Next-gen HCM: Driving HR transformation in the modern workplace with continuous innovation

Modern HR departments—striving to balance in-person and remote work while dealing with issues such as labor market shortages, employee burnout and disengagement—need a dynamic solution that can provide continuous innovation for improved insights and human decision-making. Cognizant's next-gen HCM solution, powered by the Oracle Fusion Cloud Human Capital Management (HCM) platform, can bring continuous innovation to HR with modern technologies such as automation and generative AI to help build high-performing teams and create a better employee experience. Whether you have already completed a transformation to Oracle Fusion Cloud HCM or are about to embark on the journey, Cognizant's next-gen HCM solution helps you unlock the full potential of your investment.

Executive summary

In today's complex work environment, HR departments are continuously adapting to workforce transformation, balancing hybrid work models while simultaneously addressing critical issues like talent shortages, employee burnout and disengagement.

To keep up with changing expectations, HR departments need a next-generation solution that enables them to continuously meet employee expectations with services, tools and technologies that help bring their employee engagements to the next level and help employees adapt and grow. Cognizant's next-generation HCM solution, built on the Oracle Fusion Cloud Human Capital Management (HCM) platform, delivers continuous innovation through modern practices such as automation and generative AI. This empowers HR to cultivate high-performing teams and enhance employee experience.

Next-gen HCM: Leveraging the value of human capital with technological innovation

Delivering effective employee experiences is important in today's workplace, and technology plays a crucial role in achieving this. However, many organizations find it challenging to create and maintain an environment that supports optimal employee interactions due to having multiple disparate solutions across their enterprise. To facilitate personalized experiences, these organizations require a unified platform that covers all workforce processes and provides customized recommendations based on a comprehensive profile. With such a solution, HR can:

• Understand employees' needs and help them feel connected to the organization

• Show employees that their contributions are recognized and celebrate their successes

• Assist employees in finding information, getting their questions answered and staying informed

Many traditional HCM deployments were designed with a standardized approach to employee-facing processes. While this method may have been sufficient in the past, it does not meet the demand for the hyper-personalized experiences that the modern workforce values and that are essential to its success. Cognizant and Oracle provide organizations with a sophisticated alternative to traditional, transaction-centric HR solutions through Cognizant's next-gen HCM solution.

Common HCM challenges demonstrate a demand for exceptional employee experiences

Companies today seek to improve retention, engagement and performance. Since employees are the most valuable asset, enhancing HCM is vital. However, creating a modern HCM function presents unique challenges, including:

• **Demand for better employee experiences.** Today's workers look for a personalized HCM experience to support a sense of well-being and belonging in their employment. Organizations that fall short in this area risk employee disengagement and higher turnover.

• **Roadblocks to upskilling.** Organizations with outdated systems often struggle to understand, develop and make use of the skills in their workforce. This leaves managers unable to meet changing organizational demands and employees frustrated at the lack of a clear path for career growth.

• **Recruitment challenges.** Today's top candidates expect a connected and streamlined experience in their interactions with HCM. With competition for skilled workers at an all-time high, organizations that don't measure up will find it difficult to fill their openings.

• **Leadership burnout.** HCM departments worldwide face rising burnout rates for managers. Without an effective HCM system, these managers lack insight into the skills and sentiment of their teams, leading to negative employee experiences, a decrease in productivity, a disengaged workforce and poor retention.

• **Lack of agility**. Back-office complexity and disparate legacy systems make it difficult for HCM teams to adapt to change. New technologies such as AI and automation can help, but it can be challenging for these teams to understand and implement these new technologies where they can be useful.

Addressing all of the above requires a unified approach that moves the HCM function logically toward the achievement of its goals. But unlike a chalked finish line marking the end of a race, those goals must shift and change in adapting to ever-fluid business dynamics, changing competitive landscapes and, indeed, the evolving goals and capabilities of each individual employee.

Cognizant's next-gen HCM solution, powered by Oracle Cloud HCM, can help address all these challenges. By fostering an elevated employee experience and enabling organizations to derive maximum benefit from cutting-edge technologies, the solution can provide a transformational leap in HCM capabilities.

The "manager squeeze" is real

According to a recent Gallup survey of organizational changes in 2023, 64% of managers said that they or their employees were given additional responsibilities, 51% were affected by corporate restructuring, and 42% experienced budget cuts. In short, managers are being asked to do more with less—at an unprecedented level.

As a result, only 22% of managers reported feeling that their organization cares about their wellbeing, and a whopping 55% are watching for or actively seeking new jobs.[1] It comes as no surprise, then, that a recent Microsoft study found that more than half of managers—53%—feel burned out.[2]

This underscores the importance of HCM teams to provide managers with better communication and support, coaching and community building—activities made easier with modern, responsive HCM technologies that provide timely insights into the manager experience.

A next-gen approach to facilitating a people-first culture

At its core, the driving principle for achieving excellence in HCM is utter simplicity: put your people first. Prioritizing their needs and experience, capitalizing upon their capabilities and cultivating their potential are all key to your organization's success. That's the common-sense foundational principle upon which Cognizant's next-gen HCM solution has been built, and the solution's embodiment of the principle of continuous innovation offers organizations the ability to continue to deliver as employee needs change. The result is a next-gen HR tool that is powered by advanced next-gen technologies, including automation, machine learning (ML) and generative AI.

Cognizant provides elevated execution of Oracle Cloud HCM that is specifically designed to support the evolving needs of each organization's HCM objectives—allowing for maximized post-implementation value. In fact, the true value of implementing Oracle's SaaS cloud platform can be unlocked in the post-implementation phase, when Cognizant's continuous innovation of the solution enables organizations to fully realize their investment and evolve to the next level.

Through a focused advisory approach, led by Cognizant's Center of Excellence and based on its experience leading more than 400 Oracle Cloud HCM transformations, Cognizant helps organizations ensure that the expansive capabilities of Oracle Cloud HCM are tailored to the specific, unique needs of each organization. With new levels of personalized and informative communications, HR organizations are now empowered to:

- **Deliver exceptional employee experiences** such as in-the-moment feedback, contextual guidance and personalized peer-to-peer recognition.

- **Enable upskilling** for mobility and growth with improved visibility into skills gaps and delivery of growth opportunities to individuals that adapt to their interests, their role and the needs of the business.

- **Attract and recruit top talent** with powerful automation tools and AI capabilities for job creation, postings and onboarding.

- **Empower leaders and managers** to unlock workforce potential and be better coaches with ongoing employee-manager touchpoints and visibility into employee sentiment, skills and goals.

- **Drive agility** with AI and data that draw on a single source of truth across the organization.

These imperatives represent a template of success developed through Cognizant's experience in guiding and implementing hundreds of Oracle Cloud HCM transformations for a large base of steady-state customers.

[1] Ben Wigert and Heather Barrett, "The Manager Squeeze: How the New Workplace Is Testing Team Leaders," Gallup, Sept. 6, 2023, https://www.gallup.com/workplace/510326/manager-squeeze-new-workplace-testing-team-leaders.aspx

[2] Dawn Klinghoffer and Katie Kirkpatrick-Husk, "More Than 50% of Managers Feel Burned Out," Harvard Business Review, May 18, 2023, https://hbr.org/2023/05/more-than-50-of-managers-feel-burned-out.
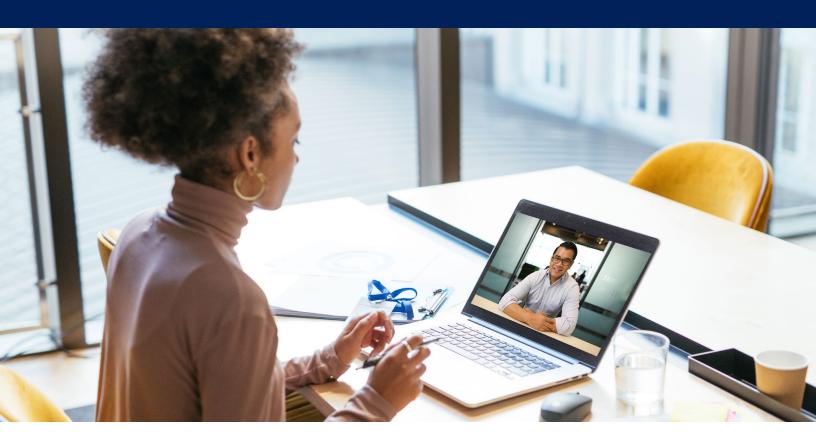
Innovating with AI

To fully capitalize upon the potential of AI, organizations need to know how they can best put AI to work for their purposes. Here are just a few of the ways that Cognizant and Oracle can help:

- **Bot-Assisted Time Capture:** This is an automated solution for customers that pre-populates each timesheet with past data and project codes, where appropriate. It leverages the Oracle Digital Assistant skillset for project-based time capture and is extended by Cognizant to gather data from employees via chatbot and populates the timesheet in the background. The solution saves time for employees, reduces errors, and facilitates easier review and approval.

- **AI-Boosted Talent:** This solution for integrated employee experiences, built upon an Oracle AI-powered framework, leverages AI assistance for sourcing, matching and skill gap analysis. Oracle's embedded AI capabilities for HCM include:

  - **Content generation:** AI-generated, high-quality content for various HR processes, including goal descriptions, performance feedback and development plans

  - **Chatbots and virtual assistants:** AI-powered tools are designed to help answer employee questions, guide them through processes and resolve issues

  - **Personalized recommendations:** Creation and delivery of personalized content to employees, such as career path suggestions, training courses and job opportunities

- **Benefits Buddy:** This application uses generative AI what-if calculators that interact with employees in real time and are designed to summarize and personalize calculations for benefits during North American healthcare insurance enrollment periods. The Benefits Buddy chatbot solution can help to unburden HR teams during a particularly busy process.

- **Employment Contract Parsing:** The Cognizant Collective Bargaining Agreement (CBA) solution, built by Cognizant, is a comprehensive extension for union agreement translations into Oracle Cloud parameters, which helps eliminate the need for manual parsing of contracts. The Cognizant-built extension uses generative AI and custom platform-as-a-service (PaaS) components to populate pre-parsed, predigested contract information into Oracle modules.

These, as well as many additional prebuilt use cases, harness the capability and flexibility of Oracle AI and ML in providing powerful solutions specifically tailored to HCM needs.

Driving organizational success with happier, more productive employees

The most important ROI that any HCM transformation can offer is a workforce that enjoys a consistently positive employee experience while improving productivity and lowering costs. Together, this partnership can help provide that ROI by melding Oracle's leading cloud HCM technology with Cognizant's experience in helping companies unlock the true value of their HCM investments with continuous innovation.

Cognizant's next-gen HCM solution provides organizations with a fast and simple approach to leverage generative AI and data to maximum benefit, allowing them to:

• Enjoy benefits faster with easy-to-enable features

• Put generative AI to work quickly with prebuilt use cases

• Left-shift operations with improved automation

• Realize rapid positive impacts on employee engagement metrics

• Gain focused advice and guidance from Cognizant's Center of Excellence

Cognizant and Oracle enable HR departments to quickly deploy advanced technologies to help streamline processes, deliver insights and develop a holistic approach to driving smarter business decisions. Put simply, this next-gen HR solution can facilitate a clear path to happier employees and more efficient, more productive and more competitive business operations.

Learn more about the Cognizant-Oracle partnership for HCM.

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About Oracle

Oracle offers integrated suites of applications plus secure, autonomous infrastructure in the Oracle Cloud. For more information about Oracle (NYSE: ORCL), please visit us at www.oracle.com.

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About Cognizant

Cognizant (Nasdaq-100: CTSH) is one of the world's leading professional services companies, transforming clients' business, operating and technology models for the digital era. Our unique industry-based, consultative approach helps clients envision, build and run more innovative and efficient businesses. Headquartered in the U.S., Cognizant is ranked 185 on the Fortune 500 and is consistently listed among the most admired companies in the world. Learn how Cognizant helps clients lead with digital at www.cognizant.com or follow us @Cognizant.

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