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HUMAN CAPITAL MANAGEMENT

An Oracle White Paper
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Oracle Fusion Human Capital Management
Rethinking the Business of HR

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Executive Overview

Today's HR professionals are focused on driving growth while continuing to maintain operational excellence. Against this backdrop, there are tough challenges to solve and intriguing opportunities to exploit. For example, the increasing acceptance of the importance of HR analytics is tempered by many questions on the practical "how to's". Collaborative and social technologies are enabling a whole new generation of workers, but are also raising concerns about data privacy and information security. And while human capital is the acknowledged source of competitive differentiation in a knowledge economy, the investment in enabling technology for HR often belies its significance.

Most HR management systems available on the market today were designed and built at a time when business practices and available technology were completely different. While these applications have tried to keep pace with business demands, none have truly addressed the pressure on HR professionals to balance mission-critical programs to retain rising stars, develop core performers, and cut costs from workforce operations.

With the introduction of Oracle Fusion Human Capital Management (HCM), Oracle is taking human capital management applications to a whole new level. Built from the ground up to help you do things your way, know your people better, and work as a team, Oracle Fusion HCM rethinks the business of HR to provide value to every person in your organization – from HR professionals to employees and managers. Oracle Fusion HCM connects all parts of your workforce, empowering you to inform, engage, and collaborate in ways never before possible.

This white paper is designed to provide you with an overview of the key design principles and capabilities of Oracle Fusion HCM.

Introduction

The winter of 2005 was a time of great uncertainty. Oracle's acquisition of PeopleSoft raised many questions among customers, employees, and partners alike about the impact on their technology investments, business relationships, and careers. Today, those early fears have been laid to rest by Oracle's proven commitment to deliver continuing innovation across all application product lines. Oracle customers remain comfortable with the 'Applications Unlimited' strategy[1] and are making the choice to keep and expand their investments with Oracle.

The winter of 2005 was also the genesis of Oracle Fusion Applications – an unprecedented effort to bring together the very best resources and leverage the input of thousands of customers worldwide to build the next generation of enterprise applications. Today, Oracle has over 14,000 customers in 140 countries using its Human Capital Management applications. This base of customers is vital in the design and development of Oracle Fusion Human Capital Management (HCM), providing concrete guidance about the real-world needs of organizations that span multiple industries and regions.

The ongoing dialogue between Oracle and our customers resulted in several fundamental design principles for Fusion HCM. Oracle Fusion HCM must deliver:

- Complete solutions
- Complete choice
- Value to everyone in the organization

In the following sections, we'll review the significance of these design principles and how it can benefit your business.

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[1] Woods, Jeff; Hestemann, Christian; Shephered, Jim; Gaughan, Dennis; Swanton, Bill, "Oracle OpenWorld 2010: A Milestone for Oracle's ERP, SCM and CRM Applications". Gartner, November 2010.

Complete Solutions

Oracle Fusion HCM is a complete human capital management suite, and importantly, was conceived and built to be a unified solution from the very beginning. Other systems in the marketplace today have either started with traditional core HR and later bolted on talent management capabilities, or began with talent management and are slowly adding core HR functionality. Only Oracle Fusion HCM delivers core HR, benefits and payroll along with talent management from the onset. This benefits you in a number of ways.

You can leverage workforce data to make better operational decisions without worrying about information silos. Everyone in your organization – from your HR professionals, to your business leaders and employees, can enjoy the same productive and consistent user experience. Talent management processes such as compensation and performance cycles interact seamlessly with payroll and benefits. The result is an HR organization that understands the talent pool and can proactively review and implement the requirements of the overall business.

Oracle Fusion HCM is also part of a complete enterprise applications suite with over 100 modules in seven product families including financials, project portfolio management, supply chain management, procurement, customer relationship management, and governance, risk, and compliance applications. This is critical because the most meaningful insight that you're asked to provide often requires information from other disciplines. For example, you may be asked:

- *Who are our top performing salespeople by region and business unit, and how can we develop more salespeople with those same competencies?*

- *What are our project bookings and backlog and how does that compare to our current staffing levels?*

- *How much room do I have in my current quarterly budget to hire additional contingent workers?*

- *What impact did the new compensation policy have on the performance of our customer service call center staff?*

- *Which recruiting agencies are consistently finding our top performers and what do the sourcing agreements look like?*

With Oracle Fusion Applications, you not only have a unified human capital management solution, you also have a unified enterprise applications suite.

Complete Choice

Oracle Fusion HCM coexists with your current applications portfolio to deliver innovation without disruption. While some organizations are ready for broad scale transformation, most Oracle customers are looking to adopt next-generation capabilities in a modular fashion. For example, you may see a critical business need in compensation management or would like to adopt a modern portrait gallery for your organization chart – you can take advantage of the innovations in Oracle Fusion HCM in an incremental fashion to extend the value of your existing systems. To ensure that the coexistence strategy delivers real and rapid value to customers, Oracle Fusion HCM introduces several market-leading modules that are industry firsts and available only from Oracle:

- **Oracle Fusion Network at Work** – provides a collaborative framework for workers to build their own social network within the enterprise and connect with other domain experts and colleagues.

- **Oracle Fusion Talent Review** – automates the manual and labor-intensive talent review board preparation process and makes the outcomes of the talent discussion actionable.

- **Oracle Goal Management** – enables the setting and tracking of goals across the various levels of the organization to support an ongoing performance conversation throughout the year.

- **Oracle Workforce Predictions** – uses current and historical indicators to predict performance and attrition, and determines corrective action through scenario modeling.

- **Oracle Workforce Directory Management** – provides a graphical organization chart that shows an easy and fully integrated view of all information related to an employee.

Pre-built integrations to PeopleSoft, E-Business Suite, and JD Edwards HR systems are available. In addition, Oracle Fusion HCM is built on 100% open standards with commercially available middleware. There are no proprietary languages or toolsets, which means that the integrations to your current systems won't break over time and can adapt to changes in your business going forward. You reap the benefits of lower cost integrations through the use of standard tools and access to a large IT talent pool trained on the most current engineering techniques. (See the Oracle Fusion Talent Management Overview whitepaper for more details on how you can develop your own Fusion HCM coexistence strategy.)

Finally, Oracle Fusion HCM is uniquely available as Software as a Service (SaaS) and as traditional on premise, with a single code line across both. You can choose whichever service and deployment is best for you, without being locked into one or the other over time. Only Oracle gives you this kind of flexibility.

Value to the Entire Organization

Oracle Fusion HCM is designed to empower everyone in the organization so that you can do things your way, work as a team, and know your people better.

Do Things Your Way

"Oracle is living what they're speaking. They have really invested time and resources and people into analyzing and understanding how people actually work."

Megan Martin, Director of Business Systems Development, Troon Golf

The simplicity and usability of online consumer applications has raised the bar for what business users demand from their enterprise applications today. This is especially true for the human capital applications that affect every worker and manager in an organization. You need to access and share information easily and quickly but are often restricted by rigid systems and a reliance on IT. Cumbersome processes, multiple screens, and irrelevant information hinder collaboration and leave you frustrated and unproductive.

Oracle Fusion HCM turns your organization into an interactive gallery, with each employee being assigned a "Portrait" page. Each Portrait page displays specific information and enables certain functionality based on the user's role. Even casual business users can intuitively configure the system around their own personal work style. Oracle Fusion HCM gives you many different ways to further personalize and configure screens, hide information and fields, and change the layout of tabs and specific data points with fast and easy drag-and-drop capabilities.

Figure 1. Intuitive, role based navigation and configuration capabilities

Work As A Team

"The Network At Work capabilities are awesome. Younger employees are already doing it. They want to be able to connect and find people who do this. And they don't want to have to go through this whole chain of command and these proper channels to find the answer to a simple question. "

Carrie Medders, Director Administrative Applications, California State East Bay

Collaboration lies at the heart of innovation and growth. The ability to connect and collaborate within the workplace enhances employee engagement and ultimately adds significant value to your bottom line. Imagine the economic impact if you were to double the number of inspired employees or triple the volume of new product releases. While the broad gains from improved workforce collaboration are apparent, the tools needed to capture the benefits at the enterprise level have been lacking.

To tackle this challenge, Oracle Fusion HCM introduces Enterprise 2.0 technologies in ways that improve workforce collaboration for employees, managers, and HR professionals alike. Social networks, chats, and group workspaces are leveraged securely and privately to improve the quality and reach of workforce interactions. With Oracle Fusion HCM, the entire organization can work better as a team, enabling HR professionals to deliver value to the business in a whole new way, while simultaneously making the HR organization itself more productive.
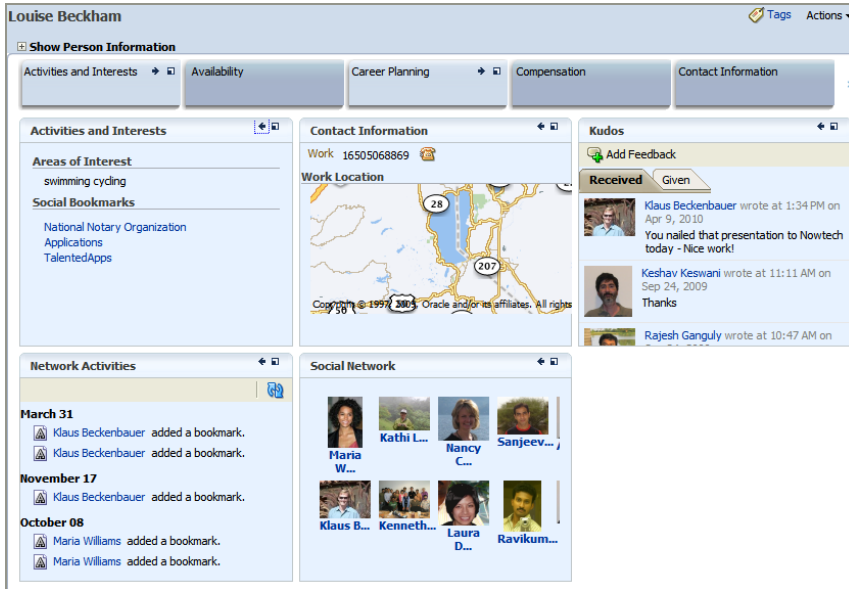
Figure 2. Oracle Fusion Network at Work increases collaboration and teamwork

Know Your People Better

"The analytics just make it pop! The charts, the graphing, the predictive analytics is really neat.
The modeling capability in the compensation module was another feature we just don't have today.
Having that kind of capability is really exciting. "

Charles Fusco, HRIS Development Manager, Mckesson

Every day organizations struggle to answer essential questions about their workforce.

- How much money are we losing by not having the right talent in place and how is that impacting current projects?

- What skills will we need in the next 5 years that we don't have today?

- How will business be impacted by impending retirements and are we prepared?

Fragmented systems and bolt-on analytics are only some of the barriers that HR faces today. The consequences include missed opportunities, lost productivity, attrition, and uncontrolled operational costs. To address these challenges, Oracle Fusion HCM puts information at your fingertips, helps you predict future trends, and enables you to turn insight into action. Analytics are embedded throughout the system and linked directly to transactions and decision points. No more searching through multiple screens or systems to find the information you need to make a decision. Each screen lets you clearly see the other pieces of relevant information you might need to maximize your productivity.

Oracle Fusion HCM gives you the ability to finally see into the future, analyzing worker performance potential, risk of attrition, and enabling what-if analysis on ways to improve your workforce. Being able to see potential problems before they occur and take immediate action will increase morale, save money, and boost your competitive edge.
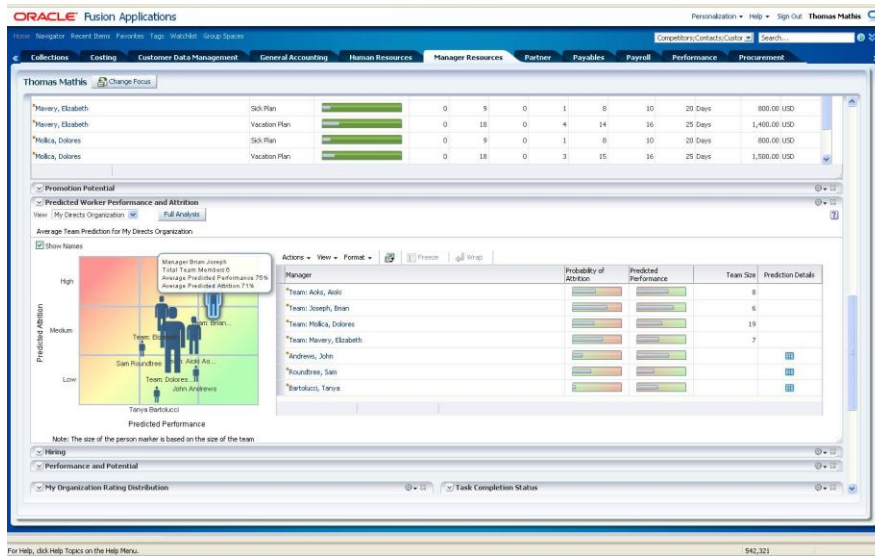

Figure 3. Using embedded predictive analytics, you can see which employee has a high risk of leaving.

Conclusion

Oracle Fusion HCM is imbued with a mindset and approach that rethinks the business of HR to provide value to every person in your organization – from HR professionals to managers and employees. A role-centric user experience reflects the way you really work. Enterprise 2.0 functionality coupled with social networking capabilities make it easier than ever for you to work effectively in teams. And seeing into the future? Oracle Fusion HCM not only places information right at your fingertips, it can even help you look ahead and be prepared for upcoming workforce changes.

Using feedback from real-world HR practitioners, Oracle has overhauled the fundamental nature of HCM applications with an eye towards the future as well as respect for the existing investments that you have made. Whether you choose one module or the entire suite, Oracle Fusion HCM is designed to coexist with your current applications portfolio to deliver innovation without disruption. With Oracle Fusion HCM, you're in the driver's seat with the power to deploy SaaS, hosted, or on premise – all backed by industry leading Oracle innovation.

Appendix: Oracle Fusion HCM – List of Applications

- Oracle Fusion Benefits

- Oracle Fusion Compensation

- Oracle Fusion Global Human Resources

- Oracle Fusion Global Payroll

- Oracle Fusion Goal Management

- Oracle Fusion International Human Resources and Payroll Kit

- Oracle Fusion Network at Work

- Oracle Fusion Payroll Interface

- Oracle Fusion Performance Management

- Oracle Fusion Talent Review

- Oracle Fusion Total Compensation Statement

- Oracle Fusion Transaction Business Intelligence for Human Capital Management

- Oracle Fusion Workforce Directory Management

- Oracle Fusion Workforce Lifecycle Manager

- Oracle Fusion Workforce Predictions

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