THE FUTURE OF THE HR FUNCTION

HR must evolve quickly to meet new challenges in uncertain times

State of the Industry Research

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ORACLE Human Capital Management Cloud

Virtually overnight, HR has moved from a focus on recruiting and retaining scarce talent in a tight labor market to coping with massive layoffs, furloughs, budget constraints, remote work, and historic levels of employee anxiety. Seldom has HR's job been more challenging or more critical.

What is the current state of HR?

Most HR professionals think their department needs improvements, at least in the eyes of their organization's executive team

Only **20%**

think executives would give their HR department high grades (9 or 10 on a 10-point scale) in terms of meeting the needs of the organization

A good indication of HR's status in an organization is who the heads of HR report to

75%

of the heads of HR report directly to the CEO

HR is *most* successful at:

- serving as an employee advocate
- becoming a trusted strategic partner

HR is *least* successful at:

- innovating new practices
- measuring the impact of HR

Are HR departments prepared for the future?

Many HR departments are unprepared for the near future

23% are pessimistic about their HR department's ability to thrive

Just **37%** are confident in HR's preparedness to thrive over the next two years

HR suffers from major skill gaps in five key areas:

Leveraging HR data/analytics

Improving the employee experience

Demonstrating leadership

Executive key initiatives

Communicating effectively

What should HR focus on over the next two years?

- Creating workforces that are agile and can respond quickly to change
- Enhancing employee experience/engagement
- Fostering leadership
- Working with non-HR managers to achieve business goals

Which technologies will be most important to HR over the next two years?

- Analytics and data visualization systems
- Remote work technologies
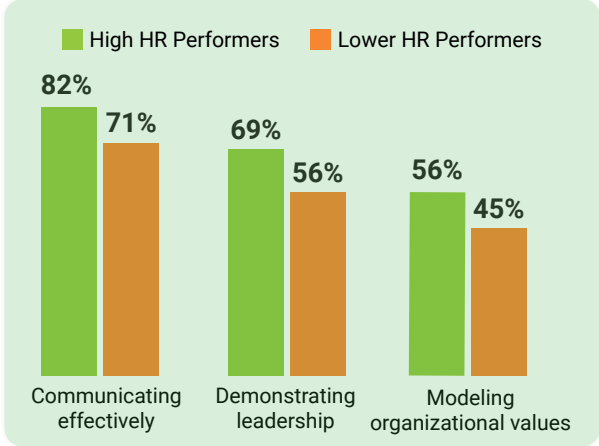- Learning and leaner experience platforms
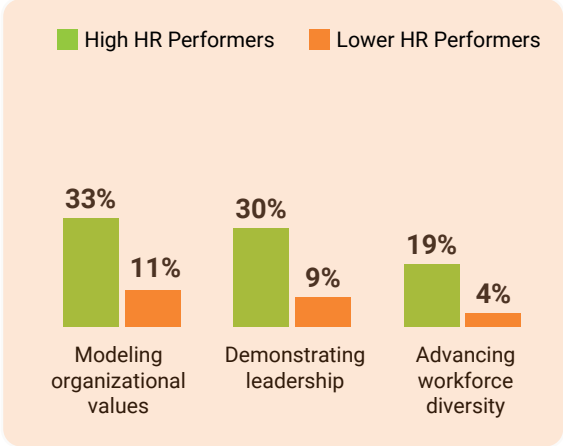- Performance management solutions

What makes a difference?

Compared to **low-performing** HR departments, **high-performing** HR departments are more likely to:

Attach IMPORTANCE to the following skills:

Legend: High HR Performers / Lower HR Performers

- Communicating effectively: 82% (High), 71% (Lower)
- Demonstrating leadership: 69% (High), 56% (Lower)
- Modeling organizational values: 56% (High), 45% (Lower)

Demonstrate PROFICIENCY in the following areas:

Legend: High HR Performers / Lower HR Performers

- Modeling organizational values: 33% (High), 11% (Lower)
- Demonstrating leadership: 30% (High), 9% (Lower)
- Advancing workforce diversity: 19% (High), 4% (Lower)

Consider these strategies

- **Understand** leaders' priorities
- **Support** change
- **Be proactive** in addressing upcoming challenges
- **Decide** what skill gaps matter most for your HR department, then act
- **Learn** what an "agile workforce" really means
- **Invest** in HR's ability to use technology
- **Demonstrate** HR leadership
- **Model** organizational values

About the Survey

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The Future of the HR Function 2020

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