



The Truth about Digital HR

Technology, Transformation & Realities

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Europe's #1 HR Analyst

Founded 1996

In-depth corporate research on
Next Gen HR, Talent and
Learning

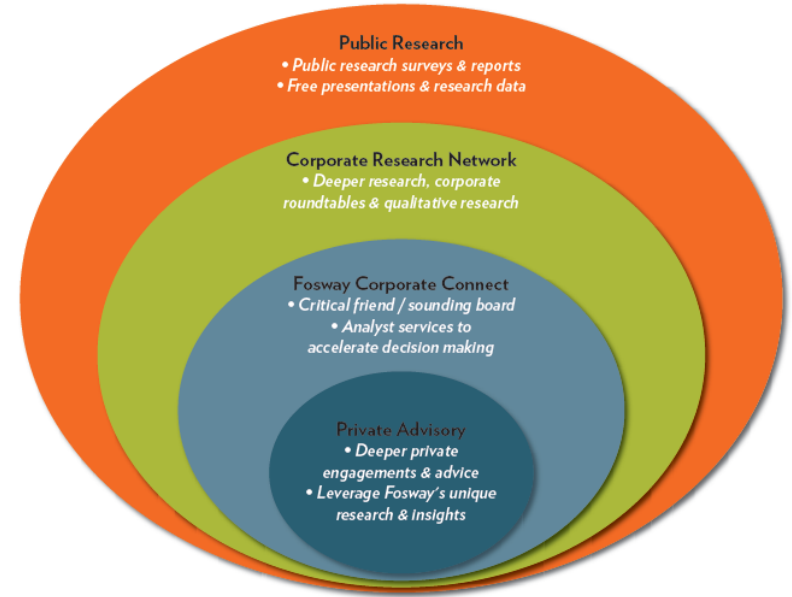
Analyst & advisory services to
European & International HQ
multi-nationals and corporates

Independent vendor research
and EMEA market commentary



How do we help corporate clients?

- ▶ **Expert research, analyst input and independent advice**
 - Strategies, transformation, key priorities, new solutions, benchmarking, vendor options
 - Qualitative & quantitative research
- ▶ **Critical friend / virtual advisor**
- ▶ **Private advice for accelerated engagement and success**



The Truth about Digital HR, Tech & Transformation

- ▶ How the modern workforce is changing the role of HR?
- ▶ Why execs are still under-whelmed by the impact of HR Technology?
- ▶ Where is there the most opportunity for innovation and impact on the business?
- ▶ How AI will really transform HR operations and employee experience?
- ▶ The consequences and challenges for HR Tech suppliers



A

MARKET
TRENDS!

What are the facts about

Digital HR ?



KEEP
CALM

AND

CHECK
THE FACTS

2017-18 EUROPEAN RESEARCH

Over **600** survey respondents overall



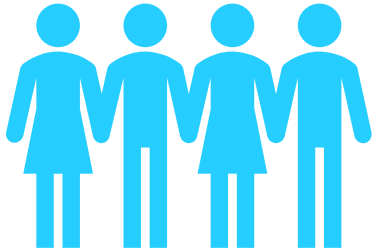
94%
of respondents
European

66% Respondents
from Organisations
> 5000
Employees

Unique market data from our
strategic research partnership with



EUROPEAN INSIGHTS - BUT GLOBAL INFLUENCE



59%

have a role

with **Global**

Responsibility



TRUTH #1

The Workforce & Work is
changing rapidly,
so must HR

MODERN WORKFORCE

← 50% →



BABY BOOMERS

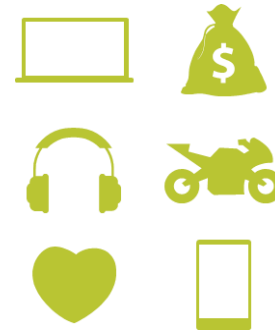
Post WWII baby boom, born roughly 1946 - 1964.



GEN X

Born early mid 1960s to early 1980s.

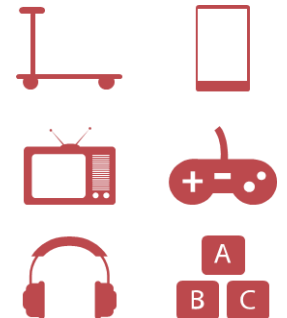
← 50% →



GEN Y

Often called Millennials. Born 1980 to late 1990s.

On their way....



GEN Z

Born early 2000s and on.

We know *work is changing ...*

*Learning, Talent & the Modern Workforce
Fosway Group 2017*



45%

more often working in
diverse teams



68%

more often working
with virtual
technology



55%

collaboration and
social media tools
are more often key
to working



44%

employees work
primarily using
mobile devices

Work is changing - People are experiencing more...



50%

Employees more often use self service to do their work & maintain their data

AR⁺

46%

Employees more often experience virtual & augmented technologies at work



31%

Automation & AI is more often replacing employee's work



30%

Employees are more often tracked using real time performance measures, polling & sensors



30%

Employees have more and more flexibility over where and when they work

How are workers expectations changing? ... what do they expect of employers?



69%

Personal &
Professional
Development



64%

Career
Progression



63%

utilise the
latest
technologies



62%

flexible working



58%

progressive &
dynamic
organisational
culture



56%

Brand Reputation

The top 6 reasons why people want to join your organisation...



1. always learning new skills
2. are involved in varied projects
3. have high levels of autonomy
4. can change roles regularly
5. leadership culture is built around coaching & mentoring
6. work with a wide range of cultures

HR's view of the most influential parts of organisations' Employee Value Proposition (EVP)



57%

Our employer brand & reputation for being a great place to work



55%

The reputation of our services or products



47%

Our organisation's vision & purpose



47%

Our organisation's values



41%

Our approach to personal & professional development



40%

Our proactive approach to career progression



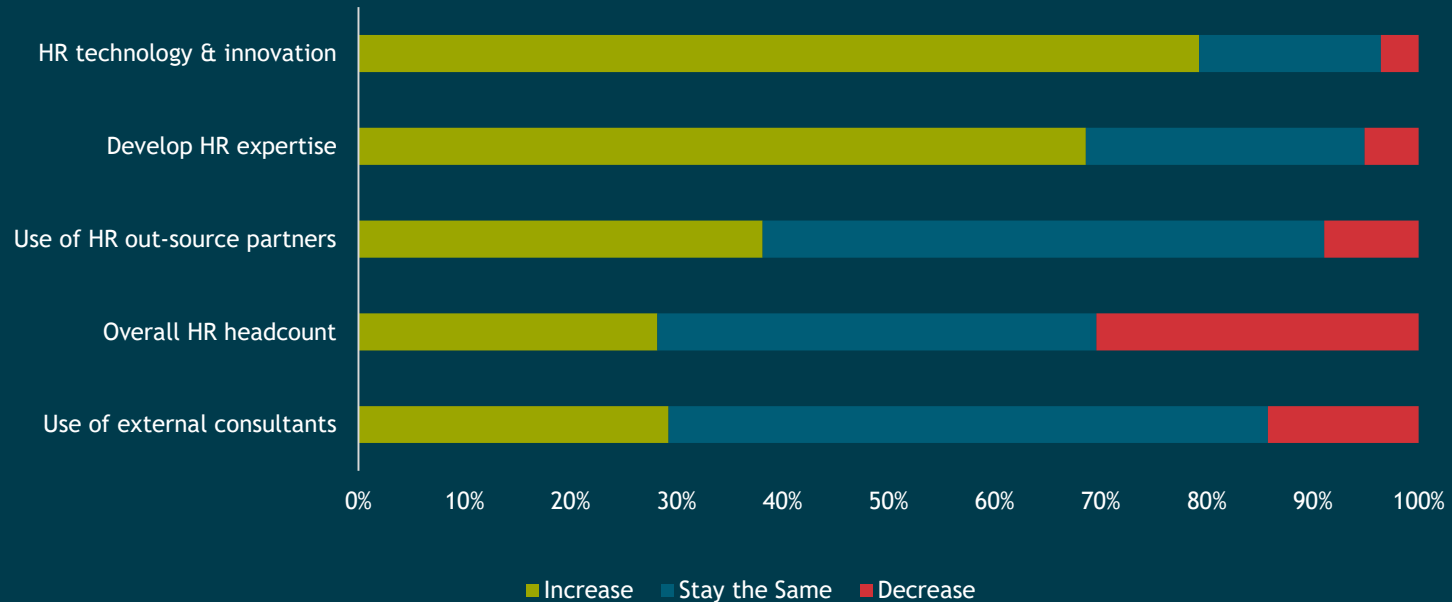
In the war to attract & retain TOP talent, **too few organisations are differentiating around Career and Talent Management**, especially when the availability of skills is so scarce



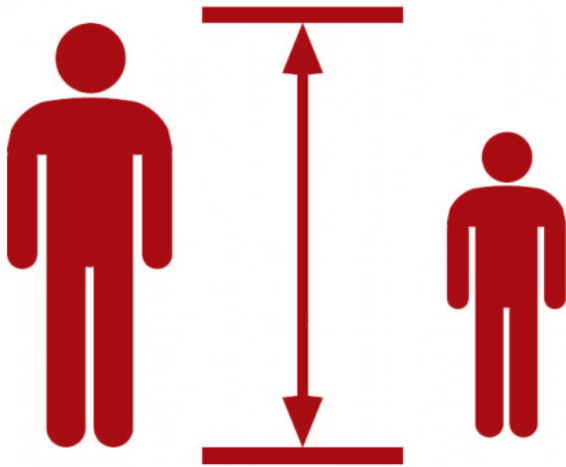
TRUTH #2

Digitising HR is about
much more than a new
system of record

Do you expect your organisation's investment in the HR function to increase, decrease or stay the same over the year ahead?



HR HEADCOUNT IS THE BIGGEST FOCUS FOR REDUCING INVESTMENT IN HR 2014-2017



NET 1% reduction per year for 3 years

30% Expect to see a **Reduction in Investment in HR Headcount**

71% Expect investment in Headcount to Stay the Same or Reduce

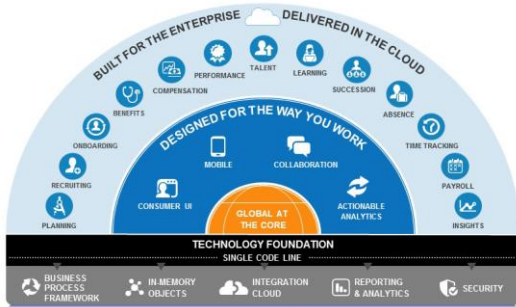
67%

have **partially standardised HR systems**,
but **less than 25%** have **very standardised
HR systems** in their organisation.

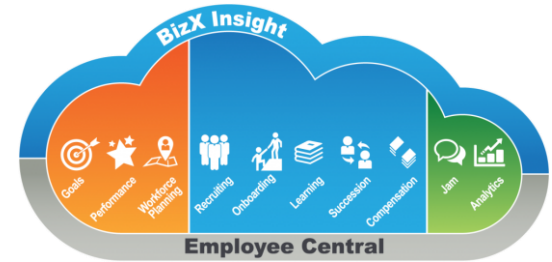
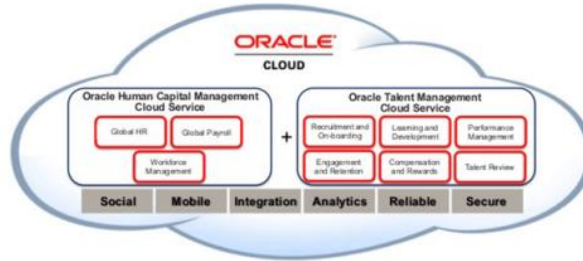
The **consolidation of platforms** is seen as a significant HR opportunity

“THE POWER OF ONE”

Competition in the Enterprise Space



Oracle Cloud HCM

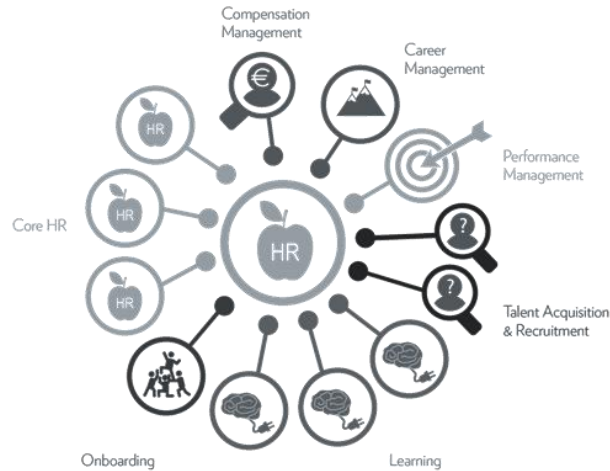


Alternative Strategies to Single Suite HCM

Masking - Unifying the HR Experience across Multiple Systems



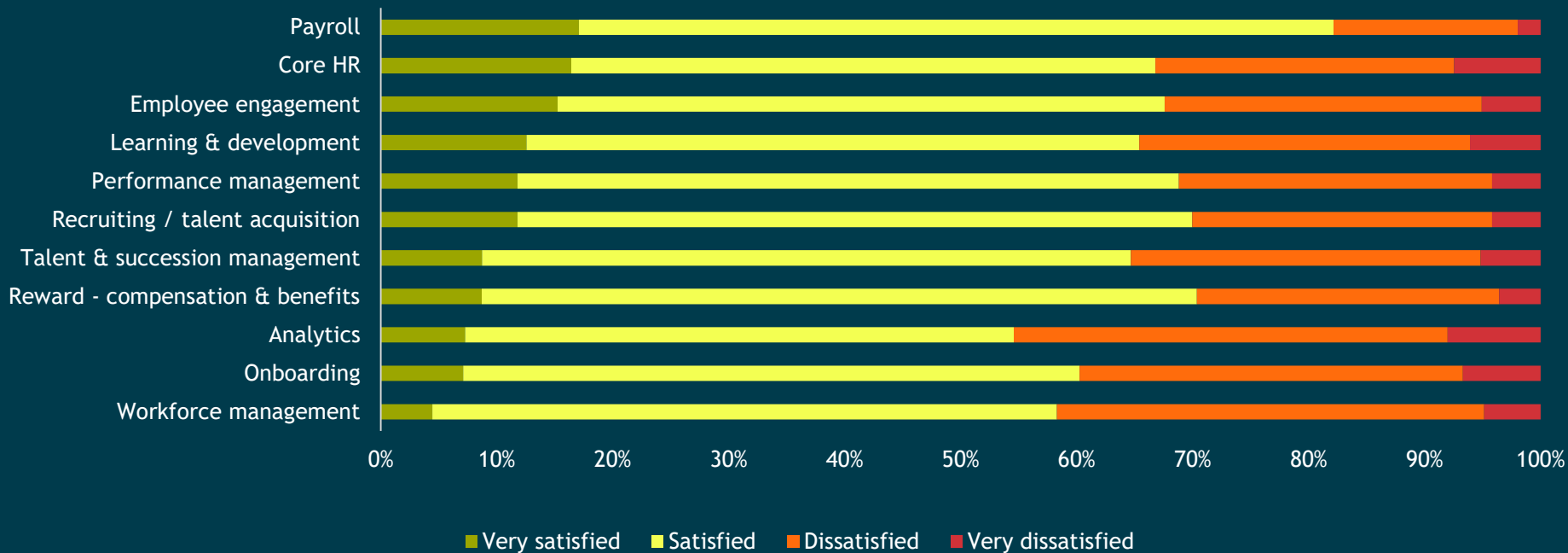
Mastering - single HRIS System across Multiple HR Systems



Centring on Talent - Talent Management as the HUB



How satisfied do you believe your executives are with the your HR systems?





THE TOP 5 DRIVERS FOR CHANGING HR SYSTEMS

1. Quality of End User Experience
2. Need for Enhanced Analytics
3. Lack of Business Agility and Flexibility
4. Current Solutions Functionality
5. Level of Innovation

TRUTH #3

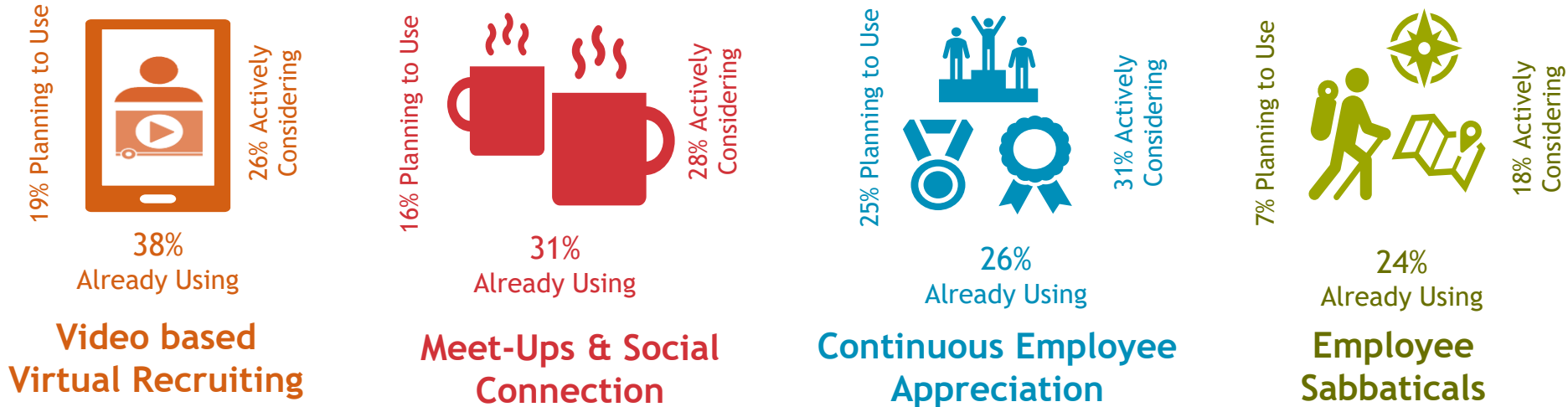
HR must innovate much faster, and truly impact the business

What innovations in HR Tech do you think will be most influential for your organisation over the next 5 years?



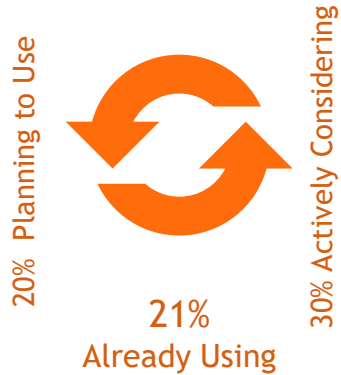
Top 4 rated HR Innovations

How likely do you think your organisation is to adopt the following HR approaches in the future?



Other Innovations to Watch

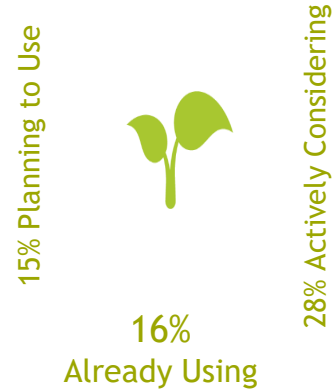
How likely do you think your organisation is to adopt the following HR approaches in the future?



Flexing Roles to Fit Talent



Using freelancer marketplaces

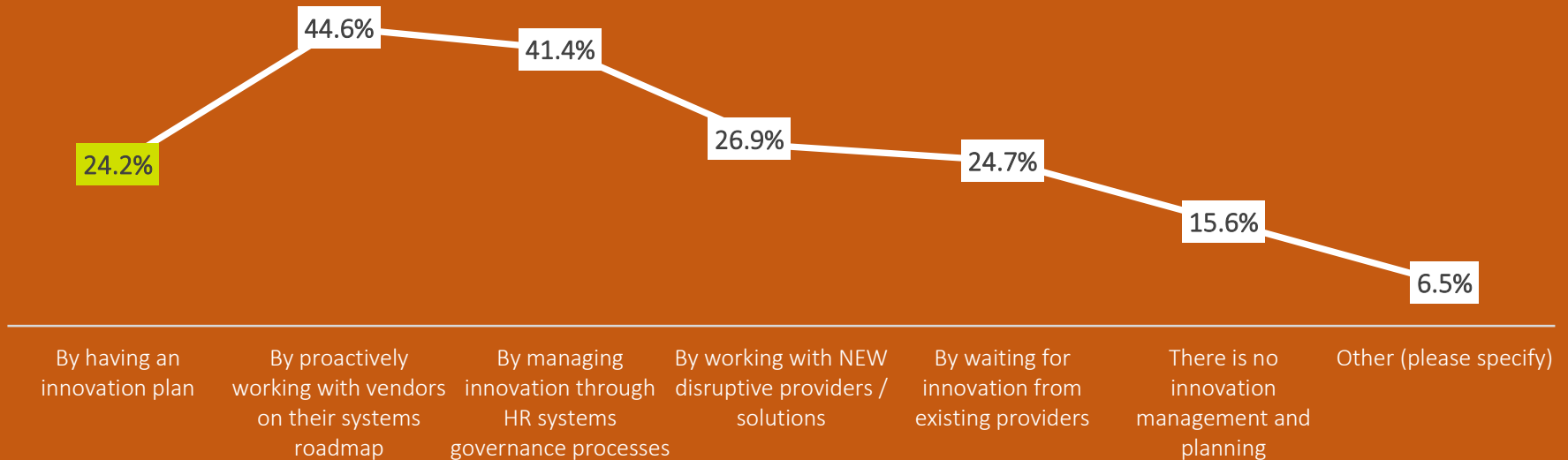


HR Hackathons



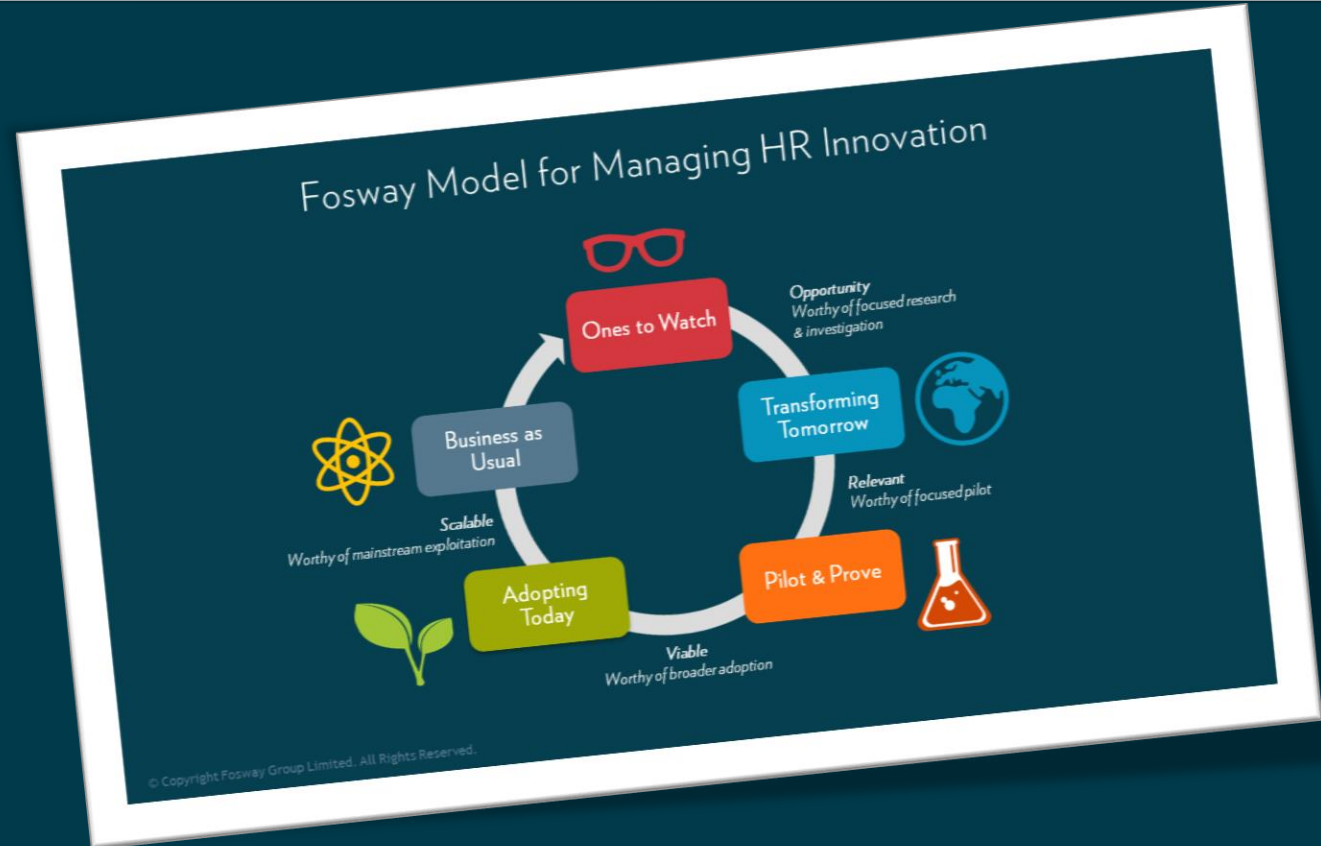
Bitcoin & Blockchain

How do you manage HR systems innovation in your organisation?



The most
HYPED
solutions are
your biggest
risk...

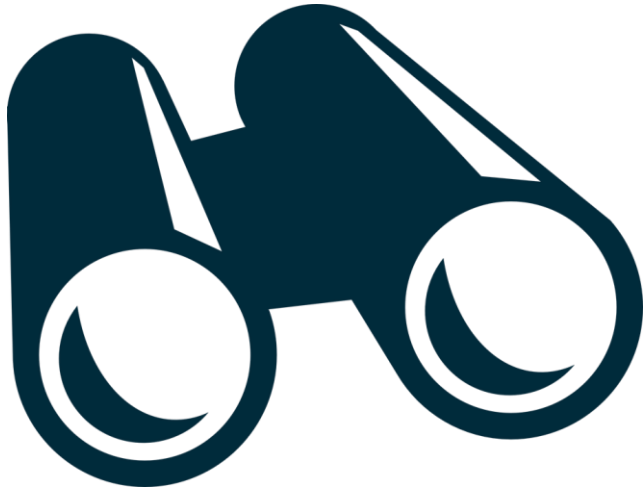
Manage
innovation
carefully!



TRUTH #4

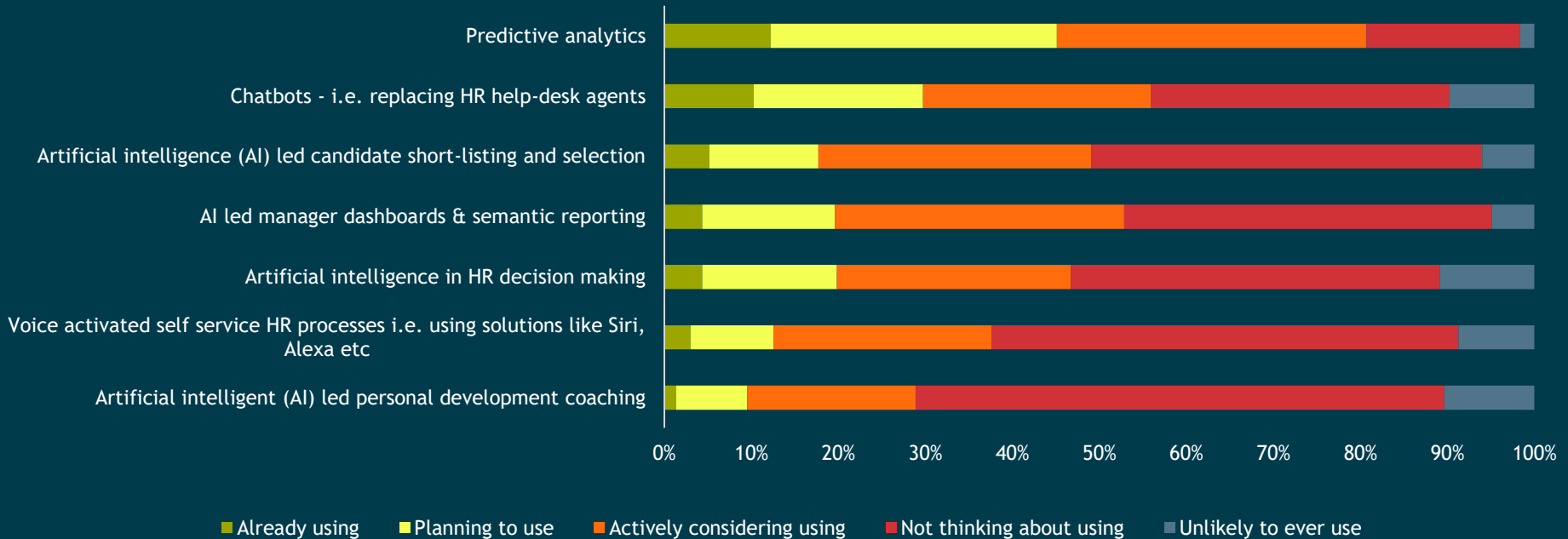
AI / Deep Learning will
significantly impact all
parts of Digital HR

Who in HR is using AI?



Less than **12%**
are currently using
**Artificial
Intelligence**
in any part of HR today!

How likely is your organisation is to HR AI technologies in the future?



Where is HR looking to adopt AI?

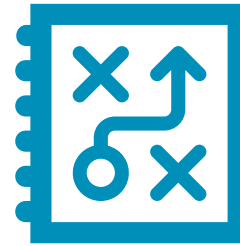
Planning to use & Actively Considering



69%
Predictive
Analytics



45%
Chatbots



43%
HR Decision
Making

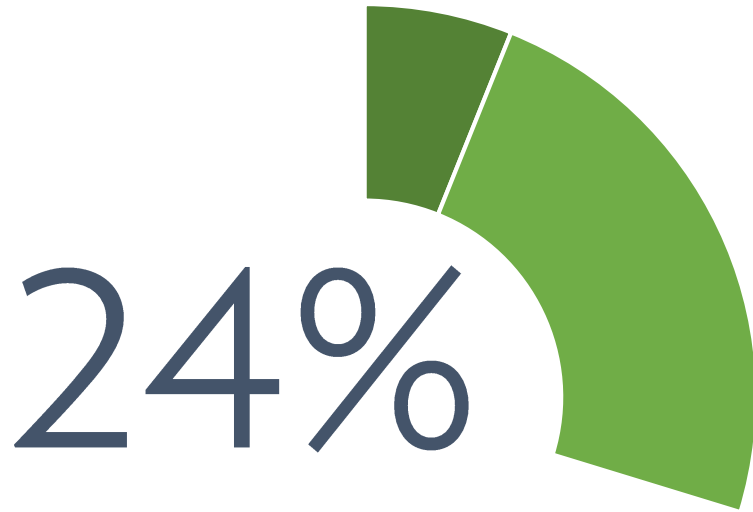


42%
Recruitment
Candidate Selection

TRUTH #5

HR vendors have to enable
real innovation in their
customers, not just in
their software

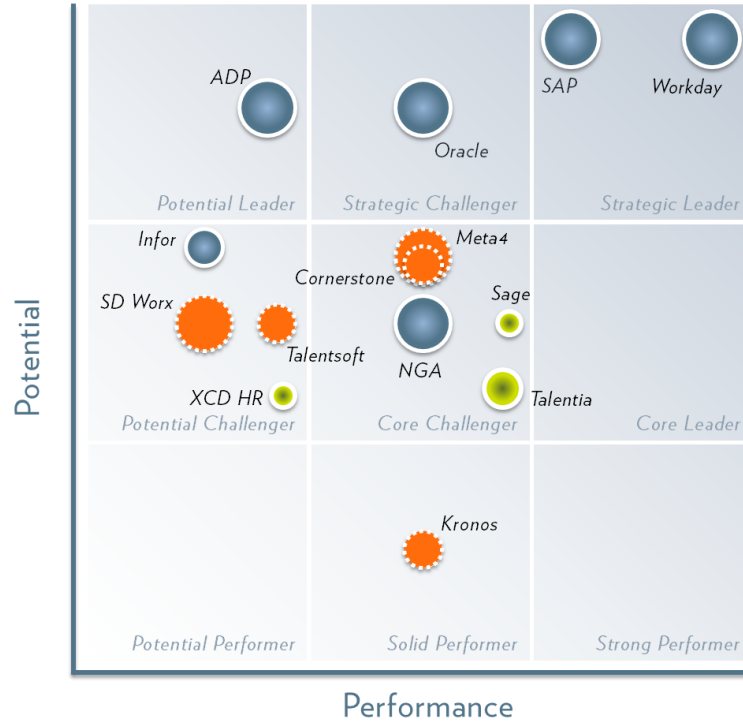
Waiting for vendors to innovate can be risky....



across all HR Tech less than **1 in 4** customers say their solutions providers innovate their systems

ALWAYS or **FREQUENTLY**

Fosway 9-Grid™ - Cloud HCM



October 2017

Key

Presence

Higher



Mid



Lower



Total Cost of Ownership

Higher



Mid

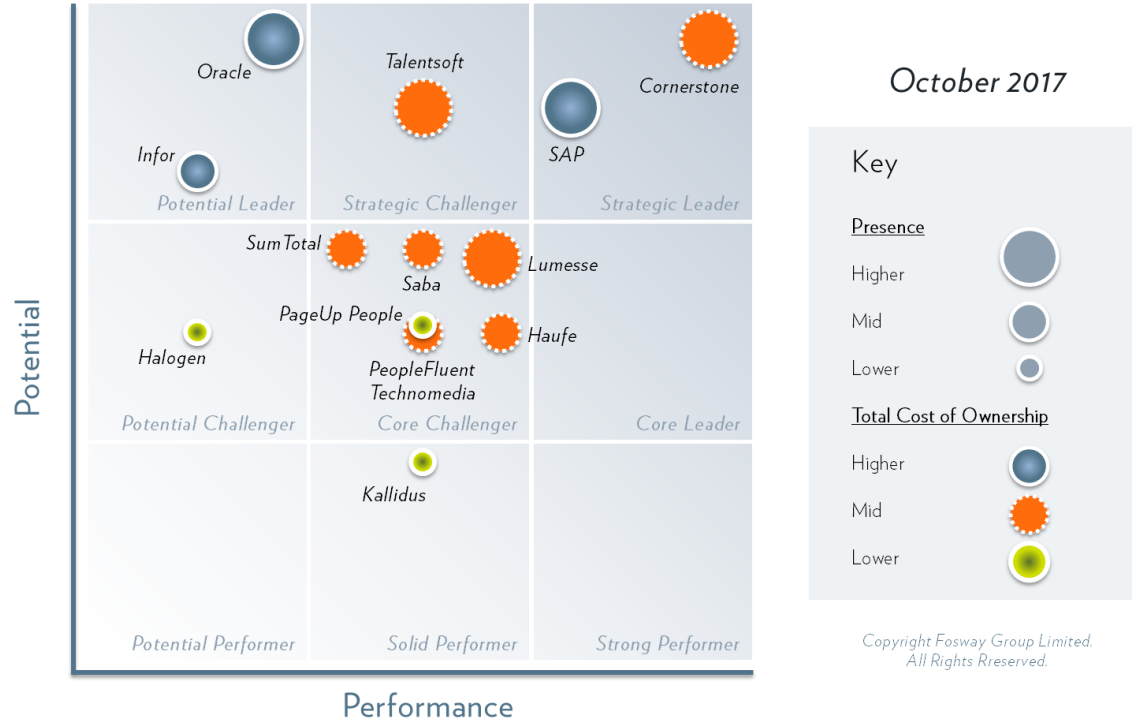


Lower



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Fosway 9-Grid™ - Talent Management



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In Summary - 5 Truths About Digital HR

- ▶ **The Workforce & Work is changing rapidly, so must HR**
- ▶ **Digitising HR is about much more than a new system of record**
- ▶ **HR must innovate much faster, and truly impact the business**
- ▶ **AI / Deep Learning will significantly impact all parts of Digital HR**
- ▶ **HR vendors have to enable real innovation in their customers, not just in their software**

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