# The Definitive Guide

## HCM Excellence

**the**
**joshbersin**
**company**

# Contents

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# Introduction

The past 18 months have been a period of massive disruption for businesses across the world. As companies rushed to "go digital" to not only hire, manage, support, train, and engage their people but also get work done, we see the ability to reinvent the business model by HR transformation as critical to thrive in the new normal. In our experience of engaging with customers across industries and geographies, HR transformation is perhaps the biggest investment made by enterprises in support of their strategy. At the same time, it is extremely complex to manage. We feel that customers could leverage and learn from the experiences of other organizations that have embarked on a transformation journey.

TCS is proud to collaborate with The Josh Bersin Company, an independent HR research organization with global reach and influence, to launch *The Definitive Guide: HCM Excellence*, which takes a closer look into the complexities of HR and HCM transformations. This research engaged customers across the globe to gather valuable insights and experiences, providing an "outside-in" view of HR market trends and best practices in HRM deployments, to help companies get more value from HR technology investments.

This report, the first in a multipart series on the goals, challenges, and use cases related to HCM systems, explores how organizations leverage Workday. The series will help organizations accelerate implementations, take full advantage of the feature sets in their HCM solutions, and offer new ideas and approaches to further drive project success.

We hope HR and technology leaders find this report useful for carrying out successful HR transformations and exploiting HCM investments to enhance employee experience and achieve strategic objectives.

Warm regards,

**Ram Subramanian**
Global Head, Human Capital Practice
Tata Consultancy Services

# 1

# Why HCM Excellence Matters Now

HCM systems have never been more important or impactful. Our HCM Excellence Framework identifies three elements essential to success.

**Driven by the pandemic,** companies of all sizes have for the past year relied on digital platforms to hire, manage, support, train, and continuously engage their people. In fact, one of the biggest themes of 2021 has been "digital adoption," as nearly every business relied on video meetings, email, and online platforms for human capital management (HCM). However, the pandemic did not allow companies any time to "learn" these new systems. That's why HCM systems of the future have to be ready to use, productive from day one, and easy to change and adapt.

## Key Insights

- The dramatic shift in work habits forced on companies by the pandemic has put a spotlight on HCM systems.

- While organizations regard HCM as a priority and there's no shortage of vendors offering highly integrated systems to transform employee experience, there's a big gap between expectations and reality.

- Our HCM Excellence Framework identifies three elements essential to success: Strategy and Governance, Operations and Implementation, and Transformation and Change.

The HR function had to adapt as well. In 2021, HR teams have worked on cross-functional projects to implement hybrid work practices, move people to new roles, and rapidly hire, onboard, and reskill people who often worked from home. Companies with flexible technology platforms could adapt quickly, while others quickly bought and implemented new software and are just now learning about its capabilities. And central to it all has been the focus on employee experience.[1]

As businesses recover from the pandemic, they face another obstacle: hiring. The quits rate, as measured by the Bureau of Labor Statistics (BLS), was more than 2.7% in May 2021, pointing out that 4 million people changed jobs. This new level of agency in the workforce means employers must work even harder to make their workplaces attractive, and workers feel more empowered than ever before.

Our Employee Experience research clearly shows how important this has become.

**Companies creating an "irresistible"[1] experience are:**

**5.1×** More likely to engage and retain employees

**2.4×** More likely to delight customers

**4.3×** More likely to innovate effectively

[1]An "irresistible organization" is a place that employees clamor to join and that rivals want to become.
Source: The Josh Bersin Company, 2021

Yet most companies struggle to create this outstanding experience: 80% of companies are not powering growth for all employees and leave behind the opportunity to support their people to do their best and be their best.[2]

# The Critical Need for People Analytics

HR departments have been struggling with data for decades. But now, perhaps for the first time, people analytics is a mandate. During the pandemic, companies needed data to identify location, stress, work habits, and productivity. Now, companies are monitoring engagement and burnout rates, looking at employee development needs, and using people data for overall business survival. While people analytics used to be a "nice to have," it is now an essential, and this pushes HCM systems to deliver faster than ever.

While many organizations regard a fully functional people analytics function as one of their biggest priorities, only 17% have one.[3] Those using it have a huge advantage.

**Companies with advanced people analytics are:**

**4.3×** More likely to create a sense of belonging

**4.8×** More likely to be seen as a great place to work

**7.3×** More likely to engage and retain employees

**2.6×** More likely to exceed financial targets

**6.7×** More likely to adapt well to change

**7.7×** More likely to innovate effectively

Source: The Josh Bersin Company, 2021

# The Role of HCM Systems

Cloud-based HCM systems have swept across businesses. Today the cloud HCM market is more than $8 billion in size as vendors like Workday, Oracle, and SAP SuccessFactors invest heavily in this growth market. Not only do these systems manage payroll and overall employee record keeping, but they are now "systems of experience" and "systems of design," as we describe in *The Definitive Guide 2021: HR Technology*. But despite the popularity of HCM systems and the massive market growth, our research also shows that many of these systems underdeliver on their promises.

Companies start HCM cloud implementations with high hopes: making HR more strategic; improving the employee experience; and enabling better, more useful people analytics, for example. But most fall far short on these expectations: cost overruns are common, milestones are missed, and two out of five projects are categorized as failures.

In 2019, we conducted a massive study of HR technology projects (with more than 700 global respondents) and found:

→ **Only 15%** of companies feel the project fully achieved their intended goals.

→ **Only 19%** kept to their project timeline.

→ **Only 22%** adhered to their cost budgets.

→ **Only 11%** believe they had the intended improvement in the employee experience.

While these numbers are disappointing, the problem is not a lack of hard work. Instead, it's often a problem of unrealistic or misleading expectations (Figure 1). HCM vendors tend to sell a vision for a highly integrated, productive, transformational employee experience. But the reality is that these are very complex enterprise resource planning (ERP) and workflow systems, and they have to be configured, designed, and implemented well.

HCM implementation "projects" should not be thought of as "projects" but instead as *continuous technology transformations* that endure long into the future. Workday clients, for example, look at their initial "go-live" date as an important milestone, but as all our clients tell us, this is only the beginning of a great deal of operational, transformational, and new-systems work yet to come. Therefore, one should reflect on the idea that it is about not only "standing up" a new system but also embracing a new technology stack, which will live with the company for many years.

FIGURE 1

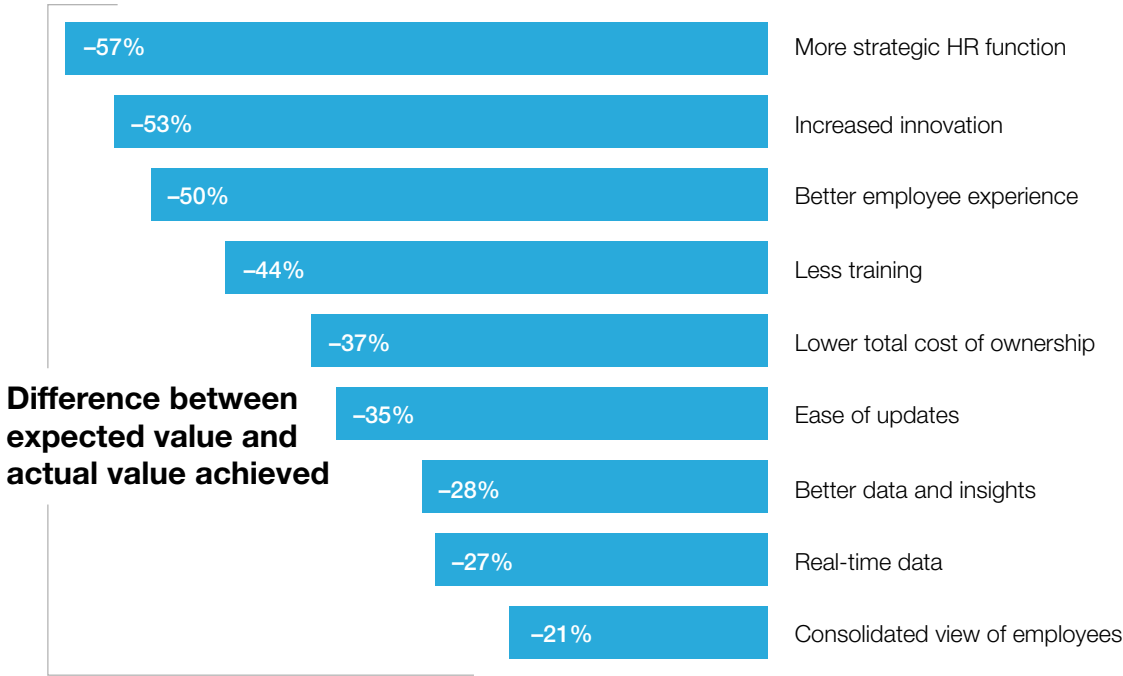## Gap between Expectations and Reality

**32%**

of HR tech projects
are significantly over budget

**53%**

of projects miss deadline
for implementation

**42%**

are rated not fully successful
or failed after two years

| | |
|---|---|
| −57% | More strategic HR function |
| −53% | Increased innovation |
| −50% | Better employee experience |
| −44% | Less training |
| −37% | Lower total cost of ownership |
| −35% | Ease of updates |
| −28% | Better data and insights |
| −27% | Real-time data |
| −21% | Consolidated view of employees |

**Difference between
expected value and
actual value achieved**

Source: The Josh Bersin Company, 2019

Our research found eight golden rules for successful HR tech projects.

FIGURE 2

## Golden Rules for HR Tech Projects

**1** **Focus on Outcomes**
Ask a simple question: What do we need to achieve? Leadership teams must understand their objectives before signing expensive contracts. Organizations that have clear goals and stick to their vision are more likely to achieve transformational outcomes.

**2** **Change Management Matters**
As organizations move into a phase of nearly constant change, it is more important than ever to prepare employees for, and support them through, technological upheaval and organizational transformation.

**3** **Invest in Integration**
HR and IT infrastructures continue to become more complex, requiring organizations to clearly define and execute system integration needs.

**4** **Allocate Adequate Resources**
Organizations must think beyond the bare minimum of resources to implement a technology, allocating the time, budget, and staff resources needed to deliver optimum results.

**5** **Build on Solid Data**
Data that is not clean or not ready is the most frequently encountered challenge for HR tech projects, underscoring the importance of preparation to allow organizations to implement new systems and processes.

**6** **Employee Experience Is the Killer App**
The specific technology or platform is much less important than the experience employees have interacting with it; organizational focus on user experience and tools that streamline the experience are critical to adoption.

**7** **Bigger Can Be Better**
Projects that are expansive in scope and that take advantage of expert support are more successful at driving big impact.

**8** **Involve the Right People**
Success requires more than just HR involvement; it also requires positive problem-solving with IT and bringing key partners from across the organization into the project.

Source: The Josh Bersin Company, 2020

# The HCM Excellence Framework

In this study, we interviewed 25 large clients to understand their experiences with Workday. To learn from their experience, we created a framework that comprises three essential elements (see Figure 3):

→ **Strategy and Governance.** The project focus, budget, leadership, governance, and vision.

→ **Operations and Implementation.** The project management, architecture, process design, and change process.

→ **Transformation and Change.** Changes in service delivery, operating model, HR structure, and data.

FIGURE 3

## A Framework for HCM Excellence

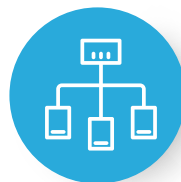| Strategy and Governance | Operations and Implementation | Transformation and Change |
|---|---|---|
| Focus on business outcomes | Simplified technology ecosystem | HR transformation |
| Strategy and culture alignment | Project management and operations | Technology tapestry |
| Technology vision | Process redesign | People analytics |
| Leadership and governance | Change management, training, and adoption | Employee experience excellence |

# Strategy and Governance

The first priority in implementing any project is the strategic vision. Why are you buying this new system, and what are the business case and outcomes you need to achieve? Is this a replacement of one or more current systems with the intent to create a more integrated data solution to drive better HR and workforce-related decisions? Or is the implementation part of a bigger company or business transformation, such as a merger or a restructuring? Or perhaps the implementation is meant to help drive better employee experiences? Or is this a system to improve recruiting, learning, or other particular processes?

For strategic excellence, the following dimensions need to be addressed:

### Focus on Business Outcomes
The business value and success criteria you aim to accomplish with the implementation, and how it adds value to the company's business overall, are crucial. Defining what success looks like is key. On-time and on-budget implementation is important, but if the plan is to also improve the experience, enable HR transformation, or improve data and analytics, these objectives need to be defined up front, measured, and continuously tracked.

What is the business case for this massive investment? Most new HCM systems cost many millions of dollars and affect the operating work for thousands of people. Is this project justified based on process improvement, employee experience, data, or another goal?

What is the budget and how was it derived? Did you benchmark with other companies or ask your strategic implementation partner for a fixed bid? Is there a shared-risk model with the supplier or consulting firm? How many people and external systems and consultants are going to be required?

This business case not only brings the CFO and CIO into the project, it forces the team to create a governance process so a set of senior executives becomes committed to success. HR or IT cannot implement these systems alone—a strong senior leadership team must be involved.

### Strategy and Culture Alignment
Does your company have a "get-it-done" culture or is it one of creative design and future vision? How quickly will decisions have to be made and what level of iteration can you tolerate? Do you need to create stakeholder teams around the world to "buy in" to various decisions, or will they be made by senior center-of-excellence leaders based on central control? The most successful HCM implementations involve many stakeholders along the way, but your culture must support this process.

### Technology Vision
This dimension is defined by the stated direction and end goals for the overall HR technology stack and how the HCM system fits in—including a short-term, medium-term, and long-term vision for various phases of HCM adoption. A visual blueprint is a good tool to demonstrate the vision for the technology architecture, supported by a vision statement, and the team should develop a three- to five-year plan.

### Leadership and Governance
Bringing together a capable, engaged team, with agile leadership and clear roles, decision rights, the role of partners, any trade-offs (in terms of employee time, business priorities, and budget), who will own responsibility for the implementation itself, and ongoing solution management are key parts of this factor. There should be a hierarchy of decision-makers, so local teams can move quickly and top management can buy off easily.

## Operations and Implementation

This element is all about focusing on what is needed for project execution and setting up for postimplementation success. This work encompasses the activities necessary to implement the technology in the company ecosystem, manage the change journey, optimize the processes involved, and support change management. New roles and responsibilities will likely need to be created and assigned to the organization that will manage the HCM solution going forward.

The dimensions of operational excellence in HCM are:

### Simplified Technology Ecosystem

"Workday does not exist in a vacuum," an HR technology leader said. All HR technologies need to be synchronized and integrated so they work together seamlessly. A simpler technology ecosystem is good because it costs less, makes maintenance and integrations easier, reduces errors, and creates a better experience for employees and leaders.

### Project Management and Operations

Project management is the daily work to manage the HCM system implementation and operate it effectively going forward. After implementation, this includes the oversight required to ensure successful day-to-day operation of the new solution and regular checks against leading practices—including release management and optimization. Cross-functional collaboration between HR and IT is critical to operate the HCM system and adopt technology capabilities successfully.

### Process Redesign

New systems bring lots of opportunity for improvement. The most important of all is to simplify and improve all the various people processes in the system. This should include a design-thinking process, a look at user personas, and a serious look at the configurability and process options inherent in the system.

Workday, for example, is designed to "work as is" out of the box. But most companies find it is hard to use or difficult to learn, so they build "journeys" around it—using Workday's People Experience or other journey aids, or tools from ServiceNow, Microsoft Viva, or others.

Each and every process, from sourcing to recruiting to onboarding to time and attendance, needs a process view—so consultants often work with you to make sure you think these through and use the system at its best. This process takes time and it's important that these design teams stay intact during and after implementation.

### Change Management, Training, and Adoption

For excellent HCM transformation, people need new ways of working. Effectively communicating and training and empowering stakeholders are fundamental to enabling new capability and capacity in the organization. End users of the HCM system—employees, managers, leaders, and HR people—need to adopt the new processes to be able to use the capabilities provided by the system.

## Transformation and Change

The third element of the framework is the most interesting of all: How will you change your company's operations to best leverage this new system? Will self-service transform the role of the HR business partners? Will recruiters have a vastly different job? What will you do with all the integrated data and analytics?

### HR Transformation

HR work, roles, capabilities, and operating models have to change in order for an HCM implementation to deliver on its promise. Considerations include current and future capabilities, new organization models, and how to bridge current and future states to enable a more strategic HR organization.

### Technology Tapestry

What is the long-range vision for new technologies in the road map? Are you moving to an "all-Microsoft" world or a deep integration with ServiceNow, Salesforce, or other major systems? This should be part of the long-term transformation—and we encourage you to think big here. New technologies like chatbots, AI, talent intelligence systems, and virtual reality are coming faster than you think.

### People Analytics

HCM solutions generate volumes of employee-related data. Turning data into actionable insights is critical to success. However, too many companies are not equipped with the resources and skills required for the analysis and meaningful reporting of this data. Using HCM-generated information to provide insights and ultimately make decisions is what will drive meeting expectations and delivering actual business outcomes.

### Employee Experience Excellence

Transforming the employee experience to be more engaging, help people be more productive, and remove barriers to success is critical in HCM implementations and maximizing HCM investments. This requires a laser focus on the way employees engage with the HCM system, making things easy and useful for them.

## HCM Excellence Is a Journey

Rather than thinking of an HCM project as something with a "start" and an "end," think about it as being like buying a new house. You must furnish it, perhaps fix a few layout problems, buy new lighting and window coverings, and then move in. And as soon as you move in, you find all sorts of surprises—the stairs to the basement are a little small, the air conditioner isn't as strong as you had hoped, and so on. You start a new life in this new house, and you adapt and fix and improve things over time.

An HCM implementation is similar. In the old days, we "implemented" these systems and then moved on to another IT project. Today, since the platforms are hosted by the vendor and are significantly upgraded several times a year, you are "living with this vendor," so you need to design the implementation for long-term success. And this is why we put together a maturity model to help. ■

# 2 Where You Stand

Achieving HCM excellence is a journey.
The HCM Maturity Model helps companies
understand where they are and how successful
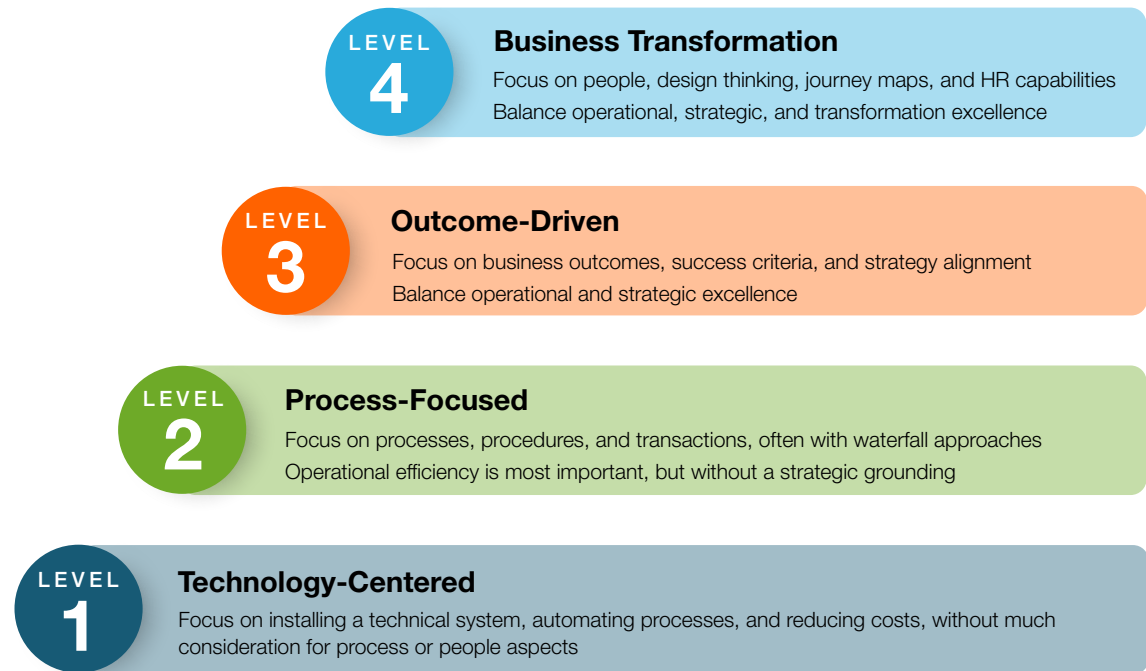organizations advance.

**Trends emerge** when you examine companies that implement Workday and other HCM systems. These findings inform our HCM Maturity Model, which allows organizations to determine where they stand—and offers a path to mature over time, depending on their commitment and level of investment.

## Key Insights

- Our research with leading companies identified clear trends driving HCM excellence.

- The HCM Maturity Model helps organizations understand where they stand and offers a path for maturing over time, depending on commitment and level of investment.

- There are six phases in the HCM Excellence Lifecycle, providing "mini-projects" around which organizations can advance their transformations.

**The HCM Maturity Model**



**LEVEL 4** — **Business Transformation**
Focus on people, design thinking, journey maps, and HR capabilities
Balance operational, strategic, and transformation excellence

**LEVEL 3** — **Outcome-Driven**
Focus on business outcomes, success criteria, and strategy alignment
Balance operational and strategic excellence

**LEVEL 2** — **Process-Focused**
Focus on processes, procedures, and transactions, often with waterfall approaches
Operational efficiency is most important, but without a strategic grounding

**LEVEL 1** — **Technology-Centered**
Focus on installing a technical system, automating processes, and reducing costs, without much consideration for process or people aspects

Source: The Josh Bersin Company, 2021

# The HCM Excellence Maturity Model

Based on many months of interviews and discussions, we developed a four-level maturity model for HCM excellence. Each company will fit into one of these levels, with progressively increasing capabilities.

## Level 1: Technology-Centered

At Level 1, companies focus on implementation from a technology perspective (Figure 4). While implementation teams spend time and effort on technical configuration decisions, they typically don't think ahead to determine what data would be needed to inform people of those choices or how to leverage the HCM to transform the way employees work. Level 1 companies may hit their short-term cost reduction targets by consolidating systems but likely won't accomplish broader, more strategic outcomes. Often, these HCM implementations are driven by IT, with peripheral involvement of HR and little to no direct involvement of employees and managers. Most of these companies port over legacy processes in the new HCM environment—and with that, they leave the enormous upside benefits of HCM systems on the table. These are often called "slammed in" projects with very rapid implementations, and tend to miss data integration, payroll, and other issues, which are addressed later after go-live.

## Level 2: Process-Focused

At Level 2, companies apply significant effort to process design. In addition to bringing IT resources into the implementation, teams include functional HR experts to redesign transactions and processes. They often apply a waterfall approach to the process and technology design—and thus they miss the opportunity to drive strategic impact. Once the HCM implementation is complete, teams (and leaders) often wonder why employees are having difficulty using the system, or why they're not getting the data and associated insights expected. Moving to the next level requires a more strategic focus and prioritization of what is really important to the business, so processes can be tailored to the business and cultural needs.

## Level 3: Outcome-Driven

Level 3 companies define success criteria, business outcomes, and alignment with their business strategy at the very beginning of implementation projects. They balance operational and strategic excellence and hit these targets well: cost reduction, system consolidation, and streamlining of processes. They also get better workforce-related insights because they design processes and customize the technology expressly to provide the data and analytics that will power better business decisions. These companies drive the HCM implementation through an experienced HR team that has a close partnership with IT. To advance to the next level, companies need to add a focus on people and experience with practices like design thinking and journey maps, and involve employees and managers directly in the design.

## Level 4: Business Transformation

At Level 4, the HCM system is a tool for long-term business transformation. The company considers this an opportunity to change the way HR operates, change and improve the employee experience, and possibly change the way contractors, employees, and others are managed. In most implementations these kinds of issues come postimplementation,

but some companies include these issues from the start.

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# The HCM Excellence Lifecycle

Methodologies vary, but in essence, each HCM transformation advances through six phases (Figure 5). Understanding these phases is important as they each involve distinct activities and deliverables and can serve as "mini-projects" to structure the program around.

FIGURE 5

## The HCM Excellence Lifecycle
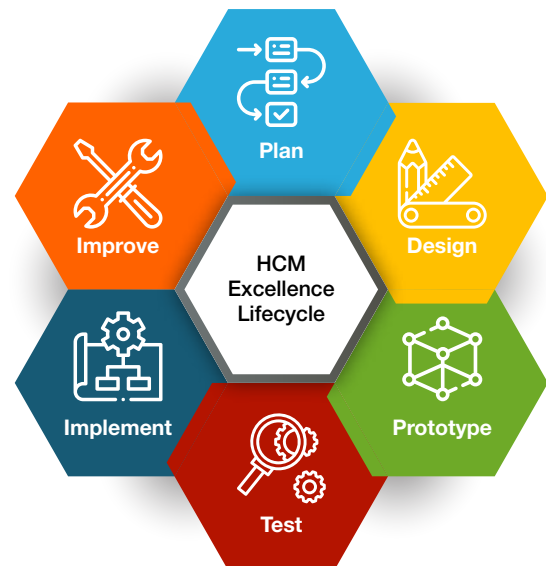


Source: The Josh Bersin Company, 2021

## Plan

This phase incorporates determining the approach to the project, assembling a team, identifying key partners, and establishing work procedures and collaboration patterns. Activities include developing a project charter, documenting the

vision, and establishing objectives. A detailed task plan will also be completed to outline each phase, set start and completion dates, identify expected accomplishments, and define success measures.

## Design

An end-to-end experience design encompasses a wide range of work, from the step-by-step design of key transactions to the rethinking of roles, data, processes involved, and even organizational structures.

## Prototype

This is the phase in which an initial build of the system is completed. The prototype is based on experience design and the decisions that factor into the system's configuration. This phase also includes the system integrations needed to make the HCM part of the company's technology ecosystem.

## Test

In this phase, testing cycles are performed to ensure the system is working as expected. The phase typically includes unit, system-integration, and parallel testing, along with user review and acceptance testing. Each type of test should have detailed checklists and unique criteria for quality assurance.

## Implement

When it's time to move the system and new processes into actual production, it is critical to have the extra staffing available to address any unexpected issues and to provide the user support that will be needed.

## Improve

Continuous improvement is a critical last piece in leveraging HCM systems. Companies need to adopt releases, prioritize functionality, iterate on the processes and the employee experience, and incorporate new data and insights into workflows for managers and HR.

HCM excellence depends on understanding these phases and working through them in an iterative way. In reality, HCM transformation is often not a linear progression through the phases; for instance, an issue discovered during prototyping may require additional design work. Or, when the business environment changes midway through an implementation project—as it did during the COVID-19 crisis, for example—the plan, strategy, and success measures, as well as staffing, may have to be reexamined.

And HCM excellence doesn't stop when the system is implemented initially. Think about the HCM system as the infrastructure backbone for your people-related systems. HCM excellence depends on a continuous-improvement approach, iterating through these phases even for ongoing releases—and balancing strategic, operational, and transformational elements.

## Conclusion

One of the best ways to improve organizational practices is to learn from the successes and failures of others that have been there. Many companies have embarked on HCM implementations, with varying success—and we wanted to learn from the most successful organizations.

For the next part of this Definitive Guide, we focused on Workday as one of the leaders in the HCM space and interviewed 12 companies in detail about their Workday implementations and ongoing operations.

We learned many things about all phases of these projects. The next chapter outlines specific learnings related to Workday-powered transformations for large, global companies. ■

# 3 Working Solutions

How do you achieve HCM excellence?
Companies implementing Workday successfully
focus on much more than project execution. Here
we summarize our insights into six top findings.

**This is the first of a three-part series** with Workday, Oracle, and SAP SuccessFactors, dedicated specifically to Workday as a HCM leader. We don't go into technical detail about Workday because we found that technical implementation is a basic need, not a differentiator. However, to put the findings from our research in perspective, we start with a short overview of Workday and its capabilities.

## Key Insights

- As popular as Workday is, many companies struggle to get the expected value out of its implementation.

- Successful companies understand that using Workday is not just a technical implementation but a continuous transformational experience.

- While operational excellence and great project execution are important, the most successful companies also focus on strategic outcomes, strong leadership, and transformation excellence through people analytics, HR transformation, and employee experience.

# Understanding Workday

Within the $8 billion-plus HCM market, Workday is one of the most successful players, growing more than 20% in 2020.[4] Workday has been the "darling" of HCM systems ever since the company took legacy PeopleSoft HR information system (HRIS) capabilities and turned them into a cloud-based employee-first platform that's not geared toward back-end transactions used by HR administrators but by line managers and employees. In the past decade, many large, complex companies have been rethinking their HCM strategies with a laser focus on employee experience, making work easier, and providing managers with insights about their people—and many organizations look to Workday to enable this transformation.

At the same time, the quest for HR to become the strategic business partner to leadership continues to be hampered by a heavy transactional load. It's hard to work with leaders to upskill employees or create a new organizational model when you have to process thousands of employee time-off requests, approve pay increases, or help administer maternity leaves. Workday has always had a great vision, and many companies have opted to be part of the journey to be irresistible through a focus on the experience with a fully integrated talent suite (Figure 6).

FIGURE 6

## Workday HCM
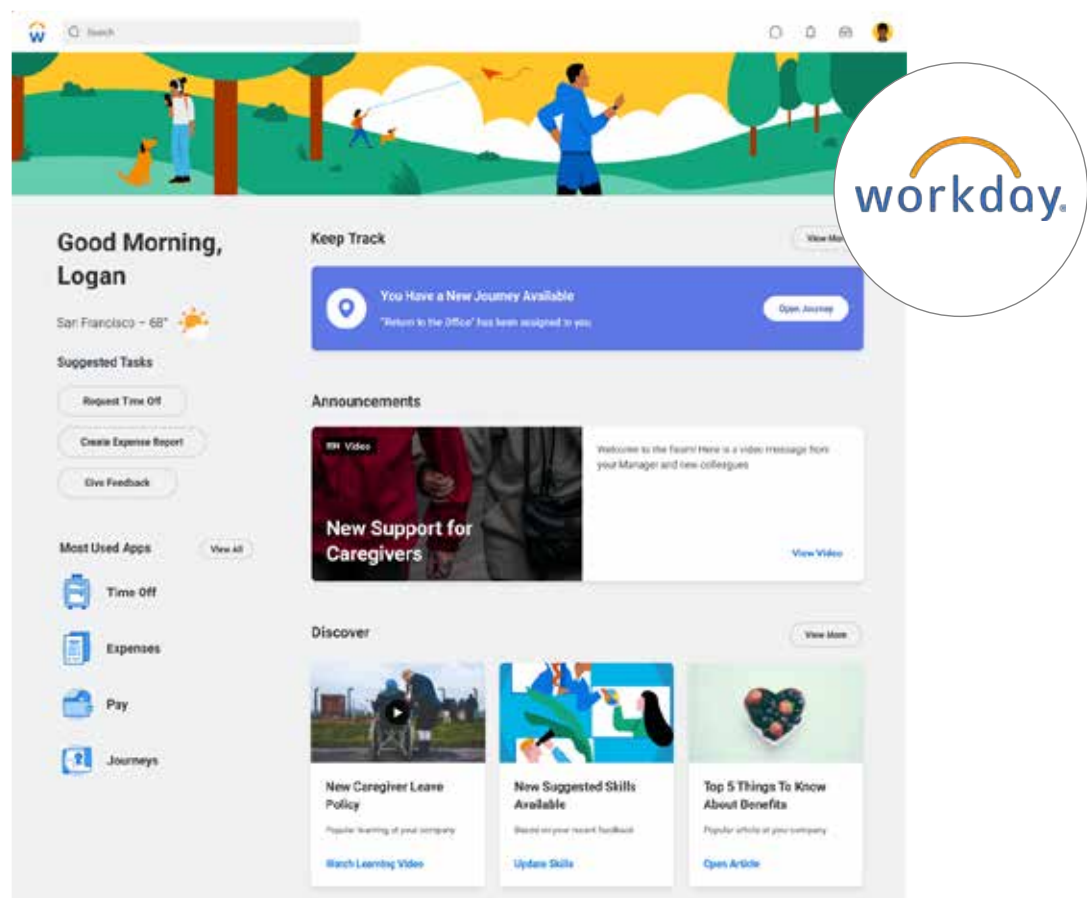


Source: Workday

The pandemic made companies realize how important it is for HR work to be easy, fast, and error free. The year 2021 is a very big one for Workday, and the company is introducing major updates to Workday Learning, adding a set of new features for the Workday People Experience, and launching Workday Talent Marketplace, Skills Cloud, VIBE (diversity, equity, and inclusion and intersectionality), and Career Hub. Together these products make up a highly competitive end-to-end next-generation talent platform, and Workday customers will start to replace third-party applications in these areas.

As the company expanded into financial planning and other non-HCM areas, Workday's HCM speed of innovation to market was perceived to lag. During this time, some customers went out and bought other learning-management-system (LMS) platforms, brought in talent mobility solutions, and subscribed to best-in-class recruiting systems. Many Workday customers have appreciated

finding that Workday was using this time to build the market-leading technologies noted above.

Workday has always focused on the power of integration of all talent areas. Rather than treating each functional area as a module or application, the whole thing now fits together. Think about an employee who changes jobs or gets promoted and all the things that have to happen to make such a change successful. With Workday, they can all happen seamlessly.

The People Experience journeys, coupled with learning paths and recommendations from Workday's Skills Cloud, will all be integrated into this employee experience. A significant new offering is Workday's Help (case and knowledge management) system introduced in 2020 (Figure 7). This is a very big marketplace, and vendors like ServiceNow, Salesforce, Neocase, and many others have significant investments in this area.

FIGURE 7

## Workday People Experience
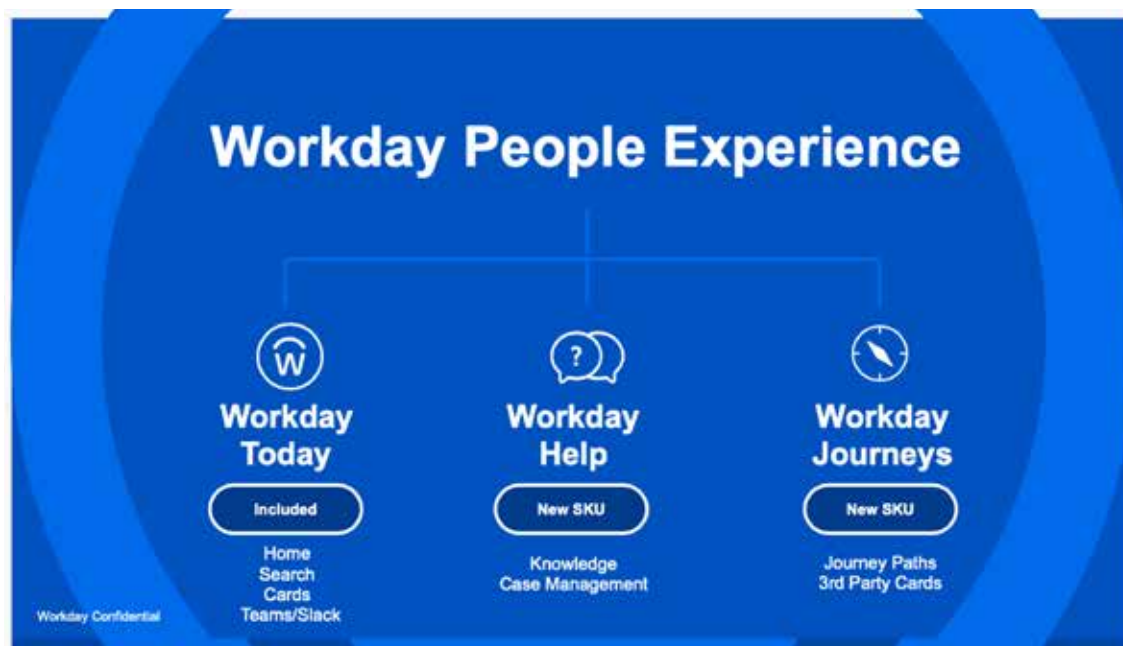


Source: Workday

In early 2021, Workday started banking on the employee listening market with the acquisition of Peakon. We've identified in all our studies that listening to employees is the most important thing HR and business leaders can do to affect the experience, drive diversity and inclusion, and be ready to adapt to the ever-changing requirements of business because of the pandemic.

With the focus on integration, over time companies will be able to move all these disjointed pieces for listening and engagement, learning and career, and mobility and recruiting into Workday for an even more powerful platform.

# The Six Key Findings

We conducted many hours of interviews and discussions during 2020 and 2021 to learn what makes or breaks Workday transformations. The findings are astounding: while focusing on operational excellence and great project execution is important, it's not enough for accomplishing more with Workday. The most successful companies also focus on strategic outcomes, great leadership, and transformation excellence through outstanding people analytics, HR transformation, and a great employee experience.

## 1. Excellent companies use Workday to simplify the technology ecosystem.

Workday's promise to companies is to provide a fully integrated talent experience. The platform was built with the overarching vision of full integration, and this vision was a driving factor for the choice of Workday over other platforms.

### Simplifying Complex HR Architecture

One of the biggest promises of Workday implementation is a radical simplification of complex technology platforms. Over the years, most big companies accumulate a large number of HR, payroll, talent, timekeeping, HR data maintenance, and learning systems because legacy systems lack capabilities, are often not configurable for changing needs or regulations, and don't talk with one another. The result can be a labyrinth of HR systems that create a burden on IT to maintain, on HR to get data out, and on end users to use.

Most companies don't even have a blueprint of their HR technology infrastructure—and if they do have one, it's usually so complicated nobody can really interpret it.

Leading companies looked deeply into the capabilities of Workday and followed its strategy to leverage one system whenever possible. Rather than asking, "Should we use Workday"? they turned it into a question of "How can we use Workday?"

### Simplification Matters

Why is simplification of the ecosystem such a big deal?

First, it eliminates integration requirements, and with that reduced complexity it removes the costs of building and maintaining integrations and testing these interfaces every time a change gets introduced in any system.

Second, maintenance costs and work involved with keeping up to date with multiple upgrade schedules go away.
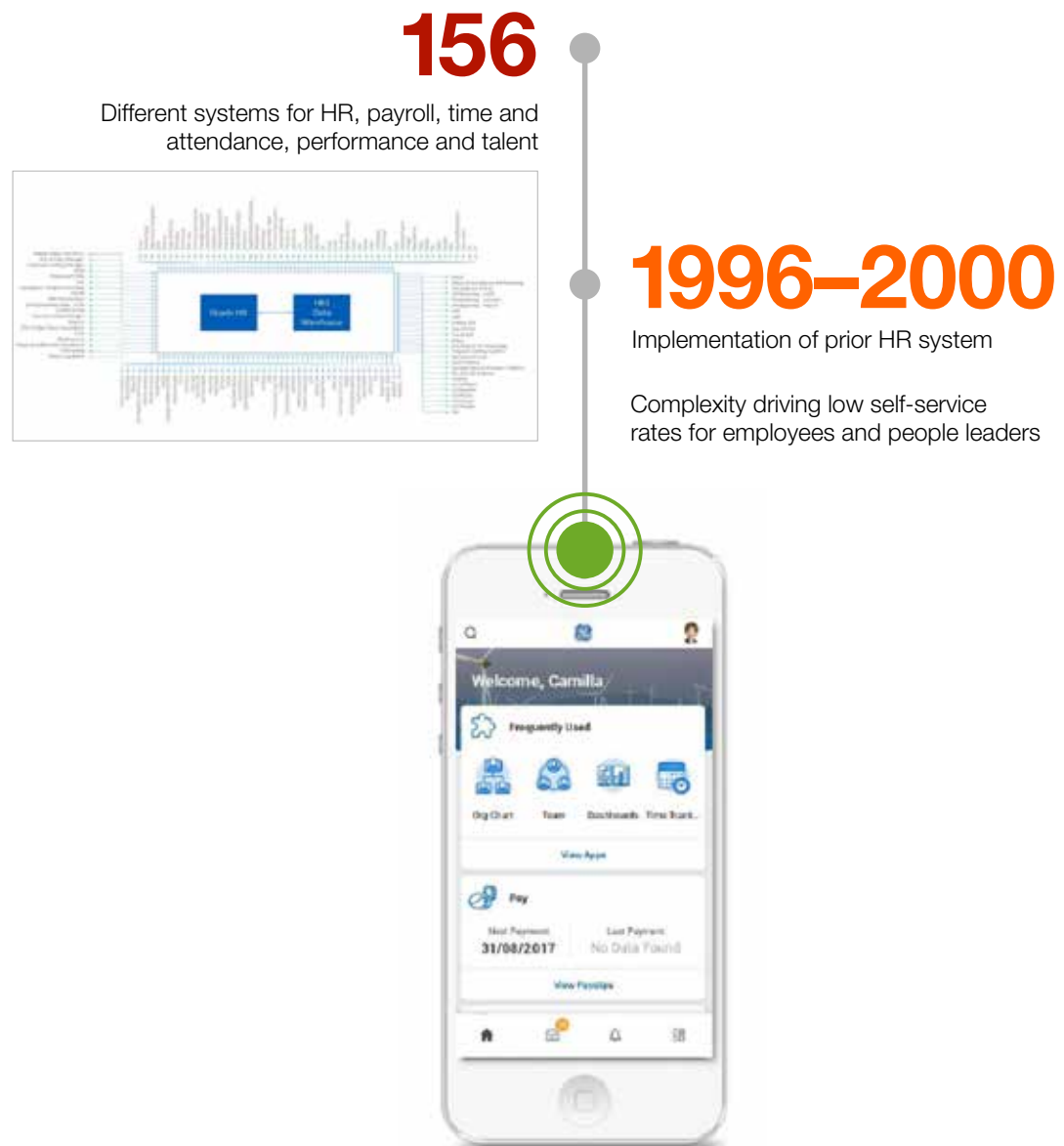
Third, it eliminates errors—data quality goes way up, and with that, business decisions about people will be better.

Fourth, it helps employees and managers work better with the system because they understand it much better.

GE sunsetted 156 different systems built or acquired over 20-plus years for HR, payroll, time and attendance, performance, and talent. The infrastructure was extremely complicated and allowed for very little self-service, with less than 20% of transactions done directly by end users. The move to Workday reduced the number of systems to one (Figure 8).

FIGURE 8

## Simplification of the HR Tech System at GE



**156**

Different systems for HR, payroll, time and attendance, performance and talent

**1996–2000**

Implementation of prior HR system

Complexity driving low self-service rates for employees and people leaders

Source: General Electric

Boeing consolidated 75 systems across HR, and this move was core to enabling "Global Boeing" as all master employee data was now in one system.

With Workday's vision of becoming the fully integrated talent platform, companies are set up for success to simplify and streamline.

## 2. Engaged, experienced project teams and partners are critical to Workday success.

"It's all about people. With a great team led the right way, you can do anything," explained an HR executive about a Workday transformation. The best project leaders work in collaborative, cross-functional teams and agile pods to get the work done and engage people along the way (Figure 9).

### Experience, Capabilities, and Motivation—Factors of Team Success
Workday implementations in large companies often have dozens, if not hundreds, of people working on them. Excellent companies structure teams around the work: managing the project; configuring the technology; managing change and adoption; designing processes; and driving organization design, benefits realization, and more.

Project assignments in the best companies are made purposefully, evaluating relevant experience, needed capabilities, and motivation to collaborate with others for project success—with the same rigor as for external hires. A large health-care company posted its key project leadership roles internally and used interview panels of senior HR leadership team members, including the chief human resources officer and IT leaders, to inform hiring decisions.

### Workday Projects as Career Highlights
Project roles are usually full-time, dedicated positions, with reporting structures for the initiative, but with collaboration flowing well across different groups. The most successful companies reserve these roles for high performers and elevate them as key milestones in people's careers—something that people aspire to and are "hard to get." As a result, project teams are full of highly engaged employees who are motivated to make a lasting impact, capable of doing great work, and always willing to learn through the project.

### Consistent Team Membership Is Critical
Workday implementations can be very long, often spanning several years. Some attrition will naturally occur. Excellent companies recognize that keeping the core team together throughout the entire transformation and beyond is a critical factor for success, and they put measures in place to reduce project turnover.

### Celebrating Team Successes to Keep Engagement and Retention High
GE gives new project team members on day one of their assignments a cake to celebrate joining the project, along with a letter from their leadership team. This is shared and celebrated across the human resources technology project team, peers, and leaders, and is one way to welcome them and celebrate their accomplishments. Every project team member understands the "Kumo" creed—a statement of the project vision and how it will be accomplished—and accomplishments toward it are rewarded and recognized broadly. Fun is another key principle of the project.

FIGURE 9
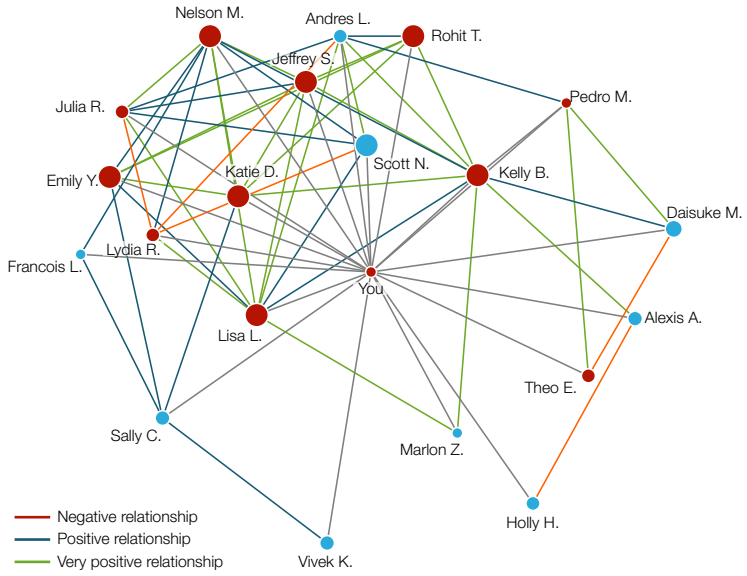
## New Ways of Working

**Manage budgets, goals,
and project timelines**
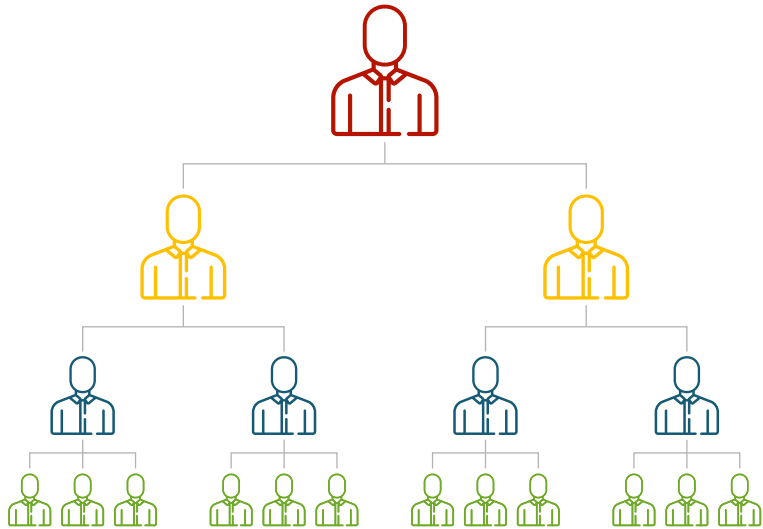


**Manage projects, teams,
relationships, and people**



Source: The Josh Bersin Company, 2021

As team members join the project, they are celebrated. Next, they are tasked with learning the vision, purpose, and objectives for the project they are now going to have a role in leading, and then using that vision to create their own elevator pitch. This pitch is discussed and practiced with project leadership.

At Target, every team member understood the larger context of the transformation they were part of and was capable of communicating it to anyone who asked. These messages were also part of all meetings that introduced the project to others outside the immediate project team and all change management meetings in which employees were armed with information to share what the project was and what was coming.

At both a global chemical company and a global retailer, it was customary to start every meeting with a refresher on the project vision, objectives, or purpose from a team member to ingrain these principles into their daily work. This was seen as an effective way to push this message of alignment on a daily basis.

At JOANN, leaders celebrated team successes and recognized team members for accomplishments. This project was complex with a tight timeline, and dedication and leadership support for the team were key to success.

### The Right Partners Are Key to Workday Success
Even with the best in-house team, companies often lack some capabilities. That's where partners come in: system integrators, other consulting partners, and Workday services.

The most successful companies view these third parties as partners, not vendors. Rather than working in silos—for example, system integrators might work by themselves and then reveal the final product to the client team—they work side by side, "two in a box." Partners that fit the culture, start knowledge transfer on day one, and buy into developing company capabilities along the way are the right choice.

The GE team planned 13 sprints across the scope of their implementation. When half of the prototype build was complete, the GE group was already building prototypes in a development environment, with the implementation partner coaching and supporting the effort rather than doing everything for the team.

### Workday Professional Services for Direct Knowledge Transfer
Workday's experts can play an important role in HCM excellence. Rather than having the system integrator function as a translator of new capabilities to be rolled out in a release, successful teams learn directly from Workday in tactical project conversations about what is to come, answering questions and discussing directions, being much better prepared for adopting the enhancements.

Adobe integrated Workday product and engineering teams into its project leadership. Adobe had implemented the recruiting module when it was new in the market and was looking to reimplement a few years later as new functionality that was critical to success—such as the offer module—had become available. The Adobe team worked directly with the Workday team to review use cases and configure them in the newer modules. This allowed the team to move with speed and efficiency as Workday was directly involved when answering product questions and sitting alongside its client during key design decisions based on product capability.

## 3. Success criteria lead the way to sustainable outcomes.

"If you don't know where you are going, you won't know when you get there." This adage applies in facing a new software implementation. Agreeing and articulating clearly why the new HR application is being introduced to the organization is a key step in ensuring the path to success.

Knowing and sharing the purpose for the project is step one. But to understand whether an implementation is successful, a common definition of success—accepted by stakeholders—is also imperative. The most successful companies follow a clearly defined process like the one outlined below to use success criteria as guideposts for HCM transformations (Figure 10).

### Step 1: Define success
Do you simply want to complete a technical installation? What about cost reductions from reduced system complexity? Delivering flawlessly on global payroll? What about a better user experience? Transformation of the HR function?

Or better data for managers and leaders to make decisions? Is there a specific timeline you are aiming for? What about simplifying processes and changing the role of HR? A better employee experience? Improved analytics and insights to drive people decisions? All these success criteria need to be written down, prioritized by key stakeholders, and communicated to project teams and other stakeholders.

GE used the Kumo creed to articulate the vision, and it served as an integral part of internal and external communication, guiding project decisions and prioritizations.

### Step 2: Establish targets
Define and document process improvements for the actual stakeholders. Is it reduction in manual forms or HR data entry? Reduction in staff? Faster new-hire time to productivity? To establish measures, you need to understand the current state, so make a baseline assessment, identify through internal and external benchmarking how much you can improve, then set goals.

FIGURE 10

## Success Criteria Approach



| **1** | **2** | **3** | **4** |
| --- | --- | --- | --- |
| **Define Success** | **Establish Targets** | **Measure and Act** | **Iterate and Improve** |
| Clearly identify what excellence looks like for you | Define metrics, establish a baseline, and set targets | Understand where you are and course correct as needed | Review what went well and where you need to improve |

Source: The Josh Bersin Company, 2021

Also, determine how you will get the measures—what systems do you need? If you are trying to enhance the employee experience, make sure you have employee surveys in place to evaluate engagement. If you are aiming for transactional efficiencies, quantify time spent processing transactions. If you are looking to improve data quality, measure error rates in transaction processing. If you aim to make HR more strategic, evaluate time spent at transactional, consultative, and strategic levels with an activity survey.

Determine how often you will measure success. If you wait until the project timeline is over, you'll be too late to course correct.

A leading financial firm articulated the expected financial outcome of a Workday implementation in a business case, with an assumption that work to process transactions would be reduced by 10%—and that served as a guidepost for the entire project team to develop processes, new roles, and organization structures.

### Step 3. Measure and act

Take measures as frequently as possible to see direction and trends and make meaningful changes in the right direction. More important than measurement is taking action—how can you course correct if you are off track? If you are not meeting your time goals, maybe you need to bring in more dedicated resources (as JOANN learned in its Workday implementation). If cost is too high, how can you simplify or scale back requirements? If HR people are not set up to do more strategic work, do they miss consulting skills or business

acumen? All of these actions are critically important, and the earlier you can start them, the better the business outcomes.

### Step 4. Iterate and improve

This important exercise can reveal both benefits accrued and inefficiencies, if any, for immediate remediation. In other words, was the goal that drove the project achieved? If not, what can be done in the next phase to drive toward accomplishing the goal?

Boeing defined a business case and HR-specific goals. At the conclusion of phase one, project leadership reviewed a summary scorecard of business outcomes achieved to date, with a projection of which goals would be expected to be accomplished further down the line.

## 4. Workday is the foundation for actionable people analytics.

Having more data and insights available to HR and managers to inform better decisions around people is a key value proposition of Workday. Successful companies use solid data management and governance approaches, a robust process to define data and insights needs up front, and integration with other systems.

There are various organizational, individual, and technical capabilities necessary for getting great insights from all that data in your Workday platform—and successful companies consider all of them from the start (Figure 11).

FIGURE 11

## 15 Principles of Excellent People Analytics

| | | | | | |
|---|---|---|---|---|---|
| **Organizational** | **Organization Design**<br><br>Reporting, leadership, ownership | **Team Governance**<br><br>How projects are assigned, staffed, measured | **Business Partners**<br><br>How business units or HR business partners are supported | **Integration with Finance and Ops** | **Workforce Planning**<br><br>Data, knowledge, and processes |
| **Skills** | **Business Knowledge**<br><br>Understanding systems, data, finance, and business itself | **Analytics Skills**<br><br>Data, statistics, reporting skills | **Engineering Skills**<br><br>SQL, DBMS, cloud, ETL expertise | **Visualization Skills**<br><br>Presentation, visualization, storytelling | **AI and Model Skills**<br><br>Building, monitoring, and training AI |
| **Technical** | **Systems Integration**<br><br>Integrating data systems, creating a dictionary | **Data Quality**<br><br>Quality, governance, ownership, trust, validity, recency of data | **Privacy and Protection**<br><br>Data privacy, protection, recovery | **Tool Set**<br><br>Visualization, analytics, platform tools | **AI-Enabled Systems**<br><br>AI apps or systems |

Source: The Josh Bersin Company, 2021

Issues around data appear in every business transformation and system implementation: the greater the amount of data, and the greater number of applications that are currently holding that data, the more decisions, migrations, and integrations will need to be addressed.

Careful curation of HR data is critical: accuracy, standardization, privacy, and security are top of mind because Workday serves as the system of record. There are many questions to consider:

→ What applications hold HR information today?

→ How much of that data should be migrated to the new system?

→ Where is "data in progress"—such as within the talent acquisition system—and how can you ensure vital in-process transactions are not lost?

→ How do you control secure, compliant access to both cloud and historical employee data when you need it?

→ How can you safely and economically archive historical data that is not moved to the new application?

→ How many systems in use today require data integration with the new system? Is the data flow between them one way or back and forth?

### Considerations for Historical Data

Companies facing HCM implementations need to consider how much historical data should be migrated to the new system. For compliance reasons, employee data has a very long shelf life—and access to it is required.

The issues in addressing what to do with the company's historical data are twofold: what data needs to go into the new system—and what to do with the historical data that is not migrated to the new application. Migration is not trivial—data never maps perfectly, and teams need to understand well the data models of Workday and the legacy system.

Archiving Legacy Data

HR and employee data that is not migrated needs to be securely stored for retrieval when necessary, as well as made available for analytics and use by AI. Companies can use different mechanisms to house all this data—in legacy systems without maintenance and updates, data warehouses, data lakes, existing on-premises data centers for on-site storage, vendor cloud storage (often very costly)—or even tape backup.

Integrations: The Catch-22 of Implementations

Data integration is one of the greatest issues affecting new HCM implementations. According to our research, undercounting the number of integrations (there may be hundreds) is a leading cause of both cost and deadline overruns. Major vendors provide application programming interfaces (APIs) and prebuilt connectors to and from the more commonly used third-party HR and business software applications, and often support proprietary integration clouds and tools to provide integrated development environments for their customers' use. Often, however, a firm finds many current integrations have been developed internally and, assuming they are still required, will need redeveloping. Off-the-shelf middleware solutions can assist customers in these and other integration efforts.

A major financial institution moving to Workday had kept no documentation on its previous HRIS integrations. The team checked scheduled queries and estimated 50 integrations. However, all the ad hoc queries were undocumented and unscheduled—such as requests for performance data. Seventy such "under the radar" connections existed—more than doubling the number of integrations necessary in the new system. The result: a three-month delay in go-live for that institution.

Successful companies ascertain the existing integrations with the HRIS or ERP system, as well as other talent and analytics applications. Where does the data go currently and why? In addition, planning for the stakeholders using the reporting data today and determining the sources of that data is critical.

There is, however, yet another step to consider in planning for integration work: What potential integrations that do not exist currently might you want in the near future? Questions to consider include:

→ Who needs HR data of a certain type who doesn't get it today?

→ What kind of data do they need: simple data such as demographic information or more complex data? Or analytics-like scenarios? Do they need dashboards, triggers, reminders?

→ Do they need it on a regular basis or on a sporadic, ad hoc basis?

Planning for all these different types of analytical needs drives the setup of the overall integration structure. In addition to the required point-to-point integrations, companies often use a "subscribe" methodology with data within warehouses or other systems to which queries can be made by subscribing and pulling the data when necessary.

At Boeing, leaders were given access to their data to see it in Workday as they would in the production system. They then provided feedback on the analytics and its usefulness. Based on that feedback, the project team made needed adjustments for ease of use and usefulness.

# 5. HR transformation depends on iterating the work itself.

HCM systems can enable HR to be more strategic by unloading administrative burden and putting more insights in HR's hands. Yet our research identified a whopping 57% gap between targets and actual results. How do successful companies accomplish this goal? They take a design-thinking, iterative approach to new HR operating models.

**Iterative Operating Model Design for Agile HR**
The typical approach to a large Workday project is to design an HR operating model up front based on roles (human resources business partners, generalists, HR shared services, etc.), responsibilities, and interactions. This model builds the baseline for process design, which means the process design is bound by the predefined model.

"It's like building a mousetrap and hoping the mouse fits," an HR technology executive told us.

The most successful Workday implementations use an iterative design approach to first define the work of HR, employees, and managers, and then finalize the roles, jobs, and organization structure. This means that work, jobs, roles, and organizational structure are designed in real time, together—rather than using a waterfall approach. This also helps the organization look at roles globally rather than in organizational silos.

Target's team designed a straw model and then started on global and local design—resulting in further design of the work. Then, the team determined based on current capability where the work should be executed. Thus, the work itself played a larger role in organization design.

For example, managers would enter employee leave requests into Workday, and HR would only look at those that did not fit the policy. The role of the manager now included leave processing as a core task, when previously it was part of HR's work. This streamlined the process, empowered managers to manage team members' leaves, and helped free up HR time to focus on more strategic work.

Rather than designing static models from the top down, the most successful companies build agile operating approaches in their HR teams that flex and meet business priorities wherever they are Figure 12).

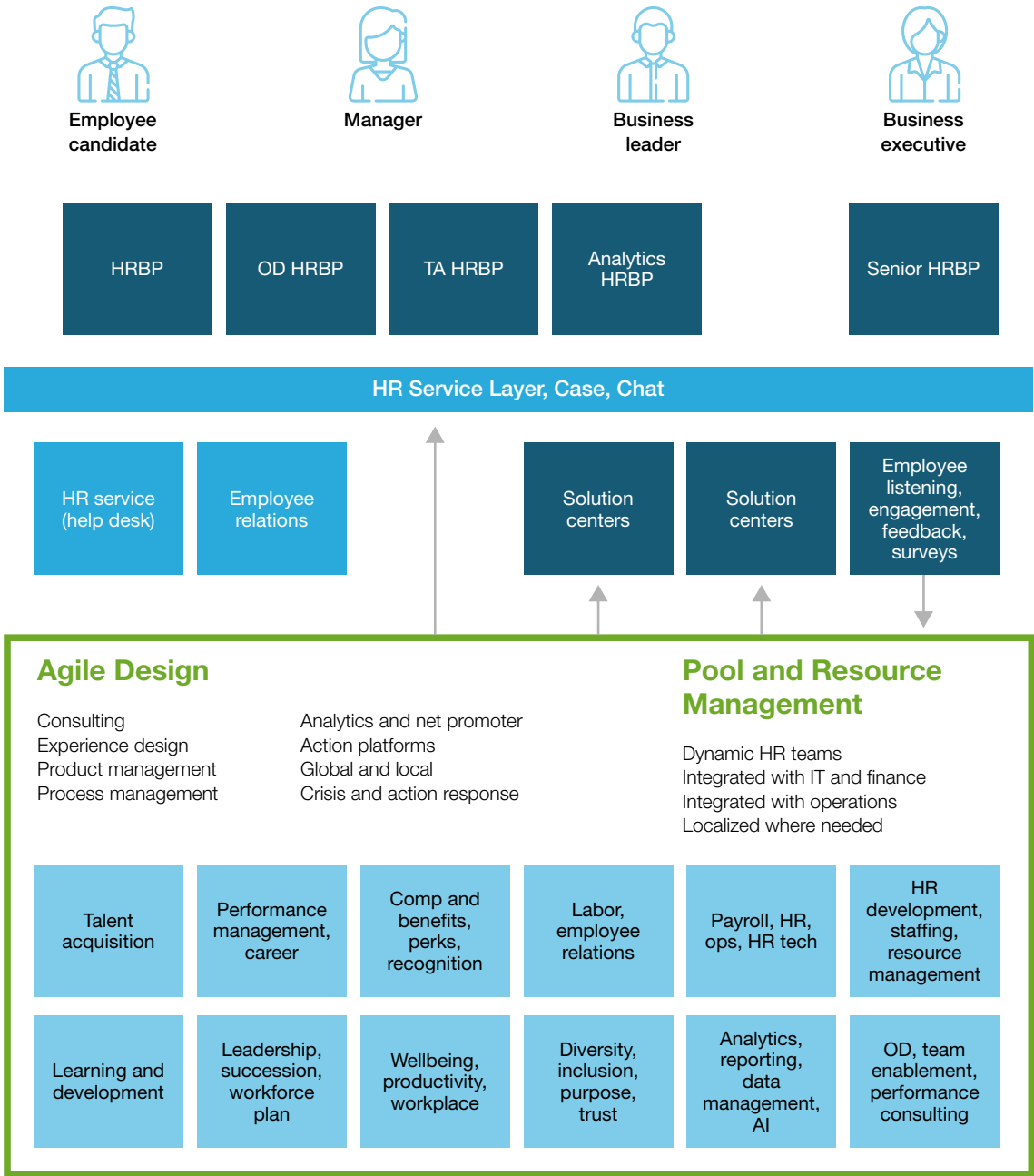**An Agile HRIS Team Approach Helps Adopt New Capabilities**
The future operating model involves shifts in roles and work of HR, employees, and managers. The group that might be most affected is your HRIS team—the team tasked with preparing for and implementing releases after you have implemented Workday.

Workday launches quarterly releases that bring new capabilities to customers. New releases need to be evaluated and adopted to leverage the Workday investment fully. This involves understanding the business requirements not currently met and defining how to incorporate new technology capabilities to close these gaps. To do this, successful teams demo new functionality, conduct regression testing, and then move the configuration into production. In parallel, change and process teams are rethinking business process, updating training and communication, and planning for adoption. So this team is no longer a behind-the-scenes IT team; it is now client facing and focused on the experience of employees and leaders.

Boeing has dedicated teams for continuous improvement, even postimplementation, to maximize the Workday investment. These teams define requirements, prototype potential solutions, and engage with the Workday product team for support.

FIGURE 12

## New Agile HR Operating Model



**Employee candidate** **Manager** **Business leader** **Business executive**

| HRBP | OD HRBP | TA HRBP | Analytics HRBP | | Senior HRBP |

**HR Service Layer, Case, Chat**

| HR service (help desk) | Employee relations | | Solution centers | Solution centers | Employee listening, engagement, feedback, surveys |

### Agile Design

Consulting          Analytics and net promoter
Experience design   Action platforms
Product management  Global and local
Process management  Crisis and action response

### Pool and Resource Management

Dynamic HR teams
Integrated with IT and finance
Integrated with operations
Localized where needed

| Talent acquisition | Performance management, career | Comp and benefits, perks, recognition | Labor, employee relations | Payroll, HR, ops, HR tech | HR development, staffing, resource management |
| Learning and development | Leadership, succession, workforce plan | Wellbeing, productivity, workplace | Diversity, inclusion, purpose, trust | Analytics, reporting, data management, AI | OD, team enablement, performance consulting |

Source: The Josh Bersin Company, 2021

## 6. Design thinking makes the experience irresistible.

Employee experience is everywhere today. Gone are the days when employees were expected to just deal with clunky corporate systems and stumble through awkward processes. Workday's focus on experience and journeys shows the importance the company attributes to them— and the most successful companies use design-thinking approaches to improve the experience (Figure 13).

**Personas and Journey Maps Bring Employees and Managers into the Workday Loop**
Design thinking is a well-documented approach in the customer area. Leading companies use this strategy to treat employees as customers and reshape experiences through their HCM transformation.
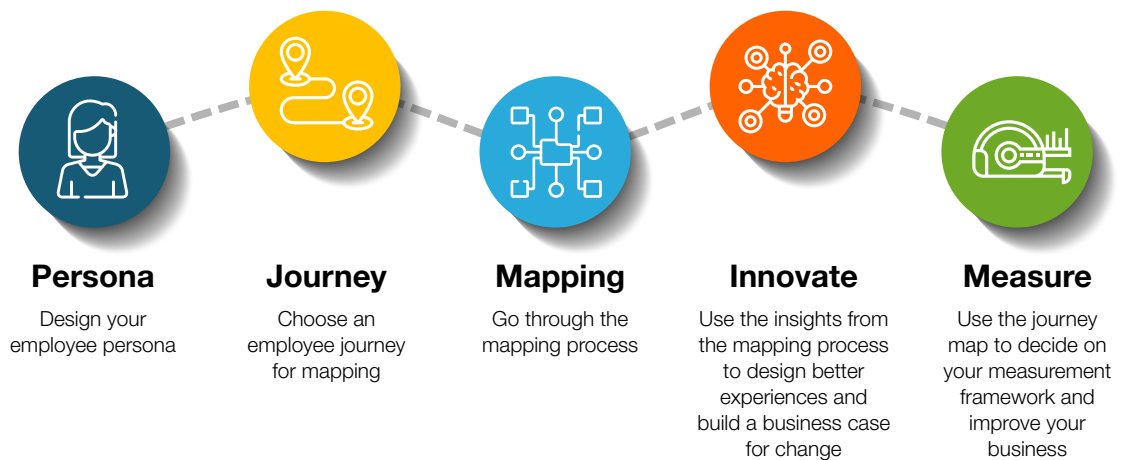
This includes designing what matters to your customers (employees and leaders) across generations, job roles, or other employee personas. Most companies use around five to seven personas—granular enough to understand the different needs, but not so detailed to have an overwhelming number of use cases.

Once personas are defined, the team outlines "moments that matter": the journeys that each of these personas goes through as it interacts with the HCM system. Rather than a lift and shift of old processes into new technology, successful companies take the Workday implementation as an opportunity to design new ways of working and collaborating.

Boeing designed the experience of six different personas of employees, leaders, and candidates. For each of these, journey maps were then built and tested against the prototypes to verify alignment to decisions made much earlier in the project.

FIGURE 13

## Design Thinking for Employees



| **Persona** | **Journey** | **Mapping** | **Innovate** | **Measure** |
| --- | --- | --- | --- | --- |
| Design your employee persona | Choose an employee journey for mapping | Go through the mapping process | Use the insights from the mapping process to design better experiences and build a business case for change | Use the journey map to decide on your measurement framework and improve your business |

Source: "6 steps to mapping the employee journey at your organization," Qualtrics / Amanda Wowk, December 1, 2020, www.qualtrics.com/blog/employee-journey-mapping/

GE, with 200,000 employees across 120 countries, defined 18 global personas and executed five global and local design sessions to finalize the desired experiences. Each persona navigated the journey through the Workday-enabled processes.

Deutsche Telekom has been using design thinking for a decade, starting with one experiment in HR. Now it has 600 design-thinking projects for HR transformation and even for nontechnology projects, such as how to structure executive compensation.

Philips made time to transform processes as part of a Workday implementation. The leadership team at Phillips was experienced with Workday, having completed a transformation at a prior company. The team helped make time for process design rather than rushing things and shoving the old process into the new system, ensuring the transformation goals were achieved.

**Feedback Loops in Configuration Prototypes Help Build Moments That Matter**
As the design process concludes, the next step in the HCM life cycle is to complete the configuration prototypes, created from a series of working sessions to make field-level decisions. Upon completion of a series of prototypes, the system is built to showcase these decisions.

This prototype review is a look at the configuration (usually in three iterations) that is based on the business process and previous working-session output. Because these projects take a long time, decisions made early in the design process are likely several months old, and sometimes forgotten or no longer valid.

Successful organizations verify that experiences outlined in journey maps in the design phase are represented in the prototype and incorporate a feedback loop.

At Boeing, each prototype was reviewed with the persona in mind and then adjustments were made as regional teams were given access to test and view the configuration at each stage. Then, tweaks and adjustments were made based on the feedback—bringing the journeys to life.

## Conclusion

Many companies struggle to get the expected value out of a Workday implementation. Beyond technical complexity, Workday implementations require a high level of expertise and are challenging from a change perspective. Decisions made early on might impact downstream capabilities and outcomes for years to come.

One of the best ways to determine where to go next for your own situation is to learn from others. If you encounter an issue, chances are others have been there too, and tapping into that knowledge is key to excellence with Workday.

# 4 Examples of Excellence

Case studies from six companies serve as a model for how to navigate the complexities of Workday implementations, balance HCM priorities, and accomplish desired business outcomes.

# Adobe: Reimplementing Workday to Scale the Employee Experience

## An Experience Technology Company

Adobe is an American multinational software company headquartered in San Jose, California, and specializes in software that creates great digital experiences. Adobe was founded in 1982 and employs more than 22,000 people.

Adobe's mission to change the world through digital experiences has never been more relevant as people seek new ways to communicate, learn, and conduct business virtually. Creativity is core to Adobe's DNA, and the company believes creativity empowers transformation. This is reflected in its game-changing innovations that are redefining the possibilities of digital experiences.

The values of Genuine (sincere, trustworthy, and reliable), Exceptional (committed to creating exceptional experiences that delight employees and customers), Innovative (highly creative and always striving to connect new ideas with business realities), Involved (inclusive, open, and actively engaged with customers, partners, employees, and the communities they serve) are what guide the daily operations at Adobe.

## Keeping Up with Growth

Adobe began its Workday journey in 2014 and went live in 2015 as one of the early adopters for some of the key functionality of the software. Since then, Adobe has experienced significant double-digit growth that has challenged how Workday was originally configured and how it could be leveraged to support the company's growth.

As the team reviewed the Workday platform, it saw opportunities to improve the hiring experience and reporting capabilities. This led to the reimplementation of Workday's recruiting module at Adobe. When first implemented, this module was newly released and only the basic features had been configured. There was now an opportunity to integrate more Workday capabilities, such as position management and candidate offer and assessment modules. Without some of this functionality, the Adobe team was challenged to accurately report head count, properly approve requisitions, and deliver on data-security requirements.

## Workday 2.0

To capture these new capabilities, the team set out to reimplement Workday with a focus on next-generation experience for a rapidly growing workforce. The team called the project Workday 2.0.

### Direct Engagement of Workday

Starting out, the Adobe team engaged Workday as a strategic partner. This meant Workday professional services and Workday product and engineering teams would be engaged directly with the Adobe team as the implementation partner. This ensured that Workday would be responsible for architecting the improved system in direct partnership with Adobe, eliminating the need for a third-party systems integrator. The Workday team was on hand to answer any product questions and provide immediate best practices. It also gained insights into the issues faced by the Adobe team, enabling quick decision-making by Workday leadership to either build new capability to close a gap or recommend a workaround.

### A Focus on Change Management

To build on the initial implementation of Workday at Adobe, there was an opportunity to educate stakeholders on the software's full capability. This was a combination of new functionality and pieces of Workday that were not being used. An education campaign began to increase awareness and showcase the broader capability of Workday, leading to increased adoption and better overall understanding of Workday within Adobe.

### Ongoing Release Management Centered on a Great Experience

The HR technology team at Adobe proactively works with technology partners to evaluate the company's HR technology ecosystem, identify the pain points it is looking to solve as its business scales, and craft solutions to address them. This often leads to new configurations of existing capability in Workday or a coordination effort with Workday to build new functionality into a future release. These efforts are discussed with leadership and prioritized based on business needs.

## Results: Scaling a Great Experience

The Workday reimplementation at Adobe helped accelerate the digital transformation of the company's HR practices. For Adobe, this meant working directly with Workday professional services. The Adobe team knew it would challenge the Workday team, and direct access was key to its success.

The other piece was educating key stakeholders about Workday capabilities to ignite excitement about the power of Workday in helping the company scale.

# Boeing: Using Workday to Foster a Great Experience

## The World's Largest Aerospace Company

Boeing is the world's largest aerospace company; a leading manufacturer of commercial jetliners and defense, space, and security systems; and a service provider of aftermarket support. As America's biggest manufacturing exporter, the company supports airlines and U.S. and allied government customers in more than 150 countries.

With corporate headquarters in Chicago, Boeing employs more than 160,000 people across the United States and more than 65 other countries.

## More Than 70 HR Applications, Limited Insights about People

As Boeing was turning 100 years old, the company realized it needed to modernize in order to continue as a leader in HR technology and employment. This meant that HR had to modernize and be responsive to the business. Organic and inorganic company growth had led to the adoption of more than 70 HR applications, making it difficult to derive insights for managers and put the power of self-service into employees' and leaders' hands. Consequently, HR was burdened with administration and tactical details.

## Leveraging Workday to Drive a Great Experience

Boeing embarked on a transformation journey, powered by Workday, to create one consistent approach to HR and people actions across the globe. Importantly, the project to implement Workday was not seen as a technical installation but as a way to leverage technology innovation, create real-time insights on people, and power HR transformation. Creating a better experience for employees and managers as the customers of HCM was the ultimate goal. The process scope included all core HR processes, such as new-hire setup, transfer, and job changes, and focused on the full capability of the Workday product today, aligned to the core values of the project.

### Five Key Themes

The team set out to create holistic transformation across people, process, and technology. As the first major step, the team defined five key themes with input from leaders and employees:

1. Make HR a strategic enabler.

2. Create more HR capability.

3. Lower cost.

4. Enhance productivity.

5. Enable Global Boeing.

These themes were at the center of the entire project—used to govern project decisions, define success criteria, guide the work of the implementation team, and support change management, communication, and messaging.

### Establishing a Cross-Functional Team

Planning this broad, complex project required first setting up a dedicated team to drive it. From the very beginning, a partnership among HR process owners, solution architects, and IT was critical to success—throughout the implementation of Workday and beyond.

### The Case for Transformation: Enable Global Boeing

The HR transformation program—powered by implementing Workday across the globe—included a robust business case for transformation that the team revisited throughout each phase of the program. This business case focused on understanding and communicating the expected outcomes, defining success measures, and comparing actual results against targets on a monthly and quarterly basis.

The message to "Enable Global Boeing" carried significant importance—enabling business leaders to access data in a new, simplified, and much faster way, and to create consistently excellent experiences.

### Simplifying the HR Technology Ecosystem

One of the key goals of the program was to simplify the HR technology ecosystem, using as many of Workday's capabilities as possible, to eliminate technology redundancy. The Boeing team aimed to sunset the more than 70 HR systems it had accumulated over the years.

### Phasing Complex Integrations for On-Time Implementation

To simplify the technology ecosystem, the integration catalog grew quickly to more than 200 integrations because a system that was going to be sunsetted had been sending data to other systems that still needed the data and users. As a result, Boeing went live with Workday missing various integrations. Instead, the team designed manual workarounds and developed the integrations postlaunch. This approach eliminated the tempting analysis-paralysis phase and allowed for the team to go-live on time, and then focus on fixing issues as they arose versus making the decision to delay a go-live multiple times. Importantly, the implementation team was not disbanded after the initial go-live.

Boeing leadership "took off the Band-Aid" but dedicated the right team to focus on continuous improvement.

### An Irresistible Experience at Scale with Personas and Journeys

The project team set out from the start of the project to improve the end-user experience—for candidates, employees, business leaders, and HR. Boeing had to do this for a global employee population of more than 160,000 employees across the world.

#### *Six Persona Types*

The ultimate goal of significantly improving the experience for all users—not just HR—had to be balanced with keeping a technically complex Workday implementation on schedule. So the team decided to create six categories composed of employees, leaders, and candidates. For these persona types, it layered the desired experience design using journey maps.

#### *Designing, Validating, and Prototyping User Journeys*

The team tested the journey maps, vetted them globally, and ultimately built them into the configured Workday prototypes that then were reviewed from the viewpoint of the personas. Including representatives of these personas helped validate the work and speed approvals. A lesson learned was to revisit the journey maps more frequently to account for changing dynamics throughout the implementation process.

### End-User Adoption through Just-in-Time Guidance

Change management and a focus on adoption were critical to project success. New users had to be trained on the Workday system, including understanding the purpose, how everything would work, and (sometimes most important) the navigation to complete transactions.

In parallel to implementing Workday, Boeing also implemented ServiceNow. The team used the workflow capabilities of that system to provide managers with just-in-time guidance. Because Workday was designed from the start to be simple and intuitive, managers didn't need cumbersome click-level training.

**Adopting Releases with a Focus on the Experience**
Boeing is now consuming twice-yearly releases provided by Workday. The company also has the opportunity to leverage additional options and features. Now that the system is in steady state, decisions to incorporate new functionality center around helping employees and leaders accomplish goals and complete their work more easily.

Cross-functional collaboration between HR and IT continues to be critical in release adoption. The evaluation process for each release includes the review of release notes, evaluation of functionality in the sandbox, and then eventual demonstrations on how these new features can add key capabilities into the Boeing configuration. This process is thorough and full of key tollgates to get into production but is not slowed down by a governance step.

**A Continuous-Improvement Focus**
Because the system design was so complex and dynamic, the implementation team struggled with including screenshots for managers in the self-service training documentation—as soon as it published screenshots, these visuals became obsolete. The team used a great deal of in-line resources to help at the moment of need instead. Now, the team is looking to users to give feedback on the process as part of the continuous-improvement approach at Boeing.

Continuous improvement also includes iterating on the processes and integrations, with a dedicated team focusing on making the experience more engaging and providing better data and insights.

## Results: Enable Global Boeing

The Boeing team achieved an incredible feat by bringing the company onto one system, creating a streamlined user experience, and modernizing the process. Rather than recreating current journeys, the team used a people-first approach to transform the experience, using design thinking.

The team at Boeing truly accomplished the goal to Enable Global Boeing with this project. The group put people data in the hands of managers around the globe and taught them how to complete transactions in the system that had previously taken multiple calls or emails to support teams to complete.

# General Electric: Transforming the HR Ecosystem with Workday

## A Global Conglomerate on the Move

General Electric (GE) is an American multinational conglomerate incorporated in New York City and headquartered in Boston. In 2020, GE ranked among the Fortune 500 as the 33rd largest firm in the United States by gross revenue. Today, GE is focused on power, renewable energy, aviation, and health-care businesses. GE employs more than 200,000 people across the globe in 120 countries.

Since 2018, GE leadership has significantly changed with the addition of a new CEO, CFO, and CHRO—all focused on "reinventing how we work" and returning GE to a position of strength.

## 156 HR Systems

A key focus for the organization was to modernize HR and its infrastructure. Leadership was challenged with a complex question to understand the spending today that was difficult to quantify because systems and processes were implemented more than 20 years ago. The organization had 156 different systems for HR, payroll, talent, and time management. HR wanted to innovate and add business value, but the complexity of the HR ecosystem made this an impossible feat.

## A Mission-Driven Workday Transformation

The HR team identified a streamlined HCM platform as a critical factor to power innovation and business value, and selected Workday as the solution.

The stated vision for the program was:

"Workday will empower our people, contemporize our culture, and put the power in your hands. Workday is more than a technology change, it's a different way of working in the new GE … enabling you to focus on the moments that matter."

### Planning a Big Bang

This included the full Workday HCM Suite (HCM Core, Compensation, Global Benefits, Talent Management, Recruiting) to bring more than 200,000 employees from 120 countries onto one app in a big-bang go-live. According to Workday, this program was ranked in the top three most complex transformations enabled by the company's technology.

### Setting Up Integrated Teams

The program consisted of five main work streams: project leadership, program management office (PMO), tech-data-finance, change management, and the Workday teams, organized by module. The teams were tightly integrated between the implementation partner and the client team, allowing for knowledge transfer to start on day one.

### The Kumo Creed: A Career-Defining Experience

The Kumo creed is one of the key tenets of this program's success—a statement of the project vision and how this vision would be accomplished. It quickly became the project team's mantra as it looked to empower leaders in the moments that mattered for its people. Having the Kumo creed as a guidepost that defined the work on a high-powered project team as a career experience that was also fun and engaging helped recruit the most experienced people to the team.

One important principle of Kumo was "have fun," emphasized throughout the project. The overall complexity of the initiative was high given the number of legacy systems, volume of data to convert, and degree of change from yesterday to today for managers, but the thoughtful change program, anchored by the Kumo creed, set this team up for success.

### A Focus on the Project Experience

Each team member and adviser was assimilated into the program using the Kumo creed. It was common for those who joined the program to receive a cake on their first day as a welcome. The elements of effective onboarding were demonstrated as all team members knew their roles, the larger purpose, and where to get information. The project served as an experience too—energizing high performers to be part of this transformation.

### Empowering Self-Service

An important tenet of project success was a laser focus on a better manager experience—to engage people leaders into performing transactions via self-service, rather than submitting changes to HR. Designing an easy-to-use, simple user experience was critical for the team, and it involved managers directly in testing and prototyping the new transactions, iterating along the way.

### Factors of Project Success

The team identified various factors that were critical to the project's success.

1. **Project Management:** This initiative brought with it a very mature approach to managing a program of this size and complexity. A clear vision and guiding principles were communicated across the team and integrated into how the PMO team functioned on a day-to-day and week-by-week basis. It was well known that not everyone needed to be in every meeting, and this brought a focus on

efficiency. There was a specific cadence of day-to-day management, weekly status, monthly key decisions, and quarterly leadership briefs. This approach allowed the team to focus on the work and not on constant status updates, because it was known who was responsible for communicating what.

2. **Operating Model Design:** The HR operating model for GE moved to a focus on Tier 0 (self-help) and empowering the leader. This model was contemplated before global/local design sessions and informed the persona design and use cases throughout each step of the journey. The team asked a simple question during design sessions: "Why won't this work for you?" This helped surface significant design issues and helped reduce complicated configurations when they ultimately were not required.

3. **Change Management:** This methodical approach brought users from being aware of Workday and the accompanying new ways of working to ultimate adoption of the platform and the new behaviors the program was intended to drive. This team was in the room for all key sessions, documenting its understanding of change impacts for what needed to be communicated when. The team also had regional leaders who had responsibility to brief those under their domain and share feedback as it was acquired. The local champions were key to success as they were closest to each local market and could quickly address issues before they bubbled up and created disruption.

4. **Global/Local Design:** The design phase of this program took the approach of going slow to later go fast. This phase lasted two months and included one global

design workshop and four regional design sessions. It was focused on defining the global design requirements, local design requirements, and creating/validating global and local personas. These 18 global personas provided a backbone for how users would interact with the system and bring the vision and guiding principles to life. They outlined the use cases for how each of these personas would operate in the new environment in Workday but also interact with the new delivery model that was focused on self-service and empowering managers. In this move to Workday, there was almost zero lift and shift of existing processes, and everything was experienced based on these agreed-upon personas.

5. **Sprint Planning, Build, and Execution:** This phase took the approach of "build, show, and validate," and included 13 distinct sprints that brought the four regions into the deep configuration phase of Workday. The leader for each region, known as the assigned regional coordinator, was responsible for bringing the full scope for each Workday module (and integrations) through the process of creating workbooks and translations, and documenting decisions and risks that ultimately allowed the project to enter the testing phase, closing the design and build phases.

6. **Conversion:** As part of this implementation, GE moved 2 terabytes of data, which represented about 17 million transactions, into this new environment. The move required a typical extract, scrub, and load, which had not been done before,

with 156 legacy data-source systems. This required six Workday tenants to be built that were used for different purposes as the GE team reached the prescribed go-live date.

7. **Cutover and Hypercare:** The cutover plan consisted of 3,000 lines and considered technical, operational, functional, business readiness tasks that were part of an executive leader dashboard that was monitored closely for months. In the lead-up to the go/no-go decision, the team worked through eight formal checkpoints. Once go-live was executed, the team immediately entered hypercare for 12 weeks. This period centered on issue resolution, using a follow-the-sun model, a concentrated manner, and a war-room mentality to focus resources on quick resolution times and monitoring of activities such as adoption and change management.

8. **Governance Model:** The collaboration model for a project of this size required global and regional representatives who shifted from operational responsibility to strategic/advisory support of the teams, leading to a strategy and vision that were then realized. Each of the key stakeholders had a defined role and was responsible for managing and supporting the work of their teams. Ultimately, this model ensured there was a clear process for completing minor configuration changes up to escalations. It has been a critical element of the overall program, helping people understand who is responsible and accountable for which aspects of the overall management of GE's Workday platform.

## Results: Streamlined HR Ecosystem, Self-Service, Strategic HR

The Workday implementation at GE wasn't limited to a technology installation. It was a shift in the way work was going to be done in the future at GE. The company streamlined the HR ecosystem from 156 systems to one easy-to-use platform powered by Workday.

Managers now are able to access and use data through self-service. Instead of clunky back-office processes with multiple touch points and poor quality, more than 80% of transactions are now done via self-service.

This shift allowed HR to change its role from tactical administrator to strategic adviser, focusing on talent, culture, and organization. Building new HR capabilities was a key enabler.

The Kumo creed was essential for project success, providing all team members with guidance for their day-to-day work. Senior leadership often emphasized it as a key guidepost—creating the experience of a lifetime for project team members as they created new experiences for managers.

# JOANN: Sewing Up a Successful Workday Journey

## A Specialty Retailer

JOANN is an American specialty retailer of crafts and fabrics based in Hudson, Ohio. It operates the retail chains JOANN Fabrics and Crafts and Jo-Ann Etc. The headquarters of the company is located at the former General Motors Terex plant, and JOANN operates in 855 locations with about 23,000 employees.

## Expensive HRIS System Renewal

The JOANN HR team was confronted with a very expensive renewal in nine months of its on-premises ERP HRIS solution, SAP HR. The team had to decide which direction to go: plan for renewal, or deploy a new system on an incredibly tight time frame.

## Implementing Workday in Nine Months

The leadership team decided that an all-in Workday implementation was the way to go. Starting in February 2019, half of the 60-person HR team was pulled into the project, implementing core HR, benefits, performance and talent management, recruiting, learning, absence, and time-off. Payroll, advanced compensation, and open enrollment management were moved to phase two, which went live five months later. The team was excited about the new solution—and put in a lot of dedicated time and effort.

"The HR team refused to fail," reports the HR director. "They did whatever it took to make this work."

### HR and IT Partnering for Excellence

HR's partnership with IT was crucial to the success of this project. At JOANN, the groups already had a great relationship in place, which team leaders cited as critical. IT is also the department managing all technical contracts for the company. The IT project leader "practically lived in HR," as she and the HR lead spent at least an hour a day together during the Workday implementation.

### The Importance of Data Management

Data management was conducted internally. Several IT members were chartered with data conversions and integrations. Data migration and conversion proved challenging for IT members because of lack of familiarity with Workday, plus they were new to the concepts and process of HR. Training helped but it was later when the implementation started.

### Technical Integration Challenges

The biggest technical challenge centered on differences between SAP HR and Workday with security roles and system access data. Because the capabilities are different, integration between SAP and Workday was required—and integration proved the single most painful and challenging task facing the IT staff as the company decided to manage its integrations in-house. Characteristically the most difficult area in implementations, integrations still need to be accomplished after two phases of implementation, the IT lead noted.

### Leveraging a Knowledgeable Implementation Partner

The implementation partner was critical to the project as well; in-house knowledge of the new solution was, unsurprisingly, lacking. The various groups met with the IT lead individually; project leads convened almost daily. Contracts and change orders had to be addressed immediately as the company couldn't afford any delays in meeting its tight deadline.

### *Managing Change with 100 Change Champions*

With lack of bandwidth for change support on a dedicated project team, JOANN looked for additional change support and recruited volunteers in the business to serve as change champions.

Employees across JOANN raised their hands—including someone from every department across the organization's 800 stores. Starting with about 50, the project ended with 100 change champions: department managers, field HR, vice presidents, and representatives in the distribution centers.

The volunteers were trained and went back into their groups and gathered feedback for the project team. This helped the organization in that employees knew something new was coming and were able to provide their input on issues of user experience. Senior leaders included project updates in their town halls, and posters and T-shirts were used to increase awareness.

### Go-Live Support with a Dedicated Help Desk

Planning for extra levels of support during go-live is another best practice that JOANN adopted. The team created a go-live call-in help desk to assist users after the new system was operational.

A couple of core project team members and four newly hired temps staffed the call center. This support team remained in place for the first six weeks to guide and support users during the initial rollout.

### Two Categories of Help Required

There proved to be two primary categories of questions as the system went live: one fairly easy and one requiring more assistance.

The easy category included: "What is my password?" This question was easily resolved and documentation was used to guide people in setting and changing passwords.

The second was a bit more challenging. JOANN went live in November, right before peak hiring for the holiday season. Recruiters across the 800 stores had to close out existing requisitions in their SuccessFactors talent acquisition system and learn how to set up requisitions in Workday. The support team walked many recruiters through the steps to do that.

### Managing Releases Smoothly

The HRIS teams manage the ongoing Workday releases, deciding which new functionality it wants to implement and which not. JOANN has added a new member to the team just to try to keep up with the volume—a commonly reported issue in cloud implementations in general. The team reported that while it has not turned on a lot of the new functionality yet, overall release management is running smoothly.

## Lessons Learned

As the team thinks through what made its Workday implementation successful, it documented lessons learned that are applicable for this transformation— and for other implementations. The team at JOANN accomplished a challenging project schedule with the help of dedicated leadership and committed team members.

**Dedicate an Implementation Team**
Put your top people on the implementation team and backfill their positions so they can remain dedicated to the task at hand, especially if the project is working toward a tight timeline.

**Partner Closely between HR and IT**
The existing collaboration between HR and IT at JOANN was critical to completing the Workday implementation on time and on budget.

**Leverage Change Champions**
Finding 100 volunteer change champions at all levels in the company and in all locations helped spread the word and create excitement for the new platform.

**Use a SWAT Team for Post-Go-Live Support**
Right after go-live, users will have a lot of questions and need dedicated support. The call center approach was important for JOANN because most of its team members are not computer-based but work in stores.

**Plan for Release Management**
The twice-a-year release schedule from Workday requires companies to review functionality and decide on adoption. Defining who will be accountable and the process for this are key.

# Target: Transforming HR with Workday

## A Massive Retailer Focused on People

Target, one of the world's largest retailers, serves guests at more than 1,900 stores with more than 350,000 team members, 44 distribution centers, and 20 office locations. Today, 75% of the U.S. population lives within 10 miles of a Target store, and in 2020, the company's gross revenue was $93.5 billion. To support team members who drive incredible business growth for Target, the company provides best-in-class benefits, a starting wage of $15 for all team members, paid leave, coronavirus benefits, and in-kind support via the Target Team Member Giving Fund. In 2020, Target spent $1 billion more investing in team members' health, safety, and wellbeing compared with 2019.

## Fragmented HR Tech Architecture, Tactical HR

Before 2017, Target used PeopleSoft for key HR and payroll capabilities and had customized that platform significantly over the years. In addition to PeopleSoft, Target had several other solutions in place, including custom-built applications to support talent practices. Previous HR technology at Target was cumbersome, outdated, and ineffective at supporting "hire-to-retire" processes. Target saw an opportunity to modernize and remove old legacy systems.

This complicated set of HR systems was highly complex, filled with customizations, costly, and hard to maintain, and it didn't empower leaders and team members to interact directly with them.

Because the systems were so hard to use, HR was buried with HR transactions and couldn't focus on providing strategic and consultative support to the business.

## Leveraging Workday to Enable Strategic HR Capabilities

In 2017, Target began scoping and planning for an HR transformation project with Workday as the select partner, focusing on the team member experience.

The team members at Target know their stores and operate in them every day.

"As an HR function, we needed to give them access to information to know their people as well as they know their P&L," said Steve Brophy, senior vice president of HR at Target and the project's executive sponsor.

### Defining Criteria for Success
As the team looked to Workday, it focused on a few key themes:

1. **Streamlined HR processes to work smarter and faster.** The team needed to be smarter and faster by putting consumer-grade technology into the hands of team members.

2. **Empowerment to provide access to data and information to help grow a career, develop a team, and drive the business.** Team members needed access to information so that they didn't need to call other teams or enter a service ticket to see a report. They needed to see their own data to be able to make decisions quickly.

3. **Intuitive technology to enable working quickly, easily, and on the go.** The team needed the tech to be intuitive, not require hours of training, and be simple and easy to operate. The team needed simple features like mobile view to see a paycheck,

the ability to approve a transaction, or apply for a job.

4. **Visibility and collaboration to solve challenges, share ideas, and connect with others.** The team needed to be able to collaborate in a seamless manner using modern technology. This initiative was coupled with a Microsoft 365 project that brought all new capabilities into this space for Target team members. There was also a need to simplify how store leaders engaged HR in daily tasks—making them simple and operating from one data source of truth.

The program also included a phase two for learning, onboarding, and recruiting that went live in 2019.

## HR and Technology Services Coming Together as a Team

From the top down, Target knew it needed the highest level of collaboration with HR and technology services to have a successful Workday-enabled HR transformation. The technology services team at Target had just completed an agile transformation and had shifted some of its core capability to operate in the cloud world.

## HR Goes Agile

For HR, this project would be a new experience working in a nonwaterfall methodology. In support of this effort, the HR team established business capability ownership, with a clear definition of ownership and decision-making. This shift to business capability ownership and the concept of MVP (minimal viable product), which was new to HR, would be key to moving this project at the pace it required. As a result, the leadership team knew from the start that the technology would be ready, but it would have to work toward helping the business be ready to take advantage of the improved capabilities.

## Transforming How Work Gets Done

The Workday-enabled HR transformation was more than a technology installation. Indeed, it focused on enabling a growth mindset at Target. The program included significant changes in business process, roles and responsibilities, HR capabilities, and HR delivery model. The changes were constructed based on team members' experience as they looked for support in completing the work they were now empowered to do in Workday.

Early on in design, the team decided that a streamlined experience was critical. With this approach confirmed, every process was redesigned, and previous practices were not the guidepost for what the future would look like in Workday. Instead, the system was built based on leading practices in the industry, coupled with the Workday system's capability and spectrum of configuration options.

## Supporting New HR Capabilities

As Workday was put into action, Target saw the HR business partner being removed from daily time-consuming tasks with an eye on efficiency. Once the task had a place in Workday, the capability of that team was further aligned. This process forced capability ownership in HR, with teams documenting the new process details in Workday and how the process would look and feel to each stakeholder.

The final element was what Target brought to Workday as a result of its scale. Many of these items were new to Workday, and they enabled success by cutting through layers and getting the right leader engaged to hear the use case and make quick decisions that ultimately created a better product for Target. This access changed how the Target team integrated with Workday and was one of the reasons for its success.

## Transforming Data for 350,000-Plus Employees

Data integration was a key win for the Workday program at Target. This was not because it

included a large number of countries or disparate systems, but rather because of the scale that would be required to pay more than 350,000 team members from a new system, days after go-live.

One of the key enablers was the two-in-the-box approach with the systems implementation partner. Both HR and technology services led the integration capability, design, and rules. This was key to long-term success as changes needed to be made. The other key win was the ability to reduce complexity and remove legacy systems that had been part of the previous ecosystem with Workday performing their function. This reduced the number of touch points required and included 50% less legacy-system involvement than originally expected.

### Change Management with a Focus on Business Readiness

Over the 14 months of the program, the Target-led change team was tasked with overall awareness. The team looked to promote the intuitive and simple nature of the new design, and results were positive—with 98% of work being done by a team leader, rather than HR.

To get there, according to Brophy, "The team started by outlining the change-readiness plan on every section of the wall in one of our largest conference rooms, and I was able to see each stakeholder touch point by week."

This gave the Target team the confidence that business readiness was going to be completed for go-live.

### Administrative Assistants as Key Stakeholders

The biggest community that had to change was administrative assistants. The Target team understood this key stakeholder group and developed the proxy role in Workday to enable members to use it. This exercise ultimately led to the go/no-go decision in which Target leaders discussed business readiness. The scorecard was full of yellow—more than green or red—according to Brophy. The team had done everything to prepare for go-live and the decision was made to flip the switch.

## Lessons Learned: Focus on Transformation

There was a moment early in the program when the leadership team reached the conclusion that the technology would be ready, but it worried about whether the business was prepared to adopt it. This shift brought significant change, putting data in the hands of employees to see pay stubs and giving team leaders the ability to complete a transaction without a phone call and long wait. These were part of the many process changes that were made as a result of moving to Workday. To mitigate this, emphasis was placed on the Target change team to plan and execute. The other significant item was moving 350,000-plus employees to a new platform for payroll. To get this right, data and integrations have to work flawlessly and transactions have to be completed in a timely manner. This success was ultimately realized.

Target's Workday implementation was primarily focused on modernizing the HR and payroll platform. It also unlocked access to a set of tools and a configuration capability that allowed Target to adjust and maneuver through challenges from social unrest, the pandemic, and record storms and fires in parts of the country.

These challenges gave the Workday team an opportunity to showcase the flexibility of the platform as leave types were added, pay codes were changed, and new leave policies came into effect. Some of these changes were not possible in the old systems. In the future, the team will continue to add value by delivering new releases that even further improve the experience of team members.

# Financial Services: Going Global on Workday

## A Global Financial Services Company

A financial services company with close to 3,000 employees and a number of subsidiaries frequently completes mergers and acquisitions, making it challenging to create consistent and scalable people experiences.

## Complex Maintenance of PeopleSoft

The company faced an issue common to many: even though it had moved its PeopleSoft application to a separate cloud almost a decade ago, the increasing complexity of the software's maintenance and the need for improved scalability for new acquisitions drove the need for a new HRIS solution.

Further drivers for a replacement included improving HR, employee, and leadership experience with more employee self-service and accountability, and a streamlining of HR processes.

## Using Full-Scope Workday Capabilities

The firm successfully deployed Workday core HR, employee and managerial self-service, benefits reporting, time and absence, and payroll, rapidly following its initial implementation with Prism for analytics. With its goal-setting processes in SuccessFactors, the company is now implementing Workday talent and performance.

### Managing the Project
The Workday implementation was championed by the executive vice president of HR. The internal HR project management office worked closely with the

implementation partner throughout, and created a pyramid-shaped model for decision-making, empowering functional work-stream leaders as decision-makers.

### Early Start on Change Management
As with every successful implementation, change management was on the radar early. While some organizations have a corporatewide office dedicated to management change, in this firm, HR owned the change initiative.

The change management experts—the team supporting business units on large change initiatives—have a defined, replicable framework for big changes, applied consistently. With a major HRIS replacement, the team knew managing change was going to be a sizable part of the total effort, so change management partners were included from the very beginning, participating in the global design sessions.

Through this, the change management team could identify stakeholders and hear their different views from the start. The efforts, however, were not just directed at end users; the robust change management plan covered all the change in processes to ensure all users were onboard and supporting adoption.

### Business Transformation and Change Management
Even with the emphasis on change management, in retrospect, the team felt it took focus off too early. While the team began with a work stream on workforce transformation dedicated to understanding how employees actually did their jobs, members rolled it into the change efforts rather than keeping it separate. The lesson learned is that business transformation is different from change management; because it was combined with change management, the concept lost focus.

## Factors of Project Success

The team identified various factors of project success.

1. **Creating a Shared Vision:** Foremost was a shared commitment and vision of what the organization wanted to accomplish. Support stemmed from C-suite executives throughout all of HR. Downstream stakeholders were always involved, and the organization cites its good third-party integrator as a major factor in its success. As often happens, the people who were tasked with implementing the new application were also doing their "day jobs." While acknowledging the challenge to balance both, they quickly learned what was needed in the inevitable crunch to meet milestones.

2. **Using a Solid Governance Structure:** Starting out with a good governance structure is critical so that all players involved—not just HR or the technical team, but the consultants as well—understand their roles, responsibilities, and decision authority, as well as when to escalate and how to do it. The organization identified core principles from the beginning—and referred to them throughout.

3. **Strong Support for Project Management:** It was vital that the project team worked hand in hand with the business owners and the implementation partners. Finding an implementation partner that suited the company culture was stressed to avoid differences in approach to HR and the project overall, helping the two groups work together smoothly. Criteria for partner selection, the firm recommended, should include multiple similar successful implementations and the ability to support the global enterprise.

4. **Consistent Transparency:** A culture of honesty and transparency on status against milestones and timelines fostered raising awareness of potential issues in a timely manner. If employees feared repercussions, progress might have been sugarcoated—to the detriment of the final result. Thus, all stakeholders felt able to raise issues, such as the need for more time or an underestimated effort of some part of the project.

5. **Maintaining Data Integrity:** This critical factor was achieved throughout the migration; once in the system, the data was accurate and accessible without discrepancies. The implementation partners had tools to help validate and load their records from PeopleSoft into Workday, and extensive validation testing ensured accuracy. In addition, the internal work-stream lead on HR data conversion worked with a technical counterpart to ensure familiarity with the process and the data itself. Facing a heavy workload in this aspect of the project, the two leveraged other resources, such as their consultants to validate basic data, but the firm kept complex conversions with its own internal people.

6. **Planning Ahead:** Many HR factors can affect and delay the project if addressed concurrently with a major implementation. This firm recognized this early and spent two years before planning the move to Workday in minimizing job codes, reviewing and streamlining pay levels, evaluating and cleaning up roles and positions, and harmonizing job levels and bands.

## Challenges Faced

The team faced various challenges in its Workday transformation.

1. **Never Enough Time:** This company's advice is, "Don't underestimate the time it will take to do it right." Like many, given the implementation partner's timeline for its work, the team pushed to compress the schedule, making the timing too tight. Members also, in retrospect, wished for more vendor guidance—given Workday's extensive experience with implementation length, it did not push back, leading the financial firm's team to think its timelines might be achievable.

2. **Limiting the Historical Data to Be Migrated:** The decision to just take one year of transactional data was logical, and is viewed as an industry established practice; however, the team was inundated by requests for historical data that had been previously accessed both through manual and SQL queries.

3. **Integration Support:** This is a constant cause of implementation headaches. The financial organization had 160 integrations in scope—not an atypical number—but like many, vastly underestimated the effort needed in the design documentation for those functions in both time and effort. It is important to limit integrations to those that are absolutely necessary (which this firm did), and document them early in the implementation process. Each integration requires thorough validation and regression testing; without building in design and test time early, there may be insufficient time for comprehensive testing before the system goes live.

4. **PeopleSoft and Workday Vary Significantly:** Workday, in one example, employs position management, which executes processes differently and thus changes the people processes as well. As a concept, this was new to a lot of the financial firm's users. While position management is set up in Workday, it will affect processes that happen outside of the HR system. The team tried to streamline it to ease use by business leaders on processes such as in-line promotions but ended up spending months on how position management works. These requirements for internal changes need careful consideration and education; tailoring the position management function is difficult.

## Going Live with a Big Bang

This financial firm went live via a big bang—the statements of record were active on day one for the entire organization at one time. Implemented in this phase were core HR, time and attendance, payroll, and benefits; it was more appealing to this company to move everyone at once rather than maintaining two systems, even for a short while. Communication to employees centered on the benefits of the new system, the ability for employees to see all their own data, and the immediate ability to download the Workday mobile app.

### Triaging Support

A critical aspect to early employee buy-in to the new system was the support triage center that was created to address the issues and questions of end users during the first three weeks. Members of the implementation team, the system integrator, and other technical partners were all in the same room tracking incoming questions and assigning issues management in real time, via SharePoint. The team viewed this extra and immediate support as a key element in the early deployment success. Currently, over a year since the initial rollout, the organization has never missed a payroll.

A large to-do list of items to be addressed post-deployment followed the initial implementation.

### Ongoing Release Management

Getting the infrastructure in place early to optimize ongoing release management is perceived as key: for this organization, the technical team's functional leads who supported the implementation continued to cover their core areas and provide backup responsibility in another area. This model ensured a depth of knowledge on the Workday system. The center-of-excellence partners view incoming functionality requests and new Workday enhancements that are prioritized with the technical team. If the change or the introduction of new functionality affects more than one business unit or group, it is forwarded to the cross-functional team for consideration. Application support for these activities is currently moving from SharePoint to ServiceNow.

The technical team, using a shared service model for technical services in general, addresses integrations, including testing and monitoring. A road map is maintained of enhancement requests and the Workday release items that will be housed for future integration.

One lesson the company learned is the necessity for retaining the staffing after the initial go-live. Project managers now feel they were too conservative at the onset about the changes to staffing post-implementation, and too aggressive in expecting to get synergy out of the new system. This resulted in removing staffing, such as system analysts, from the team too soon, returning them full time to their previous roles. The team reduced head count because it thought Software as a Service deployments required fewer staff members to manage than on-premises systems, and—facing ongoing changes, enhancements, configuration, and integration requirements—learned that they did not.

## Results: Cost Effectiveness, a Better Experience

The HRIS team is engaged in a comprehensive cost-benefit analysis with the CEO and CFO, looking at both hard and soft costs. They see a real dollar element as well as operational advantages, such as more analytics, consistent processes, ease in maintenance, and a better user experience. Despite the time crunch, the team hit its key deliverables and succeeded in controlling risk in doing so.

The feedback from employees is positive. Workday is indeed intuitive for what most end users need to do. Managers were provided with more formal leadership training (classroom training in the LMS, for example) and given early access to experiment and provide feedback. Their adoption has been better than anticipated.

Like many others facing a major HRIS transformation, the program lead said: "My mantra was if the payroll works and benefits are delivered—it is a success!"

## Lessons Learned

The team identified key lessons learned from the Workday implementation.

### Limit Competing Projects to Focus

Whenever possible, limit other large competing projects in the organization so your team can focus on HR and the Workday implementation.

This global financial organization simultaneously was implementing a new learning management system and a new payroll system in both the United Kingdom and EMEA with integrations required to both.

The organization was also converting its contact management call center from PeopleSoft to ServiceNow—all at the same time. In addition, because Workday does not currently include a stock administration tool, the company was implementing a new third-party tool for grants, vesting, exercise dates, and more, that would use employee data feeds from the new Workday installation.

The company also divested a major division midproject, further complicating the implementation.

### Start Knowledge Transfer Early

Be mindful of how much you expect your implementation partner to do in integrations and configurations, because those resources are not going to be there in the future. You need internal expertise and knowledge, so a solid knowledge transfer and timeline should be built in to planning from day one.

### Set Realistic Timelines

Give yourself enough time. This company, with its ambitious 13-month implementation timeline, tried to balance implementation planning and execution with its business as usual. Lacking a fully dedicated team because they still held their day-job responsibilities, members were working long days. Try to get dedicated project resources, plan for backfilling day jobs, and keep people on the team post-deployment. ■

# 5

# Getting Started

There are significant advantages in advancing your HCM maturity. We explain how and detail the capabilities required.

**Understanding HCM implementations,** learning from other companies, and defining where you are is really important. However, we didn't want to stop there. To make this definitive guide actionable for you, we created practical and action-oriented recommendations to help you advance your HCM implementation to more business value. These suggestions work independently of the HCM system you are using or where you are in the HCM life cycle.

## Key Insights

- Companies with the best HCM system outcomes focus on simplification of the HR technology landscape and ecosystem, using their HCM investments to become irresistible organizations.

- The three top dimensions of HCM excellence are employee experience, HR transformation, and people analytics.

- While it's not easy, advancing through our HCM Excellence Maturity Model results in significant competitive advantages—regardless of where you start.

# The Dimensions That Matter Most

We've categorized insights into our HCM Excellence Framework: strategy and governance, operations and implementation, and transformation and change. For each of the dimensions of HCM Excellence, we determined the impact on outcomes based on how important the dimension was for successful outcomes (Figure 14).

What we discovered: while most dimensions of implementation and operation are table stakes—necessary for any HCM project—companies that also focus on strategic areas and transforming the business are most successful.

Companies need to execute on all dimensions of the framework (and execute well). However, companies with the best outcomes from their HCM systems specifically focus on simplification of the HR technology landscape and ecosystem. They use success criteria to lead them to sustainable business outcomes; deploy the right teams, partners, and leadership; prioritize the employee experience; transform HR; and build up front with analytics and insights in mind.

Why does this make sense? In today's talent-constrained environment, in which people demand a consumer-grade experience, companies need to use their HCM investments to become irresistible. And we know that advanced people analytics

FIGURE 14

## The Impact of Dimensions of HCM Excellence on Outcomes

Strength of impact  ● Moderate  ● High  ● Very high

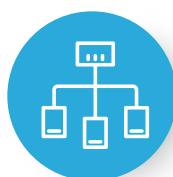| Strategy and Governance | Operations and Implementation | Transformation and Change |
|---|---|---|
| Focus on business outcomes | Simplified technology ecosystem | HR transformation |
| Strategy and culture alignment | Project management and operations | Technology tapestry |
| Technology vision | Process redesign | People analytics |
| Leadership and governance | Change management, training, and adoption | Employee experience excellence |

Source: The Josh Bersin Company, 2021

and the right HR capabilities are critical to that irresistible experience.[5] Below are the three top dimensions of HCM Excellence, ordered by impact on outcomes (Figure 15).

To ensure sustainable business outcomes, dedicate enough attention to these three dimensions—without sacrificing the nuts and bolts of operational work or the alignment with your business strategy.

## The Need for Balance

As you think about maximizing your HCM system, balance is key. If you are only focused on implementing an HCM system, you probably miss the bigger strategic framing, or the transformational impact the HCM system can have on your business. If you just focus on strategic alignment, you will likely not have a successful project because you will miss some operational necessities of running such a complex program. If you mostly prioritize transformation, you may leave

FIGURE 15

## Three Top Dimensions of HCM Excellence

| Dimension | Impact | Description |
|---|---|---|
| **Employee Experience (EX) Excellence** | Very High | The most impactful dimension of HCM implementation is a hyperfocus on creating an irresistible employee experience. Sure, HCM systems can automate routine transactions and take a load off HR's shoulder, but if the only people who benefit from the technology are HR members (who usually are outnumbered by line employees by a factor of at least 1 to 100), you are missing the boat. Cost savings and quality expectations are dependent on "self-service"—employees executing their own work instead of calling HR. But today's employees have no patience for clunky back-end transactions of the last millennium, and they just won't use the system if it's not useful.<br><br>**What to do**<br>The best companies use personas, design thinking, and journey maps to renovate business processes and radically improve the EX. |
| **HR Transformation** | Very High | For most companies, HR transformation—making HR more strategic and helping it add more value to the business—and HCM implementation go hand in hand, and with good cause: buried in transactional overload, HR won't be able to contribute to strategic conversations about people and culture. But just because you have an HCM system in place doesn't mean that HR will magically transform its work, have new capabilities, or operate in an agile way.<br><br>**What to do**<br>New operating models, reimagined processes, and revamped roles all need to be intentionally created. |
| **People Analytics** | Very High | Getting the right people insights—real-time, action-oriented, secure, and accurate—and into the hands of those who need them is a big deal, and something most HCM implementations aspire to. From simple reporting of head count and turnover over real-time indicators of engagement issues with embedded action nudges to aggregate skills data to inform development needs, analytics can help inform better, fairer, and faster decisions. A solid HCM system is a necessary foundation for these analytics.<br><br>**What to do**<br>Build your HCM implementation and new HR processes toward creating meaningful analytics from the beginning to avoid a rude awakening when you have implemented the technology and can't get needed data out. |

Source: The Josh Bersin Company, 2021

out the basic necessities of project and program management, or the strategic importance of the HCM system on your business.

However, not all elements are created equal. Our maturity model shows that focusing on mere technical installation of HCM systems will not result in the broader outcomes you may hope for, such as an improved employee experience, more strategic HR, or better people data and insights.

# How to Advance in HCM Maturity

The HCM Maturity Model is a visual representation of the discrete levels companies are at in their HCM maturity journey: from the technology-centered installation at Level 1 and the process-focused program at Level 2 to outcome-driven implementation at Level 3 and people-first transformation at Level 4 (Figure 16).

Identifying which level you are at can be really enlightening. It helps you see your company's strengths and opportunity areas clearly. The obvious next question: How can we move up in maturity?

Advancing in maturity is not an easy thing to do, and it's best to start out right from the beginning, focusing not just on technical excellence but also on processes, business outcomes, and transformation. But even if you already started down the path of merely technically installing a new HCM system, it's not too late to make things right later. Applying the findings we outline in this guide will help you recalibrate at any point of the HCM journey so you get the outcomes you are striving for.

FIGURE 16

## The HCM Excellence Maturity Model

**LEVEL 4**

**Business Transformation**
Focus on people, design thinking, journey maps, and HR capabilities
Balance operational, strategic, and transformation excellence

**LEVEL 3**

**Outcome-Driven**
Focus on business outcomes, success criteria, and strategy alignment
Balance operational and strategic excellence

**LEVEL 2**

**Process-Focused**
Focus on processes, procedures, and transactions, often with waterfall approaches
Operational efficiency is most important, but without a strategic grounding

**LEVEL 1**

**Technology-Centered**
Focus on installing a technical system, automating processes, and reducing costs, without much consideration for process or people aspects

Source: The Josh Bersin Company, 2021

## Advancing from Level 1 to Level 2: Optimize Business Processes

Level 1 companies focus only on technology installation, missing the broader opportunity of process transformation or experience outcomes. They get lost in the minutiae of very long, complex project and program management, often without clearly established success criteria beyond just delivering the technology on time and on budget.

To move to the next level, companies need to focus on process optimization while still delivering flawlessly on the technical aspects of the project.

| | What HR and HR tech leaders can do |
|---|---|
| **Establish a cross-functional team with IT, HR, and operations to redesign processes with a focus on improving them** | Identify IT and operations representatives to include them on the project team and define roles and responsibilities for process optimization.<br><br>Target's Workday transformation success was the result of a strong collaboration between its HR and technology services teams. |
| **Define what successful process optimization looks like, and identify process success measures** | Fully understand and inventory all processes in scope for the HCM system, with an eye to optimization. Bring in process SMEs for each area (e.g., payroll, benefits, data management, compensation, talent and performance, learning and development, etc.) to determine current and future state process outcomes.<br><br>Philips dedicated time and energy to process design: rather than rushing to port over legacy processes, the team dug deep to determine future processes. |
| **Work toward a comprehensive and robust delivery assurance plan that includes technology, process, and people aspects** | In addition to the technical aspects of the project, focus on the process and people elements, with specific and dedicated accountabilities on the project team.<br><br>A global health-care technology company used RACI approaches for technology, process, and people streams, broken down by each of the phases of the life cycle. |
| **Determine data and insights needs from the HCM system, and develop a road map for data management** | Start with the end in mind—what insights do you need from the HCM system? Where does the data currently reside? How will you bring data over from legacy systems? What integrations are required? Incorporate these considerations in the process design.<br><br>A European consumer company brought in its people analytics team up front when redesigning processes for its HCM transformation. |
| **Double down on change management and adoption considerations, with a proven methodology and approach** | Use your company's change management approach with strong stakeholder management, training, and communication work streams starting at the very beginning of the project.<br><br>GE centered change management on the needs of each stakeholder group throughout the project, moving from communicating the project vision over training on new processes to a behavior-change focus. |

Source: The Josh Bersin Company, 2021

## Advancing from Level 2 to Level 3: Drive toward Business Outcomes

Level 2 companies have process optimization down and technically implement well. However, broader business outcomes and alignment with the company strategy are often left behind.

To move to the next level, these companies must establish clearly the linkage to the broader vision and mission of the company and use well-defined success criteria to guide improvement areas.

| | **What HR and HR tech leaders can do** |
|---|---|
| **Establish a comprehensive technology vision and blueprint and highlight how the HCM system will support it** | Create an inventory of all HR technology systems and lay out a visual blueprint of the current state. Define the vision for HR technology for defined milestones (e.g., after initial HCM implementation, after sunsetting legacy systems for recruiting, L&D, talent in subsequent phases). <br><br> GE consolidated 156 HR systems with its Workday transformation, drastically simplifying the technology architecture and increasing self-service adoption because of it. |
| **Clearly articulate and communicate how the HCM journey fits into the broader business and people strategy and company culture** | Fully understand and inventory all processes in scope for the HCM system, with an eye to optimization. Bring in process SMEs for each area (e.g., payroll, benefits, data management, compensation, talent and performance, L&D) to determine current and future state process outcomes. <br><br> Target puts its quest to bring joy at the center of every business decision it makes and connected this goal to its Workday transformation to get teams excited to contribute their best work. |
| **Define business outcomes beyond technology and process excellence to be enabled by the HCM system** | Identify how the HCM transformation can support your current business goals, tailoring its use to the specific market position you are in (e.g., high growth, innovation enablement, operational efficiency). <br><br> Adobe reimplemented Workday when it identified that the previous implementation was not fully supportive of its double-digit growth, with a targeted focus on candidate and new-hire experience and data and insights. |
| **Develop a plan to leverage the HCM system to support HR's journey to strategic business partner and adviser** | Identify in which business processes HR is burdened with administration and model out how automation, chatbots, AI, and manager and employee self-service can be used. <br><br> A global manufacturing company headquartered in the United Kingdom used chatbots and AI to answer common employee questions about HR and payroll based on HCM data while also developing HR capabilities in consulting and advisory. |
| **Elicit strong leadership support for the project and leverage competent partners to accomplish business outcomes** | Identify overall HCM sponsorship at the C-level (e.g., CHRO and CFO) and include updates in company town halls. Define the role partners play in each life cycle stage and how their specific expertise can drive outcomes. <br><br> JOANN had strong leadership support for its project and leveraged the expertise of implementation partners to complement its in-house project team, which had limited experience with Workday capabilities, making an ambitious project schedule possible. |

Source: The Josh Bersin Company, 2021

## Advancing from Level 3 to Level 4: Transform the Business and Experience

Level 3 companies are balancing operational and strategic excellence well and align the HCM transformation with the broader business and people strategy of the company, guided by success criteria.

To move to the next level, these companies need to also bring in a focus on transformation excellence, working on technology innovation, people analytics and insights, a new HR delivery model, and a great employee experience.

| | **What HR and HR tech leaders can do** |
|---|---|
| **Build a road map for technology innovation based on future HCM capabilities** | Based on your technology blueprint and vision, identify next-generation technology capabilities to innovate the way HR technology supports your workforce in the flow of work.<br><br>Walmart provides 750,000 company-sponsored mobile devices to allow each team member to access a single comprehensive mobile app for HR transactions that people can use in their work—in stores, warehouses, or from the road in delivery trucks. |
| **Define approaches to embed data-driven decision into the flow of work for leaders and HR** | Determine what insights are most relevant for different personas (e.g., senior executives, leaders, first-level managers, HR) and focus on ease of action-taking, incorporating nudges, alerts, and action suggestions into dashboards and reports.<br><br>A U.S.-based health-care company simplified hundreds of custom reports into a single, action-oriented dashboard for leaders, bringing together data from the HCM system and employee surveys with action suggestions for topics like diversity or engagement measures. |
| **Design future-state HR operating models, roles, and jobs based on the work, using iterative, agile approaches** | Start organization design not with the organization structure but by defining the business and operating models, designing work and jobs, and then defining reporting structures. Use quantitative and qualitative approaches (e.g., activity surveys, senior leader interviews, and focus groups) to understand current work and define future work, then identify capabilities required for the work and bundle them into roles and jobs.<br><br>Telstra redesigned its entire organization structure for agile teaming, including the HR model, with separate roles for people managers and product managers, incorporating the capabilities and motivations of each person into the best role fit. |
| **Determine needed HR capabilities, identify gaps to accomplish the strategic HR vision, and build a plan to close the gaps** | Based on the HR operating model, define HR capability needs using a proven HR capability taxonomy with specified capability levels. Determine current HR capability and identify gaps, then create a plan to close the gaps with development, assignments, internal movements, external hiring, and alternative work models (e.g., contractors, consultants, gig workers).<br><br>A large technology company is working on a comprehensive HR capability improvement project using The Josh Bersin Company's HR capability framework, empowering 1,000-plus HR people to develop their capability development plans to drive their future-state HR delivery model. |
| **Use personas, design thinking, and journey maps to codesign the irresistible employee experience with your people** | Define employee personas based on interactions with the HCM, identify needs of each persona, then design journey maps for their HCM journeys, with a focus on simplicity and a great experience. Iterate and improve the journeys based on employee feedback.<br><br>Boeing used six different personas of employees, leaders, and candidates; created journey maps to configure Workday; built prototypes; and included employees in validating the experience. |

Source: The Josh Bersin Company, 2021

## Operationalizing HCM Excellence

In today's changed environment with an ever-increasing focus on employee experience, a need to transform HR for more strategic impact, and a renewed priority for people analytics, every company needs to evaluate its HCM solution to answer critical questions:

→ How can we simplify the HR tech ecosystem?

→ How do we get value out of the HCM system?

→ How much does the HCM system support our strategic goals?

→ How do we leverage partners and project teams?

→ What people analytics support do we derive from the system?

→ How do we enable HR transformation?

→ How do we create an irresistible employee experience?

**Step 1. Define your strategy, identify success criteria, measure, and improve.**

Identify what success means for your HCM transformation. Beyond project basics like on-time and on-budget completion, consider other aspirations you have: better data and insights, simplifying the technology ecosystem, reducing error rates, empowering HR transformation, and creating a better employee experience.

| Your point in the HCM journey | What to do |
| --- | --- |
| Planning | Clearly define success, identify metrics, and define systems of measurement, frequency, and improvement targets. |
| Implementing | Frequently measure the areas you are looking to enhance and use them as triggers to make needed improvements. |
| Optimizing | Review where you are hoping to make improvements, measure, and take action accordingly. |

**Step 2. Bring together a great team of internal experts and external partners.**

The right team can make or break your HCM transformation. Dedicating a lot of attention to bringing together people to work on this as a career builder, freeing up resources to devote needed time to this project, and supplementing with the right external partners pays off. You'll be much more likely to meet project timelines, budget goals, and also strategic objectives like HR transformation or a great employee experience.

| Your point in the HCM journey | What to do |
| --- | --- |
| Planning | Bring together the right team: internally, find dedicated, experienced, and engaged people, and bring in a true implementation partner that fits well with the team. |
| Implementing | Continuously communicate the project mission, reward and recognize success, and bring in Workday for direct input. |
| Optimizing | Don't stop the journey—bring together the right people to create more value with your HCM system and optimize outcomes. Retain a scaled-down version of your implementation team to continue to optimize. |

**Step 3. Focus on simplifying the HR technology architecture.**

There is no doubt that HR technology architecture is complex. You need a number of different systems and platforms for recruitment, learning, performance management, rewards, basic employee transaction, people analytics and insights, and much more.

Your HCM system gives you a great opportunity to simplify this stack—for improved data quality, lower cost of ownership, easier maintenance, and a better employee experience (Figure 17).

| Your point in the HCM journey | What to do |
|---|---|
| **Planning** | Create a map of your technology landscape and determine where Workday fits in—with a goal of simplification and integration. |
| **Implementing** | Review your technology ecosystem and create a road map for simplification with the HCM system. |
| **Optimizing** | Determine in regular releases if you can use the HCM system to further consolidate and simplify your HR technology landscape. |

FIGURE 17

## HR Technology Architecture
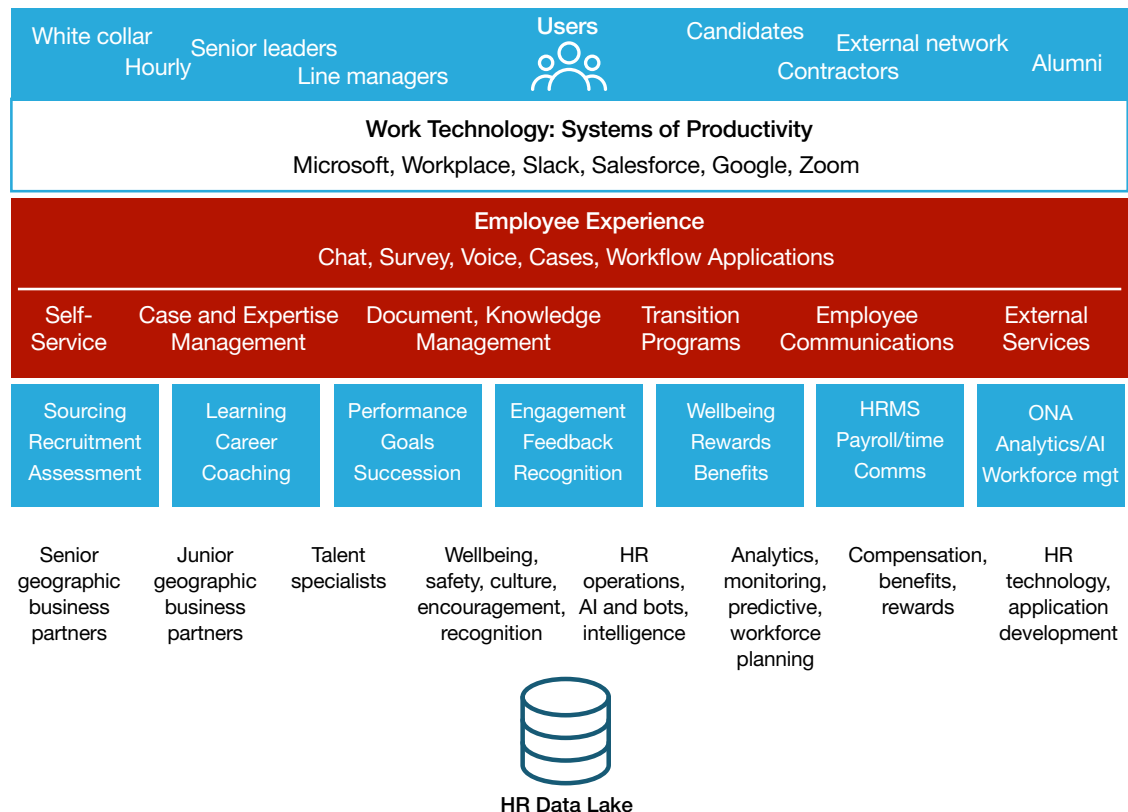


Source: The Josh Bersin Company, 2021

### Step 4: Create HR capabilities for the future.

With HR teams at the center of the most important business strategies—designing hybrid work, creating an empowering employee experience, recruiting and engaging hard-to-find talent, building new capabilities for the future—it's now more important than ever to create an HR operating model and capabilities adaptable to any business environment.

| Your point in the HCM journey | What to do |
| --- | --- |
| **Planning** | Include a separate dedicated work stream to drive the transformation of the HR function—including operating model, roles, capabilities, and organizational design. |
| **Implementing** | Review how HR capabilities need to shift for your desired future state, identify current capabilities, and develop a plan to close the gap. |
| **Optimizing** | Identify current HR activity distribution and solicit input from leaders on where HR is consulting well, and where they need help—then build capabilities through experiences, formal education, mentoring, and coaching. |

### Step 5. Design people analytics in the flow of work.

Beyond transactional efficiencies and increased data accuracy, one of the big promises of HCM systems is better, faster, more meaningful, and accurate data about people, served to the people who can make decisions when they need them. From diversity metrics to compensation distribution, from skills and capabilities available to labor cost distribution, from engagement measures to performance goals—running the people part of the business just as data-informed as the P&L or customer success is no longer a far-fetched dream, it can be a reality.

| Your point in the HCM journey | What to do |
| --- | --- |
| **Planning** | Include the people analytics team up front to identify data needs by persona—leaders, managers, HR, employees, and finance, for example. |
| **Implementing** | Determine how analytics will drive data-based decision-making and define workflows, looping in your people analytics team. |
| **Optimizing** | Work with each persona to determine gaps and improvement opportunities in data, with a focus on supporting action-taking, and develop a mitigation plan. |

### Step 6. Use personas and journeys to make the experience irresistible.

Being an irresistible organization has always been important—most companies can't "pay their way into" being regarded as the best place to work. In today's highly competitive labor market, employee experience rules. Win the war for talent with a laser focus on an empowering experience so that it's easy to do the "work of your life."

| Your point in the HCM journey | What to do |
| --- | --- |
| **Planning** | Define personas in your company depending on how they will use Workday—frontline employees, managers, leaders, and HR, for example—and map out their journeys to understand where HCM fits in. |
| **Implementing** | Start mapping journeys using the HCM system and involve employee personas in reviewing prototypes to create a great experience. |
| **Optimizing** | Identify personas and review existing journeys with them to determine improvements to the experience. |

# Conclusion and Next Steps

Companies spend a lot of time, effort, and focus on HCM systems—but these investments often fail to deliver on expectations. Not only do they often take too long, cost more than planned, and are seen as failures, the more transformational expectations—outstanding people data, a more strategic HR team, and a great employee experience—are even less attainable. HR is not as strategic as expected, cost savings are well below expectations, and employees don't love the new system. And although everything might be in one system now, it is still often a challenge to get to needed data and insights.

If any of these problems ring true to you, you are not alone. Many companies struggle with this. They often see two paths that companies take: clearly identify the problems and mitigate them or stop the technical implementation of HCM systems altogether.

Both paths are fraught with issues. Identifying problems might result in short-term fixes, without addressing broader strategic goals. Of course, stopping the technical implementations is troubling too—because what are the fallbacks? Not having an HCM system is not a choice, and companies that go down this route will inevitably be forced to continue some implementation in the (not so distant) future. The best path to success is to make mitigation plans, identify risks early, and prevent risks from growing into issues.

Regardless of your point in the HCM journey—whether you are just starting out, implementing, or optimizing—and independent of your chosen solution, balance operational, strategic, and transformational requirements and build for the future of work: people-first solutions, creating an irresistible experience.

After all, that's what HR and HR technology are really about: helping all employees do their best and be their best. ■

# Thank You

This report represents extensive research in partnership with Tata Consultancy Services. We would also like to thank all the HR and IT professionals who joined our Big Reset groups, interviews, and case studies. We will update this report on a regular basis, and we want to hear from you. If you ever have questions, suggestions, or feedback, please contact us at info@joshbersin.com. We look forward to hearing about your success in your ongoing employee experience journey!

## Josh Bersin

**Global Industry Analyst**
**Dean, Josh Bersin Academy**

Josh Bersin founded Bersin & Associates in 2001 to provide research and advisory services focused on corporate learning. He expanded the company's coverage to encompass HR, talent management, talent acquisition, and leadership and became a recognized expert in the talent market. Bersin sold the company to Deloitte in 2012 and was a partner in Bersin by Deloitte up until 2018.

In 2019, Bersin founded the Josh Bersin Academy, a professional development academy that has become the "home for HR." In 2020, he put together a team of analysts and advisers who are now working with him to support and guide HR organizations from around the world under the umbrella of The Josh Bersin Company. Recently published research covers topics such as hybrid work; HR technology market trends; employee experience; and diversity, equity, and inclusion. He is frequently featured in publications such as *Forbes*, *Harvard Business Review*, *HR Executive*, the *Wall Street Journal*, and *CLO Magazine*. He is a popular blogger and has more than 800,000 followers on LinkedIn.

## Kathi Enderes, PhD

**Vice President, Research**
**The Josh Bersin Company**

Kathi leads research for all areas of HR, learning, talent, and HR technology. Kathi has more than 20 years of experience in management consulting with IBM, PwC, and EY and as a talent leader at McKesson and Kaiser Permanente. Most recently, Kathi led talent and workforce research at Deloitte, where she led many research studies on various HR and talent topics and frequently spoke at industry conferences. Originally from Austria, Kathi has worked in Vienna, London, and Spain and now lives in San Francisco. Kathi holds a doctorate and a master's degree in mathematics from the University of Vienna.

# Appendix

# Study Methodology

This guide is the first in a three-part series that sets out to investigate the goals, challenges, and use cases related to HCM transformations. Each report will focus on one of the three current market leaders: Workday, Oracle, and SAP. The purpose of these reports is to help organizations accelerate implementations, take full advantage of the capabilities of their HCM solutions, and offer new ideas and approaches to further drive transformation success.

In this research, we set out to understand the elements and factors for excellence in leveraging HCM systems. This guide is based on many hours of discussions with CHROs, HR technology leaders, EX leaders, and executives in our Big Reset working groups, understanding the practices and approaches of more than 350 companies. Based on these discussions and validated by many experts from various companies, we established a common framework and approach for HCM and developed a maturity model to guide companies in their HCM journeys.

For the first part of this series, we started with Workday as one of the market leaders in HCM systems. We identified 12 companies with extremely successful Workday transformations and conducted detailed interviews with those involved in an effort to understand and share their stories on how they approached the Workday-powered transformation, what strategies and practices had the most impact, and where they are heading next in Workday implementations. These interviews were not aimed at evaluating Workday technical capabilities or understanding what technical features or areas were most valuable for the companies. Instead, our questions were designed to help us understand the strategic goals driving the implementations and ongoing operations, as well as the tactical actions taken at every stage of the implementation project and beyond. We wanted to examine the "hows" and "whys" behind each decision and action and the resulting outcomes. We used our findings to refine our HCM maturity model and framework.

Along the way, various HR and HR-technology leaders in large companies, HCM consulting experts, and a team at Workday reviewed and provided feedback for this guide.

# Endnotes

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2    *The Definitive Guide: Employee Experience*, The Josh Bersin Company, 2021.

3    *The Definitive Guide: Employee Experience*, The Josh Bersin Company, 2021.

4    *The Definitive Guide: HR Technology*, The Josh Bersin Company, 2021.

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## company