



**Sierra-Cedar**

# Exploring the Top 10 Trends in HR Technology

## Presenters:

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# Sierra-Cedar Fast Facts

7

## Service & Solution Areas

- Application Services
- Business Intelligence
- Host & Managed Services
- Infrastructure Services
- Integration & Cloud Solutions
- Research
- Strategy
- Training

17

Years of Leading  
HR Systems Survey &  
Research

900 +

Employees

5

## Industry Focus

- Commercial
- Healthcare
- Higher Education
- Public Sector
- Justice & Public Safety

2014 merger of

4 companies with

decades of experience

*Delivering **industry-focused client success** by providing consulting, technical, and managed services for the deployment, management and optimization of next-generation applications and technology.*

# Sierra-Cedar HR Systems Survey

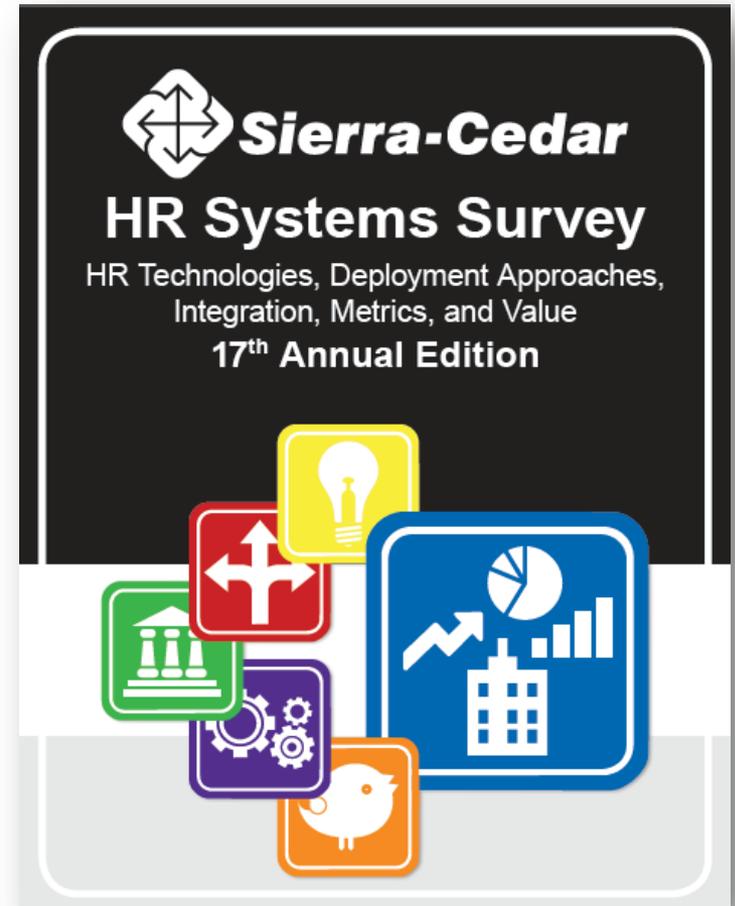
## *Over 17 years of continuous data gathering*

The most comprehensive survey in the industry:

- Strategy, Process, and Structure
- Administrative and Service Delivery Applications
- Workforce Management Applications
- Talent Management Applications
- Business Intelligence/Analytics/Workforce Planning Applications
- Integration and Implementation
- Emerging Technologies and Innovations
- Vendor Landscape
- Workforce and HR Expenditures
- Workforce Usage and Perception

***BE COUNTED!***

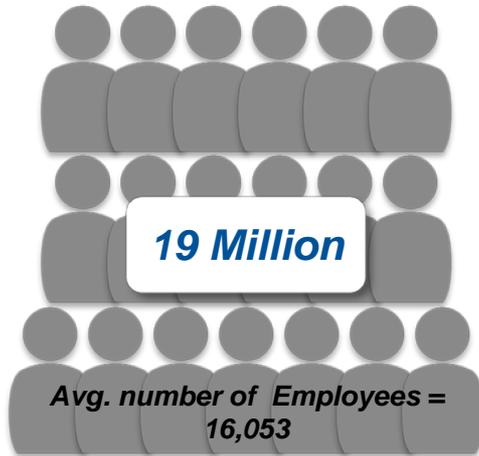
[www.Sierra-Cedar.com/survey-sh](http://www.Sierra-Cedar.com/survey-sh)



# Sierra-Cedar 2014–2015 HR Systems Survey

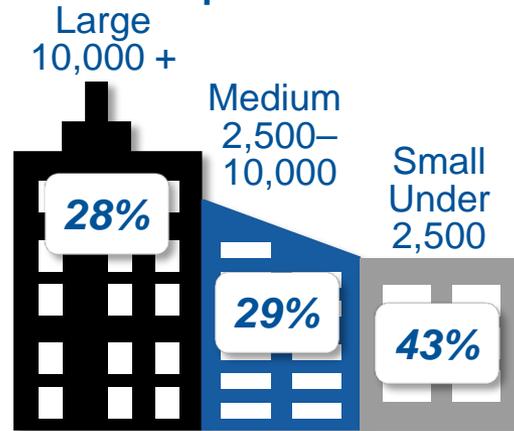
## Demographics: All Respondents

### Total Workforce Represented

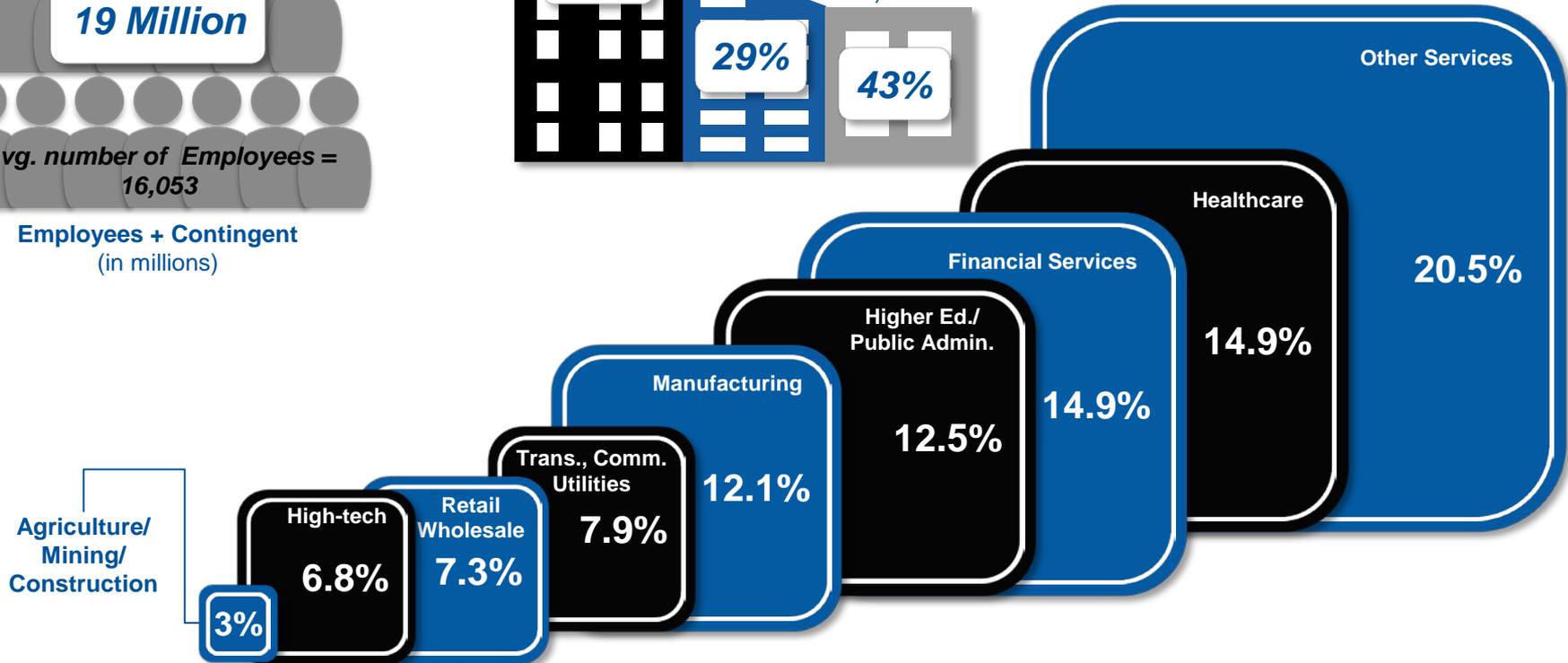


Employees + Contingent  
(in millions)

### Organization Sizes Represented



**1,063**  
Organizations



# Key Themes for 2014–2015 Survey Results

## Strategy and Culture

HR Tech Strategy



Enterprise Integration Strategy



Culture of Change



## Foundation

Cloud HRMS



User Experience

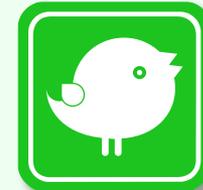


WFM + TM + BI



## Innovation

Social



Mobile



Quantified Organization



# #1 – HR Technology Strategy

**More companies are  
creating an Enterprise HR  
Technology Strategy than  
ever before!**

**Strategy and Culture**

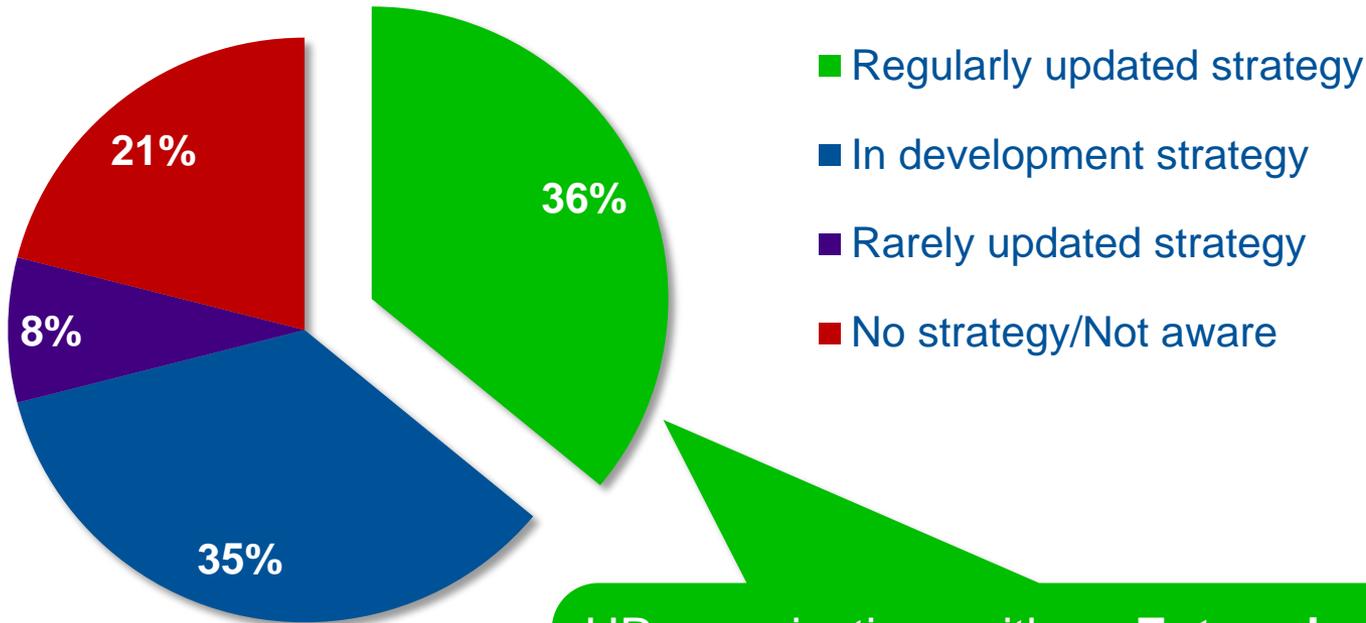
**HR Tech Strategy**



# An Enterprise HR Systems Strategy

Our Top Performers Have One. Do You Have One?

Percentage of Organizations With a Current Enterprise HR Systems Strategy



HR organizations with an **Enterprise HR Systems Strategy** are 38% more likely to be viewed by all levels of management as **contributing strategic value** to the organization.

# Creating Your HR Systems Strategy

1. **Benchmark** – Current State & Benchmark of HR Technology Environment
2. **Blueprint** – Enterprise Business Goals and HR Strategies, Enterprise System Strategies
3. **Roadmap** – Action Plan, Communication Strategy, Measures and KPIs

**Diagnosis – Guiding Policy – Coherent Action**

# Sierra-Cedar HCM Application Blueprint

General Ledger, Purchasing, Budgeting, T&E

Vendor Management

FIN

Enterprise Content

Enterprise Social

Enterprise Workflow

VMS

**Service Delivery**  
 HR Help Desk, Portal, Workforce Lifecycle Management (Onboarding)

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

**Self Service/Direct Access**  
 Employee Self Service  
 Manager Self Service

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

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

**Workforce Optimization**  
 Workforce Planning, Workforce Analytics, Predictive Analytics

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

**Business Intelligence Foundation**  
 Reporting/visualization and BI tools

CRM

Network Security

Mobile Access

SOA, API, ETL

Integration Platform

Projects

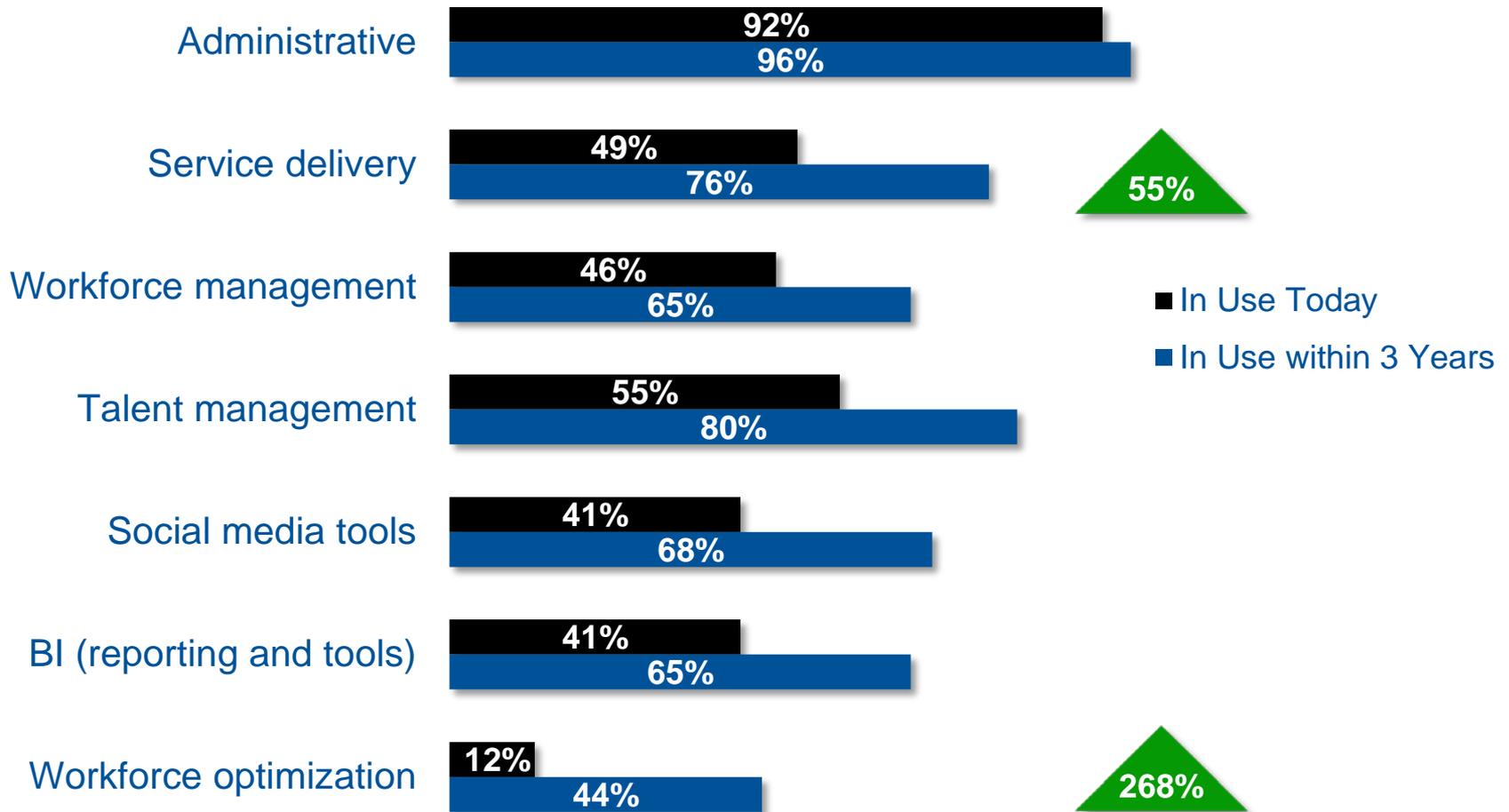
Backlog, Pipeline, Customer Satisfaction

Project Costing, Contracts, Grants

# 2014–2015 Three-year Adoption Outlook

Looking Forward, Workforce Optimization Will Be Hot!

## Three-year Application Outlook



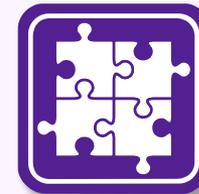
n=648

# #2 – Enterprise Integration Strategy

**High performing organizations  
are more likely to have an  
Enterprise Integration Strategy!**

**Strategy and Culture**

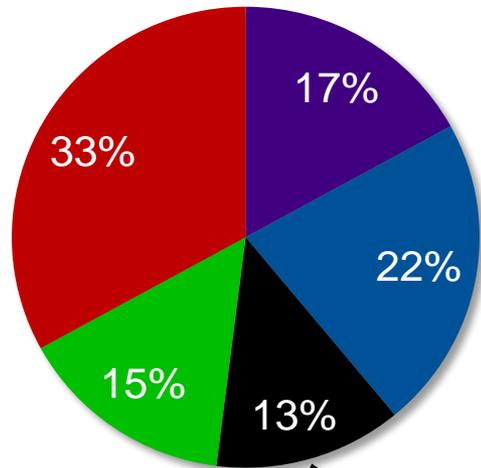
**Enterprise  
Integration Strategy**



# HR System Integration Approaches

Early Indication that Enterprise Integration Strategy (EIS) is Valuable

## Primary Approach for HR Application Integration



- Integrate into HRMS
- Integrate into ITM
- Enterprise integration strategy/platform
- Case by case integration
- No approach/not aware

### Respondents with an Enterprise Integration Strategy Are Using

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

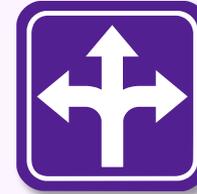
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# #3 – Culture of Change Management

**Organizations with a culture of change management have less overall HR Technology costs per employee!**

## Strategy and Culture

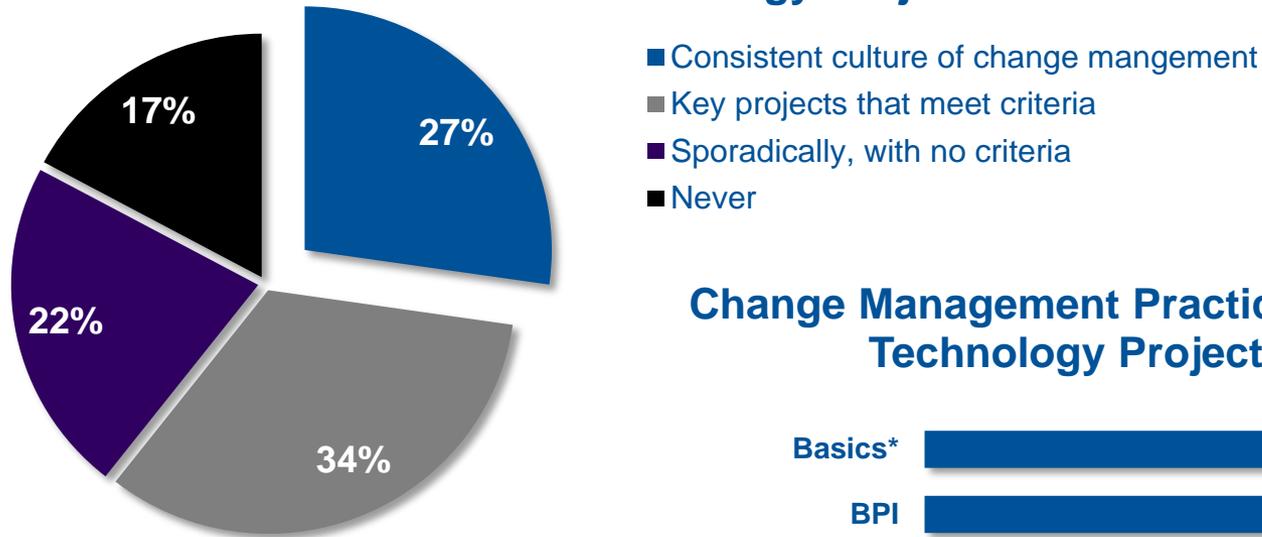
Culture of Change



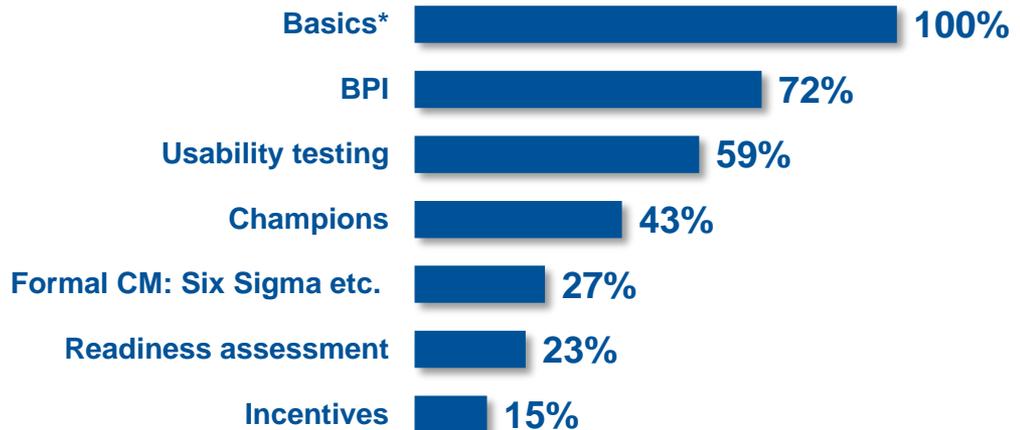
# Change Management Practices

## 27% of Respondents Report a Culture of Change Management

### Level of Change Management for HR Technology Projects



### Change Management Practices for HR Technology Projects

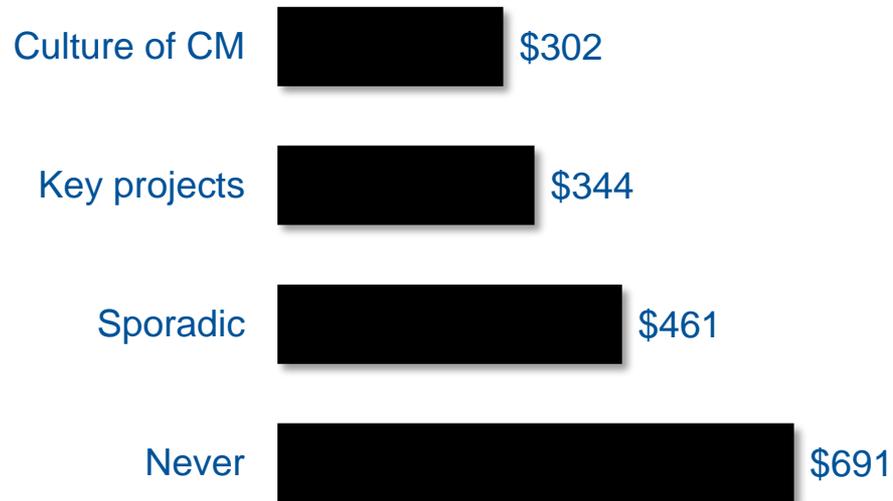


\*Basics: Senior sponsorship, communications, documentation, training, and project management.

# Benefits of Change Management

## Reduces Costs and Increases Perception of HR as Strategic

### Total HR Technology Costs/Employee



2 X

### Change Management Increases Strategic Value of HR

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

# #4 – Moving to the Cloud

**Organizations are  
moving to the Cloud!**

**Foundation**

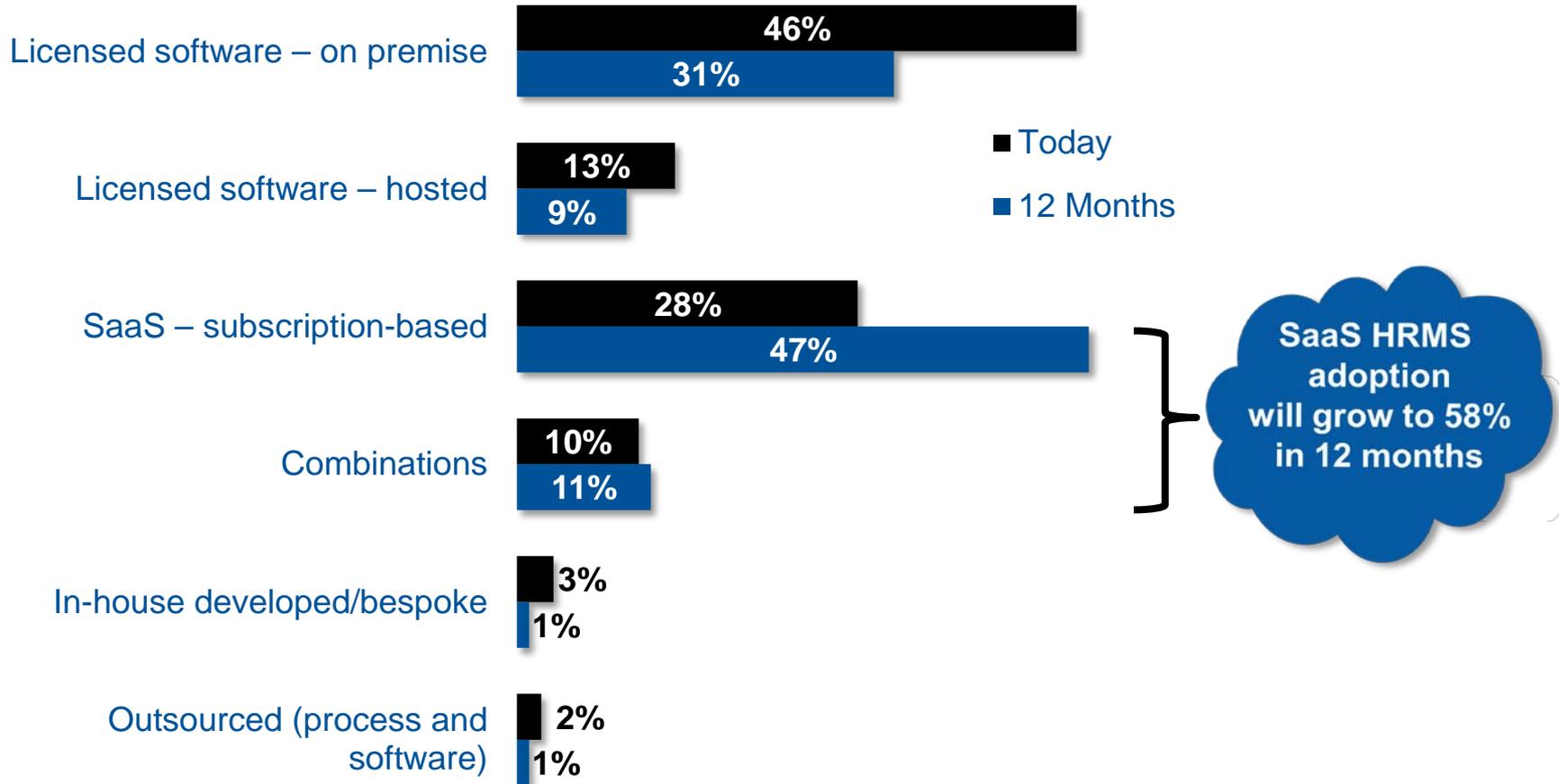
**Cloud HRMS**



# 2014–2015 HRMS Deployment Models

## SaaS HRMS Deployments Will Overtake Licensed Next Year

### HRMS Application Deployment Only

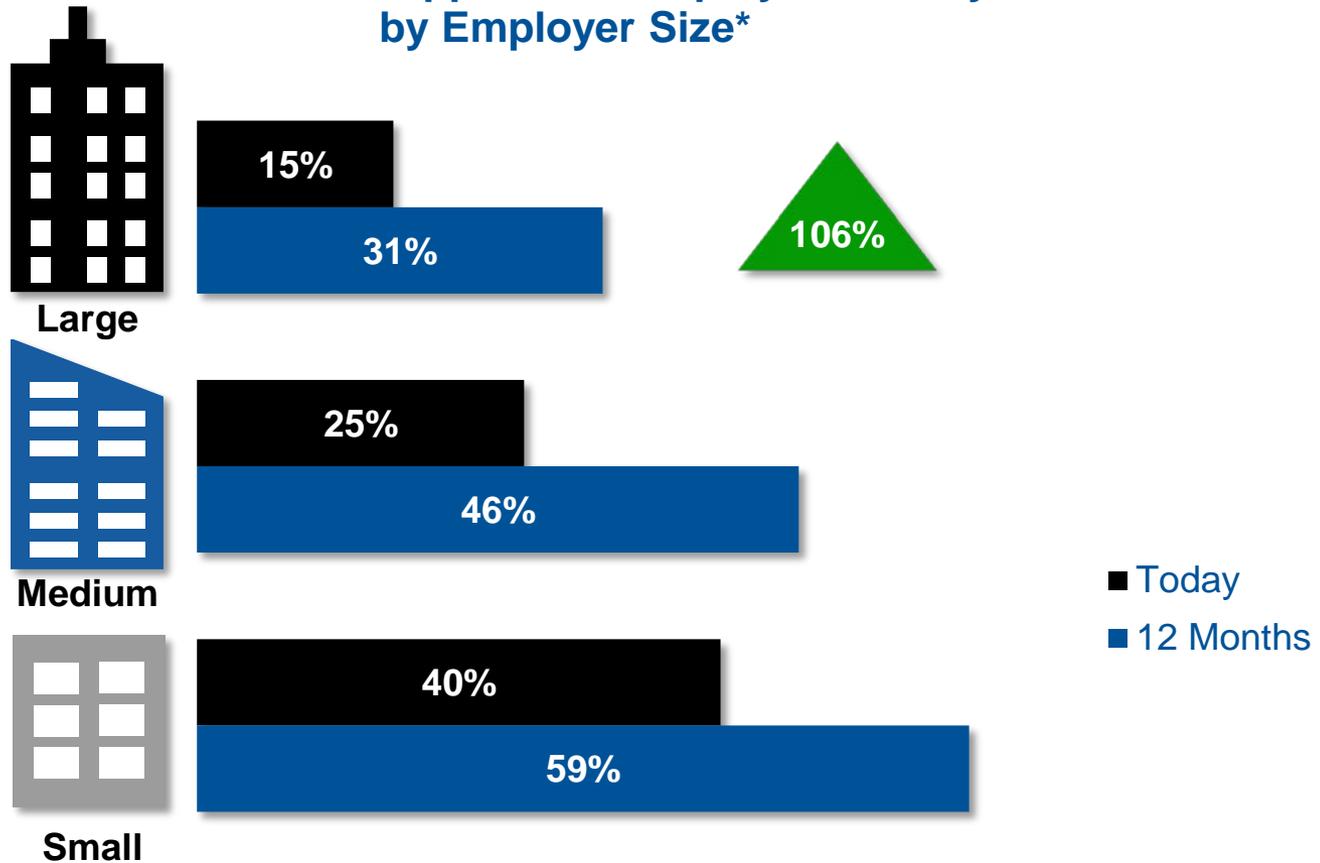


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# 2014–2015 HRMS Deployment Models

Large Organizations\* Will Double Their SaaS HRMS Adoption Next Year

## HRMS SaaS Application Deployment Only by Employer Size\*



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

n=602

# HRMS Vendor Landscape

## 12 Months Plans Indicate Greater SaaS Adoption

### HRMS Respondent Adoption Overall\*

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

**Oracle**  
Today: 36%  
12 Mths: 35%

**SAP**  
Today: 12%  
12 Mths: 14%

\* SAP adoption underrepresented

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

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

n=497

# #5 – User Experience Is Important

**User Experience drives  
move to new technologies!**



# #1 Reason For Moving is User Experience!

## How Are Vendors Doing?

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

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

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

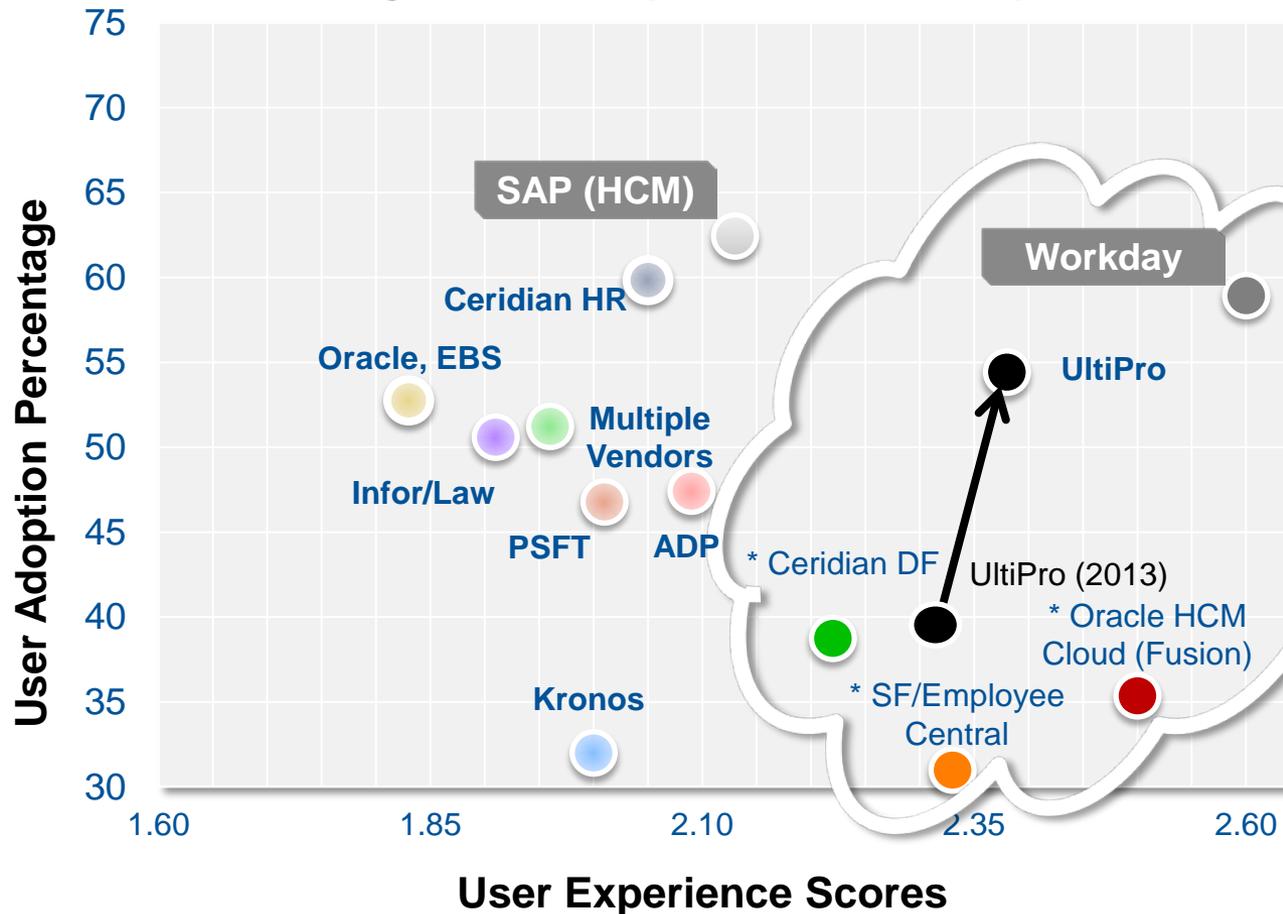
And, why is it is such a big deal?

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

# User Adoption Level by User Experience Scores

## Higher User Experience Scores with Newer Cloud Solutions

HR Management System  
Manager User Adoption and User Experience



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

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

\* Sample Size Small, Indicative Data Only

n=389

# Low Industry Net Promoter Scores

## Actions to Take from HRMS Scores

- **Plan for faster implementations, upgrades, or release deployments**

Don't try and boil the ocean. Piloting and phased rollouts can help reduce project time. Complete process re-engineering before technology work, not during.

- **If your organization is on an older release, consider changing!**

Those on older releases are the most unsatisfied by 40 points lower than the average. Those on newest releases are 8–20 points higher than the average.

- **Customize as a last resort!**

Those with high levels of customization (over 25%) are 20 points lower than those with moderate and low customization, and 50% lower than those with no customization. Those with no or low customization give the highest scores, 62 points higher than those with high levels of customization.

- **Develop an enterprise integration strategy**

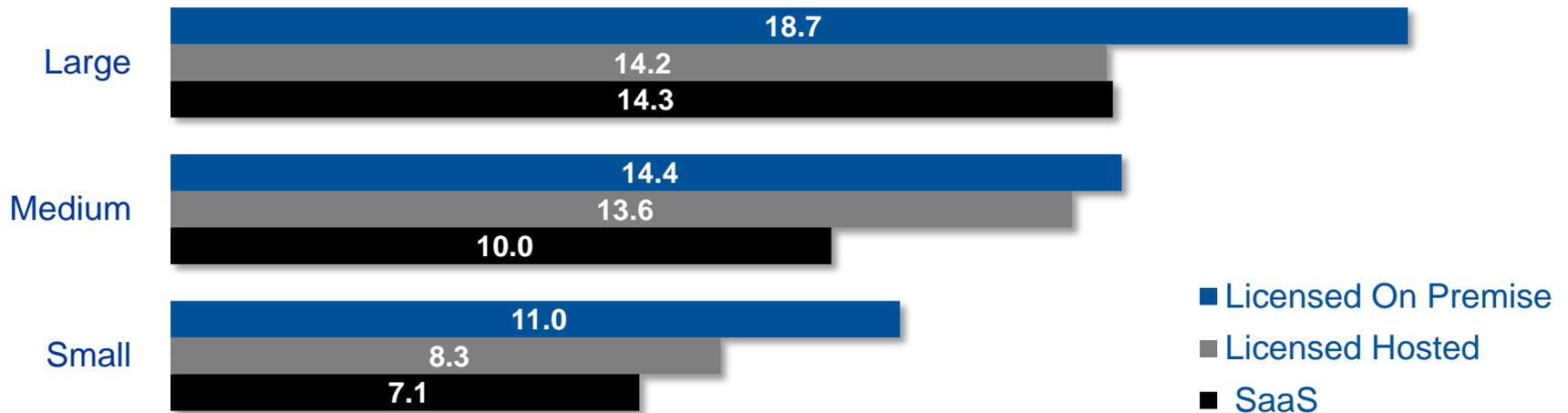
Those with an Enterprise Integration Strategy and Platform have scores 10 points higher than the average, and 14 points higher than those that integrate on a case by case basis.

# SaaS Takes Less Time to Deploy

## Length of Time for New HRMS Deployments



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



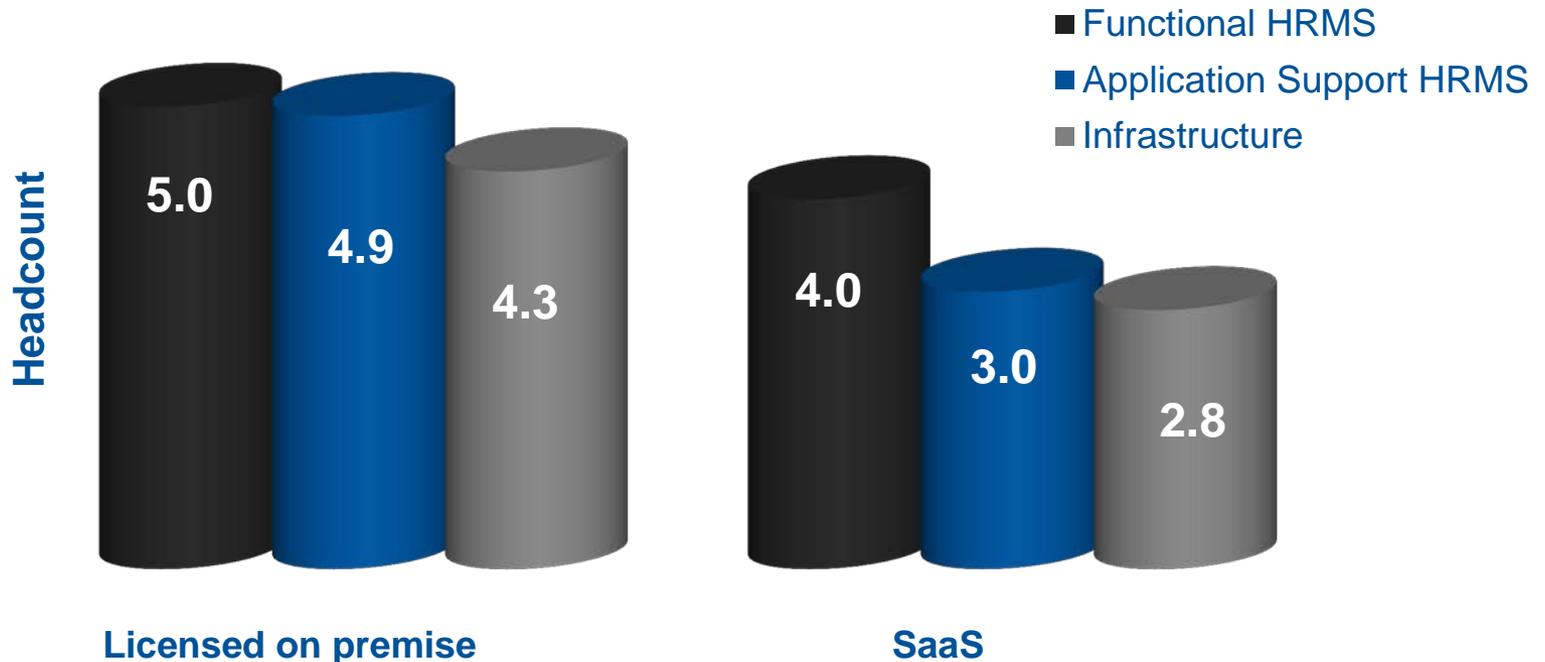
\*Large = 10,000+; Medium = 2,500–10,000; Small = <2,500

n=536

# SaaS Takes Less Resources

Requires Fewer Total HR Technology Headcount than Licensed Solutions

HRIT/IT Headcount by Deployment Type\*



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

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

n=85

# #6 – Leveraging Full HR Technology Suites

**Organizations that leverage full WFM, TM, and BI suites have better outcomes!**

## Foundation

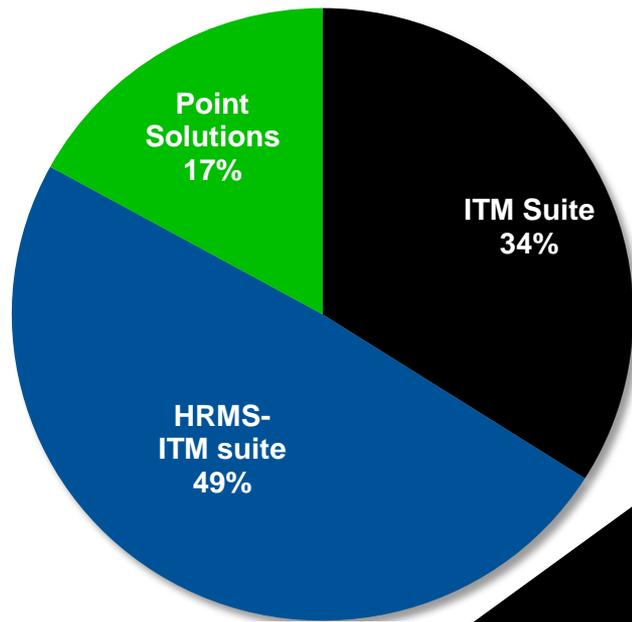
**Workforce Management, Talent Management, and Business Intelligence**



# Integrated Talent Management

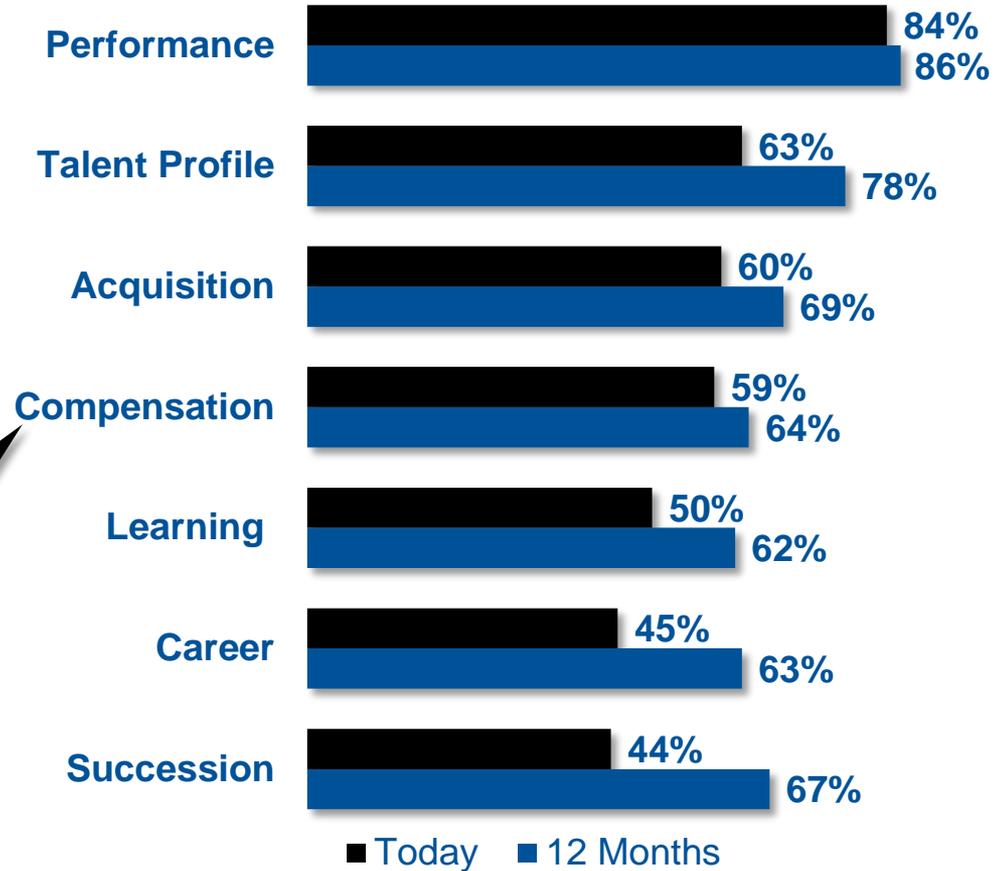
## All ITM Components Will See Growth

### Approach to Integrated Talent Management Approach



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

### Integrated Talent Management Components



# Workforce Management Applications

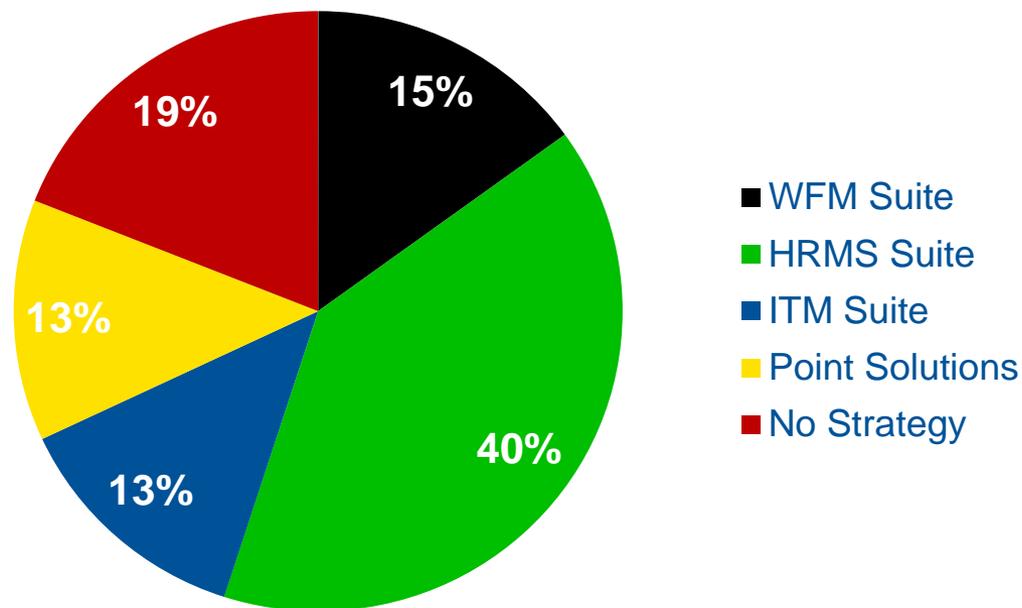
## Current Adoption



n=580

\* WFM Suite – Not part of the HRMS or ITM Suite

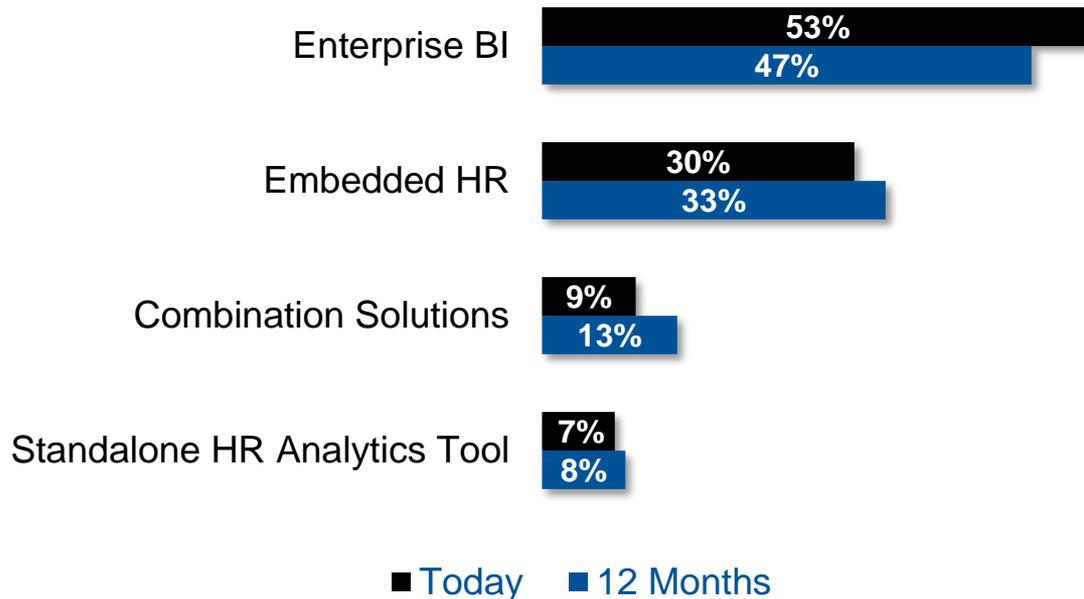
Please characterize the primary approach to selecting workforce management applications?



# BI/Analytics Deployment Approaches

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

## Business Intelligence/HR Analytics Approach



Predominantly  
**Standalone Apps**



With experience,  
organizations moved  
to adopt  
**Enterprise Solutions**



Currently, an  
emerging trend of  
**Embedded HR Analytics**



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



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

n=488

# Top Adopters of WFM, TM, and BI

Achieve Higher Outcome Scores and Higher ROE



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

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

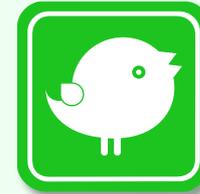
**They integrate WFM, TM, and HRMS data three times as often as lower adopters.**

# #7 Social is Settling In....

**Organizations that leverage  
Social Technologies  
strategically in HR see higher  
levels of HR tech adoption!**

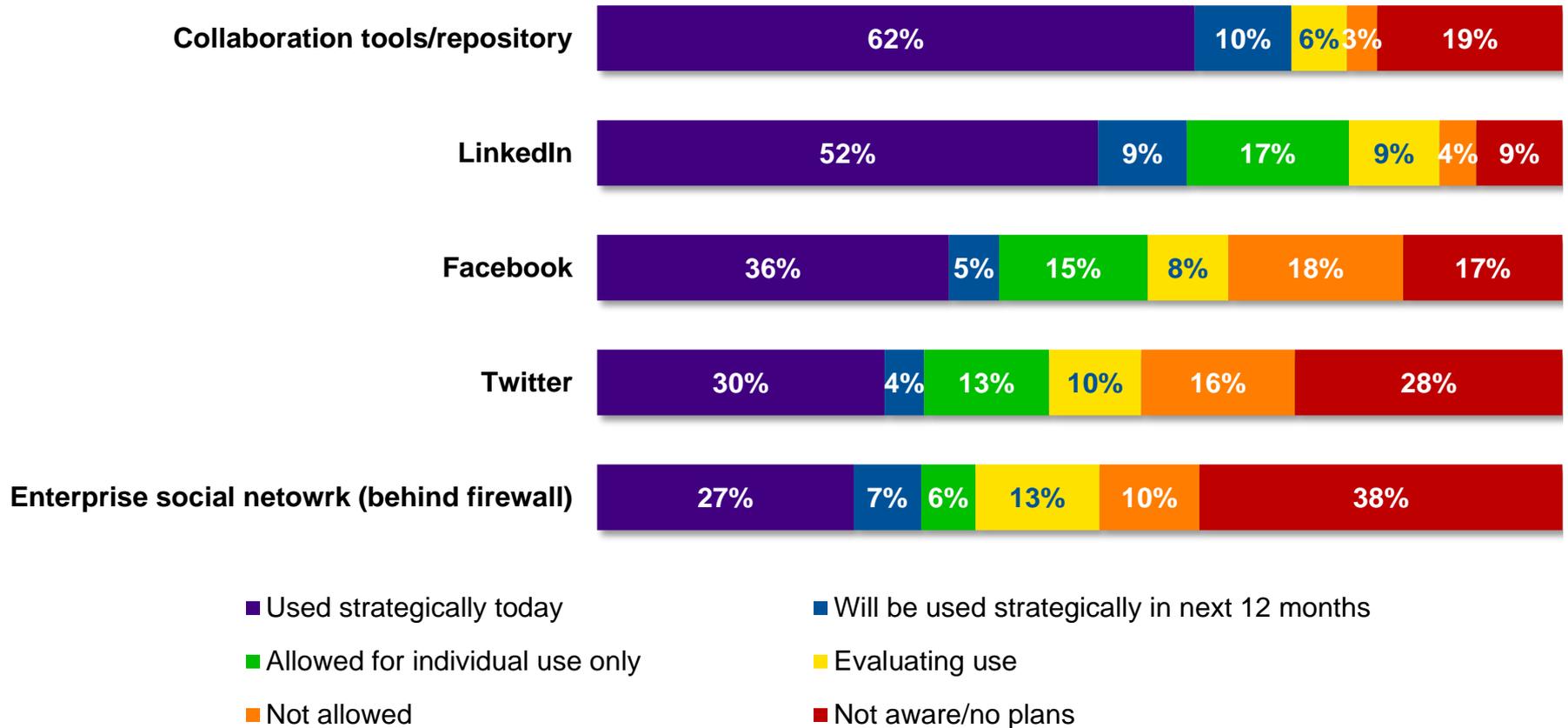
**Innovation**

**Social**



# Strategies for Social Tools

## Social Tools Use and Plan



# Social-enabled Process Adoption

Recruiting Staff and Hiring Managers Have the Highest Levels of Use

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



n=186

# #8 – Rapid Growth of Mobile

**Mobile technology is changing  
how we deliver HR Technology!**

**Innovation**

**Mobile**



# Mobile-enabled Process Adoption

## Mobile Adoption Will Grow by Over 100%

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



n=568

# Why Add Mobile to Service Delivery Tech?

## Higher HRMS User Experience Scores

HRMS User Experience Scores\*\*  
by Service Delivery Model



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

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

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

n=158

# #9 - Quantified Organizations

**Data driven HR organizations  
see greater financial outcomes!**

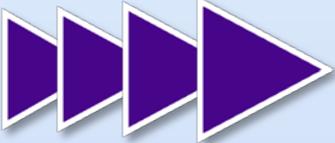
**Innovation**

**Quantified Organization**



# Introducing the “Quantified Organization”

## An Environment of Data-driven Decision Making

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

# Quantified Organizations Outperform!

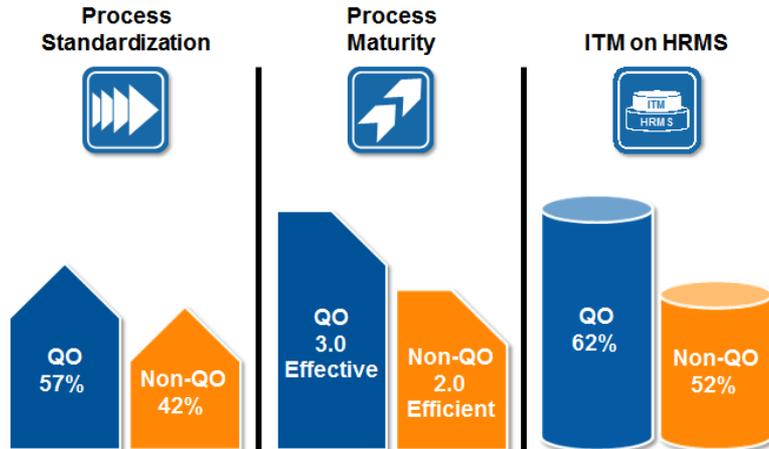
They Have 79% Higher ROE than Non-QOs

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

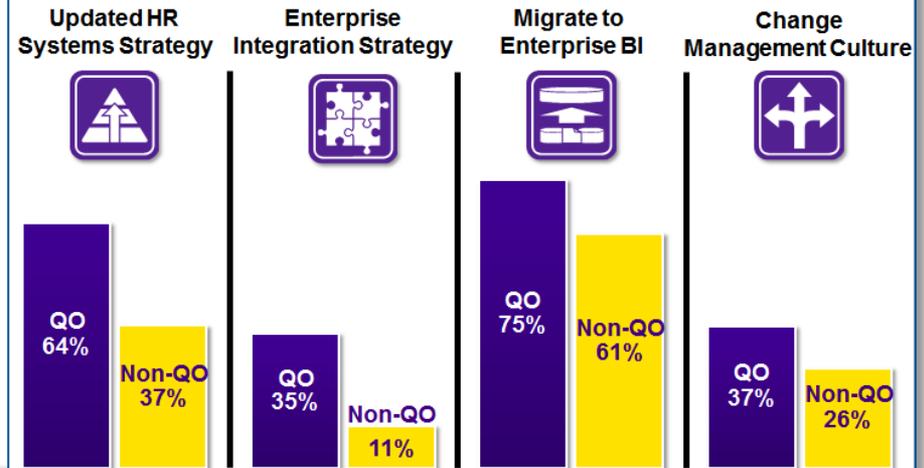


# Lesson from Quantified Organizations

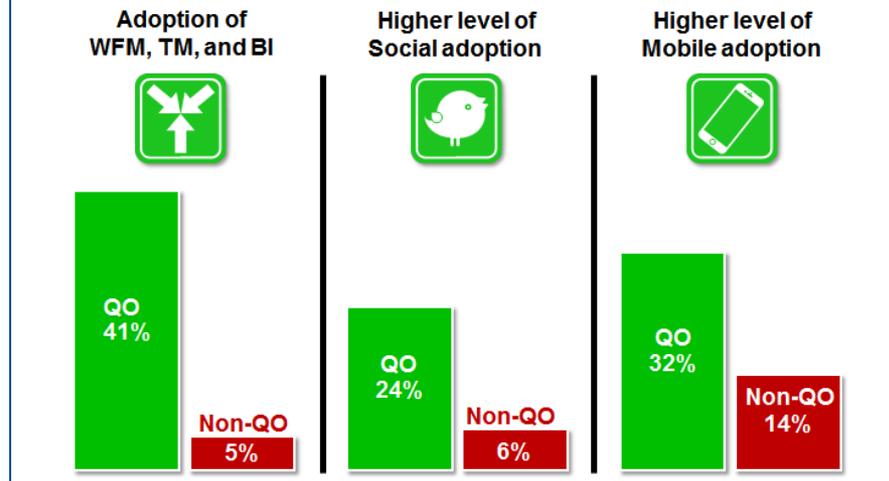
## They Get the Basics Right



## They Have Strategies and Culture that Support Performance



## They Innovate with HR Technologies



# #10 – Transparency and Data Management

- People want to be known as Individuals...Employees are people...
- Wearables > “Internet of Things” > Beyond...
- Government regulations, local regulations, and corporate policies are all increasing.
- Growing importance of cultures, changing families, and peer groups
- Every 3–6 months consumers are accustomed to upgrading technology



# Survey Updates:

- **Vendor** – What drives customers satisfaction and dissatisfaction
- **Payroll** – Plans and global capabilities
- **Talent Management** - New questions on Onboarding, Learning, and Succession Management
- **BI/Analytics** – New questions on “how” the tools are being used and what outcomes they are supporting.
- **Implementations & Maintenance** – New questions on the complexity of implementations, time and investment in release updates, and resources used for these efforts.
- **Emerging Tech** – Talent Acquisition ecosystem, Rewards and Recognition, Employee Engagement

Participants Get:

Tailored Snapshots • Printed Responses • Full Report

# Visit the Sierra-Cedar Website

Get Full Survey Details and Participate!



**Sierra-Cedar**  
2015–2016 HR Systems Survey  
18<sup>th</sup> Annual Edition

**THANK YOU  
FOR  
PARTICIPATING  
IN THE SURVEY!**

The banner features a row of colorful icons representing various HR and business concepts: a document, a gear, a circular arrow, a bar chart, a play button, a grid, a network, a number 2, a number 3, a chip, and a pie chart.

[www.Sierra-Cedar.com/annual-survey](http://www.Sierra-Cedar.com/annual-survey)

# Stacey Harris

## Vice President Research and Analytics



### Passions:



### Background:

- Currently oversee the Annual HR Systems Survey and Research for Sierra-Cedar
- HR and OE Practitioner for over 10 years in **finance, retail, and franchised businesses.**
- Past Direct of Research Bersin & Associates, Launched the HR research practice
- Past VP of Research for Brandon Hall Group
- **Major Research and Papers:** 17<sup>th</sup> Annual HR Systems Survey White Paper, *The High Impact HR Organization*, *The HR Framework*, *Employee Engagement: A Changing Marketplace*, and *Relationship Centered Learning*
- Feel free to connect at: [www.linkedin.com/in/staceyharris/](http://www.linkedin.com/in/staceyharris/) & @StaceyHarrisHR

# Erin Spencer

## Research Consultant



family  
crossfit play  
reading cooking  
lake beach fun  
work vacation  
quilting church  
friends

### Background:

- Research and Analysis at Brandon Hall Group
- Learning Administration at ACS Learning Services
- LMS selection and administration, and training at MRINetwork
- Feel free to connect at: <https://www.linkedin.com/pub/erin-spencer/6/734/388>