

HR Vision™ Software – A Decision Support System for Human Resource Professionals

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ABSTRACT

Currently, HR is rarely *expected* to have access to synthesized data—data that exists to answer questions, not just document actions. Production can do it, manufacturing can do it, finance must do it...but HR can't provide solid what-ifs. That's because human resources groups have been primarily concerned with transactional processing—getting data into the system and "on record" for EEOC reporting and historical purposes. HR professionals have been so tied to transactional processing that they don't have the hard numbers, the necessary data to be a player at the corporate decision making table. Soft data doesn't win at the table; hard data does. There is a move underway for HR to become more strategic, and more concerned with the quantifiable data. They are searching for tools that will help them understand their workforce and be able to quantify their critical success factors. HR Vision will provide a means to review historical and current employee data and to look at trends and forecasts; viewing by any slice, any dimension desired.

INTRODUCTION

This paper introduces you to the use of a data warehousing/decision support system designed for HR professionals. We will look at an end-to-end solution, covering warehousing HR data to the exploitation tools to turn that data into useful information.

These days, when asked to identify the most important resources in any manufacturing company, most CEOs will respond "my people." For many years now, it has been recognized that it is the skill, adaptability, knowledge and dedication of manufacturing employees that differentiates a winning company from the rest. However, in many corporations, such statements are about as far as it goes. While lip service is given to the key human resource asset, surprisingly little time or effort goes into directing, conserving and leveraging that asset.

The information required to manage that asset is usually missing or incomplete. Even the most basic data is often unavailable. Major corporations, that can provide a detailed daily breakdown of their financial assets, struggle to estimate their headcount from one month to the next. Fortunately, thanks to the emergence of data warehousing technology coupled with decision support software, that is all changing. Today's CEO finally has the tools to help manage that most precious of assets, the employees of the company.

To many companies, the arrival of such tools comes not a day too soon. The downsized corporation of the 90's has no 'slack' in its human resources. Each employee is a unique contributor, and the corporation counts on him or her to produce every day. Each individual possesses skills and knowledge that have great value — value that the corporation needs to preserve.

In today's tight labor market, the hard costs of replacing a departing employee are high enough. Advertising, recruiting and training are expensive in themselves. Yet, in many cases, these costs are minor compared to the organizational impact caused during the period when the position is vacant or the new employee is not yet "up to speed." The more specialized and skilled the position, the longer the likely period of under-performance becomes. In a global competitive world, the loss of an employee or an under-performing team of employees may literally make the difference between success and failure. With these circumstances, it is no wonder that top management has needed more and more information from their Human Resource departments. They have been demanding data — hard data on turnover, hiring, comparisons of compensation and benefits, ethnic, gender and cultural distributions. They have wanted to evaluate trends, anticipate

possible changes in the workforce or the environment. Mostly, they have wanted in vain.

In most large corporations, such data is not readily at hand. It is distributed in a myriad of different computer systems, hidden in a multitude of transactional applications. Without this base information, management has been sailing blind. For example, the impact(s) of a change, a training program or a pay increase for a group of employees have historically been projected not based on statistical benchmarks but on educated opinion. All too often, educated or not, that opinion has turned out to be wrong. When that happens, significant investment has been made with no resulting benefit to the corporation. Newly trained workers may leave to join the competition. A pay increase may have no effect on turnover. Increasingly, HR professionals are finding themselves held accountable for such investments and for the bottom line impact of change. This is an uncomfortable situation for many accustomed to regarding HR as an imprecise, "touchy-feely" kind of field. To respond to the new demands and the increased visibility of HR management, those HR professionals seeking a strategic role have turned to Data Warehousing processes and Decision Support software.

THE DATA WAREHOUSE

Behind the scenes in HR Vision is a workforce data warehouse—a single repository of human resource information that consolidates and organizes data from all over the enterprise, regardless of source. This data warehouse can be easily linked to existing transactional data, forming an information repository that is the foundation for further data exploration and analysis—all the while protecting the daily operations of HR systems.

In the context of HR systems, the Data Warehouse is a central information repository housing all the key HR data of the corporation. While transactional systems provided by companies such as PeopleSoft, SAP, Tesseract, Resumix and others automate daily transaction operations, to develop strategic solutions, a system is needed to bring together data from all those systems into one place. To obtain that information, a program such as HR Vision, from the SAS Institute, can take advantage of the separate computer systems that contain fragments of the data by reading key information from the transactional data sources. To optimize the data for reporting and analysis, and to protect the efficiency of transactional systems, data is reorganized and stored within a separate work force Data Warehouse. Data from individual employee records is merged and massaged into an integrated information base to support decision-making. Within the Data Warehouse, data is organized by subject (such as compensation, benefits and employee demographics). Querying and reporting is much quicker with such a warehouse because the data is now structured in terms of the business instead of in terms of the transaction.

DECISION SUPPORT SOFTWARE

Quite simply, Decision Support Software is software to support the decision-making process. With HR Vision's graphical interface, HR professionals can generate reports in the format, style, and language they need to communicate effectively with other professionals across the enterprise. Users don't have to understand where the data is being pulled from. Information is organized by topic area and

approachable through user-friendly query and reporting tools. HR Vision's robust reporting facility includes ad hoc reporting capabilities, multidimensional analysis, and pre-built analysis functions. In one environment, HR professionals can produce reports that present both details and summaries on employee populations, compensation, turnover rates, and other elements of human resources management.

It can provide answers to "What if" questions and model future environments. For instance, one of the most popular applications provides an analysis of the bottom line impact of a pay increase. To perform the analysis, a group of employees is designated in one of a variety of ways, for instance by department, job title or location and the pay increase calculated. The direct cost impact of a change in compensation is immediately apparent.

The end result is a true "bottom line" analysis of the proposed change. By using hard data, the decision making process is constantly being updated and improved. Once in place, the Data Warehouse can provide the information base to support a wide variety of decisions

CONCLUSION

By aligning human asset management goals with overall corporate objectives, there is a greater emphasis in the human resources field on bottom-line results such as increased profits and decreased operating expenditures. In order to meet these objectives, HR professionals need to make significant improvements in their ability to forecast the impacts of change. They need to take a strategic, leadership role in decision making. To be true partners in decision making, HR can't rely on soft data. HR Vision promotes partnership between human resources professionals, who apply business rules to the data and choose the best reporting style, and IT professionals, who manage and maintain the data. Because HR Vision offers an interface to simplify the system administration, the IT group can more effectively focus on other strategic concerns, while the HR team gains immediate access to intelligent information.

CONTACT INFORMATION

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