

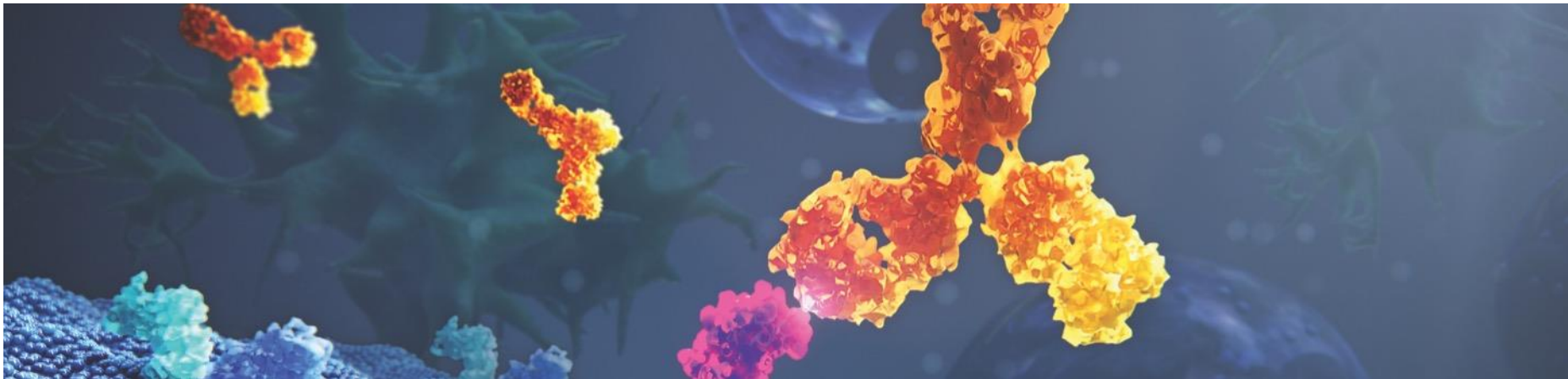
Driving HR in the digital world

Corporate Research Forum

Mike Taylor

VP – HR Services & HR Transformation Lead

7 March 2019



A global, science-led biopharmaceutical company



\$22.1bn

Total Revenue



\$5.9bn

invested in R&D
with research across
5 countries



64,600

employees



Manufacturing in

17

countries



149

Projects in clinical
development



More than

630

collaborations and
partnerships globally

Where we were in 2014



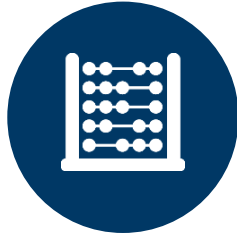
Disparate, localised,
unintuitive HR systems



Payroll accuracy
challenges



High demand on
business partners for
general queries



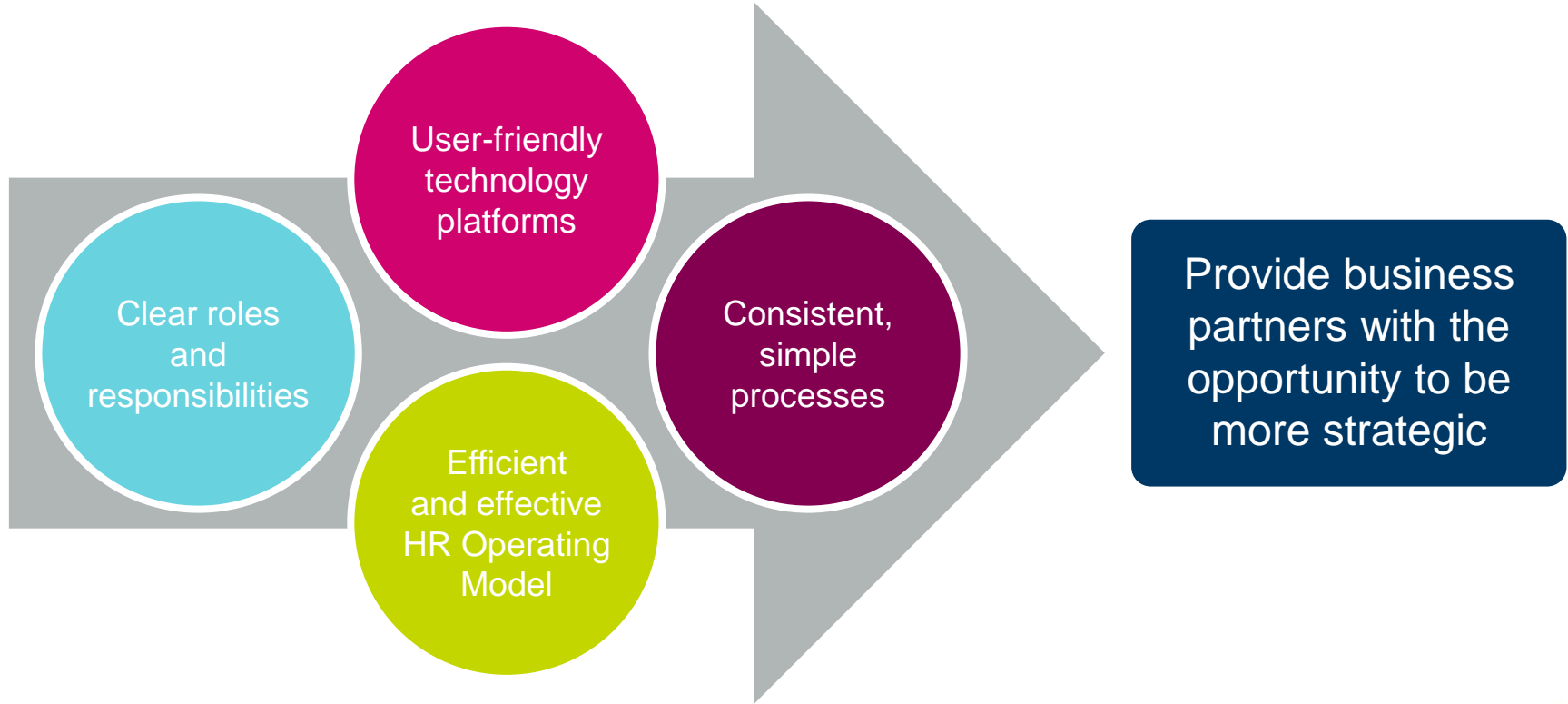
Reliance on
manual processes



Ineffective
HR Services function



What we wanted to achieve



Programme scope



Simplify and standardise global HR processes



Transfer HR query management from external vendor to in-house teams



Move to local payroll with global governance



Introduce MicroStrategy to support data-driven insights



Introduce Workday HCM, Time, Recruiting and Advanced Compensation



Implement Saba Cloud as global learning management system



Implement Fieldglass as global external resource management system



Increase strategic capabilities across HR



Design and adopt a new HR Operating Model and footprint



Promote and facilitate self service



Metrics



68
countries in
new payroll
relationships



52 countries
using Workday
Time

16 countries
with onshore
My HR Advisory
teams



18 countries
with dedicated
online HR portals



36,000 hours
saved annually
via technology
changes



80+ roles in **3** new
offshore HR centres



96.4% global
customer satisfaction

Over **350,000**
HR cases
raised in Service
Now



Global average payroll
accuracy
99.72%

Annual savings of
\$11.5 million
over payroll, service
and time



300,000+
applications
10,900
new hires

2018

3,550 internal hires



1 million+
courses completed in
Saba Cloud



The impact on AZ HR



Local and global HR teams - connecting, collaborating and delivering an enhanced service to customers via simplified and standardised...

Global processes

Global systems

Global case management tool

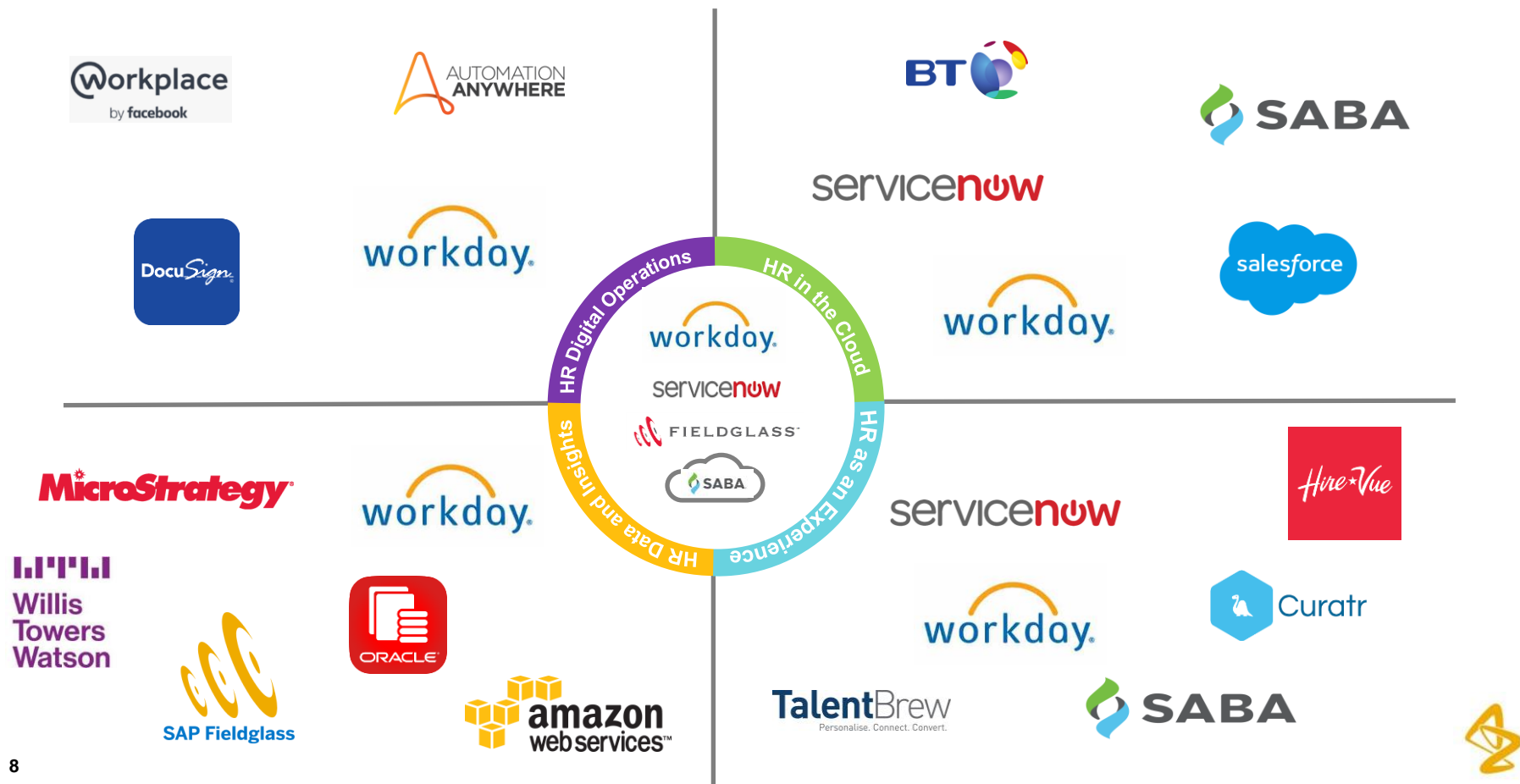
CIPD | People Management
Awards 2017

Winner

**Best International HR
Initiative**



Our HR technology landscape in 2018



HR digital opportunities in the headlines



Is Artificial Intelligence the new HR?

Artificial Intelligence (AI) often conjures up images of automation without human involvement yet in practice, this is never how it is used. While it offers the potential for great leaps forward in organisational processes, human intervention and decision-making are still required.

Despite this, misconceptions still exist. "Arriving at a precise definition of AI is challenging," says Damien Imhaas, Chief Technology Officer at Frontier Software. "But the common factor in each is an intention to enable computers to behave in ways that mimic human behaviour and intelligence."

And, if understood and wielded correctly, AI has huge potential within a business - offering benefits such as data assimilation and analysis, reducing human input, time and capacity for error. According to Deloitte's 2018 Global Human Capital Trends report, organisations agree that AI is very important, yet of the 72% of respondents acknowledging this only 31% are ready to embrace it.

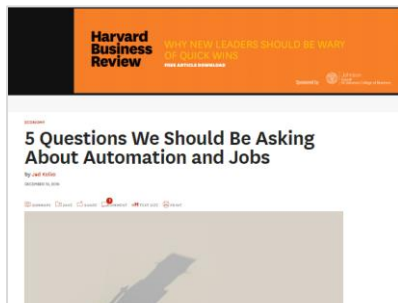
For many HR practitioners AI is a step too far. They view it as something that removes the 'human' from the HR equation and the relationship between AI and decision-making appears to be a focus of concern. Nonetheless, the reality is that AI is here to stay.

20 HR GRAVEYARD | DECEMBER 2018

"HR needs to acknowledge real embrace AI as part of the mix to supplement human interaction replacement." For managers, AI analyses of large data sets to be making. They can use AI to con planning and manual analysis, of their time, which can then be strategic and staff development. The impact on workforce coming is a future state that must be perceived as less important, so will impact the future needs of planning models must be up to possibility and impact of a future.

For those who see the importance, exaggerated, remember the goal was only released in 2007, spa resolution in its wake. Today, it's them. "Assuming that the pace a constant is a mistake," says H. Innes, so AI will leap forward a frame than that which brought.

To use it well, you've got to stay



The key to motivating senior leaders into acting on data is to turn those numbers into a narrative. HR professionals were told at the CPD's HR Analytics conference.

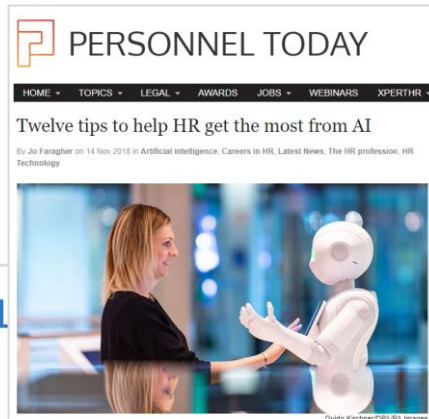
Kim Saunders, senior people analyst at the Office for National Statistics (ONS), urged HR departments to "create a crisis" by turning people data into a compelling story that grabs senior attention and drives effective change.

Speaking at the event in London this week, Saunders said presenting information alone was not enough to catalyse positive action, and she urged fellow HR professionals to constructively analyse data and other information by using it to show what was failing, who was being impacted and what the root causes were.

"Statistics create information [while] analytics provide insights you can act on. Statistics become analytics when we give them a narrative, so motivate senior leaders by creating a crisis," she said. "You create crisis and you create change. Show, for example, how engagement is being affected."

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PM INSIGHT



HR needs to shift its mindset if organisations are to reap the benefits of artificial intelligence, according to a white paper from the Institute of Employment Studies.

The paper gathers evidence from a plethora of research on the impact of AI on HR and concludes that so far, the function has been too slow to take full advantage of advances in technology.

According to author Peter Reilly, principal associate at the IES, HR needs to adopt a 'service now' climate and become more proactive in engaging with change, because this is what senior leaders expect.

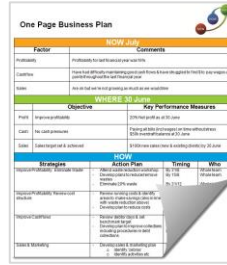
HR might miss the bus unless it identifies the organisational destination



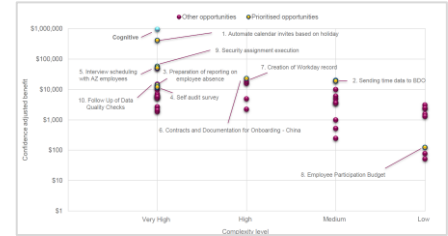
Our approach to Robotics Process Automation (RPA)



7 workshops
40+ participants
55 opportunities



46 opportunity cards
for initial review



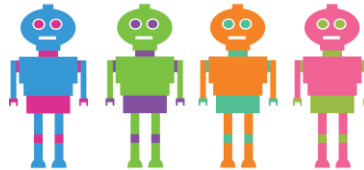
Top 11 identified based on
complexity, savings potential,
functional spread



Further refinement led
to final **6** improvements



BAU model to create a
sustainable pipeline of
opportunities



4 RPA improvements
deployed in Q4 2018



Learnings from previous unsuccessful pilots



- Deployed two pilots :
 - Payroll reports generation
 - Employment verification



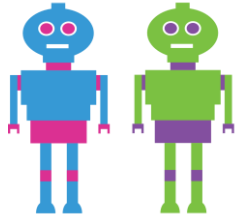
- Both failed and didn't meet expectations
- Negligible time savings for HR
- Minimal impact on the employee experience



- Identifying accurate saving metrics is key
- Ongoing investment in HR technology can impact your RPA pipeline

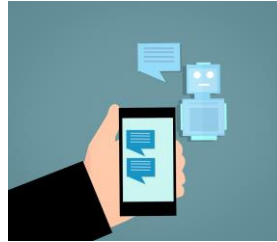


2019 focus areas



RPA opportunities

- Automating aspects of our joiners, movers and leavers processes
- Implementing Textio solution to create more engaging and understandable job vacancy postings



Chatbots

- Helping candidates find a suitable role quickly and easily via a chatbot



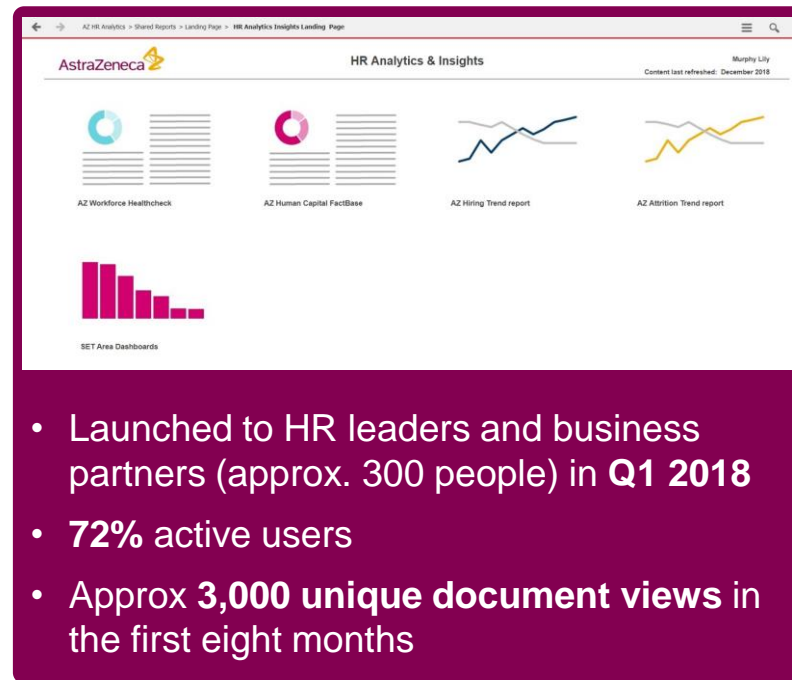
Natural language generation

- Analysing workforce data and delivering dashboard commentary that's meaningful, understandable and drives action



Enabling data-driven decision making within AZ HR

- AZ's technology platform for workforce analytics
- Sources data directly from Workday and combines this with other data sources
- Provides workforce insights relating to organisation structure, demographics and diversity, hiring and turnover
- More to come in 2019



Advancing our workforce analytics capability



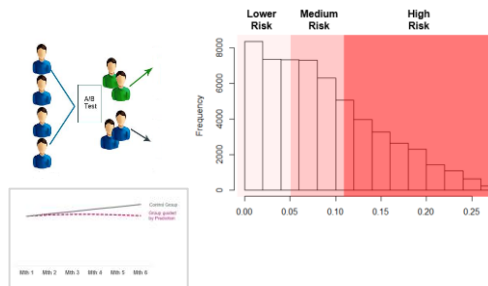
Predictive analytics: Employee turnover

- Understand the impact of employee turnover in an AZ manufacturing site
- Define the impact of employee turnover on quality assurance performance
- Analysis indicated (on average) a 0.5pp increase in monthly turnover leads to a 9-12pp worsening of the quality assurance KPI



Predictive analytics: Flight risk

- Machine learning has enabled us to understand the important variables to predict resignation risk
- Enabled us to identify high-risk groups in our workforce by calculating consolidated effect of variables



Summary



- Challenging to find strong examples
- Identify accurate saving metrics to measure the value of the solution
- Pilot new solutions and technologies
- Be bold and expect to be unsuccessful
- Perseverance is key – embrace the learnings from your failures
- Forge collaborative relationship with IT



questions and comments



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