

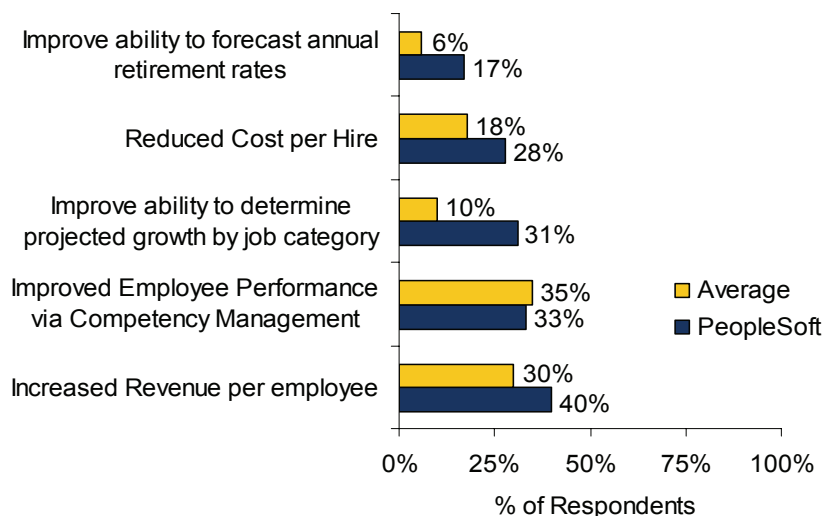
PeopleSoft Customers Are Not Average When It Comes to Human Capital Management

The data analysis from Aberdeen's upcoming December 2007 benchmark report, Integrated Human Capital Management (HCM), is complete. As expected, the data shows a huge push towards fully integrated HCM solutions. Specifically, we found that organizations that use HCM software from their ERP provider achieve demonstrable gains in performance over the industry mean. We classify our sample (more than 250 respondents) into three groups based on five Key Performance Indicators (KPIs): Best-in-Class (top 20%), Industry Average (middle 50%) and Laggards (bottom 30%). Aberdeen data shows that Oracle's PeopleSoft users are outperforming Average users in four out of the five KPIs.

How Do They Stack Up?

Organizations have long sought to assign business value to human assets. Our data shows that PeopleSoft users are more apt than Industry Average organizations to achieve performance improvement in key HCM performance criteria. Figure I illustrates how PeopleSoft customers fair compared to Industry Average in the five KPIs we used to determine Best-in-Class.

Figure I: PeopleSoft versus Industry Average in Best-in-Class KPIs



Source: Aberdeen Group, December 2007

Research Brief

Aberdeen's Research Briefs provide a synopsis of the principal findings derived from primary research, including key performance indicators, Best-in-Class insight, and vendor insight

Fast Fact

✓ 55% of PeopleSoft users are satisfied with their current HCM solution compared to 39% of users in our Industry Average class

PeopleSoft customers are 41% more likely than Industry Average organizations to be satisfied with their HCM system. This satisfaction is further supported by PeopleSoft's customers across a bevy of HCM metrics (Table 1).

Table 1: Performance Improvement by PeopleSoft Customers versus Industry Average Companies

Metrics Improved	Percent of PeopleSoft Customers	Percent of Industry Average Companies
Employee engagement	48%	40%
New hire processing time	44%	31%
Time to productivity	43%	33%
Completion rate of reviews	40%	30%
Compliance scores	37%	20%
Time to fill (time to hire)	35%	27%
Payroll processing error rates	35%	27%
Ability to measure wages per period	33%	23%
Salary planning process	33%	27%

Source: Aberdeen Group, December 2007

Key Differentiator

Our Integrated HCM report uncovered that organizations are pursuing HCM primarily to increase the productivity of the company's workforce. To accomplish this, organizations seek to create line of sight between individual performance and overall corporate goals / objectives. A critical enabler to achieve this line of sight is integration of HCM processes and data.

PeopleSoft customers are thirty-five percent (35%) more likely than Industry Average companies to focus HCM integration on data consolidation. Aggregating all HCM data in a single repository enables PeopleSoft customers to minimize (or eliminate) the time and cost of manually inputting data and improves overall data integrity. This is no simple task and requires disciplined processes as well as organizational commitment to a longer-term vision. This organizational commitment and line-of-sight to HCM allows PeopleSoft customers to not only identify the critical HCM performance areas across the organization, but also to measure, analyze and report on the performance of their human capital initiatives and adjust to continuously improve the overall productivity of the HR department (Table 2).

PeopleSoft User Quote

"Integration of HCM data with other data across the enterprise is key. We are able to perform more informed analytics on the true cost of doing business."

~ IT Director, U.S. Utilities Company

Table 2: Capabilities Currently in Place

Capabilities	Percent of PeopleSoft Customers	Percent of Industry Average Companies
Identify key HCM performance areas within the organization	65%	42%
Link workforce pay to performance	64%	40%
Document HCM project processes	55%	35%
Report on HCM KPI's on a regular basis	42%	14%
Analyze results of HCM processes on a regular basis	42%	24%
Verify accuracy of HCM data and metrics	41%	25%
Have all HCM data reside in a single data repository	40%	32%
Identify best practices for HCM	36%	25%

Source: Aberdeen Group, December 2007

Because PeopleSoft customers must have the processes and infrastructure in place to support its ERP tools, they are able to leverage automated HCM tools to ensure accurate and documented return on HCM investments. Of the PeopleSoft customers we surveyed, the majority have automated core HR and talent management elements. For instance, they are more than twice as likely as Industry Average organizations to automate employee assessments and reviews, 50% more likely to capture and track workforce planning data, and 74% more likely to use automated recruiting / hiring solutions (Table 3).

Table 3: Technology Enablers Currently Deployed

Automated Functions	Percent of PeopleSoft Customers	Percent of Industry Average Companies
Time and attendance	86%	59%
Compensation	76%	53%
Benefits management	70%	50%
Assessments	68%	31%
Scheduling	62%	45%
Recruiting / hiring	61%	35%

Automated Functions	Percent of PeopleSoft Customers	Percent of Industry Average Companies
Employee performance management	58%	36%
Learning and development	55%	38%
Workforce analytics	51%	38%

Source: Aberdeen Group, December 2007

Opportunity for Growth

20% of PeopleSoft’s customers achieved Aberdeen’s Best-in-Class status. This percentage is par for the course as only 20% of all organizations surveyed achieve this designation. While PeopleSoft customers’ use of automated HCM tools rivals that of Aberdeen’s Best-in-Class, PeopleSoft customers can improve their performance against HCM metrics by holistically institutionalizing core organizational capabilities and processes that go beyond data integration and analysis (Table 4) .

Table 4: PeopleSoft Customers versus Best-in-Class

Capabilities / Processes	Percent of Best-in-Class Companies	Percent of PeopleSoft Customers
Communicate corporate HCM strategy to stakeholders	67%	45%
Define anticipated outcomes of HCM projects	65%	48%
Analyze results of HCM processes on a regular basis	61%	42%
Report on HCM KPI's on a regular basis	58%	42%
Verify accuracy of HCM data and metrics	56%	41%
Facilitate information sharing among disparate HCM disciplines	52%	30%
Engage users in HCM system development	49%	30%

Source: Aberdeen Group, December 2007

Conclusion

Investment in an Integrated HCM solution is a significant expense for any company. Therefore users must utilize their systems to their full capabilities and ensure maximum return on the investment. As our data has shown, PeopleSoft provides users the technology and the tools needed to achieve best-in-class status in HCM. As with any major ERP software, PeopleSoft

PeopleSoft User Quote

"PeopleSoft facilitates and offers an end to end view of human capital assets in addition to the investments made and the returns that can be accrued. It helps plan and deliver the optimized human capital investments for maximized returns."

~ CFO, India-based Software Company

Recommendations

- √ Share HCM knowledge among all HR disciplines
- √ Engage end-users in system developments
- √ Identify and document best practices
- √ Communicate corporate HCM strategy to business units / departments

requires an organization to have certain rules and processes in place in order to support a technology implementation. However, beyond the core rules and support processes, organizations must specifically institutionalize processes that focus on organizational buy-in and business impact.

For more information on this or other research topics, please visit www.aberdeen.com.

Related Research

[*The Strategic Development of Core HR Systems*](#); September 2007

[*Learning and Development: Aligning Workforce with Business Objectives*](#); September 2007

[*Competency Management: The Link Between Talent Management and Optimum Business Results*](#); August 2007

[*The Looming Leadership Void: Identifying, Developing, and Retaining Your Top Talent*](#) November 2007

[*The Global War for Talent: Getting what You Want Won't Be Easy*](#); June 2007

[*Enhancing Operational Results with Employee Performance Management*](#); June 2007

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