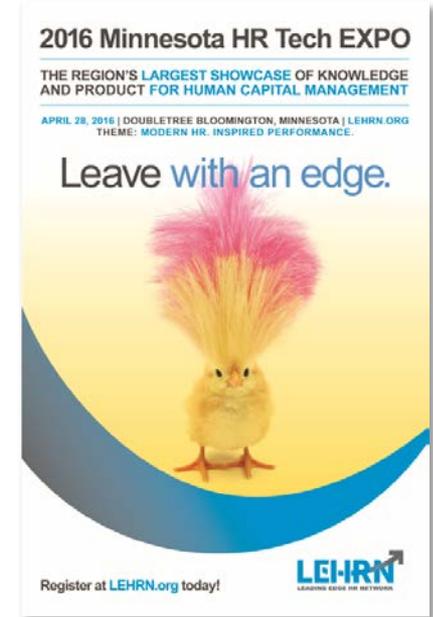




# How Organizations are Transforming Current-state to Future-state HR Technology Plans

April

LEHRN HR Tech Expo, 2016



# Stacey Harris

Vice President Research and Analytics, Sierra-Cedar



## Passions:

Park Walking Research  
Family Gaming Laughter Sons/Boys Parents  
Good Food Budding Artist North Carolina Husband  
Raleigh Art Air Force Water Painting  
Music

## Background:

- Oversee the Annual HR Systems Survey and its safekeeping for the Industry
- HR and OE Practitioner for over 10 years in finance, retail, and franchised businesses.
- Director of Research at Bersin & Associates, Launched the HR research practice
- VP of Research for Brandon Hall Group
- Major Research and Papers: 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

# Sierra-Cedar Fast Facts

7

## Service & Solution Areas

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

18

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.*

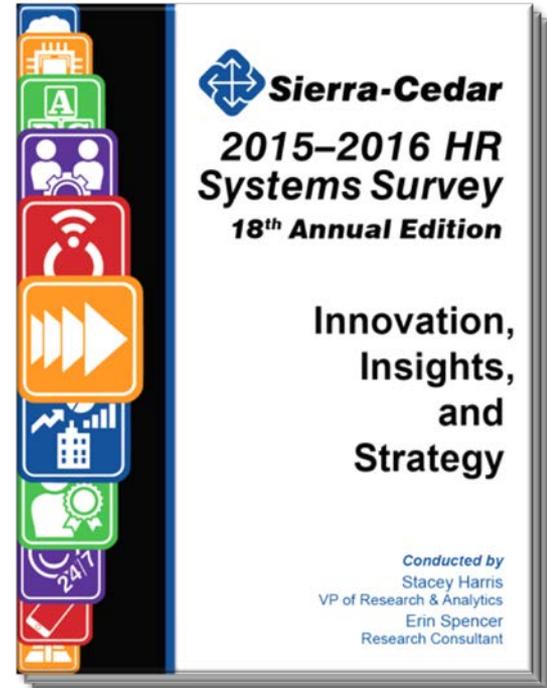
# Sierra-Cedar 2015–2016 HR Systems Survey

## *Over 18 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
- BI/Analytics/Workforce Planning Applications
- Integration and Implementation
- Emerging Technologies and Innovations
- Vendor Landscape
- Workforce and HR Expenditures

**Participate in the 19<sup>th</sup> Annual Survey  
Launching May 9<sup>th</sup>, 2016**



**Download the 18<sup>th</sup> Annual White Paper**

# Sierra-Cedar 2015–2016 HR Systems Survey

Demographics: All Respondents

**1,204**

Organizations

**21 Million Employees/Contingents**



**Large**  
10,000+



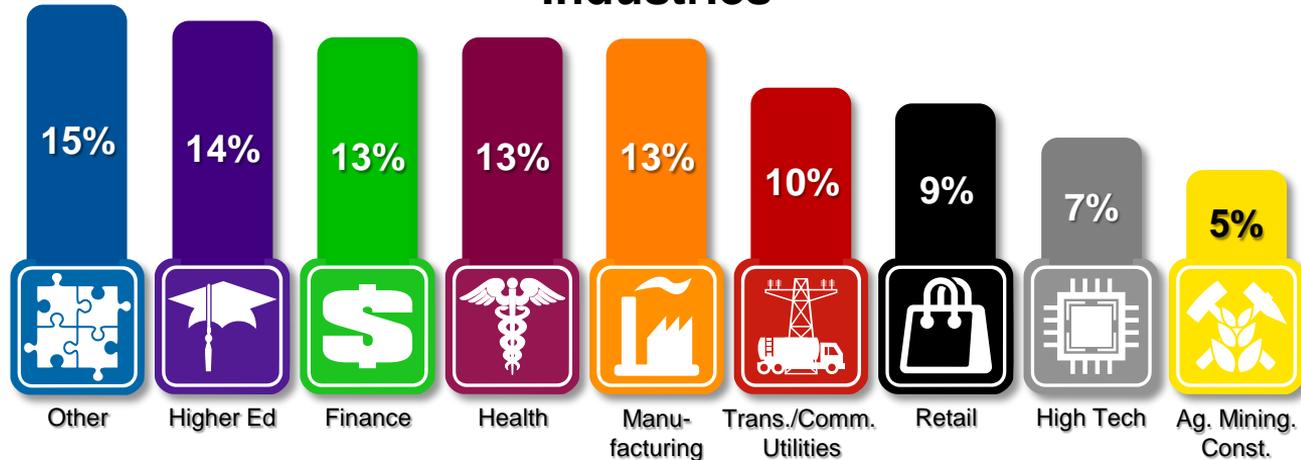
**Medium**  
2,500–10,000



**Small**  
<2,500



## Industries



# Key Themes from 2015–2016 Survey Results

How Organizations Are Transforming from Current State to Future State



**This is the Year of an Enterprise HR Technology Strategy**



**Improved User Experience and Better Workforce Data are the key requirements driving movement to the Cloud**



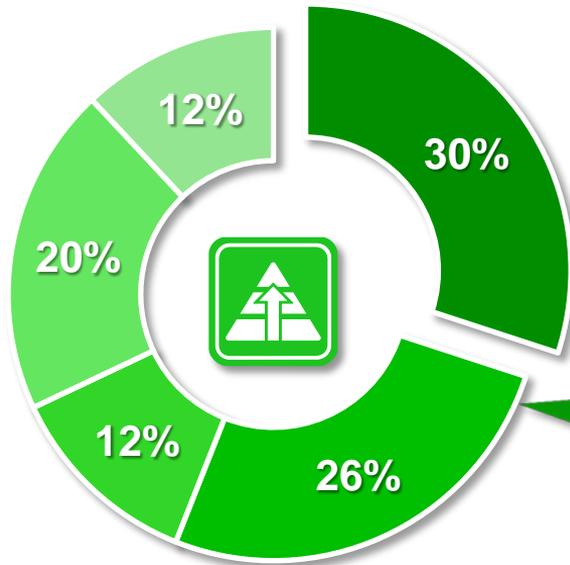
**When the Workforce is Viewed as a Customer, we see Increased HR Technology Adoption and Outcomes**



**Outcome based HR Provides Greater Clarity for HR Technology Decision Making**

# The Year of the Enterprise HR Systems Strategy

## Percentage of Organizations With a Current Enterprise HR Systems Strategy



- Regularly updated strategy
- In development strategy
- Rarely updated strategy
- No strategy
- Not aware



**60%**

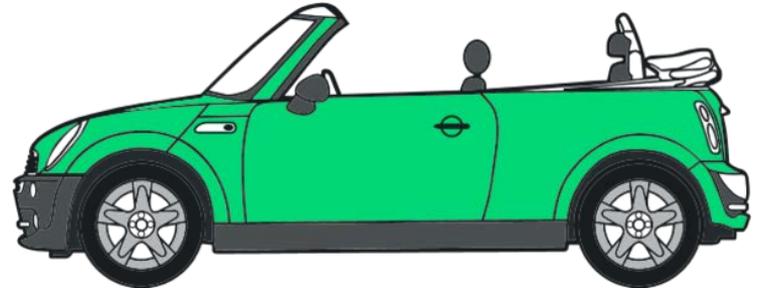
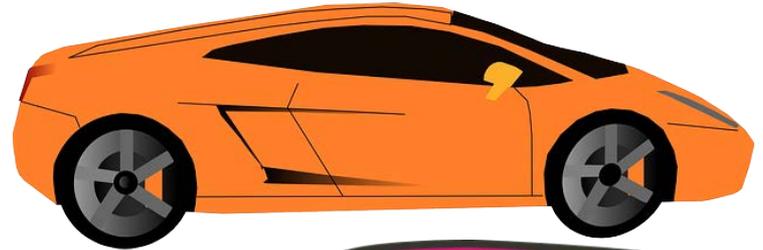
of Top Performing Organizations have an Initiative to create or improve their Enterprise HR System Strategies

# Creating Your HR Systems Strategy

1. **Benchmark** – Current State & Benchmark of HR Technology Environment
2. **Blueprint** – Enterprise Business Goals & HR Strategies, Enterprise System Strategies
3. **Roadmap** – Action Plan, Communication, Measures and KPIs
4. **Governance** – Decision Making, Maintenance, Change Management
5. **Budgets & Resources** – Required, Contingency plans, Outsourcing

**Diagnosis – Guiding Policy – Clear Action**

# Driving Modern HR Technology



# Sierra-Cedar HCM Application Blueprint

FIN

General Ledger, Purchasing, Budgeting, T&E

Vendor Management

VMS

Enterprise Data Privacy

Enterprise Content

Enterprise Social

Enterprise Workflow

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

**66% Adoption**

**Service Delivery**  
HR Help Desk, Portal

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

**93% Adoption**

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

**58% Adoption**

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

**55% Adoption**

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

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

**39% Adoption**

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

CRM

Network Security

Mobile Access

SOA, API, ETL

PaaS

Integration Platform

Projects

Backlog, Pipeline, Customer Satisfaction

Project Costing, Contracts, Grants

# Outcomes and Impact

## Top Performers, Talent-Driven, and Data-Driven Organizations

### Top Performers



#### Top Quartiles

- Revenue/Employee
- Profit/Employee
- OIG (1 year)
- Return on Equity

### Talent Driven



- Mature Career Planning
- Succession Mgmt
- Metric Outcomes
  - Employee engagement
  - Workforce readiness
  - Retention risks
  - Top talent

### Data Driven

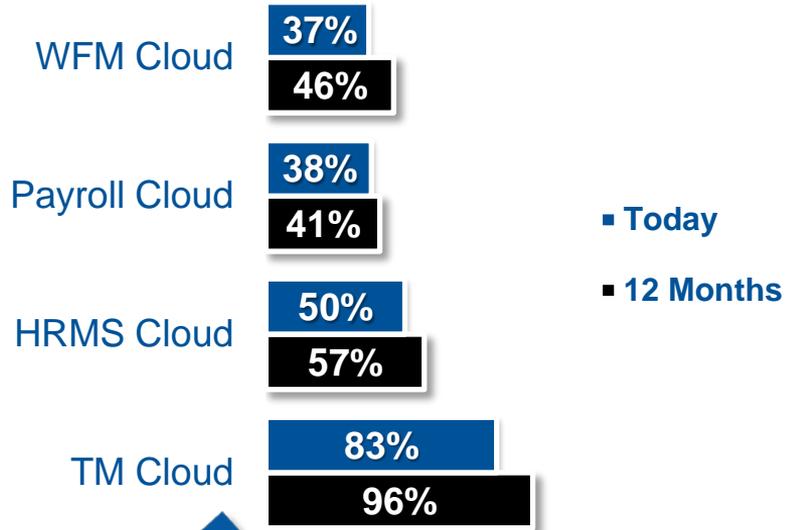


- Mature Workforce Analytics
- 3+ Metrics
- 20%+ Managers/BI
- 3+ Data Sources

# The Enterprise HR Cloud Conversation

Movement to the Cloud is about transforming the User Experience

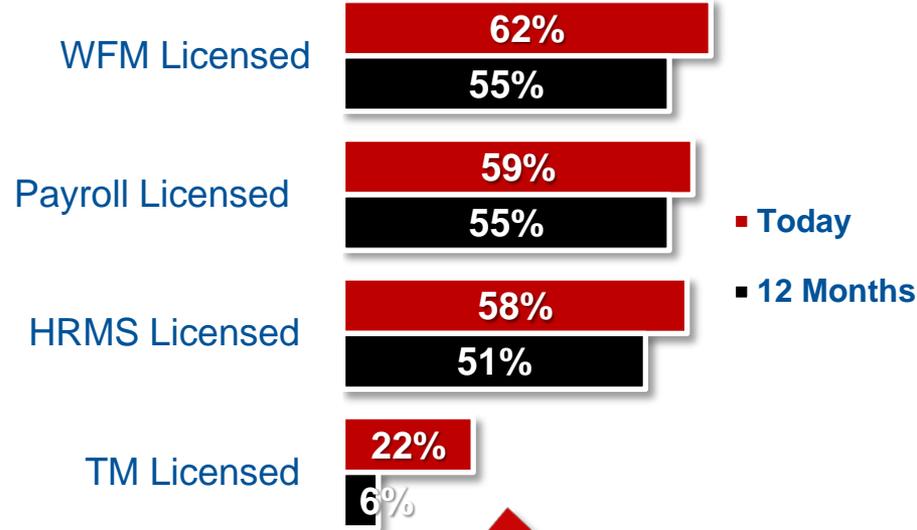
## SaaS/Cloud Deployments



**3.5**

Average User Experience Scores

## On Premise Deployments



**3.0**

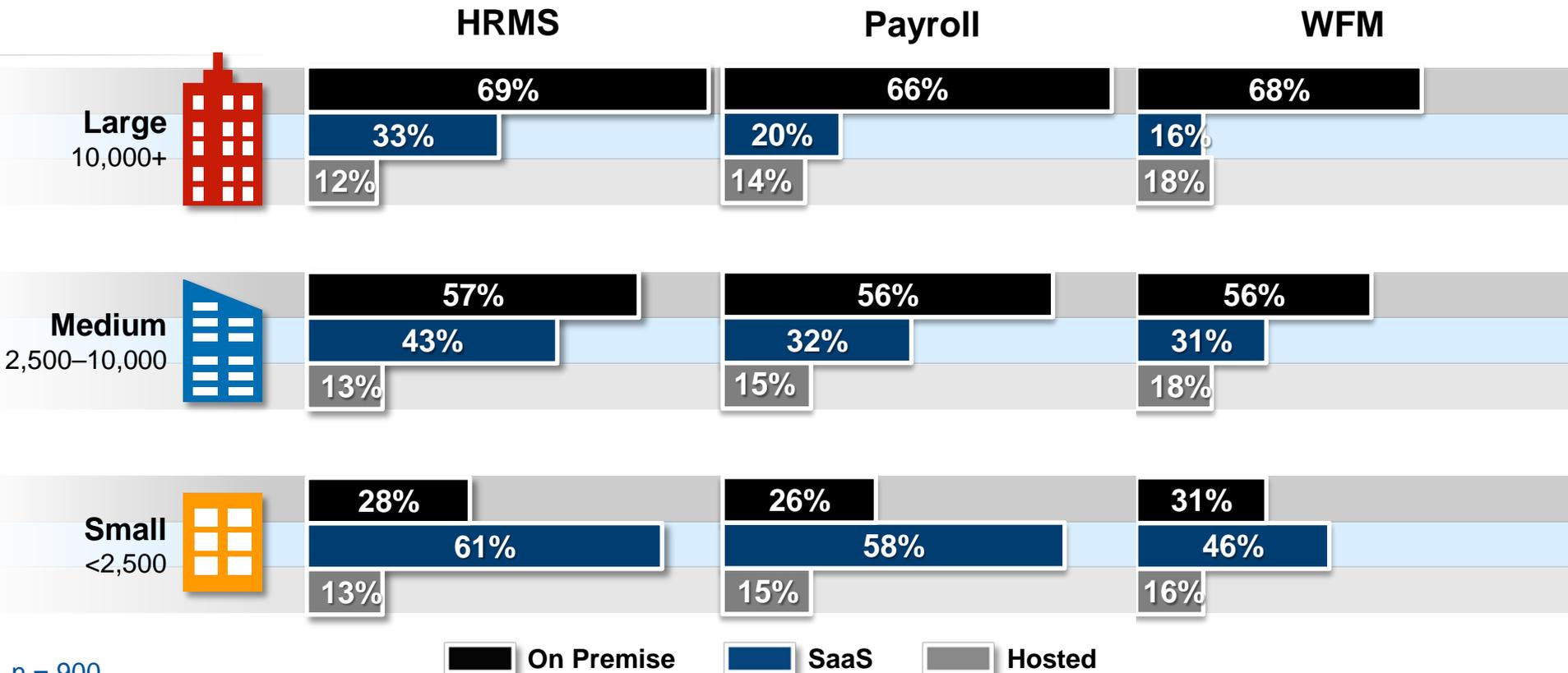
Average User Experience Scores

n = 900

*Note these include combination and hosted environments*

# 2015–2016 Deployments by Size

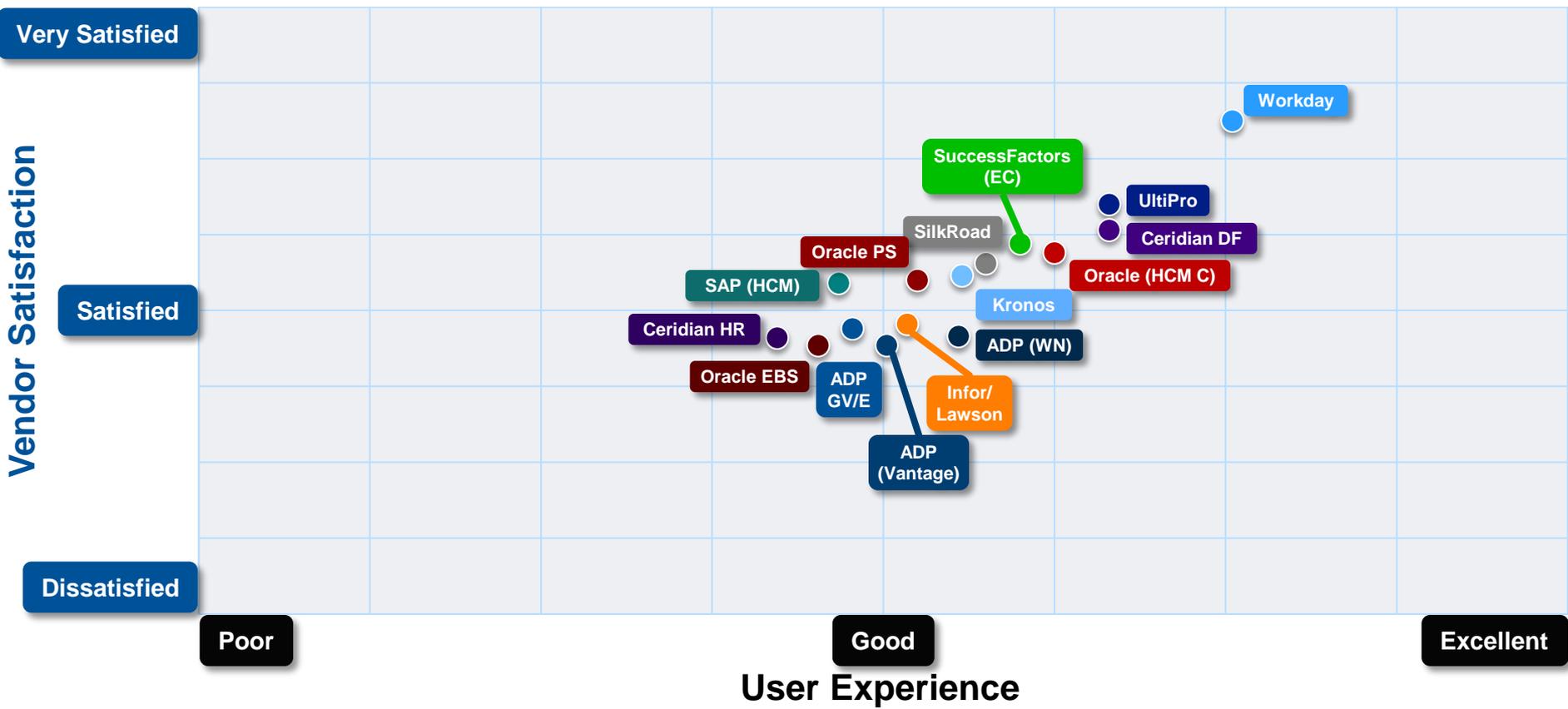
Organizations Under 2,500 Employees are Moving the Fastest



n = 900

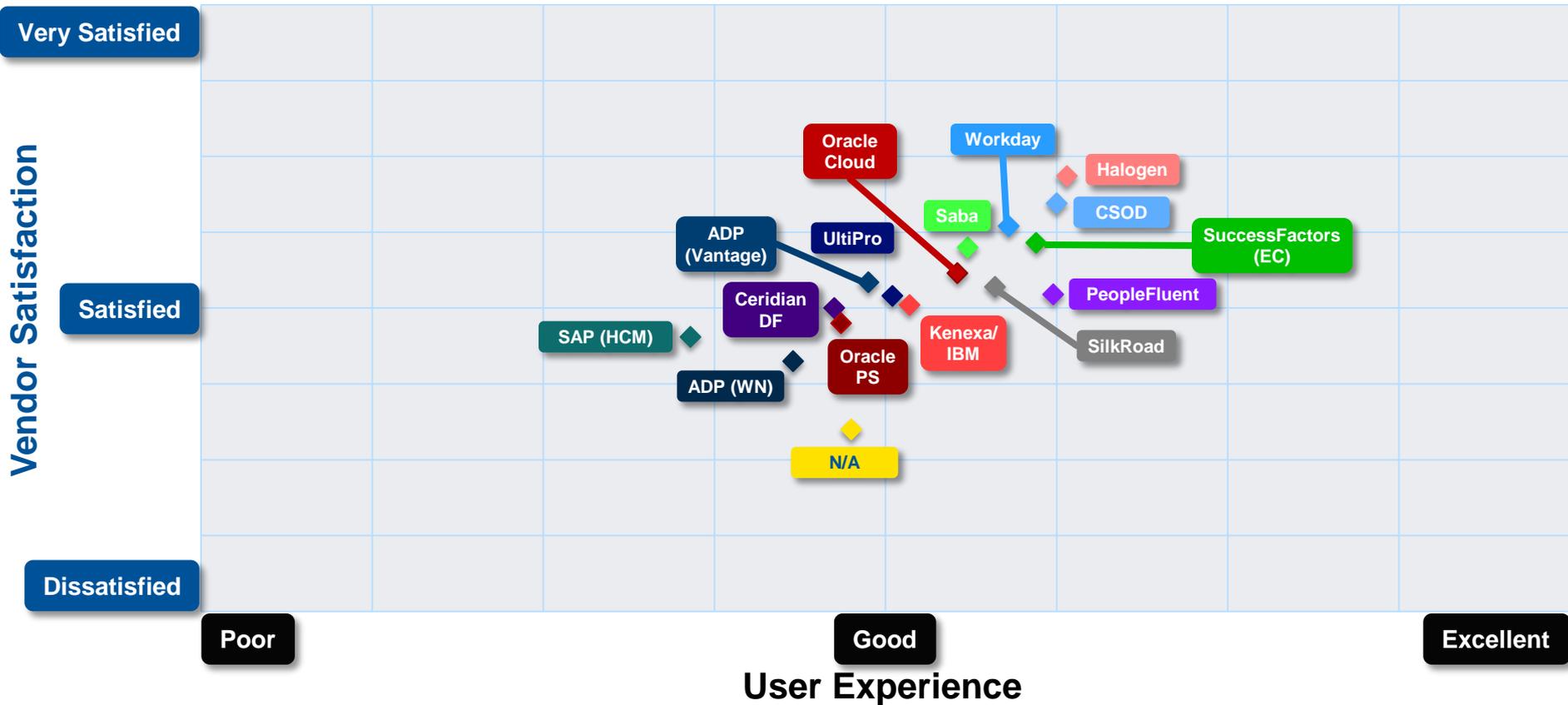
# HRMS Vendor Satisfaction and User Experience

Greatest Impact on Vendor Satisfaction = 's User Experience



# ITM Vendor Satisfaction and User Experience

Talent Suites Achieve Highest Scores, but Overall TM Satisfaction is Lower

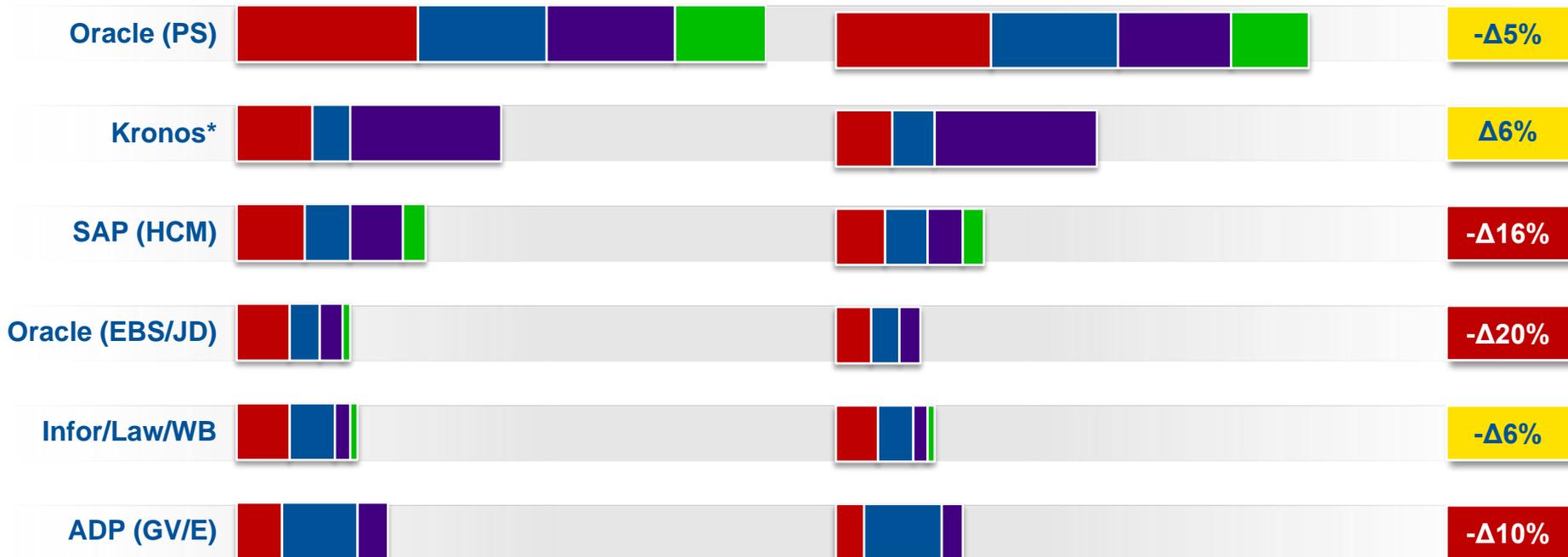


# Total HCM Legacy Solutions

The Future is Inevitable, but The Timeline is Unknown

## Adoption Today

## Planned Adoption in 12 Months

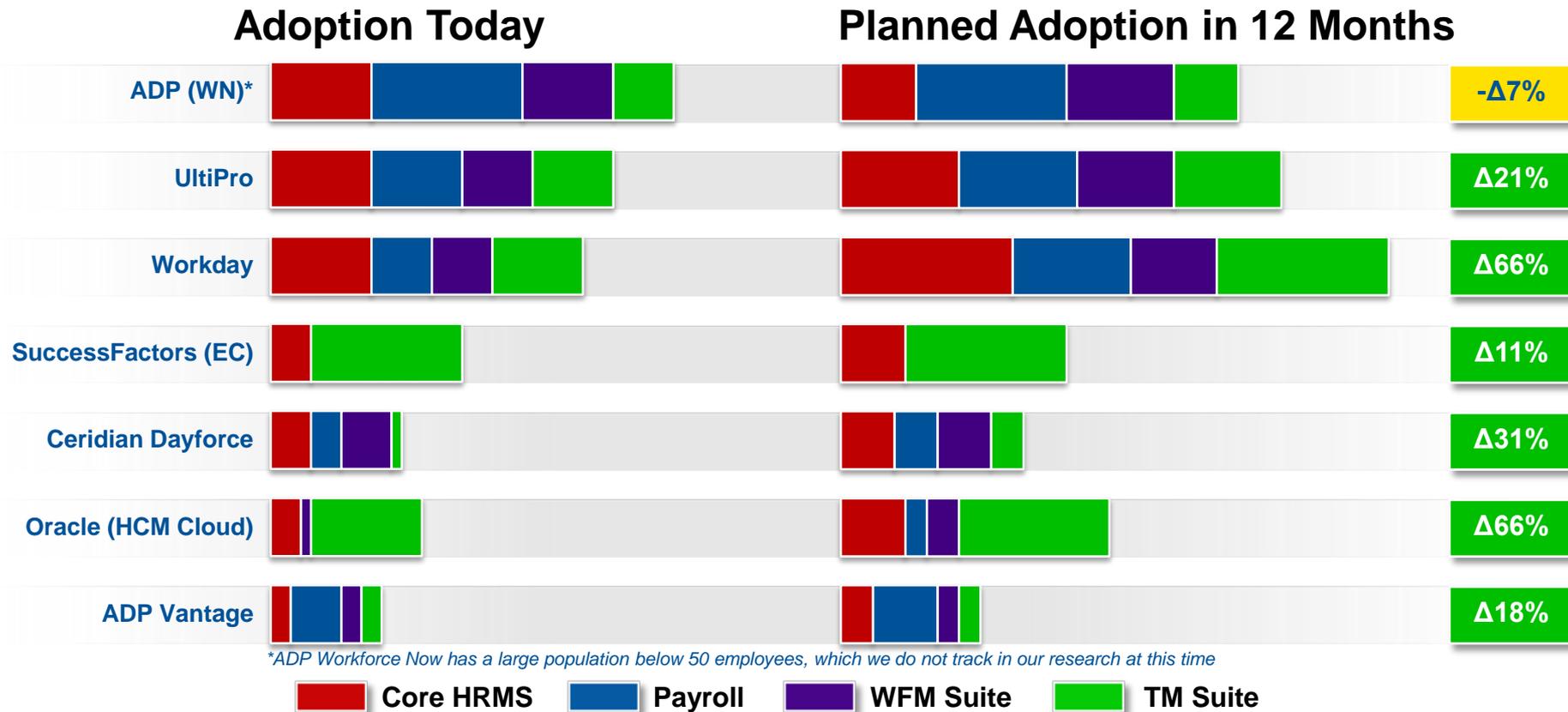


\* Kronos is not split into its two primary solutions for this analyses, which includes both a legacy solution and new solution

Core HRMS   Payroll   WFM Suite   TM Suite

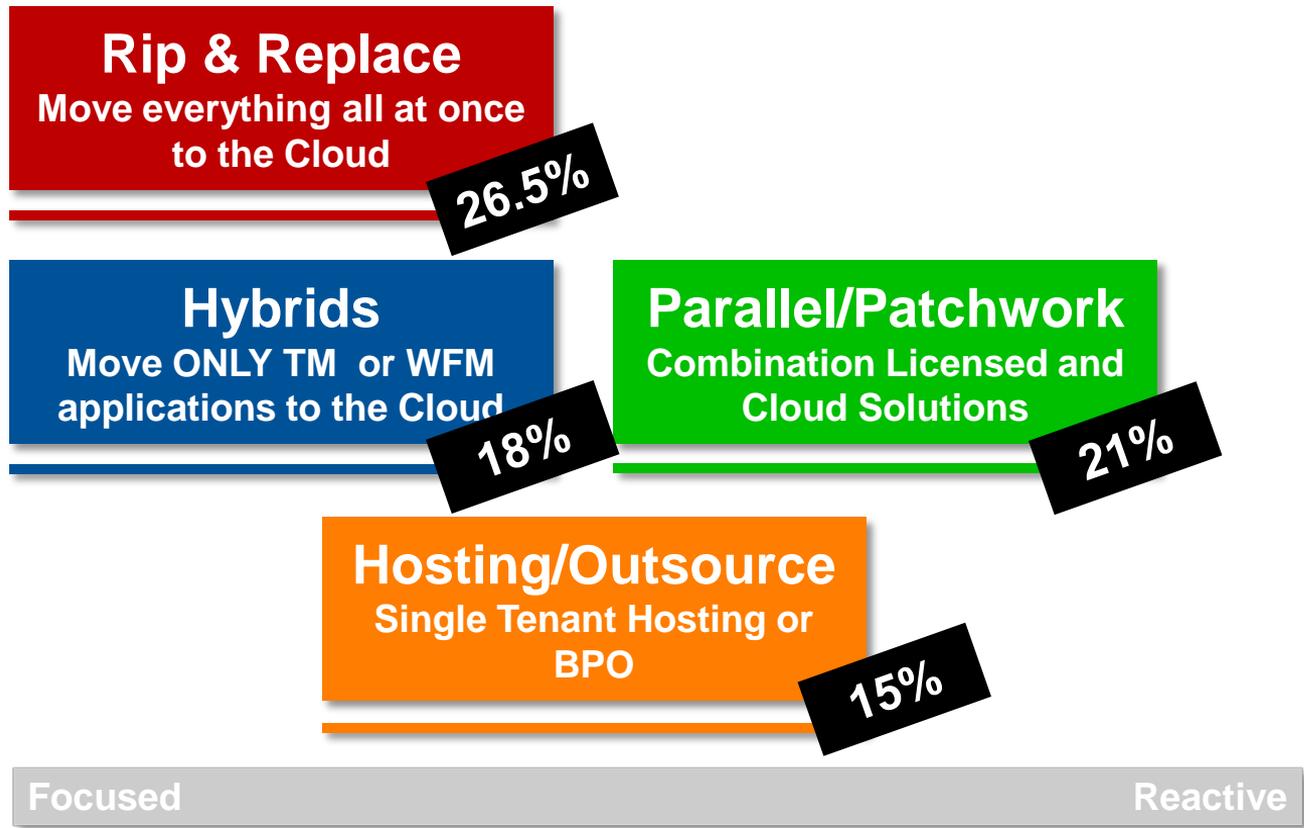
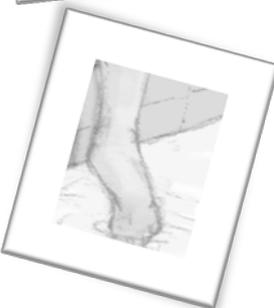
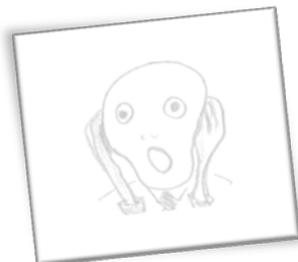
# Total HCM Cloud Solutions

## Growth Across All New Platforms



# Multiple Pathways to an HR Tech Transformation

There is no right or wrong way to move to the Cloud



High Risk

Low Risk

Focused

Reactive

# If You Can't Replace Your Technology Today

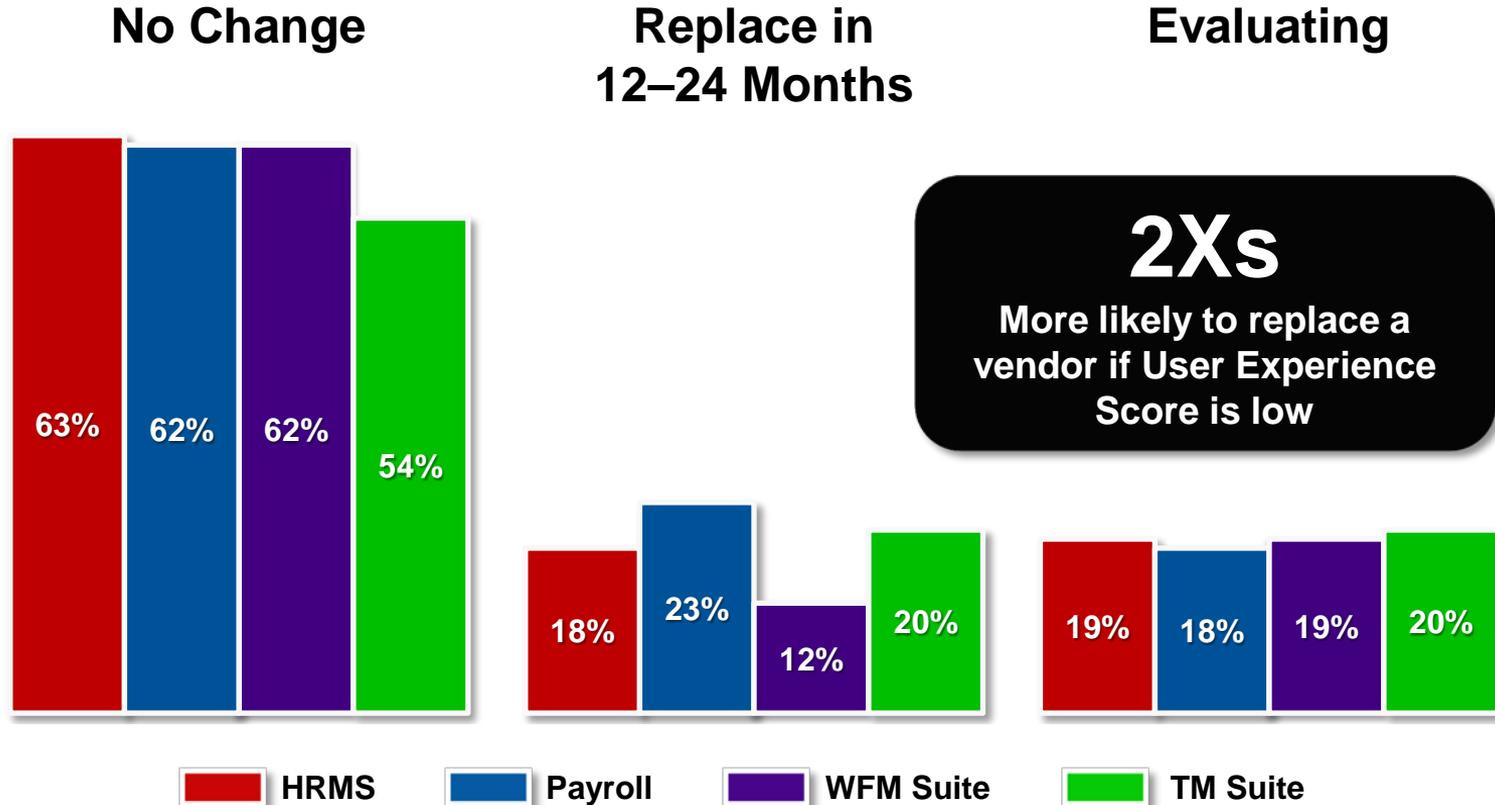
## Checklist To High User Experience Scores



- Mobile Access Admin Applications
- Enterprise Integration Strategy
- HRMS and Talent Management = Same Solution
- Central Shared Services Model
- Stay Current on Licensed Software
- Customize Less
- Actually Roll out: Employee and Manager Self Service
- Get your own Processes in Order

# Plans For Replacing HR Technologies

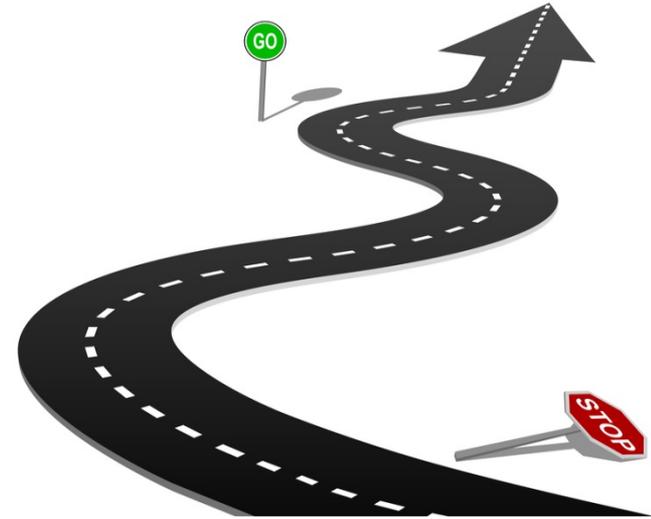
40% of Organizations are planning to replace or evaluating options



# The Journey Doesn't End Here

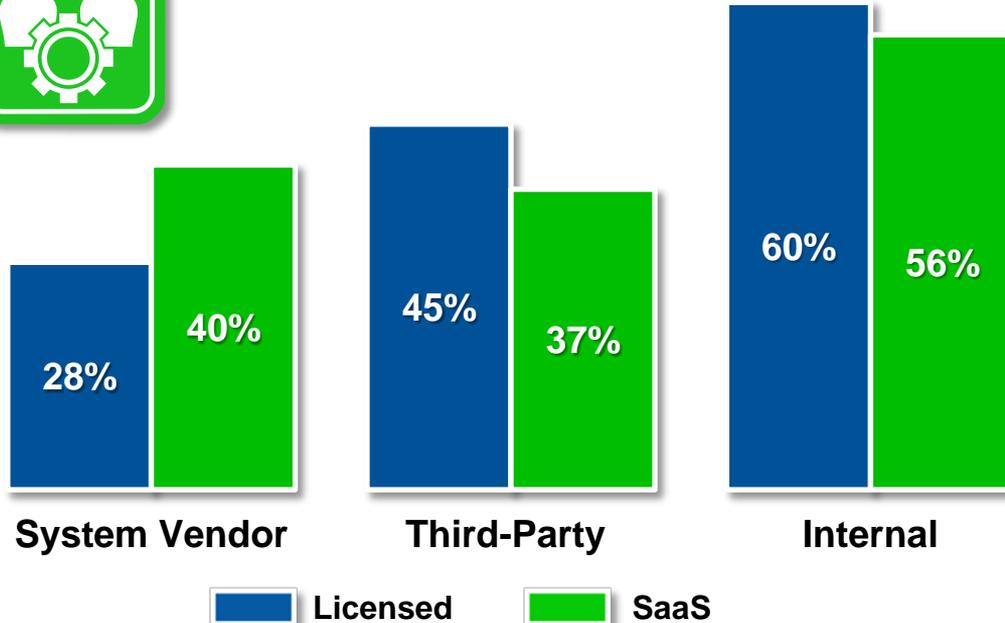
## What Drives Transformation Success!

- Shared Implementation Models
- Reimagining Your Process Improvement Efforts
- Ramping Up Internal and External Skill-Sets
- Creating a Culture Of Change Management
- Treating Your Workforce Like a Customer
- Making HR Analytics a Process Not a Project



# Implementation Resources, Who Does the Work?

What % of your Implementation was completed by these resources?



**15%**

Likely to use **Mostly Vendor** or **Mostly 3<sup>rd</sup> Party** resources

**48%**

Likely to use **all three** resources

**37%**

Likely to use **Mostly Internal** resources

# HR Process Management

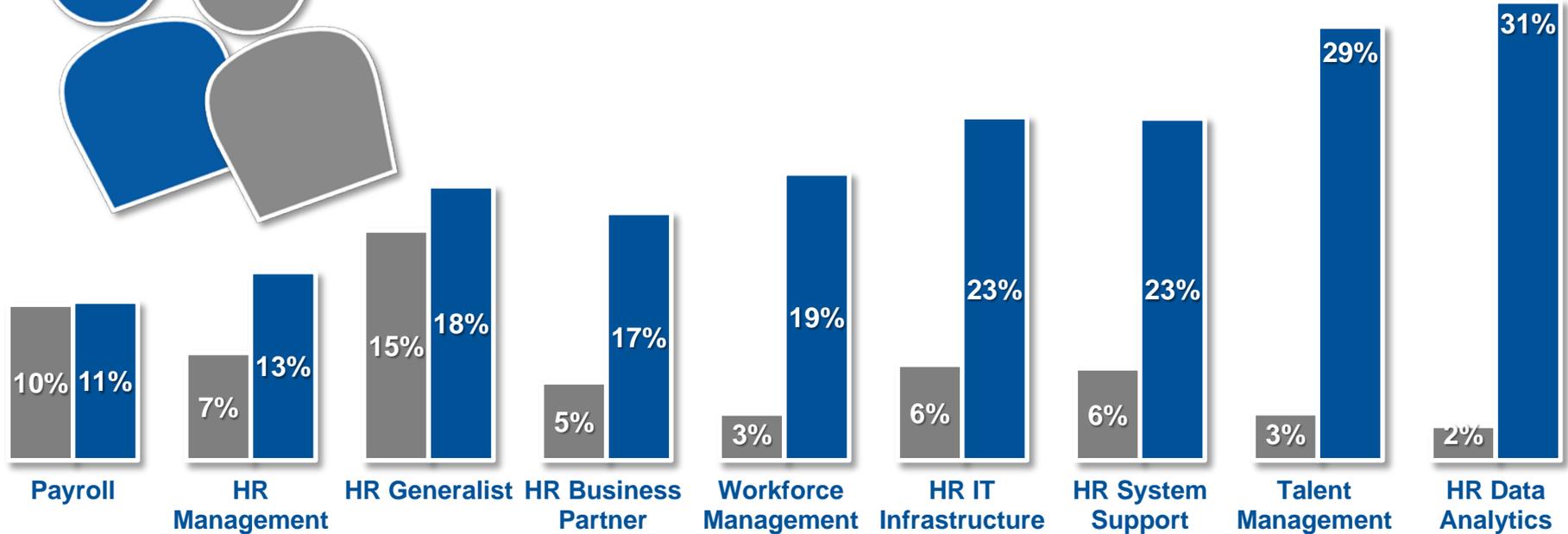
## Out of the Box: Cloud Solutions Provide Best Practices, Not Unique Practices

- **Transformational:** unique, stands above others, contributes to competitive advantage financially and as an employer of choice.
- **Effective:** aligned, best practice, strategically-focused
- **Efficient:** transaction-focused, standardized
- **Manual:** non-standardized, ad hoc, or reactive



# Tomorrow's HR is More Focused and Analytical

## What HR roles does your organization plan to increase or decrease this year?



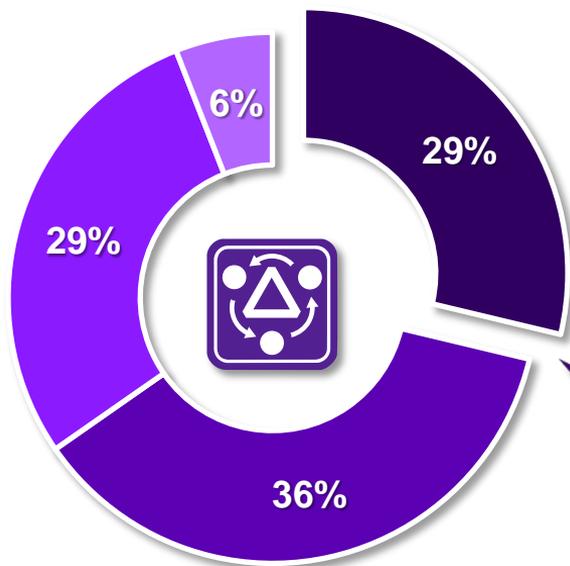
 Decrease  Increase

n = 1,008

# Change Management Practices

29% of Respondents Report a Culture of Change Management

## Level of Change Management for HR Technology Projects



- Consistent culture of change management
- Key projects that meet criteria
- Sporadically, with no criteria
- Never

**17%**

increase in organizations doing any level of Change Management from last year

# Benefits of Change Management

2<sup>nd</sup> year in a row we've found Cost and Perception Outcomes!

## Total HR Technology Costs/Employee

Culture of CM

\$243

Key projects

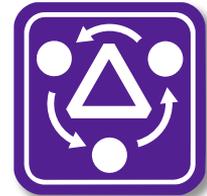
\$253

Sporadic

\$341

Never

\$572



**2 X**

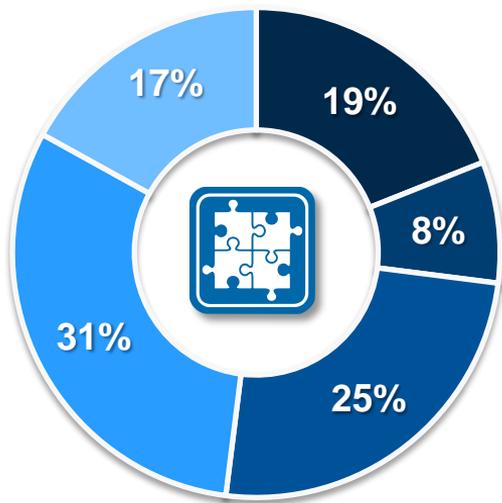
## Change Management Increases Strategic Value of HR

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

# Integration Strategies Matter

In Implementation Years, Integration Costs can reach 40% of Expenditures

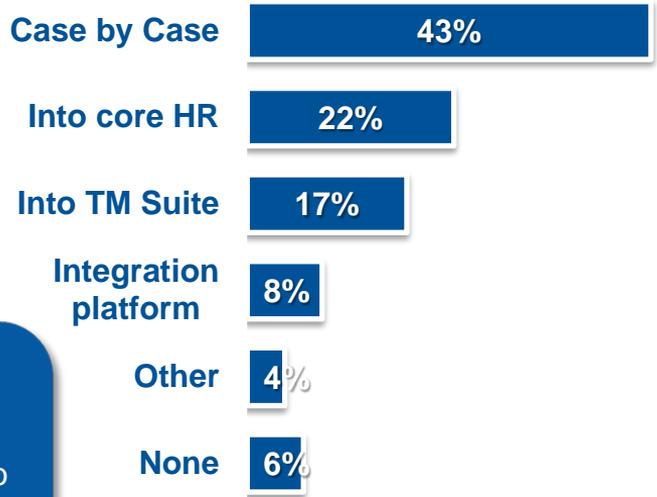
## Enterprise Integration Strategy?



- Yes, updated regularly
- Yes, rarely updated
- In development
- No Strategy
- Unknown

**45%**  
Spend between 10% to 25% of their HR Technology budgets on Integration

## Approach to Integrating HR Technology



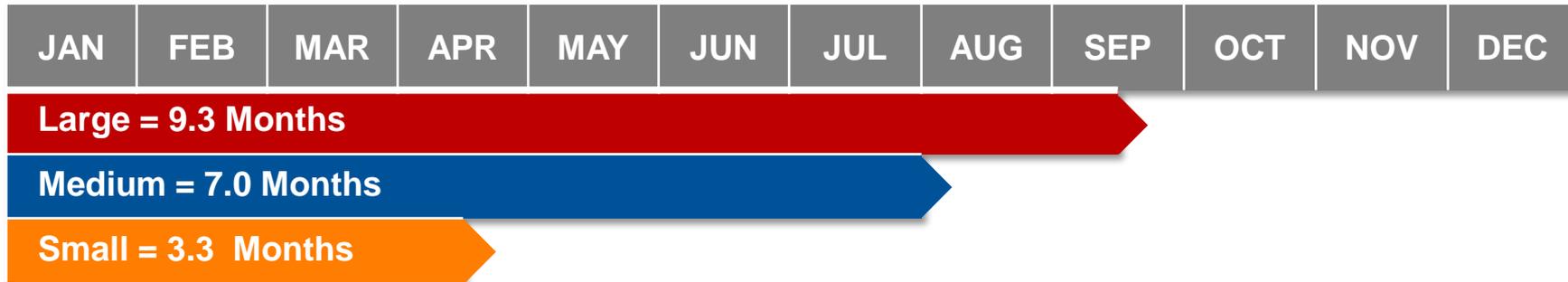
# We No Longer Live in a Project Based World

## Average Timeline for HR Technology Updates and Upgrades

### SaaS HRMS Update Average # of Weeks, 3 to 4 Times A Year



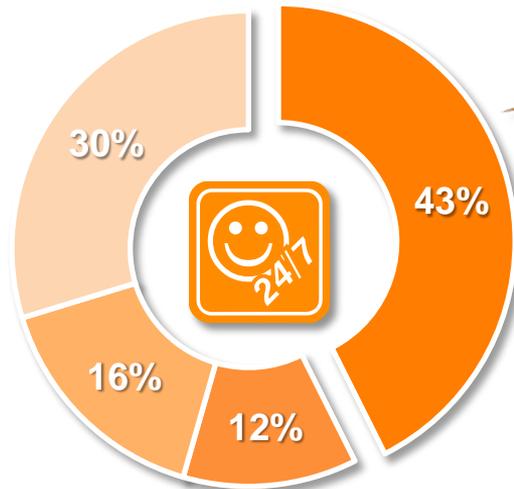
### Licensed HRMS Upgrade Average # of Months, Every 3 to 5 Years



# Customer Service For Your Workforce

Over 70% of Organizations Leverage Some Form of Shared Services Model

## Shared Service Models



10%

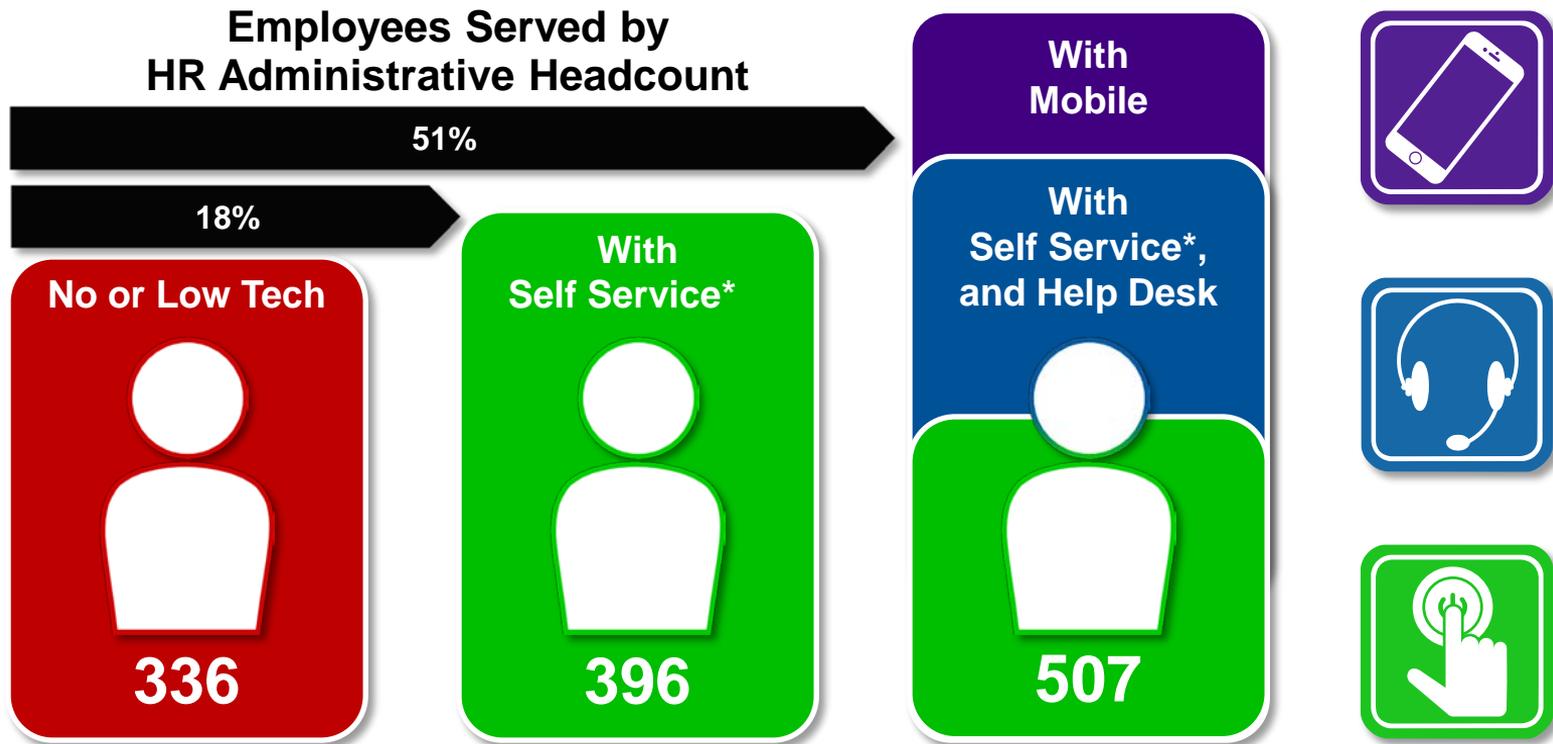
Increase in Organizations  
with a Shared Service  
Center over last year

- Enterprise Shared Services
- Central SS w/ Variations
- Regional Shared Services
- No Shared Services

n = 491

# Value of Service Delivery Technologies

## 51% More Employees Served with Mobile + Help Desk Technology

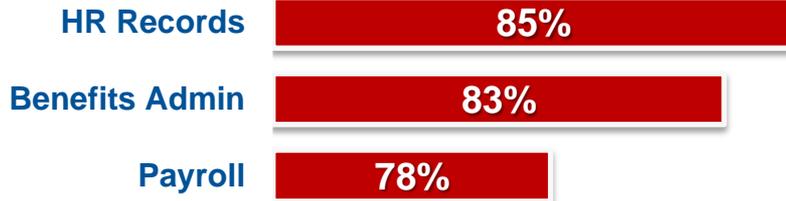


\*With Self Service: Employee and manager Self Service applications serve 60% or more of employees and 50% or more of manager populations

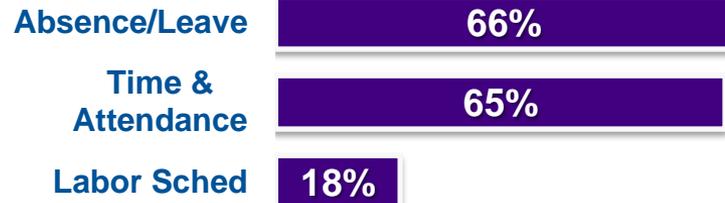
# Functions Included in HR Shared Services

46% of Organizations Centralize their Data Privacy Processes

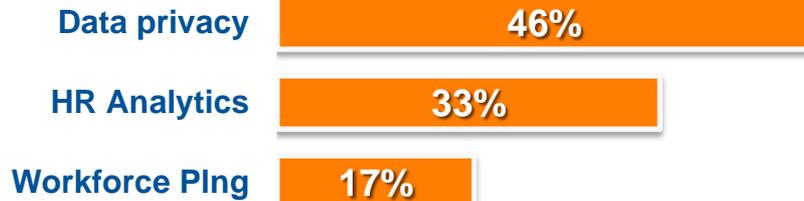
## Administrative Functions



## WFM Functions



## Data and Intelligence Functions

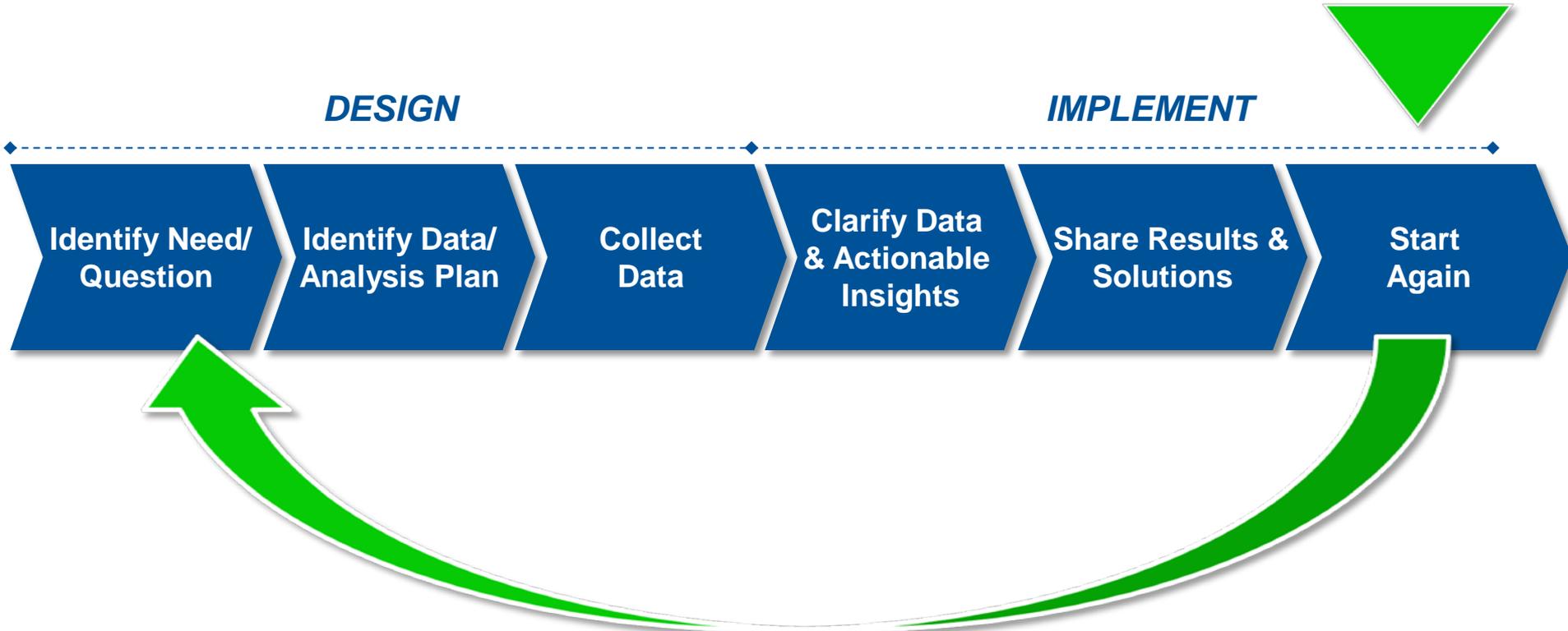


## Talent Functions



# What Is HR Analytics?

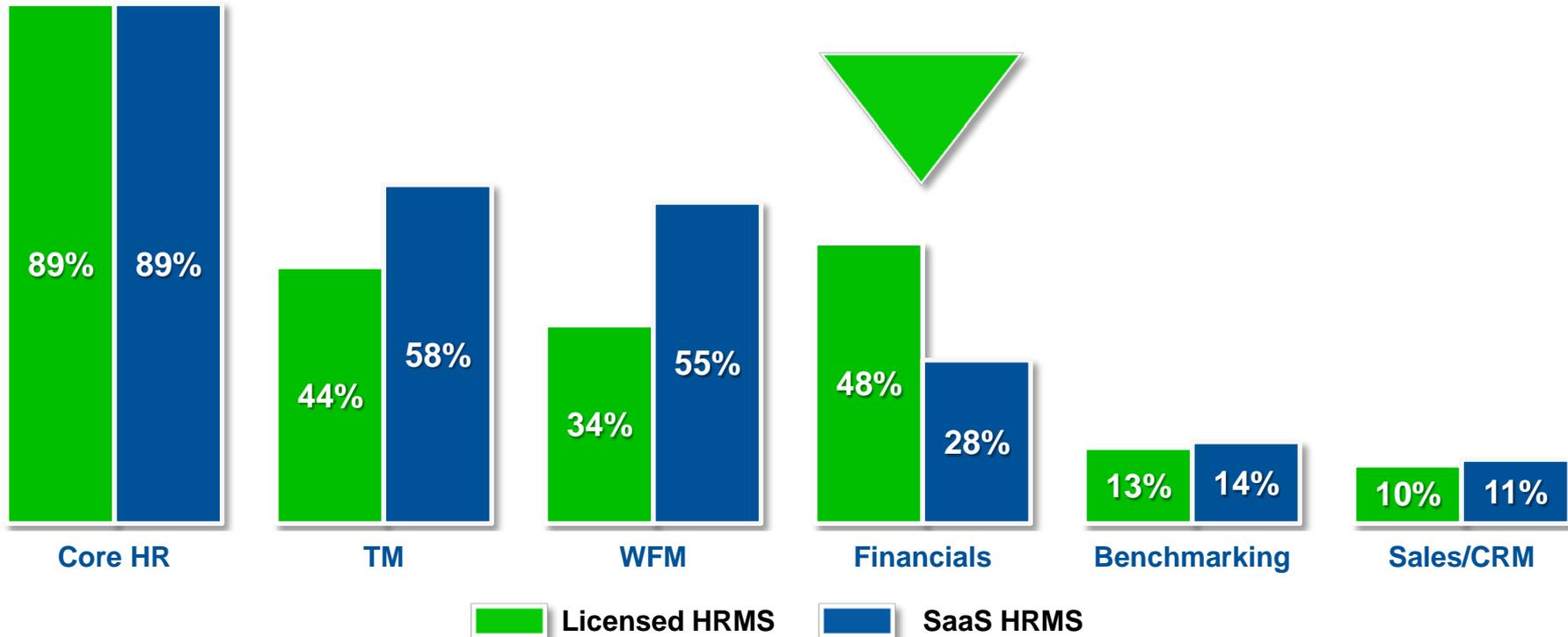
Transition your Thinking from a Project to a Process



# Integrated Data Sources for HR Analytics

## Licensed Environments More Likely to Include Financial Data

Which of the following are Integrated for HR Analyses?



# Wrapping Up With- Outcomes and Impact

Top Performers, Talent-Driven, and Data-Driven Organizations

## Top Performers



### Top Quartiles

- Revenue/Employee
- Profit/Employee
- OIG (1 year)
- Return on Equity

## Talent Driven



- Mature Career Planning
- Succession Mgmt
- Metric Outcomes
  - Employee engagement
  - Workforce readiness
  - Retention risks
  - Top talent

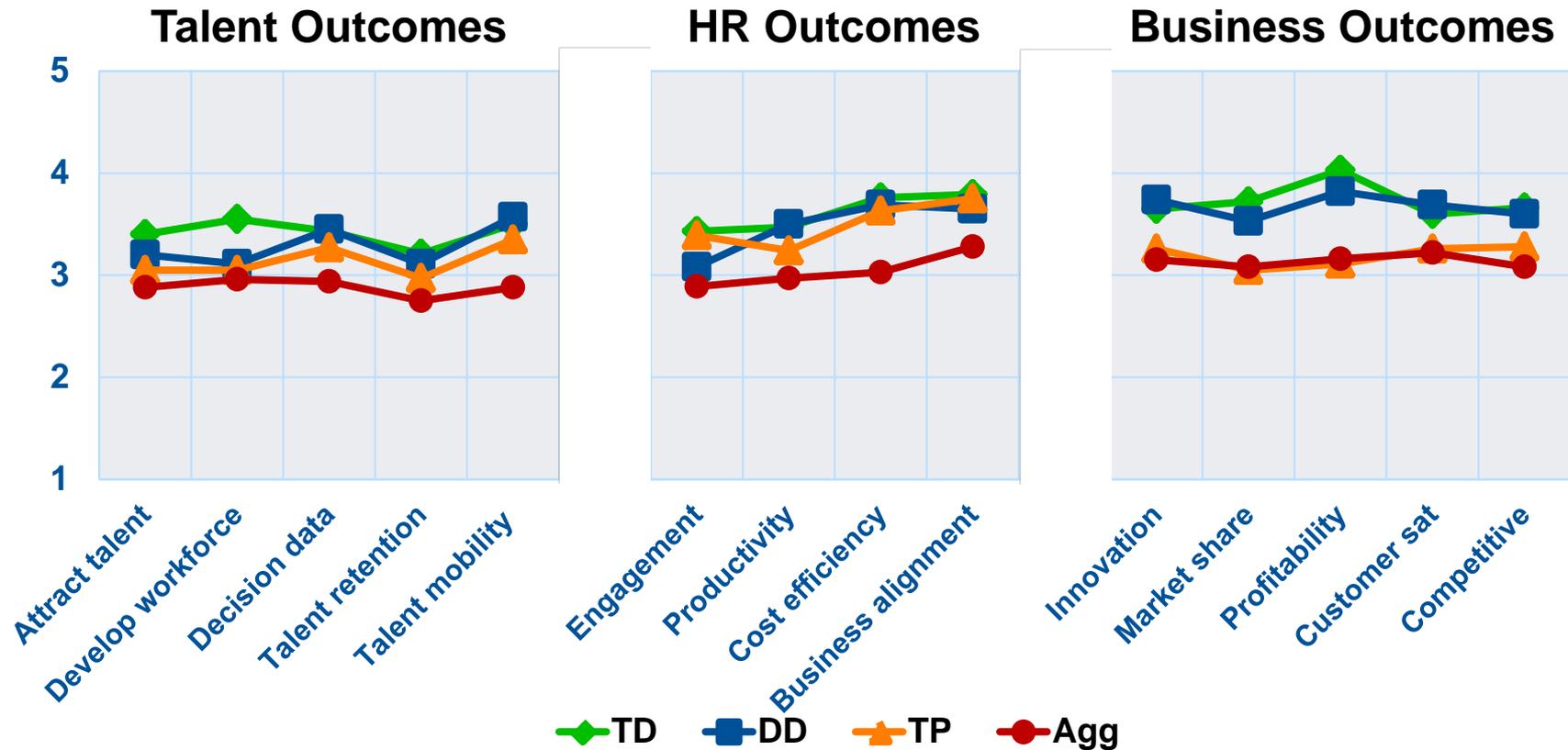
## Data Driven



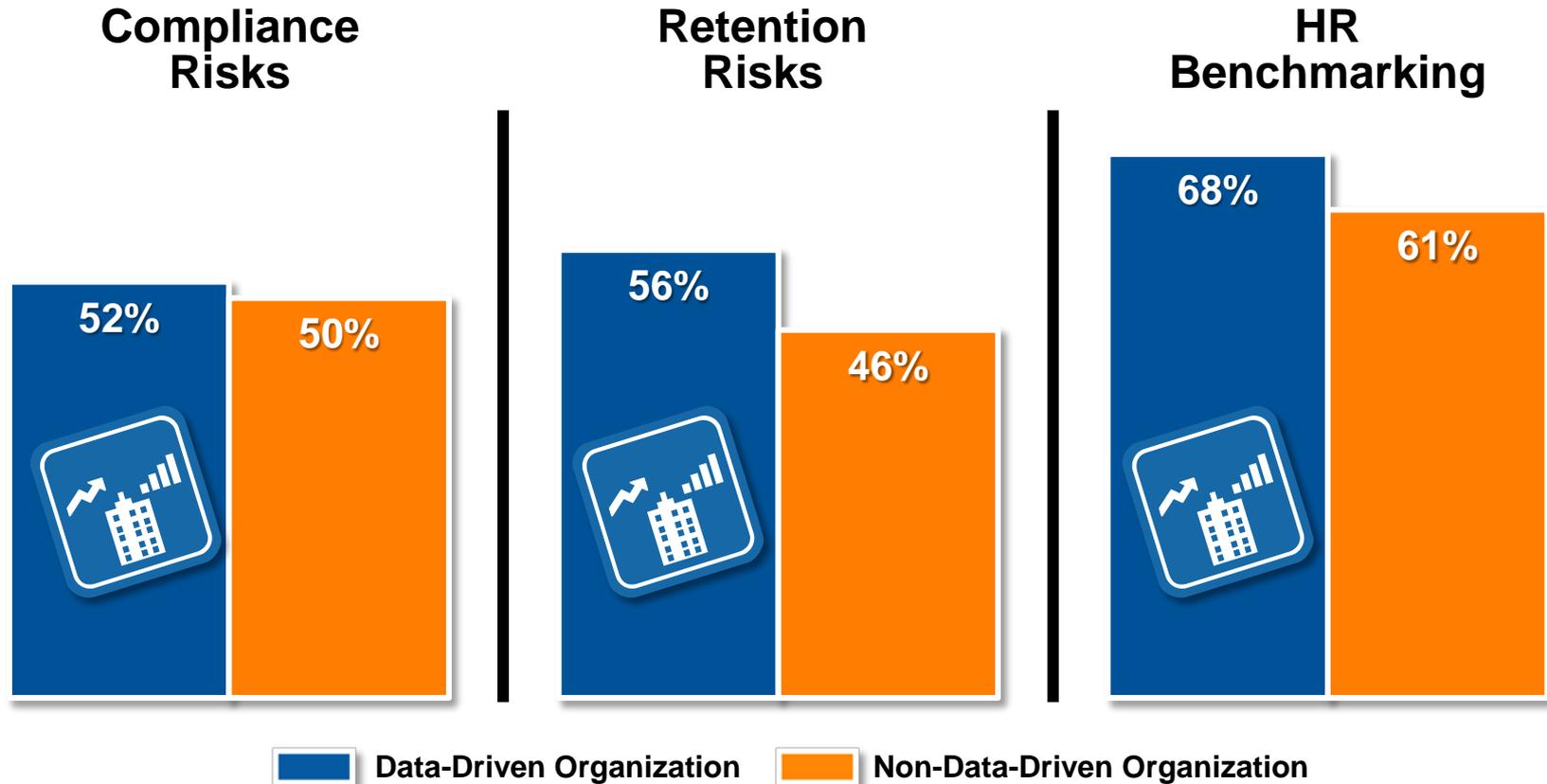
- Mature Workforce Analytics
- 3+ Metrics
- 20%+ Managers/BI
- 3+ Data Sources

# Achieving Outcomes Requires Focus

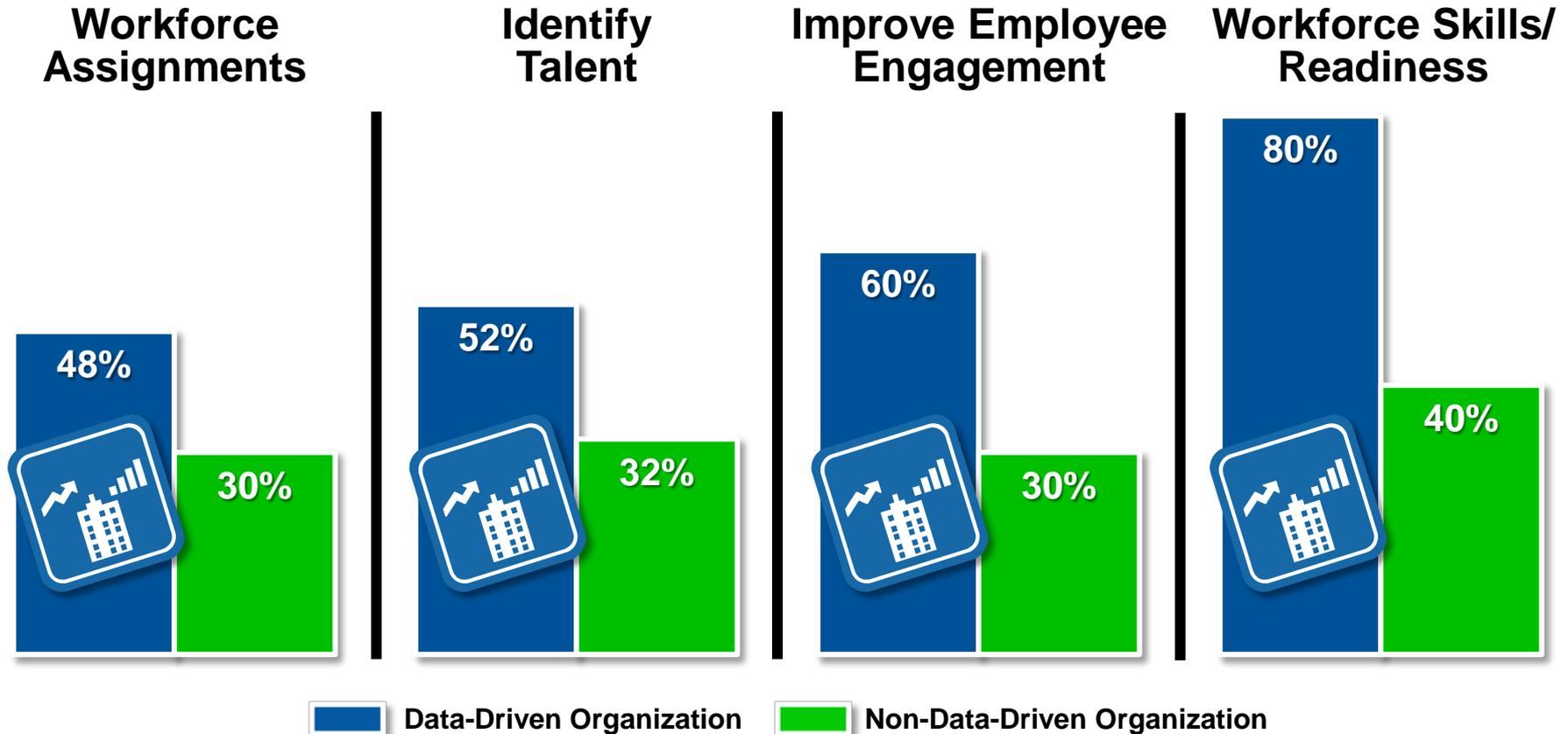
Talent- and Data-Driven Organizations Achieve Best Outcomes



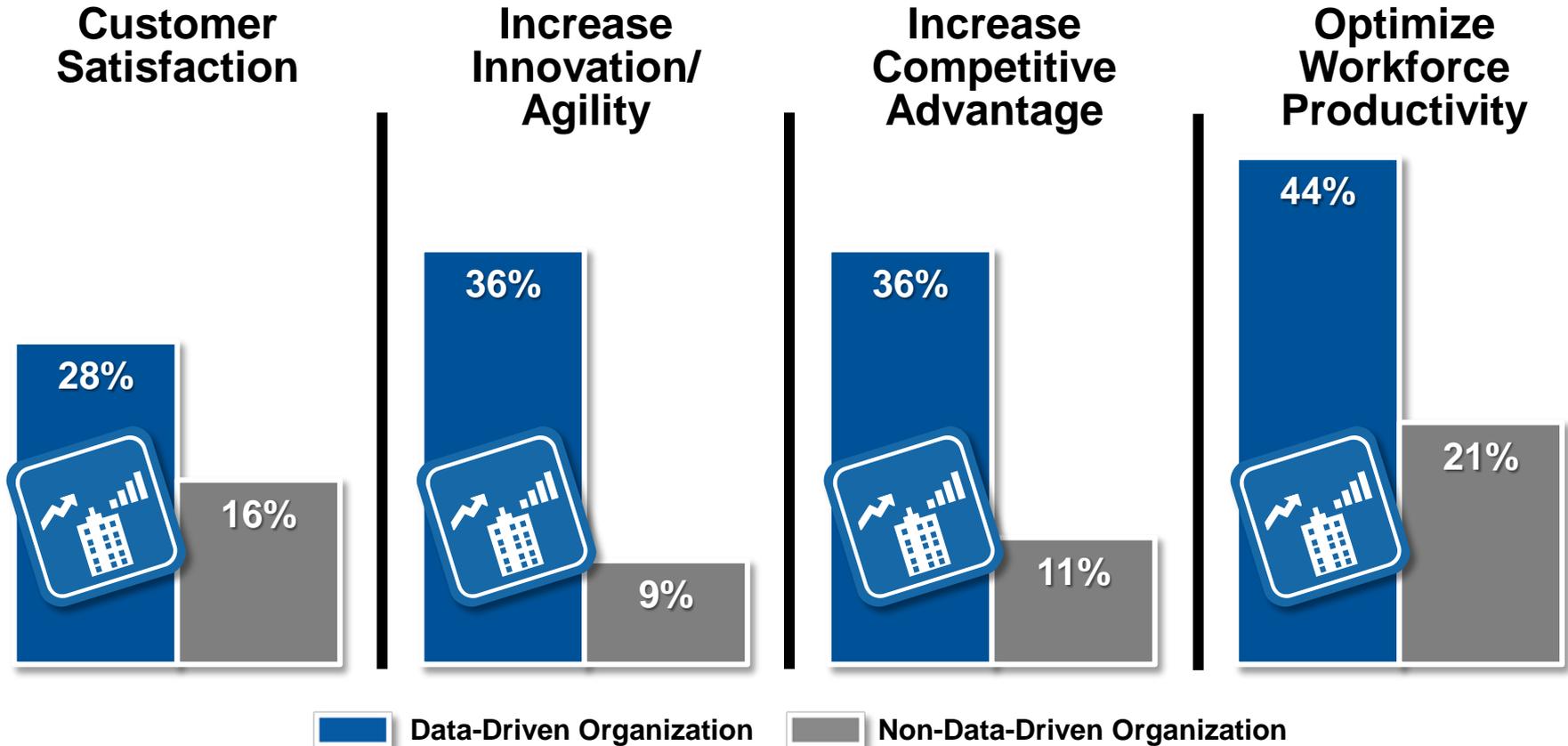
# Most Use HR Analytics to Look BACKWARD



# Some Use HR Analytics to Look **FORWARD**



# Data-Driven Orgs Also Focus on the **BUSINESS**



# Emerging Technologies

Align with your HR Strategies and Desired Business Outcomes

	Workforce Using		
	Today	Evaluating	No Plans
Employee Feedback Applications	65%	11%	24%
Wearable Technology	10%	6%	84%
Rewards & Recognition Applications	25%	15%	60%
Talent Acquisition Tools	42%	29%	29%



**Talent-Driven Organizations**  
Use all of these Extensively

# Why Organizations Participate In This Research

- To obtain a personalized benchmarking snapshot filtered by size, region, or industry
- They like conducting a review of their own enterprise HR system environment annually
- They need data to build their own HR Technology strategy or business case for change
- They believe it is important to support the broader HR technology community

*Metrics tell such a great story and are fabulous for supporting proposed initiatives. The data provided underscored what we have been hearing and seeing as trends in HR—especially as they relate to social media.*

**HRIT, Leslie Krug**



# Thank you!



**Sierra-Cedar**  
2016–2017 HR Systems Survey  
19<sup>th</sup> Annual Edition

**BE COUNTED!**

The banner features a row of colorful icons representing various HR and business concepts: a red icon with a tree, a blue icon with a play button, an orange icon with a grid, a purple icon with a person and clock, a green icon with a person and gear, a blue icon with a document, a green icon with a person and gear, an orange icon with a plus sign, and a red icon with a bar chart.

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