Sierra-Cedar

2014–2015 HR Systems Survey

HR Technologies, Deployment Approaches, Integration, Metrics, and Value

17th Annual Edition

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To participate in next year's research and receive an early copy of the Annual Survey White Paper, please submit your email address here: http://www.Sierra-Cedar.com/annual-survey.

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To download previous Annual White Papers or additional research based on this year's Survey, please access our Research site here: http://www.Sierra-Cedar.com/research.

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Executive Summary

The ***Sierra-Cedar 2014–2015 HR Systems Survey White Paper, 17th Annual Edition*** is the latest installment of the longest running and most highly respected annual HR Systems survey in the market. Since 1997, this invaluable resource has been a catalyst for the HR Technology community, providing insight and guidance to practitioners around the world. The *Sierra-Cedar HR Systems Survey* stands alone as a global benchmark of Human Resources (HR) technology adoption and the value achieved from their use, seen through the eyes of HR information Technologists (HRIT) and Information Technologists (IT).

This year's white paper covers adoption and trends for applications, deployment options, Vendor Outlook, expenditures, and value achieved for the following categories of applications. Throughout the report, we suggest implications and recommendations for both practitioners and vendors.

- Administrative applications
- Service Delivery and direct access
- Workforce Management applications
- Talent Management applications
- Social- and Mobile-enabled applications
- Business Intelligence/analytics solutions
- Emerging technologies

Additionally, we cover insights on supporting HR practices:

- Systems Strategy
- Adoption blueprints
- Integration practices
- Implementation practices
- Change Management practices
- Expenditure and Resource strategies

The Survey was conducted from May 19 through July 1, 2014. The *Sierra-Cedar 2014–2015 HR Systems Survey White Paper* is based on 1,063 unique organizations representing a total workforce of 19 million employees and contingent workers.[1]

1 Further details on the *Sierra-Cedar 2014–2015 HR Systems Survey, 17th Annual Edition*—participant demographics, research methodology, and analysis methodology—can be found on page 67 of this paper.

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2014–2015 HR Systems Survey Key Themes

Key themes for the *Sierra-Cedar 2014–2015 HR Systems Survey* results center on three major areas: Foundation, Strategy and Culture, and Innovation.

FOUNDATION

- We see a continued increase in Cloud HRMS deployments this year and plans for SaaS deployments to overtake licensed deployments in 2015 (58% vs. 51%).
- We continue to see benefits from the new Cloud HRMS environments, including higher user experience scores reported with all new Cloud HRMS solutions (which translate to higher end-user adoption), fewer total HR technology headcount required for implementation and support, and faster implementation times.
- Beyond the HRMS, we identify a new value proposition associated with integrated Workforce Management, Talent Management, and Business Intelligence solutions. Top adopters of all three solutions have higher HR, talent, and business outcome scores than those with lower adoption levels.

Cloud HRMS

User Experience

WFM + TM + BI

STRATEGY & CULTURE

- Organizations that invest in a continually updated Enterprise HR Technology Strategy are more likely to be viewed as strategic, thereby gaining respect for their vision.
- Early indications that implementing an Enterprise Integration Strategy (EIS) is a trend in the right direction towards resolving integration challenges.
- Cultivating a Culture of Change Management pays off by reducing costs of HR technologies by more than half and increasing perception of HR as a strategic partner ($302 per employee in organizations with a continuous culture of change vs. $691 among those not practicing Change Management).

HR Tech Strategy

Enterprise Integration Strategy

Culture of Change

INNOVATION

- Introducing the characteristics of the **Quantified Organization,** one that invests in HR technologies, processes, and practices that enable it to improve workforce operations and achieve organizational goals beyond all other organizations.
- Social and Mobile continue to grow and provide value through increased adoption and improved direct-access user experiences. The addition of Mobile access increases manager adoption from 41% to 66% adoption, thereby ensuring more value from all HR technologies.
- Insights on emerging technologies that may have enterprise impact over time. Investigating the realities of Wearables, social aggregation tools, and gamification.

Quantified Organization

Mobile

Social

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Key Practices

Introducing the Quantified Organization

For the past few years, we have focused on finding high value from HR technologies and associated best practices by looking at Top Performers—those with high financial performance. This year, we found little differences between Top Performers and all others, leading us to recognize that the effect of HR technologies for Top Performers as a competitive advantage has minimized as more organizations adopt similar HR technologies and practices. So we dug deeper into our data, following one of the key lessons learned from our 2013–2014 Survey results about Business Intelligence (BI) adoption, and have come up with a new set of top performing organizations. We call these the **Quantified Organization.** Through their HR practices and technology adoption, they support an environment of data-driven decision making. We will reference instances where the Quantified Organizations outperform all others in both organizational outcomes as well as HR practices throughout this paper.

Figure 1: Introducing the Quantified Organization

	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**

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Quantified Organizations are selected based on their leadership in four areas:

1. **BI process maturity –** the organization has high levels of process maturity when using Business Intelligence. Business Intelligence is used in a way that is effective (aligned, best practice, strategically focused) or transformational (unique, stands above others, and contributes to competitive advantage financially and enables the organization to be an employer of choice). On a scale of 1 (manual), 2 (efficient), 3 (effective), and 4 (transformational), the Quantified Organizations are clearly effective and approaching transformational.

2. **Direct access by managers –** HR analytics and business Intelligence is used directly by managers to support their workforce decision making. In 2014, the average for all respondents was 19%, up from 15% in 2013. The Quantified Organizations have an impressive 74% of their managers with direct access to Business Intelligence and HR analytics.

3. **More data sources** to juxtapose with workforce data, including core HR, Talent Management (TM), Workforce Management (WFM), financials, sales, and various operational systems. Organizations that use multiple data sets are more "quantified" in their ability to show the contribution of workforce efforts to business outcomes.

4. **More categories of HR metrics** to help organizations make informed business decisions and optimize their workforce. We included six categories in our Survey including recruiting, absence, learning, compensation, performance, and productivity.

In our analysis, we compared Quantified Organizations to those organizations that did not meet our criteria listed above. Those organizations that did not meet our criteria were label "Not Quantified."

Quantified Organizations Outperform

Not Quantified Organizations, those that did not qualify for choice as a Quantified Organization, have a 10.1% ROE; the Quantified Organizations have an 18% ROE, 79% greater.

Return on Equity (ROE) 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.

Quantified Organizations have 79% greater ROE than the Not Quantified Organizations.

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Lessons from the Quantified Organization

The practices of Quantified Organizations provide valuable insight into how they maintain their advantage in today's data-driven world. These organizations differ greatly from Not Quantified organizations in three ways:

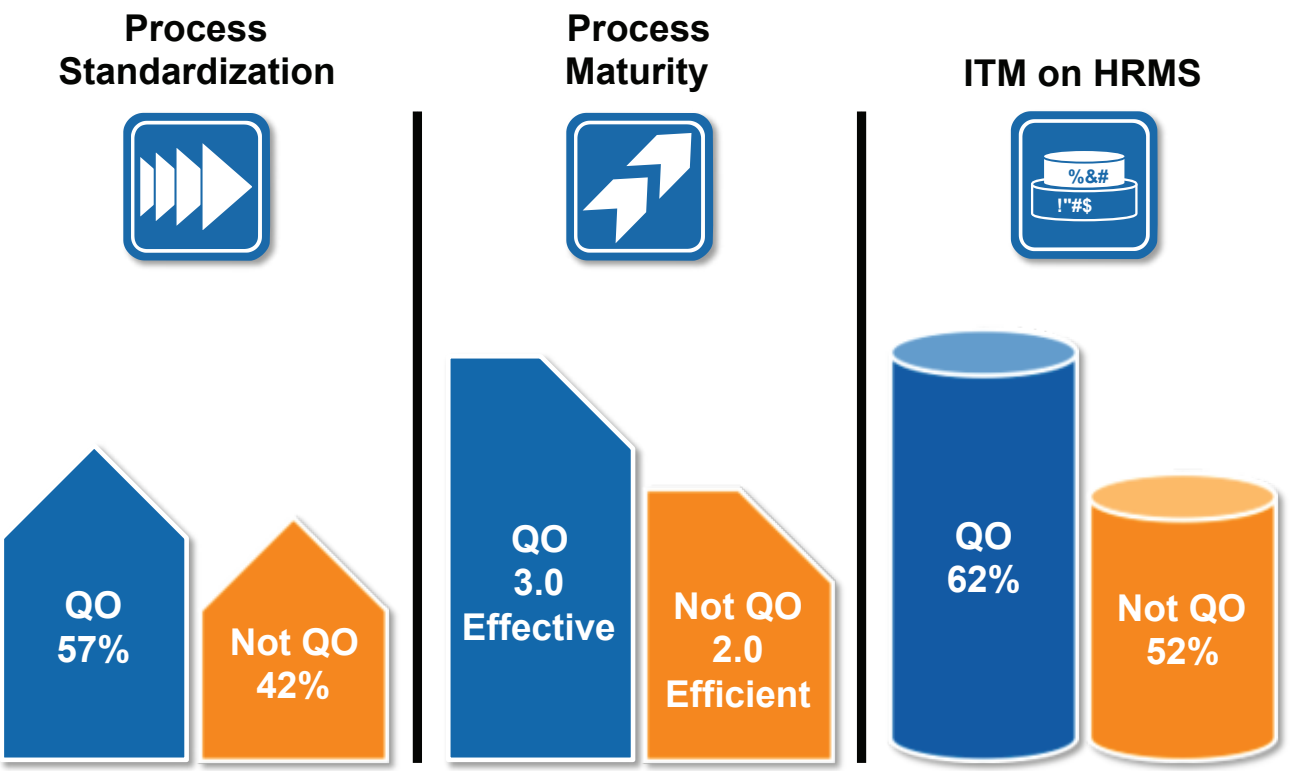
- Foundation and Basics
- Strategy and Culture
- Innovation

Foundation and Basics

Leveraging data to inform organizational decisions requires that an organization gather, label, and house that data in similar ways; this data curation is important no matter the size or global reach of an organization. The Quantified Organizations in our Survey range in size from Small with just over 100 employees plus contingents to Very Large with over 410,000 employees plus contingents. Many Quantified Organizations are also global organizations operating in an average of 29 different countries.

As seen in Figure 2, we find that Quantified Organizations are more likely to have high percentages of HR process standardization and high levels of overall HR process maturity on a four-point scale.[2] They are also more likely to deploy an Integrated Talent Management (ITM) solution that is on their human resource management system (HRMS).

Figure 2: Lessons from the Quantified Organization – Get the Basics Right



2 Sierra-Cedar HR Systems Survey Process Maturity Scale: 1 (manual), 2 (efficient), 3 (effective), to 4 (transformational).

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Strategy and Culture

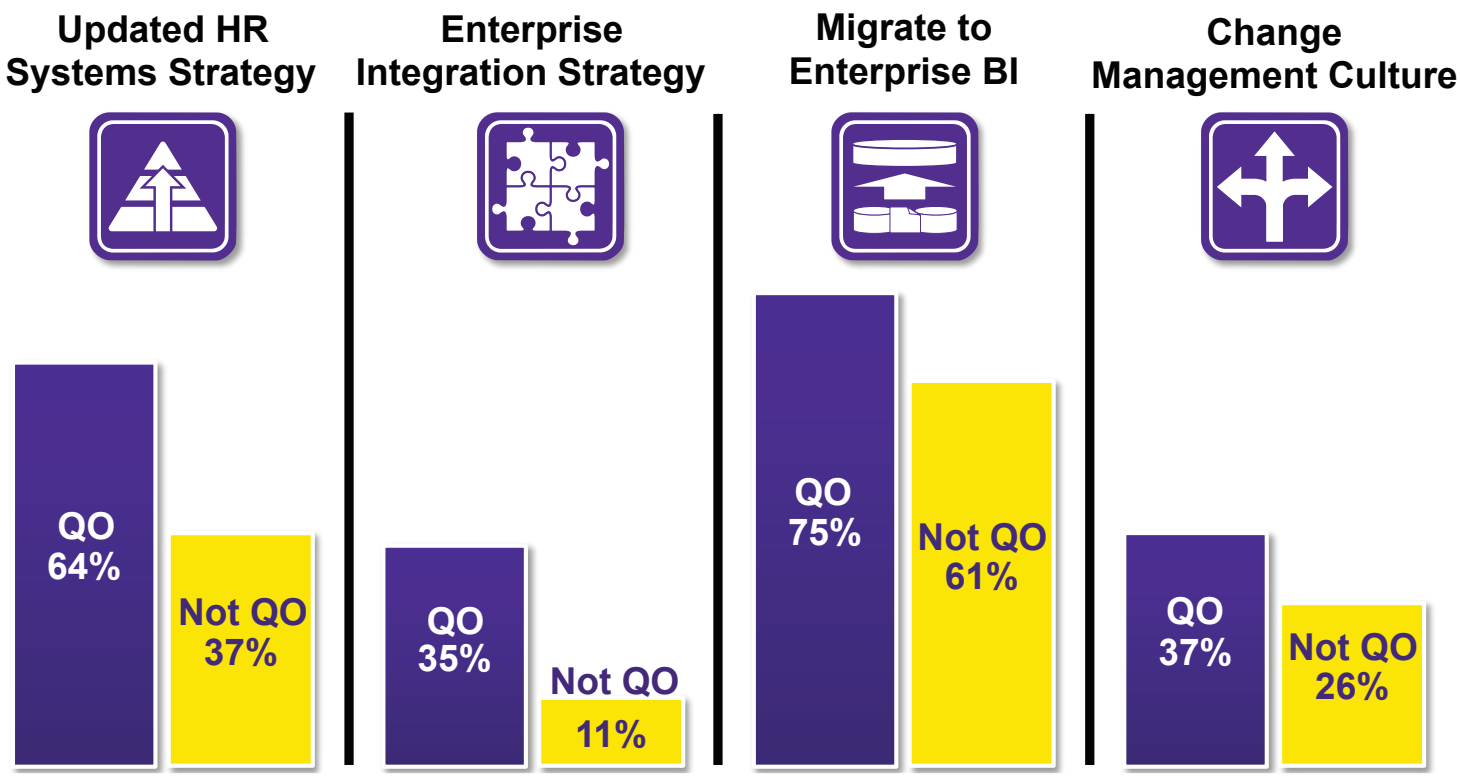
Strategy and culture are two areas that every organization strives to cultivate, but often struggles to clearly define. This is true at the enterprise level as well as the functional HR level. Strategy and culture create an environment of common understanding where the workforce is clear about the outcomes they are trying to achieve and how an organization expects them to be accomplished.

Strategy and culture create an environment of common understanding, where the workforce is clear about the outcomes they are trying to achieve and how an organization expects them to be accomplished.

Quantified Organizations embrace the importance of strategy and culture within HR. As seen in Figure 3, these organizations are almost twice as likely to have an enterprise HR Systems Strategy that is updated regularly, as well as an Enterprise Integration Strategy (EIS) that leverages an integration platform. The focus on enterprise-wide strategies continues into their future plans. Quantified Organizations are also more likely to have plans to migrate to an enterprise Business Intelligence solution for HR data analysis.

Finally, these are organizations that understand the importance of creating a Culture of Change Management. Quantified Organizations are more likely to practice Change Management efforts with every technology upgrade, release, or implementation the organization manages.

Figure 3: Lessons from the Quantified Organization – Strategy and Culture



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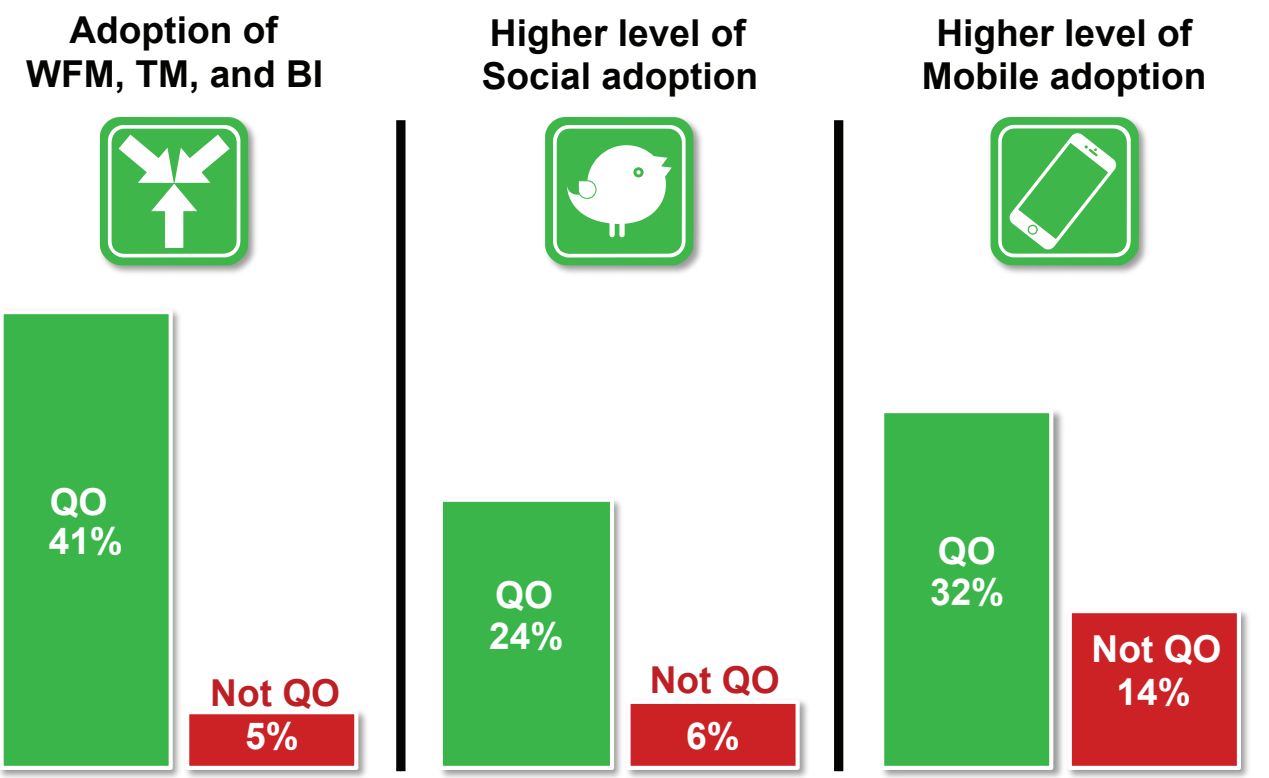
Innovation

How an organization approaches innovation can mean the difference between catching a wave, riding a wave, or being bowled over by the wave. Over the years, Sierra-Cedar research has found that the very early adopters choose innovative technologies. Almost without proof of value first, they sense that these technologies will give them an early advantage. In 1997, when very early adopters initially described their first forays into self service, they initially described the technology as having "intrinsic value." They were true pioneers and achieved early benefits. Over time, however, the early majority follows, the majority of organizations follow, and by then improved results are common. There is no longer a competitive advantage. There will always be an optimal window for adopting innovative technologies.

As seen in Figure 4, Quantified Organizations have higher levels of adoption in three innovative HR technology categories, all of which are showing value for early adopters. Individually, Workforce Management solutions and Talent Management solutions would no longer be considered innovative technologies; most organizations have some elements of each of these technologies. The innovative factor for these technologies is for organizations that choose to adopt complete suites of Workforce Management and Talent Management solutions, as well as Business Intelligence solutions. It is the high level of module adoption and intersection of data from these solutions that allows organizations to optimize their workforce. Organizations that leverage these solutions fully have data that allows them to deploy their workforce quickly, change course rapidly, and plan for multiple workforce scenarios based on data-driven insights. Quantified Organizations are seven times more likely to be top adopters of WFM, TM, and BI solutions.

Quantified Organizations are seven times more likely to be top adopters of WFM, TM, and BI solutions.

Figure 4: Lessons from the Quantified Organization – Innovation



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Quantified Organizations have three times the adoption of Social-enabled technologies and twice the adoption of Mobile-enabled technologies. Both Social- and Mobile-enabled processes have proven to lead to increased usage of HR technologies.

A Quantified Organization is one that invests in HR technologies, processes, and practices that enable it to improve workforce operations and achieve organizational goals.

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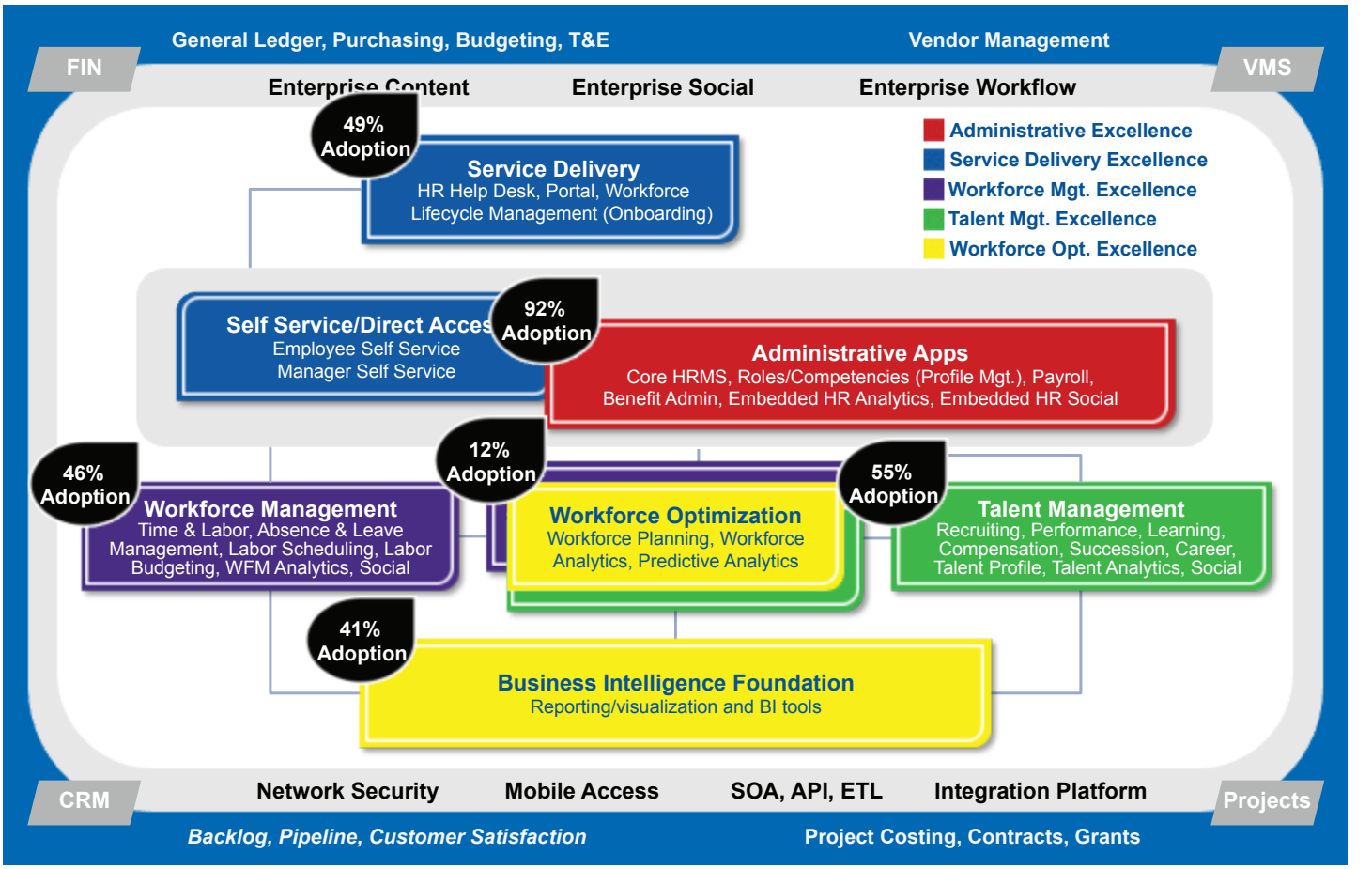
Sierra-Cedar Human Capital Management Blueprint

Sierra-Cedar HR Systems Survey and the HCM Blueprint

For the *Sierra-Cedar 2014–2015 HR Systems Survey,* we asked questions about six categories and 37 individual application areas that are detailed in the Sierra-Cedar HCM Blueprint. The Survey also gathered details concerning HR system strategies, processes, vendors, implementation, Change Management, HR technology expenditures, supporting resources, and emerging technologies.

Over the last 17 years, we've seen a roadmap followed by respondent organizations as they implement HR applications. Some organizations have a clear strategy for how they purchase and implement their HR systems; others exhibit an organic-growth model based on immediate needs and funds. The **Sierra-Cedar Human Capital Management (HCM) Application Blueprint** captures the paths of how organizations generally adopt their HR solutions; it further embodies our perspective on how to optimally organize and connect those solutions to achieve levels of excellence required to meet organizational goals and strategies.

Figure 5: Sierra-Cedar Human Capital Management Application Blueprint



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Starting Place, Administrative Applications

Most organizations start their HCM application journey by deploying Administrative Applications, foremost in the form of a payroll solution—over 97% of HR Systems survey respondents have a payroll solution in place. Most often payroll solutions are implemented with an HRMS, but some organizations do leverage a Payroll system alone— often in place of an HRMS until their needs expand. Over 93% of surveyed organizations currently have an HRMS in use. For most organizations, the HRMS sits at the heart of their HR and workforce data management needs and shares data with multiple HR applications.

Once an organization reaches a certain size and complexity, an HRMS becomes necessary to manage the needs of the entire workforce, and one developing trend is that smaller and smaller organizations are finding they need to implement one. The Survey data shows organizations with just over 50 employees have plans to implement an HRMS in the next 12 months. Those organizations without an HRMS are primarily small organizations, non-profits, and in some cases franchise organizations.

Other administrative applications include the Benefits Administration applications and, increasingly, embedded analytics. The Benefits Administration application, also a highly adopted application, is outsourced more than any other application today—over 24% of organizations leverage a Total Benefits Outsourcing (TBO) solution. Today's administrative application packages also include some level of embedded analytics as well as some level of social functionality.

Direct HR Systems Access, HR Service Delivery Applications

When organizations have payroll, an HRMS, and Benefits Administration in place, they naturally achieve some level of Administrative Excellence for their HR function. Typically organizations then focus on self-service applications such as employee and manager self service, and other Service Delivery solutions such as an HR help desk, lifecycle tools, and portals. We see this area of service delivery tools, general self service, and manager self service continuing to expand and change in the next few years, in part due to the need to keep up with workers' expectations for consumer and Mobile technology that can be accessed where and when they need it. Organizations that focus on this area of application adoption achieve a high level of service delivery excellence and often experience a reduction in HR administrative roles across the organization.

Business-driven Applications, Workforce Management and Talent Management

For many organizations, Workforce Management or Talent Management application adoption follows the Administrative and Service Delivery solutions. Workforce Management tools are used to help get the right person, with the right skills, in the right place, at the right time, at the right cost. Talent Management applications are specifically used to help attract, develop, and retain talent. Each of these technology categories has multiple individual applications that encompass a total solution. Organizations spend considerable time working towards Talent Management and Workforce Management excellence—but overall these two areas work hand in hand, and many organizations find they need to invest equally in both areas to be able to truly achieve their goals for Workforce Optimization.

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Foundational Business Intelligence and Workforce Optimization

Over the past ten years, we have seen organizations that have previously adopted the previously mentioned application categories then focus on bringing all the transactional and process information into a data repository (warehouse) and adopting other Business Intelligence (BI) tools and reporting approaches. Some organizations have adopted Workforce Optimization solutions that focus on analytics, forecasting and planning, and predictive analytics. With this year's Survey, we introduced an additional application to several categories: that of **embedded analytics,** specifically for HRMS, Talent Management, and Workforce Management. As seen in the Sierra-Cedar HCM Application Blueprint (Figure 5), each of the primary HR system areas is beginning to include embedded analytics tools. Adoption of these is possibly a trend reflecting some organizations' desire to work around a perceived inability of their Information Technology (IT) function to provide good BI and analytics, and it may slow their adoption of enterprise BI solutions. We will discuss BI and analytics further in the paper and provide a caution for readers.

Connecting Enterprise Data and Workflows

As organizations build out their own HCM blueprint, they quickly realize that HR solutions cannot stand separate from enterprise content, enterprise social tools, and enterprise workflow solutions. Connecting their HR systems to these enterprise environments helps embed the HR solutions into the everyday work environment and these worlds begin to look seamless. To accomplish these seamless connections, organizations need to think about their network security; access to devices such as Mobile, PC, and kiosk; their data connection points provided through Service-Oriented Architecture tools (SOA); application program interfaces (API)s; extract, transform, and load (ETL); and their Enterprise Integration Strategy (EIS) and platforms. It is also important to remember that these HR technologies need to co-exist in a larger ecosystem that provides access to other data sources such as finance or operational data systems which, when integrated, then provide data for the best possible workforce analytics support.

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The Quest to Prove the Value of HR Technology Adoption

Sierra-Cedar is on a 17-year quest for the value of HR technologies. This past year, we formalized that search with Dr. Janet Marler, professor at SUNY University. Together, we developed a very clear model that looks at the link between HR technology adoption to HR, talent, and business outcomes. We call this our "value chain analysis approach."

Figure 6: Sierra-Cedar Enterprise Value Chain Factors and Outcomes

HR Outcomes
HR alignment with business strategy
HR cost efficiency
Employee engagement
Talent Outcomes
Ability to develop a highly qualified workforce
Availability of workforce data for decision making
Talent mobility
Ability to attract top talent
Retention of top talent
Business Outcomes
Market share
Organizational profitability/Cost efficiency
Customer (constituent) satisfaction
Competitive advantage
Innovation
Employee and manager productivity

Scale of 1–5	
Strongly Declined	○
Declined	○
Neutral	○
Improved	○
Strongly Improved	○

We asked Survey respondents if—over the last year—their HR, talent, and business outcomes declined, stayed the same, or improved on a scale of 1–5. With this approach of asking for self reports on improvements or declines, we are able to show correlations between adoption of certain technologies and outcomes across all respondents. This model, as seen in Figure 7, links higher total application adoption (TA) to improved HR and talent outcomes (HR), to improved business results (BR), and ultimately to financial value in the form of return on equity (ROE).

We asked Survey respondents if—over the last year—their HR, talent, and business outcomes declined, stayed the same, or improved on a scale of 1–5.

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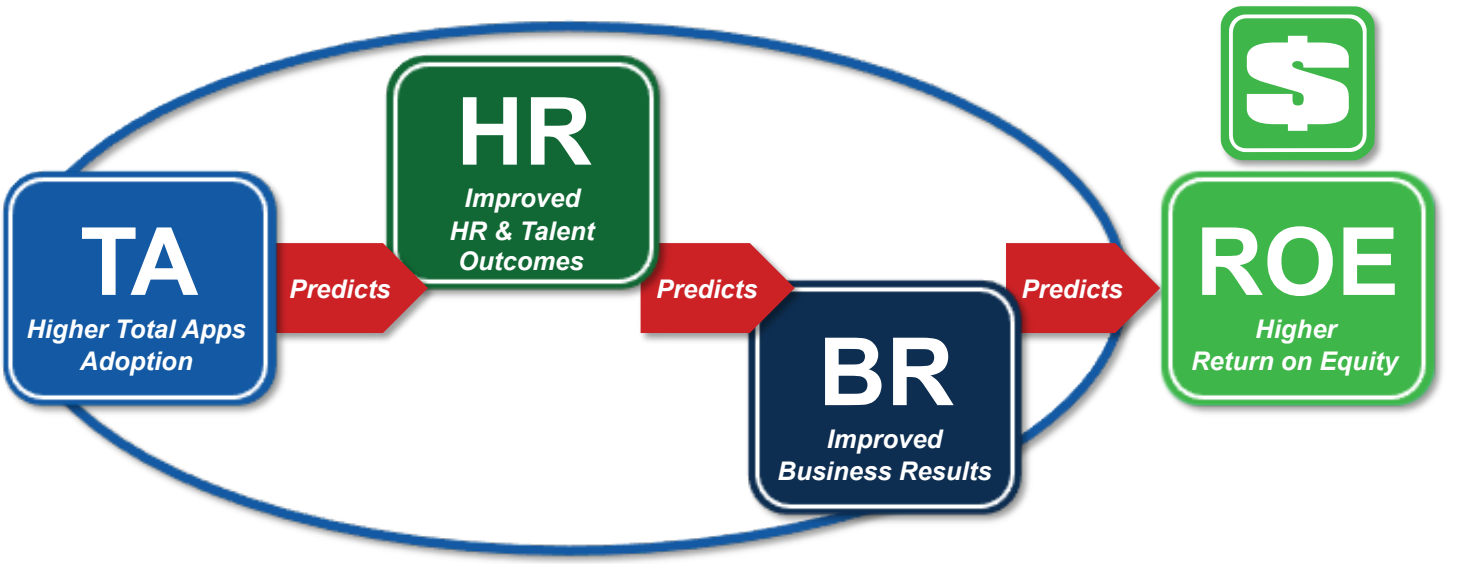
Figure 7: HR Technology Adoption Value Chain Model



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).

In 2013, the key finding from the Survey statistical evaluation was that HR technology application adoption was indirectly related to improved strategic business results (improved competitive advantage and improved market share) through improved human resource management (HRM) outcomes (improved cost efficiency, decision making, employee engagement, developed workforce, and talent retention), and predicts improved financial performance (ROE). What this means: organizations that adopt HR technologies outperform those that do not—based on statistical analysis from Sierra-Cedar!

Organizations that adopt HR technologies outperform those that do not—based on statistical analysis from Sierra-Cedar!

The actual statistical testing completed in partnership with SUNY identifies the linkages ultimately to improved financial performance in the form of Return on Equity. For more details on the Value Chain Analysis process and plans for further evaluation, see our latest article on the topic.

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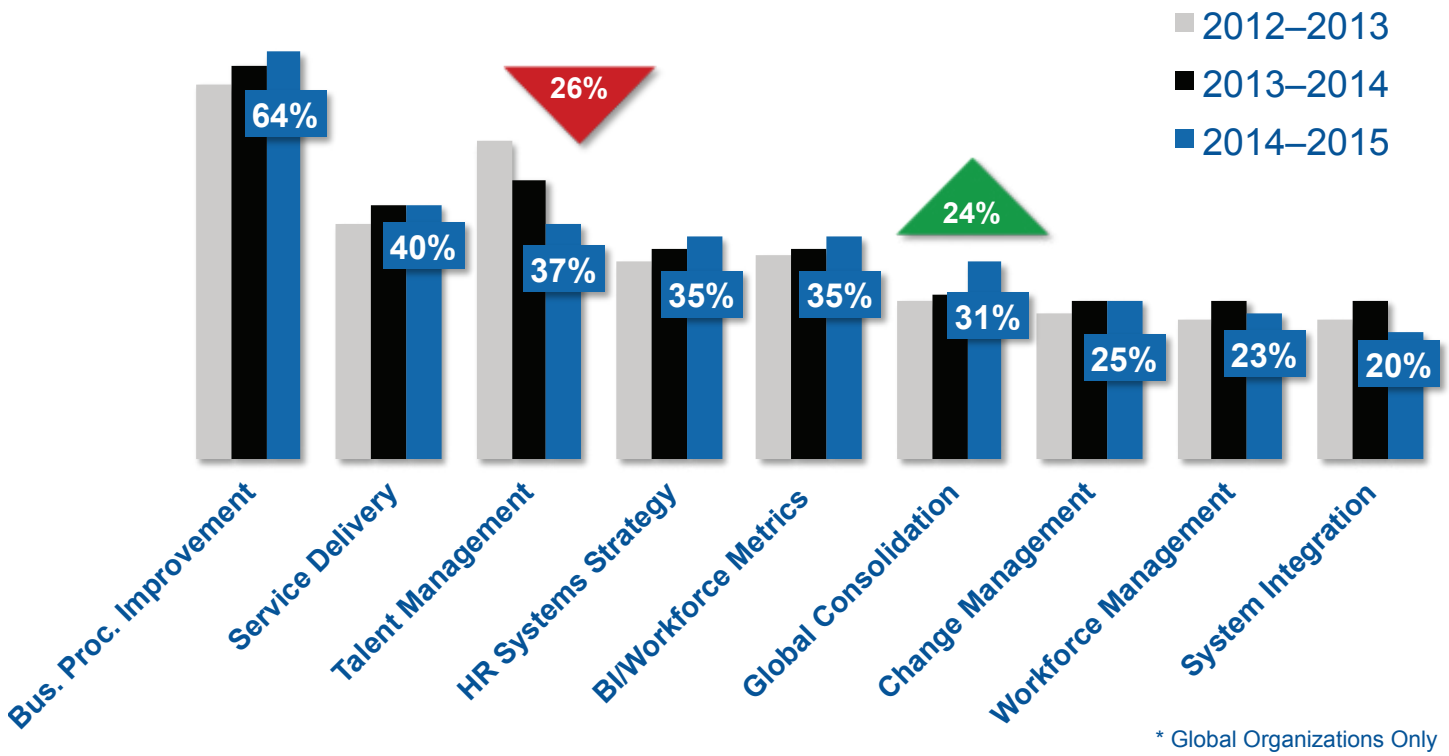
HR Systems Strategy and Culture

Top Initiatives in 2014 – Foundational Activities for Change

Where time and resources are allocated speaks volumes about what an organization truly values. Each year, the *Sierra-Cedar HR Systems Survey* asks participants to provide details on where their organizations plan to spend at least 25% of their time. Figure 8 shows the top nine priorities from 2012, 2013, and 2014.

Figure 8: 2014–2015 Major Initiatives – Three Year View



* Global Organizations Only

Top Nine HR Technology Initiatives	Insights and comments	Industry highlights
1. **Business Process Improvement and Innovation (foundational process work)**	• BPI/Innovation has been at the top of the chart for years, and it continues to rise. • This points to organizations' continuing efforts on foundational work with processes before embarking on new technology initiatives. • This is especially important for organizations making deployment model switches or consolidating multiple HR system solutions.	• Public Administration (74%) • Manufacturing (68%)
2. **Service Delivery Improvements (employee and manager self service, onboarding, shared services)**	• SDI ranking is number two this year. • Increases in HR Social- and Mobile-enabled process adoption indicate this is a key facet of service delivery improvements. • Employees expect direct access to HR systems the same way they access their personal applications.	• Higher Education (54%) • Agricultural/Mining/ Construction (46%)

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Top Nine HR Technology Initiatives	Insights and comments	Industry highlights
3. Talent Management (process work and associated automation)	• Talent Management declined from a high of 50% in 2012 to 37% today—a 26% drop. • Organizations have spent considerable energy in the last three years on TM systems, and we believe early adopter industries are completing initial implementations.	• Financial Services (47%) • High-tech (43%)
4. HR Systems Strategy (establishing or refining)	• Increasing focus on an HR Systems Strategy over three years indicates changes will follow with HR technology adoption. • We see these changes happening first with the HRMS choice, but also having to do with system consolidations of the core HRMS. • We also see these changes more frequently focused on service delivery transformation and also a move towards integrated Talent Management and away from point Talent Management solutions.	• Agriculture/Mining/ Construction (42%) • High-tech (41%)
5. Business Intelligence (activities to plan, implement, and refine)	• Business Intelligence has consistently increased over the last three years. • Respondent organizations are at different states of BI and analytics activities. Some are focused on implementing their first analytics with embedded analytics from new solutions. • Organizations with more experience with BI and analytics are moving towards enterprise BI solutions.	• Retail/Warehouse (44%) • Public Administration (42%)
6. Global HR Systems Consolidation (expanding or consolidating HRMS to global operations)	• We see a 24% increase in focus for global organizations only. • An additional report will focus on this trend.	• Manufacturing • Agriculture/Mining/ Construction
7. Change Management (make sure that solutions achieve maximum benefits)	• Growth in focus on Change Management for the past three years indicates maturation of organizations. • A Culture of CM results in reduced costs of HR technologies.	• AMC2 (33%) Retail/ Wholesale (32%)
8. Workforce Management (time and labor, scheduling, absence, and budgeting)	• Workforce Management is slightly down from last year. • For specific industries, the WFM initiative is considerably higher. • Innovations in Mobile, facial recognition, and wearable technology impact these solutions. • Rapidly changing regional labor laws and regulations impact these solutions.	• Public Administration (37%) • Higher Education (28%) • Healthcare (27%)
9. System Integration (HR and talent applications)	• There is less attention on System Integration this year than last year. • This is a complex issue for IT professionals, being resolved by selecting solutions either already on a platform or pre-connected, as well as leveraging new Enterprise Integration Platforms.	• Financial Services (28%) • Other Services (20%)

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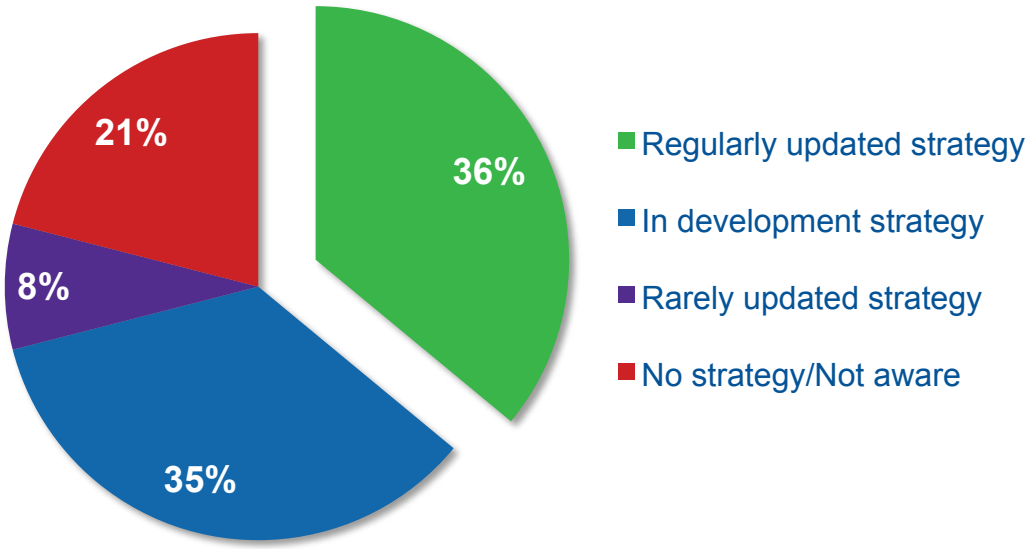
Enterprise HR Systems Strategy

As HR systems shift from administrative support tools to strategic instruments finely tuned to engage and optimize the workforce, it becomes necessary to have an enterprise HR Systems Strategy for the adoption, integration, and configuration of these solutions.

While organizations vary in their approaches to creating and maintaining a strategy, as seen in Figure 9, over one-third of respondents regularly update their enterprise HR Systems Strategy and another 35% are working on developing a strategy.

Figure 9: Percentage of Organizations with a Current Enterprise HR Systems Strategy



Organizations with a regularly updated enterprise HR systems strategy are 38% more likely to be viewed by all levels of management as contributing strategic value to the organization, over those who have no HR systems strategy in place. The moral of the data is that an enterprise HR systems strategy, when updated on a regular basis, is valuable financially and strategically.

Quantified Organizations are three times more likely to have a regularly updated Enterprise HR Systems Strategy than other organizations.

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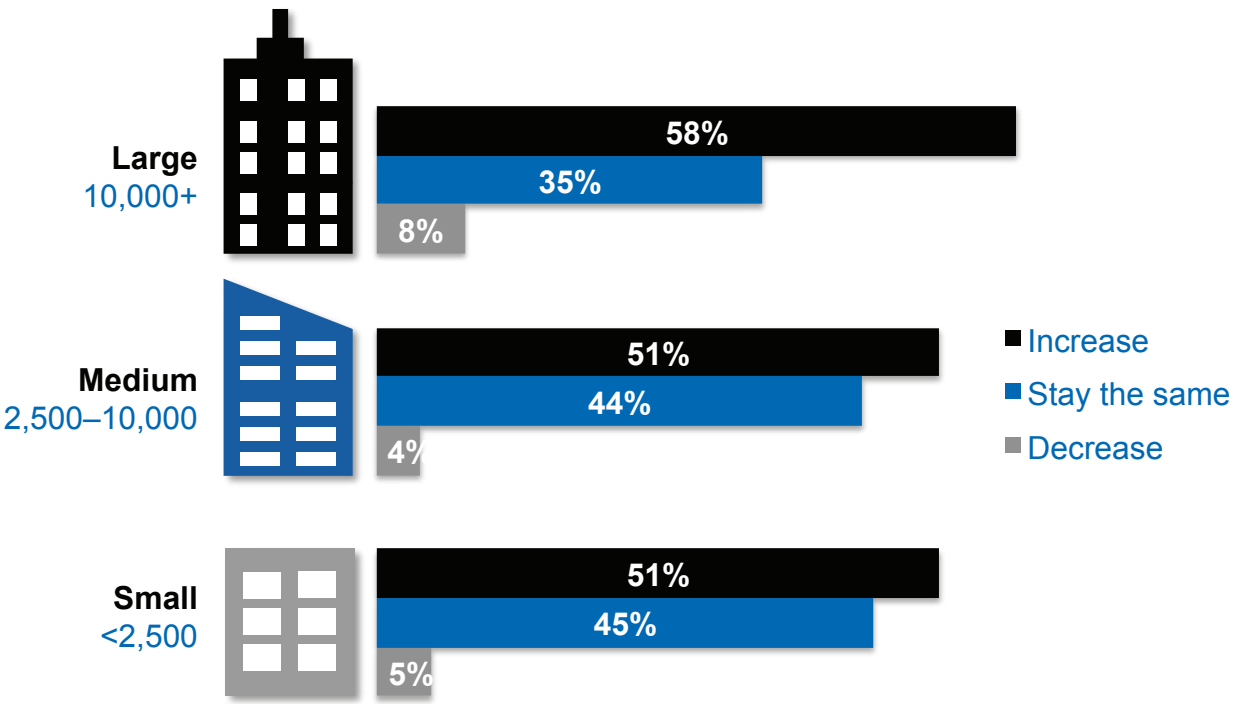
Enterprise HR Systems Spending

The spending outlook for HR technologies continues to be positive going forward. Over 50% of the Survey respondents of all sizes plan to increase spending on HR technology next year.

> Over 50% of the Survey respondents of all sizes plan to increase spending on HR technology next year.

Figure 10: HR Technology Spending Plans for Next Year by Employer Size



Creating a Culture of Change Management

Change Management is one of those topics that everyone agrees is important, but it often gets left as an afterthought when making plans for HR systems acquisitions and deployment. When allocating budgets and time, it is hard to show the value proposition for the additional resources required to invest in effective Change Management efforts.

This year, we added several questions to the Survey on Change Management and found exciting evidence for the value proposition of Change Management.

We categorized four levels of Change Management for HR Technology projects:

- **Culture of Change Management –** Change Management is done with every technology change in our organization.
- **Key projects –** Change Management is done only with a few key projects that meet certain criteria such as size, budget, or breadth of stakeholders.
- **Sporadically –** Change Management is done sporadically with no criteria.
- **Never**

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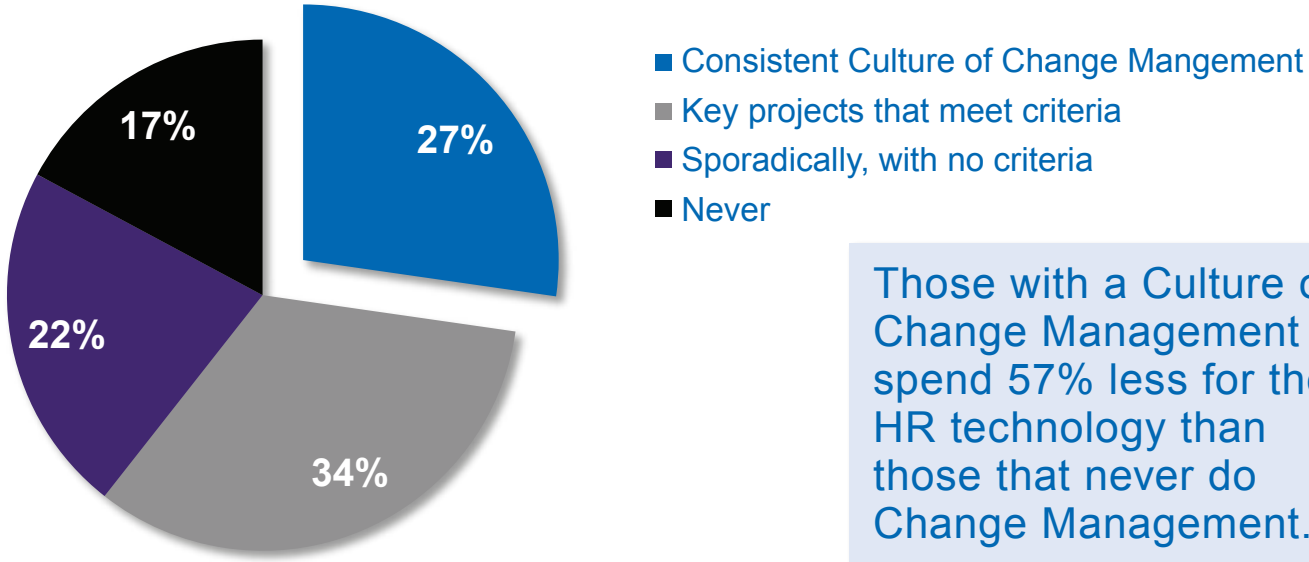
As seen in Figure 11, just 27% of organizations practice a “Culture of Change.”

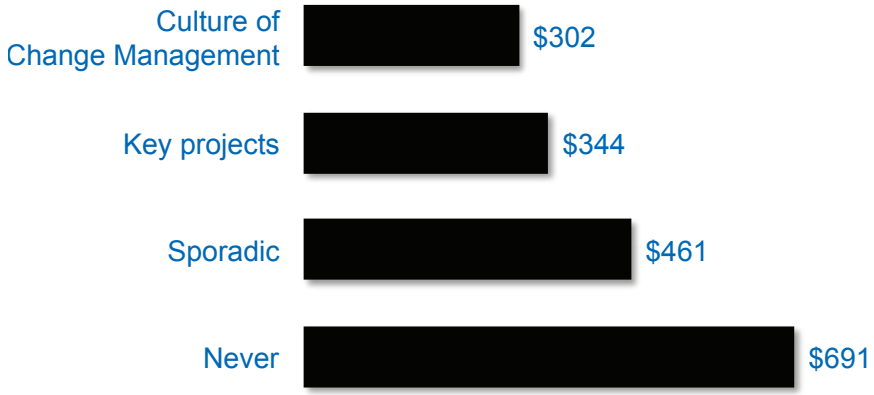
Figure 11: Level of Change Management for HR Technology Projects



Those with a Culture of Change Management spend 57% less for their HR technology than those that never do Change Management.

Organizations that invest in any form of Change Management experience benefits of reduced total HR technology costs per employee. Those organizations with a Culture of Change Management spend 57% less for their HR technology than those that never do Change Management.

Figure 12: Total HR Technology Costs/Employee



Quantified Organizations have 150% higher adoption of a Culture of Change Management, over not Quantified Organizations.

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Like an enterprise HR Systems Strategy, Change Management is connected to the perception of a valuable HR function. Those with a Culture of Change Management are twice as likely to be viewed by all levels of management as contributing strategic value, versus organizations that never use Change Management.

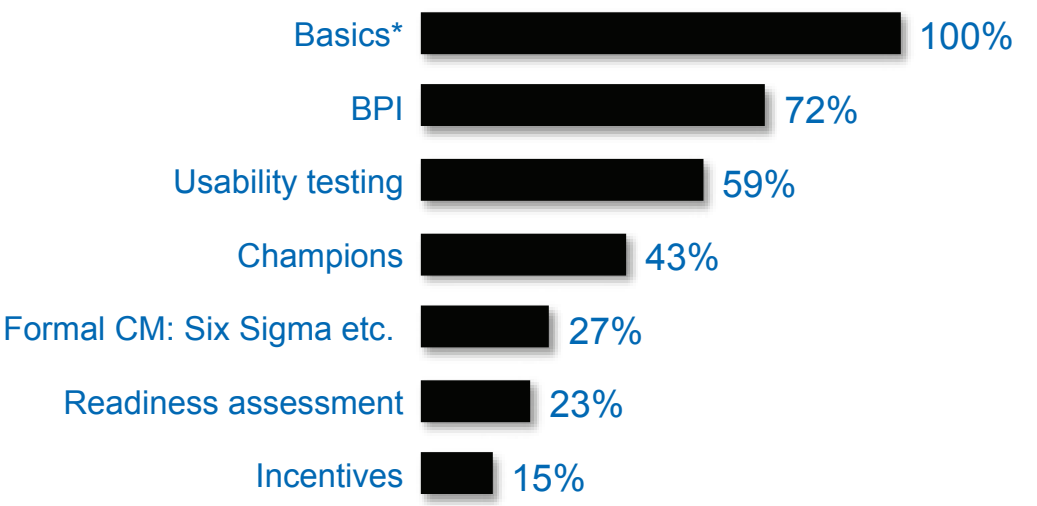
2 X

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.

A wide array of Change Management practices are deployed by those organizations that engage in effective Change Management. All respondents use some form of basic Change Management and many use Business Process Improvement (BPI). Beyond these, we see an increase in maturity of Change Management practices such as usability testing, change champions, and even formal Six Sigma programs.

Figure 13: Change Management Practices for HR Technology Projects



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

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Overall Application Adoption by Industry, Size, and Region

The tables that follow provide an overall usage snapshot for each application category by major industry sector, size of organization, and region. We highlight cohorts that are above or below the worldwide average adoption levels by five percentage points or more. While individual organizations will often vary in adoption of HR technologies, these average adoption levels can be used as a quick benchmark for any organization.

At a glance, readers can see that **Retail/Wholesale** leads in most categories of application adoption this year. This is in part due to the many Very Large retail organizations that participated in the Survey this year. Other aggressive/early adopter industries include Financial Services, High-tech, and Healthcare. Healthcare has a unique mix of above-average application adoption in the strategic areas of Workforce Management, Talent Management, and Business Intelligence. This is not surprising when you consider that many of the changes taking place for this industry in the US require a workforce with new technical skills that is optimized for cost efficiency and improved patient care. At the same time, Healthcare is an industry undergoing increased regulatory attention. Lower-than-average adopter industry sectors continue to be Agriculture/Mining/Construction (AMC), Higher Education, Manufacturing, and Public Administration.

Figure 14: Application Adoption Level by Industry

	Administrative	Service Delivery	Workforce Management	Talent Management	BI (Reporting/ Tools)	Workforce Analytics/ Planning	Social Media Tools
Worldwide Average	**92%**	**49%**	**46%**	**55%**	**41%**	**12%**	**41%**
Agriculture, Mining, Constr.	**91%**	**29%**	**34%**	**48%**	**33%**	**3%**	**48%**
Financial Services	**97%**	**53%**	**50%**	**60%**	**42%**	**15%**	**44%**
Healthcare	**94%**	**54%**	**53%**	**60%**	**48%**	**15%**	**38%**
Higher Education	**91%**	**48%**	**33%**	**45%**	**34%**	**7%**	**31%**
High-tech	**91%**	**54%**	**48%**	**59%**	**41%**	**14%**	**53%**
Other Manufacturing	**91%**	**48%**	**41%**	**54%**	**35%**	**7%**	**35%**
Other Services	**90%**	**47%**	**48%**	**51%**	**43%**	**13%**	**42%**
Public Administration	**91%**	**39%**	**37%**	**46%**	**42%**	**8%**	**39%**
Retail/Wholesale	**98%**	**56%**	**54%**	**62%**	**43%**	**19%**	**40%**
Transp., Comm., Public Util.	**90%**	**58%**	**43%**	**54%**	**37%**	**5%**	**51%**

+5% above average -5% below average

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Turning to organization size, Large organizations (those with over 10,000 employees) continue as higher-than-average adopters, while Small organizations are lower-than-average adopters.

Figure 15: Application Adoption Level by Size

	Administrative	Service Delivery	Workforce Management	Talent Management	BI (Reporting/ Tools)	Workforce Analytics/ Planning	Social Media Tools
Worldwide Average	**92%**	**49%**	**46%**	**55%**	**41%**	**12%**	**41%**
Large (10,000+)	**95%**	**64%**	**52%**	**69%**	**45%**	**17%**	**48%**
Medium (2,500–10,000)	**94%**	**49%**	**45%**	**59%**	**42%**	**11%**	**42%**
Small (<2,500)	**90%**	**40%**	**44%**	**42%**	**38%**	**9%**	**36%**

Looking at adoption by region, US organizations typically lead in application adoption, but we are seeing some areas where organizations from Europe and Canada have slightly higher levels of adoption this year. As we saw last year, EMEA (Europe, Middle East, Africa) continues to have a set of early, more aggressive adopters of Talent Management, Workforce Management, and Business Intelligence. We also see that the Asia Pacific region is at a lower level of adoption than other regions.

Figure 16: Application Adoption Level by Region

	Administrative	Service Delivery	Workforce Management	Talent Management	BI (Reporting/ Tools)	Workforce Analytics/ Planning	Social Media Tools
Worldwide Average	**92%**	**49%**	**46%**	**55%**	**41%**	**12%**	**41%**
USA	**94%**	**50%**	**46%**	**55%**	**41%**	**12%**	**42%**
Canada	**87%**	**36%**	**39%**	**51%**	**42%**	**4%**	**46%**
EMEA	**84%**	**46%**	**49%**	**60%**	**49%**	**14%**	**38%**
APAC	**64%**	**43%**	**49%**	**48%**	**26%**	**15%**	**29%**

Canada
Leads in adoption of Social Media Tools

Europe/Middle East
Leads in adoption of Talent Management and Business Intelligence applications

Asia/India/Australia
Lower adoption levels than other regions

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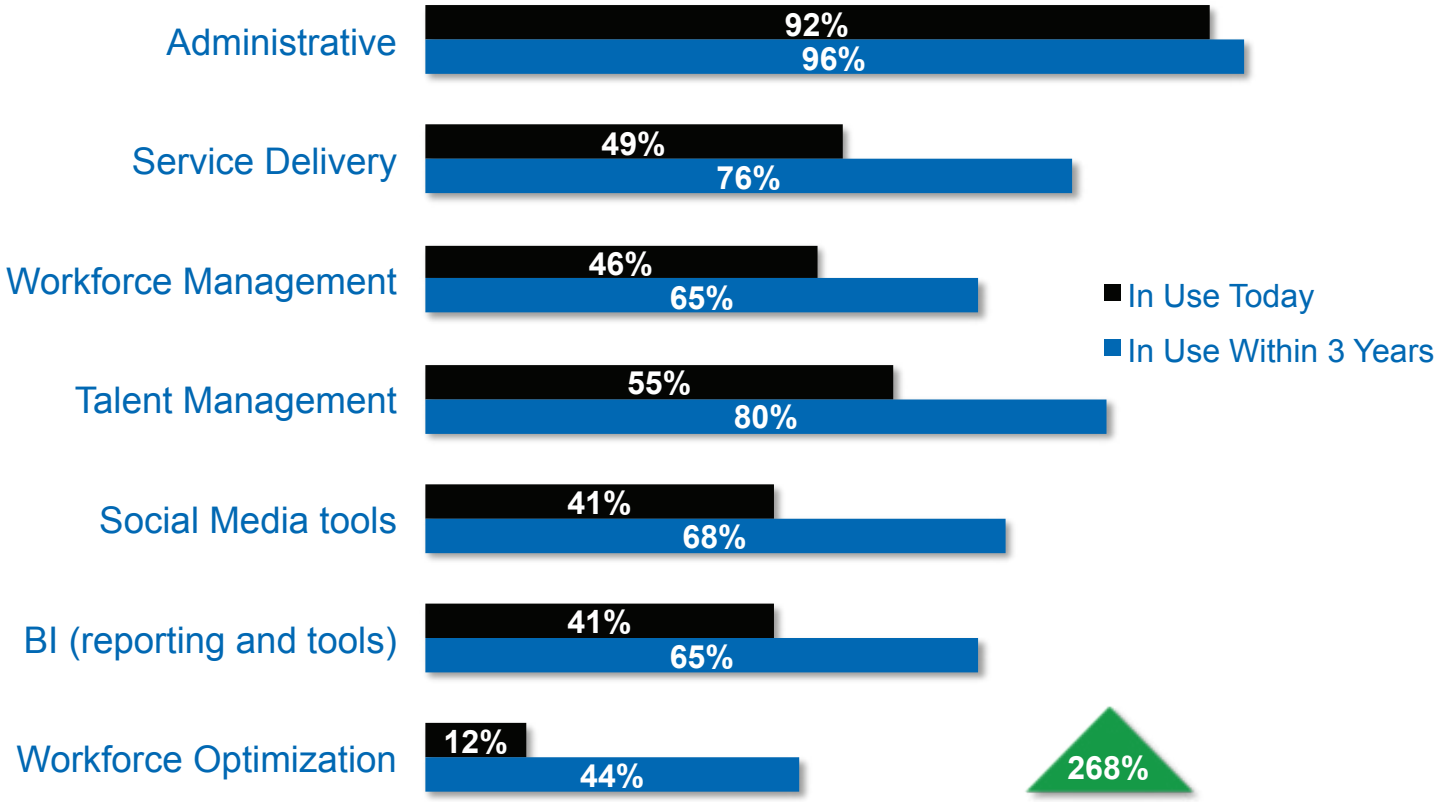
Three-Year Application Outlook

In addition to asking which applications are in use, we also track applications budgeted for the next 12 months or planned for implementation in the next three years as seen in Figure 17 below. While all categories of applications show growth, two categories stand out. Those with over 60% forecasted growth in adoption over the next three years include Social Media (66%) and Workforce Optimization (268%).

Figure 17: Three-Year Application Adoption Outlook (n=648)



From 2013 to 2014, the most significant adoption gains came in one area: Social Media tools. Adoption levels went from 33% in 2013 to 41% adoption this year, a 24% increase. We see expectations for growth continuing in the next three years, but with a slower progression than in the previous year. The areas with the greatest increases in strategic use of social tools this year include collaboration tools/repositories such as SharePoint (62%) and LinkedIn (52%).

The dramatic 268% forecast jump—from 12% to 44% adoption—for Workforce Optimization solutions may be a positive move towards HR analytics and predictive planning tools. In reality, this application area has been faced with consistent challenges in adoption, and we've seen high growth expectations from respondents over the last few years with very little adoption. Often organizations lack valid enterprise data to leverage these tools effectively, but we also see some confusion across the buying community concerning enterprise business analytics solutions and embedded business analytics solutions.

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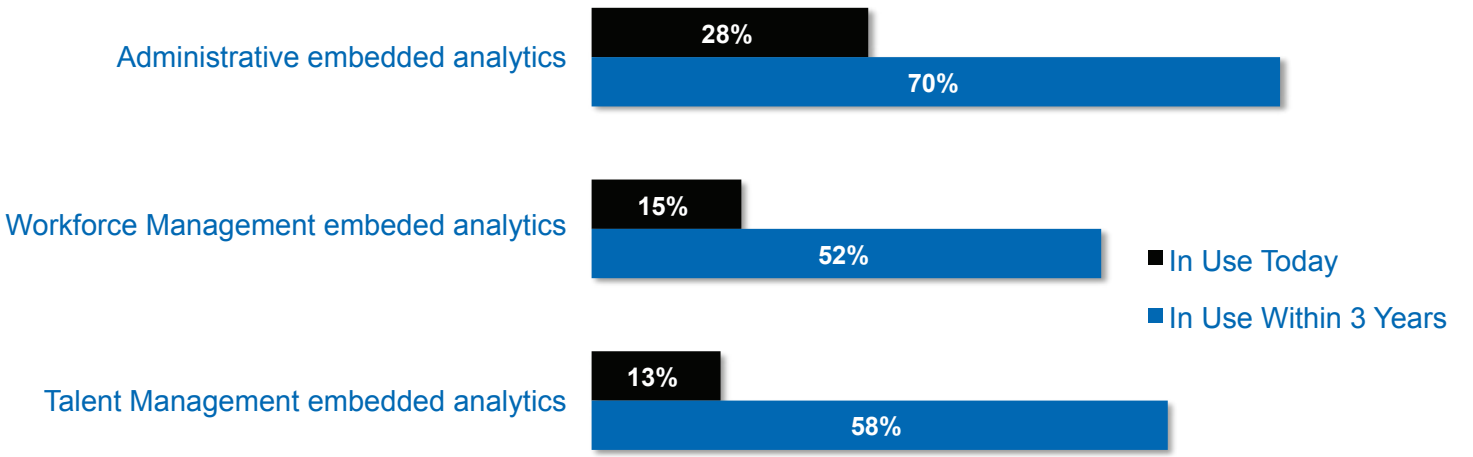
This is the first year that we asked about embedded analytics for the primary HR systems categories, yet we have 28% of organizations reporting adoption of embedded HR analytics as seen in Figure 18 below.

Figure 18: Embedded Analytics Three-year Application Outlook (n=733)



We believe organizations are sidetracked in their plans to adopt Workforce Optimization solutions as separate technologies for HR in favor of leveraging the increasingly sophisticated embedded analytics tools that come with many of the core HR, Workforce Management, and Talent Management solutions. Over the next three years, organizations plan to double and triple the use of these applications in all areas. We will discuss the topic of embedded analytics further in the Business Intelligence and Analytics section of the report.

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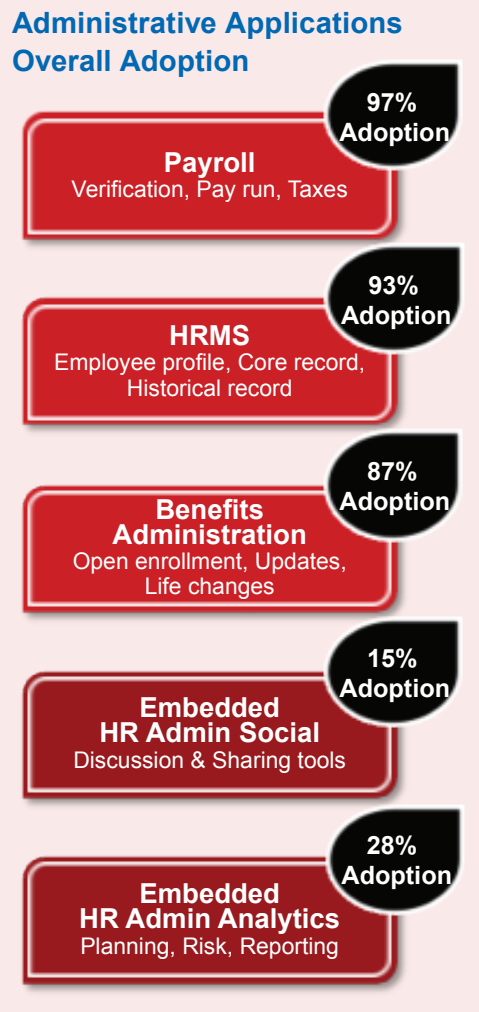
Administrative Applications, Meaningful Foundations

Core HR Management System Application

Central to most organizations' HR system environment is a core HR Management System (HRMS) that handles administrative record keeping and ideally is the single source of truth about the workforce. More recent solutions include employee profiles, possibly contingent worker information, organizational structures, and reporting tools.

The vendor and deployment model of Core HR Management Systems plays a major role in the decisions made concerning additional HR technologies. When an organization decides to replace or upgrade its core HR management system, this change requires a considerable amount of work for both the HR and IT functions and can cause an organization to rethink its entire enterprise HR systems strategy. Large global organizations often have multiple core HR systems due to mergers, acquisitions, and unique regional requirements. These multiple systems create even greater challenges when an organization plans to update its core HRMS environment.

The HR systems market is in the middle of a major transition, moving from primarily licensed on-premise solutions to new Cloud solutions now offered by most HRMS vendors. Our Survey takes a deep look at this transition, the motivations, and factors that play into an organization's decision to change its HRMS deployment method.



The Core HR Management Systems Transition to Software as a Service (SaaS)

SaaS, or Cloud HRMS deployments, are on the rise. In 2013, we had forecast that by 2015 SaaS HRMSs would overtake licensed deployments. As seen in Figure 19, next year's plans confirm this forecast: by 2015, 58% of respondents will have a SaaS HRMS compared to a maximum of 51% that will have a licensed HRMS solution. The 38% of organizations that currently deploy SaaS HRMS solutions consist of those with a single SaaS HRMS as well as those that have combinations,[3] which always include at least one SaaS HRMS within their organizations but may also include a licensed HRMS. The licensed solutions make up 56% of today's deployments.

38% of organizations currently deploy SaaS HRMS solutions.

3 Combinations: frequently, global organizations have multiple HRMS deployments, but are always showing at least one SaaS HRMS somewhere in the organization, perhaps in a country or in a division. They will also have one form of a licensed solution, either on premise or hosted.

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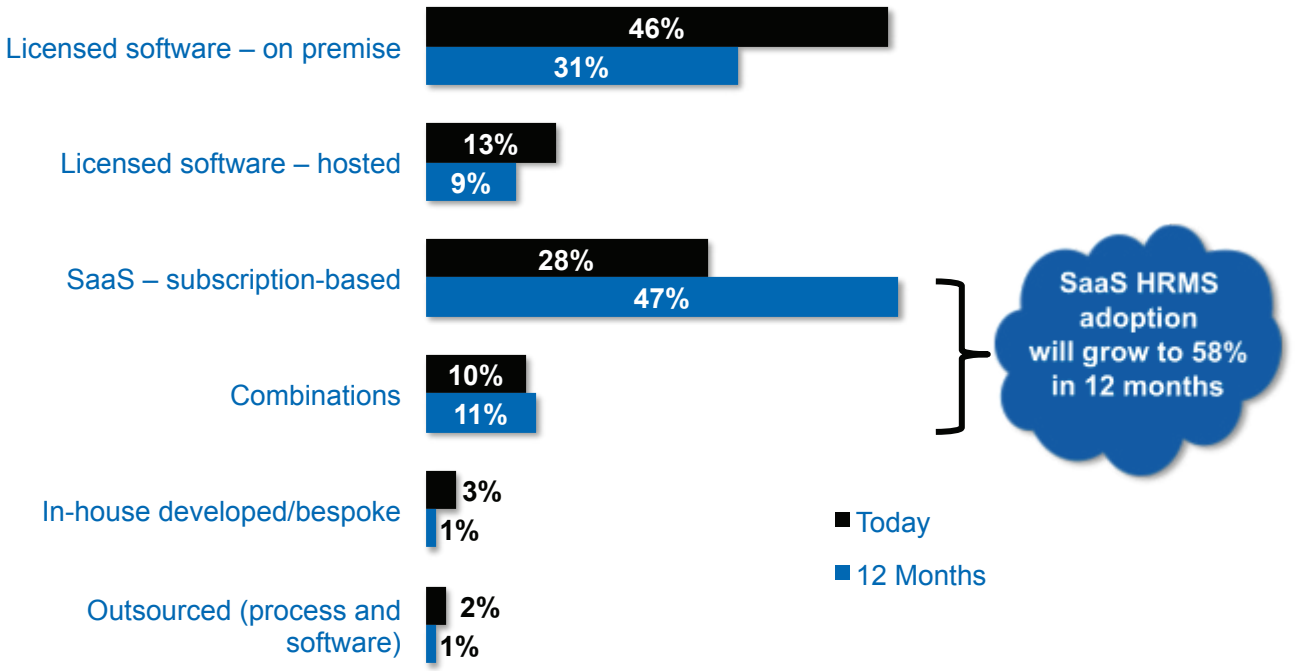
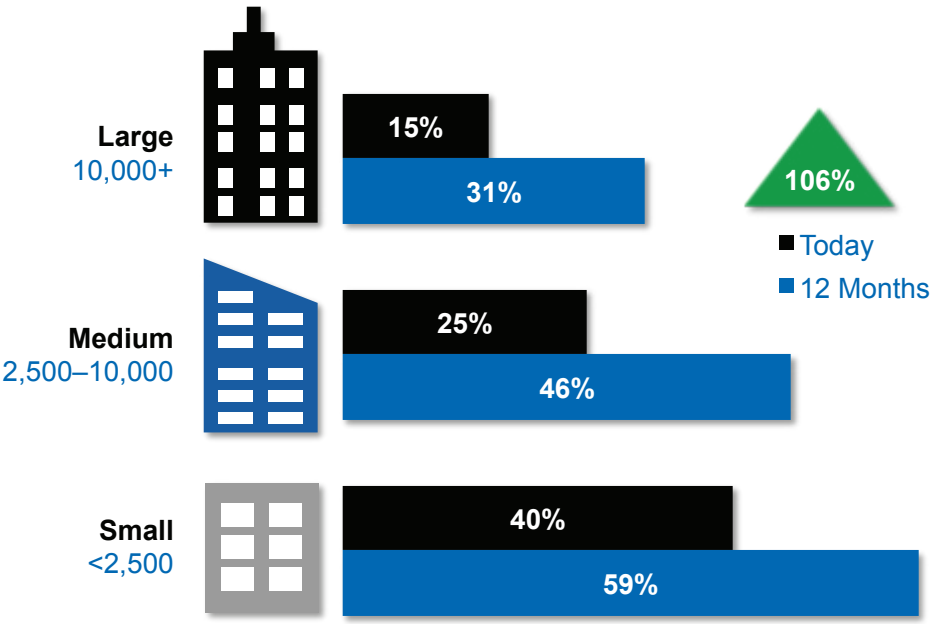
Figure 19: 2014–2015 HRMS Deployment Models



We also see this year that core HRMS SaaS deployment percentages vary noticeably by organizational size as seen in Figure 20. Up to this point, Large organizations have been less likely to deploy SaaS HRMS solutions. Small and Medium organizations have already deployed SaaS HRMS solutions twice as often as large organizations, but based on 12-month plans, Large organizations have the most aggressive plans to deploy more SaaS HRMS solutions. This year's Survey data shows over 100% growth in planned adoption of a SaaS HRMS expected in Large organizations, compared to 80% growth in Medium organizations, and less than 50% growth from Small organizations next year.

Figure 20: 2014–2015 HRMS Deployment Models by Size



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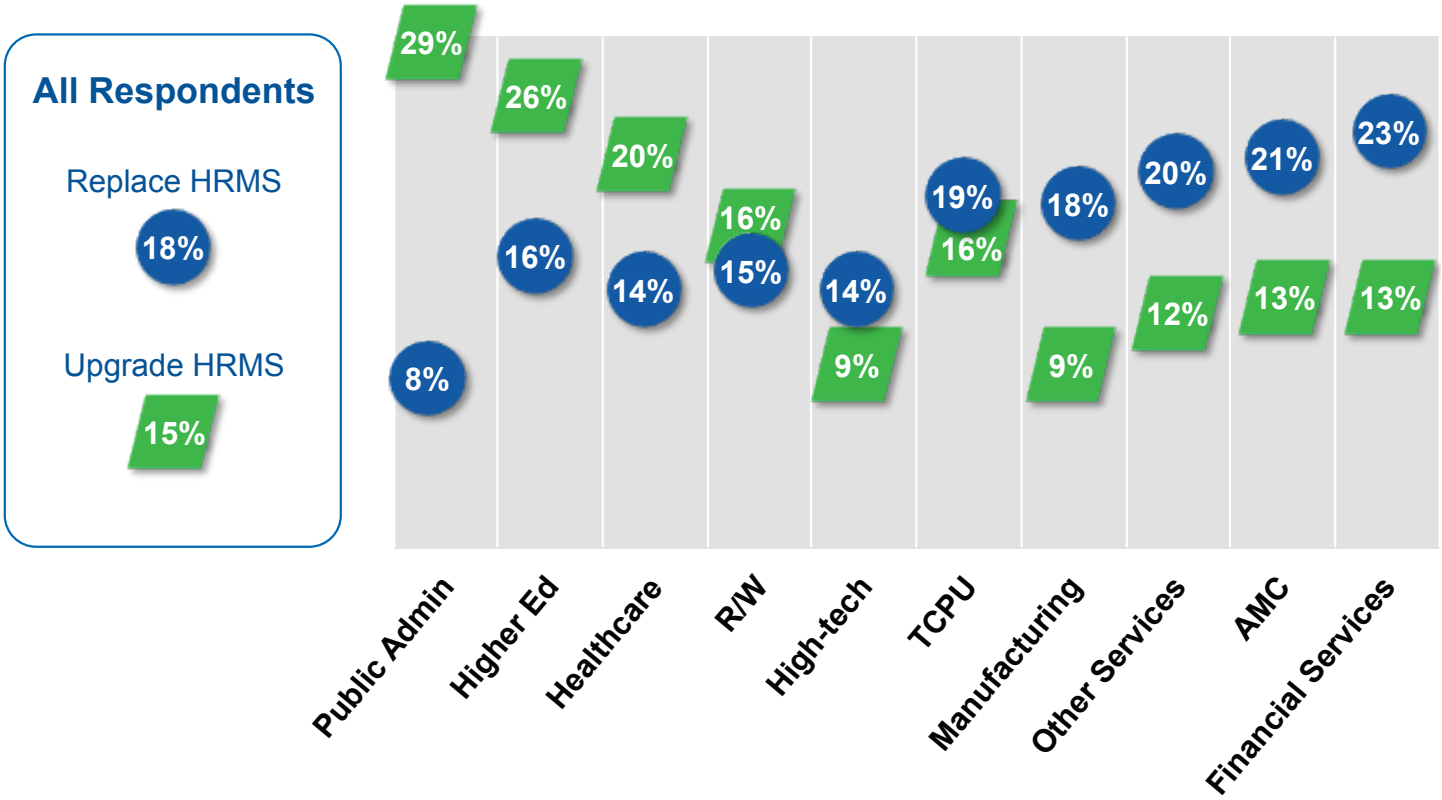
Beginning in 2013, we reported more organizations planning to execute HRMS replacement initiatives than upgrade initiatives. That trend continues for 2014, as seen in Figure 21, with 18% of organizations reporting an initiative for core HRMS replacement, compared to 15% for upgrades. We see variations by industry where Financial Services—typically an early adopter of technology innovations—leads the way. Late adopter industry sectors include Public Administration and Higher Education, both still more frequently engaged in upgrade initiatives.

Figure 21: HRMS Replacements vs. Upgrades by Industry



The Roadmap to Change Core HRMS Solutions

Of the respondent organizations that provided details on their current and future vendors, 22% are planning to make a core HRMS change in the next 12 months. Over 35% of those organizations have single licensed HRMS solutions and another 33% have combination deployments with multi-vendor HRMS environments. The remaining organizations that are planning to make a change report a mix of Cloud and homegrown solutions.

We looked more closely at the plans of respondents with a single legacy or multi-HRMS environment. Organizations with single HRMS environment have an average of 7,592 employees. They break into three groups planning a change: one-third plan to move to Workday; one-third report they will move to a mix of Cloud solutions such as Ceridian Dayforce, UltiPro, or Oracle HCM Cloud (Fusion); and one-third are evaluating a slate of Cloud options.

Legacy core HRMS deployments:

- 66% are NOT on the current release
- The average time since upgrade for legacy HRMSs is 4 years

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Multi-HRMS respondents are more global with an average of 22,043 employees. There is no clear majority in the vendors these organizations plan to select, but one-third is planning to move to a single platform and we do see more SAP, SuccessFactors, Employee Central, and Oracle HCM Cloud (Fusion) solutions among their plans. One-third is still evaluating Cloud solutions. Multi-HRMS respondents also include a collection of respondents taking a different approach to their HRMS transition roadmap. One-third of respondents with a multi-HRMS environment plan to consolidate their systems to one of their existing on-premise solutions—most notably PeopleSoft or SAP HCM. In some instances, these organizations report that they will move from one on-premise solution to another, again with PeopleSoft or SAP HCM the most frequently indicated solution.

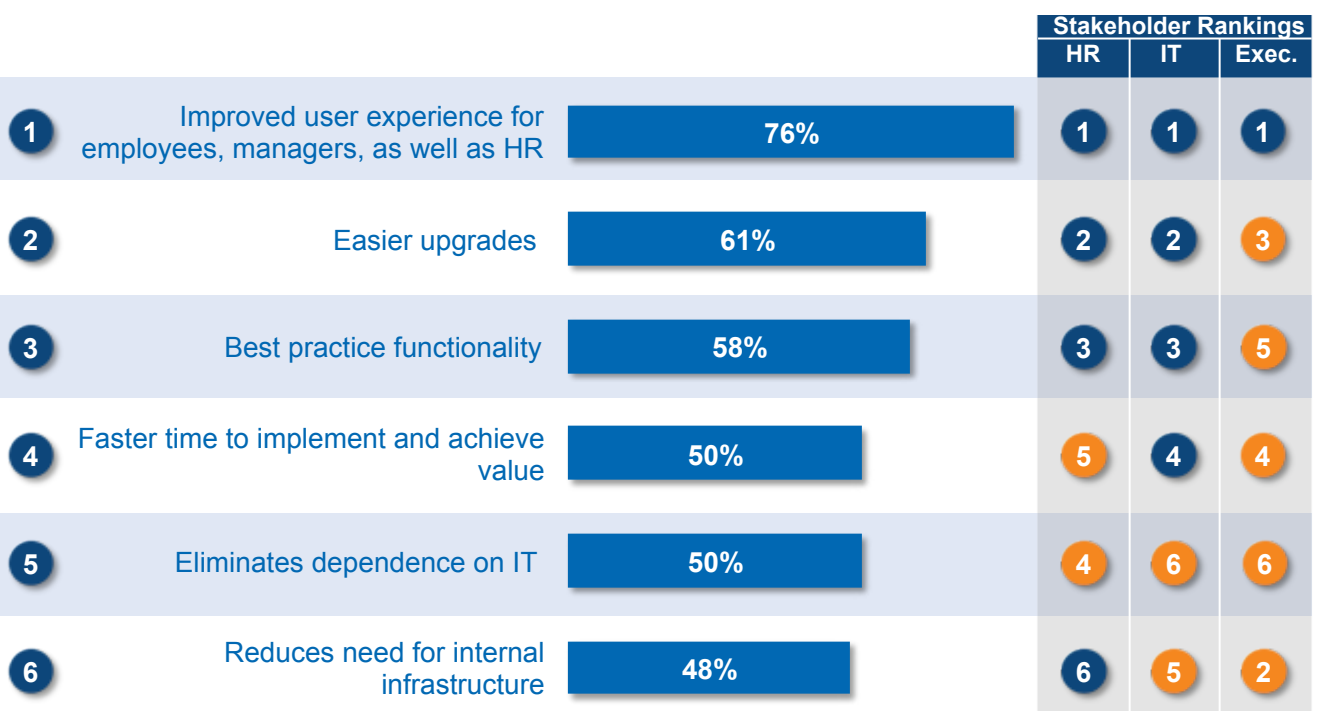
One third of respondents with a multi-HRMS environment plan to consolidate their systems to one of their existing on-premise solutions—most notably PeopleSoft or SAP HCM.

The underlying message with these changes is that Cloud is the direction many organizations are heading, and further that Large global organizations are rethinking their HRMS environments—most likely to better meet business requirements and end-user expectations. With the global organizations, many are finding a forward path through system consolidation, as well as on-premise upgrades to the latest versions.

Benefits and Concerns on Moving to Core HRMS SaaS

So why are organizations making the transition to a SaaS core HRMS today? As seen in Figure 22, user experience continues as respondents' number one reason for moving to SaaS. This year, we also see a 10% increase in respondents who state that easier upgrades is a reason to move, as well as a slight increase in a desire to achieve faster time to implement. Of note is that executive respondents are keenly interested in the potential of being able to reduce their needs for internal infrastructure.

Figure 22: Reasons for Moving to SaaS – HR, IT, and Executives (n=1,022)



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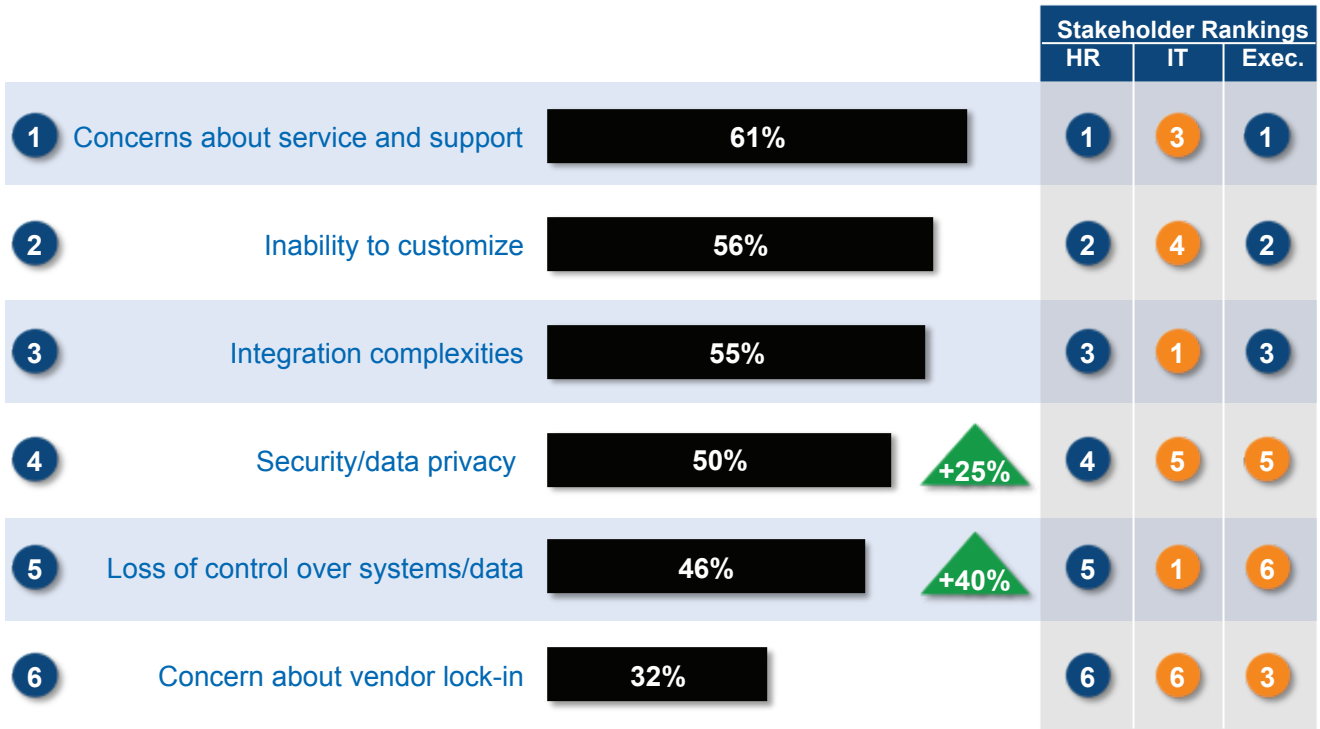
For organizations choosing not to move to SaaS core HR environments, the top concern continues to be service and support—will these newer Cloud vendors be able to support a growing install base at the level that vendors of existing legacy HRMS can accommodate today? However, the data also shows an increase in concerns about security and data privacy. With the press reporting data leaks and Cloud hacking, security and data privacy concerns have increased in importance from 2013. IT respondents, however, are most concerned with integration complexities and loss of control over data and systems.

Figure 23: Concerns with Moving to SaaS HRMS for HR, IT, Executives (n=1,022)



Cloud HRMS Value Propositions

Organizations wish to focus more energy on the strategic aspects of human capital management and less on the maintenance of their HRMS. We see from our data three benefits from SaaS deployments that will help organizations:

- SaaS yields faster times to implement and achieve value
- SaaS achieves shorter release deployments, over longer licensed upgrades
- SaaS reduces the need for internal HRIT/IT headcount

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Benefits of SaaS Core HRMS Deployment

SaaS core HRMS implementations take less time.

This holds true across organizations of all sizes.

Figure 24: Length of Time for New HRMS Deployments (n=536)

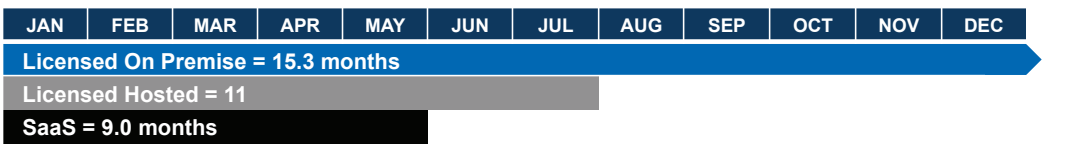
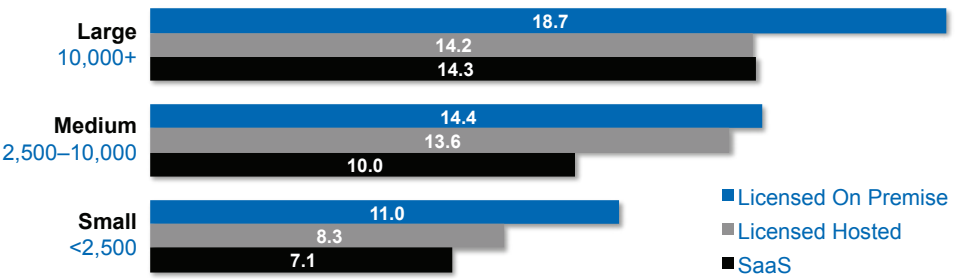


Figure 25: Time for New HRMS Deployments by Size (n=536) in months



SaaS releases still take time, but less than the average licensed upgrades.

Figure 26: Length of Time for HRMS Upgrades/Releases (n=536)

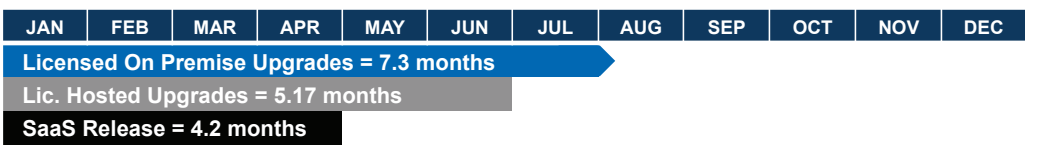
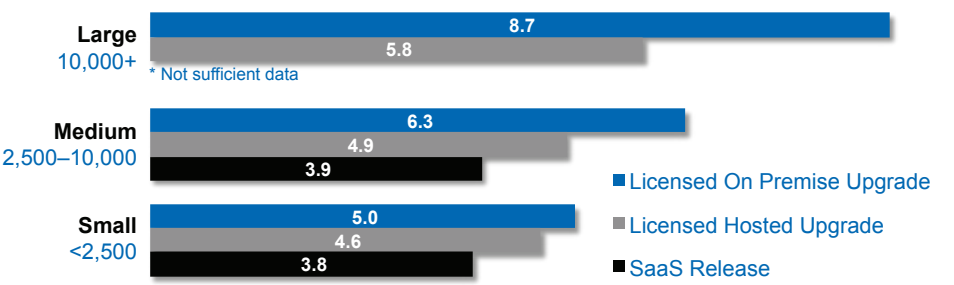


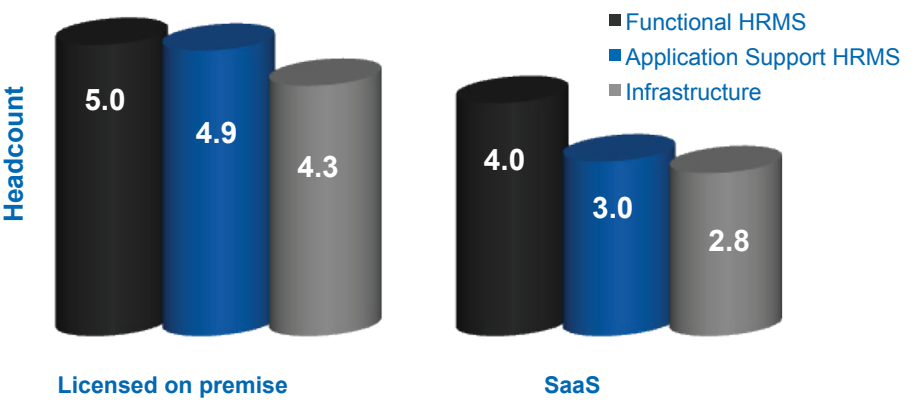
Figure 27: Time for HRMS Upgrades/Releases by Size of Organization (n=536)



SaaS requires fewer HR technology headcount.

This holds true across organizations of all sizes.

Figure 28: HRIT/IT Headcount By Deployment Type* (n=158)



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

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HRMS Vendor Outlook

The HRMS vendor landscape for Today and In 12 Months indicates continued change as seen in Figure 29. HCM Solutions owned by ERP providers such as Oracle (PeopleSoft and E-Business Suite) and SAP HCM continue to hold the highest percentage of adoption today. Although Oracle and SAP are slightly losing adoption for their licensed solutions, they are gaining adoption of their Cloud solutions. Oracle solutions total 36% today, with the Oracle HCM Cloud (Fusion) doubling from 2013 and projected to double again by 2015.

Figure 29: HRMS Vendor Outlook Overall and by Size (n=497)

	Overall		Large 10,00+ Employees		Medium 2,500–10,000 Employees		Small <2,500 Employees	
	Today	In 12 Months	Today	In 12 Months	Today	In 12 Months	Today	In 12 Months
Oracle PeopleSoft	27%	24%	47%	41%	28%	23%	9%	8%
ADP	20%	16%	15%	11%	15%	10%	28%	25%
Ultimate Software (UltiPro)	11%	11%	1%	2%	16%	16%	15%	14%
Kronos	11%	9%	15%	13%	12%	8%	7%	5%
SAP*	9%	8%	15%	12%	9%	8%	4%	5%
Infor/Lawson	9%	8%	13%	11%	13%	9%	4%	4%
Workday	6%	15%	9%	21%	6%	18%	3%	6%
Oracle (EBS)/JD Ewards	7%	7%	11%	11%	6%	5%	6%	6%
Ceridian HR	5%	3%	2%	2%	5%	1%	7%	4%
SumTotal/Softscape/Accero	4%	4%	3%	3%	5%	5%	4%	1%
SuccessFactors Employee Central	3%	6%	3%	7%	4%	6%	2%	4%
Oracle HCM Cloud (Fusion)	2%	4%	3%	5%	1%	3%	2%	4%
Ceridian Dayforce HCM	2%	3%	1%	1%	2%	3%	3%	5%
Other	13%	13%	9%	7%	9%	8%	21%	22%

* SAP adoption underrepresented
Columns do not add to 100% as organizations have multiple solutions in use
Colored cells indicate greater than 5% gain or loss projected in 12 months.

+5% loss +5% gain

Across the board, we see continued momentum in the adoption of Cloud/SaaS solutions—including Workday, Oracle HCM Cloud (Fusion), SuccessFactors Employee Central, ADP, Kronos (SaaS HRMS solution), UltiPro, Infor, and Ceridian Dayforce HCM.

ADP continues as the second most adopted HRMS solution—and when we review our data by employer size, ADP not only has the lead in Small organizations, it also grew in that category from last year. However, as organizations grow in employee size, we often see replacement plans to drop ADP. This shift is seen most clearly in the expected drop over the next year among Medium-sized organizations with ADP.

We see stronger adoption in Medium-sized organizations for UltiPro, up from 11% adoption in 2013.

Kronos continues to hold stable this year at 11% while Infor dropped slightly to 9% from 2013 levels, but both organizations have respondents who are continuing to evaluate solutions—including these two—over the coming 12 months.

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We see a slight dip from 2013 adoption levels for SAP HCM for its on-premise solution, but many respondents indicate plans to move to its SuccessFactors Employee Central solution, giving the combined total for SAP/SuccessFactors a total of 12% this year and 14% next year. We believe that with just 15% of respondents from outside the US, we do not reflect SAP HCM worldwide adoption.

This year, Workday's adoption grew to 6% of overall respondents; next year, all respondents forecast growth to 15%. For each of the past few years, we've reported a high forecast for Workday; but each year, actual adoption levels do not achieve this level of adoption. We see the strongest expected growth from both Large and Medium-sized organizations, the market Workday is certainly targeting.

CeridianHR continues to hold a steady adoption percentage from last year, and respondents with CeridianHR show the most aggressive move to transition to the new Cloud-based Ceridian DayForce HCM. We see continued growth for this Cloud solution, particularly for Medium and Small organizations.

It is also important to note that SumTotal holds a steady adoption level. It will be important to watch SkillSoft's plans for the HRMS area of the SumTotal business.

Voice of the Customer about their Core HRMS

Another view of the HRMS comes from looking at the relationship between user adoption and user experience. Increased usage of employee and manager direct access (self service) translates to an organization receiving more value from its solution investments.

To obtain user experience scores, we asked respondents to evaluate on a three-point scale for nine key processes.

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

In Figure 30, we show user experience scores on the horizontal axis and user adoption on the vertical axis, first for employees in the blue box and second for managers in the grey box.

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Figure 30: HRMS Employee User Adoption Level by User Experience Scores (n=389)

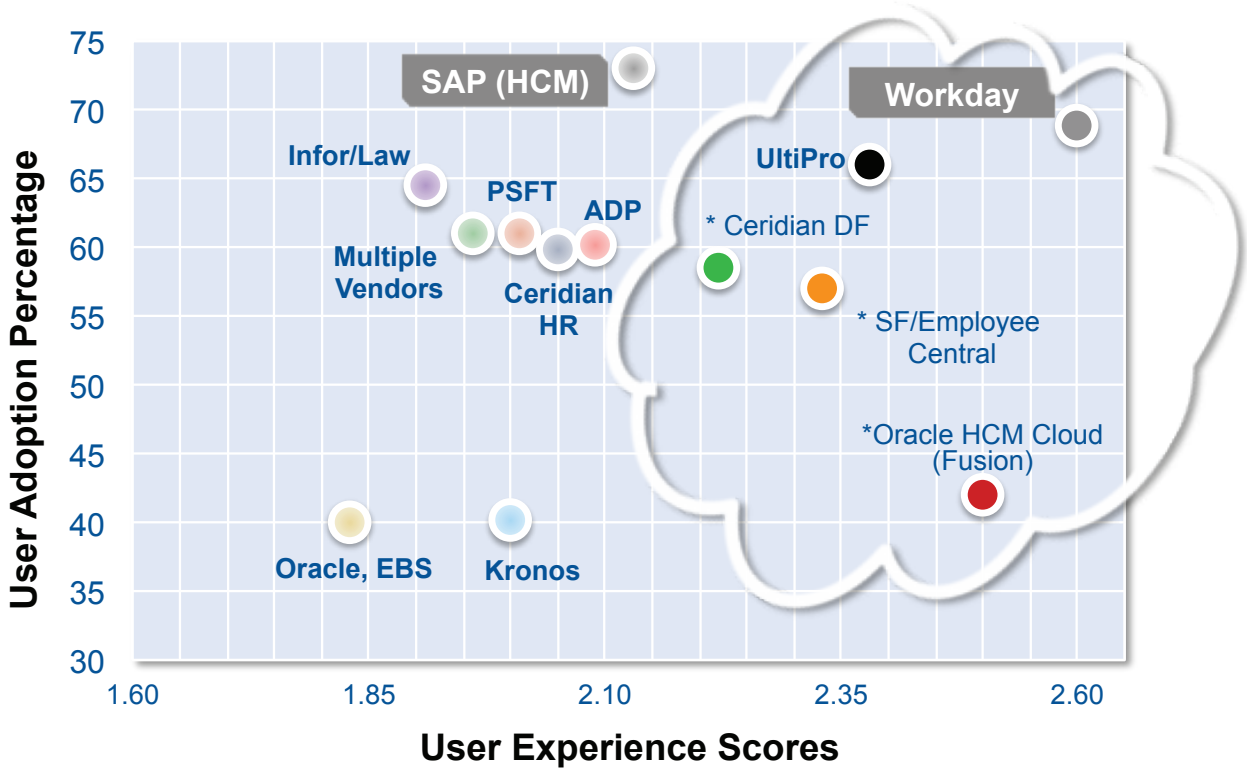
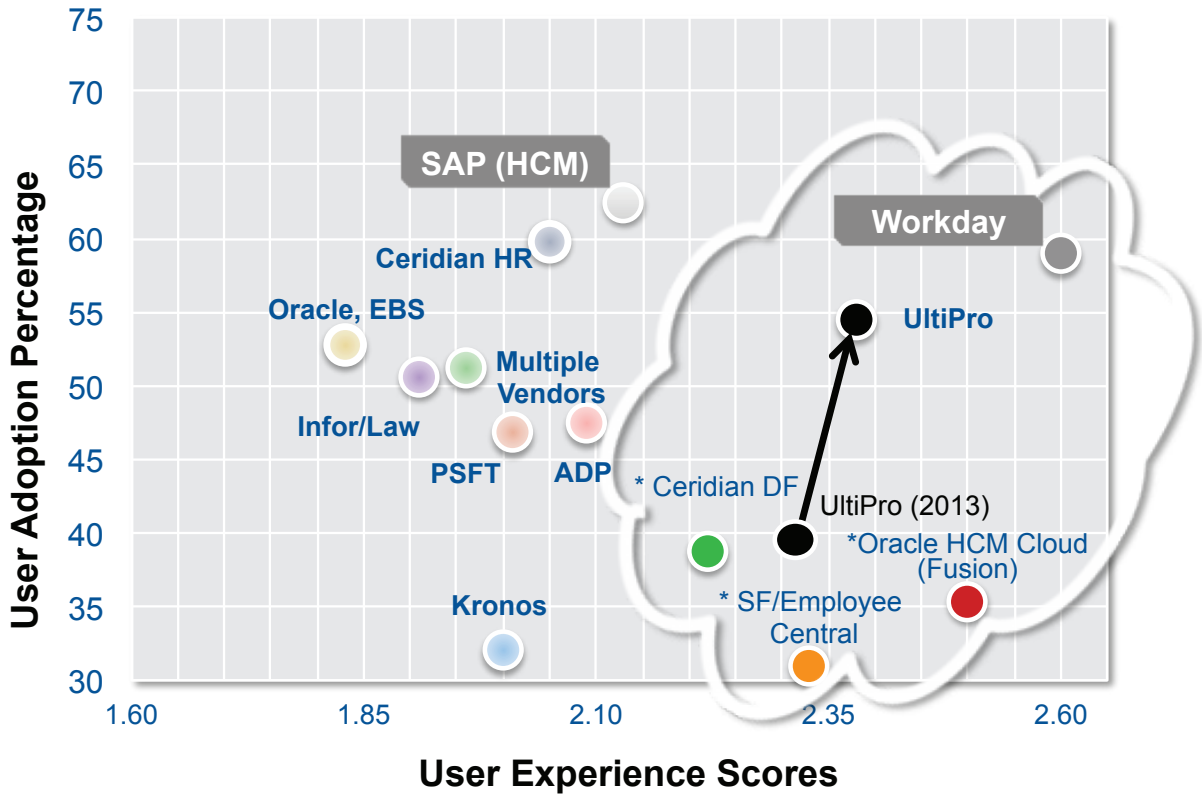


Figure 31: HRMS Manager User Adoption Level by User Experience Scores (n=389)



** Sample Size Small, Indicative Data Only*

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Looking just at user experience for core HRMS, the overall average score this year is 2.1. This is the first year to share meaningful data from adoption of more of the newer Cloud HRMS solutions.[4] The Cloud solutions average user experience score is 2.4, compared to 2.0 for the licensed and solutions that are a mix of on premise and outsourced.

Workday's user experience score is highest (2.6) up from 2.45 last year. Oracle HCM Cloud (Fusion) for this year joins our list at 2.5. Other Cloud vendors follow closely. Clearly, newer Cloud HRMS solutions are meeting the number one reason organizations cite as why they will move to the Cloud.

The average user adoption level is up this year as well, for managers and employees. User adoption levels are up for almost all vendors, with SAP HCM leading for both employees and managers. We believe that two things are responsible for respondents' increased user adoption levels: organizations with SAP HCM do a lot of work to improve the user experience and SAP itself is making a big effort to improve user experience.

However, manager adoption levels are relatively low for many of the new Cloud solutions, but we believe these levels will increase substantially by next year. We say this as last year, when UltiPro's Cloud HRMS was relatively new and being rolled out, we reported its manager user adoption level was low. This year UltiPro's manager adoption level grew almost 50%! We think that organizations just rolling out SuccessFactor's Employee Central or Oracle's HCM Cloud and the other new Cloud solutions will experience the same escalation in manager user adoption, reflecting the current focus of their Cloud deployments. Many organizations move first to deploy employee self service and then follow that with their manager self-service rollouts. As organizations' rollouts mature, manager adoption will increase, as did those for UltiPro from last year to this year.

4 Traditionally, we only include vendors with at least 25 respondents in the User Experience scores and adoption numbers. This year we include some of the new Cloud solutions. The respondent sizes are smaller and, as such, the data is only indicative at this time.

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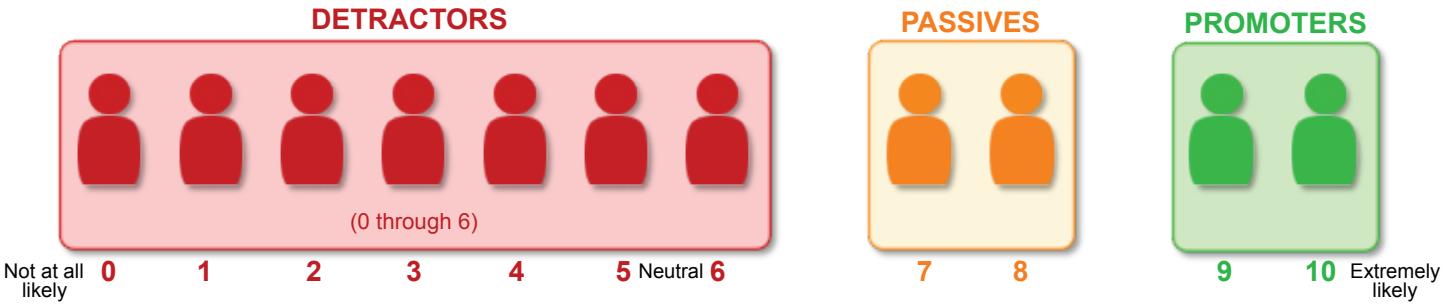
Many vendors measure their customer satisfaction through net promoter scores (NPS). We asked our respondents, on an 11-point scale including 0 to 10, "How likely are you to recommend your primary HRMS vendor in use today to a colleague or friend?" Scoring subtracts the percent of detractors from the percent of promoters to yield a net promoter score. Those with a passive score are not included.

Figure 32: HRMS Customers Continue to be Dissatisfied (n=418)



Net Promoter Score by HRMS Deployment Approach	Net Promoter Score	=	% Promoters (9s & 10s)	–	% Detractors (0 through 6)
Overall	***-35***		***18%***		***53%***
Licensed on premise	-47		11%		58%
Licensed hosted	-39		21%		60%
Software as a Service	-9		31%		40%

As seen in Figure 32, overall respondents score their HRMS vendor at -35. In fact, for all deployment types, there are larger percentages of detractors than promoters, so all solutions overall receive a negative score. However, there are variations in net promoter scores by deployment type, with SaaS HRMS solutions getting the least negative score. Regardless, the bottom line on HRMS customer satisfaction is that all vendors need to continuously listen to the voice of their customers and make improvements.

The bottom line on HRMS customer satisfaction is that all vendors need to continuously listen to the voice of their customers and make improvements.

We asked respondents which vendor benefits have the greatest positive impact for their organization. Comparing the top-rated vendor benefits to the net promoter scores, we find what respondents value matters! As seen in Figure 33, faster implementation times align with the highest average net promoter score of +27. We also see respondents who identified a benefit of their HRMS as being its low cost align with the lowest average net promoter score of -30. In other words, benefits that organizations achieve from lower costs are unlikely to translate into higher net promoter scores or satisfaction.

Faster implementation times align with the highest average net promoter score of +27.

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Figure 33: Average Net Promoter Score by Vendor Benefit (n=558)

Further analysis of those respondent organizations with higher net promoter scores provides additional insights into factors that impact organizations' satisfaction with their HRMS solutions. The following recommendations are based on those findings:

1. Work towards faster implementations, upgrades, or release deployments.

Faster implementation and upgrade times align to higher net promoter scores. Piloting and phased rollouts can help reduce project timelines. We recommend that you also conduct process re-engineering work prior to major HR technology implementations and even before selecting a new solution or conducting your upgrade.

2. If your organization has an older release, consider upgrading.

Those organizations on older releases have the lowest scores, while those on the newest release are higher.

3. Reduce customizations.

Organizations with high levels of customization have scores that are lower than those with moderate and low customization, and 50% lower than those with no customization. Those with no or low customization report the highest net promoter scores of all respondents.

4. Develop an Enterprise Integration Strategy.

Those organizations with an Enterprise Integration Strategy (EIS) and platform that addresses their integration requirements have scores several points higher than those organizations that choose to handle HR systems integration on a case-by-case basis.

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Core HRMS Expenditures

Providing comparative annual expenditures for core HRMS solutions by deployment model is complex. To address this complexity, we provide results for organizations of comparable size, choosing a set[5] of organizations with ~11,000 employees (n=85).

Figure 34: 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

The average HRMS technology cost per employee is comparable in the first year between licensed on-premise and SaaS deployments. Licensed on-premise deployments have a slightly higher cost per employee in the second year, but SaaS solutions have constant costs, one of their selling points.

Figure 35: 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

This year, we asked respondents to provide external implementation costs as well as ongoing support costs. SaaS deployments per employee costs are slightly higher for implementation[6] in both the first and second year, over on-premise solutions. This may be due in part to the higher fees charged by implementation specialists who are currently a scarce commodity for SaaS deployments.

Figure 36: 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

For ongoing support costs, on-premise solutions are slightly higher in the current year; but for next year, SaaS deployments costs are almost double. This higher cost is likely a result of organizations planning to implement additional functionality next year. We recommend organizations use these numbers as a starting point. Large organizations will incur lower per employee costs due to their ability to scale; Small organizations will experience higher per employee costs. For an even better comparison, consider benchmarking your organization against organizations of similar size, industry, and proposed technology environments to identify potential expenditures.[7]

5 A sizable cohort (n=85) of all licensed on-premise and SaaS respondents with between 6,000 and 18,000 employees plus contingents served by the HRMS. Their core HRMS environments have, on average, five to six modules included in their environments and at least two Talent Management applications.
6 Implementation, upgrade, and/or Change Management
7 For details on benchmarking efforts, contact us at HRSystemsSurvey@Sierra-Cedar.com.

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Payroll and Benefits

Payroll applications are a universally adopted application, with 97% adoption this year and respondent plans to increase to 99% in the next 12 months. As for the Vendor Outlook, ADP continues as the clear leader followed by Oracle PeopleSoft. Vendors showing growth for the coming year include new Cloud solution providers.

Figure 37: Payroll Vendor Outlook Overall (n=419)

	Overall	
	Today	In 12 Months
ADP	37%	33%
Oracle (PeopleSoft Enterprise)	20%	19%
UltiPro	10%	10%
Kronos	9%	8%
Infor/Lawson	7%	8%
Ceridian HR	5%	3%
SAP*	5%	5%
Oracle (EBS)	3%	3%
Ceridian Dayforce HCM	2%	3%
Workday	2%	6%
Other	16%	15%

* 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 projected in 12 months.

+3% loss +3% gain

Benefits Administration is at 87% adoption today worldwide. It is less likely to be adopted outside the United States. As shown in Figure 38, organizations with Benefits Administration primarily use Enterprise Systems such as those from Infor (Lawson), Oracle PeopleSoft or E-Business Suite, SAP, or Ultimate Software. We see a slight uptick in the forecast adoption of these solutions for next year.

The **Total Benefits Outsourcing (TBO)** solutions from AonHewitt, Fidelity, Mercer, TowersWatson, Xerox, etc. help organizations navigate the complexities of the changing healthcare environment. We see a jump from 18% adoption in 2013 to 24% adoption this year for TBOs, in part due to recent US healthcare reforms. **Point solutions** are those from vendors such as Businessolver, Empyrean, Secova, or ADP/Workscape. These solutions realized a 1% increase from last year.

Figure 38: Benefit Solutions Respondent Adoption Overall (n=406)

	Overall	
	Today	In 12 Months
Enterprise Systems	56%	59%
TBO – Total Benefit Outsourcing solutions	24%	23%
Point solutions	18%	16%
Other	4%	4%

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

+3% loss +3% gain

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Service Delivery Applications

Service Delivery Applications are an ever-evolving category of technologies that—in addition to Employee and Manager Self Service and HR Help Desk solutions—include Employee/Manager Portals and Workforce Lifecycle Management solutions such as onboarding workflows.

We view Service Delivery technologies through the lens of enabling a more efficient HR organization. One way to view the impact of service delivery on the cost efficiency of the HR department is through the ratio of employees served by each HR administrative staff. As seen in Figure 39, those organizations that have a higher percentage of self-service user adoption serve 10% more employees than those without those technologies with their HR administrative headcount. Organizations that put in place self-service technology within a shared services function and with HR Help Desk technology serve 31% more workforce per HR Administrative staff. This combination of technologies delivers the highest level of efficiency for the enterprise. There are always variations by industry and size, which can be addressed through benchmarking to determine your optimal service delivery model.

Organizations that put in place self-service technology within a shared services function and with HR Help Desk technology serve 31% more workforce per HR Administrative staff.

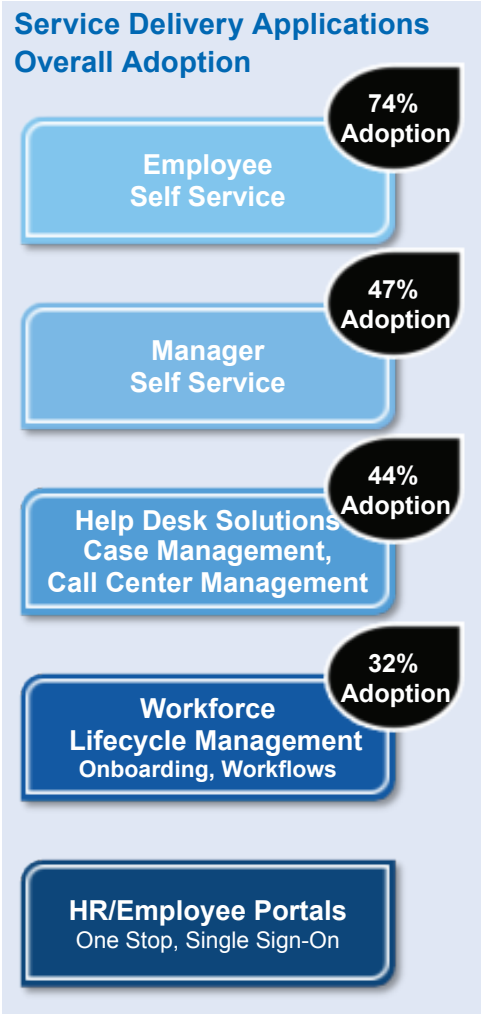
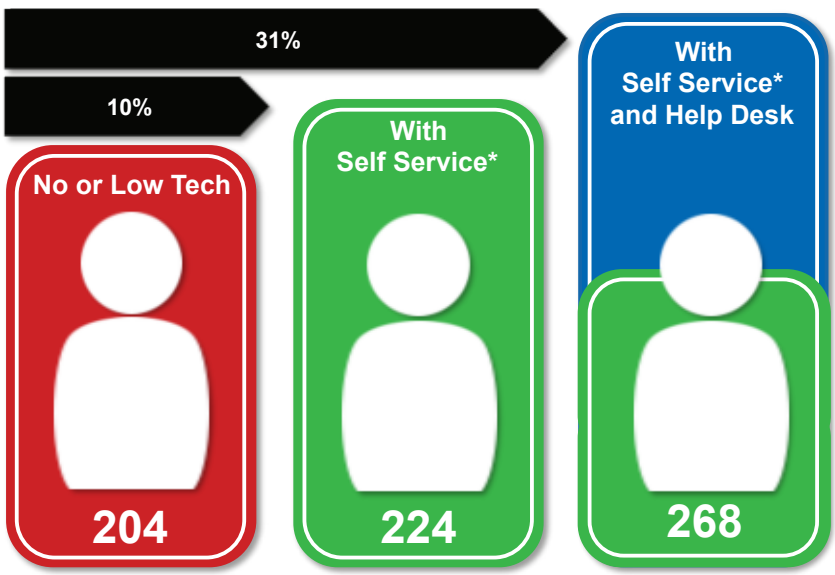


Figure 39: Value of Service Delivery Technologies (n=160)

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

Service Delivery applications have been on a slow adoption growth path, but it is reasonable to expect that the investment organizations are making in Mobile-enabled HR processes will result in both increased adoption of the applications over the next few years as well as increased employee and manager adoption of self-service functionalities.

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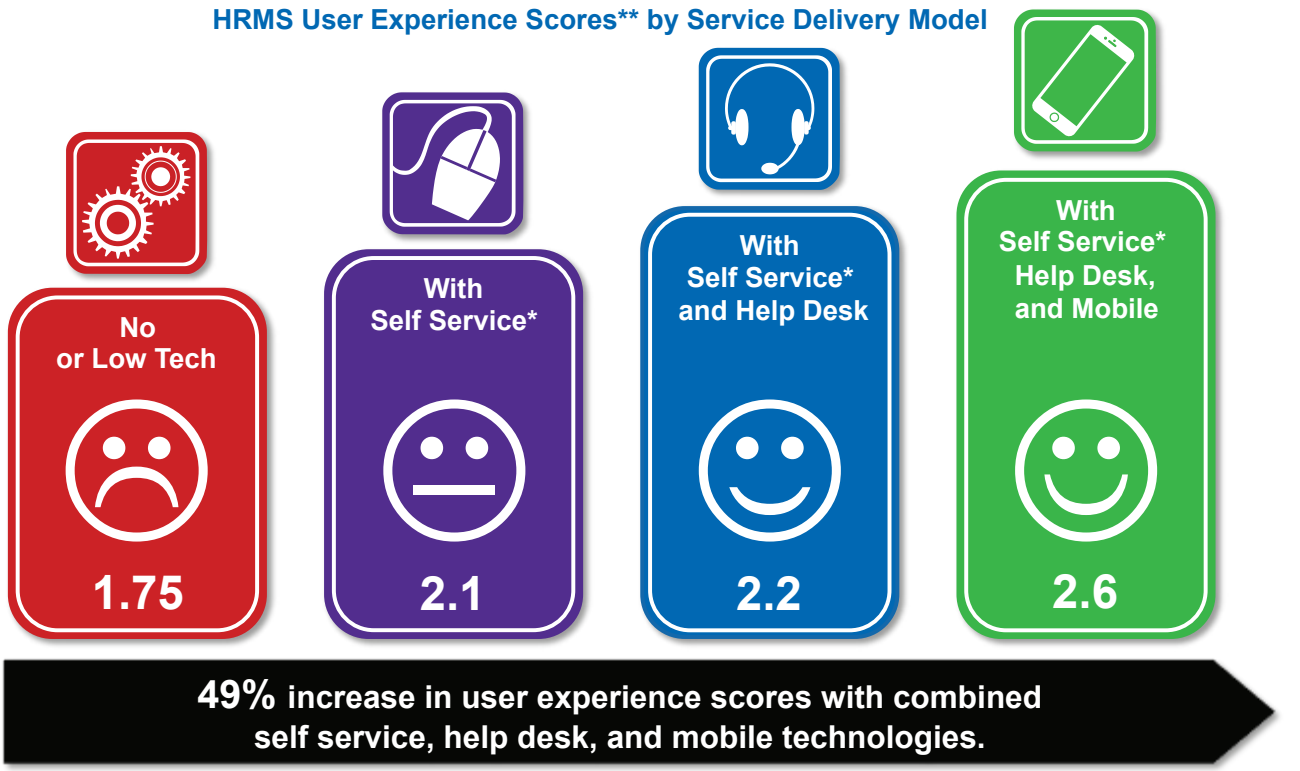
Depending on whose numbers you follow—IDC forecasts that 1.2 billion smart phones will be sold in 2014[8], eMarketer reports that 1.76 billion people globally own and use smart phones monthly[9], and comScore reports that in the US the smartphone penetration is at 70%[10]—all of the data points towards a wireless and Mobile workforce that is connected 24x7 and expects to be able to conduct personal and work-related business on that same schedule.

As we reported earlier, the average core HRMS user experience scores sit just slightly above 2.0 on a three-point scale. When we compare the user experience scores to specific HR Service Delivery technologies as seen in Figure 40, Sierra-Cedar finds average user experience scores of 2.6—49% higher for those with employee and manager self service, help desk technology, and Mobile technology over those with no or low-tech service delivery environments.

> Sierra-Cedar finds user experience scores 49% higher for those with employee and manager self service, help desk technology, and Mobile technology over those with no or low-tech service delivery environments.

Sierra-Cedar research shows that higher levels of user experience leads to high levels of adoption, and that leads to increased value for the overall HR technology investment.

Figure 40: Why Add Mobile to Service Delivery Tech? (n=158)



*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

8 http://www.idc.com/getdoc.jsp?containerId=prUS24823414
9 http://www.emarketer.com/Article/Worldwide-Smartphone-Usage-Grow-25-2014/1010920
10 https://www.comscore.com/Insights/Market-Rankings/comScore-Reports-May-2014-US-Smartphone-Subscriber-Market-Share

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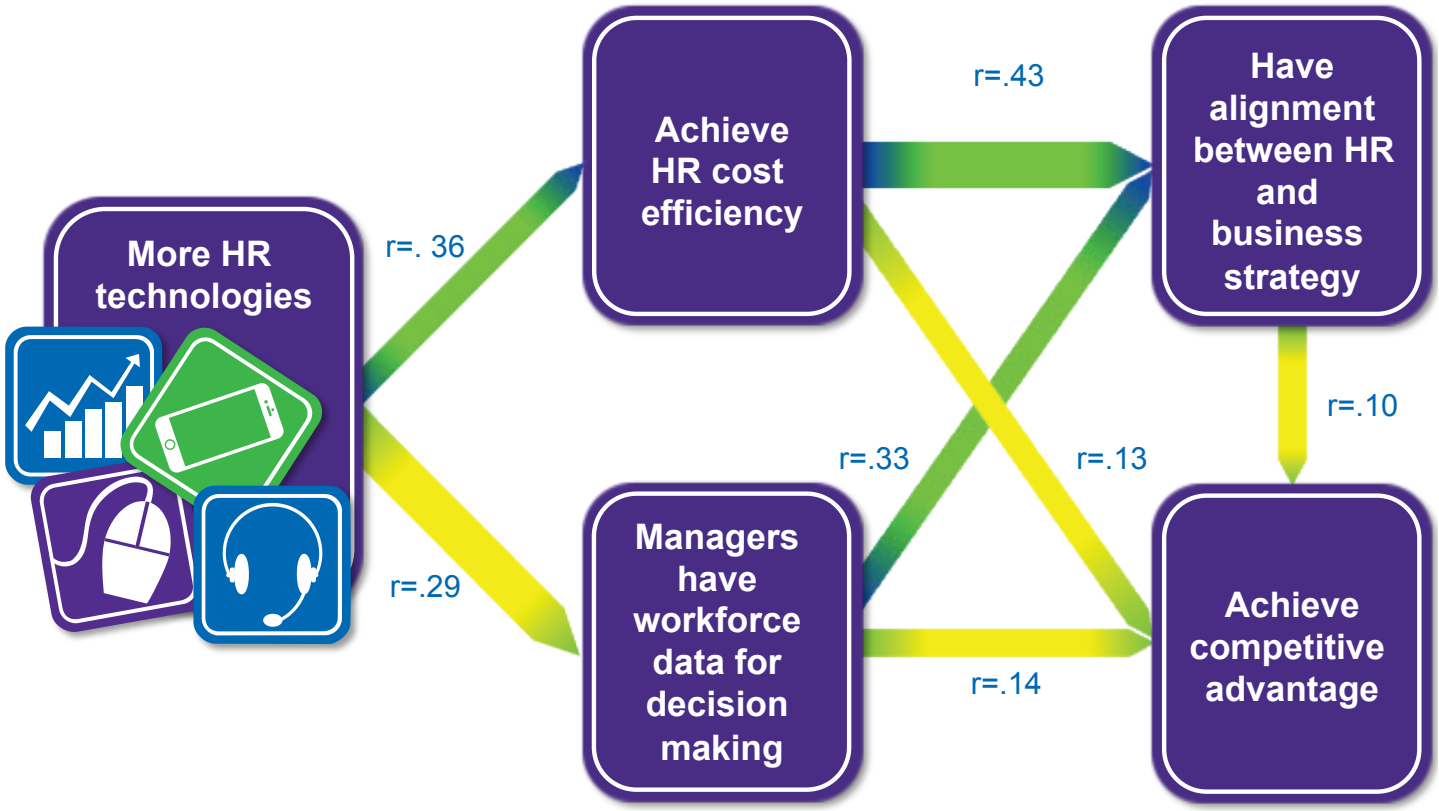
Value Chain Statistical Analysis for Service Delivery Applications

Figure 41: Value Chain of HR Technologies from Statistical Analysis



From our ongoing statistical analysis of the relationship between HR technology adoption and value, as seen in Figure 41, organizations with more HR technologies are linked to and predict two key HR outcomes:

- Improved HR cost efficiency
- Improved ability to give managers workforce data for decision making

The HR outcome of improved **HR cost efficiency** is most strongly linked with and predicts the business outcome of improved **alignment between HR and the business strategy** and also with improved **competitive advantage.**

The HR outcome of improved **ability to give managers workforce data for decision making** is linked to and predicts the business outcome of improved **achievement of competitive advantage.** The business outcome of having improved **alignment between HR and business strategy** is also linked to and predicts the same business outcome of improved **achievement of competitive advantage.**

The rfactors from the value chain analysis are statistical results that tell the story of HR technologies. The advice to “invest in HR technologies” for cost efficiencies may not be the most exhilarating advice, but cost efficiency is a proven outcome. Getting the basics right by confirming that your own service delivery approach achieves cost efficiency is the first place to start and is especially important to achieve alignment between HR and business strategy and to be perceived as adding value to the organization.

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In this Service Delivery section, we have shown that organizations with these technologies are able to serve more employees with fewer administrative staff. We have shown through statistical analysis that HR technologies, including service delivery applications, are linked to and predict key business outcomes. Service Delivery applications provide the best opportunity to engage a workforce. Whether it is with direct access environments or help desk solutions that increase HR responsiveness, they are often the first interaction employees have with your HR systems and—more importantly—reflect the face of HR to the workforce. Get these basics right!

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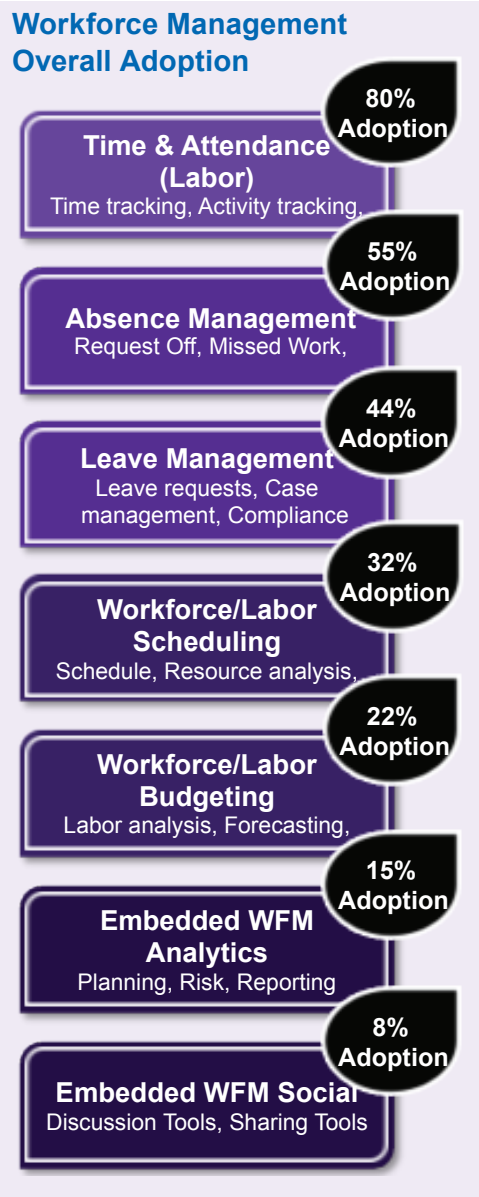
Rethinking Workforce Management Solutions

This year, we expanded our Survey's Workforce Management section to include seven applications. Time and Attendance applications continue to be the most widely adopted solution in this category, with 80% adoption today and forecast growth in the next three years to reach 90%. In previous years, we primarily saw Time and Attendance applications adopted at high levels by organizations with large hourly and part-time workforces such as Retail, Manufacturing, and Healthcare. Today, we also see organizations in other sectors such as Financial Services, High-tech, and Other Services with over 80% adoption.

Workforce/Labor Scheduling solutions, as well as Workforce/Labor Budgeting, are often overlooked for their important roles in helping organizations confirm that they have allocated the right skills, placed them in the right location, and at the right time. Industries such as Financial Services, High-tech, and Other Services with heavy project management requirements, as well as highly specialized skills, will often leverage sophisticated Workforce Management scheduling and labor allocation solutions to help plan, schedule, and manage projects efficiently. Key components are often scheduling tools that connect tightly to core HRMS, Talent Management, and Business Intelligence solutions.

Absence and Leave Management applications must consider regional labor laws and reporting requirements. Many organizations outsource these organizational processes, but for those that manage them internally, a flexible solution updated regularly for regional regulations is a critical tool for managing risk. Any modern Workforce Management solution will handle these for your organization.



Connecting Workforce Management, Talent Management, and Business Intelligence Applications

Each of the Workforce Management applications, **run separately, can help an organization stay in compliance and run efficiently.** Sierra-Cedar research, however, finds those organizations with higher than average adoption of all Workforce Management applications lead in multiple ways over those that adopt only a few individual applications:

- **More strategic –** 68% more likely to be viewed by all levels of management as contributing strategic value to their organization
- **More mature –** their average HR process maturity level is 2.6 versus 2.2 on a three-point scale
- **More automated –** they adopt almost twice as many overall HR applications

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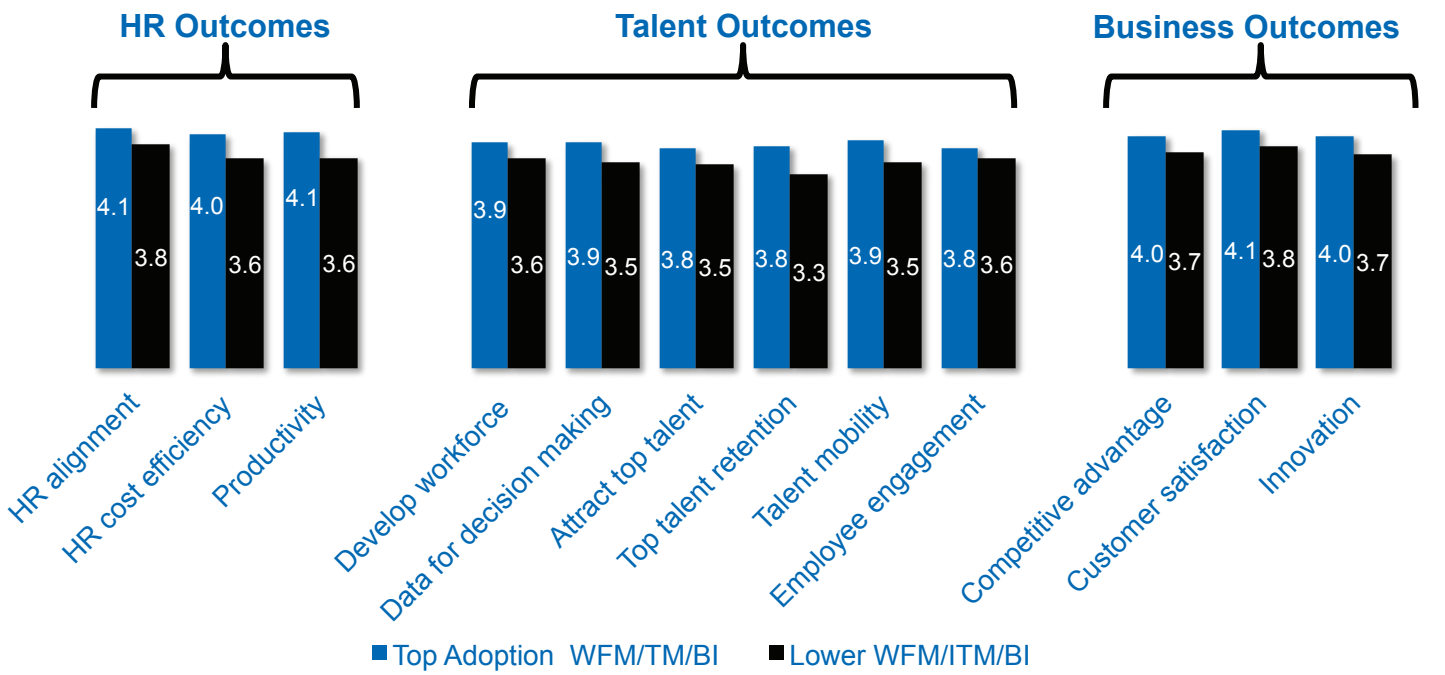
We also conduct a value chain analysis review of the impact of adopting these applications. Sierra-Cedar research finds a link between organizations leveraging full suites of Workforce Management, Talent Management, and Business Intelligence tools and improved HR, talent, and business outcomes across **ALL** possible outcomes.

Sierra-Cedar research finds a link between organizations leveraging full suites of Workforce Management, Talent Management, and Business Intelligence tools and improved HR, talent, and business outcomes across **ALL** possible outcomes.

Figure 42: Outcomes[11] by Top WFM, TM, and BI Application Adopters Compared to Low Adopters (n=526)



These organizations are also three times more likely to have spent effort on integrating data from their Workforce Management and Talent Management applications and their HRMS environment. We believe this integration effort is the next big push for all HR organizations to focus on, similar to the integration push that many high-performance organizations previously made across their Talent Management applications.

The Quantified Organizations are seven times more likely to adopt full suites of Workforce Management, Talent Management, and Business Intelligence solutions.

11 Over the past year, how have the following changed across the organization? 1=Strongly Declined and 5 = Strongly Improved.

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Workforce Management Vendor Outlook

Workforce Management suites are one of the least standardized HR System environments across vendor solutions. These vendors offer a wide range of features and functions, which often means that organizations have multiple solution providers in place to meet all of their Workforce Management needs.

Oracle PeopleSoft and Kronos continue as the leading solution providers in use among Survey respondents Today as well as In 12 Months. We expect adoption increases will be strongest next year for newer entrants such as Ceridian Dayforce HCM and Workforce Software, as these vendors innovate in this area with solutions that address unique workforce needs such as fatigue management or time capture devices with self-service tools.

Figure 43: Workforce Management Vendor Outlook (n=363)

	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

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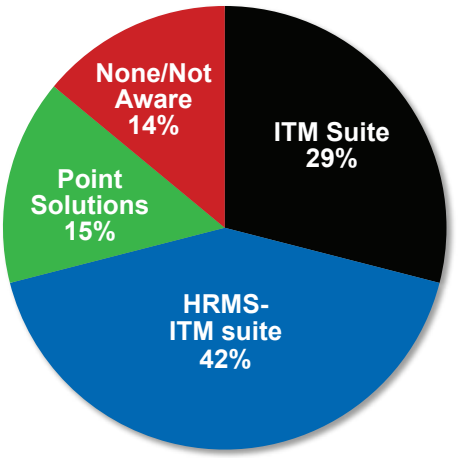
Integrated Talent Management Solutions, Shaping a Strategy

The overall adoption of the Talent Management category increases slightly, from 52% last year to 55% adoption this year. Those industries with higher-than-average adoption levels include Retail/Warehousing, Financial Services, Healthcare, and High-tech—industries with high levels of turnover and key positions that require a balance of technical and soft-skills.

From 2013 to 2014, we see slight increases in adoption levels for all individual Talent Management applications, with the greatest increase coming from Compensation Management application adoption growing from 62% adoption in 2013 to 69% in 2014.

When looking at the Integrated Talent Management (ITM) adoption trend, we asked respondents to identify their Talent Management approach as being a point solution, an ITM suite, or HRMS-based with at least two Talent Management modules on the HRMS. We further validate through review of their Talent Management vendor choices that they do, in fact, have these solutions. This year 71% of respondents have a form of ITM.

Figure 44: Integrated Talent Management Approach (n=257)



62% of Quantified Organizations have Integrated Talent Management solutions on the HRMS.

Talent Management Applications

- **Talent Acquisition** — Marketing, Branding, Sourcing, Assessing, Onboarding, — 86% Adoption
- **Performance Management** — Goals, Objectives, Rankings, Plans — 71% Adoption
- **Learning & Developme** — Training, Dev, Certifications, Content Mgmt, Knowledge Mgmt — 70% Adoption
- **Compensation Mgmt** — Pay Ranges, Evaluation, Rewards, Incentives, Modeling — 69% Adoption
- **Succession Manageme** — Reviews, Assessments, Ranking, Development — 34% Adoption
- **Talent Profile** — Competencies, Skills, Experience, Goals, Objectives, Languages, Engagement, Awards — 29% Adoption
- **Career Management** — Development, Coaching, Mentoring, Mobility, — 26% Adoption
- **Embedded Talent Management Analytics** — Gaps, Planning, Identification, Reporting — 13% Adoption
- **Social Talent Manageme** — Communications, Discussions, Knowledge Sharing, Team Bldg — 14% Adoption

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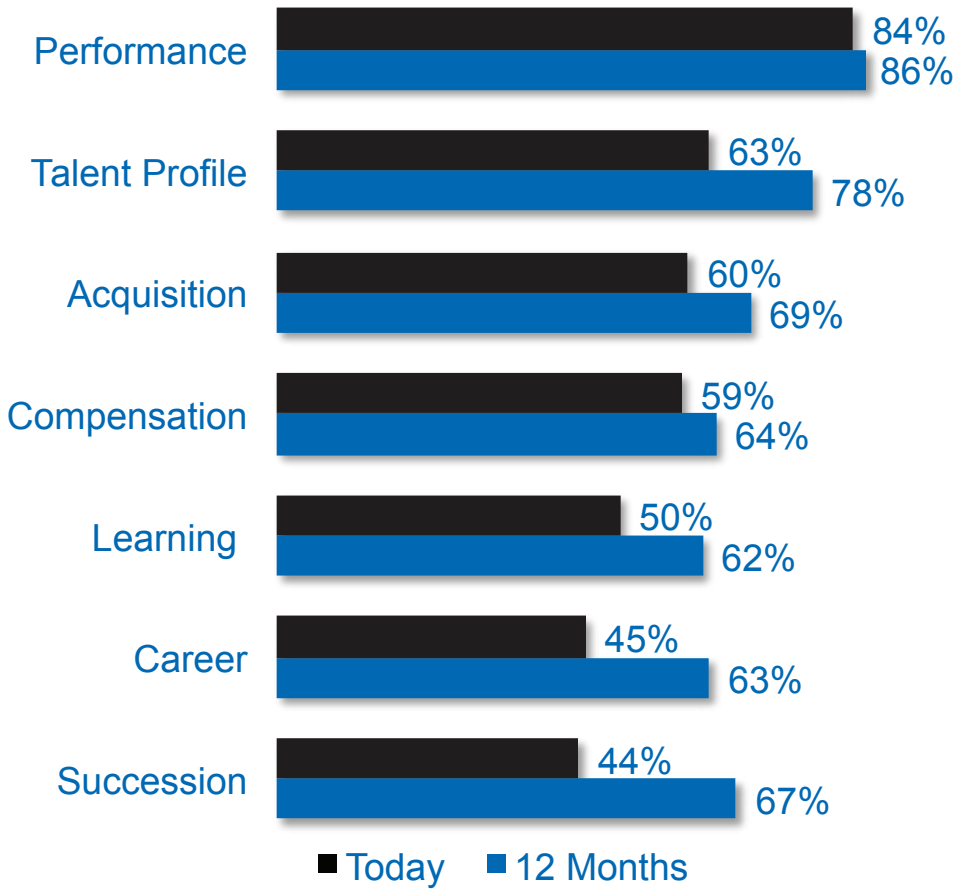
Performance Management is the number one Talent Management component adopted as part of an ITM suite, with 83% of organizations currently including it as one of the ITM components. Organizations plan to increase all Talent Management component adoption in current ITM Suites over the next twelve months, with respondents forecasting the greatest plans for including Succession Management, reflecting a 52% increase in twelve months.

Organizations see many benefits from working towards an ITM environment, including improved data sharing and user experiences. Those organizations that have four or more Talent Management components in a suite environment have, on average, a higher Talent Management user experience score of 2.13 on a three-point scale vs. 1.97 for those with less. Financial outcomes are also realized: organizations with greater than average Talent Management components adopted (over four applications) having a 6% higher Return on Equity than organizations with fewer applications adopted.

Those organizations that have four or more Talent Management components in a suite environment, on average have a higher Talent Management user experience score of 2.13 vs. 1.97 for those with less.

Figure 45: Integrated Talent Management Components (n=257)



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Talent Management Deployment

> In 2014, 31% of organizations plan to change their Integrated Talent Management (ITM) solutions in the next 12 months.

The big news this year for Talent Management applications is the increase in the number of organizations planning to change their existing Talent Management solutions. In 2014, 31% of organizations plan to change their Integrated Talent Management (ITM) solutions in the next 12 months, up from 23% in 2013. The biggest move for organizations is to SaaS deployment models. ITM deployments have been predominantly SaaS for several years; today 44% of organizations are on a SaaS solution only. In the next 12 months, 59% of respondents plan to adopt a SaaS ITM. This is in part due to the major push by on-premise vendors to move existing clients to their new Cloud solutions. Sierra-Cedar reports 62% of respondents who are changing their ITM suite are consolidating Talent Management applications onto their current or future planned HRMS vendor solution and eliminating point solutions.

Integrated Talent Management Vendor Outlook

As seen in Figure 46, Oracle PeopleSoft and EBS on-premise solutions continue to have the largest adoption rates this year, and we see a drop in adoption across all size ranges in the next twelve months offset by increases in Oracle (HCM Cloud/Taleo) adoption. Oracle is focused on moving its clients to HCM Cloud and the strategy is working.

Figure 46: Integrated Talent Management Vendors (n=363)

	Overall		Large 10,000+ Employees		Medium 2,500–10,000 Employees		Small 200–2,500 Employees	
	Today	In 12 Months	Today	In 12 Months	Today	In 12 Months	Today	In 12 Months
Oracle (PeopleSoft, EBS)	25%	18%	41%	30%	23%	17%	11%	10%
SuccessFactors/Plateau	20%	19%	21%	23%	27%	23%	12%	12%
Oracle (HCM Cloud, Taleo)	14%	18%	26%	30%	9%	13%	7%	11%
Cornerstone OnDemand	11%	15%	10%	14%	9%	10%	15%	19%
Ultimate (UltiPro)	9%	10%	0%	1%	13%	14%	14%	14%
ADP	9%	7%	5%	4%	3%	2%	20%	13%
Workday	6%	13%	7%	15%	8%	17%	3%	8%
SumTotal/Softscape	5%	4%	6%	3%	8%	8%	2%	1%
SAP*	4%	3%	6%	6%	3%	3%	2%	2%
Halogen	3%	4%	0%	1%	5%	3%	6%	6%
Other	28%	29%	34%	39%	25%	27%	25%	30%

* 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

SAP HCM plus SuccessFactors has the second highest adoption level at 24%. Although SuccessFactors has faced several challenges since its acquisition and integration into the SAP organization (including leadership changes), SAP is beginning to turn a corner, recently bringing in new leadership and focusing heavily on improved user experience.

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Cornerstone OnDemand, at 11% adoption, increased from 9% adoption in 2013. We see plans for a continued increase in adoption in 2015, particularly for Large and Small organizations. Cornerstone OnDemand's continued growth may be connected, in part, to its close partnership in providing Learning solutions for Workday clients. Workday reaches 6% adoption as an ITM suite this year, and respondents indicate even higher expected adoption plans in the next twelve months across all organization sizes.

UltiPro has also increased its focus on helping customers adopt its Talent Management solutions this year. We see UltiPro growth in Medium and Small organizations.

New to our coverage this year, ADP enters at a 9% adoption level. ADP has particularly large levels of adoption for Small organizations today, but that adoption level is forecasted to drop, most likely due to the same phenomena we see with ADP HRMS adoption—as organizations grow, they typically plan a move to another vendor.

SumTotal currently shows adoption decreases for the next year. However, its recent purchase by SkillSoft—one of the largest learning content providers in the learning industry—could have a major impact on its adoption level going forward.

In 2014, we add additional Talent Management vendors to our list—including Halogen and Ceridian—and both will see continued increases in adoption going forward.

Individual Talent Management Solutions

We see organizations still leverage niche solutions and continue to make purchasing decisions based on unique requirements. Talent Management is still a technology space with many individual vendors working to create innovative features to meet industry vertical needs and consumer demands for increasingly engaging and user friendly solutions.

This year we share data down to 2% adoption levels in all figures in this section to provide detail on the shifting vendor landscape in these individual Talent Management areas, as the action is with these newer vendors. Reviewing all the Talent Management vendor adoption numbers, we see strong projected growth for three vendors, across multiple applications: Workday, Oracle HCM Cloud (Fusion), and Cornerstone OnDemand.

It should be noted that many vendors who may have slight drops in adoption include respondents who are evaluating current solution groups, of which these vendors are still contenders.

Recruiting or Talent Acquisition applications are almost universally adopted, particularly across Large and Medium organizations. Those organizations with over 2,500 employees are typically ahead of the average adoption level by 10%, and Small organizations are typically 10% below the average.

Much of the growth and innovation in this space is taking place outside the recruiting application in solutions that support existing tools by providing better decision-making data or increasing candidate engagement such as video interviewing, big data analysis tools, and assessment technologies. We see several HRMS and ITM vendors who originally had no recruiting applications launch their own Cloud-based applications in the last year and begin to gain adoption.

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Oracle (HCM Cloud/Taleo) continues to hold the largest adoption level, with a forecast for slight growth in the coming twelve months. We also forecast adoption growth for UltiPro, SuccessFactors, Cornerstone OnDemand, Ceridian Dayforce HCM, and Workday for Recruiting and Talent Acquisition solutions.

Figure 47: Recruiting Vendor Outlook Overall (n=404)

	Overall	
	Today	In 12 Months
Oracle (HCM Cloud/Fusion/Taleo Cloud)	22%	23%
Oracle (EBS/PeopleSoft)	13%	10%
ADP (Virtual Edge)	10%	8%
Kenexa/BrassRing	7%	6%
UltiPro	7%	9%
SAP*/SuccessFactors	6%	8%
iCIMS	5%	5%
Silkroad	4%	2%
Peoplefluent	3%	2%
Infor/Lawson	2%	2%
Cornerstone OnDemand	1%	2%
Ceridian Dayforce HCM	0%	2%
Workday	0%	7%
Other	27%	22%

* 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 projected in 12 months.

+3% loss +3% gain

As we noted earlier, Compensation applications had the highest overall adoption growth between 2013 and 2014. Oracle (EBS/PeopleSoft) continues to hold the highest adoption level, but as in other areas, the forecast is down for its on-premise solutions and picking up for Oracle HCM Cloud (Fusion). We also note growth for SuccessFactors, Workday, UltiPro, Cornerstone OnDemand, and Ceridian Dayforce HCM for Compensation solutions.

Figure 48: Compensation Vendor Outlook Overall (n=350)

	Overall	
	Today	In 12 Months
Oracle (EBS/PeopleSoft)	31%	25%
ADP	13%	9%
SuccessFactors	8%	10%
SAP*	8%	6%
Infor/Lawson	7%	6%
Workday	7%	14%
Kenexa/IBM	4%	4%
UltiPro	3%	5%
Ceridian HR	3%	1%
Peoplefluent	3%	3%
Oracle (HCM Cloud/Fusion/Taleo Cloud)	2%	4%
Cornerstone OnDemand	2%	5%
Ceridian Dayforce HCM	1%	3%
Other	5%	5%

* 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 projected in 12 months.

+3% loss +3% gain

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Currently, SuccessFactors holds the highest adoption level for Performance Management applications at 22%. These applications are the most likely to be part of a Talent Management suite and, since 31% of organizations are looking at changing their Integrated Talent Management suite, we expect a great deal of movement in this application area.

Figure 49: Performance Management Vendor Outlook Overall (n=319)

	Overall	
	Today	In 12 Months
SuccessFactors/Plateau	22%	19%
Oracle (EBS/PeopleSoft)	18%	15%
Cornerstone OnDemand/Sonar6	10%	13%
Workday	7%	13%
UltiPro	6%	7%
ADP	5%	4%
Halogen	5%	5%
Oracle (HCM Cloud/Fusion/Taleo Cloud)	4%	8%
Lawson	3%	4%
SumTotal	3%	2%
SAP*	2%	2%
Other	22%	20%

* 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 projected in 12 months.

+3% loss +3% gain

Forecasted growth for Performance Management application adoption includes Cornerstone OnDemand, Workday, UltiPro, Oracle HCM Cloud (Fusion), and Lawson.

Complex learning needs often require that organizations approach learning and development with a “point solution,” which translates to no strong leader in this space. Large and Medium-size organizations are particularly high adopters of learning solutions at 10% above the average adoption level. Growth in the learning and development application adoption area is connected to organizations’ continuing goals to integrate complex learning environments with Talent Management processes.

Currently, Cornerstone OnDemand holds the highest level of Learning Management adoption at 18%, higher than the forecasted adoption-level growth for last year. Looking forward, this forecast shows continued growth in part due to Cornerstone OnDemand being the preferred learning partner for Workday.

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Figure 50: Learning Management Vendor Outlook Overall (n=255)

	Overall	
	Today	In 12 Months
Cornerstone OnDemand	18%	23%
Oracle (PeopleSoft/EBS)	15%	11%
SumTotal/Softscape/Pathlore/GeoLearning	12%	9%
Skillsoft	8%	8%
SuccessFactors/Plateau	7%	9%
HealthStream	6%	4%
Saba	5%	5%
Oracle (HCM Cloud/Fusion/Taleo Cloud)	4%	5%
SAP*	3%	3%
Blackboard	3%	3%
Desire2Learn	1%	1%
Halogen	1%	1%
NetDimensions	1%	2%
Silkroad	1%	2%
Infor/Certpoint	1%	1%
Other	21%	21%

* 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 projected in 12 months.

+3% loss +3% gain

When we combine Oracle's on-premise and Oracle's (HCM Cloud) solution, we see a combined adoption level of 19%, and SAP and SuccessFactors with a combined 10%. We also see forecasted adoption growth for Oracle HCM Cloud (Fusion), NetDimensions, SuccessFactors and SilkRoad for Learning Management vendors.

The highest adoption levels for Succession Management are within Large organizations—20% above average adoption numbers. Succession Management is the least integrated of all of the Talent Management applications, but we see 50% growth in future plans to integrate Succession Management into ITM solutions. At 23%, SuccessFactors has the highest application adoption levels for Succession Management. We see plans for growth in adoption levels for Cornerstone OnDemand, Oracle HCM Cloud (Fusion), Workday, and UltiPro over the next twelve months.

Figure 51: Succession Management Vendor Outlook Overall (n=219)

	Overall	
	Today	In 12 Months
SuccessFactors/Plateau	23%	20%
Oracle (EBS/PeopleSoft)	17%	18%
Cornerstone OnDemand	14%	16%
Oracle (HCM Cloud/Fusion/Taleo Cloud)	8%	10%
Workday	7%	18%
SAP*	3%	2%
Halogen	3%	3%
Peoplefluent	3%	3%
UltiPro	0%	3%
Other	22%	16%

* 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 projected in 12 months.

+3% loss +3% gain

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Business Intelligence, Workforce Optimization, and Big Data

The *Sierra-Cedar HR Systems Survey* continues to cover five solution sets of comprehensive business intelligence and analytics solutions. The sidebar on the right shows this year's adoption numbers for those five sets.

Organizations that have programmatically adopted BI/Analytics solutions have followed a path similar to Figure 52, below. This visual shows an adoption strategy for more comprehensive BI/analytics solutions, rather than just adopting one or two applications in specialty areas.

The **BI Foundation** area includes an **HR Warehouse,** is used by 51% of respondents, and provides a repository for data from multiple sources—not only HR and Talent Management solutions, but from other data sources such as financials, customer facing data, and operational data.

The second foundation solution is **Middleware,** is used by 25% of respondents, and facilitates the extract, transform, and load (ETL) work from these multiple sources.

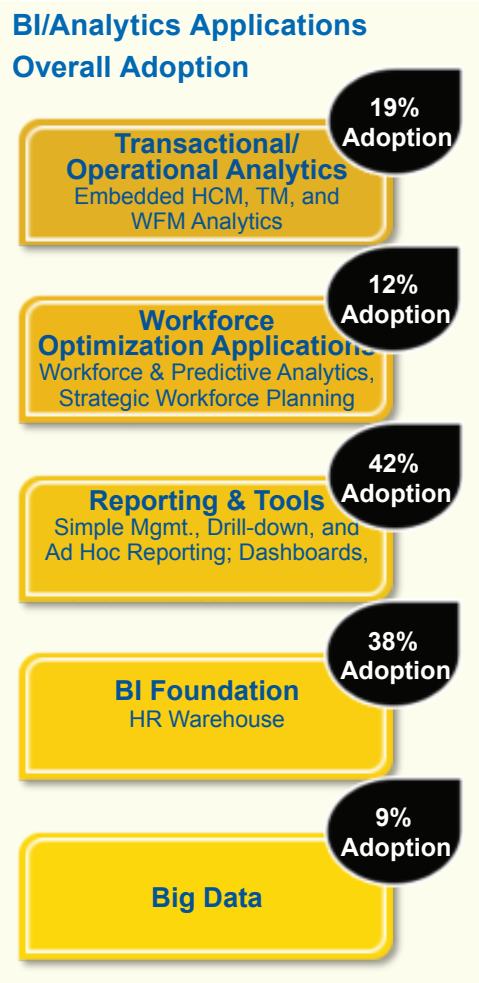
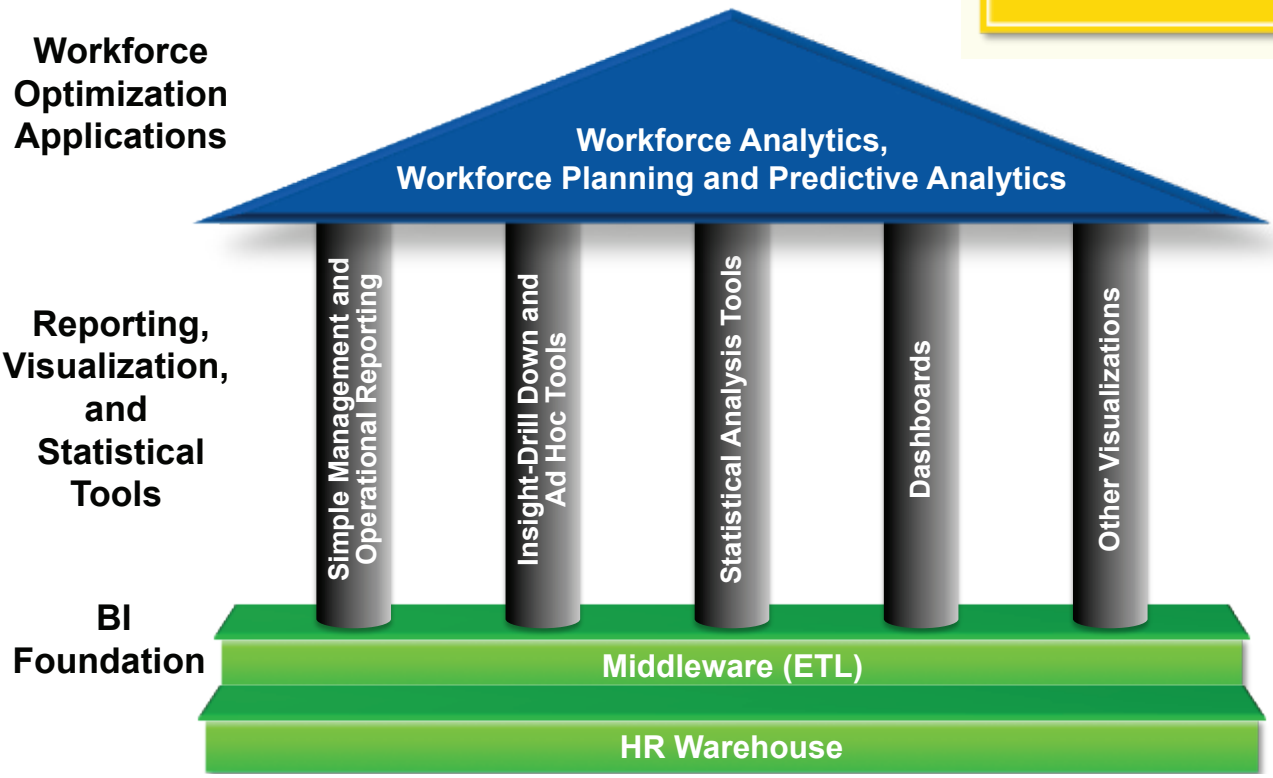


Figure 52: Business Intelligence/Analytics Overview



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Next we find reporting and manipulation solutions, from **Simple Management Reporting** used by 82% of respondents, **Drill-down** and **Ad Hoc Reporting** used by 64%, **Dashboards** that enable visualization of key metrics at 34%, and **Statistical Tools** such as SPSS and SAS reported by 16% of respondents. There are also **Other Visualization Tools** that are adopted at the 16% level.

The **Workforce Optimization** applications include **Workforce Analytics** used by 16%, **Predictive Analytics** used by 9%, and **Strategic Workforce Planning** used by 11%. Large organizations use most of these applications two-to-three times more often than Small organizations. These numbers are not significantly different than what we have seen for the past few years. We believe this apparent lack of growth is because of an emerging key business intelligence/analytics approach being increasingly adopted by those moving to newer Cloud solutions where analytics are embedded in the applications.

Returning to the sidebar at the beginning of the section, we also track **Big Data,** adopted now by 9% of respondents. Big Data is described as large-scale data collection, data mining, and pattern recognition applied to workforce data to meet business outcomes. Until last year, this was one of our emerging technologies; but as we view Big Data as having staying power and impact at the enterprise level, we now track it as an application.

While we have tracked embedded analytics as a *deployment approach* for several years, this year we have added embedded analytics solutions as *applications* that increasingly come with modern core HRMS, Talent Management applications, and Workforce Management applications.

There are a myriad of business intelligence and analytics solutions in use by organizations today, of key importance is the *approach* organizations use for deployment. We look at the actual vendor solutions in use and categorize them as follows:

- **Enterprise BI:** solutions that are used across the enterprise instead of just in HR including Cognos/IBM, Information Builders, Oracle (Hyperion and OBIEE), MicroStrategy, and SAP/Business Objects as well as statistical tools used across the organization such as SAS, SPSS, and Tableau Software.
- **Embedded HR:** solutions that are more frequently transactional and operationally focused on HR and talent. They provide analytics for a specific functional solution, such as the HRMS, a Talent Management solution or suite, or a Workforce Management solution or suite. These include solutions such as those from Aquire/Peoplefluent, a generic “Embedded HCM” or “Embedded Talent Management” solution, or those from Ultimate or Workday.
- **Combination Solutions:** solutions that include more than one of these other solutions.
- **Standalone HR Analytics Tools:** solutions such as eThority (Equifax-Talx), Inform/SuccessFactors, Mercer Analytics, or Visier.

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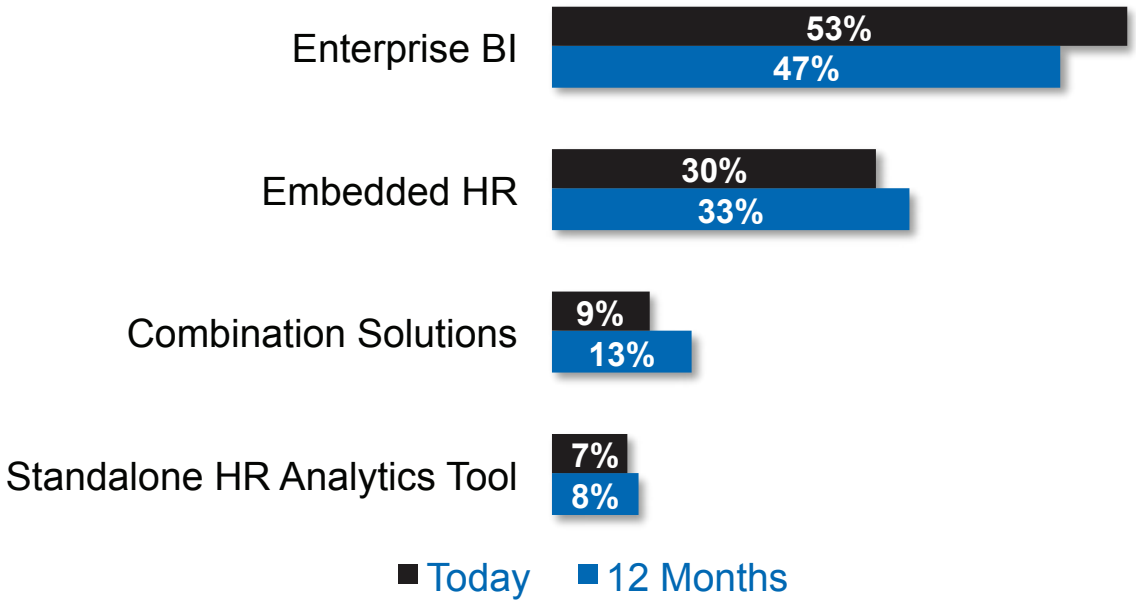
As seen in Figure 53, the Enterprise BI solution leads in adoption Today and will lead going forward. However, we expect increasing adoption gains in the other three categories going forward. The trend towards more embedded HR analytics causes some concern, based on the historical perspective we have from 17 years of researching HR systems adoption trends.

Figure 53: Business Intelligence/HR Analytics Approach (n=488)



The *Sierra-Cedar HR Systems Survey* began to track workforce analytics ten years ago. A brief pictorial history is in Figure 54. Early adopters experimented with **standalone applications** such as Xcelcius, an early Infohrm product, and a bit later, products such as Oracle's HR Analytics. We studied these, and a key lesson from early adopters was that once the organization got a taste of some form of analytics, executives and managers wanted more data from across the enterprise to see how the workforce contributed to the enterprise. Organizations then needed to provide a programmatic way to integrate data from other sources such as financials, customer facing data, and operational systems. These organizations then turned to enterprise integration approaches in the form of ETL middleware. In other words, they adopted **enterprise solutions.** Today, organizations have another option with modern Cloud-based HRMSs such as those from Ceridian Dayforce, Oracle HCM Cloud (Fusion), or Workday. Organizations adopting these solutions for the first time have access to more **embedded HR analytics solutions.** While these products will evolve, they are primarily transactional and operational today, focusing on specific questions that are posed within those systems. Going forward, the biggest growth will be seen in **combination solutions.**

Figure 54: BI/Analytics History

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We believe past experience will hold true going forward—and as we saw in the 2005–2008 timeframe, once an organization gets a taste of analytics, it will want to expand and incorporate data from other sources which will necessitate the adoption of an enterprise BI platform solution.

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. Workforce decisions based on the workforce contributions to business outcomes, generally measured in financial and operation systems, require an enterprise approach to both business intelligence and to integration. The Quantified Organizations three times more frequently adopt an enterprise BI approach and, as we have shown earlier, these organizations outperform.

No matter the approach you take, it is important to understand where, how, and by whom your BI/Analytics will be leveraged throughout the organization. We asked respondents, "Who are the **users of your BI/Analytics?**" By far, IT/HRIT analysts are the predominant users today of existing solutions at 78%, followed by managers and executives at 50% and 48% respectively. Only 7% of respondent organizations provide BI/analytics for all employees.

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The Impact of Integration Strategies

System integration is a continuous challenge for both IT and HR professionals across HR technology environments. Even when purchasing solutions from a single vendor, organizations deal with integration challenges due to acquired technology, phased platform updates—or in some cases, separately developed data tables within the same solution. In an ideal world, HR systems would be highly connected and capable of sharing data across all applications in real time.

The impact of integration issues can be seen in the expenditures that an organization allocates for their integration efforts. On average, 49% of Large organizations, 31% of Medium organizations, and 28% of Small organizations allocate over 10% of their HR Technology budget for integration efforts, with more than 10% of organizations with over 2,500 employees spending 25% of their budgets for integration efforts.

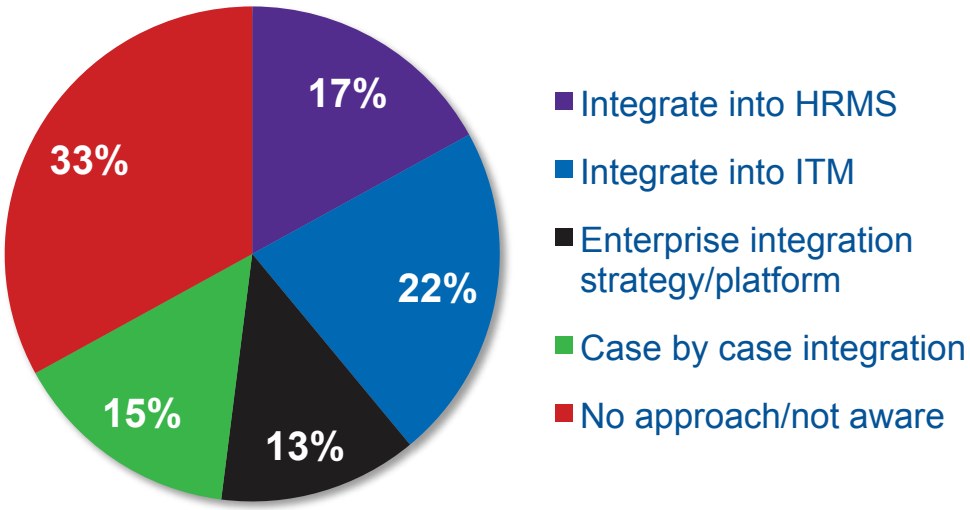
There are five types of integration we track across HRMS and Talent Management (TM) applications:

Integration Levels

No integration	Separate processes handled in separate solutions
Manual or minimal	FTP integration or manual reports run from one solution to another solution; exports to excel downloaded from one solution and then uploaded to another
Simple	Vendor or internally developed APIs one way integration
Two-way	Bi-directional and fully automated or using middleware/SOA
Real-time	Data and reports are available on the same platform; no integration work required

Currently, 22% of organizations have no integration between their HRMS and Talent Management systems, and 34% of organizations have no integration between their Talent Management applications. We see an increase this year in real-time integrations, with 20% of organizations having real-time integration between their HRMS and Talent Management systems, and 25% of organizations having real-time integration between their Talent Management applications. Although these percentages are slightly higher than those seen last year, there is still progress to be made before the industry has fully integrated environments. For those organizations that have some level of integration, respondents' primary approach to integrating HR applications is seen in Figure 55.

Figure 55: Primary Approach for HR Application Integration (n=494)



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We see that 39% of organizations approach HR system integration either within their HRMS environment or within an Integrated Talent Management suite. Those organizations that specifically have a unified HRMS-TM or TM-TM solution, such as Workday, UltiPro, Cornerstone OnDemand or later Oracle PeopleSoft releases, report real-time integration four times higher as those with a non-unified solution.

New this year is that 13% of organizations leverage an Enterprise Integration Strategy (EIS). Those that also leverage an Enterprise Integration Platform (such as MuleSoft, Oracle SOA, Dell Boomi, etc.) are three times more likely to have real-time integration as those without a strategy and platform. Enterprise Integration provides another avenue for organizations to address the integration challenges, especially for organizations choosing not to move to a unified HRMS-TM environment.

Organizations that leverage an Enterprise Integration Strategy (EIS) and Enterprise Integration Platform are three times more likely to have real-time integration.

Enterprise Integration Platforms, like all other solutions, can be purchased as on-premise environments as well as Cloud environments, otherwise known as Platform as a Service (PaaS) environments. Currently organizations are leveraging the following:

- 45% on-premise solutions (Oracle SOA, WebSphere)
- 23% platform as a service (Dell Boomi, MuleSoft, Informatica)
- 20% are using a mixture of both approaches and are hybrid environments
- 12% are not aware of their current platform

We recommend communicating your integration needs to your vendors. In our work, we see that vendors are working to provide seamless integration options based on customer demands. Vendors should also take responsibility for providing integration tools and options, as well as ongoing support for complex integration needs.

Quantified Organizations have 3x higher adoption of an Enterprise Integration Strategy.

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Emerging Technologies and Innovations in HR Technology

Every year, we track emerging HR technologies that may eventually impact an organization. This year we looked at the following categories of emerging technologies:

- Social and Mobile
- Gamification
- Wearables
- Social aggregation
- Fatigue management
- Robotics and Artificial Intelligence

Social Applications in HR

On a personal level, the use of Social technology such as Facebook, Twitter, or Pinterest has become second nature to much of the workforce—for the younger generation entering our workforce today, it is often the mode of communication with which they are most comfortable. The challenge for many businesses and HR organizations is that these technologies are still viewed as a set of platforms and tools—another delivery channel for an already overwhelming set of communications concerning day-to-day work, and it may feel uncomfortable to use these platforms within the context of a business environment.

The future of Social technology lies not in any single platform or tool, but in how these technologies lead to interactions within the workforce and how they are used within common processes. The future of Social technology can be summed up in one word: “engage.” If Social is viewed in terms of how it can engage employees, then its role becomes less about delivering content and more about helping employees.

Between 2013 and 2014, Social Media tools saw the most significant increase in adoption across all the technologies tracked by Sierra-Cedar: a 24% increase, from 33% adoption last year to 41% adoption this year. In addition to a significant single-year increase, social media tools are forecast to expand another 66% over the next three years.

Figure 56 makes the distinction between when Social Tools are allowed for individual use as opposed to strategic use within an organization for areas including recruiting, branding, or service delivery. Collaboration tools, including internal tools such as SharePoint or Central Desktop, continue to have the highest levels of strategic adoption, while enterprise social networks behind a corporate firewall such as Yammer, Jive, or Chatter have the lowest adoption levels.

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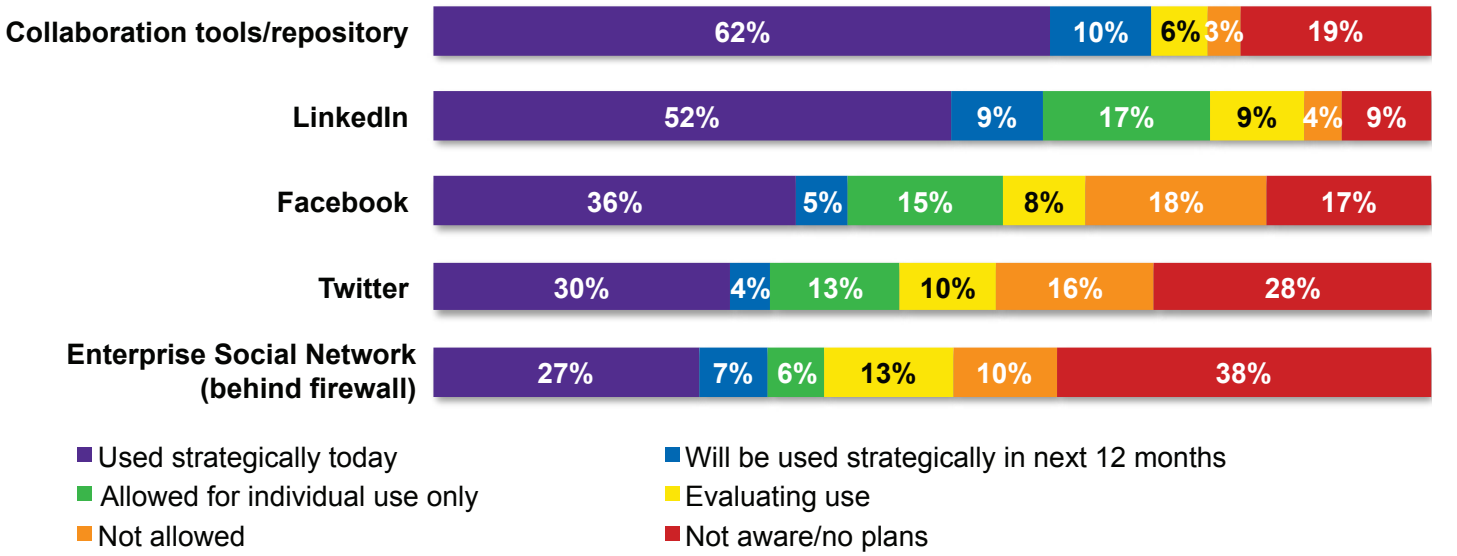
Figure 56: Social Tools Use and Plans



Although interesting, especially when considering emerging technologies, the outlook for Social Tools is a small part of the Social picture; a more important dialogue centers on Social-enabled HR processes. For each of the following Social-enabled processes, we asked organizations the percent of the workforce using the process Today and projected use In 12 Months.

Figure 57: Social-enabled Process Adoption

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%

In the overall workforce adoption of Social-enabled processes, we see a 33% increase from last year's 9% to this year's 12%—and although the increase is significant, it is slightly lower than last year's projected 50% increase. The biggest gains this year were in the use of Social-enabled processes for recruiting, specifically for recruiting/talent acquisition staff and hiring managers. The process usage in both of these areas increased even more than last year's forecast, and looking forward we see continued growth for Social-enabled processes.

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Social-enabled Process	Social-enabled Process Definition
HR Management/Record Keeping	Providing a single person profile in the HRMS of both formal and social information. Using Social tools to enhance a person's profile, capture data beyond the traditional HRIS data, and make it easier to locate expertise in the organization.
Time and Attendance	Enabling employees with Social tools to engage in shift swapping and bidding.
Recruiting/Talent acquisition	Using Social sites such as LinkedIn and corporate-branded Social Media for passive and active recruiting. Using enterprise solutions for communications with candidates. Performing Social network analysis against the Social network data. Developing records of potential hires, and analyzing the prospects for their potential as effective new hires.
Learning and Development	Engaging a Social community around learning and training events to make them dynamic. Enabling learners to interact and communicate before, during, and after the event. Providing Social-based mentoring that may be informal, ad hoc, or on the job. Leveraging Social tools such as tagging, bookmarking, and rating of learning content, courses, and instructors.
Performance/Goal Management	Using Social communities for performance appraisal support to provide goal alignment, performance support, and kudos. Supporting shared goals by enabling individuals to find experts on goals. Enabling collaborative goal creation and using Social tools for team-based collaboration and work updates on goals.
Succession Management	Managers and planners using Social communities for feedback to fine-tune Succession Planning for individuals and talent pools. Connecting successors and mentors. Conducting Social network analysis to see the "real" organization chart of influencers, doers, etc.
Compensation	Bringing Social data onto a compensation dashboard to help the manager understand the value of actual employee contributions. Using crowd-sourced salary benchmarking.
Business Intelligence/Workforce Analytics	Mining Social data to understand where value is created within and across business processes.

Mobile Adoption in HR

The Mobile technology adoption in our personal lives is almost universal and a large part of how individuals interact and communicate with the world around them. If we want to meet our workforce where they are, then look to Mobile devices as the answer. Mobile goes beyond phones in a world where tablets, phablets, headsets, and Wearables are all part of the Mobile conversation, so organizations need to think less about any one device and more about how to optimize information and communication for multiple delivery devices in a wireless environment.

Similar to the work done to define Social-enabled processes, we also worked with a group of subject matter experts and various vendors to create a set of Mobile-enabled processes. For each of these Mobile-enabled processes, we asked the percent of the workforce using the process Today and projected use In 12 Months.

The total average for Mobile-enabled process adoption grew by 30%—from 10% to 13% in 2013. One standout process area beating even last year's forecasted growth is Talent Management.

People often ask where they should begin with Mobile-enabled processes. In the first few years of Mobile adoption, administrative processes—such as viewing payroll checks and managing personal profiles—were the most widely adopted. As organizations have searched for ways to improve engagement in talent processes, we've seen an increased focus on Mobile-enabled Talent Management processes—particularly in Performance Management. Across all HR applications, Performance Management now has the highest percentage of Mobile-enabled HR process adoption, and respondents indicate plans to increase adoption to 40% next year.

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Looking forward, respondents' 12-month forecasts include increases in Workforce Management and Business intelligence processes–both are forecasted to increase three times their current adoption levels. Respondents forecast over 100% growth across all Mobile-enabled process areas in the next 12 months.

Respondents forecast 100% percent growth across all Mobile-enabled process areas in the next 12 months.

Figure 58: Mobile-enabled Process Adoption

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%

Mobile-enabled Processes	Mobile-enabled Process Definition
HR Management/record keeping	Transactional services such as employees changing an address or managers approving a transfer of an employee
Payroll	Viewing a paycheck or making changes to exemptions
Time and Attendance	Data approvals, clock in and out, track hours worked
Leave Management	Submit leave requests and notify managers
Absence Management	Submit time off requests and notify managers
Workforce Scheduling	View schedules, swap schedules, and request schedule changes
Recruiting/Talent Acquisition	Employees view job posting and apply with Mobile tools, initiate candidate screening, set up interviews, and approve job requisites
Learning and Development	Enroll in courses, review course materials, or complete course survey
Performance/Goal Management	Review and respond to appraisals, and participate in related workflow approvals.
Succession Management	Search and drill down on org chart and view successors or top performers
Compensation	Approve of salary change actions or view compensation
Business Intelligence/Workforce Analytics	Review reports and metrics

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Mobile and Social Impact

Mobile and Social are hot topics simply based on their growing consumer impact, but it is important to ascertain their true value as part of an HR Technology strategy.

When we asked respondents their perceived value from the use of Social tools and approaches, better candidates, improved employee engagement, and improved collaboration top the list for the last two years.

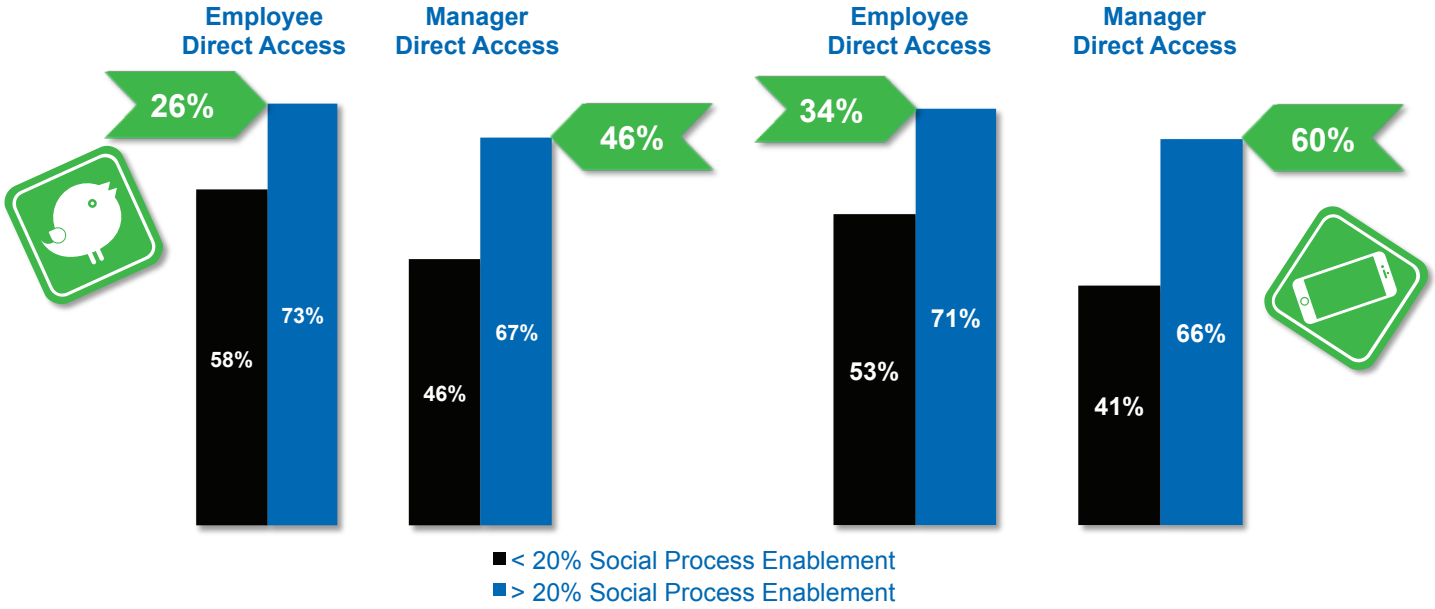
Perceived Value of Social Tools	
Better candidates	74%
Improved employee engagement	64%
Improved collaboration	58%
Improved speed of a given process	31%
Improved decision making	26%
Improved task completions	25%
Improved service delivery	25%

The perceived value of employee engagement rose slightly this year and is validated by a secondary analysis conducted on the relationship between Social and Mobile technologies and the overall adoption of overall HR technology.

Organizations with greater than 20% average Social and Mobile enablement indicate dramatic increases in their overall employee and manager HR Technology direct access. Investments in Mobile and Social technology have a significant impact on overall application adoption levels, as well as the user experience scores seen earlier in the paper. When organizations give employees access to services on their device of choice, and higher adoption levels are achieved, this leads to higher value from HR technologies overall.

> Investments in Mobile and Social technology have a significant impact on overall application adoption levels, as well as user experience scores.

Figure 59: Adoption Impact of Social and Mobile Tools (n=188)



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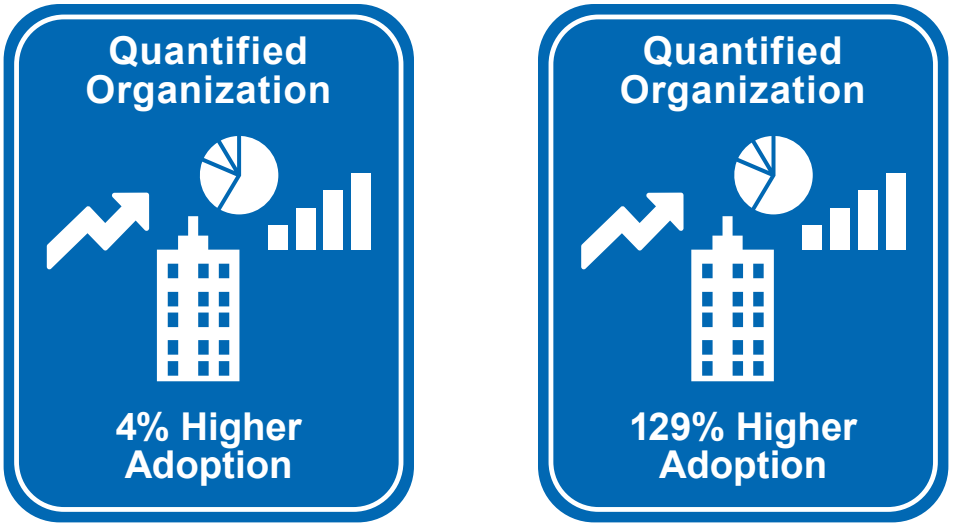
Quantified Organizations are four times more likely to adopt Social tools and have 129% higher adoption levels of Mobile-enabled processes than other organizations.

Figure 60: Quantified Organization Social and Mobile



Innovation, Emerging Technologies on the Horizon

In addition to the growing trend of Social and Mobile technologies, we also gathered input from respondents on five additional emerging technology trends seen in Figure 61.

Figure 61: Emerging Technologies

	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.

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Gamification

This is the second year that we've tracked Gamification, defined as the application of characteristics from games into non-gaming contexts to engage and motivate the workforce. A slight increase from 2013, 34% of organizations say they are using some form of Gamification in their HR processes today.

The top uses for those using Gamification in HR include Wellness programs (67%), Employee Surveys (49%), Incentives (48%), and Social Responsibility (47%). This is the only Emerging Technology that we are tracking today with sizable usage, and we recommend that HR and IT keep an eye on this trend as a new generation with high expectations for engagement enters the workforce.

Wearable Technologies

Wearables are devices that leverage wearable/RFID/Mobile-tracking technology to capture data from the person carrying or wearing the device. Data from these devices can be used to capture information on an employee's location, vital signs, habits, experiences, environment, and a continuously growing list of items based on the innovation of sensor development.

Only 7% of our responding organizations report they use Wearable technologies in their organizations today. Those that are using them are focused on workforce optimization efforts. Of those using Wearables today, 60% identify the top benefit as increased workforce productivity, with less than half of those also selecting personal workforce benefits and workforce audits.

Examples that organizations provide of how they leverage Wearables today:

- Life fitness and wellness tools
- Wearable panic buttons for hotel employees
- Field vehicles with GPS tracking
- Workforce time tracking and scheduling tools
- Tools to support clinical rounds or visits by nurses, technicians, and doctors

As Wearables continue as a trend, HR and IT will need to work closely together to address privacy concerns, data usage policies, growing regulations, and security questions.

Social Aggregation

Social Aggregation tools are defined as tools for monitoring employees or potential candidates' activity on external (and possibly internal) Social environments. Only 4% of our respondents are using Social aggregation tools today, but 6% of organizations are evaluating these tools for future use over the next 12 to 36 months.

There are services that offer Social Aggregation tools, as well as early technologies that provide this insight—but ultimately all of these technologies gather data from similar locations. Facebook, LinkedIn, and Twitter are the most common Social sites for review, but we also see organizations leveraging Google+, YouTube, and Pinterest to a lesser degree. As organizations increase their focus on external and internal Social interactions, Social aggregation tools will grow in value; however, we are not yet convinced of the enterprise application of Social Aggregation tools to date. These tools are leveraged most often for recruiting and talent acquisition needs, but over 50% of organizations are also using them for employee engagement and feedback, as well as monitoring Social sites for company policy violations.

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Fatigue Management and Robotics

We also asked about Fatigue Management applications used for scheduling and planning purposes. Two percent of organizations leverage these tools today and we see future plans of 50% growth. These tools are very specific to unique industries such as Transportation and Airlines. Gains in Fatigue Management adoption will occur in specific industries or job roles.

Finally, due to the increase in articles and press comments on the rise of Robotics and Artificial Intelligence in HR, we wanted to see if the hype was making any headway inside of organizations. Although only 1% of organizations are doing anything in this area today, 3% of our Survey respondents say that they are considering leveraging this technology in the future. Organizations either using Robotics in HR today or looking at it in the future included a Large healthcare organization, a major university, two high-tech organizations, and a financial organization.

> ***Any sufficiently advanced technology is equivalent to magic.***
>
> Sir Arthur C. Clarke

All emerging technologies have a place in history, but not all of them will have enterprise-wide impact for HR over time. This section of our research is an ever-evolving list of technology topics based on feedback we receive from our research community. We welcome you to provide us with input on additional emerging technology trends you'd like to see included in our research at HRSystemsSurvey@Sierra-Cedar.com.

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2014–2015 Recommendations

We are pleased to share the findings from this year's *Sierra-Cedar 2014–2015 HR Systems Survey.* It is our most fervent hope that this information provides you with insights and data to help you make informed decisions concerning your HR systems environment.

The lessons learned from this year's leaders—Quantified Organizations—provide a great playbook for HR functions that wish to increase their strategic value to an organization. Each step an HR organization takes toward greater levels of efficiency, internal reflection, and data-driven decision making improves its ability to add greater value.

Get the Basics Right

- Focus on process standardization
- Attend to process maturity
- Consider a complete platform solution combining Integrated Talent Management on your HRMS

Create a Strategy and Culture that Supports Performance

- Create and consistently update an HR Systems Strategy
- Implement an Enterprise Integration Strategy
- Migrate to an enterprise Business Intelligence solution
- Implement a Culture of Change Management

Innovate with HR Technologies

- Adopt and integrate Workforce Management, Talent Management, and Business Intelligence Applications
- Adopt Social-enabled processes
- Adopt Mobile-enabled processes

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Survey Methodology and Approach

Sierra-Cedar conducts the longest running and most highly respected annual HR Systems survey in the market. Since 1997, this invaluable resource has been a catalyst for the HR Technology community, providing insight and guidance to practitioners around the world.

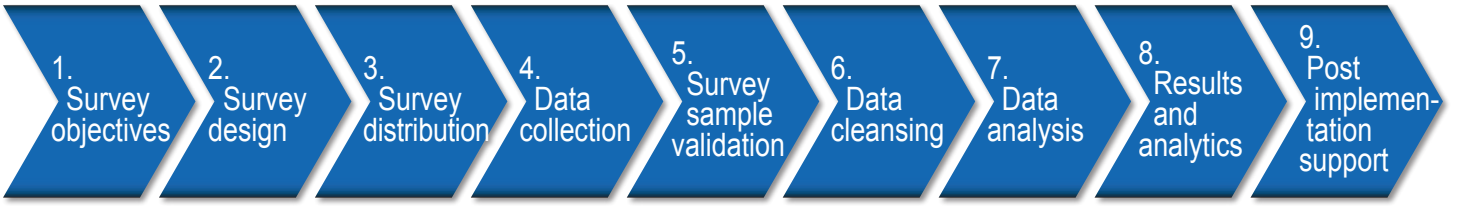
The Depth and Breadth of the Research

Each year, over 1,000 organizations around the world complete the *Sierra-Cedar HR Systems Survey* annually, providing valuable research data from organizations of all sizes and industries. Survey participants come from multiple distribution sources, with only 5% from the Sierra-Cedar client base. This promotes a broad and varied audience group when gathering data on technology adoption and usage metrics, as well as safeguards against data bias towards any particular vendor or user community, so that the data is truly representative of the overall HR technology environment.

Participating organizations answer over 300 in-depth enterprise HR systems questions across multiple topic areas:

- Technology adoption for Core HR, Payroll, Talent Management, Workforce Management, and Business Intelligence/Analytics solutions
- Deployment roadmaps
- Integration and implementation practices
- HR resources and system budgets
- Emerging and innovative HR technology
- Enterprise outcomes and business details related to HR systems adoption

Target Survey participants are HR and IT practitioners and leaders at the center of HR technology decisions, implementations, or Change Management efforts. Many organization executives and business leaders who focus on workforce technology issues also find the Survey of interest.



Sierra-Cedar follows rigorous standards in the form of a nine-step survey methodology, independently validated in 2011 by the Mercer Survey Quality group. More information on the Survey Methodology can be found here. Each year, this annual reach provides a wealth of knowledge that is shared openly with the HR systems industry. All participants are kept strictly anonymous, and only aggregate data is used.

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2014–2015 Survey Demographics

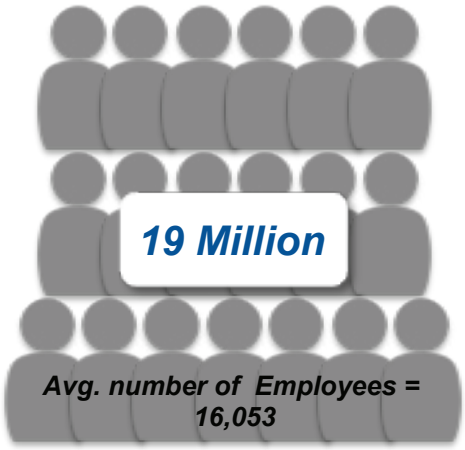
Figure 62: Demographics Information: All Respondents

The *Sierra-Cedar 2014–2015 HR Systems Survey, 17th Annual Edition* was conducted from May 19 through July 1, 2014. Over 1,500 organizations participated. Survey responses are subject to an extensive cleansing process that removes duplicates, incomplete submissions, and very small organizations.

The *Sierra-Cedar 2014–2015 HR Systems Survey White Paper* is based on 1,063 unique organizations representing a total workforce of 19 million employees and contingent workers. Survey data is broken out into three organization sizes:

- 43% Small, less than 2,500 Employees
- 29% Medium, 2,500 to 10,000
- 28% Large, 10,000+

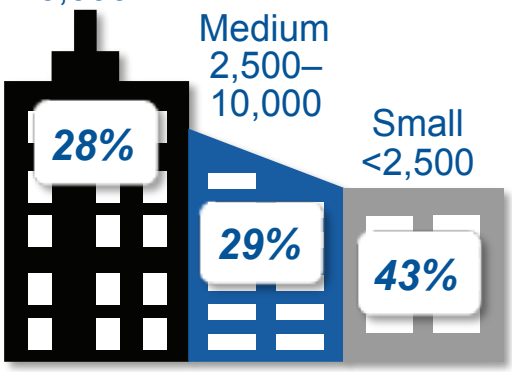
Total Workforce Represented



Employees + Contingent
(in millions)

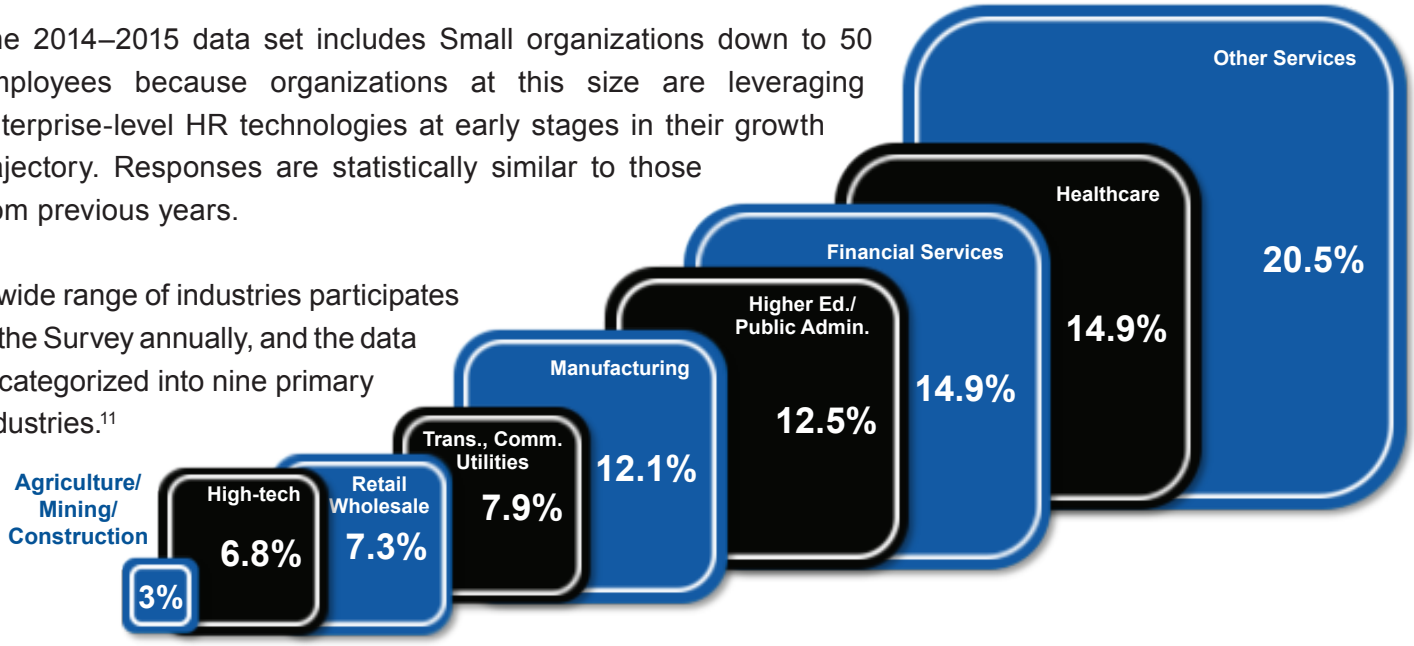
1,063
Organizations

Organization Sizes Represented



The 2014–2015 data set includes Small organizations down to 50 employees because organizations at this size are leveraging enterprise-level HR technologies at early stages in their growth trajectory. Responses are statistically similar to those from previous years.

A wide range of industries participates in the Survey annually, and the data is categorized into nine primary industries.[11]



11 Survey data is closely aligned in both size and industry percentages with the Bureau of Labor Statistics for the US. Outside the data is considered indicative only due to small sample sizes. We will publish subsequent reports identifying the size of these groups.

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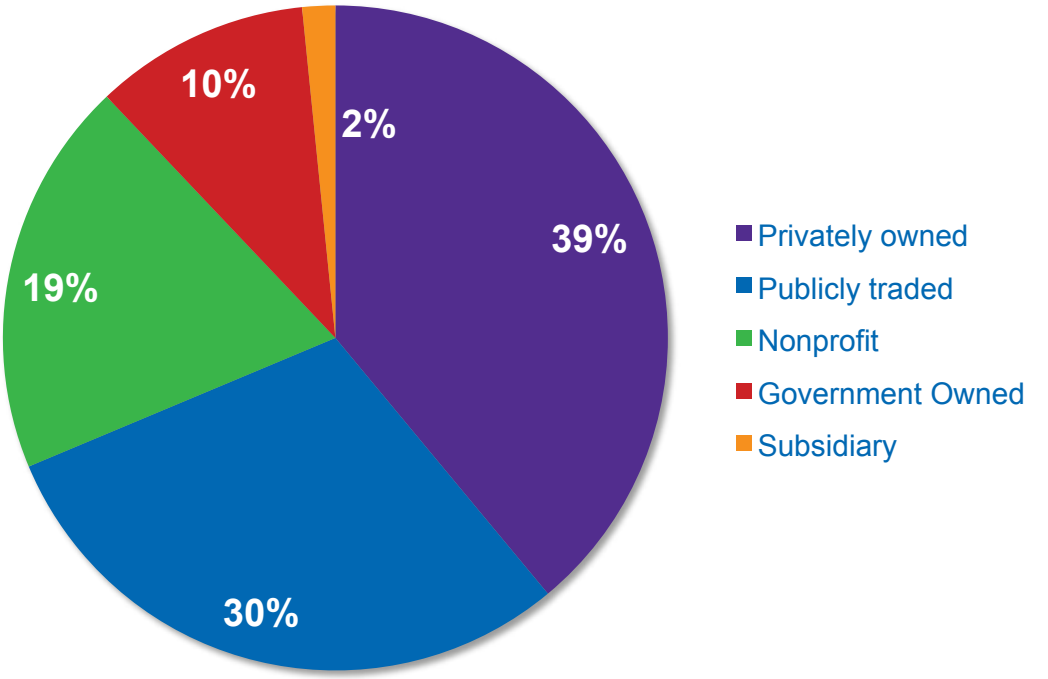
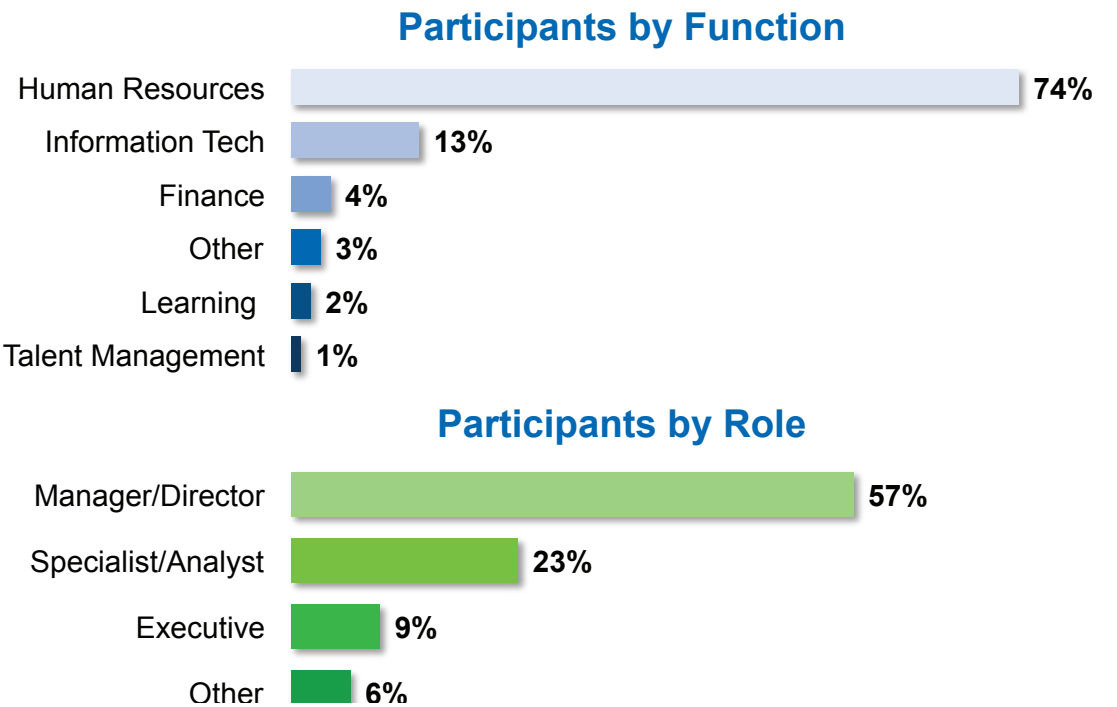
The 1,063 organizations represent multiple organization types, as seen in Figure 63:

Figure 63: Survey Participants Organization Types



The Survey respondents are a mixture of HR and IT practitioners and leaders at the center of HR Technology decisions, implementations, and Change Management efforts. These respondents are intimately involved as HR Technology decision makers! A breakout of participants by function and role is seen in Figure 64:

Figure 64: Who Responds to the Sierra-Cedar HR Systems Survey?



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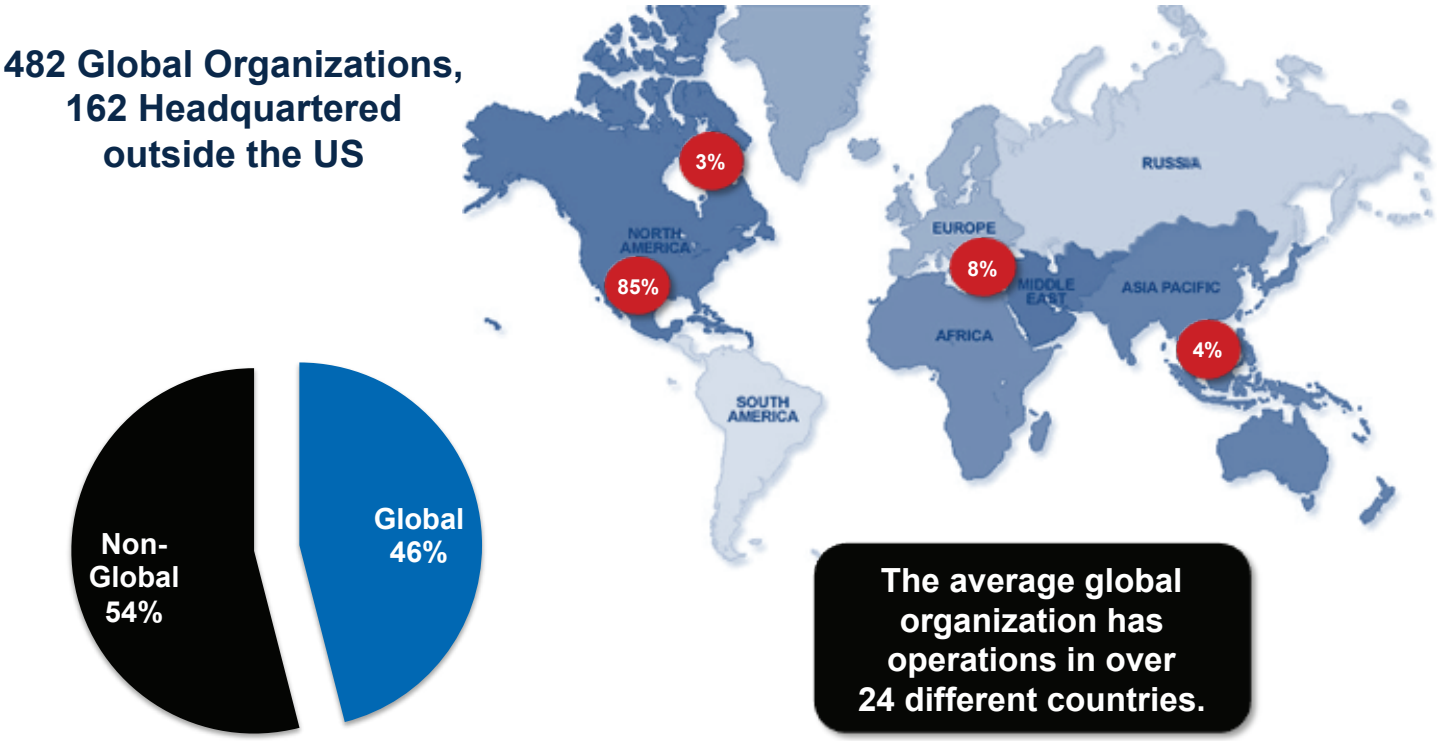
The *Sierra-Cedar HR Systems Survey's* worldwide audience includes 482 global organizations that operate in multiple countries outside their headquarter country. The average global organization has operations in over 24 countries with an average workforce size of 30,477. Over 162 organizations in the response group are headquartered outside of the US, which is 15% of the Survey population as seen in Figure 65:

Figure 65: Demographics – Global Organizations



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About Sierra-Cedar

Sierra-Cedar helps clients navigate their application and technology roadmap, whether to modernize their existing portfolio or move to emerging technologies by integrating industry knowledge, deep technology capabilities, breadth of service offerings, and global delivery model into best-value solutions. Our services are categorized into industry-based consulting services and industry-agnostic shared services.

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