

Future Ready HR for a Rapidly Changing World

Future Ready Insights
for HR and HRIS Leaders

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Out with the Old



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Not so long ago, HR departments relied on analogue skills and paper-based data. IT systems were in-house, typically built by the IT guy from downstairs, and any tweaks or updates required an all-team meeting.

In this digital age, to keep pace with a rapidly changing workforce and business landscape — HR needs to become a strategic partner, helping business achieve its strategic goals. However, for many HR professionals this remains more of an aspiration than a reality.

“Many organizations and human capital teams struggle with dated tools and systems, and a general lack of analytic skill sets.”

**Jason Richmond,
Chief Culture Officer and founder,
Ideal Outcomes**

Research by Bain & Co finds that some 87 per cent of respondents believe that digital will fundamentally change HR, but 75 per cent acknowledge that their in-house IT systems and HR technology are not yet up to scratch. Incredibly, almost a third (31 per cent) of HR departments still use manual, Excel-based or paper-based processes as their primary method for delivering HR services.¹

Jason Richmond, chief culture officer and founder at Ideal Outcomes, writes in the [Oracle Blog](#) that, “organizations of all sizes and industries are struggling to deal with uncertainty, unanticipated change, and shifting policy. We are all being buffeted by these conflicts – and the question of what is going to happen to the economy in the next year or two... Many organizations and human capital teams struggle with dated tools and systems, and a general lack of analytic skill sets.”

There is a clear and pressing business need that isn't being served. HR needs to be future ready.

¹Bain & Co, HR's New Digital Mandate, October 2018

Failure to Prepare Could Prove Fatal



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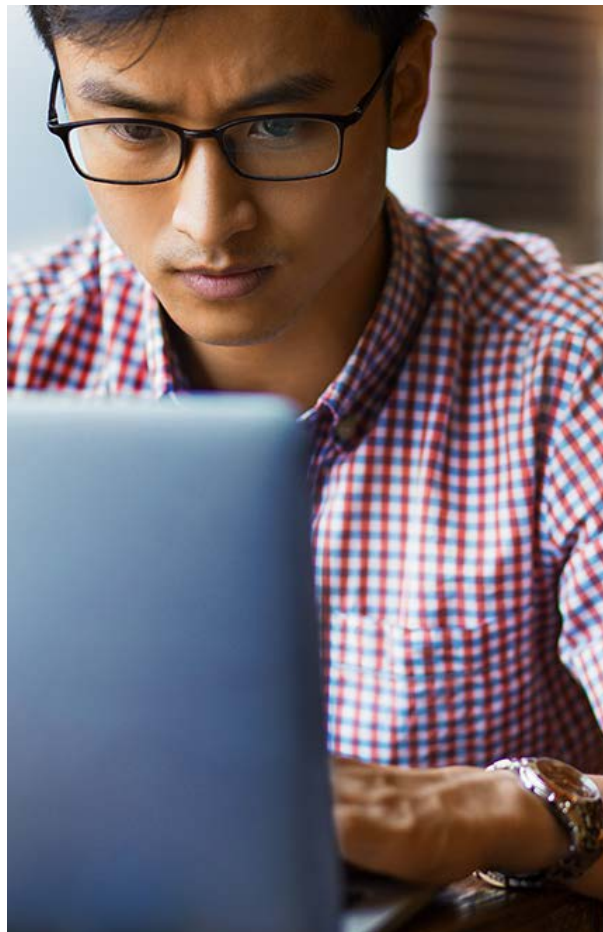
Failure to Prepare Could Prove Fatal



In the age of the 4th Industrial revolution, HR needs digital systems to support the wider business strategy and truly understand how their people, skills and locations need to develop. The OECD estimate that 14 per cent of existing jobs could disappear as a result of automation in the next 15-20 years, and another 32 per cent are likely to change radically as individual tasks are automated.

“The world is changing at lightning speed”, say the OECD, in its latest employment outlook report. “Digitalisation, globalisation and demographic changes are having a profound impact on our lives, on our cultures, on our societies. These and other megatrends are constantly (and rapidly) transforming... how and where businesses operate; what goods and services we consume”.²

No wonder that 69 per cent of CEOs say that a strong cyber strategy is critical to building trust with key stakeholders, up from 55 per cent in 2018. And yet, only 16 per cent of organizations have already implemented AI in the automation of some of their processes.³



Bill Thomas, Chairman of KPMG International, writes in his foreword to the 2019 Global CEO Outlook that: “One of the most compelling findings in this year’s Global CEO Outlook is that over two-thirds of chief executive officers believe that agility is the new currency of business. If they fail to adapt to a constantly changing world, their business will become irrelevant. This is a stark choice.”⁴

HR directors and professionals are perfectly positioned to help their leadership teams to change and adapt. But many are either not waking up to this challenge, or don’t yet have the right technology in place to do so. Deloitte research finds that only 25 per cent of respondents say they are effectively building digital leaders, and only 30 per cent say they are effectively developing leaders to meet evolving challenges.⁵

² OECD Employment Outlook 2019

³ KPMG 2019 Global CEO Outlook

⁴ 2019 Global CEO Outlook

⁵ Deloitte Global Human Capital Trends survey, 2019



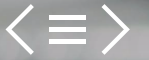
Most organizations expect to increase their use of AI cognitive technologies, process automation, and robotics over the next three years. As they adopt AI, virtually every job will become more digital, multidisciplinary, data-driven and reliant on real-time information and data. Redesigning jobs to highlight the human dimension of work and how it aligns with technology will help organizations more fully utilize their workforce, creating ‘superjobs’ that improve productivity and efficiency. Yet Bain & Co find that 29 per cent of organisations still use primarily manual methods for both workforce planning and performance management, and 31 per cent for career management.⁶ This is leaving organisations vulnerable to more resilient, agile competitors.

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⁶Bain & Co, HR's New Digital Mandate, October 2018.

Automation for the People



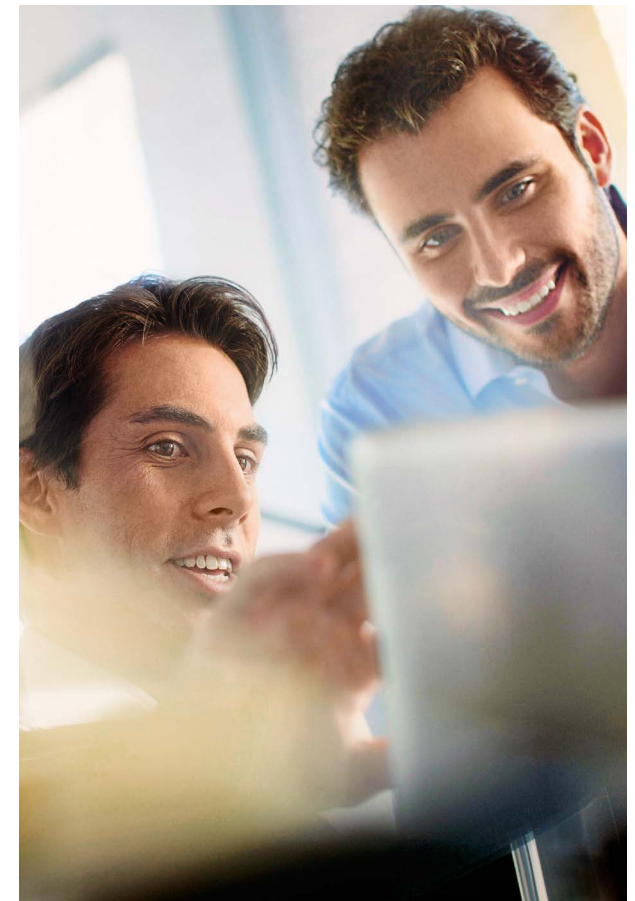
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To be resilient, Kathy Warden, CEO and President of Northrop Grumman — a leading global security company — believes that organisations need to consider a range of capabilities, from awareness to agility. “I believe that we’re going to see the lifespan of companies continue to decline,” she says. “So, what do companies need to do? The first area is market awareness. If you don’t see a disruption coming, you aren’t going to be prepared for it”.⁷

To prepare and become future ready, the Oracle e-book ‘Future-Ready HR’ advises that, “chief HR officers and their teams will need to bring the right people to their organizations, along with the right data and insights, in an increasingly complex and dynamic business world. They will have to understand the individual and collective strengths, weaknesses, skill sets, and aspirations of the employees, and they will have to use reliable data and analytics to ensure that those characteristics line up with company needs.”

Companies therefore need tech-savvy, future ready HR, equipped with the right technology, to successfully navigate the shifting competitive landscape. Data and analytics derived from integrated human capital management (HCM) and enterprise resource planning (ERP) solutions play an increasingly important role in the work of HR teams. HR must focus both on the transformation of the organisation, and the transformation of their own departments and roles.

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⁷KPMG 2019 Global CEO Outlook

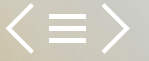
As the job market remains highly competitive and organizations' skills requirements continue to shift, HR must also consider multiple ways of accessing talent, from mobilizing internal resources and finding people in the alternative workforce, to strategically leveraging technology that improves sourcing and boosts productivity.

Technology advances are already presenting opportunities for HR to be more data-driven: to make better hiring decisions, to harness complex algorithms to improve HR, and to work hand-in-glove with finance, operations, and other key stakeholders in the company. In the Deloitte Global Human Capital Trends survey, however, only 11 per cent of respondents said their rewards systems were highly aligned with their organizational goals, and 23 per cent reported that they did not know what rewards their workers value.⁸ Clearly this needs to change.



⁸Deloitte Global Human Capital Trends survey, 2019

Imagine a Better Way



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At Oracle, we know there is only a certain level of change capacity in a business. Culture always trumps change. It is therefore key that the employee experience is always kept front and centre. Digital transformation must be done in support of people, not simply processes.



Cloud technologies help companies redefine their digital solutions, all in support of their people. At Arizona Federal Credit Union (AFCU), a company with over 450 employees and assets under management over US \$1.6 billion, an employee turnover rate of 52 per cent was a real problem. Its leadership took a long look at their business operations and identified 14-year-old legacy systems, consisting of an outdated and inflexible UI, as the culprit. A lack of a digital recruiting was also failing to attract top talent. “We wanted our candidates to have a great experience out of the gate and that meant providing them with the same consumer-like experience they are used to in their personal lives,” said Elias Medina, Director of Recruitment and Training.

By shifting to Oracle HCM Cloud, Arizona Federal Credit Union **reduced their employee turnover rate from 52% to 29% in a year.**

By shifting to Oracle HCM Cloud, they found they could suddenly “go mobile, we could recruit live at job fairs with our iPads and have candidates apply in real-time,”. The turnover was down 29 per cent after just one year.

Oracle sees more and more customers driving additional value to their businesses. A multibillion-dollar technology customer, with more than 140,000 employees across 180 countries, was struggling with multiple outdated HR systems. It implemented a company-wide Oracle Human Capital Management (HCM) Cloud solution—first piloting the program in 15 countries, then rolling it out globally—followed by implementing a Workforce Compensation platform across 65 countries. This complex transformation was executed in just nine months with Oracle, converting active employee records from multiple legacy sources to a single global HR system. Employees’ data (which included 35,000 employee records and 67,000 compensation records) migrated onto the Cloud Compensation application, thus transforming the business.

Cloud is the catalyst for a host of strategic new business technologies, from chatbots and artificial intelligence to blockchain. With Oracle HCM Cloud, our customers are able to provide a consistent reporting environment with innovative self-service reporting tools, focused on reducing process inefficiencies. Our [research](#) finds that our customers were able to increase reporting productivity by 79 per cent with Oracle HCM Cloud. Through self-service, customers were able to reduce HR staff time spent on routine activities by 34 per cent. Customers were also able to enhance employee engagement by 15 per cent through a more effective performance and goal management process, aligning employee goals with their organization's strategy and vision.

Becoming truly 'future ready' means creating a performance-driven culture that rewards employees for their contributions, helps business managers see what employees are working on, track their performance, giving a global holistic view of the workforce for improved decision making.

Cost reduction alone is no longer enough. In a qualitative survey conducted by LACE Partners in 2019 of senior HR practitioners from leading global firms, the top two business priorities were growth (95 per cent) and operational excellence (91 per cent); cost reduction trailed further behind the list of priorities at 77 per cent.⁹

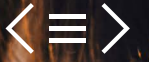
According to [Jeff Stiles](#), Oracle's VP, SCM Product Marketing, "cloud solutions can integrate business planning, sales and operational planning, and supply chain planning all on one platform. Oracle's unified data model, for example, can bring together core operational data with product info, with machine data, and now third-party data. When you integrate all that intelligence into your supply chain planning process, you now have the power to match supply and demand with unprecedented precision, creating a huge competitive advantage."

Through self-service, customers were able to **reduce HR staff time spent on routine activities by 34 per cent.**



⁹LACE Partners (2019), The role of HR and HR Operations in the Future.

In with the New



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As competitive landscapes continue to shift, workforces evolve, and business models undergo wholesale changes, the importance of data-based HR looms ever larger.

Today's HR professional has a responsibility to create seamless processes that make the organization run smoothly and consistently. Oracle understands just how important agility is to a company's survival and growth.

With every update to Oracle HCM Cloud, we provide smarter tools that foster responsiveness and rules-based automation.

Companies will rely more and more on their CHROs to examine data, analyse and understand it, and communicate its meaning to the C-suite. Companies will need to adopt integrated HCM and ERP systems to ensure the reliability of the data and the analysis, and also to enable company-wide collaboration and problem-solving.

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In the Oracle e-book, 'Future-Ready HR: Technology Empowers the CHRO to Be an Agent of Change', we advise that: "To get to that future where HR is data-driven, proactive, agile, and tech-savvy, CHROs need to adopt a transformational mindset. Great HR helps create an exceptional work environment with a superb company culture producing outstanding financial results for stakeholders."

For HR to maximize those elements, it needs integrated systems that communicate seamlessly with each other, providing a single interface and sharing trusted data. By improved and faster processes, reducing time, enabling faster deployments, smoother upgrades, lower maintenance, and fewer customizations, customers were able to reduce cost and improve the quality of service. With the move to Oracle HCM Cloud, customers were able to reduce customizations, save on application support, and upgrade costs, IT maintenance staff and infrastructure costs by an average of 48 per cent.

A future ready HR strategy is one that makes knowledge and people easily accessible, with a single global system of employee profiles and enterprise knowledge. With Oracle HCM Cloud, your digital transformation awaits.





To find out how these transformational technologies can help innovate your employee experience, why not try Oracle HCM Cloud today?

Discover how Oracle HCM Cloud can help, visit: go.oracle.com/hcm