



# Learning from the Best Global Organizations

## Highlights and Recommendations of Organizations Operating Globally

*Taken from the 2013-2014 CedarCrestone HR Systems Survey*

**Prepared for Oracle HCM World**

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# Agenda

- **Who are the global organizations?**
  - Defining and characterizing organization types
  - HCM applications adoption by type
  - Cloud HRMS adoption and value achieved
  - Service Delivery, Workforce Management, Talent Management, BI/ Analytics, and Social Adoption and Value
- **Efficiency/Innovation Factors**
  - How the organization types stack up
- **Recommended next steps**

# 16th Annual CedarCrestone Survey

## Key Trends From Overall Results as Context



Software as a Service  
(aka "the Cloud")

Replacements hit tipping point.

Analytics

Mobile

Social



Adoption continues to increase  
and results in value.

Integration/Unification



The new Holy Grail that few  
reach without a Unified  
solution.

User Satisfaction

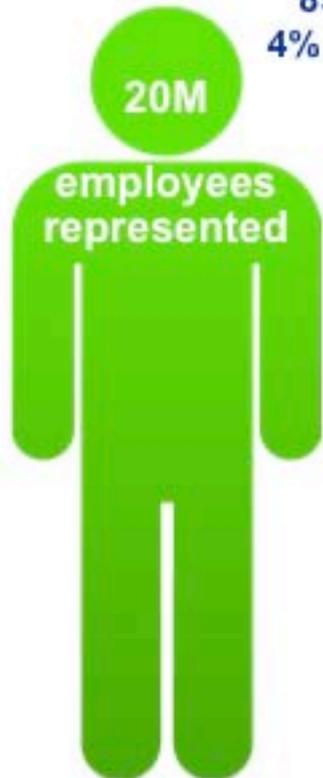


Newer products, later releases get  
higher scores. Improvement still  
needed!

# CedarCrestone 2013–2014 HR Systems Survey Demographics

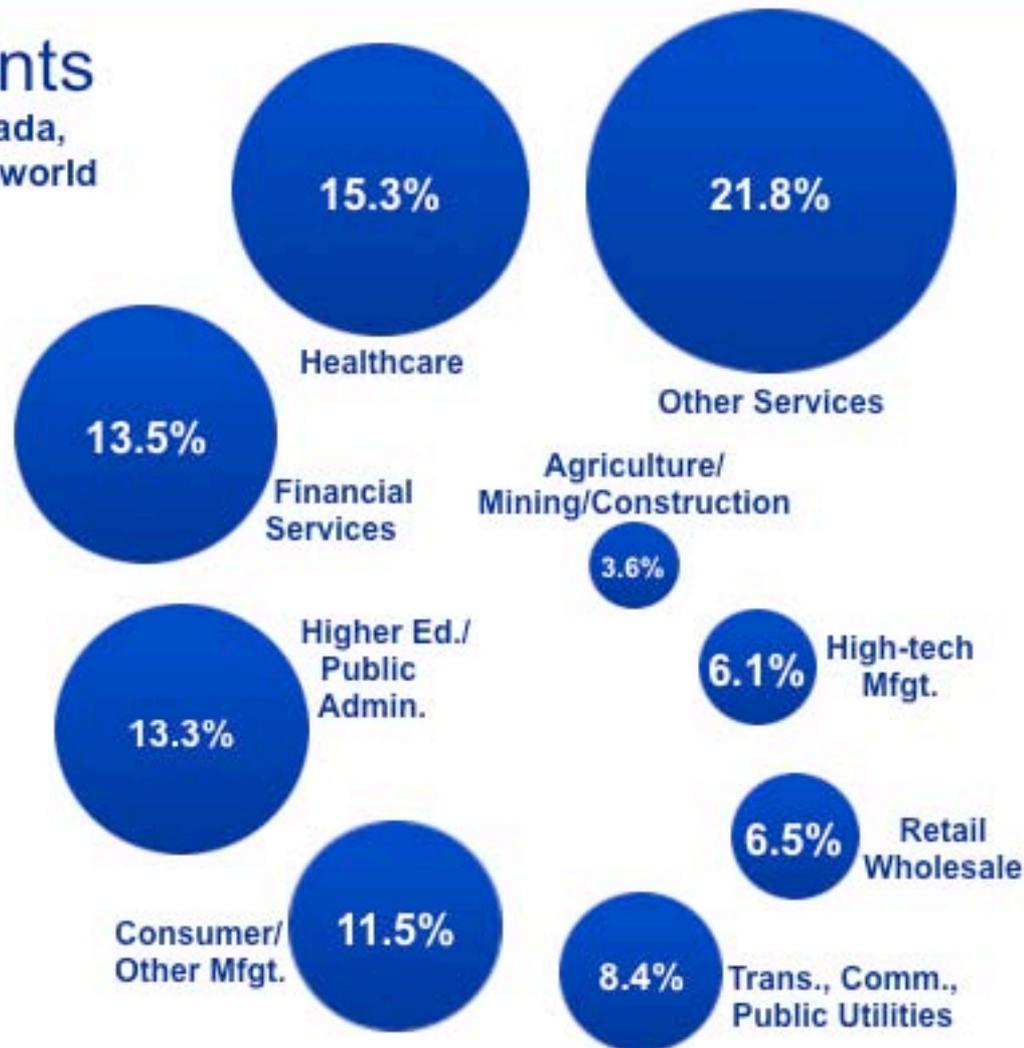
1,266 respondents

85% US, 6% EMEA, 5% Canada,  
4% Australia/Asia and rest of world



Average number of  
employees =  
15,876

## Size



# Global Organizations Demographics

355 respondents

78% US, 12% EMEA, 5% Canada,  
5% Australia/Asia and rest of world

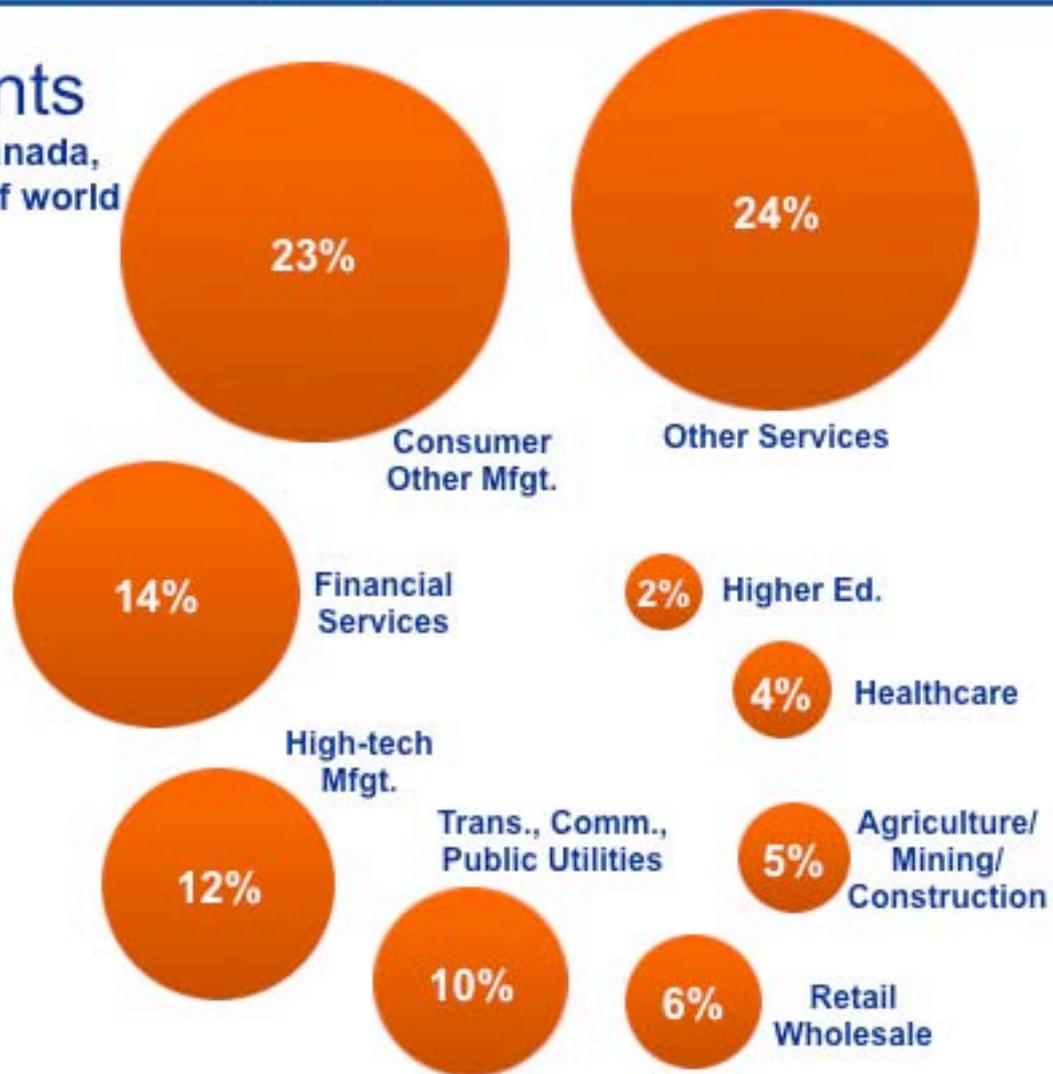


Average number of  
employees =  
33,229

## Size



Excluded Very Small



# Financial Profile of Top Global Performers

n=38 of 355

## Revenue Per Employee

\$596,203



\$332,723



## Profit per Employee

\$314,420



\$117,017



## Operating Income Growth

29%



-3%



## Return on Equity

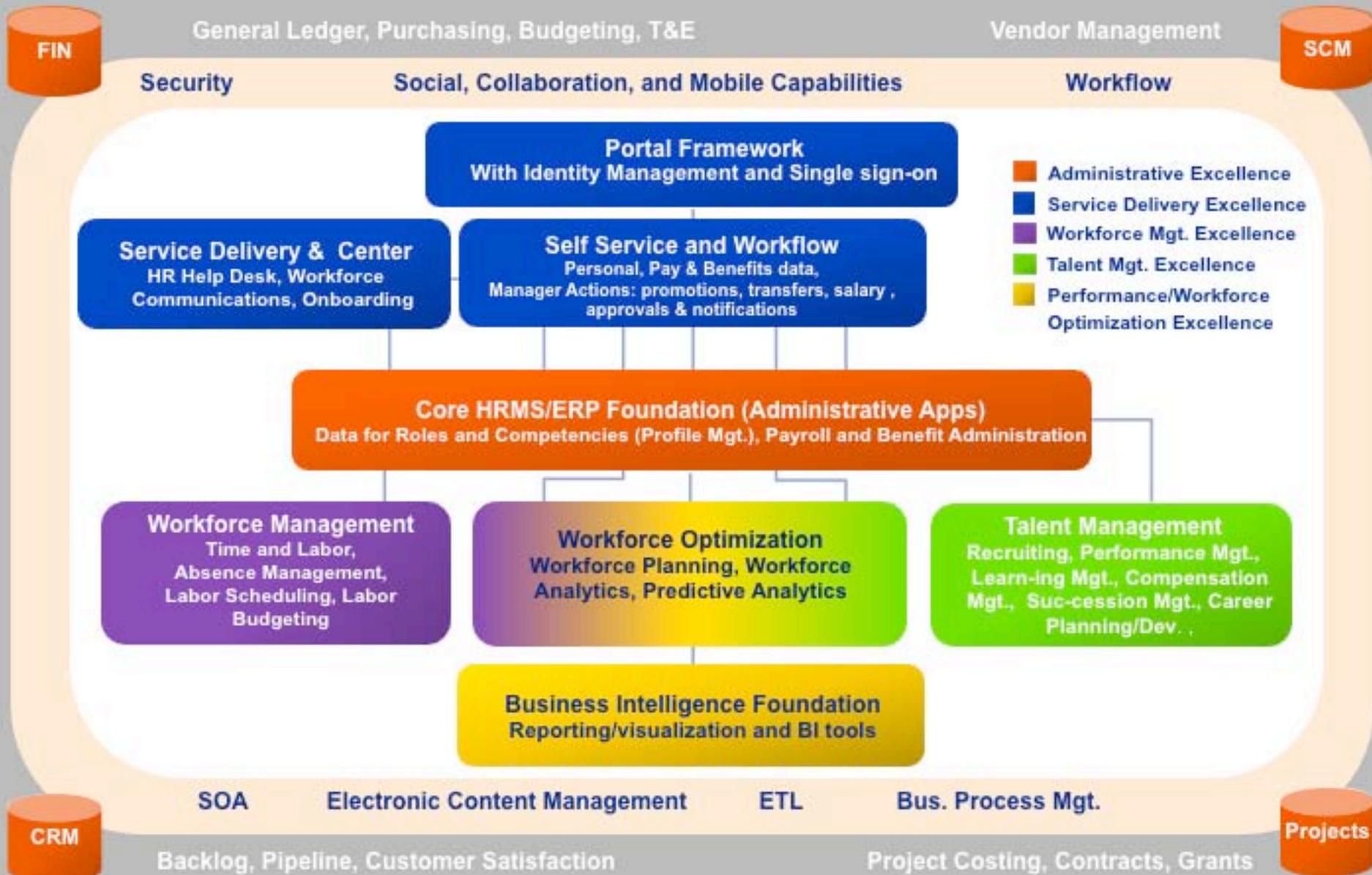
24%



13%



# CedarCrestone Integrated and Unified HCM Application Blueprint



# Identify Your Organization Type

## Multinationals

focused on flexibility and local responsiveness. The organization is highly decentralized with multiple, independent locations, united primarily through financial reporting to corporate headquarters.

## Globals

focused on centralization and efficiency. The organization is highly centralized/standardized, with major decisions made at corporate and then rolled out to local operations.

## Internationals

focused on learning and sharing. The organization is moderately centralized, leveraging competencies and sharing learning from both corporate and local operations.

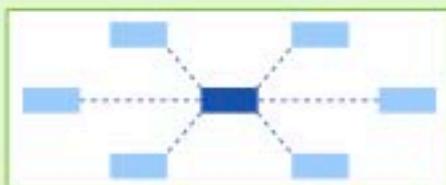
## Transnationals

focused on efficiency, flexibility, and learning. The organization combines aspects of all of the above, leveraging efficiencies, maintaining flexibilities, and sharing learning/innovations worldwide.

Christopher Bartlett and Sumantra Ghoshal, 1998  
Karen Beaman, Jeitosa Group International – ongoing

# High-level Characteristics of Organization Types

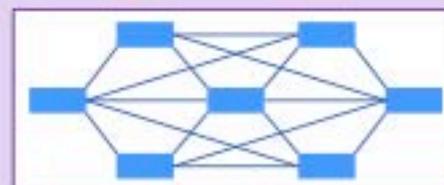
## Internationals



n=22%  
25%

- **Strategy:** Learning and sharing
- **Organization:** Decentralized
- **Processes:** Hybrid localized and standardized

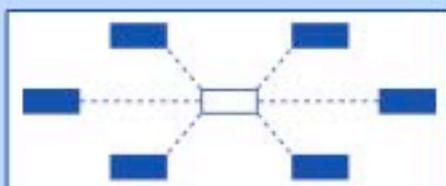
## Transnationals



n=41  
12%

- **Strategy:** Networked and innovative
- **Organization:** Centralized and decentralized
- **Processes:** Hybrid standardized and localized

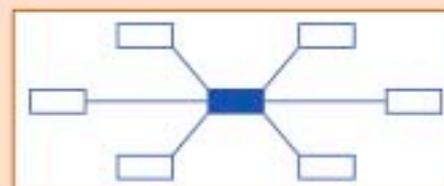
## Multinationals



n=87  
25%

- **Strategy:** Localization and adaptation
- **Organization:** Decentralized and independent
- **Processes:** Highly localized

## Globals



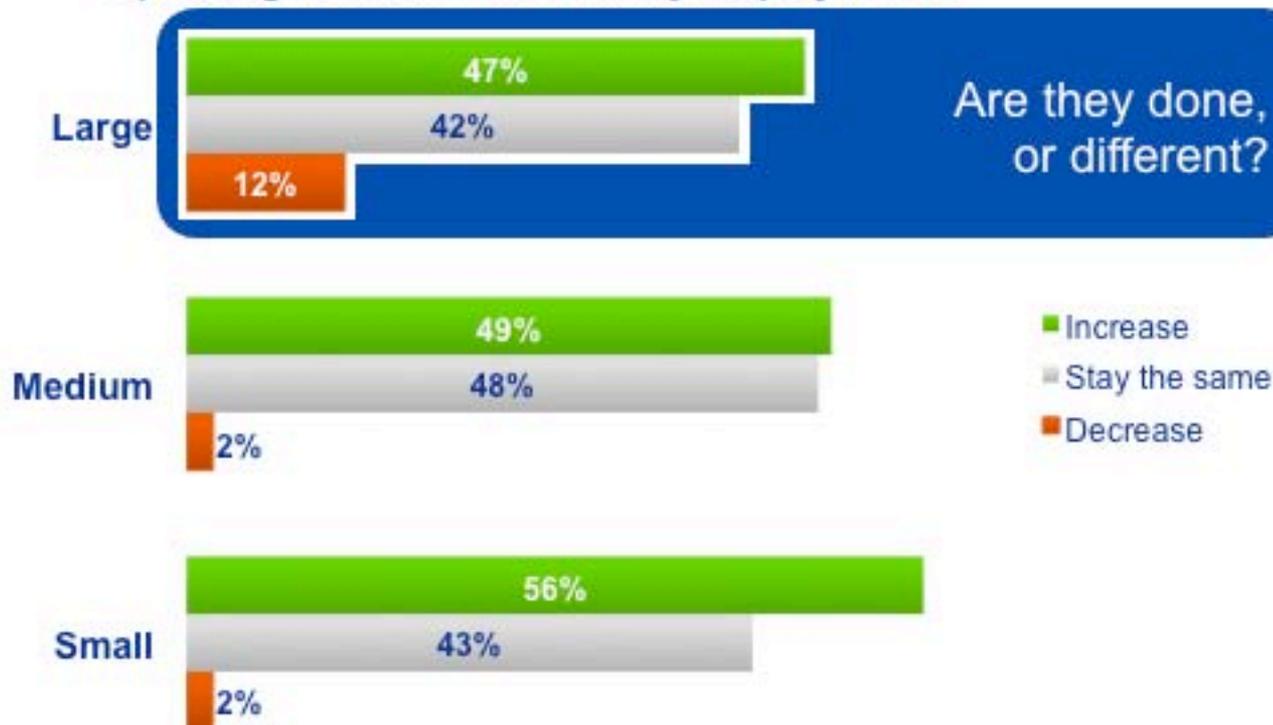
n=148  
40%

- **Strategy:** Efficiency and standardization
- **Organization:** Centralized
- **Processes:** Highly standardized

# Spending Outlook for HR Technologies

Outlook Continues Good for **Global** Organizations (as for All Organizations)  
With Large Organizations Reporting a Larger Percentage with a Decline

## Spending Plans for Next Year by Employer Size



# All Types Focused on Business Process Improvements

## Major Initiatives for Organizations Operating Globally



# All Types Focused on Business Process Improvements, with Variations in Initiatives by Org. Type

## Major Initiatives for Organizations Operating Globally

		Multintl	Global	Interntl	Transntl
Business process improvements	62%	61%	59%	65%	68%
Talent management	49%	48%	48%	51%	49%
Service delivery improvements	44%	37%	46%	48%	46%
HR systems strategy	38%	38%	40%	38%	29%
Business intelligence/metrics	35%	26%	40%	37%	37%
Expanding HRMS to global operations	28%	29%	28%	33%	22%
Change management	28%	32%	26%	23%	34%
HRMS replacement	18%	20%	17%	20%	12%
HRMS upgrade	13%	11%	14%	14%	12%

# Application Adoption by Type

Compared to Overall and to All Organizations Operating Globally

Application Categories	All survey respondents n= 1,266	Operate globally n=355	Multinational n=87	Global n=148	International n=79	Transnational n=41
Administrative	92%	94%	At Market	At Market	At Market	At Market
Service Delivery	44%	50%	Lags	Leads	At Market	Leads
Workforce Management	43%	45%	Lags	At Market	At Market	Leads
Talent Management	52%	62%	At Market	At Market	At Market	Leads
Business Intelligence	44%	48%	Lags	At Market	At Market	Leads
Workforce Optimization	14%	15%	At Market	Leads	Lags	Leads
Social Media	33%	36%	Lags	At Market	At Market	Leads

Applications where cohort leads (out of 33)

0                      11                      1                      27

- Organizations operating globally lead overall survey respondents and significantly with adoption of Service Delivery and Talent Management applications.
- Multinationals continue to “Lag” in application adoption, falling behind further than last year.
- Transnationals lead in adoption, adoption that has grown significantly since last year.
- The Global type, which last year was “At Market” in all categories now leads in two application categories. Their practices are beginning to push them forward.
- We will see variations by type at deeper levels.

# Administrative and Service Delivery Applications Highlights

Application Categories	All survey respondents n= 1,266	Operate globally n=355	Multinational n=87	Global n=148	International n=79	Transnational n=41
<b>Administrative</b>	<b>92%</b>	<b>94%</b>	At Market	At Market	At Market	At Market
HR management system	96%	97%	At Market	At Market	At Market	At Market
Benefits administration	85%	88%	At Market	At Market	At Market	Lags
Payroll	96%	97%	At Market	At Market	At Market	At Market
<b>Service Delivery</b>	<b>44%</b>	<b>50%</b>	Lags	Leads	At Market	Leads
HR-oriented help desk	38%	47%	Lags	Leads	Lags	Leads
Employee self service	70%	72%	Lags	At Market	At Market	At Market
Manager self service	41%	48%	Lags	Leads	At Market	Leads
Workforce lifecycle management	23%	32%	Lags	Leads	Lags	Leads

- **Administrative applications:** Global types lead the overall market in adopting administrative and service delivery technologies. While all organization types are "At Market", Transnationals lag with Benefits administration adoption, but this group has a disproportionately high percent of non-US organizations. We will see some variations in deployment approaches for the HRMS.
- **Service Delivery applications:**
  - Both **Globals** and **Transnationals** now Lead in adopting these technologies, with employee self service adopted by almost 75% of all respondent organizations except Multinationals at 58%.
  - **Multinationals** now Lag in all application categories, falling further behind than others this year.
  - **Internationals** lag in adopting both the HR-oriented help desk application which could help them with service delivery and WLM which could help them onboard new employees.

# Cloud (SaaS) HRMS Adoption

- Organizations operating globally report they **will double their adoption of a SaaS HRMS from 18% to 36% within the next year!**

	Multinationals	Globals	Internationals	Transnationals
% Using SaaS HRMS in 2012	4%	8%	14%	19%
% Using SaaS HRMS Today	16%	17%	18%	26%
% Using SaaS HRMS in 12 Months	42%	29%	44%	33%

- Transnationals** are and have been the most aggressive adopters of SaaS HRMS; while the **Internationals** indicate they will be by next year.
- Impact of company size:** In past years, global organizations adopting a SaaS HRMS have been significantly smaller than those with a licensed HRMS. In 2013, global organizations with a SaaS HRMS average 16,842 employees (largest employer with 250,000 employees). While smaller than those with a licensed solution at an average of 38,436, the SaaS HRMS is clearly being adopted by large organizations.
- Value Proposition:** Organizations with a SaaS HRMS that are small or medium-size are able to support more employees than those with a licensed on premise HRMS. For now, the large-size organizations with a licensed on premise HRMS serve more employees with their HRIT/IT staff.

# Administrative and Service Delivery Characteristics by Organization Type

	Multinationals	Globals	Internationals	Transnationals
Number of HRMSs*	5.0	3.1	2.4	3.3
Shared Service Centers – Today*	2.3	3.0	2.7	2.0
Shared Service Centers – 12 Months*	2.5	3.1	2.9	3.5

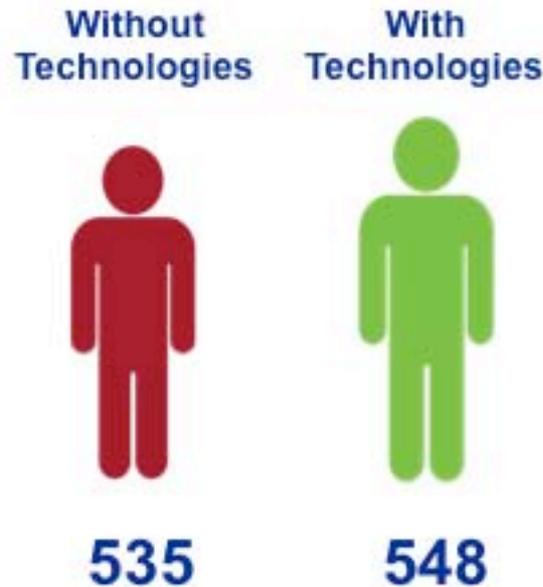
\* Outliers removed

- **HRMS: Globals** show highest consolidation of their HRMSs. On average the **Globals** also serve the highest number of the workforce from a single HRMS at 88.4%, compared to 79.8% on average for the other three types. Both are moves towards more efficiency.
- **Shared service center trend** is towards increased number of centers serving the workforce from additional regionally-focused centers with **Transnationals** reporting a forecast 75% increase.

# Service Delivery Value for Global Organizations:

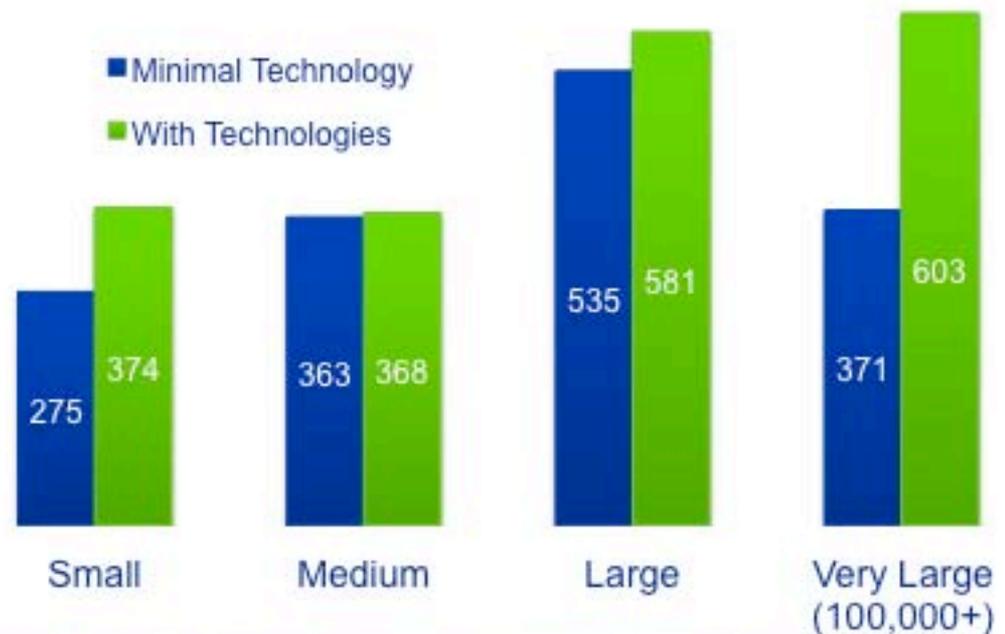
## Overall, Global Organizations *with Technologies* Serve More Employees, with Variations by Employer Size/Industry

### Employees Served by HR Administrative Staff



### Service Delivery Technologies: Employees Served by Size

Employees + contingent workers divided by HR Administrative FTE



\*Employee and manager self service applications serve 40% and 25% or more respectively of employee or manager populations or with

\*\*Service center and call center technologies serving 75% or more of the workforce in addition to employee and manager self service

**SERVICE DELIVERY VALUE:**  
 The Shared Services Model that Includes an HR Help Desk Application Delivers the Highest Level of Efficiency Particularly in Very Large Organizations

# Workforce Management Application Highlights

Application Categories	All survey respondents n= 1,266	Operate globally n=355	Multinational n=87	Global n=148	International n=79	Transnational n=41
<b>Workforce Management</b>	43%	45%	Lags	At Market	At Market	Leads
<b>Time management self service</b>	70%	72%	At Market	At Market	At Market	Leads
<b>Absence management self service</b>	54%	55%	Lags	At Market	At Market	Leads
<b>Labor scheduling</b>	29%	31%	Lags	At Market	At Market	At Market
<b>Labor budgeting</b>	21%	21%	Lags	Leads	Lags	At Market

- A few highlights include:

- Organizations operating globally lead the overall market slightly in adopting most of these technologies.
- **Multinationals** responding this year lag in adopting most of these applications.
- **Internationals** which often include non-profit and governmental agencies continue to not be focused on labor budgeting yet could achieve benefits.
- **Transnationals** lead with adopting time management data collection and absence management as they continue to work to optimize workforce management processes.

# ITM Adoption since 2012 Increased 22% in Global Organizations. However, ITM on the Same Platform as HRMS Plateaued

TM

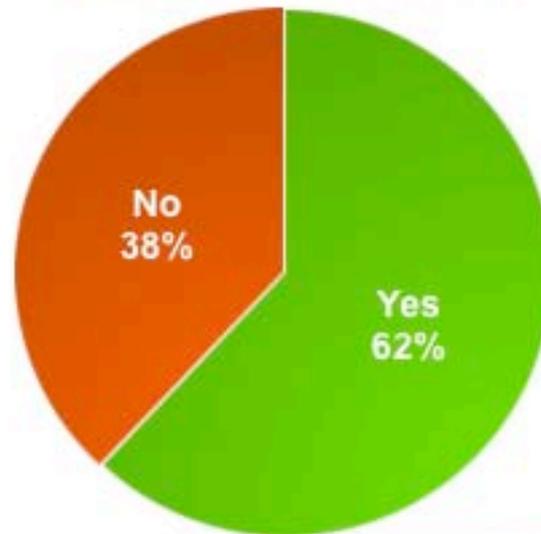
Integrated Talent Management  
Adoption n=256



## TOP PERFORMERS

79% have an Integrated Talent Management solution

Talent Management on  
Same Platform as HRMS



## TOP PERFORMERS

77% have an Integrated Talent Management solution on their HRMS platform more frequently

# Talent Management Applications Highlights

Application Categories	All survey respondents n= 1,266	Operate globally n=355	Multinational n=87	Global n=148	International n=79	Transnational n=41
<b>Talent Management</b>	52%	62%	At Market	At Market	At Market	Leads
Recruiting	86%	88%	At Market	At Market	At Market	At Market
Learning management	67%	77%	Lags	At Market	At Market	At Market
Career planning and development	24%	37%	Lags	At Market	At Market	Leads
Performance management	68%	80%	At Market	At Market	At Market	At Market
Succession planning/management	33%	46%	Lags	At Market	Leads	Leads
Compensation management	62%	74%	At Market	At Market	At Market	Leads

- A few highlights:
  - **Transnationals** lead in talent management adoption overall and specifically in three applications traditionally aligned with talent management excellence that support retention of top talent.
  - **Internationals** lead in succession planning/management adoption as well, ensuring retention of leadership.
  - **Multinationals** lag in these same areas, They may be in danger of not being able to retain talent against other global organization types.

# Strategic Social Media Highlights

Application Categories	All survey respondents n= 1,266	Operate globally n=355	Multinational n=87	Global n=148	International n=79	Transnational n=41
<b>Social Media</b>	33%	36%	Lags	At Market	At Market	Leads
LinkedIn	39%	46%	Lags	At Market	At Market	Leads
Facebook	32%	31%	Lags	At Market	At Market	Leads
Collaboration Tools	40%	47%	Lags	Leads	Lags	Leads
Twitter	23%	20%	Lags	At Market	At Market	Leads
Corporate social network	32%	37%	Lags	At Market	At Market	Leads

- All organization types continue to increase their adoption of social media used strategically for branding, recruiting, learning and collaboration.
  - Transnationals** lead. No other type so clearly indicates its adoption of innovative technologies.
  - Globals** also lead in the adoption of collaboration tools, enabling their workers to collaborate across regions. **Internationals** could benefit from such adoption where they currently lag.
  - Multinationals** lag in adopting all strategic use. They must at least move more aggressively to adopt a corporate social network as a foundation for other social media.

# Social and Mobile-enablement

	Multinationals	Globals	Internationals	Transnationals
Percent of employees using social	13.6%	7.2%	7.6%	6.3%
Percent of employees using mobile	14.9%	5.8%	6.5%	13.8%

- A couple of highlights:
  - **Multinationals** using both socially-enabled processes and mobile-enabled transaction support more than other types, using both to begin to get around inadequate infrastructure.
  - **Transnationals** follow closely with use of mobile-enabled transaction support likely indicating a preference for such support by a presumably more mobile-connected workforce. However, their use of social-enabled *processes* indicates an opportunity for this organization type to become more innovative.

# BI/Analytics Adoption:

Most Organizations Are At Least Able to Pull Data for Reporting of Metrics. Few have Integrated Data Available to Managers.

BI

WFA

## BI Delivery Approach Among Global Organizations



# Business Intelligence and Workforce Optimization Application Adoption Highlights

Application Categories	All survey respondents n= 1,266	Operate globally n=355	Multinational n=87	Global n=148	International n=79	Transnational n=41
<b>Business Intelligence</b>	44%	48%	Lags	At Market	At Market	Leads
HR warehouse	52%	56%	Lags	Leads	At Market	Leads
Simple management reporting	72%	74%	Lags	At Market	At Market	Leads
Operational reporting	51%	55%	Lags	At Market	At Market	Leads
HR scorecard/dashboard	33%	39%	Lags	At Market	At Market	Leads
Middleware	28%	36%	Lags	At Market	At Market	Leads
Automated distribution of reports	29%	30%	At Market	At Market	At Market	Leads
<b>Workforce Optimization</b>	14%	15%	At Market	Leads	Lags	Leads
Workforce analytics	18%	20%	Lags	At Market	Lags	Leads
Predictive analytics	11%	10%	Lags	Leads	Lags	Lags
Workforce planning	12%	15%	At Market	Leads	Lags	Lags

- A few highlights:
  - **Transnationals** lead in adoption of almost all these applications, with **Multinationals** mostly lagging.
  - **Globals** start with adopting an HR warehouse and more aggressively move to predictive analytics and workforce planning, although both are at low levels of adoption overall.
  - **Internationals** have yet to start with workforce optimization activities.

# BI Use Directly by Managers

	Multinationals	Globals	Internationals	Transnationals
Percent of managers with BI access	7.9%	16.5%	11.8%	35.2%

- A few highlights:
  - **Transnationals** dramatically lead all other types in providing managers with direct access to BI support, giving them significant advantage over other types.
  - Organizations with direct access by managers significantly outperform those without such access by:
    - 10% higher revenue per employee
    - 37% higher profit per employee
    - Four times the operating income growth.
- **Focus new investments in HR technologies on business intelligence used directly by managers.**

# Technology Matters! All Organizations Operating Globally with Higher TM, BI/Analytics and Strategic Social Tool Automation\* Outperform on Key Financial Metrics

Organizations with Higher than Average Technology Adoption Outperform on Two Key Financial Metrics



\*Average TM adoption = 4.3 applications, average BI/Analytics application adoption is 3.3, average strategic social tool adoption is 1.8.

# Introducing Efficiency-Innovation Practices: Which Type(s) Excel?

## Efficiency Factors

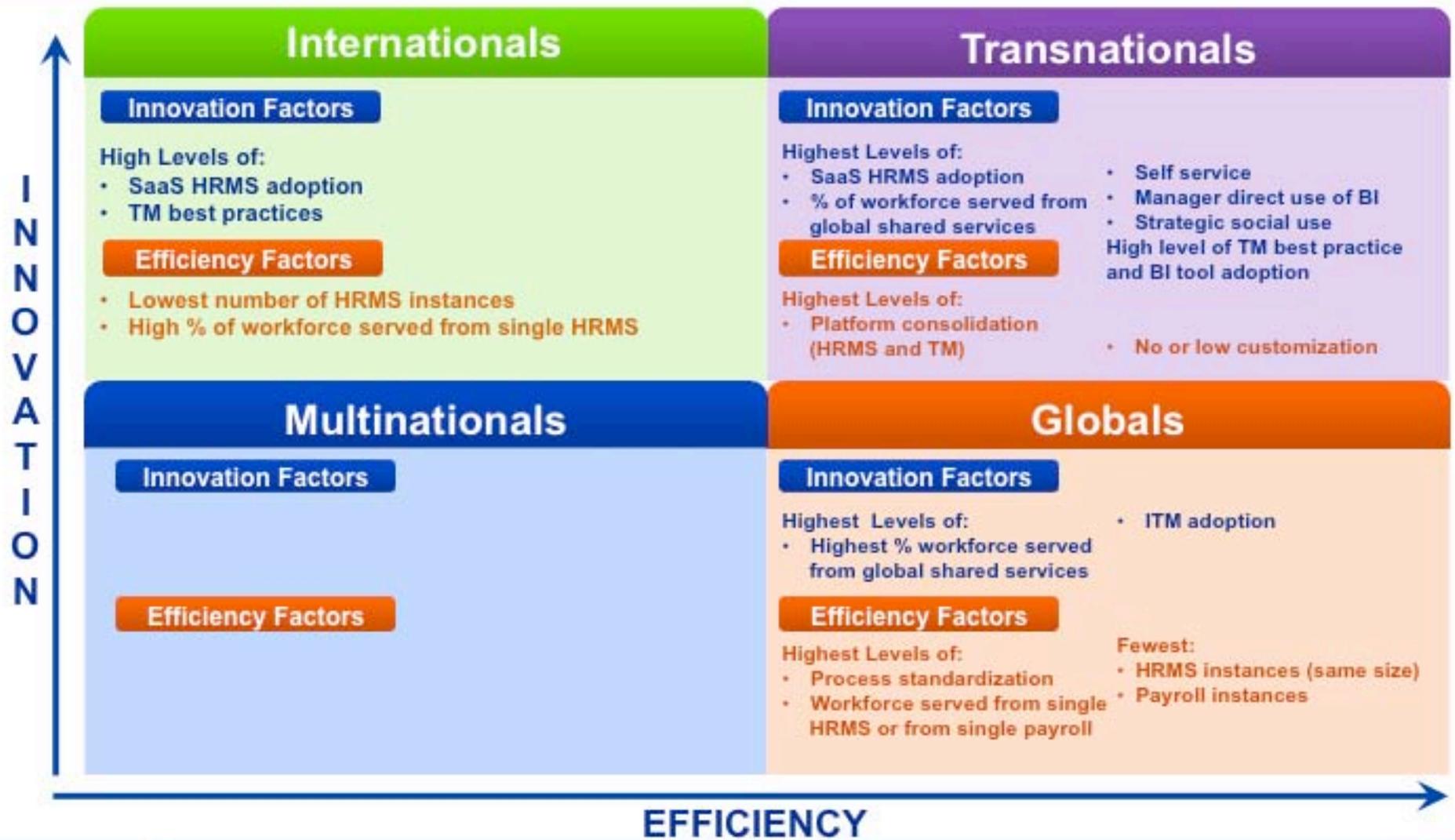
1. Process standardization
2. System consolidation
3. Platform consolidation of HRMS and talent management
4. Utilization of single (global) HRMS and Payroll systems
5. Low or no customization

# Introducing Efficiency-Innovation Practices: Which Type(s) Excel?

## Innovation Factors

1. Enhanced service delivery through adoption of self service and globally managed shared service centers
2. SaaS HRMS adoption to enable adoption of best practice functionality
3. Integrated talent management and best practices adoption
4. BI tool adoption and usage directly by managers to support decision making
5. Strategic social use

# At a Glance Transnationals Excel in Innovation and Efficiency; Globals are More Focused on Efficiency. Multinationals Currently Lag all Others



# Per Employee Costs by Organization Type

Transnationals have lowest overall per employee costs.

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## Internationals

HR labor cost	\$1,374
Total HR technology cost	263
<b>Total costs:</b>	<b>\$1,637</b>

## Transnationals

HR labor cost	\$1,066
Total HR technology cost	187
<b>Total costs:</b>	<b>\$1,253</b>

## Multinationals

Costs not consistently reported.  
Some organizations report worldwide numbers  
and others for a single site

## Globals

HR labor cost	\$1,125
Total HR technology cost	177
<b>Total costs:</b>	<b>\$1,302</b>

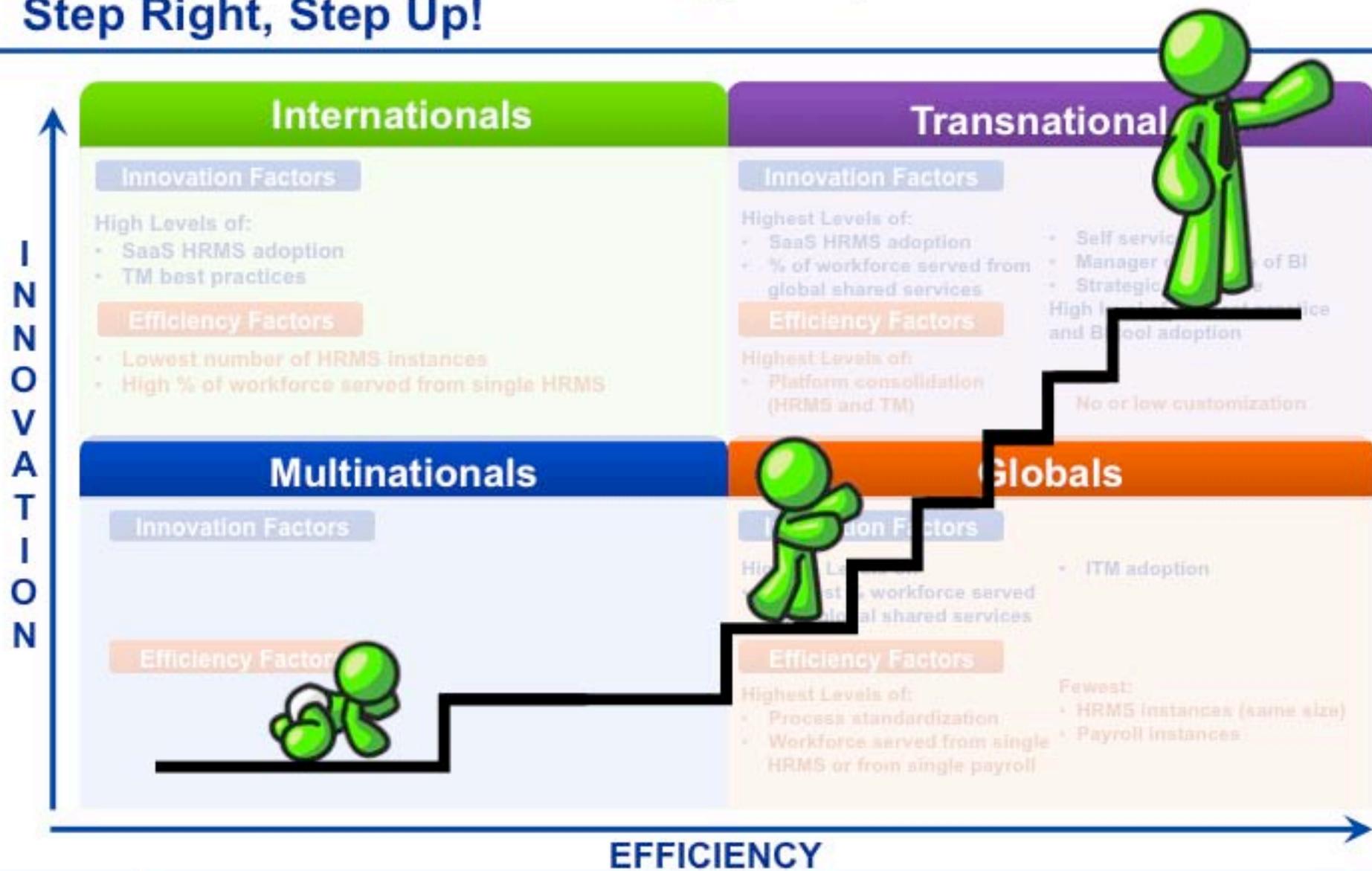
EFFICIENCY

# Future HR Technology Model

**There is no one right strategy for organizational design – but the Transnational type organizations have standout financial performance and pay the least today.**



# Next Steps with HR Technology Adoption and Practices? Step Right, Step Up!



## Next Steps

- Understand your current organization type
- Conduct a review of your HCM processes and HR technologies; optimize any determined as inadequate
- Use the CedarCrestone HCM Application Blueprint as a guide for your HR systems strategy; consider it an “end state”
  - Conduct an assessment to determine the efficiency, innovation, and impact of your HCM application portfolio for each category
  - Explore options to increase and enhance service delivery, including increased self service, talent management, business intelligence, and workforce analytics
  - Take a baseline of key performance metrics
  - Organize your options and communicate them via a roadmap
  - Conduct a post implementation review against baseline

# Where to Go for More Information

- <http://www.cedarcrestone.com/survey> for survey report
- [Alexia.Martin@cedarcrestone.com](mailto:Alexia.Martin@cedarcrestone.com); [Stacey.harris@Cedarcrestone.com](mailto:Stacey.harris@Cedarcrestone.com)
- **Please fill out a CedarCrestone HR Systems Survey card for notification of survey and white papers**
- Sign up for survey updates on our website:

The screenshot shows the CedarCrestone website header with the logo and navigation menu. The main content area features a large banner for the "2013-2014 HR SYSTEMS SURVEY WHITE PAPER" with the text "NOW AVAILABLE!". Below the banner, there is a section titled "NEW! CedarCrestone 2013-2014 HR Systems Survey: HR Technologies, Deployment Approaches, Value, and Metrics, 16<sup>th</sup> Annual Edition". The page also includes sections for "White Papers" and "Events & Presentations" with a list of upcoming events.

**CEARCRESTONE**  
16!

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**2013-2014 HR SYSTEMS SURVEY WHITE PAPER**  
HR Technologies, Deployment Approaches, Value, and Metrics  
16<sup>th</sup> ANNUAL EDITION  
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**NEW! CedarCrestone 2013-2014 HR Systems Survey: HR Technologies, Deployment Approaches, Value, and Metrics, 16<sup>th</sup> Annual Edition**

The White Papers, Press & Articles, and Events & Presentations below include the most recent publications in most cases. Some material is from prior years and will be updated in the coming months. Please visit our [Research](#) page to learn more about benchmarking services related to our Annual Survey effort and see other available White Papers.

**White Papers**

- CedarCrestone 2013-2014 HR Systems Survey White Paper
- Going Global with HR: Technologies, 2013, Highlights and Recommendations of Organizations Operating Globally, Taken from CedarCrestone 2013-2014 HR Systems Survey Results
- The Seven Dimensions of the Benchmarking Performance White Paper

**Events & Presentations**

- FIRM Atlanta 4th Quarter Meeting and Holiday Reception: December 5, 2013
- Workshop and CedarCrestone Human Capital Management for the Modern Enterprise Denver, CO | November 14, 2013
- CedarCrestone and Workday Human Capital Management for the Modern Enterprise Houston, TX | November 14, 2013

# Two New White Papers



## Global Human Capital Management Best Practices

By Lexy Martin and Stacey Harris  
Vice Presidents, Research and Analytics at CedarCrestone

ORACLE®



## Global Human Capital Management Best Practices



**Highlights and Recommendations of  
Organizations Operating Globally Taken from  
*CedarCrestone 2013-2014 HR Systems Survey White Paper***

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