

HARNESSING THE HR TECHNOLOGY REVOLUTION

“ Before you implement any HR technology you should have sorted out where the HR function is going to be in three or five years and then figure out how you would use technology to support that. ”

David Millner, Founder and Consulting Partner at HR Curator Ltd.

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EXECUTIVE SUMMARY

1. HR technology is now a huge – and rapidly changing – field, touching every aspect of HR. Whereas older HRIS were not much more than glorified filing cabinets that sat off to the side, HR tech has become central to HR. As more and more processes become automated, so technology has a tremendous impact on HR’s efficiency and effectiveness and – importantly – on the overall employee experience. New vendors are appearing all the time and the boundaries between different offerings are becoming more blurred as vendors add to the features of their products. In short, HR tech is no longer something that can be delegated to the IT function – instead, HR leaders must build the capabilities to understand, implement and keep up with the extraordinary advances in this area, and be savvier about partnering with vendors and consultants in this space. This CRF report is not a buyer’s guide that recommends particular solutions, as there are too many to cover and any choice depends on business needs, budget, existing IT infrastructure, and so on. What it does provide is a way to navigate through the key questions that need to be considered when defining a roadmap for the future.
2. HR technology has changed in many ways, but one of the most significant is the way it has decisively moved to the cloud. SaaS solutions are rapidly replacing on-premise ones. While HR can still do some configuration of SaaS solutions to suit their needs, there is a move away from customisation. Instead of creating a process and then building software to automate it, companies are usually better off starting with what the software offers and building their processes around that. This inverts the way HR does its work; instead of defining activities and embedding them in technology, increasingly it will work the other way around, which means suppliers will increasingly drive what HR does and – as part of this – allow smaller organisations to benefit from capabilities that previously were restricted only to large companies.
3. Features that were ‘hot’ just a few years ago have become the norm. It’s becoming a base expectation that an HR technology will be mobile, have a consumer-grade user-experience, have built-in analytics and self-service. With more people working virtually, and with the shift in generations, employees and managers expect HR to be as easy to interact with as the features on their smartphone. Indeed, with more third party apps entering the HR space, one trend may be for users to rely increasingly on external tools that HR neither chooses nor controls.
4. While it often seems that integrated suites push out best-of-breed solutions, that doesn’t appear to be happening. There is a never-ending stream of small best-of-breed apps. The big HRMS vendors now have ‘app stores’ to make it easy to add best-of-breed apps to their core solution. The challenge instead is striking the optimal trade-off between standardisation and diversity, and between experimentation and the tried-and-tested.
5. Decisions about HR technology should flow from a decision about where the business is going. Unfortunately, it is all too easy to focus on the technology itself without a sufficiently clear idea of how it supports the business strategy. Any roadmap created, therefore, needs to weigh up the relative importance of priorities such as improving HR efficiency, enhancing the effectiveness of how HR activities are performed, fostering

“The HR technology space is vast, confusing and rapidly changing – and will remain so. However, its transformational effect means it cannot be ignored – HR leaders need to be tech savvy if they are to be effective and credible in the future.”

David Creelman and Geoff Matthews, Report Authors

- organisational agility, or transforming the employee experience.
6. There is a tension between wanting to get the basic core system in place and wanting to adopt advanced tools that will help improve business decisions. But any progress needs robust governance and change management, and it’s hard to overestimate the importance of careful implementation including getting stakeholder buy-in, testing, and user training. Even seemingly simple tools, like payroll, can go horribly wrong if the implementation is insufficiently rigorous.
 7. There is an opportunity to move towards HR processes that are more personalised than anything seen in the past. For example, engagement questions need not be ‘one-size fits all’; they can be tuned to each individual based on the factors that motivate them. HR teams will need to weigh up the pros and cons of personalisation versus keeping things consistent and simple.
 8. As HR technology automates processes and provides intelligence for better decision-making, it begins to change the nature of the HR function. HR tech may lead us to a new kind of HR where analytics not only fosters greater insight but AI can provide predictive guidance that is one step ahead of managers.
 9. The challenges of moving from the current state to what is, in theory, possible with the latest HR technology are daunting. Getting free of a mish-mash of legacy systems and dirty data can be a decade-long process, and implementing consistent systems may raise significant issues regarding governance and information transparency. At the same time, as technology becomes more pervasive and data moves from in-house to the cloud and mobile solutions, regulation, privacy and security concerns will be ever more pressing. Better technology means HR need not spend as much time on minding transactional activities and will be expected instead to capitalise on the data and insights they have at their fingertips. These are all critical demands, but HR may not have the expertise yet to properly address them.
 10. Talent acquisition is in the midst of revolutionary change as we move from a world of advertising for resumes to scanning the web (in particular LinkedIn) for the talent we need. As detailed information about everyone becomes available on the web, and AI gains the ability to make sense of that information, talent acquisition may become more proactive ‘hunting’ and cultivation of external communities of talent rather than the traditional ‘post and pray’ process.
 11. Likewise, training is seeing a major paradigm shift as technology enables employees to access vast amounts of content. At the same time, advanced delivery of blended learning offers the potential of much more effective learning. As a result, learning and development teams are likely to change from being creators and deliverers of content, to being curators that are focused on guiding people to the best solutions available.
 12. There is so much investment in new HR technology, in particular in the area of AI, that it may be that any HR technology roadmap will rapidly become obsolete. HR leaders need to be alert to the opportunities offered here – as well as the risks, such as the impact technology (especially robotics) may have for the size and type of HR workforce needed in future.

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