

2021 Survey On Industry Trends in HR Technology and Service Delivery

April 2021

ISG[®]**



Executive Summary

Coming out of a challenging year marked by uncertainty and significant change in the way we work, HR organizations are accelerating their move to the cloud. This past year, organizations found not only cost savings with a shift to the cloud, but better business value. We see successes happening in organizations that are developing clear HR technology strategies, aligning their HR service delivery models with their new HCM platforms, optimizing HR processes and focusing on data and analytics.

However, significant opportunity to improve HR service delivery still remains. To better understand these opportunities and how organizations are moving forward in their digital transformation journey, ISG asked 260 companies a series of questions about their HR technology and service delivery environments. The companies represent a cross-section of industries operating in key geographic regions around the world and range in size from 5,000 employees to more than 50,000 employees. ISG's **2021 Industry Trends in HR Technology and Service Delivery Report** is an analysis of that data through the lens of our deep market experience.

Report Highlights

- HR organizations are accelerating the move to the cloud. Based on this year's survey results, organizations were ahead of where they expected to be in 2020 as reported in the 2019 survey.
- This accelerated shift to the cloud coming out of the pandemic illustrates how organizations are prioritizing the employee experience, support for a virtual workforce, and a more agile model to meet the needs of the business.
- Not only are organizations achieving costs savings across both IT and HR in moving to HR Software-as-a-Service (SaaS) solutions, but they also are capturing measurable business value – a significant improvement from the prior survey.
- Organizations that failed to approach their human capital management (HCM) implementation as a true transformation were much less likely to achieve business goals. **Organizations that take the time to harmonize and optimize their processes are reporting significantly better results in driving efficiency and improving the user experience with their HR technology.**
- Organizations are slower to adopt emerging technologies (such as robotic process automation and AI/cognitive solutions) and have limited awareness of their effectiveness within HR operations.
- Nearly seven in 10 organizations expect more than 20 percent of their employees to work from home (WFH) in 2022 and beyond, with the most common view being that 20-40 percent will WFH.
- Outsourced and hybrid-outsourced delivery models have grown in prevalence as the primary service delivery model across HR functions. There is a clear year-over-year migration toward increased use of outsourcing as a primary or hybrid delivery model, with indication of robust growth for both outsourcing and shared services.
- Organizations of different sizes realize different impacts with outsourcing. Smaller organizations (with fewer than 10,000 employees) report the greatest improvement in service quality; larger organizations (with more than 50,000 employees) report the greatest improvement in cost reduction.
- Organizations have made progress around data and analytics with the desire for data at an all-time high. However, surfacing the data and insights, quickly delivering them to the business and using them to drive action that creates business impact remain challenges for many.

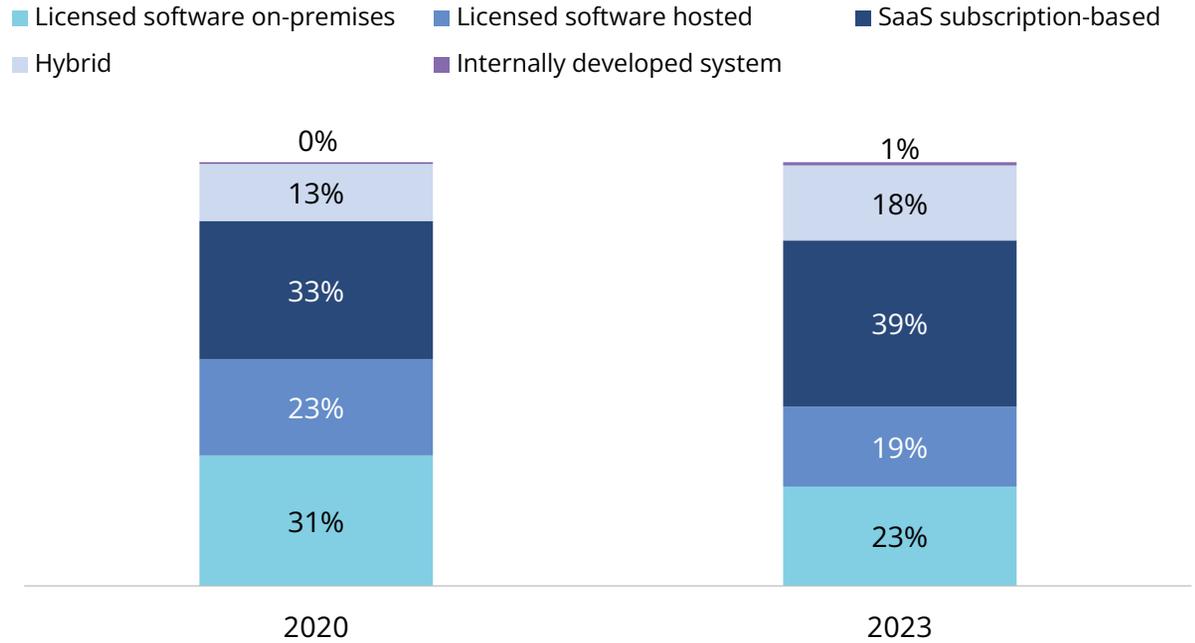
HR Technology: Key Trends and Analysis

Over the past several years, we saw strong demand for HR technology, but organizations were not able to move to SaaS as quickly as they had anticipated. Taking time to adequately plan, secure approval for a business case, ensure readiness to implement a new platform and adjust operating models – among other factors – stretched HR teams. While challenges remain, the results in this year’s survey depict a greater-than-predicted shift to SaaS.

Figure 1 depicts the aggregate response from our survey participants when we asked them to select one profile that best describes their enterprise’s (primary) HR technology model in 2020 and the one that best describes where they will be in 2023.

In looking at the results of companies in this year’s survey, 46 percent indicate that a SaaS subscription-based or hybrid solution best describes their HR technology platform today, while the remaining 54 percent operate on-premises, hosted or internally developed solutions. SaaS adoption is higher than predicted based on the results from the prior survey, [Industry Trends in Human Resources Services and Delivery 2019](#), in which 41 percent of respondents expected to be up and running on a SaaS or hybrid solution in 2020. The percentage of on-premises models remains almost exactly as predicted at 31 percent; internally developed solutions fell from 6 percent to less than 1 percent.

Figure 1: Current (2020) and future (2023) primary HR technology model



Looking to 2023, the percentage of organizations expecting to be on a SaaS subscription-based or hybrid solution jumps to 57 percent – an indication of continued strong growth.

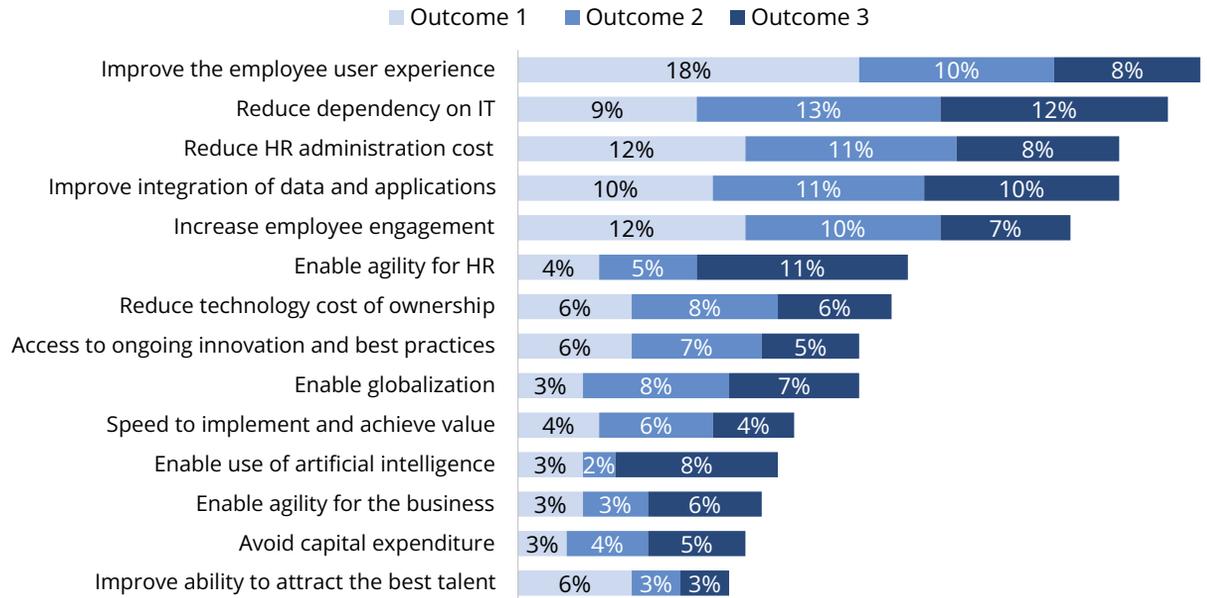
The most important outcomes organizations have gained or expect to gain in adopting SaaS are depicted in Figure 2.

Improving the user experience is the top outcome organizations expect in adopting HR SaaS. Coming out of COVID, organizations are particularly focused on better engaging employees, supporting a virtual workforce, improving productivity and enabling a more agile model for HR. During a time plagued by heavy workloads, work-home life imbalance and limited communication and engagement, HR SaaS is seen as a critical strategy to help achieve these outcomes.

Reducing dependency on IT, reducing HR administration cost and improving integration of data and applications were also highly rated outcomes for the move to SaaS.

HR stakeholders prioritized employee experience, employee engagement and reduced dependency on IT as outcomes of the move to HR SaaS. Conversely, reducing HR cost was IT's top priority. And Shared Service stakeholders were focused on improving integration of data and applications to address operational challenges with disparate systems and manual activities.

Figure 2: Top three most important outcomes from adopting HR SaaS technology solutions



Evaluating New HR Technology

Organizations have an increasingly diverse and complex set of requirements to evaluate in selecting new technology. Figure 3 shows the criteria that drives HR technology selection decisions.

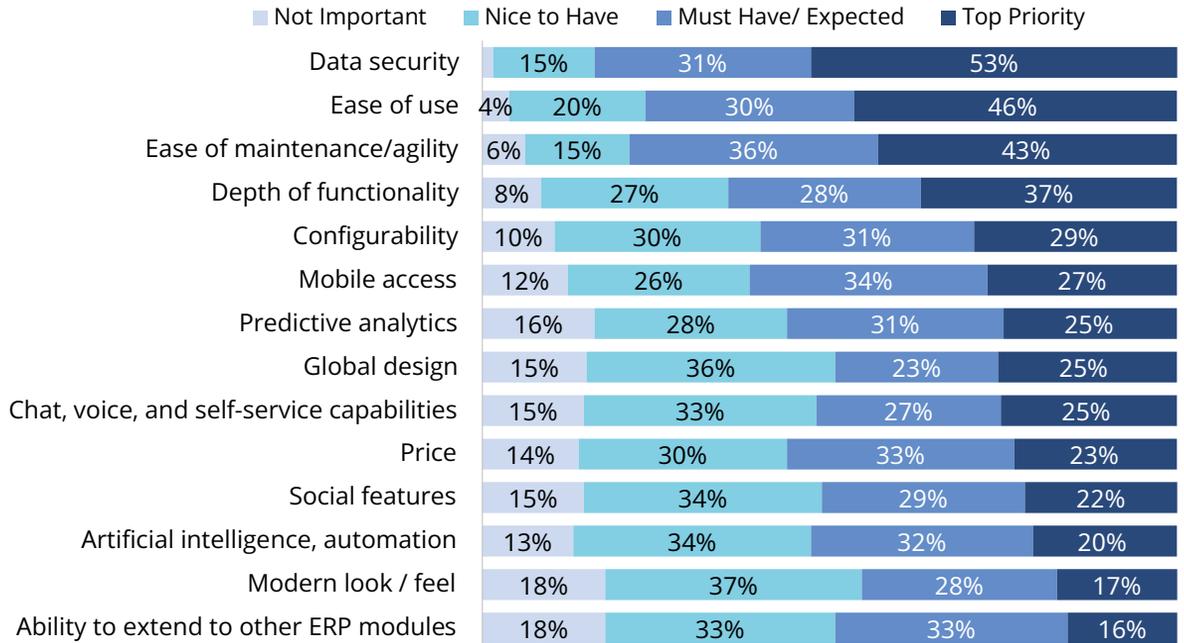
Data security once again tops the list of priorities in selecting a new HR platform. This is perhaps not surprising in another year in which data security breaches made headlines around the globe.

Ease of use was the second highest priority for HR tech selection, tying directly to the priorities of user experience and engagement. We see this reflected in investments by the leading HCM platforms, such as the creation of cloud “journeys” to differentiate the experience and streamline the process steps to make it easier for employees to manage critical moments such as onboarding, promotion or taking leave.

Being globally connected and providing mobile access to the workforce has never been more important, and we see that dynamic in this year’s results. Mobile access increased in importance from our last survey to now become a “top priority” or “must have” for 61 percent of respondents. Chat, voice and self-service capabilities also increased in importance this year for a more virtual workforce focused on improving productivity. Importantly, mobile access, chat and self-service capabilities also are critical components of creating an optimal user experience.

Price was not a significant driver in our survey with 44 percent of survey

Figure 3: Criteria that drives HR tech selection



respondents citing it as “not important” or “nice to have.” Extending the HCM platform to other enterprise resource planning (ERP) modules ranked last on our list of top priorities, though it is still important for almost half of survey respondents.

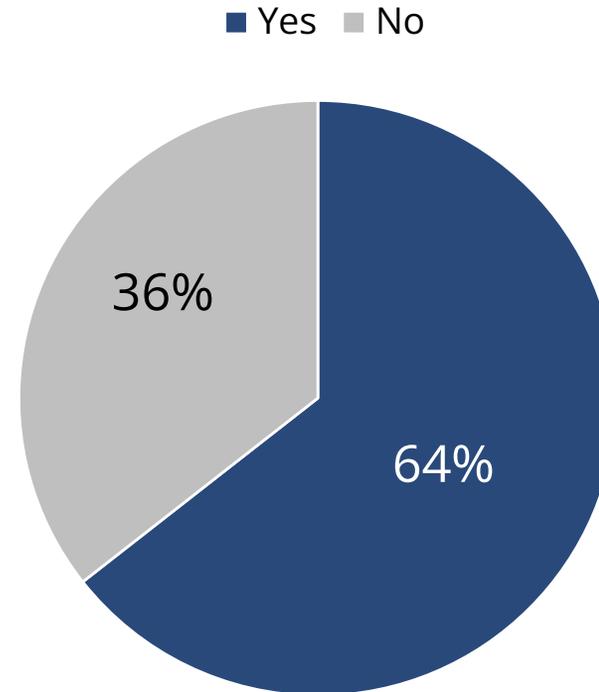
Achieving Business Value

In our prior study, we found a significant gap between the investments organizations were making in SaaS technology and their ability to demonstrate improved business results. Only 41 percent measured business value improvements, such as increased retention and reduced time to fill, by adopting SaaS. This year, 64 percent said they achieved measurable business value by adopting SaaS (see Figure 4) – a full 23 percentage points higher (and a more than 50 percent increase) than the prior results. The biggest metric that was improved: productivity.

Cost savings is another area in which organizations cited significant improvements. Figure 5 highlights that 70 percent of organizations were able to achieve HR savings of 10 percent or more, with 37 percent of respondents achieving 20 percent or more savings. Just 10 percent of respondents said they spent more or were unable to achieve HR cost savings.

Sixty-one percent of organizations were able to achieve more than 10 percent cost savings in IT/Technology Operations, Maintenance and Support when they moved to HR SaaS. A quarter of respondents achieved more than 20 percent IT savings. Sixteen percent said they spent more or were unable to achieve IT cost savings.

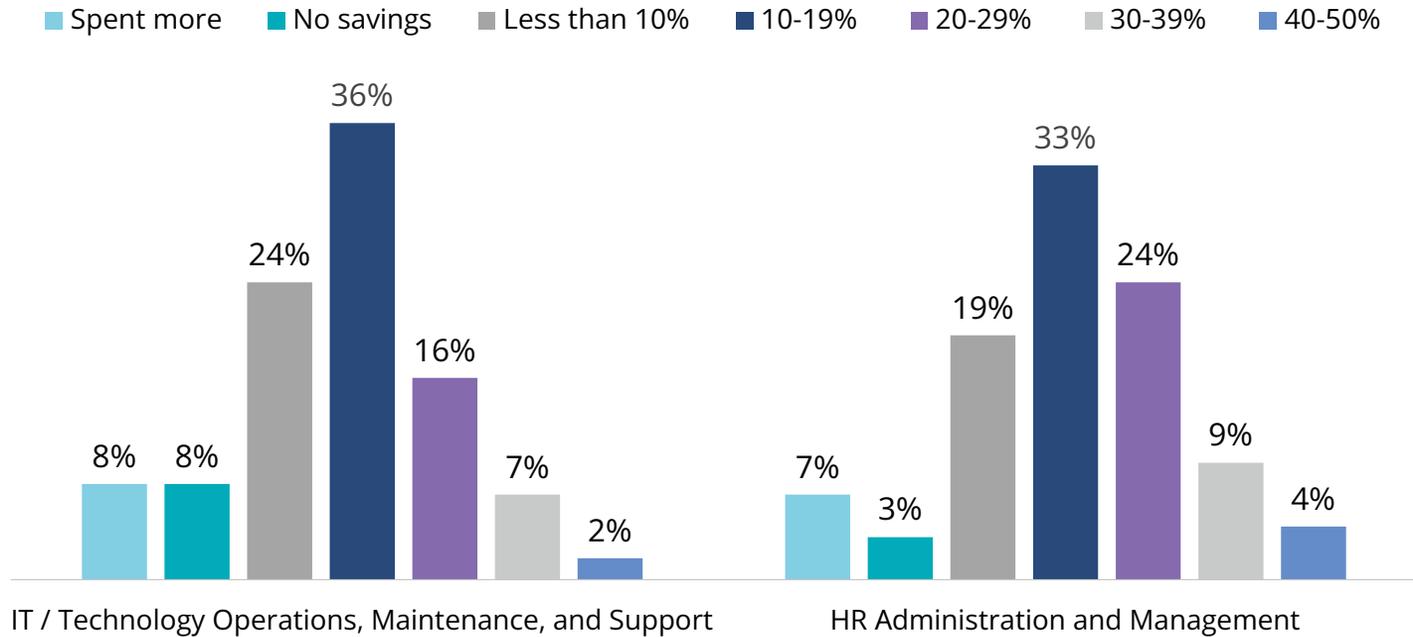
Figure 4: Have you achieved measurable business value by adopting SaaS?



In cases in which organizations failed to achieve clear business value improvements, the reasons revolved around the organization failing to change the HR service delivery model or business processes when implementing the system and the technology falling short of the organization's expectations. Approximately two-thirds of cases in which companies didn't

meet business value were related to factors outside of the technology itself. Organizations that failed to approach the HCM implementation as a true transformation were much less likely to achieve business goals.

Figure 5: What savings were you able to achieve by leveraging SaaS?



Lessons Learned in the Pandemic

How has the pandemic changed HR's priorities?

In 2020, the COVID-19 pandemic changed work in unimaginable ways and rearranged the focus of HR activity. Survey respondents said they prioritized WFH tools, technologies and policies; training and upskilling employees; employee wellness; monitoring performance/productivity remotely; and cost reduction. HR has been on the frontlines throughout the pandemic, managing lay-offs and returns, designing WFH policies and the safe return to workplaces, all while caring for the wellness and engagement of employees during the most stressful events in recent history.



How did HR technology enable HR to respond to the COVID-19 pandemic?

Fortunately, many organizations that had invested in digital HR technologies were able to leverage these tools to effectively react and manage through these difficult times. Some of the primary ways HR technologies brought value were:

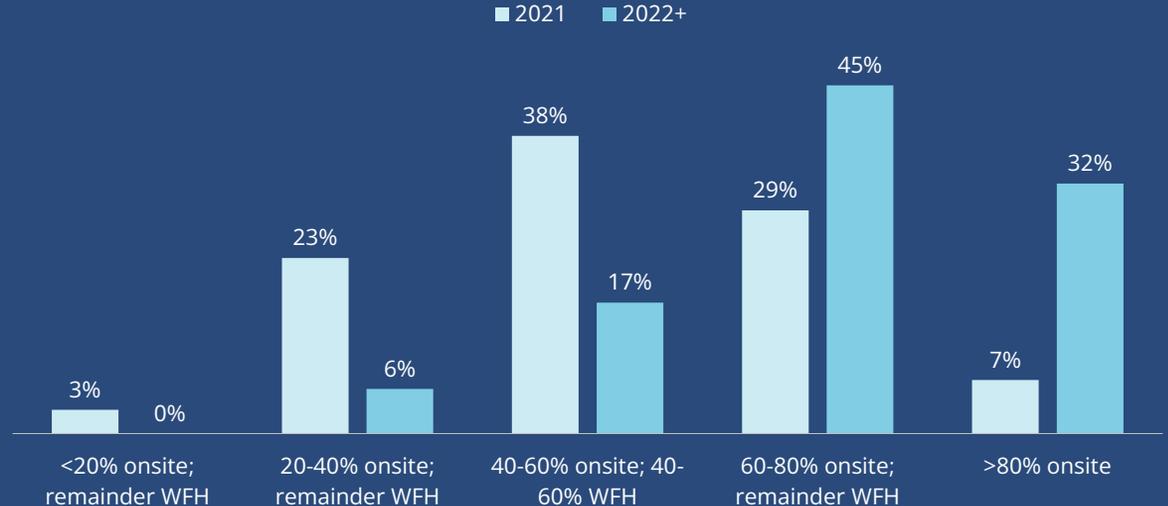
- Enabling real-time, data-based decision-making
- Fostering connections and collaboration with employees
- Monitoring performance, productivity and engagement
- Enabling virtual recruiting, onboarding and offboarding
- Streamlining workflow and enabling remote working

Many of the leading SaaS HCM solutions quickly added COVID-specific functionality to comply with new payroll legislation, track COVID cases and help manage the return to work. Overall, these tools enabled HR to accommodate the sweeping changes driven by the pandemic with agility, speed and confidence.

Looking Forward—What is the Future of WFH?

Most organizations expect about half of their employees will remain remote in 2021. Three-quarters of organizations expect more than 60 percent of employees will work onsite while less than a third of organizations expect 80 percent of employees will work onsite by 2022. It seems WFH is here to stay with some number of employees working from home going forward.

What do you expect your organization's split between WFH and onsite will be in 2021 and beyond?



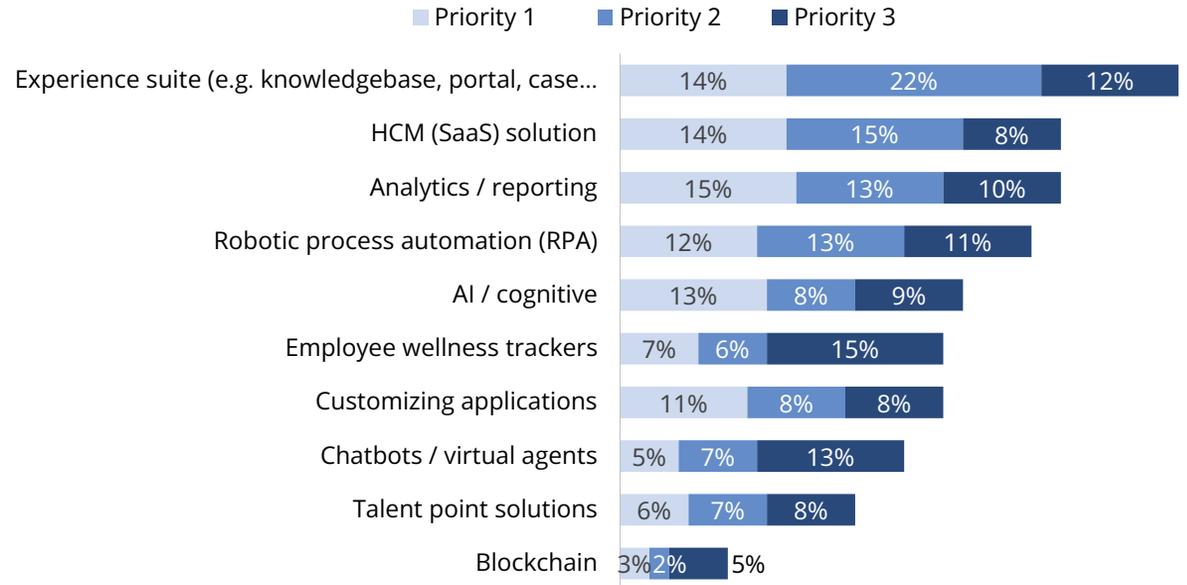
Investing for the Future: Employee Experience and New Critical Business Activities

We asked survey respondents to rank their highest priority for IT spend over the next two years. Figure 7 highlights the results of how organizations ranked the top three areas of investment.

Experience suites – including knowledgebase, HR portal and case management solutions – rose to the top of the priority list. Vendors are investing heavily in this space, with HCM providers such as Oracle, SAP and Workday expanding their solutions and competing against players such as ServiceNow and other experience suites. UKG’s earlier acquisition of PeopleDocs also represents investment in this area. The interest in experience suites indicates that organizations are seeking solutions to help them unify the end-to-end employee experience, further enable self-service and support a more effective HR delivery model.

Analytics is a growing area of investment in the market – whether it is HCM analytics, standalone HR analytics point solutions or strategic workforce planning tools. As we come out of public health and economic challenges, organizations are working through impacts related to productivity, tight budgets and changing delivery models. The need to make better, smarter and faster decisions through advanced analytics has gone from a “nice to have” to something that is considered a critical business activity.

Figure 7: Highest priority for HR IT spend over the next two years



Another area that is now seen as foundational is employee wellness. Wellness offerings have been an important strategy to support employees during the crisis. With increasing levels of employee stress and anxiety, many organizations realize that employee health is a critical area they need to address. Almost 30 percent of organizations in our study see it as a top area of investment in 2021 and 2022.

Robotic process automation (RPA) has been slower to take hold in HR but is becoming a higher priority to achieve sought-after HR efficiencies. In the coming year, organizations plan to use RPA to address targeted gaps or better optimize the end-to-end process.

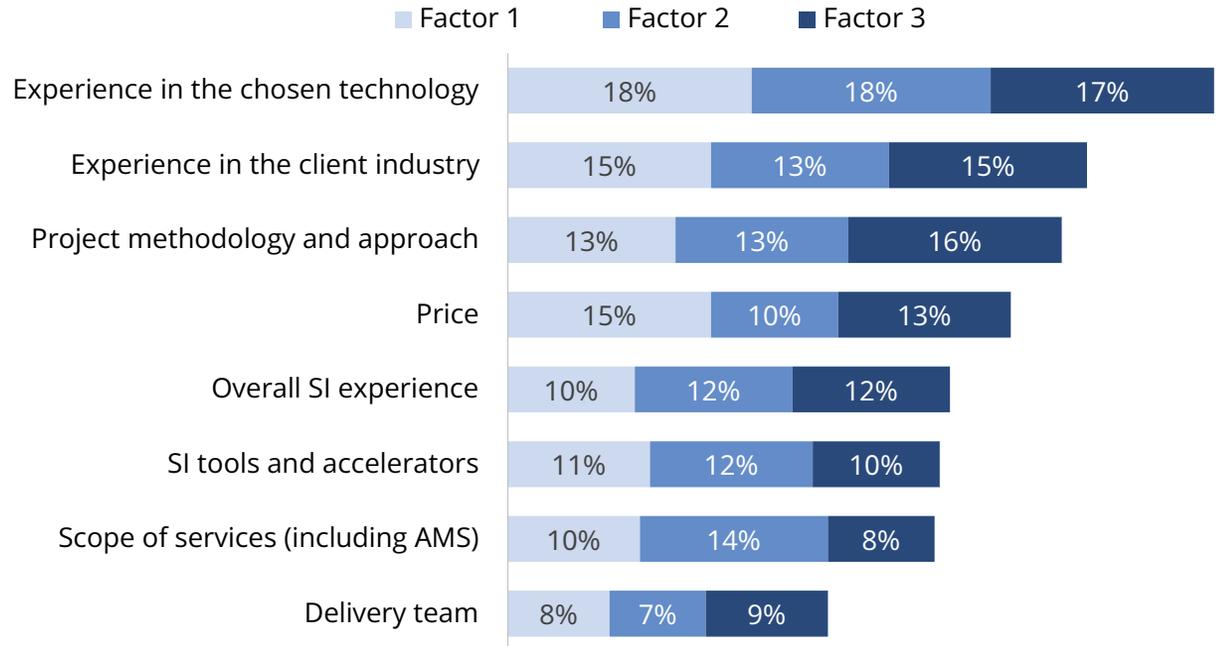
Our study found that adoption of AI/cognitive technologies remains low. While 30 percent of organizations are exploring opportunities to deploy some of these emerging technologies, HR organizations seem to have relatively limited awareness of their effectiveness.

Deploying New Technology: Experience in the Chosen Technology and Industry Drives SI Selections

Most HCM technology implementations are managed by third-party systems integrators (SI). Figure 8 outlines the top factors in selecting an SI.

The top criterion for organizations selecting an SI is experience in the chosen technology – over half of respondents cite this as one of their top three decision factors. Large SIs have built practices around each of the major HCM technologies with separate methodologies, resources and tools. Some boutique SIs are focused entirely on a single technology solution.

Figure 8: Top three factors in selecting a systems integrator



2021 Survey on Industry Trends in HR Technology and Service Delivery

Experience within the client's industry also is of top importance in selecting the right implementation partner. SI providers that demonstrate success in solving industry-related processes and challenges (for example, how financial services companies ensure compliance) have a clear advantage. Some of the leading SI providers have pre-configured solution tenants with industry-specific configurations, which can be leveraged as a starting point for design.

While each leading technology has its specific implementation methodology, SI providers typically augment the methodology with their own approach. Tools that SI providers bring can add real value to the implementation and be an area of differentiation. Examples may include tools to accelerate data conversion, process maps, user stories, best practice "point of view" tenants, integration accelerators, payroll validation testing, reporting libraries, data privacy and security accelerators, project management toolsets and other tools.

Price will always be an important factor in selecting an implementation partner, and exploring a range of providers – from the large global consulting firms, to India-based providers and boutique SIs – can increase price competition. Key factors that impact price include overall timeline and phasing, functional scope (modules), number of countries, readiness activities, level of harmonization and configuration required, level of change management/communications/training required, data conversion effort, number and complexity of integrations, staffing approach (mix of onshore/offshore), pricing structure (time and materials, fixed fees or hybrid approach) and other solution factors.

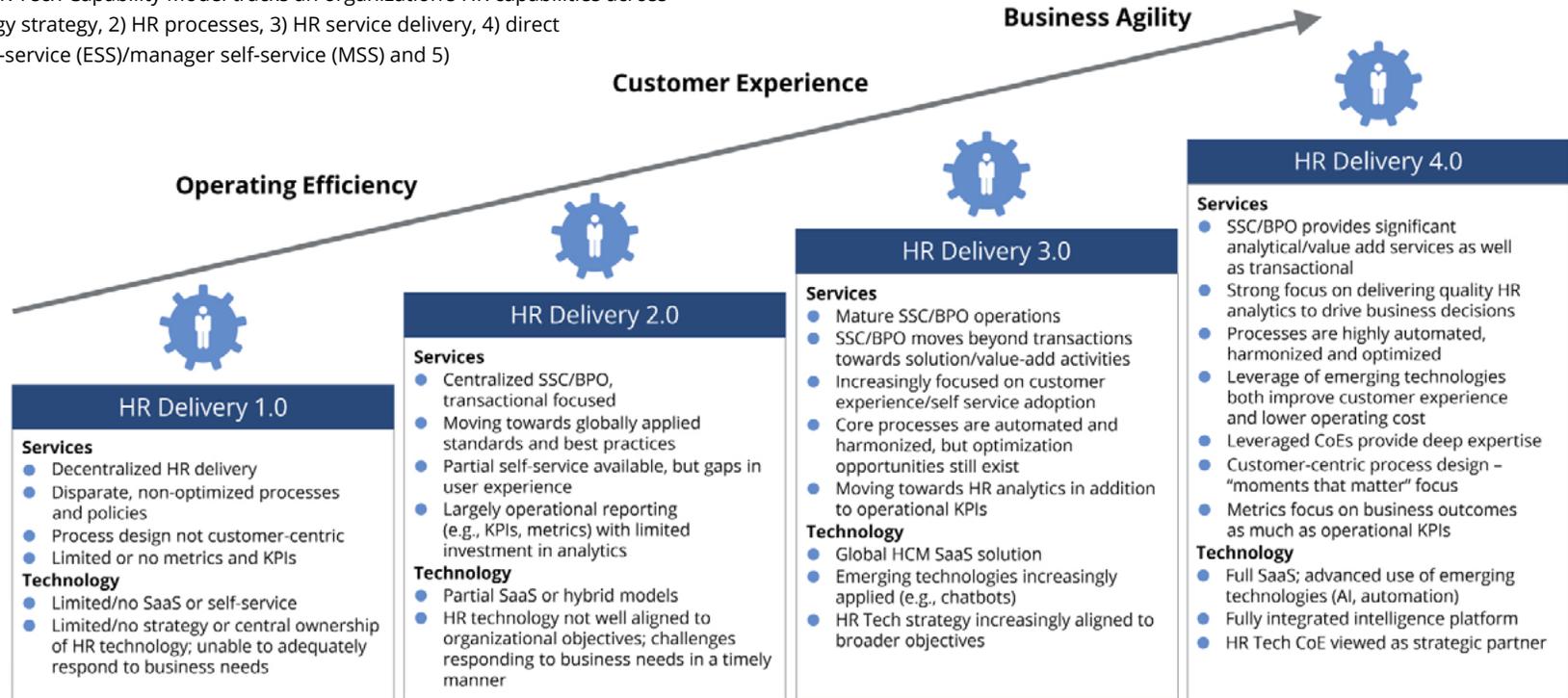
The breadth of the SI provider's service offering, including the ability to perform application management services (AMS), is an area of increasing interest in the market. Expanded options around AMS provide flexibility to clients seeking to stabilize and augment their service delivery, particularly in the early months following go-live of the new technology.

The least critical criterion for respondents was delivery team, though we believe it is an area of critical importance that should be higher on the buyer's list of top factors. Specific resources, certifications and the team's experience implementing in-scope modules for clients of similar size and complexity are critical criteria in selecting a provider. With the heightened market activity right now, some providers are struggling to staff projects – making it even more important to lock in key resources needed for implementation.



HR Tech Capability

As in our past survey, we examined the maturity of the HR tech environments in global companies and how the adoption of HR technology, optimization of HR processes and the associated service delivery implications impact organizational capability. ISG's HR Tech Capability Model tracks an organization's HR capabilities across five areas: 1) HR technology strategy, 2) HR processes, 3) HR service delivery, 4) direct access with employee self-service (ESS)/manager self-service (MSS) and 5) reporting and analytics.



Technology Strategy Capability

As we look at HR technology strategy at enterprises today, we find most organizations are having moderate success at maintaining a HR technology roadmap, aligning the technology strategy to organizational objectives and leveraging technology to respond to business needs. Less than a third of organizations describe themselves as “very successful” in any of the key capabilities listed (See Figure 10).

The strategy and roadmap should be driven by an HR Tech Center of Excellence (CoE). However, just under half the respondents stated they have a centralized HR Tech CoE.

Organizations that have a three-year technology roadmap are behaving differently than organizations that do not have a three-year roadmap. They are more likely to incorporate new technologies, review and take advantage of new functionality, and achieve measurable results.

Organizations have a clear opportunity to incorporate emerging technologies such as AI, blockchain and RPA into their HR technology solution and roadmap. Less than 15 percent of respondents claim they are “very successful” here, while more than twice that number describe themselves as “unsuccessful.” Emerging technologies is a hot topic, and organizations are wrestling with how to operationalize them. Until we see more success stories and concrete applications, much of the conversation about what is possible remains theoretical or limited to small-scale pilot programs.

Figure 10: How successful has your organization been at ...



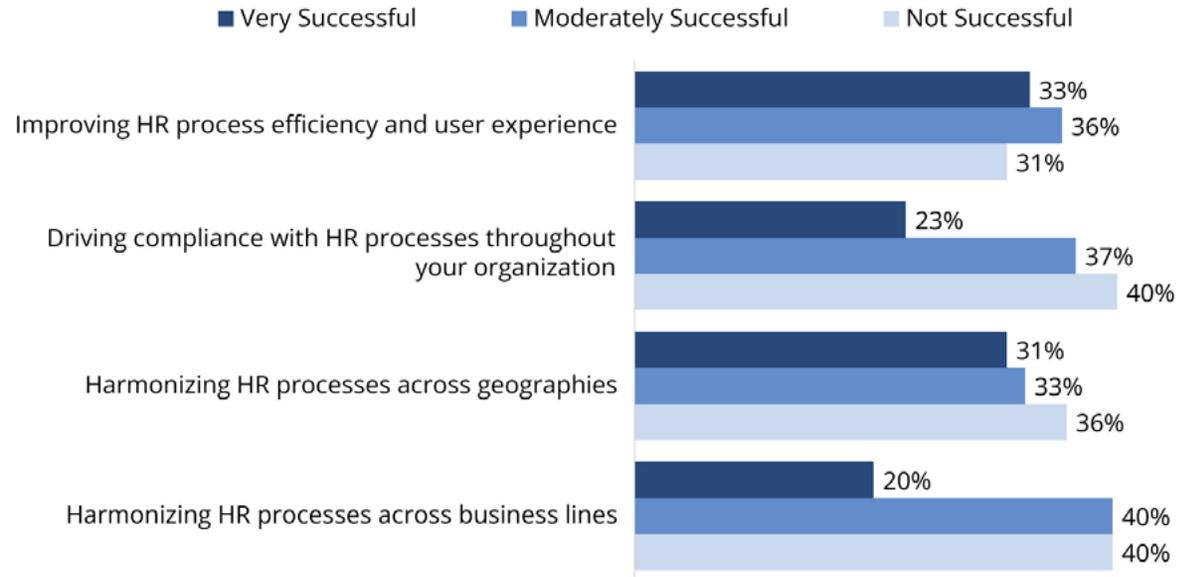
Leveraging technology to respond to business needs more quickly and proactively is another area organizations have had limited success, with less than one-fifth of organizations describing themselves as “very successful.”

Process Maturity

One of the greatest opportunities for transforming HR delivery when implementing new technology is in harmonizing and streamlining HR business processes across the organization. Often, organizations declare they will do a “plain vanilla” implementation with minimal exceptions. However, the pressure to meet business needs and market practices often derails this intent, particularly when deployment timelines don’t allow for collaborative process redesign efforts. Failure to materially change business processes was one of the top reasons linked to inability to achieve business value.

Approximately two-thirds of organizations have had some success in driving material process harmonization, efficiency and compliance across the organization to date. For those organizations that did not achieve desired success in these areas during deployment of their new technology, it is not too late. Many organizations are pursuing additional process efficiencies through a second wave of transformation activity after deployment settles in. Often this second wave may leverage an experience suite to bring together delivery aspects, such as a contact center or a CoE, that are not strictly part of the HCM solution.

Figure 11: How successful has your organization been at ...

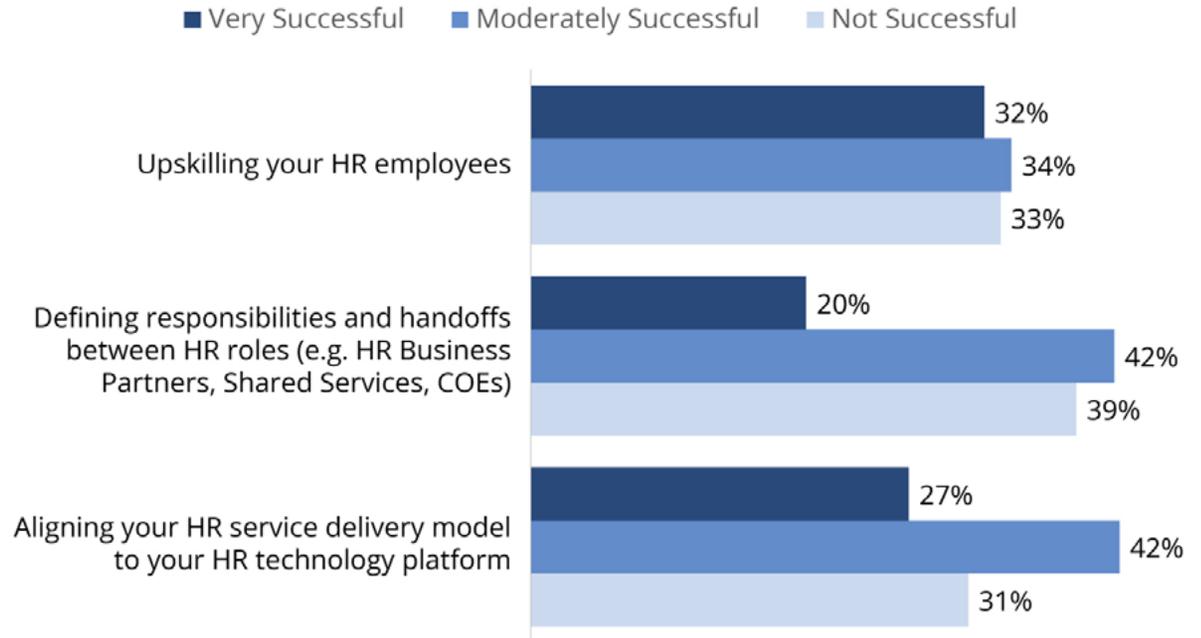


Service Delivery Model Alignment

Our data found a strong correlation between an organization's success at aligning its service delivery model and processes with its new HCM platform and its ability to achieve business results. True HR transformation requires a comprehensive approach to technology, process and people (organizational model and skills). Getting all these things to work in lockstep is no small undertaking, and the organizational aspects often get ignored in the rush to implement new technology, as is evidenced by the responses below.

Less than 20 percent of respondents describe themselves as “very successful” in defining the overall operating model between various parts of the HR organization. These organizations say this leads to confusion, duplication of effort and issues “falling through the cracks,” all of which contribute to value leakage and dissatisfaction. A slightly higher number (27 percent) indicate they've been very successful at aligning their delivery model to technology. These issues may be caused by a failure to address aspects in design or from insufficient organizational change management.

Figure 12: How successful has your organization been at ...

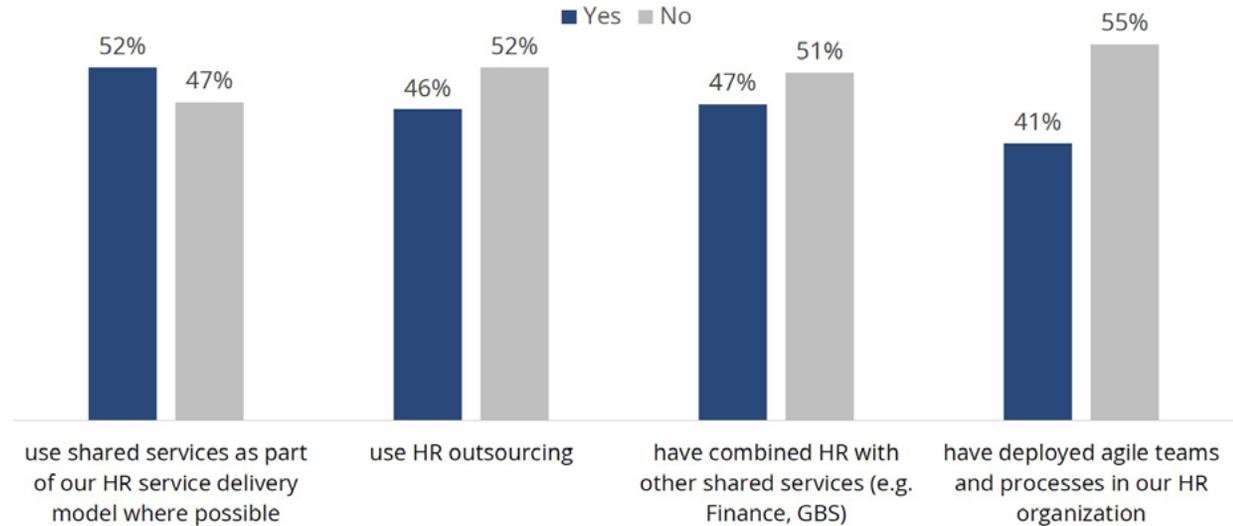


Service Delivery Model Utilization

Our survey indicates that slightly more than half of companies use shared services for HR and slightly less than half use outsourcing, implying a fairly even distribution of these two predominant service delivery models. Movement to a cross-functional shared services model or Global Business Services (GBS) model also shows slightly less than 50 percent prevalence. Shared services and GBS have become accepted models for delivering support services such as HR, finance, procurement or legal.

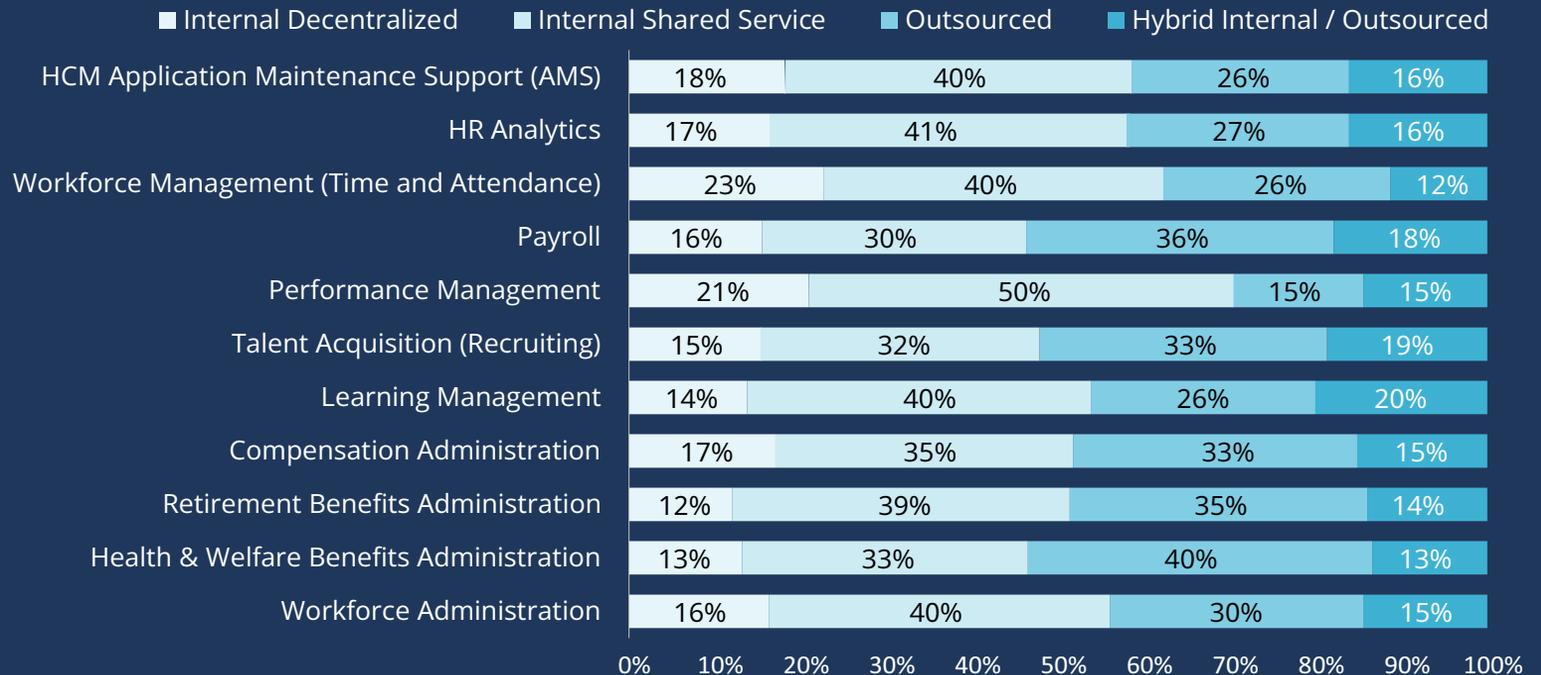
It has been estimated that 80 percent of Fortune 500 organizations use some type of shared services model. They deliver cost, quality and efficiency benefits driven through scale, specialization and increasingly through the application of automation and artificial intelligence. Forty percent of organizations also have gone beyond experimentation with Agile team models to more broad-based adoption. Combining the transactional efficiency of shared services and outsourcing with the agility and focus of Agile teams for more complex problem-solving can improve HR's overall operating success.

Figure 13: Which of the following describes your organization's use of HR service model?



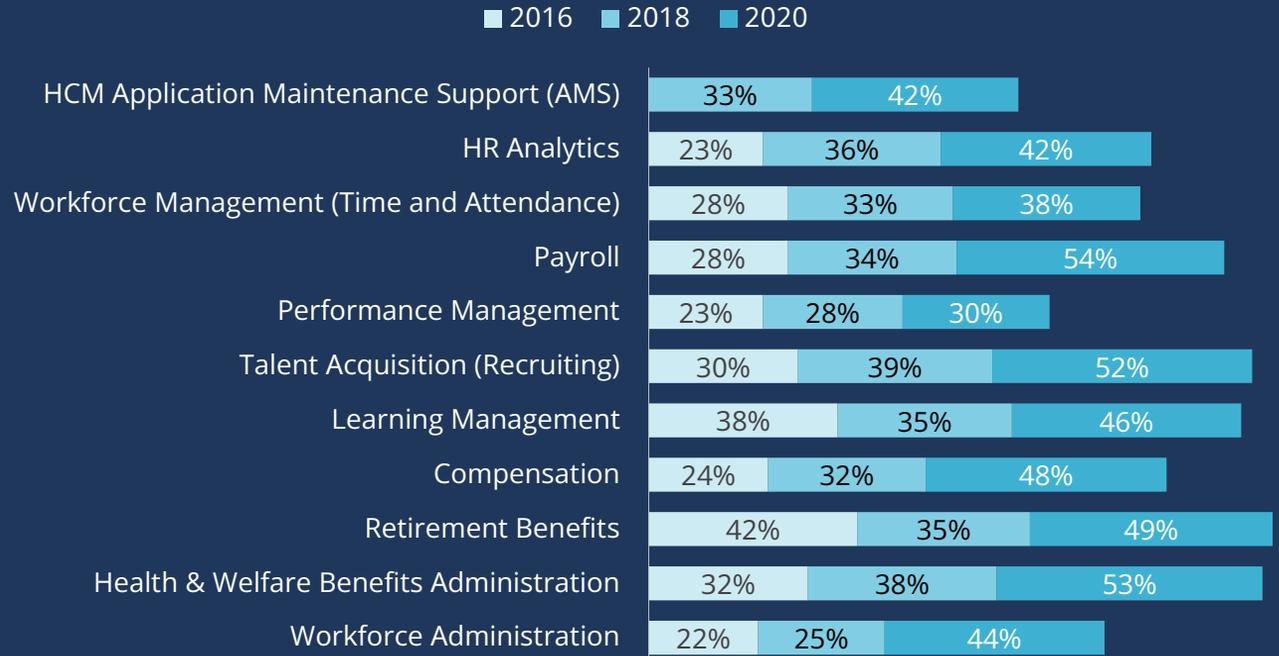
What is the primary delivery model your organization has implemented for the following HR functions?

The prevalence of some type of shared or centralized model for delivering HR services is abundantly clear; less than 20 percent of organizations indicate the use of a decentralized model across nearly all HR service categories. The degree to which organizations have favored internal shared services, outsourcing or a hybrid of the two approaches varies by service category. However, a model that includes some degree of outsourcing is more prevalent than purely internal shared services for all functional domains except performance management.



Primarily an outsourced or hybrid delivery model has been implemented for the following HR functions

If we compare these results to our last two bi-annual surveys, we see a clear year-over-year migration toward greater reliance on outsourcing as a primary or hybrid delivery model across HR organizations. However, this does not mean that organizations must outsource all HR functions or use the same provider for everything they choose to outsource. We have seen the market move away from “one size fits all” sourcing arrangements and toward strategic outsourcing in areas in which it makes sense. At the same time, organizations are combining best-of-breed providers for specialty areas such as recruiting or benefits with broader HRO providers, often leveraging experience suites to tie them all together for employees and managers.



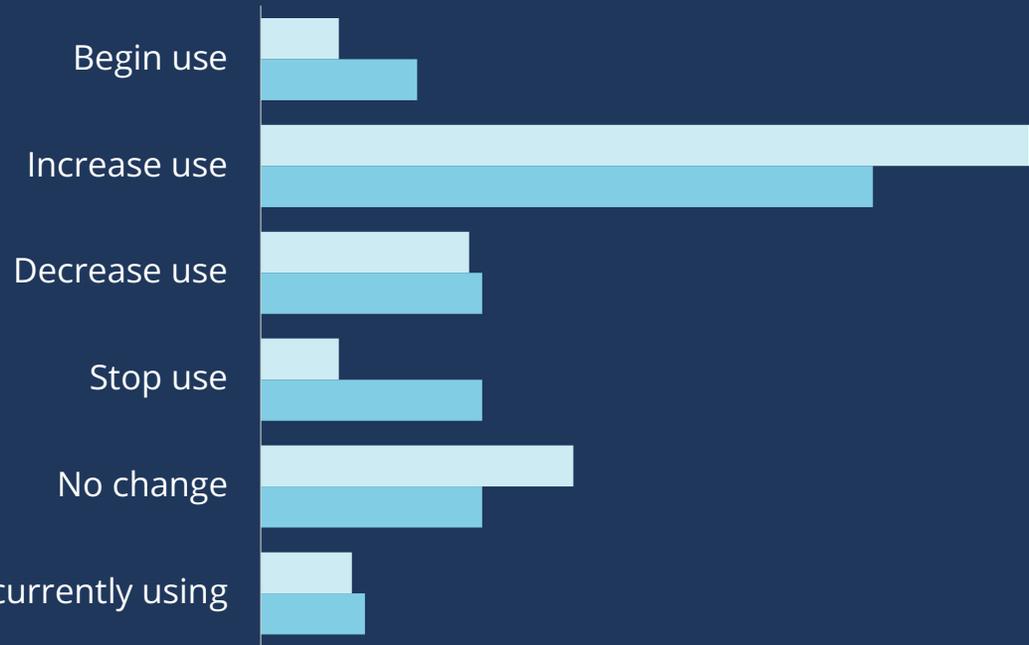
How do you expect your use of the following HR service delivery models to change through 2022?

Looking forward, **55 percent of organizations expect to begin or increase their reliance on shared services and 50 percent, expect to begin or increase their reliance on outsourcing.**

While these are slightly lower numbers than our last survey, which had 60 percent beginning/increasing shared services and 56 percent beginning/increasing outsourcing, they still indicate a robust growth opportunity in both models and their combinations.

N/A - not currently using

■ Shared Services ■ HR Process Outsourcing



HR Outsourcing Impact

Organizations that outsource HR services indicate some skepticism in outsourcing's ability to fully deliver its promised benefits. Forty-two percent of survey respondents who rely on HR outsourcing agree that it improves service quality, and 38 percent agree that it reduces costs. More than half identify HR outsourcing as part of a broader strategy to outsource certain areas across multiple business functions.

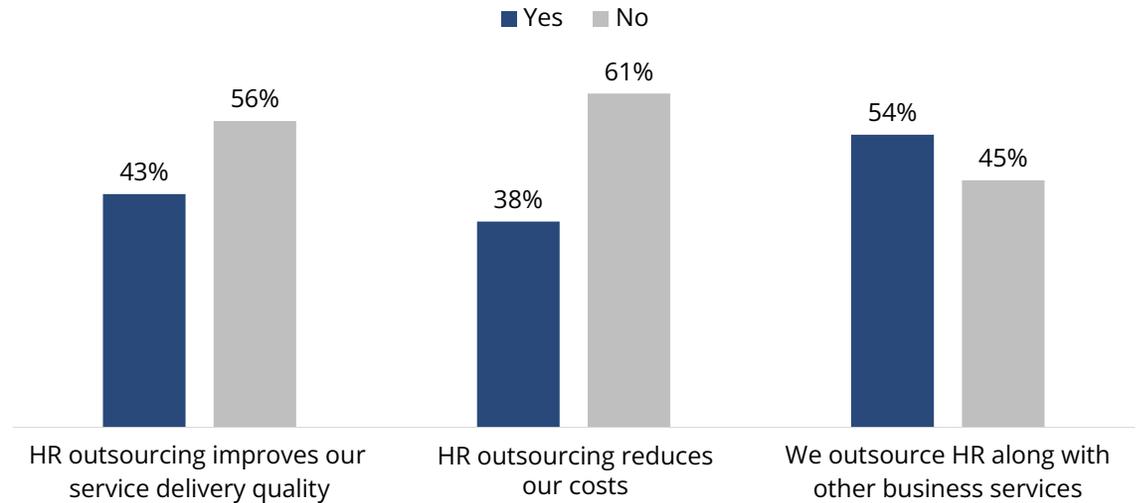
When digging deeper into these responses, we see that the least positive responses come from organizations with less than 10,000 employees and in which outsourcing models are less mature. Smaller organizations with more than 10,000 employees report the greatest improvement in service quality. And the greatest cost reduction is reported from organizations with more than 50,000 employees. We know that scale is a key driver of cost in outsourced services, making these large companies most able to benefit from outsourcing cost efficiencies.

Figure 18: To what extent do you agree with the following reasons to outsource HR?

*By number of employees



Figure 17: For what reason do you outsource HR?



	5,000 to 9,999	10,000 to 14,999	15,000 to 19,999	20,000 to 49,999	50,000 or More
HR outsourcing improves our service delivery quality	30%	50%	46%	45%	40%
HR outsourcing reduces our costs	30%	39%	37%	41%	50%
We outsource HR along with other business services	43%	67%	59%	50%	40%

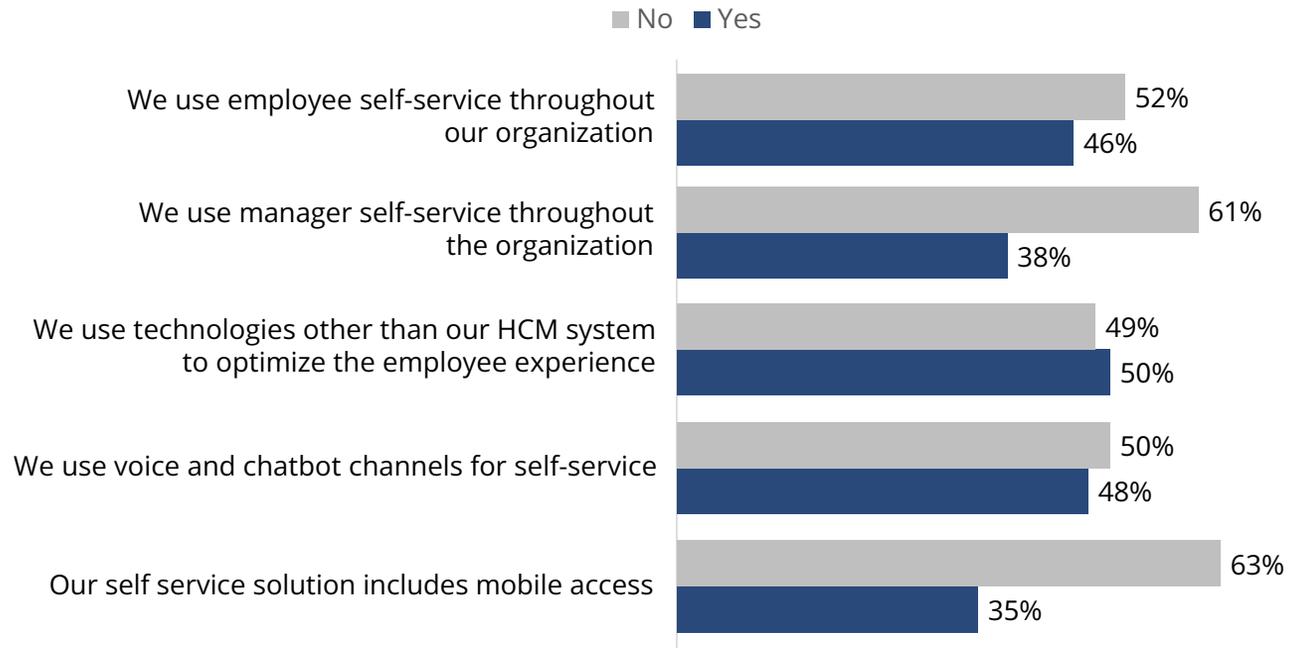
Direct Access

An organization's maturity with self-service is a key factor in overall service delivery and in the quality of the employee experience. Figure 19 shows how survey participants responded to a series of statements around their HR self-service functionality.

According to survey results, more than 45 percent of respondents indicate they offer employees direct access to self-service applications to get information or make changes in an HR system. Less than a quarter of organizations claim they are “very successful” at driving adoption of employee self-service, with a majority (over 60 percent) reporting they are “not successful.” A little less than 40 percent report offering direct access for manager self-service. Just 10 percent claim to be “very successful” at driving manager adoption, with more than half reporting they are “not successful.”

Not only are organizations still struggling to drive high levels of employee and manager self-service adoption, less than half of organizations are taking advantage of voice and chatbot technologies for self-service, and even fewer – around one-third of respondents – say they offer mobile capabilities. Based on the increasing priority of the mobile channel, we expect to see a marked improvement in these numbers in 2021 and 2022.

Figure 19: How has your organization deployed the use of available self-service HR systems



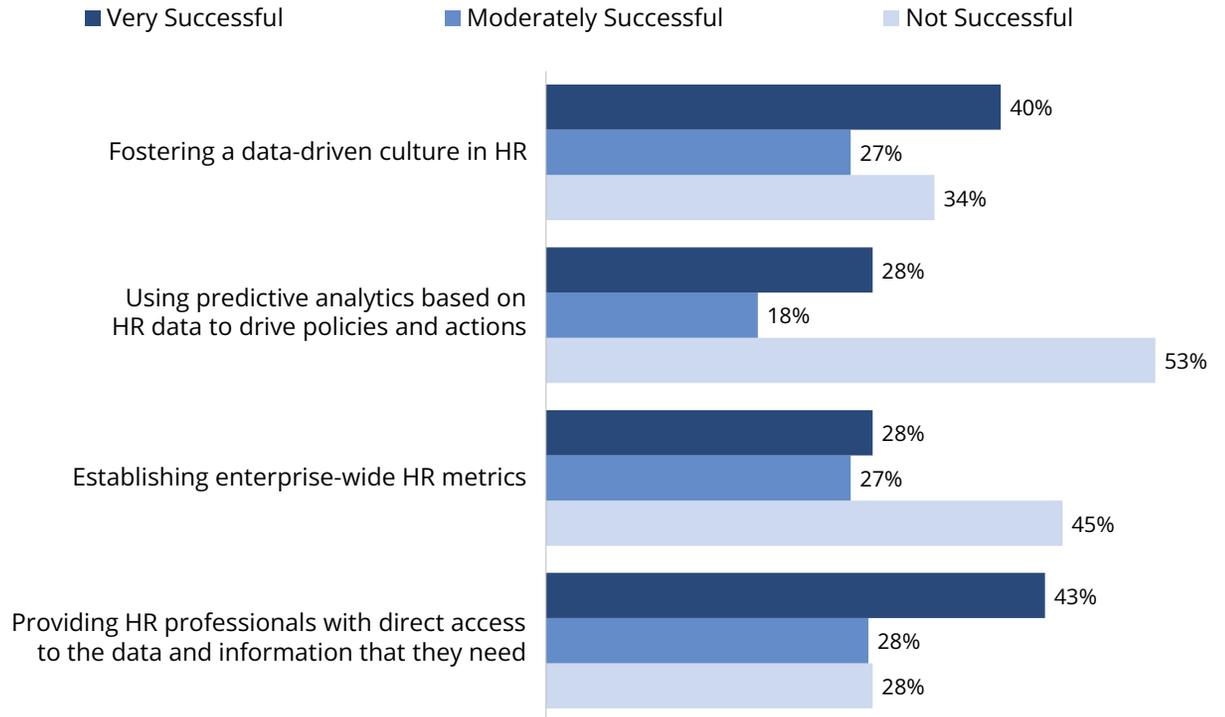
Reporting and Analytics Capability

We have seen good progress around data and analytics, as depicted by Figure 20.

With the accelerating shift to SaaS, many organizations have been able to consolidate disparate technology into a single source of HR data. Increasingly, we see analytics being embedded as part of the HR process – whether in organizational planning, performance management, learning, talent reviews, compensation planning or other HR processes.

Almost 40 percent of organizations say they have been very successful in fostering a data-driven culture in HR, with an additional quarter of respondents describing themselves as moderately successful. Organizations are collecting more data and putting data in the hands of HR and HR Business Partners. More than half of organizations say they can provide on-demand reports and dashboards for HR professionals. With improvements in HR analytics, the appetite for data has increased throughout the organization. Business leaders want to see greater sophistication and the ability to drill down into more detailed analyses.

Figure 20: How successful has your organization been at ...



2021 Survey on Industry Trends in HR Technology and Service Delivery

The COVID pandemic refocused HR on the need for workforce planning data and analytics, including real-time data on absences and employee sentiment, as well as the ability to plan and execute mass furloughs and return-to-work events.

While advancements in HR analytics are encouraging, plenty of opportunity remains. One such improvement opportunity is in establishing enterprise-wide HR metrics, in which over 40 percent of respondent say they have been unsuccessful. Many organizations have not established common data definitions, reporting and metrics, which is critical to establishing analytics at scale. Where there are not common data definitions and a consistent foundation across the organization, it is challenging to share a common interpretation of the results and tell a story that puts the data into action.

Another area that still has significant opportunity is predictive analytics. Over half of respondents say they are not successful in using predictive analytics to drive action. Where predictive analytics are being used by organizations, it is primarily in areas such as predicting basic headcount and turnover. The next step – tying predictions to business results such as sales, employee engagement or customer satisfaction – remains elusive.

Additionally, most organizations are unable to forecast talent needs, provide insights to ensure they have the right skills and capabilities for the future or link talent planning to business planning – though there is a huge interest in doing so.

While the desire for the data is now high, the ability to surface the data and insights, quickly deliver them to the business and drive actions to create business impact remains a significant gap.



Conclusion: Executive Guidance

After a year of uncertainty and change, organizations are moving forward. They are accelerating the move to HR SaaS, capturing HR and IT savings and seeing measurable business value.

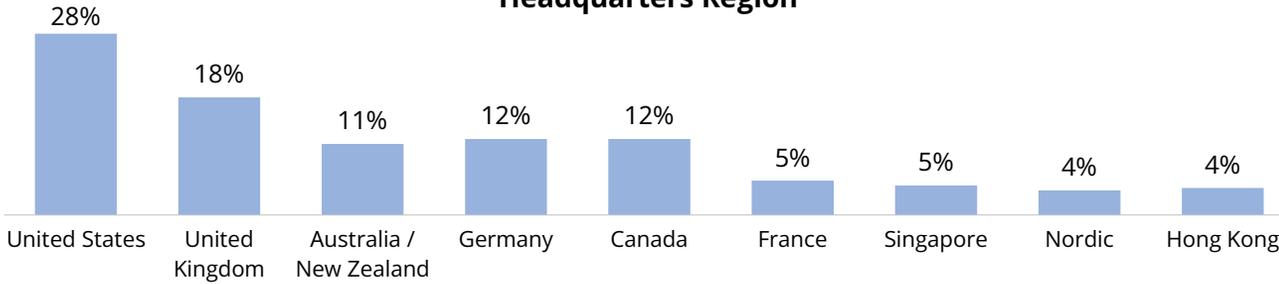
To better position your organization in its digital transformation journey, we have outlined the following guidance:

- **Approach the shift to HR SaaS as an HR transformation.** Do not underestimate the importance of designing changes to the service delivery model and processes as part of the transformation. Take time to harmonize and optimize processes to drive a superior user experience and process efficiency.
- **Develop a three-year HR technology strategy.** Set aside budget for ongoing technology investment and optimization. Understand new technology options in the market, how your organization can take advantage of new functionality and how you can best pilot emerging technologies.
- **Focus on driving greater adoption of direct access solutions.** Whether its HCM employee and manager self-service, employee experience suites, chat, mobile or other solutions, achieving greater adoption of direct access tools should be a priority. Adoption of these tools is instrumental in maximizing productivity and creating the right end-to-end experience. Don't underinvest in change management – a common miscalculation in deploying new HR technology.
- **Support the virtual workforce.** With a segment of the workforce expected to stay virtual even beyond 2022, ensure you have the right HR technology, tools and policies to support a long-term work-from-home strategy. Beyond simply providing direct access to core technology, companies need technology that enable HR processes, such as virtual recruiting and onboarding, as well as technology to foster connections, facilitate employee engagement and encourage collaboration.
- **Carefully evaluate SI providers, including key SI resources, as part of any technology deployment.** In addition to evaluating depth of experience in the chosen technology, industry experience and overall approach and tools, evaluate the key delivery team. Have your key resources meet with the proposed leads (e.g., Project Lead, HCM Lead, Payroll Lead, Integration Lead, Data Conversion Lead and other primary roles) to ensure comfort with the individual team members' capability and cultural fit.
- **Consider the roles of a HR Tech CoE and Analytics CoE.** Less than half of organizations have an HR Tech CoE, and just 37 percent of organizations have a People Analytics CoE. As the organization matures, evaluate these key roles to better drive the HR technology strategy, adoption of analytics and more strategic decision-making.
- **Empower managers to use analytics.** While organizations are investing in new analytics capabilities, using data to drive action requires a change to the way managers operate. Empowering managers in the organization to use analytics for better decision-making will depend on a change management and adoption effort to build skills, generate new habits, embed analytics into daily work and take advantage of new analytics capabilities.

Background and Demographics of Survey

ISG's 2021 Survey on Industry Trends in HR Technology and Service Delivery is intended to provide insight into the global HR technology and service delivery market landscape. The survey captured insights from 260 companies, representing a cross-section of industries operating in key geographic regions around the world. The report tracks how market trends are evolving based on prior research and examines the maturity of organizations as they make their way along the digital transformation journey.

Headquarters Region

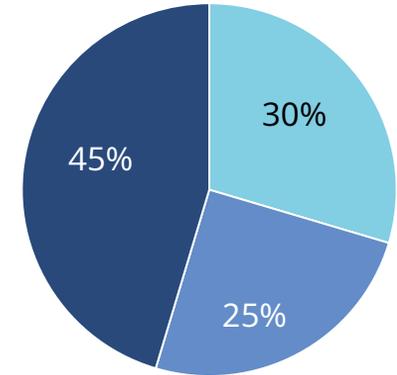


Company Annual Revenue USD Equivalent



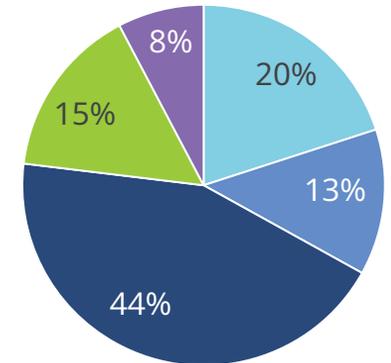
Role

- Information Technology
- Shared Service Operations
- Human Resources



Employee Count

- 5,000 - 9,999
- 10,000 - 14,999
- 15,000 - 19,999
- 20,000 - 49,999
- 50,000 or More



Authors



Stacey Cadigan Partner

Stacey Cadigan is an HR thought leader who is passionate about HR and talent management. With more than 20 years in HR, she has leveraged her deep experience and expertise to help clients achieve their strategic, operational and financial objectives. Through her diverse experience in HR strategy, HR technology, HRO operations, RPO and transitions, she has developed unique insight and the ability to ask the right questions in assisting organizations with finding solutions to effectively align their HR initiatives with their vision. Stacey was named “HR Thought Leader of the Year” in 2016 and has been named “HRO Superstar” by HRO Today Services and Technology Association every year since 2016.



Deb Card Partner

Deb draws upon extensive experience in shared services, outsourcing and HR management to help clients define and implement their HR technology and service delivery strategies. Deb helps enterprises assess the business case for human capital management software-as-a-service (SaaS) solutions, understand the capabilities and experience of leading HR SaaS providers and integrators, and formulate and execute effective negotiation strategies for HR SaaS software and implementation. She has authored ISG’s annual survey on HR Technology and Service Delivery Trends since 2014. Deb has over 30 years of experience. She has been named an HRO Superstar every year since 2014.



Kelly Will Director

Kelly Will is an HR technology and service delivery leader helping clients with HR transformation through service delivery model design, process optimization and technology deployment. With over 20 years in the HR technology and operations space, she has leveraged her experience and expertise to help organizations align their HR technology initiatives and service delivery model with their strategic vision for the HR function. As a Director in ISG’s HR Technology and Delivery Strategies Practice, Kelly brings the ability to simplify complex HR processes and effectively design operational improvements and technology solutions that enable high-quality HR service delivery.



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