



GLOBAL

BENEFITS

S1

MANAGING A WORKFORCE THAT COVERS VARIOUS PARTS OF THE WORLD IS A CHALLENGE, BUT IT'S ALSO AN EQUAL-IF NOT GREATER-DOSE OF OPPORTUNITY. HR COMPANIES AND THEIR TECHNOLOGY ARE HELPING THAT POTENTIAL UPSIDE BECOME REALITY

The modern workforce is a global workforce. For employers and employees alike, this fact creates challenges and opportunities in equal measure. Technology is proving a significant tool in helping to turn the former into the latter.

Ongoing global expansion brought three major challenges to Flow International Corp., a Kent, Washington-based manufacturer of ultrahigh-pressure waterjet technology, with more than 600 employees worldwide. First and foremost were strategic challenges. With Flow selling into countries outside the U.S., distance and cultural differences made it increasingly problematic to become and remain truly united as one company. To tackle this issue, the company chose Ultimate Software's UltiPro, which simultaneously oversees human resources, payroll and talent management.

"We selected the system that would drive the culture change we wanted," says Theresa S. Treat, Flow's Vice President of Human Resources. "We chose UltiPro based on what processes we could change that would help us with that transformation, and we made clear to our employees that it wasn't there just to store data, but also to help reconfigure our processes and get information where it was needed."

By standardizing these processes, Treat notes, Flow has been able to eliminate redundancies, particularly in regards to performance/talent management. The implementation of UltiPro also has enabled the company to set consistent recruiting expectations globally and roll out common competencies worldwide, placed within the performance-review system.

To illustrate the impact of these changes, Treat recounts a recent Flow job opening in Brazil. The country's HR manager initially focused on only internal candidates in Latin America; failing to find a qualified candidate, the expense of a recruiting firm looked likely. Then Treat reminded the manager to search UltiPro for someone employed by Flow outside of Latin America and coded as a high performer, promotable or a key contributor. A Flow worker in the U.S. was discovered and interviewed, and moved to fill the job.

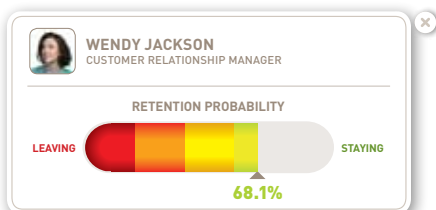
"We have 15 similar cases now," says Treat, "including people who have moved out of their area of expertise—for example, from a finance position in the U.S. to a sales role in Asia. We've been able to save dollars in addition to providing opportunities for professional growth."

If the strategic value of UltiPro has proven a central benefit to Flow, more basic considerations, such as administrative and

TURNS OUT, THE ART OF PREDICTING EMPLOYEE RETENTION IS A SCIENCE.



Gauge the flight risk of your top performers with confidence —whether they're down the hall or across the world. Introducing Retention Predictor™ from UltiPro®.



It's what's next from UltiPro, the human capital management platform for people-powered businesses everywhere. Of the million bits of employee information in the UltiPro cloud, our data scientists developed an algorithm using dozens of indicators that can better determine employee retention probability. Imagine having a "check engine" light on your top performers' likelihood to stay or go. In a global marketplace where retaining talent is critical, that kind of insight isn't just nice to have. It's a competitive advantage.

FORTUNE
100
BEST
COMPANIES
TO WORK FOR
2013
TOP 10

Learn more about the predictive insights of UltiPro at UltimateSoftware.com/Predictor

From FORTUNE Magazine, February 4, 2013 © 2013 Time Inc. Used under license. FORTUNE 100 Best Companies to Work For is a registered trademark of Time Inc. FORTUNE and Time Inc. are not affiliated with, and do not endorse products or services of, Licensee.

Ultimate
SOFTWARE

People first.

communication challenges, cannot be overlooked. Pay increases that could be put into place in two weeks or less domestically were taking the company two to three months internationally; sending spreadsheets back and forth created huge delays, with information sometimes inaccurate and outdated before it even arrived.

"You need to feel the pain we felt before the UltiPro solution," Treat stresses.

Distance, different languages and different methods of communicating all conspire against corporate unity and efficiency. The administrative challenges of multiple data streams, often stored in different ways, can hardly be overstated. Local currencies versus U.S. currency was another source of potential trouble and delay that UltiPro surmounted for Flow.

"YOU CAN GET AWAY WITH LAZY MANAGEMENT WHEN PEOPLE SIT NEXT TO YOU. WHEN PEOPLE WORK VIRTUALLY, IT FORCES MANAGERS TO COMMUNICATE CLEARLY AND ORGANIZATIONS TO IMPROVE STRUCTURE. IT'S THE DIFFERENCE BETWEEN NAVIGATING BY CHARTING A CLEAR COURSE, OR HOPPING IN A BOAT AND JUST SETTING OFF, AND TRYING TO FIGURE IT OUT ON THE FLY."

Compliance is another key HR issue, particularly in Europe, where it is governed by strict privacy laws. Flow engaged an outside privacy officer to collaborate with the company and Ultimate Software to ensure their new system met the myriad legal requirements of who can see what information, when and where. Consider that in Germany there is a "church tax" that involves paying different amounts of tax based on religion, or that in Spain a manager can't see an employee's address, and the complexities begin to become apparent.

"For consolidation and report purposes, when moving data across borders the obvious question is, 'What am I allowed to do?'" says Ivan Chaney, Product Strategist, Global, for Ultimate Software. "As a global company, you need to understand all the relevant issues, and be able to configure and track what every user is able to see depending on his or her country."

At the same time, part of being a successful global company involves understanding and respecting local cultures, starting with language. UltiPro allows employees to work in their preferred language and also with preferred data formats and the like, helping to create a truly invested employee.

"Choosing UltiPro was about creating one place for all of our information, but it went way beyond that," says Flow's Treat. "The strategic piece has been truly central."

THE END OF LAZY MANAGEMENT

How do you supervise, engage, motivate, develop and reward people you rarely see because they're always on the move or work remotely? SuccessFactors, an SAP company focused on HR cloud solutions that drive business execution, has always had a largely virtual workforce. Dr. Steven Hunt, the company's head of customer value research—who has worked from home for the past six years—believes that a global, mobile workforce forces organizations to become better at managing people.

"You can get away with lazy management—the old 'managing by walking around'—when people sit near you," Hunt says. "But when people work virtually, it forces managers to communicate clearly and organizations to improve structure. It's the difference between navigating

by charting a clear course and making little corrections as you go, or hopping in a boat, setting off and trying to figure it out on the fly."

Managing a virtual workforce forces managers to think through their employees' career paths, and requires organizations to better track employees, understand their capabilities and proactively communicate career opportunities. Leading-edge companies are also creating virtual, informal environments where employees can replicate useful water cooler chat or quick conference room get-togethers.

"Growth is coming from outside of North America and Europe today, and companies rely on an increasingly global workforce to adapt to those changes. This requires solutions that are truly global, scalable and developed to extend talent management solutions with a single system of record, flexible and robust enough to also

support localization," says Shawn

Price, President, SuccessFactors, SAP.

What has enabled the virtual workforce, of course, is communications technology. Yet even as mobile workforces become more reliant on smartphones and cutting-edge apps, the workforce management technologies many companies use continue to rely on outdated on-premises systems. Mobile

workers engage with their companies largely through technology, and if that technology isn't engaging, it won't be used.

"As a client recently told me, 'The face of our company in many ways is the system employees log into,'" Hunt says. "When virtual employees think about their company, it's not the office—it's a Web page. That page, and the processes they access through it, must give them a positive experience anywhere they go."

Companies and employees alike are finding increased value in modern online systems, creating a virtuous cycle. For example, employees are keeping their online profiles updated because employers are looking at them, and vice versa. With people more eager to leverage online information from career opportunities to contacts, organizations can become more efficient.

As a result, online systems are creating more data than ever, which requires more structured processes. This development helps companies to gather important business intelligence in the area of workforce planning. "You can start using that data to inform the organization on larger decisions," Hunt says. "It's no longer, 'How many accountants do we have?' It's, 'How many high-performing accountants do we have, and if one leaves, what's our next move?'"

Another virtuous cycle is thus created: As HR data becomes readily available through technology systems, companies can use it to guide decisions that affect employees and managers, which causes managers and employees to be more careful about ensuring the data is accurate, which makes the data even more valuable for decision-making. People take data more seriously when there is better data in the system. In addition, creating a richer data set is the basis for a critical development: merging operational administrative HR data from operations such as payroll processing, with strategic talent management data.

"One client told me that after merging their administrative and strategic HR data, they discovered they had been mixing up several employees' first and last names for years. It was only after they merged the data sets that employees felt there was a reason to correct them," Hunt says. "One benefit of bringing together the administrative and strategic sides of HR is that each employee feels like an individual, not just a number to be regularly paid." —*Evan Rothman*