

HCM Best Practices Prepare Bank for Utilization of “True” Analytics

HCM Transformation to Prepare Bank for “True” Analytics



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RESEARCH



at a GLANCE

Problems	<ul style="list-style-type: none"> ▪ Fragmented HR databases created administrative burden ▪ HR professionals focused on transactions, not optimizing employee and organizational performance ▪ Adopting Talent Management
Solutions	<ul style="list-style-type: none"> ▪ Ultimate Core System – UltiPro ▪ HR Delivery Model and Realignment of HR Talent ▪ Ultimate Talent Management Module ▪ Ultimate Predictive Analytics
Benefits	<ul style="list-style-type: none"> ▪ Talent Management implemented ▪ Common platform for HR, enabling predictive analytics ▪ Analytics used as a tool to coach managers ▪ Retention, engagement and development of employees

the COMPANY

Founded almost 140 years ago, INTRUST Bank is the largest privately held financial institution in Kansas. Managed by the fourth generation of the founding Chandler family, its mission is to be the best community bank in the markets it serves while remaining a company of ethical character. The bank has been a technology leader in the Midwest, installing its first computerized data entry system in 1962, for example. With that tradition, the bank was an early provider of electronic banking and offers mobile banking on iOS and Android devices.

In 2008, Jill Beckman joined INTRUST as a division director for People Services. As she acclimated to the culture and processes of the company, it became clear that the bank needed a review of its overall HCM and HR system strategy.

Company: INTRUST Bank

Headquarters: Wichita, Kansas

2014 Assets: \$4.9 billion

No. Employees: 875+

Industry: Financial services

Other: Founded 1876

the CHALLENGES

INTRUST Human Resources was using five separate systems and a total of 29 databases to manage its processes. Access to critical HCM information, the performance of basic HR functions, and overall reporting was cumbersome.



As a result, the bank could not practice the necessary Talent Management processes, shortchanging both managers and employees. Equally important, the complex system landscape resulted in a significant capacity need of HR professionals, who had to “band-aid” processes and basically keep the HR transactions of the bank going. In 2008, the bank had an average of 1.4 HR professionals for 100 employees, considerably exceeding the industry average of 0.75 to 1.00 for 100 employees. Despite the capacity, the HR team was busier dealing with the systems than the business, clearly not a desirable situation.

Finally, the bank found that its HR professionals were tied down by too many manual and administrative tasks, despite the availability of HCM software and personnel capacity. Additionally, the financial crisis of 2008, which resulted in a slowdown of hiring, gave the HR department the opportunity to focus on its operational efficiency, including the HR systems landscape and overall HCM processes. Under the leadership of the then-CFO, now President, INTRUST decided to fundamentally change the status quo.

the **SOLUTION**

INTRUST embarked on a request-for-proposal (RFP) process for a new HR automation product. The bank looked at five vendors and, after due diligence, selected Ultimate Software in 2009. The main drivers for the decision were its integrated solutions, attractive user interface, and harmony between the selection team, Ultimate’s company culture and the people-centric values of the vendor. INTRUST went live with HR Core, Payroll, Employee and Manager Self Service (ESS/MSS) in July 2010. In rapid succession, the bank added Performance Management, Salary (aka Compensation Management), and Recruitment, operating on one integrated HR automation portfolio by 2011, powered by Ultimate.

Ultimate was INTRUST’s first Software-as-a-Service (SaaS) implementation, so quite naturally the IT department had a number of questions about security and privacy. Those were overcome successfully early in the implementation process, resulting in buy-in by the IT department.

Prior to the RFP and HCM process review, the CFO recognized the need to have the right leadership in place. Once the new HR Division Director (now Division Director of People Services) was on board, she recognized the need for different skills and talents for a successful implementation. It paid off that the bank held off the RFP process until it had the right talent and reviewed its HCM processes. In order to engage managers and obtain their buy-in to the changing processes and management requirements, INTRUST HR facilitated several ongoing manager forums as part of the implementation and change management process. At the same time, the implementation was done under the assumption that INTRUST would use Ultimate as much “as is” as possible rather than customizing the system. The HR team lead by Beckman even opted to wait for missing functionality as the superior approach to building custom additions.

It was also clear that INTRUST had to introduce Talent Management as a best practice to both its line managers and HR department. As usual with organizational change, the bank faced a number of challenges, both in strategy creation and implementation. It tackled this



by reorganizing the HR department and aligning positions with a Talent Management focus. It implemented a structured process and tools for managers, provided training, and worked with key leaders in the strategy definition process. By involving leaders in the strategy definition, the HR team under Beckman achieved the critical buy-in and ownership of the new processes by managers.

Lastly, the HR team stuck with its original long-term plan of transforming not only the HR function but also the HCM processes of the bank. With a pragmatic and flexible approach, the bank has now achieved all three original goals of harmonizing the system landscape as a base for the transformation of both the Talent Management practices and HR function itself.

the **TECHNOLOGIES**

-  Ultimate UltiPro, on latest release.
-  UltiPro High-Performance Indicator
-  UltiPro Retention Predictor

As with any transformation and IT project lasting over five years, the bank faced a few challenges with best practice adoption and with the overall system. The former was overcome by strong executive leadership by the former CFO, now President, and the latter was overcome by a close partnership with Ultimate. Aligned priorities and open, direct communication with Ultimate helped INTRUST deal successfully with any system-related challenges.

For years, INTRUST has used a predictive behavioral tool for selection of talent, internal movement and teambuilding of talent. It appeared to be a natural progression to explore the use of Ultimate's analytical tools. The good relationship with Ultimate also led to the adoption of two innovative analytical applications: the UltiPro High-Performance Indicator and the UltiPro Retention Predictor. Both are "true" analytical products that assist the user in either taking an action or making a recommendation. Success of analytical products stands and falls with the quality its data. The almost five years of INTRUST usage of Ultimate across a wide range of functions formed an exceptional solid foundation for the analytical capabilities of both products.

As with all implementations of "true"¹ analytical products, the question is: Does it work? INTRUST tackled the question with a unique approach, reflecting the general analytical nature prevailing in the Financial Services industry. Having multiple years of system data in its possession, the bank "played" back the reality for both analytical products. And given the rich data foundation, these analytics were more accurate than managers' assessments

¹ For more on "true" analytics, please visit: <http://enswmu.blogspot.com/2014/10/musings-what-are-true-analytics.html>.



of retention risk and appears to be more statistically realistic than their assessments of high performers.

"Implementing a large number of Ultimate Software products and changing processes and people have built the foundation for INTRUST Bank to take advantage of new analytical offerings to enhance our Talent Management and our Talent Management transformation."

Jill Beckman, Division
Director, INTRUST Bank

Specifically, managers were more optimistic about having high-performance employees than the High-Performance Indicator found. This is not surprising, given that managers often confuse the desire to lead, foster and manage strong teams with high-performance ratings for their direct reports. The "self-fulfilling prophecy" is a challenge in reality, though, as employees don't get critical feedback to improve performance, because managers "declare victory" on performance management. The result can be higher attrition as employees don't see themselves coached to perform.

When implementing the Retention Predictor, it turned out that managers were too optimistic about seeing employees at risk. The Retention Predictor not only found more employees at risk of leaving, but more importantly, identified others at risk than the ones the managers identified. Overlaying the retention analytics with the performance analytics served as an eye opener to the People Services team.

the IMPACT

INTRUST has seen a number of positive benefits from using Ultimate products. Here are the most important ones:

- **Centralize on one solution** – INTRUST was able to eliminate 29 different databases that fragmented its HR systems automation and created a burden to its HR professionals, distracting them from the real HR work with managers and employees.
- **Free up IT resources** – The HR department was able to reduce IT support down to zero with the adoption of a SaaS solution. Apart from IT standards review and security checks, there is no involvement by IT in the operation of Ultimate HR solutions.
- **Improve HR personnel mix and achieve headcount reduction** – INTRUST was able to reduce the number of HR professionals, integrate with Learning & Development to become People Services, and become more efficient with the introduction of Ultimate. At the same time, these professionals are no longer bogged down with administrative work, but can move the needle on the people performance side of the bank.
- **Propagate best practices** – With the help of Ultimate, the bank was able to provide an efficient way for managers to access employee information and introduce Talent Management, resulting in better performance management and increased employee



engagement. The tools also allowed the HR team partners to proactively reach out to business leaders.

- **Adopt innovative analytics** – Thanks to the use of Ultimate’s analytical products, INTRUST has another tool to assist managers in better managing their talent. The analytics also opened eyes about high-performance employees and potential attrition risks.
- **Shift from tactical to strategic HR** – As a result of the Ultimate implementation, INTRUST’s HR professionals can now focus on strategic transformation and coaching of managers, instead of catering to administrative tasks.

Overall, the HR function has become much more of a partner to the business function rather than merely the enabler of HR actions around hiring and firing. This is a very positive outcome for all of INTRUST’s employees as well as the company.

the **TAKEAWAYS**

HR professionals can gain numerous insights from this case. Here are some important takeaways:

Lessons Learned

Beckman and team said the most important point is to be patient and stay the course throughout the implementation, with a focus on using the functionalities provided by the vendor, rather than creating too many customizations.

Also important is to engage management in the technology rollout and HR transformation process. This is critical to ensuring the new technology fits with the organization and to getting buy-in for organizational changes. Humans in general don’t like to change and tend to slip into old habits, so consistent and regular communication, training and repetition are key for a successful implementation of Talent Management.

ROI

INTRUST has not undergone a formal ROI analysis, but the savings on the IT side, the reallocation of HR resources as well as qualitative benefits from implementing Talent Management have all been worthwhile.



Best Practices

Beckman's team suggested the following best practices:

- **Listen to people who operate.** Nothing replaces the perspective of the managers who need to implement a transformation in day-to-day use. Make sure to speak to them early and often, and listen well. It is people who transform, not systems. The systems only support the process.
- **Identify and recognize the leaders.** Behavior change is hard, so showcase leaders. It is good to identify formal and informal leaders as the flag bearers of change. When managers and other employees see leaders adopt the new practice, they are much more likely to follow.
- **Foster engagement.** It is hard to pull off transformation without engagement, so anything to foster increased employee engagement will help the overall project success.
- **Make sure the value proposition is understood.** New systems and transformation usually encounter a healthy dose of skepticism. Make sure the skepticism is understood and expected. Do the necessary legwork to convince managers of the system benefits.
- **Invest in future leaders today.** Even though it may take a lot of energy to foster buy-in and adoption by middle management, the effort will pay off as future senior leaders come from this group. Buy-in to additional transformation will become easier in the future.

What to Avoid

Too much system fragmentation is like poison to an enterprise's people success. The HR function becomes more pre-occupied with tending to systems and spends less time with managers, who complain about clunky systems and themselves don't spend enough time coaching and tending to employees. The result can be higher employee attrition.

Moreover, the right leaders have to be in place for a successful transformation. That starts in the HR function, where skills are needed in project management, coaching and overall transformation. Administrative, compliance and system skills become less relevant going forward. On the business side, leaders need to embrace the transformation. If they block the change, a personnel change may be necessary to achieve results.



the **RECOMMENDATIONS**

Here is a summary of recommendations from Beckman's team:

- **Transform HR first.** Start by looking at reorganizing and changing skill sets in the HR department in order to pave the way for change throughout the enterprise.
- **Consolidate systems.** A fragmented system landscape takes away the agility of an enterprise, putting it in a downward spiral of more administrative work, less employee engagement and higher attrition. Find an integrated solution that raises the level of automation so people can focus on strategic transformation.
- **Stick to the plan.** Set out a formal plan and stick to it. Make sure to align with the vendor's roadmap and avoid customization that creates more technical debt that will slow an enterprise down sooner than later.
- **Listen, listen and listen.** Make sure you listen to the managers in the trenches that have to lead the transformation. Train them and enable them with the right tools.
- **Use analytics to drive change.** Predictive analytics have a key role to play in an HR transformation project. Not only can they be an eye opener to managers who can see more facets than they saw before, but they are also a valuable tool to save a manager's time for other more strategic Talent Management initiatives.

Overall, INTRUST's use of Ultimate's software shows how an integrated system can enable HR transformation and create a modern software platform with next-generation tools that support the transformation and lead to higher people performance across an enterprise.

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- Founders of Constellation Executive Network, a membership organization for digital leaders seeking to learn from market leaders and fast followers.

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