

Human Capital Management: The Strategic Differentiator for Managing Employee Excellence

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Abstract

Every organization today faced with competition must realize that the only differentiator for them is to treat human resources as assets and invest in them strategically to create a differential between themselves and their competitors. While most other components including technology, systems, processes, and structures can be cloned or imitated, the human factor remains unique and acts as the sole differentiator for organizational excellence. Therefore, Human capital management (HCM) is now considered by most corporations as one of the top priorities and an important agenda in their list of strategic planning activities to harness the best potential from their human assets to remain competitive and sustainable in their business environment and also to create favorable perceptions among its business stakeholders to remain a partner of choice.

This paper seeks to highlight the concerns related to Human Capital Management (HCM) and the issues that need to be addressed to put it into a functional framework within organizational contexts.

Key Words: *Human Capital Management, performance management, leadership, talent retention*

Introduction

Every organization today, faced with competition must realize that the only differentiator for them is to treat human resources as assets and invest in them strategically to create a differential between themselves and their competitors. While most other components including technology, systems, processes, and structures can be cloned or imitated, the human factor remains unique and acts as the sole differentiator for organizational excellence. Therefore, Human capital management (HCM) is now considered by most of the corporations as one of the top priorities, and, an important agenda in their list of strategic planning activities to harness the best potential from their human assets to remain competitive and sustainable in their business environment, and also to create favourable perceptions among its business stakeholders to remain an partner of choice.

This paper seeks to address the concerns related to Human Capital Management (HCM) and the issues that need to be addressed to put it into a functional framework within

organizational contexts. As the concept is in its nascent stage and picking up and more research is going to be carried out in this field , the implications of constructing and implementing HCM based plans will become more evident, thereby, fuelling more interest among researchers as a topic in the broader area of strategic human resource management.

The paper is divided into the following sections:

Section 1: Definition, meaning and concept of HCM

Section2: Trends in HCM

Section 3: Strategic HCM

Section 4: Technology and its Usage in HCM: Issues and Concerns

Section 5: Implementation of HCM: Corporate illustrations

A brief discussion of each section follows.

Section 1: Human Capital Management (HCM) : Definition, Meaning and Concept

According to Rouse (2012) Human capital management (HCM) is an approach to employ staffing that perceives people as assets (human capital) whose current value can be measured and whose future can be enhanced through investment. An organization which endeavours to support HCM provides its employees with clear goals and performance expectations. The role of managers in this

context is 'vital' since, they are responsible for not only rating employee performance, rewarding them, but also making them accountable for attaining specific business goals, creating innovations and supporting them at all times for their continuous improvement. The focus here is therefore, not on fault finding, but correction along the way to achieve targets and goals allocated to members and minimize failure rates. As back-office function, HCM is concerned with dealing with employee records as part of the enterprise resource planning (ERP). The basic function of the HCM software is to automate and streamline the routine record keeping processes and provide data and information to HR managers and staff to enhance the management of HR processes like benefits and pay roll administration, mapping out succession planning and documenting issues related to personnel actions and compliance with industry and/ government regulations.

Deloitte (2014) in their research define HCM as the people processes and systems that make up an organization's entire range of systems which forms a super set of Talent management (TM). While Talent Management refers to the organizational processes of recruiting, on-boarding, leadership development, succession, performance management, pay for performance, career development, training, workforce planning, employee collaboration, and other "OD"-related practices and systems, HCM ,in contrast, includes other practices, such as, HRMS, payroll, workforce management (hourly scheduling), expense management, contingent workforce management, employee leave

management, and other more administrative or transactional parts of managing people (<http://www.berstein.com/Lexicon/details.aspx?id=12843>).

In recent times, the HR systems market has been bifurcated into two segments: while, one segment caters to a wide variety of Talent Management vendors, the other seeks to concentrate on set of Human Capital Management vendors (companies with HRMS solutions). HCM vendors often also sell financial management software-since one of their values is also to help business leaders to understand the “total people cost” of a program or function. HCM seeks to look at people from a total, financial and operational perspective- while TM, which aligns within HCM, focuses on the developmental practices of people. While an organization can function without a talent management software system for years to come, it cannot function at all without some form of HCM platform. But, for all practical purposes it is often seen that these two markets overlap significantly and the lines become blurred due to vendor marketing.

Gartner Inc. (2013) has defined HCM as a set of practices related to people resource management which are focused on the organizational need to provide specific competencies and are implemented in three categories: workforce acquisition, workforce management and workforce optimization. The applications that help to enable human capital management include (<http://www.gartner.com/it-glossary/hcm-human-capital-management>):

Core Administrative Support

- Personnel administration
- Benefits administration
- Payroll
- Portal/employee self-service
- Service centre

Strategic HCM Support

- Workforce planning
- Competency management
- Performance management
- Compensation planning and strategy
- Time and expense management
- Learning (education and training)
- Recruitment (hiring and recruitment)
- On-boarding
- Contingent workforce management
- Organization visualization

Other HCM

- Reporting and analytics (workforce analytics)
- Workflow

Section 2: Trends in HCM

Having understood the meaning of HCM, this section shall concentrate on some of the trends emerging in recent times with regard to HCM. These trends serve as pointers for understanding how HCM needs to be addressed and managed effectively so that organizations can harness the maximum potential of human resources.

A worldwide survey has been conducted on 2532 companies in 94 countries to gain insight into the HCM trends (Global Human Capital Trends 2014:Engaging the 21st century Workforce, Deloitte, 2014). Some of the major findings of the survey is as follows:

Companies view the need for leadership at all levels and across all functional areas. This continuous need for new and better leaders has accelerated. This on-going need to develop leaders is also driven by the changing expectations of the workforce and the evolving challenges businesses, such as, globalization and the technological advancement.

The second most urgent issue, today, is retention and engagement of talent. Research reveals that companies should make an effort to develop a strategy with the help of technology for more effective people engagement to retain them for a longer period with better productivity.

The above is supported by the Retention Recipe, proposed by Oracle White Paper (2012). It proposed that, the following may help in more effective employee retention:

- Ensure an accurate match between role and candidate - Automated skills-based matching
- Speed up the recruitment process to secure top candidates - Automate workflow of recruitment process
- Proactively build talent pools of suitable candidates - Build and mine talent pool database
- Ensure new hires are productive as soon as possible - Coordinate all on-boarding activities

The third most urgent issue is the re-skilling of HR. Research suggests that the HR and talent functions are in the midst of a transformation. Companies move away from traditional HR (administration function) to a more performance-based role. An essential part of this change is the up-skilling, re-organization, and transformation of HR and its relationship with business leaders and issues.

The method of effective recruiting requires a streamlined process. Automated skills-based matching and automated workflow enable recruiters and hiring managers to focus on evaluating a short list of quality candidates. Building talent pools of suitable candidates proactively provides prospective quality hires, as well as lowering sourcing costs (Taleo Research, "Recruiting: Reducing Direct Costs and Reaping Results," 2009). In the same line, Deloitte 2014 report additionally proposes that, in order to acquire talent, technology and social media are going to be very useful. Tools such as, LinkedIn, Facebook, Twitter, and others are changing recruiting into a strategic function focused on marketing, branding, and new tools and technologies.

According to Deloitte Human Capital Capability Gap Index, leadership and analytics are the areas which require focussed investment. The challenges of revamping performance management, addressing retention and engagement, and improving HR globalization are also very crucial concerns, which need attention.

Different industries have different talent priorities. Differences among industries are as follows:

Technology companies, life sciences, health care, professional services, and oil and gas companies rate talent acquisition and access particularly high, which reflects the requirement of those industries to find key people with unique technical skills. Energy companies, life sciences companies, and technology, media, and telecommunications companies, are going through significant transformations, and hence, need to re-skill HR as a particularly high priority. Professional services companies, public sector organizations, and energy and resources companies rate building workforce capabilities particularly high.

There are differences between business leaders' and HR leaders' views on their organizations' readiness in the context of HCM. While HR teams may understand their current programs, capabilities, and readiness in these areas, the business leaders may not. If this is so, then this finding highlights the importance of HR leaders and teams improving their engagement with business line leaders, ensuring that HR is focusing on critical business concerns, and partnering with the business effectively to share HR's capabilities and services.

The importance of top-performer retention is a topic that consistently leads in HR and business surveys, alike. In a survey conducted with 1,000 CEOs, six key practices that organizations can implement with technology support to retain their top talent (PricewaterhouseCoopers, *12th Annual Global CEO Survey, 2009.*) have been indicated as follows:

1. Recruit the right people in the first place.
2. Improve the line manager's ability to manage.
3. Give employee's constant feedback about clear, meaningful goals.
4. Empower employees to manage their own careers.
5. Proactively drive talent mobility.
6. Continuously measure and improve retention strategies.

Companies worldwide plan modest increases in talent and HR investments in 2014. It is envisaged that, in 2014, a general growth in spending on HR of 1.32 percent. While this is a relatively small number, it is positive, indicating that companies are recognizing the need to invest in human capital and the value derived from those investments. Similar research shows a significant increase in spending in talent acquisition, training, re-skilling, and employee engagement programs, with a flat to declining investment in HR staff and technology.

Section 3: Strategic HCM

It is evident from the above discussion that Human resources

needs to be strategically nurtured, developed and retained in any organization desirous of creating sustainable businesses in highly competitive markets. To appreciate the uniqueness of the available human resources within a firm and the possible actions that needs to taken to further the growth of its human assets to gain competitive advantage in a largely competitive market, the need of the hour is to develop strategic directions through HCM. To fully integrate the benefits of technology and optimal resource utilization (including human assets), HCM needs to be integrated with the overall strategic objectives of the firm. HCM as a tool and as well as a process can truly function as an integer for aligning human resources function as a strategic business partner in creating competitive advantage for a firm. For this, HCM needs to be strategically managed.

An important factor in the strategic management of human resources is human capital. This is also known Strategic HCM, which is the alignment of human capital strategies with and organization's mission, goals, and objectives through analysis, planning, investment, and management of human capital programs. Human capital planning is the method by which an organization designs a logical framework of human capital policies, programs, and practices to achieve a shared vision integrated with its strategic plan. Implementation of the strategic human capital plan is an important step for an organization's progress and its desire to build a highly effective, performance-based culture on by recruiting, acquiring, motivating, and rewarding a high-performing, talented workforce. This plan can serve as a future roadmap for times

to come for continuous improvement and transforming the culture and operations in any organization.

Despite variations in the structure, content and format of strategic HC plans, certain common elements may be seen as important in any plan. They are as follows (<https://www.opm.gov/policy-data-oversight/human-capital-management/reference-materials/strategic-alignment/keycomponents.pdf>):

- Clearly understood strategic direction within a firm
- Customer and stakeholder HCM outcomes and goals
- Implementation plan
- Communication and change management plan , if needed
- System of accountability

Following are some concerns with regard to the above:

Understanding strategic directions within a firm: It is necessary to understand an organization's strategic and performance plans, budgetary constraints, internal and external drivers affecting human capital needs. Also, the nature of the current workforce, customer and stakeholder perceptions and needs as they are linked to human capital needs to be taken into account. More importantly, the meanings and definitions of various implementable categories, must be commonly defined, shared and understood by the organizational members, who would be in charge of implementing the strategic HCM plans.

The starting point for this exercise begins with collection and review of strategic documents and information about the workforce (e.g., workforce analysis, etc.,) in an organization. Developing a clear vision about the kind of future workforce needed is an important element of this exercise, since it would help in creating and nurturing the desirable state of human capital needed to fulfil its strategic imperatives. A variety of sources like customers, senior leaders, etc., would be needed to be tapped for collection of authentic data while embarking on this journey. Data collection needs to be focused on identifying key themes associated with the gap between the current and desired states, as it relates to the workforce vision and core human capital functions.

Customer and stakeholder HCM outcomes and goals:

The strategic direction helps identify the themes or broad human capital goals. These would eventually be used in developing the HCM plan. Issues related to talent management, performance systems and leadership would feature as categories to be addressed within human capital systems. The specific goals may be listed as:

- Attracting and retaining high-performing employees with the technical and professional skills required.
- Continuously develop employee skills in accordance with organization's requirements.
- Allocating human resources throughout the organizational components to efficiently respond to changing workload requirements.

Further, the strategies/objectives may describe more specifically, how the goals will be accomplished. During strategy development, it is necessary to consider the full range of human resource actions and flexibilities available with the organization. Taking the example of talent management, if the goal is attracting and retaining high-performing employees with the technical and professional skills, then the specific objectives may be listed as follows:

- Developing long-term plans for the number and type of employees required.
- Implementing a flexible staffing process capable of delegating to managers the authority to make staffing decisions, consistent with long-term plans.
- Implementing processes to quickly re-assign, or rotate employees to functional areas with high workload and pressures.

Implementation plan: may focus on the following aspects.

- The tasks or activities that will put to action.
- Identifying the process owner for the same and determining the person who is responsible.
- The resources required (e.g., human, financial).
- Timeframes needed.

Each of these elements in the implementation plans can be developed at different levels of detail.

System of Accountability

The accountability system identifies how success in implementing the strategy or objective will be measured and tracked. Specific targets can be identified by describing the level of performance or rate of improvement required within the organizational context. These measures not only help in driving the desired behavior while providing direction to others on what they need to accomplish, but also, enable the organization to test its progress in achieving goals.

Having put the strategic HCM plan into action, the organization next needs to identify the technological backup it needs to make a transition towards making HCM more accurate, speedy and measurable so that it can strategically address the human capital concerns with regard to performance parameters and achievement goals as per their strategic HCM plan.

The next section, therefore, briefly discusses the issues and concerns related to implementing HCM by employing technology. With a variety of choices and availability, the correct assessment and identification of appropriate technology can help the HCM process manifold. Wrong choices, however, can reduce efficiency while adding to costs and other implications.

Section 4: Technology and its Usage in HCM: Issues and Concerns

Human capital management software (HCM software)

refers to applications that are intended to help an organization manage and maintain its workforce. Generally speaking, human capital management software is considered to be enterprise class software that can scale up and automate processes like, payroll, performance reviews, recruiting and training.

Human capital management software is also referred to as a human resource management system (HRMS) or human resource information system (HRIS). According to Cory Johnson, Human capital management software is essentially a combination of different software. Instead of separately having payroll software, time-sheet software, productivity analytics software and so on, human capital management software integrates all those functions into one platform. Moreover, HCM software claims to be able to help an organization plan future staffing needs by sharing information with other enterprise software, such as, enterprise resource planning (ERP) software. HCM software may be sold as a stand-alone application or as part of a larger enterprise solution (<http://www.techopedia.com/definition/28076/human-capital-management-software-hcm-software>)

According to Osterhaus (2014), Human resources (HR) software solutions-also called Human Resources Information Systems (HRIS), Human Resources Management Systems (HRMS) or Human Capital Management (HCM) software - make managing a large or growing workforce more efficient.

These solutions streamline the traditional HR functions of benefits administration, personnel tracking and payroll. But, in addition to increasing the productivity by automating many of these administrative processes, HR software can also support on a strategic level, by helping organizations to recruit, develop and manage your company's most valuable resource: its people

a) Overview of HR Applications

HR softwares may be classified into three main categories: Core HR, Workforce Management and Strategic HR—also called Talent Management or Talent Administration software (Osterhaus, 2014).

Core HR includes three traditional human resources management functions: benefits administration, personnel tracking and payroll. Every organization requires having these functions, once it reaches a critical mass of employees. Core HR functionality is required for example, when manually running payroll and managing employees with spread sheets becomes too much of a burden.

Workforce management consists of a range of software solutions intended to effectively schedule and track a company's workforce. These solutions are ideal for organizations whose employees work in shifts, and include applications to track time and attendance, monitor compliance with labor laws and usually include payroll functionality, or integrate well with other payroll software.

Strategic HR involves creating growth in the company by attracting and developing the best people, as well as better

managing the workforce in general. Strategic HR applications usually provide some combination of applicant tracking and recruiting, learning management as well as performance review functionality. This type of software streamlines these strategic processes to ensure that a company is using its staff to the highest level of efficiency possible, while ensuring the growth and development of employees, thereby enhancing employee satisfaction and retention rates.

Of course, core HR, workforce management and strategic HR functions overlap at many points. While there are best-of-breed solutions for individual functions in each category, there are also integrated suites claiming to provide across-the-board functionality.

b) Common Features of HR Software

Some of the common HR softwares currently used by organizations in HCM are as follows:

Core HR

Benefits administration - Manages employee benefits, such as, paid time off, medical/dental/life insurance policies and 401k participation. Example vendors: OmnipriseHRM, Epicor HR, Triton HR.

Personnel tracking - Centralizes employee data, such as, SSN, contact information, past employment and demographic information. Example vendors: Sage HRMS, Ascentis, Lawson HR.

Time & attendance - Tracks employee attendance and absences, and enables employees to clock in and out. Many solutions also track accrual and usage of sick days and PTO. Rules-based engines provide alerts when employees miss or perform established amounts of work. Example vendors: TimeForge Labor Management, LaborVIEW, Kronos.

Employee scheduling - Provides functionality for scheduling employee shifts and attendance to ensure compliance with staffing needs. Systems can schedule employees across departments, locations and projects, and provide alerts to employees when schedules change and when staffing levels are inadequate. Example vendors: Ascentis, Sage HRMS, UltiPro.

Strategic HR

Applicant tracking systems (ATS) - Provides a centralized database that lets recruiters store applicant information and employment applications throughout the application process. Features include candidate tracking, applicant status monitoring and direct integration with other HR applications. In addition, many vendors include on-boarding features, like the ability to perform background checks. Example vendors: iCIMS, MarketRate, NuViewHR.

Employee performance review and evaluation - Offers a centralized system where supervisors can conduct and track reviews with employees. Features performance measuring, tracking and goal management. Example vendors: Empower by ECI, Cornerstone CSB, People-Trak.

Learning & development - Establishes a centralized hub to monitor new employee training and the on-going skills development of existing employees. Features include content authoring and management, curriculum and certification path definition, testing and reporting. Example vendors: Prosperity LMS, Halogen Talent Management Suite, Smart Team.

c) Comprehending the Buying Need

Before deciding on buying HCM software, a firm may have to assess two factors:

- Understanding the goals of the firm which the software will help to align
- Looking at the industry trends.

Given the wide variety of software available, the task of choosing one solution may be confusing for a firm. Some of the goals that may be considered while deciding on the buying options are listed as follows:

- Streamlining HR administrative tasks: If the organization is small to medium-sized with no HR software, or using a few standalone solutions that needs to be consolidated, then the best solution would be an integrated HR suite. This will automate the basic HR functions with a single system. Representative vendors are: Sage HRMS, SAP - HR, Vista HRMS.
- Boosting efficiency while recruiting and hiring candidates: For scaling up the workforce quickly, a

best-of-breed recruiting and applicant tracking solution might be required. Many of these solutions can automatically post jobs to job boards and social media outlets, simplifying candidate tracking and on-boarding of new employees. With searchable databases of candidates and robust reporting capabilities, the organization can make the most out of their current candidate pool, while expanding the talent base. Representative vendors are: SuccessFactors, COMPAS, Go Hire.

- Managing a large pool of employees working in shifts: If the organization is dealing with issues of staffing a workday with multiple shifts to assign and time-off requests to approve - such as the shift-work found at hospitals, grocery stores or restaurants—and need better tools to track their workforce, it needs to build up the workforce administration pillar of its HRIS. Many solutions either feature a built-in payroll system to help when running massive payrolls, or integrate effectively with the organization’s current payroll software to ensure all hours worked by employees are compensated. Representative vendors are: LaborView, TimeAttend, TimeForce.
- Developing the workforce: when the organizations want to ensure that their best employees are recognized and rewarded, so that they stay back at the company and continue to do add value, there are number of options available under the broad category of talent management solutions with everything from

performance appraisal solutions, to systems for gathering peer feedback, to employee training and development tools. Benefits include increased retention rates, higher morale and greater employee productivity. Representative vendors are: Halogen Talent Management Suite, Kenexa2x, NuView HR.

While evaluating a human resources management system, it is helpful to look at a few current trends in this industry.

- Consolidation of cloud-based HR software start-up vendors: Recently, the trend is towards consolidating as many applications as possible, under one vendor. This is because, as such, companies have focused on developing integrated suites which allow HR departments to track an employee's entire life cycle within an organization. To that end, many best-of-breed providers have been acquired by larger vendors looking to extend the breadth of their integrated suite solutions. For instance, in 2012, SAP acquired SuccessFactors; Oracle bought Taleo (one of SuccessFactors' competitors) and Salesforce.com completed its integration of Ryppl, a social performance platform. For buyers, while this offers the opportunity to benefit from larger corporate resources, it could also lead to disruptions, since acquired companies are integrated and product offerings are rationalized. In anticipation, buyers should lock in rates and service/maintenance terms in their contract as this can save them possible hassles down the line.
- Smaller vendors attract venture capital: Due to recent acquisitions by large software companies of smaller HR

software vendors, venture capitalists are now investing money into HR startups. In March 2013, People Matter an hourly worker management software solution—received \$19 million in funding, while in January 2013 InternMatch - a solution focused on matching university students to employers—raised \$1.2 million. This would lead to more launching of companies and product innovations in this market, in the coming years.

- Adoption of software as a service: HR software vendors have widely embraced the Software-as-a-Service (SaaS), or “Web-based,” deployment method. SaaS applications are easily implemented and updated, and can be accessed by HR staff and employees from almost any device with an Internet connection. Although most SaaS applications allow for some level of customization, it is important to realize that customization options to support a company’s unique needs can be somewhat limited.
- Consumerization of HR software technology: A major shift in the development of enterprise software has been the emergence of consumer markets as a primary source of technology innovation—a trend called consumerization. From social media as a recruiting tool to mobile apps for managing HR on the go, consumer technologies are changing the way HR technology is being used. Vendors are enhancing their collaborative capabilities in their systems and developing more intuitive user interfaces. When selecting the human resources system that’s best

for a company, third-party reviews of product features help in making informed choices and to distinguish which vendors would deliver more effectively.

Some popular HCM software: a list of the most popular and frequently used software in the field of HCM currently being demanded by organizations are given below:-

1. BambooHR - is a complete, Web-based Human Resource Information System (HRIS) that enables small and midsize businesses to standardize and automate their HR processing needs (<http://www.softwareadvice.com/hr/bamboohr-profile/>).
2. HRM Direct - Recommended for organizations with 100 to 5,000 employees in a variety of different industries. and provide solutions for improving recruitment, on-boarding and new talent management (<http://www.softwareadvice.com/hr/hrm-direct-profile/>).
3. The Resumator- This browser-based system uses social recruitment applications to organize and automate recruiting processes through networks like Facebook and LinkedIn and is highly customizable (<http://www.softwareadvice.com/hr/the-resumator-profile/>).
4. iCIMS Talent Platform- is a top-ranked, award-winning platform for retention and customer satisfaction (<http://www.softwareadvice.com/hr/icims-talent-platform-profile/>).

5. Ascentis- Companies with 100 to 2,500 employees look to Ascentis HR for intuitive, automated HR tools. On-demand HRIS applications automate employee tracking and eliminate user error throughout the business verticals (<http://www.softwareadvice.com/hr/ascentis-hr-profile/>).
6. SuccessFactors- is a powerful solution designed to get every employee in the organization on the same page. With solutions for both small and enterprise businesses, it offers scalable, web-based functionality (<http://www.softwareadvice.com/hr/successfactors-software-profile/>).
7. Halogen Talent Management Suite- offers a comprehensive suite of software solutions designed to support optimal employee performance from hire to retire (<http://www.softwareadvice.com/hr/halogen-profile/>).
8. Cornerstone Growth Edition If you're in the market for online performance reviews, Cornerstone Growth Edition should be on the shortlist of software you evaluate. Used across a wide range of industries, it's great for small and mid-sized companies (<http://www.softwareadvice.com/hr/sonar6-hr-profile/>).
9. Kronos Workforce Ready- is a cloud-based solution offering a variety of modules, that allows organizations to customize a system for employee data management. The solution offers a robust workflow engine and reporting, and also a mobile application (<http://www.softwareadvice.com/hr/workforce-ready-profile/>).

10. The Applicant Manager- is a robust, web-based Applicant Tracking Solution from the industry-leading consulting company The HR Manager. TAM offers an extremely user-friendly interface, customizable features and stellar support ([http://www. software advice .com/hr/the-applicant-manager-profile/](http://www.softwareadvice.com/hr/the-applicant-manager-profile/)).

Section 5: Implementation of HCM: Corporate Illustrations

This section elaborates a few corporate examples, where HCM has been successfully implemented.

British Satellite Company – This company manages a highly qualified workforce spread across the globe. It owns and operates a global satellite network offering global communication services. The company has 600 employees spread over eight countries. In order to make the HR systems more efficient and integrated, over a period of eight-months, SAP based HCM system was introduced. This system replaced the separate HR and payroll systems with Personnel Administration, Organizational Management, Benefits, and Payroll. Automatic integration with the existing finance system was also introduced to streamline the payroll process. Through HCM, the Employee Administration systems became centralized. When new employees were hired, they were instantly available to both the HR and Payroll departments. All of the errors and omissions related to the double entry of employee data are instantly removed by the single centralized system. Through the maintenance of a single employee data system, the

company was able for the first time to allocate distinct areas of responsibility and authorization between the two departments, ensuring that employee data is only maintained by the responsible teams, reducing data entry errors (cited in http://cdn.ttgtmedia.com/searchSAP/downloads/Discover_SAP_ERP_HCM_sample_chapter.pdf)

Infiniti Retail Limited – Infiniti Retail Limited (IRL) is India's first large format specialist retail chain for consumer electronics and durables. The chain has many retail outlets spread across several cities in India, and also reaches customers through its online venture www.cromaretail.com. The company is a wholly owned subsidiary of Tata Sons. IRL's employee appraisal and performance management process was largely manual and supported by spreadsheets, making it difficult to carry out employee appraisal process. The company's talent management processes were also not fully integrated with the other HR processes. To bring more efficiency, Infiniti Retail Limited implemented TCS' fully managed and hosted Talent Management Solution, which was a part of TCS Human Capital Management Platform and was deployed on a SaaS based delivery model with utility-based pricing for IRL corporate employees. IRL's entire performance management process was digitized, including performance management, competency management and career development planning. The HCM was successful to bring workflow-driven appraisal processes and role-based access providing visibility of appraisal and performance status, continuous and actionable feedback, with 360-degree feedback feature, effective tracking of development goals and competency

management by employees and supervisors, and so on (cited in http://www.tcs.com/resources/case_studies/Pages/TCS-helps-Infiniti-Retail-Performance-Management.aspx).

Star Union Dai-ichi – Star Union Dai-ichi Life Insurance Co. Ltd.'s every HR related task, including time management and attendance, was being handled manually, earlier. Company was unable to create an automated PMS (Performance Management System) because it lacked an integrated and centralised HR data and operations management system. Getting real time access to 3000 employees based in 67 branch offices was a hard task. The records and data of all the employees were not visible to the management in a centralised and systematic way. There was no scope of offering the facility of online ESS (Employees Self Service) to the workforce. This affected the company's business processes linked to the HR function and workers. The Ramco HCM solution was deployed in this company. The technology has helped in streamlining and automating many of the HR processes and workflows. This has led to reduction in costs and added to the efficiency (Maru, 2014).

Concluding Remarks

HCM is a new concept being currently explored by organizations in their quest to nurture, and retain their human assets, more scientifically, within organizations. Just like other measures, caution needs to be exercised by organizations while employing HCM as a strategic measure to improve human resources in organizations. It must not

be forgotten that mere measurement and quantification processes do not improve human efficiencies and their motivational levels, nor increase organizational commitment. The measurement process is merely a pointer towards certain deep-rooted concerns and issues within organizations, arising out of inaccurate human perception, decisions, intentions and actions. Investing in human assets is not merely about spending more resources and money to make employees believe that their needs are being taken care of by organizations. HCM can become a truly effective tool, if used, with the intention to nurture human resources, by treating them as true stakeholders within organizations. Rewarding employees, only on the basis of performance measurement in quantified terms can satisfy their needs based on hygiene factors. True motivation and sustained employee loyalty comes from ownership of work within organizations and development of 'we-feeling' with the organization's culture. To be truly effective, HCM needs to address deeper human concerns, rather than be subservient, merely as tool for quantifying human performance based only on the parameter of efficiency, rather than effectiveness. In the hands of able leaders, truly concerned with nurturing human assets and their potential, HCM can become a potent tool for creating a culture of excellence based on effective and strategic talent management processes which can become the true strategic differentiators of growth and sustainability for firms operating in uncertain and volatile environments.

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