Cloud isn’t the future for HR. It’s table stakes today. HR is evolving, and technology advances made possible by cloud computing are driving that evolution. Once relegated to focusing on back-office administrative and compliance functions, senior HR executives and chief HR officers are now expected to contribute to their companies’ overall business strategies, demonstrating a return on investment. They’re also expected to create and expand digital, future-ready workforces and businesses, and to become in-house consultants for talent, employee experience, and workplace culture. Each of these areas requires a level of real-time connectivity, communication, collaboration, data-driven decision-making, and agility through technologies provided by the cloud.

Key points covered in this ebook include:

- Cloud technology is enabling more HR tools and providing CHROs with greater opportunities to work strategically.

- Technology is helping HR to evolve into a more people-focused function.

- A plethora of new HR tools is generating data for analytics that inform critical business decisions.

- Companies will be able to shift workforce resources and create efficiencies more quickly than ever.

- Employee experience and engagement tools will be critical for companies to succeed.
A strategic vision requires HR contributions.

HR and finance teams continue to become more interdependent, making it essential for them to work from the same data sets. This is nearly impossible to do with separate on-premises systems. The cloud allows data sets to be unified, creating a single source of truth from which HR and finance can make predictions and work proactively.

The cloud also allows teams to simplify day-to-day processes, alleviating the burdens of common activities through automation and streamlined workflows. As businesses grow more complex, the simplification of everyday work becomes paramount for enabling business agility.

For CHROs and chief people officers, cloud-enabled technology is creating more HR tools and greater opportunities to work strategically, says Kathryn Seni, a general manager for Keystone Partners, an HR consultancy group.

“All of the cloud-based technologies and the Internet of Things and AI and automation: Really it’s happening across the board in the HR space,” Seni says. “In large measure, this is enabling and facilitating a lot of the more traditional administrative and compliance functions.”

That frees up HR leaders to focus on higher-value, big-picture work, such as strategic planning for their companies, Seni says.

Instead of generating a job offer letter, for example, a chief people officer could be spending his or her time meeting with the CEO to discuss high-level business strategy and how it translates into an overarching talent strategy. Alternatively, a CHRO could have more time to develop employee experience and engagement programs, or other plans for maximizing the skills and talents of the company’s workforce, Seni says.

“HR tech is obviously a really hot space. Technology is helping to evolve HR, not just in terms of its processes and systems, but also as a function—as more of a people and human function,” she says.

Cloud-based HR tools are also quickly and easily integrated, Seni says. “There are so many of these really interesting technologies, and because they’re SaaS and they’re in the cloud, and they’re Internet of Things, they’re also enabling the integration for these different platforms.”

In contrast, on-premises systems cannot provide the advantages modern human resources management (HRM) teams need to be successful. Specifically, on-premises systems can be more difficult to implement, integrate, and upgrade—and often require more-active ongoing management from HR and IT as well.
The cloud delivers value from anywhere using any device.

Perhaps the greatest benefit of cloud computing is its ability to provide workers with anytime, any-device access to software and information. Individuals and teams that are empowered in this way can contribute more—smarter, faster, and better. New tools made possible by the cloud are available for all facets of HR. Chatbots and applicant-tracking systems aid the recruiting and interviewing process; other tools apply to onboarding, talent management, ongoing learning and development, real-time performance management, employee experience and engagement, behavioral change and culture, and exits and terminations. And many are applications available on mobile devices via the cloud.

Also, these technologies generate data. "Layered onto all of that is the data analytics piece," Seni says. "There are so many advancements that are happening in all of these areas."

And through the cloud, HR can harness the complex algorithms, and the disparate or unstructured (and often massive) data sets necessary for better decision-making and planning.

Data analytics provide opportunities for HR to collaborate with finance and operations to improve decision-making in all areas involving a company's workforce. That can include matching employee learning and development to changing job skill requirements. Understanding which recruiting channels are generating the best candidates, identifying high-potential employees, generating recruiting profiles based on data from high-performing current employees, supporting succession planning, improving hiring practices, reducing attrition, and pinpointing areas to save on labor costs.

More-detailed data inevitably leads to better decisions, says Yazad Dalal, head of strategy, EMEA, for Oracle HCM Cloud. According to Dalal, using the IoT and wearable devices to measure and drive productivity is becoming a key focus for companies—integrating personal pedometry with an HR platform to promote employee wellness, for example.

"As we focus on measuring employee and team performance at a more detailed level, we capture more data," Dalal says. "The more data we have, the more rigorously we can apply analytics and search for patterns. With the right technology, we can use that data to see the future—through predictive analytics. If we can see the future, we can make smarter, more-informed decisions."

Cloud-based solutions typically offer continually updated, leading-edge analysis tools, while on-premises systems often lag behind.
It’s Cloud or Bust
Why Cloud is a Must for HR

HR technology must value and optimize human potential.

Technology enables employees to work nearly anywhere, from far-flung locations and across time zones. But those employees also need to collaborate, access training and workforces, and make timely, data-based decisions, all of which can be difficult for local IT teams to support. It’s unrealistic to assume that HR will have the expertise—or can garner it from already stretched IT teams—to support digital transformation within their companies on their own. And yet, modern HR teams are expected to provide human workers with the tools they need for success—which increasingly include access to AI and machine learning technologies. Only the cloud can provide on-demand access to emerging technologies without burdening on-premise IT teams or straining budgets.

“Only through the cloud can organizations ensure that what they provide to their employees will continuously innovate and keep up with the pace of change,” says Oracle’s Dalal. “We already see artificial intelligence becoming a part of our everyday life, including our HR tools. This includes natural language and speech recognition, Internet of Things, and even robotics.”

Companies that adopt new technologies that maximize and optimize their employees’ strengths tend to value their human talent more, says Seni.

“We’re at a really interesting inflection point, and technology has a whole lot to do with it,” she says. “Companies that are more progressive in leveraging technology are moving more toward the human aspect as being the foundation of business. And the human platform can be fully utilized and maximized because there’s a baseline of technology that’s supporting the humans.”

New cloud-based technology provides companies not only with workforce automation but also with workforce-optimization capabilities. With new HR tools, companies can shift workforce resources and create efficiencies much more quickly and smoothly than was ever possible before, Seni says.

“Some of these technologies allow for ongoing talent management components, and you get to discover a whole lot [about that talent],” she says. “It’s incumbent upon organizations to be able to fully maximize the gifts and talents of their people.”

Maximizing learning opportunities and enhancing the learning environment are key ways that organizations maximize their human potential. “The ability to learn in short, digestible pieces, delivered through a rich mobile experience, is changing the world of learning,” Dalal says. “It provides a platform for self-directed learning in formats that are actually appealing to learners at all levels.”

Efficient, cloud-delivered skills development is attractive to employees. “By empowering employees with the digital tools they need to share knowledge and work efficiently, employees are able to focus on their expertise, collaborate, and develop innovative ways that are crucial for the business to succeed,” Dalal says.

A cloud-enabled HR team is a game-changer.
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HR’s role in supporting career development, optimal employee experiences, productive workplace culture, training and development, and individual and team performance is strengthened by advantages that only the cloud offers. Data analytics, consolidated data sets, and the ability to correlate performance data with business objectives and long-term goals all require the support of the cloud. So does the ability to swiftly adopt new consumer technologies (such as click-to-order, voice commands, and online data and document-sharing) as they arise. A cloud-enabled HR team can provide workers with real-time feedback, and it can consolidate and act on feedback from workers regarding their jobs, the work environment, or even business goals in ways that teams relying on on-premises HR systems can’t.

Employee experience and engagement tools will be critical contributors to success, not just for HR units, but for whole companies. “That’s what’s going to really drive the future success of the people function, because the success of the people function will be measured primarily by the success of the larger enterprise,” Seni says.

With data analytics, these tools are helping companies learn what employees are key influencers for building the company culture—even when those employees are “wallflower” types. In a room full of colleagues, the loudest voice isn’t necessarily the most informed or influential.

Analytics can use analytics to track and build their desired culture from the inside out, on a daily basis, and amplify and align the voices of key influencers instead of relying to distance culture from the top down.

“Where you’re going to see more focus is in some of these employee experience and engagement tools and analytics,” she says. “It’s one thing to have those analytics, but it’s another thing to figure out what to do with them.”

Real-time and predictive analytics will play a larger role in companies’ decision-making, Dalai says. As the need to measure and improve the employee experience increases, more real-time data will be required.

HR leaders will have to shift their focus from descriptive data (or looking to the past) to predictive and prescriptive data (or looking to the future) and what should be done to control the future events suggested by the data. Analytics technology will help HR quickly query huge volumes of data to identify trends and patterns in workforce behavior and performance. Emphasizing data-based decision-making will mean that the data will have to be shared, trusted, reliable, and delivered through integrated systems such as cloud-based systems, and not stored.

Through analytics and other means, HR will be expected to anticipate and capitalize on the opportunities in the shifting demographics of their workforce, and the effect of these shifts on workplace dynamics. More geographically and generationally diverse work teams will come together, often with divergent expectations about work.

HR will also have to make sure that workers can access tools with the same ease of use and level of technology that they enjoy in their personal lives. These work tools will have to facilitate communication between workers and allow them to easily share data and insights, especially as work teams become more fluid.
Conclusion

The nature of HRM is changing too quickly for companies to rely on on-premises HR systems. To remain competitive, businesses must consider the cloud not a nice-to-have, but a fundamental requirement. HR tools made possible through cloud computing are creating more bandwidth for HR leaders to take on strategic planning and other higher-level tasks. HR tech is also providing CHROs, CPOs, and their HR units with tools to transform the business and workforce while serving as in-house consultants on matters of talent, employee experience, and culture. These innovative HR tools feature real-time connectivity, communication, and collaboration, along with access to large data sets, analytics, and algorithms delivered by the cloud. New cloud-based technology is providing both workflow-automation and workflow-optimization capabilities. With these HR tools, companies can shift workforce resources and create efficiencies faster and more smoothly than was ever possible before.