



Sierra-Cedar

**The Public Debut of the
Sierra-Cedar 2014–2015
HR Systems Survey Results
17th Annual Edition**

October 9, 2014

Stacey Harris, continuing Vice President, Research and Analytics
[@StaceyHarrisHR](#)

Lexy Martin, past Vice President, Research and Analytics
[@LexyMartin](#)

Key Themes for 2014–2015 Survey Results

Foundation

Cloud HRMS



User Experience



WFM + TM + BI



Strategy and Culture

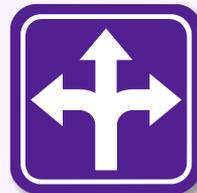
HR Tech Strategy



Enterprise
Integration Strategy



Culture of Change



Innovation

Social



Mobile



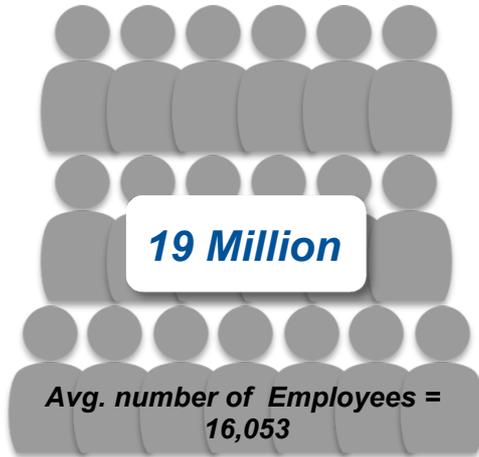
Quantified Organization



Sierra-Cedar 2014–2015 HR Systems Survey

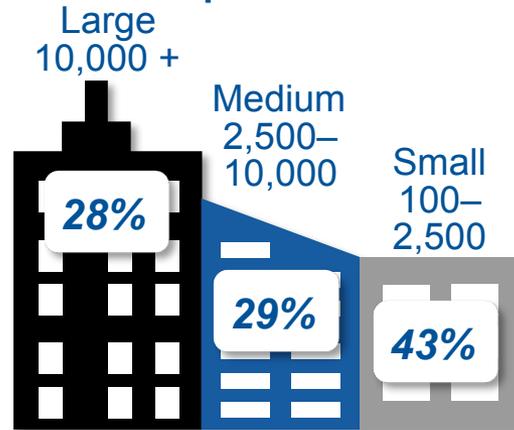
Demographics: All Respondents

Total Workforce Represented

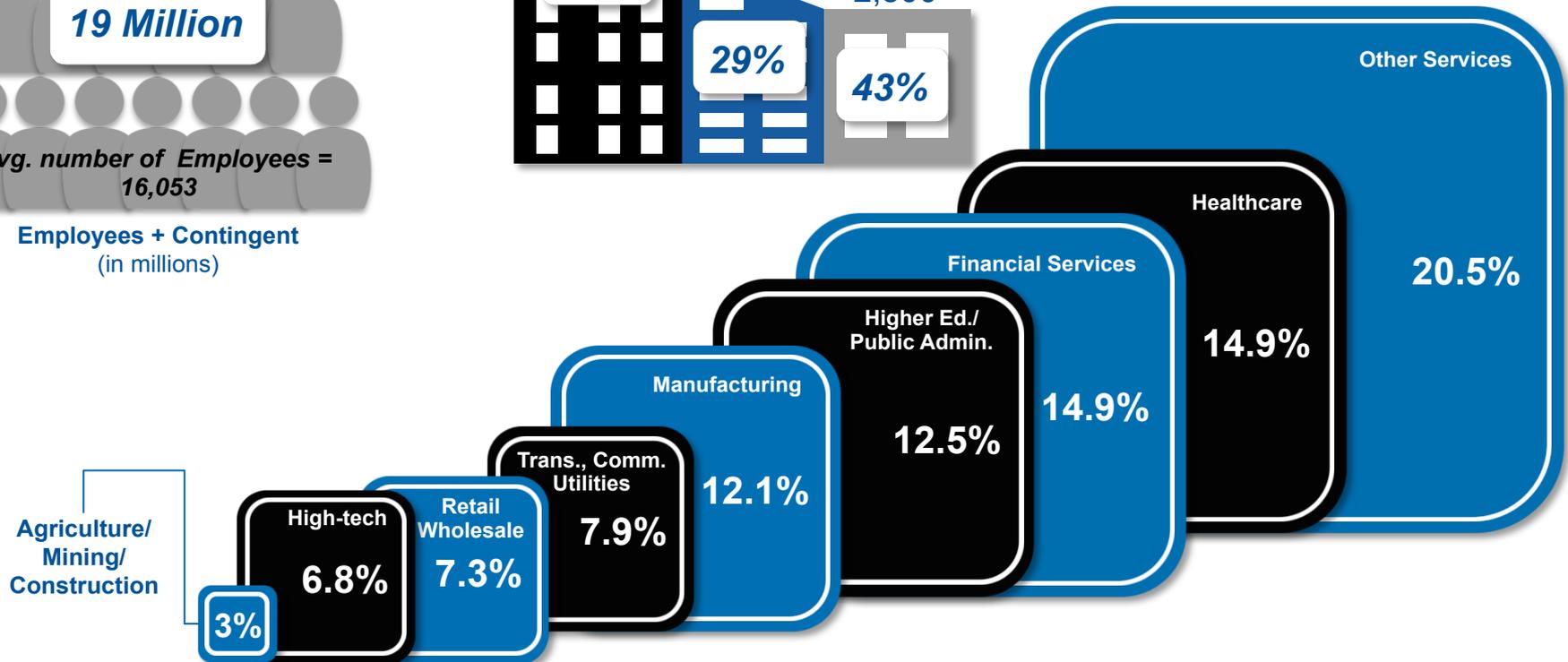


Employees + Contingent
(in millions)

Organization Sizes Represented

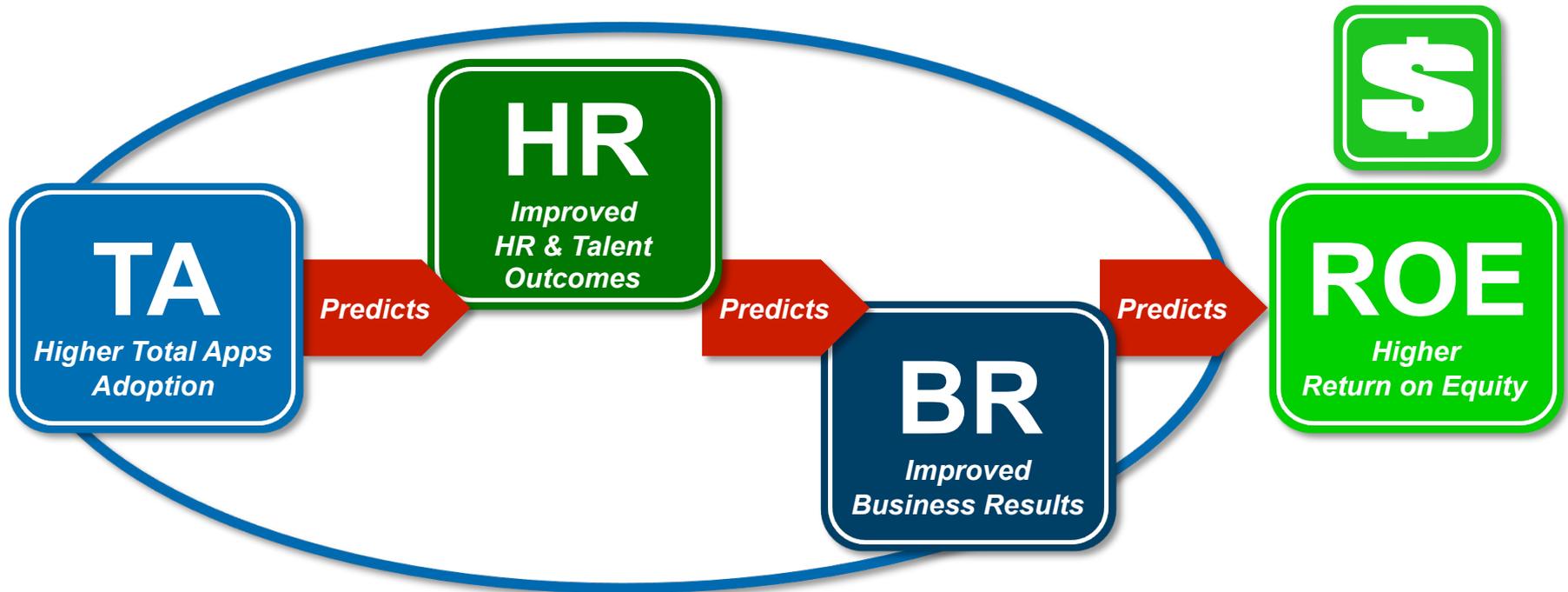


1,063
Organizations



HR Technology Adoption Value Chain Model

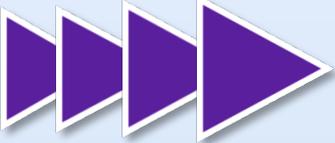
Linking HR Tech to HR/Talent and Business Outcomes to Financial Value



HR Technology application adoption is indirectly related to improved organizational results (Competitive Advantage and Market Share) through improved HR and talent outcomes (improved Cost Efficiency, Decision Making, Employee Engagement, Developed Workforce, Talent Retention) and linked to improved financial performance (ROE).

Introducing the “Quantified Organization”

An Environment of Data-driven Decision Making

	Quantified Organization	Not Quantified
Better BI Process Maturity 	BI Process Maturity 3.2 Effective	BI Process Maturity 1.8 Efficient
More Manager Access to Analytics 	Managers with BI access 74%	Managers with BI access 20%
More Data Sources 	BI Sources 4.8	BI Sources 2.4
More Categories of Metrics 	Metrics Categories Tracked 4.2	Metrics Categories Tracked 2.8

Quantified Organizations Outperform!

They Have 79% Higher ROE than Non-QOs

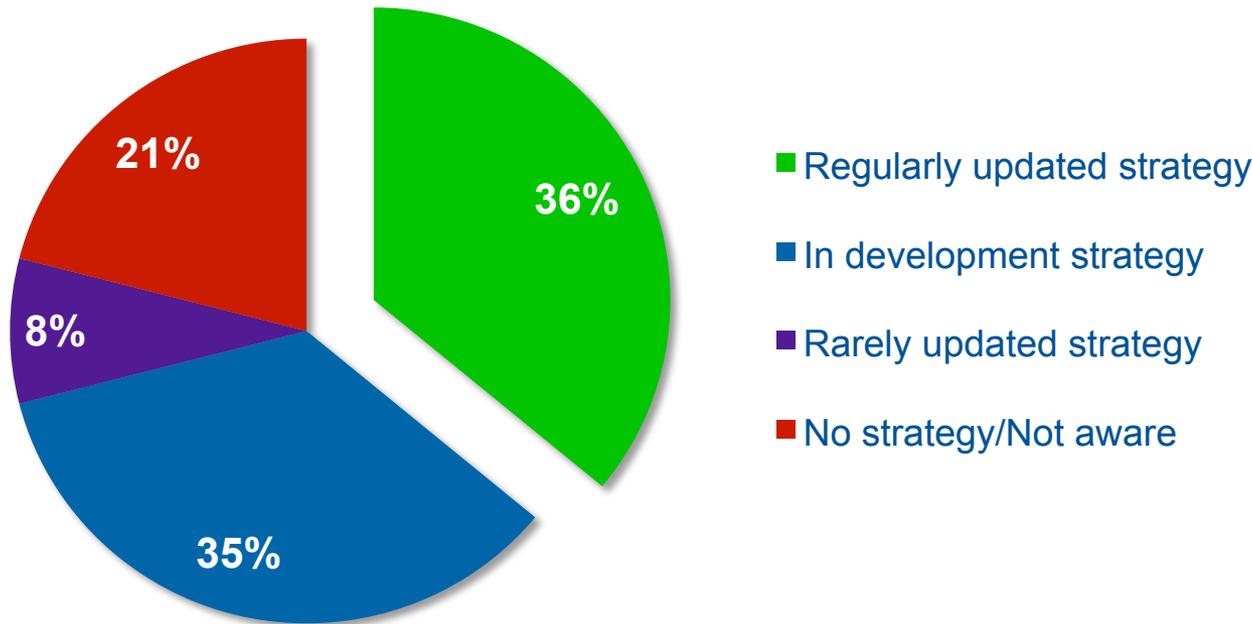
	Quantified Organization	Not Quantified
Return on equity measures an organization's success at generating profits from every unit of shareholders equity, such as that allocated for HR technologies. A company that earns an ROE in excess of its cost of equity capital adds value.	ROE 18%	ROE 10.1%



An Enterprise HR Systems Strategy

Our Top Performers Do. Do You Have One?

Percentage of Organizations With a Current Enterprise HR Systems Strategy



Sierra-Cedar HCM Application Blueprint

General Ledger, Purchasing, Budgeting, T&E

Vendor Management

FIN

VMS

Enterprise Content

Enterprise Social

Enterprise Workflow

Service Delivery

HR Help Desk, Portal, Workforce Lifecycle Management (Onboarding)

- Administrative Excellence
- Service Delivery Excellence
- Workforce Management Excellence
- Talent Management Excellence
- Workforce Optimization Excellence

Self Service/Direct Access

Employee Self Service
Manager Self Service

Administrative Apps

Core HRMS, Roles/Competencies (Profile Mgt.), Payroll, Benefit Admin, Embedded HR Analytics, Embedded HR Social

Workforce Management

Time & Labor, Absence & Leave Management, Labor Scheduling, Labor Budgeting, WFM Analytics, Social

Workforce Optimization

Workforce Planning, Workforce Analytics, Predictive Analytics

Talent Management

Recruiting, Performance, Learning, Compensation, Succession, Career, Talent Profile, Talent Analytics, Social

Business Intelligence Foundation

Reporting/visualization and BI tools

CRM

Network Security

Mobile Access

SOA, API, ETL

Integration Platform

Projects

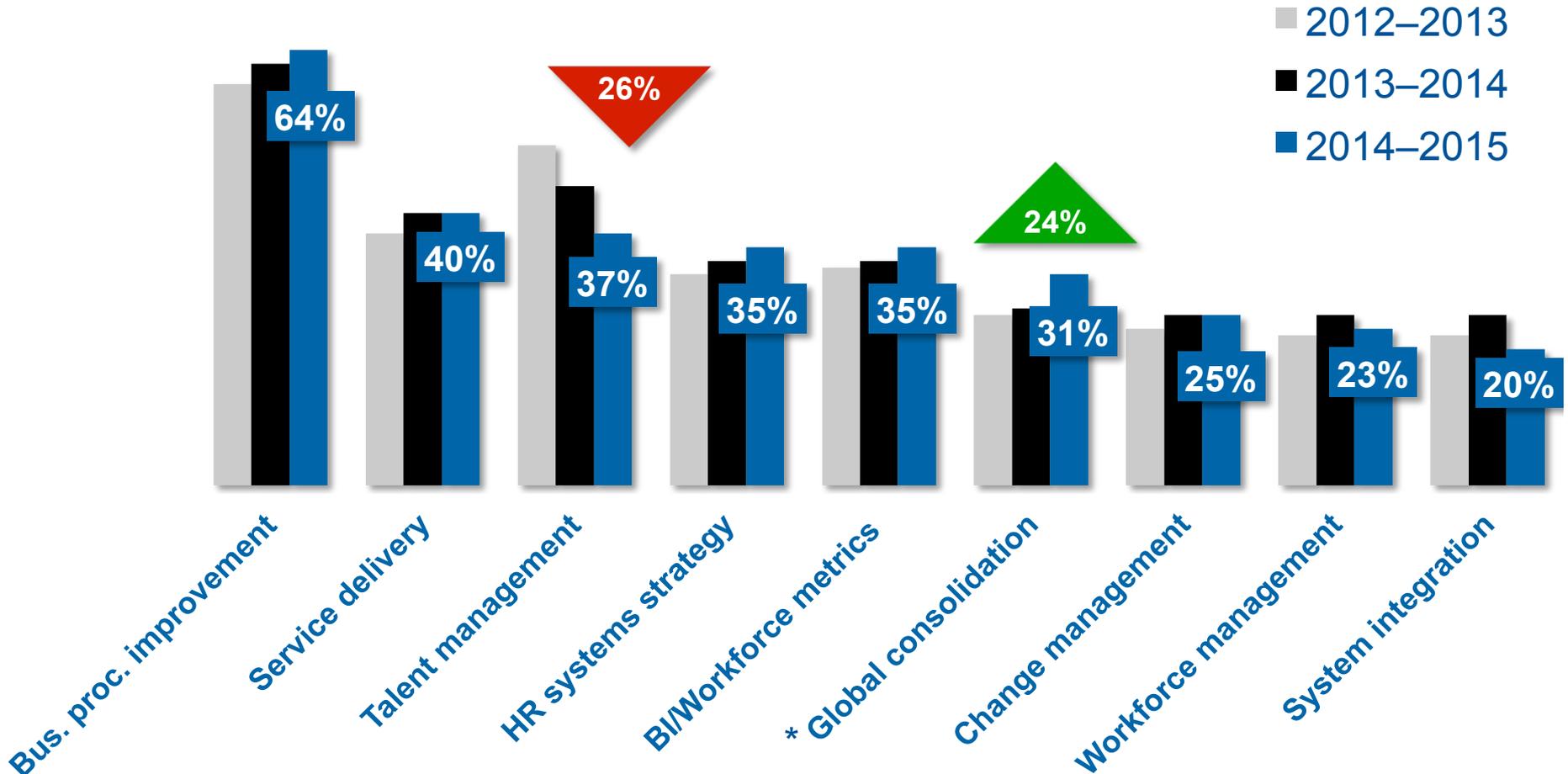
Backlog, Pipeline, Customer Satisfaction

Project Costing, Contracts, Grants

2014–2015 Three-Year Look at HR Initiatives

Energy on BPI, Service Delivery, Global; Declining Focus on Talent Mgt.

Major Initiatives – Three Year View



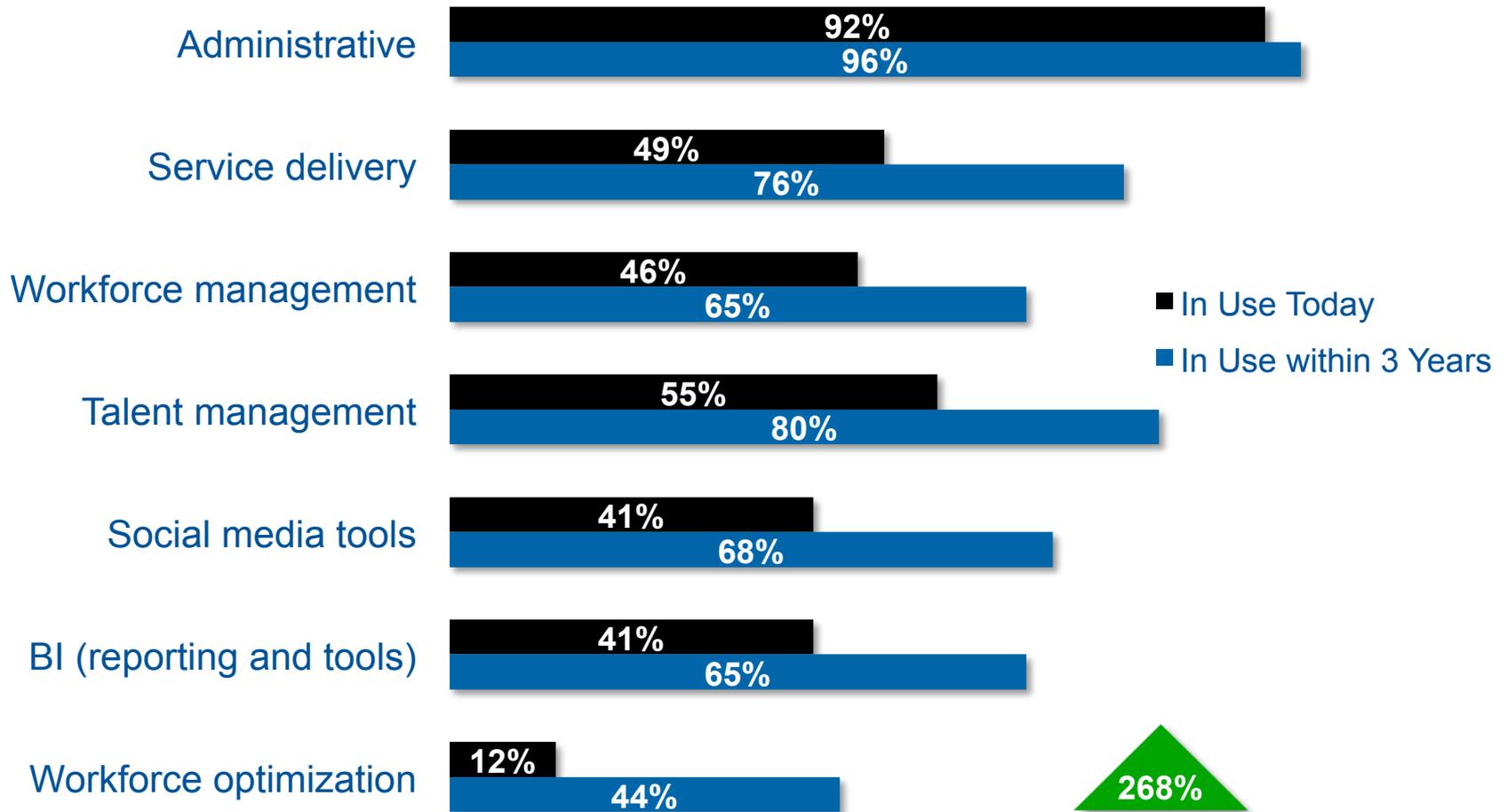
n=823

* Global Organizations Only

2014–2015 Three-year Adoption Outlook

Looking Forward, Workforce Optimization Will Be Hot!

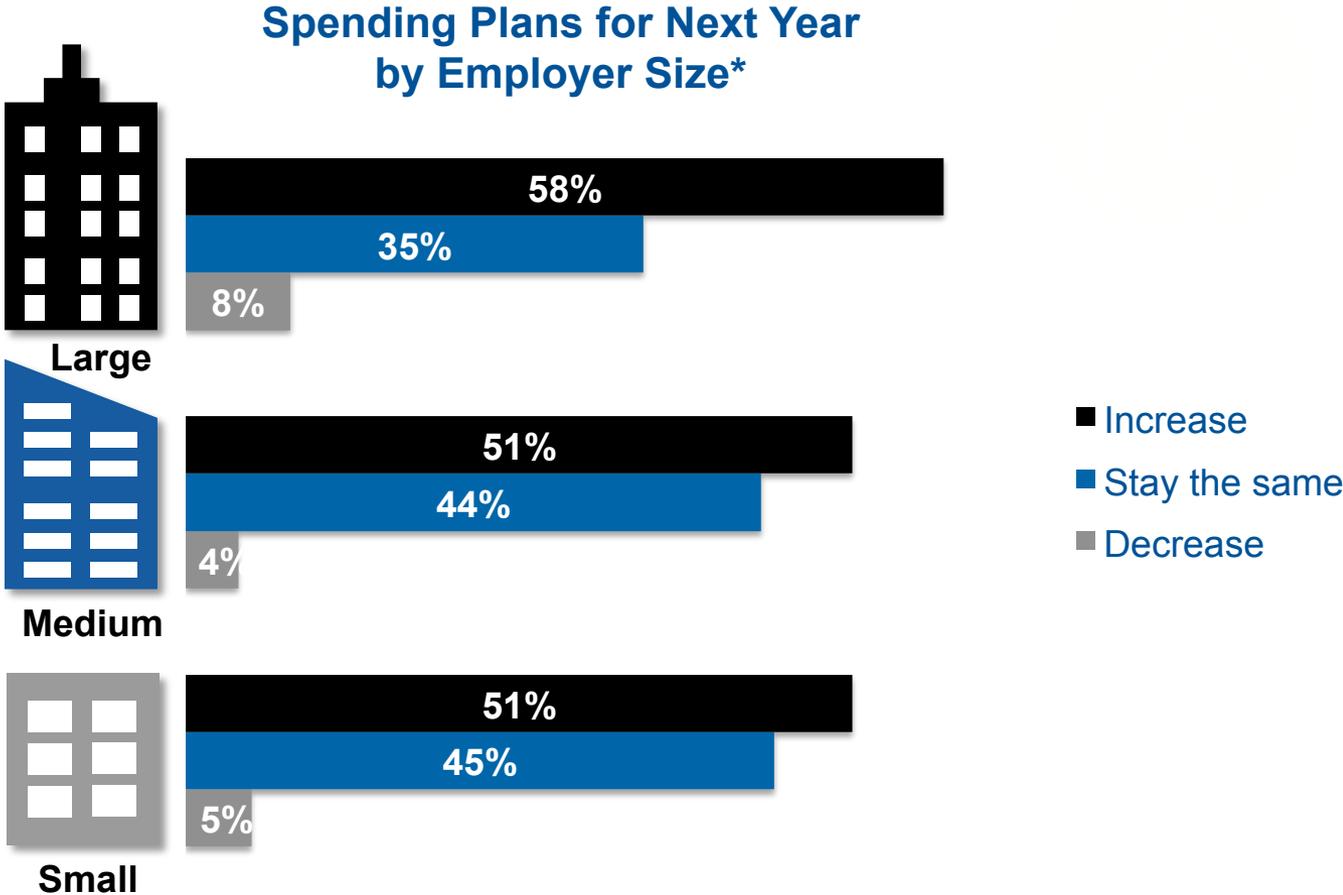
Three-year Application Outlook



n=648

2014–2015 HR Tech Spending Outlook

Over 50% of Survey Respondents Will Increase Spending Next Year

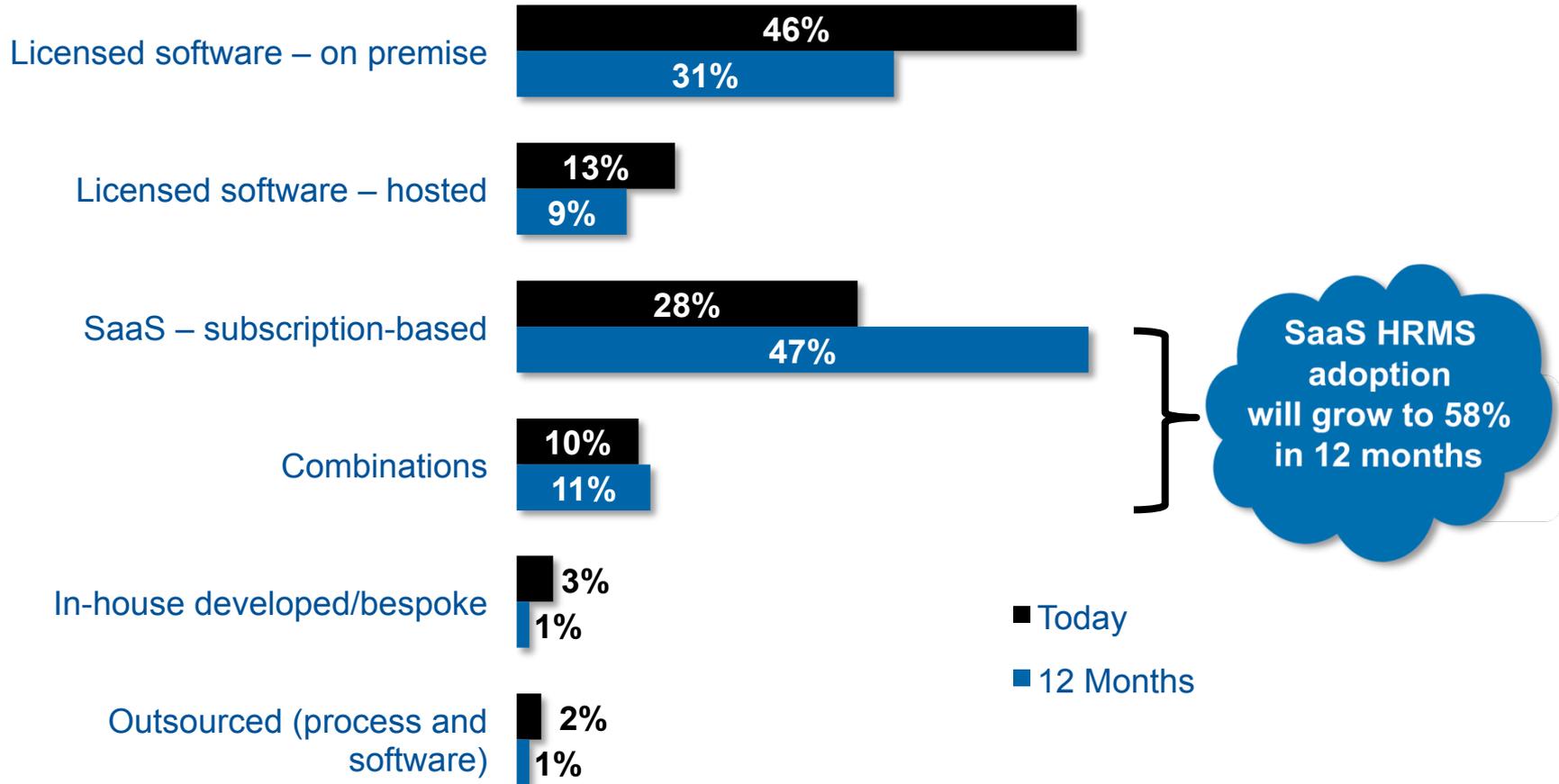


*Large = 10,000+; Medium = 2,500–10,000; Small = <2,500

2014–2015 HRMS Deployment Models

SaaS HRMS Deployments Will Overtake Licensed Next Year

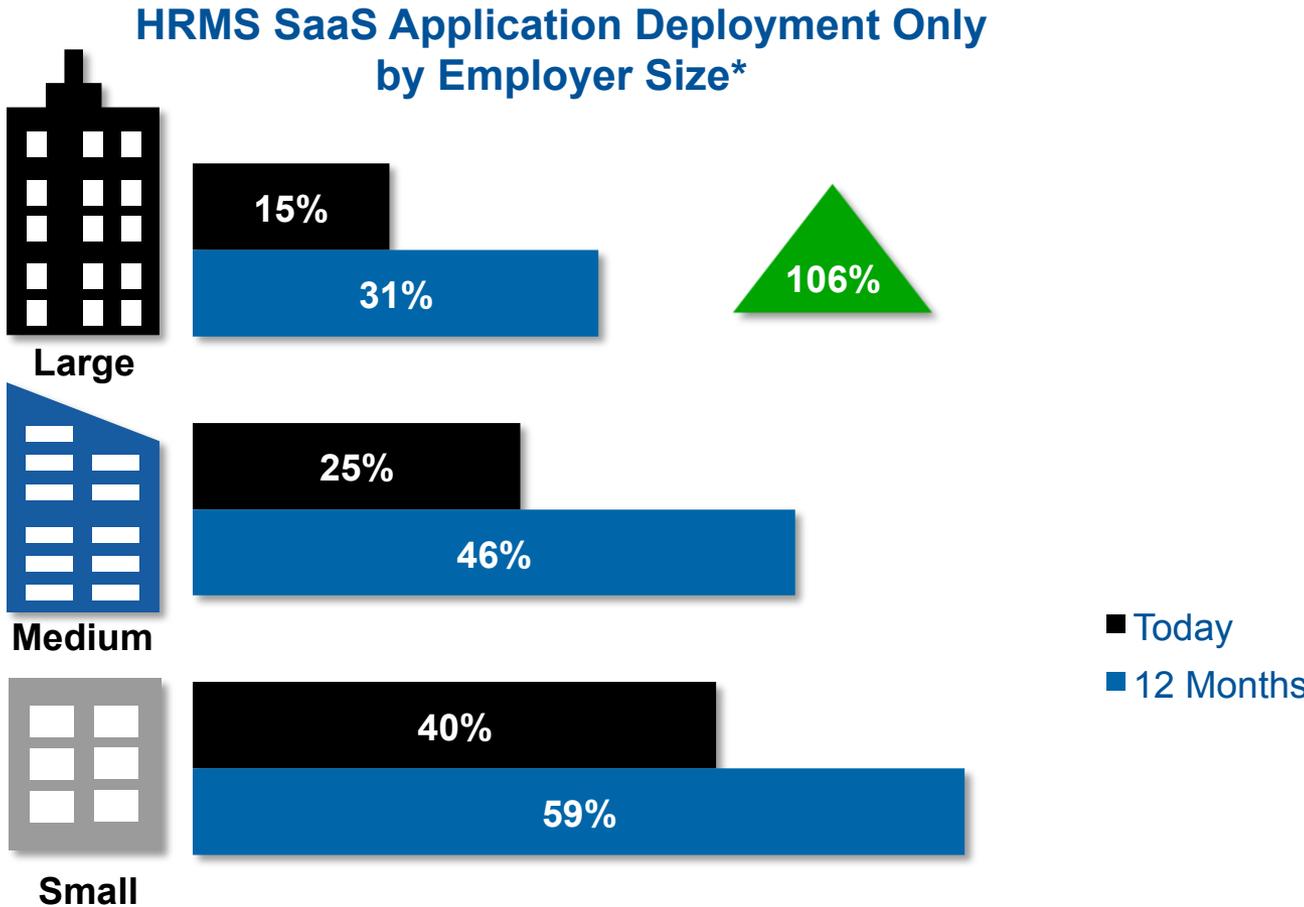
HRMS Application Deployment Only



n=602

2014–2015 HRMS Deployment Models

Large Organizations* Will Double Their SaaS HRMS Adoption Next Year

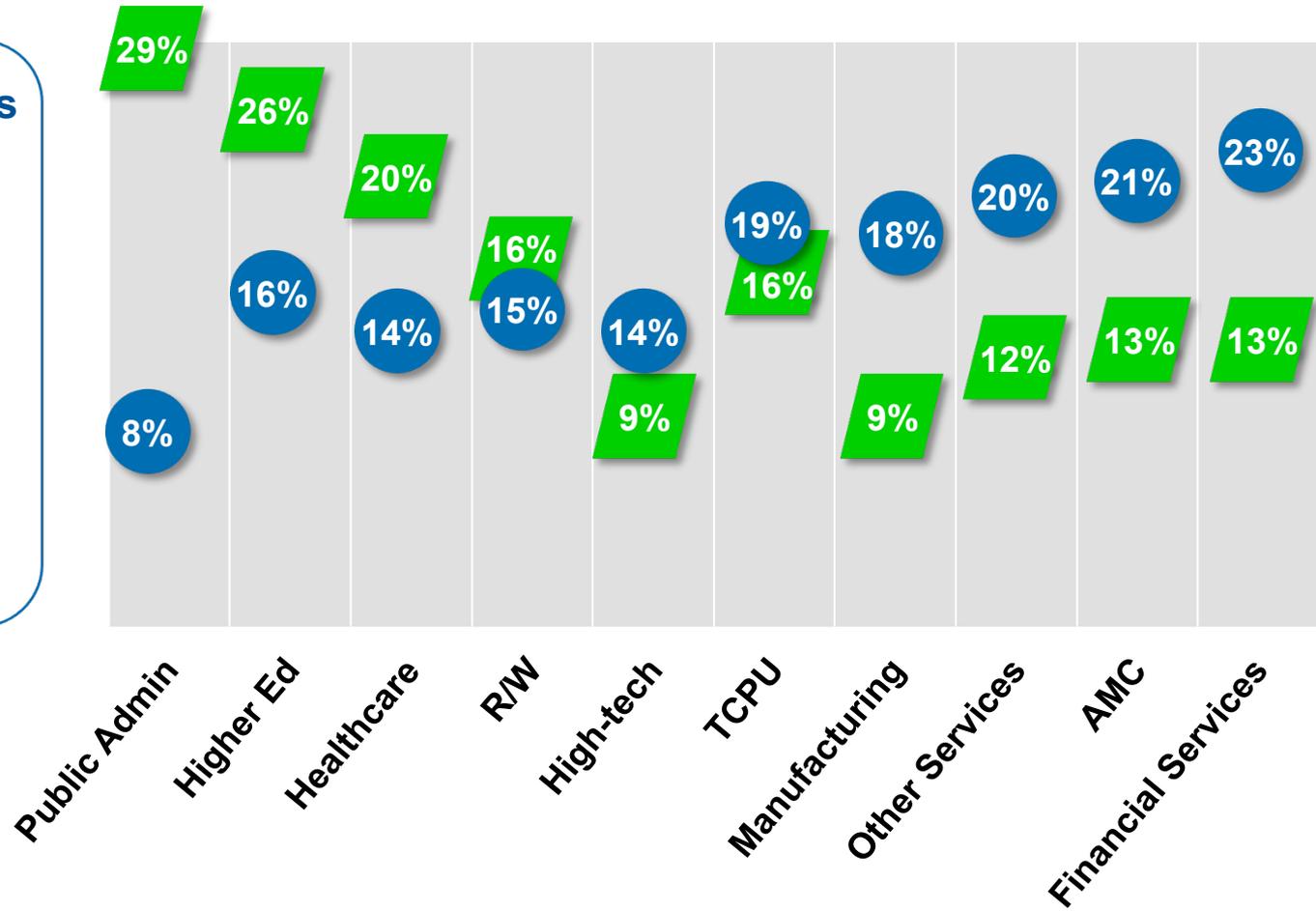
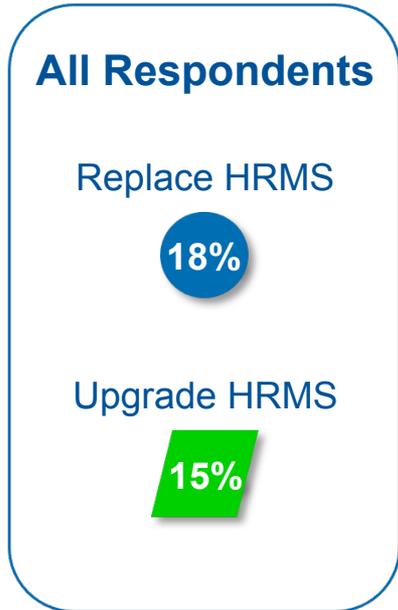


*Large = 10,000+; Medium = 2,500–10,000; Small = <2,500

More HRMS Replacement Initiatives

With Variations by Industry

Upgrade vs. Replacements by Industry



n=823

Legacy HRMS Respondents Change Plans

Today's HRMS Environment

- 59% are legacy solutions (licensed on premise and hosted)
- 66% of legacy HRMS's are **NOT** on the current version
- The average time since upgrade for legacy HRMS's is 4 years

22% of all HRMS Respondents are Changing their HRMS

- 35% **Single Legacy HRMS** environment
- 32% **Multi-vendor HRMS** environment
- 33% Cloud to Cloud, Homegrown to Vendor, etc.

Single Legacy HRMS Changes (avg. employee size 7,592)

- 1/3 Moving to Workday
- 1/3 Moving to other single cloud solution
- 1/3 Evaluating cloud slate



Multi-vendor HRMS Changes (avg. employee size 22,043)

- 1/3 Moving to all major single cloud solutions
- 1/3 Evaluating cloud slate
- 1/3 Consolidating (most often keeping an existing on premise solution)

HRMS Vendor Landscape

12 Month Plans Indicate Increased SaaS Adoption

HRMS Vendor Outlook Overall

	Overall	
	Today	In 12 Months
Oracle PeopleSoft	27%	24%
ADP	20%	16%
Ultimate Software (UltiPro)	11%	11%
Kronos	11%	9%
SAP*	9%	8%
Infor/Lawson	9%	8%
Workday	6%	15%
Oracle EBS/JD Edwards	7%	7%
Ceridian HR	5%	3%
SumTotal/Softscape/Accero	4%	4%
SuccessFactors Employee Central	3%	6%
Oracle HCM Cloud (Fusion)	2%	4%
Ceridian Dayforce HCM	2%	3%
Other	13%	13%

* SAP adoption underrepresented

** Columns do not add to 100% as organizations have multiple solutions in use

Colored cells indicate greater than 5% gain in 12 months.

 +5% loss

 +5% gain

n=497

#1 Reason For Moving is User Experience!

How Are Vendors Doing?

1 = **Poor**: not user friendly, excessive steps, limits use

2 = **Acceptable**: workable but requires training to use

3 = **Excellent**: intuitive, user centered design, effectively promotes use

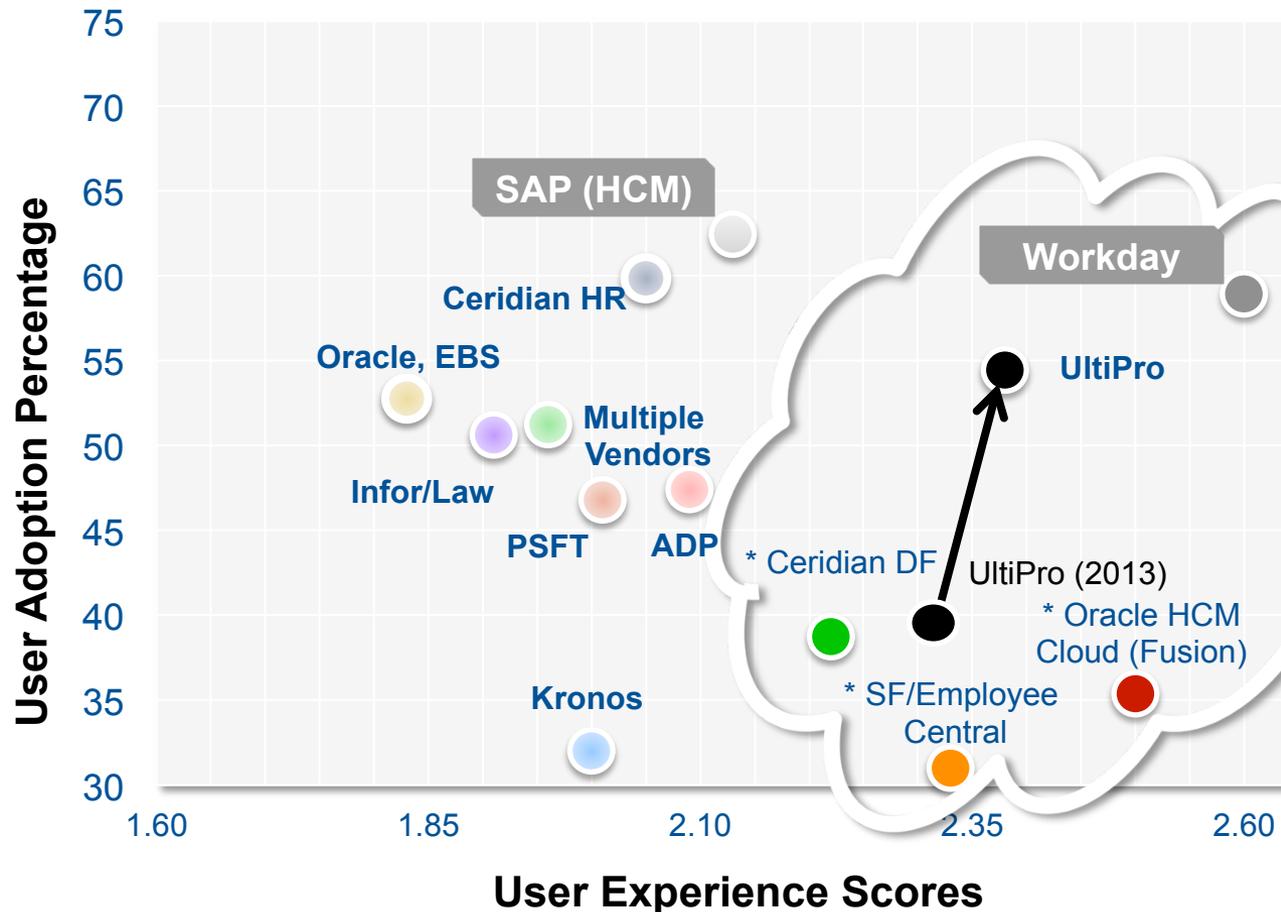
And, why is it is such a big deal?

It's about driving user adoption,
so both employees and the organization
get the most value from the solution!

User Adoption Level by User Experience Scores

Higher User Experience Scores with Newer Cloud Solutions

HR Management System
Manager User Adoption and User Experience



UlitiPro:
Manager adoption, increased by 47% from last year.

Organizations with new cloud solutions will see increased adoption levels quickly.

* Sample Size Small, Indicative Data Only

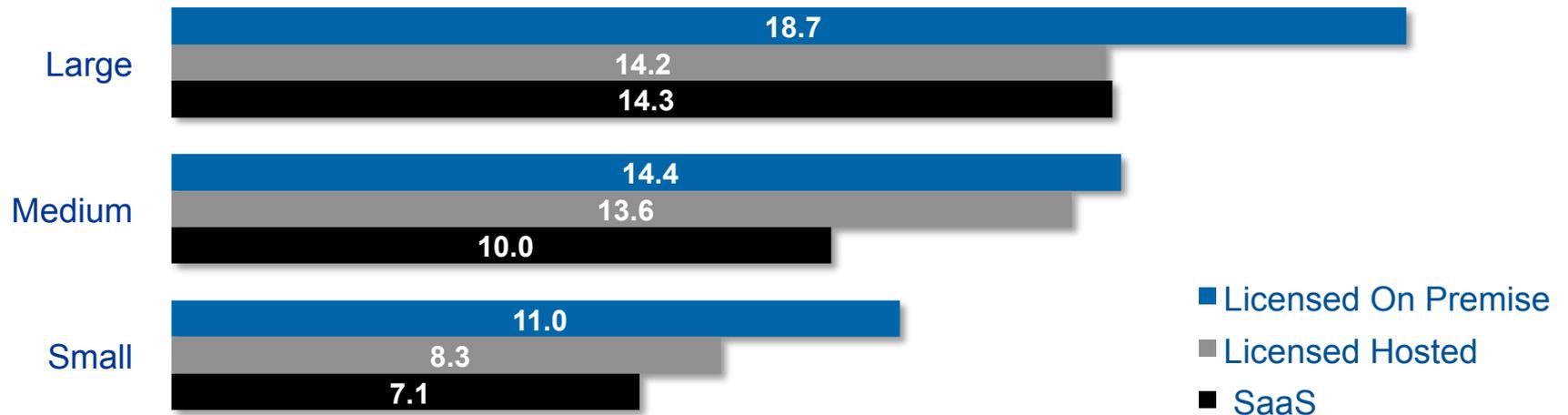
n=389

SaaS Takes Less Time to Deploy

Length of Time for New HRMS Deployments



Time for New Deployment for an HRMS by Size of Organization* in months



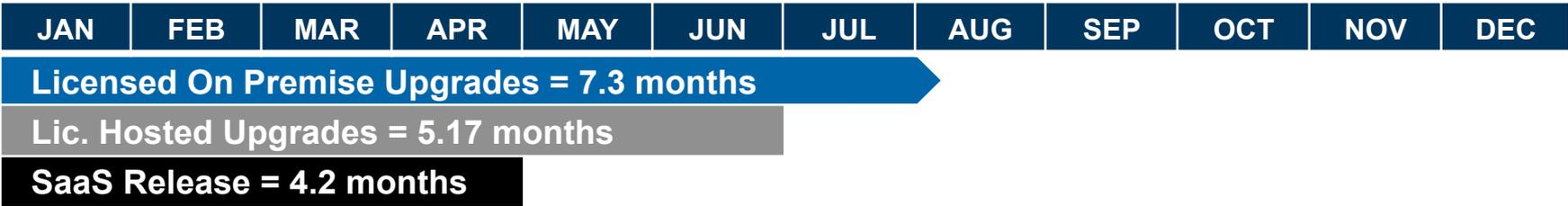
*Large = 10,000+; Medium = 2,500–10,000; Small = <2,500

n=536

Average Time for Upgrades and Releases

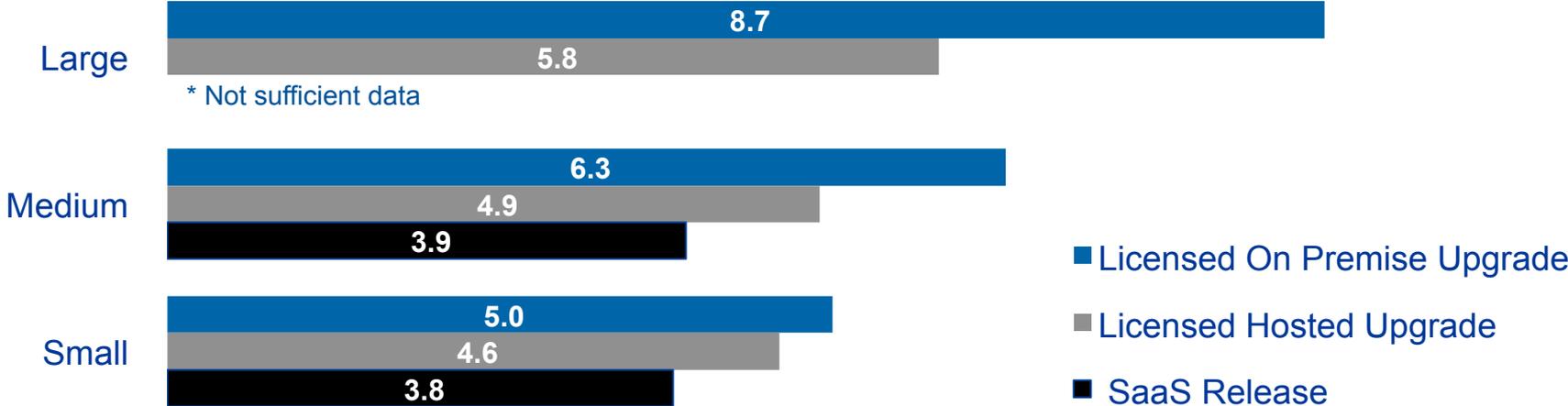
SaaS Continues to Provide Faster Speed to Benefit

Length of Time for HRMS Upgrades/Releases



Time for HRMS Upgrades/Releases by Size of Organization*

in months



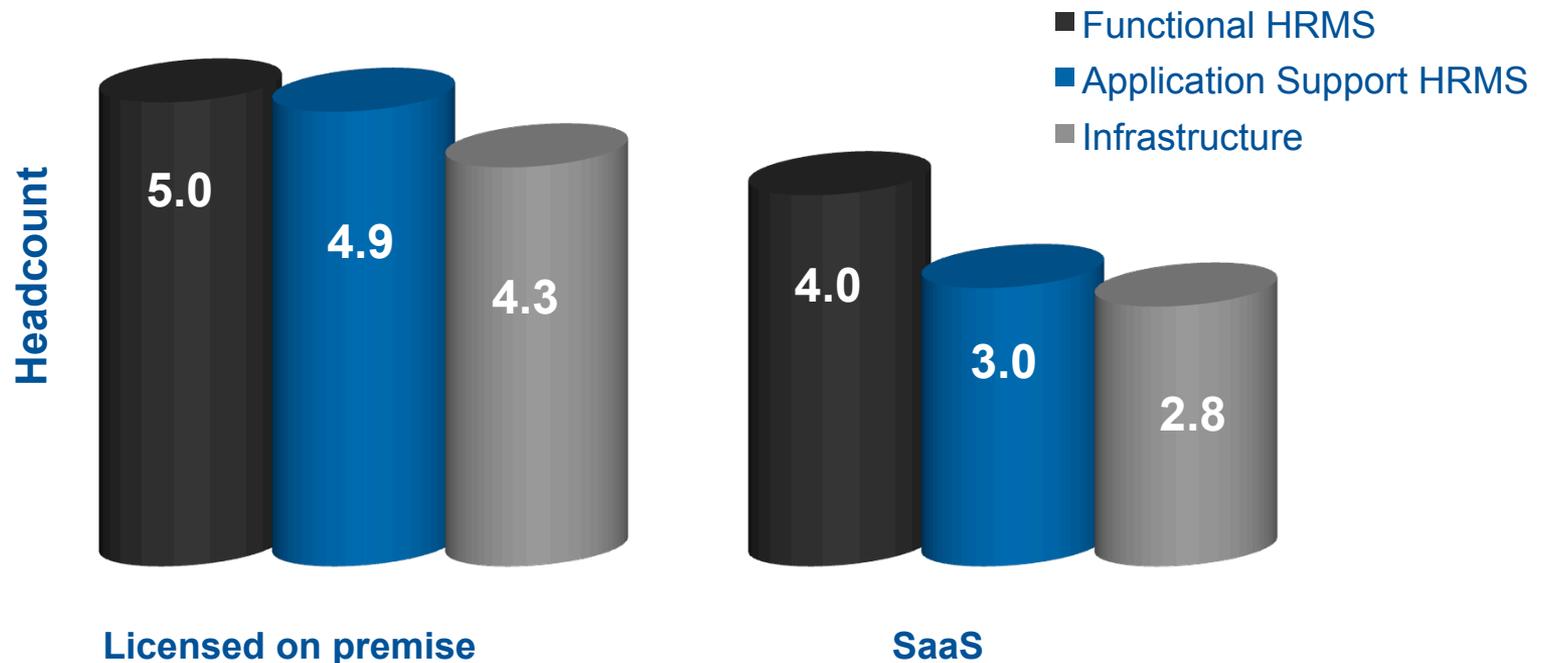
*Large = 10,000+; Medium = 2,500–10,000; Small = <2,500

n=536

SaaS Takes Less Resources

Requires Fewer Total HR Technology Headcount than Licensed Solutions

HRIT/IT Headcount by Deployment Type*



*All Licensed on premise and SaaS respondents from organizations with average of ~11,000 employees plus contingents served by the HRMS

SaaS advantage holds true across small, medium, and large organizations. It is best to benchmark for your size and industry.

Expenditures are Complicated

Benchmarking is Necessary!

HRMS Technology Costs * (per employee)**

Licensed On Premise Current Year	Licensed On Premise Next Year	SaaS Current Year	SaaS Next Year
\$134	\$148	\$132	\$132

External Costs Paid to Consultants/or Vendor (per Employee)** for Implementation Costs

Licensed On Premise Current Year Implementation ***	Licensed On Premise Next Year Implementation ***	SaaS Current Year Implementation ***	SaaS Next Year Implementation ***
\$41	\$39	\$47	\$67

External Costs Paid to Consultants/or Vendor (per Employee)** for Ongoing Support

Licensed On Premise Current Year Ongoing Support****	Licensed On Premise Next Year Ongoing Support****	SaaS Current Year Ongoing Support****	SaaS Next Year Ongoing Support****
\$34	\$14	\$22	\$24

*License plus maintenance for licensed on premise; annual amount paid to vendor for SaaS

**From licensed on premise and SaaS respondents with an average of ~11,000 employees plus contingents served by the HRMS

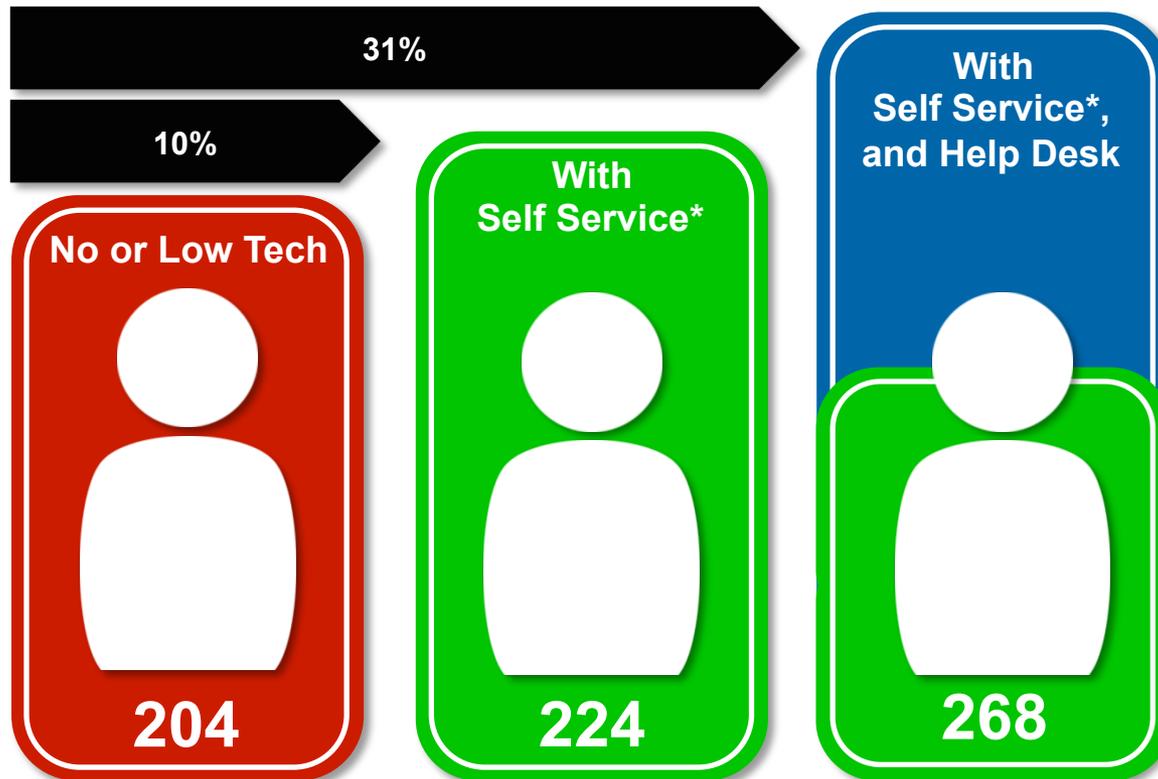
*** Implementation, upgrade, and/or change management

**** Ongoing support for HRMS

Value of Service Delivery Technologies

Enable Serving More Workforce per HR Administrative Staff

Employees Served by
HR Administrative Headcount***



*With Self Service: Employee and manager self service applications serve 60% or more of employees and 50% or more of manager populations

***HR Administration is calculated with headcount

n=160

Why Add Mobile to Service Delivery Tech?

Higher HRMS User Experience Scores

HRMS User Experience Scores**
by Service Delivery Model



49% increase in user experience scores with combined self service, help desk, and mobile technologies.

*With Self Service: Employee and manager self service applications serve 60% or more of employees and 50% or more of manager populations

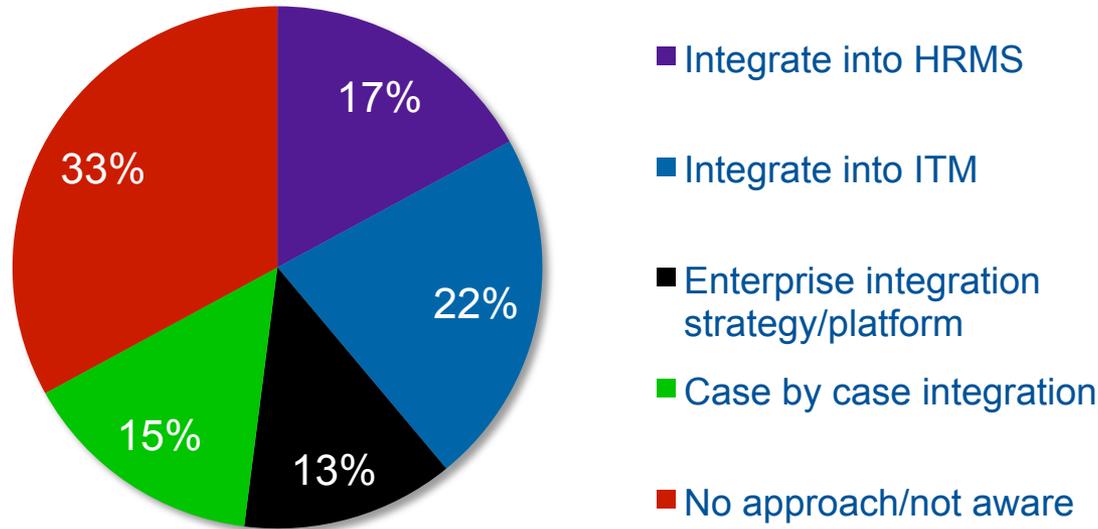
**User experience scores based on a three point scale: 1 = Poor, 2 = Acceptable, 3 = Excellent

n=158

HR System Integration Approaches

Early Indication that Enterprise Integration Strategy (EIS) is Valuable

Primary Approach for HR Application Integration



Respondents with an Enterprise Integration Strategy Are Using

- 45%: on-premise solution (Oracle SOA, WebSphere)
- 23%: platform as a service solution (PasS – Dell Boomi, MuleSoft, Informatica)
- 20%: hybrid solutions
- 12%: not aware

n=494

Top Adopters of WFM, TM, and BI

Achieve Higher Outcome Scores and Higher ROE



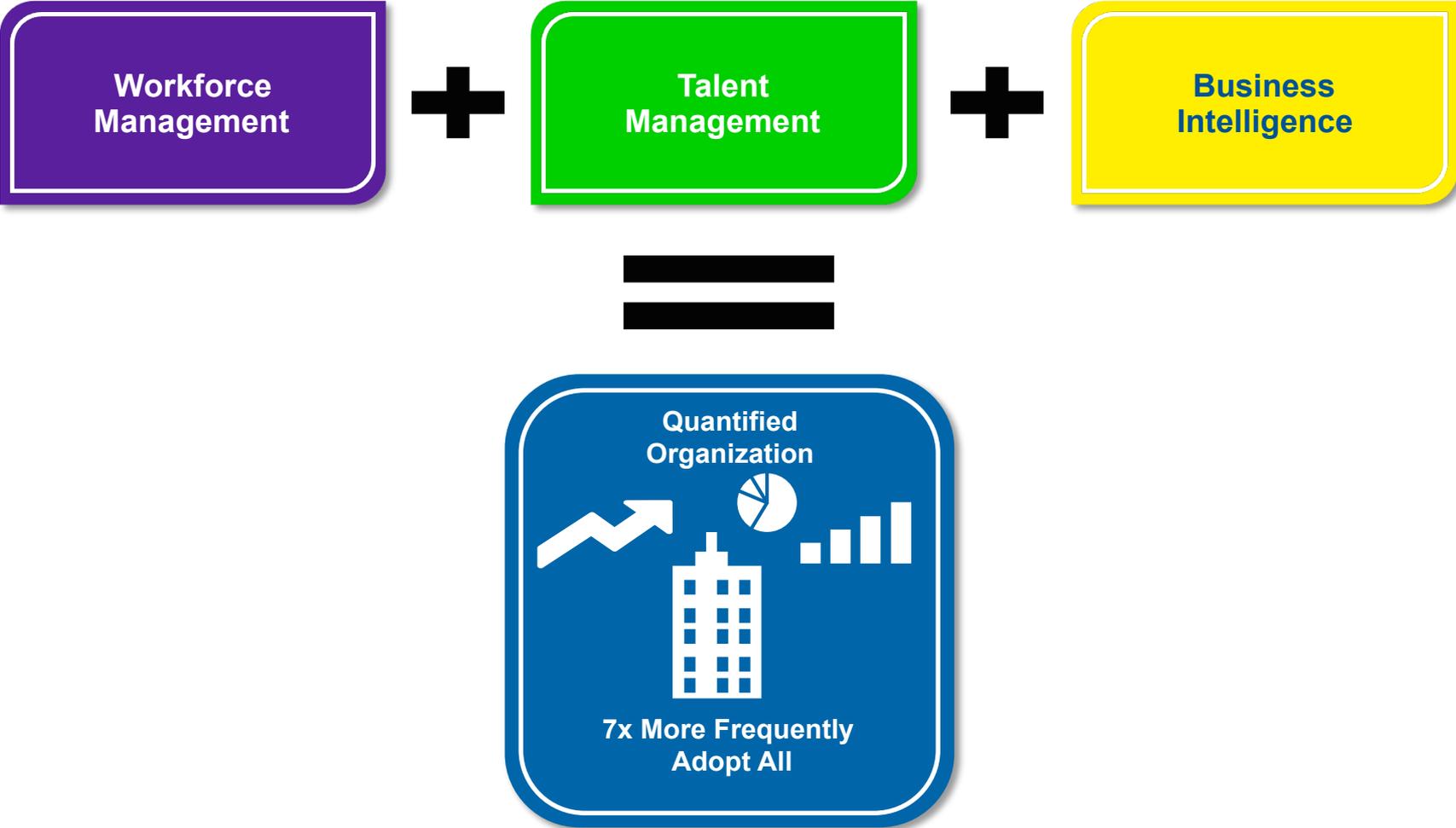
Top Workforce Management, Talent Management, and Business Intelligence Adopters:

- Have across the board higher HR, talent and business outcome scores
- Achieve higher Return on Equity (31% higher than lower adopters)

They integrate WFM, TM, and HRMS data three times as often as lower adopters.

Top Adopters of WFM, TM, and BI

The Quantified Organizations Lead the Way!



Workforce Management Solutions

Growth Expected for New Entrants with New Innovations

Workforce Management Vendor Outlook Overall

	Overall	
	Today	In 12 Months
Oracle (PeopleSoft Enterprise)	24%	21%
Kronos	21%	21%
ADP	17%	15%
Ultimate (UltiPro)	10%	9%
SAP*	6%	6%
Oracle (EBS)	4%	4%
Ceridian Dayforce HCM	3%	5%
Workforce Software	2%	4%
Other	24%	27%

* SAP adoption underrepresented

Columns do not add to 100% as organizations have multiple solutions in use
Colored cells indicate greater than 3% gain or loss in 12 months.

 +3% loss

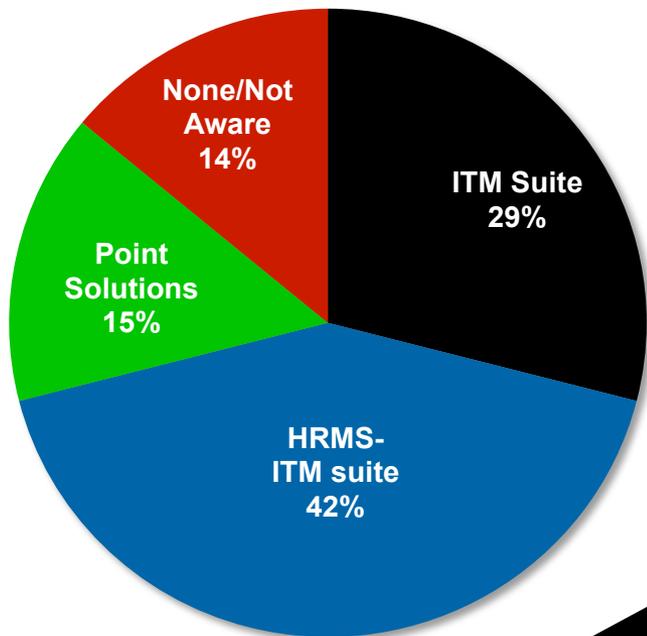
 +3% gain

n=363

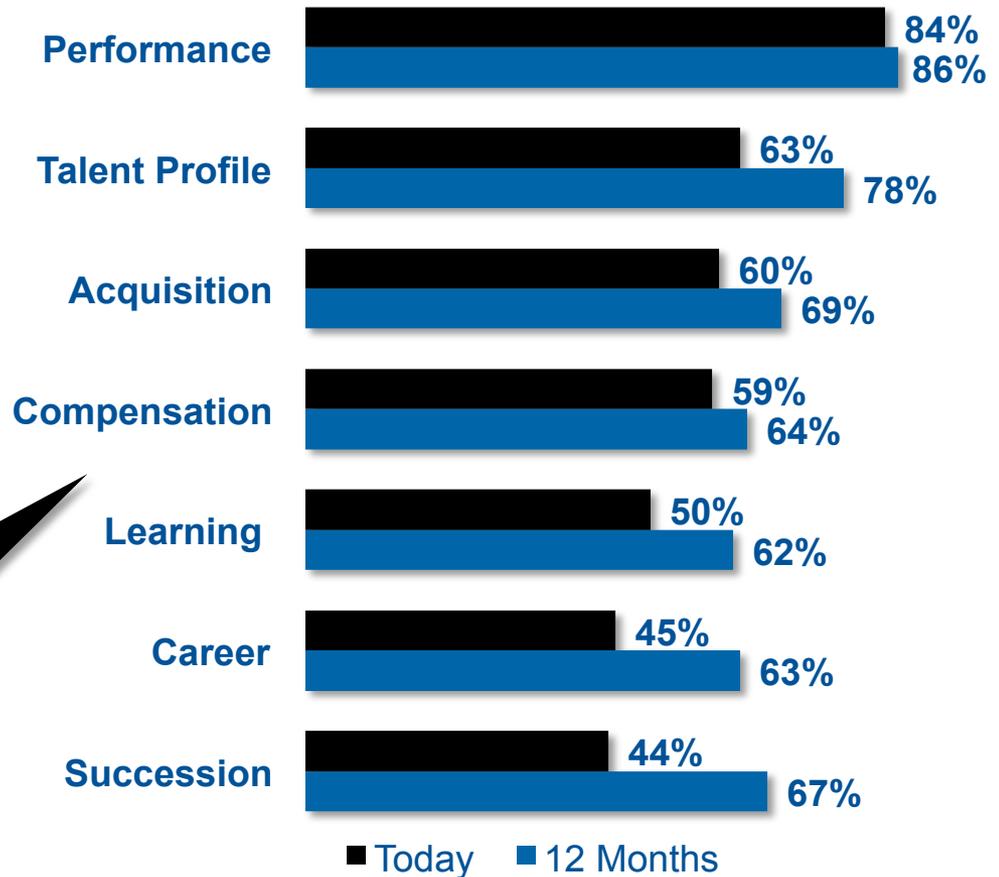
Integrated Talent Management

All ITM Components Will Grow in Adoption in Next 12 Months

Integrated Talent Management Approach



Integrated Talent Management Components

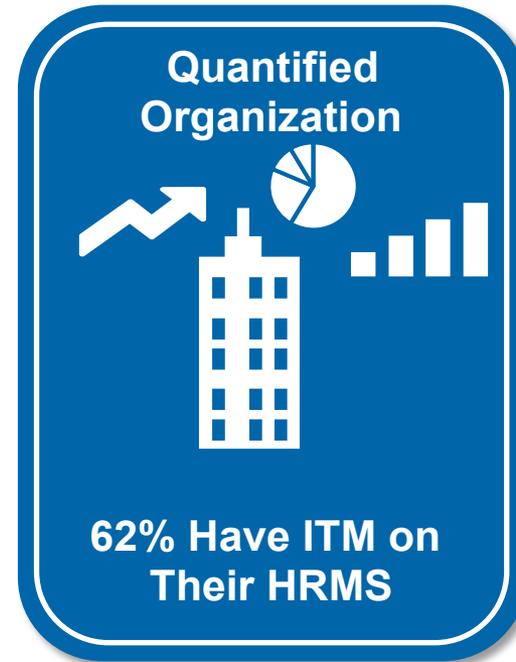
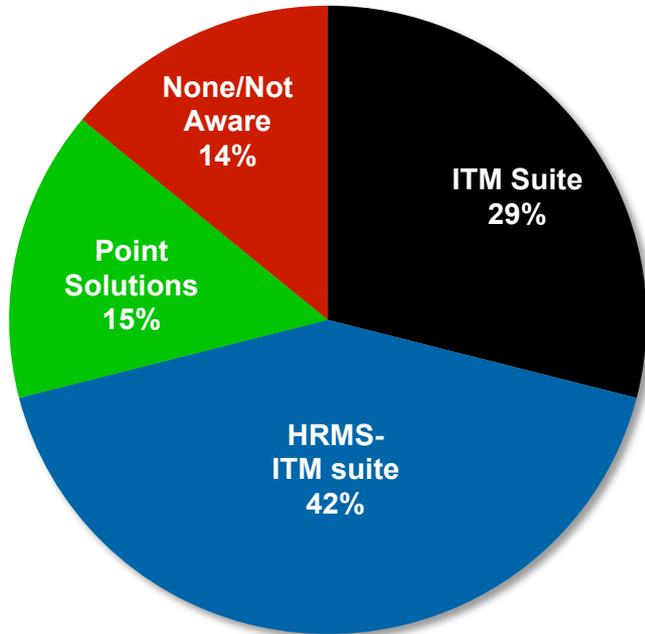


Organizations with higher than average TM components (4) have **6% higher ROE**.

Integrated Talent Management

Quantified Organizations More Frequently Have ITM on their HRMS

Integrated Talent Management Approach



n=257

Integrated Talent Management Vendors

31% of Respondents Report They Will Change Solutions!

Integrated Talent Management Vendor Outlook Overall

	Overall	
	Today	In 12 Months
Oracle (PeopleSoft, EBS)	25%	18%
SuccessFactors/Plateau	20%	19%
Oracle HCM Cloud (Taleo)	14%	18%
Cornerstone OnDemand	11%	15%
Ultimate (UltiPro)	9%	10%
ADP	9%	7%
Workday	6%	13%
SumTotal/Softscape	5%	4%
SAP*	4%	3%
Halogen	3%	4%
Other	28%	29%

* SAP adoption underrepresented

Columns do not add to 100% as organizations have multiple solutions in use

Colored cells indicate greater than 3% gain or loss in 12 months.

 +3% loss

 +3% gain

n=363

Sierra-Cedar BI/Analytics Application Blueprint

General Ledger, Purchasing, Budgeting, T&E

Vendor Management

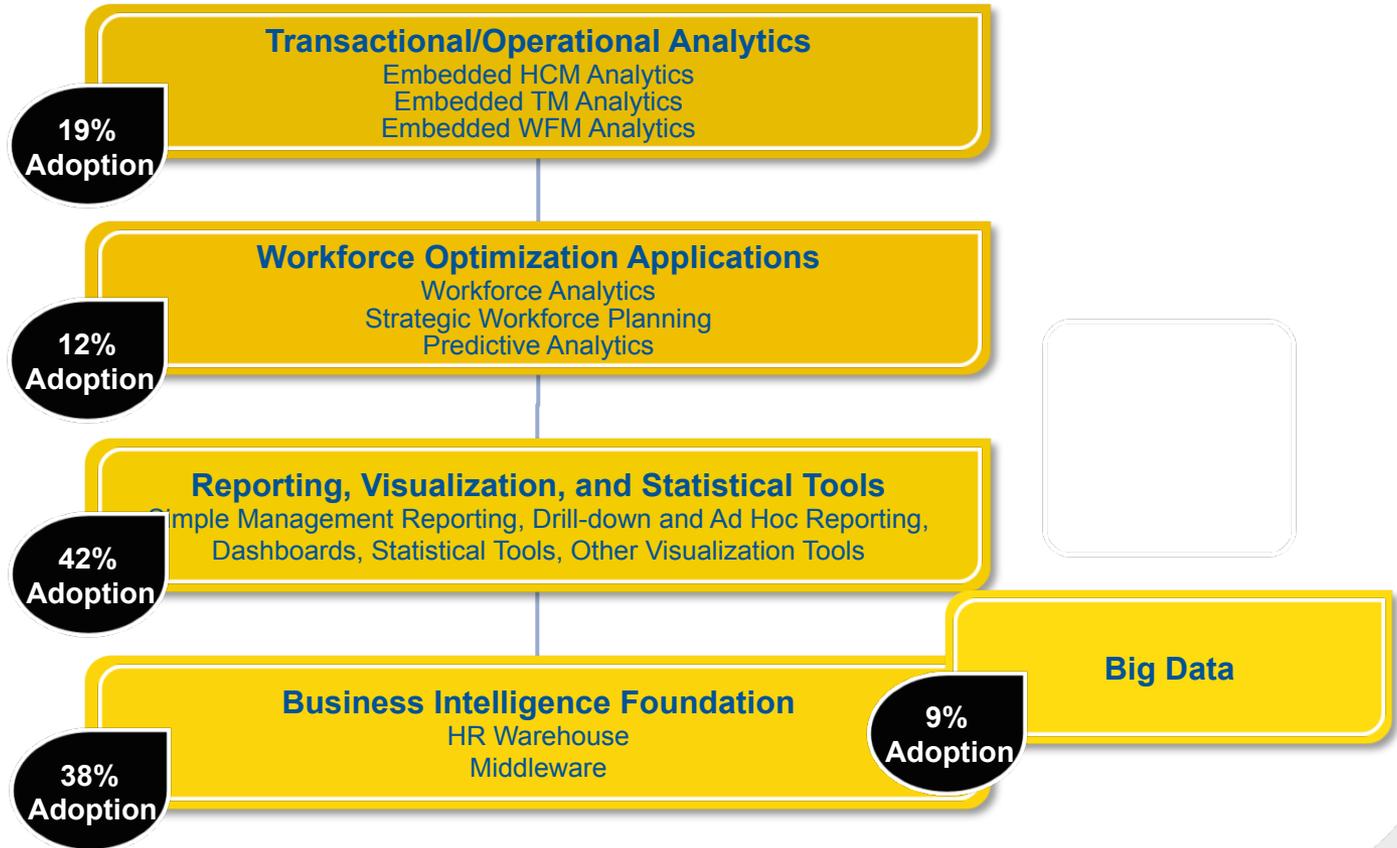
FIN

VMS

Enterprise Content

Enterprise Social

Enterprise Workflow



CRM

Network Security

Mobile Access

SOA, API, ETL

Integration Platform

Projects

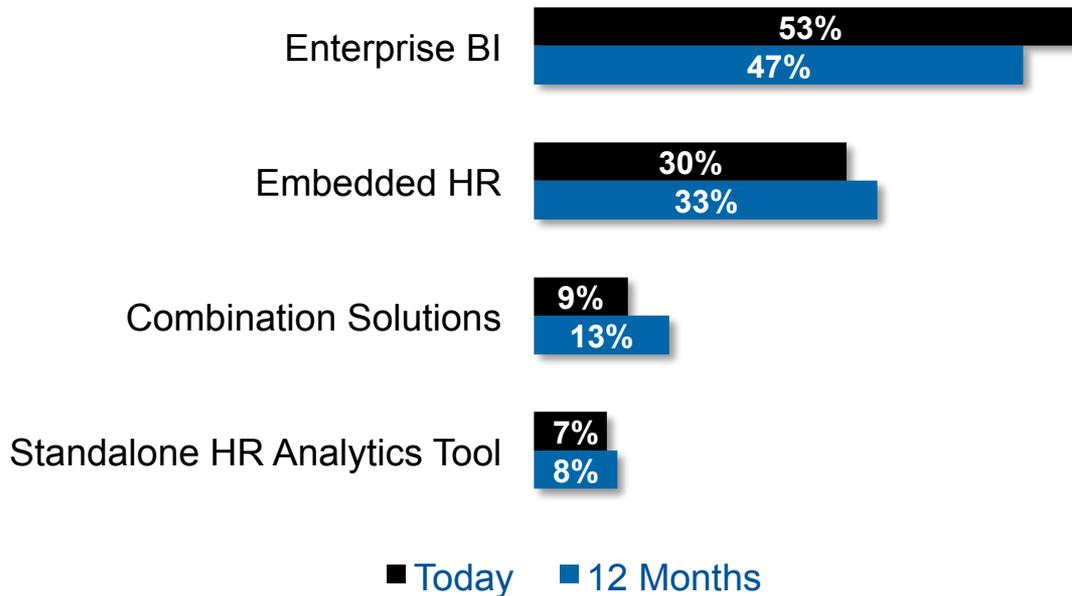
Backlog, Pipeline, Customer Satisfaction

Project Costing, Contracts, Grants

BI/Analytics Deployment Approaches

Adoption is Less Important than Deployment. We Must Learn from the Past!

Business Intelligence/HR Analytics Approach



Predominantly
Standalone Apps



With experience,
organizations moved
to adopt
Enterprise Solutions



Currently, an
emerging trend of
Embedded HR Analytics



Going forward, we will see
44% growth in adoption of
Combinations



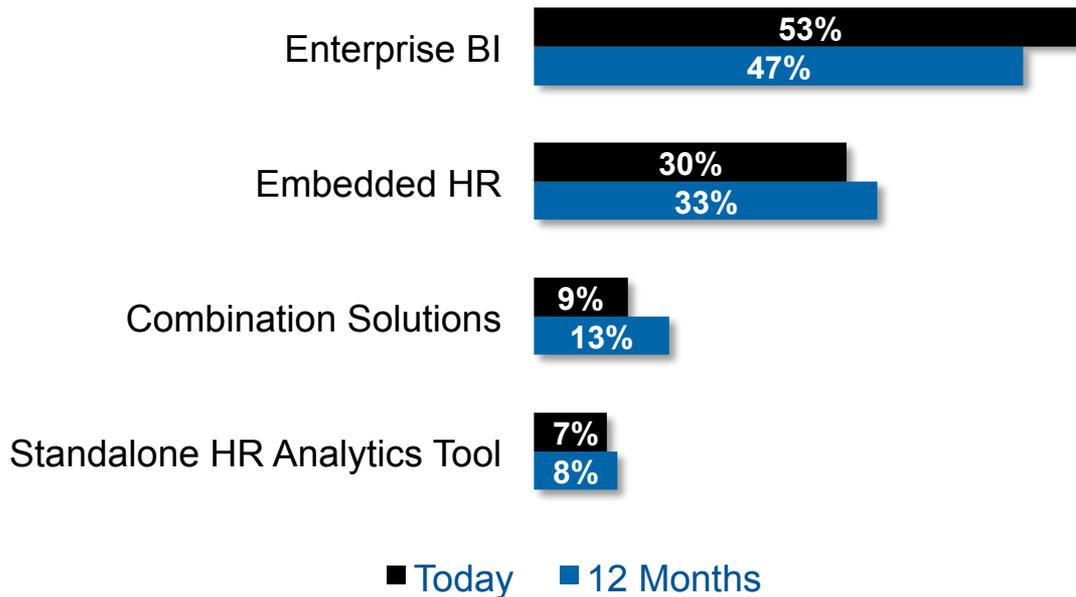
Caution: consider past learning as you develop your BI/analytics strategy. While embedded analytics solutions that provide transactional and operational analytics will not go away, they are not the end solution. Enterprise solutions will be needed.

n=488

BI/Analytics Deployment Approaches

Quantified Organizations Choose an Enterprise BI Solution. Learn from the Past!

Business Intelligence/HR Analytics Approach



Caution: consider past learning as you develop your BI/analytics strategy. While embedded analytics solutions that provide transactional and operational analytics will not go away, they are not the end solution. Enterprise solutions will be needed.

Social-enabled Process Adoption

Recruiting Staff and Hiring Managers Have the Highest Levels of Use

Major Social-enabled HR Processes	Workforce Using	
	Today	In 12 Months
Administrative – HR management/record keeping	14%	21%
Workforce Management – Time and labor/time and attendance	8%	14%
Talent Management		
Recruiting	23%	29%
Performance management/Goal management	10%	16%
Learning and development	14%	22%
Compensation	5%	11%
Recruiting (recruiting/talent acquisition staff)	67%	74%
Recruiting (hiring managers)	26%	36%
Business Intelligence/Workforce Analytics	8%	13%
Average workforce adoption across all mobile-enabled processes	12%	18%

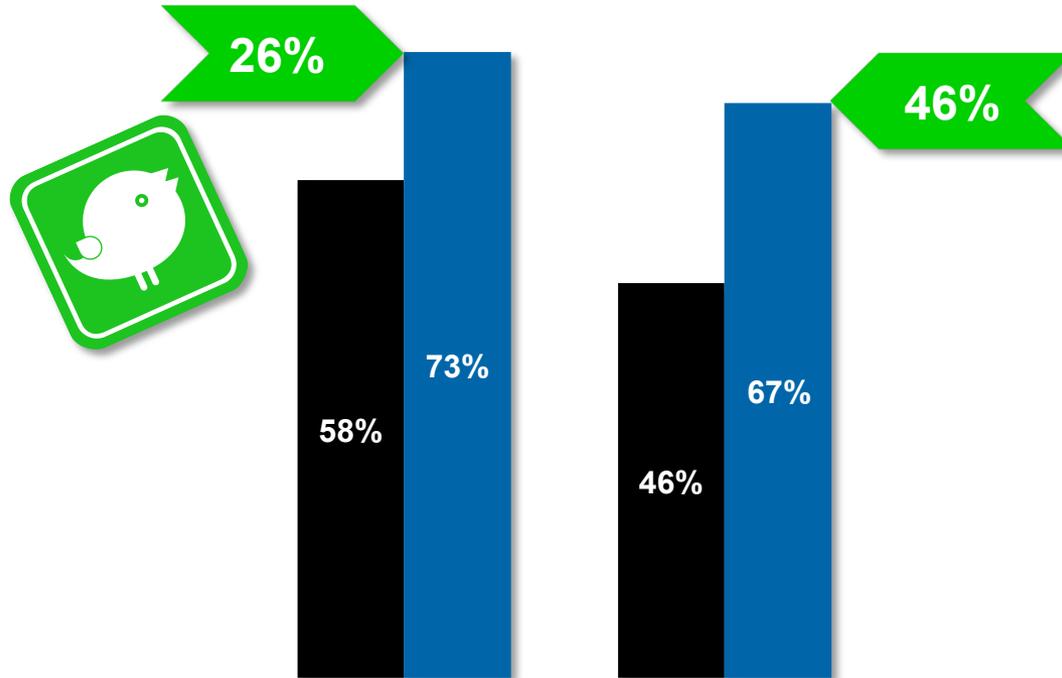
n=186

Impact of Social HR Process Adoption

Higher Levels of Adoption Lead to Higher Levels of Use

Employee
Direct Access

Manager
Direct Access



- < 20% Social Process Enablement
- > 20% Social Process Enablement



n=188

Mobile-enabled Process Adoption

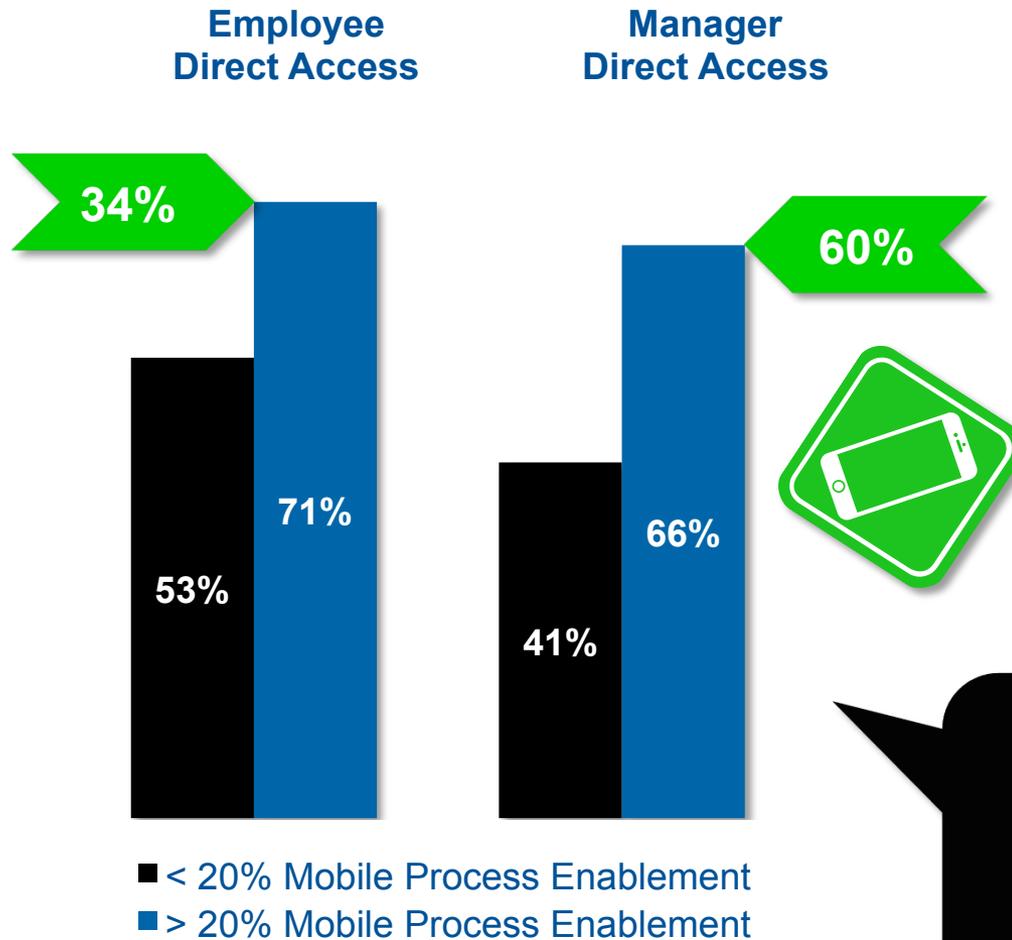
Mobile Adoption Will Grow by Over 100%

Major Mobile-enabled HR Processes	Workforce Using	
	Today	In 12 Months
Administrative	15%	33%
HR management/record keeping	11%	31%
Payroll	19%	35%
Workforce Management	8%	25%
Time and labor/time and attendance	7%	24%
Leave management	8%	27%
Absence management	8%	26%
Workforce scheduling/Labor scheduling	7%	23%
Talent Management	20%	37%
Recruiting	17%	31%
Performance management/Goal management	25%	40%
Learning and development	24%	37%
Compensation	20%	39%
Succession planning/management	13%	32%
Business Intelligence/Workforce Analytics	4%	13%
Average workforce adoption across all mobile-enabled processes	13%	27%

n=568

Impact of Mobile-enabled Process Adoption

Higher Levels of Adoption Lead to Higher Levels of Use



To increase user adoption and get further value from HR technologies expenditures, invest in social- and mobile-enabled processes.

Emerging Technologies

Gamification the Only One with Sizable Usage

	Workforce Using		
	Today	Evaluating	No/NA
Gamification of applications	34%		66%
Wearable technology	7%	4%	89%
Social aggregation applications	4%	6%	91%
Fatigue management applications	2%	1%	97%
Robotics/artificial intelligence	1%	3%	96%

Gamification

67% of organizations using gamification are using it for wellness programs.

Wearables

60% of organizations using wearables believe the benefit will be “increased workforce productivity.”

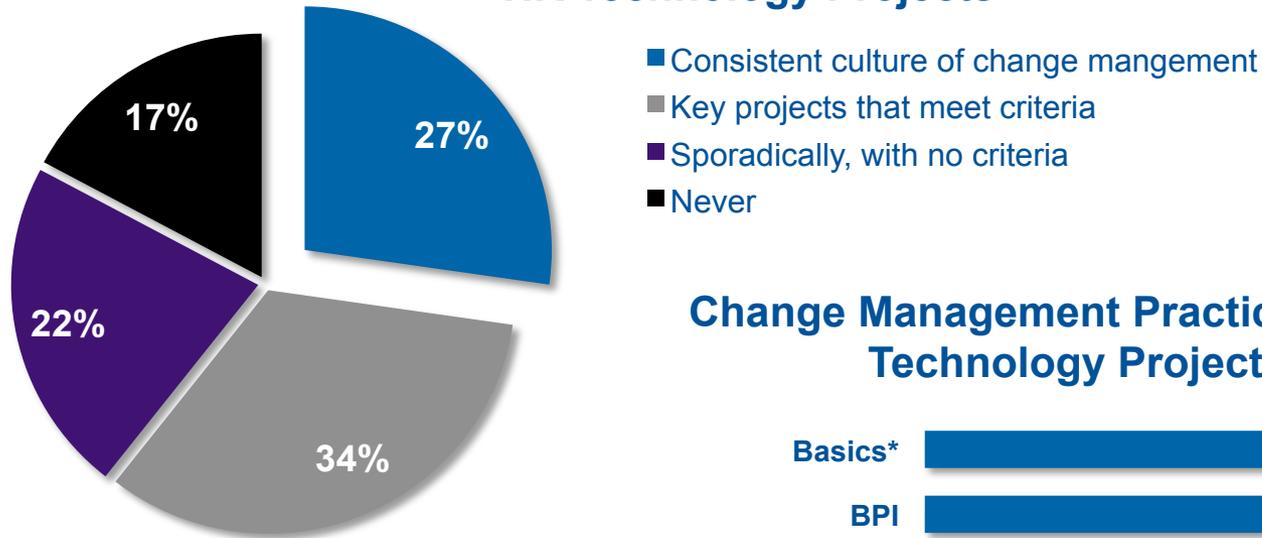
Social Aggregation

80% of organizations using SA tools search Twitter, Facebook, LinkedIn.
Newer media of Google+, YouTube, Pinterest, Instagram searched by 25% of respondents.

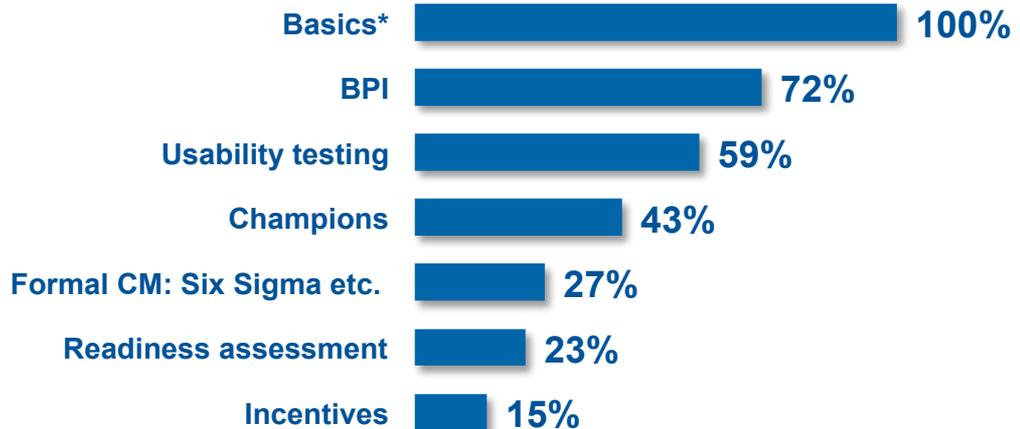
Change Management Practices

27% of Respondents Report a Culture of Change Management

Level of Change Management for HR Technology Projects



Change Management Practices for HR Technology Projects



*Basics: Senior sponsorship, communications, documentation, training, and project management.

Benefits of Change Management

Reduces Costs and Increases Perception of HR as Strategic

Total HR Technology Costs/Employee



2 X

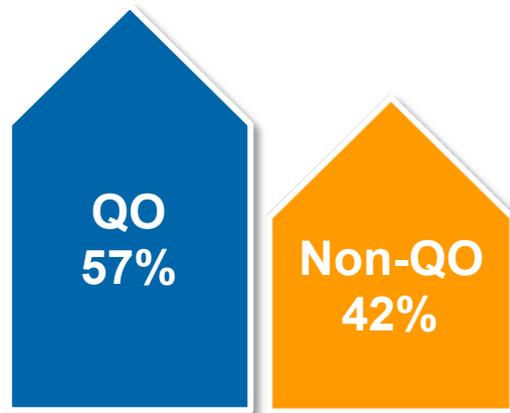
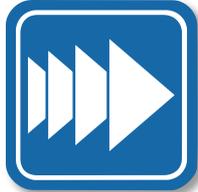
Change Management Increases Strategic Value of HR

Organizations with a Culture of Change Management are twice as likely to be viewed by all levels of management as contributing strategic value, versus at organizations that never uses change management.

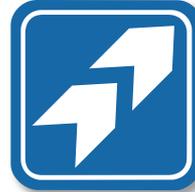
Lessons from Quantified Organizations

They Get the Basics Right

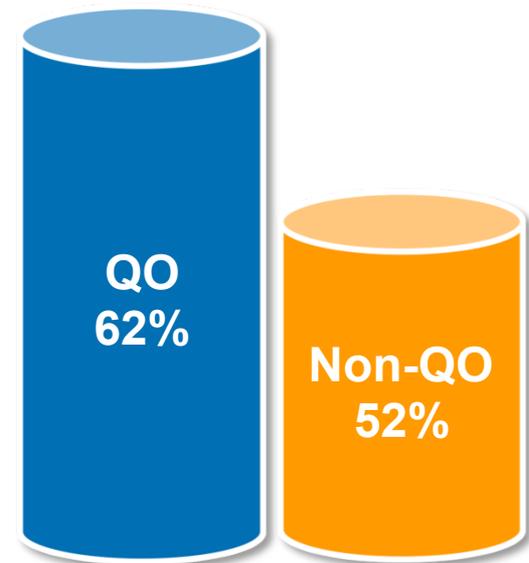
Process Standardization



Process Maturity



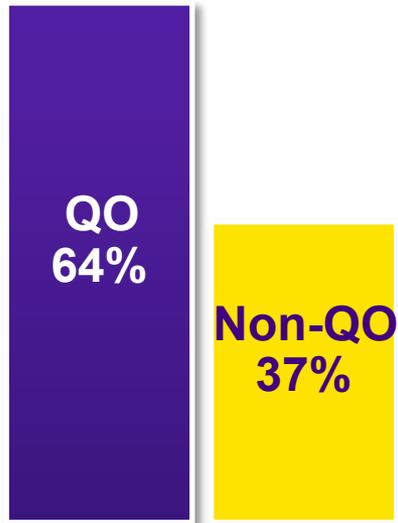
ITM on HRMS



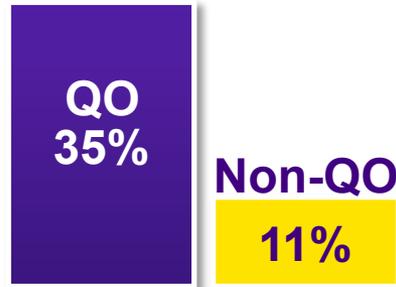
Lessons from Quantified Organizations

They Have Strategies and Culture that Support Performance

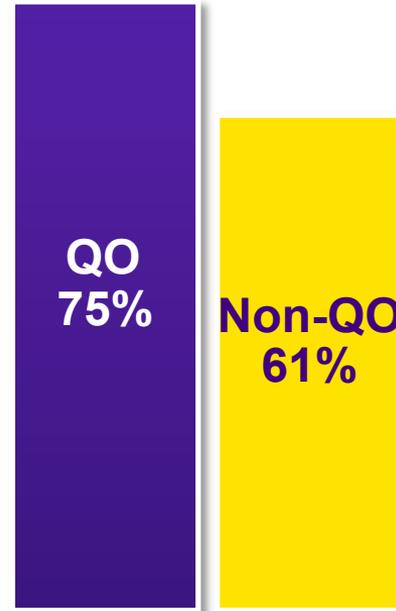
Updated HR Systems Strategy



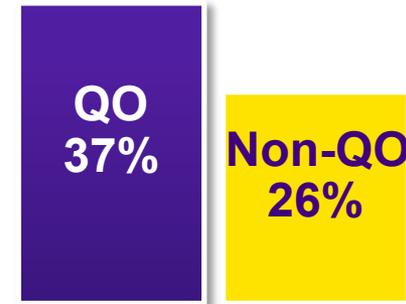
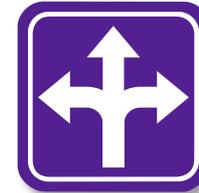
Enterprise Integration Strategy



Migrate to Enterprise BI



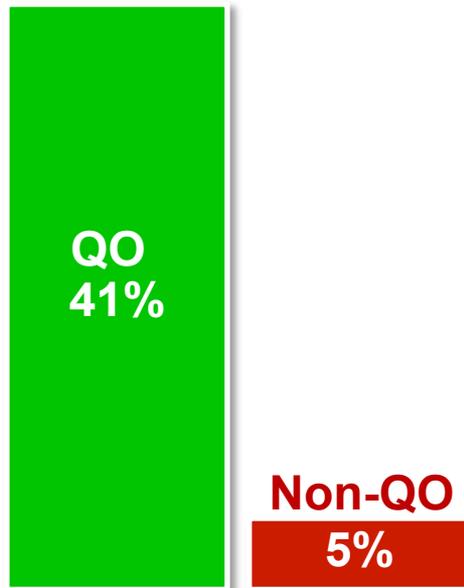
Change Management Culture



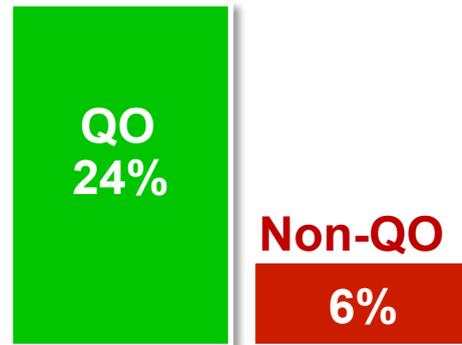
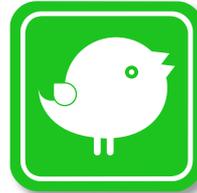
Lessons From Quantified Organizations

They Innovate with HR Technologies

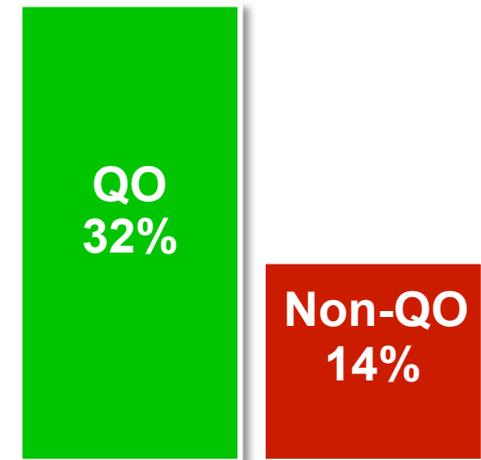
Adoption of
WFM, TM, and BI



Higher level of
Social adoption



Higher level of
Mobile adoption



Visit Sierra-Cedar Website

Get Full Survey Details and Sign Up To Participate Next Year!

HR Systems Survey | Blog | Careers | Contact | eResources | Events | News

Sierra-Cedar About Services & Solutions Partners Industries CedarCrestone India

HR Systems Survey You are here: Home / HR Systems Survey

Sierra-Cedar HR Systems Survey White Paper: HR Technologies, Deployment Approaches, Integration, Analytics, and Value 17th Annual Edition

The highly respected *Sierra-Cedar HR Systems Survey* is the longest-running industry research effort that tracks the adoption, deployment approaches, and value achieved from enterprise HR technologies. We study the roadmaps that organizations navigate and decisions they make regarding technology, integrations, processes, and people when building an empowered HR function that serves the workforce and supports organizational outcomes. We provide practical data on emerging and innovative technology trends and help organizations understand how they can capitalize on them. We share this research freely to assist organizations with developing their HR systems strategy, devising a plan, justifying investments, and ultimately executing on their HR technology vision. All responses are confidential and only used in aggregate results.

[Download All HR Systems Survey White Papers](#)

Why participate?

The Survey results debut at the [HR Technology® Conference](#) on October 9, 2014. All respondents will receive a full advance copy of the results in early October. All who complete the Survey will be entered into a drawing for an in-depth [Benchmark Service](#).

www.Sierra-Cedar.com/annual-survey

Participate in the next Survey:

Email *

Submit