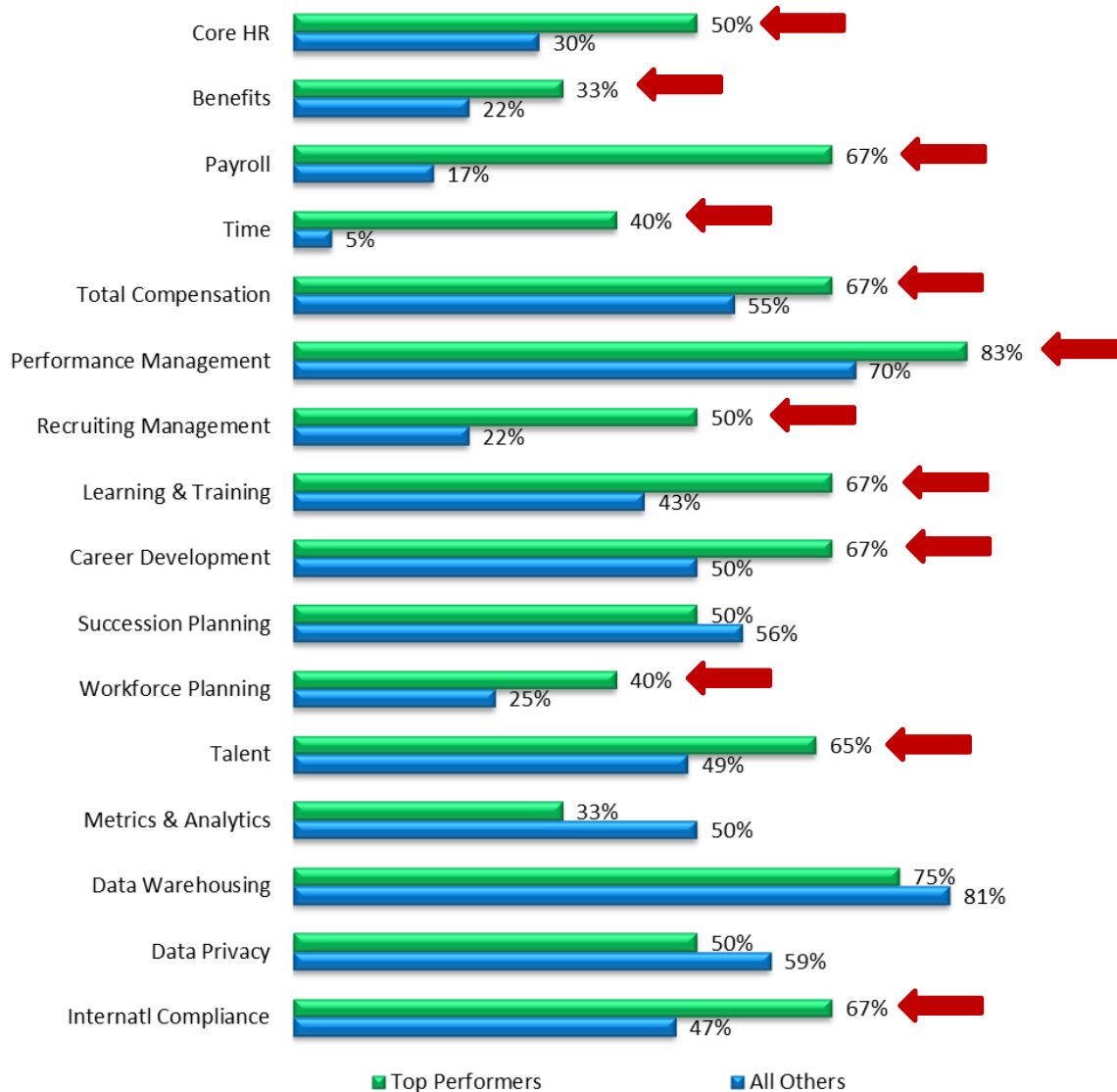


Local Regional Global

5. Global Mindset – Key Findings

- **Talent Management and Control & Management** functions are most likely to have people with more well-developed Global Mindsets – 50-60%.
- **Benefits, Payroll, Time & Attendance, and Recruiting** are more likely to have people with a mostly local (perhaps regional) mindset – 40-60%.
- **Core HR and Workforce Planning** are functions that seem to be the most diverse – with some organizations more local, some more regional, and some more globally oriented in their mindsets.

5. Global Mindset – Top Performers



Organizations with strategic and/or process oriented global mindsets

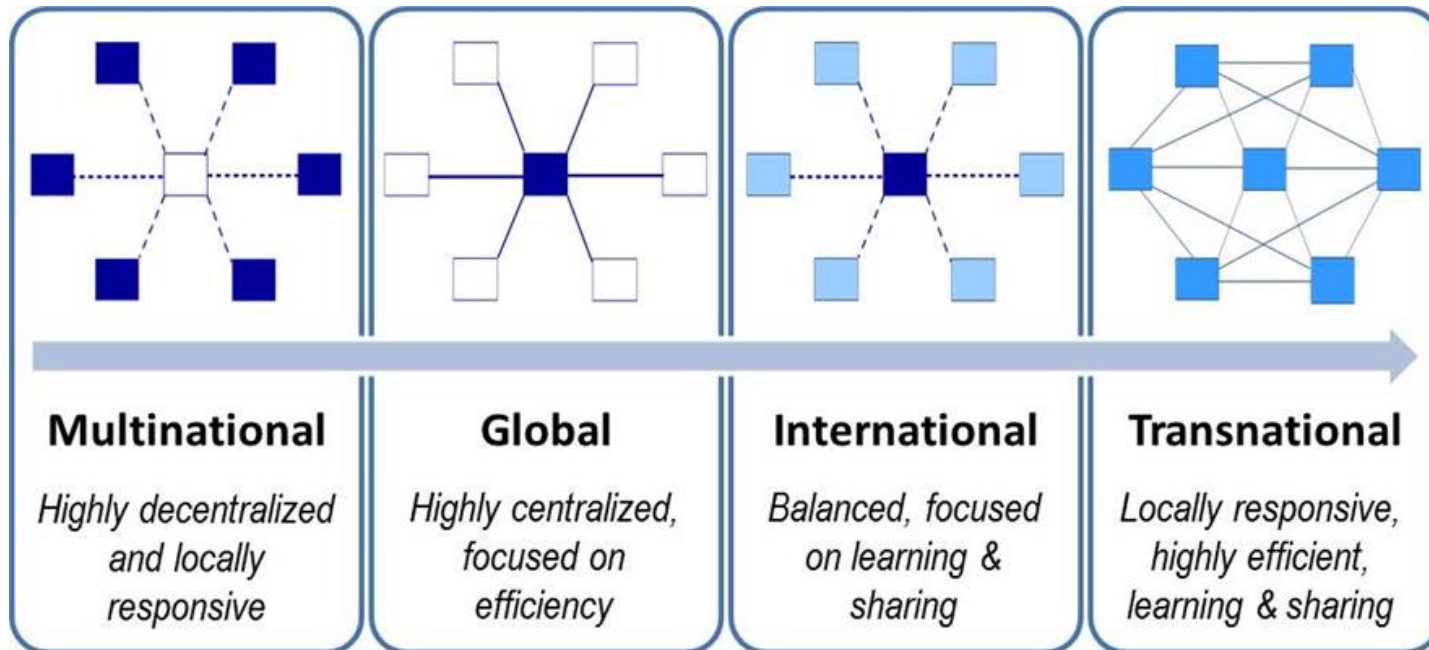
➤ *Almost across the board, Top Performing organizations show the highest level of Global Mindset over all over organizations, underscoring their overarching global approach to HCM.*

Efficiency-Innovation Model (EIM)



Four Global Organizational Models

Four models are typical among global companies, each with different strengths and weaknesses.



Source: Jeitosa Group International. Adapted from Bartlett & Ghoshal 1998

Copyright 2004-2013. All Rights Reserved. Jeitosa Group International.

Key Characteristics of Organizational Models

Internationals

- Strategy: Learning and sharing
- Organization: Decentralized and sharing
- People: Geocentric Mindset
- Processes: Hybrid localized and standardized
- Technology: Multi-local, optimized solutions

Transnationals

- Strategy: Networked and innovative
- Organization: Centralized and leveraged
- People: Global Mindset
- Processes: Hybrid standardized and localized
- Technology: Uniform and optimized solutions

Multinationals

- Strategy: Localization and adaptation
- Organization: Decentralized and independent
- People: Polycentric Mindset
- Processes: Highly localized
- Technology: Multi-local solutions

Globals

- Strategy: Efficiency and standardization
- Organization: Centralized and standardized
- People: Ethnocentric Mindset
- Processes: Highly standardized
- Technology: Uniform solutions

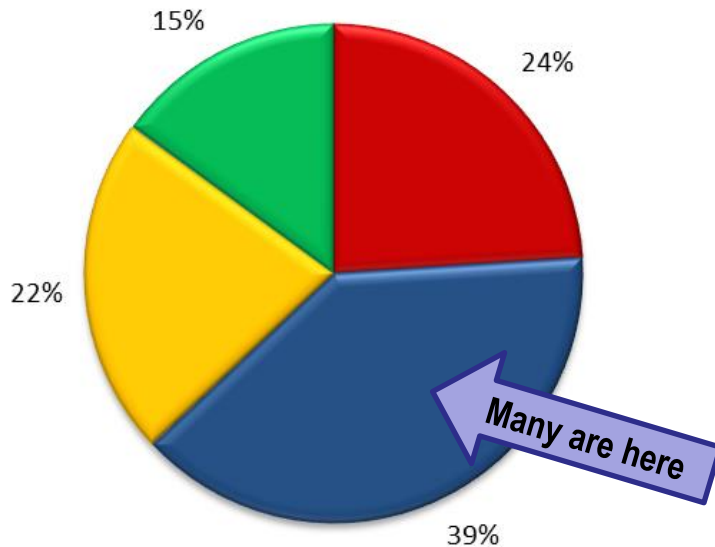
Polling Question #3

Which model best describes your global HR organization:

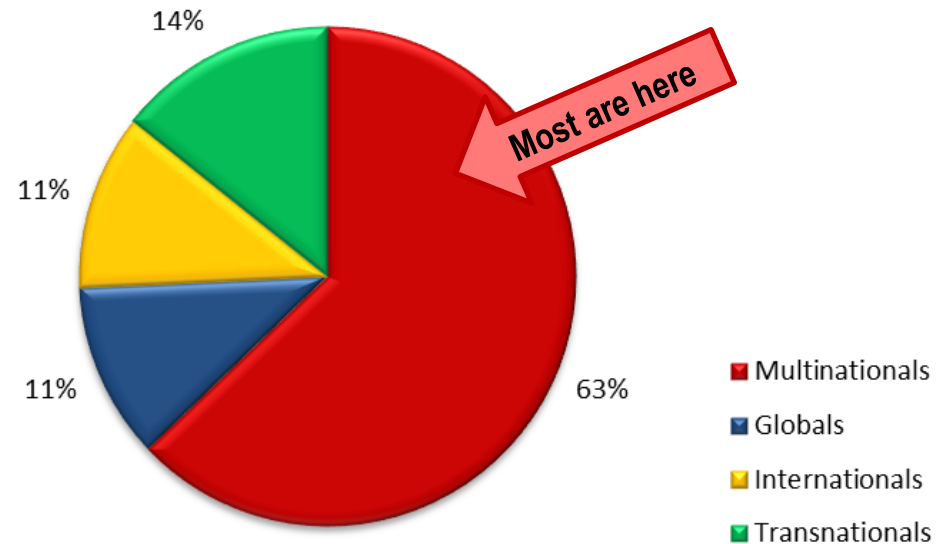
- ☐ Multinational – decentralized, focused on local business units
- ☐ Global – centralized, focused on standards and efficiency
- ☐ International – balanced, focused on learning and sharing
- ☐ Transnational – networked, both efficient and innovative
- ☐ Don't really know

Distribution of Global Organizational Models

HCM Organization Models



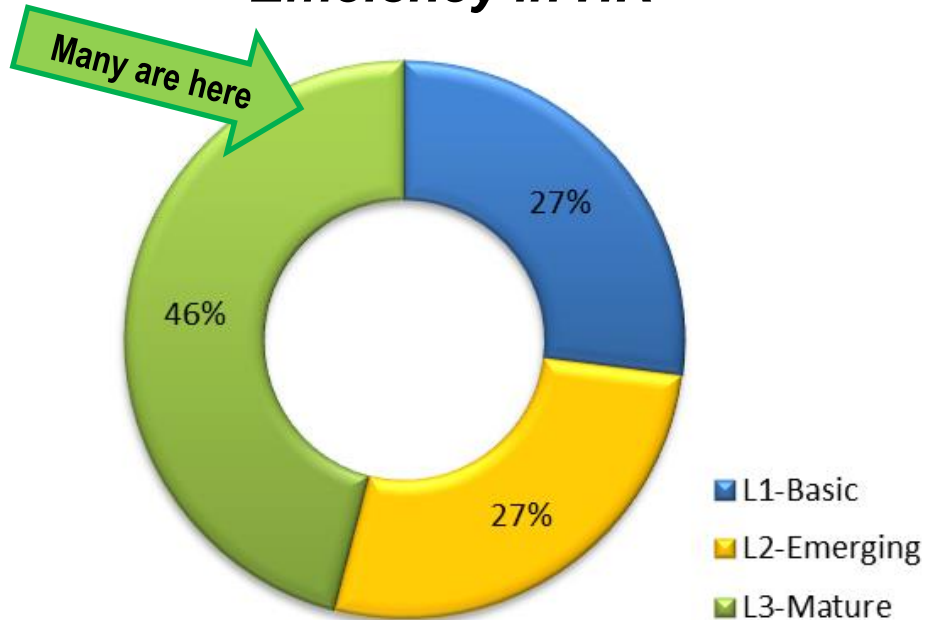
Payroll Organizational Models



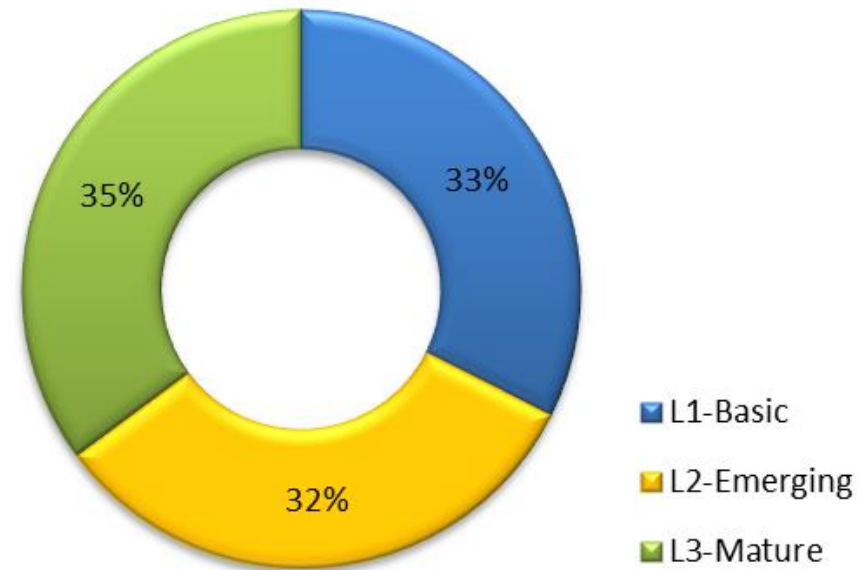
More Global Models in HCM; More Multinationals in Payroll.

Global Maturity Levels – Efficiency

Efficiency in HR



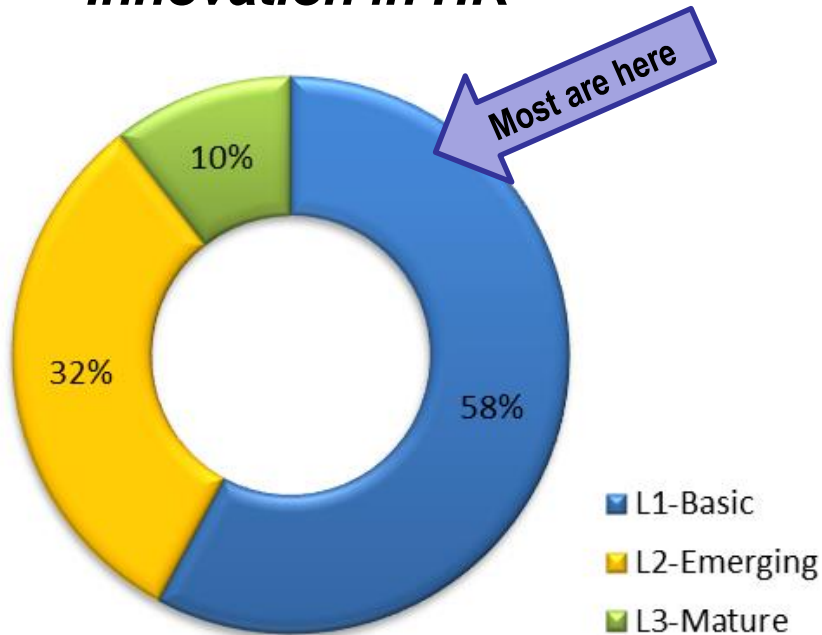
Efficiency in Payroll



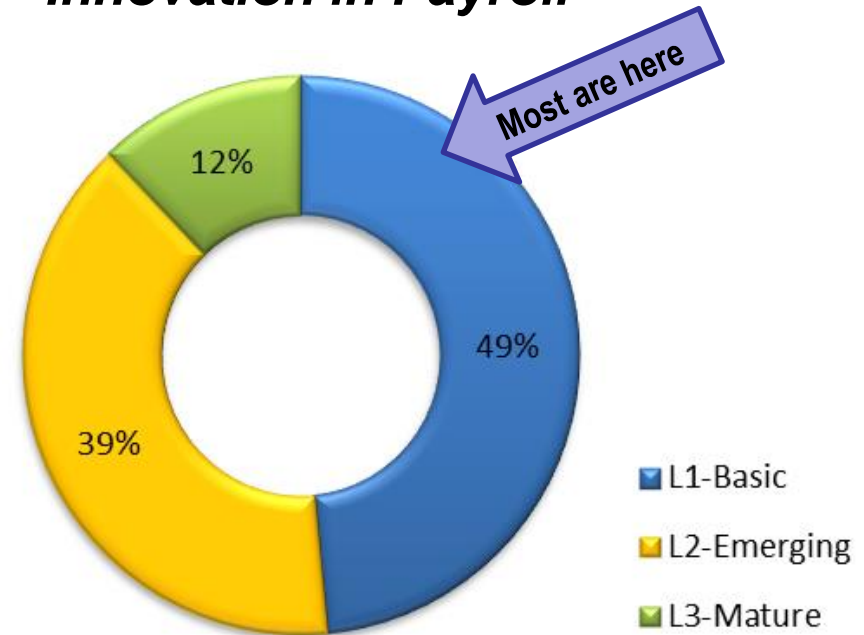
Organizations show greater efficiencies in HR than in Payroll.

Global Maturity Levels – Innovation

Innovation in HR

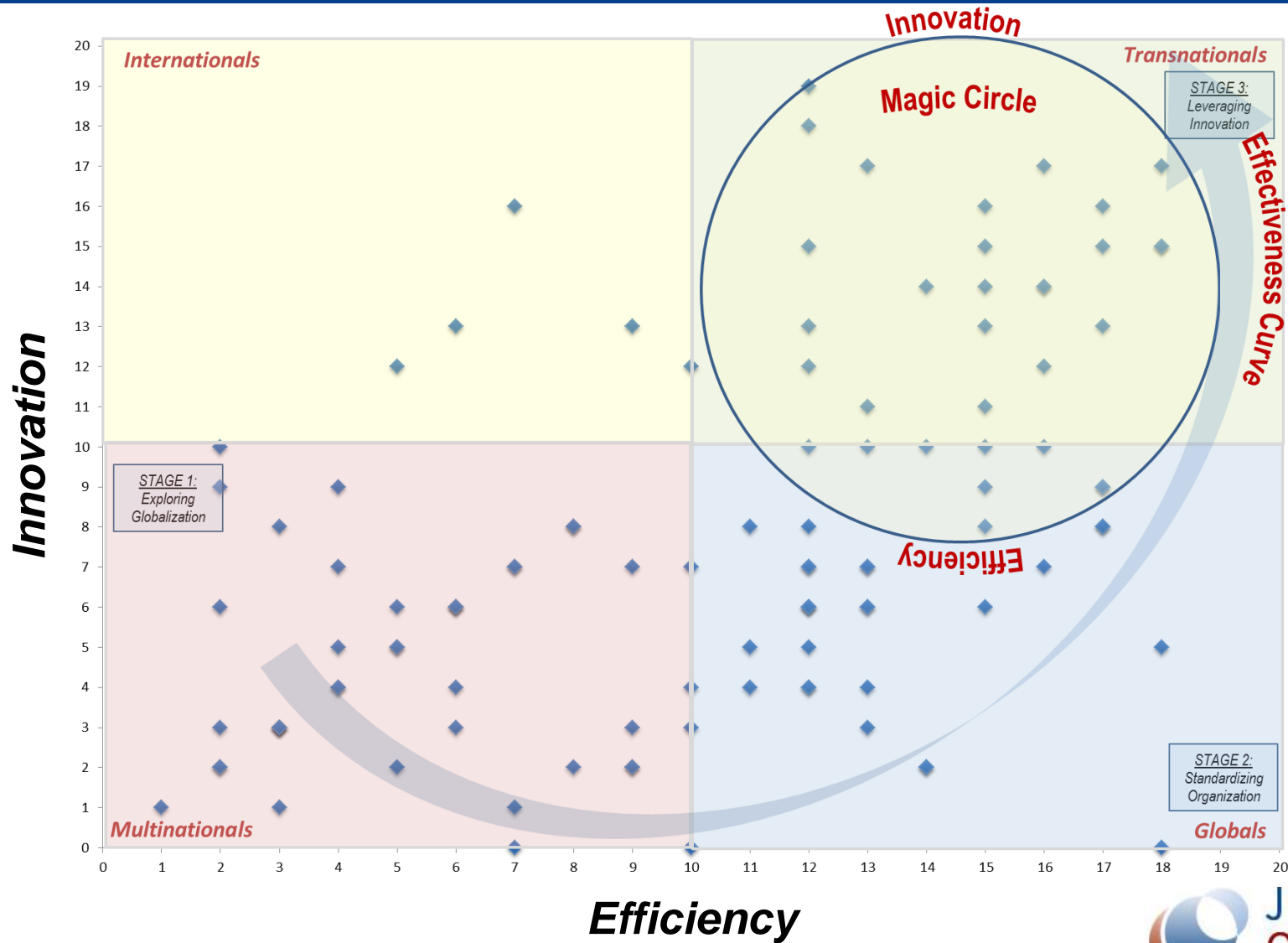


Innovation in Payroll



Organizations show low to emerging levels global innovation.

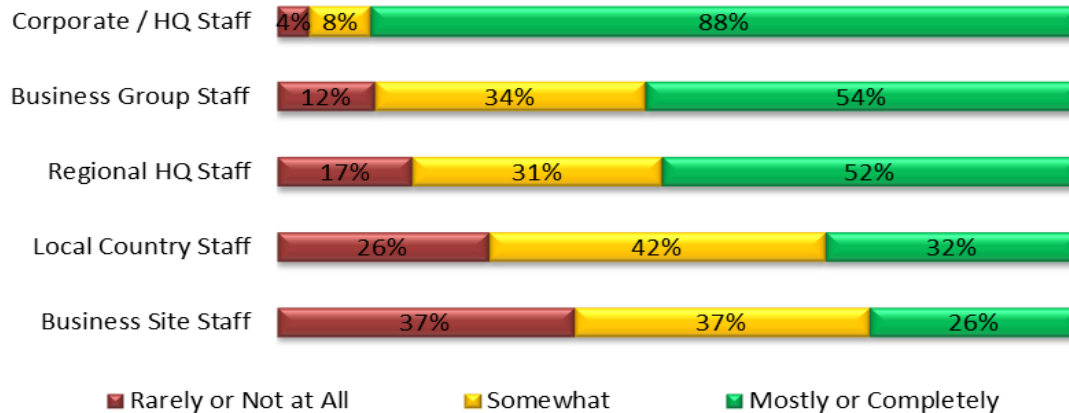
Efficiency-Innovation Model (EIM)



Efficiency-Innovation Model Implications

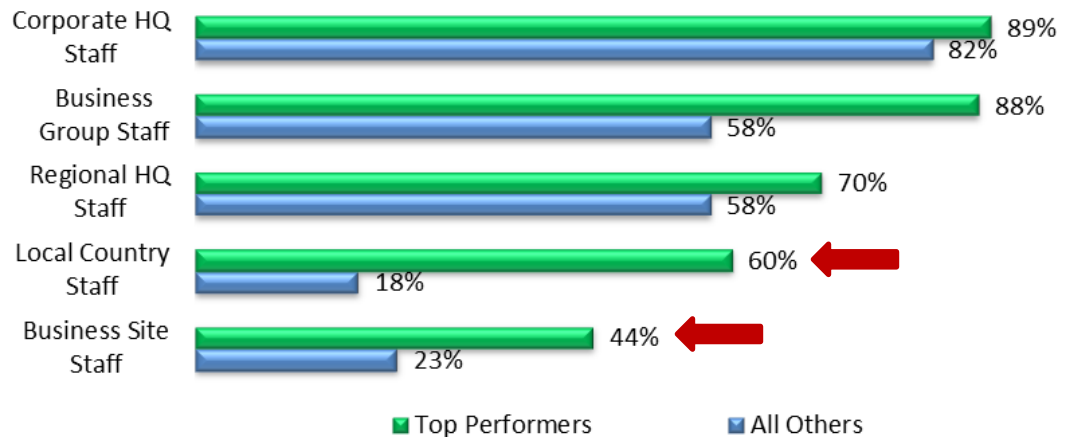
- **Effectiveness Curve** shows the path that organizations tend to follow as they “go global” and achieve even higher levels of efficiency and innovation
- **Magic Circle** represents the ideal location, one that achieves optimum efficiency and hence is able to effectively leverage innovation globally.
- **“GLocal”** means effectively balancing global and local requirements and being “as global as possible, as local as necessary.”

Strategy: Strategic Planning

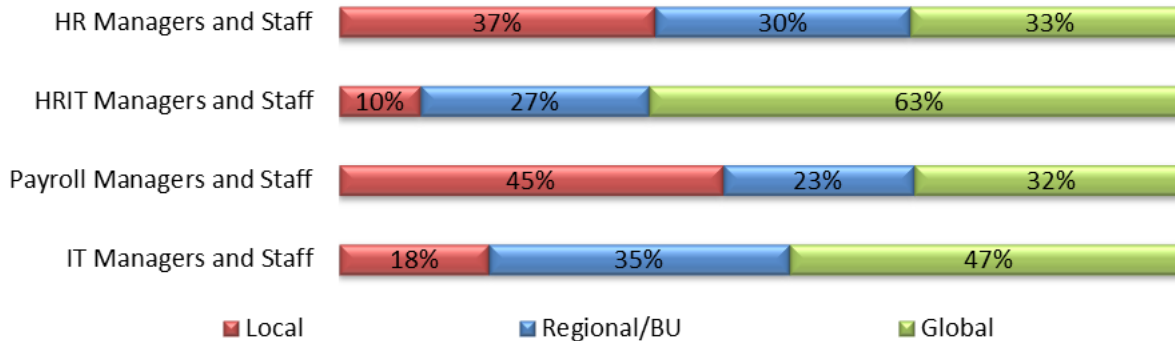


The vast majority of organizations manage their strategic planning efforts from the top-down – with Corporate/HQ staff.

Top Performers are significantly more likely to include the local, regional, and business unit staff in strategic planning.

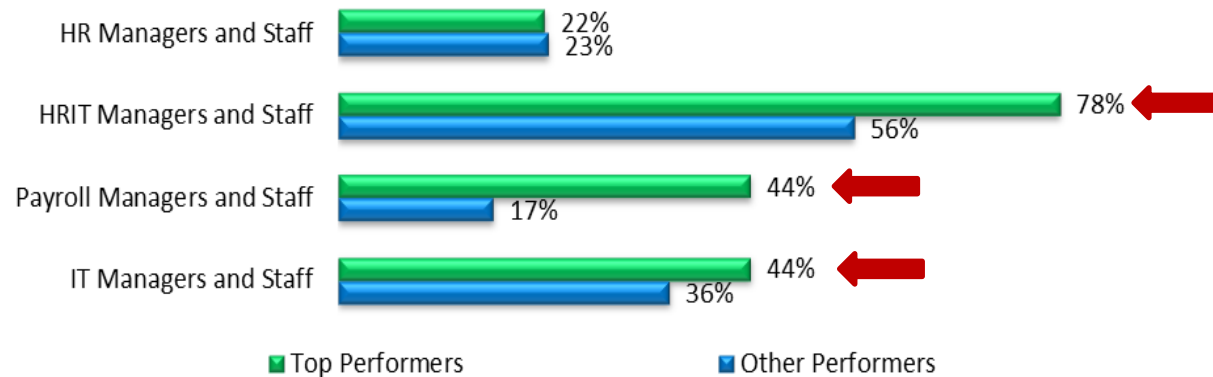


Organization: Global Reporting Structure

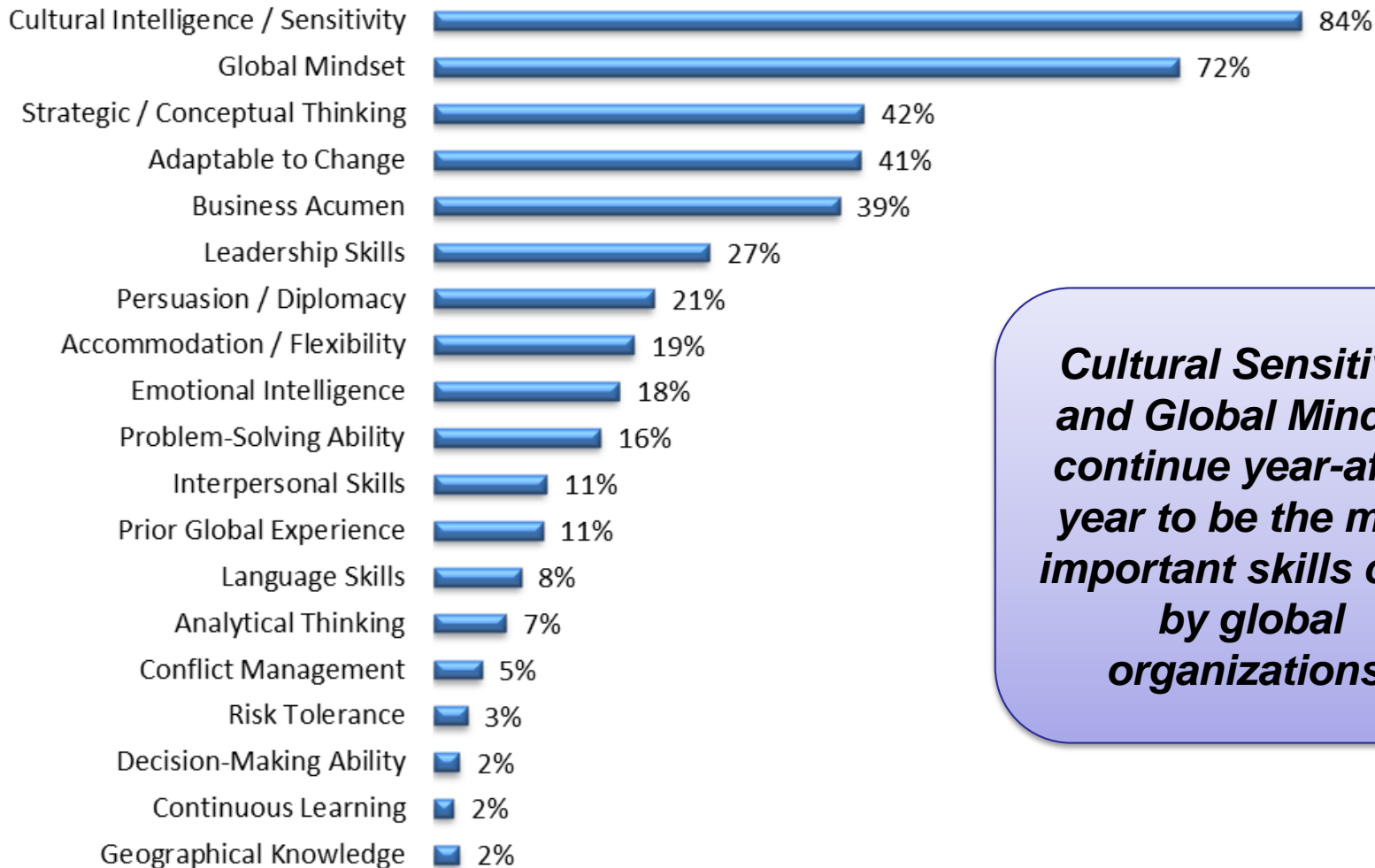


Organizations take different approaches in how they organize HR; HRIT & IT are more global, while payroll is generally more local.

For HRIT and for Payroll, Top Performers are significantly more likely to have a global reporting structure.

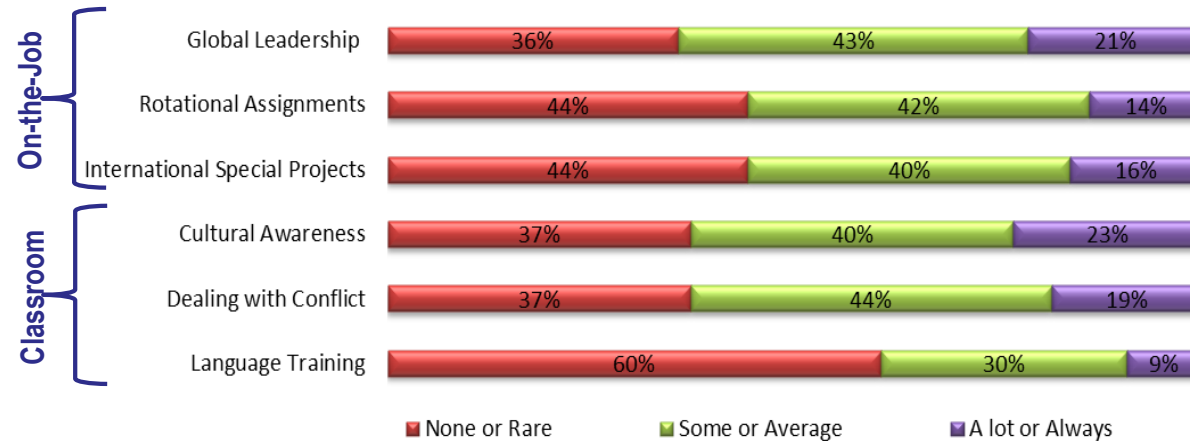


People: Global Skills and Competencies



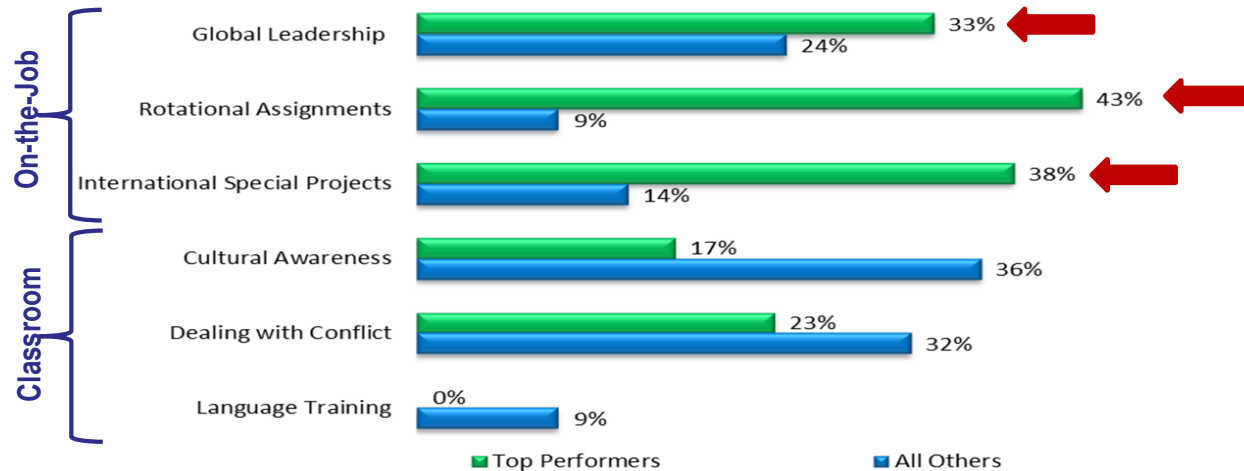
***Cultural Sensitivity
and Global Mindset
continue year-after-
year to be the most
important skills cited
by global
organizations.***

People: Global Teams and Assignments



Organizations generally provide training – either classroom or on-the-job – for their global teams and international assignees.

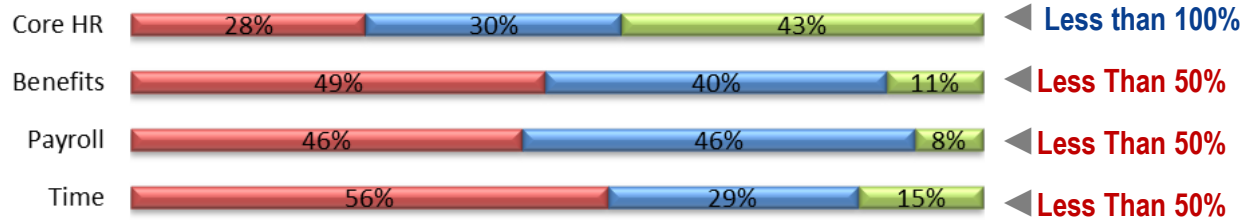
Top Performers are more likely to provide on-the-job training through rotational assignments and special projects, as opposed to classrooms.



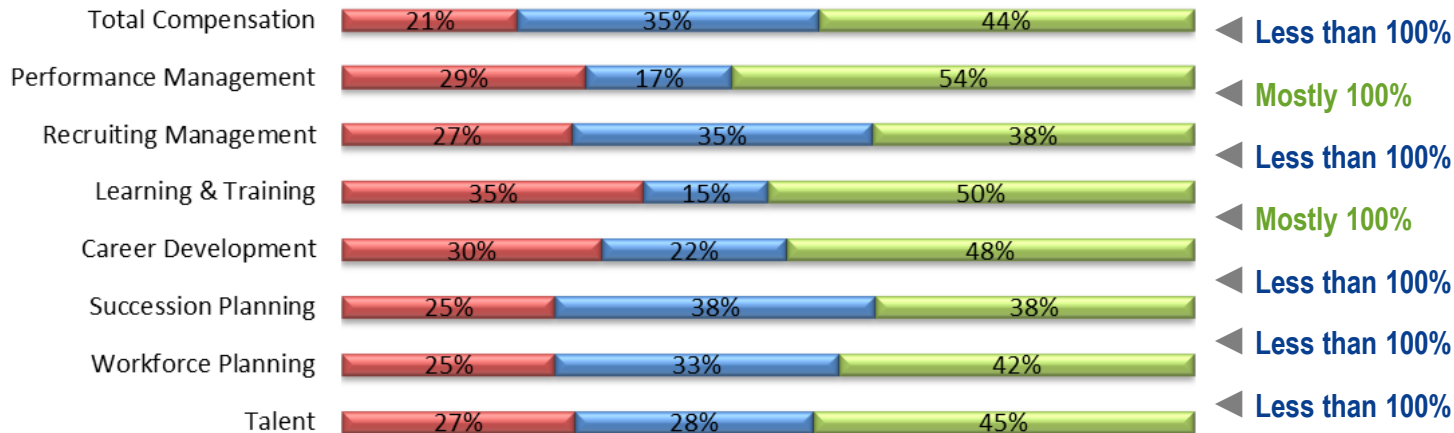
Always or a Lot:

Technology: Single System of Record – Data Snapshot

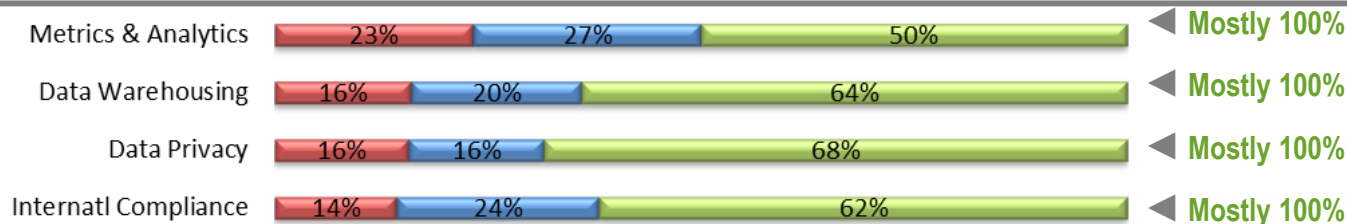
CORE



TALENT



CONTROL

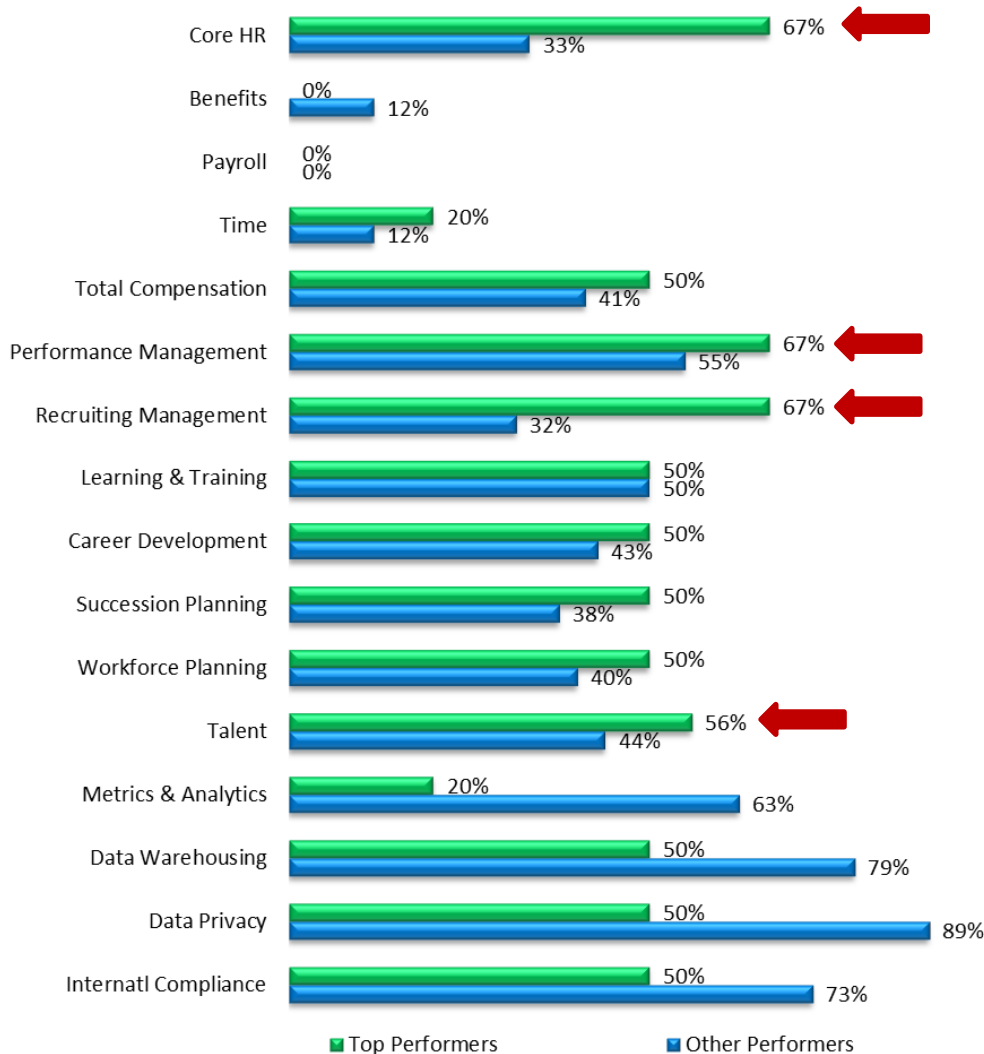


Less 50%

50% - 99%

100%

Technology: Single System of Record – Top Performers

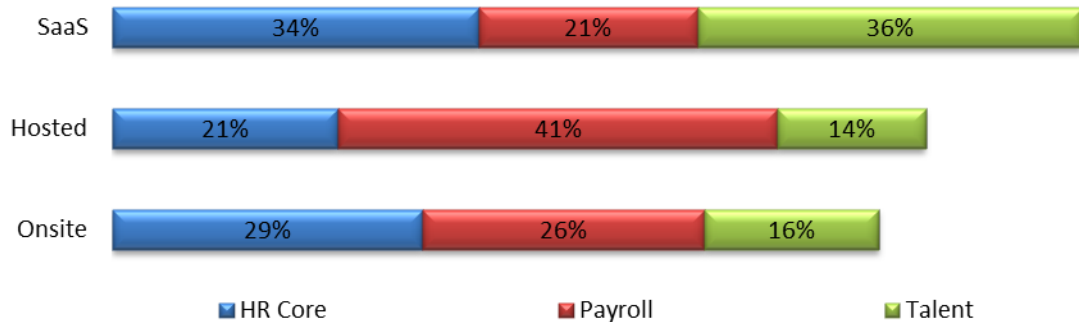


Organizations with 100% of their employees on a single system

➤ *Less than half of global organizations in this study have one single System of Record for HR or Talent Management.*

➤ *Top Performers are almost twice as likely to have one single System of Record for Core HR and Recruiting and almost 10% more likely for all Talent Management functions.*

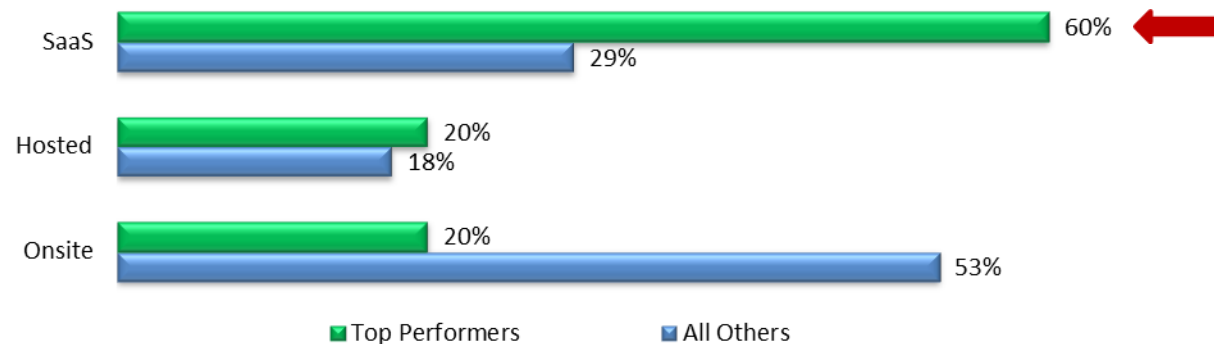
Technology: SaaS/Hosted Adoption



SaaS shows highest adoption in HR and Talent systems; Payroll shows highest adoption in Hosted systems.

Top Performers are twice as likely to move to SaaS; 56% of organizations in this study have their HR systems onsite.

HR Only:



Summary



Leading Practices of Top Performers

- **Strategy:** *Involve local, regional, and business teams in the HR strategic planning effort to ensure relevancy and gain buy-in.*
- **Organization:** *Follow the Effectiveness Curve to improve the efficiency and innovation across the organization.*
- **People:** *Foster a Global Mindset across the organization to develop cross-cultural competence and global diversity.*
- **Process:** *Build processes “as global as possible, as local as necessary” across all HCM functions to drive effectiveness.*
- **Technology:** *Move to a SaaS platform and single system of record for Core HR and Talent to drive efficiency.*
- **Management:** *Ensure a global approach to metrics, reporting, compliance, and controls to “inspect what you expect.”*

Polling Question #4

Do you have a Global HR Technology Strategic Plan:

- ☐ Yes, driven by a global, cross-functional team
- ☐ Yes, driven by global, corporate HRIS team
- ☐ Yes, we're currently working on it
- ☐ No, but we're thinking about it
- ☐ No, currently no plans

Roadmap for Going Global

Business Impact



Horizon 4 – Global Effectiveness

Global Service
Delivery Model

Advanced Metrics
Framework

Global
Service Centers

Global
Mindset

Horizon 3 – Global Innovation

SaaS/Hosted
Platform

Formal
Quality Methods

Global Reporting
Structure

Cultural
Intelligence

Horizon 2 – Global Efficiency

Global
Governance Model

Global Process
Standardization

Vendor
Consolidation

Global
Assignments

Horizon 1 – Global Foundation

Global
Strategic Plan

Single Global
System of Record

Global Process
Accountability

Global
Teams

Legend:



Time

Thank You

*gracias, merci, efcharisto, hvala, kiitos,
durdaladawhy, asante sana, bedankt, danke,
rekhmet, go raibh maith agat, salamot,
doh je, spasibo, Ευχαριστω, arigato, tack,
shukriya, tesekkür ederim, bayarlalaa, terimah,
mahalo, takk, kasih, mamnoon, dhannvaad,
धन्यवाद , dziêkujê, tapadh leat, grazie,
dakujem, khawp khun, ngiyabonga*

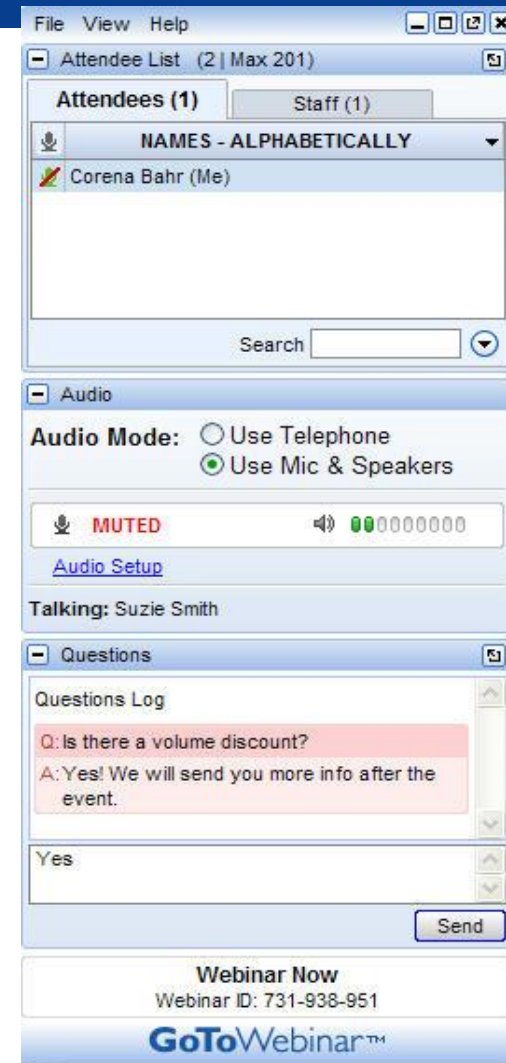
谢
谢

Contact us at: www.jeitosa.com

Q&A

If you'd like to submit a question....

Please type your question into the Questions pane and click the send button or 'raise your hand'.



Presenter Contact Information

Karen Beaman
Jeitosa Group International
karen.beaman@jeitosa.com

Upcoming IHRIM Events



October 16
Deloitte Conference Facility
San Francisco

Credit Hours



This program, #10118, has been approved for 1 recertification credit hour toward IHRIM's Human Resource Information Professional Certification Program. Please visit www.ihrim.org for additional information.



This program, ORG-PROGRAM-149009 has been approved for 1.0 (General) recertification credit hour toward PHR, SPHR and GPHR recertification through the Human Resource Certification Institute (HRCI). Please be sure to note the program ID number on your recertification application form. For more information about certification or recertification, please visit the HRCI homepage at www.hrci.org.