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End-to-End Requirements for Selecting an Employee Self-Service System

Employee Self-Service Systems (ESS) are becoming ever more widely accepted and installed. According to a recent MetLife Study of Employee Benefit Trends in Fortune 1000 companies, 40% of employers with greater than 1000 employees now have ESS solutions in place, and even though for companies with less than 1000 employees the penetration is currently only around 18%, the article also stated that an additional 22% of companies in this category would implement ESS solutions over the next 18 months. As the ESS becomes more attainable for small-to-midsized organizations, decision makers in corporate HR and IT departments need to understand what to look for in order to make the implementation and distribution of this technology a success.

There are six main issues that determine whether an ESS will offer a satisfactory return on investment for any organization.

1. It must offer tangible benefits to both the HR department and to end users.
2. It must not be a drain on the IT department. (Self-supporting technology)
3. It should be designed from the ground up for the task in hand
4. The system must be secure. (Security)
5. It should be easily accessible. (Accessibility)
6. It should deliver a fast ROI (Payback) for an organization

1. Tangible Benefits to the HR department, and to end-users:

One of the main reasons for putting in an ESS is that it should take over the answering of employees' everyday questions about such matters as benefit plans, eligibility rules, vacation accrued etc. In order to fulfill that function, the system has to have ease of use built in for both the HR department in set-up and maintenance and the end user in daily use.

The HR department:

At the heart of an Employee Self Service system lie the HR and Benefits engines that drive the answers to employee's questions. The interface to these engines must be user-friendly. It is essential that the HR department can easily set-up and keep updated a wide range of benefit plans and time-off policies. Otherwise, the system is doomed to failure. It will never be properly used if it is lacking in the options the end user requires. If the system is only partly operational, the employee can hardly be blamed for taking the easy way out and continuing to call the HR department for answers to everyday questions.

HR Managers aren't employed for their software prowess, so it is important that someone with relatively rudimentary computer skills can enter data quickly and easily. One way of ensuring this is to choose a system that offers a Wizard-based set-up system, a standard in Microsoft products. If all the HR manager needs to do is to follow a series of clear and simple on-screen instructions, then it is easy to ensure that data is entered both correctly and completely.

Because each organization has varying requirements, the ESS must be flexible enough to be customizable to handle different circumstances. For instance, it is important that the ESS has the ability to group additional employee information, like the company assets they have or stock options with vesting schedules, so that information can be specifically targeted where it is needed.

Conclusion: Look for a system that will allow you to input data quickly and easily allow you to set-up the HR and Benefits engines, through a system such as on-screen Wizards, and has the flexibility to allow employees to ask all the questions they ask of you today. Can the system give instant answers to questions such as “what training courses are available to me?” “What is my co-pay?” or “How many vacation days will I have by October 2003?” Also look for comprehensive support of all aspects of benefit plan management, such as plan choice, availability and comparison, eligibility, and rate structures.

The End-User:

In order for your newly-installed ESS to be of any value, employees have to use it—they have to feel comfortable that the system can provide them with the information they are seeking more quickly, easily and securely than a call to the HR department would. The most important element of that is to have all the required information entered in the system. However, another vital element is to ensure that information can easily be retrieved. Extracting knowledge from the system should be something that can be done by asking simple questions.

As well as being easy to use, a good ESS should be able to offer other added value to employees. A good example of this would be the ability to compare benefit plan choices and see summaries of plan descriptions. A well-designed ESS should be able to make this a straightforward operation rather than the major chore it traditionally presents. Look for simplicity in layout, simple tab-based screens, this will result in far less or no training for your employees.

The ESS should be selective in the data it presents to individual employees, driving only the information they need or are entitled to see toward them. This isn't simply a security issue, but also one of reducing confusion. Why show an employee a plan he isn't eligible for?

Conclusion: Your ESS of choice should be simple and easy to use, requiring little or no training for the end-user to find the information they seek, whether it is just a matter of finding out how much vacation time they are accruing, or what their current benefit plan is, or whether they need to do something more complex, like compare benefit plan options side by side. Eligibility rules are an important feature, so employees only see the plans they are entitled to.

2. Self-Supporting technology

Support for the HR department is traditionally not a high priority for most IT departments. Because of this, an ESS has to be largely self-supporting if it is going to function successfully.

This is an important factor from both the HR department perspective, and the user perspective. We have already discussed the importance of comprehensive data being entered into the system. If the HR department is going to need technical support from the IT department every time information needs to be updated or changed, things are quickly going to fall apart. Wizard based set-up and maintenance is a vital component of enabling the HR department to manage the system alone.

From a user perspective, the less training and support employees require to use the ESS, the more likely they are to get the full benefit out of it. This is important for everything from simply finding information to replacing forgotten passwords or changing the rates on benefit plans.

Conclusion: Look for wizard based set-up and maintenance throughout the system for both business related pieces like benefit plan set-up and maintenance and infrastructure pieces like import/export, security and communication to the employees and the branding of the Self-Service program.

3. Designed from the ground up to do the task in hand.

To create a truly useful ESS, it is vital to start with an appropriate platform. It should be secure enough to maintain privacy in a web-based environment, and robust enough to be the basis for an evolving system, handling large amounts of ever-changing data and being accessed from multiple access points.

HR, Benefits and Time and Attendance engines are an essential part of every ESS. In their strength lies the ability to tailor an ESS precisely to meet an organization's particular needs. By driving specific answers to an employee's questions, HR, Benefits and Time and attendance Engines are an aid in both efficiency and system security.

Conclusion: Look for systems based on robust platforms such as C, Microsoft .NET and SQL Server, with comprehensive benefits and Time and attendance engines, role based security and web based ESS, that target and drive information towards specific end users.

4. Security

By its very nature, an ESS contains private information. A balance must be struck between allowing easy access to information that individual employees are entitled to, while maintaining the security of other parts of the system.

Password protection is the first step in securing data. Passwords can be a problem because humans are forgetful creatures and verifying user IDs and re-issuing passwords through a traditional "Invitation based" authentication system can end up as a significant burden for the IT department—a recent Forrester Research study established that it costs around \$33 a phone call for issues surrounding password verification and renewal.

The newer "Identity-based" authentication systems require no administrator intervention once they are set up. In this option, if an employee forgets their password they are directed to fill in a set of identifying fields about themselves, such as name, address, date of birth, etc. The exact nature of the fields is set by the HR administrator, preferably through a wizard based process. If employees enter these fields correctly, the system "authenticates" them and allows them into the system.

The platform that the system is built on is important in determining the level of security it can offer. Does it use 128 bit encryption algorithms? Is it designed so all files are accessed via Secure Socket Layers (SSL?) Is the system designed so pages time out after 30 seconds or so? This is especially important if you are offering access to the ESS in a public space such as through a kiosk in a break room.

Conclusion: Look for “Identity-based” authentication system to reduce administrative burden and cut costs. Check whether the security features of the system you are contemplating are flexible enough to handle your requirements, especially if you plan to offer public entry points such as kiosks.

5. Accessibility

All employees are not necessarily in a position to be able to sit down at a computer attached to the company’s intranet, and using the ESS is not the most productive use of an employee’s time during the working day. Setting up the ESS so it can be accessed through the Internet allows the employee to perform functions such as updating information, comparing benefit plans with their spouse, looking at summaries of plan descriptions, checking eligibility rules, and checking information about vacation time accrued currently or in the future, sick days, etc. all from home.

For larger organizations, the ability to set up secure kiosks for employees to use in public spaces such as lunch rooms is an important feature. Kiosks present specific usage and security issues—it is important to be able to disable features like caching of the memory browser so someone can’t look back at saved pages, for instance, so the ability to be flexible in how the system is set up is essential.

The issues involved with providing remote access revolve around security and communication. Password protection is very important, and an “identity-based” authentication system such as HR Office’s Wizard-based “Verify Me” becomes essential when employees are working at home out of normal office hours and have no other method of getting into the system if they forget their password. If you do not provide 24 hour support, Verify Me will at least ensure individuals can always get into the system when it is available.

Conclusion: Web based access, easily deployed with minimal help from IT, auto generation of forgotten emails delivering 24 hours access, simple easy to use. Look for a system that offers web-based access, and that is easy to use and deploy with minimal assistance from the IT department, but still has the sophistication to handle applications such as kiosks.

6. Payback

A successful implementation of ESS will provide many areas of payback for your organization. For HR, the significant reduction in time spent answering everyday questions on such matters as vacation accrual, benefit cost comparisons or an understanding of stock option data leaves more time for other important HR tasks.

Clearly, more time spent reconciling benefits with plan providers will allow you to spot errors in bills, and the quick reporting of census data will allow you to shop for better benefit options .

Conclusion: For employees, fast access to the questions they have provides superior satisfaction levels. ESS brands HR as an innovative provider of information rather than a bureaucratic and unresponsive department. For management, HR will help save on benefits, provide better service to employees and have more time to deliver more strategic help, further improving the competence and competitive standing of the organization.

In summary

Implementing a successful ESS system brings significant benefits to the HR department and to end users, as well as being a significant area for cost savings in the organization. A well chosen ESS will provide payback in a matter of months. However, it does require some careful planning to ensure that the system chosen is one that meets all the criteria described above. For an ESS to be successful it must be practical for the HR department to set up and maintain without requiring constant technical support, and easy for an employee to use. It must also combine security with accessibility. It must be priced right for your organization. Given these parameters, an ESS will rapidly prove to be an essential part of an organization's infrastructure and provide HR with the time to fundamentally change the effectiveness of employees within your organization.

Appendix A:

Steps to complete a successful Self-Service Implementation

1. Installation of software
 - a. Minimal IT involvement
2. Set-up
 - a. Loading employees data
 - i. Quick start by loading information from Excel or .CSV files through import wizard
OR
 - ii. Quick start by loading information from linked Payroll system
 - b. Creation of benefit plans and time and attendance policies
 - i. Set-up benefit plans and eligibility rules
 - ii. Test enroll 5-6 employees
 - iii. Batch enroll organization
 - iv. Set-up Time and attendance policies and eligibility rules
 - v. Initialize policies with lump sum availability and start policies accruing based on rules
 - c. Set-up manager self-service
 - i. Define access to sensitive employee data to
 1. Payroll managers
 2. Benefits managers
 3. General managers
 4. HR managers
 5. Upper management
 - ii. Test access for each type
 - d. Set-up Self-Service
 - i. Location of Web-server
 - ii. Load logo
 - iii. Company messages
 - iv. Description of fields
 - v. Employee information they will be able to see
 - vi. Summary plan descriptions provided by plan provider or broker/TPA
 - vii. Hyper linked documents and web sites
 - viii. Security and access, (Verify Me)
 - ix. Test self-service access
 - x. Send out communication e-mail to the organization

Best of luck with your implementation!

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