

TRENDING NOW

# // HR in the Cloud and the digital Employee Experience



## The Trending Issue

HR solutions are attracting a great deal of attention as companies work hard to maximize the economic value and business impact of their digital technology investments in such areas as cloud computing, mobility, and business analytics.

Cloud solutions, such as enterprise resource planning (ERP) systems, can be key components in the emerging digital HR ecosystem. They are often best-of-breed in what they do, providing quick access to leading-edge functional capability, consumer grade usability, and sustainable economies of scale under attractive financial terms.

However, to capitalize on these solutions, companies need to trade off their customized, premise-based solution(s) for the configuration-only, multi-tenant platform model inherent in cloud solutions.

As appealing as moving HR to the cloud may be, it can also be a substantially confusing and disruptive time for HR sponsors who need to rationalize these choices with short-and long-term business priorities. The criteria of the technology decision aren't the only business concern. And often, during this time, the relationship between these cloud-based vendor solutions and the organization's Employee Experience comes into question.

### Common Questions...

- + Isn't Workday, Oracle, or ServiceNow our Employee Experience?
- + If we buy a cloud-based HR solution with a good user interface, have we solved our Employee Experience challenge?
- + How should cloud solutions be integrated effectively into our overall Employee Experience?

# Digital transformation requires a new type of employee experience



## Digitalization

Organizations redesigned to compete:

- Work redesigned
- Digital competencies embedded
- Culturally-driven
- Quick to adapt
- Managers as leaders
- Employee-centric (EVP)

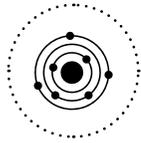
## Consumerization

People in emerging work models:

- Work anytime, anywhere
- New attitudes & values
- Social, collaborative
- Community-minded
- Emerging "learning worker"
- Digitally dexterous



## HR Technology Ecosystem



## A Closer Look

Here we discuss the varying purposes, value, and outcomes that can be expected of HR cloud solutions (like an ERP) and, quite differently, of the digital Employee Experience (dEX), an integral part of an organization's overall Employee Experience strategy.

The bottom line is this – most large, global organizations will not be satisfied with any single HR cloud solution as the “hub” of their Employee Experience. Only a holistic, cross-platform experience can serve in this role. Contextual, branded, omni-channel, and ubiquitous, the digital Employee Experience is aligned to culture and emerging work practices – connecting **this** enterprise, for **this** person, regardless of technology.

HR in the cloud is a platform choice, operating in a suite of digital products that constitutes a complex, even robust technology landscape. **On the other hand, the dEX is a human design experience** in which the person is central and the business ecology feels elegantly ever-accessible – simple, useful, and essential.

Q

Isn't Workday, Oracle, or ServiceNow our Employee Experience?

A

HR in the cloud is a platform choice focused on capability/cost trade-offs. The digital Employee Experience is a human-centered design concept focused on the employee that presents the business ecology in an elegantly ever-accessible manner.

## CLOUD SOLUTIONS ARE PART OF THE DIGITAL ECOLOGY

Cloud is an element – along with social, mobile, and analytic capabilities (collectively known as “SMAC”) – in the larger HR technology ecosystem, which in turn is a dimension in what we refer to as the “digital business ecology.” Other dimensions include new business models, new organization designs, new models of work and collaboration that are a function of digitalization of the business. A more colloquial name for all of this today is the “digital workplace.”

On the whole, digital transformation is not so much about technology as it is about new work, and people in new work. It implies fundamental changes in both organizational design and human dynamics, and is the basis today for business innovation. Culture, work, people, environment – all must work in concert. No element can be addressed in isolation. This provides the foundation for value creation, and the priority for the Employee Experience.

## BOTH BUSINESSES AND EMPLOYEES SEEK DIGITAL ENABLEMENT

In the age of digital disruption, companies recognize the imperative for building organizational capabilities that support new business models, drive heightened customer-centricity, greatly expand the sharing of knowledge and expertise, and facilitate accelerating rates of change. Some companies speak directly of digital transformation, while others use the language of modernization, functional expansion, or transition to new consumption models. Associated with this are ideas of flatter, intrapreneurial, employee-driven organizations as enablers of the new work.

Employees and prospects recognize this, too. Millennial and Generation Z workers wish to be highly productive and impactful, and seek out employers with superior



New employee behaviors entering organizations are challenging the conventional idea of how employees work and what they expect from an organization.

*The Future of Work*  
Jacob Morgan



## BOTH BUSINESSES AND EMPLOYEES SEEK DIGITAL ENABLEMENT CONT'D...

enabling work environments. Most have a working style that is inherently aligned with the digital marketplace. Therefore, at work they expect and rely on a consumer-grade experience with all related capabilities, as is the case in their personal lives, in order to perform optimally.

The bottom line is that models of digital business value are fully realized only when the employee's work experience is aligned with them. The digital workplace is an essential enabler.

## THE EMPLOYEE EXPERIENCE IS MULTIPLE

As a concept, the **Employee Experience** comprises four elements:

- + The practices of culture and interpersonal dynamics
- + The employee-facing elements of new organizational designs and work models
- + The physical workspace and environmental factors
- + The technological environment.

The Employee Experience constitutes a "people-first" approach that complements "digital-first" strategic business goals (which are consumer-centric and consider technology's effect on consumer behaviors and expectations).

It achieves this by embodying and facilitating the values, behaviors, and activities sought by employees, in a way that considers how employees interact with their physical and technological environments.

Q

If we buy a Cloud-based HR solution with a good user interface, have we solved our Employee Experience challenge?

A

No single Cloud solution will serve all enterprise experience and user needs. The dEX will have the unique and critical job of delivering the "horizontal" experience in an ecosystem of otherwise vertical, siloed solutions, embodying and facilitating the values, behaviors, and activities sought in employees.

## THE dEX IS THE HEART OF THE DIGITAL ENTERPRISE

The digital Employee Experience (dEX) presents the business ecosystem as a rational and useful design for business consumers. Centered on major business and program concepts, the dEX is technology agnostic and integrative, omni-channel in operational character, socially integrated, and culturally aligned. It serves explicitly as the company's face and doorway for employees to the complex and otherwise fractured set of destinations, apps, tools and products in the digital ecosystem.

Not an intranet or portal – and not bound by any single technology or property – the dEX is a horizontal capability and an enabler of good outcomes for people and for the business. Well designed, the dEX brings people to digital solutions – like cloud ERPs – in context and with purpose.

Looking ahead, the dEX will become a critical enabler in the digitally-transformed business, helping people to work in new organizational models with new behaviors. Functionally, these experiences will “find me”, pushing time-sensitive decisions, items of interest, and opportunities for participation from multiple sources.

Over time, artificial intelligence (AI) will bring richness of insight and decision support, evolving these experiences into personal productivity tools -- a “personal assistant” -- for workers anywhere. These experiences will learn and adapt based on preferences, work habits, and interests. Businesses will rely on these digital assistants to drive productivity, speed innovation, and maximize the impact of human judgement on their important business challenges.

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The final stretch from analytics to profits relies heavily on getting information to frontline staff and encouraging them to act on these insights.

***Big Data Should be Driven by Business Needs, not Technology***  
World Economic Forum





## Takeaways

HR cloud solutions are important properties in the emerging HR technology ecosystem, often bringing powerful, digital capabilities with better user interface designs. Transitioning to these solutions, however, can be challenging for a variety of change-related reasons. And, business leaders may find it difficult to understand the Employee Experience scope that can be expected with these new solutions.

LDS believes that no single Cloud solution will serve all enterprise experience needs and certainly not all user needs. It's likely that organizations will continue to manage a hybrid environment with a combination of ERP, best-of-breed vendor solutions, digital tools, and home-grown applications. Many will be digitally-capable and more sensitive to user design.

**These advancements will be compatible with, but not replace the need for, a digital Employee Experience (dEX) that is by definition cross-platform and seamless.**

The dEX will have the unique and critical job of delivering the horizontal experience in an ecosystem of otherwise vertical, siloed solutions. Organizations will invest in these experiences not only for usefulness and usability purposes, but for brandedness, engagement, and cultural connectedness across the business in much the same way that customer experiences are thought of and valued in the marketplace.

Vendors and partners who offer enterprise cloud solutions can help to maximize their value and utility by being good “digital members” of the business ecosystem. This means recognizing that most global organizations have and continue to choose a multi-product environment. As such, vendors need to make integration with other enterprise solutions easy and routine.

Q

How should cloud solutions be integrated effectively into our overall Employee Experience?

A

Vendors and partners who offer enterprise Cloud solutions can help to maximize their value and utility by being good “digital members” of the business ecosystem. This includes making integration with other enterprise solutions easy and routine.



## Takeaways cont'd...

Seamless integration is good for people and good for the vendors (who get higher traffic when integration is realized).

Fundamentally, product providers should embrace the idea that an organization's decision to outsource some of their enterprise technology is not the same decision as outsourcing their brand and their Employee Experience.

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...while 88% of companies claim to be undergoing digital transformation, only 25% are doing anything beyond investing in modernized technology infrastructures. What's become clear is that many of the executives who are driving change have used a technology-first perspective, yet digital transformation embodies so much more.



***The Race Against Digital Darwinism***  
Altimeter Group



 An LDS white paper

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