



The HR Role in Best-Run Midsize Companies:

Using Intelligent Technologies to Manage the Total Workforce

Thought Leadership Sponsored by SAP

HR and the Best-Run Company



As companies continue to adapt to the digital economy, their HR teams are critical to recruit, train, and retain the talent needed to meet evolving business challenges. **The ability to manage its entire workforce** is an important differentiating factor for a company's future success.



By leveraging all their data assets, advanced technology, and process automation, companies are able to **embed intelligence into their operations**.



Companies of all sizes are moving to become “intelligent enterprises,” and many midsize companies take advantage of software with **advanced capabilities such as artificial intelligence and machine learning to leap ahead of larger competitors**. Agility and updated processes can make an important difference.



Best-run companies **empower employees** to focus on higher-value tasks, improve decision-making, increase workforce agility and employee engagement, explore new business models, and achieve their goals.

Leading midsize organizations understand the impact of the workforce on achieving overall objectives

HR executives in best-run midsize companies take the lead in aligning the workforce through the use of modern technologies. Through digital transformation the workforce, is more effectively sourced, trained, and deployed.

IDC conducted a survey of 1,957 midsize companies (100–1,000 employees) worldwide to identify key factors associated with business success and progress toward becoming a best-run, digitally engaged company. The respondents were categorized into four groups based on their performance: **laggards, survivors, strivers, and best-run**. (For more details, please refer to the overview report: "Becoming a Best-Run Midsize Company.")

**Included among the respondents were 365 HR executives with decision-making responsibility for the purchase of HR technology and services. All HR survey participants held positions of director or higher.*



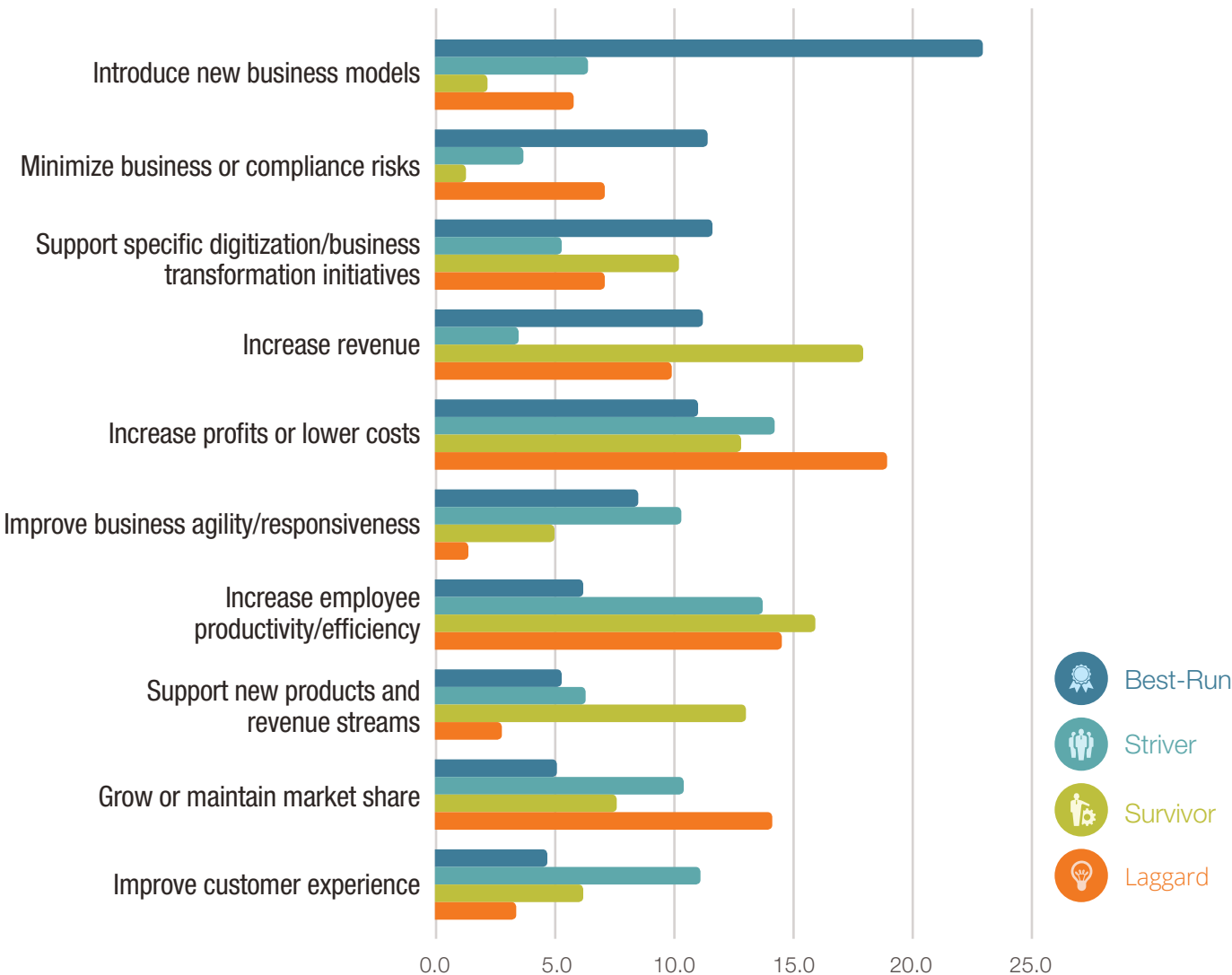
What Is Driving HR?



HR in best-run companies is focused on **strategic initiatives**: Finding new ways of doing business, mitigating risk, and implementing digital business transformation.



HR in laggard companies is more focused on **the tactical**: Containing costs and maximizing profit while maintaining employee productivity.



How Is Digital Transformation Going?

The ability of HR to leverage digital transformation tools, techniques, and behaviors in the execution of its responsibilities will drive enterprise success.

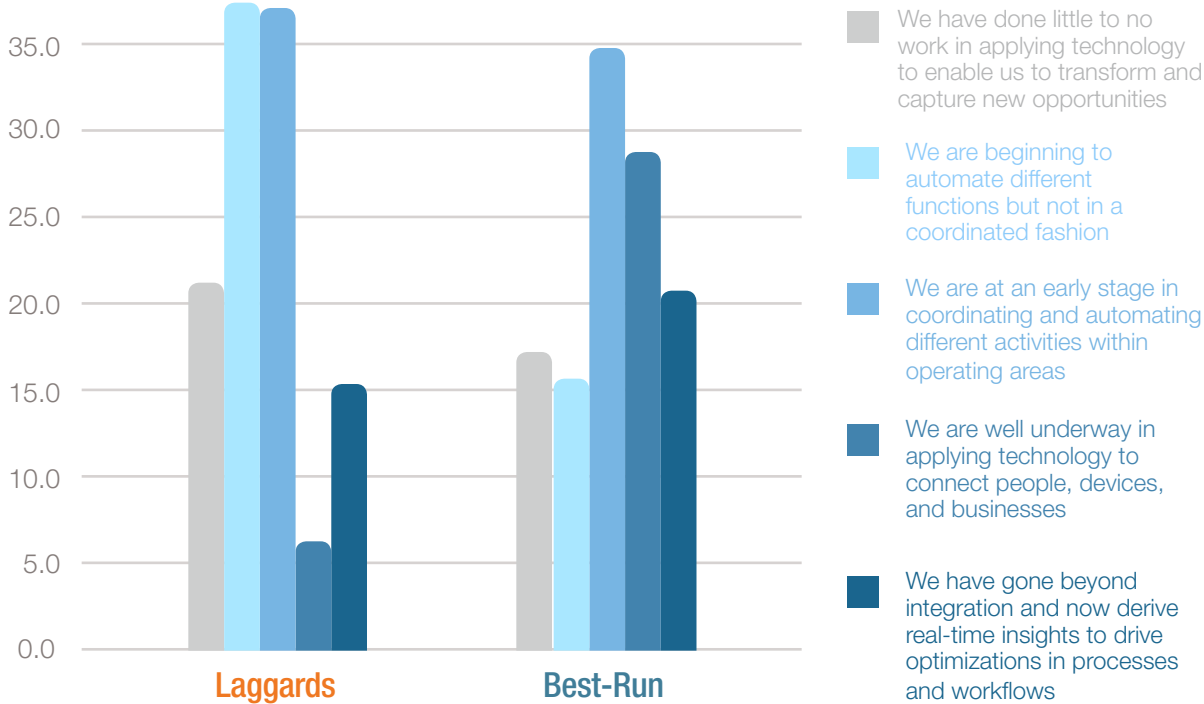


According to HR executives, **best-run** companies are, at a minimum, **in the early stages of digital transformation**, with the majority well underway — if not beyond — with integration.

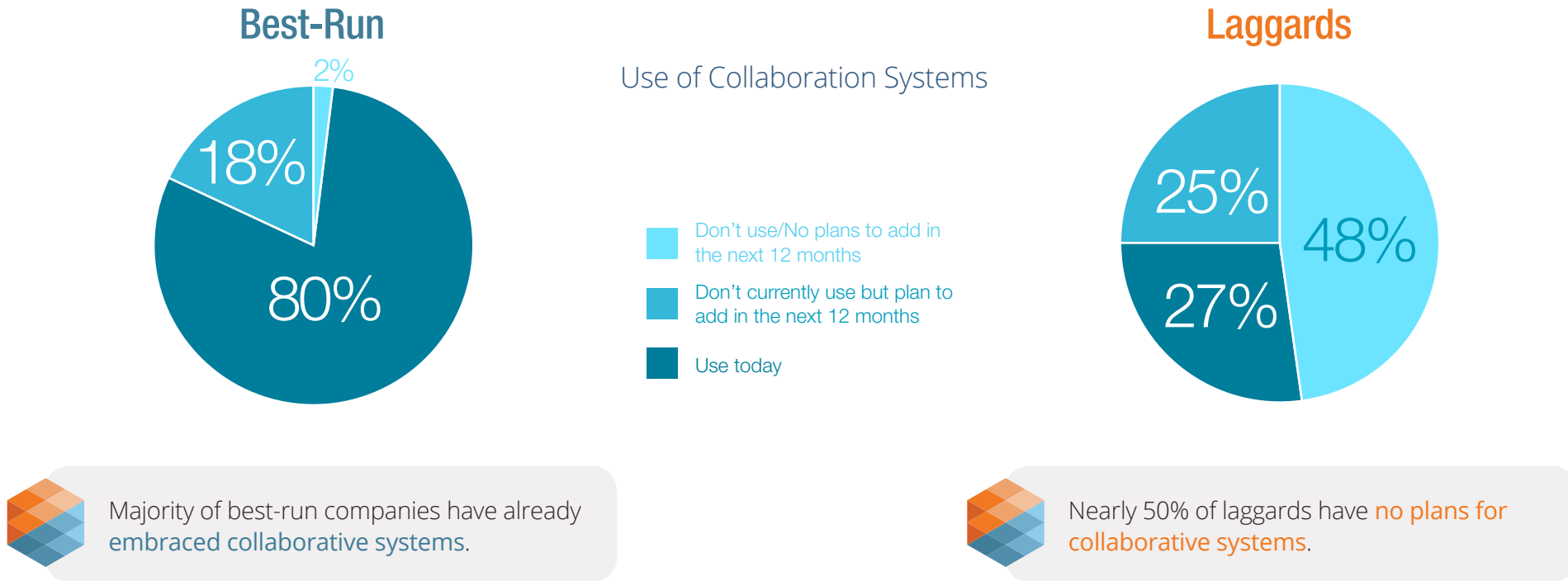


On the other hand, **laggards** overwhelmingly have **not even begun efforts** to transform.

Twenty-five percent of HR executives cite worker demand for modern tech such as mobile and social as their top “future of work” challenge, per IDC research.



Driving Collaboration in Midsize Companies: A Tale of Two Perspectives



Supporting Innovation: A Leading Factor in Success

Success is often earned by doing things differently. Following a path worn from use does not make a leader.

Innovation takes many shapes. Innovation in HR might mean new and creative ways of building teams or ensuring that HR-related activities fit into the natural flow of everyday work.

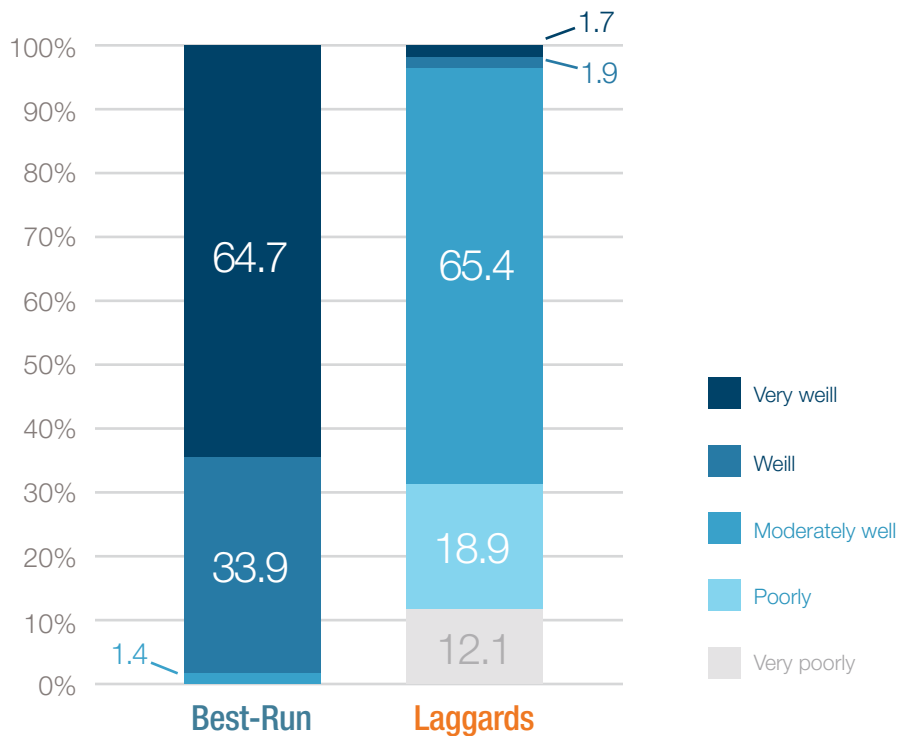


100% of HR executives from **best-run** midsize firms understand this and say that their organizations **use innovation well** in meeting their organizational strategy and objectives.



Not surprisingly, **laggards rarely demonstrate innovation.**

Use of Innovation to Meet Company Goals



Best-Run Companies Embrace Modern HR Technology



HR executives in best-run companies understand and embrace the importance of modern HR systems.

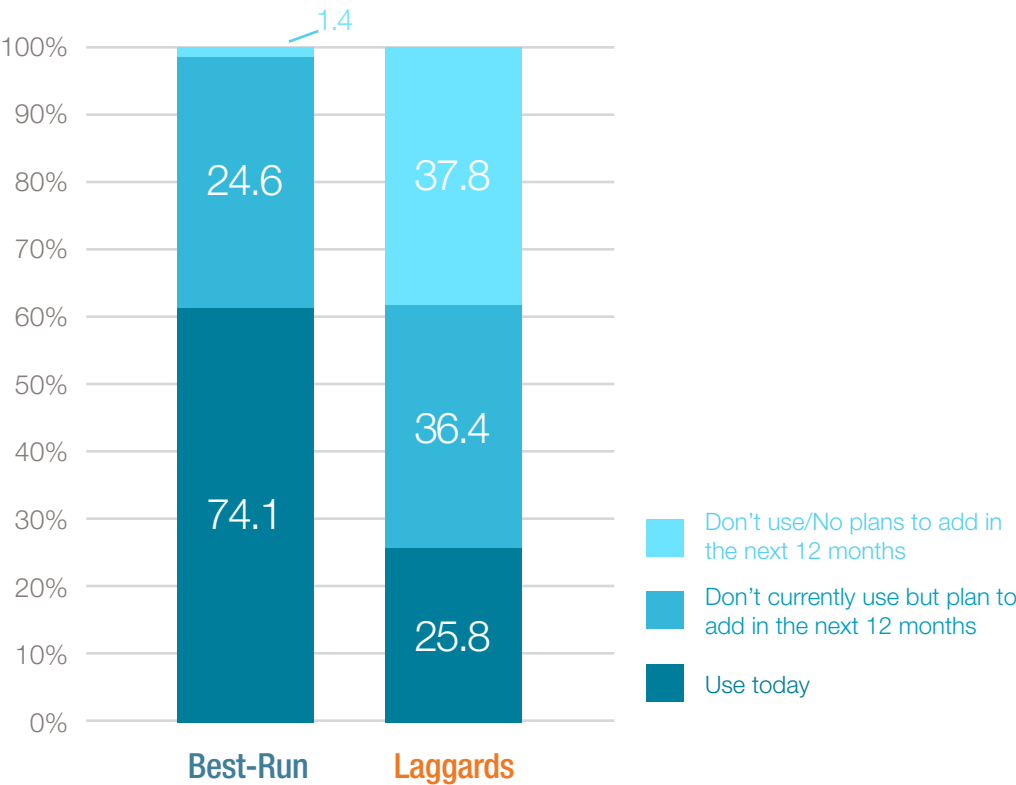


Laggards are way behind in the use and deployment of HR systems.



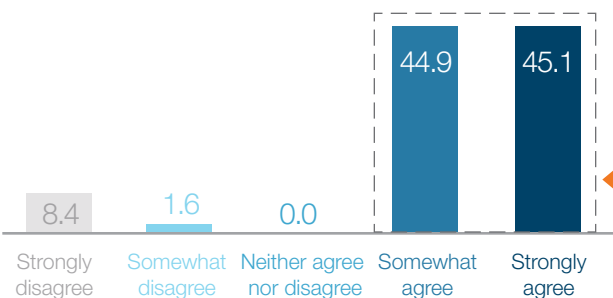
Without solid HR systems, companies cannot attract, train, deploy, and manage an effective workforce.

Use or Planned Use of HR/Talent Management Software

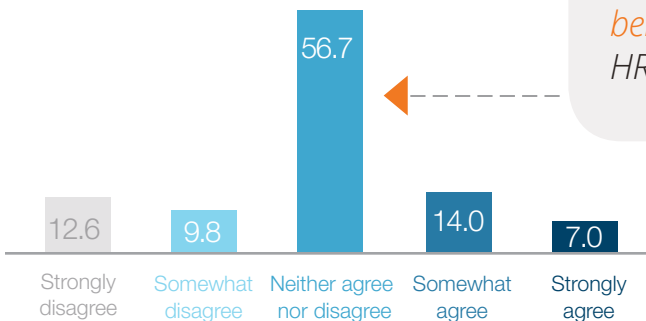


Laggards *Don't* See the Benefits of Modern Technology

"Adoption of new, disruptive technologies can provide our business with a competitive advantage."



90% of best-run companies embrace the benefits of modern HR technology.



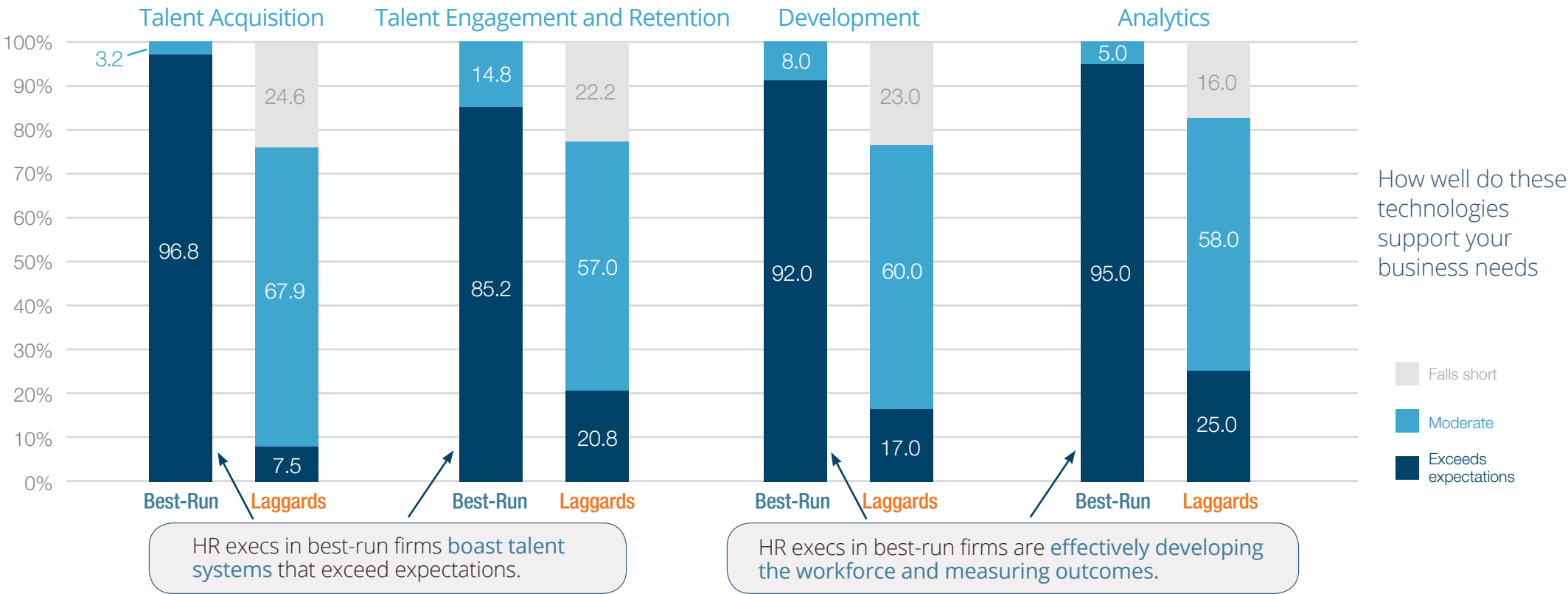
80% of laggards don't see the benefits of modern HR technology.

Best-Run

Laggards

Technology Supporting Business Needs: What Is Working?




Not surprisingly, best-run companies are gaining great advantages from their various HCM and talent technology solutions. Best-run companies understand the value and are using the technologies extensively, purposefully, and effectively.

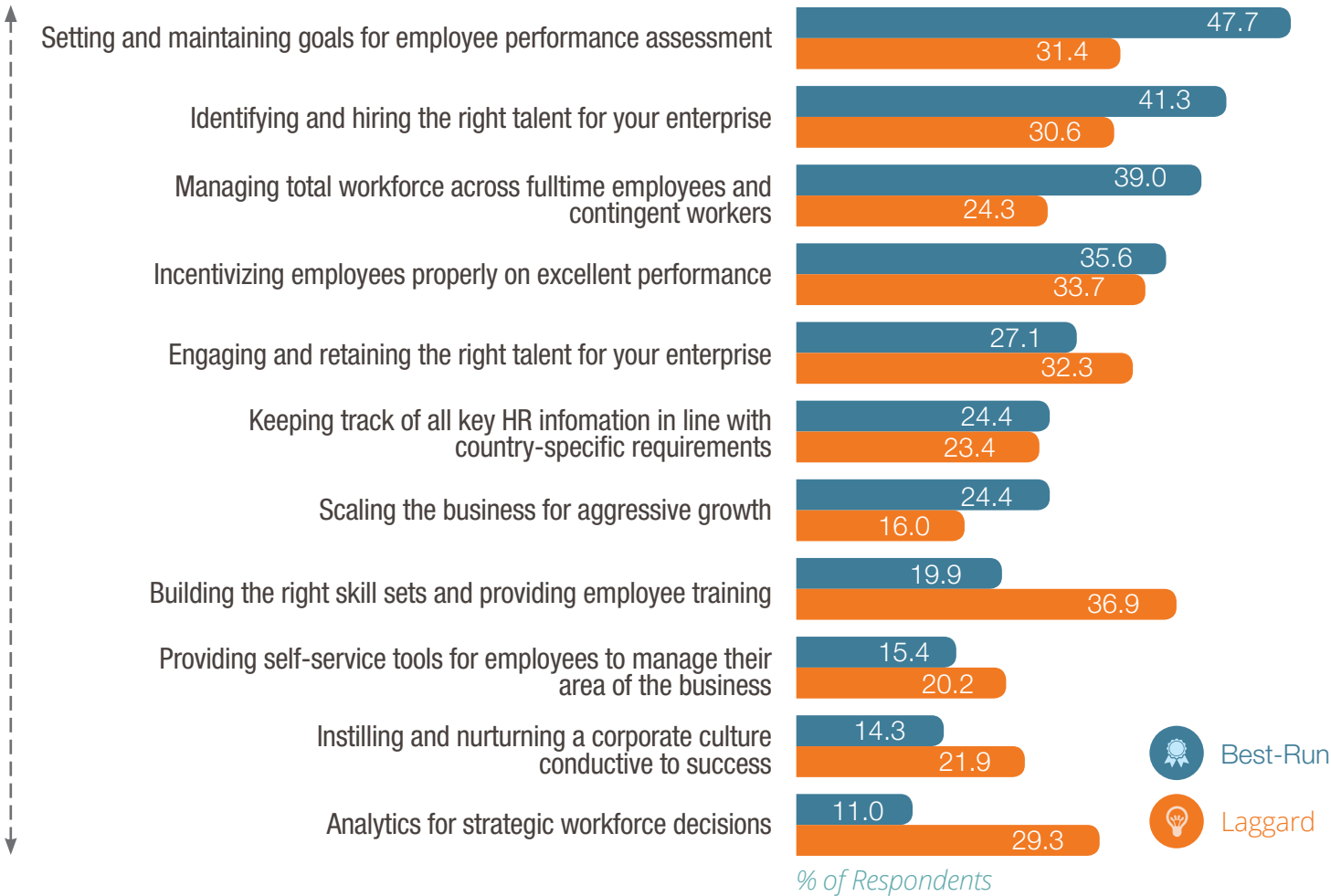


What Keeps HR Awake at Night?

Leading midsize organizations understand the impact of the workforce on achieving overall objectives.

Not surprisingly, then, HR executives in best-run companies care most about:

-  Aligning employees to strategic goals
-  Getting the very best talent
-  Managing the total workforce that includes both regular staff and contingent labor



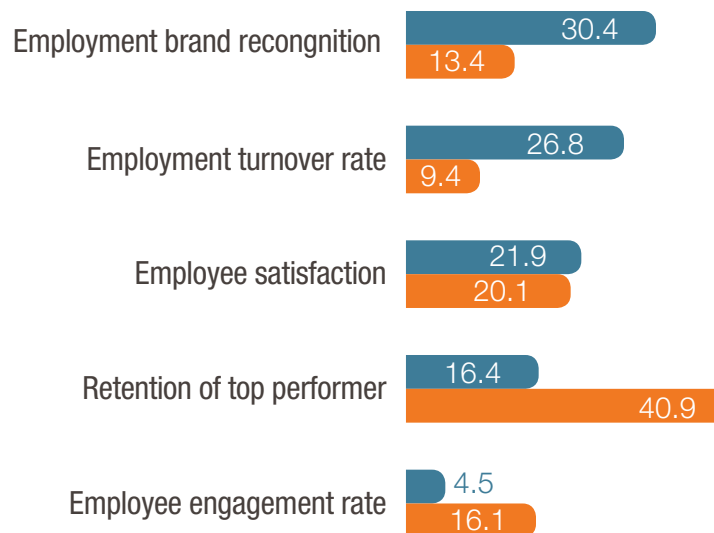
What Do the Most Successful HR Organizations Measure?



HR executives in best-run companies understand the **great importance of a terrific employment brand**, which makes attracting the best talent easier.



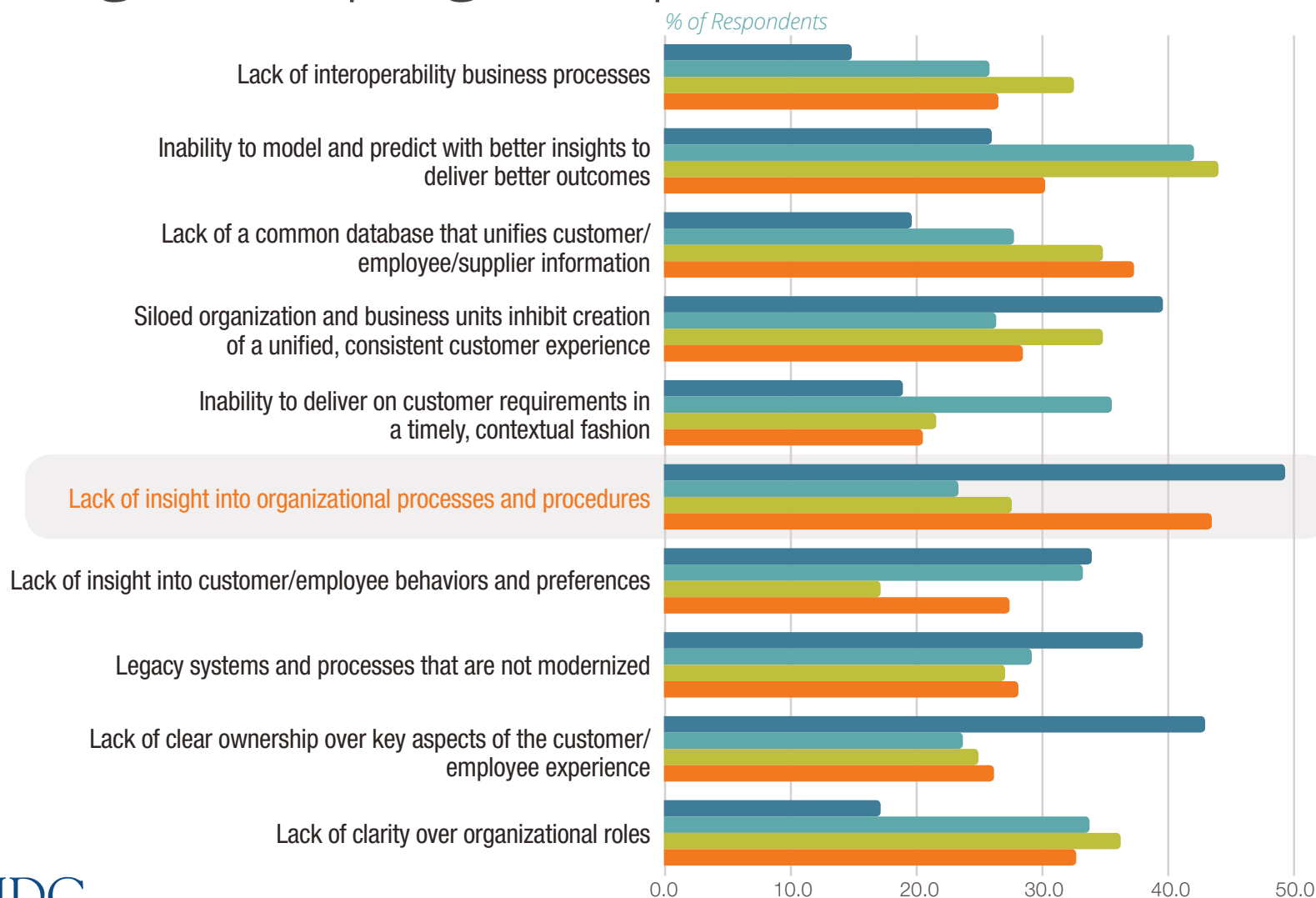
Best-run firms care about retaining all workers. They have the systems in place to ensure that everyone in their workforce is performing at top levels.



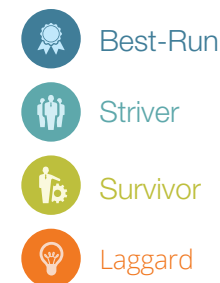
% of Respondents



Challenges Keeping Companies From Becoming Best-Run



HR from both *laggards* and *best-run* companies recognizes the need for greater insight into organizational processes.

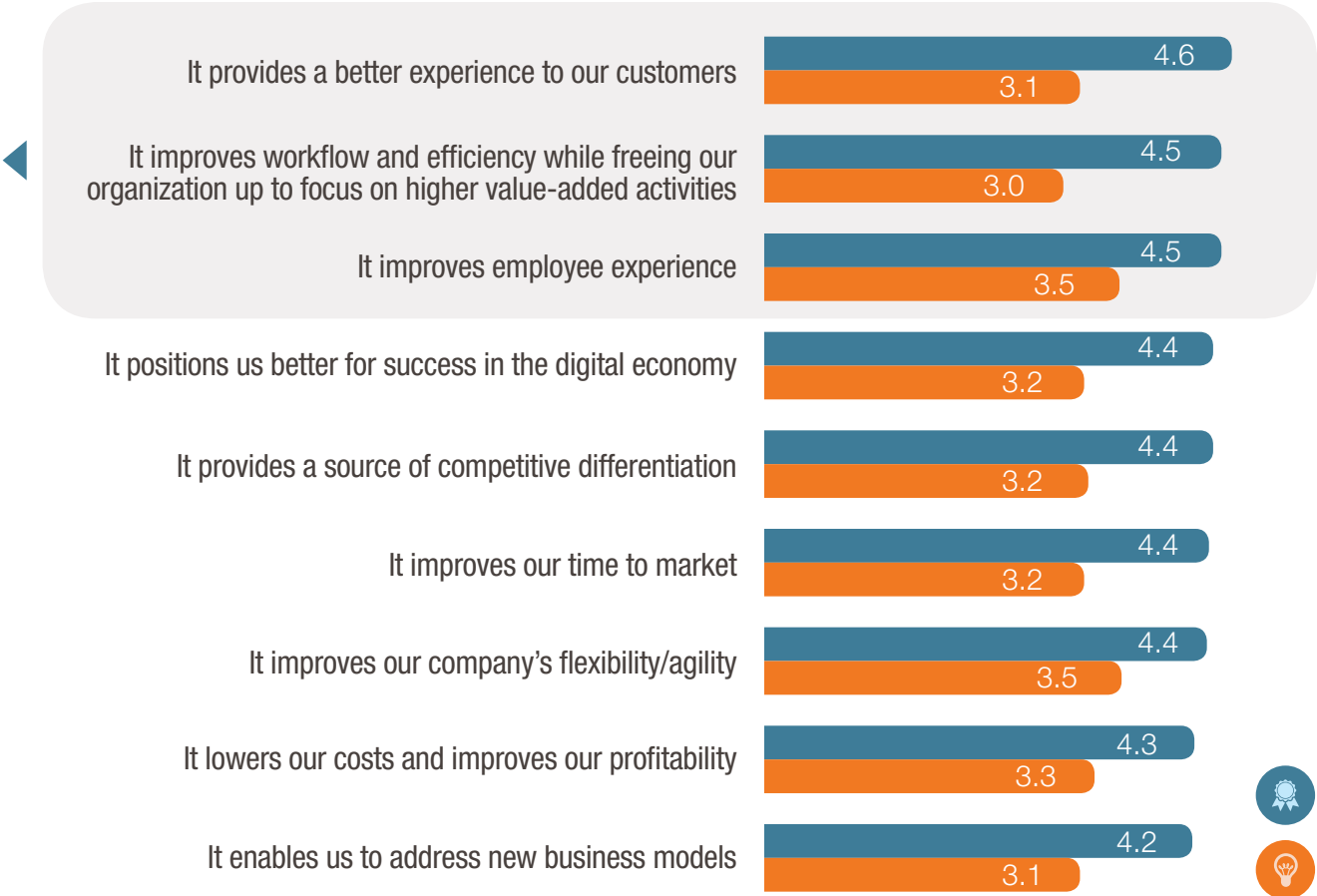


What Are the Benefits of Being a Best-Run Company?

HR in best-run companies recognizes that excellence:

- 1 Makes for a better customer experience
- 2 Improves overall efficiency
- 3 Results in a better overall employee experience

A satisfied and engaged workforce leads to satisfied customers.



Essential Guidance

HR plays a significant role in making a company a best-run company. A company's greatest asset is most often its people. Attracting and retaining the best people, training them to be their best, and measuring the impact of the workforce are hallmarks of best-run companies. Becoming a best-run company requires investment in developing higher-level enterprise intelligence and associated people, technologies, and practices. IDC recommends that HR in midsize companies focus on the following:



Brand isn't just for product sales. A company's corporate brand is also a significant factor in attracting job candidates. Everyone wants to work for a winning organization. It is incumbent upon HR to put the absolute best employment brand forward to compete in the new war for talent.



Empower employees to innovate: Treat innovation as a competency. Encourage, promote, and reward it.



What gets measured gets better: Workforce performance is at the forefront of business success. Excelling at data management and analysis isn't enough. Invest in people, technology, and processes that result in actionable data for decision-makers.



Promote communication and collaboration: Ensure a clear understanding of key metrics, key performance indicators (KPIs), and data across the total workforce (internal and external). A common language is a prerequisite for achieving data-driven initiatives.



Invest in modern technology: New, innovative technologies such as artificial intelligence/machine learning (AI/ML) and the Internet of Things (IoT) will form the basis of digital transformation platforms in the future.

Being “best-run” is not a destination, but a journey that will help sharpen business processes and improve competitive positioning.



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THE BEST RUN

