

# Public Debut of The Annual HR Systems Survey Key Findings **By Stacey Harris**



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To participate in next year's research and receive an copy of the Annual HR Systems Survey Research, please join our [Research Community](#). To request a media interview, email us at [media@SapienInsights.com](mailto:media@SapienInsights.com).

More details on our research approach can be found in our [research methodology](#). To learn more about additional research efforts conducted by Sapien Insights Group, please visit [our website](#).

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## KEY FINDINGS



**54%** Companies Over 500 Employees increasing HR Tech spending by an average of **21%**

**50%** of buyers are planning to change Payroll, Time, and Analytics in the next **2 years**



Strategic HR functions see an **11%** increase in all Outcomes over Compliance HR functions

**22%** of Compliance HR functions have no regular HR reporting for executives



Service & Experience are two sides of the same coin – and buyers are confused by the experience market

**60%** of HR Help Desk buyers, also use the tool as their primary HR Portal/Communications application.



The Year of Grace is Gone, **7%** drop in overall Vendor Satisfaction and User Experience Scores

**40%** of buyers are looking for better reporting functionality, an increase of **30%** from last year.



**33%** drop in HRIS professionals with 10 years of experience

The HRIS role is shifting and becoming more strategic, how do we manage the change?





# 25% MORE PARTICIPATION IN 25TH YEAR!

THANK YOU! 2022-2023 ANNUAL HR  
SYSTEMS SURVEY PARTICIPATION

2515

Unique  
Organizations

65

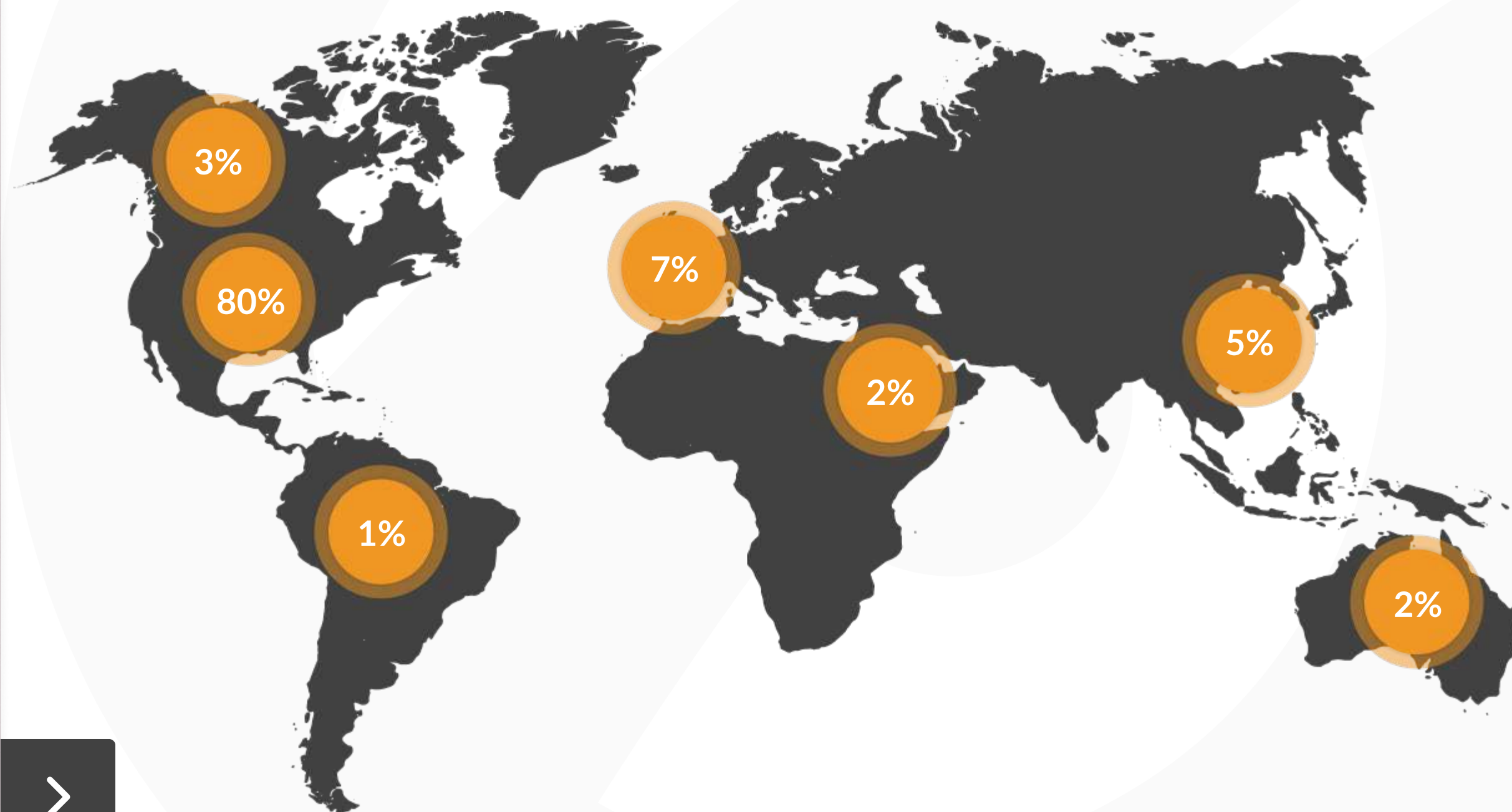
Countries

698

Global  
Organizations

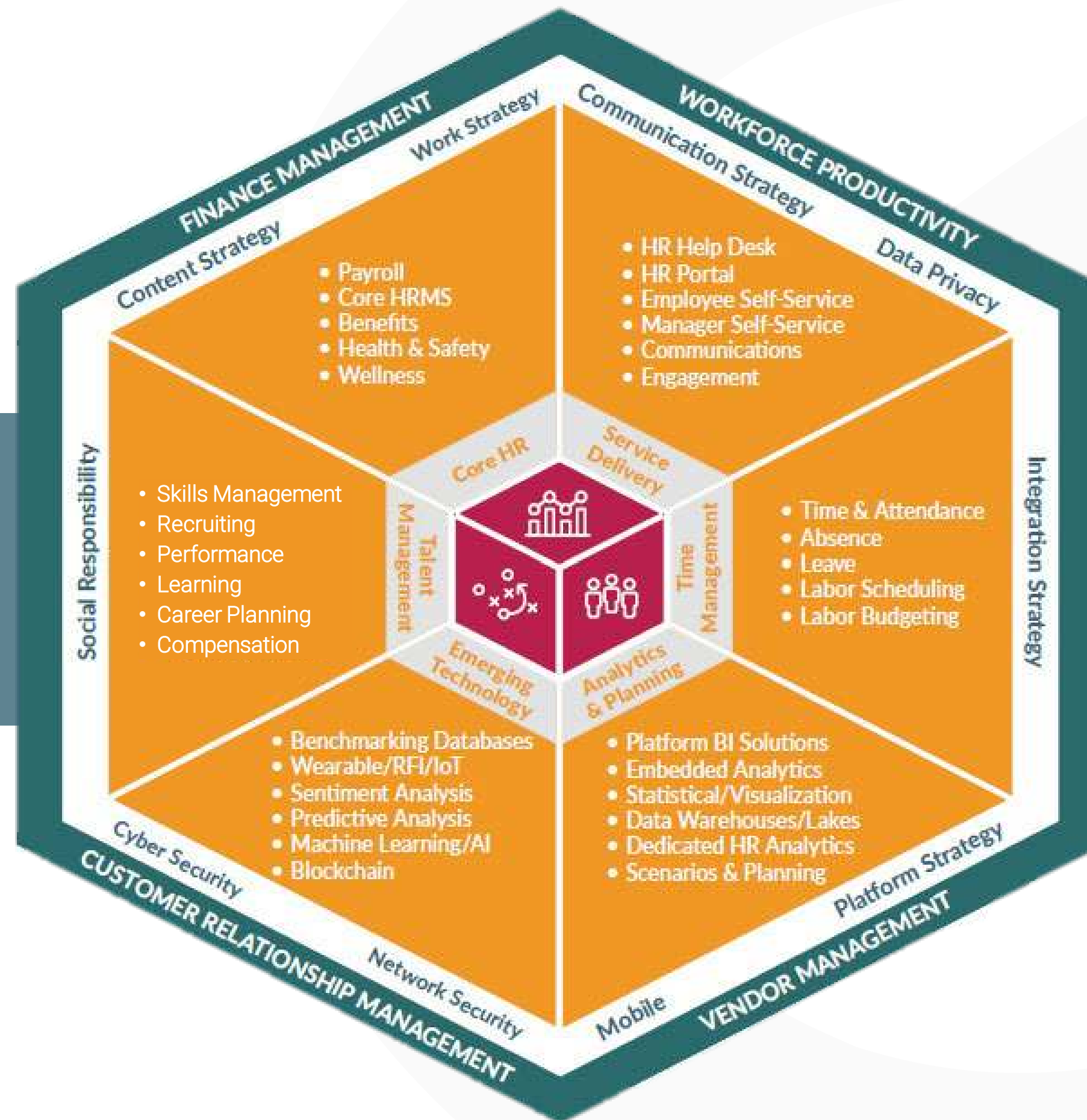
54

Average Number of  
Countries for Global  
Organizations





## HR SYSTEMS ADOPTION BLUEPRINT



### LEGEND



Data Governance



Strategy



Culture



Guiding Principles



HR System Applications



Enterprise Standards

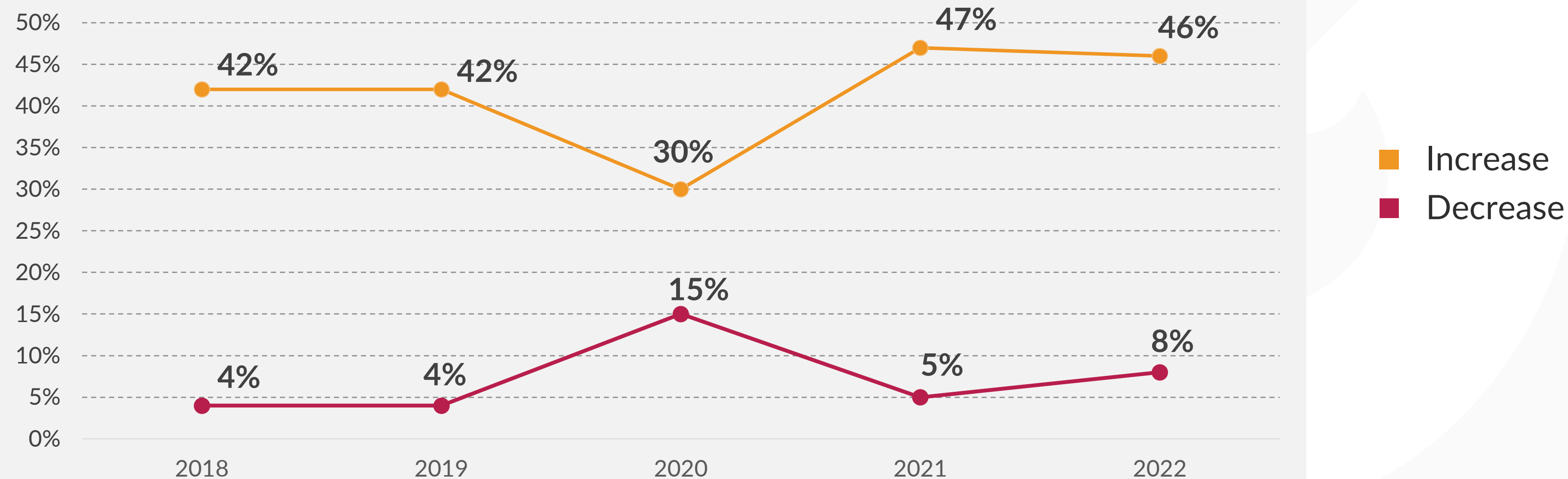


Enterprise Work Applications



# PERSISTENT EXPECTATIONS FOR INCREASED HR TECH SPENDING PLANS

## 5 YEAR TREND ON HR TECH SPENDING PLANS

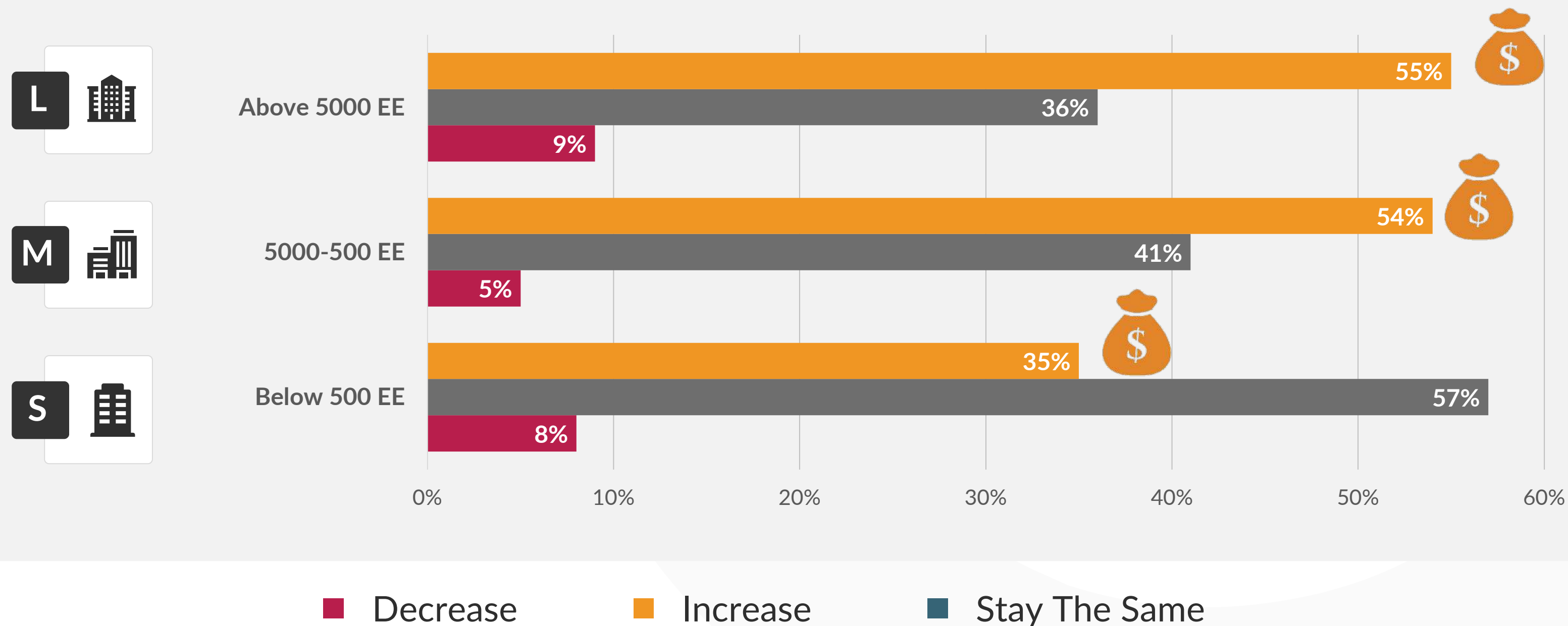


Source: 2017-2022 HR Systems Survey






# POSITIVE SPENDING OUTLOOK IN COMPANIES WITH 500 + EMPLOYEES

## HR TECHNOLOGY SPENDING PLANS 2022-2023





# RECRUITING TOPS THE CHARTS FOR HR TECHNOLOGY SPENDING PLANS



Aggregate	Above 5000 EE 	5000-500 EE 	Below 500 EE 
Recruiting	Recruiting	Recruiting	Recruiting
Learning/Training	HR Analytics	HR Analytics	Learning/Training
HR Analytics	Learning/Training	Learning/Training	Benefits/Wellness
Benefits/Wellness	Benefits/Wellness	Benefits/Wellness	Skills Management
Skills Management	Skills Management	HRMS	Performance Management

The average  
expected  
increase is  
**21%**








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Benefits/Wellness	Benefits/Wellness	Benefits/Wellness	Skills Management
Skills Management	Skills Management	HRMS	Performance Management

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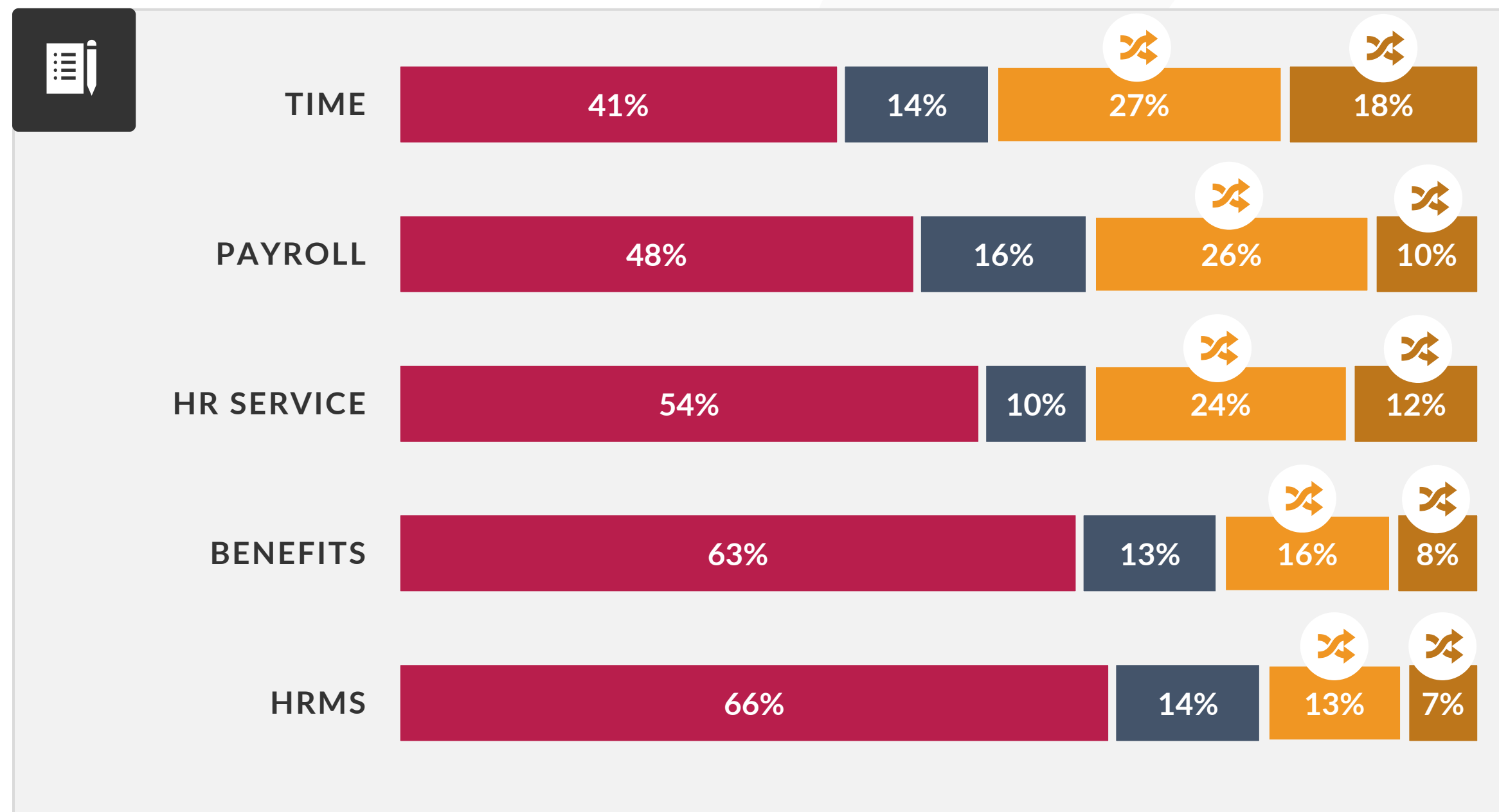
# RECRUITING TOPS THE CHARTS FOR HR TECHNOLOGY SPENDING PLANS

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Learning/Training	HR Analytics	HR Analytics	Learning/Training
HR Analytics	Learning/Training	Learning/Training	Benefits/Wellness
Benefits/Wellness	Benefits/Wellness	Benefits/Wellness	Skills Management
Skills Management	Skills Management	HRMS	Performance Management

The average  
expected  
increase is  
**21%**



# OVER 50% OF TIME & PAYROLL APPLICATIONS IN DANGER OF FLIPPING IN THE NEXT 12 – 24 MONTHS



- No Change
- Assessing Options
- Yes Change, Decision Made
- Yes Change, In RFP



## HIGHEST CUSTOMER RETENTION IN TIME / WFM

- Workday
- Ceridian Dayforce
- UKG Pro
- Isolved
- UKG Dimensions

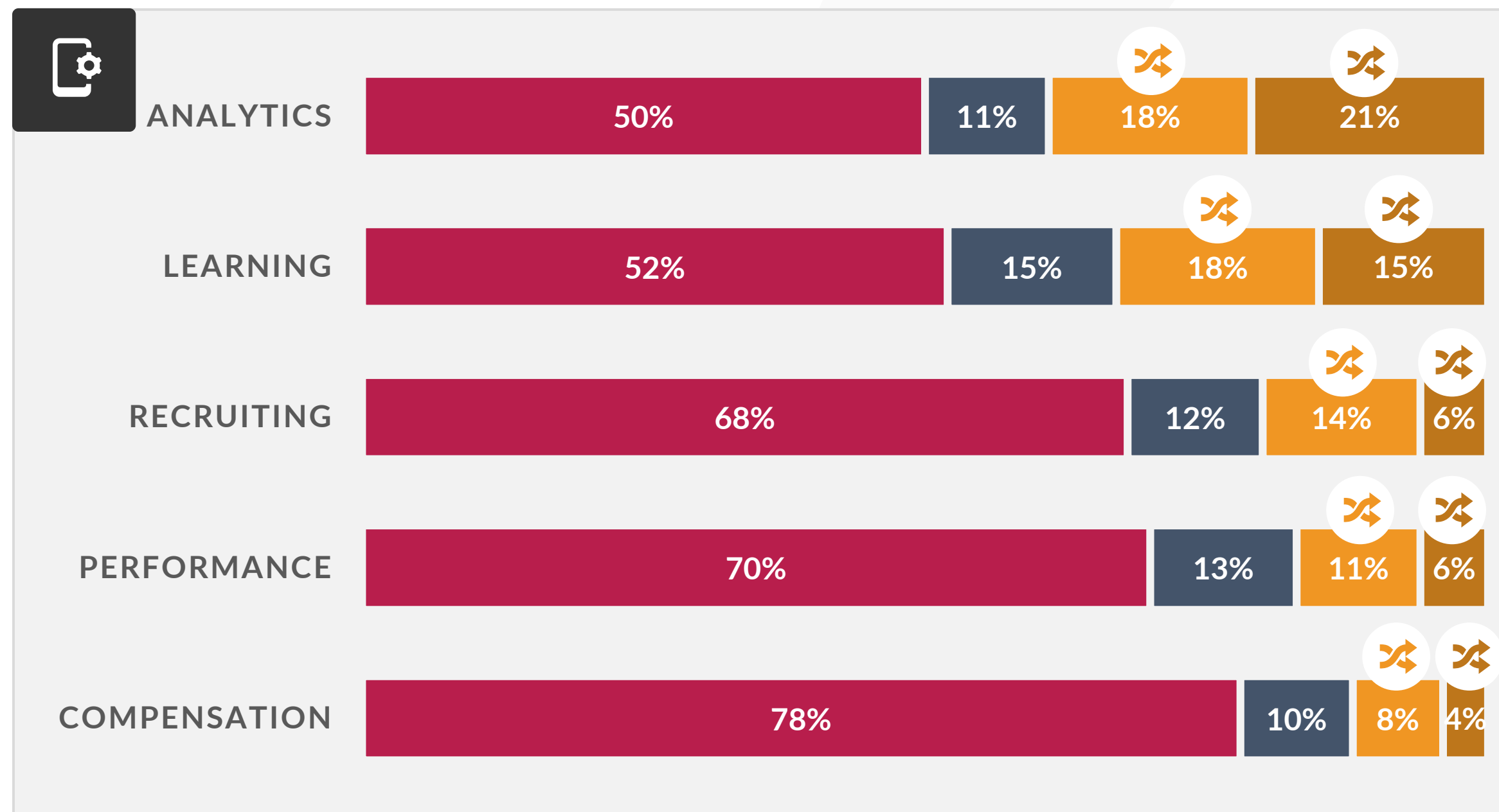


## HIGHEST CUSTOMER RETENTION IN PAYROLL

- Workday
- UKG Pro
- Ceridian Dayforce
- Paycor
- UKG Ready



# ANALYTICS & LEARNING ALSO IN REPLACEMENT ZONE, WITH MORE ORGANIZATIONS STILL ASSESSING LEARNING



■ No Change  
■ Assessing Options

■ Yes Change, Decision Made  
■ Yes Change, In RFP



## HIGHEST CUSTOMER RETENTION IN ANALYTICS

- Microsoft Power BI
- Tableau
- Workday People Analytics
- SAP Analytics Cloud
- IBM Cognos



## HIGHEST CUSTOMER RETENTION IN LEARNING

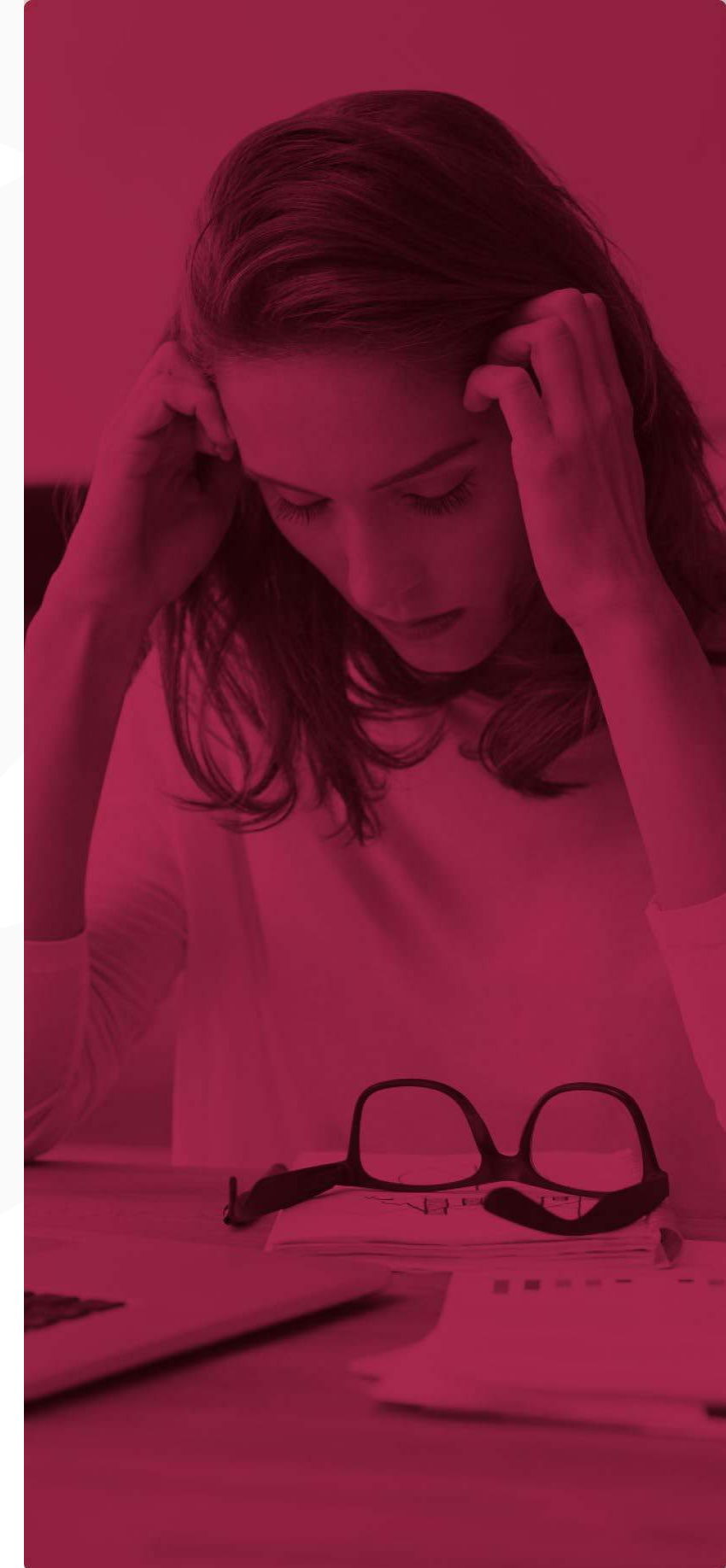
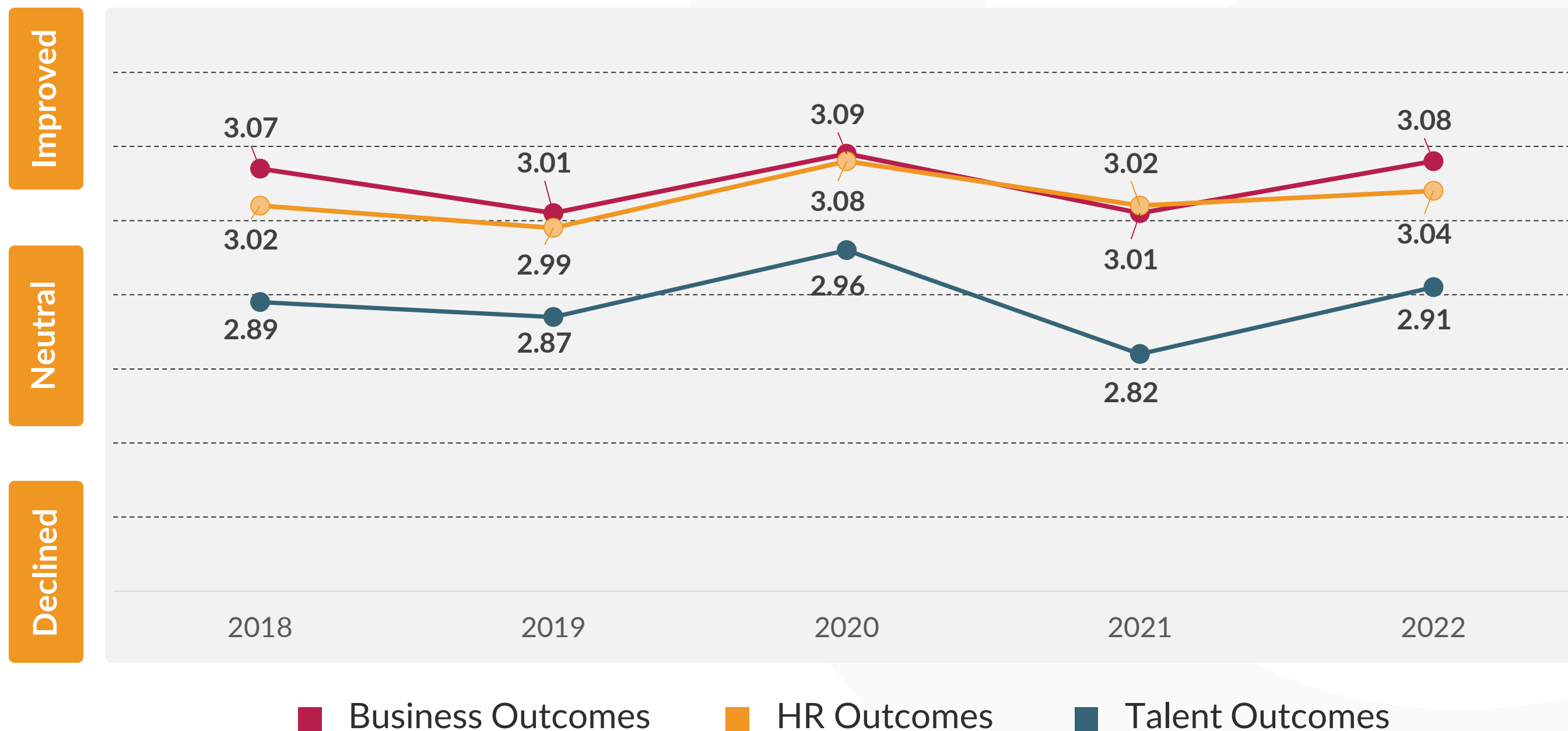
- Cornerstone
- UKG Pro
- Microsoft LinkedIn Learning
- LTG
- Workday Learning
- PeopleFluent





# NO WONDER HR IS BURNED OUT! OUTCOMES INCREASED IN ALL AREAS -TALENT, HR, AND BUSINESS OUTCOMES

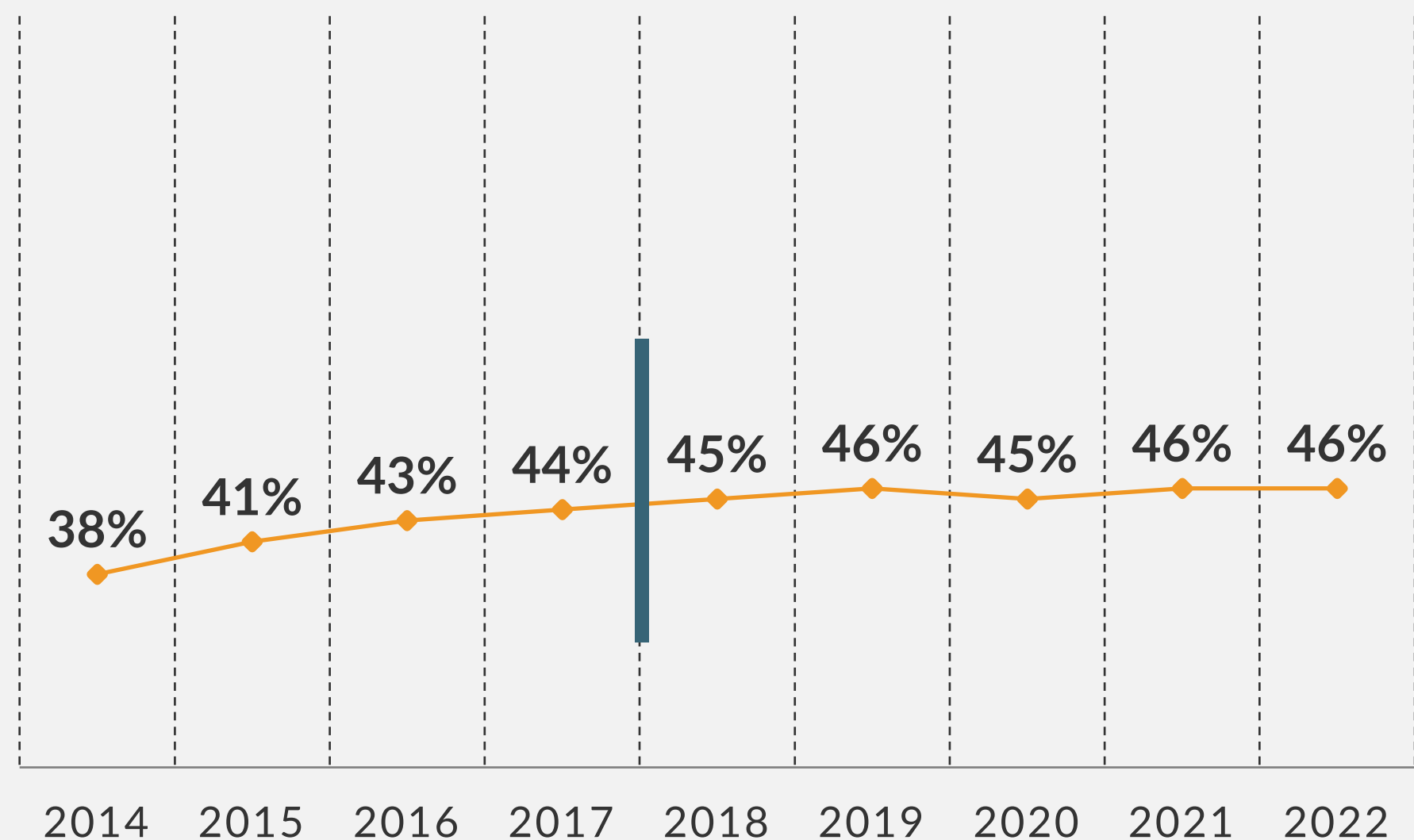
6 YEAR LOOK AT ACHIEVING TALENT, HR, AND BUSINESS OUTCOMES





# LET'S MOVE THE NEEDLE, 55 BY 25!

## HR VIEWED AS CONTRIBUTING STRATEGIC VALUE



Source: 2017-2021 HR Systems Survey



# 55

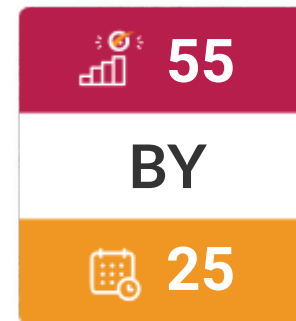
# BY



# 25



# OUTCOME-FOCUSED HR FUNCTIONS CHANGE THE PERCEPTION OF HR



46%

**Defined Outcomes**  
Strategic/  
Adaptable

35%

**Experience Focused**  
Skills/Work

20%

**Process & Compliance Focused**  
Efficiency/Cost/Risk

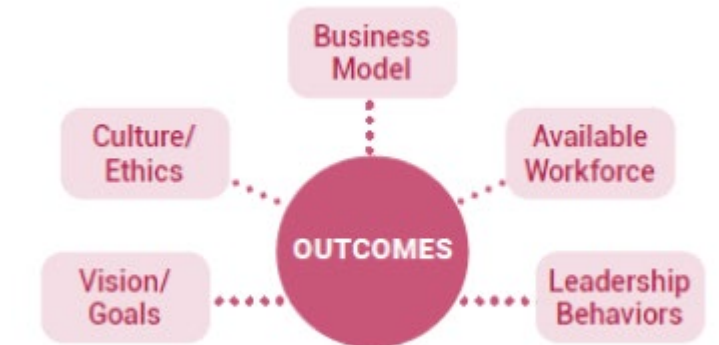
## Compliance HR Functions



## Best Practice HR Functions



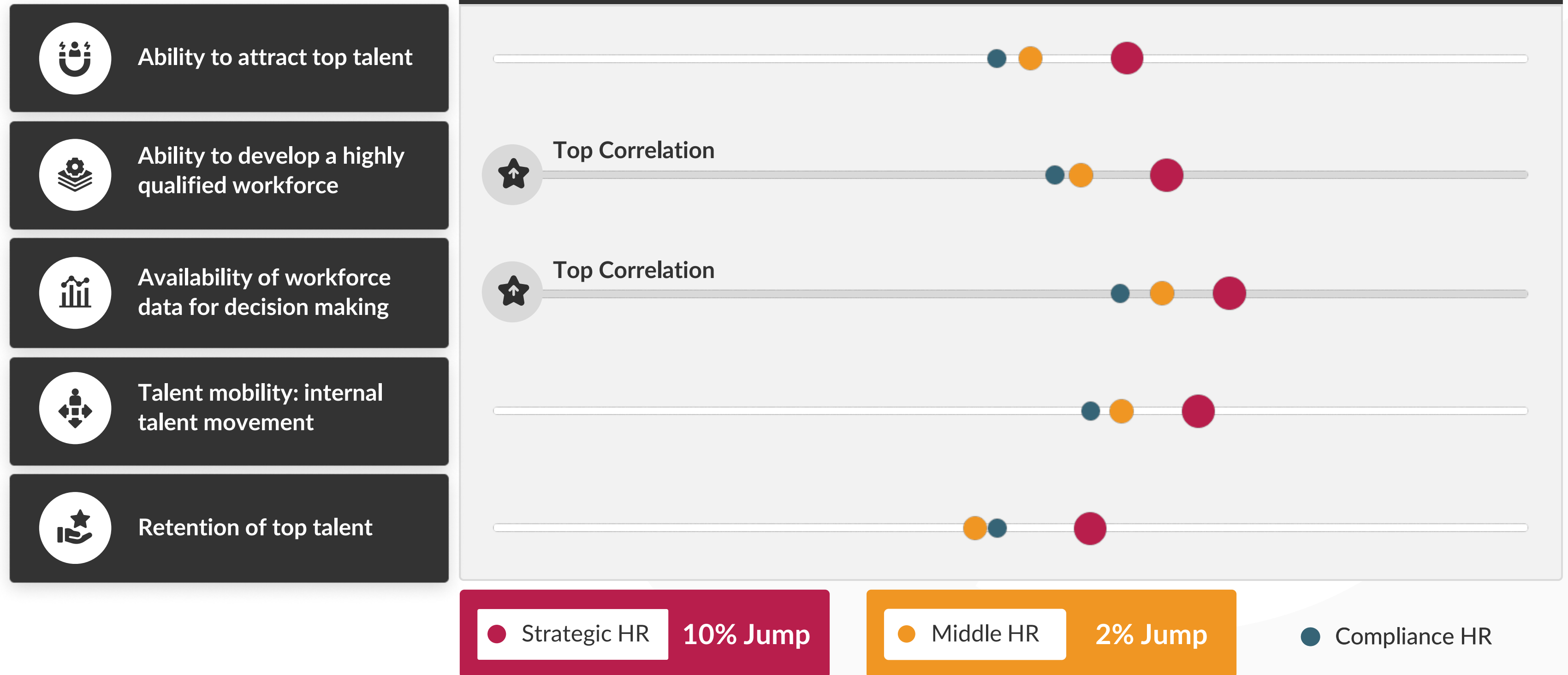
## Outcome-Focused HR Functions



Outcomes are definable, measurable, expectations of “what” the customer, employee, and stakeholders will achieve from the work your organization performs. “How” the organization achieves those outcomes is the business of HR.



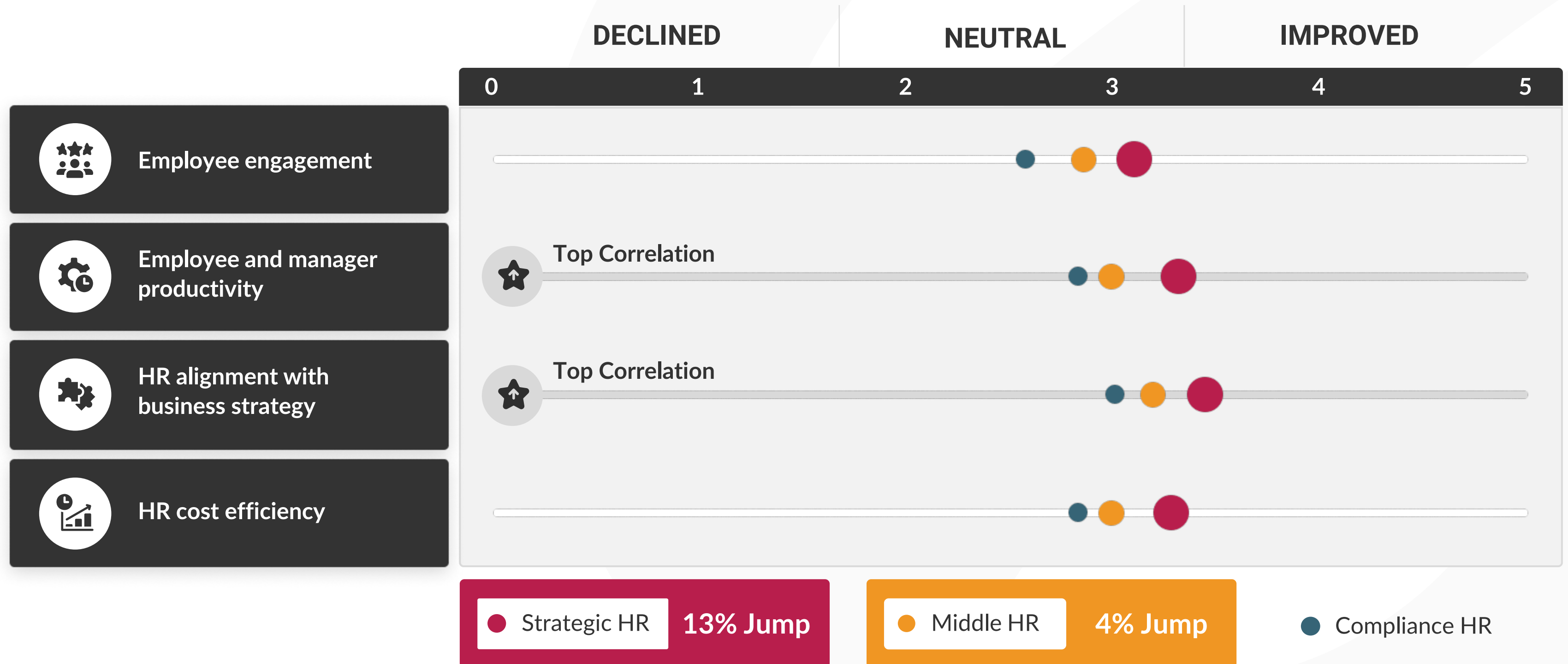
# MIDDLE OF ROAD DOESN'T GET US MUCH... TALENT OUTCOMES





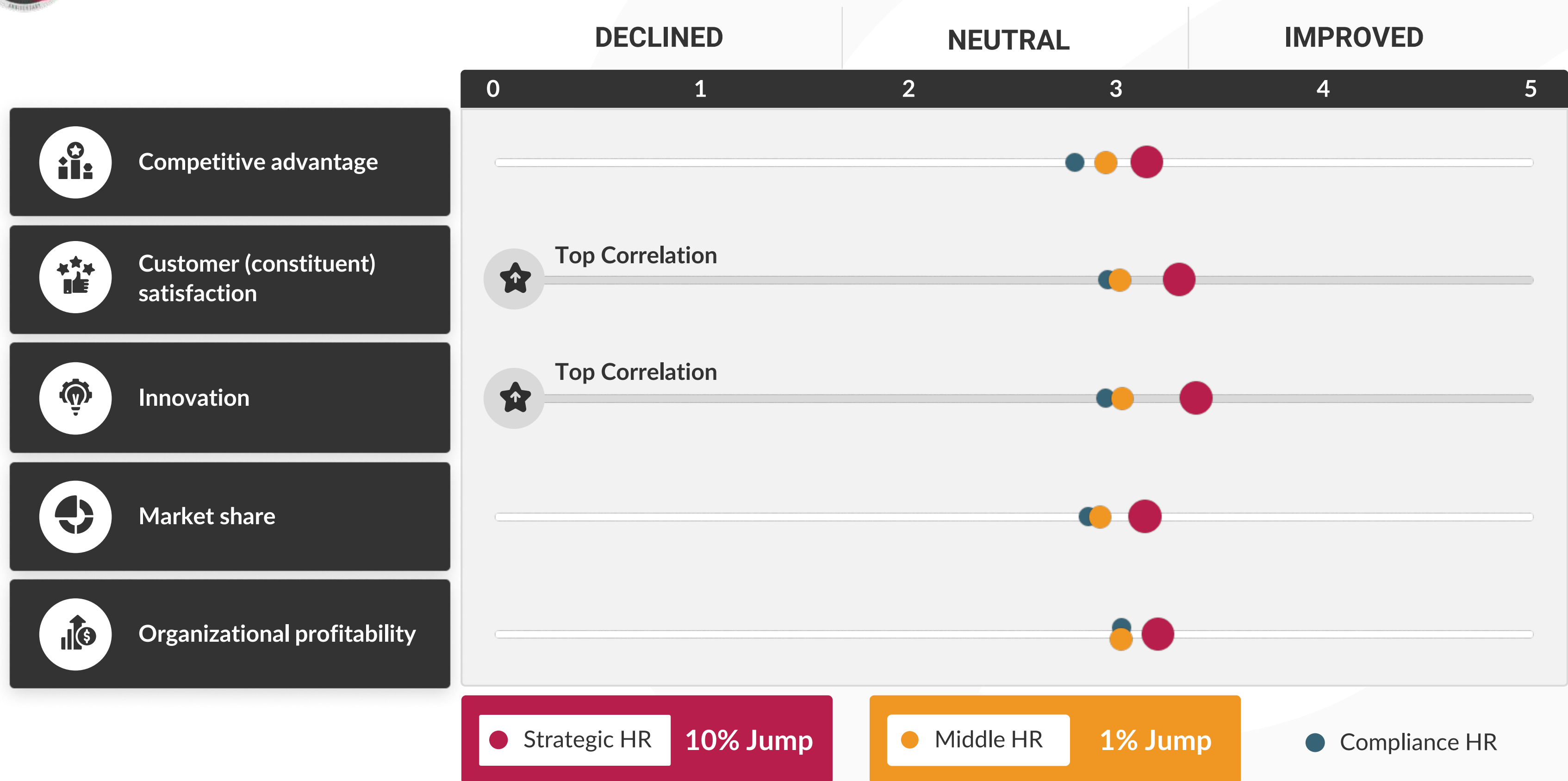


# MIDDLE OF ROAD DOESN'T GET US MUCH... HUMAN RESOURCE OUTCOMES





# MIDDLE OF ROAD DOESN'T GET US MUCH... BUSINESS OUTCOMES





# BEING A STRATEGIC HR FUNCTION IS IMPORTANT!

## STRATEGIC HR FUNCTION

11%

Increase in Business, Talent,  
and HR Outcomes

## ALMOST STRATEGIC HR

2%

Increase in Business, Talent,  
and HR Outcomes

## COMPLIANCE FUNCTION

-5%

Decrease in Business,  
Talent, and HR Outcomes



# WHAT MAKES A STRATEGIC HR FUNCTION BY THE NUMBERS?

## TOP FIVE NEGATIVE CORRELATIONS

- ✗ FOR SMB, lack of External HR Support ( $d = -.321$ )
- ✗ FOR SMB HR, Spending more than **15%** of time on Payroll ( $d = -.275$ )
- ✗ Reactive HR Data Management Processes ( $d = -.23$ )
- ✗ Lack of Mobile HR ( $d = -.205$ )
- ✗ Reactive approach to Health and Wellness for Employees ( $d = -.175$ )



## TOP FIVE POSITIVE CORRELATIONS

- ✓ Adaptable Change Management Processes ( $d = .405$ )
- ✓ Workforce Planning that Includes Business data & Position Management ( $d = .347$ )
- ✓ Time Management System that Always Meets Business Needs ( $d = .216$ )
- ✓ Transformational Processes:
  - Absence Management ( $d = .29$ )
  - Leave Management ( $d = .25$ )
  - Skills Management ( $d = .23$ )





# THIS IS A CHALLENGE FOR THE COMMUNITY NOT JUST HR!



Vendors  
Consultants

VS

HR Function  
HR Leader  
HRIS Practitioner



## Influencing Strategy:

Our Business strategy is influenced by HR data and insights



## Informing Workforce Decisions:

Leaders make business decisions with people data at their fingertips



## Effective and Efficient:

Critical employee and company information is captured and accessed in an engaging and efficient way, reducing manual effort



## Basic:

Employees are kept safe, able to access/track work, and are getting paid on time

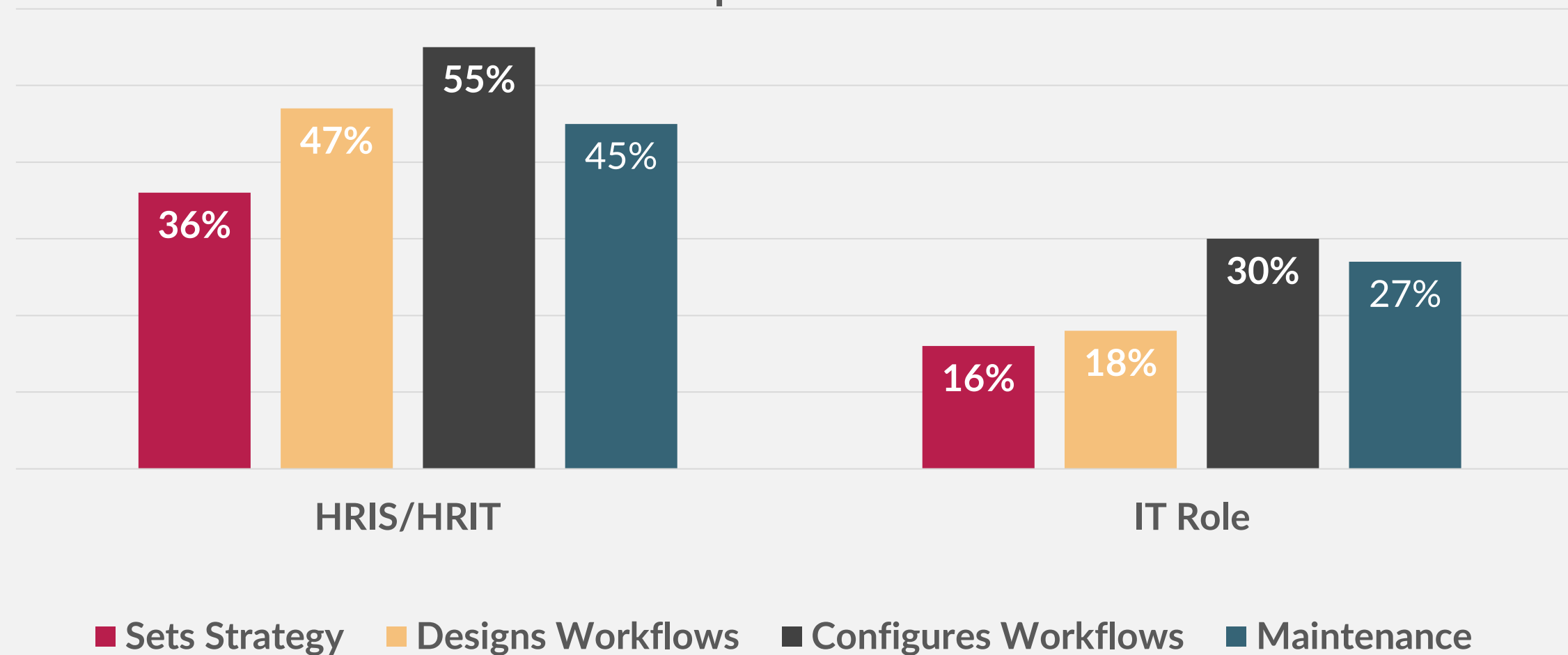




# TODAY'S HRIS FUNCTION

60% of HR Leadership Sets Configuration & Content Security Strategy

HR Technology Configuration & Content Security Responsibilities



**33%** drop in  
HRIS professionals  
with 10 years of  
experience

**72%** Report to Human Resources  
**25%** Report to dual functions  
**39%** are in hybrid working models



# THE YEAR OF GRACE IS OVER, NUMBERS DROP 6 – 7%

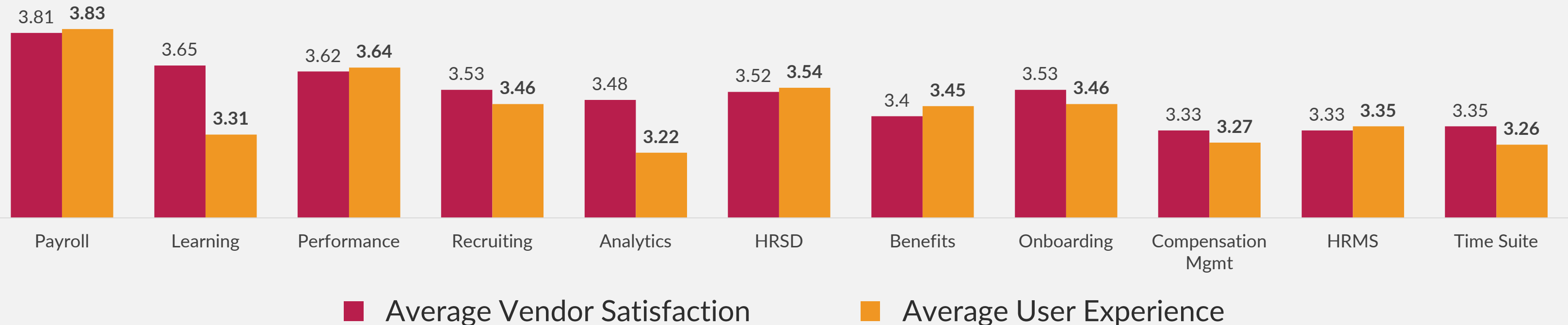


6% decline in overall User Experience Ratings



7% decline in overall Vendor Satisfaction Ratings









## USER EXPERIENCE AND VENDOR SATISFACTION (SCALE 1-5, WITH 5 BEING THE HIGHEST)

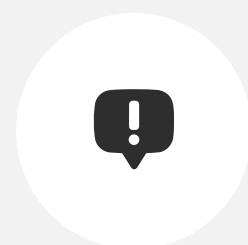


Vendor Satisfaction dropped dramatically this year for Learning, Analytics, and Compensation applications



# GAPS IN HR TECH MEETING BUSINESS NEEDS SHIFTS TO REPORTING

HR Application	Top Two Major Gaps	HR Application	Top Two Major Gaps
 Payroll Applications	<ul style="list-style-type: none"><li>Gaps in overall functionality 42%</li><li>Customization/configuration 41%</li></ul>	 Recruiting Applications	<ul style="list-style-type: none"><li>Gaps in overall functionality 43%</li><li><u>Reporting functionality 41%</u></li></ul>
 HRMS Application	<ul style="list-style-type: none"><li>Gaps in overall functionality 47%</li><li><u>Reporting Functionality 45%</u></li></ul>	 Performance Applications	<ul style="list-style-type: none"><li>Customization/configuration 41%</li><li>Gaps in overall functionality 40%</li></ul>
 HR Service Delivery Applications	<ul style="list-style-type: none"><li><u>Reporting functionality 40%</u></li><li>Gaps in overall functionality 40%</li></ul>	 Learning Applications	<ul style="list-style-type: none"><li>Gaps in overall functionality 32%</li><li><u>Reporting functionality 30%</u></li></ul>
 Time Applications	<ul style="list-style-type: none"><li><u>Reporting functionality 36%</u></li><li>Gaps in overall functionality 35%</li></ul>	 Analytics and Planning	<ul style="list-style-type: none"><li>Gaps in overall functionality 32%</li><li><u>Reporting functionality 30%</u></li></ul>



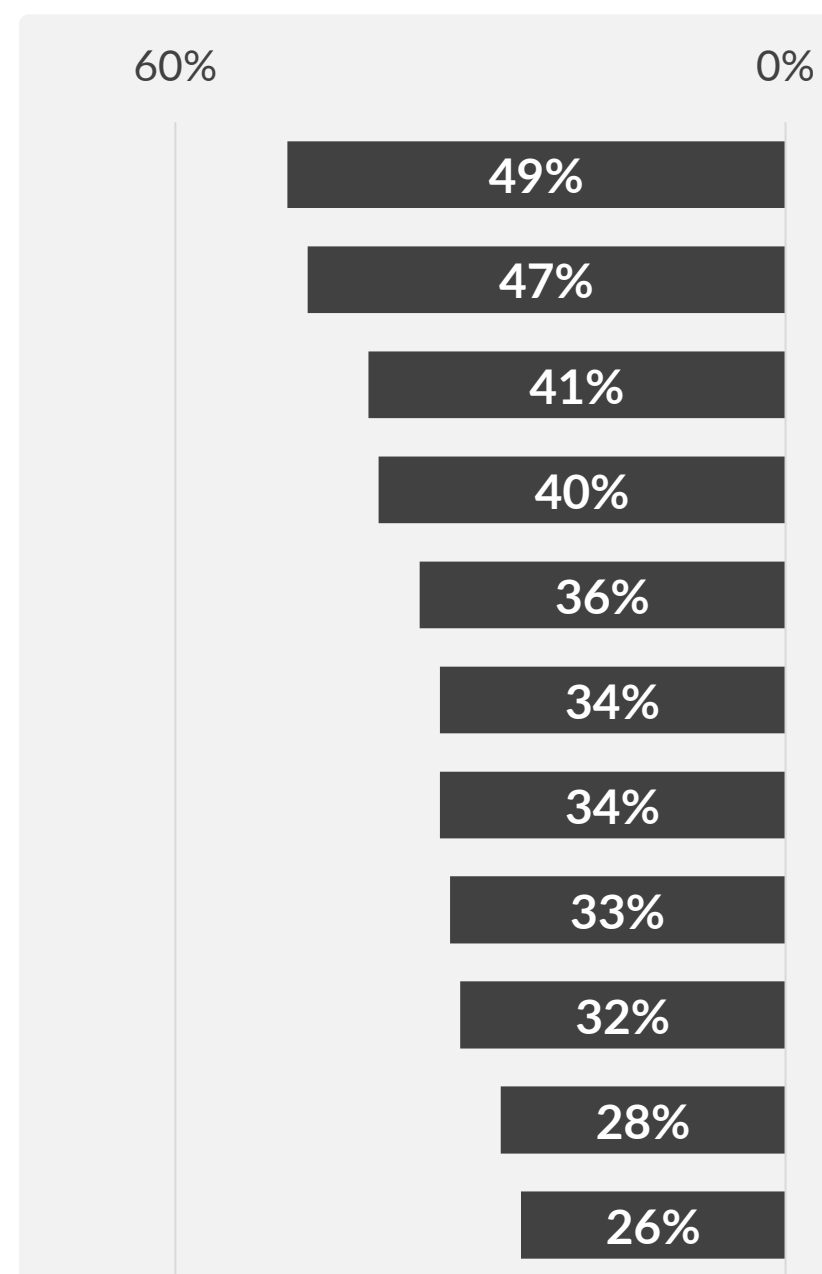
## 30% Increase in Reporting Functionality Gap!





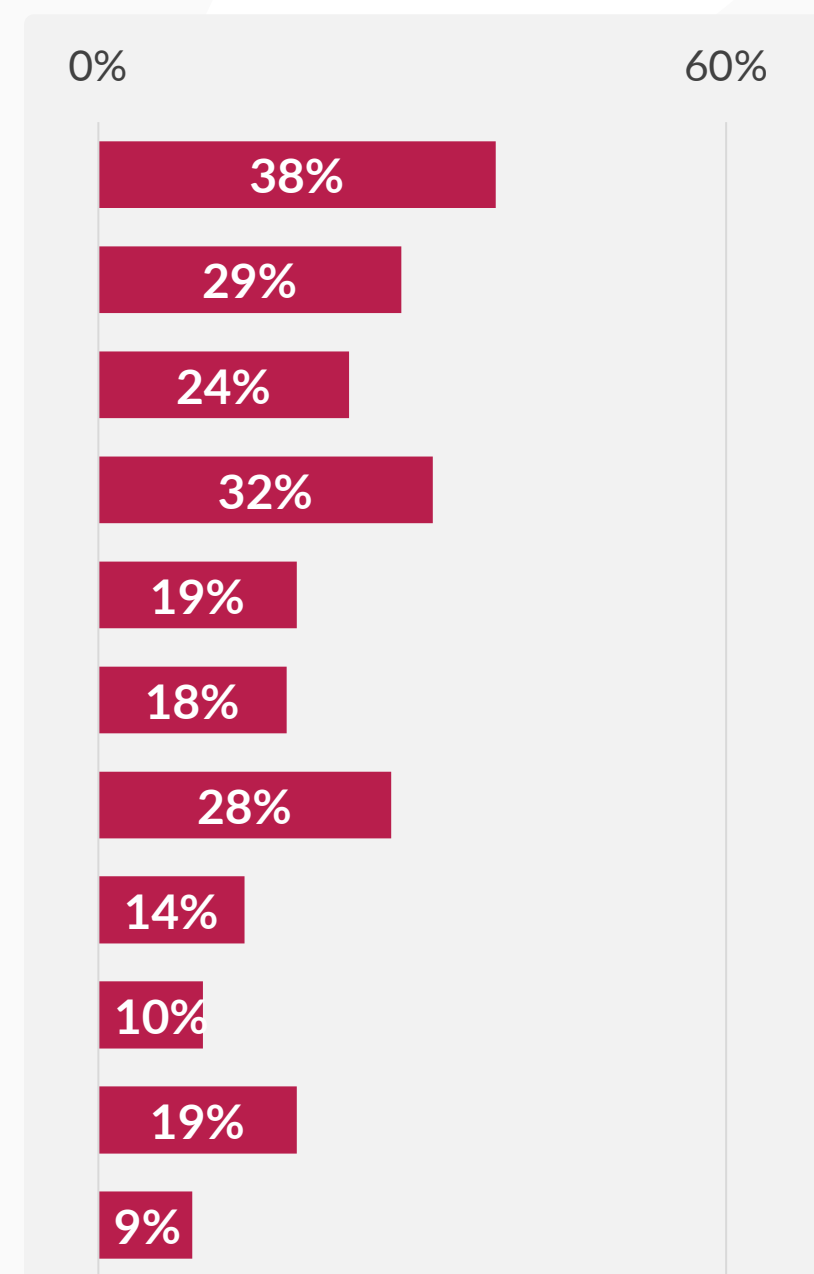
# BUSINESS REPORTS NEED TO INCLUDE MORE USABLE DATA

## TOP HR Metrics in Regular Business Monthly or Weekly Reports



■ HR Systems Strategy

Employee Demographics  
Total Workforce Cost  
Learning  
Compliance/Safety  
Career Planning  
Wellness/Health  
Engagement  
Skills  
Mobility  
Productivity  
Leadership Trust



■ No Strategy

60%

report on Employee Turnover, Recruiting, and Compensation Weekly

25%

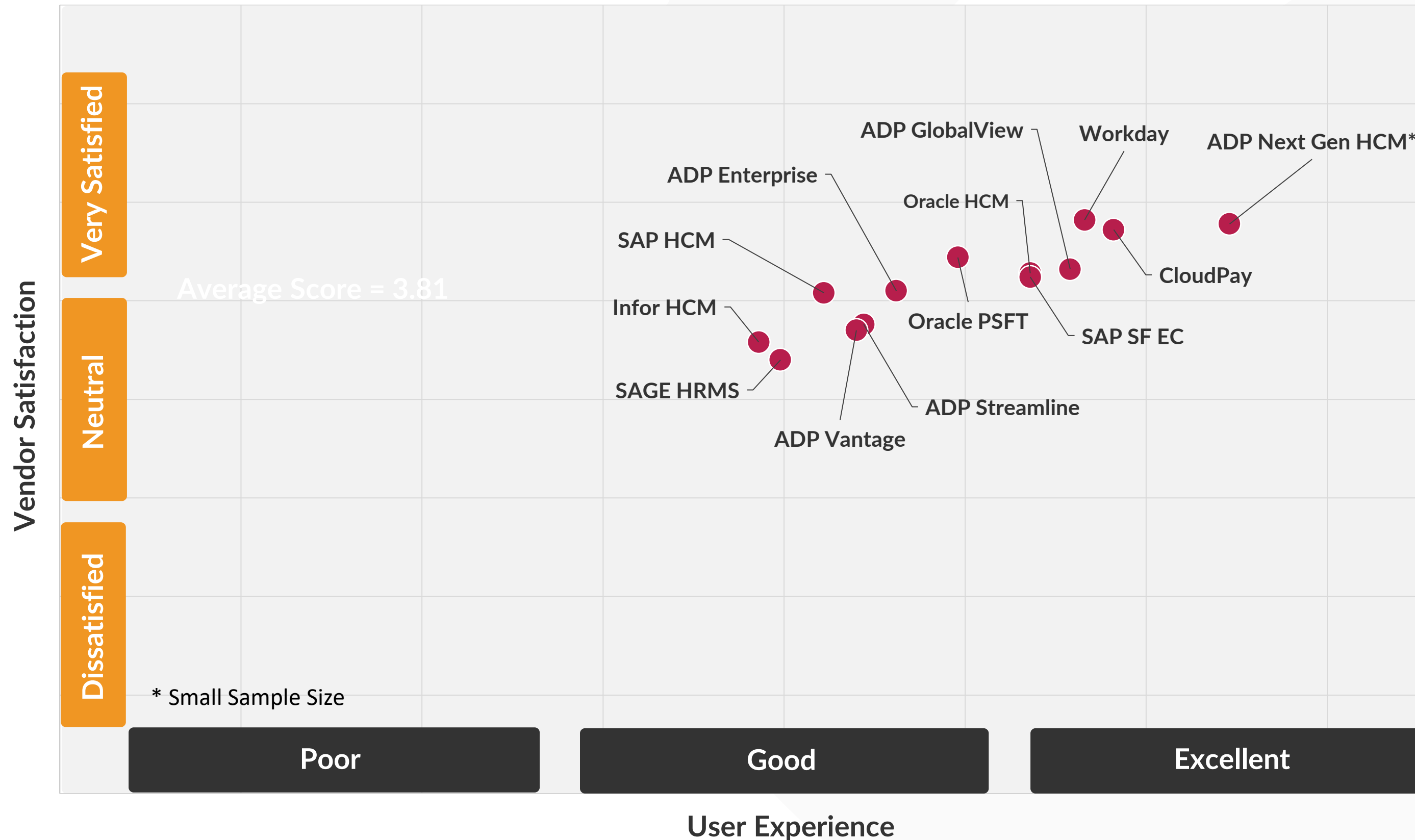
of Organizations viewed as having No Credibility, also have no regular HR metrics included in business reports

0%

of Organizations selected Diversity, Equity, and Inclusion metrics as being included in their regular business reports



# MULTINATIONAL PAYROLL VENDOR SATISFACTION & USER EXPERIENCE



50% or More  
Multi-Nationals



The Next Battle  
Ground for HR  
Technology is  
Payroll



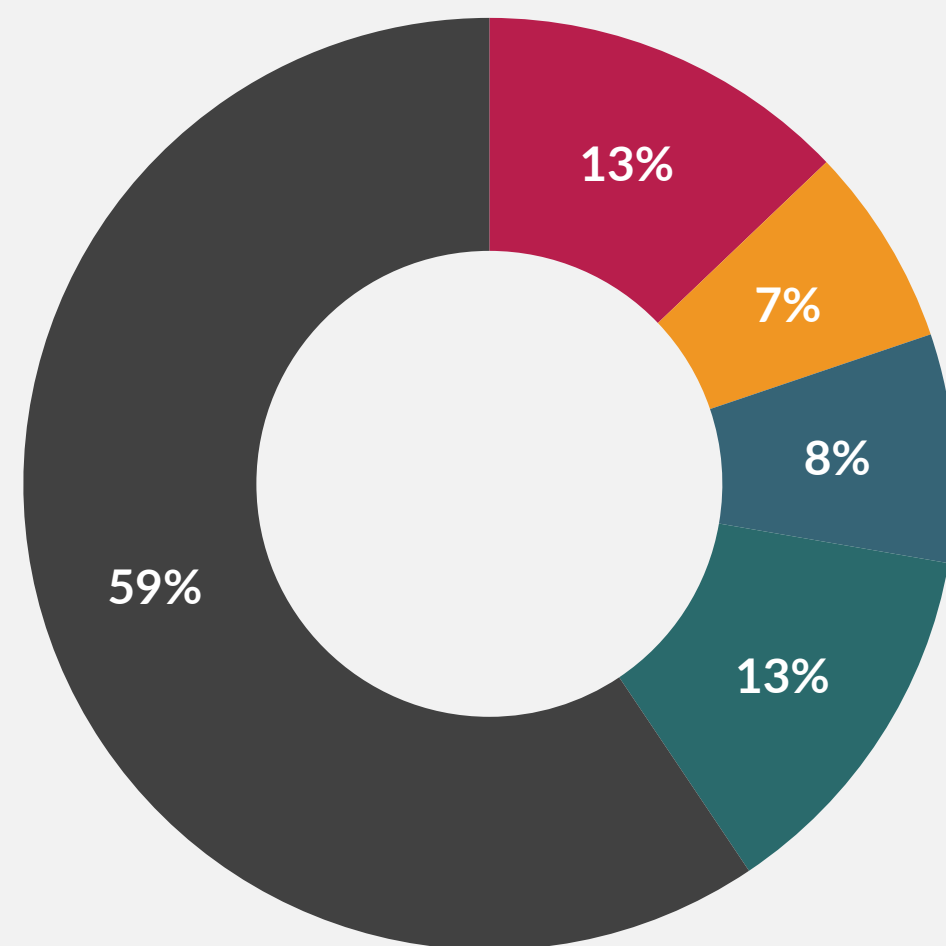
# SINGLE COUNTRY PAYROLL VENDOR SATISFACTION & USER EXPERIENCE



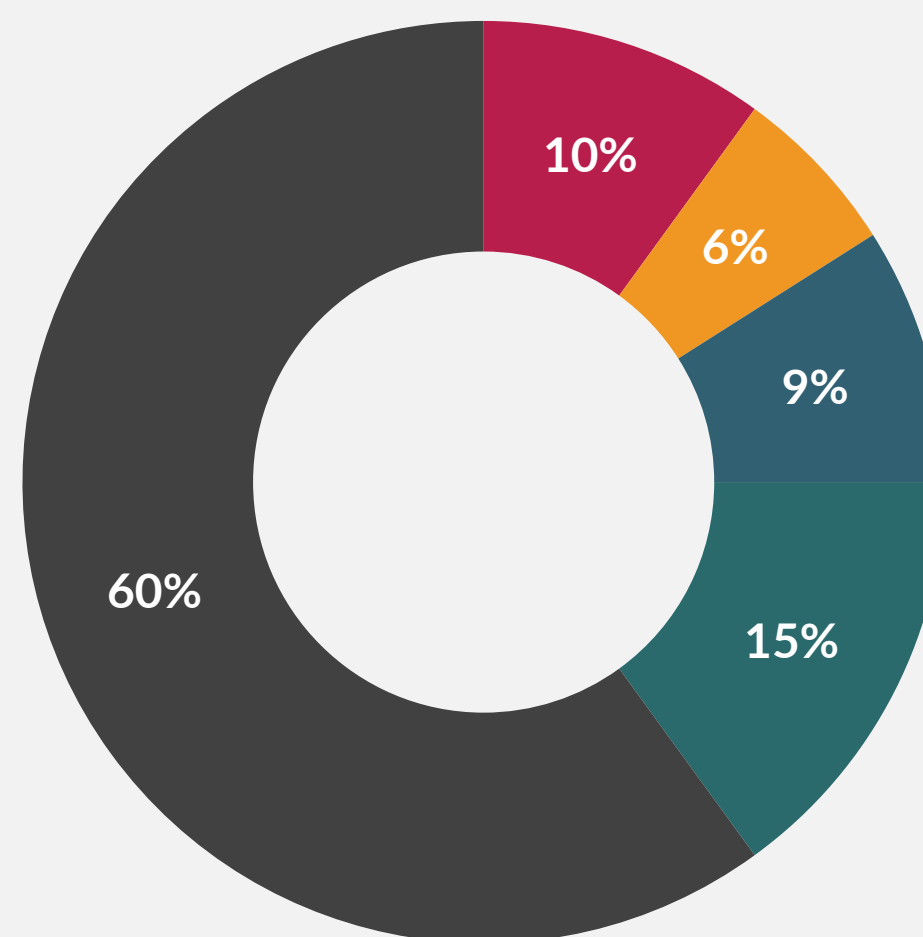


# ONLY 13% ARE LEVERAGING EARNED WAGE ACCESS SOLUTIONS

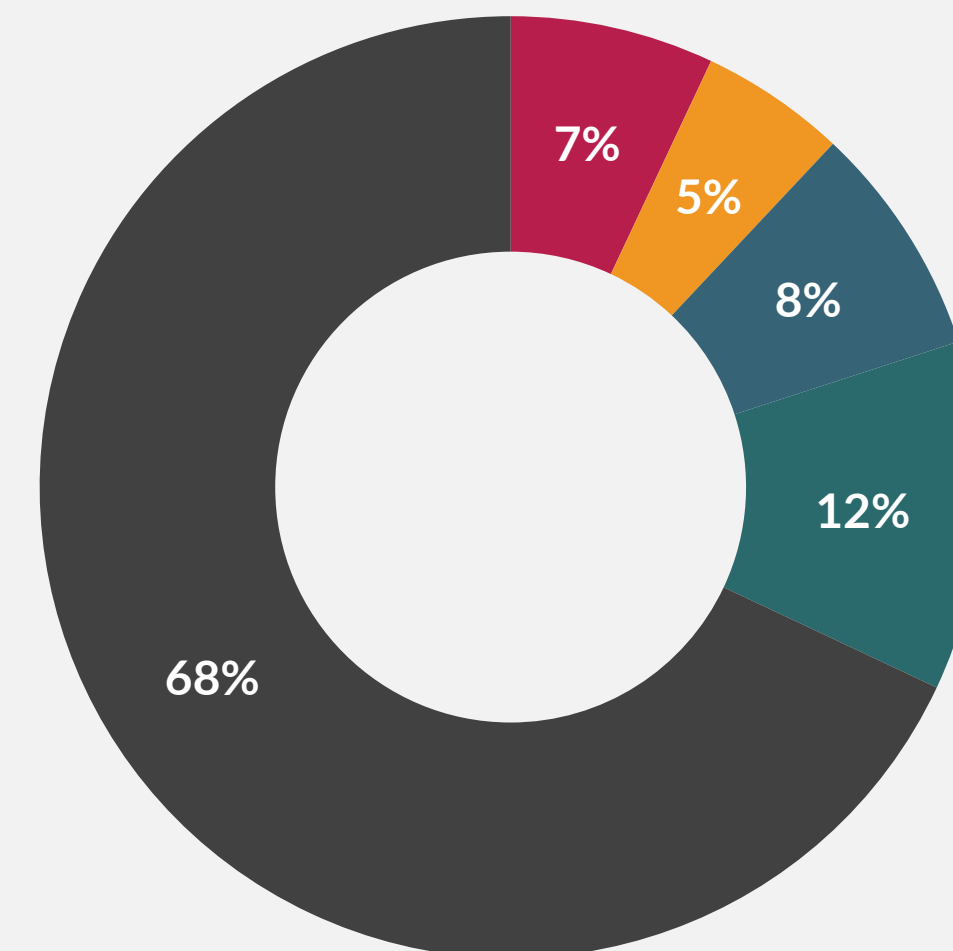
## SALARY EMPLOYEES



## HOURLY EMPLOYEES



## CONTINGENT WORKERS

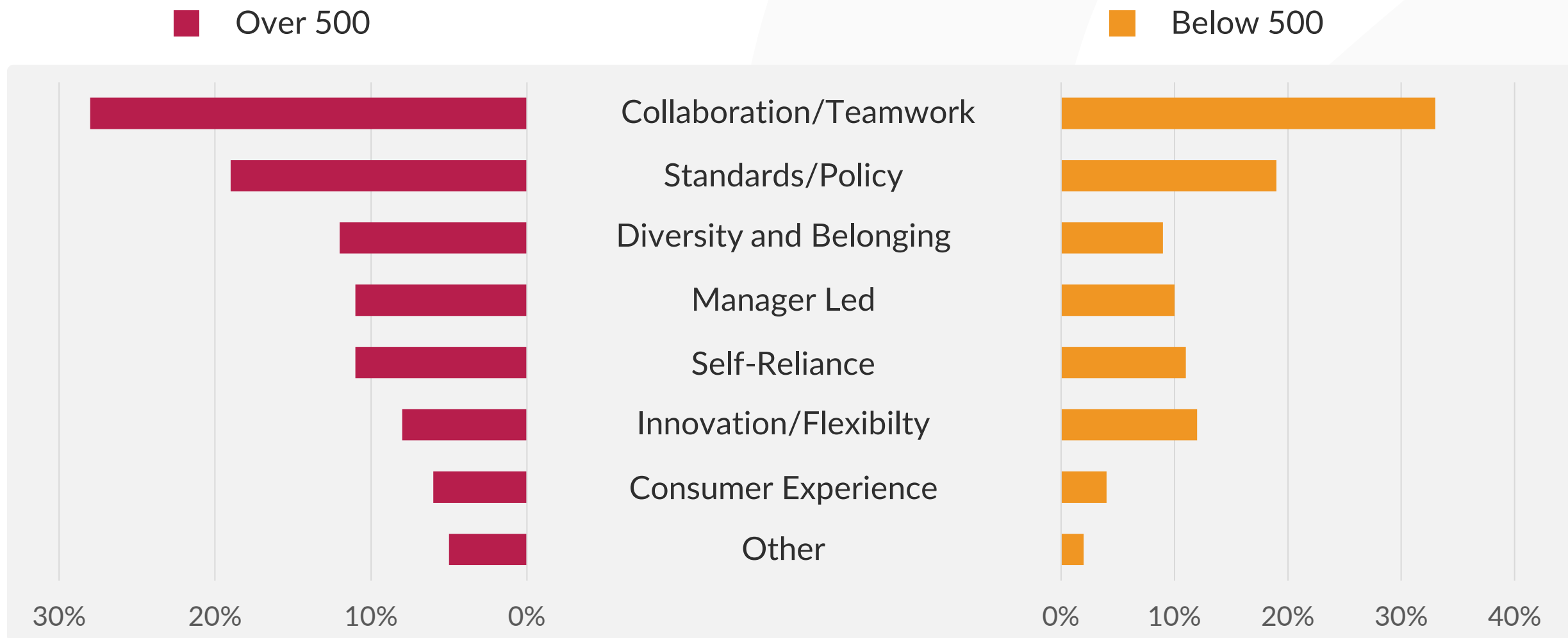


■ In Use   ■ Budgeted 12 Months   ■ Forecast 24-36 Months   ■ Assessing Need   ■ No Plans



# Current Employee Experience Approach

## Best Description of Your Current HR Application and Processes Employee Experience



Other Category  
Comments:



- Chaos, a Confusing Maze, Disjointed, Nil
- Culture of Optionality

Over  
**50,000+**

Employees

**70%**

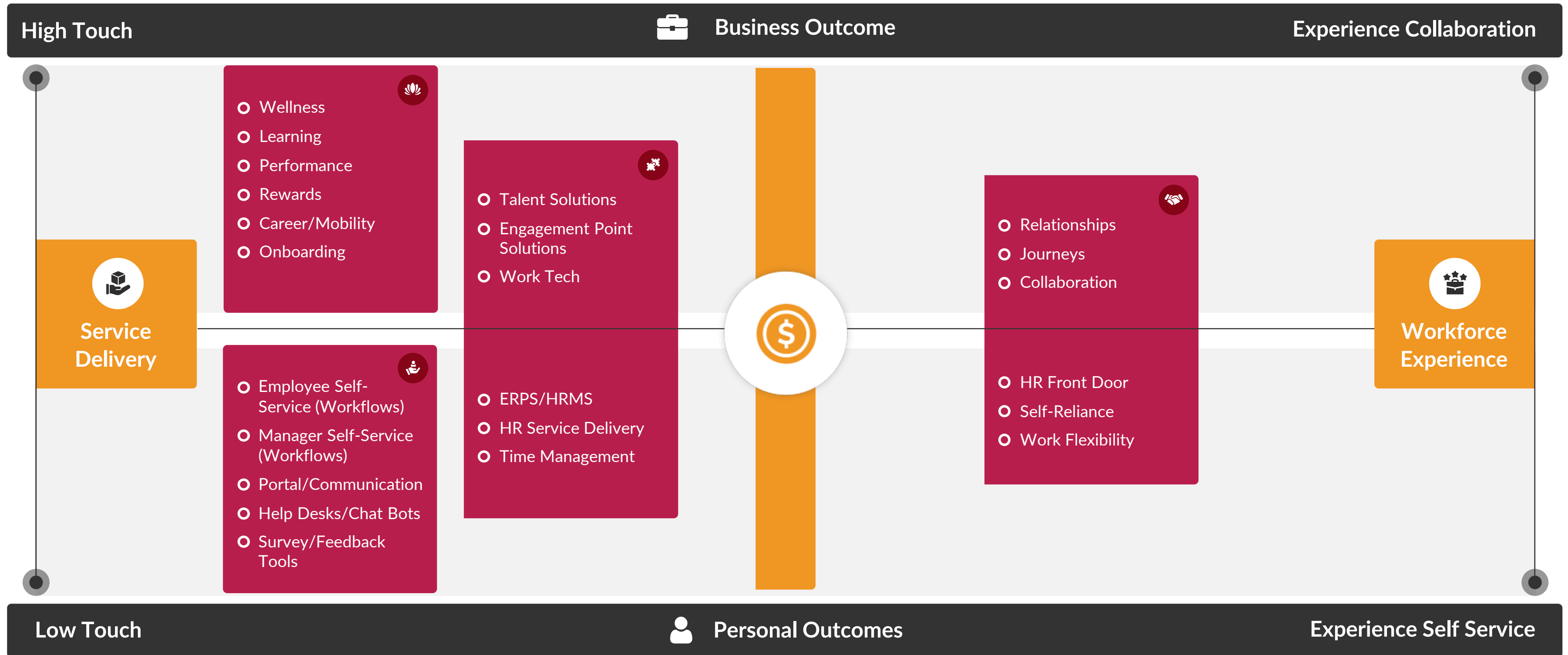
of organizations were either a culture of Collaboration/Teamwork or Diversity and Belonging.

**None selected a Culture of Innovation/Work Flexibility**



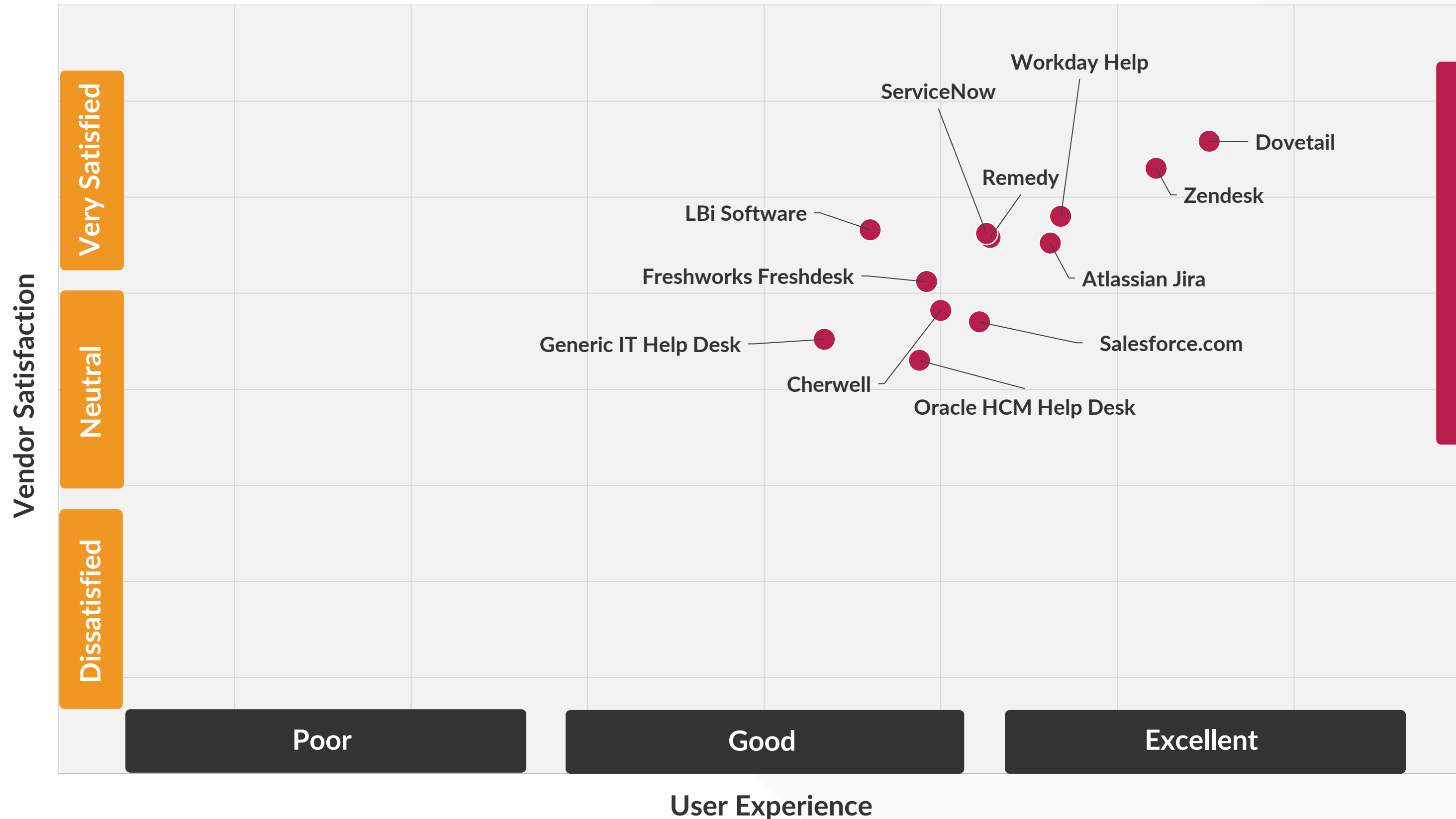


# HR SERVICE DELIVERY AND WORKFORCE EXPERIENCE ARE TWO SIDES OF THE SAME COIN





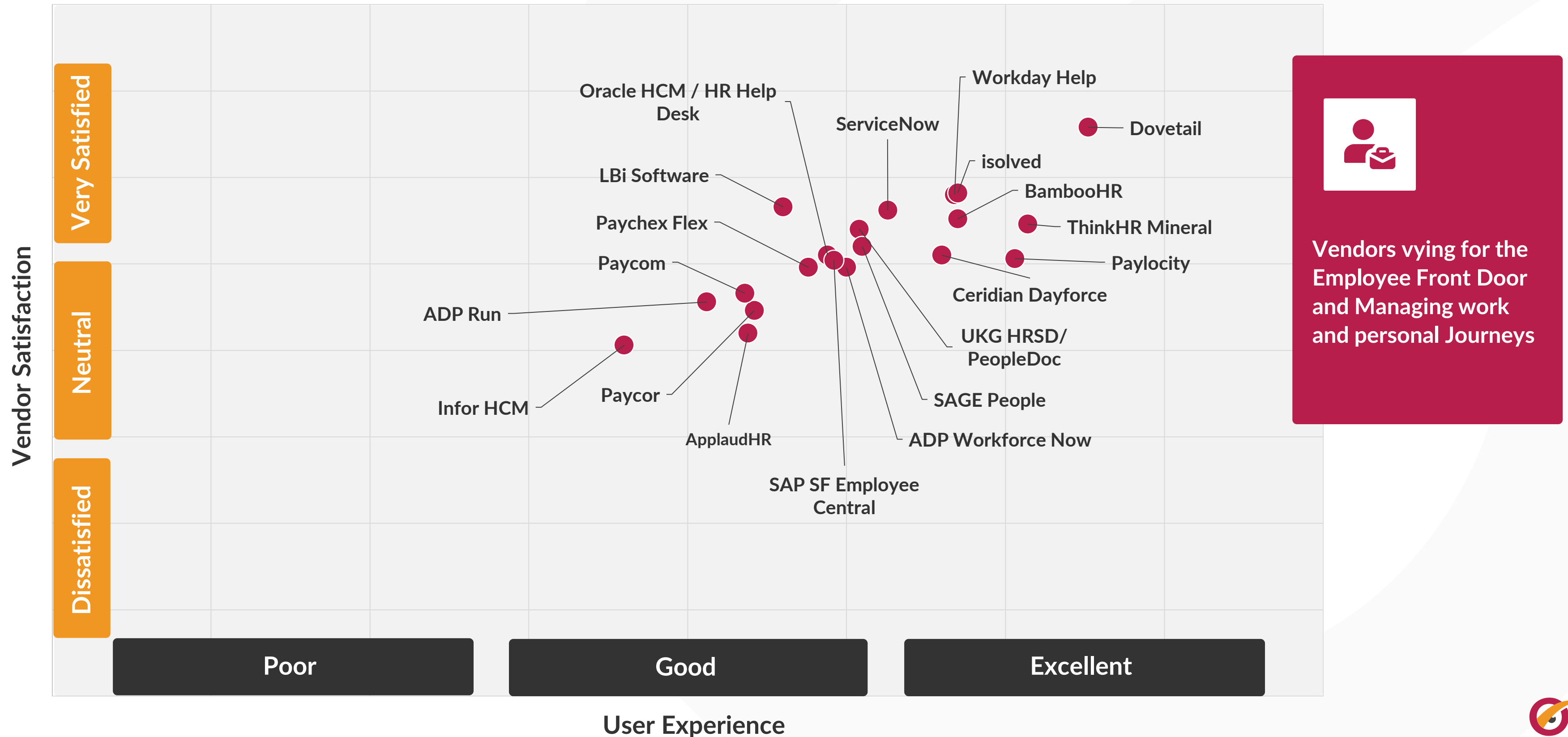
# TRADITIONAL SERVICE DELIVERY, HELP DESK SOLUTIONS



Crowded space with a mixture of HR and IT solutions



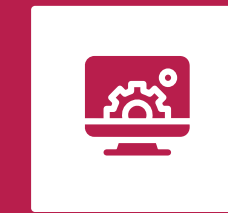
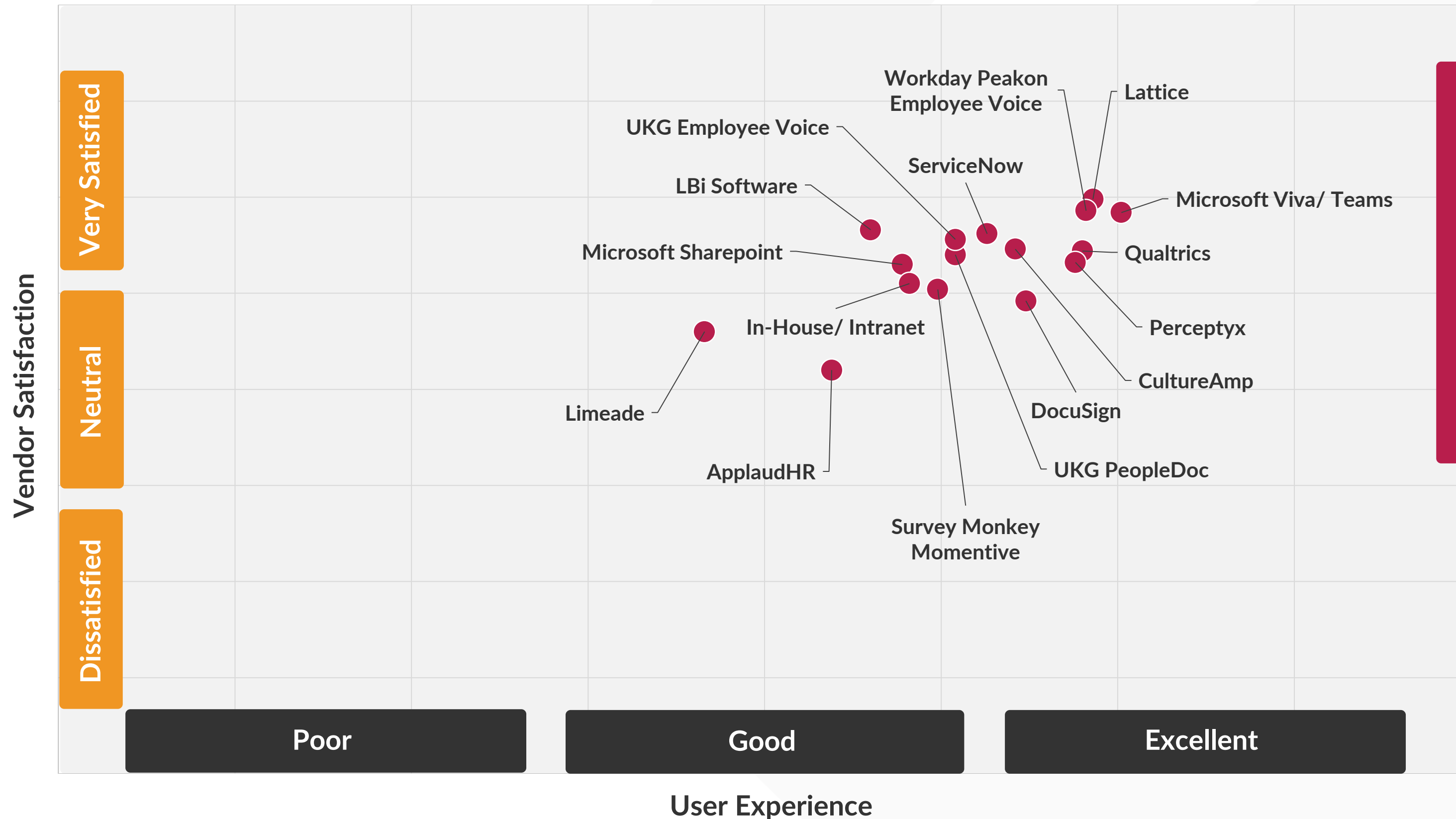
# HR FOCUSED HELP DESKS + EMPLOYEE AND MANAGER JOURNEYS



Vendors vying for the Employee Front Door and Managing work and personal Journeys



# ADDING COMMUNICATON, FEEDBACK, PERFORMANCE



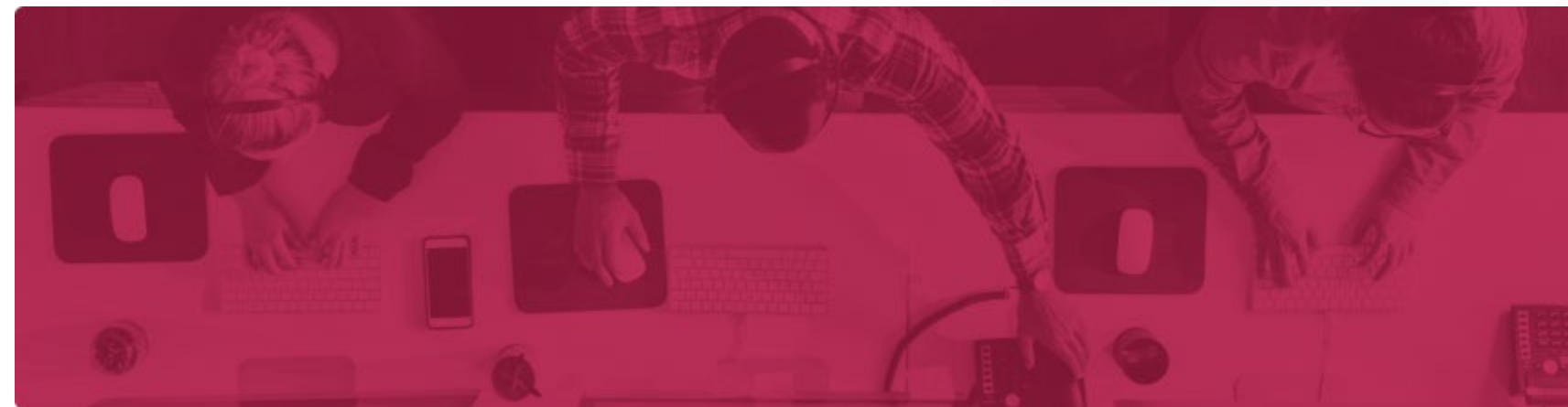
Is this the Experience Platform Solution?

Gaps in Employee Self Service



# HOW BUYERS ARE BUYING EXPERIENCE PLATFORMS

- **50%** of HR Help Desk buyers also use the tool as their primary HR Portal / Communications application.
- **1/3** of HR Help Desk buyers, also use the solution to purchase content management.
- **30%** of Help Desk solutions with a strong HR focus – are also used for Manager/Employee HR Self-Service functions.



- **60%** of Microsoft customers are using it for Portal / Communications & **35%** Content Management
- Microsoft Viva, **20%** of buyers are using it as a Manager self-service tool.

## HRMS Primary Service Delivery Tool –

69%	Employee Self Service
45%	Manager Self Service
37%	Portal /Communication
27%	Content Management
23%	Employee Help Desk
14%	Survey /Feedback





# HRMS VENDOR SATISFACTION AND USER EXPERIENCE, LARGE COMPANIES





# HRMS VENDOR SATISFACTION AND USER EXPERIENCE, MEDIUM COMPANIES





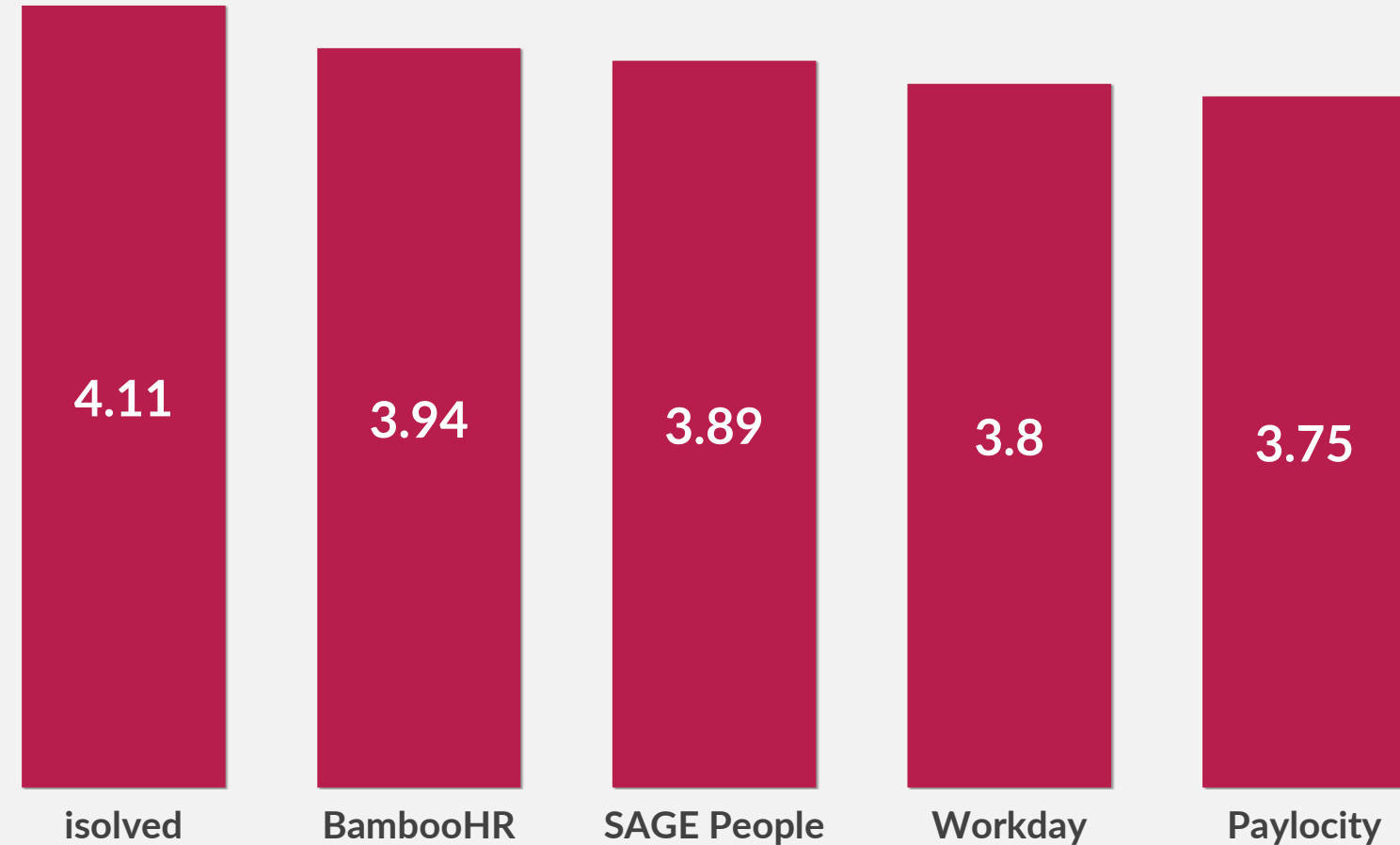
# HRMS VENDOR SATISFACTION AND USER EXPERIENCE, SMALL COMPANIES



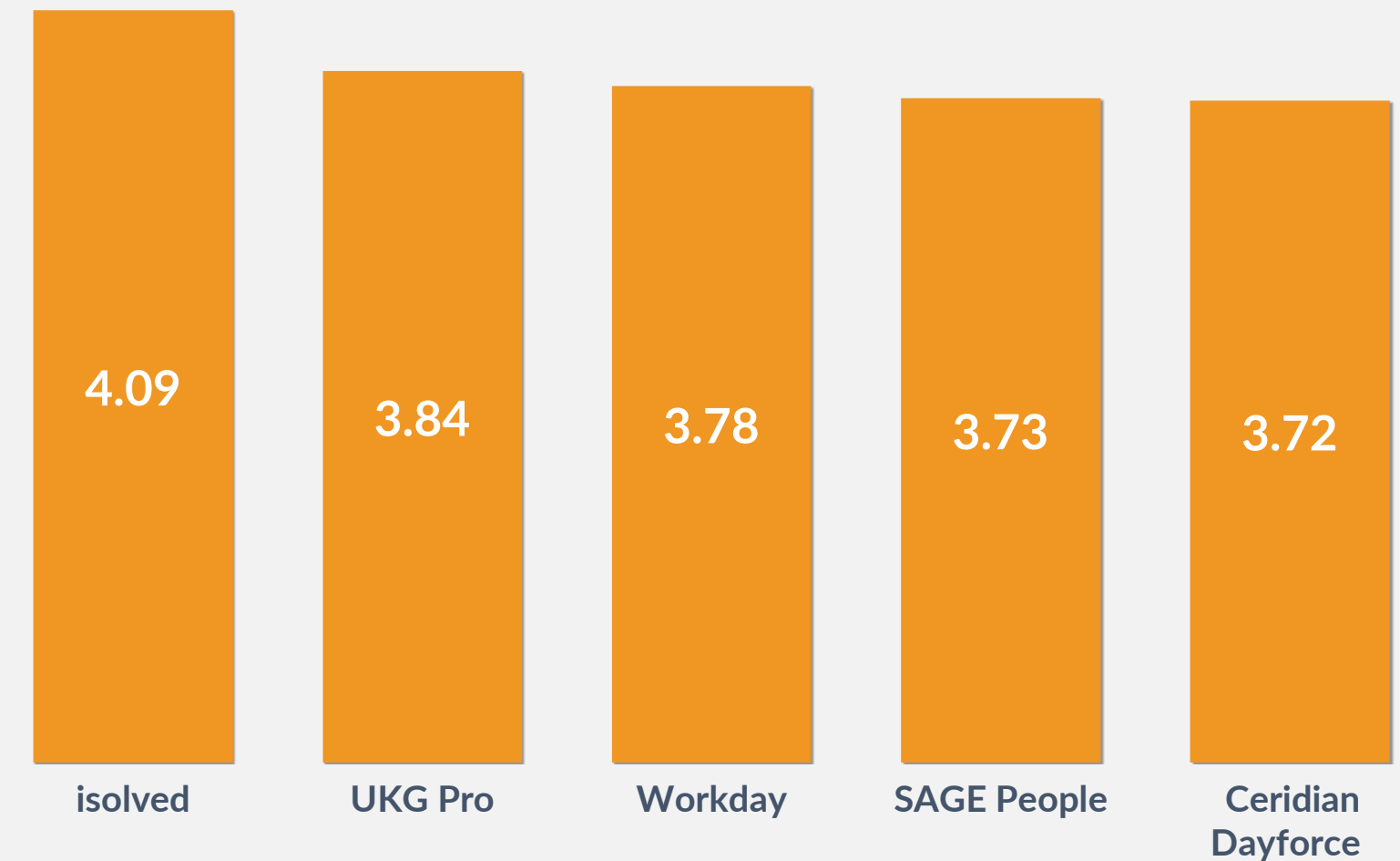


## TOP 5 HRMS VENDOR SATISFACTION AND USER EXPERIENCE

### VENDOR SATISFACTION



### USER EXPERIENCE



***Isolved Customer Quote: "Always friendly and efficient support. No matter what sort of problem we've had, they've managed to help us with it."***

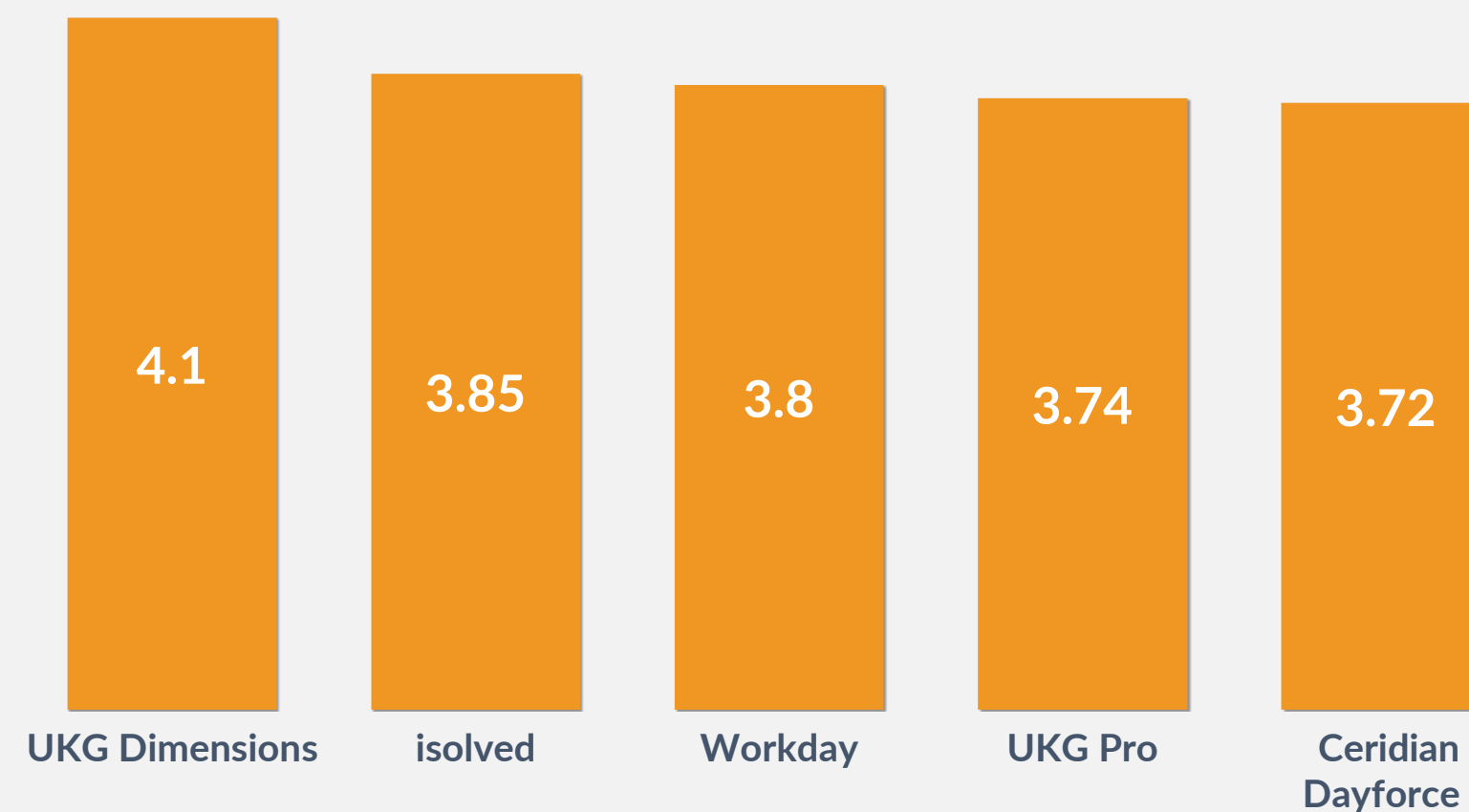


# TOP 5 TIME MANAGEMENT VENDOR SATISFACTION AND USER EXPERIENCE

## VENDOR SATISFACTION



## USER EXPERIENCE



! 30% are using App-Based Time Clocks





# TOP 5 RECRUITING VENDOR SATISFACTION AND USER EXPERIENCE SCORES

## Quote from UKG Pro Client:

*"We love the seamless integration between Recruiting, Onboarding and then over to Core. Also, that Recruiting sends jobs to job boards organically."*



User Experience	Average Score	Vendor Satisfaction	Average Score
SmartRecruiters	3.88	UKG Pro	3.94
UKG Pro	3.87	HireRight	3.86
Greenhouse	3.8	SmartRecruiters	3.81
Jobvite	3.77	Workday	3.79
Oracle HCM	3.73	Greenhouse	3.73



## TOP 5 LEARNING SOLUTION VENDOR SATISFACTION AND USER EXPERIENCE SCORES

We opened this category to all Learning Solution Applications being used by organizations, and we saw considerable change in the Top 5 Vendors.



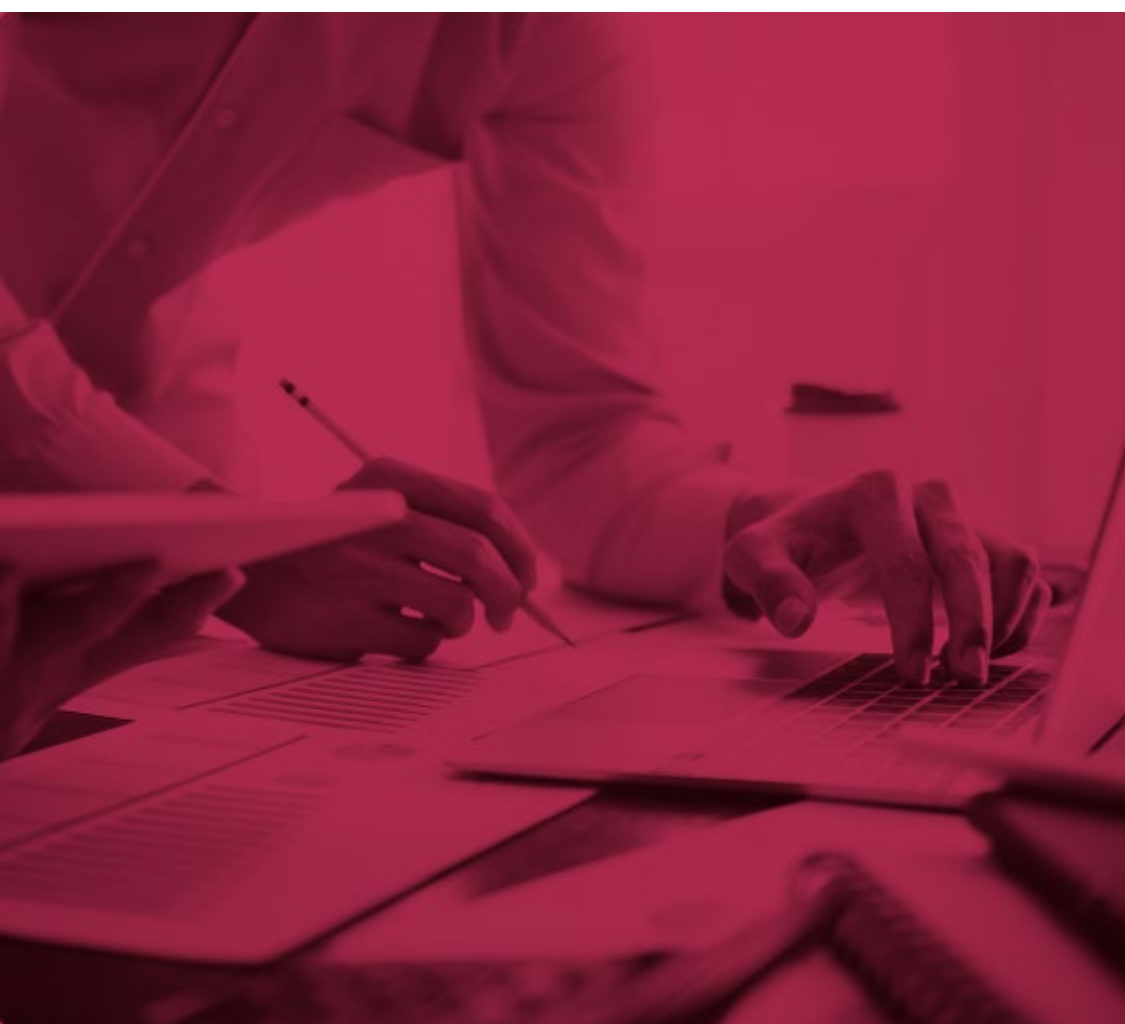
User Experience	Average Score	Vendor Satisfaction	Average Score
WalkMe	3.76	CoachHub	4.08
Microsoft LinkedIn Learning	3.71	Schoox	4.02
UKG Pro (Schoox)	3.68	ThinkHR/Mineral	3.97
Oracle HCM	3.62	Workday	3.9
CoachHub	3.61	Paycor	3.89

*33% buy Content bundled with an LMS and pay no additional cost*



# TOP 5 HR ANALYTICS VENDOR SATISFACTION AND USER EXPERIENCE SCORES

This category struggles to find its voice – and buyers are still confused by their options and the need to buy more applications



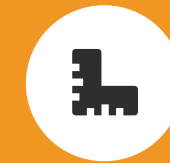
User Experience	Average Score	Vendor Satisfaction	Average Score
Visier	4.21	Visier	4.18
Anaplan	3.99	Anaplan	3.99
Tableau	3.88	Qualtrics	3.92
Workday People Analytics	3.77	Workday Prism Analytics	3.83
UKG Employee	3.61	UKG Employee	3.82



# CURRENT USAGE OF HR ANALYTICS AND PLANNING APPLICATIONS

**25%** Stated that a lack of end user training was a major Gap!

Tableau Client Comment:  
*“As a user I am often unsure where to go and how to get to reports.”*



Benchmark HR Metrics

52.%



Manage Retention Risks

38%



Improve Employee Engagement

38%



Manage HR Costs

37%



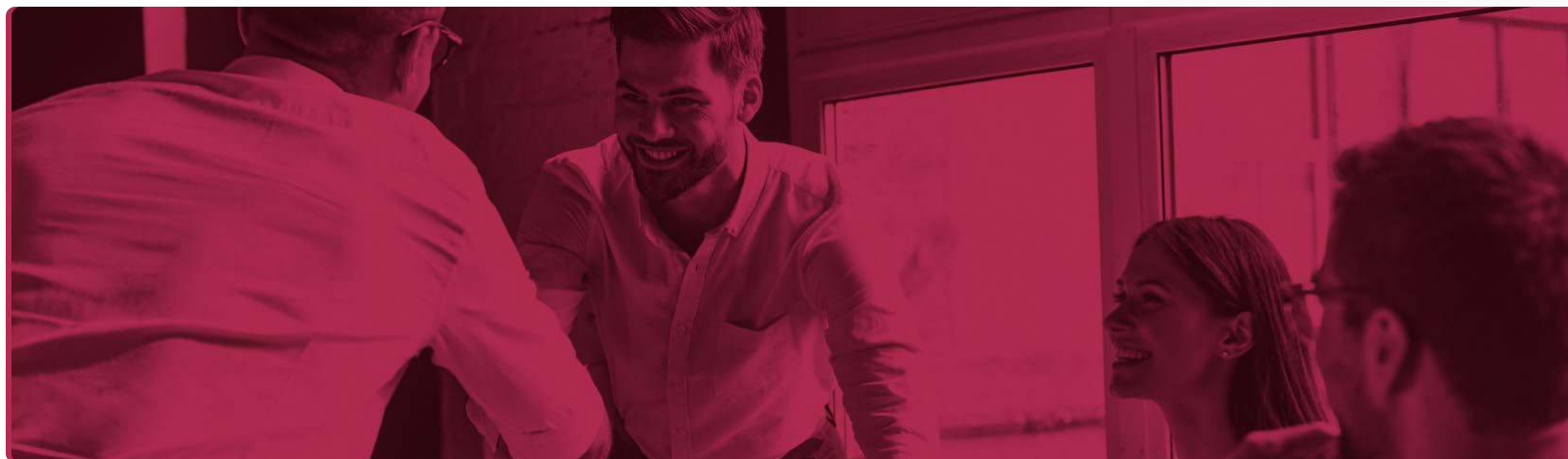
Identify/Attract Top Talent

36%



Optimize Workforce Margins/Productivity

26%







# ENVIRONMENTAL, SOCIAL, AND GOVERNANCE CONNECTIONS (ESG)

## Community/Social



### Access to Career Development

HR Systems Strategy =

**1.2X's**

More Likely to be Best  
Practice vs Reactive  
( $r=.224$ )

## Trust/Governance



### Fair Wage Gaps

HR Systems Strategy =

**76%**

More Likely to be  
Transformative vs Reactive  
( $r=.199$ )

## Sustainability / Environment



### Greenhouse Gas Emissions / Carbon Neutrality

HR Systems Strategy =

**28%**

More Likely to be  
Transformative vs Reactive  
( $r=.149$ )

Source: Sapiient Insights 2022 HR Systems Survey





# EMERGING WORKFORCE APPLICATIONS TO WATCH

## Whole Self / Flex Work Solutions

1.



## Nudge Technologies

3.



16% of organizations are using Chatbots in HR Service Delivery , 14% are assessing need

## Front Line/Worker Applications

2.



4% of organizations say they are already using Virtual Reality/Metaverse – 13% are assessing

## External / Internal Benchmarking Data

4.

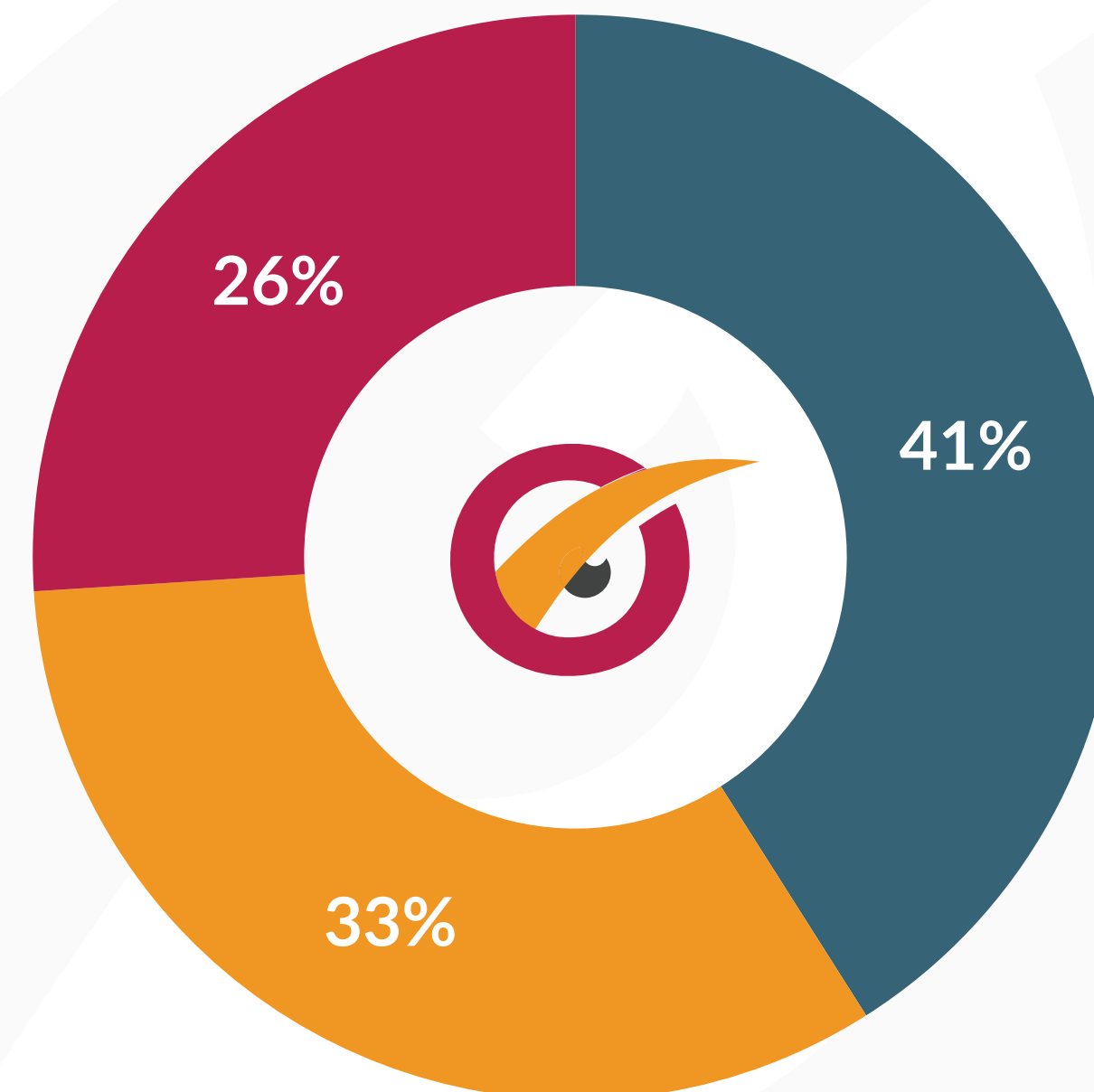
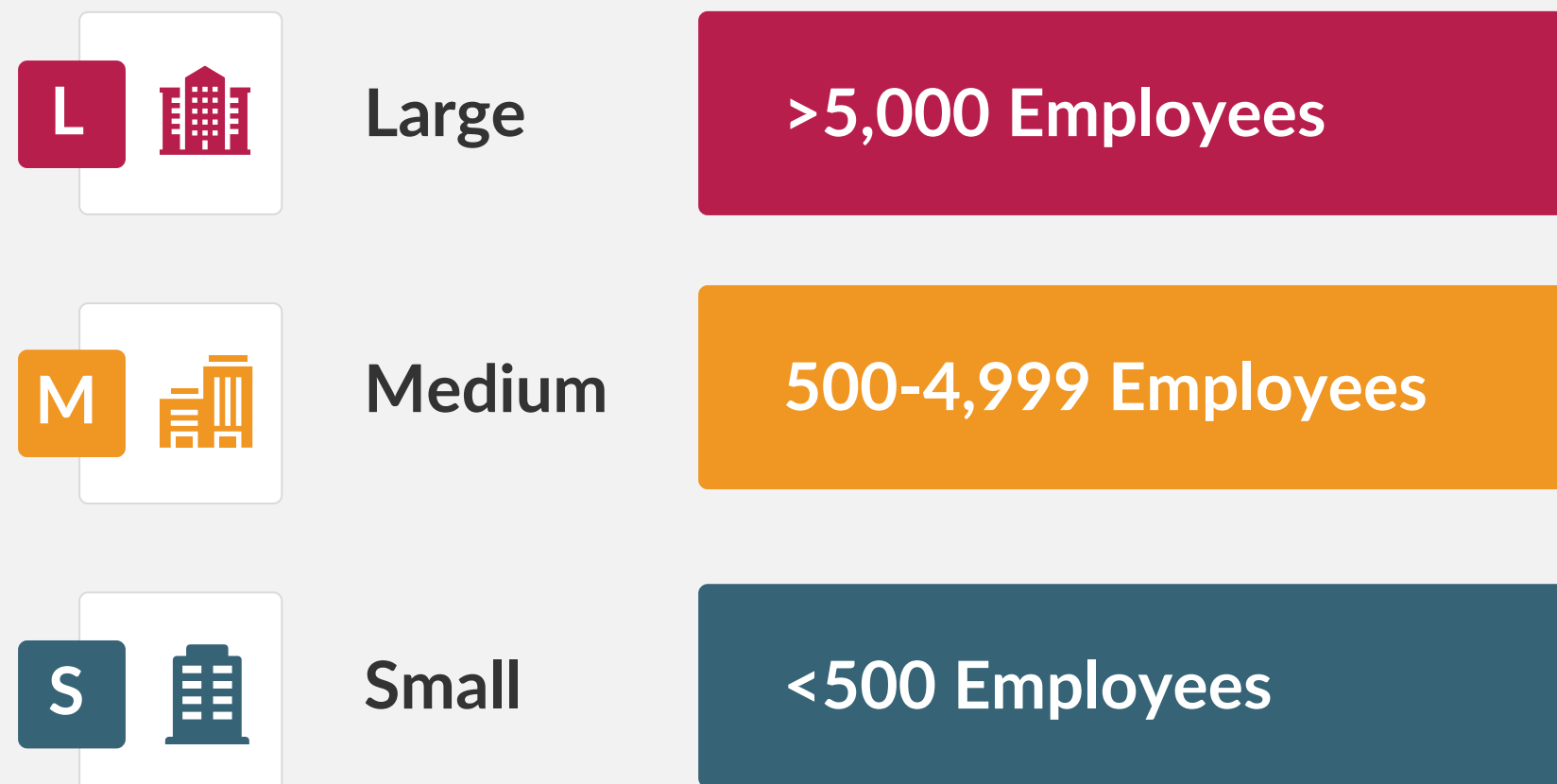


23% of organizations have a non-compensation benchmarking solution in use



# 2022-2023 ANNUAL HR SYSTEMS RESEARCH PARTICIPATION BY SIZE

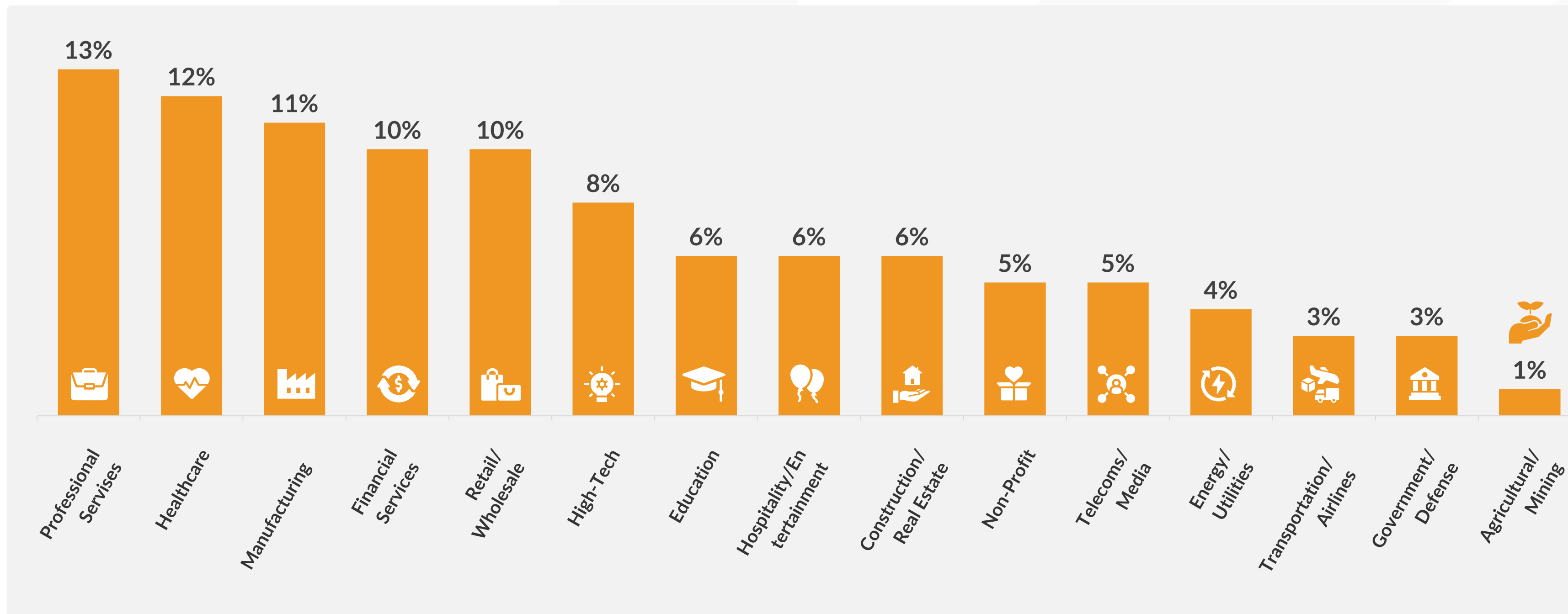
## SURVEY PARTICIPATION ORGANIZATIONS BY SIZE





# 2022-2023 ANNUAL HR SYSTEMS RESEARCH PARTICIPATION BY INDUSTRY

## PARTICIPATING ORGANIZATIONS BY INDUSTRY

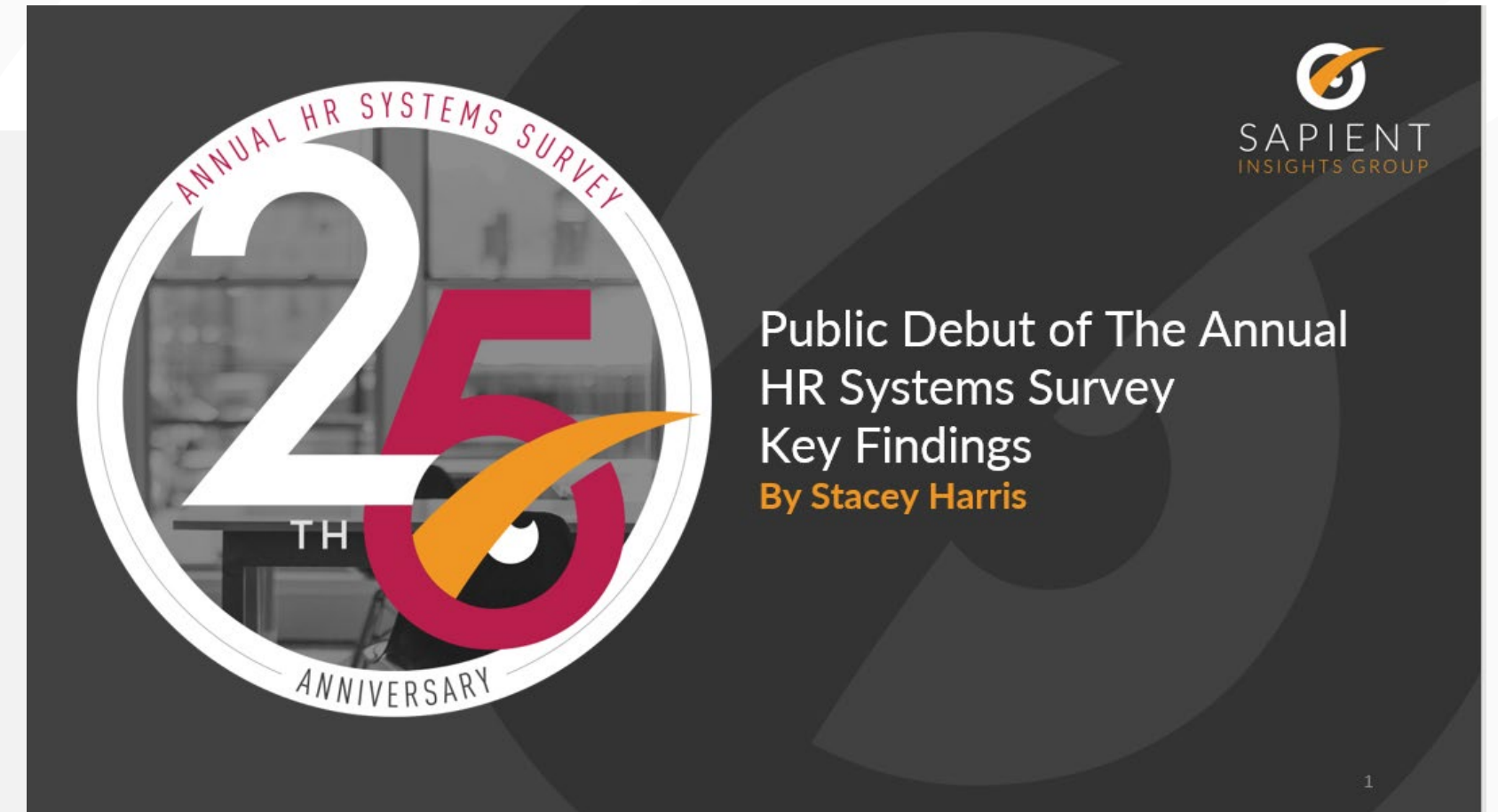




# KEEP ENGAGING!

## Over 25 years of continuous data gathering

- Strategy, Process, and Structure
- Core HR and Service Delivery Applications
- Time and Talent Management Applications
- Analytics and Planning Applications
- Emerging Technologies and Innovations
- Voice of the Customers, Vendor Landscapes
- Continuous Change Management Efforts
- Selection, Implementation, Maintenance
- HR Systems Expenditures and Resourcing
- HR, Talent, and Business Outcomes and Impact



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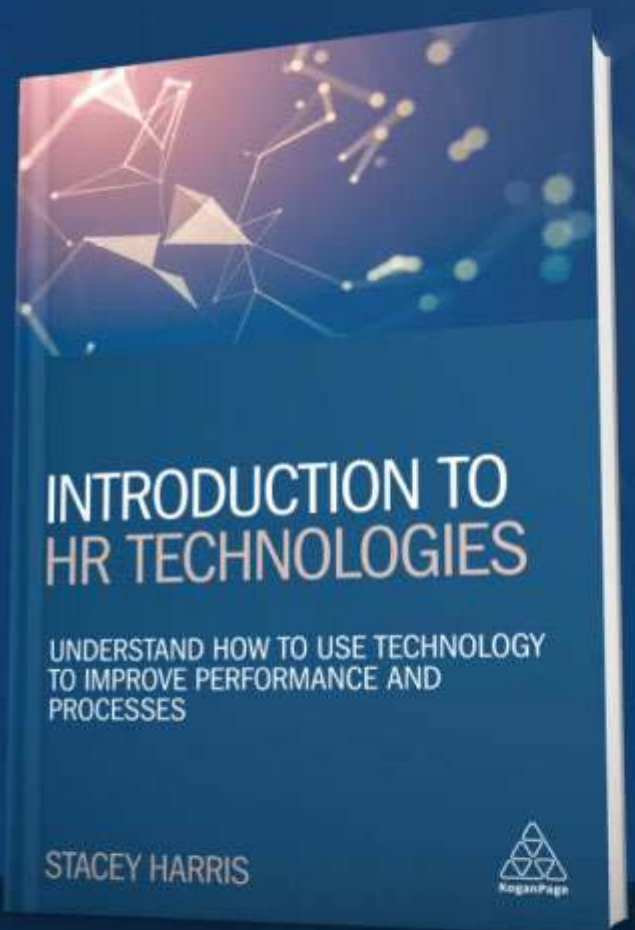
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# WHAT MAKES US UNIQUE



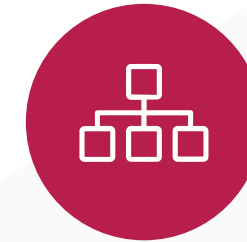
## OUR RESEARCH HISTORY

- 25 years of consistent annual surveys and reports, once a year, every year
- 20,000 individual organization data sets, covering 300M+ employees
- 80 countries represented, statistically significant data in North America
- Trusted industry brand, our data and insights have been used to inform major HR transformations, product strategies, and financial investments



## OUR RESEARCH COMMUNITY

- Doubled usable data in last 5 years, reaching 5,000 annual submissions, and 2,500+ individual organization data sets
- 80+ survey distribution partners (media outlets, associations, vendors, influencers)
- On average 35% of our data is from return organizations, and 40% of survey responses are from past survey participants
- Led by known industry analysts who are from the community and involved in the community



## OUR RESEARCH METHODOLOGY

- Focus on the Voice of the Customer, in all areas
- Neutral position on vendors, topics, and proven practices
- Standardized, with both longitudinal and cross-sectional analysis
- Anchored in outcomes and behaviors, view of the entire ecosystem
- Focus on a repeatable research model that creates data consistency and reduces survey fatigue



# THANK YOU!

## CONTACT US!



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