How the cloud is evolving HR practice

By Satish Babu Desikan   17 Oct 2016

Without doubt, human capital management is one of the most important facets of your business. Ask any of today's most successful companies about how they became leaders in their field, and their answer will invariably refer to the calibre of their people.

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But, with up to five generations of employees now in the workplace, the rise of flexible work arrangements (the so-called 'gig economy'), and employees' desire to work more remotely, the HR practice is in the midst of massive reorganisation.

Fortunately, cloud-based HR software can help organisations deal with the new trends that are forever reshaping the employer-employee relationship.

Cloud-based HR tools go well beyond simply creating cost efficiencies and reducing repetitive, administrative tasks. When deployed correctly, they have the power to radically enhance the entire employee value proposition.

It's truly a win-win situation: Employees are able to enjoy the best digital tools to manage everything from applying for leave and accessing payslips, to designing their career paths and development strategies. HR teams are released from the

drudgery of many basic processes, and able to spend their energies on assessing trends, building new human capital development strategies, and serving their line-of-business stakeholders.

Let's look at how the cloud is sculpting a new kind of HR practice. We'll consider three perspectives: financial, technology, and employee experience.

1. **Financial... reducing the total cost of ownership**

   Despite a general agreement that its people are an organisation's greatest asset, HR is not a directly revenue-generating area of the business. Because of this, it often suffers from under-investment in the latest tools and technologies, with HR execs often asked to sweat their existing infrastructure, and endure lengthy refresh cycles.

   By moving to a monthly [opex-based license model](#) (as opposed to larger, once-off capex investments), it becomes more financially feasible to access leading-edge HR software. As new innovations are released by your software vendor, you automatically benefit from the enhancements.

   The flexibility of the cloud means you can dynamically adjust the services you're licensing, changing your package as your demands evolve. For certain periods – perhaps you are embarking on a recruitment drive, for instance – you may want to add new modules temporarily and then remove them again later on.

   As the teams grow (or shrink), you can scale up or down with ease – meaning there is no wasted licenses or capacity. And best of all, with your software delivered from the cloud, you start using it and deriving value immediately.

2. **Technology... anytime, anywhere access to the best software**

   Some organisations have built up their own set of HR technologies over the years, often cobbled together in a mish-mash of different interfaces, hidden behind separate logins.

   With the right cloud software, you can start fresh with a core set of standardised software to manage the essential HR functions, and then use the vendor's APIs to create custom features that are specific to your organisation. You no longer have to spend time and money on supporting and maintaining disparate systems, and helping users with those endless 'forgotten password' requests.

   It goes without saying that some of your most sensitive data is locked up in your HR systems. With security and data integrity always one of the key priorities for Software-as-a-Service providers, you can ensure the security and privacy of your data, and maintain compliance with all relevant data protection laws.

   You've probably heard the saying that 'work is something you do, not somewhere you go'. This is becoming increasingly relevant, as more and more employers gain comfort with their staff working remotely, and under flexible hours and arrangements. Cloud software has the huge advantage of being easily extended to desktops, laptops, tablets, smartphones and even wearable devices.

   Imagine integrating fitness and health data from a smartwatch into your employee wellness programme, for example.

3. **Employee experience**

   Accessing HR services from wherever they are is not the only benefit for employees. In line with the trend known as the consumerisation of IT, more and more staff are comfortable with self-service. This could entail updating their own employee records with new qualifications obtained, or a change of home address, for instance. Or something like resetting their own passwords if they get locked out of the corporate network.

Cloud-centred HR tools encourage this kind of self-service – placing greater power and control in the users' hands, and removing the involvement of HR and technical teams. At the same time, the HR team benefits from more comprehensive, more current employee data.

Finally, cloud software is generally designed to easily integrate into other technology sets. This is where the employee experience can really become exceptional – imagine integrating your HR systems into training portals, collaboration tools, and accounting software for example.

To find the cloud-based HR software that perfectly suits your needs, it's critical to partner with the right IT specialist – one that can take you through a comprehensive discovery process, to analyse your application landscape and plot your optimal migration journey.

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