



**Sierra-Cedar**

# ***2015–2016 HR Systems Survey***

***18<sup>th</sup> Annual Edition  
Executive Summary***

**Innovation,  
Insights,  
and  
Strategy**

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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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# Executive Summary

The *Sierra-Cedar 2015–2016 HR Systems Survey White Paper, 18<sup>th</sup> Annual Edition* is the latest research installment of the longest running, most widely distributed, and most highly participative research effort in the HR industry. 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 the use of these technologies, 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 solution 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:
  - Core Human Resource Management System (HRMS)
  - Payroll
  - Benefits
- Service Delivery Applications:
  - Employee Self Service (ESS)
  - Manager Self Service (MSS)
  - Help Desk
  - Portals
- Workforce Management applications
- Talent Management applications
- Social- and Mobile-enabled applications
- Business Intelligence (BI)/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 12<sup>th</sup> through July 1<sup>st</sup>, 2015. The *Sierra-Cedar 2015–2016 HR Systems Survey White Paper* is based on 1,204 unique organizations representing a total workforce of 21 million employees and contingent workers.

# 2015–2016 HR Systems Survey Key Themes

## STRATEGY & CULTURE

- This is the year of the Enterprise HR Systems Strategy; 43% of organizations have a major HR Systems Strategy initiative.
- Organizations are taking multiple pathways to transforming the HR Systems Environment, with a mixture of rip and replace, combination, hosted, outsourcing, and hybrid environments.
- HR organizations achieve higher levels of HR, Talent, and Business outcomes by embracing their organization's culture. Data-Driven, Talent-Driven, and Top Performing Organizations provide insights on their unique approaches to HR systems.

### HR Technology Strategy



### Pathways Forward



### Outcome-Focused HR



## FOUNDATION

- We've hit the tipping point: over 50% of purchased core HRMSs are SaaS solutions. The new conversation is about the Enterprise HR Cloud, including Payroll and Workforce Management.
- Payroll and Workforce Management become the stumbling blocks to HR technology transformation efforts, with 20% of organizations currently evaluating their Technology vendor and solution options.
- HR is transforming the service delivery model with Shared Service centers, HR portals and help-desks solutions, along with mobile access. Organizations leveraging all of these technologies on average service 51% more employees per HR Administrative headcount.

### Enterprise HR Cloud



### Back to Basics



### Service Delivery



## INNOVATION

- Organizations leading the way in HR analytics are not only looking backward and forward, but towards business outcomes; 39% of organizations are now doing some level of HR analytics.
- Identifying and acquiring talent in a consumer-driven market has opened the space for an explosion of new and emerging technologies. More than 50% of organizations are using new Talent Acquisition tools outside of their applicant tracking systems.
- Wearables are a hot topic this year, and we see a 30% increase in the percentage of organizations using Wearable technologies as part of their HR Strategy; 55% of organizations using Wearables leverage them to improve workforce productivity.

### Data-Driven HR



### Talent-Driven HR



### Wearables



This is the year of the Enterprise HR Systems Strategy! No one can deny that we are in an age of continuous change when it comes to both enterprise and personal technology environments. Without an enterprise strategy for the HR technology stack, organizations are finding that they not only spend more on total HR technology expenditures per employee, but they also reduce the overall number of employees they can serve per HR resource. Strategy is both a key component when it comes to a technology environment and a significant opportunity for many organizations; more than 40% of organizations are looking at improving or developing a new Enterprise HR Systems Strategy this year. This is a key issue for Top Performing Organizations, as well as those organizations evaluating their HR Technology environments.

Part of developing an Enterprise HR Systems Strategy is working through an organization's current- and future-state HR technology plans. If the goal is to transform the technology environment, creating a more modern architecture that can support new User Experiences, mobile access, and full-data analyses requirements, then organizations need to define a pathway forward. Our research has shown that organizations are taking multiple pathways forward and are leveraging this opportunity to rethink the enterprise view of HR technology.



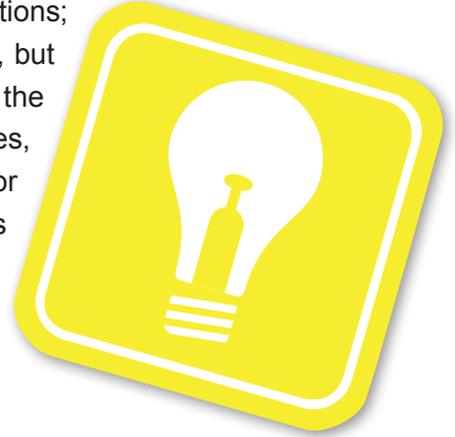
From a strategy and cultural perspective, we're finding that organizations are spending an enormous amount of time focusing on the outcomes they're trying to achieve with HR processes and technology. We've identified three specific HR outcome models—Talent-Driven, Data-Driven, and Top Performing Organizations—to give insight into how focusing on outcomes can change an organization's decisions concerning HR processes, people, and technology.



Now that we've seen a shift both from vendors and buyers towards Cloud/SaaS Core HRMS solutions, the real foundational questions turn to the enterprise HR Cloud. These solutions may include talent, Workforce Management, Payroll, and Core HRMS, as well as emerging technology solutions. Can organizations achieve the desired transformational outcomes with hybrid environments? Can organizations manage regional requirements and global data privacy issues in Cloud environments? These are the foundational questions organizations are facing today. We'll share insights into how they are addressing these questions and their outcomes.

These critical questions, along with the desperate need to gain better data and insight into an organization's internal workforce, are forcing decision makers to shift gears and refocus their energies on basic HR systems. Over 20% of organizations are evaluating their options today when it comes to critical systems such as Payroll and Workforce Management solutions, but few are ready to make a move without assurances that change would create better organizational outcomes.

One area seeing rapid change and movement is Service Delivery Applications; not only are we seeing growth and valuable outcomes from these solutions, but the change in this area is a precursor to the evolving relationships between the workforce and employers. Employees are becoming consumers of HR services, and HR is seeing a shift in its role from administrator to service provider. For organizations looking to improve user experiences, increase employees served, and add value to their HR technology investments, adoption of shared service centers, mobile-enabled processes, and supporting technologies is key to achieving these goals.



Innovation comes in many formats, the least of which is simply **new** technology. Organizations taking new and different approaches to HR create their own level of innovation, from process to people, as well as their technology adoption strategies. We've identified two innovative organization types this year: Talent-Driven and Data-Driven HR functions. Our goal is to share the concept that there are multiple ways to reach your business outcomes, while staying true to your organization's own culture and capabilities.



As the overall technology market changes, innovative technologies tend to fall on the fringes of enterprise needs. Two areas that are attracting a great deal of attention this year are Wearable technologies and tools supporting talent acquisition efforts. Neither area has achieved full-enterprise acceptance yet, but we see these technologies as gateways to tomorrow's HR technology conversations. They may feel like fads, but the concepts underpinning these technologies—social individualism and tomorrow's Internet of Things (IoT)—are here to stay and worth the conversation.

To download a copy of the complete **Sierra-Cedar 2015–2016 HR Systems Survey White Paper, 18<sup>th</sup> Annual Edition**, please scan the QR code below or go to our website at [www.Sierra-Cedar.com/survey](http://www.Sierra-Cedar.com/survey).





## **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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