Is Your HR Department Ready for the Digital Workforce?

MADISON LOGIC

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It was only a matter of time before the digital revolution engulfed the human resources department. Whether it's employing gamification in training, data mining for recruitment efforts or simply taking advantage of cloud-based storage as a more secure—and compliant—means of organizing employee "paperwork," technology is rebooting HR.

In every sector, digital technologies are changing the rules by creating new business models and sending shockwaves through every facet of HR—including recruitment, retention, and compliance.

And its potential is expected to grow, with more than 65 percent of executives in a global, cross-industry Accenture survey—referenced by OpenText CEO Mark J. Barrenechea in "The Emerging Digital Workplace"—planning workforce expansions in the coming year.

But that doesn't necessarily mean widespread digital adoption. Based on the latest Global Human Capital Trends report from Deloitte University Press, "only 7 percent of companies use mobile technology for coaching, 10 percent for performance management, 8 percent for time scheduling, 13 percent for recruiting and candidate management, and 21 percent for leave requests."

OF 7,096 GLOBAL RESPONDENTS...

ENGAGEMENT
18% told us their companies do not formally measure employee engagement at all.

Only **7%** of the executives report they measure employee engagement on a monthly or more frequent basis.

LEARNING
61% of respondents report challenges in moving their organizations toward external self-directed learning.

DIGITAL HR
72% think "Digital HR" is very important...

Yet only **9%** feel fully ready for it.

SOURCE: THE GLOBAL HUMAN CAPITAL TRENDS 2016 REPORT

Also based on the Deloitte study, less than 10 percent of companies are ready for a world with digital HR—and less than half are even thinking about it. This inertia persists despite the fact that everyone sees this wave cresting. Nearly three-quarters of companies agree a digital HR migration should be a top priority. This clearly appears to be an area of huger potential growth over the next decade.

Walmart, one of the country's largest employers, is one company embracing digital. The Bentonville, Arkansas-based retail giant launched a phased rollout of a new electronic scheduling system earlier this past summer. It's just the latest in a two-year, $2.7 billion HR push aimed at offering employees a wider range of scheduling and training options, while also better serving customers during peak hours.

To transform your HR department like Walmart did, there are five key factors to consider and address:

1. Changing demographics
2. The problem of information access
3. Keeping compliant
4. Staying secure
5. Preparation for tomorrow's workforce

1. Changing Demographics

Global changes in demographics shape work expectations. For the first time in history, organizations will be tasked with managing the needs and expectations of five very different generations, each with unique learning styles, values, and work expectations.

Today's labor market—particularly on the younger end of the spectrum—is a digital workforce. And recruiters eager to tap that market won't get far with HR processes that aren't digitized and mobile-friendly.

The youngest of these demographics—Generation Z—is expected to drive accelerated digital adoption at work. This is a generation that's always connected, according to Monster.com's latest workplace study, "Move Over Millennials: What You'll Need to Know for Hiring as Gen Z Enters the Workforce," and they expect things to be that way at the office, too. Nearly 40 percent of them see smartphones as absolutely essential, and 37 percent favor laptops over desktops—far more than any previous demographic.

The Monster study calls this generation the first "true digital natives, who expect access to digital tools that will enable them to be 'always on' while determining their own schedules, creating tailor-made paths to their personal version of success."

As Jason Dorsey, co-founder of The Center for Generational Kinetics in Austin, Texas, said in an interview earlier this year, "This generation has always gone to their phone first to find an

answer to a question, learn a new skill, apply for a job or connect with friends. They will never remember a time when that wasn't an option. This means that as Gen Z enters the workforce they expect everything to be mobile first, from communication and collaboration to training, retention and engagement strategies."

Bear in mind that this isn't some niche market; this is an exploding segment of talent that is expected to make up roughly half of the work-force in just four years.

So while it might sound daunting, connect-ing with such a connected, mobile group of employees—and potential recruits—requires an equally agile HR department.

An easy start for even the most conservative of HR departments is to digitize and automate employee documents—eliminating paper files and the costs associated with maintain-ing them. The transition from paper to digital not only accommodates a younger generation's expectations, but caters to their environmental concerns and gives your company a competitive cultural advantage in an increasingly competitive labor market.

In that same vein, it's incumbent on HR to provide their workforce with immediate access to employee documents, wiping out barriers to better employee engagement.

GEN Z

► **60 million** of them; 1 million more than Gen X; born between 1994-2010

► Aged **15-20** – 77 percent of them are students

► Gen Z is the most ethnically diverse generation in U.S. history. It will comprise **47% ethnic minorities**

► True digital natives – with a focus on mobility:

• **Prefer laptops vs. desktops** (37 percent vs. 30 percent)

• Prefer telecommuting options, with **work flexibility** ranking as a higher priority than even health care.

SOURCES: JACLYN SUZUKI, CREATIVE DIRECTOR OF ZIBA DESIGN, 2016 SXSW; MONSTER MULTIGENERATIONAL SURVEY, MONSTER.COM, JANUARY 2016.

2. Information Access Problem

HR departments also struggle with communicating quickly—and efficiently—not only with employees and upper management, but with vendors and other third-party partners.

According to the latest Global Human Capital Trends report, "there are more than 7 billion mobile devices in the world, and more than 40 percent of all Internet traffic is driven by these devices. Yet HR teams remain far behind in deploying mobile solutions. Fewer than 20 percent of companies deploy their HR and employee productivity solutions on mobile apps today."

Imagine, for example then, digital employee communication that integrates onboarding, train-ing, performance management, and workflow into a single, seamless operating system. Such solutions, according to the Deloitte study, boost employee response rates by a factor of 10 over legacy HR systems.

As the study points out, for example, Wall Street heavyweight DuPont "embarked on a major project to replace, simplify, and combine all of its HR and learning systems into one integrated portal. Rather than offering a traditional 'self-service' application, the company developed a streamlined interface that has improved productivity."

Centralized access to employee data and documentation within a single portal—as part of a user-friendly enterprise resource planning (ERP) system—not only keeps employees engaged, but increases efficiencies with third-party partners. HR faces a wealth of options with such systems, whether they're looking for a cloud, on-premise, or hybrid deployment option. A centralized portal also helps improve HR efficiency with increased call resolution rate, because relevant information is accessible sooner.

3. Keeping Compliant

It might not be as visible as the other functions of HR, but compliance is arguably the most critical. It's certainly the most time-consuming, surrounded by (legal) land mines and flooded with paperwork, making it a function ripe for a digital migration.

The laws keep changing, the lawsuits keep winding through the courts, and compliance continues to be a moving target. One doesn't have to look any further than U.S. Immigration and Customs Enforcement for a startling example. In 2014 alone, the agency raked in more than $16 million in fines from nearly 650 different employers.

In a post-health care reform era, HR is saddled with a growing list of new requirements, whether it's filing forms 1094 and 1095 with the IRS or tracking hours and headcounts to remain in compliance with the employer health care mandates.

Process consistency is key for HR departments and their information technology partners, as are flexible, scalable technology platforms that feature user-friendly interfaces.

4. Staying Secure

And they're juggling all of this while remaining acutely aware of cyber security. What employer wants to headline the next WikiLeaks report?

In fact, the latest research from Gartner Inc., an IT research and advisory firm, predicts that global spending on "information security products and services will reach $81.6 billion in 2016." That's a leap of nearly 8 percent over last year, according to the report, "Forecast Analysis: Information Security, Worldwide, 1Q16 Update." Consulting and IT outsourcing make up the largest categories of security spending today. But the experts at Gartner suggest that—until the end of the decade—the highest growth is expected to come from security testing, IT outsourcing, and data loss prevention.

And data security is no longer solely the realm of the IT department, especially when most data breaches are a result of human error.

Tony Pepper, CEO of Egress Software Technologies, insists that—as a result of that—further regulation is coming.

"[U.K. Information Commissioner's Office] statistics demonstrate that 93 percent of data security breaches occurs as a result of human error—that is, people making mistakes when sharing sensitive information, poor processes and systems in place, and overall lack of care when handling data," Pepper explained in a press release. "Consequently, the emphasis being placed on cyber-attacks has the potential to become a distraction for many organizations. To date, much of the private sector has not been mandated to disclose breach incidents, but that is changing. And the results show that now they could be heading for trouble."

So it's more critical than ever that HR not only works hand-in-hand with IT, but that both departments are able to depend on a single, secure repository of employee documentation to ensure compliant records management.

5. Preparing for Tomorrow's Workforce

Globalization, digital technology, demographic change, and the changing expectations of new generations are converging to produce this digital workplace. They're putting pressure on the organization to adapt and evolve. Leading organizations are already preparing their digital strategies to win the quest for top talent. They're embracing disruptive technologies and modernizing their HR practices. They are consolidating the technologies that promote an open, flexible, mobile, social, and innovative workplace on a proven Enterprise Information Management (EIM) platform.

When creating a digital workplace, organizations must implement an infrastructure that supports connectivity and collaboration while enabling compliance. Information governance will be a key factor moving forward—particularly for the HR department.

Solution by OpenText

Addressing the demands of the digital workforce will only be possible through the simplification and transformation of current HR processes. How can organizations accelerate the day-to-day activities and still provide the agility needed to meet the engagement expectations of the new digital workforce? By extending their SAP® SuccessFactors solution with Extended Enterprise Content Management by OpenText™. Integrated within the SuccessFactors user interface, all relevant employee file content is readily accessible to business partners, which empowers them to effectively manage talent, lead HR-specific projects, and achieve service-level expectations of the new generation workforce.

At the core of this solution is extended enterprise content management (ECM) by OpenText, the industry-leading ECM platform. Eliminate silos of data by leveraging this extensible platform for all of your enterprise content management needs. ∎

GAINS ACHIEVED

Better employee satisfaction

Increased staff productivity

Reduced HR administrative costs

Reduced administration & storage costs

Guaranteed governance

Faster implementation

Reduced legal risk and liability

Reduced service center response time

Reduced staff communication cycle time

SOURCE: OPENTEXT

KEY BENEFITS:

- Provide the HR professional with immediate access to employee information and documents within the SAP SuccessFactors UI, eliminate data silos and allow for finding relevant information quickly

- Ensure compliant records management via rules established by HR administration in a secure and centralized repository

- Improve workforce engagement through document generation within the SAP Success-Factors workflow, providing personalized communication and omnichannel delivery

- Enable maximum deployment flexibility in the cloud, on-premises, and in hybrid scenarios

- Improve HR business partner efficiency; service levels; and compliance, security, and control

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Madison Logic is the global leader in Account Based Marketing. Our B2B marketing technology platform, Activate ABM™, unifies targeted advertising and content syndication with attribution metrics to show measurable return on investment. As the only comprehensive global ABM platform built for B2B marketers, it leverages unmatched proprietary data, reach, and scale to identify, engage, and convert prospective accounts. With Madison Logic, B2B marketers can easily gain insights into their target accounts to personalize their message, optimize their programs, and inform their sales and marketing strategy.

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SAP&OPENTEXT Simplify. Run digital.