

How to bridge the gap between HCM and employee relations

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In the industrial space, employee relations comprise three critical components which are inextricably linked: employee value propositions, employee wellness, and employee relations. To succeed in the fast-paced economies of today, organisations must employ advanced systems and develop innovative analytics capabilities to ensure these areas flourish.



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Technology is the crucial link required to bridge the gap between Human Capital Management (HCM) and employee relations. But it is unnecessary to reinvent the wheel. Systems and platforms already exist, offering organisations excellent analytics capabilities and robust HCM and Enterprise Resource Planning (ERP) solutions. The real requirement now is to implement and use these existing systems effectively.

Not a data dumping ground

Too often these systems become a place where data is dumped, personal information is used, and the business gains no benefit. Instead, organisations should implement a combination of purpose-built solutions and a highly effective ERP system – and then drive adoption throughout the entire organisation. With this approach, the entire employee relations trifecta will improve.

There are two challenges to this level of adoption. Small to medium business often do not (or cannot) invest in holistic human relations (HR) or HCM solutions, opting instead for a small investment in a simple payroll solution. While large organisations make the investment in full HCM and ERP, they often do not use these solutions optimally.

To experience the full value proposition of these systems, businesses must ask, “What does this actually say; where is the data leading me?” Whether large or small, we must bridge the gap between implemented systems, and using them

effectively to discover what makes employees tick.

Know your employees

True employee relations require knowing who the employees are, how they work, and in which environments they work best. Which employee is better suited for a home office, and which need to be in a traditional workspace? Are the employees suited to the roles they've been put in? Are there skills gaps that need to be filled? To answer these questions, organisations must look at data far more critically, developing a deep understanding of the employee, and then matching that with the workforce and landscape. The information is there. It's already available in these systems. If they're used optimally, these insights have the potential of impacting the business in a powerfully positive way.

From an Operational Process Assessment (OPA), Organisational Processing and Engineering perspective, companies often rely on outdated processes and organisational design. This prevents the organisation from moving forward in its markets and remaining relevant. Modern analytics solutions can help organisations redesign their processes without expensive trial and error.

Scenario planning

With advanced scenario planning businesses can investigate, redesign, and analyse their processes without any disruption to the business. With this approach, businesses can access a holistic view of the knock-on effect of a process adjustment before making the change. This saves time, creates certainty, and prevents unnecessary time or resource wastage.

From an industrial relations perspective, this level of insight is also highly beneficial when working with unions. In a highly unionised landscape, tensions can run high and trust is often difficult to establish. However, with real time access to scenario planning solutions, union representatives are better able to visualise and understand business impacts, with face-value facts that drive transparency in reorganisation processes. This tends to build trust and allow for amenable negotiations.

More than just admin

Gone are the days when HCM centred around admin. Doing a head count, skills report, equity report... HR should go much deeper. Today, HR leaders need to reinvent their thinking. The goal should be to understand people better to unlock their true value.

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