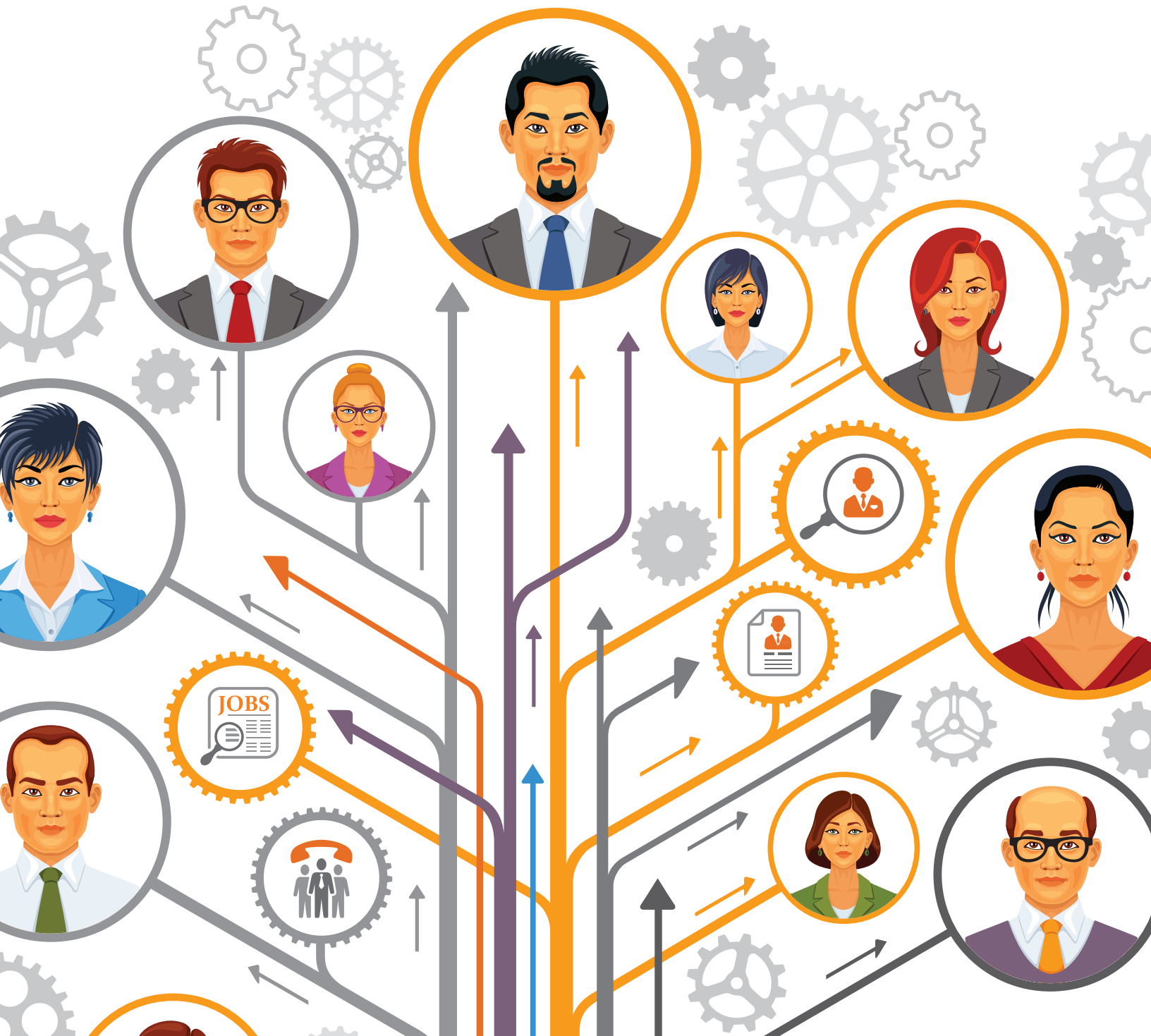


HOW DIGITAL TRANSFORMATION ELEVATES HUMAN CAPITAL MANAGEMENT

TURNING TALENT INTO
A STRATEGIC BUSINESS FORCE



IN ASSOCIATION WITH:



REPORT HIGHLIGHTS



Some 40% of HR executives worldwide intend to replace their existing, on-premises HR system with a SaaS solution in the near future



70% of HR executives are now using mobile devices to manage HR processes, up from 30% two years ago



Cloud-based services and e-signature technology are among the key elements that enable truly modern HR



HR executives should communicate the advantages of digital HR solutions to business users and be ready to assume leadership roles

EXECUTIVE SUMMARY

In today's hyper-competitive global economy, an organization is only as innovative and successful as the talent it attracts and energizes. Today's enterprises are hungry not only for people with STEM (science, technology, engineering and math) skills, but also for people who have the innovative acumen to help differentiate themselves from competitors. Supporting corporate growth requires balancing skills requirements across disparate global labor markets with fast-changing economic conditions. This accentuates the role of human resource executives, who are increasingly being called upon to serve as strategic partners to their businesses.



That's a tall order, and to respond to these challenges, HR executives are looking to accelerate digitization to more effectively attract and retain needed talent, as well as to manage services and requirements in a more streamlined way. There's a significant self-service aspect to modern HR as well, and for current and potential employees, the ability to manage their work lives through online services ensures higher levels of satisfaction and productivity. For HR and business leaders, modern HR, with its cloud-based tools, provides a more complete picture of the employment lifecycle and helps bring together formerly siloed knowledge and work practices of enterprises. Modern, fully digital HR will also help bring about a corporate culture that emphasizes talent management that adapts to changing markets and opportunities for the business. Digital HR is transforming HR, with all its many aspects. Digital HR has a huge productivity impact, as it frees up HR managers' and professionals' time, enabling them to focus on activities that are of more strategic value to their businesses. "If you move with the speed of the technology today, it allows you to be strategic and leverage data, and to make strategic business decisions," says Larry Pernosky, chief human resources officer for Amedisys.

DEFINITION—DIGITAL HUMAN RESOURCES

Digital HR is the automated or online administration and delivery of the range of human resource and human capital management services and data. Workforce information is rapidly accessible to HR practitioners, as it is to employees themselves through self-service capabilities. Digital HR is attained through the implementation of highly automated human resource information systems (HRIS) and supporting technologies such as e-signatures, delivered through or supported by cloud-based services.

WHAT'S DRIVING THE DIGITAL TRANSFORMATION OF HR?

Digital HR didn't just suddenly arrive at organizations' doorsteps. It has been a gradual journey, incorporating or automating various functions and capabilities over the course of the past two decades.

As organizations transform to meet the realities and opportunities of today's global economy, "CEOs and HR leaders are focused on understanding and creating a shared culture, designing a work environment that engages people, and constructing a new model of leadership and career development," states the *Global Human Capital Trends 2016* report from Deloitte. "In competition for skilled people, organizations are vying for top talent in a highly transparent job market and becoming laser-focused on their external employment brand. Executives are embracing digital technologies to reinvent the workplace, focusing on diversity and inclusion as a business strategy, and realizing that, without a strong learning culture, they will not succeed."¹

For many HR practitioners, the entrée to the digital age began with portals, which began to reshape the way HR interacted with the business. As Richard D. Johnson and Hal G. Gue point out in their landmark study for the SHRM Foundation, *Transforming HR Through Technology: The Use of e-HR and HRIS in Organizations Today*, the ongoing transformation to digital interfaces and services has had a profound impact on the economics of HR. Not only are HR costs being significantly reduced—due to fewer manual processes and less paper being passed around—but more HR services are being delivered as well. Johnson and Gue observe that research has shown "organizations that successfully adopt sophisticated HR technology tools outperform those that do not."²

That's because the ability to secure and manage the best talent available is essential to delivering innovation. As the bulk of corporate work is digitized, there is a sharp need for skilled people to design, implement and maintain these systems. "Simple work has been automated or outsourced—the remaining work is complex," states a workforce sourcing analysis by HfS Research. "The need for talent is primarily driven by the sheer complexity of work that employees must now handle. Massive investments in ERP, MRP, and CRM systems over the last decade have left employees with the remaining complex work."³

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1 *Global Human Capital Trends 2016—The New Organization: Different by Design*, Deloitte University Press, 2016. 2 Richard D. Johnson and Hal G. Gue, *Transforming HR Through Technology: The Use of e-HR and HRIS in Organizations*, SHRM Foundation, 2011. 3 Tony Filippone, Diane Youden, Kevin Pennington, Phil Fersht, *Human Resources Transformation: Is It Driving Business Performance?* HfS Research, May 2012.



THE ABILITY TO SECURE AND MANAGE THE BEST TALENT AVAILABLE IS ESSENTIAL TO DELIVERING INNOVATION.



Cloud and Software as a Service (SaaS) represent a bold new stroke for the ongoing digitization of HR. A recent survey of 798 HR executives from across the globe, conducted by KPMG, finds 40% intend to replace their existing, on-premises HR system with a SaaS solution in the near future.

There are a number of pressures that are speeding up adoption of digital technologies within HR organizations. The rise of consumer technology is contributing to the digitization of HR, says the chief HR officer at a major business services firm. “One of the biggest trends is the technology experiences that people have in their personal lives,” he says. “They have expectations about technology but work for companies that have mainframes. That’s putting a lot of pressure on organizations to adapt faster than otherwise.”

In addition, pressure from globalization is spurring HR digitization. “We’re in a very connected world,” says one HR executive. “People are feeling much freer. Talent now is much more fluid and flexible.”

To meet the challenges and opportunities presented by this new emerging environment, there are a number of transformations HR needs to undertake—from streamlining processes to becoming a strategic partner to the business. To act as a strategic advisor to the business is key, and modern HR technologies and practices will pave the way to elevating HR to this role.

“Investors want to know more now than just the financial models, they want to know that a company looking to raise capital or spend money has the full human capital management strategies and capabilities to execute the company’s vision,” says Wendy Moran, director of talent acquisition at Gold’s Gym. “After all, a company looking to scale its business is going to need a steady pipeline of talent to achieve that goal.”

HR executives need to educate their businesses on the urgency of digitizing HR functions, according to Dan Staley, principal at PwC. The consultancy’s research has also found, however, that “organizations aren’t making it a priority to provide funding or resources,” and that more than half didn’t have dedicated groups to respond to HR analytics. “HR departments have all this data, but they can’t tell who’s getting ready to leave the organization, or if employee engagement is up or down, or what they should be paying their people.”

As HR leaders address this, they find themselves more in the role of brokers of services, many of which are available online. “Instead of implementing internal applications, information technologists specializing in HR and talent management may be more involved with evaluating external applications and building interfaces between them and an organization’s own data and systems,” a report from Accenture emphasizes.⁴ This work includes identifying and delivering cloud-based services, with an increasing emphasis on making these applications and related services available directly to employees.

4 Tim Good, Catherine Farley, Himanshu Tambe and Susan Cantrell, *Trends Reshaping the Future of HR: Digital Radically Disrupts HR*, Accenture, 2015.

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However, many HR organizations are still mired deep in manual processes, the survey also shows. Close to half of the enterprises studied, 47%, still rely on paper-based processes for compensation activities, 42% still use paper for global grading or job leveling, and 28% still rely on paper for some performance management tasks. For HR departments, continued reliance on paper-based processes is fraught with risks, including reliance on paper forms, manual approvals, data rekeying and ink signatures. In the process, HR work can take days or even weeks—frustrating employees and candidates. The ability to move information and documents quickly through job requisitioning, hiring, onboarding processes and benefits helps avoid these bottlenecks.

Organizations also may encounter difficulties in securing essential skills in a timely manner. Certain skill areas require quick decisions and agreements to secure talent that may be in high demand in competitive disciplines. The inability to quickly and efficiently extend offers to candidates—or secure contractors—may mean a loss of valuable talent.

There is a productivity hit for HR departments and their companies as well, with the need to manage around delays in opening job requisitions, hiring, onboarding, benefits agreements and exit processes. HR departments have their plates full, with their time consumed with paperwork, recordkeeping and enforcement.

HR organizations risk being painfully slow when it matters most. In the event of workplace disputes or issues, HR staff members may end up spending time gathering evidence, attending hearings or even making court appearances when they should be focusing on moving their organizations forward in positive ways.

“HR has a lot to gain with better reporting from digital technologies,” says Gunjan Aggarwal, vice president of HR and head of talent acquisition, diversity recruiting and M&A of Ericsson. “HR departments gain crucial intelligence on the performance and needs of their employees. By not moving to digital and mobile, we risk being left behind. Since over 80% of candidates seek jobs online, it minimizes the enterprise’s chances to be competitive if they don’t embrace the digital transition.”

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HOW DIGITAL HR CHANGES THE GAME

Digital HR offers benefits to the wide range of processes that define the roles and responsibilities of today's HR executive and team. From new talent acquisition to talent management, to compensation and benefits delivery, digital approaches are creating a new HR, moving in time to the pulse of the business.

The following are the range of advantages digital HR delivers to today's enterprises:

» ELEVATE THE ROLE OF HR

There is an enormous productivity boost that HR managers will see as a result of accelerating the move to fully digital HR, freeing up more time for providing strategic guidance to their businesses. In today's hyper-competitive economy, HR departments need to play a partnership role with their organizations, developing strategies that encourage greater innovation and teamwork.

As modern HR significantly streamlines hiring and employment management processes, HR executives will have more time and resources for higher-level engagement with their businesses. HR staff will be able to more effectively and efficiently manage HR processes, while retaining a digital library of all transactions and agreements with candidates, employees, former employees, partners and contractors. Compliance, which has expanded into a large part of HR staff jobs, will be documented and verifiable in digital format.

"HR has become an overall strategic advisor and sophisticated business partner, the voice of the employment brand and employee value proposition," says Moran. "HR is now providing the human capital data along with due diligence package, valuation and modeling to key stakeholders at the company to put data behind human resources decisions."

HR staff will see their roles transform from document-routing coordinators to consulting partners to their businesses who can help develop, articulate and communicate corporate values. This in turn will boost the commitment and satisfaction of HR staff members with their jobs. "HR may start acting like a marketing organization, by analyzing employee data to mine it for insights; creating customized talent offerings; and marketing, branding and educating employees about talent and HR processes," the Accenture report observes. "HR professionals will also likely take on more of a coaching role, helping to design cultures, incentives and educational programs to support employees as they engage in IT-enabled talent processes."⁶

Business leaders and managers aren't always aware of the digital resources available to power today's workplaces. "HR plays a role in closing that gap and making sure that organizations are delivering against the expectations of people today," the business services CHRO explains. "HR should be active in driving growth, because growth, at the end of the day, is done through people. This is where HR is playing a bigger role in making a contribution to that, versus the old days of only managing transactions, policies and terminations."

⁶ Tim Good, Catherine Farley, Himanshu Tambe and Susan Cantrell, *Trends Reshaping the Future of HR: Digital Radically Disrupts HR*, Accenture, 2015.

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» MOVE TO DATA-DRIVEN

The move to modern HR will support more data-driven approaches to human resource management. A majority of the 650 HR executives responding to a PwC survey intend to build more capabilities in terms of foundational analytics (e.g., headcount reporting, turnover, hiring metrics, KPIs for a dashboard); advanced analytics (e.g., data mining, predictive analytics); and transactional reporting (e.g., employee lists such as anniversaries).⁷

The ability to analyze and act on insights derived from data can help organizations better target employee needs, and to understand what is going on within the workforce at a close to real-time basis. For example, analytics platforms and tools that are part of digital HR solutions enable HR professionals to track employee trends and attitudes as they affect the organization, or even before there is a detrimental impact, enabling executives to take preventive actions. A data-driven approach also brings data from various sources—such as business performance systems and staffing databases—into a single analytical platform that enables decision makers to make the links between employee and business performance.

“For managing people today, if you use the data, there are multiple levers,” says Pernosky. “We’re able to take data, understand our business goals, take our attrition level, our productivity level, understand by every role what their productivity is, how we can raise productivity, and then create a staffing, development and training plan that isn’t just throwing more bodies and money at a problem—which I think too many businesses have been doing for years.”

» BOLSTER RECRUITING

Because it is Internet-based, digital HR is capable of reaching a global talent pool, and therefore provides greater exposure to attract the best candidates. In the process, digital HR practices—particularly online recruiting—also help demonstrate a positive corporate image to potential candidates. “Potential applicants who take advantage of web-based support for the recruitment cycle find out about the company, its culture and opportunities online,” according to Johnson and Gue. “By making this process more convenient, organizations reach out to those who may not be actively looking for other opportunities, but who may discover a position and choose to apply because of the ease of submitting an application.”⁸

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⁷ PwC HR Technology Survey: *Innovating for Tomorrow's Workforce, Moving HR Applications to the Cloud*, PwC, 2016. ⁸ Richard D. Johnson and Hal G. Gue, *Transforming HR Through Technology: The Use of e-HR and HRIS in Organizations*, SHRM Foundation, 2011.



A DIGITIZED APPROACH TO SELECTING CANDIDATES ENABLES HR ADMINISTRATORS TO BETTER DISCOVER AND CATEGORIZE THE RIGHT CANDIDATES WITH THE RIGHT SKILL REQUIREMENTS.

By cutting down the amount of time required for various corporate approvals, there's less of a chance of losing a prime candidate. There is no need to chase down executives who may be traveling to get final sign-off on offering a position to a candidate, or gaining approvals for changes to compensation packages.

The use of digital HR platforms—combined with employment of online recruiting resources—reflects a forward-looking corporate culture as well. Ultimately, digital HR makes it easier for prospects to approach the organization. An easy-to-access online engagement helps cement a satisfying relationship by making it easy for candidates to apply and accept offers. HR departments can also deliver PDF-based packages with e-signature capabilities that enable prospects to quickly and easily accept job offers, so they may begin contributing as soon as possible.

“Millennials’ first experience in a company is with the HR and recruiting teams,” says Aggarwal. “HR needs to provide a positive digital candidate and employee experience that is intuitive and familiar to them.” She notes that Ericsson has been focusing its recruiting technologies—such as applicant tracking systems, career site, learning tools and performance management—to support that candidate experience.

» STREAMLINE THE SELECTION AND HIRING PROCESS

The typical candidate selection process is seen as the most onerous of corporate engagements, as it involves uncertainty and long waiting times between interviews and notifications. A digitized approach to selecting candidates enables HR administrators to better discover and categorize the right candidates with the right skill requirements. In addition, online tests—administered via the web, or through dedicated portals or workstations—can help identify the right candidates and predict how they will fit within the organization.

By cutting down the amount of time required for various corporate approvals, there's less of a chance of losing a prime candidate. There is no need to chase down executives who may be traveling to get final sign-off on offering a position to a candidate, or gaining approvals for changes to compensation packages. A dashboard offers HR staff members the ability to easily track the progress of the selection and hiring process. Digital HR also enables organizations to document that they are administering fair and legal hiring practices.

Key to the digital hiring process is employing electronic signature workflows, which potentially eliminates hours of printing, sending, reviewing, scanning and filing letters, legal agreements, benefits paperwork and other employee documents. Thanks to e-signature technology, employee paperwork can be viewed, signed and automatically filed within a matter of minutes, versus days or weeks. As a result, talent coordinators can spend less time on basic tasks such as making copies and stuffing envelopes, and more time on strategic activities such as scheduling interviews and working with recruiters. The tracking capabilities in e-signature technology enable HR teams to quickly check whether offers have been viewed or signed, helping to determine if recruits or employees from acquired companies are ready to be onboarded.

» ACCELERATE EMPLOYEE ONBOARDING

The availability of corporate resources online and accessible to new candidates helps ease the onboarding process. Modern HR enables the online administration of all essential details for transitioning new hires to the workforce. All essential forms and documents—from citizenship status to benefits requirements—are managed and tracked from a centralized source. Digital approaches such as e-signatures also are a cornerstone to the onboarding process, as they help HR departments monitor and track it. The ability to quickly process paperwork can help reduce the average time for onboarding from days or weeks to hours. The switch to digital contracts also automates workflows and improves employee and HR team experiences.

“Onboarding is the one thing I’ve seen from company to company that every HR team seems to struggle with and that can benefit greatly from the strategic use of advanced technology solutions,” says Moran. “For many organizations, everything leading up to an employment offer and benefit enrollment may be automated. However, training, new employee setup and acclimation to the new environment is frequently still a manual and disparate process.” Gold’s Gym leverages technology that “automates the transition from candidate to productive new hire, which enhances both the candidate and hiring manager experiences and improves productivity and efficiency. This also allows us to showcase our employment brand and culture.”

» OPEN UP TRAINING AND DEVELOPMENT

With online services now available, training and development can now be secured and offered anytime, anywhere. Full training packages—complete with content, instructor access and scoring systems—are available to all employees, regardless of location or time of day. In addition, organizations can now help employees partake in thousands of courses now available from instructors at top-notch universities. This not only substantially reduces training costs but also opens up a wide range of resources. Employees benefit from the flexibility of online training, without disruptions to their work lives or personal lives. And, significantly, the organization can deliver an abundance of training at relatively reduced costs.

“Traditional employee training is being revolutionized by flipped classrooms, learning-centric models, and an explosion of content delivered over a variety of new online and mobile platforms,” states a report published by Deloitte Consulting LLP and Bersin by Deloitte.⁹

» RESHAPE PERFORMANCE MANAGEMENT

Some observers speculate that the traditional annual performance review is going the way of the dinosaur, as digital metrics now provide an ongoing, real-time picture of employees’ performance, helping to identify areas where additional help may be required. Modern HR brings this vision closer to reality, providing improved access to employee performance metrics, which even may be viewed in real time, ensuring highly interactive feedback when it is needed. Performance data can be integrated with other forms of data, such as compensation, schedules, work history, unit performance and training. An additional benefit is that managers can devote time and resources to motivating and energizing their employees, versus processing paperwork.

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⁹ “Corporate learning redefined: Prepare for a Revolution,” *Global Human Capital Trends 2014: Engaging the 21st-Century Workforce*, Deloitte Consulting LLP and Bersin by Deloitte, 2014.



“Mobile is now an expectation of employees, managers and candidates....Many see mobile access as a must-have...”

—**Deb Card**
Partner,
Information Services Group

» **SUPPORT MOBILITY**

The PwC HR Technology Survey finds the use of mobile devices for managing HR processes is increasing rapidly. Two years ago, only 30% of respondents used mobile for HR. That number has risen to 70% this year. Key areas being mobilized include workflow approvals (e.g., hiring approval, time report approvals, etc.) (40%); viewing information about myself or my team (36%); company directory look-ups (32%); time and/or expense entry (29%); training enrollment and delivery (26%); and changing personal/job data (24%).

“Mobile is now an expectation of employees, managers and candidates,” observes Deb Card, a partner with Information Services Group. “Employees and managers perform a much broader set of HR transactions on mobile, and the majority of candidates now start their searches on mobile. Many see mobile access as a must-have, reflecting the expanded use of mobile to reach dispersed employee populations and the increasing expectation of mobile as a standard, particularly with Millennials.” Since e-signature technology also serves to automatically route electronic documents to recipients’ email accounts, documents can be received and signed immediately on any device with a mobile connection, regardless of where the recipient is at the time.

➤ IMPROVE QUALITY OF WORK LIFE

After the hiring is completed, HR plays a key role in assuring a well-managed workplace that actively encourages innovation and teamwork, while also being free from negativity or harassment. This means ensuring that employees are well slotted in areas where they can best apply their skills, and there is a sense that they are rewarded fairly for this work, as well as for any additional value they bring to their organizations. Modern HR helps track the performance and attitudes of employees, as well as highlight areas affected by low morale or management issues.

➤ EASE EXITS OR RETIREMENT

Of course, the recruiting and hiring process at the front end is only part of the HR department’s mission. These departments are also charged with addressing employee turnover—whether it’s voluntary, through job changing or retirement, or involuntary, through layoffs or discretionary actions. Paper trails are extremely important for end-of-employment scenarios, and digital HR tools can play a streamlining and defensive role here as well.

➤ ENSURE GREATER COMPLIANCE AND LEGAL COVERAGE

Employee relations is an area fraught with legal and regulatory landmines, and corporations often find themselves being taken to court over employee accusations of unfair treatment or mismanaged workplaces. A digital trail helps demonstrate both employer and employee understanding of the employment contract. Plus, digital HR ensures greater transparency and consistency in all actions taken by enterprises.

➤ CUSTOMIZE TALENT MANAGEMENT

Talent management is seen as critical to maintaining and motivating today’s workforces, and digital HR may enhance the experiences of end-users, be they HR administrators or employees. Standardization is the benefit, Accenture analysts point out, as HR professionals can now leverage a standardized framework “to tailor employment practices to every worker,” versus “a hodgepodge of one-off deals between managers and employees that’s not scalable, controllable or fair. For example, companies can simply offer a greater variety of standard practices—such as different compensation, development or performance appraisal processes tailored to different employee segments.”¹¹

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10 PwC HR Technology Survey. 11 Tim Good, Catherine Farley, Himanshu Tambe and Susan Cantrell, *Trends Reshaping the Future of HR: Digital Radically Disrupts HR*, Accenture, 2015.



“Ninety percent of job seekers use a mobile device to look for jobs and search for opportunities. Fifty percent use devices to apply for jobs.”

—Dan Staley
Principal,
PwC

A QUICK TOUR OF DIGITAL HR TECHNOLOGY

There are multiple types of technology solutions for the various components of HR. For example, recruiting solutions are likely to be tied into social media, since it's important to reach global audiences.

For candidates that do move to the hiring and onboarding stage, e-signature technology enables the rapid and assured movement of necessary paperwork. Compensation and benefits may rely on portals, while in performance management, solutions are tied to analytics.

The rise of consumer-friendly technologies has made managers and employees more comfortable with digital HR, says PwC's Staley. "A few years ago, HR departments were reluctant to roll out solutions to managers, for fear they would be confused, or it would be too much work." Developments such as today's generation of smartphones has allayed those concerns, he adds. "These devices have shown us you really can design much more elegant solutions. We've seen much more mobile devices used around HR. Ninety percent of job seekers use a mobile device to look for jobs and search for opportunities. Fifty percent use devices to apply for jobs."

The most visible, and traditional, piece of digital HR is the online dashboard that is accessed by managers and employees. Typically, an HRIS manages information pertaining to current and prospective employees. As noted earlier in this report, cloud is a growing means of HR service delivery. Cloud-based platforms are designed and built on APIs, which seamlessly integrate data from a variety of sources. HR organizations may even rely on more than one service provider for various capabilities.

Key benefits being realized or expected from cloud-based services include improved user experience, access to ongoing innovation and best practices to support the business, and faster implementation with quick value attainment. Such services greatly enhance the user experience—be it employees, prospective employees or HR staff members.

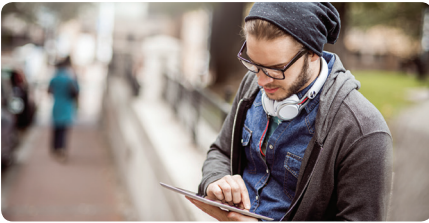
Areas of the HR function already highly digitized include a "significant automation of transactions through self-service and intelligent workflow automation," says Card. There has also been progress in automating the "ability to enroll for benefits, initiate a retirement, change marital status and/or address and review a paycheck without any human interaction, increasing use of embedded analytics at the point of decision and action for HR and managers."

An essential component of the transformation to digital HR, e-signature technology, is neither complicated nor expensive, and is available to anyone with a web browser or phone. Today's e-signature solutions are cloud-based, enabling sales reps to simply send the document with a link in an email. As the signer completes the document and hits "send," all information is immediately sent to and stored in a secure cloud environment.

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E-signatures are inherently secure. Online contracts are stored in secure online repositories that are accessible from anywhere and simple to search. Passwords and permissions control document access, and every document sent for signature maintains an audit trail that shows who has accessed it, when and how. A secure e-signature solution will meet critical security certifications, including Health Insurance Portability and Accountability Act (HIPAA), U.S.-EU Safe Harbor Framework, ISO 27001, SOC 1 and SOC 2 Type 2. E-signature files are also encrypted. For an HR manager or representative to use an e-signature application, she would upload her contracts, agreements, proposals or other documents to the e-signature provider and indicate who needs to sign, and in what order. Recipients receive a link, via email, to the online documents, where they can add their signatures. The documents are stored in the cloud, and signed copies are sent to the signers. The document originators have access to a dashboard that provides updates on document status. Additional features may include the option to integrate faxed signatures or require that signers use passwords or other authentication methods for identity verification.

A secure e-signature solution will meet critical security certifications, including Health Insurance Portability and Accountability Act (HIPAA), U.S.-EU Safe Harbor Framework, ISO 27001, SOC 1 and SOC 2 Type 2.

HR functions that have yet to see transformation include “predictive analytics and machine learning used to make data-driven recommendations that get better as the system continues to learn the results of its recommendations,” says Card. “Analytics tied to business outcomes that can advise HR managers of the expected business outcome of particular HR-related actions or recommend actions needed to achieve a particular business outcome.”

A new type of self-service is also key to this strategy. Not only will it free up HR staff from more mundane tasks, but it will also change the way organizations think of HR services. “We’re not talking about the traditional notion of self-service here, or the ability for employees to perform mundane administrative HR activities themselves, like updating their address or viewing a paycheck without HR’s intervention,” the Accenture report states. “Instead, we’re talking about involving employees and managers in high-impact talent processes—including recruiting, hiring, succession planning, learning and shaping career paths. All this will happen thanks to an emerging class of social and market-based tools that will let employees manage almost every aspect of their professional lives digitally.”¹²

12 Tim Good, Catherine Farley, Himanshu Tambe and Susan Cantrell, *Trends Reshaping the Future of HR: Digital Radically Disrupts HR*, Accenture, 2015.

BEST PRACTICES—LET’S GET STARTED

The range of digital HR solutions—from cloud services to e-signature technology—can start to have an immediate impact on productivity and corporate growth. To get the most benefit from the implementation from the start, the advantages need to be communicated to business users.

“If you haven’t started, get digital now,” advises Ericsson’s Aggarwal. “Make sure your candidate platforms are mobile. This is a must to stay competitive among talent. Be conscious that it’s not only a question about adding a technology but also a mind-shift and process change within HR—key skills you will need in this journey are design thinking, technology evaluation, ecosystem development. But just implementing a tool will not be sufficient; a lot of change leadership will be needed. It might even be that the cultural change is the most difficult in this. Lastly, an important piece of advice regarding social media and social advocacy—it’s important to allow all of your employees to have access to social media, etc., at work, as this goes a long way toward employee engagement, establishing their personal brand, and your company and employer brand.”

» RETHINK HR PROCESSES AND WORKFLOWS

Digital HR streamlines processes, often reducing the time to complete projects from days to minutes. For example, performance reviews, which involved distributing printed checklists to involved parties, can be streamlined and consolidated online. Before implementing technology, it’s important to remember that technology by itself doesn’t solve business problems. These problems need to be addressed, with technology playing a supportive role. Modern HR is built on a foundation of a transformed HR organization. HR executives should be ready to assume leadership roles within their organizations. “New organization designs are required, and executive leadership must be cultivated to manage more responsibility that is spread globally,” the HfS report states. The HR executive will see his or her role elevated to that of enterprise leader and advisor, especially at a time when organizations are seeing severe imbalances between skill shortages and changing priorities.¹³

Elevating the role of HR may be a challenge at organizations where there isn’t a thorough understanding of HR’s role in the digital economy, says the business services firm CHRO. He adds that at his company, HR is involved in the company’s innovation lab, which not only provides greater visibility but also has resulted in new types of solutions that are enhancing HR service delivery across its workforce of 60,000 employees. “We just produced a product with our innovation lab called the ‘leadership compass,’ which consists of 12 simple questions every quarter.”

Modern HR is built on a foundation of a transformed HR organization. HR executives should be ready to assume leadership roles within their organizations.

¹³ Tony Filippone, Diane Youden, Kevin Pennington, Phil Fersht, *Human Resources Transformation: Is It Driving Business Performance?*



“If you haven’t started, get digital now. Make sure your candidate platforms are mobile. This is a must to stay competitive among talent.”

—Gunjan Aggarwal
Vice President, HR, Head Talent Acquisition,
Diversity Recruiting and M&A,
Ericsson

» FOCUS ON INTERACTIVITY, AND MAINTAIN THE HUMAN TOUCH

The best way to serve employees and attract talent is to make the portals and technology they use to access HR services as interactive as possible. In addition, technology should not be perceived as cold and uncaring—it should be understood that there are humans behind these services who can step in to help address any issues. A highly interactive and informal social media presence—perhaps involving a high-level executive—may go a long way toward opening communication channels. Modern HR also enables real-time connections to the workforce, through social media channels. “You’re reaching and communicating to your workforce in a way they can hear you, versus talking down traditional channels,” Pernosky says.

» THINK IN TERMS OF DATA

HR executives and their business colleagues need to adopt analytical thinking in their decision making. Ultimately, the ability to tie results to the business is the most powerful role for HR. The question becomes “how do we leverage data to shape the workforce of the future, and become an employer of choice?” Pernosky asks. “What everybody is waking up and realizing is that they’re sitting on mounds of data. The problem is that the data is coming out of disparate systems, and there really isn’t a way to take out the noise and have it come together in a way to shape strategic decision making. That is the difference in what a very forward-looking human capital group is doing today.” HR data can be employed to customize communication with employees via intranets or email. Assuming a strategic role requires that HR “be able to drive an ROI that affects the business, and is quantifiable,” Pernosky adds.

» LOOK AT CLOUD OPTIONS

Digital HR is highly agile, and capabilities can be acquired from a company’s own data centers or through cloud-based services. There are new sources of capabilities on the market, especially through cloud or Software as a Service. This requires closer work with IT departments, as HR will be increasingly directly overseeing technology solutions. “As SaaS becomes increasingly user-friendly and intuitive, HR professionals might be able to configure software on their own without the help of IT at all,” according to Accenture. “The move toward SaaS

HR executives and their business colleagues need to adopt analytical thinking in their decision making. Ultimately, the ability to tie results to the business is the most powerful role for HR.

will be one of many factors contributing to a future of HR in which the HR function integrates other disciplines or relies heavily on spanning boundaries between itself and other functions such as IT.”¹⁴ Ultimately, SaaS services will need to align closely with the goals of the business. “If you’re not moving toward the cloud, you get held hostage in the technology of the moment,” says Amedisys’s Pernosky. “Business is now so dynamic, and technology is so dynamic, that you could be left behind. The cloud is where everybody is heading to be constantly relevant—not just relevant for the moment. That becomes the distinction.”

» WORK WITH MANAGERS AND EMPLOYEES TO IDENTIFY KEY PERFORMANCE METRICS

Performance reviews may be automated or digitized, but only the affected departments have the awareness of what metrics matter to their business. The ability to effectively deploy and track metrics is essential to HR’s emerging role as strategic business leaders, and metrics need to be aligned with business goals versus departmental HR goals. Metrics that matter, as identified by HfS, include “market agility/responsiveness, increase workforce productivity, maximize return on workforce investment, improve leadership, develop employees, compensate efficiently, drive workforce engagement, retain high performers, create workforce alignment.”¹⁵

» RAISE AWARENESS AND PROVIDE TRAINING

Digital HR brings the entire enterprise into many of the processes once hidden away within HR departments—talent management, recruiting, hiring and more. It’s important to communicate how modern HR will help make managers’ and employees’ jobs easier, as well as improve relationships across the board, including the job applicant community. It may be a relatively straightforward process to adopt cloud-based HR solutions that replace legacy systems, but transitioning HR staff may require different workflows and process. Reevaluate training approaches, including shifting the HR team’s emphasis towards an integrated view of the entire environment, not just slices of specific tasks.



“If you’re not moving toward the cloud, you get held hostage in the technology of the moment.”

—Larry Pernosky
Chief Human Resources Officer,
Amedisys

14 Tim Good, Catherine Farley, Himanshu Tambe and Susan Cantrell, *Trends Reshaping the Future of HR: Digital Radically Disrupts HR*, Accenture, 2015. 15 Tony Filippone, Diane Youden, Kevin Pennington, Phil Fersht, *Human Resources Transformation: Is It Driving Business Performance?*

CONCLUSION

Accelerating digital adoption is changing the way organizations do business both on the outside and inside. Human capital management executives have an opportunity to significantly increase the value of their roles within their enterprises, through digital workflows, services and functions.

Digital technologies and services provide the means to more effectively attract and retain needed talent, as well as manage services and requirements in a more streamlined way. Modern HR also is about self-service, providing current and potential employees the ability to manage their work lives through online services, ensuring higher levels of satisfaction and productivity.



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