



Building growth from Human Capital intelligence

Inside the minds of HR data leaders

ORACLE





Data everywhere

The ability to scale and speed-up process, to turn analytics in a predictive insight, and personalise the workplace for employees is dependent upon connected systems, and these are dependent upon robust data. Getting a proper handle on the data that it generates and manages is one of HR's biggest current challenges.

And it's a challenge that, if not acted upon, will only get worse as more and more technologies create more and more data. Current confidence in data in HR is low and with it, the credibility of HR leaders.

Facing the challenge head on and becoming a data leader requires establishing proper data management protocols, effective training and embracing accountability. This will enable hyperconnectivity and unlock multiple benefits, not just for HR, but the wider business, customers and in particular employees.

The rewards will be felt in systems that connect and empower HR heads to deliver increasingly powerful insights around employee productivity and talent risk, scale processes, and deliver employee experiences that positively change the traditional working model.

The price of failing to keep up with the times will be HR departments that struggle to deliver basic functions as the volume of data, the demands of executives on reporting, and the demands of employees on modern and flexible working models, all increase unrelentingly. Embracing disruption to overcome these barriers, as we will go on to see, is intrinsically linked to greater business growth and long-term success.

For those stuck on their transformation journey, there's light at the end of the tunnel – will you take the next step?



Key findings

- 1 If you want to improve growth, don't ignore your culture** – organisations who have seen significant growth **are often twice as likely** to have completed their innovation culture initiatives than those with marginal growth
- 2 Organisations with flexible or mobile working initiatives have seen significant growth (32%)** compared to 15% of those with marginal growth
- Data leaders put in effort to build best processes around data and as a result there's clear difference in the results that they see
- What's holding HR back? Getting a better handle on data management – an issue which is only going to get worse over the next few years with **26% of HR leaders saying data will be less manageable in three years' time**
- 5 Most HR leaders are only just getting started on transformation, risking being left behind in attracting the right talent** – only 32% of HR decision makers say they have completed their priorities, leaving the majority with a lot of ground to cover
- 6 The biggest struggle for HR leaders is making talent agile. The gap between desire and reality is huge** – 73% of HR decision makers say that talent agility is a priority for their organisation
- 7 Businesses who have completed agile talent initiatives are growing faster than those who haven't**
- Organisations who have seen significant growth are often twice as likely to have completed innovation culture initiatives than those with marginal growth
- Organisations who have seen significant growth are far more likely to have completed flexible/mobile working initiatives than those with marginal growth
- 10 Making that talent productive is critical but not enough are helping their staff achieve this goal** – 53% of decision makers say that employee productivity is very important, yet only 41% are prioritising investment in talent development

8x

HR data leaders are **eight times more likely to be confident in generating meaningful insights** from their data than laggards

30%

Agile talent is a priority – but only 30% have completed innovations in this area

2x

Organisations that have experienced significant growth are **twice as likely to have completed agile talent initiatives**

Methodology

The results presented in this report are based on three separate mobile-only, 23-question global surveys conducted between September 2018 and January 2019. These surveys targeted manager, director, vice-president or C-Level executives with influence in the decision-making process of cloud solutions, platforms, and infrastructure or department-specific software. Respondents worked within organisations generating revenues between less than £1 million to more than £500 million, with 100 to 50,000 employees.

Maturity model methodology

Each respondent was scored based on the maturity of their answers to three questions on the topics of internal protocols around data use, teaching people to use data responsibly, and the methods they use to share critical data. Higher scores were given to the answers that are closest to best practice. This resulted in a spread of responses across the scale. The top 10% of the total respondents are classified as 'data leaders' and the bottom 10% are 'data laggards'. The IT department is over-represented in the leaders group, whereas other departments are under-represented.

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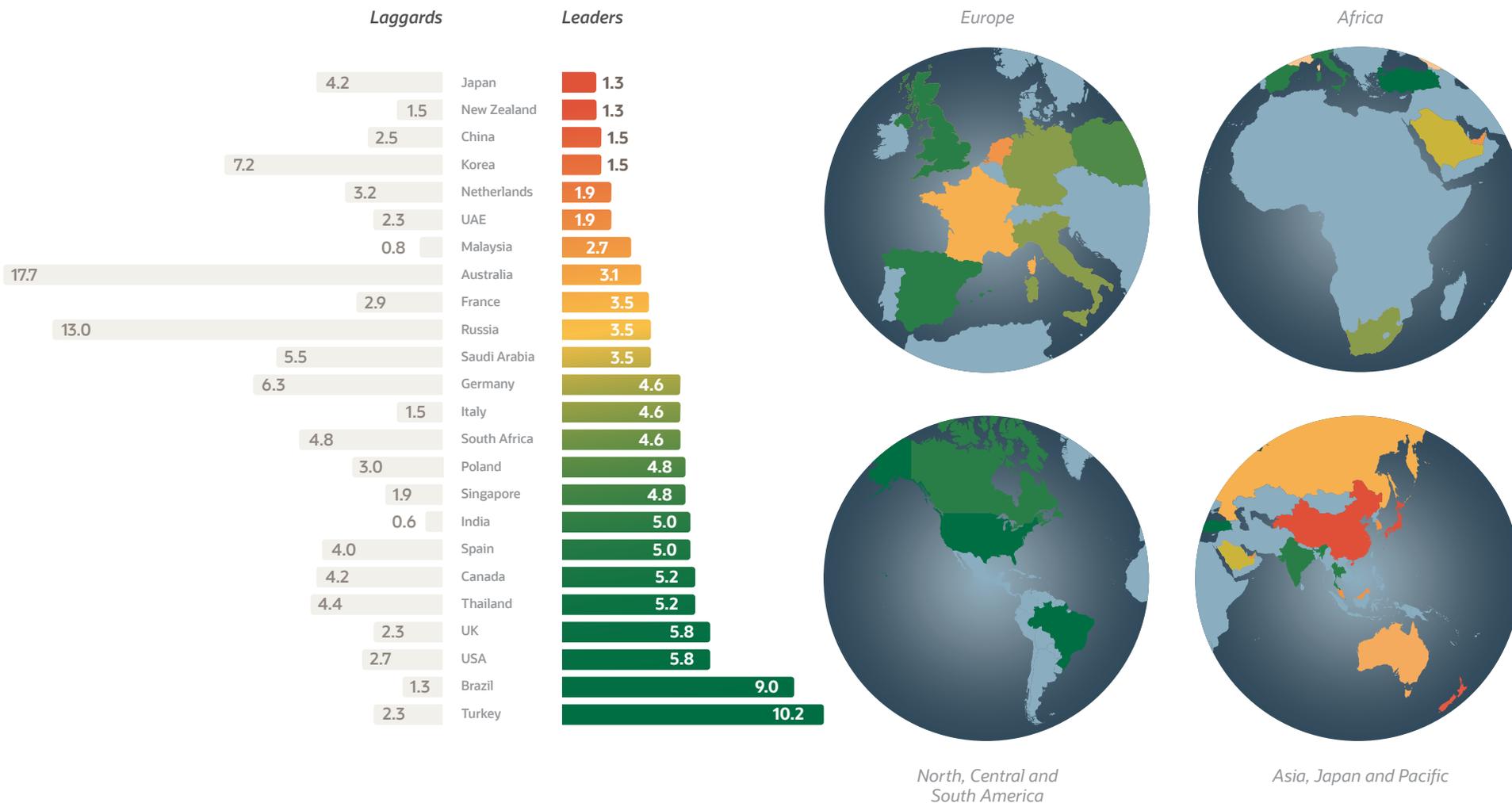
Conclusions

A global view of data leaders

The Americas lead the way as data leaders, followed by much of Europe. APAC and Africa are still catching up, and can learn from what leaders do differently.

Analysis showing the percentage of leaders that fell within each country

All respondents: Base 5539





Why it's important to become a data leader

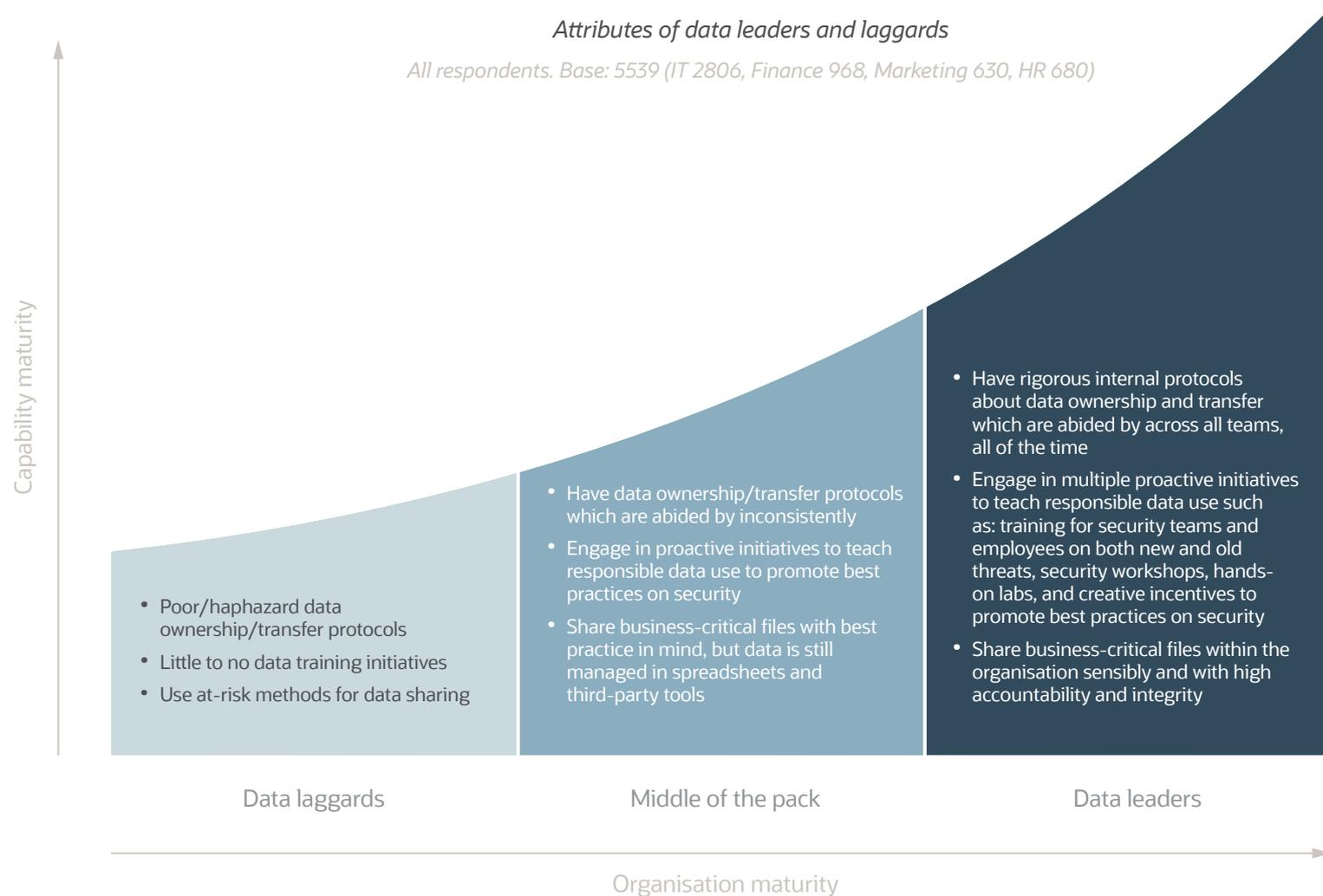
Discovering the value



Why it's important to become a data leader – What makes a data leader?

There are organisations far ahead of the rest when it comes to data management. **HR is now expected to manage data** that should offer the opportunity to control the talent risk for the business, and drive connection and innovation that maximises the potential of each member of the workforce.

The question is **how many HR departments** are truly in a position to do this?





Why it's important to become a data leader – How did we define data leaders and data laggards?

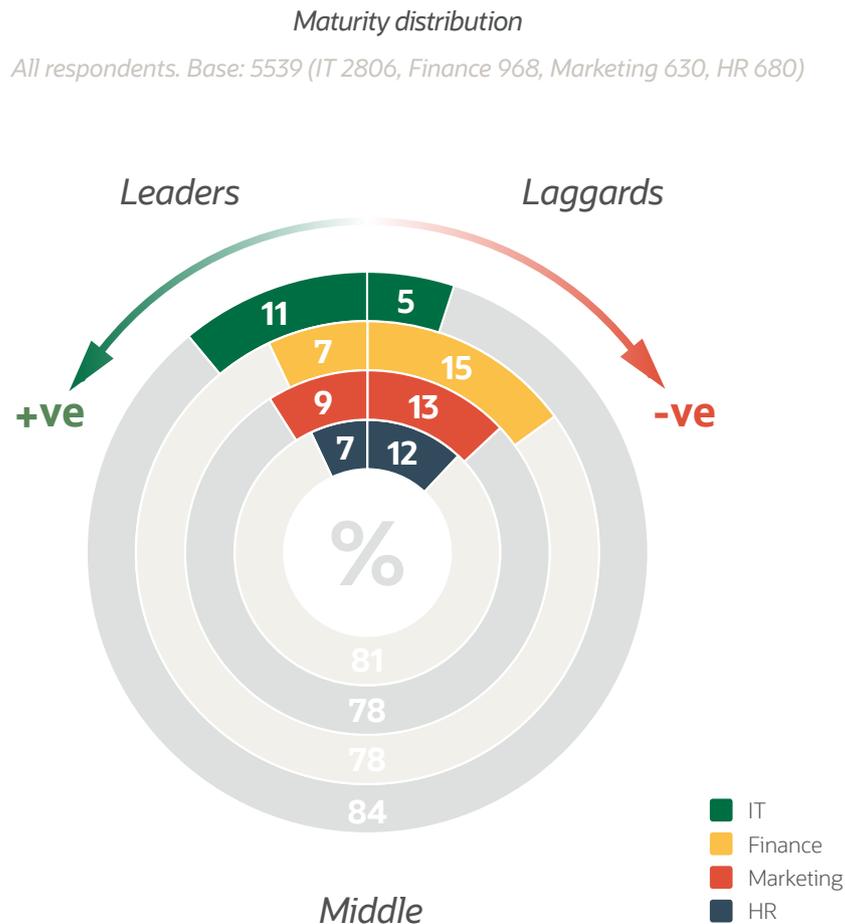
By looking at responses to three questions on the topics of internal protocols around data use, teaching people to use data responsibly, and the methods they use to share critical data, we saw that **there are organisations far ahead of the rest.**

So what makes a data leader?

Data leaders are respondents who are putting the effort into building best processes around data. They:

- work at organisations that have rigorous internal protocols about data ownership and transfer which are abided by across all teams.
- engage in multiple proactive initiatives to teach responsible data use such as: security workshops mixing together people from different lines of business, hands-on labs on secure usage of devices and connections, and creative incentives to promote best practices on security.
- share business critical files within the organisation sensibly and with high accountability and integrity – more often using methods like secure on-premises database access, and less likely to use email or flash drives.

Data laggards, on the other hand, are far less likely to engage in the above, and are almost certainly not doing all three.





Why it's important to become a data leader – Data leaders have higher confidence in data

The business is constantly demanding more from HR as a function. Yet with only a **small minority of HR respondents** classed as data leaders, their credibility is at stake in terms of being able to provide the necessary data and contextual insights that CEOs demand for the human capital functions.

This gap is exemplified in the differing levels of data confidence between HR data leaders and business data leaders as a whole.

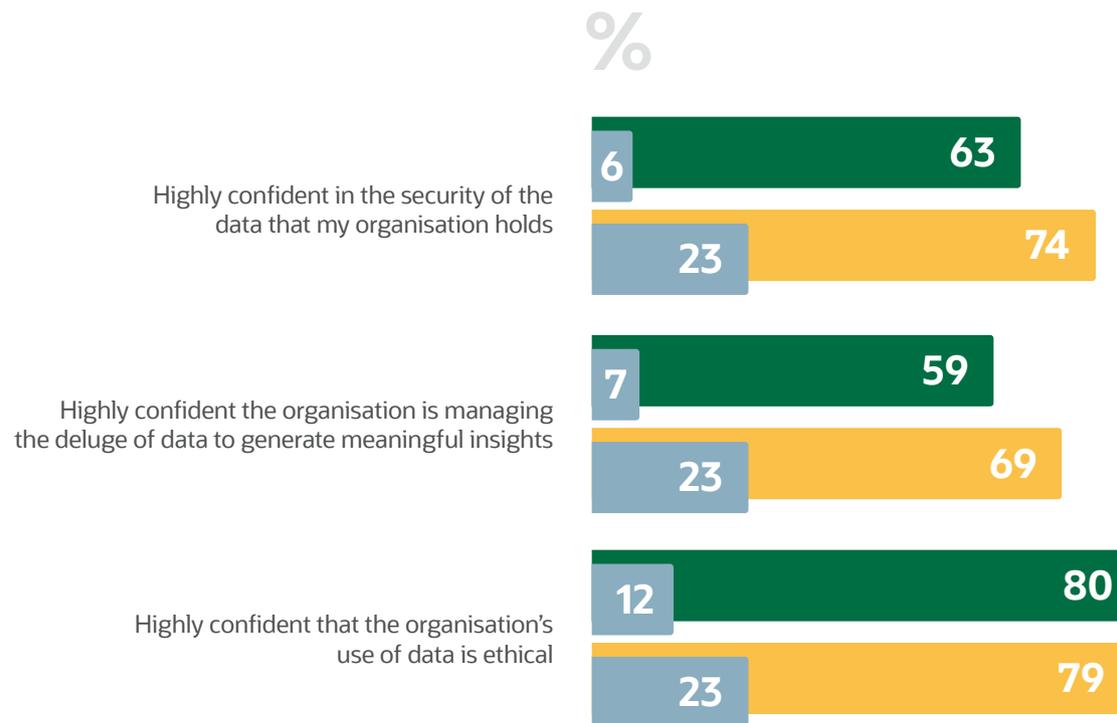
Being a data leader leads to greater confidence in key deliverables. While still the majority, fewer from HR are highly confident in their organisation's data security or their

ability to generate meaningful insights from the data they collect. The gap between leaders and laggards is particularly apparent in this area. Implementing data management strategies and ensuring rigorous training on protocols is HR's path to becoming a data leader, and in HR's case that path can lead to greater credibility within the business.

How confident are you in the following? Split by data leaders and laggards – Highly confident

HR respondents vs. all respondents. Base: 5539

- HR data leaders
- Total data leaders
- Data laggards from each respondent group





Why it's important to become a data leader – This confidence is linked to trust

Trust is a core component of data confidence and building that trust through **properly securing data** can lead to a wealth of benefits. Most HR data leaders in particular see that their organisation completely benefits in terms of customer advocacy, loyalty and revenue.

What's more, significant internal benefits are also being felt. Compared to other lines of business, HR data leaders are also more likely to regard productivity and employer brand

as completely benefiting from properly securing data.

Customer, employee and bottom line benefits – what better incentive to becoming a data leader is there than that?

In what ways does your organisation achieve trust with its internal and external audiences (customers, suppliers, employees, etc.) from properly securing its data? – Completely benefits

HR respondents vs. all respondents. Base: 5539





Data is still an issue – get a grip on it

Getting to the root of the issue



Data is still an issue – get a grip on it – Organisations are drowning in data and the flood is not over

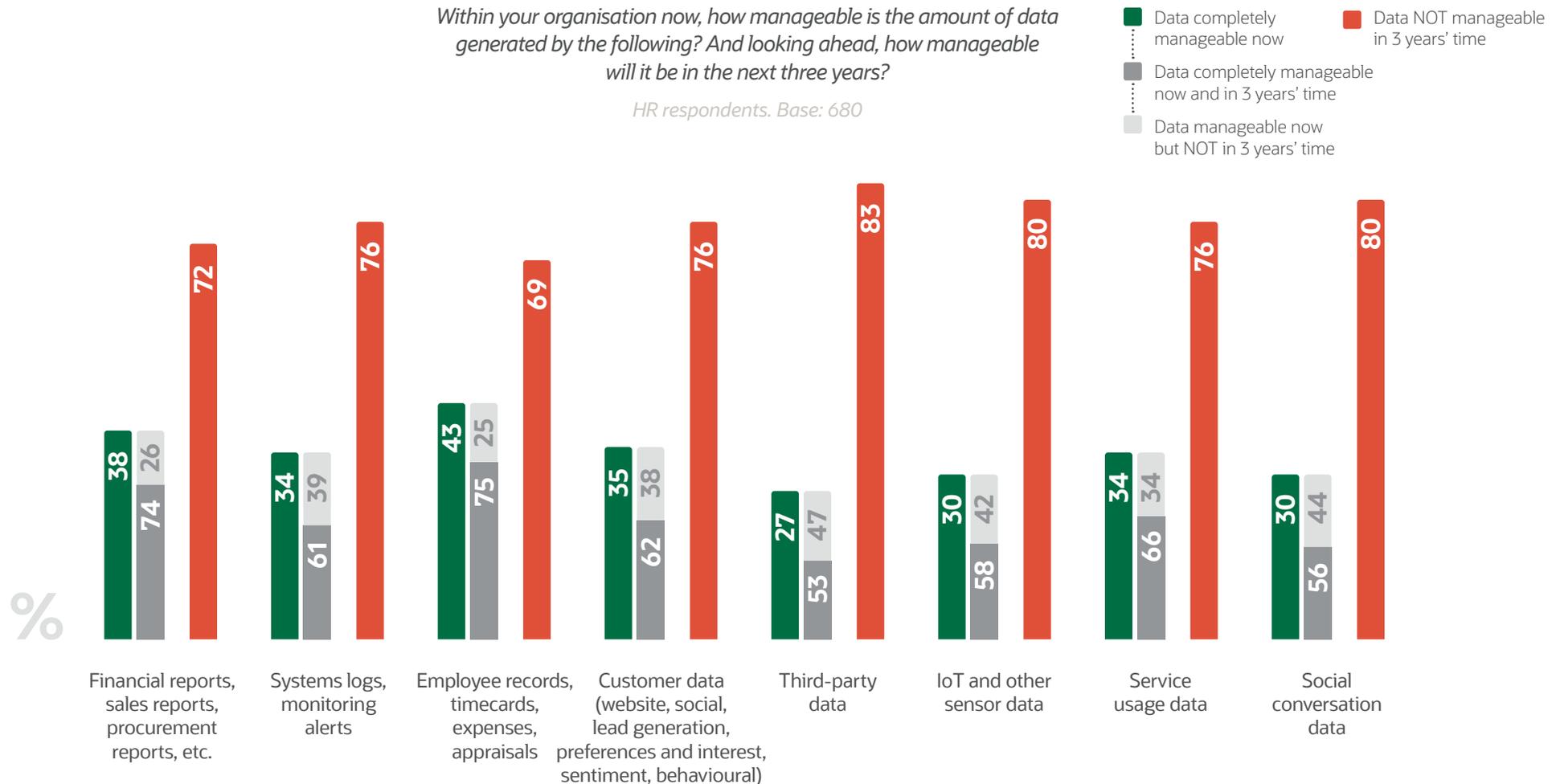
So what's stopping the majority from getting there? **The sheer amount of data** that is being generated in organisations these days is the root of the issue, whether from existing or legacy systems and processes or newer, expanding forms such as IoT or social conversations.

When it comes to employee data, only the minority (43%) report it as being completely manageable for their organisation today, and more worryingly this confidence will drop. One in four (27%) of those who say it's completely manageable now do not believe that will be the case in three years' time.

The picture gets even bleaker when we consider newer forms of data being created. Only three in ten (30%) say that their organisation's social conversation data is completely manageable currently and of those, two thirds (66%) believe that will still be in the case in three years.

Within your organisation now, how manageable is the amount of data generated by the following? And looking ahead, how manageable will it be in the next three years?

HR respondents. Base: 680



**Data is still an issue – get a grip on it** – There is low confidence in data in the HR function

With so few HR respondents scoring as data leaders, there is a definite **lack of confidence in data** and with that comes a lack of credibility across the wider business.

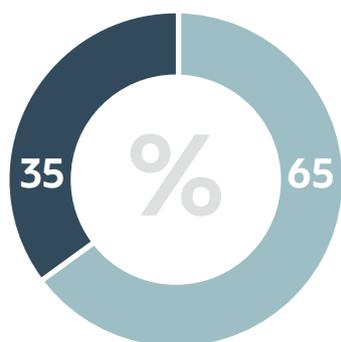
Only the minority describe themselves as highly confident, whether it's the security of data, the ability to generate meaningful insights or using data in an ethical way.

Just 22% are highly confident in all three of these areas, leaving the rest with some way to go to achieving a feeling of confidence that their data quality is robust.

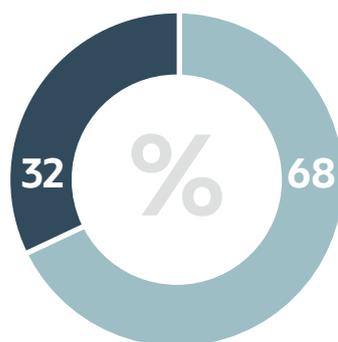
The confidence index

Showing HR respondents. Base: 680

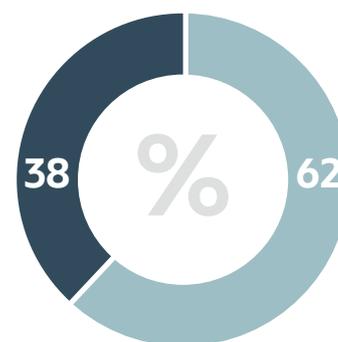
■ Highly confident
■ NOT highly confident



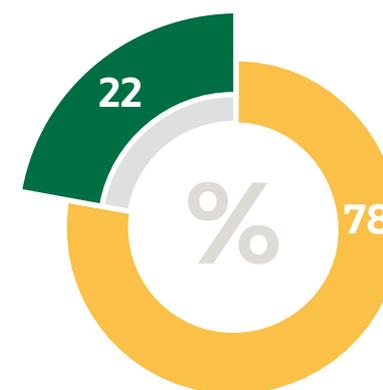
How confident are you in the security of the data your organisation holds?



How confident are you that your organisation is managing the deluge of data to generate meaningful insights, based on the last six months?



How confident are you that your organisation's use of data is ethical, based on the last six months?



Highly confident/Not highly confident in all three



Data is still an issue – get a grip on it – Confidence is linked to accountability

Does HR really understand or appreciate the vital role they play in data security? More certainly could.

Around seven in ten of those describing themselves as highly confident in data and its use report that they are accountable for data security highlighting an encouraging correlation between accountability and confidence – HR respondents are twice as likely to be confident in their data if they

are accountable for it. Merely being responsible doesn't get you the same kind of confidence.

In addition to greater accountability, data confidence is also an output of good data hygiene – which only comes if you are a data leader. To reach that point, strategies and protocols

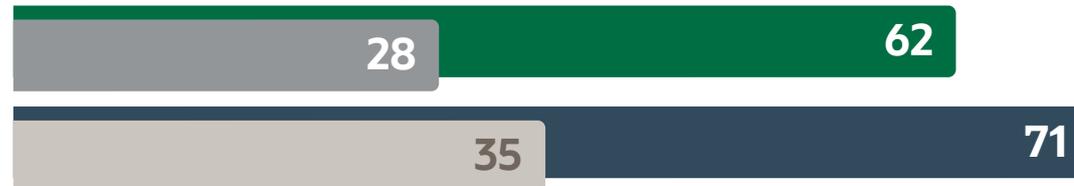
about data ownership are needed. Responsible data use and sharing must be forged into the organisation's culture and departments. Doing so will result in greater credibility for the leaders of HR departments if they can successfully bring productivity and talent insights into the boardroom.

*What role does your department have in securing the data within your organisation?
Split by those who are highly confident in data and its use vs. not highly confident in data and its use*

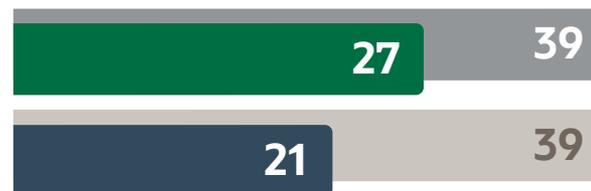
HR respondents vs. all respondents. Base: 5539

- HR highly confident
- HR NOT highly confident
- Total highly confident
- Total NOT highly confident

We are accountable
(ultimately, we are in charge)



We are responsible
(we do the work)



%



Connect up your data to transform the workplace

Turning data into insights



Connect up your data to transform the workplace – Businesses want productivity, but talent is low on the priority list

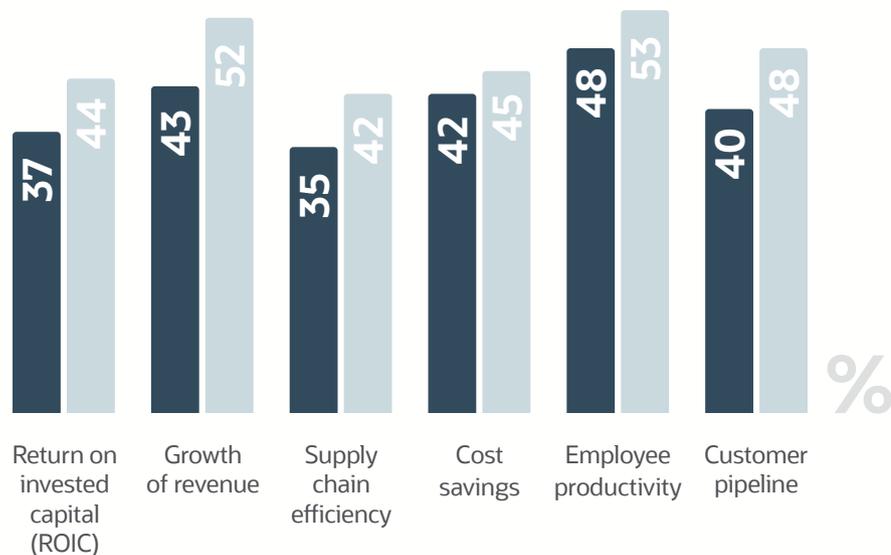
Organisations want ever more output from their people, but unfortunately don't appear to be prioritising the necessary inputs in terms of **maximising the value of the talent** that they have.

Looking at common KPIs being measured, it was older, more tangible areas that remained on top such as productivity. Newer measures deployed, such as customer

satisfaction or data quality were lower down the list – and perhaps most worryingly, two of the most people-related (culture and agility) came bottom of the priority list.

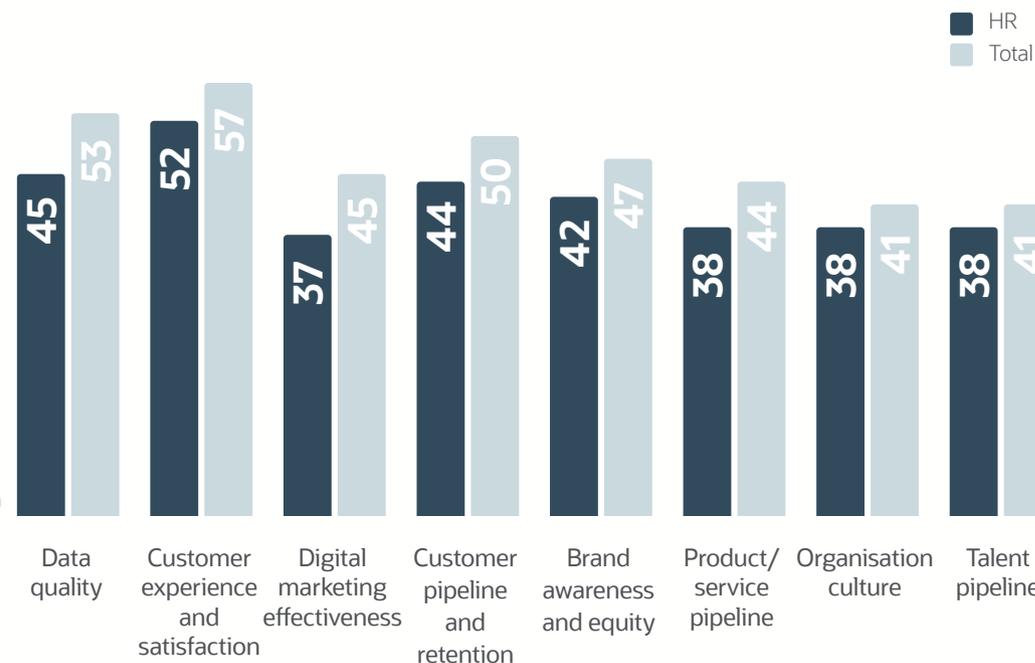
Which of the following KPIs are important in measuring innovation-driven growth within your organisation?
– Named as important

HR respondents, vs. all respondents. Base: 5488



Which of these additional KPIs are important in measuring innovation-driven growth within your organisation?
– Named as important

HR respondents, vs. all respondents. Base: 5488





Connect up your data to transform the workplace – A crucial challenge is a lack of appreciation of the potential of technology

While it appears there is significant current excitement about new technologies, **a gap emerges** when it comes to full appreciation of what such technologies can deliver to the business going forward.

HR leaders most commonly state that they currently 'love' the likes of AI, and autonomous databases – and yet, only around half the proportion for each believe that they 'deliver' and should be built into IT solutions as standard in the future.

What's more, HR appears to be behind the curve compared to the rest of the business when it comes to appreciation of technologies and their potential. It is perhaps this focus on the now, as opposed to the next, that

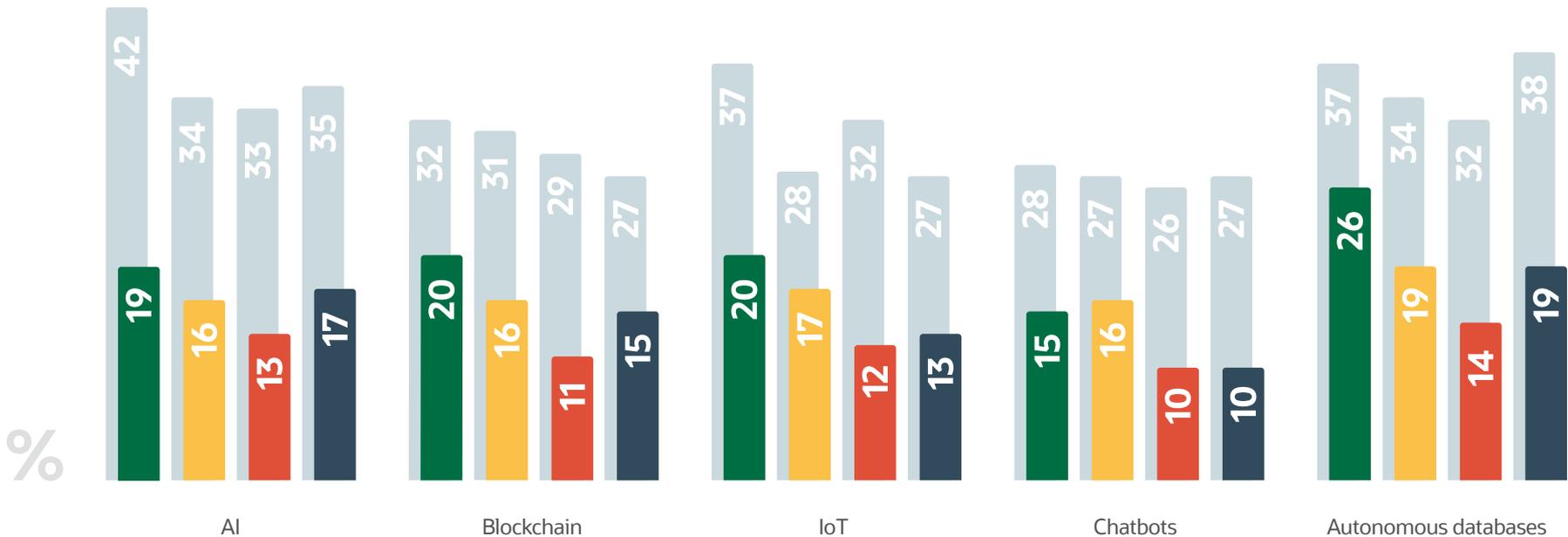
highlights the need for it to catch up if it is to stand a chance of being seen as a credible and effective in delivering human capital metrics that matter to the C-suite.

How would you describe the potential of these technologies to deliver meaningful change within your business?

All respondents. Base: 5539

I love it – it will revolutionise tech within my business
It delivers – I want it built-in as standard in my IT solution

- IT
- Finance
- Marketing
- HR





Innovate for HR and for your employees

Don't be afraid to disrupt yourself



Innovate for HR and for your employees – Innovation breeds growth and vice versa

We've already seen the ability to completely manage data and the need for a greater appreciation of technology as **two main roadblocks for HR**.

The powerful incentive to address these challenges and become data leaders is evidenced by the business growth benefits gained from innovation projects.

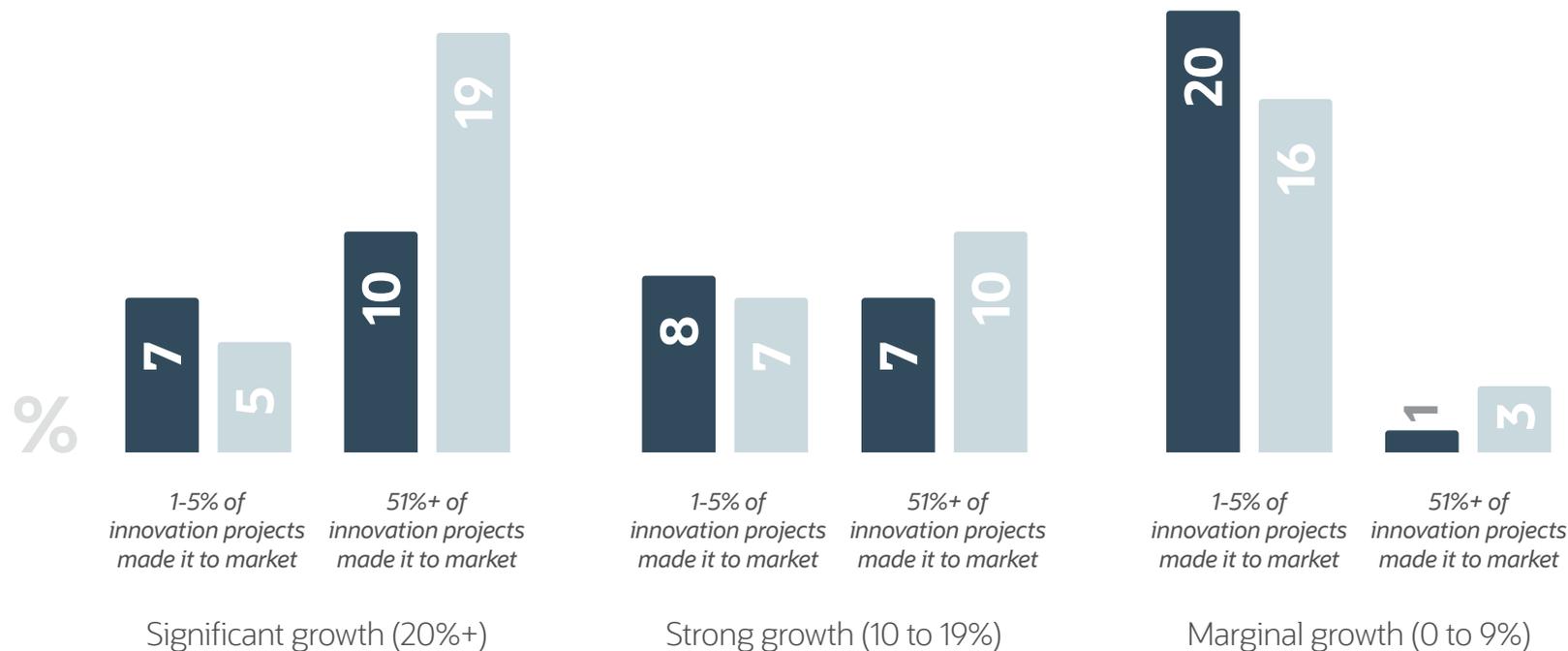
Those from HR who report significant growth in average revenues over the last three years are more likely to report that half or more of innovation projects are making it to market. While this proportion

is still lower than other departments in the business, it is an encouraging glimpse at what could be achieved – more innovation projects means more business growth.

Based on your best estimate, select the percentage of innovation projects that make it to market?
Split by 'How fast would you say your organisation is currently growing (in terms of average turnover/revenue over the past three years)?'

■ HR
■ Total

HR respondents vs. all other departments. Base: 5488





Innovate for HR and for your employees – Automation, collaboration and talent are top of HR's innovation priorities

Among the areas that HR respondents report as priorities for innovation, **only the minority** report them as being completed.

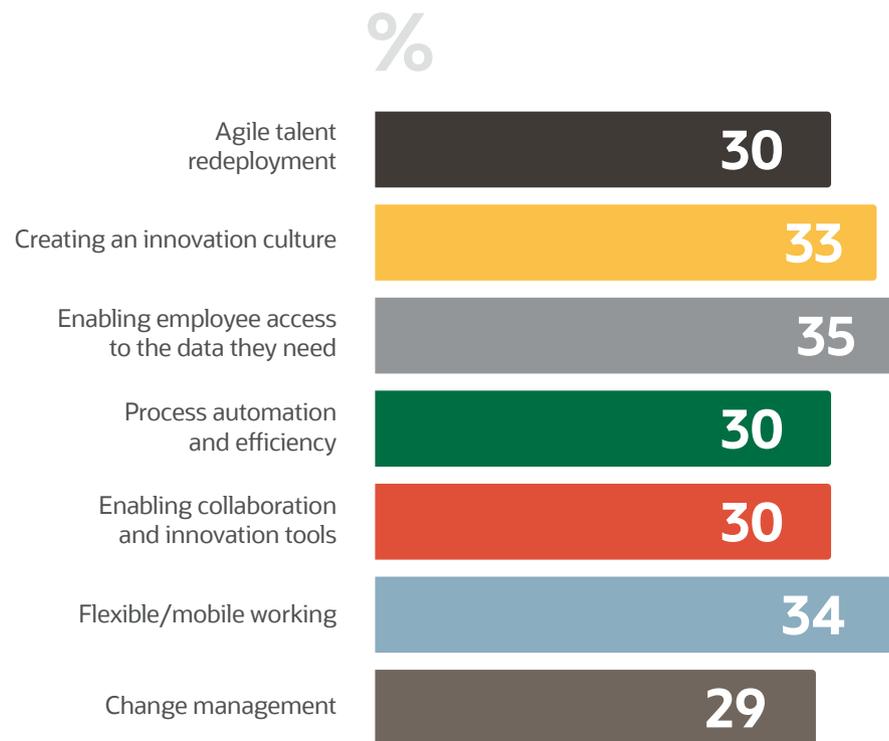
Most common priorities from an operational perspective are creating an innovation culture (33%) and agile talent redeployment (30%), whereas from a workforce experience point of view are enabling access to the data they need (35%) and flexible mobile working (34%). Struggles to complete innovation projects

threaten to put the brakes on business growth – as we observed earlier, the two are intrinsically linked.

As we'll see next, for those in HR who are facing barriers, the message is clear – the journey, and its subsequent hurdles, is worth taking for the rewards on offer at the end of it.

The degree of completion for HR leaders on strategies they highlighted as a priority – Top or somewhat

HR respondents. Base: 710





Innovate for HR and for your employees – Those that complete the transformational journey feel the benefit

Pushing forward with innovation projects to completion aligns with **greater business growth**. HR respondents whose organisation has experienced significant growth in revenues over the past three years are more likely to report that they have completed their priorities.

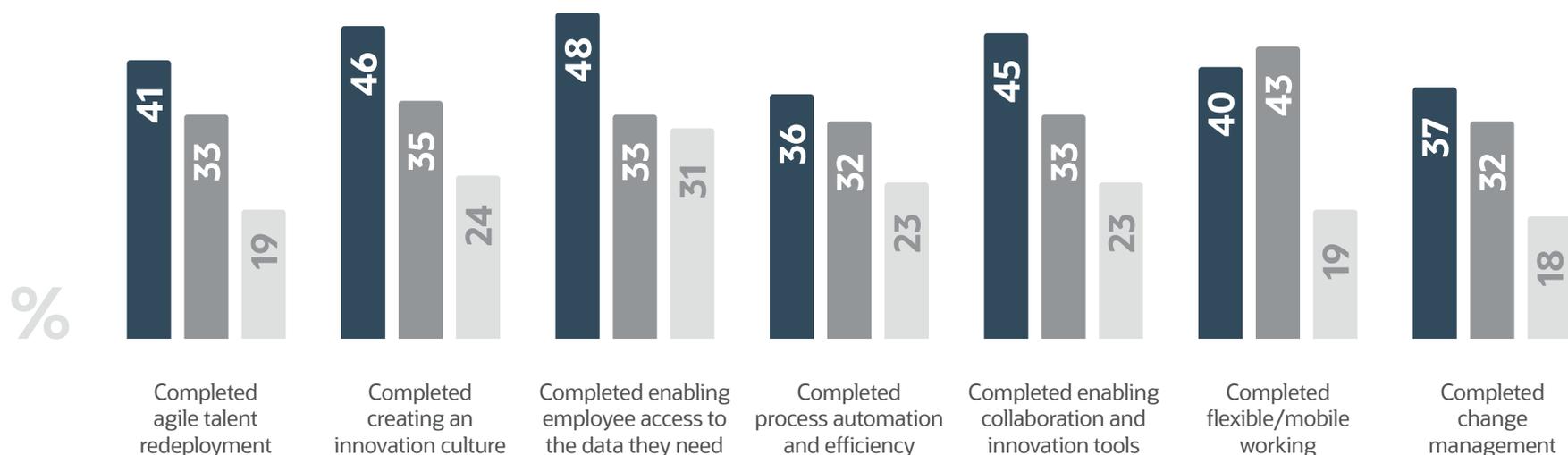
Among those who prioritise agile talent redeployment, 41% who have seen significant growth report this initiative has been completed compared to just half that who have only seen marginal growth. It's a similar case across other

areas, such as creating an innovation culture, or process automation and efficiency. Invest the time to overcome barriers and fulfil priorities and the benefits are there to be had.

HR respondents who named each aspect as a priority area in which they aspire to enable innovation. Showing those who have completed the action to innovate, cross tabbed by the pace that their organisation is currently growing (in terms of average turnover/revenue over the past three years)

■ Significant growth (20%+)
■ Strong growth (10 to 19%)
■ Marginal growth (0 to 9%)

HR respondents. Base: 710





Innovate for HR and for your employees – Prioritising talent aligns to organisation performance

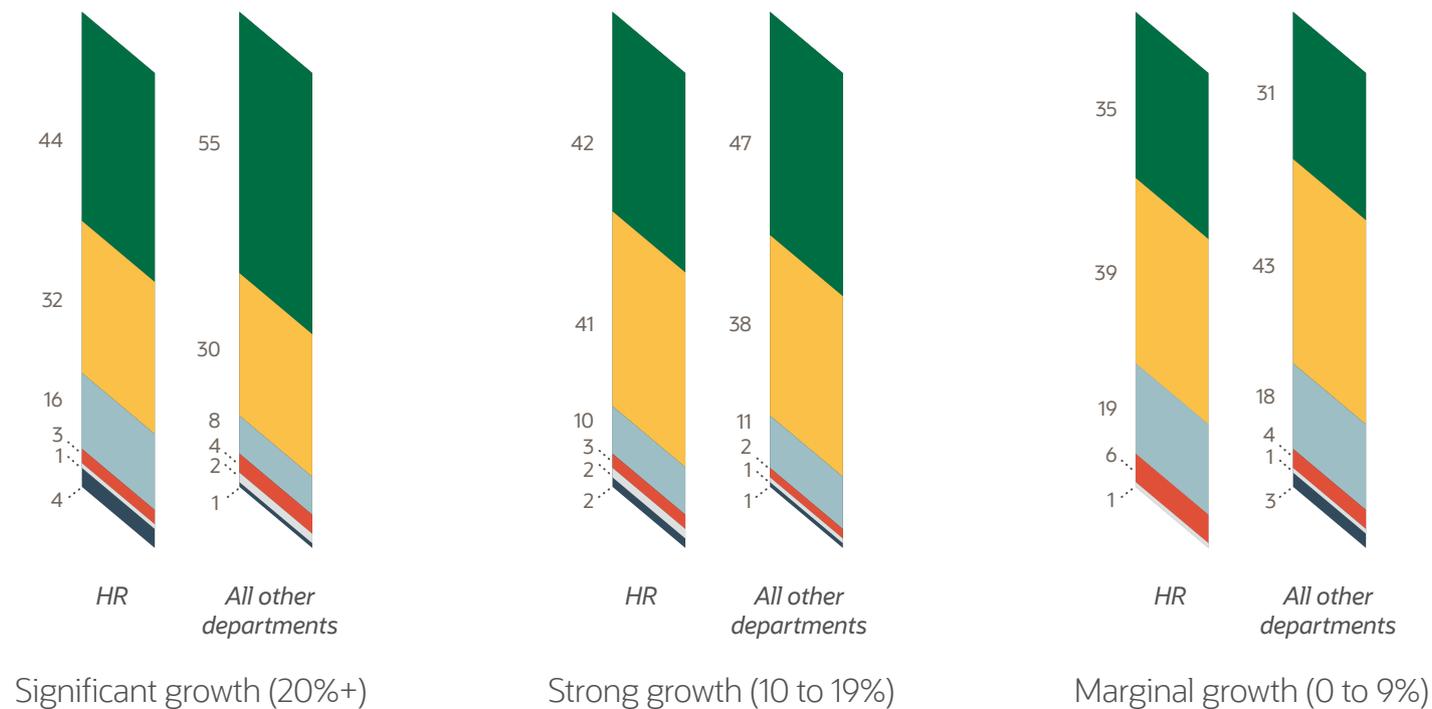
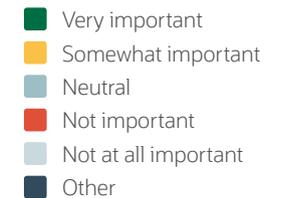
Looking further at those reporting significant revenue growth, over the last three years, a link with **talent prioritisation** appears.

Over four in ten regard talent pipeline as a very important KPI for measuring innovation compared to just over a third of those who have only experienced marginal growth.

However, there again appears to be room for improvement from HR – they lag behind all other departments in this area, highlighting another focus area for improvement.

*How important is Talent Pipeline as a metric of innovation-driven growth within your organisation?
Split by 'How fast would you say your organisation is currently growing (in terms of average turnover/revenue over the past three years)?'*

HR respondents vs. all other departments. Base: 5488





Conclusions – Reaping the benefits of hyperconnectivity

Data is already smothering HR departments, with the majority unable to completely manage the data that they have. This is only set to get worse over the next three years, and at the moment HR functions are unprepared.

HR is under-represented in the data leaders group – because they are less likely to have put in place the protocols and best practices that defines a leader. As a result they are not confident in their data, and the heads of HR departments are missing out on the chance to be seen as a credible business partner within their organisations.

If HR leaders can get a grip on their data, then they can refocus on technology. At the moment there is an under-appreciation from the HR department of the benefits that incremental technology can offer – perhaps they are too bogged down in data, or can't see the wood for the trees with the current complexity of their systems, but pushing through, disrupting themselves and utilising technology to aid transformation is a must in the current climate.

Those who have enjoyed significant growth over the last three years are more likely to have completed their innovation priorities, thus proving the link between innovation and success.

HR leaders need to focus on two things – sorting out their data, and then running that data through technology such as AI and autonomous databases to augment decision-making. The opportunities from doing this are threefold:

- Process efficiency for the HR department. Allowing them to manage scale, cost and quality of service
- Insights – reporting that matters in the boardroom. Intelligence that is both forward-looking (to support business priorities and the skills needed to meet those) and contextual (i.e. realtime and the information matters now)
- Work is made human. Improving the working experience of employees

Executing on the above opportunities will enable HR heads to be seen as credible to the rest of the business – even as business partners – and will be able to make work more human for everyone's benefit.

How can you start your journey?

Read on for six steps.



Conclusions – Work made human: six steps to get your organisation there

1

Become a data leader

- With data management currently a challenge for many, giving this autonomy and the tools to support it will help to foster more data leadership, which in turn breeds higher confidence and even greater credibility
- The credibility of HR leaders comes from being a data leader... then and having data confidence

2

Become accountable for your data to get data confident

- HR respondents are twice as likely to be confident in their data if they are accountable for it
- Once accountable, HR leaders need to focus on growing their data confidence across a range of areas – in particular data security, creating meaningful insights and ethical data use
- Your credibility within the business is at stake so establishing the right data protocols, and teaching responsible data use and sharing, will help HR leaders to make the leap to leadership

3

Once data is sorted, become hyperconnected

- HR needs to look beyond just the process benefits of technology when it comes to data leadership. Instead, consider its transformational potential to connect up every department, innovate the business, and generate business growth





Conclusions – Work made human: six steps to get your organisation there (cont.)

4

Use data to gain insight, and increase HR's credibility in the boardroom

- The business looks to HR for more contextual insights and currently it is often found wanting
- You need to harness technology and put data to work for you, turning what seems like a deluge into a steady stream of meaningful insights which leaders at the highest levels of the organisation can be confident to make decisions from

5

Use insight to improve experiences – for everyone

- As HR leaders, you need to free yourselves from an overly process-based perspective and instead look at the vast potential to utilise data to improve experiences across the business, for customers and employees

6

Use technology as the catalyst for employee success and morale

- With data leadership and new technology investment, organisations can unlock the potential for greater collaboration, personalisation and innovation among employees
- Such projects around data management and technology implementation boost business growth, drive customer loyalty and generate increased revenues
- Empowering employees through encouraging effective data sharing, better collaboration and more personalised experiences will enable them to contribute more to innovation projects in the business...
- ...Work will be made human

So what's stopping you?





To learn how these transformational technologies can help innovate your HR department, **why not try Oracle Cloud today?**

 [Find out how Oracle Cloud can help](#)