



2016–2017 HR Systems Survey Results

19th Annual Edition

HR Tech Transformation: Insights into 2017 Trends

December 1, 2016

Sierra-Cedar Fast Facts

7

Service Areas

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

19

Years of Leading
HR Systems Survey &
Thought Leadership

950+

Employees

5

Industry Focus

Commercial
Healthcare
Higher Education
Public Sector
Justice & Public Safety

1,500+
Consulting
Projects

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

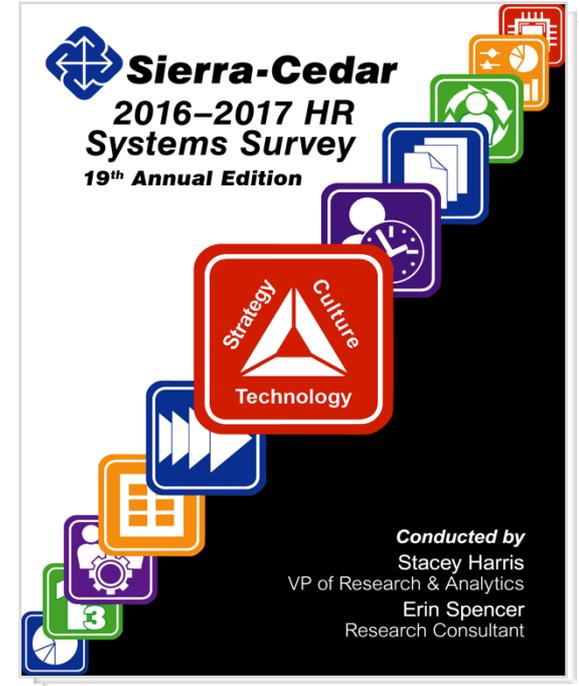
Sierra-Cedar 2016–2017 HR Systems Survey

Over 19 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
- Workforce Usage and Perception

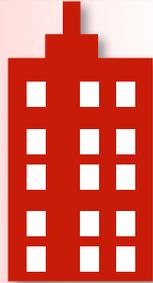
[Participate in the 20th Annual Survey](#)



[Download the 19th Annual White Paper](#)

Organization Sizes and Types

Large
10,000+



Medium
2,500–10,000



Small
<2,500



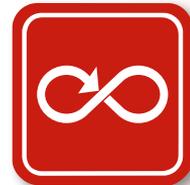
Data-Driven



Talent-Driven



Top Performers



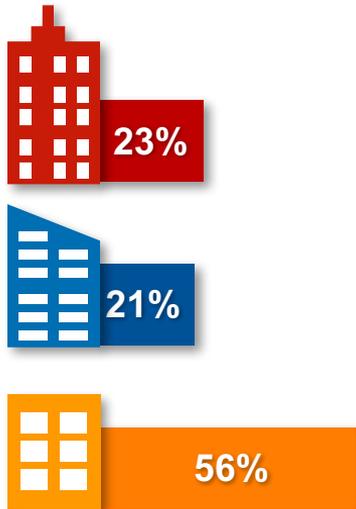
Aggregate

Sierra-Cedar 2016–2017 HR Systems Survey

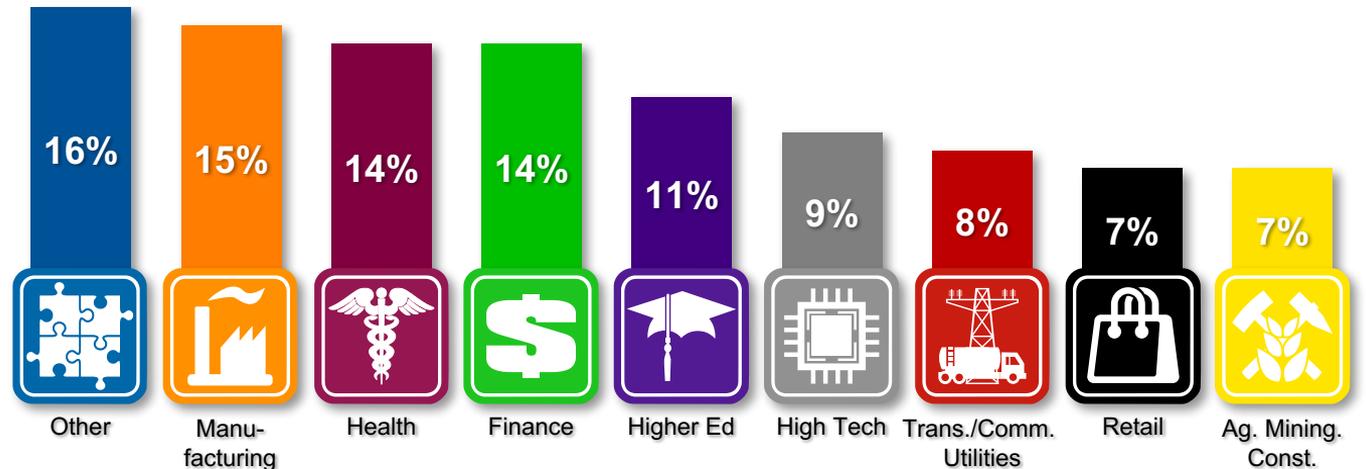
Demographics: All Respondents

1,528
Organizations

20.6 Million Employees/Contingents



Industries



Key Themes for 2016–2017 Survey Results

Strategy

HR Technology Strategy



Pathways Forward



SMB Opportunity



Culture

Outcome-Focused HR



Constant Change



EE Trust & Transparency



Technology

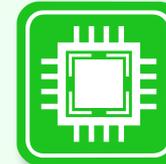
Enterprise HR Cloud



Relationships



Intelligent Systems

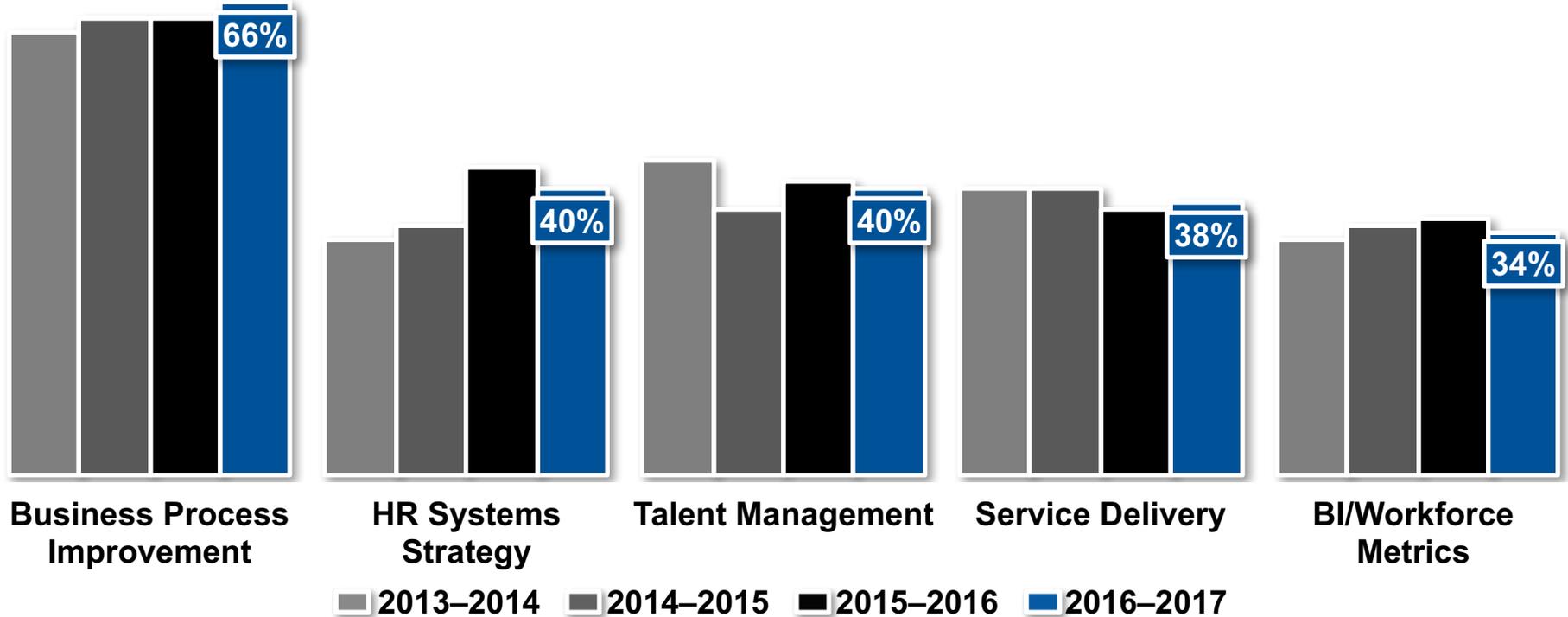




Strategy

Top 5 HR Technology Initiatives (2016)

Where are you spending 25% of your Time and Resources?



Top Initiatives by Size

Noticing What Makes Them Different



HR Apps Integration



Mergers & Acquisitions



Mobile Enablement



Global HRMS Expansion



All System Integration



HR Apps Integration



Replacing HRMS



Mergers & Acquisition



Workforce Planning



Workforce Management Apps



Social Enablement



Workforce Planning



HR App Integrations



All System Integrations



Replacing HRMS

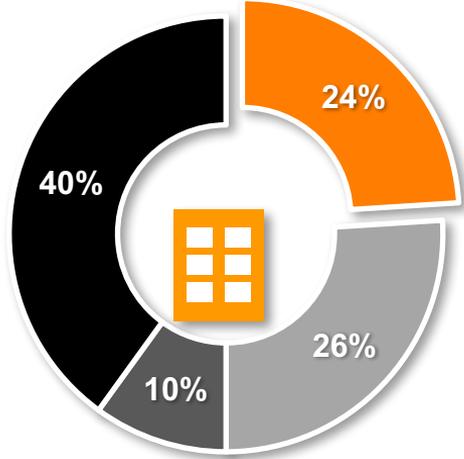
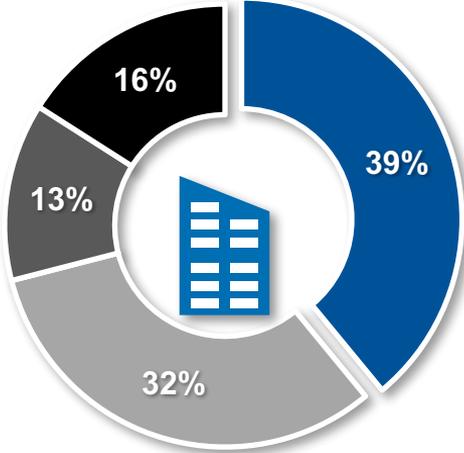
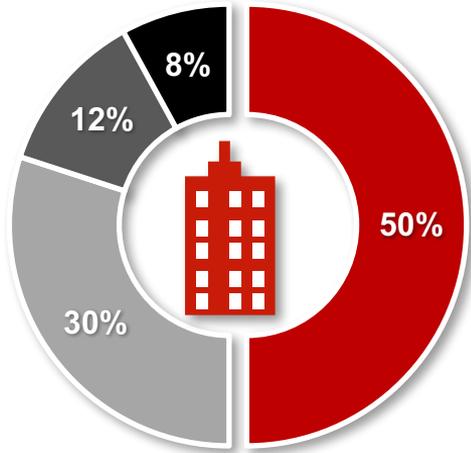
Everyone's Top 5:

- BPI
- Strategy
- TM
- SS
- BI

Remaining Top 10s change dramatically

n=1,528

2016 HR Systems Strategy By Size



Updated Regularly In Development Updated Rarely No Plans



2X ▶

HR Systems Strategies Increases Value to Business

Organizations with a Regularly Updated HR Systems Strategy are twice as likely to be viewed by all levels of management as contributing strategic value, versus organizations that have no HR Systems Strategy.

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

90% Adoption

Self Service/Direct Access
Employee Self Service
Manager Self Service

Administrative Apps

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

60% Adoption

Workforce Management

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

51% 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

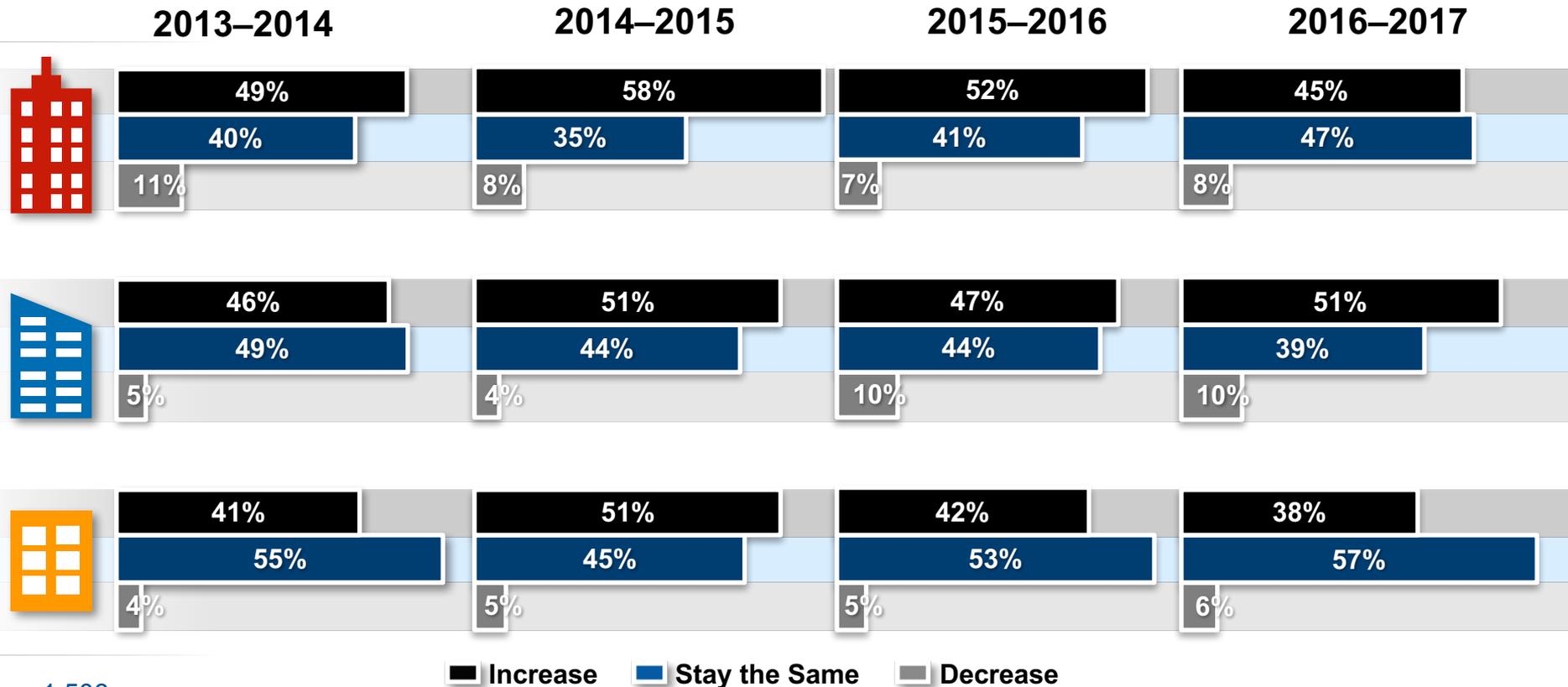
Projects

Backlog, Pipeline, Customer Satisfaction

Project Costing, Contracts, Grants

2016–2017 HR Tech Spending Trends Outlook

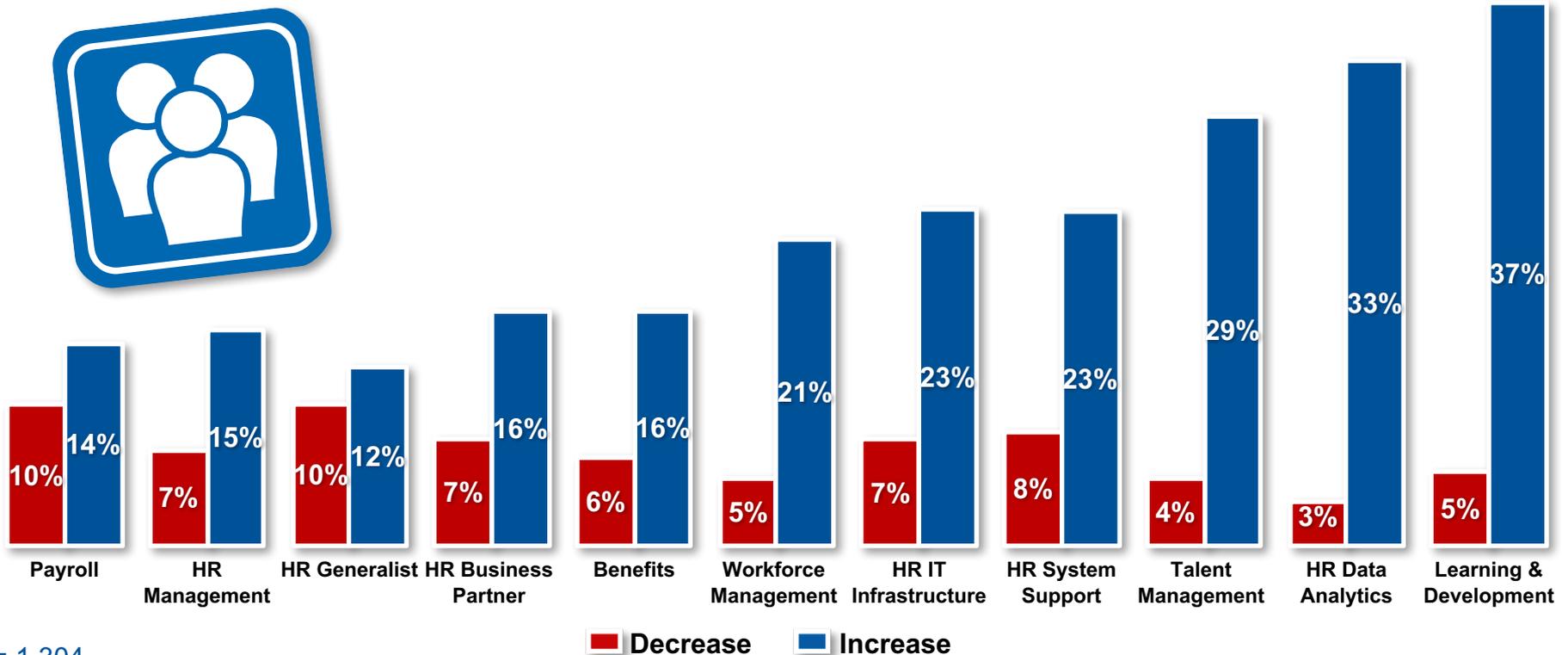
Continued decline in spending except for mid-market



n = 1,506

Tomorrow's HR is More Focused and Analytical

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

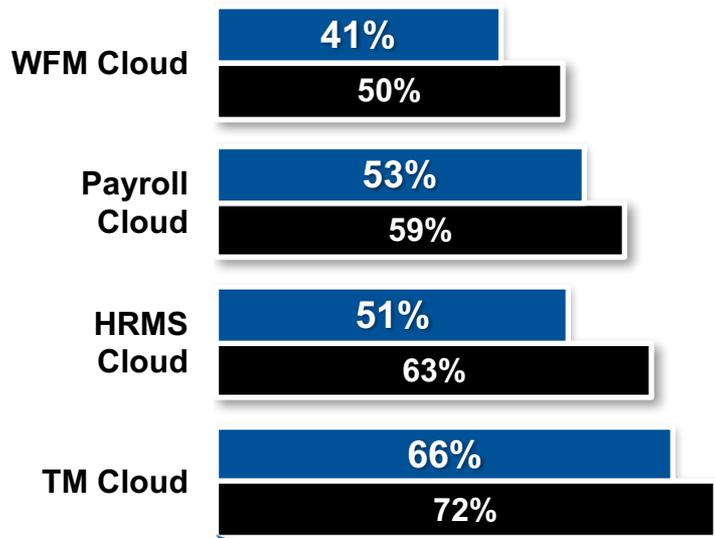


n = 1,304

2016 The Enterprise HR Cloud Conversation

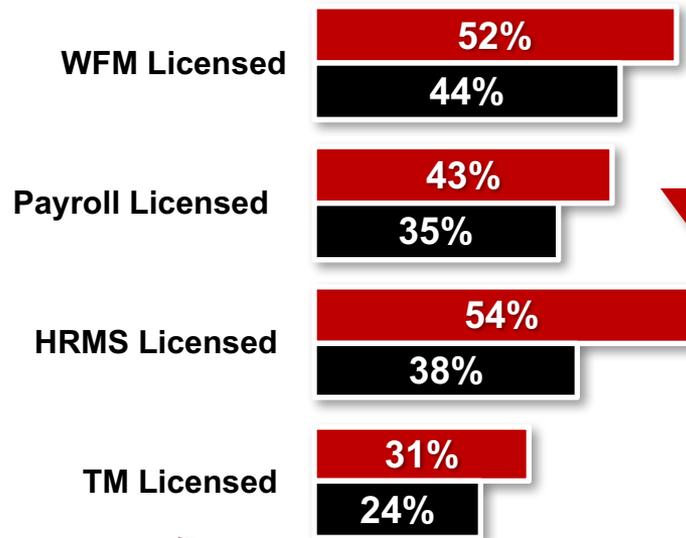
Movement to the Cloud is about transforming the User Experience

SaaS/Cloud Deployments



3.46
Average User Experience Scores

On Premise Deployments



30%

2.99
Average User Experience Scores

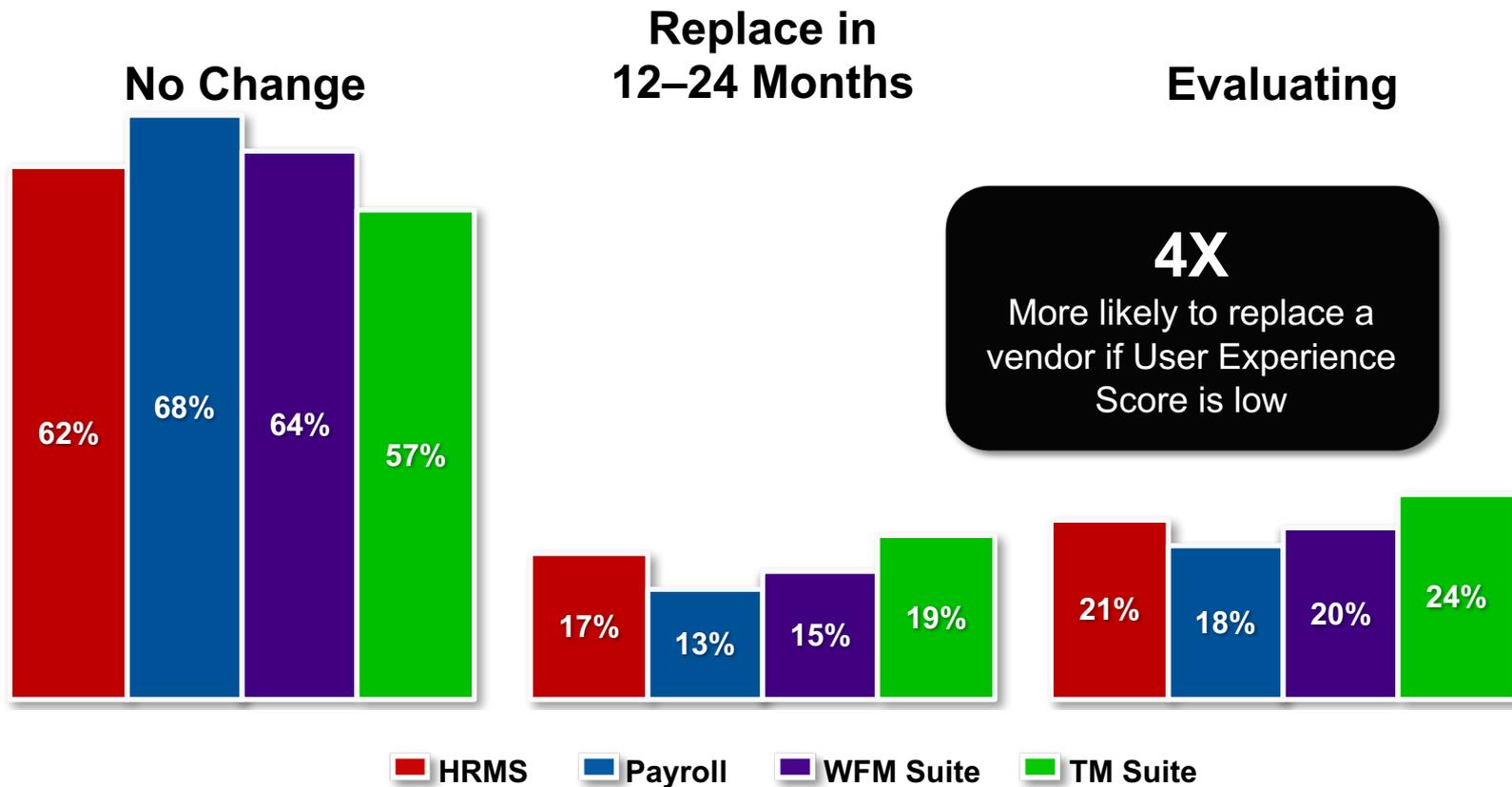
 Today
 12 Months

n = 980

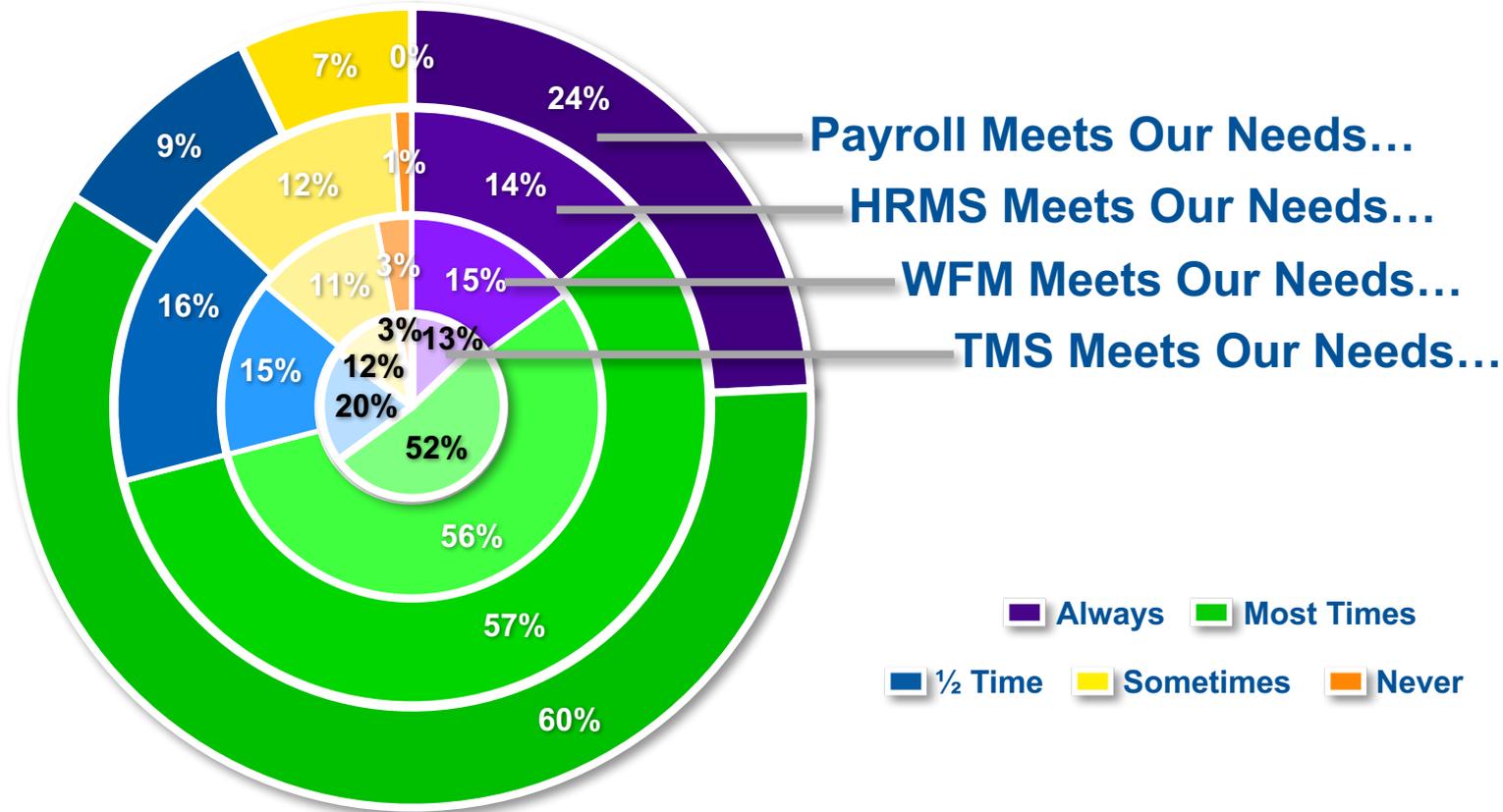
Note these include combination and hosted environments

Plans For Replacing HR Technologies

40% of Organizations are planning to replace or evaluating options

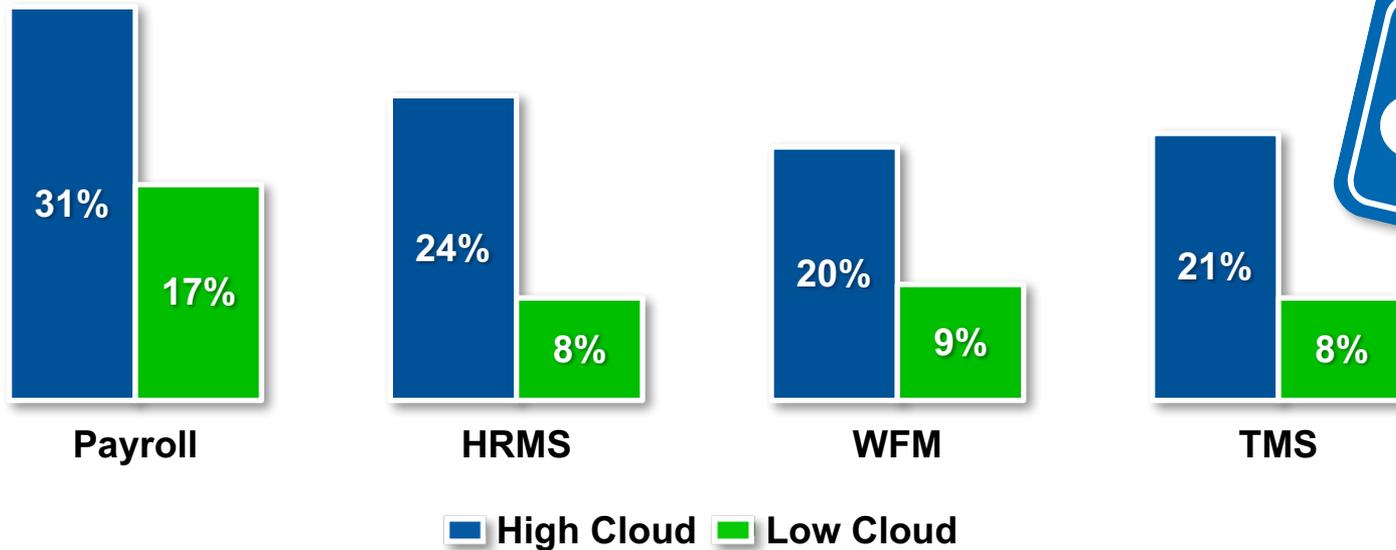


Does the Technology Meet Your Current Needs?



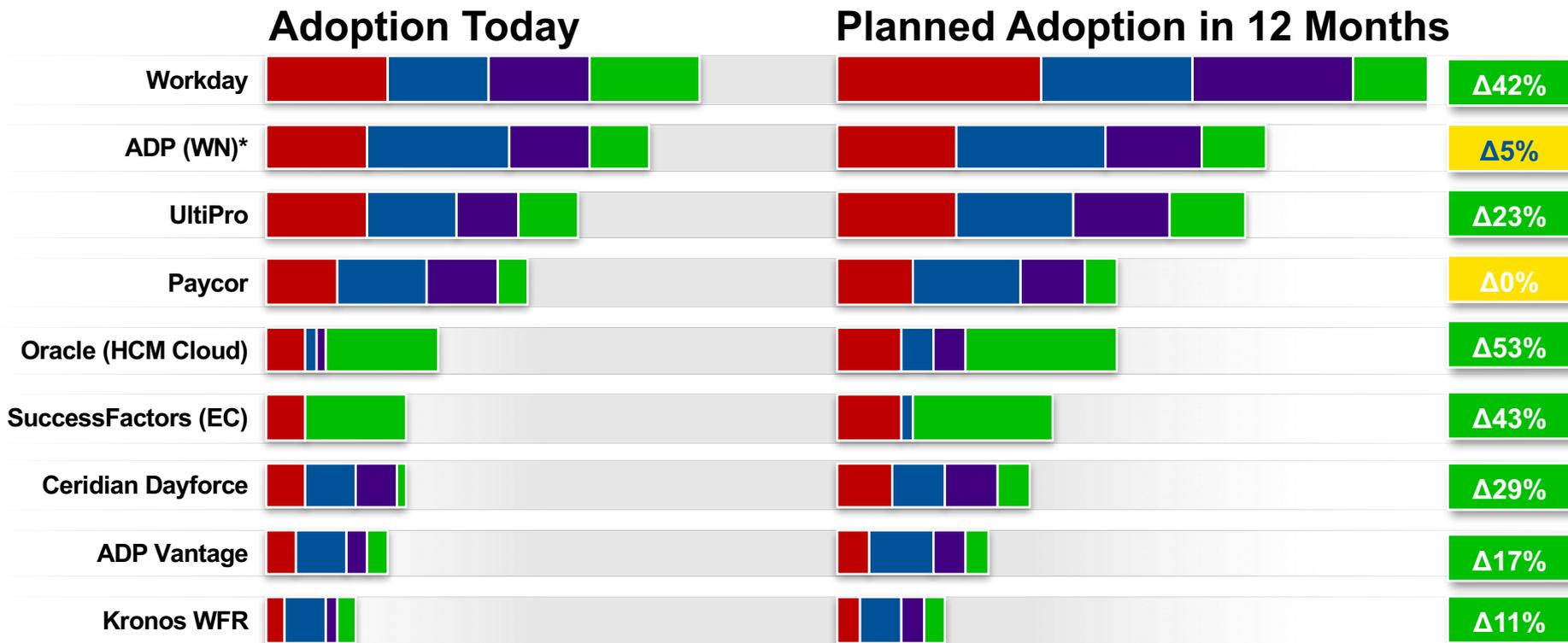
Higher Cloud Adoption = More Needs Met?

Our HR Systems *Always* Meets Our Needs



Total HCM Cloud Solutions

Growth Across All New Platforms

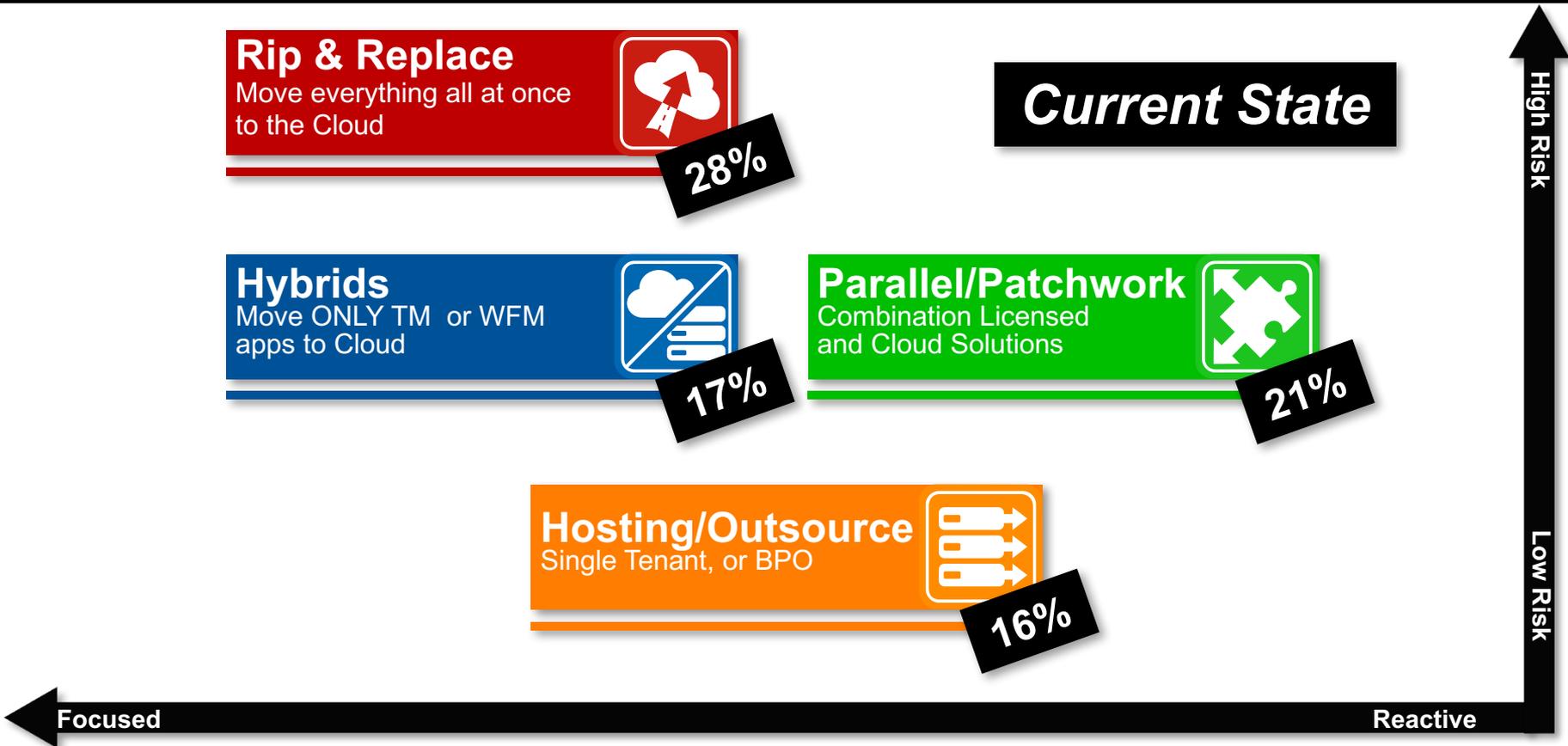


**ADP Workforce Now has a large population below 50 employees, which we do not track in our research at this time*

■ Core HRMS
 ■ Payroll
 ■ WFM Suite
 ■ TM Suite

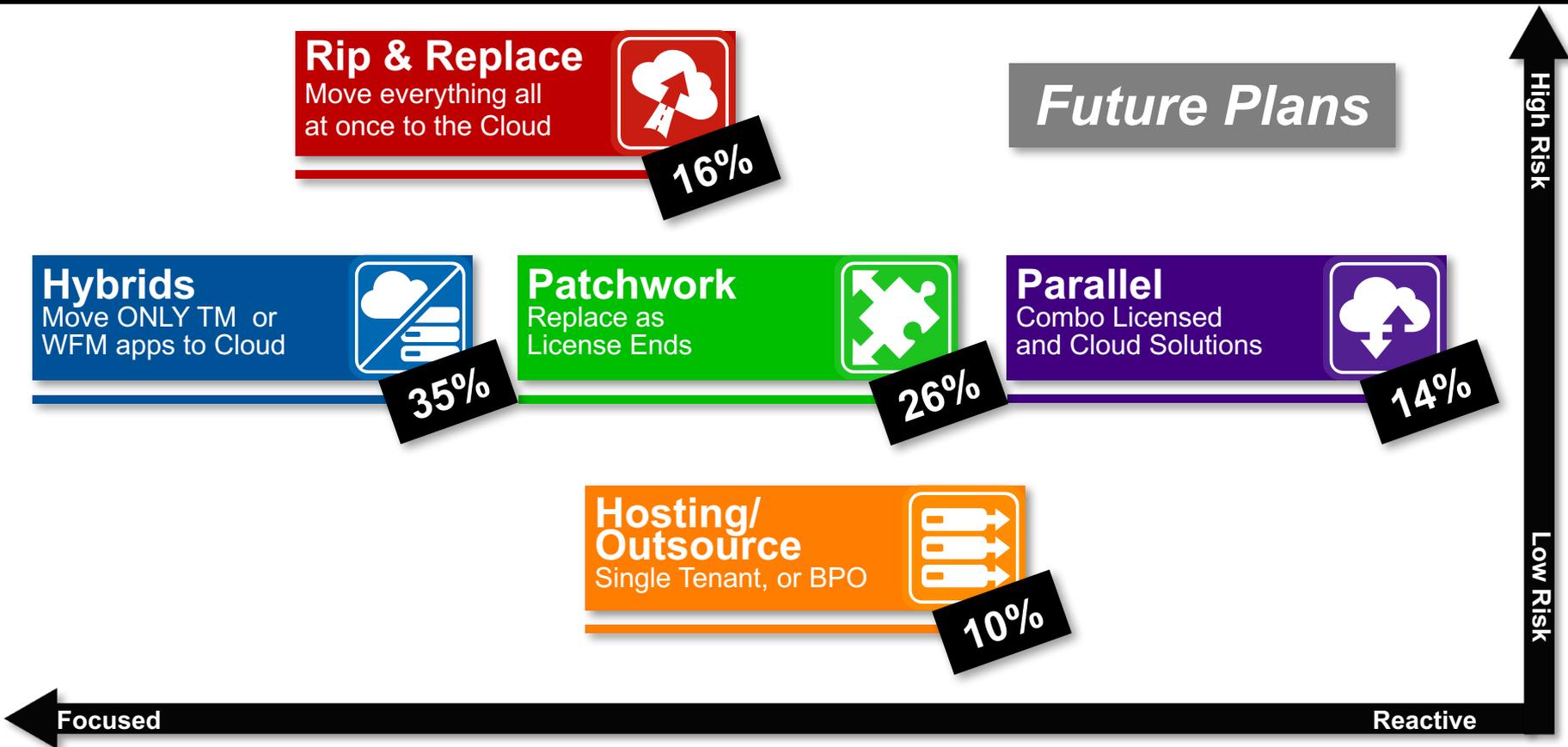
Multiple Pathways to an HR Tech Transformation

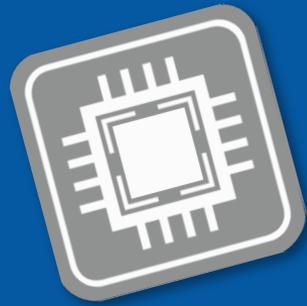
Today's State of Replacing HR Technology



Multiple Pathways to an HR Tech Transformation

Future State of Replacing HR Technology





Technology

Vendor Satisfaction

Very Satisfied

Dissatisfied

Administrative

Good Enough Zone

We Expect More! Zone

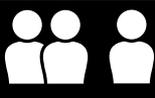
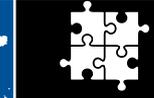


Poor

Good

Excellent

User Experience

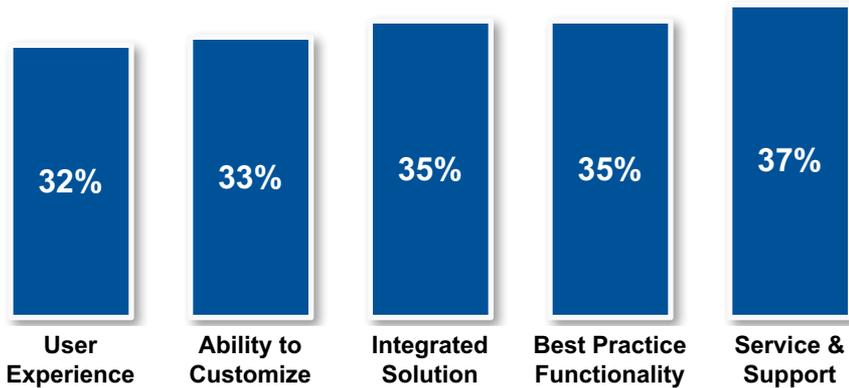
	 EE + Cont.*	 EE/HR	 % Global	 # Countries*	 # Int. Non-HR Systems*	 Vol. Turnover*	 Time owned*	 % Shared Service Center	 Imp. in Months*
Aggregate	13,551	122	36%	25	0.88	19%	6.65	69%	8.31
SAP (HCM)	45,371	122	74%	32	1.03	11%	9.85	83%	10.25
SumTotal SS	43,065	123	40%	44	0.67	11%	4.43	100%	8.00
Oracle (PSFT)	30,056	143	42%	36	1.42	19%	10.78	80%	11.63
ADP (GV/E)	25,641	118	75%	26	1.03	18%	7.22	67%	7.40
Kronos WFC	22,580	159	33%	19	1.00	20%	8.12	67%	9.44
Oracle (EBS)	21,853	126	60%	30	1.54	16%	9.08	79%	13.33
SuccessFactors (EC)	21,100	116	68%	15	0.90	13%	3.39	71%	9.13
Oracle (HCM C/Fusion)	20,288	102	53%	48	1.21	19%	4.17	81%	10.00
SilkRoad	13,570	136	27%	13	1.60	27%	4.15	75%	n/a
Workday	11,255	96	59%	22	1.05	17%	3.16	76%	8.70
Infor/Lawson	10,955	132	21%	14	0.91	19%	9.54	71%	n/a
ADP (Vantage)	5,589	206	39%	11	0.38	16%	4.40	71%	8.67
Ultimate (Ultipro)	5,487	115	34%	7	0.36	17%	5.74	73%	6.45
Ceridian Dayforce	4,149	163	26%	17	0.30	23%	3.39	77%	7.71
Kronos WFR	3,623	112	27%	12	0.25	25%	6.36	57%	n/a
ADP (WFN)	2,331	91	37%	14	0.36	18%	5.43	70%	6.33
Paycor	423	103	13%	6	0.42	19%	2.65	33%	4.83

* Average

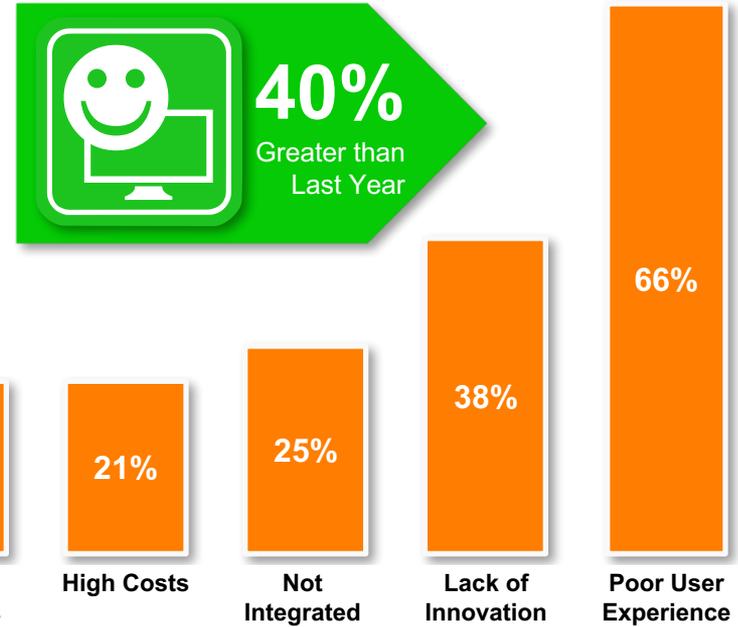
High and Low Vendor Satisfaction Drivers

Are We Forgetting About the Customization Needs?

Top Benefits Correlated with High Vendor Satisfaction



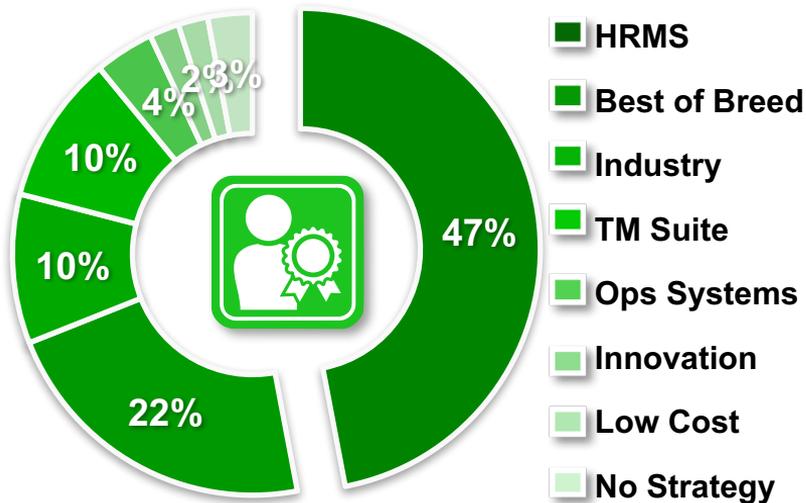
Top Challenges Correlated with Low Vendor Satisfaction



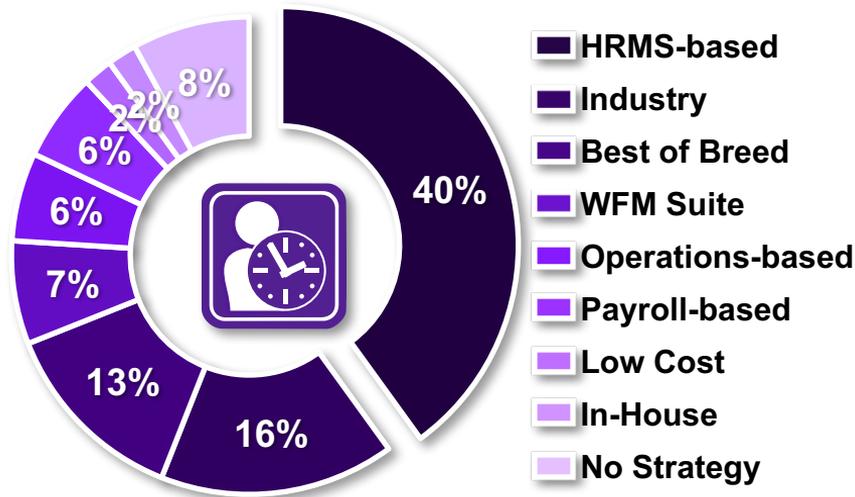
HR Technology Selection Strategies

Over 40% Consider HRMS a Primary Driver In Their Selection Strategy

Strategy for Selecting Talent Management Applications



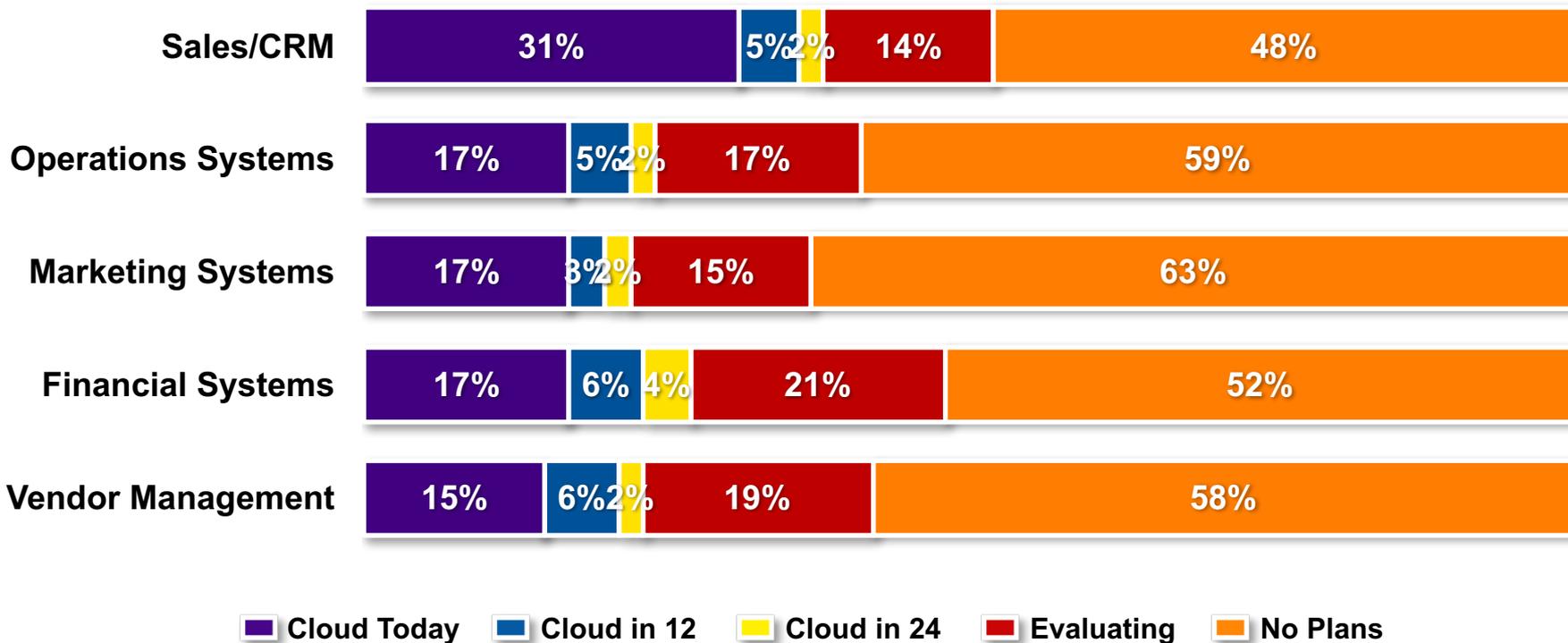
Strategy for Selecting WFM Applications



2016 Business Systems: On the Move to Cloud

25% Increase in Organizations Evaluating Cloud Solutions from Last Year

Non-HR Systems in the Cloud Today?

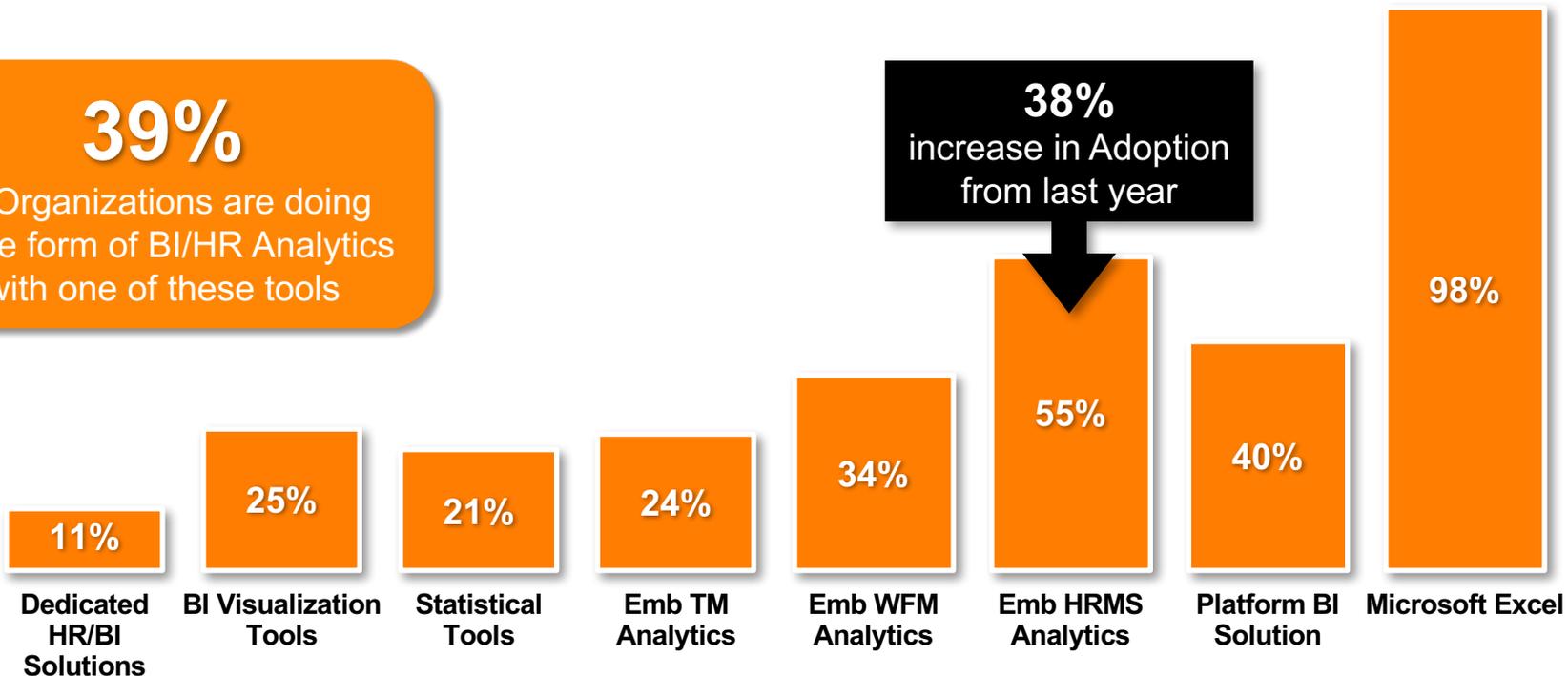


Business Intelligence/HR Analytics

HRMS Embedded HR Analytics solutions Reach Tipping Point

If they have a BI/HR analytics solution, what is in use?

39%
of Organizations are doing
some form of BI/HR Analytics
with one of these tools

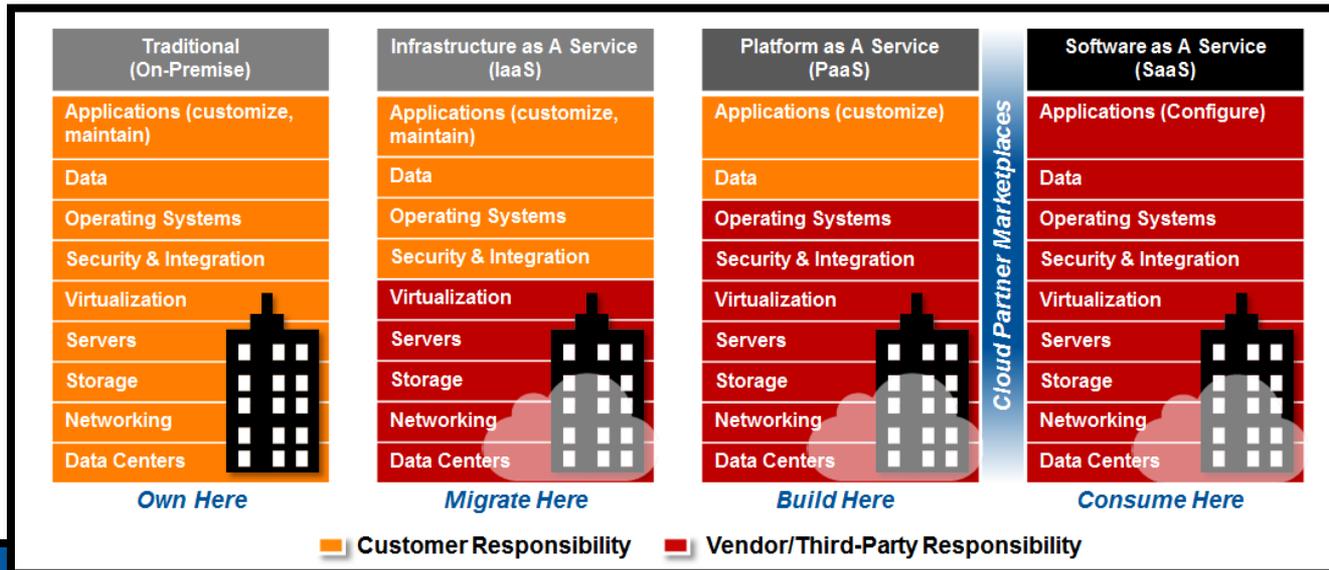


n = 681

Emerging Technologies

Platform Conversations Taking Front Stage

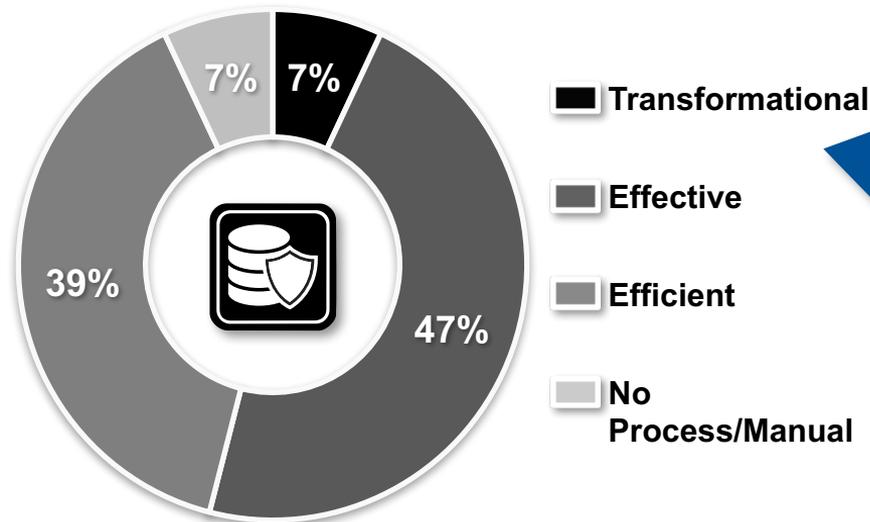
	Workforce Using			
	Today	12 Months	Evaluating	No Plans
PaaS (Platform as a Service)	11%	2%	15%	72%
IaaS (Infrastructure as a Service)	19%	3%	12%	66%



Data Privacy & Protection Strategies

High Cloud Organizations more Confident in Data Privacy Processes

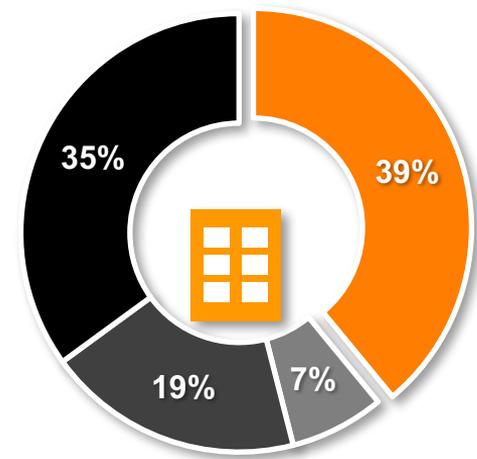
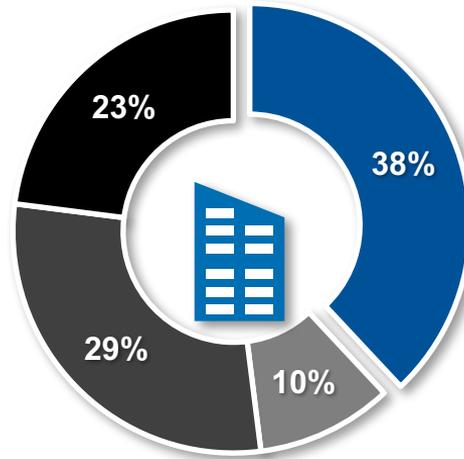
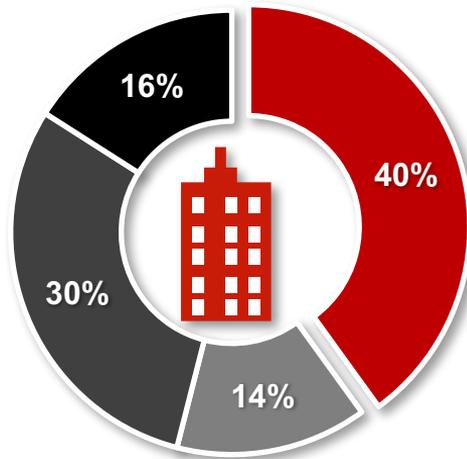
Data Privacy Process Maturity



High Cloud
21%
more likely to be
confident in
Data Privacy
processes

Mobile Adoption for HR Solutions By Size

Only 16% of Large Organizations Have No Plans for Mobile



 In Use

 12 Months

 Evaluating

 No Plans



2X



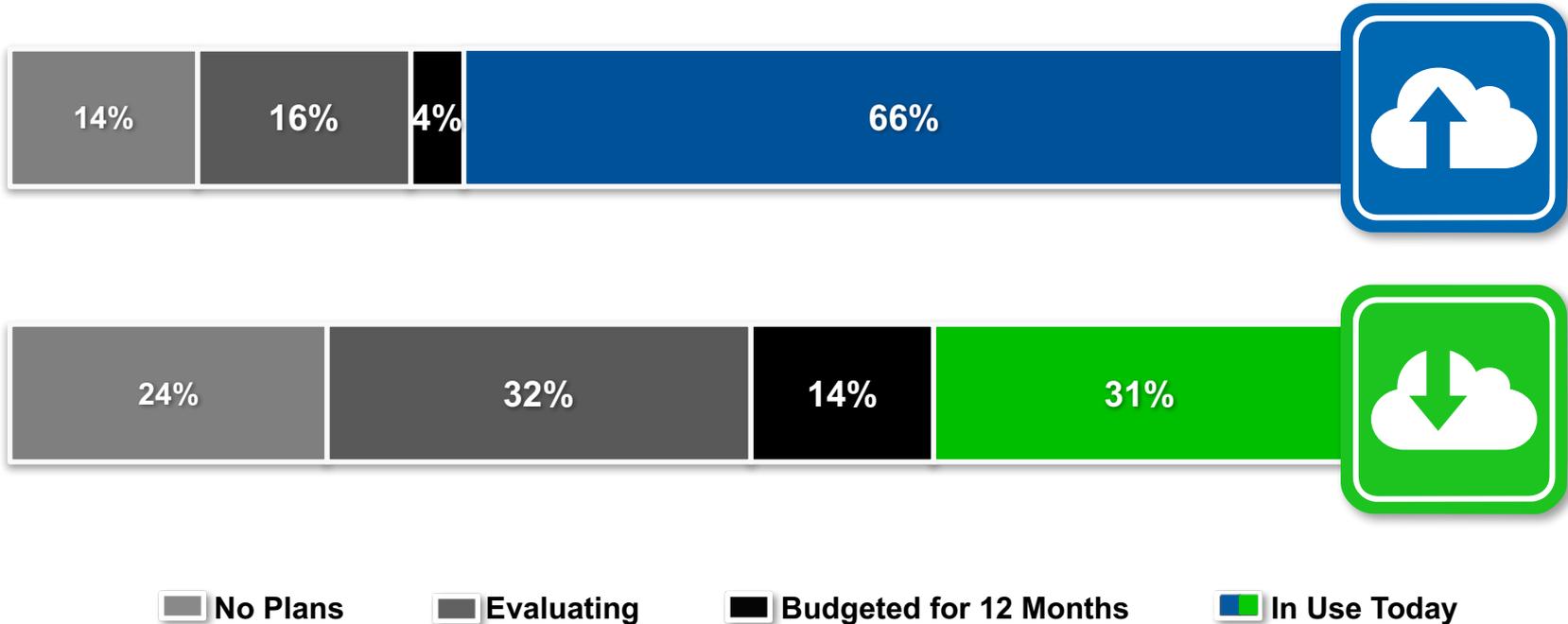
No Mobile Correlates to No Credibility

Organizations with No Plans to implement Mobile-enabled HR technologies are twice as likely to be viewed as having no credibility within their organizations.

2016 Mobile and the Cloud

High Cloud More Mobile

Top and Low Cloud Mobile Use





Culture

Sierra-Cedar Outcome Based Organizations

Top Performers



Top Quartiles

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



Employees
Avg.: 26,123
Range: 513–243k



70% Global



Avg. # of Countries: 38

Talent Driven



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



Employees
Avg.: 37,903
Range: 360–105k



51% Global



Avg. # of Countries: 25

Data Driven



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



Employees
Avg.: 24,994
Range: 360–55k



49% Global



Avg. # of Countries: 32

Data-Driven & Talent-Driven Organizations

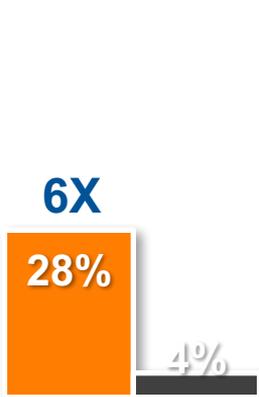
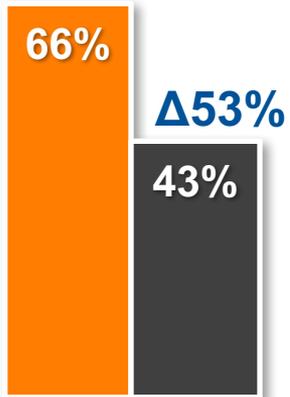
Seen as Strategic Business Partners that Rock the Numbers



Strategic Value



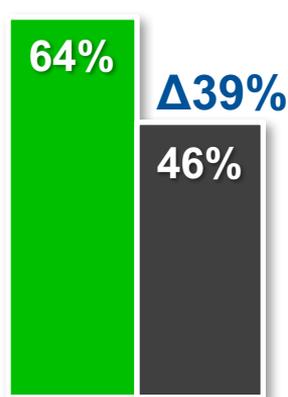
Return on Equity



Strategic Value



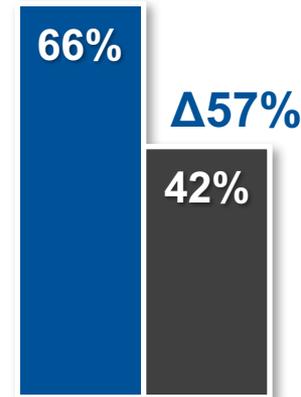
Return on Equity



Strategic Value



Return on Equity



Top-Performer
Everyone Else

Talent-Driven Organizations
Everyone Else

Data-Driven Organizations
Everyone Else

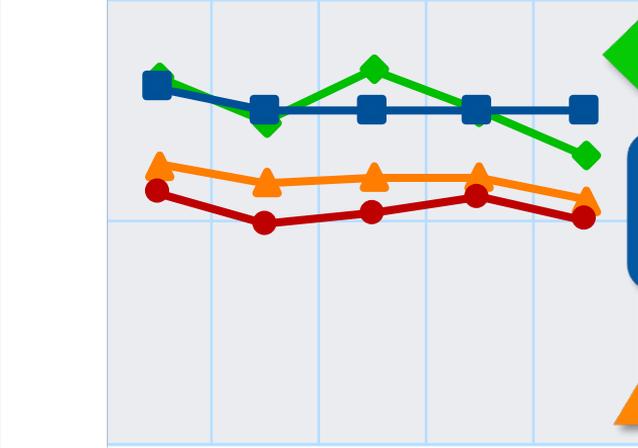
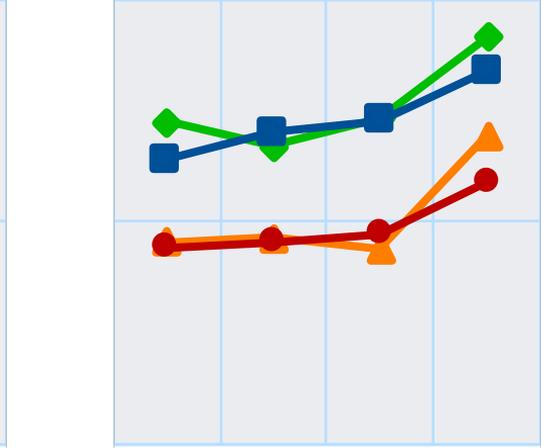
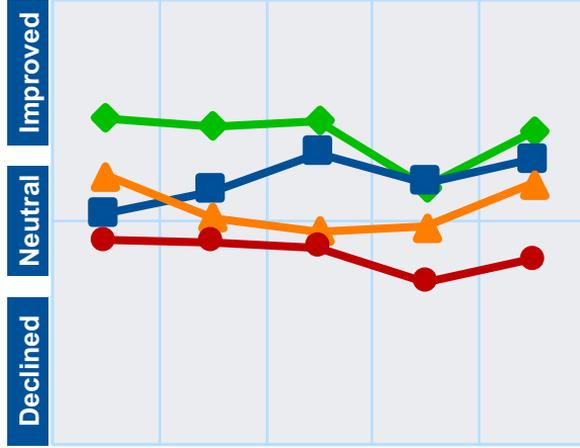
Achieving Outcomes Requires Focus

Talent- and Data-Driven Organizations Achieve Best Outcomes

Talent Outcomes

HR Outcomes

Business Outcomes



15% Higher

13% Higher

6% Higher

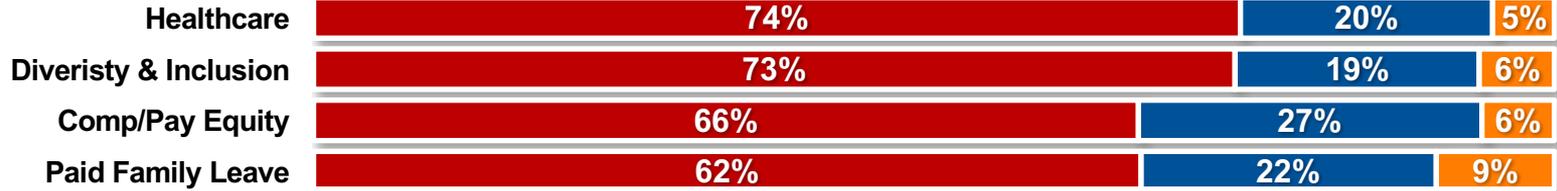
◆ TD ■ DD ▲ TP ● Agg

Social Responsibility Initiatives By Regulation

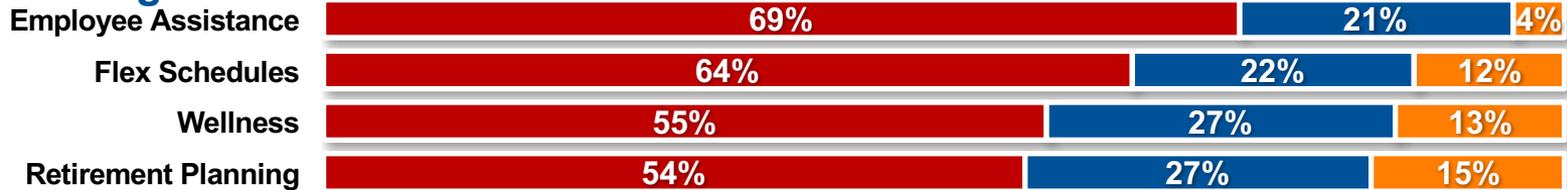
High Performing Organizations Better at Managing Social Responsibility



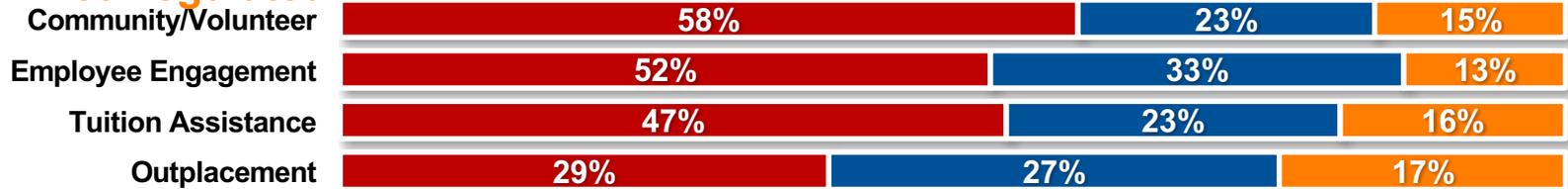
High Regulation



Some Regulation



Not Regulated



■ Excellent/Good ■ Average ■ Poor/Terrible

Contingent Workforces Are Growing

HR Continues to Manage this Highly Regulated Area Poorly



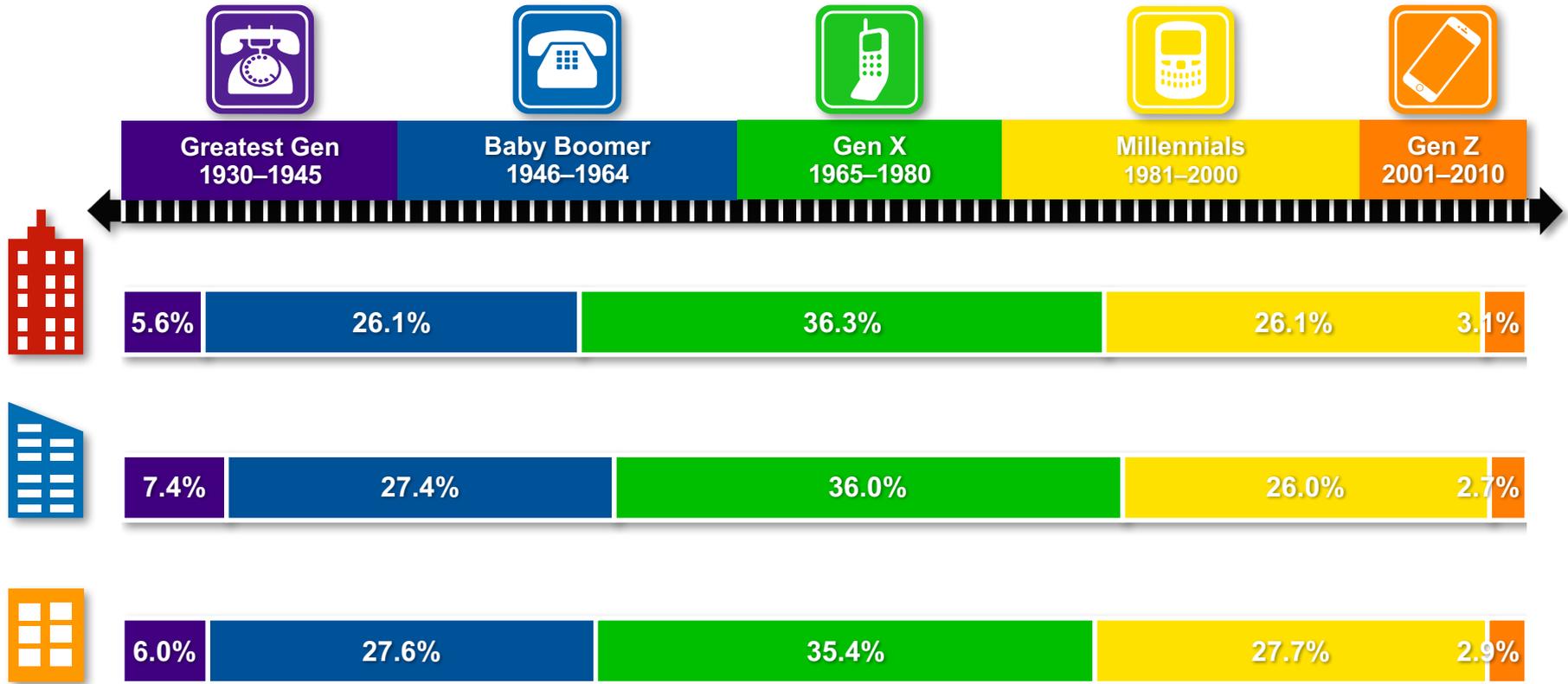
Contingent
Workforce



■ Excellent ■ Good ■ Average ■ Poor ■ Terrible

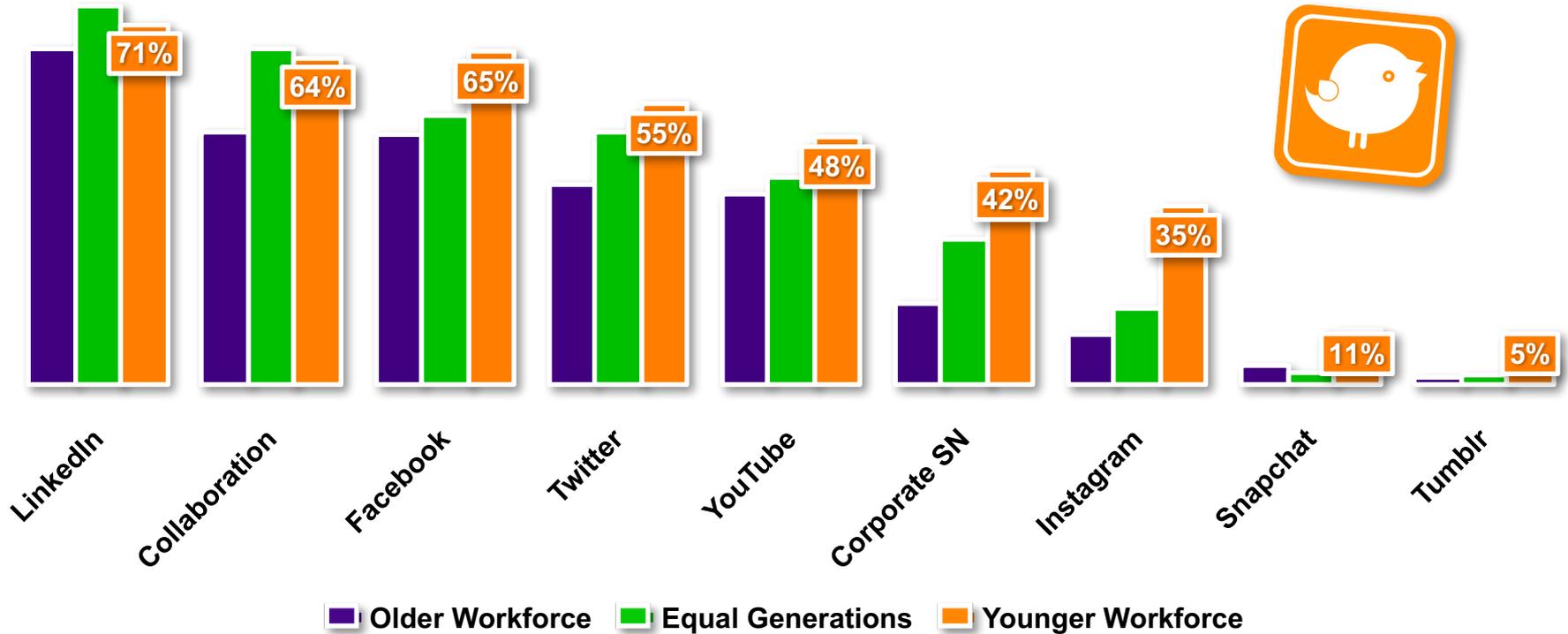
Average Generational Compositions

No Major Differences by Organizational Size



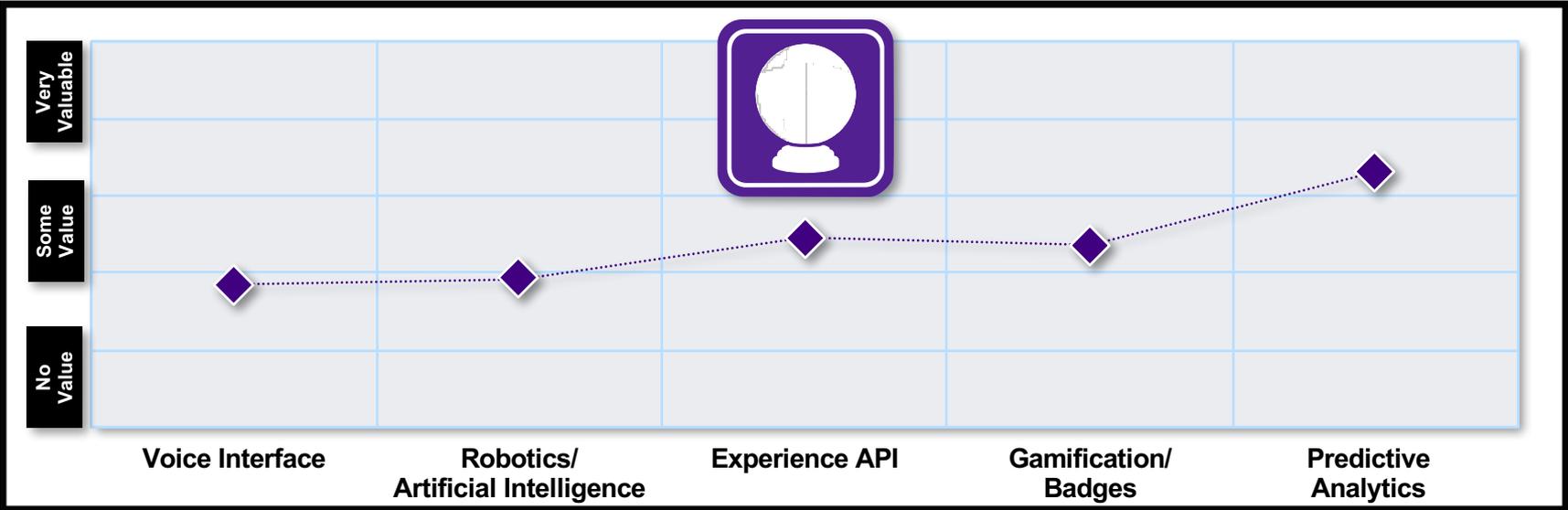
Strategic Social Technology Use by Generations

One of the Only Areas Where Differences Show Up in Technology Adoption



We are in the Infancy of Intelligent Technology

	Today	12 Months	Evaluating	No Plans
Wearable Technology	8%	1%	8%	86%
Machine Learning	6%	1.5%	10%	83%



Thank you!



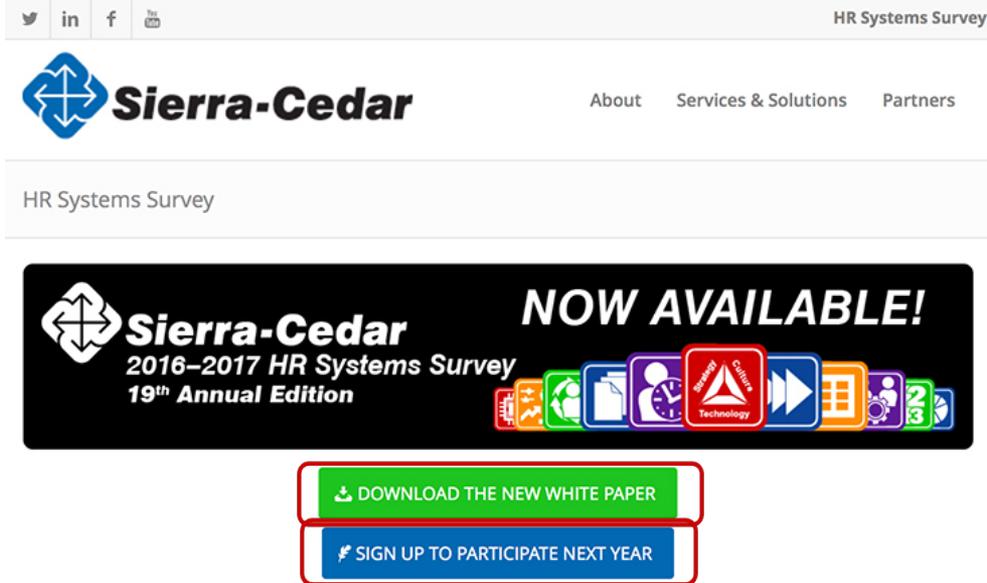
Sierra-Cedar
2016–2017 HR Systems Survey
19th Annual Edition

THANK YOU!



Visit Sierra-Cedar Website

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



The screenshot shows the top portion of the Sierra-Cedar website. At the top right, there are social media icons for Twitter, LinkedIn, Facebook, and YouTube, followed by the text "HR Systems Survey". Below this is the Sierra-Cedar logo and the company name "Sierra-Cedar". To the right of the logo are navigation links for "About", "Services & Solutions", and "Partners". A secondary navigation bar below the logo also contains the text "HR Systems Survey". The main content area features a large black banner with the Sierra-Cedar logo on the left, the text "Sierra-Cedar 2016-2017 HR Systems Survey 19th Annual Edition" in the center, and "NOW AVAILABLE!" in large white letters on the right. Below the banner is a row of colorful icons representing various HR and technology concepts. Two buttons are highlighted with red boxes: a green button with a download icon and the text "DOWNLOAD THE NEW WHITE PAPER", and a blue button with a calendar icon and the text "SIGN UP TO PARTICIPATE NEXT YEAR".

Published since 1997, the *Sierra-Cedar HR Systems Survey* is the longest running, most widely distributed, and most highly participative research effort in the HR industry, annually tracking the adoption, deployment approaches, and

www.Sierra-Cedar.com/annual-survey

organizations navigate and decisions they make. We share this research freely to assist them. We share this research freely to assist

organizations with developing their HR systems strategy, devising a plan, justifying investments, and ultimately executing on their HR technology vision. All responses are confidential and only used in aggregate results. [Download all HR Systems Survey White Papers here.](#)

Stacey Harris

Vice President Research and Analytics, Sierra-Cedar



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
- @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: www.linkedin.com/pub/erin-spencer/6/734/388

Sierra-Cedar 2016–2017 HR Systems Survey

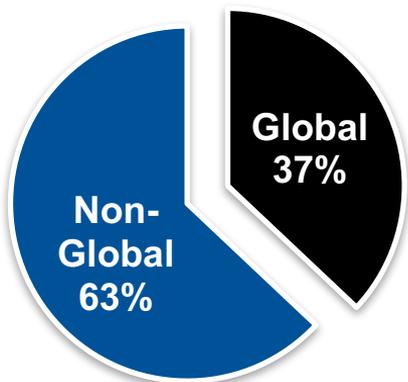
Demographics: International and Global Organizations

335

Organizations with
HQ outside the US

550

Global Organizations



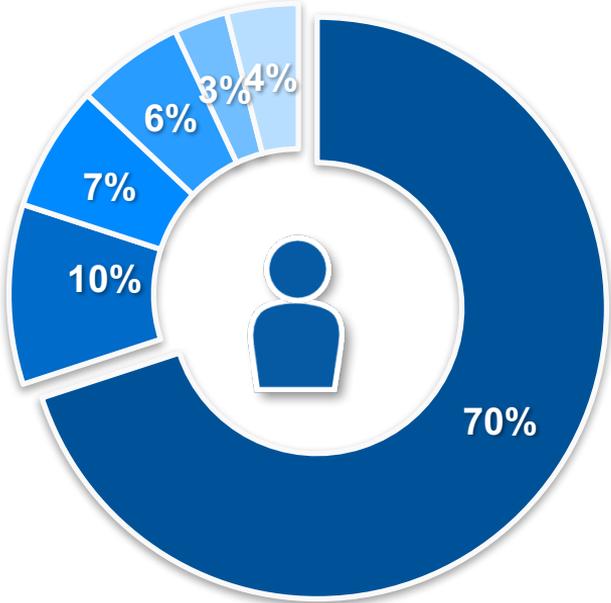
The average global organization
has operations in over

25

different countries.

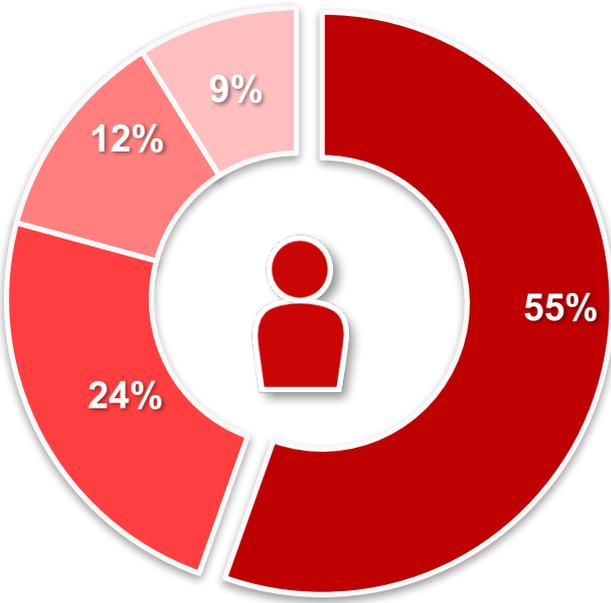
Who Responds to Our Survey?

Participants by Function



- Human Resources
- Information Tech
- Finance
- Line of Business
- TM & Learning
- Other

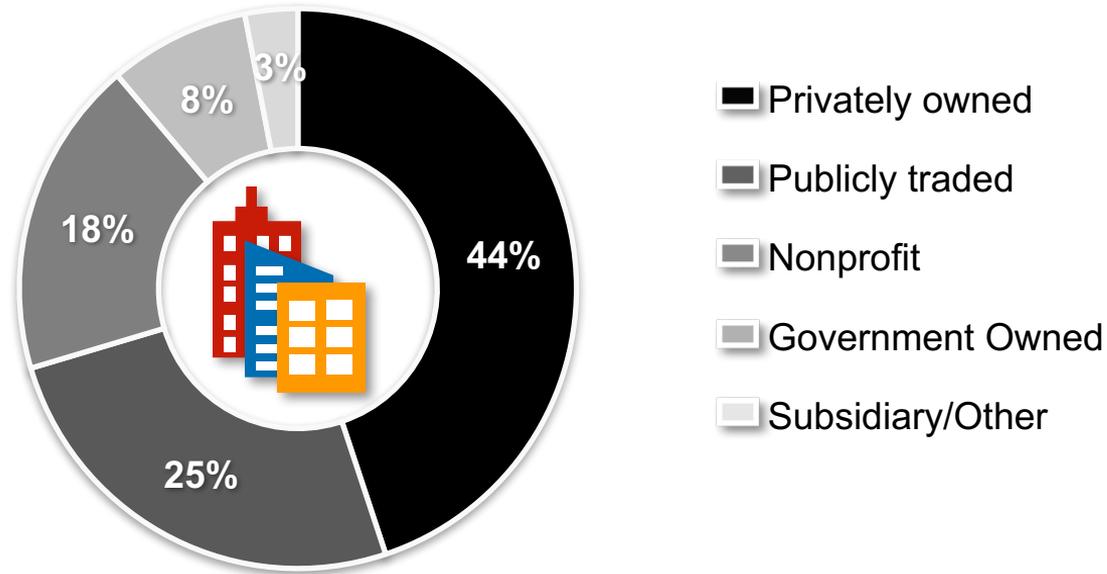
Participants by Role



- Manager/Director
- Individual contributor
- Executive
- Other

What Type of Organizations Participate?

Organizations Types



Survey Methodology

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



Modern HR Changes Everything

Rethink Implementations, Change Management, and Cost Assumptions

Traditional On-Premise World

SI's Extra Hands & Extra Work

=/ $<$ **25%** implementation done by SIs
takes **25%** longer and costs more

Project-Based Change Management

Licensed **2X** more likely to conduct BPI efforts
before Implementation Work vs SaaS

Negotiate Lowest Cost

8% lower UE and VS scores
10% lower Business Outcome averages

% Expenditures & Budgets Allocated

IT = **8%**, Ops = **9%**, HR = **15%**

Modern Cloud World

SI's Strategic Partners

=/ $>$ **60%** implementation done by SIs
is **20%** faster & within budget

Continuous Change Management

4X more likely to be viewed as contributing
strategic value to their organizations

Negotiate Better Relationships

Cloud Tech, **1½X** more likely to
Always Meet Needs

% Expenditures & Budgets Allocated

IT = **7%**, Ops = **5%**, HR = **24%**

