More Human.
More resourceful.

STRATEGY BRIEF – Oracle Human Capital Management
INTRODUCTION

The pace of business is accelerating, and internet and communications technologies are allowing organizations to move with unprecedented speed. Executing new strategies, developing new products and services, and operating in new geographies are all business challenges that leaders now face regularly.

In light of these rapid business changes, organizations are acknowledging that they need to fundamentally change the way they manage people in order to ensure that they have the talent they need. According to the 15th Annual PricewaterhouseCoopers CEO Survey, 78 percent of CEOs expect to change their strategies for managing talent. Oracle’s human capital management (HCM) solutions enable organizations to drive these urgently needed changes in two important ways.
Oracle delivers the industry’s most complete, flexible, and global technology foundation to help companies simplify how they manage people. As operational complexity increases, Oracle’s HCM solutions give companies the freedom to:

- Manage growth globally while adapting to local needs through a global HR foundation
- Choose from a range of deployment options that best align with each organization’s IT roadmap
- The power to act on that insight and execute the best talent management strategies, with the industry’s most complete talent management platform
- Move quickly, with the flexibility to extend technology to support new HR processes Oracle’s HCM solutions empower organizations to build the best talent and drive existing and new business strategies with a comprehensive, global view of talent that delivers insights into capabilities and needs
- Social and mobile capabilities that increase engagement and speed productivity
A GLOBAL AND LOCAL HR FOUNDATION

An increasing number of organizations are expanding operationally into new geographies and moving personnel across the globe in order to fill regional talent needs. An effective, global HR technology foundation can support this imperative to globalize while helping to control HR’s operational costs and cater to local needs.

The best way to achieve operational efficiencies is by instituting a global framework for talent information and consistent HR processes. Controlling cost by eliminating shadow systems and establishing a single system of record ensures that HR processes are integrated and HR data is consistent.

Oracle’s HCM architecture features a global core, an international layer, and country extensions. The global core allows organizations to streamline processes in order to maintain consistency; the country extensions allow for deep, preconfigured local HR and payroll functionality; and the highly configurable international layer provides the flexibility to configure localizations to reach beyond the country localizations that Oracle delivers to out of the box. This unique configurability provides organizations with the necessary flexibility to truly manage global HR processes. To ensure efficient local operations, the applications must be available in the local language. Oracle translates the entire applications as well as the help text, which results not only in higher user adoption but also in lower HR costs.
In addition, the foundation provided by Oracle’s HCM solutions enables organizations to be more agile by effectively supporting global mobility initiatives. Oracle’s unique employment model allows organizations to capture all aspects of the workforce and offers support for multiple role types and employees who have relationships with multiple legal employers, multiple assignments, or individual contractual agreements. Many countries have strict data privacy laws such as the European Data Protection Act.

These laws require that HR track sensitive employee data only for a purpose, such as tax calculations. Oracle applications limit personal data tracking by only displaying sensitive data in accordance with the data privacy laws. Security access is granted based on the worker’s role and location, as part of the guided business processes. Whether the application is deployed in the cloud or on-premise, Oracle has the highest security standards so HR data is secure.
A key portion of overall operating costs is the investment required to implement and maintain underlying technology systems. Today many organizations have already adopted cloud technology or are seriously considering the cloud.

With Oracle Human Capital Management Cloud Service and Oracle Talent Management Cloud Service, you can realize the promise of the cloud to meet the demands of your human capital and talent strategy. Unlike traditional cloud vendors that often leave organizations with fragmented and inflexible systems, Oracle controls every security level in the cloud, from the data center to the database to middleware and the applications itself.

Every layer of the stack is engineered to work together in the cloud, so HR data is better secured and available. A rapid start foundation achieves faster time to value: Oracle Cloud Management Rapid Start Service includes dedicated functionality, methods, and best practice setup templates that have been developed for more-efficient implementations.
In addition, Oracle offers a choice of deployment options. This allows organizations to manage the pace of IT change without sacrificing functionality. For example, organizations might choose to introduce new technology and integrate it with their current systems so they can transition over time. Organizations can also opt for on-premise deployment, or use a private cloud in which the solution is deployed only for them, or configure a hybrid model that marries modules from both the public and private clouds.

HR departments must be able to adjust HR programs and processes easily, and address complexity at the same time. HR can leverage cloud technology to adapt faster to constant business changes and be less reliant on IT. With the right cloud technology, HR processes can be rapidly extended as the business evolves. Being a cloud vendor allows Oracle to constantly innovate and enhance their solutions, while offering best practices that HR can leverage to provide value to the organization, employees, managers, and business partners. The Oracle Cloud is simple and flexible at the same time.
Companies are constantly evolving as they strive for innovation and growth. Acquisitions, new product launches, and new markets and geographies all create an exciting yet challenging environment for HR. HR must have flexible systems so that processes can be rapidly and easily adjusted as the business changes.
When HR needs to create and maintain processes, Oracle’s HCM solutions provide best-in-class extensibility capabilities to tackle the challenge. With Oracle Composer, companies can address their unique needs by adding new fields to track and report on customized information. Companies also can extend the look, feel, and behavior of each screen in an “upgrade-safe” manner as well as create custom reports to suit the business needs. Executives can easily extend the application and view interactive dashboards and analytics that can display personalized information to help guide them in effective decision-making.

All this power dramatically simplifies HR’s job of keeping up with a fast-paced business environment.
WORKFORCE INSIGHT TO DRIVE TALENT STRATEGIES

**Organizations that don’t have the right workforce insight** often lose opportunities because they didn’t have the right data and analysis on hand when they needed it. Leveraging workforce insight can provide measurable economic benefits.

The 15th Annual PricewaterhouseCoopers CEO Survey uncovers that CEOs are seeking a better understanding of the scale and effectiveness of their investments in talent. A full 95 percent of the surveyed CEOs believe that it is important to have talent-related information on hand when making decisions. But 73 percent state that they don’t receive comprehensive reports.

Some examples of critical business questions that could be answered with workforce insight include:

- In what markets can we expand aggressively based on the talent we have?
- Do we have people focused on the right work?
- How do we get the best people into pivotal roles?
- Have we identified our leaders of the future and are we developing them in the right way?
A recent Human Capital Institute survey highlighted that while 75 percent of companies have visibility into their defined goals, only 21 percent know whether they have the skills to execute their business strategies. While the gains to be made from leveraging workforce data are significant, most organizations have yet to become “data-driven” when it comes to aligning talent to the business, and this creates both tremendous opportunity and pressure for HR to deliver workforce insights.

Oracle empowers organizations by providing:

- Comprehensive insight that integrates all important sources of employee data
- Advanced analytics that make it easier for business users to make data-driven decisions
- Advanced analytics that help managers mitigate talent-related risks
- Predictive analytics that model financial outcomes

Businesses don’t typically operate in a linear fashion. Many sources of data are spread across multiple lines of business, and consumed in different quantities at various levels. This often causes conflicting results and less-than-optimal reporting and analysis. Oracle’s HCM solutions leverage open standards and integration, which sets the stage for more flexible, consistent reporting. The result is accurate analytics from multiple sources.

Oracle’s HCM solutions also empower managers by providing insight at the point of action, so they can more easily make data-driven decisions. Oracle’s interactive dashboards and drill-down capabilities provide users with a rich, interactive experience in which information is filtered and personalized to a user’s identity or role—making the information both relevant and secure. In addition, embedded analytics are presented within the interface when executing transactions. With Oracle’s embedded analytics and business intelligence, business information becomes intuitive and easy to understand, and guides managers in their decision-making.

Finally, Oracle’s predictive analytics let managers predict workforce performance and model outcomes. The actionable framework allows managers to take immediate action to positively influence worker and organization behavior. Early identification and mitigation of talent-related risks allows managers to reduce attrition of top talent and increase performance so that organizations have the right talent in the right place at the right time.
TALENT ALIGNED WITH THE BUSINESS FOR OPTIMAL PERFORMANCE

Fifty percent less turnover. Thirty-one percent higher employee engagement. Forty-two percent stronger succession pipelines. According to Bersin and Associates, these are some of the benefits achieved by companies that excel in managing talent. Building the best talent to drive the business requires the ability to proactively manage all talent processes and integrate those processes to achieve superior business outcomes.

Oracle’s HCM solutions give HR organizations deep capabilities for every aspect of talent management, including recruiting top talent, measuring performance, tracking goal completion, evaluating talent, rewarding talent, and creating and tracking development and career plans. The breadth and depth of these capabilities is significant. In a dynamic business environment where strategies, goals, and talent needs are constantly shifting, and where competition for top talent is fierce, organizations need to leverage every possible avenue for acquiring, building, and retaining the right people.
Deep capabilities are available in Oracle’s solutions for all aspects of talent management, including recruiting, performance management, talent reviews, succession planning, employee development, and compensation. More significantly, Oracle’s HCM solutions integrate these diverse aspects of talent management to better focus talent management on business outcomes.

Integrated talent management is truly a partnership between HR and management. HR can act as a coach and guide to management on how to drive business results through talent processes. For example, say an HR team undertakes an integrated talent review, looks at the retirement plans of the engineers and the tenure and the skills of the workforce, and discovers an enormous gap.

They see that not only does the current workforce not have the right skills, but many of the skills they have are going to retire over the next 10 years. The company leadership realizes that they cannot execute on their business plan due to the lack of the right talent, and so take immediate action and evaluate their employees more thoroughly. They have to find the right skill sets, the top performers, and potential leaders so they can execute on the business plan. Without an integrated talent management solution, it would be difficult to take a holistic approach to building the best talent for this initiative.
A study conducted by the **Corporate Executive Board** found that the employees who were most committed to their organizations gave 57 percent more effort and were 87 percent less likely to resign than employees who consider themselves disengaged. According to an employee engagement survey conducted by IABC Research Foundation, 39 percent of organizations use social media for employee engagement.
Oracle’s user experience platform reflects the pervasiveness of the internet and social networking, and enables mobile access to ensure high usability. Employees can use it to connect with each other and expand work relationships. They drive innovation through collaboration in an open and transparent way, finding job candidates and career opportunities, giving kudos to peers and following their colleagues’ professional progress.

Engaging interaction design, such as Oracle Fusion Tap, provides role-based access to key HR content and actions. Employees find expertise and share knowledge to be more productive—they are engaged.
The business case for implementing state-of-the-art HR technology has never been stronger. With many companies focused on expansion yet constrained by talent, HR organizations need to focus on activities and processes that drive business outcomes.
By simplifying the management of people, HR can decrease operating costs on a global scale, freeing time and resources to focus on the most-strategic issues, including building the pipelines of talent that will keep the business moving forward.

Oracle offers the broadest and deepest integrated HCM solutions in the industry and provides both the global foundation and the workforce insight for superior talent and HR management. Best-of-breed solutions for talent management, reporting, and analytics can be deployed in multiple ways to suit a company’s unique needs. With the power to both simplify the management of people and build the best talent, HR is empowered to drive the business forward.