

The State of Today's HR Tech Stack 2020

Optimize HR tech
stacks to improve the
employee experience
as well as make
productivity gains



SEPTEMBER 2020

Sponsored by:

ORACLE
Human Capital
Management

CONTENTS



3

Executive Summary

7

The Status of Today's HR Tech Stacks

12

The Benefits of Quality HR Tech Stacks

15

HR Tech Stack Infrastructure Issues

21

Resulting Pain Points and Problems

25

The Future of HR Tech Stacks

29

How HR Tech-Stack Leaders Differ from Laggards

37

Key Takeaways

Executive Summary

Despite the importance of Human Resources (HR) technology solutions in 2020, few HR professionals give top grades to their current systems, according to the HR Research Institute's new analysis.

Many HR professionals refer to the entirety of their technology solutions as the HR technology stack, aka, the "HR tech stack."

This research shows that developing a robust and useful HR tech stack can be a struggle for many organizations.

In this study, we explore a variety of topics, including:

- the importance of HR tech stacks to today's organizations
- the characteristics of current HR tech stacks
- the perceived quality of these stacks
- the most common HR tech stack pain points and problems
- how HR tech stacks are likely to change in the future
- how organizations with higher versus lower quality HR tech stacks differ

About this Survey

The State of Today's HR Tech Stack 2020 survey ran in June and July 2020. We gathered 294 complete and partial responses from HR professionals in virtually every industry vertical. Respondents are located all over the world, but most of them reside in North America, especially the United States.

The participants represent a broad cross section of employers by number of employees, ranging from small businesses with fewer than 50 employees to enterprises with 20,000+ employees. Questions for the survey were guided by an independent panel of HR technology experts.



Overview of the top findings from the study:

Major
Finding

1

HR tech stacks are among the top ten priorities for most HR departments, but few organizations are happy with their solutions.

- Nearly half (46%) say that having a strong HR tech stack is among the top three priorities of their HR departments, and 80% say it is among their top ten priorities.
- Only about a quarter of respondents judge their HR tech stacks to be above average, indicating there is much room for improvement in most organizations.

Major
Finding

2

Mobile access and self-service are the most widely cited characteristics of today's HR tech stacks.

- Allowing employees to access components via mobile devices is the most common characteristic of current HR tech stacks (73%), followed by their ability to facilitate employee self-service (71%).
- Fewer say their HR tech stack automates many talent management processes (42%) or integrates many talent management solutions (32%). Just 21% say their HR tech stack nurtures and reinforces the desired corporate culture.



Major Finding 3

HR tech stack integration is a commonly cited concern, but there are other problems and pain points as well.

- Only one-third say the components of their HR tech stacks integrate well or extremely well with one another, whereas 26% say they integrate poorly or very poorly.
- Just 17% strongly agree that their organization has a well-defined strategy for developing—or continuing to develop—a well-integrated HR tech stack over the next several years.
- Lack of integration between systems is the most commonly-cited HR tech stack problem, but other problems and pain points include a shortage of:
 - in-house expertise
 - support from IT departments
 - needed technology solutions
 - easy ways to port clean and accurate data

Major Finding 4

When used well, HR tech stacks can improve HR efficiency as well as the employee experience.

- Nearly two-thirds (63%) agree or strongly agree that their HR tech stack increases HR efficiency/productivity.
- Slightly fewer, 57%, say that their HR tech stack improves the employee experience.

Major Finding 5

HR tech stacks are expected to evolve over the next two years.

- The majority say increasing employee self-service (66%) and making systems more mobile friendly (58%) are the two most expected ways their HR tech stacks will evolve over the next two years.
- Just over half (52%) expect greater access to remote workers, which may be crucial as more employees than ever work remotely during and perhaps after the Covid-19 pandemic.
- The most commonly-cited non-technological method organizations will use to improve their HR tech stacks is better training of users (55%).

Major Finding 6

Organizations reporting higher-quality tech stacks are more likely to:

- view their HR tech stacks as a priority
- see an increase in HR efficiency/productivity and employee engagement
- automate and integrate talent management processes
- view their systems as up-to-date and user-friendly
- produce accurate and actionable HR metrics/analytics
- be good at planning HR tech stack implementations
- plan to incorporate artificial intelligence (AI) into future systems

Defining the HR Tech Stack

Within the context of the survey, we defined the Human Resources technology stack, or HR tech stack, as the “totality of technological solutions that HR uses to achieve its strategic goals, fulfill its various roles, and carry out its tasks in easier, better and more efficient ways.” In addition, we specified that non-HR employees may also use portions of the HR tech stack to meet various needs, from learning about benefits to engaging in performance management and career development

The Status of Today's HR Tech Stacks



Finding: A large majority say having a strong HR tech stack is among their top ten HR priorities

Having a strong HR tech stack is among the top three HR priorities in nearly half (46%) of responding organizations. A further 34% say it is among the top ten HR issues.

HR tech stacks touch virtually every HR vertical and can make HR departments operate more efficiently and effectively. Some tech stacks also provide employees with better access to online services. This may have become increasingly important as a result of the Covid-19 pandemic that has obligated more employees to work remotely.

Larger companies are more likely to say that having a strong HR tech stack is their top HR issue or among their top three issues (52%), compared with mid-sized (48%) and small companies (33%). As organizations grow, the HR tech stack often increases in importance as HR struggles to handle a larger volume of work. Moreover, since they have more employees, larger companies may be better able to prioritize and secure budgets for HR tech stacks because the cost per employee is lower than it is among smaller organizations.

Defining Small, Mid-sized and Large Organizations

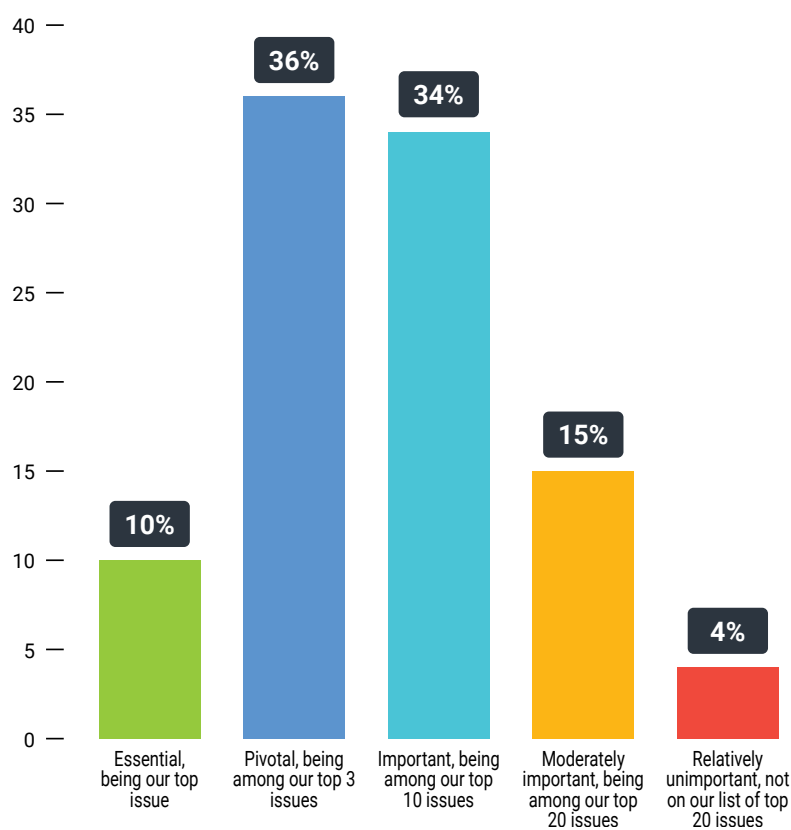


Throughout the report, we look at the findings based on company size. We deem organizations with 1-99 employees as “small,” those with 100-999 as “mid-sized” and those with 1,000 or more employees as “large.”



About one-fifth say
having a strong
HR tech stack
is moderately
or relatively
unimportant

Survey Question: Relative to other HR issues, how important is having a strong HR tech stack to your HR department?





Finding: Few give high grades to their current HR tech stack

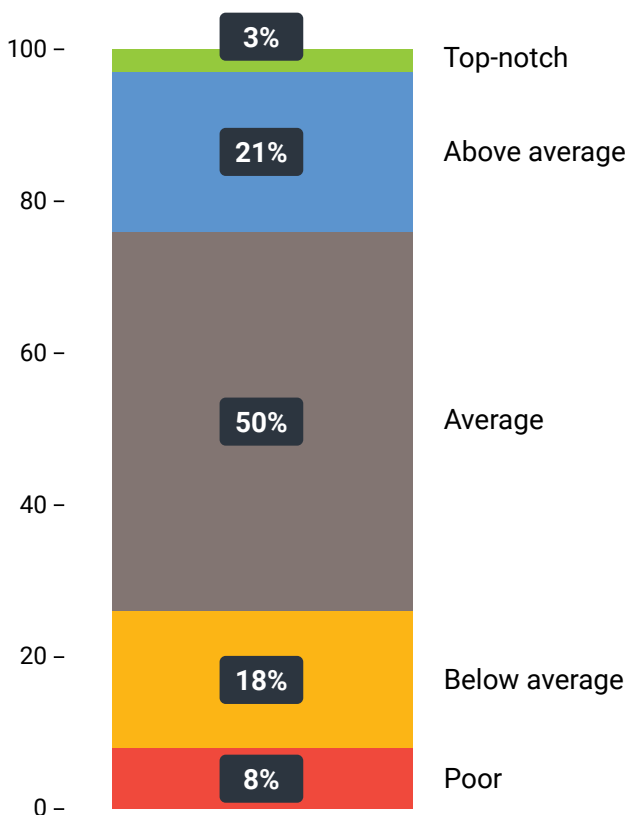
Although nearly three-quarters say the quality of their organization's HR tech stack is at least average, relatively few give their technologies high marks. In fact, just 21% say their stack is above average and only 3% say it is top-notch. This indicates that HR tech stacks have a lot of room for improvement in most organizations. About a quarter (26%) say the quality is below average or poor.

Due to the Covid-19 pandemic, it is possible that some HR tech stacks have been put to the test more than ever as organizations rely on HR and other technologies to provide employee services. With this increased reliance, organizations could be finding more faults with their systems.



Just 3% say the quality of their HR tech stack is top-notch

Survey Question: How would you rate the quality of your organization's overall HR tech stack?





Finding: Most HR tech stacks allow mobile access and permit employee self-service

We asked respondents about the current characteristics of their HR tech stacks. The two most common characteristics are related to employees rather than HR professionals. Over half say their tech stacks:

- allow employees to access components via mobile devices (73%)
- facilitate employee self-service (71%)

Such worker access to HR technology solutions—which might be especially helpful when more employees work remotely—is good news, but there is also plenty of troubling news. We found it surprising that most do not report widespread automation or integration. For example, only 42% say their HR tech stack automates many talent management processes, and just 32% say it integrates many of their talent management solutions.

Automation and integration can potentially do much to raise HR's productivity by doing things such as minimizing administrative burden during annual open enrollment for benefits, shifting laborious performance management tasks into mission-specific applications, eliminating most manual workarounds for the payroll cycle, or addressing any number of other inefficiencies.

Another problem is that only 28% say their tech stack is relatively easy to reconfigure as needed. After all, technology is constantly evolving—recently at a rapid pace—and if an organization cannot reconfigure their technology easily, then their tech stack may quickly become outdated in just a few years.

Only 21% of HR professionals say their HR tech stack nurtures and reinforces the desired corporate culture. On one hand, we can argue that cultures are an outgrowth of leaders and human relations, not technology. On the other hand, good HR technologies should be able support cultural values such as employee empowerment, career development, learning and more.



Larger versus smaller organizations

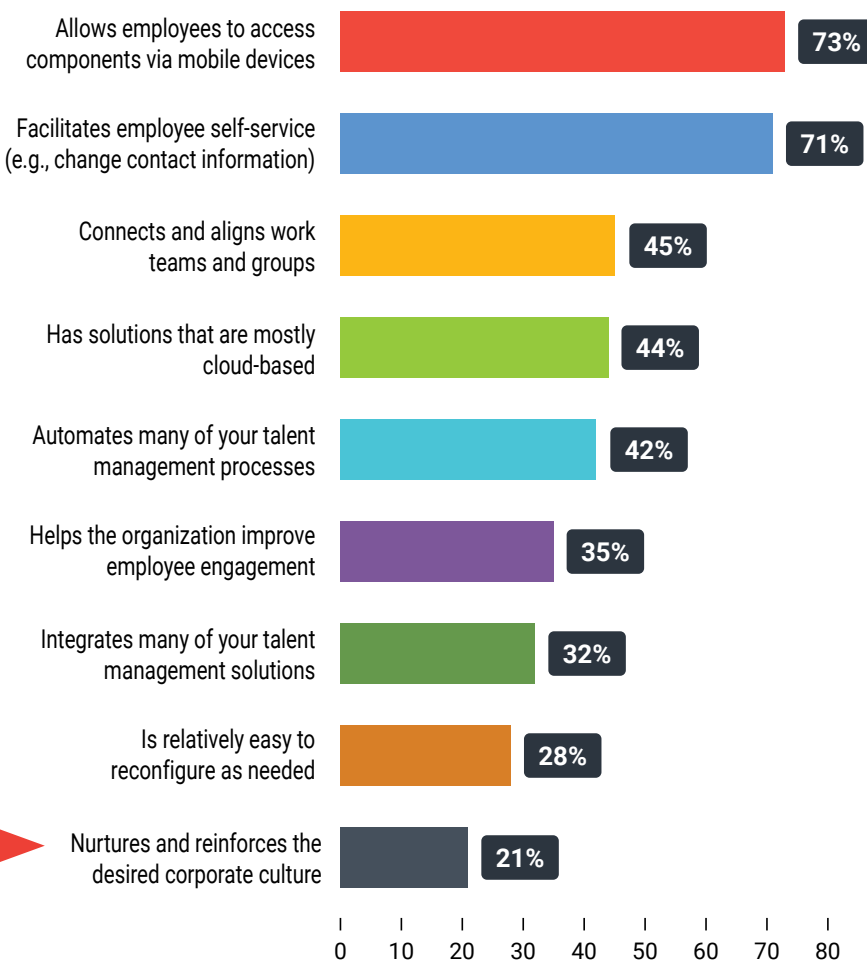
HR tech stacks at large companies are more likely to have self-service components (79%) than they are in mid-sized (63%) and small organizations (64%). As an employer grows in size, the HR department's ability to handle the volume of employee queries diminishes.

It also appears that talent management automation is more prevalent among larger organizations because they have a larger number of employees to manage. Half of HR professionals from large organizations say they automate many of their talent management processes, as opposed to 40% of those in mid-sized organizations and just 31% in small organizations.



Few say their HR tech stack nurtures and reinforces the desired corporate culture

Survey Question: Which of the following are characteristics of your organization's HR tech stack? (select all that apply)



The Benefits of Quality HR Tech Stacks



Finding: Nearly two-thirds agree or strongly agree that their HR tech stack increases HR efficiency/productivity

HR technology should increase HR productivity, so it is encouraging to see that—even with the problems of poor integration and implementation—nearly two-thirds (63%) feel their HR tech stack increases HR efficiency/productivity. Just over half (51%) agree and 12% strongly agree.

However, 10% disagree or strongly disagree, and 27% are neutral. Perhaps these organizations have not invested enough in HR technology, have chosen the wrong solutions for their organization's needs, or have failed to properly train HR professionals on how best to use these systems. A lack of integration could also be a culprit.



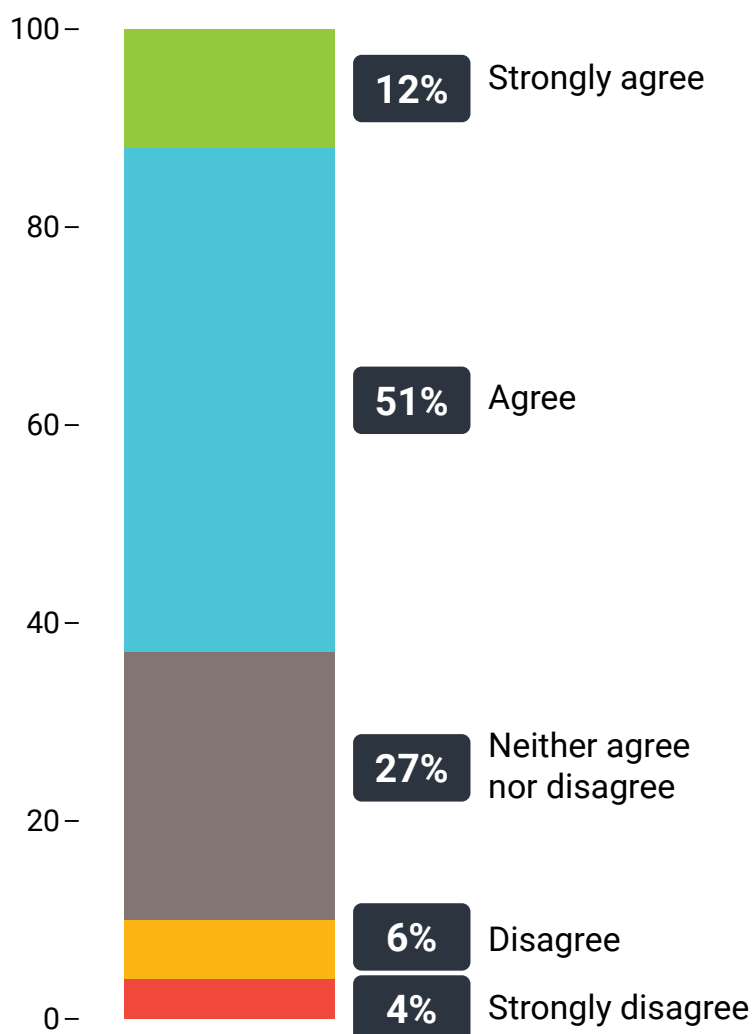
Larger versus smaller organizations

When we look at these results with a company size filter, it appears that smaller organizations (66%) are slightly more likely to agree or strongly agree than mid-sized (61%) and larger organizations (59%). This could be because some smaller organizations go from “nothing to something” when it comes to HR technology and see more immediate gains in efficiency, whereas huge gains in productivity may be harder for larger organizations to come by.



Few disagree
that their HR tech
stack solutions
fail to increase
HR efficiency/
productivity

Survey Statement: Your organization's HR tech stack solutions increase HR efficiency/productivity.





Finding: The majority agree their HR tech stack improves the employee experience

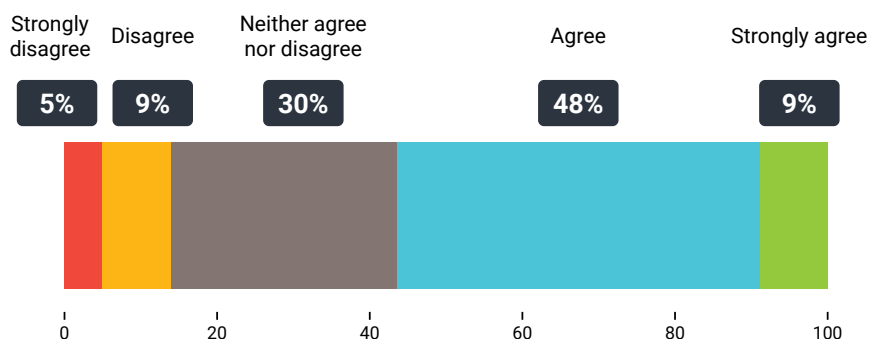
Over half (57%) agree or strongly agree their tech stack improves the employee experience in their organization. On one hand, this can be viewed as good news, supporting the idea that these systems are often serving the needs of employees by allowing them to access certain systems themselves instead of turning to HR to get information, for example, about their benefits.

On the other hand, fewer responding HR professionals view these systems as enhancing employee experience compared with boosting HR efficiency. This suggests that the experience-boosting capabilities of HR tech stacks still require improvement in many organizations. Perhaps the services these systems provide are insufficient to truly improve the employee experience, as opposed to simply allowing more “self-service.” Another factor may be how the employee interfaces with the solutions.

HR analyst, Josh Bersin, writes, “Today we want HR technology that delivers a great employee experience and makes our work-life more productive and interesting. We want our HR tools to feel more like Facebook, Twitter, and YouTube and less like training and performance administration.”¹



Survey Statement: Your organization's HR tech stack solutions improve the employee experience.



¹ Bersin, J. (2020, July 16). The HR software market reinvents itself. *Forbes*. Retrieved from <https://www.forbes.com/sites/joshbersin/2016/07/18/the-hr-software-market-reinvents-itself/#139a5a1d5d0a>

HR Tech Stack Infrastructure Issues

Integration Concerns



Finding: Only one-third say their HR tech stack components integrate well with one another

Only 33% say that the various components of their HR tech stack integrate with one another well or extremely well. However, another 42% say they integrate to a moderate degree.

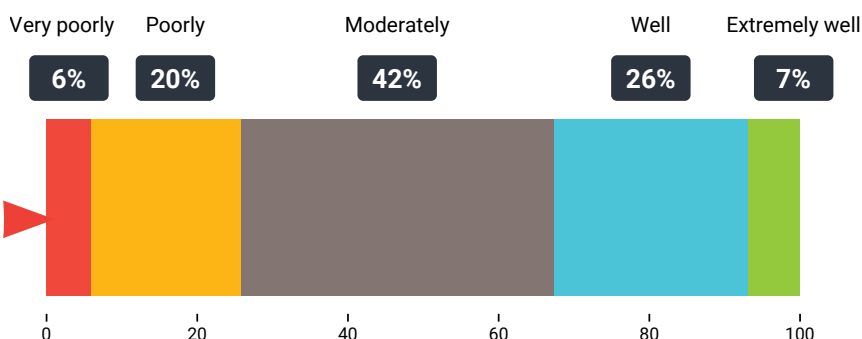
Why is integration important? Because if solutions aren't talking to each other properly, organizations run the risk of data silos, which can lead to loss of efficiency and potentially inaccurate or conflicting data. Moreover, many innovations in predictive and preventive analytics rely on the flow of good data that sound integrations make possible.

Larger organizations seem to place greater emphasis on integration than smaller ones. Small organizations are far more likely to say their HR tech stacks are very poorly integrated (11%), compared with just 4% among mid-sized and large organizations. On the other hand, since there tends to be less data to manage, integration among smaller organizations may be less of a priority.



Most say their HR tech stack components are integrated to a moderate degree or less

Survey Question: Overall, how do the various components of your HR tech stack integrate with one another?



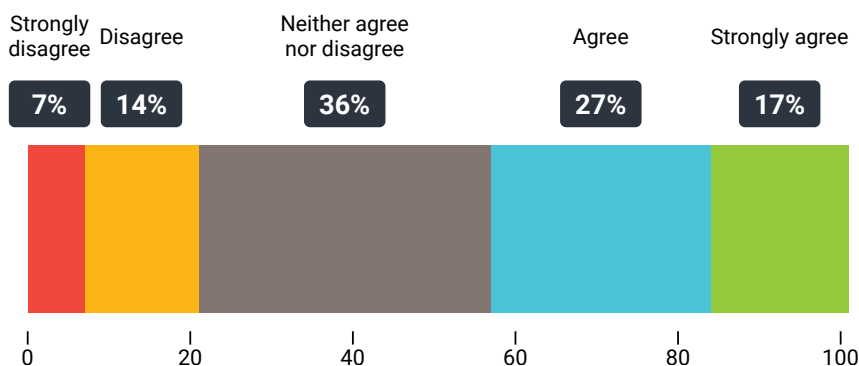


Finding: Fewer than half agree or strongly agree that their organization has a well-defined strategy for integration over the next several years

Only 44% agree or strongly agree that their organization has a well-defined strategy for developing—or continuing to develop—a well-integrated HR tech stack over the next several years. This suggests that today's integration problems will continue to represent a challenge for many organizations in the future.

Larger organizations are more likely to agree or strongly agree than smaller organizations. Again, perhaps this is because integration is less of a concern for smaller organizations. Another factor may be that smaller firms lack the necessary budget or other resources to see a proper integration process through.

Survey Statement: Your organization has a well-defined strategy for developing—or continuing to develop—a well-integrated HR tech stack over the next several years.



Analytics Concerns



Finding: Nearly one-third say their HR tech stack doesn't produce accurate or actionable metrics

More HR professionals are unhappy than happy with the accuracy of the metrics and analytics that their HR tech stack produces. Only 24% say their HR tech stack produces accurate and actionable HR metrics/ analytics that enhance decision-making to a high or very high degree, whereas 31% say it does to a low or very low degree.

Other studies from the HR Research Institute support this finding. In *The State of Big Data and Talent Analytics 2019* report, for example, we found that only a minority of organizations are good or very good at talent analytics.² We previously documented that only about a quarter of respondents say the quality of their HR tech stack is above average or top-notch. A lack of accurate and actionable results could help explain these poor ratings.

But does the problem mainly reside with the systems themselves or with integration among the systems? Obviously, the answer will vary from organization to organization, but many of today's HR technology solutions strive to provide useful and strategic analytics. Therefore, some problems with analytics may be related to the integration problems previously discussed. Unless systems can be well integrated, data integration also becomes problematic.

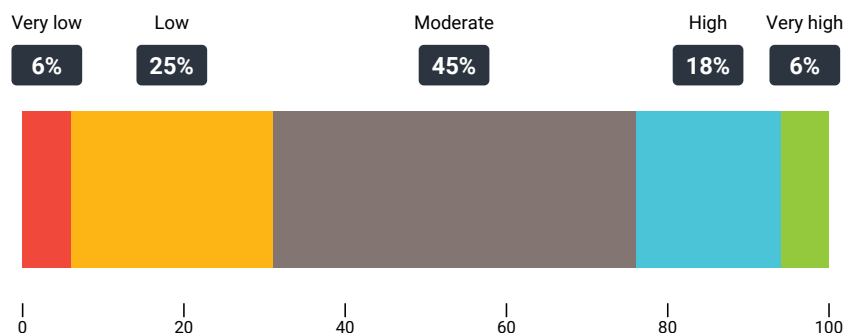


² HR.com. (2019, October). *The State of Big Data and Talent Analytics 2019*. Retrieved from https://www.hr.com/en/resources/free_research_white_papers/hrcom-big-data-and-talent-analytics-2019-research_k2xhz6vi.html



A third says their tech stacks provide accurate and actionable results to a low or very low degree

Survey Question: To what degree does your HR tech stack produce accurate and actionable HR metrics/analytics that enhance decision-making?



Visioning and Planning Issues



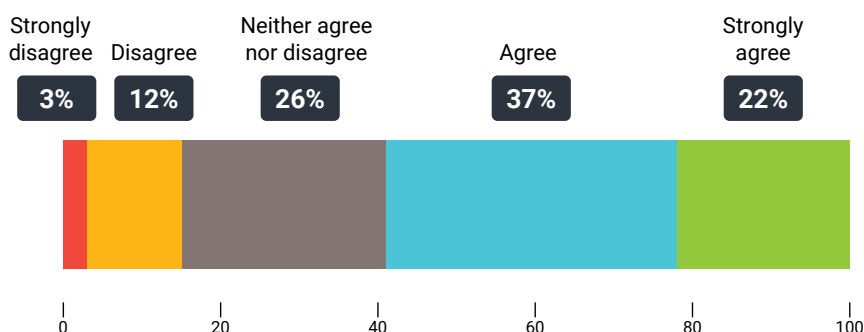
Finding: Most say their head of HR has a vision for the future of their organization's HR tech stack

So far, we have seen that HR tech stacks are a relatively high priority for most organizations but that most tech stacks require improvements if organizations wish to derive maximum value from them. Given this state of affairs, how sound are the visions of the future of HR tech stack?

To find out, we ask about whether respondents feel their heads of HR (e.g., CHROs) have a vision for the future of their organization's HR tech stack. It turns out that 59% say that they do have such a vision, though only 22% strongly agree with that statement.

HR professionals from larger organizations (70%) are much more likely than those from small companies (52%) to say their HR leaders have a vision for the future their HR tech stack.

Survey Statement: Your head of HR (e.g., CHRO) has a vision for the future of your organization's HR tech stack.





Finding: Planning implementation is a lot more challenging than visioning

Whereas a majority feel their HR heads have a vision of the future for their HR technology stack, only 36% of HR professionals say their organizations are good or excellent at planning the implementation of an HR tech stack system. The largest group (40%) say their organizations are only “okay” at planning implementations.

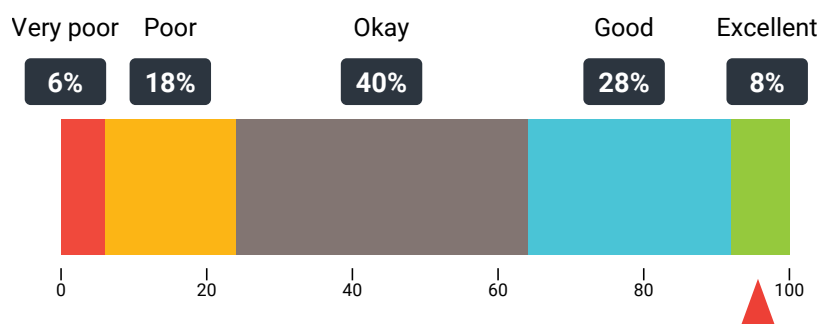
An organization can envision a new system and even set up a large budget to implement it, but if the planning is mediocre or worse, then major headaches will likely ensue. It can be very expensive in the long run to fix or use a poorly implemented system.

Of course, even good planning doesn’t guarantee good implementation, though it usually helps! Planning takes time and tends to begin at the pre-sale stage in which purchasers make sure that solutions are well aligned with the needs of the organization.



Only 8% say their organization is excellent at planning HR tech stack implementation

Survey Question: How good is your organization at planning the implementation of HR tech stack systems so that they wind up performing in an optimal way?



Resulting Pain Points and Problems



Finding: Integration is the top problem in today's HR tech stacks

We already know that only one-third say the components of their HR tech stacks are well integrated, so it makes sense that the most widely cited problem organizations face with their HR tech stack is that they are not well integrated or cannot be integrated (41%).

The second most commonly cited problem is that organizations do not get enough support from their information technology (IT) departments (28%). This could be because HR departments lack HR professionals with these crucial technology skills and must lean on their IT departments. It could also mean, however, that IT was not involved enough in the planning and the implementation of certain HR technology solutions and are therefore not expected to, or are reluctant to, help with support.

In fact, about a quarter say they over-rely on *external* consulting firms for implementation, and 18% say external contractors often fail to complete projects to their satisfaction. On the other hand, 21% say they over-rely on *internal* teams for implementations.

Whatever the cause of the problems, however, fully 23% say systems seldom get implemented according to plan. It is not clear whether the fault typically lies with the actual implementation or, as noted previously, with poor planning.

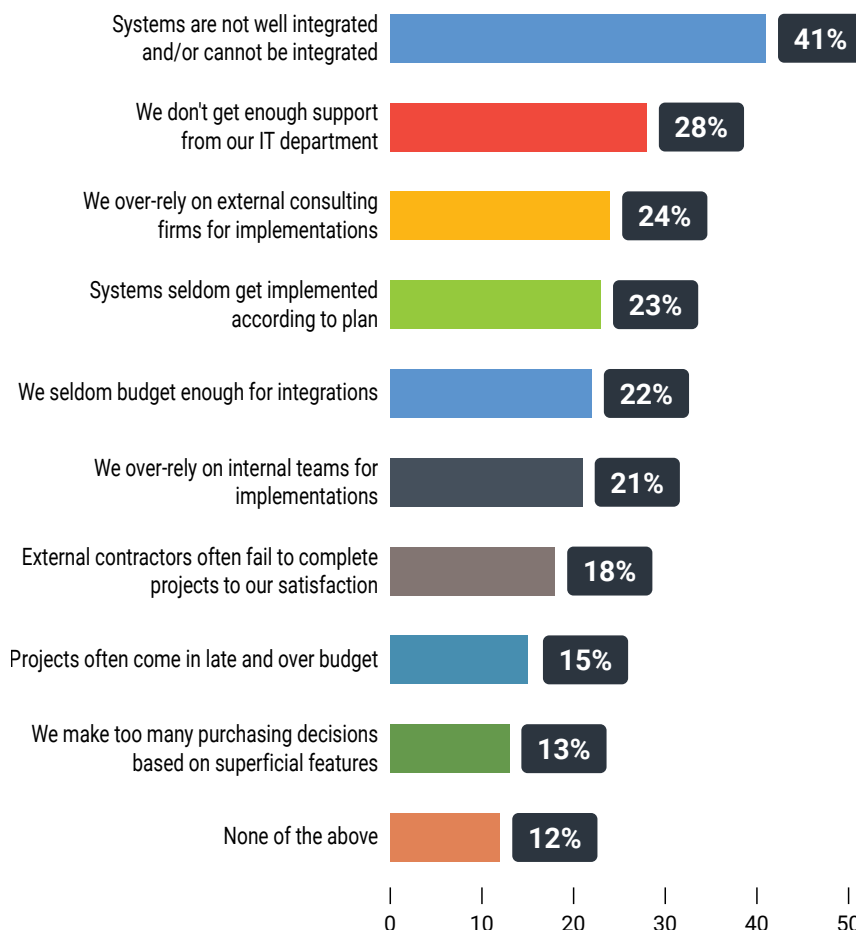
Large organizations are more likely to cite problems when working with external contractors or consulting firms. Twenty-seven percent of respondents at large organizations say that they over-rely on external consulting firms, compared with 18% of among small organizations. This is probably because larger organizations are more likely to utilize such firms. Large organizations are also more likely to say that external contractors often fail to complete projects to their satisfaction.





Over a quarter say
they don't get the
needed support
from their IT
department

Survey Question: Which of the following problems does your organization face in regard to your HR tech stack? (select all that apply)





Finding: Organizations need more in-house technical expertise

HR professionals cite a variety of pain points with their current HR tech stacks, but no pain point is cited by a majority. The most widely cited pain point is that there is not enough in-house expertise (40%). Even organizations that implement and integrate an HR tech stack well will have problems if they don't also have skilled employees who know how to optimally use and/or troubleshoot the system. Retaining employees with the required skill sets may be difficult for some organizations, and they may not be able to reskill existing employees if the existing experts leave.

When choosing a platform, organizations should take into consideration the training and support offered by vendors. Generally speaking, vendors should be willing to involve employees during the implementation so in-house employees are able to become experts.

A Shortage of Solutions and Accurate Data



Two other pain points cited by more than a third of respondents include the following:

- not enough needed solutions
- difficulty porting clean and accurate data

As reported in *The State of Big Data and Talent Analytics 2019* study, data collection and clean up represent difficult problems for at least half of today's organizations. In fact, this problem is about as common as data integration problems, according to that report. The two issues are often related: "When the integration doesn't go well, it often requires people to go in and 'clean up' the data so it can be accurately analyzed."³ Cleaning data well can be a time- and labor-intensive challenge.

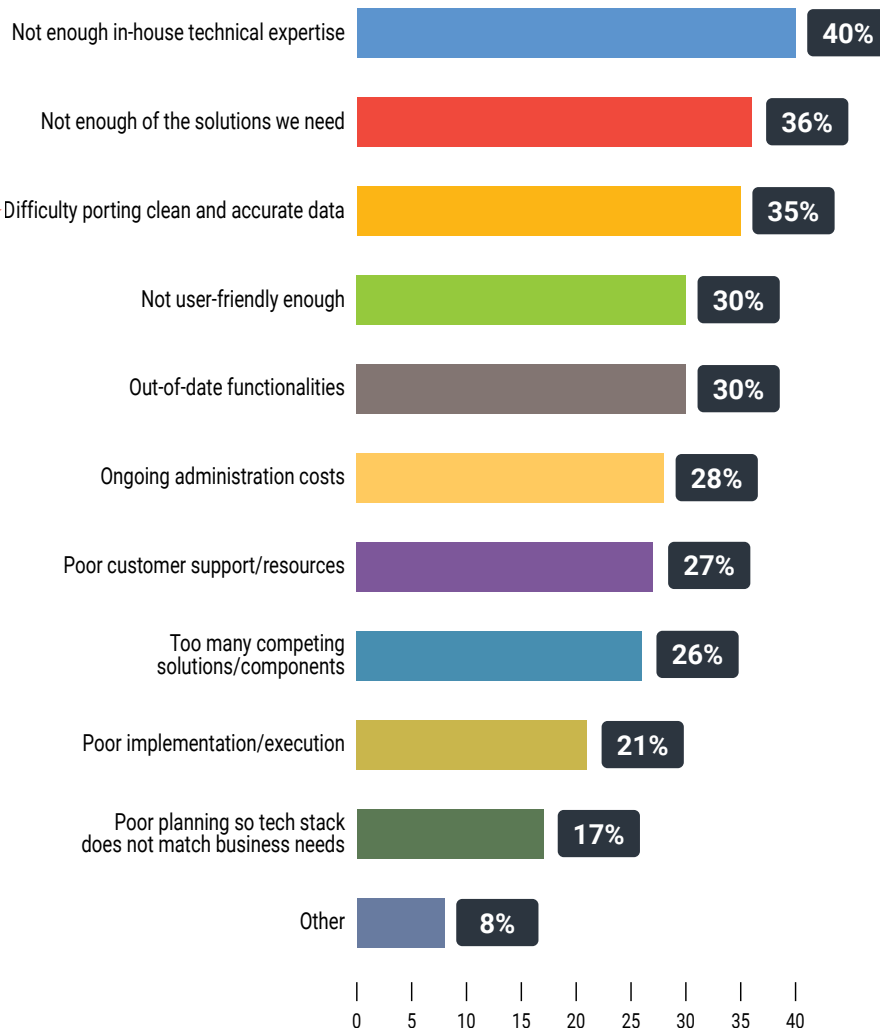
Perhaps due to the sheer amount of data they collect and their larger number of HR technology solutions, large organizations are more likely than mid-sized and small organizations to say they have difficulty porting clean and accurate data.

³ HR.com. (2019, October). *The State of Big Data and Talent Analytics 2019*. Retrieved from https://www.hr.com/en/resources/free_research_white_papers/hrcom-big-data-and-talent-analytics-2019-research_k2xhz6vi.html



**More than a third
have difficulties
porting clean and
accurate data**

Survey Question: What are your biggest pain points in regard to your current HR tech stack? (select all that apply)



The Future of HR Tech Stacks



Finding: The employee experience is key to the future of HR tech stacks

Employee experience will be the focus of HR tech stacks over the next two years. In fact, four of the top choices focus on enhancing the employee experience:

- increase employee self-service (66%)
- make more mobile friendly (58%)
- improve employee user experience (52%)
- boost user-friendliness (52%)

Of course, based on previous findings, we already know that 71% have employee self-service as part of their HR tech stack. Therefore, an increase in employee self-service may mean that those organizations that already have it will focus on making it better.

The same applies to mobile access. Nearly three-quarters already have the ability for their employees to access HR tech stack components via mobile device, so it is likely many organizations will try to make such access more user-friendly, powerful or even customized to enhance overall experience.

The Employee Experience

The term “employee experience” is, of course, a generalized goal that can include a wide variety of improvements beyond better self-service, greater access, and better user-friendliness. Indeed, those features are fundamental when compared to the more ambitious plans espoused by some HR technology vendors.

For example, some HR technology vendors are striving to make their learning and development (L&D) systems more dynamic, on-demand and customized. Other innovations are also at hand, such as tools that enable better team collaboration, help aid decision-making, and facilitate career planning and development.



Given such ambitious plans, we found it disappointing that only 52% of HR professionals say they expect their organization's HR tech stack to improve integration abilities. After all, many respondents expressed dissatisfaction with the integration of their systems, and integration is often key to generating a better employee experience.

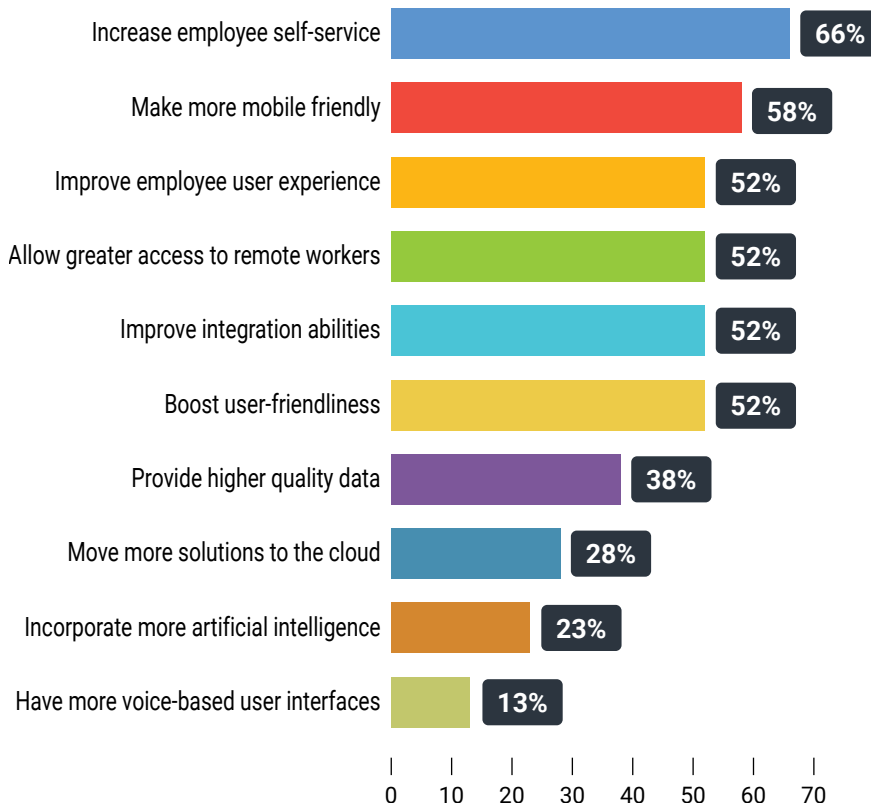
Remote Access

Just over half of respondents (52%) say they expect their HR tech stacks to allow greater access to remote workers. Given that the survey was fielded in the midst of the Covid-19 pandemic, when an unprecedented number of employees were working remotely, we expected remote access to garner an even higher response. Still, it is clear that many HR professionals view remote access as a must-have for the future. The trick for employers is to provide remote access even while ensuring data security and, where warranted, user privacy.



About half expect their HR tech stacks to improve integration ability

Survey Question: Within the next two years, how do you expect your organization's HR tech stack to evolve?
(select all that apply)





Finding: To improve HR tech stacks, organizations will focus on training users

Respondents say that better training of users is the best non-technological method (55%) for improving HR tech stacks in the coming years. In this case, “users” means both HR professionals and the employees who can access portions of the tech stack.

Because employee self-service is as prevalent as it has ever been, employees need to be knowledgeable in at least the basics of their organization’s HR tech stack. If employees are better trained at using certain solutions, then their employee experience may be improved.

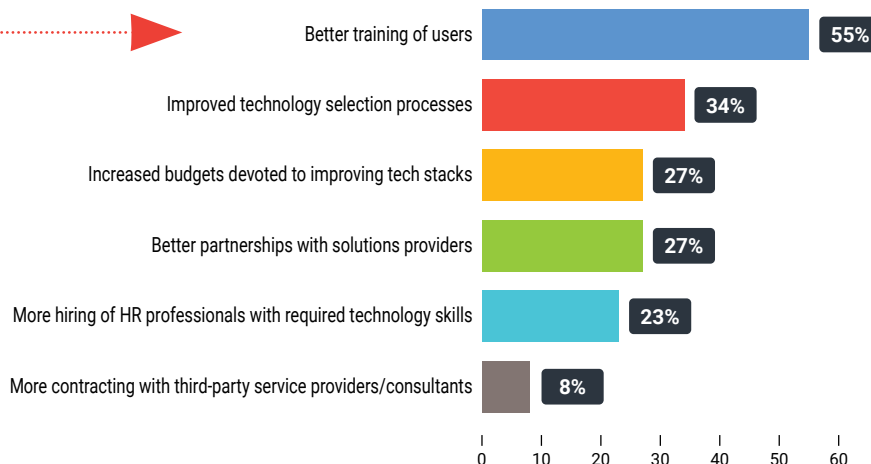
But even HR professionals themselves often fail to get the most out of their technologies. Sometimes they learn how to carry out certain essential tasks but never learn to exploit the full power of their solutions. Through better external or internal training, they may learn their systems are more robust than they initially believed. This idea connects with the need to hire more HR professionals with required technology skills (23%).

Thirty-four percent say they will improve their technology selection process. This also requires HR professionals who have a deeper understanding of the facets and possibilities of today’s HR technology solutions.



The majority say better training of users will be the most common non-technological method to improve HR tech stacks in the coming years

Survey Question: What non-technological methods will your organization probably use in coming years to improve its HR tech stack? (select all that apply)





Finding: Better integration could lead to a better employee experience

We asked respondents via a write-in question what aspects of their HR tech stacks most need to change to improve the employee experience. One of the most commonly-cited responses was better integration. Poor integration has already come up as a problem multiple times within this study, so it is not surprising that many cite it as a key ingredient. Some specifically say that they need better cloud integration.

Of course, HR technology solutions may be well integrated with each other but not with other organization-spanning technologies, especially enterprise resource planning (ERP) software. One respondent said they desire “two-way data integration with HR tech systems and [the] enterprise system.” They go on to explain, “Internal business decisions do not permit uploading of onboarding data to enterprise system, and as a result business processes and system configurations need to be modified with work-arounds.”

Some respondents also pointed to the need for more training on how to best leverage HR technology solutions, indicating that their internal staff lacks the proper expertise. One respondent specifies that the communication abilities of their technical staff is so lacking that employees cannot get the clarity or skills they need to properly utilize their HR tech stacks.



How HR Tech-Stack Leaders Differ from Laggards

We wanted to take a closer at what differentiates organizations with successful HR tech stacks from those with less successful HR tech stacks. To do this, we separated our sample into two cohorts:

HR tech-stack leaders: respondents who say the quality of their organization's HR tech stack is above average or top-notch.

HR tech-stack laggards: respondents who say the quality of their organization's HR tech stack is below average or poor.

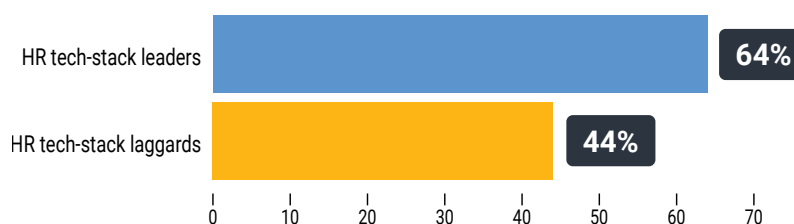
Correlation does not necessarily indicate causation, of course, but these relationships can provide clues about possible best practices related to HR tech stacks.



Finding: HR tech-stack laggards are less likely to view HR tech stacks as a high priority for their organization

HR tech-stack leaders are more likely to see having a strong tech stack as a high priority. Sixty-four percent say it is among the top three most important HR issues at their organization, in contrast to 44% of HR tech-stack laggards. As suggested in the rest of the findings below, prioritizing HR tech stacks may provide a payoff in multiple HR functional areas.

Survey Question: Relative to other HR issues, how important is having a strong HR tech stack to your HR department?*



*Note: Shows the percent saying that having a strong HR tech stack is among the top three priorities in their HR departments.



Finding: HR tech-stack leaders are far more likely to automate and integrate talent management processes

HR tech-stack leaders are far more likely than their laggard counterparts to automate many talent management processes when compared with laggards. They are also more than three times as likely to say their HR tech stacks help improve employee engagement, and they are more likely to have cloud-based solutions.



HR tech stack leaders are about three times as likely to have cloud-based solutions

Survey Question: Which of the following are characteristics of your organization's HR tech stack? (select all that apply)





Finding: HR tech-stack leaders are far better at integration

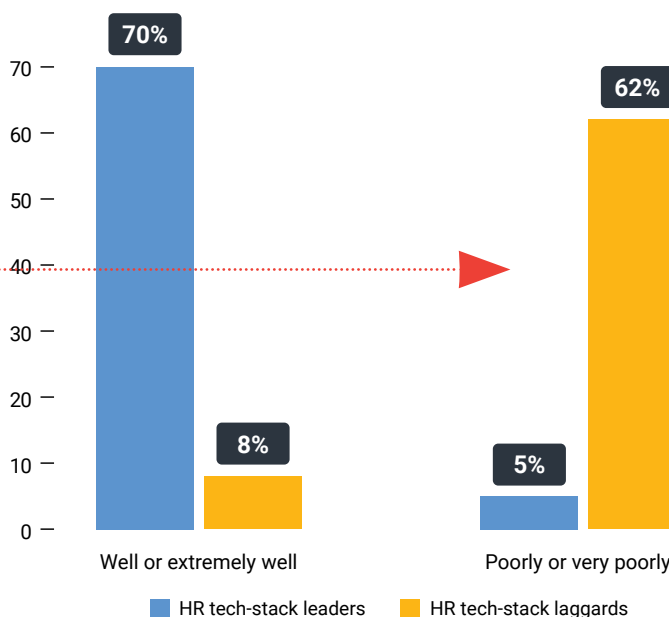
HR tech-stack leaders are far more likely than laggards to have better-integrated HR tech stacks. In fact, the responses are almost the opposite of one another. The components of HR tech stacks are well or extremely well integrated 70% of the time in leader organizations versus just 8% in laggard organizations, a 62-percentage point difference.

In contrast, HR tech-stack leaders say they are poorly or very poorly integrated just 5% of the time versus 62% of laggards, a difference of 57 percentage points.



HR tech-stack laggards struggle with integration

Survey Question: Overall, how do the various components of your HR tech stack integrate with one another?



Further Analysis: To discover more about the statistical relationships between the quality of the overall tech stack and the degree to which the tech stack produces accurate and actionable HR metrics/analytics, we conducted a 2-tailed correlation test. We found a positive correlation, indicating that organizations with more integrated systems are significantly more likely to give their overall tech stack high marks.



Finding: HR tech-stack leaders see more accurate and actionable metrics

HR tech-stack leaders tend to get better analytics out of their systems. Forty-nine percent of leaders say their HR tech stack produces accurate and actionable HR metrics/analytics that enhance decision-making. Just 3% of HR tech-stack laggards say the same.

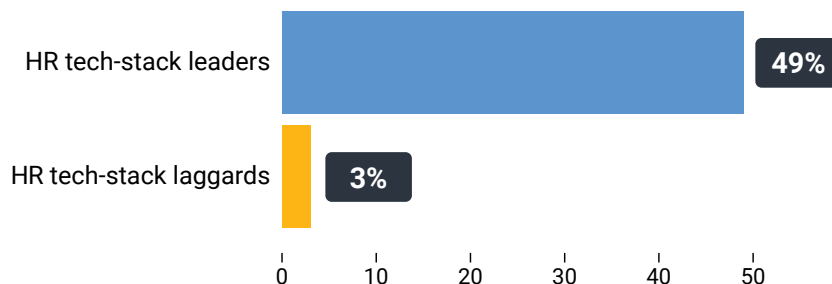
The ability to receive accurate and actionable results can pay dividends throughout the entire organization as a whole, not just HR. After all, better human capital decision-making can potentially result in higher organizational performance even while making HR a more valuable strategic partner.



HR tech-stack leaders are far more likely to see useful metrics and analytics

Survey Question: To what degree does your HR tech stack produce accurate and actionable HR metrics/analytics that enhance decision-making?

Percent responding high or very high degree



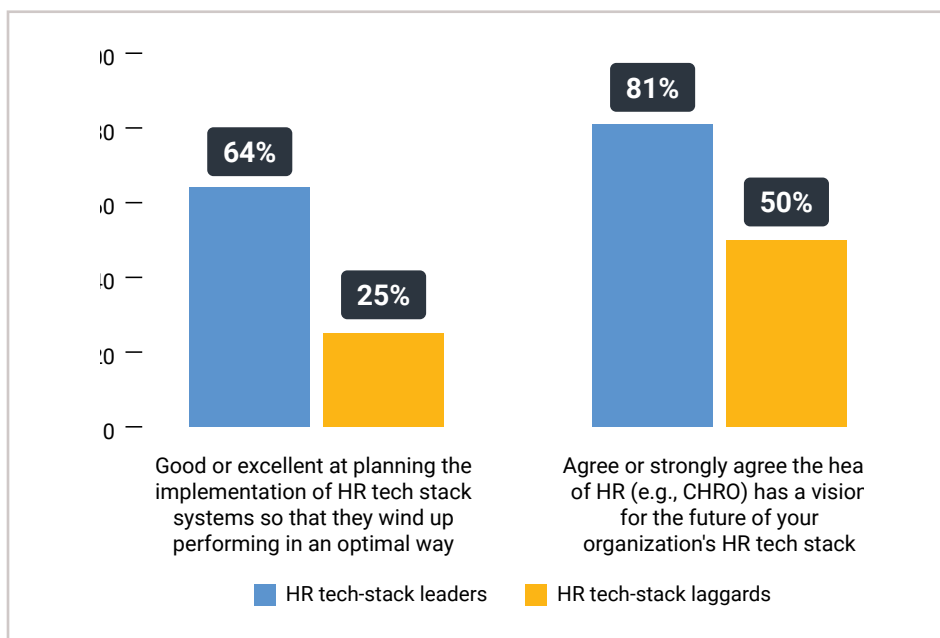
Further Analysis: To discover more about the statistical relationships between the quality of the overall tech stack and the degree to which the tech stack produces accurate and actionable HR metrics/analytics, we conducted a 2-tailed correlation test. We found a positive correlation, indicating that organizations with systems that provide more accurate and actionable HR analytics are also significantly more likely to give their overall tech stack high marks.



Finding: HR tech-stack laggards fall behind when it comes to planning the implementation of systems

When it comes to planning the implementation of HR tech stack systems, 64% of leader organizations say they are good or excellent at this, while the same is true for just 25% of laggard organizations. Perhaps laggards lack the in-house expertise needed to ensure a smooth implementation or lack the time or budget to devote to an implementation plan itself.

HR tech-stack leaders are also more likely to say their head of HR has a vision for the future of their organization's tech stack (81%). Only 50% of HR tech stack laggards say this is the case. As we noted previously, however, just because an HR leader has a vision does not necessarily mean that vision will actualize.



Note: This data is extracted from the questions "How good is your organization at planning the implementation of HR tech stack systems so that they wind up performing in an optimal way," and "Your head of HR (e.g., CHRO) has a vision for the future of your organization's HR tech stack."



Further Analysis: To discover more about the statistical relationships between the quality of the overall tech stack and the perceived success in planning the implementation of the tech stack, we conducted a 2-tailed correlation test. We found a positive correlation, indicating that organizations that are good at planning the implementation of HR tech stack systems so that they wind up performing in an optimal way are also significantly more likely to give their overall HR tech stack high marks.

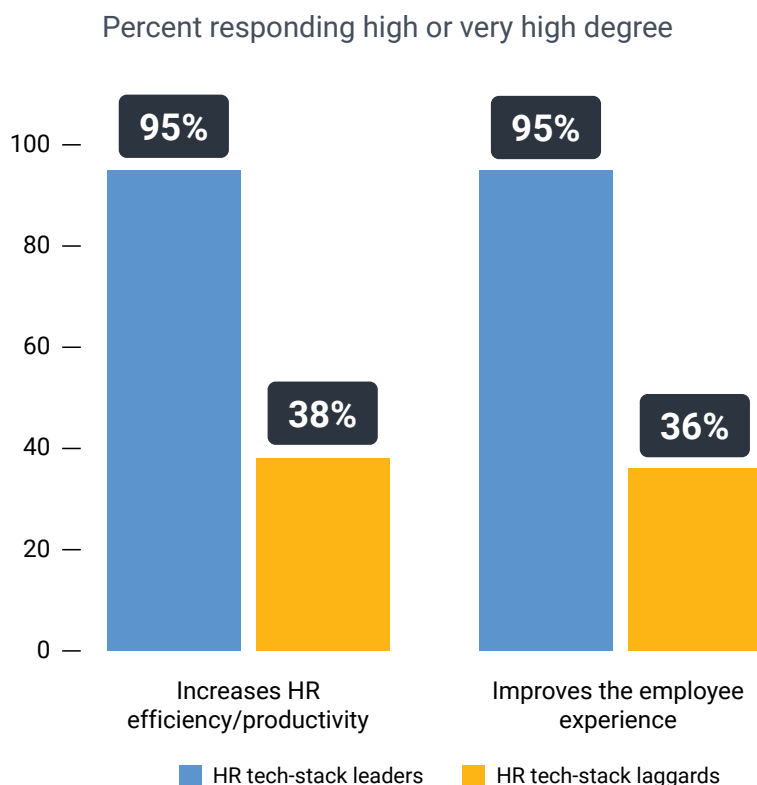


Finding: HR tech-stack leaders see much more success with increased HR productivity and the employee experience

Nearly all of HR tech-stack leader organizations say their tech stack improves the employee experience and increases HR productivity/efficiency (95% for both). In contrast, just 38% of laggards say their HR tech stack improves HR efficiency/productivity and only 36% say it improves the employee experience.

The absence of success in these areas is problematic for HR tech-stack laggards. If an HR tech stack fails to improve productivity as well the employee experience, then it is unlikely to be worth the investment. In these cases, major improvements are in order.

Survey Statement: Your organization's HR tech stack solutions increases HR efficiency/productivity and improve the employee experience.



Note: This data is extracted from the questions "Your organization's HR tech stack solutions improve the employee experience," and "Your organization's HR tech stack solutions increase HR efficiency/productivity."



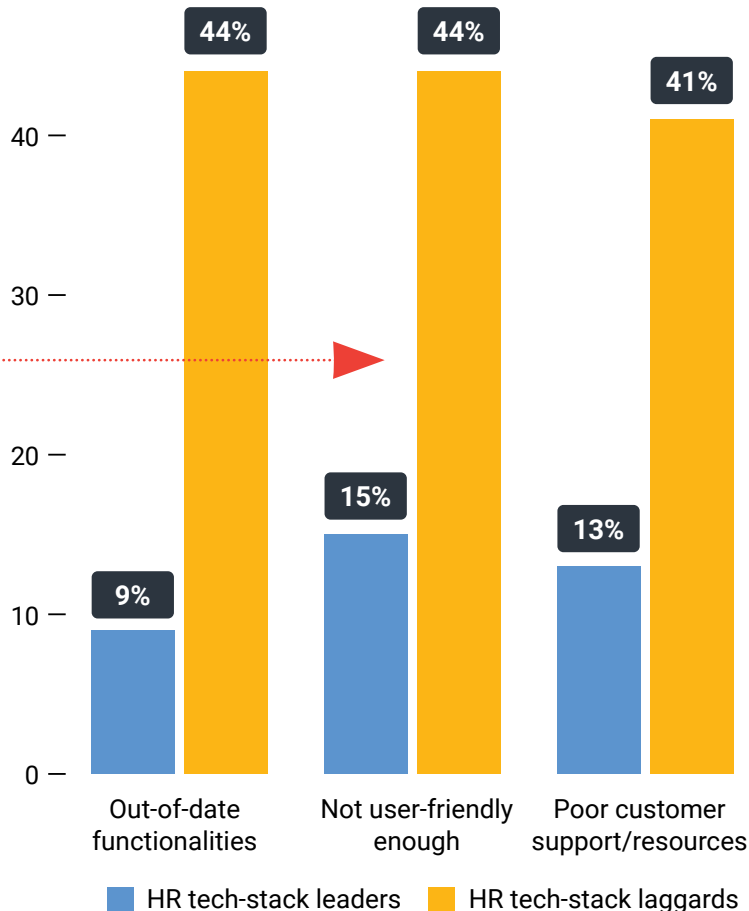
Finding: HR tech-stack laggards are more likely to say their tech stacks are out of date and not user friendly

HR tech-stack laggards are much more likely than leaders to suffer from various pain points. The largest gaps are in the areas of out-of-date functionalities, a lack of user-friendliness and poor customer support. We think it is likely that out-of-date systems will also be less user-friendly and less likely to still be well supported.



Over two-fifths of laggards say their current HR tech stack is not user-friendly enough

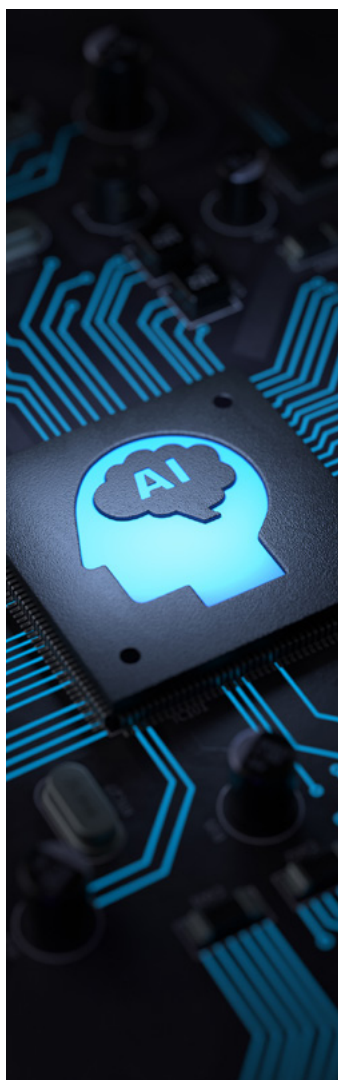
Survey Question: What are your biggest pain points in regard to your current HR tech stack? (select all that apply)



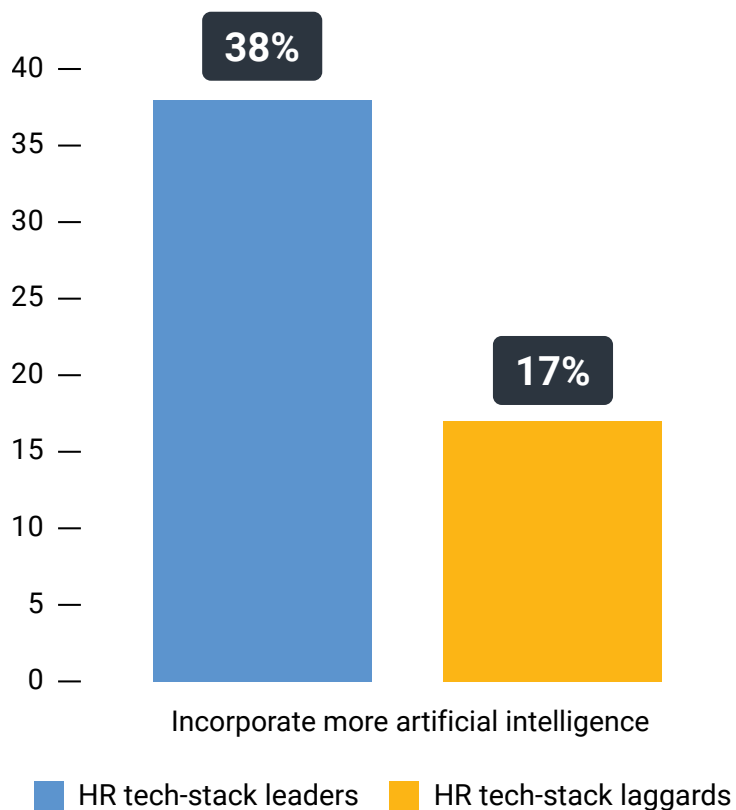


Finding: HR tech stack leaders are more likely to expect to incorporate artificial intelligence over the next two years

HR tech-stack leaders are twice as likely to say that they expect their HR tech stacks to incorporate more artificial intelligence over the next two years (38% vs. 17%). If used effectively, AI may help these leaders to enhance HR productivity, HR services, and employee experience.



Survey Question: Within the next two years, how do you expect your organization's HR tech stack to evolve?
(select all that apply)



Key Takeaways



What follows are some ideas and tips for improving and maximizing your organization's HR tech stack.

Key Takeaway 1

Walk before you run. If your organization is relatively new to HR technology solutions, focus on basic needs first. For example, many firms begin with core HR functions such as payroll, benefits and workforce management. From there, they can add new talent management components to increase the value of the tech stack over time.

Key Takeaway 2

Adopt a continuous improvement frame of mind. Think about the future and allow your HR tech stack to adapt as HR technology and organizational needs evolve. Great visioning, planning, purchasing and implementation all count. But even implementation isn't the finishing point. Your tech stack needs constant nurturing and improvement. Will it still be effective two years from now? How about five or ten years?

Key Takeaway 3

Upskill your HR department. Regardless of organizational size, at least some HR professionals need to have solid HR technology skills. Train your HR department in all relevant areas. If possible, make sure there isn't only one expert at your organization. When that one expert leaves, you'll be back to square one with no in-house skill sets. So, plan ahead and work with your organization's L&D team to see what resources are available. Your HR tech solutions are only as strong as the people who service them.

Key Takeaway 4

Hire HR professionals with HR tech skills. Upskilling current employees is important, but when looking to hire new employees, consider adding more technology skills into the job description. And, even if a new HR hire lacks technology skills in a certain area, make sure they are willing and able to learn on the job.

Key Takeaway 5

Consider integration needs in advance and integrate key systems where it makes most sense. This report suggests that many problems with HR tech stacks arise due to a lack of proper integration. When planning to add a new solution to your HR tech stack, make sure you take integration into consideration in advance. These days, many systems have integrations built into their interfaces so that they can share data with other platforms and solutions “out of the box.” However, even where this is not the case, solutions often provide users with an application programming interface, or API, that permits clients to customize integrations with other systems.

Key Takeaway 6

Strengthen remote access. The future of work is remote—or at least partly remote. Make sure your organization’s tech stack isn’t stuck in the past. How easy is it for employees to access the information, applications and services they need? Are your tech stack components accessible by cloud or mobile? If there are some components that need to be accessed in-office, consider changing to a cloud solution so more employees have the ability to work from home.

Key Takeaway 7

Look for quantifiable advantages, especially ones with a bottom line impact. If you work in an organization that formerly had nothing or barely anything as an HR tech stack, you probably saw huge gains in efficiency and productivity after deploying your first HR applications. Once your HR tech stack has been in place a while, however, new additions are less likely to have a major impact on productivity. Therefore, keep an eye on the quantifiable benefits of new or improved systems. For example, look for improvements in areas such as employee retention, higher engagement, faster onboarding, improved quality of hire, increases in employee satisfaction, etc. When possible, seek upticks in revenue-per-employee gained. By quantifying the advantages of new technologies, your organization will have a much better idea of which technology investments are most worthwhile. Senior leaders will be more likely to approve of future technology investments if they are assured there is a solid return on that investment.



About Oracle

Part of Oracle Cloud Applications, Oracle Cloud HCM enables HR professionals to make work more human by improving the entire workplace experience. Oracle provides organizations a complete solution connecting every human resource process from hire to retire—including global HR, talent management, workforce management, and payroll. It's also the most connected solution across the enterprise, with one cloud unifying HCM across finance, supply chain, and customer experience. www.oracle.com



About HR.com and the HR Research Institute

The HR Research Institute helps you keep your finger on the pulse of HR! Powered by HR.com, the world's largest community of Human Resources professionals, the HR Research Institute benchmarks best practices and tracks trends in human resources to help more than 1.75 million HR professionals (that many people can't be wrong!). Companies are backing up their strategic decisions with informed and insightful HR.com research references!

Over the past few years, the HR Research Institute has produced over 100 leading-edge primary research and state of the industry research reports, along with corresponding infographics, based on surveys of thousands of HR professionals. Each research report highlights current HR trends, benchmarks and industry best practices. HR Research Institute reports and infographics are available online, and always free. Visit hr.com/featuredresearch to maximize your HR potential. [#hrresearchinstitute](https://twitter.com/hrresearchinstitute)