Integrating Oracle HCM Cloud

Connecting Human Resources with Enterprise Resource Planning and More

THE CHALLENGE OF INTEGRATING HUMAN RESOURCES

Talent acquisition, retention, and engagement are key objectives of Human Capital Management (HCM) and have long been talked about as a means to enable businesses to leapfrog their competitors. Oracle HCM Cloud achieves these objectives through a modern and easy to use run-ready solution in the Oracle Cloud. If your business is like most however, no application can run isolated from the rest of the business and barriers of isolation between applications can be a key reason business fails to make the transition into a real-time digital business. Integration is clearly a top concern. According to a recent 2016 Oracle Voice of the Customer survey:

68% of participants have integration/implementation concerns when migrating to Cloud[1]

In the past, going through an HR transformation has proved easier said than done. This was because most advances in HRMS technology have been disparate, on-premises solutions designed to serve very specific purposes. Although this may have resulted in key competencies in certain areas, it also meant that processes for core HR functions like payroll and compensation were carried out in separate systems and in some cases in different country from those used for talent management, recruiting, learning, and so on. With no integration—and no single system of record— processes were disconnected, ease of use was impeded, user experience was diminished and vital data was left untapped.

When it comes to upgrading your HR technology, "…the biggest drivers today are 'integrated data and analytics and ease of use.'"

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For most businesses, there are many other applications that play a key part of the overall HCM solution. Existing on-premises applications (ex: PeopleSoft), payroll applications or services (ex: ADP), and Enterprise Resource Planning (ERP) applications such as Oracle E-Business Suite and SAP are often used as components of an HCM solution. If it can all be unified, this HCM solution provides a seamless experience across disparate applications inside and outside your business to get you on the path to better engage employees and better enable employee innovation while at the same time reducing costs through application consolidation. And why has HR suddenly been at the forefront of this dynamic change? Because the cloud changes everything with the simplicity of SaaS, enabling lines of business to move fast. Solutions such as HCM Cloud enable this dynamic change. And just how critical is integration to enable your business to adapt and transform to this unified cloud-based solution? According to Deloitte's Predictions for 2016 report, respondents cited "integrated data and analytics and ease of use" as the #1 reason for moving to a SaaS delivery model for core HR services to build true "systems of engagement".

Simply put, the cloud is accelerating adoption of modern HR and success can only be achieved if integration is a key part of the solution

ADAPTING TO HR IN THE CLOUD

Figure 1: A majority of companies are adapting to HR in the cloud with a hybrid strategy of some HR in the cloud (often talent, recruiting) and core HR on-premises…at least for an initial phase. Integration lets these two deployment location connect as a single unified HR solution.

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There are many possible approaches to integrating Oracle HCM Cloud with existing on-premises applications, ranging from "point-to-point" on one end of the spectrum to cloud-based integration Platform as a Service (iPaaS) on the other. Point-to-point integration can be used if there are only two applications that need to be integrated and no future plans for additional integration. If however, you plan to integrate with additional applications in the future, point-to-point can lead to short term gain at the expense of long term complexities due to a collection of nonstandard disparate point-to-point integrations that are difficult to maintain and enhance. Over time when two point-to-point integrations expand into 3, 5, or more, you application network becomes fragile and inhibits innovation. If future applications might be integrated beyond the first two, an iPaaS solution is the easier and future proof strategy. In the past, integration platforms required complex installation and configuration. The cloud has changed that by eliminating the need for installation and (for the most part) configuration. iPaaS lets you easily expand your connectivity as new projects require. For example, HCM Cloud might be integrated with PeopleSoft initially to provide continuity between your previous on-premises HR solution and your modern HCM Cloud implementation. Likewise, Taleo or 3rd party HR systems such as Workday from an acquisition could be added to provide a unified view of HR across all of these HR applications. Over time, you can implement your company strategy of either consolidating down to just Oracle HCM Cloud or deliver a unified single view of HR by integrating your disparate HR touch points. And how are companies today making this transition? According to an "Oracle Voice of the Customer" survey of 170 respondents during a 2016 Oracle HCM Cloud Day, 69% of companies are adopting a hybrid approach to cloud by deploying non-mission critical applications first. Frequently the non-mission critical applications include talent and recruiting applications that are including in phase 1. This multi-phased approach to modernize HR requires an easy to use and comprehensive integration platform that lets you integrate HR CRM, ERP, legacy and more, both cloud and on-premises, into a virtual single view of all HR data.

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As the graphic in Figure 2 below illustrates, Human Resources applications cannot function as standalone, isolated solutions. Close connectivity with Enterprise Resource Planning and other closely related areas is key to provide up-to-date and synchronized access to relevant data. For example, a new project is created and the project manager needs to rapidly assemble a team assembling diverse niche skillsets from across the organization. She needs to tap into the HR competency data showing skillsets and also where individuals want to grow as elaborated in their annual reviews. Charging to the project requires access into timecard and labor applications. Skillset deficiencies might require posting to the recruiting module to acquire new competencies from the outside and integration from the ERP project management module, HR talent management module and more. Likewise, integration is required to connect General Ledger, Field Service, Accounts Payable (such as ADP), Purchasing, and more as shown in Figure 2.

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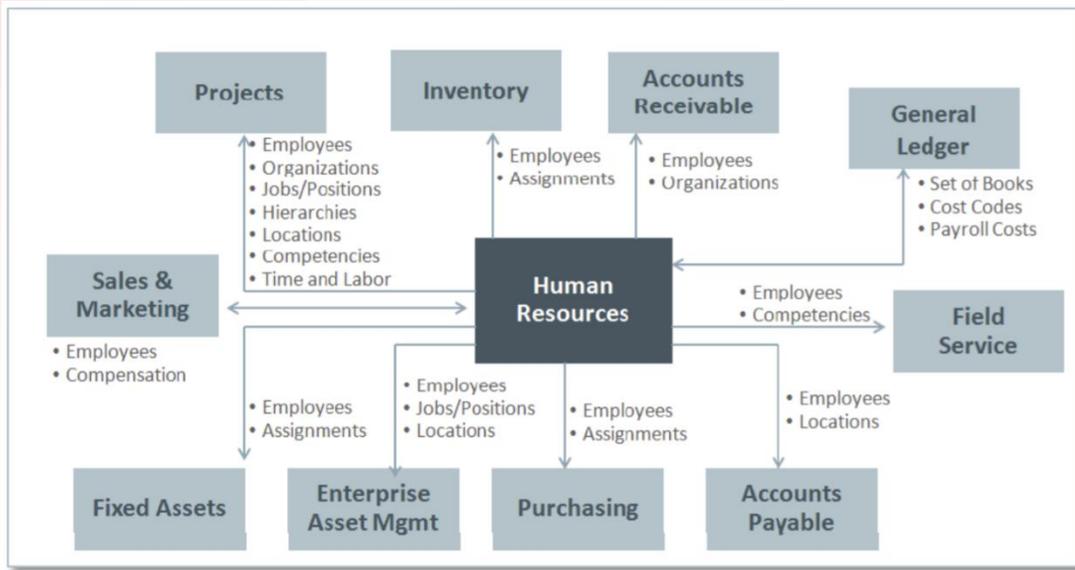
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Figure 2: HR requires seamless integration to a wide range of non-HR functions to deliver the connected enterprise.

There are many different styles of integration and the style is frequently dictated by the application itself. For example, instead of real-time integration, it might be easiest to export a flat file out of Oracle HCM Cloud for import into your ERP application. This file might contain new hire on-boarding information that needs to be synchronized with your legacy HR system or synchronized with your ERP application. Over time, you might decide this batch-style (often end-of-day) integration has too much latency and results in data being out of sync between applications. In that case, you might decide it is time to convert this integration into real-time integrations that don't use a flat file approach and instead uses REST-based Web services. Likewise, you might add a partner (outside your firewall) and need to share large files. To manage this flow, you will want to extend your integration to include an integration style known as Managed File Transfer (MFT). Having the flexibility to adopt the integration style mandated by the application and adjust as needed is a critical success factor for businesses wanting to be agile enough to rapidly adjust to new business demands. Key to delivering on that success is an integration platform that is easy to use and built on a proven foundation and extends to accommodate your future business connectivity needs. Oracle Integration delivers this success as described below.

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ORACLE INTEGRATION SOLUTION

Oracle provides a platform for integration designed to precisely target the needs of many different HCM integration use cases.

Oracle Integration provides application integration for Oracle HCM Cloud and virtually any other application or data store. It is delivered as a platform-as-a-service (PaaS) in the Oracle Cloud and lets you rapidly provision new integration environments with just a few clicks. Because the environment is built automatically, administrators and developers can spend more time on value-added tasks, like enabling a talent-centric employee lifecycle model, migration of HR processes such as payroll, absence management and self-service functionality for management and employees and as well a recruiting and performance management. Integration touch points include to payroll web services such as ADP, integration to internal applications leveraging run-ready adapters that exist for E-Business Suite, SAP, JD Edwards, PeopleSoft and many more. Functionality within Oracle Integration that enables these benefits includes process orchestration, loose coupling of services with an enterprise service bus (ESB), managed file transfer, business-to-business electronic data interchange (EDI) integration, Managed File Transfer (MFT) and more. Check the product page for more information on Oracle Integration.

CASE STUDY: TRANSITIONING TO HCM CLOUD

A major international airport chose Oracle Integration to ease the transition from on-premises HR into Oracle HCM Cloud. Prior to the implementation, there were 6 divisions planning their own HR projects without considering end-to-end HR flow requirements and how these projects might overlap or conflict with each other. Their goals included reduction of manual work and administrative burden, improving customer service, and synchronizing deployment of manpower. Oracle Integration was the foundation to implement these goals by providing a common integration platform spanning all current and future HR projects. The customer implemented talent management in the cloud first while maintaining master HR data on-premises often spanning multiple applications, requiring Oracle Integration to share data between all the relevant systems. The reasons they chose middleware in the cloud, instead of on-premises, included the avoidance of a considerable slowdown of application responsiveness due to on-premises firewalls as well as introducing the freedom to avoid overly strict internal governance policies not relevant for their use cases. Benefits highlighted by the customer were increased business agility to respond faster to new requests, cost reductions, enabling new revenue growth opportunities, introducing IT flexibility, and faster integration of mergers and acquisitions. A summary of the key points of this customer's transition into the cloud is shown below:

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Figure 3: Oracle Integration customer integrates Oracle HCM Cloud to ERP to maximize staff performance and development.

CONCLUSION

Running HR applications in isolation is no longer acceptable, especially considering the fact that 69% of customers have a hybrid implementation of on-premises HR combined with modern HR in the cloud. The archaic, slow, and error-prone manual methods of synchronizing HR and ERP applications have been replaced by automated integration in a unified HR solution. As a longtime leader in application integration, Oracle delivers a mature and proven integration platform that lets you not only integration HCM Cloud and ERP, but also future proof your integration so you are ready for what comes next. Whether its mobile connectivity, Internet of Things connectivity, human-based process orchestration or more, Oracle has the proven solution – all integrated in the Oracle Cloud Platform to let you adapt faster to the modern Oracle HCM Cloud solution.

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