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HUMAN CAPITAL
MANAGEMENT

Modern HR **in the Cloud**



From Chaos to Continuity: Taking HRMS to the Cloud to Simplify Human Resources Management

ORACLE®



HR organizations are poised to have their day in the sun by proving their administrative worth and their strategic value.

“Five years ago data loss and privacy risk were primary concerns and contributed to slower [cloud] adoption rates. Today, most organizations realize that cloud is a platform they have to integrate and support, so they’re more focused on operating effectively. The question is no longer: ‘How do I move to the cloud?’ Instead, it’s: ‘Now that I’m in the cloud, how do I make sure I’ve optimized my investment and risk exposure?’ ”

Greg Bell, Principal, Advisory, Information Protection at KPMG, “Elevating Business in the Cloud”, 2014 Cloud Survey Report, KPMG

To make good on that promise, however, HR must modernize. If HR is to act as an agent of change—providing the swift reallocation of employees and the rapid absorption of employee data required for enterprises to shift on a dime—it must first deal with the disruptive change at its own front door. That means choosing the right technology and human resources management system (HRMS) for managing the *entire* employee lifecycle, globally and locally.

For most organizations, this 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 benefits were carried out in separate systems in each country from those used for talent management, workforce optimization, training, and so on. 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.

That scenario is changing. End-to-end cloud-based HCM solutions have moved from wished-for innovations to real-life solutions. Why have HR organizations been so slow in adopting them? The answer—it would seem—is, “It’s complicated.” So complicated, in fact, that 60 percent of the respondents to PwC’s [“Annual HR Technology Survey”](#) with core HR “on-premise” reported “no change” when asked about future deployment plans — opting to take a wait and see approach while making incremental improvements or upgrades to their HR technology platforms.

So how prepared are organizations in different countries? Deloitte surveyed organizations worldwide on [“Global Human Capital Trends”](#) and found that “companies across the world recognize the importance of implementing these kinds of systems, but almost all are unprepared to do. With the exception of companies in just a few countries—for example, Switzerland—most are far behind in the race to replace legacy HR technologies with integrated cloud-based solutions. Canada, Brazil, Germany,



10 REASONS WHY...

With a cloud-based HRMS tailored to your organization's needs, you can;

1. Source, acquire, and onboard talent
2. Develop employee skill sets
3. Make HR applications easy for and accessible to all
4. Facilitate a global workforce
5. Ensure efficient pay management
6. Optimize workforce management
7. Analyze and differentiate compensation
8. Ensure workforce diversity
9. Use social technology to drive collaboration and growth
10. Meet the demands of a mobile workforce

United Kingdom and Australia are the top 5 countries that are least prepared, and the United States, the Netherlands and Spain are somewhat prepared.¹

Clearly, HR practitioners need help sorting through the morass of HR software options. But, just as clearly, there's an enormous opportunity awaiting those that do. The trick will come in charting a course that allows HR to leverage existing technology while investing in the cloud-based solutions that will deliver the end-to-end processes, easy-to-understand analytics, and superior adaptability required to simplify and add value to every aspect of employee management.

The Opportunity: Cut Costs, Drive Innovation, and Increase Engagement

In recent years, no aspect of HCM has been more talked about, developed or more integrated into the workplace than talent management. 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 separate on-premises systems. This could explain why streamlining business processes is the #1 HR delivery issue globally, and why one-third of HR organizations are reorganizing to become more strategic.²

Vital talent management efforts are hampered by a lack of integrated information across all HRMS systems. Also, *none* of HR's activities are being carried out as efficiently or with as much insight as they could be if a single system of record and a cloud-based deployment model were in place. Therefore, HR organizations are missing out on the very benefits that could prove their strategic worth to the enterprise:

- **Reduced costs** While HR has traditionally relied on IT to maintain their on-premises HR systems, mature, cloud-based HR solutions for 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. CedarCrestone's recent "[HR Systems Survey](#)" indicates that cloud-based HCM systems require one-third less staff to manage than their licensed on-

¹ Deloitte, "Global Human Capital Trends", 2014

² Towers Watson, "2014 HR Service Delivery and Technology Survey," August 2014.



A GLOBAL TECHNOLOGY PLATFORM

Implementing a global technology platform that provides common HR standards, frameworks, and tools and caters to regional and local needs is critical.

Organizations surveyed in 106 countries reveal while global trends are similar around the world, program needs vary by region:

- North America and Asia report that the highest level of challenge is building leadership.
- Europe and South America-based companies report the need to understand the organization's culture as well as reexamine every HR and talent program as a way to better engage and empower people.
- The Middle East sees a greater need to transform and accelerate corporate learning and development.

Deloitte, "Global Human Capital Trends," 2015.

premises HRMS counterparts.³ It's fair to deduce that cost savings and efficiencies are the results.

- **Rapid innovation** When it comes to an on-premises HRMS, any upgrade is a major upgrade—requiring significant time and expense to carry out across multiple machines. In contrast, the cloud offers huge reductions in deployment times and easy, instant access to updates and innovation. As a result, your organization reaps the benefits much more quickly. *How much more quickly?* According to that same Sierra-Cedar "[HR Systems Survey](#)", cloud-based HCM solutions take, on average, just 9 months to implement, while licensed on-premises HRMS solutions take, on average, 15.3 months to implement.
- **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. HCM is revolutionizing workforce management processes with unified user experiences, connect-anywhere capabilities, and role-based functionality for the entire team. Is it any wonder that Sierra-Cedar respondents cited 'improved user experience' as the #1 reason for moving to a SaaS delivery model for core HR services?

The Solution: One Interface, Many Access Points, and Instant Insight Across Your Entire Workforce

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. Here are some things to look for as you consider taking your core HR applications to the cloud

Ease

Strange as it may seem for systems designed for every employee, user-friendliness has not been a hallmark of legacy, on-premises HRMS systems. As HR staff jumped from system to system to deal with everything from benefits management to compensation analysis, employees and managers struggled with 'self-service applications' that were cumbersome, time-consuming, and isolated from other parts of the business.

³ Sierra-Cedar, "2014–2015 HR Systems Survey," 2014.



PEOPLE DATA: DELIVERING THE INSIGHT TO DRIVE THE BUSINESS

Areas where an organization can best apply analytics to improve talent management include:

- **Understanding and predicting retention:** With retention and engagement now a CEO-level issue, understanding why people leave a company has become a top priority.
- **Boosting employee engagement:** Many companies are using analytics to identify ways to increase engagement and boost retention.
- **Expanding talent sources and improving candidate quality:** After years of forcing job candidates to endure endless rounds of interviews, Google used data to discover that after the fourth interview, every successive interview is a waste of time.
- **Profiling high performers:** Organizations can better decide who to hire, how to set quotas, and which talent to train and develop, especially within sales and marketing.

Deloitte, "Global Human Capital Trends," 2015

Cloud consumption and the SaaS delivery model have changed that. A good cloud-based HCM system draws on data from every corner of the enterprise and every aspect of the employee lifecycle. It delivers insights in a useable format with intuitive, easy-to-use interfaces tailored to employees' roles. It leverages social media functionality to encourage collaboration and has mobile capabilities to make the system accessible to any mobile device. Employees can customize information—personalizing and configuring screens, filtering fields and changing the layout to suit their needs.

Agility

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 tools that make agility a business strength. According to KPMG's "[Global Technology Innovation Insights – 2014/2015](#)" survey, cloud is not only a transformative solution that helps organizations advance strategic initiatives and achieve strategic goals, it can be essential to the actual execution of business transformation.

Cloud-based HCM solutions allow enterprises to provide connected global solutions that align common HR processes and reporting functions worldwide to ensure process and data consistency. Using one system with multi-country capabilities and highly configurable business processes can align common processes, comply locally, and quickly adapt to local 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.

Insight

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.

A good cloud-based HCM solution replaces fragmented systems and bolted-on analytics with embedded analytics throughout. 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.



Conclusion

The time is ripe to transform HR worldwide by moving core HR solutions to the cloud. Technology and design is converging to offer significant opportunities to get ahead of the curve. Business and HR leaders should put “simplification” on the agenda and focus on individual, organizational, and work-specific programs that reduce complexity and help people focus on what really matter.”⁴

To learn how you can launch your own cloud HCM initiative and begin using HR to power the enterprise, visit Oracle at oracle.com/hcm

A Complete Solution

“Having Oracle's PeopleSoft HCM on premise for more than 10 years, our objective is to simplify and modernize core HR and Payroll systems. 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 North America

⁴ Deloitte “Global Human Capital Trends,” 2015



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