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HUFF POST BUSINESS

Human Capital Management And The Future Of Work

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The future of work has changed due to a series of market disruptions that have thrust Human Capital Management (HCM) into a curious position of attention. According to Shawn Price, president of SuccessFactors, responsible for the end-to-end business of the people pillar for SAP Cloud globally, where we work and how we access and gain information is transforming this industry and creating a massive shift to automate the human capital component of the work force. The additional drivers of talent and experience shortages and the opportunities around social collaboration and mobile technology are forcing companies to look at transforming the way they work. Price is helping companies understand their blueprint for transformation by leveraging a blend of HCM on-premise and in the Cloud.

I am a firm believer that Human Resources is one of the most important functions in business, poised to lead social business transformation and true, lasting and meaningful employee engagement initiatives. In a knowledge sharing and hyper-connected economy, finding, engaging and keeping talent is the only way companies can compete and win.

As such, I am honored to share with you what I like to call "Price's Pearls of Wisdom" as they relate to the transformation of the future of work, IT and social and mobile collaboration:

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CXOTalk with Shawn Price
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Companies must change because the way people work has changed.

Price shares with us that the first thing he does in the morning (even before grabbing his cup of coffee) is check his email. I am sure most of us can relate. He also points to the fact that Ray Wang of Constellation Research recently conducted a CXOTalk interview with us from his car. Again, doesn't this sound familiar? These fundamental changes brought on by social and mobile technology are changing the way people work today. The systems that have driven HR to what it is today don't work the way we work today, therefore we need to contemplate how we work and how that is changing today in modern businesses. This is where HCM, on-premise and in the Cloud, comes in.

Price defines HCM as, "Putting the right people in the right place doing the right things and measuring it in the right ways toward an objective or goal." He says that while HR is the process and function of managing people, HCM is the infrastructure

and applications that enable the management of people and strategy. Companies are changing because of the talent and experience gap, because line-of-business (LOB) managers want ultimate flexibility and because companies want to tap into the rate of innovation that the Cloud delivers while at the same time being respectful of the investments they have made in the past.

The roadmap to transform needs to be measured and premeditated.

When it comes to transforming to align with the future of work, Price says that the most important point is that companies don't want to abandon their investment in what they already have. They want a measured and premeditated roadmap to transform, they want to do it with the friction removed, they want an independent 3rd party to guide it and they want a blending of on-premise and Cloud models. Price tells us that HCM often becomes a catch all, but what companies are really trying to do is automate an employee lifecycle from recruit to retire, this is the transformational blueprint.

To assist companies with this transformation, HCM software providers must go beyond the role of application layer or technical provider and provide the expertise and content to guide that transformation and most importantly to measure the impact of that transformation. Price has the advantage of being able to offer a fundamentally different approach based on the input he receives from his 29 million subscriber base and the tracking of over 2,000 KPIs and best practices. He has the additional advantage of being able to deliver that employee lifecycle, end-to-end with ultimate choice and not prescribe an all cloud or all on-premise footprint.

The role of IT and the CIO, as it relates to HCM, must remain flexible.

The role that IT and the CIO play is vastly different in an on-premise HCM instance verses a Cloud instance. If you look at the service delivery, extension, customization and integration of an on-premise HCM instance, they are largely constructs of the domain of the CIO. In a Cloud instance where the customization is removed and applications serve all constituents, it becomes a conversation about consumption of change and how to enable and help an upgrade to an application so it is absorbed by a user community.

While it is clear that HR requires the support of IT to integrate HCM, the lines are a little more blurred when it comes to the question of "where is the budget for HCM coming from?" Price says that currently 70% of the demand for HCM spending is generated by LOB, while 30% is generated by IT. He says that because of the market drivers - the current systems don't work as they need to, the talent and experience gap is widening, and the speed and rate of globalization - budgets are being defined across the boundaries. There are IT budgets controlled by a CIO who is an innovator and change agent and is looking at how they can add value to the business and will drive that out of centralized budget, and then you have a LOB manager that will partner with these CIO innovators to create budget. Both combinations exist.

Social and mobile technology has changing the recruitment process.

According to Price, social media has made recruitment a two-way street with a different lens (hiring company vs. the individual). The first thing you do when a company is interested in you is research them online - look at the hiring manager's LinkedIn profile, etc. Transversely, the hiring person uses these social channels to get a composite view of the candidate that is much richer and allows them to ensure that the candidate fits in, not just with respect to the mechanical aspects of the position, but with respect to the intangible aspects as well. This goes a long way in helping to extend the conversation to get to a deeper level.

I also believe that social media has forever changed talent acquisition and traditional human resource processes. If employers are not social, they are becoming more irrelevant. I have written about the death of the traditional resume and traditional talent acquisition processes. In fact, I recently hired a six-figure salaried director of marketing without accepting resumes, recruiting strictly via Twitter. I also recently publicly announced that I will no longer hire employees into our marketing and services organization using resumes, recruiting talent exclusively via social networks. I believe the web is your resume and social networks are mass references.

I want to thank Price for giving me a brilliant new idea: interviewing by text, which he does a lot of. He says that instead of getting a packaged interview from polished people that are really good at telling their story, you get a stream of consciousness for having a conversation and it is amazing what comes through about that individual. Price says that the bottom line in effective recruiting is to use a combination of social media with text, face-to-face interviews and peer validation.

Understanding your work force is imperative to successful collaboration.

As social is integrated into the internal workflow we are seeing a shift away from hierarchy and a move toward relevancy and collaboration. Price tells us that there are many levels and classifications of collaboration but the first thing to find out is who has the skill set necessary to be valuable in the collaboration. Understanding your work force and the capabilities of that work force is imperative. It starts with the notion of talent as an asset and then the application of that distribution of conversation.

Price tells us that people often miss the importance of the fact that a lot of the context of collaboration is dependent on content that exists within the on-premise environment. This is where you see an on-premise blending with the Cloud. Seamless integration from a cloud HCM application to an on-premise application that captures artifacts to actually discuss or blend is important, as is the secure distribution of that content. Price advises that people need to look at what the dependencies in the

content of that collaboration are to make it meaningful otherwise adoption wanes off.

In closing, Price shared some fascinating details about his motor sports career. As someone who has professionally raced cars around the world for many years including riding a motorcycle across the African desert for 7,000 miles, we asked Price to relate his motor sports experience to business. He says that while it all starts with analysis, at the end of the day it is all about the epitome of teamwork. "You can't stand on that podium without the backing of sponsors and a team who has every bit of interest in winning that event as you do."

Isn't building a strong, committed and winning teams what HR is fundamentally all about? Creating that winning team that drives business growth starts when company leaders partner with a strong, customer-focused, HR organization. I certainly can't claim to know a lot about race car driving, but I do know that as HR helps to drive the transformation of the future of work, it is going to be an exciting ride for HR and the companies they influence.

You can watch the full interview with Sean Price here. Please join me and Michael Krigsman Friday's at 4PM ET as we host **CXOTalk** - connecting with thought leaders and innovative executives who are pushing the boundaries within their companies and their fields.

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