

ORACLE



# Elevate HR to the Cloud

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A guide for leaders who are ready to move beyond legacy systems, lead with confidence, and build a foundation for success in the era of AI



# Table of contents

- Now is the moment to lead change ..... 3
- What’s holding HR leaders back? ..... 4
- Why a unified cloud suite is the best way forward ..... 5
- Top 10 signs it’s time to move to a cloud HCM suite ..... 6
- The “bolt-on” trap ..... 7
- Oracle Fusion Cloud HCM: Built for today, ready for tomorrow ..... 8
- How Oracle can help .....10

## Now is the moment to lead change

Over the past decade, the way we work has been transformed. The workplace has shifted from a location to a dynamic, digital ecosystem where the speed of innovation defines success. The rise of AI is empowering organizations to make smarter decisions, support meaningful growth and development, and automate processes faster than ever before.

Your success in this new era will be determined by your technology. Organizations with AI embedded from infrastructure through applications are moving faster. Those relying on stitched-together tools and bolt-ons are facing mounting costs and struggling to keep up.

This isn't the time to simply add new features. It's the time to embrace a platform that's built from the ground up to empower the human-agent workforce with a truly unified foundation: one data model, one security framework, and built-in AI that carries work forward and equips every employee and manager with reliable support at scale.

As work moves rapidly into the human-agent era, what's holding HR leaders back? As they move from legacy systems, what should they prioritize? And what should be the next move for forward-thinking organizations that refuse to fall behind?



# What's holding HR leaders back?

## Understanding the limits of on-premises systems

Many organizations have built decades of process and policy around on-premises HR platforms. These systems were designed for a different era, before the speed and complexity of digital transformation and before the AI revolution. They now present serious obstacles.

- **Technical debt.** Every day spent on legacy systems increases your technical debt. The cost of standing still isn't just what you see today—it's the future impact of maintaining an aging system and missing out on innovation that can leave you behind competitors who are faster and more advanced in their adoption of modern, secure platforms.
- **Siloed data.** On-premises systems often require third-party integrations, data extractions, or duplicate data entry. This creates silos and hinders workforce analytics, talent planning, reporting, and critical decision-making.
- **Security risks.** Manual patches and fragmented controls can't keep up with today's threats. In the era of advanced AI, security and compliance pose even bigger risks for your organization, your data, and your reputation.
- **Hidden and rising costs.** The total cost of ownership includes not just software licenses but also hardware, integrations, and the labor required to patch vulnerabilities, as well as the cost of missed business opportunities.
- **Resource constraints.** IT and HR experts are stretched thin, often stuck maintaining the system instead of doing work that brings real value to the organization. Many staff who specialize in legacy customizations are now nearing retirement, making it harder and more expensive to find and train replacements.
- **Lack of agility.** Every change—whether regulatory, organizational, or business-driven—requires a new project, lengthy user testing, and significant downtime. This makes it difficult for HR to align quickly with new priorities, compliance changes, and the shifting needs of an expanding business.



# Why a unified cloud suite is the best way forward

## It's not just “software in the cloud”

Business today demands an AI-ready platform, not a collection of apps in a data center. To scale, move fast, and innovate continuously, organizations need architecture engineered for agentic work: unified data, consistent security, outcome-based experiences, and agents that can reason, act, and collaborate across workflows, with built-in observability and evaluation to maintain trust and control.

A unified cloud suite delivers this foundation through an interconnected set of cloud native applications. Core HR, recruiting, payroll, talent, learning, analytics, and workforce management all run on a single data model and security architecture. It's fully connected, automatically updated, and the applications are designed to work seamlessly together.

Beware “cloud” bundles. Some vendors stitch acquired products together with middleware and manual integrations, recreating the same silos, fragility, and upgrade pain of on-premises systems. A truly unified cloud suite is built, maintained, and continuously delivered by a single provider, so you gain the following benefits:

- **Lower, predictable total cost of ownership.** Eliminate the need for investment in hardware and data centers. Subscription-based pricing includes updates, support, and continuous innovation.
- **Embedded, always-on innovation.** Prebuilt agents and guided agent workflows are built into the system, and updates are delivered automatically. There's no need to take on the risk and cost of building your own AI models or waiting for lengthy, disruptive upgrades.
- **Real-time, unified data.** People and work data from across the business is connected, giving you a single source of truth and making analytics, insights, and reporting available on demand.
- **Enterprise-grade security and compliance.** Built-in security, privacy, and compliance controls are regularly updated to address the latest threats and regulatory changes.
- **Personalized, consumer-grade employee experience.** Modern UX with intuitive navigation, mobile access, and personalized dashboards drive adoption, engagement, and self-service.
- **Agility and scalability.** Easily build and adjust capabilities without disruptive projects or IT bottlenecks. Turn features on or off as organizational needs shift.
- **Extensibility and customization without complexity.** Fewer integrations mean less risk of downtime, as well as faster support for new business models or geographic expansion. Custom configurations, while often not needed, can be handled without extensive custom coding or ongoing IT involvement.

# Top 10 signs it's time to move to a cloud HCM suite

- 1 Innovation is passing you by.** As HR technology accelerates, your organization is falling behind business expectations and faster-moving competitors.
- 2 Leadership is demanding AI adoption.** You lack the skills, budget, and time to deliver with a system that requires you to build from scratch.
- 3 Upgrades are expensive and disruptive.** Every update is a lengthy initiative, consuming budget and interrupting business.
- 4 Security feels like a moving target.** You can't keep up with new threats, compliance requirements, and best practices.
- 5 Maintenance costs keep rising.** You're paying more and more just to stay where you are, with diminishing returns on legacy IT spend.
- 6 Your UX looks and feels dated.** Employees aren't getting a modern experience, so engagement is suffering.
- 7 Skill gaps are putting business continuity at risk.** It's getting harder to find, train, and keep on-premises system experts.
- 8 Getting reliable data is a constant struggle.** You're dealing with disconnected systems and data silos that prevent you from making decisions you can trust.
- 9 Regulatory demands are increasing.** You can't update policies and practices quickly enough to stay compliant.
- 10 Business is moving faster than you can support.** Mergers, reorganizations, or international expansion are being slowed by your HR systems.

# The “bolt-on” trap

## Why technology layers on top of legacy systems don't solve the problem

You may hear vendors or internal stakeholders suggest “modernizing” by adding a new user experience, chatbot, or technology layer on top of your existing system. They're promising to meet today's employee expectations without a disruptive migration. It sounds appealing, but there are critical pitfalls.

## The truth about experience layers: The temptation of the quick fix

While adding layers to your legacy HR system might provide a temporary boost, this approach has the following drawbacks:

1. **Does not address the core problem.** The underlying system remains brittle, complex, and unable to keep up with innovation.
2. **Adds cost and complexity.** More integrations, more vendor relationships, and a mix of support agreements add up quickly.
3. **Hinders data quality and trust.** Data isn't truly unified, which means your analytics, personalization, and analytic insights will be partial at best.
4. **Increases risk.** System complexity introduces more opportunities for error, reporting gaps, and compliance slips.
5. **Impedes scalability and future-proofing.** Adapting to future needs means adding even more layers, integrations, and risk.

## Technical debt grows faster than you think

Every new bolt-on system or digital facade creates hidden technical debt. By the time you've finished integrating a quick fix, business needs have already evolved, and the next demand creates more strain. You end up investing in complexity, not capability.

## Don't settle for surface-level change

Bolt-ons can't inherit what matters most: unified data, policy awareness, role-based security, and AI embedded in the workflow. As AI takes on more responsibility, enterprises need built-in governance, auditability, and consistent behavior. These capabilities only come from a unified architecture that's built in, not bolted on. A unified cloud suite addresses the root issues of outdated technology, siloed data, security, and compliance risks while providing a real foundation for continuous improvement.

# Oracle Fusion Cloud HCM: Built for today, ready for tomorrow

Oracle Cloud HCM is the only complete, fully unified, cloud native HCM solution with AI embedded from infrastructure through applications. It provides you with one comprehensive suite that unifies HR processes, delivers cohesive and personalized experiences, and helps you adapt to evolving skill and business needs, all supercharged by AI and agent-driven workflows.

It's part of the Oracle Fusion Cloud Applications Suite, which includes solutions for enterprise resource planning, supply chain management, and customer experience to help you better align HR with your business goals and improve operational excellence.

## The Oracle Cloud HCM difference

- **Lower, predictable TCO.** Your subscription covers updates, support, and innovation, including embedded AI.
- **Unified from the ground up.** Leverage a single platform with a common data model, security framework, and user interface.
- **Agentic by design.** Access more than 100 embedded AI features across talent, recruiting, learning, workforce management, and analytics at no extra cost.
- **Multilayer security.** Spanning infrastructure to applications, automated compliance and role-based access controls keep you ahead of evolving threats, especially as AI use cases increase complexity.
- **Unmatched user experience.** The Oracle Redwood UI offers a modern, consistent, and context-aware experience across all devices.
- **Fully configurable.** Easily configure your system, model your workforce, and set up processes with little to no IT involvement.
- **Continuous innovation.** Quarterly enhancements and best practices from Oracle's global user base are delivered automatically.
- **Global scale.** The solution is designed to meet both international and regional needs in more than 200 jurisdictions and 30 languages.



Oracle customers achieve more by moving from on-premises to Cloud HCM

US\$6.2M

in annual recurring business benefit

39%+

lower IT costs

21%+

lower operational costs

10%+

higher operational efficiency

*Assumes 5,000 employees. Averages based on historical value realization studies and ongoing experience cocreating BVS business cases with customers and prospects*

# How Oracle can help

Moving to cloud can feel overwhelming. You don't have to navigate the journey alone. Learn more about [Oracle Fusion Cloud HCM](#), request a live demo, and find out how we can help you adapt for the workforce of today and beyond.

Have more questions about moving from on-premises applications to Oracle Cloud HCM?

## Connect with us

Call +1.800.ORACLE1 or visit [oracle.com](https://www.oracle.com)

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