MANAGING RISK IN YOUR GROWING ORGANIZATION

with Stronger IT and HR Collaboration



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Introduction

As organizations grow, internal departments also begin to see a scaling up of their duties and responsibilities, both towards internal and external stakeholders. Among the departments most effected by organizational growth is Human Resources, as the department is directly tied to and responsible for the onboarding, training, management, and offboarding of staff members and contractors.

With recent and renewed focus on cybersecurity and data loss prevention, HR leaders are under more pressure than ever to both catalog and protect sensitive information for employees. Additionally, they are also tasked with increasing efficiencies and identifying bottlenecks in employee provisioning processes and assisting with strategic decisions on human capital management. These departments are often unaware of the tools and technologies available to them that have been developed in recent years precisely to address this evolving industry requirement.

It is within this task set that HR can find an ally and partner with their organization's Information Technology department, a team whose sole purpose is to empower the organization with the right business-aligned technology to meet strategic needs. With IT's expertise in software selection and deployment, and HR's intricate knowledge of regulatory requirements, personnel needs, and thought leadership, both teams can collaborate to allow for a more efficient and effective scaling up of their parent organization.

In this report, we look at how better collaboration between HR and IT can address many of these evolving concerns and identify how each expanded HR requirement can be addressed with new, modern technologies and techniques.



Managing Risk in Your Growing Organization with Stronger IT and HR Collaboration

The Nature of HR

As HR Departments are required to catalogue employee information, this often leads to a number of sensitive documents that are created and managed as part of this process. From I-9s to W-2s, HR has always been beholden to the paper trail, and as organizations grow, this problem becomes compounded. The "locked cabinet fortress" is becoming less and less practical — particularly as organizations continue to reduce their physical footprint in this post-COVID environment. The process to change from paper to electronic processes, forms, and procedures has become one of many new HR department tasks and responsibilities.

Many HR teams currently spend most of their resources on administrative tasks, human capital transactions, and managing conflicts and investigations. In order to shift from this traditional nature into a more value-based strategic role within the organization, HR departments are being called to translate the work they do into data, reports, and dashboards to help assist senior leadership with making strategic decisions. High-performing teams are now shifting their focus towards solving business problems, addressing specific departmental needs, and conducting heavier data analytics to empower the organization with the information it needs. Finding sophisticated solutions starts with developing stronger relationships with a reliable IT department — whether it's in-house or with a managed service provider. It's these experts who can step in under the direction of HR to understand specific problems and where different employee tools can be used to improve operations.

IT's Role in Employee Satisfaction and Enablement

In 2019, 47% of HR teams stated that employee turnover was their largest challenge, and this was before a global pandemic greatly increased employee turnover across all industries. The total cost for voluntary turnover was over $600 billion in 2018. According to Employee Benefit News, employers spend an average of 33% of a worker's annual salary to replace just one employee. Let's put that into perspective: It will cost $12,000 to replace an entry-level employee making $36,000 a year. It will cost $20,000 to replace a manager making $60,000 a year.



Unfortunately, survey data collected from Deloitte in 2015 about the performance of HR reveals that departments aren't always taking advantage of their position. IT and HR determine how people communicate with one another. They decide what software programs employees will use day in and day out.

IT and HR set parameters that affect countless interactions throughout the day, and they don't always understand the implications if and when an error is made. As organizations continue to scale, there is an increased need to understand growing pains and struggles experienced by the staff. As part of the elicitation exercises for staff feedback, carried out by HR, business processes should be mapped so that the organization understands key players in each major process, how they interrelate with other departments, and what key metrics

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are being observed by senior leadership when analyzing each project. Process mapping, identifying opportunities for automation or improvement, bottleneck analysis, and staff enablement are all initiatives heavily reliant on a strategic partnership between HR, IT, and Operations. HR Departments can lead the people-side of the strategic solutioning, whereas Operations focuses on bottlenecks and process improvement requirements, and IT creates or sources technical solutions that meet these business requirements.

By addressing pain points along departmental processes, HR and IT can directly affect employee dissatisfaction with manual or ineffective aspects of their day-to-day work. Additionally, as part of elicitation exercises, HR can and should leverage new survey tools and technologies to understand and identify staff enablement gaps and create strategic programs to address them.

HR/IT Thought Leadership

In the Deloitte study, when asked about HR's ability to provide innovative programs and solutions for employees, 89% answered that the department was either weak or just adequate, with only 10% classifying their department as excellent. While this isn't necessarily a comment on HR's effectiveness as a department, it is a commentary on their perceived effectiveness. This may be a result of the myriad administrative tasks that HR personnel must complete, often taking away bandwidth that could otherwise be placed towards innovation and data analysis.

Recently there has been an influx of new software tools that allow HR to take traditionally manual processes and automate them, such as the onboarding approval workflow, or the talent acquisition and signature workflow. Many companies are also leveraging new features in Microsoft SharePoint or in new Google Admin tools in Google Workspace to create their own automated workflows as well.

Once bandwidth is freed, HR personnel can dedicate more time towards data collection and analysis, using new tools to help visualize trends and patterns in HR data. For example, the success of a mentor/mentee program rolled out by HR, in an effort to combat employee turnover, can be measured through proper metrics such as internal promotions, employee satisfaction score increases, increased collaboration between departments, and others. This data can be processed by a data visualization program to produce visually appealing and easily digestible graphs and charts for leadership to identify and directly see the positive effects of HR's programs.

As organizations continue to expand, HR must become thought leaders and create measurable initiatives and programs to address additional business goals.



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HR Requirements in Times of Growth

As HR tasks and responsibilities grow, the time to deliver on manual processes exponentiates and can become very costly for organizations. Human Resources Automation (HR Automation) uses software to digitize and automate repetitive and time-consuming tasks, including employee onboarding administration, payroll, timekeeping, and benefits administration. This frees HR employees to focus on more strategic tasks that are more valuable to the company. HR, in collaboration with IT, may want to create SharePoint workflows, integrate ATS with performance management systems, or figure out the best ways to consolidate internal communications all as attempts to assist in optimizing traditionally manual processes.

However, more importantly, HR responsibilities towards compliance also grow. The more employees you have, the more compliance requirements you haver under federal law. These include:

- Americans with Disabilities Act (ADA) and its Amendment Act (ADAAA)
- Age Discrimination in Employment Act (ADEA)
- Genetic Information Nondiscrimination Act (GINA)
- Pregnancy Discrimination Act (PDA)
- Title VII of the Civil Rights Act of 1964
- Consolidated Omnibus Budget Reconciliation Act (COBRA)
- Family and Medical Leave Act (FMLA)
- EEO-1 Reporting
- Form 5500 to meet ERISA requirements

Additionally, HR is also integral in obtaining and managing multiple types of insurance, such as workers' compensation insurance, general liability insurance, professional insurance, employment practices liability insurance, and more. The requirements for these increase as employee count increases, as well.

The organization itself might impose additional requirements and programs on HR as well, such as:

- A formal employee mentoring program
- A formal employee feedback process
- Succession planning
- Employee self-service software
- Retirement planning
- Predictive analytics and employee turnover analysis

Each of the above requirements has software solutions dedicated to addressing them. Regulatory requirements and compliance workflows have Governance Risk and Compliance programs dedicated to cataloguing documentation, policies, and audit information, as well as regular approval workflows. HR programs such as mentoring programs have independent software dedicated to automating the mentor/mentee assignment, recording meetings, and providing data to HR teams. Employee feedback processes can use the latest in survey technology, and directly display data visualization upon survey completion, all without having to open a single Excel spreadsheet.

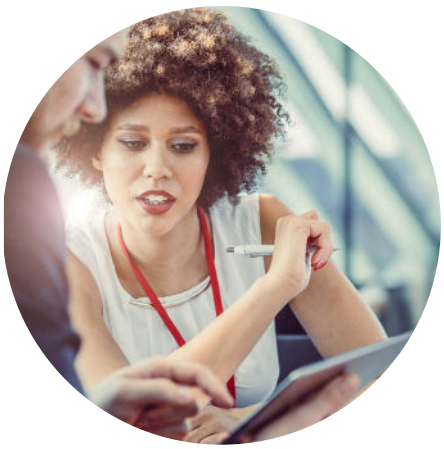
Effective IT departments are trained to collect proper business requirements for all the above, translate them into technical requirements, act as vendor managers and scope out vendor options, tee up demos, and ultimately assist in picking and deploying the right solution to the team (and often training them as well).

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Streamlining the Onboarding Process

Onboarding is a time-intensive and multi-department-inclusive process that requires several approvals and handoffs in order to get a new employee provisioned and ready to be productive. Because of this, there are many opportunities for human error or for bottlenecks as process units await approvals or reviews.



Most HR and IT teams are familiar with talent management portals. What they may not be familiar with are the best practices when working with them. These platforms change regularly, both in terms of functionality and security. If an organization is using the wrong tool, this could cause costly process inefficiencies, a lack of adoption and lack of standardization, or at worst, could be responsible for a costly and time-consuming lawsuit.

Standardization of Forms

Too often, HR departments will send a one-page email or PDF to IT, often developed not by IT but by their own team, with missing information for IT to properly provision new users. Managers might request file access for certain people without first consulting with HR or with the Compliance/Legal department if the type of data is sensitive. If a supervisor is working with two people with the same job title, they might diverge in terms of who has permission to what information. This creates a lot of confusion and could easily violate compliance laws.

A tool like SharePoint allows HR and IT to design a form for all requests that can be sent through HR for approval before any action is taken. Everything is logged in case people need to go back and audit what was done, who took care of certain tasks, and how it was all executed. However, many organizations might not want to do internal development to create these automated forms in SharePoint and might opt to investigate third-party software tools. Either of these solutions work, but the IT department would be essential in leading the development or selection of the right tool to automate and catalogue employee actions taken during an employee's tenure at the company.

This isn't just important to the company as a whole; it's important to the individual employee, too. When the first 90 days go smoothly, the employee has the chance to bond with their job, their team, and the wider mission of the company. Additionally, staff surveys conducted by the Dataprise Strategic Consulting team has often found that employees' onboarding experience directly correlates to the timelines to full productivity that a new employee sees. As HR departments implement new tools to facilitate the onboarding process, and as IT standardizes its hardware/software/training provisioning, employee satisfaction and feedback quantitatively increases and the times to full productivity begin to decrease (another example of data that an HR department can visualize for senior leadership to assist with business case analysis of new proposed solutions).

Standardization doesn't have to solely apply to the traditional onboarding process either. For instance, if someone is promoted, any changes made to the employee's access can be made using the same form. Regardless of the person's role within the company, automation tools can drastically reduce the confusion and settle matters about the details of specific responsibilities within the company.

Employee Orientation

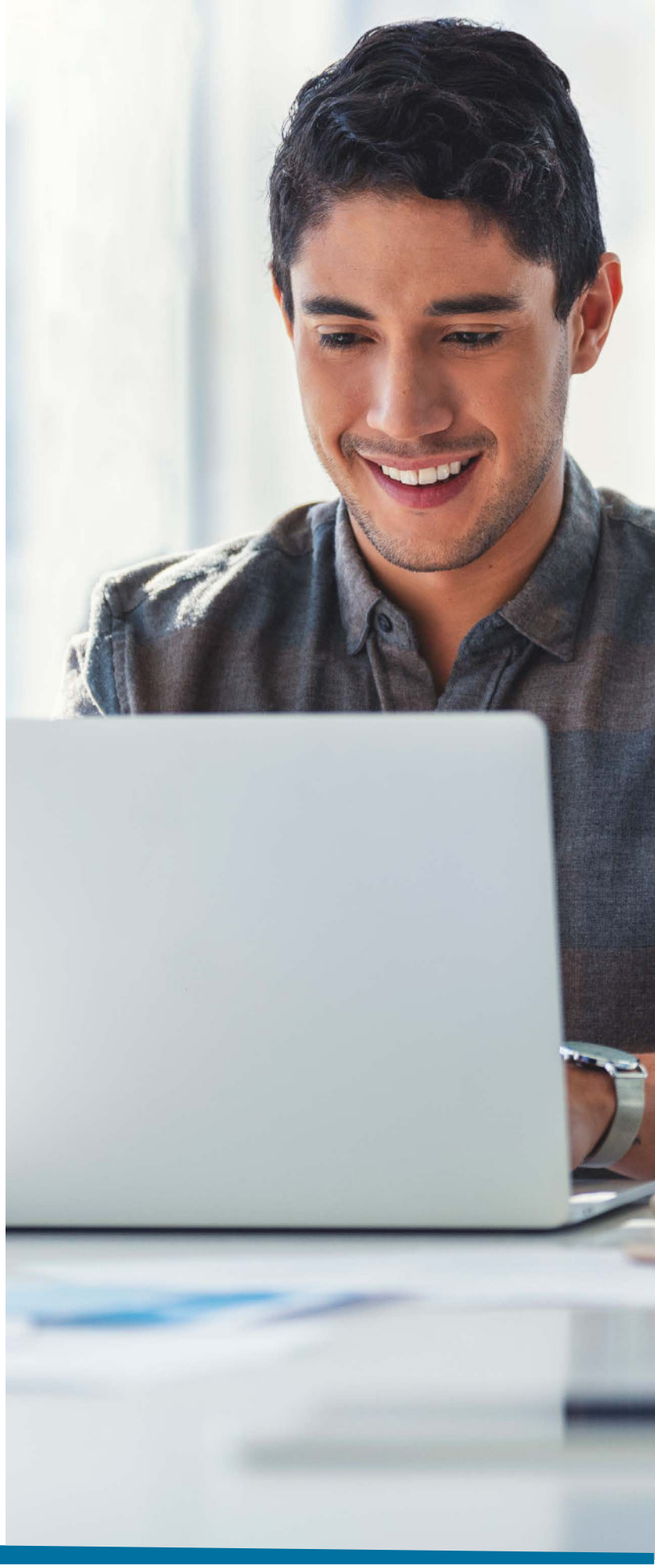
Onboarding also includes necessary training, which can mean anything from cybersecurity to task management sessions. The orientation period also often requires the new employee to meet with multiple colleagues and supervisors across departments. In this regard, many organizations utilize a central employee portal that collates all the information they need to understand the organization at a high level, their team's standard operating procedures, the software stack that the organizations uses, and training materials. These assist employees in finding the information they need to quickly hit the ground running.

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Asset Provisioning

COVID had a huge impact on how people viewed the work assets they used on a regular basis. Personal devices pivoted to work devices overnight, which upended multiple standard procedures. It was an immensely attractive boon for hackers though, as it became easier to access information than ever before. This has caused many organizations, as they scale, to contemplate the inclusion of Bring-Your-Own-Device (BYOD) policies, or to only allow for agency-managed devices. Additionally, for companies that decide to allow users to access company resources through their own devices, IT and HR departments must then ask how they can properly secure data, or compartmentalize the work environment within the personal device. Either way, the need to track assets and the need to secure data requires proper asset management solutions, all of which are available and have become increasingly popular as more companies move to a hybrid environment. It is much easier to track assets when they're all within an office. It is much more difficult to track assets without a proper asset management solution when the majority of the hardware fleet is in users' homes.

From software packages to chargers to laptops, HR and IT can work together to ensure everything is shipped, signed for, and delivered without delay. When everything is properly documented and logged, there's less risk of loss. Automation ensures that every asset given to each user is catalogued, which becomes an essential component in the next aspect of employee provisioning: offboarding.



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Offboarding

While onboarding can have far-reaching implications for both employee and employer, the offboarding process is even more important to get right. An employee who leaves the company often has access to anything from vendor passwords to third-party data, and if this information is not catalogued, an employee might be offboarded and still retain access to these datasets. Additionally, there has been an increased focus on insider risk, so much so that the Cybersecurity and Infrastructure Security Agency (CISA) has developed an entire Insider Threat Mitigation portal to include an Insider Threat Assessment Tool to help organizations identify and measure the maturity of their Insider Threat Detection and Response capabilities. Insider threat can be any intentional or unintentional access to an organization's network systems, data, or premises by a present or former employee, with the risk of material damage to the organization itself.

If the offboarding process is not handled efficiently and catalogued appropriately, this could lead to an increased risk of insider threat and has been the progenitor for many data breaches and lawsuits over the past several years.

Urgent Matters

The key is to take immediate action between when someone is terminated (especially if it is involuntary) and when access is revoked. Every minute that goes by creates new potential for anything from data harvesting of a single contact name to outright sabotage of the entire company. This became a major problem over the pandemic, which saw numerous cases of disgruntled ex-employees stealing proprietary data, leaking client lists, etc.

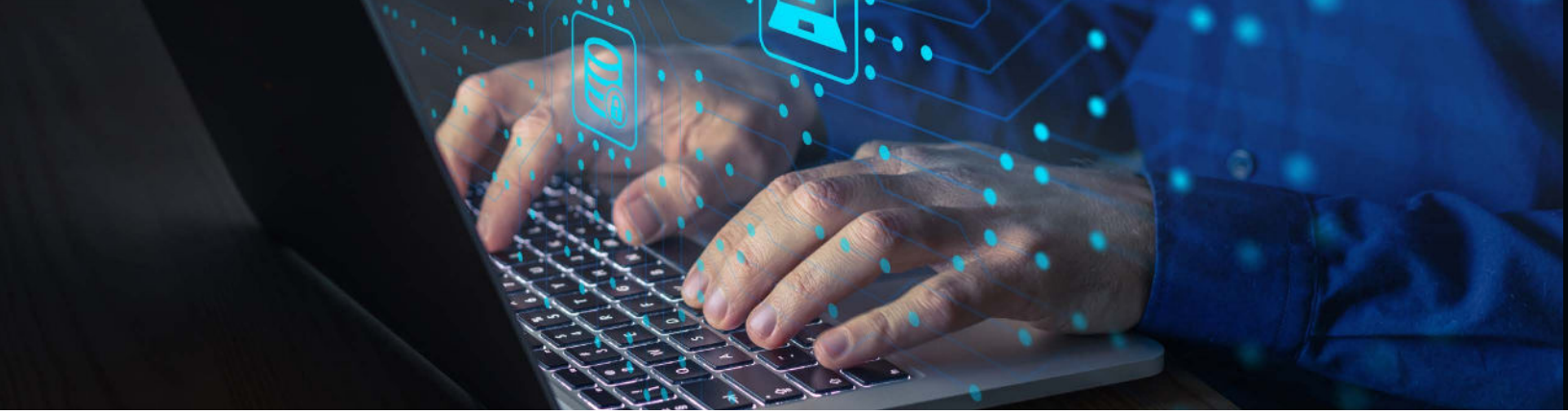
It's also worth mentioning that these data breaches aren't always voluntary decisions. In some cases, it's a complete accident if a former employee isn't even aware that they still had access to certain files or programs. For instance, they may let someone else use their device only to inadvertently leak information to an outside party. IT needs to be ready to spring into action as soon as they get word of an offboarding request and HR needs to be there to ensure that they know what needs to be done.

Tracking Behavior

One way for an HR department to reduce this Insider risk is by leaning into detection software, such as User & Entity Behavior Analytics (UEBA) tools. This tool monitors a person's daily behavior and then alerts an IT team if they deviate from the usual routine. For instance, if an employee starts downloading spreadsheets en masse when they're not tasked to do so, it could be a sign that the staff member might be collecting information prior to departure, either for personal use or for sale to a competitor organization. This could also be a sign that their account was hacked or their computer was stolen, and an outside individual is using their credentials or their hardware to access data as quickly as possible before being detected.

Not everyone will want or need such tools, but they can give organizations a heads up before the situation has the chance to go awry.

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Identity Access Management

Finally, organizations may want to consider individual access based on the employee's role. Ideally, information will be conserved wherever possible, meaning there's no reason to grant access if it's not strictly pivotal for someone to do their jobs. This is where IT and HR can collaborate to see if there's been any oversight in access.

If an HR department discovers that some employees have access to data that they don't fundamentally need, they may want to operate in a least-privileged schema (which is often required by many federal regulations, such as HIPAA). Much like the above example where a user's hardware may have been stolen, if a user's account is compromised in some way and they have access to sensitive data not necessary for their role, this could introduce additional cybersecurity risk of a data breach.

Identity Access Management is a framework of policies and technologies to ensure that the right users have access to the right data. HR and IT can collaborate on identifying the types of data, and then create rules on who should access what and under which circumstances. New and improved IAM tools also include regular checks on devices as well. Is the user logging in from the right device? Has the device been updated to the latest security standards? Does the device have antimalware and antivirus software installed? If the answer to any of the above is "No", then the proper controls might lock the user out of the sensitive environment, all to ensure that risk is mitigated and that the wrong device, or a device infected with malware, won't be able to access data and introduce data breach risk.

As mentioned earlier, given that HR departments have access to sensitive employee information, as companies scale, this net of information grows, along with the intrusion event possibilities — so proper access management is key in maintaining proper data security. However, data security does not just extend to access management — a larger Data Governance initiative should be considered.

Data Governance

Surveys, forms, metrics: all of the data that HR collects can be helpful for decision-makers when they want to understand how the company is functioning as a whole. They can use it to figure out when to hire, how to allocate resources, or whether it's time to promote a stellar employee. From cost-per-hire to ATS, all processes need to be thoroughly defined and sensitive information needs to be classified appropriately. For many organizations, there are several levels of data classification, from public data to personal identifiable information (PII) to classified government data. Other organizations might have specific data that is protected under certain client contracts, while others might have specific data protected under federal or state regulations, such as Payment Card Industry (PCI) data. Properly documenting the different types of data into a data classification policy, training users on how to handle each type of data, and creating proper access controls for each type of data is all part of a larger initiative for Data Governance, a concept for corporate data management involving the management, availability, usability, integrity, and security surrounding data in enterprise systems.

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Tagging data, once classification levels have been determined, is the next step, followed by centralizing each type of data for better management. For example, for clinics that are growing in size, it becomes more and more important to ensure that all protected health information (PHI) is located in a single virtual environment, a single server, a single software solution, appropriately backed up separately, so that IT can ensure the proper security is layered on that single location. If, in this example, the small clinic, as it grows, allows for users to save PHI on their desktops, or save them onto file shares, or even save them on USB devices, this lack of centralization provides additional entry points for unauthorized entities to access this data. Likewise, IT departments would become hard-pressed to find tracking solutions to track across all these data ingress/egress points.

IT departments can assist HR departments in the creation of these policies, the selection of proper data governance tools, and in ensuring that the organization maintains compliance and reduces insider risk through proper data governance.

Knowledge Management

Data governance ultimately falls under the larger umbrella of knowledge management, which has long been an area in which many organizations struggle as they grow. This is especially true for organizations with significant Key Person Dependency Risk, where the organization relies on specific people with specific institutional knowledge to be overall successful. As the world continues to navigate through the "Great Resignation" in 2022, the risk of key personnel leaving the organization and taking key knowledge with them has become significantly greater, prompting many organizations to look for solutions to address this risk.

Fortunately, there are many ways to combat this, all of which constitute a more mature knowledge management process.

Identifying Key Stakeholders

When it comes to streamlining knowledge management, HR can be a huge help in identifying the individual keepers of specialized knowledge. They can then determine how that expertise can be documented in a way that others can readily find it. Peeling all this institutional information away isn't easy, particularly if a person has been at a company for decades, but there are solutions available to help organize this information appropriately and allow for more comprehensive capture of this knowledge.

Some solutions include internal wikis, intranets, or internal portals where users can contribute to a larger information warehouse. Other solutions include Knowledgebases where specific knowledge management articles are made intentionally by individual departments. Choosing the right solution for your organization involves identifying who needs access to this information, how often, and in what way, and coordinating with IT can help in setting up solution demos and resources to properly implement a knowledge management solution.

Another pain point is how finite processes are isolated and controlled by multiple people, which can create gaps in the consistency of both data and results. One tool that can end up being a huge help is data visualization tools, ones that can show how information flows and who's completing what at each stage. Far more digestible than dry technical documents, these maps are cheat sheets that give people instant insight into what they need to do and what other people need to do to finish the job.



Succession planning and cross training has also been increasingly effective at mitigating key personnel dependency. HR teams can develop proper succession planning and cross-training programs to ensure that veterans in the organization can impart some of their knowledge to the right potential candidates.

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Much like the rest of the HR requirements discussed in this report, this too has technical solutions available, from Talent Management Software that includes succession planning, to Team Management Software for cross-training between and inside teams.

When you think about what makes for a thought leader, it's this kind of strategic planning that takes departments from adequate to excellent. It's HR's job to understand where the bottlenecks and key stakeholders are so they can brainstorm which solutions could fit. This isn't easy to do when every organization has its own individual needs, but a little insight from IT can go a long way.

Plans in Place – Disaster Recovery

Whether the internet goes out or a person calls out sick, there needs to be strict protocols in place that limit productivity loss and business impact. This isn't as simple as drawing up a Word doc with step-by-step instructions. Proper technologies need to be incorporated to promote organizational resiliency and redundancy, from data backups to secondary circuits to additional power generators and uninterruptible power supplies.

When IT and HR collaborate, and as disaster recovery protocols are formalized, they can determine what instruction is needed (likely involving Learning Management Systems, or LMS, that HR might consider deploying) and how that can be supplemented through direct training with the key stakeholders involved in disaster recovery or cybersecurity response.

Coordinating response in a disaster scenario, such as during the COVID pandemic, or during the NY floods earlier this year, requires critical collaboration between HR and IT to develop the processes and plans, train the right users, determine the right technologies, and establish a business case for the budget required for additional tools.



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The Great Resignation

One of the many results of the COVID-19 pandemic was the requirement for many organizations to go fully remote, and eventually consider a hybrid work environment. This allowed for organizations to expand their labor pool to other geographic regions, but also allowed for individual employees to consider employers outside of their local area as well. With an entire country (and some international opportunities) opening up their talent acquisition targets to no longer be geographically defined, many individuals ultimately began re-examining their current positions and redefining their priorities, leading to a record number of resignations in 2021 and 2022. As late as March 2022 saw 4.53 million workers quit their jobs, according to the Job Openings and Labor Turnover Survey (JOLTS) released by the U.S. Department of Labor's Bureau of Labor Statistics. HR departments that failed to plan or account for this have been dealing with increased resignation.

To stay competitive, many organizations have decided to maintain either their remote work environment or create a hybrid work environment, which requires HR departments to create proper protocols and procedure to handle remote work requirements. These also include IT policies for what is considered acceptable and unacceptable use of company resources and access outside of the office (including the BYOD considerations mentioned earlier). Once these are developed, the company then faces the question of how to maintain the same productivity across the new hybrid environment.

Therefore, if a hybrid environment is to be maintained, the next consideration is how users within the office and those working remote can continue to effectively collaborate and communicate to maintain this productivity, which requires a revisit of the way internal communication is handled.

Internal Communications

How do people talk to one another within a company? Are the current methods effective? How can an HR department measure the effectiveness of one communication pathway to another?

When the company is growing, it becomes essential to identify ways to enable communication for users. Common metrics when looking at communication tools and pathways include:

1) Employee Engagement Rates
2) Open Rates or Intranet Read-Receipts
3) Page Visits and Logins to knowledgebase articles
4) Adoption Rates for new Communication apps
5) Employee feedback
6) Employee Turnover Rates
7) Sales and Customer Satisfaction (when looking at client/customer communication)
8) Employee Advocacy
9) Mobile Usage Rates

Any new hire will need to know how to find relevant policies, regardless of whether Slack, Teams, or email is the platform of choice. Left to their own devices, employees will carve out their own communication system which can quickly lead to sensitive information being sent through largely unsecured channels. IT and HR should decide together how data should be passed back and forth, and which team members should have access to the ability to transfer sensitive documents.

There are multiple automation tools available today that will alert IT if and when an employee steps outside their boundaries (such as data loss prevention tools that intercept email communication to identify when it contains sensitive information), and they can be used to help monitor the overall data hygiene of the company. This gives perspective not just to the tech team, but also to the HR department about how well people are protecting the company from undue harm.

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The Takeaway?

Most of the above lessons come down to evaluation and communication:

- Start with an in-depth look at the day-to-day processes to what are the HR team's requirements, what are their responsibilities, and what is currently manual that can possibly be automated.
- Reach out to IT to understand what tools are available and begin the process of collecting business requirements.
- IT can then translate business requirements into technical requirements
- Look at your vendors and start assessing with IT whether they're addressing the technical requirements and what their methods are for addressing security.
- Consider either monthly or bi-weekly meetings between HR and IT. Considering the crossover opportunities already covered, these discussions can unearth solutions that address multiple problems in one go.

The real takeaway here is that HR and IT both fall under this category of being highly influential within a company and should collaborate often and wherever possible. From the employee experience, to combating insider threat, to managing internal knowledge and communication, these two teams touch every aspect of organizations' business processes and often are siloed from each other when they should be joining forces towards shared organizational prosperity. This report outlines only a few of the many ways in which these two departments can collaborate to address increasing requirements as organizations grow — we challenge you to begin discussing additional ways to assist each other in your respective departmental missions!