

# **Welcome to Session 242**

## **Charming or Cerebral? Delivering Global Business Value**

**Row Henson, Oracle  
Karen Beaman, Jeitosa**



# Row Henson, Oracle

- 35 years in Human Resources and Human Resource Management Systems; for 8 of these years she held the role of Vice President of HRMS global product strategy at PeopleSoft where she was involved in setting the direction for their flagship Human Resources product line.
- Before PeopleSoft, 15 years in the computer software industry with Dun & Bradstreet Software (previously MSA) and Cullinet Software, primarily focused on marketing, sales, support, and development of Human Resource Systems
- Voted one of the “Top Ten Women in Technology” by Computer Currents.
- In 2000 received IHRIM’s (International Association for Human Resource Information Management) coveted Summit Award for lifetime achievement in the field.
- In 2002 named the first Visionary of HR Technology at the Annual HR Technology Conference.
- Frequent speaker at HR associations, including IHRIM, HR Technology, SHRM, The Economist, and The Conference Board, and has published numerous articles book chapters and books regarding the future of HR.
- Prior to working in the HR industry, served as Director of Personnel for seven years with a non-profit health agency.
- Bachelor degree in Business Administration, with an emphasis in Management and Insurance, from the University of Georgia.



# Karen Beaman, Jeitosa

- Founder and Chief Executive of Jeitosa Group International, an HR consultancy focused on making global HR possible.
- Responsible for setting the strategy and developing the design for Workday's new global HCM offering; previously responsible for ADP's professional services across the Americas, Europe, and Asia/Pacific.
- Co-founder and Editor-in-Chief of the *IHRIM Journal* and Program Chair for IHRIM's Global HRIT Forum.
- Published works in the fields of Linguistics, Humanities, Management, Human Resources, and Information Technology, including four books for IHRIM Press:
  - *Boundaryless HR: HCM in the Global Economy* (2002)
  - *Out of Site: An Inside Look at HR Outsourcing* (2004)
  - *Common Cause: HR Shared Services Delivery* (2006)
  - *HR Frontiers: Shifting Boundaries, Changing Borders* (2007)
- Member of the Human Capital Institute's Global Talent Strategy Board.
- B.A. from Old Dominion, M.S. from Georgetown; Ph.D. candidate in Sociolinguistics and Computational Linguistics.
- Recipient of IHRIM's Summit Award in 2002.
- Fluent in English, German, and French; conversational Portuguese



# Agenda

- **The “Charming” or the “Soft” Side of HR – Row**
  - Workforce Demographics
  - Employee Engagement
  - Leadership Deficit
  - Transforming HR
- **The “Cerebral” or the “Hard” Side of HR – Karen**
  - Web Services / SOA
  - SaaS / On-Demand
  - Right Sourcing
  - Global Strategic Talent Management
  - Intelligence Analytics



# **The “Charming” or “Soft” Side of HR**



# Some Thoughts

**“The returns from managing people in ways that build high commitment, involvement, learning and organizational competence are typically on the order of 30 to 50 percent, substantial by any measure.”**

**Jeffery Pfeffer**

**Companies identified as having enthusiastic employees out performed average companies in the stock market by more than two and a half times, and blazed ahead of companies with unenthusiastic employees by more than five times.**

**The Enthusiastic Employee**

**Firms of Endearment (FOEs) outperformed the S&P 500 by a significant margin. In fact, they returned 1026% for investors over 10 years, compared to 122% for the S&P 500, more than an 8:1 ratio.**

# The Cost of Un-Caring, Abusive Behavior

- 50% - 80% of nastiness is directed by superiors to subordinates
- 20% - 50% is between co-workers
- Less than 1% at superiors by underlings
- The estimated total cost of one JERK for one year = \$160,000
- In a business of 1000 people, that's \$1,600,000
  - The No Asshole Rule
  - Robert Sutton, Ph.D.

# The “Charming” or “Soft” Side of HR

- Everyone wants to be “strategic”, but strategic doesn’t mean we don’t care about the individual
- Caring about the individual means we must know about the individual
  - Diversity and demographics
  - Education levels
  - Where they will come from
  - Where they will be located
  - What will motivate them and keep them engaged
  - Impact of the contingent workforce



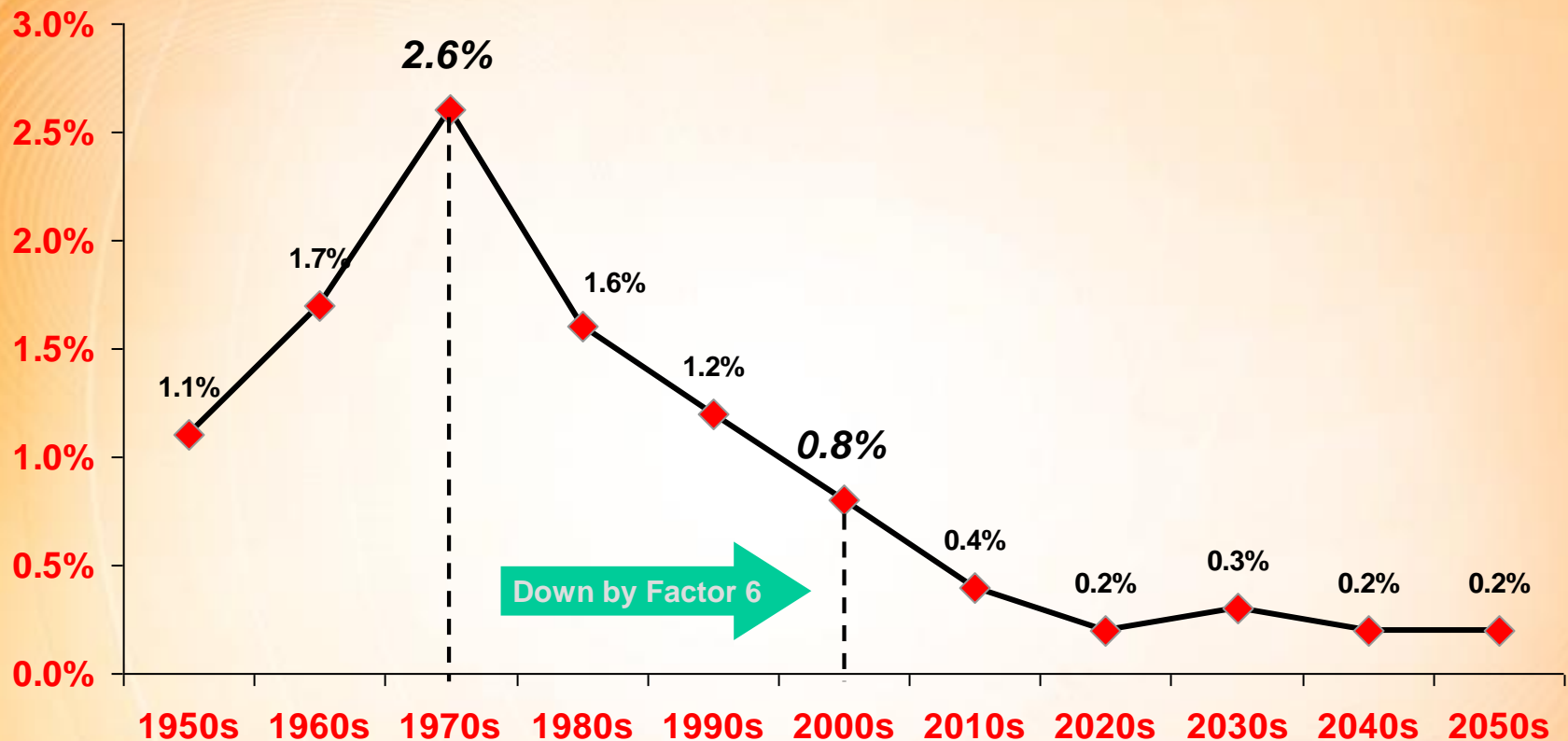
# Workforce Demographics



- Workforce is getting smaller
- Workforce is getting older
- Increase of women in the workforce
- Rise in the contingent workforce
- 50% of workforce “minority” by 2050
- Global, mobile, virtual worker
- Dominant language in next 50 years – Chinese?

# Labor-force Growth Slowing...

*Compound Annual Labour Force Growth, Per Decade*



—◆— Labour Force Growth (Population = 16-65)

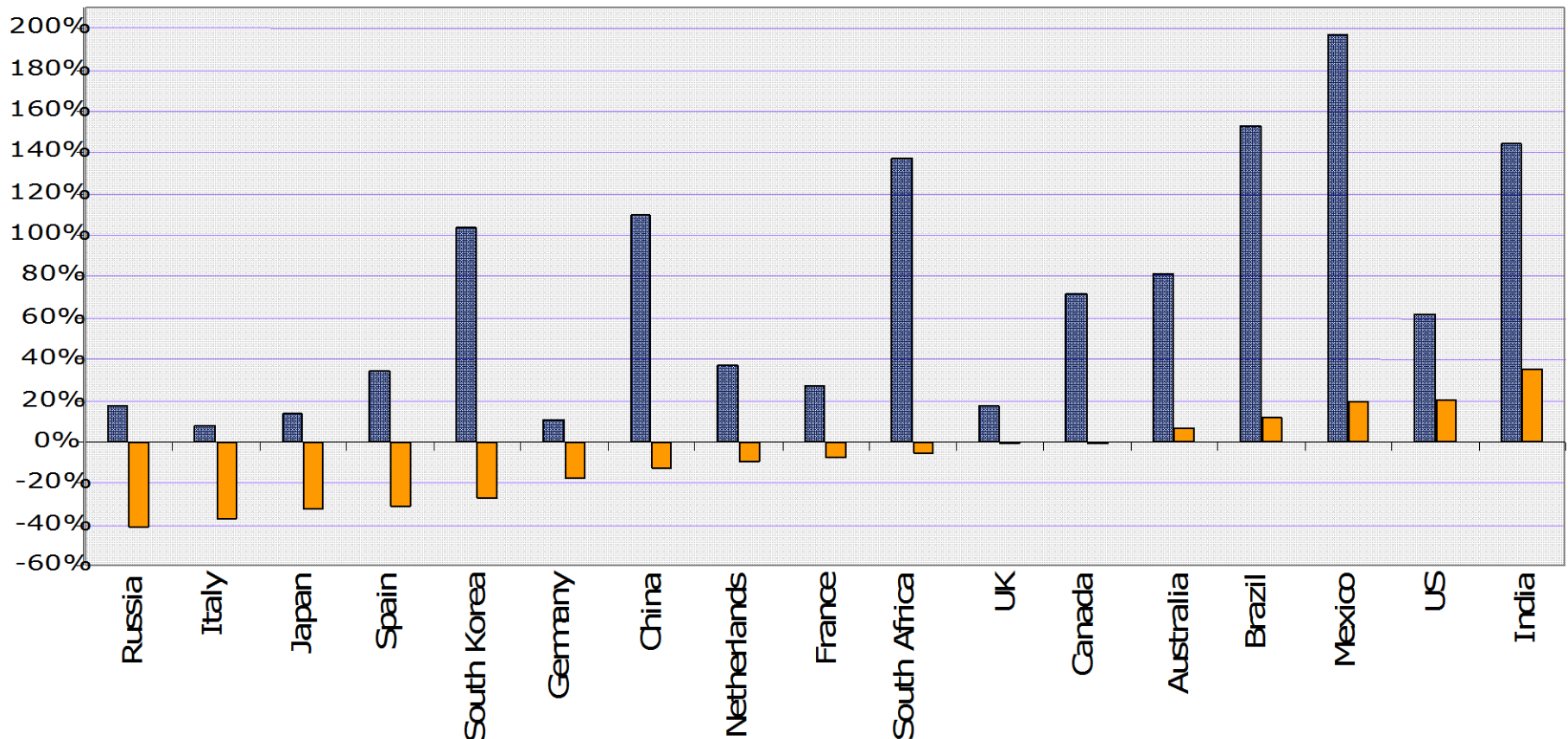
Source: Watson Wyatt Worldwide

# It's not just the U.S....

## A Shrinking Workforce

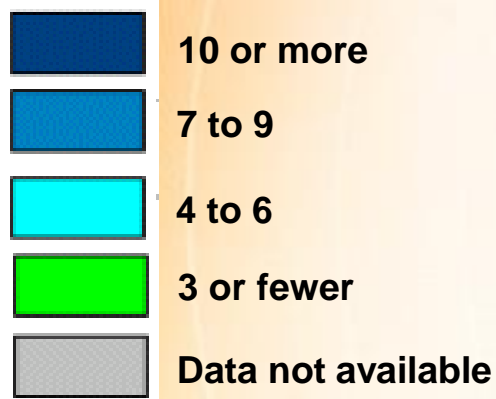
### *Projected Change in Working Age Population (15-64) 2010-2050*

■ 1970-2010 ■ 2010-2050

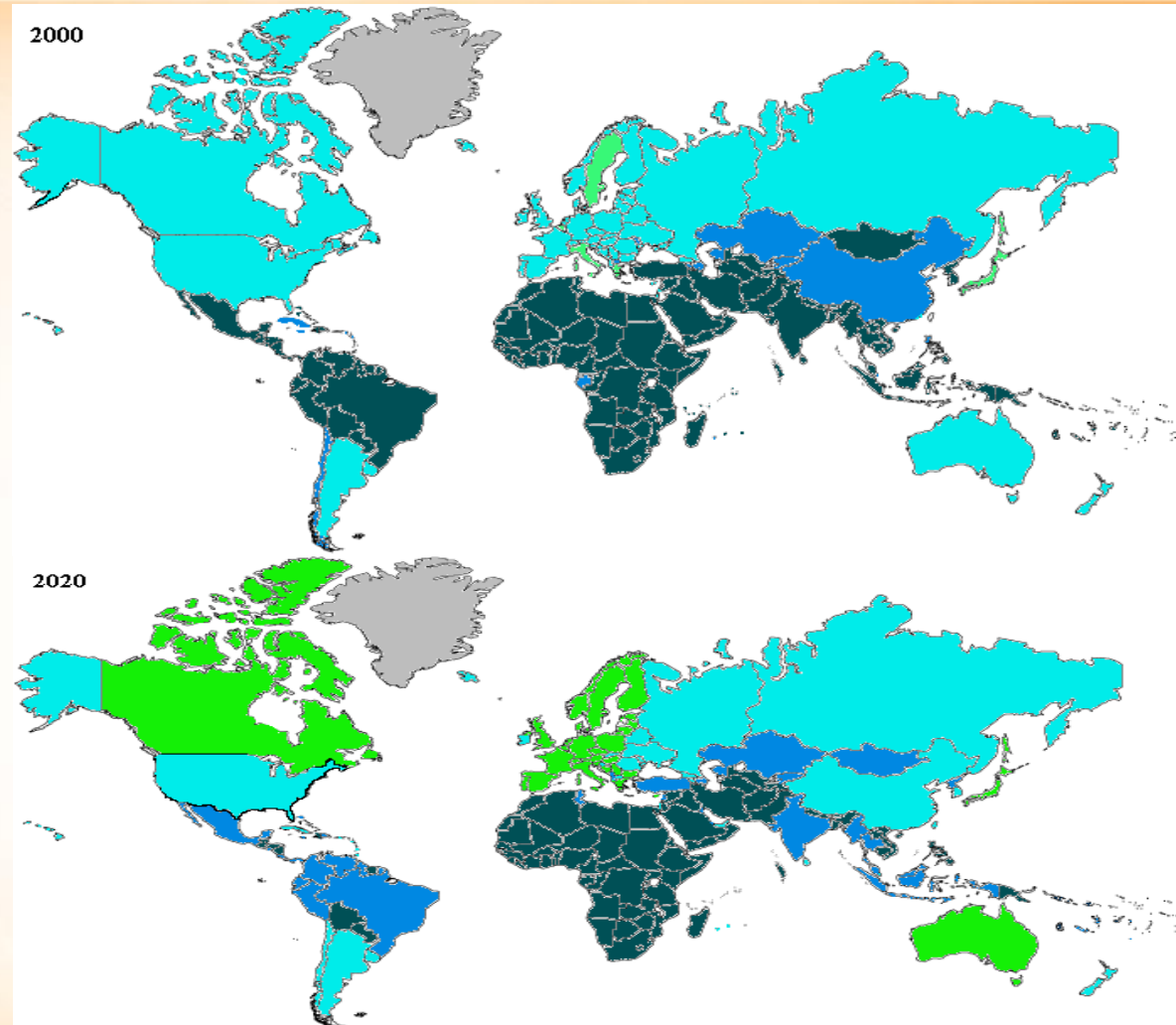


# It's Getting Older Around the World

Number of persons aged  
15 to 64 for each person  
aged 65 or older.....



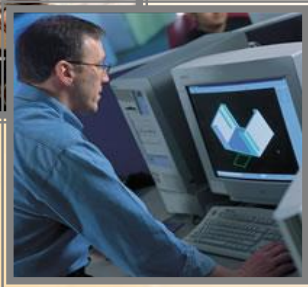
Note: Some smaller countries  
are not shown.



Source: United Nations



# If You're Still Not Worried – See its effect on various industries!



- In the auto manufacturing environment 40% of managers will retire in the next 5 years
- The Public Sector in the US, Canada and Australia will loose more than 30% of workforce by 2010 – Healthcare and Energy are close behind
- In the US alone it is expected that we will be short by 1,000,000 nurses by 2012
- Science and Engineering degrees – 5% of graduates in US, 42% of degrees in China; German engineer degrees declined by 30% to only 36,000

# Generational Diversity

- ✓ 3 Generations in your work environment
  - ✓ Baby Boomers, Gen X, Gen Y
- ✓ The largest proportion of our workforce is currently Gen X
- ✓ Each generation has its own distinct set of behavioural characteristics, values and expectations
- ✓ Because of these differences, generations have varying needs from their employer

# Baby Boomers: 1946 – 1961

## *Flower Power, Prolonged Good Times*



### **Currently**

- > 44-60 years old
- > Make up 43% of Workforce
- > Largely traditional views of corporate loyalty
- > Make up most of Middle & Upper Management
- > IT a learned language, for some

### **By 2020**

- > Over 60 years old
- > Phasing down work commitment, but not retiring in the traditional sense
- > Potentially continuing to dominate executive and board ranks

# Generation X: 1961 – 1981

## *The 'Glorious' 80s*



### **Currently**

- > 24-44 years old
- > Make up 50% less than Baby Boomers
- > Loyal to profession.. not company
- > Expect to change jobs for career advancement
- > Motivated by “What is in it for me?”
- > Early adopters and IT literate

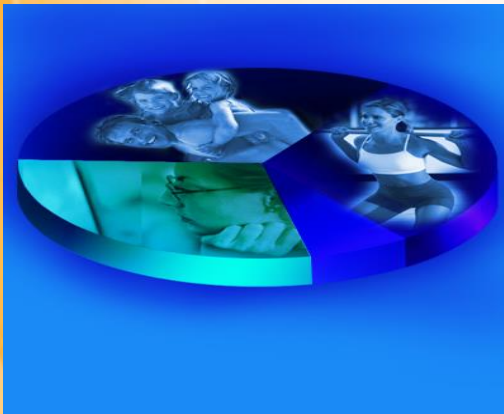
### **By 2020**

- > Over 39-59 years old
- > Moving into senior management ranks
- > Inclusive management styles
- > Challenged in managing multi-generational workforce



# Generation Y: 1981 – 1997

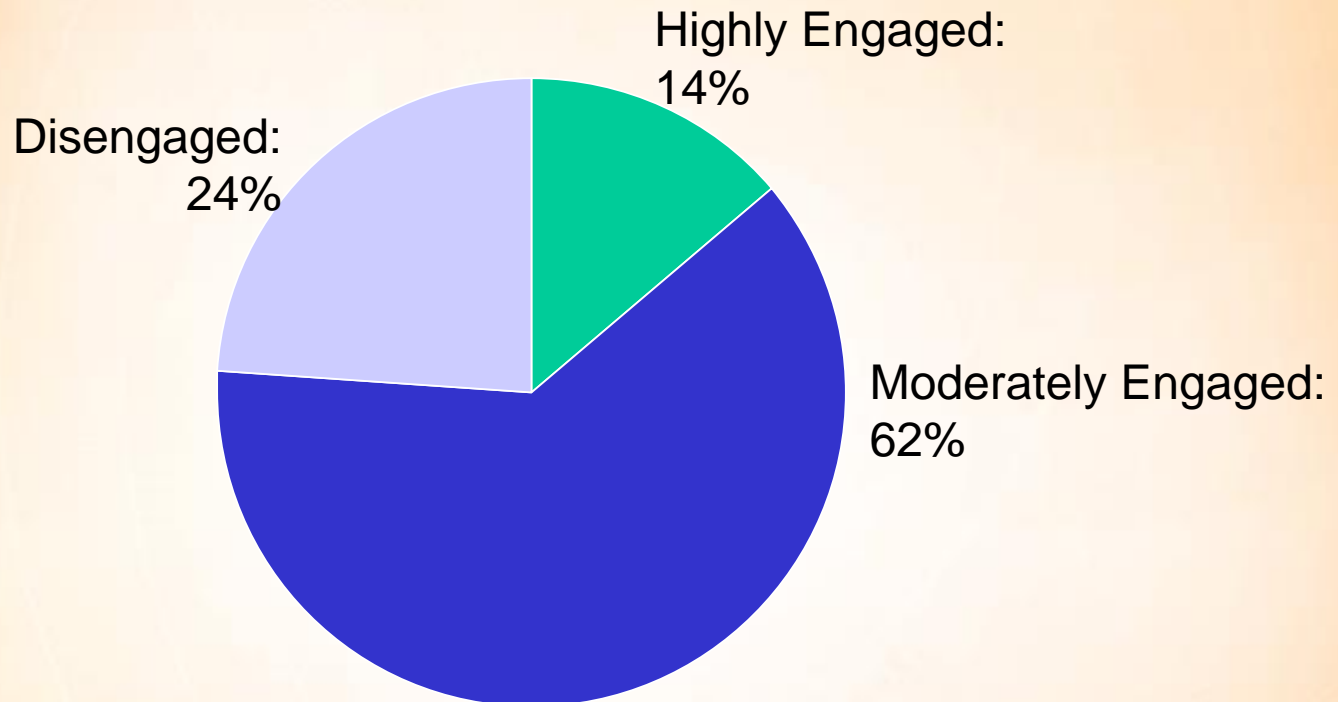
## *The Dot Com Era*



Currently	By 2020
<ul style="list-style-type: none"><li>&gt; Under 24 years old</li><li>&gt; Entrepreneurial aspirations</li><li>&gt; Expect success</li><li>&gt; 78% say Work / Life Balance a priority</li><li>&gt; Telecommuting – work is time driven, but no longer time bound</li><li>&gt; IT fluent and native speakers</li></ul>	<ul style="list-style-type: none"><li>&gt; 23-39 years old</li><li>&gt; Entrepreneurial focus</li><li>&gt; Self managed careers and lifestyles</li><li>&gt; Some 'let down' as working life fails to meet high expectations</li></ul>

# Employee Engagement

**Globally, only 14% of employees are highly engaged and 24% are actively disengaged**



**Highly engaged** = top scores across the nine items that define engagement

**Disengaged** = bottom scores across the nine items that define engagement

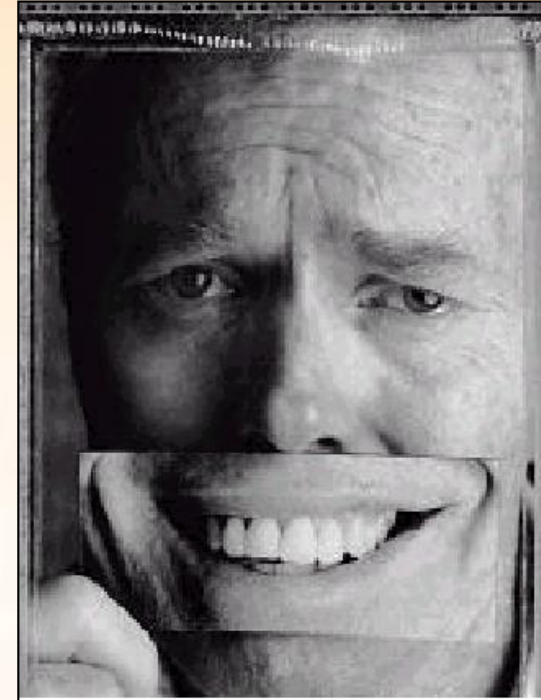
**Moderately engaged** = everyone in between

*Source: 2005 Global Workforce Study, Towers Perrin*

# The Disengaged Employee

## Growing discontent in the workplace

- United States: \$350 billion
  - Only 49% of Americans satisfied in 2003 (59% in 1995)
  - Largest decline among 35-44 year olds (once the happiest group!)
  - Cynicism, technological advances, political instability, economic slowdowns
    - 53% have little trust in corporate execs to solve problems
    - 40% of employees report feeling anxious and distracted by national and international events
- UK: £38 billion
  - More than 80% are uncommitted; a quarter of these are actively disengaged
  - Work the longest in Europe
- Similar situations in France, Singapore, Australia
- Stress, suicide (60% increase in 45 years)



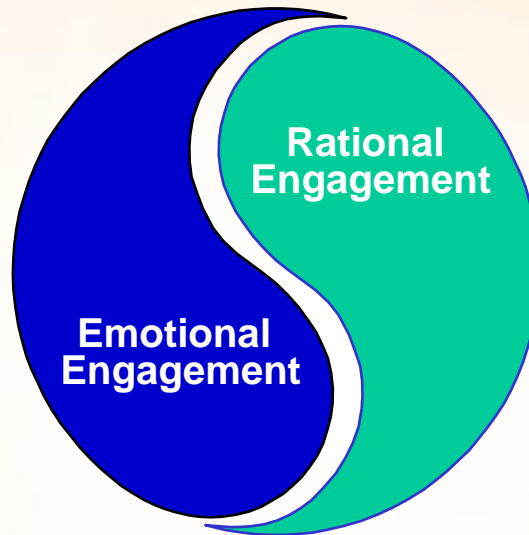
Source: Deloitte Study, "It's 2008: Do You Know Where Your Talent Is?"

# Nine Core Engagement Factors

**Towers Perrin defines employee engagement based on emotional and rational factors that predict discretionary effort**

## Emotional Engagement

1. I would recommend my company to a friend as a good place to work
2. My company inspires me to do my best work
3. I am proud to tell others I work for my company
4. My job provides me with a sense of personal accomplishment
5. I really care about the future of my company



## Rational Engagement

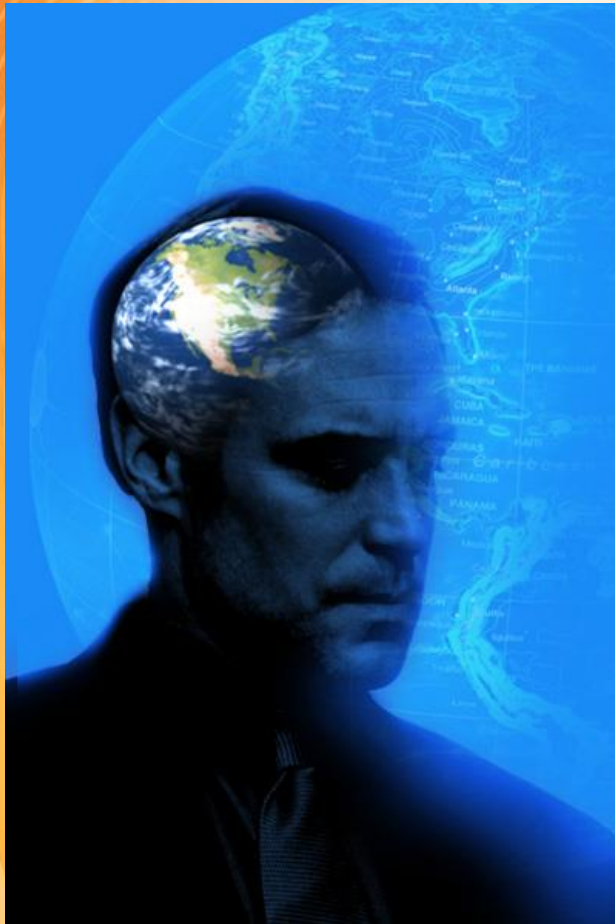
6. I understand how my unit contributes to the success of my company
7. I understand how my role is related to my company's overall goals, objectives, and direction
8. I am willing to put in a great deal of effort beyond what is normally expected to help my company succeed
9. I am personally motivated to help my company be successful

*Source: 2005 Global Workforce Study, Towers Perrin*



# Leadership Deficit

**Confidence in leadership is relatively low, especially in terms of the ability to communicate, inspire and lead**



- **51%** believe senior management is communicating a clear vision for success
- **49%** believe senior management acts in a way that is consistent with company values
- **47%** believe senior management supports new ideas and ways of doing things
- **46%** believe senior management makes an effort to be visible and accessible
- **40%** believe senior management effectively communicates the reasons for important business decisions
- **38%** believe senior management communicates openly and honestly
- **32%** believe senior management is aware of the issues employees face day today

*Source: 2005 Global Workforce Study, Towers Perrin*

# Transition from HR to HCM

## PAST

- Record-keeper
- Legal Protector
- Local Focus
- Counts Heads
- Cost Center
- Department
- Caretaker

## TODAY

- Strategist
- Legal Advisor
- Global Focus
- Makes Heads Count
- Profit Center
- Enterprise Empowerment
- Caregiver

# Transforming HR



- One size does not fit all
- Innovate or be outsourced
- Business partner/business alignment
- Owner of corporate culture/employee brand
- Competency/talent identification and development
- Process flexibility and adaptability
- Better analytical skills
- Don't forget to CARE

***“The Soft Stuff Matters!”***

# **The “Cerebral” or “Hard” Side of HR**





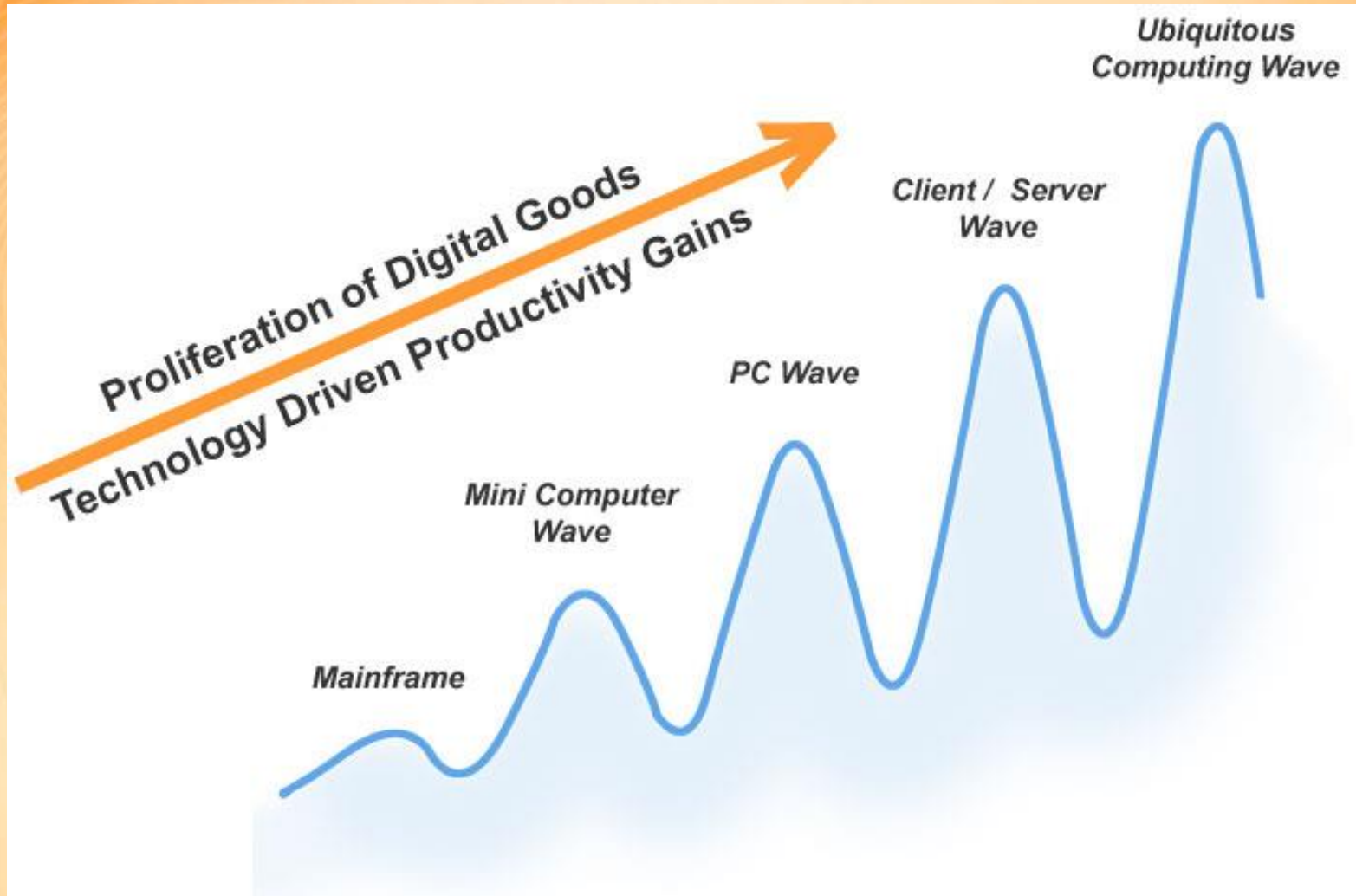
“Everything should be made as simple as possible, but not simpler.”

-Albert Einstein

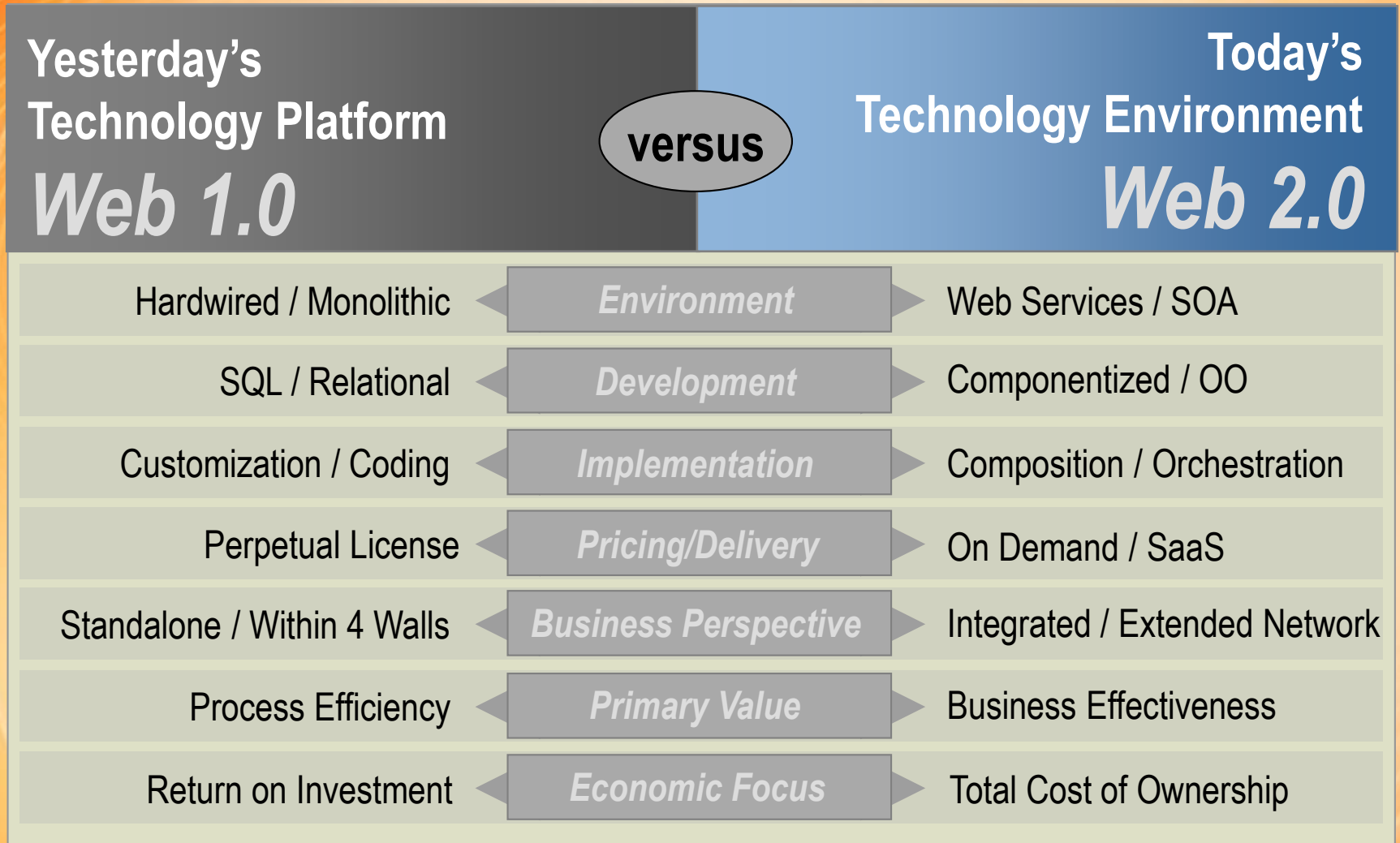
# The “Cerebral” or “Hard” Side of HR

- HR must leverage the HCM system to bring greater business value to the organization:
  - **Web Services** – lighter, standardized integration enhancing business agility
  - **SaaS** – flexible, more easily upgraded solutions delivered On Demand – pay as you go, only what you need
  - **Right Sourcing** – blended sourcing solutions for greater flexibility and efficiency
  - **Global Talent Management** – third-generation HCM applications focused on leveraging our scarcest resource
  - **Intelligent Analytics** – embedded, just-in-time, actionable metrics for improved decision-making

# Five Waves of Technology

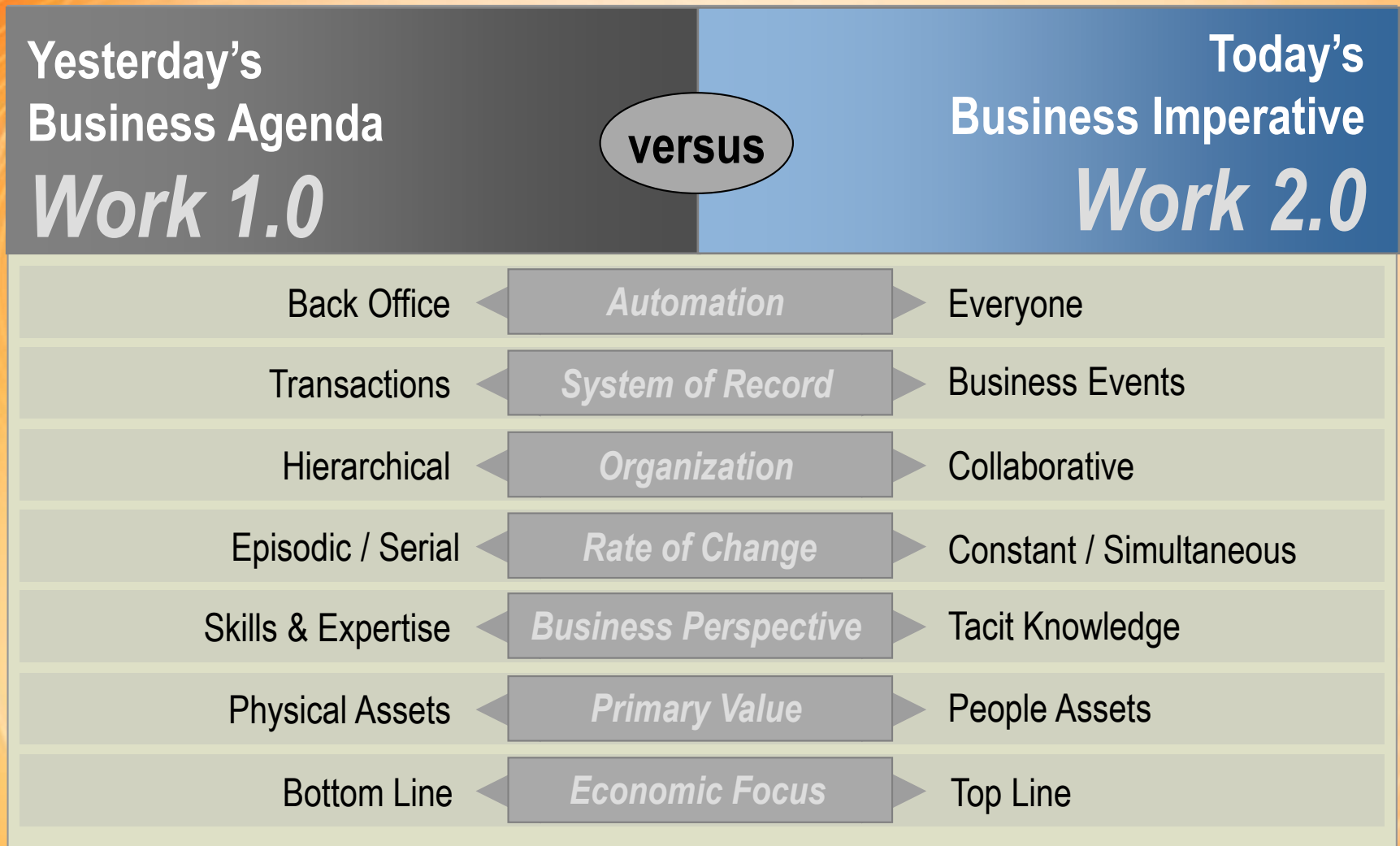


# Evolution in Technology

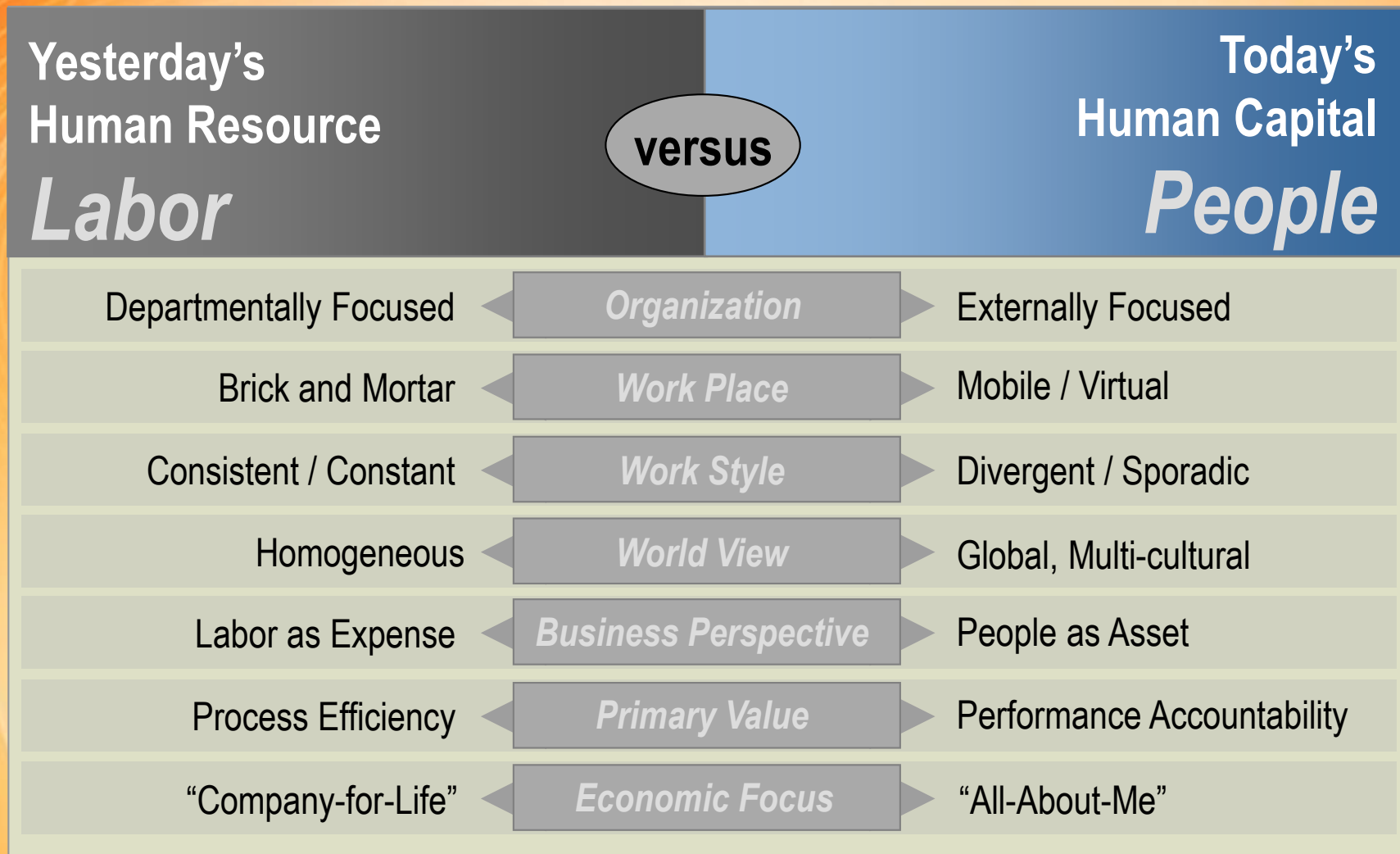




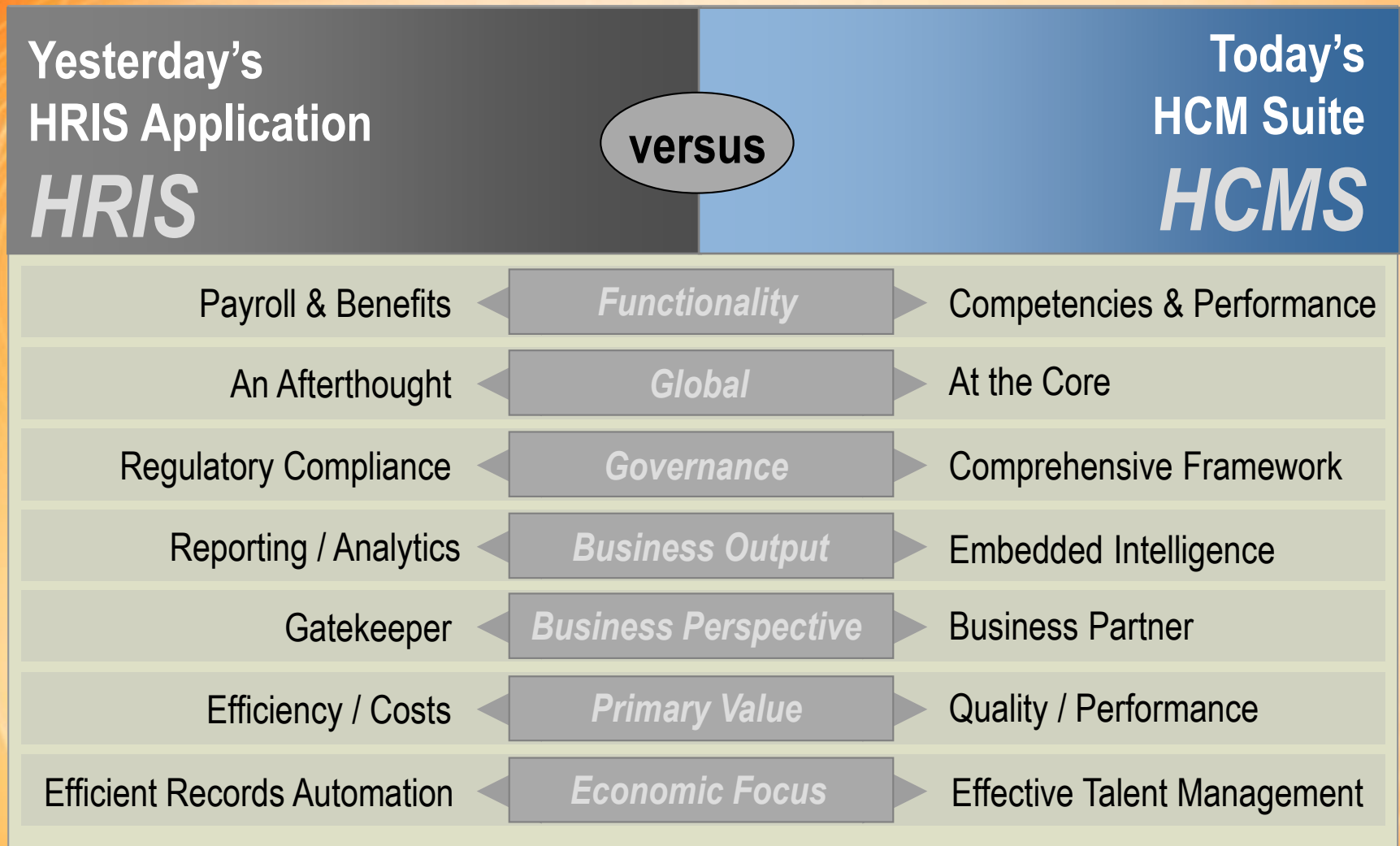
# Evolution in the Business Environment



# Evolution in the Workforce



# Evolution in Human Resource Systems



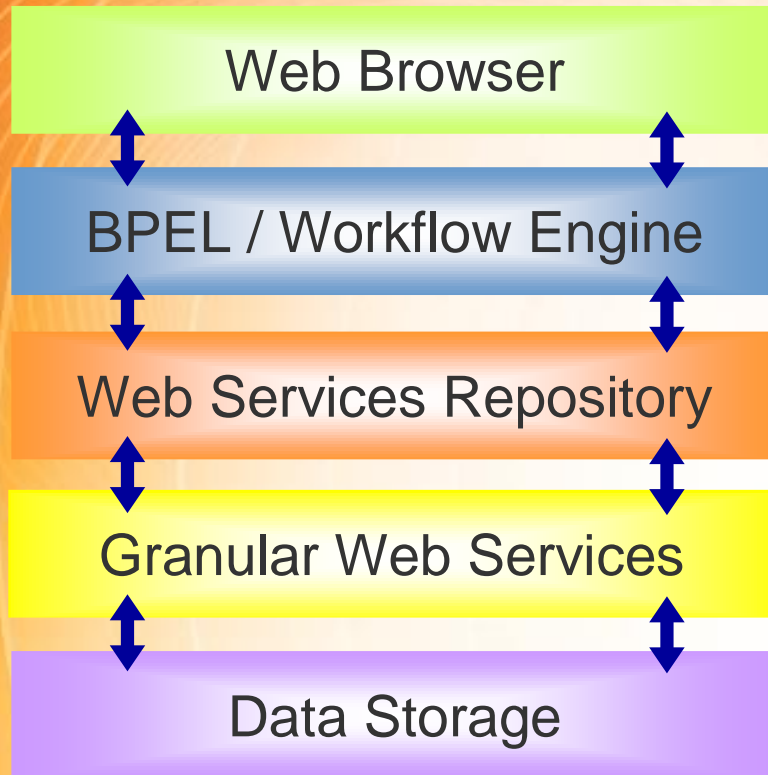
# The Integration Challenge

- The number one technology concern of CIOs has been integration since the surveys began in 2002.
- IT: Too expensive, too slow and too inflexible -- caused by integration.
- A typical Global 2000 company has 30 to 50 enterprise applications and spends 25% to 40% of its IT budget on application integration





# Service Oriented Architecture (SOA)



Source: Beaman et al.

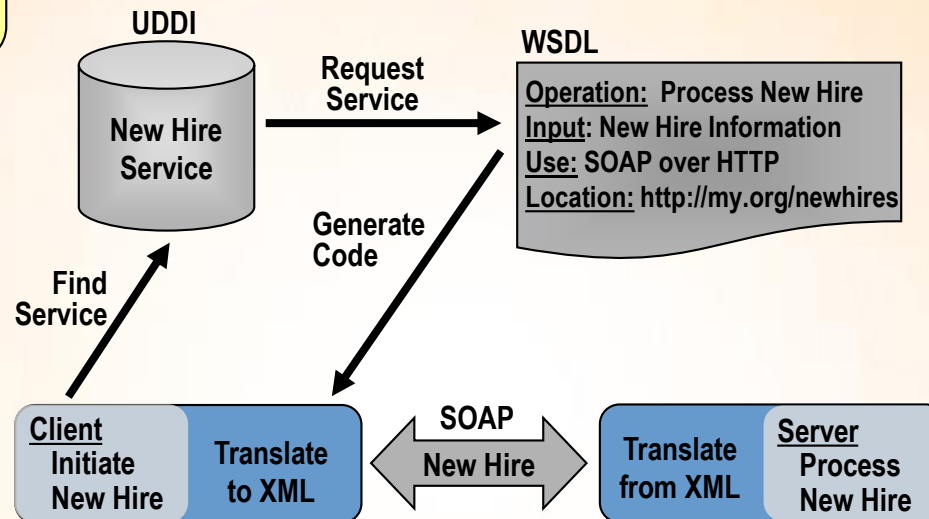


Source: Gartner

# Service Oriented Architecture (SOA)

UDDI  
*Universal Description,  
Discovery & Integration*  
“Public Directory”

WSDL  
*Web Services  
Description Language*  
“Web Language”

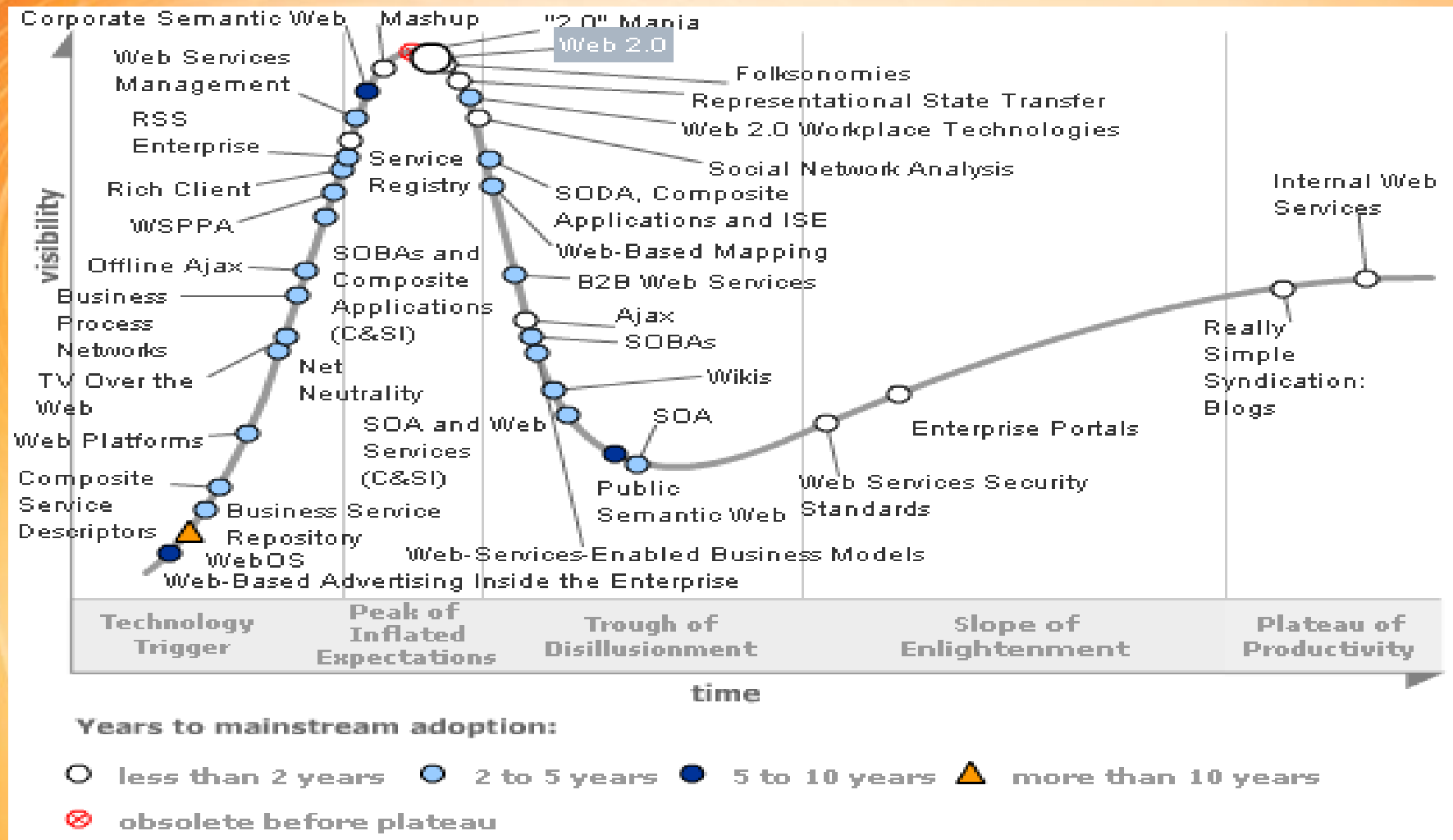


XML  
*Extensible Markup  
Language*  
“Application Language”

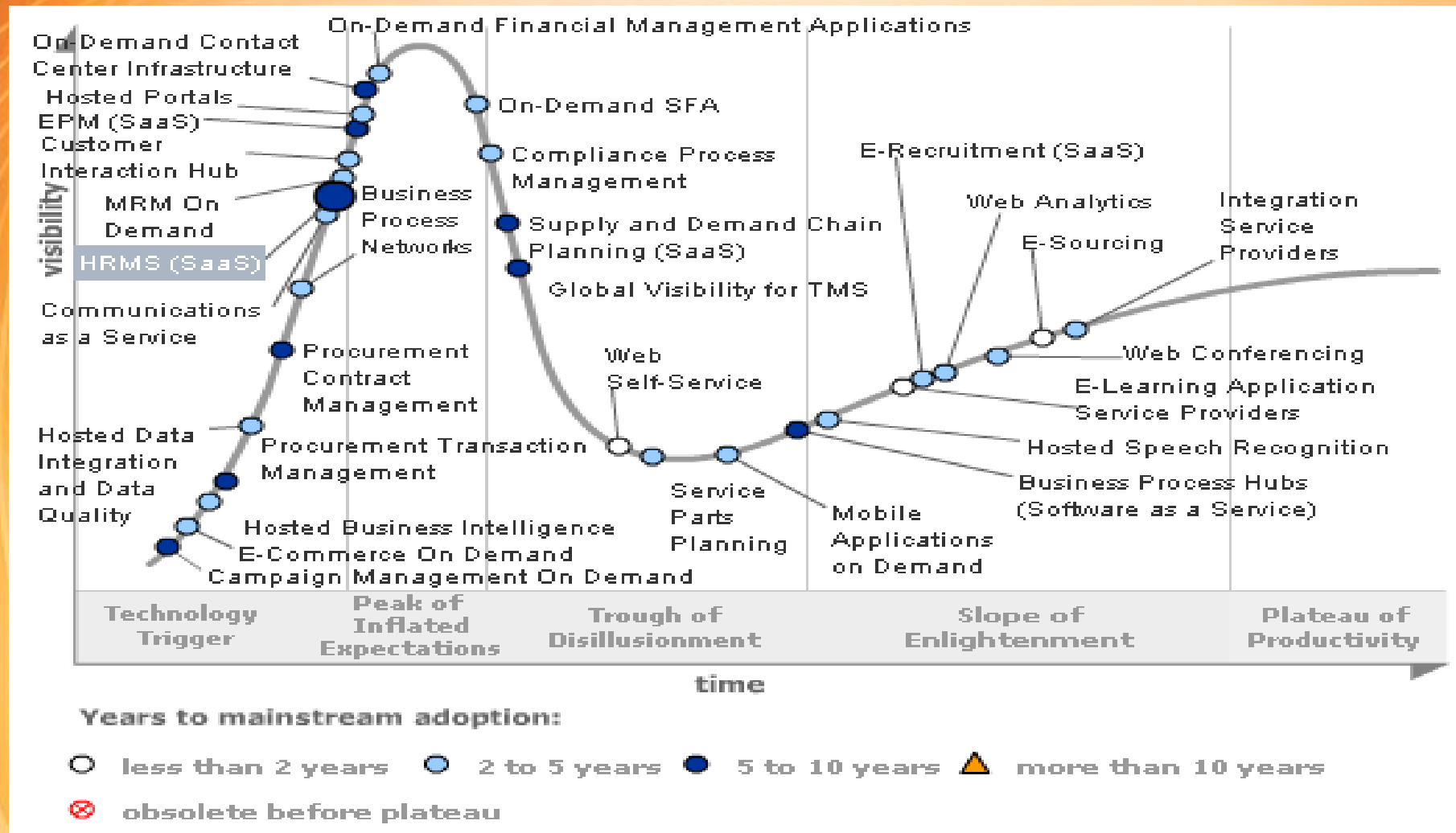
SOAP  
*Simple Object  
Access Protocol*  
“Envelope”

BPEL  
*Business Process  
Execution Language*  
“Workflow Engine”

# Gartner Hype Cycle – Web 2.0



# Gartner Hype Cycle – SaaS





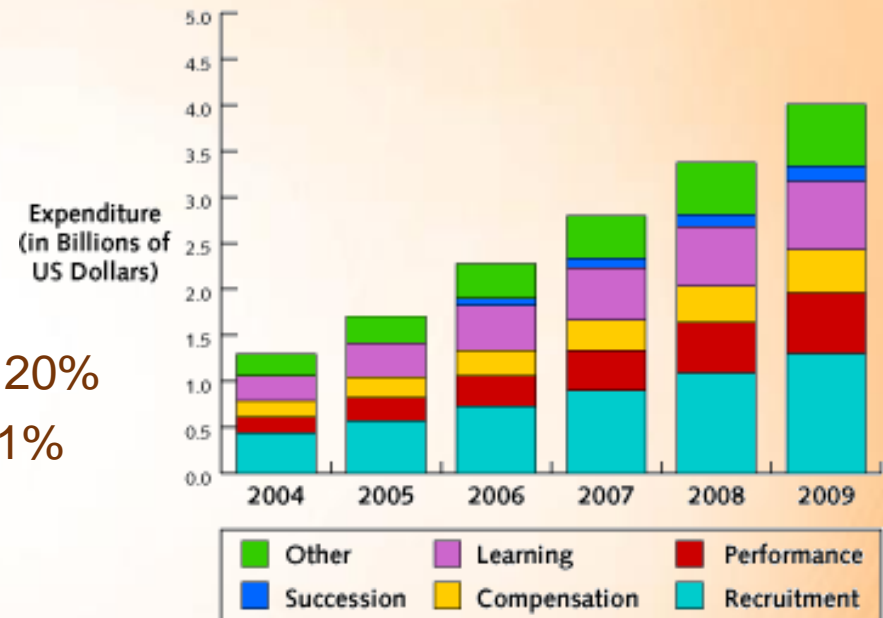
# What Does This Mean for HR

- ***Business Agility*** – through Business Process Management (BPM), provides a way to flexibly change and extend services
- ***Systems Agility*** – business agility requires systems agility, making change/configuration intrinsic to the systems architecture
- ***OnDemand*** – hosted platform that continuously improves functionality without installing patches or impacting interfaces
- ***Business Intelligence*** – encapsulates intelligence, embedding real-time analytics and performance management
- ***Collaboration*** – provides the ability to link distributed and diverse systems, devices, and providers across space and time
- ***Efficiency*** – componentized architecture and reusability lowers total of cost of ownership

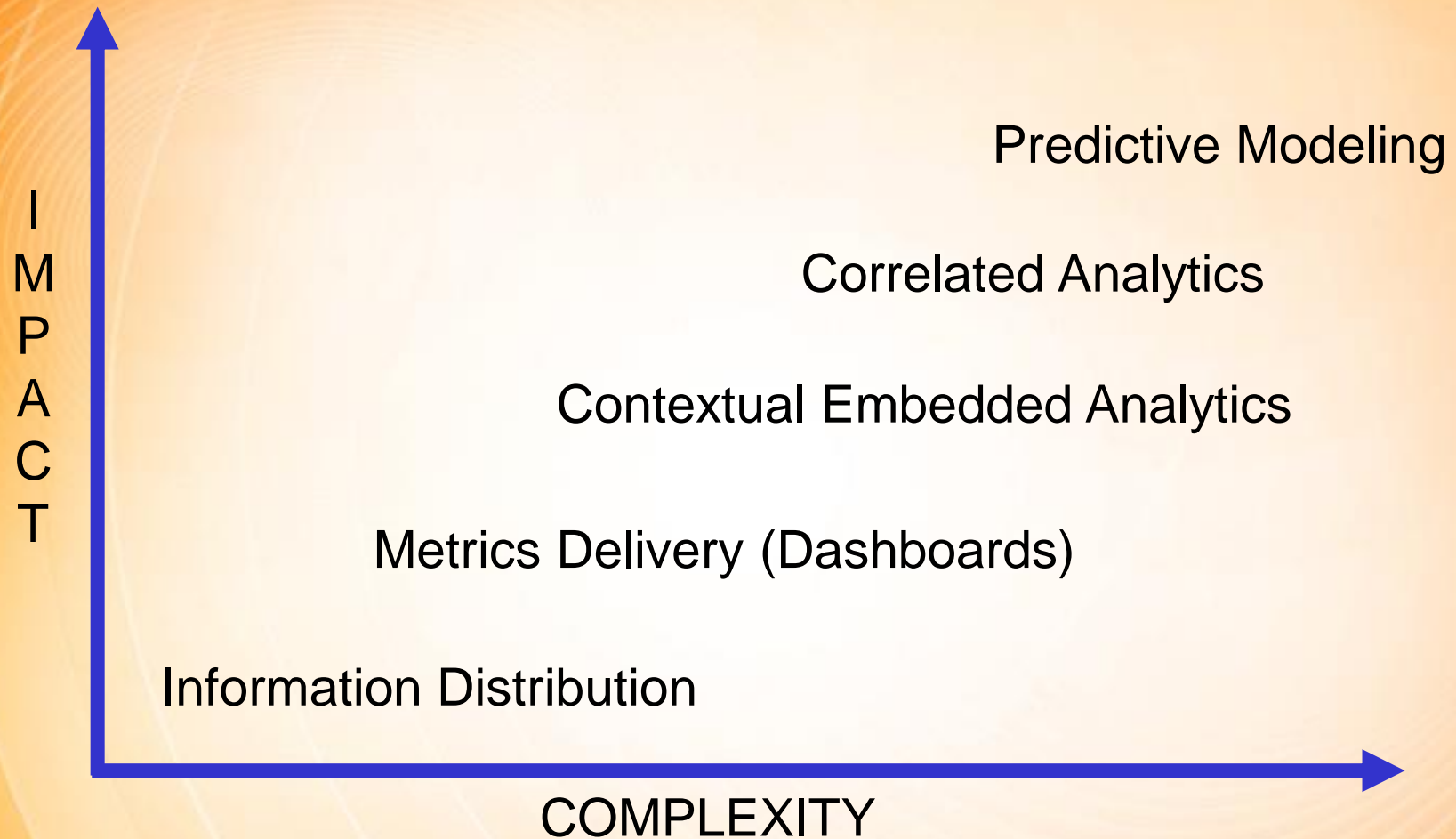
# Strategic Talent Management

- Market growth driven by strategic applications
  - Talent & Performance Management
  - Workforce Management
  - eLearning Systems
- Growth rates vary by domain
  - Strategic applications
    - Performance/Talent Management: 20%
    - Learning Management Systems: 11%
    - Workforce Management: 10%
  - Mature domains
    - Core HRMS: 3%
    - Recruitment: 5%

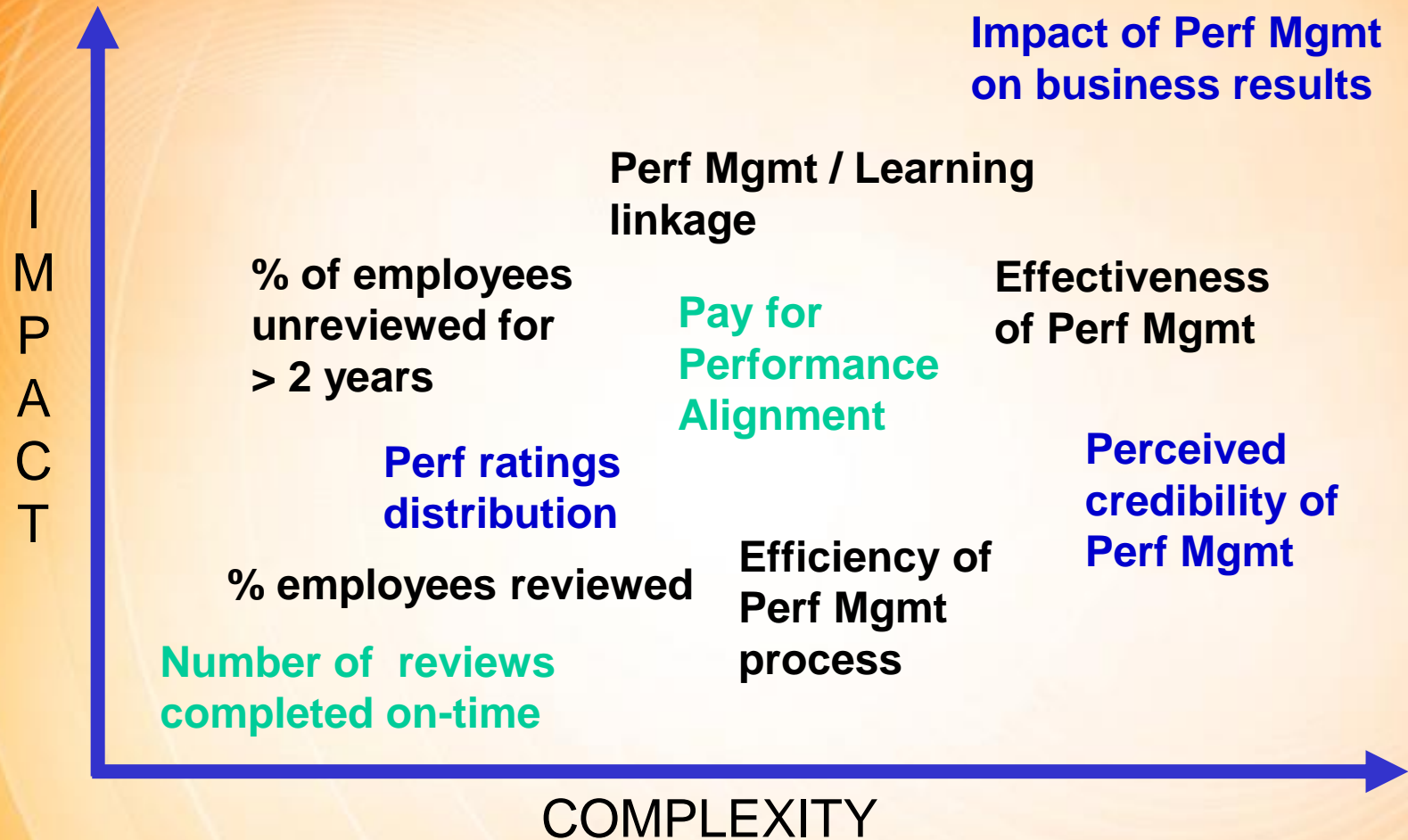
Talent Management Worldwide Forecast (2005 to 2009)



# Strategic Analytics / Intelligent Metrics

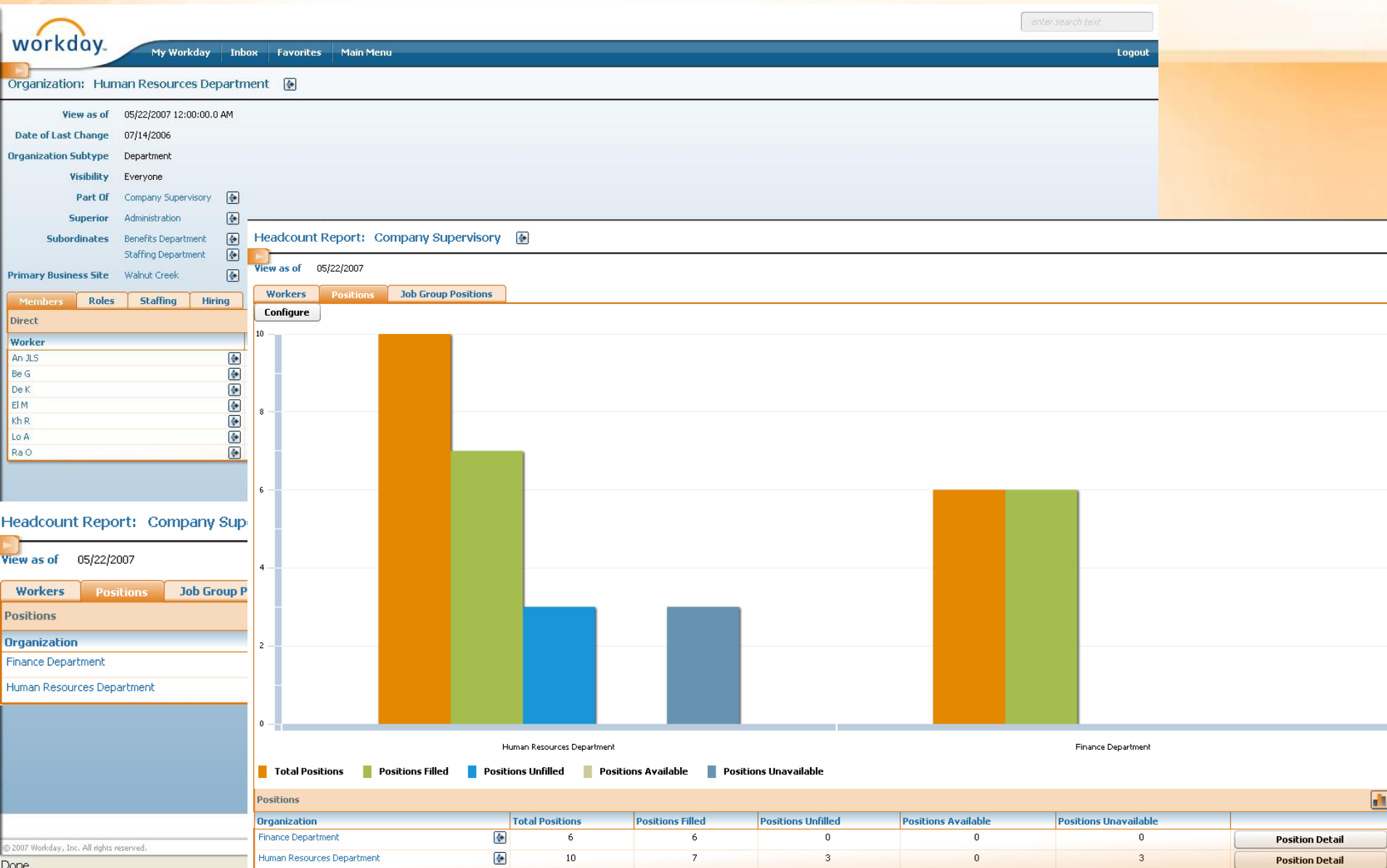


# Metrics that Matter: Performance





# Embedded / Actionable Analytics



# Global Data / Business Processes

## Edit Address

Changes to this address require workflow approval. Please

[Edit Address](#)

### Change To

Country	<input checked="" type="checkbox"/> United States of America
Use	<input checked="" type="checkbox"/> Payroll

### Component

County

Postal Code

City

Territory

State

P.O. Box

Suite

Building

Apartment

Street

Comment

Changes to this address require workflow approval. Please make your changes and submit.

### Change To

Country	<input checked="" type="checkbox"/> Spain
Use	<input checked="" type="checkbox"/> Payroll

### Component

Block

Lot

Room

Floor

Postal Code

City

Province

Suite

Building

P.O. Box

Apartment

Street

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# New Skills for HR

- ***Agility*** – flexible and adaptable to continuous, punctuated change
- ***Velocity*** – speed to market and ability to react quickly and effectively
- ***General Business*** – operational and financial business knowledge
- ***Global*** – geocentric, multicultural approach embracing global diversity
- ***Technology*** – ability to evaluate and implement enabling technologies
- ***Analytical*** – critical, analytical, problem-solving skills
- ***Forward-Looking*** – predictive, proactive, anticipatory business skills
- ***Decision-Making*** – action-oriented, solution-oriented approach
- ***Collaboration*** – team work, networking, and relationship building skills
- ***Accountability*** – ownership-focused and performance-based

# The Specialised Workforce

## Specialist Workforce

- Centers of Excellence
  - Outsourcers
  - Consultants
  - Other Vendors

## Core Workforce

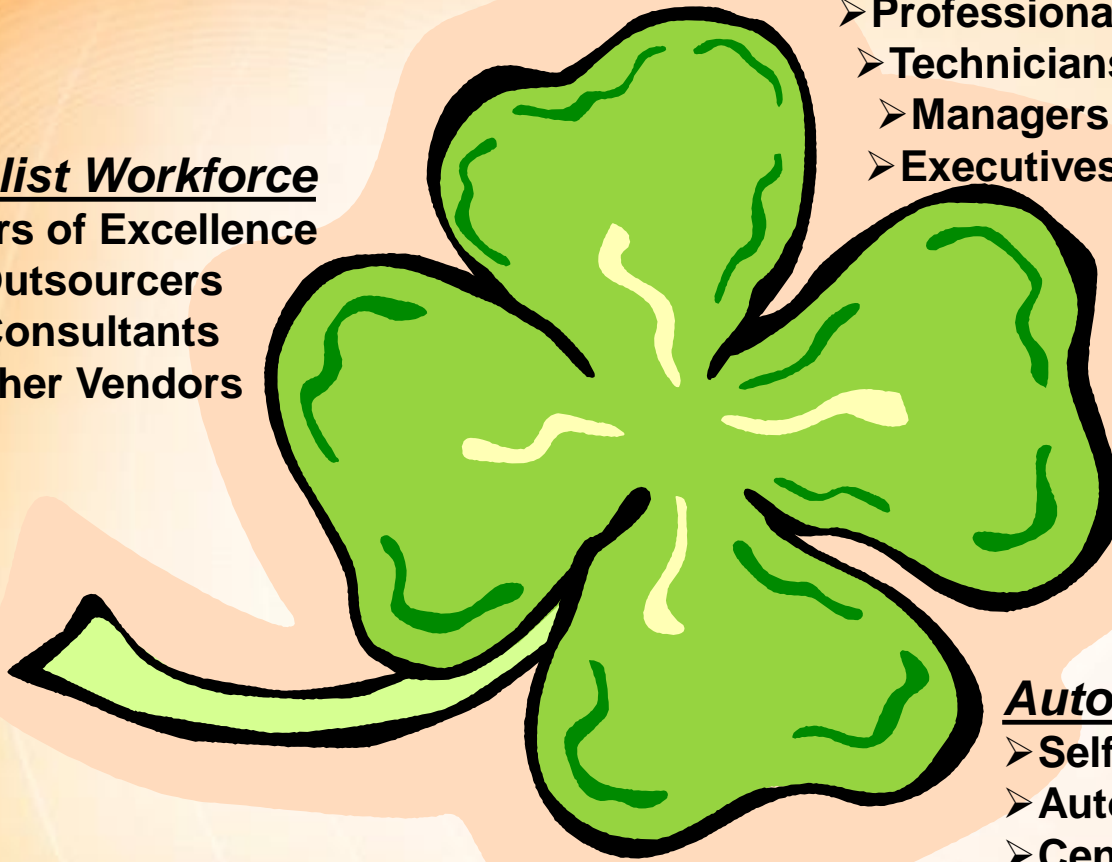
- Professionals
- Technicians
- Managers
- Executives

## Flexible Workforce

- Contractors
- Part-timers
- Temporary workers
- Seasonal workers

## Automated Work

- Self-service
- Automation
- Centers of Scale



Source: Charles Handy, *The Age of Unreason*, 1991



# A Final Word...



*“The empires of the future will be the  
empires of the mind ...  
[and the battles of the future will be  
battles for talent].”*

**Winston Churchill**

*Speech at Harvard University, 1943*

*As quoted in The Economist  
October 7, 2006*

# Thank you!

*Merci*

*Obrigada*

*Ευχαριστώ*

*Danke schön*

*Kiitos*

*Tack*

*Gracias*

*Dank u*

*Grazie*

*Shukriya*

*Tesekkür ederim*

*Takk*

*Terimah Kasih*

*Krop Kuhn Kah*

*Dziêkujê*

*Arigato*

*Asante Sana*

*Go Raibh Maith Agat*

*Thank You!*

谢谢

For more information, contact:

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**For more information on this topic**

**Go to [www.ihrim.org](http://www.ihrim.org)**

**The IHRIM Learning Center**

**<http://www.ihrim.org/resources/LCindex.asp>**

**IHRIM Publications**

**<http://www.ihrim.org/pubonline/index.asp>**

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**Please complete a session evaluation for  
Session 242**

**Charming or Cerebral?**

**Delivering Global Business Value**

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**Karen Beaman, Jeitosa**

***Thank you!***

