



HCM GUIDES SKILLS AND RESOURCES

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The region is seeing an increasing uptake of HCM solutions to manage resource requirements and strategic planning.

ORGANISATIONS IN THE REGION HAVE LONG FACED A COMPLEX SITUATION IN ACQUIRING THE RIGHT SKILLS AND RESOURCES TO DRIVE THEIR BUSINESS AND TO RETAIN AND GROW THEIR WORKFORCE. HUMAN CAPITAL MANAGEMENT IS HELPING TO ADDRESS CORE HR REQUIREMENTS AND AID STRATEGIC PLANNING.

BY KERI ALLAN

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HR is a mature component of ERP, but companies are looking to more sophisticated solutions, says Kilyar.

“REWARD/COMPENSATION ALONGSIDE FORWARD THINKING SUCCESSION PLANNING COUPLED WITH IDENTIFYING YOUR TRUE HIGH ACHIEVERS ARE BECOMING MORE AND MORE CRITICAL SUCCESS FACTORS IN THE MIDDLE EAST THAN EVER BEFORE.”



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doption of human capital management (HCM)/talent management solutions is growing across the Middle East as businesses in the region become evermore interested in talent transformation initiatives. According to analyst firm Gartner, some of the region's biggest vendors are putting more of a focus on their HCM solutions, plus there's an increasing number of local partners offering implementation services.

Ahmed ElShrif, director, Middle East at Kronos, believes this trend is in part due to the region's fast IT

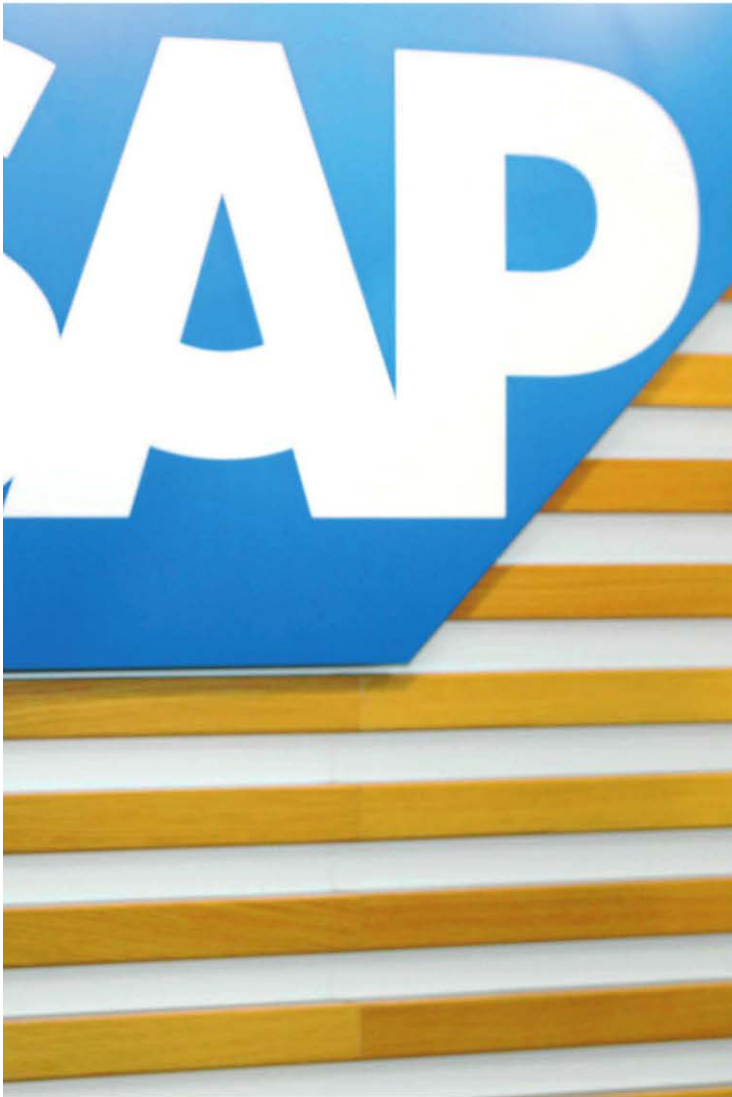
growth but also because the world's eyes will be focused on the



Middle East in the near future: “As the region prepares to host major world-class events in the coming years, such as Expo 2020 in Dubai, businesses will need to make sure they are treating employees fairly as the world will be watching Dubai and the UAE with this huge influx of visitors. Also, with a shortage in highly skilled employees especially in the hospitality sector in the region, employers will need to consider workforce management solutions as a way to create winning employee retention strategies,” he notes.

The large expat community is also playing a role in HCM's regional growth, as Barrie Crow, regional manager and business development Middle East and Africa, Lumesse highlights.

“A large number of local organisations employ expatriates,



quite often in HR roles. This means that experienced international HR managers with a global perspective are driving HR processes and aiming to position HR as a partner to the rest of the business. We often meet very experienced and competent HR employees and their knowledge and expertise is at a par with UK levels for example.”

“As corporations in the Middle East invest heavily in expat employees they are competing with the globally economy picking up and talent retention is becoming challenging. Hence, reward/compensation alongside forward thinking succession planning coupled with identifying your true high achievers are becoming more and more critical success factors in the Middle East than ever before,” adds Salman Rauf, VP EMEA, HCM, Infor.

HCM AIDING NATIONAL AGENDAS

HCM solutions can be used by governments and enterprises in the region to help track and meet national goals on employing GCC nationals, however, this concept is at a very nascent stage. Currently governments are evaluating the feasibility of a private cloud for their HCM solutions, and organisations are able to use their solutions in this way, but do so simply as part of addressing their own business needs, rather than anything more concrete or focused.

However, Ahmed ElShrif, Director, Middle East at Kronos highlights other regulations that governments are enacting and how HCM solutions will help businesses monitor and report as necessary.

“Governments in the region are enacting more regulations to decrease alarming unemployment rates among GCC nationals. Therefore, deploying workforce management solutions support businesses to keep a transparent tracking system of any loopholes in the system and be alerted whenever intervention is required,” he says.

“Another recent example is the requirement for a mandatory health insurance system for all Dubai workers and residents. Also, the Qatar Foundation has launched an initiative ‘Mandatory Standards of Migrant Workers’ Welfare’ which applies to all contractors and sub-contractors engaged on building projects for the Qatar Foundation.

“It is expected that 4.5 million Saudi nationals will enter the workforce between 2010 and 2015. In an attempt to close the gap between the private and public sector in terms of employment of nationals, Saudi Arabia has put in place the Nitiqat system and the Hafiz. The former is set to measure employers’ compliance with labour laws and the latter is to require advertising vacancies to nationals first before permitting employment of foreign workers.

“This upsurge in labour law reforms across the GCC will have a huge impact on productivity if companies fail to comply and closely audit. Having a single centralised database would allow companies to have complete visibility over their status in terms of meeting quotas. This will mean spending significantly less on hiring personnel to undertake monitoring, auditing and reporting, and eliminating the problems of policy misinterpretation.”

HCM solutions allows businesses to manage their people, and help with hiring, aligning talent with business goals, assessing talent gaps, growing skills and measuring performance. The solutions can also automate core HR processes to save time, costs, and improve compliance. Businesses are now recognising the importance and benefits of this kind of workforce management, and understand how HCM solutions can help them make the most of their ‘people’ assets.

There are many different levels of solution available to suit companies’ sizes and needs, but as Gartner research director Sunil Padmanabh highlights, HCM can be divided into two categories: core and strategic.

“Core HCM addresses core HR information, time and attendance, and leave management. Strategic HCM addresses talent management like recruiting, onboarding, learning management,



Cloud as an option for HCM application deployment is growing in popularity, particularly for SMBs, says Tayal



Padmanabh: HCM is being used for core HR functions and also to help to define and deliver strategic objectives.



Rapid economic development in the region means more requirement for managing resources, says ElShrif.



goals management, performance and compensation planning, and succession planning,” he explains.

Every business can benefit from HCM, but at the moment it's the midmarket and large enterprises that are the main clients. As for the sectors, well vendors are dealing with organisations from academia and retail through to oil and gas and banking.

“All industry segments/ sub segments which are human capital intensive and where human capital asset is relatively more important than capital asset, have been showing greater demand for HR software,” says Ranjan Tayal, Sr. VP and SBU Head, Ramco HCM. “We have a healthy mix of clients from varied business verticals like retail, construction, banks, hospitality, manufacturing, staffing service providers and outsourcing companies among others. Retail and banking have been our sweet spot, with five out of the top seven banks and three of the largest retail chains

(RedTag, Khimji, Sharaf DG) using Ramco HCM,” he notes.

Donna Ronayne, VP of Marketing, Halogen Software, highlights the ways organisations are adopting HCM solutions.

“For the larger organisations, HCM is required to manage the change process of organisation redesign, and ensure consistency and robustness of HR processes. For mid-market, performance management is seen as critical to maximising the value of their human capital investment, and retention of key talent in a competitive market,” she says.

“Talent related issues are of increasing importance to C-Level and other business leaders in order to support growth and competitiveness. Talent management functions are seen as more strategic, requiring increased focus and investment.”

Every industry needs HCM. The deployment options may differ, however, notes Deniz Kilyar, director Cloud and Line of Busi-

“CORE HCM ADDRESSES CORE HR INFORMATION... STRATEGIC HCM ADDRESSES TALENT MANAGEMENT LIKE RECRUITING, ONBOARDING, LEARNING MANAGEMENT, GOALS MANAGEMENT, PERFORMANCE AND COMPENSATION PLANNING, AND SUCCESSION PLANNING.”

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C-level executives are putting more focus on talent management issues as part of growth strategies, says Ronayne.

ness Applications, SAP MENA: “The public and defence sectors typically opt for on-premise, whereas financial services, telcos, and the private sector have a bigger appetite for cloud,” he says.

“HCM is a core ERP component and so upkeep will remain strong, but companies with greater enterprise application maturity are now considering more advanced HCM solutions such as performance/talent management, workforce analytics and so on, and these types of solutions are most effective in the cloud,” Kilyar adds.

Experts all agree that cloud-based solutions are going to help HCM uptake continue to grow, and vendors are working hard to improve such offerings. HCM solutions in the cloud typically have short deployment times making them an attractive proposition for companies that want to test cloud applications.

“Vendors are rapidly innovating the cloud version of their solutions,” notes Padmanabh. “Also, the pace of innovation is rapid since they provide free upgrades every quarter. This has resulted in HCM solutions that are easy to use and simpler to deploy.”

“In recent years, the adoption of cloud-based HCM solutions has risen steadily. This is due to the benefits of the cloud deployment model, which include cost savings, flexibility, scalability, faster implementation and improved usability. Continuous innovation by cloud vendors and their partner ecosystems has drastically reduced the cloud implementation timelines. Also the fact that cloud-based HCM solutions have shorter implementation timelines compared to on-premises implementations makes it a preferred option,” adds Tayal.

“The technology landscape is witnessing a convergence of social, mobile, analytics and cloud. The expectation of the user community has also grown inline with the changing technological landscape. Unlike on-premise based implementations, which come with heavy annual maintenance charges and high costs for change requests, a cloud-based solution offers a viable and cost effective alternative. Thus users find cloud adoption a viable option,” he explains.

Vendors also feel that for the above reasons, amongst others, cloud will be an enabler for smaller businesses interested in HCM solutions.

“Cloud will open up the door, especially for SMBs, by enabling them to invest in this technology with minimum investment in IT/resources. Cloud allows them to focus on their key initiatives while the vendor houses the application and infrastructure for them,” ElShrif concludes. ■



REGIONAL ORGANISATIONS LEVERAGE HCM

Many companies across the Middle East are implementing HCM solutions to fulfil their own specific needs. Here are just a few examples of the kinds of projects that have taken place.

- King Fahad Medical City (KFMC) in Saudi Arabia deployed Infor Workforce Management (WFM) to help to enhance quality of care and productivity for the hospital, through facilitating open shifts to be filled more quickly, matching skills to assignments more thoroughly, and lowering labor costs. It has allowed the hospital to adjust staffing more quickly in line with demand, so that staff qualifications, proficiencies, certifications and licenses are better matched to assignments.
- Islamic Development Bank is an opinion leader in the ME with its 2,000 employees, providing credits to enable economic development in the region. It is working with Lumesse to use all aspects of talent management to ensure it is retaining its staff most ethically.
- RedTag Group operates hypermarkets, supermarkets, convenience stores and malls and desired a solution that would scale up along with its business growth, with no upfront investments, quick go live time and a common HCM platform across the group, irrespective of subsidiaries with different enterprise solutions. It now manages more than 5,500 employees across the Middle East using Ramco HCM.