

INFORMATION SUPPORTS COMPLIANCE

Workforce Governance

Using Oracle HCM Applications to Manage Corporate Compliance

Developing the best workforce while maintaining appropriate compliance requirements are but two of the primary tasks of most Human Resource departments. Using a variety of Oracle human capital management (HCM) applications, human resources can proactively contribute to the array of process controls and reporting requirements now required in public companies, and ever-increasingly, in privately held firms as well.

Recordkeeping of personal and employment data can be easily accomplished with Oracle HCM. In addition, with the Oracle HCM family of products, you can put controls in place to help as you manage business processes such as payroll, compensation and benefits, and general ledger integration.

Giving HR Executives the Big Picture

A critical component of an effective ethics and compliance program is the ability to monitor and audit compliance in a “real-time manner.” Yet as companies cross geographical and industry boundaries, it is becoming harder to perform this role in the traditional manner. As a result, companies are increasingly seeking technology solutions to help them identify potential unethical behaviors before the cost becomes too great.

Ethics and Corporate Compliance
Deloitte and Touche, May 2003

Oracle HCM applications help HR executives

- Manage the full employee and contingent worker lifecycle—from sourcing, recruitment, and training to time and labor management, benefits, compensation, career advancement, and departure
- Gain insight into the motivation, performance, and behavior of the workforce so they can quickly identify areas of inadequate workforce governance and apply remedial strategies or tactics
- Develop business processes to act as safeguards against faulty accounting and fraudulent activities
- Report on the effectiveness of policies and procedures, identify potential risk areas, and make recommendations to mitigate further risk

Creating Effective Business Processes

Good governance comes only with effective business processes. Sarbanes-Oxley (SOX) requires that all finance-related transactions—including pay and financial benefits—must be documented back to their source. Section 404 is prompting many organizations to document all HR processes according to a defined methodology and to create a complete library of documented processes. This makes good sense even if your company isn’t subject to SOX. And it makes even greater sense to let Oracle HCM applications drive that process.

Oracle HCM software provides users with a built-in process for systematically executing a wide array of personnel transactions. Moreover, development tools that come with the applications let companies tailor the software to fit their unique business requirements.

Oracle’s compliance architecture (found in the Oracle and PeopleSoft HCM applications) further strengthens compliance—especially in the health care, pharmaceutical, and manufacturing industries. Once you establish standard operating procedures (SOPs), Oracle’s compliance architecture helps you determine how employees are conforming to accepted practices. Make your compliance more dynamic by identifying areas of risk, taking corrective action, and reporting on progress throughout the company—all with Oracle products.

Establishing a Solid Workflow Process

Corporate human resources plays an important role in establishing “workflow,” the automated online messaging and orchestration that occurs simultaneously within a business process. Human resource’s comprehensive knowledge of people, their positions, and the work they perform is the foundation of effective workflow. Oracle HCM applications automate workflow messaging by merging people and processes to generate email notifications and manage approvals.

The high level of automation and workflow built into Oracle Applications ensures that once a business process is defined, it becomes hard to subvert. Financial data flows from one application to the next, without the need for error-prone re-keying or manual reconciliations. The comprehensive audit/change logs of these applications provide a full history of activity within the system, boosting compliance and making the task of internal and external auditors much easier.

Keeping Employees in the Knowledge Loop

Employee education is vital to workforce governance. Insufficient staff training was cited as one of the key contributing factors to a series of compliance breaches at a large European financial services firm. While it is essential to enact appropriate corporate governance policies, it is equally critical that you clearly communicate those policies to employees.

One of the barriers to effective workforce governance is the cost of training a mobile workforce. You can resolve this problem by implementing an e-learning system. An enterprisewide learning management system (LMS) can deliver targeted seminars, courses, and tests to employees online. Companies can significantly reduce training costs, ensure that staff is adequately trained in the latest compliance requirements, and monitor the results of the training. Management can deliver and monitor compliance training when and where it is necessary using both Oracle and PeopleSoft learning management applications.

Developing Communications Strategies and Business Intelligence

You expect your employees to communicate, so providing them with the means to take action is another essential step to a successful compliance program. Program content, directives, and updates can easily be broadcast throughout the company using a Web portal. Many organizations are making information available to employees online—often as a part of a wider HR portal.

Oracle Application Server 10g and PeopleSoft HRMS Portal Pack enable organizations to create employee-facing informational portals, which can also be used as the delivery point for self service HR applications. From this point, employees can access various Oracle HCM applications that provide the knowledgebase for compliance.

Another critical tool in the compliance arsenal is a powerful reporting system. Oracle Human Resources Intelligence and PeopleSoft Performance Management are comprehensive, analytical applications that can measure the effectiveness of compliance policies. These applications automatically interpret and report compliance-related data that can help steer your program direction.

Oracle HCM Applications Drive Workforce Compliance

From process automation to analytical reporting, Oracle HCM applications deliver the tools to develop effective compliance programs. Working with your Oracle sales and consulting team, senior managers in Compliance, HR, IT, Finance, and elsewhere should review exactly how your HCM applications support your compliance objectives. Planning now to mitigate risk and maximize your software investment will put you on the road to workforce excellence.

CONTACT US

For more information on Oracle HCM, call **+1.800.ORACLE1** to speak to an Oracle representative or visit oracle.com/hcm.

Millipore Corporation is a global bioprocess and bioscience products and services company, where “training is one of the top priorities.” According to Jim Ferreira, Millipore’s IT education specialist, “[Oracle Learning Management System] is a great tool for getting the right information to the right people—in a consistent, reliable way, worldwide.”

Next Steps

- For additional product information and white papers covering a broad range of HCM topics, visit oracle.com/hcm.
- To speak to an Oracle representative, call **+1.800.ORACLE1**. You can also visit the Oracle Store at oraclestore.oracle.com.
- To locate your nearest Oracle office outside of the U.S., please visit oracle.com/locations.

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