Happy, Cloudy Skies

From Improving Productivity To Creating Great Employee Experiences, Human Resource Departments Are Moving To The Cloud.
Summary
No longer a technological newcomer it once was, cloud technology is now entrenched in the business world, with more organizations than ever incorporating cloud solutions into their HR technology strategy. Cloud offers flexibility, adaptability, data security and cost savings, contributing to greater employee productivity and retention. As organizations increase their overall spending on HR technology (and their attitude toward cloud remains positive), they will continue to turn to cloud solutions to create talent cultures that deliver great employee experiences.

Introduction
A recent Harvard Business Review report demonstrates just how far cloud adoption has come over the past several years. Where businesses may have been previously hesitant about the cloud, now they are embracing it — and reaping the rewards. Cloud technology provides businesses with agility and reduced complexity, while adding desired data security. Because of this, 70 percent of companies have adopted cloud technology in some form.¹ HR professionals are always on the lookout for ways to increase employee engagement and bolster productivity, while keeping costs in check at the same time. Cloud solutions go a long way to assisting HR leaders in achieving their goals of talent attraction and employee growth and retention.

KEY FINDINGS: CLOUD HELPS ORGANIZATIONS...
☑ Compete for talent.
   Having a social strategy that includes cloud helps organizations recruit talent.

☑ Improve productivity and increase retention.
   Improving productivity is a top motivation for a third of organizations exploring cloud-based software. Integrating employee motivations with cloud solutions can create a retention culture.

☑ Keep costs in check.
   Cost savings is the top motivation for half of all organizations exploring cloud-based software, and the second highest factor when organizations choose HR technology vendors.

☑ Innovate and use technology to their advantage.
   As technology spending increases, organizations will look to a broad range of technologies — including cloud — to help them make the right talent decisions.
In a competitive talent market, moving to a human capital management cloud can help organizations compete for talent and increase the probability of retention. Midsize companies that are growing rapidly often want to double in size over the next year, or six months. Yet organizations often struggle to fill a large number of openings. How can they increase the odds of finding the right talent?

Cloud solutions employ social and mobile tools to reach candidates that could be a fit for the organization. Today, more than 90 percent of job searches begin on a mobile device, up from 1 in 5, not quite two years ago. People want to look for a job anywhere, any time. If they can’t find and apply for a job on a mobile device, chances are the organization is missing out on great candidates.

Social tools can help begin a conversation that can lead to candidate referrals or hiring job seekers. Social recruiting is marketing, plain and simple. All social recruiting begins with a conversation — whether employees are looking for a job or just exploring a company. When using social recruiting tools organizations have to think about who they want to find, where those potential hires are, what they are interested in, what they value, and how they might want to engage with the business. Social and mobile tools take brands into the market to reach talent, establishing ongoing candidate relationships, nurturing those relationships over time and building external talent pools for open positions. Talent acquisition in the cloud is invaluable in today’s talent market.

Cloud Helps Organizations...
- Compete for talent.
- Improve productivity and increase retention.
- Keep costs in check.
- Innovate and use technology to their advantage.
Improving productivity is a top motivation for organizations looking to increase their bottom line without increasing overhead. With its ability to streamline processes and eliminate redundancies, technology continues to improve workplace productivity, which is why productivity is a top motivation for organizations exploring cloud-based software (Figure 1). While employee productivity continued to climb upward in 2015, organizations are always on the lookout for ways to increase productivity, through a combination of training and technology. HR departments are at the center of this need for training and technology.

Many employees want the same things from their employee experience, such as career development for today and tomorrow, connection, collaboration, learning and capability building, great work, flexibility, and relevance — having a real impact on the business. When applied in an integrated way through cloud solutions, these goals can foster a retention culture. The freedom to work on a mobile device, to work anywhere, anytime, and with anyone creates connection and teamwork, leading to increased profits for the business.

Eighty-six percent of people leave a job today for lack of career development. Yet 51 percent of people that do leave and take a new job have buyer’s remorse. By connecting performance, goals, and great development experiences, organizations can create the experience people are looking for so they don’t have to leave, allowing them to build their careers in one place. HCM cloud is at the center of the great employee experience. Whether its connection and collaboration, or having data accessible to work in a more transparent way, HCM cloud is at the center of creating a retention culture.

Having data available on a variety of devices helps employees connect with work wherever they are, increasing their productivity when they’re away from their desks. Being able to access files from anywhere is another primary advantage of using cloud services.

Figure 1: Motivations for organizations exploring cloud-based software services.

<table>
<thead>
<tr>
<th>Motivation</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost savings</td>
<td>51%</td>
</tr>
<tr>
<td>Accessibility</td>
<td>43%</td>
</tr>
<tr>
<td>Improved Productivity</td>
<td>31%</td>
</tr>
<tr>
<td>Easier Upgrades</td>
<td>29%</td>
</tr>
<tr>
<td>Data Recovery Resiliency</td>
<td>27%</td>
</tr>
</tbody>
</table>

Organizations can create great employee experiences by connecting performance, goals, and development.
Organizations are responding to this call to increase productivity by increasing their spending on HR technology. Employees need more flexible ways of working. Many organizations report that cloud gives employees more access to data, and creates connection and collaboration. In the HR space, organizations expect technology spending to increase over the next year, which includes spending on cloud. For the second year in a row, more than half (51 percent) of organizations expect to increase HR technology spending (Figure 2). This wave of HR technology spending increases will also affect cloud solutions, as 40 percent of organizations plan to purchase cloud-based software in the next 12 months. As they invest, they’ll have expectations of benefits, such as lowering costs, increasing productivity, and bettering communication through knowledge sharing.

Such planned investments make it clear: organizations are prioritizing software that enables more strategic talent management. At the same time, organizations want their technology solutions to do more, and for less. Organizations are turning to cloud solutions for their flexibility, along with the cost savings realized from increased employee productivity. We’ve already seen how cost savings is the top motivation for organizations exploring cloud-based software (Figure 1). Cost also factors in the relationship between organizations and vendors. Nearly 20 percent of all organizations cite cost as their top factor when choosing a vendor for HR technology.

Cloud solutions are adaptable, offering organizations the ability to configure tools to their needs. Having control over the configuration, look and feel means organizations can adapt one product to serve multiple needs, eliminating the cost of redundant systems. Given the rate technology changes, cloud solutions allow organizations to incorporate changes faster than what we traditionally see with an on-premise solution, increasing their response time. This is especially helpful in midsize businesses, who may not otherwise be able to keep up with the changing pace of technology. As a result, investing in cloud solutions is a top priority for midsize organizations (less than 1,500 employees), where one in three plan to purchase cloud-based software in the next three years. 

Figure 2:
Planned HR technology purchases.

<table>
<thead>
<tr>
<th>Category</th>
<th>Already use</th>
<th>Plan to use in next 3 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile</td>
<td>26%</td>
<td>39%</td>
</tr>
<tr>
<td>Talent Management Suite</td>
<td>24%</td>
<td>37%</td>
</tr>
<tr>
<td>Performance Management</td>
<td>37%</td>
<td>31%</td>
</tr>
<tr>
<td>Recruiting</td>
<td>46%</td>
<td>27%</td>
</tr>
<tr>
<td>Workforce Planning</td>
<td>27%</td>
<td>27%</td>
</tr>
</tbody>
</table>

Cloud gives employees better data access, leading to more connection and collaboration.
Organizational goals for cloud-based solutions are to increase productivity and reduce costs while at the same time provide superior service levels. Cloud technology can be deployed to many areas of L&D, and respondents use cloud technology in everything from analytics to data integration (Figure 3).

As companies grow, they begin to use cloud differently in response to their most pressing needs. Midsize organizations — who presumably have less IT support than large organizations (more than 1,500 employees) — are more focused on cloud’s ability to recover data in case something goes wrong. As data loss can cost companies precious time and money, organizations want solutions that will help them mitigate data loss and expedite data recovery. As companies grow in size, they begin to focus on using cloud technology to increase productivity. Regardless of size, all organizations appreciate the cost savings and increased accessibility that cloud services provide.

Organizational attitude toward cloud software becomes more positive every year. Last year, nearly half of all organizations reported having very positive experiences with cloud-based software. Another 40 percent said they were exploring it. Of the organizations with negative experiences, only 10 percent said they were weary of cloud and less than 1 percent said they disliked the technology. Midsize organizations have an even more positive attitude — 54 percent like or love cloud and an additional 39 percent are exploring it. The percentage of midsize organizations reporting a positive attitude toward using the cloud rose more than 15 percent year on year. Perhaps organizations are seeing the success their peers are having and wish to reap the rewards for themselves; three-quarters of cloud users say cloud gives them a competitive advantage.

We are in living the internet of things — more and more organizations are using wellness apps, providing wearables, connecting people through competitions, and learning about how people are networked through understanding reputation management. Business intelligence innovation is providing predictive analytics for better decision-making. Understanding how to apply data and analytics can help you gain information on talent gaps and the strength of your benches, giving you better information for workforce planning.

Figure 3:
Where organizations have deployed cloud technology.

| LMS/L&DMS | 58% |
| LCMS | 28% |
| Analytics | 27% |
| Data Integration | 23% |
| Internal Business Practices | 23% |

54% of midsize organizations like or love cloud solutions.
Conclusion
Whether it’s innovative talent acquisition, improving employee productivity, increasing retention, lowering costs or innovating through technology use, cloud solutions help businesses achieve their organizational goals. We live in a social and mobile world and people expect to be connected at work in the same way they are connected in their lives. Employees need solutions that are mobile and flexible, which cloud provides. As companies grow and their operations become more complex, more companies will adopt cloud technology as part of a broader HR technology strategy to maximize talent management effectiveness and business performance.

About
Pamela Stroko is Vice-President, HCM Transformation for Oracle’s mid-market customers. She is an HCM thought leader, helping organizations deliver effective talent strategies that drive business success. She is a member of Oracle’s HCM Transformation Team, a group of senior human resource leaders that provide consulting and expertise in the HCM space.

Oracle’s global, web-based, application platform is designed for organizations of every size, industry, and region. Oracle Human Capital Management has been the HCM solution of choice for over 20 years and has 13,500 customers in over 140 countries; 6,000 of whom are in the cloud.

The Workforce Business Intelligence Board (WBIB) consists of senior human resource practitioners. The WBIB is the business intelligence arm of Workforce magazine.

The Human Capital Media (HCM) Research and Advisory Group is the research division of Human Capital Media, publisher of Chief Learning Officer, Talent Management and Workforce magazines. The Research and Advisory Group specializes in partnered research solutions — customizable and proprietary deliverables that integrate seamlessly with existing sales and marketing programs.

Notes
7, 8, 9. Workforce 2015 HR Technologies Survey.