



## Embracing Digital HR

Become a True Talent Leader in the Cloud



*“Having PeopleSoft HCM on premise for more than 10 years, our objective is to simplify and modernize core HR and Payroll systems. As a next-generation HCM, Oracle HCM Cloud enables business flexibility and fast deployment of new functionality, while maintaining a high level of data protection and reducing IT costs.”*

**MARGARITA GOSHEVA**  
CIO AND VP, IT  
SIEMENS GLOBAL SHARED SERVICES

Human resources organizations are poised to have their day in the sun by proving their worth and strategic value to people and the business. But to make good on that promise and become true talent leaders, companies must embrace *digital HR*. This new buzzword denotes a set of digital management and agile organizational design practices focusing on people, work, and platforms.<sup>1</sup>

“Digital HR is built on innovation and experimentation,” reads Deloitte’s latest Global Human Capital Trends report.<sup>2</sup> “As companies become networks and the employee base becomes both older and younger, new approaches are needed in almost every HR domain.”

If HR is to act as an agent of change—providing swift reallocation of talent and the rapid absorption of employee data required for enterprises to change direction on a dime—it must first deal with the disruptive change at its own front door. That means choosing the right technology and human resource management system (HRMS) for managing the entire employee lifecycle—globally and locally.

## One Step at a Time

For most organizations, going through another HR transformation has proved easier said than done. This is because most recent advances in HRMS technology have been disparate, on-premise solutions designed to serve very specific purposes. Although this may have resulted in key competencies in certain areas, it also meant that processes for core HR functions like payroll and compensation could be carried out in different systems and countries from those used for talent management, recruiting, and learning. With no integration—and no single system of record—processes were disconnected, ease of use was impeded, user experience was diminished, and vital data was left untapped.

Thankfully, that scenario is changing. Complete cloud-based HCM solutions with digital technologies have moved from wished-for innovations to real-life solutions.

But why have some HR organizations been so slow compared to others in adopting new technologies?

The answer is complicated. So complicated, in fact, that many organizations who opted for a “wait and see” approach are making incremental improvements or upgrades to their HR technology platforms. Adoption is quickly growing, according to PwC’s 2017 HR Technology Survey, which reveals that 76% of companies have some HR

<sup>1</sup> [Rewriting the rules for the digital age. 2017 Deloitte Global Human Capital Trends report. Deloitte University Press. 2017.](#)

<sup>2</sup> Ibid.

*“Because the [HCM] application runs in the cloud, it is easy for the company’s 3,300 employees to maintain and manage their own information through a portal.”*

**FONS VAN DER HALL**  
GROUP HR DIRECTOR  
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processes in the cloud—a 6% jump from the previous year.<sup>3</sup>

HR leaders understand more than ever how fundamental and transformative a move to the cloud can and should be. According to Deloitte, HR teams are now being expected to lead digital initiatives.

"HR leaders are being pushed to take on a larger role in helping to drive the organization to 'be digital,' not just 'do digital,'" reads the report.<sup>4</sup>

Over half of companies surveyed are redesigning HR programs to best leverage social and mobile tools, while a third are exploring artificial intelligence (AI) technology for HR service delivery.<sup>5</sup>

While HR practitioners need help sorting through the various software options, there's an enormous opportunity awaiting those that do. The trick will come in charting a course that allows HR to partner with their current software vendors to invest in cloud-based solutions that will deliver the complete HCM processes, adaptive analytics, and superior personalization required to engage employees and add value to every aspect of employee management.

## A Different Set of Benefits

In recent years, no HCM area has been more talked about, developed, or more integrated into the workplace than talent acquisition, retention, and engagement. Organizations that win the talent war will compete and likely win market share.

But there's more to HR than just recruiting and retaining the best and brightest employees. While a majority of talent-related applications now use a SaaS delivery model, most core HR functions still reside in disparate on-premise systems. Inconsistent and inaccurate data have plagued payroll and benefits reporting and workforce planning for years. It's no wonder that 47% of HR professionals plan to use fewer vendors for better integration and user experience consistency, according to PwC's 2017 HR Tech survey.<sup>6</sup>

Some major benefits of integrated cloud HCM:

- » **Engaged employees:** The best HR solutions are the ones that employees, managers, and HR staff use in equal number and with equal success. That means cloud-based HCM systems that provide consumer-like capabilities. HCM is revolutionizing workforce processes with unified user experiences, connect-anywhere capabilities, collaboration tools, embedded and predictive analytics, and role-based functionality for the entire team. Increased employee self-service topped the list of positive impacts of the cloud at 52% (second place went to increased use of manager self-service with 47%).<sup>7</sup>
- » **Rapid innovation:** When it comes to an on-premise HRMS, any upgrade is a major undertaking—requiring significant time and expense to carry out across multiple machines. By contrast, the cloud offers huge reductions in deployment times and easy, instant access to updates and innovation. As a result, your

<sup>3</sup> Cloud's Impact on HR Service Delivery...and other results from PwC's 2017 HR Tech Survey, PwC, April 2017.

<sup>4</sup> [Rewriting the rules for the digital age. 2017 Deloitte Global Human Capital Trends report. Deloitte University Press. 2017.](#)

<sup>5</sup> Ibid

<sup>6</sup> Cloud's Impact on HR Service Delivery...and other results from PwC's 2017 HR Tech Survey, PwC, April 2017.

<sup>7</sup> Ibid.



*“The cloud-based system is very easy to use, ultimately increasing our human resources department agility and enabling HR to have a more strategic impact on our bottom line.”*

**RYAN DAVIS**  
DIRECTOR OF CORPORATE  
APPLICATIONS  
PELLA CORPORATION

organization reaps the benefits much more quickly. 80% of companies have said that new releases are easy to implement in the cloud.<sup>8</sup>

- » **Reduced costs:** HR has traditionally relied on IT to maintain their on-premise HR systems, but mature cloud-based HR solutions are changing that. Cloud-based solutions are easy to configure and adapt over time, bringing control back to HR while significantly reducing the number of employees needed to deploy, manage, and support them. In the new PwC survey, the desire for less dependence on IT jumped to 50% from 11% last year.<sup>9</sup>

## A Three-Part Plan for HR Success

Moving your core HR applications to the cloud and incorporating global requirements is a major undertaking. Without strategic guidance and careful planning, you may end up with a cobbled-together solution that’s insufficient for any enterprise.

Tellingly, an organization’s “readiness to give up customizations and embrace the SaaS mindset” is the top challenge for cloud implementation for the second year in a row, at 54%.<sup>10</sup> You should consider vendors with a long-term viewpoint—how will this partner fare a decade down the road?

When it comes to functionality, here are three main considerations for your HCM cloud journey:

### **Simplicity and Collaboration**

Strange as it may seem for systems designed for every employee, user-friendliness has not been a hallmark of legacy, on-premise HRMS systems. As HR staff jumped from system to system to deal with everything from human resources management to compensation analysis, employees and managers struggled with self-service applications that were cumbersome, time-consuming, and not well-adopted from all parts of the business. Cloud consumption and the SaaS delivery model have changed that.

An easy-to-use system does not only have pretty buttons; it also ties together this deep thread of collaboration, media, sharing, and system-generated recommendations to HR and talent best practices. It goes beyond user interface and engages all of your employees with an easy-to-use, intuitive system that helps people be productive and happy at work. In-context insights in a useable format can be tailored to employees’ roles, while social media functionality encourages collaboration. Perhaps most transformative for HR teams are the mobile capabilities to make the system accessible via any mobile device.

### **Data-Driven Results**

Workforce data can yield a treasure trove of insight—allowing businesses to determine everything from how proposed departmental restructurings will affect worker retention and performance to the impact of key employees’ impending retirements. But only if that information is accessible and understandable. With a disparate, disconnected legacy HRMS, it is neither.

<sup>8</sup> Cloud’s Impact on HR Service Delivery...and other results from PwC’s 2017 HR Tech Survey, PwC, April 2017.

<sup>9</sup> Ibid.

<sup>10</sup> Ibid.



An effective cloud-based HCM solution replaces fragmented systems and bolted-on analytics with embedded analytics throughout that inform your talent, so they understand what is happening today and make confident decisions about tomorrow. Interactive reports and easy-to-read dashboards provide seamless access to real-time information. Predictive analytics and talent review capabilities let managers predict workforce performance and model outcomes. The result is clean, consistent data with a clear view into your entire workforce.

### **Agile and Personal**

Change is a constant in today's global marketplace. Whether it's dealing with mergers and acquisitions, mass reorganizations, or sudden shifts in strategy, HR must adapt to change by delivering the services that turn agility a business strength.

Modern cloud-based HCM solutions allow enterprises to adapt cloud-delivered HR best practices to their unique business needs, so they can maintain their culture and brand with the ability to personalize the look and feel, workflows, and language. They can even extend the cloud to enable business processes that are unique to their company – all in an upgrade safe environment. Employees can customize information—personalizing and configuring screens, filtering fields, and changing the layout to suit their needs.

Using one system with multi-country capabilities and highly configurable business processes allows enterprises to align common processes, comply locally, and quickly adapt to legislative and organizational changes. Such a system ensures constant innovation, allowing organizations to quickly and easily add the functions, applications, and process flows that enable them to adapt and thrive.

### **The Time Is Now**

The time is ripe to transform HR worldwide by moving core HR solutions to the cloud. Digital technology and design are converging to offer significant opportunities to get ahead of the curve. Business and HR leaders should put *digital HR* on the agenda and focus on individual, organizational, and work-specific programs that reduce complexity and help people focus on what really matters in order to become a true leader of talent. If you engage all of your employees with an easy-to-use, intuitive system that helps people be more productive and happy at work, they'll make better decisions for the present—and future—of your business.



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**Integrated Cloud Applications & Platform Services**

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