2014 HR Technology Predictions, Prognostications, and Possibilities

by Stacey Harris and Lexy Martin – Vice Presidents, Research & Analytics

As we start out the New Year, we want to get our collaborative juices flowing by looking towards the future. Throughout 2014, you'll see a series of blogs from us as we share experiences and insights to gain a better understanding of one another's perspective. We hope that this exercise is not just a great tool to help us learn more about each other's point of view, but that it also serves to open up the discussion with the HR community we serve. We hope you agree.

Stacey's Perspective

I know that for some of you I'm a new voice and for others we're old friends—something I really love about starting new opportunities is the ability to connect my worlds, past networks with new networks, old friends with new friends. As the *CedarCrestone HR Systems Survey* community comes to know me better, I hope to do the same—connect my world with your world.

Another thing you'll find out about me sooner or later is that I'm a bit of a movie buff, and one of my favorite movie franchises as a kid was **Back to the Future.** Like all children of the 80s, the term flux capacitor congers up images of DeLorean-ushered trips to the year 2015 where flying cars and fully automated homes are commonplace and sunglass morphing phones are simple necessities. Now just one year away from 2015, we are surprisingly not as far away from that vision as we may have thought.

To me, 2014 is a year of possibilities! Maybe it's the kid in me, but the data-driven side of me is also pointing to some serious changes taking place in our industry—ones that warrant everyone's attention:

1. **The Expanding HR Systems Integration Discussion.** The technology integration business will be hot this year, no matter how you look at it—especially in the area of cloud systems integrations. The *CedarCrestone 2013–2014 HR Systems Survey* found that 45% of organizations now plan to move their HRMS to the cloud, making lots of room for new integration discussions. But the organizations at the frontier of this work will be looking at connecting their HR data to cloud-based business and consumer systems as well. Technology providers may find that buying requirements put as much emphasis on how sales, marketing, and consumer systems are integrating with their systems, as they do with how they integrate with other HR systems.

2. **High Expectations for Recruiting Technologies.** All of the recent hiring and labor data points towards 2014 being a year that is focused on recruiting—talent is on the move and organizations will increasingly find that traditional recruiting methods won't work for this next big global recruiting push. This isn't just about finding the right talent, but also getting that talent to find value in you as an employer. Organizations will find that good talent is looking at opportunities in terms of development, growth, empowerment, and network expansion opportunities. The expectations for more money and basic work-life balance factors will simply become minimum requirements. From retail environments and construction, to manufacturing and business services, good talent is looking at what each job opportunity will buy them for the future. Technology will play a major role in enabling organizations to promote their ability to meet these expectations.

3. **HR will play a bigger role in Data and Information Security.** HR leaders are going to have to learn a lot about data security. The biggest security risk in any company is the employees. HR will be involved in BYOD policies, education on data and information security requirements, and identifying and mitigating information leakage risk points. They will also be fighting the good fight: helping organizations figure out the best ways to keep employees working inside approved business technology when dealing with sensitive information without curbing innovation and collaboration.

4. **Employee Data Management Steals the Show.** Once they've untangled the web of data security, HR is going to have to dive into the deep end of data management. They will need to help organizations navigate the new world order where "privacy" and "data-driven decisions" are at odds. HR will be at the forefront of discussions about data-gathering legalities and decisions on what their company owns/doesn't own, from Twitter accounts and project portfolios to bio data on the shop floor. HR will look to their technology and solution providers to help them ensure that data can be gathered in a way that protects both the employees and the companies. This topic will continue to grow throughout 2014 as businesses are capable of gathering more employee data every day, with the goal of leveraging that data for improved operations and output.

The possibilities are endless for HR technology and data, putting HR right in the middle of your organization's most important discussions. I'm hoping that all of this leads to more opportunities for both employees and organizations to make better decisions that benefit everyone—but I'm also aware that we'll probably have a few missteps along the way. It's sort of like wishing for Santa to bring me a "hoverboard" for 2015, but knowing that it is more likely that I'll find another sweater. I'm not going to complain, but I can still wish.

Lexy's Perspective

I already learned something about Stacey: that she, like me, is a movie buff. I'm not, however, a kid of the 80s, but rather of the 50s and so **Back to the Future** was just a fun movie that I saw in my early forties. The first movie I saw was **The Snows of Kilimanjaro** which my mother took me to and, as I recall, turned me off movies for almost 20 years—turning me instead to reading books which I still love. I did, however, grow up on TV and loved the view of the future from **The Twilight Zone** and **Flash Gordon.** But I, too, am a movie buff. I love the big-screen action movies of today with killer graphics that make me feel like I'm engaged in the middle of them. I also love computer games like **Tomb Raider** or **BioShock,** or even my mobile device games like **Words With Friends.** What strikes me about this connection is the importance of user experience. So, with that as my prelude, here are my predictions:

1. **User Experience as the Key Differentiator.** The latest *CedarCrestone HR Systems Survey White Paper* shows that user experience, on average, is not particularly great—just an average of 2.1 on a 3-point scale for all HRMS vendors. The quality of employee experience will become a primary differentiator in the coming year. Cloud HRMS vendors get the highest scores. Improvements are needed, despite the fact that all vendors are getting better at having more consumer-oriented interfaces and many introducing mobile-based solutions. New employees coming into the workforce demand the same experience they get with Amazon. Improvements are mandatory as they drive user adoption and I think organizations are getting tired of buying software with sucky interfaces and not getting the value from their investments that they should.

2. **The Expanding Integration discussion includes Use Case Development.** I agree with Stacey on the importance of this topic and the trend of organizations looking at connecting their HR data to cloud-based business and consumer systems. From this, they can more ably connect workforce performance to overall business performance. To me, though, this next year may be about finding explicit use cases of the key

processes that truly need to be integrated. User organizations will want to work with their primary vendors to develop these use cases. Collaboration across user organizations will enhance the ability to bring the most important use cases to the forefront.

3. **Going Global.** Over the past few years, we have seen more respondent organizations that operate in multiple countries move to increasingly consolidate HRMSs, adopt cloud or move to latest releases to increase the percent of the workforce served from a single HRMS, and work to transform service delivery through increasing their shared service centers to serve more regions/countries. These trends will continue. Further, the horse race amongst the vendors with cloud HRMS solutions will become more frenzied as Oracle's HCM Cloud and SAP/SuccessFactors EmployeeCentral, along with Ceridian Dayforce, Workday, etc. all solidify their global capabilities.

As we open the door on 2014 and all of the changes that both Stacey and I will face, we invite you to join with us on the journey to enhance the 17th annual *CedarCrestone HR Systems Survey* by sharing your thoughts.

- Are these topics that require more attention in the Survey?
- Is the future even on your radar—or are you still wrapping up 2013's work? What is that?
- Are these predictions surprising or helpful?
- Have we missed something you think is just on the horizon?

Let's start the New Year off with some interesting conversations.

Since the world is filled with great conversation starters—and the world is simply a better place when we all share—we thought we'd share a few of our favorite New Year Trends and Predictions articles you might find interesting as well:

- Emma Snider, **Top five HR technology predictions for 2014:** http://searchfinancialapplications.techtarget.com/feature/Top-five-HR-technology-predictions-for-2014
- Naomi Bloom, Vinnie Mirchandani, and Brian Sommer on HR Tech in 2014 in **Predict and Prepare for 2014** video-cast hosted by Bill Kutik: http://www.enterpriseirregulars.com/69898/predict-prepare-2014
- SHRM's annual **HR Technology predictions for 2014:** http://www.shrm.org/hrdisciplines/technology/articles/pages/what-are-new-hr-technology-predictions-for-2014.aspx
- Bersin by Deloitte, **The Year of the Employee: Predictions For Talent, Leadership, And HR Technology In 2014:** http://www.forbes.com/sites/joshbersin/2013/12/19/ten-predictions-for-talent-leadership-and-hr-technology-in-2014
- Brandon Hall Group, **Talent Management 2014: What Should Happen**: http://www.brandonhall.com/blogs/talent-management-2014-what-should-happen
- Jason Corsello, **The 2014 Anti-Prediction Post for HR Professionals** covering challenges for HR: http://humancapitalist.com/the-2014-anti-prediction-post-for-hr-professionals
- Chris Kanaracus, **Enterprise Apps in 2014: What's in Store:** http://www.cio.com/article/745291/Enterprise_Apps_in_2014_What_39_s_in_Store?page=1&taxonomyId=3000

Stacey Harris

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Stacey will take the leadership role of the annual *CedarCrestone HR Systems Survey* after the 17th edition, which will be co-authored with Lexy Martin. She has been a leading member of the HR practices and technology research community since 2007, with groundbreaking research on high-impact HR organizations, enterprise HR technologies, and key practices across the talent management spectrum. Prior to joining CedarCrestone, Harris held executive-level research roles with research organizations Bersin & Associates and Brandon Hall Group. She has launched multiple HR, talent, management, and learning research practices and personally led key research initiatives in strategic HR, talent strategy, organization and governance, measurement, and total rewards. Harris also served as director of strategic services for three years and worked with companies such as McDonald's, Lockheed Martin, Cisco, and Pfizer on a variety of mission-critical talent initiatives.

Alexia Martin

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Lexy is responsible for the annual *CedarCrestone HR Systems Survey,* now going into its 17th year. When not working on the Survey, she provides strategy, business case, and metrics and analytics services, along with deep dive benchmarking in all industries. Working with many of the leading HCM vendors, she has helped develop their value propositions and conducted numerous surveys of their customer bases. Lexy is also the past managing editor for the IHRIM Workforce Solutions Review. A sought-after thought-leader and speaker, few researchers in the field of HR technology can match the experience that Lexy has accumulated during her career in introducing emerging technologies. From the pioneering days of introducing office automation and PCs in the early 80s, groupware in the late 80s, self service in the early 90s, and to continuing technology introduction this decade, Lexy is a consistent contributor to the industry's continuing evolution.