



Report Information from ProQuest

July 19 2013 13:50

Table of contents

1. HR Technology Trends to Watch in 2007.....	1
---	---

HR Technology Trends to Watch in 2007

Author: Anonymous

Publication info: HR Focus 84.1 (Jan 2007): 1,11,13-15.

[ProQuest document link](#)

Abstract: Technology can be a tremendous help to HR, but it can also present huge challenges including cost, implementation, getting employees and managers to use the resources, determining ROI, and arranging interactions with HRIS staff. One of the best resources to track state-of-the-art HR technology is the annual CedarCrestone survey. Several key trends emerged from this year's survey, noted Neil Boyer, CedarCrestone COO. First, respondents indicated "market maturity in the adoption of administrative and self-service technologies. The next trend is widespread interest in addressing organization issues of acquiring skilled talent with talent acquisition solutions, aligning organizational and individual goals through performance management solutions, and moving toward metrics-based management with performance measurement technologies. The survey also notes the continuous efforts toward business process improvements now. While outsourcing is still only a part of the overall technology scene, respondents indicate that their organizations are laying out more money for outsourced solutions than in-house managed solutions.

Links: [Linking Service](#)

Full text: Headnote

TECHNOLOGY

Technology can be a tremendous help to HR, but it can also present huge challenges including cost, implementation, getting employees and managers to use the resources, determining ROI, and arranging interactions with HRIS staff.

Trends in use and applications are important for HR professionals to follow, both to understand how peers are using technology for human capital management (HCM) and where to avoid reinventing the wheel when it comes to your own organization's initiatives.

One of the best resources to track state-of-the-art HR technology is the annual CedarCrestone survey (a free copy of the results is available at www.cedarcrestone.com/whitepapers.php). This year's edition, the 2006 HCM Survey: Workforce Technologies and Service Delivery Approaches-9th Annual Edition, looks at workforce technology adoption difficulties, including service delivery, outsourcing, and other issues.

TOP TECHNOLOGY TRENDS

Several key trends emerged from this year's survey, noted Neil Boyer, CedarCrestone COO.

First, respondents indicated "market maturity in [the] adoption of administrative and self-service technologies...." While not every company has moved into self-service, nor automated every administration function, enough organizations have made the move that these are becoming well-accepted applications.

The next trend-a very natural one, given the current marketplace-is "widespread interest in addressing organization issues of acquiring skilled talent with talent acquisition solutions, aligning organizational and individual goals through performance management solutions, and moving toward metrics-based management with performance measurement technologies."

While HR professionals and their staffs are developing many nontechnology tactics to address recruiting, hiring, and retention issues, and training and development matters, technology is seen as a way to help these initiatives. In fact, the survey identified this as a top priority for many organizations and for their HR professionals.

Organizations are addressing the "war for talent" with talent management solutions, establishing or refining their

HR application strategy, aligning employee performance with organizational goals (and supporting this with performance management solutions), and measuring results with performance management solutions. The growing need for useful metrics and benchmark information is a logical area to receive HR technology's assistance. Reflecting the latter trend, CedarCrestone added a new section to its survey this year to examine measurements and analytics. It plans to issue a supplemental report early this year with the results. The survey also notes the continuous efforts toward business process improvements now. "These activities are a critical success factor for future workforce technologies' deployment," according to the results. Finally, enabling HR to become more strategic is a goal that 75% of the respondents report they are achieving through the use of technology. Specifically, technology is providing operational efficiency from self-service so that HR can provide additional strategic value in the following areas:

- * Gathering and providing metrics for budgeting and policy making to become more proactive by being able to sense trends in metrics.
- * Providing more business strategy consulting to line managers.
- * Moving forward with other technology initiatives.
- * Strategically linking HR practices and technologies to improve revenue growth.

However, there are deterrents to achieving these goals that some respondents cited, including:

- * Self-service applications "developed with a decidedly 'American' slant do not play well in international operations."
- * The need for a centralized corporate strategy is recognized by respondents, but is still lacking in many organizations that have several business units acting independently.
- * Poor user interface means applications aren't used much.
- * Overcoming change management issues is slowing the acceptance of manager self-service.
- * Some of the so-called best-of-breed recruiting solutions "are not robust enough nor supportive of multicountry operations."

HOW TECHNOLOGIES ARE BEING ADOPTED

Results show that the market for administrative applications has reached the "mature" level. For employee and manager productivity applications, this means the market is moving into a "late majority adoption phase" with activity mostly taking place in health-care, public administration, and higher-education organizations.

Strategic HCM applications are a different story, the survey reports: The market is still in an "early majority phase" of adoption. There is a lot of activity in talent management and performance management, especially in financial services, high-tech manufacturing, other manufacturing, and other services industries.

Also in the early stages are measuring and planning talent applications, including data warehousing, workforce analytics, and workforce planning. Key users up to this point include financial services, high-tech manufacturing, and very large retail organizations. (see Table 1.)

TECHNOLOGY SPENDING

While outsourcing is still only a part of the overall technology scene, respondents indicate that their organizations are laying out more money for outsourced solutions than in-house managed solutions. (see Table 2.)

CedarCrestone provided the following explanations:

- * Organizations that manage their applications in-house often have more fragmented system operations, and respondents may overlook or be unaware of costs that are embedded in more distributed operations.
- * Organizations that outsource have a more comprehensive and assured view of their costs than those that don't, since costs are explicitly laid out in their service providers' contracts.
- * Outsourcing agreements are regularly established in organizations that have struggled to manage costs, often because of the complexity of their process or because they have subscale operations. As a result, CedarCrestone noted that the expenditures on outsourcing could include more complex services than those

managed in-house.

However, consider two organizations with equally complex operations: The one that outsources will pay more since the service provider must make a profit.

To best understand the relationship of expenditures to outcomes and payback for both in-house and outsourced services, the report urges HR professionals to "carefully compare potential expenditures based on their unique process, technology infrastructure, and people aspects of HR systems' support requirements." CedarCrestone offers industry and size comparison benchmarks (contact the company at www.cedarcrestone.com for more information).

Outsourcing costs more, so organizations are likely to see the fastest pay back on in-house solutions—at least so far. However, the survey analysis notes that the really fast payback may ultimately come from using hosted solutions.

"Hosted payback comes from a lower total cost of ownership related to staff required to support HR technology solutions," the report explained. "In the benchmark numbers for IT staff supporting all HR systems, HRMS application employees, and HRMS application consultants, in all cases the number of people is less in organizations that outsource (host) their technology infrastructure and application management support."

OUTSOURCING/INSOURCING

Key drivers for both in-house and outsourced HR solutions are to enable HR to serve in a more strategic capacity, reduce administrative costs, and achieve a return on investment. However, the report notes that respondents sense that in-house HR solutions will affect employee productivity and more easily integrate new services than outsourced solutions. On the other hand, respondents perceive that outsourced HR solutions will significantly enable them to avoid new IT/capital expenditures and reduce software implementation times. Outsourcing has become a selective process rather than remaining just a simple move to HR business process outsourcing, according to the survey's findings. The most popular functions to be outsourced now and in the year ahead are 401 (k) plans, pensions, benefits, and payroll administration, which are noncore and administrative functions.

About one-third (30%) of respondents are partly or completely outsourcing technology components such as hardware/servers, database software applications, and computer room operations. And expect to see more outsourcing in these areas—as much as a 30% increase—in the year ahead. Those who develop applications and the staff that manage them will be outsourced more often this year as well.

While HR record keeping is still mostly an in-house process, fewer organizations this year said they would "never" outsource this function. Global companies expressed greater interest in outsourcing the HR record-keeping process than nonglobal companies. HR continues to handle—and will for the immediate future—the processes and people that are part of strategic core competencies and those that differentiate organizations competitively. These include workforce analytics and workforce planning.

APPLICATIONS THAT PAY

The survey reported that five applications contribute to operating income growth among publicly traded respondent organizations: manager self-service, career development, workforce measurement, talent acquisition, and performance management solutions. (see Table 3.)

Return-on-investment and other benefits, such as reducing transaction costs, administrative headcount, cycle time, and penalties and fines, are some of the significant goals being achieved through the use of workforce technologies.

The greatest administrative cost savings are reported by organizations that have service centers. Headcount reductions ranging from 18% in 2006 to 25% reported in past surveys come from a decrease in temporary staffing and administrative headcount. Transaction cost reductions and cycle time improvements from self-service vary depending on transaction type, with manager self-service achieving cost savings of 60% or more and benefits selfservice achieving 80%-plus cost savings.

Time-to-hire varies by recruiting solution and solution provider and type (in-house v. on-demand software services), but yield almost 40% time reductions across the board. Compliance improvements yield significant penalty and fine reductions or complete elimination. As organizations deploy self-service, service center inquiries and specialist time is also reduced. (see Table 4.)

OTHER FINDINGS

* Custom solutions have been dropping off since 2005 and are being replaced by package solutions from third parties, HRMS vendors, or non-HR portal providers.

* Oracle/PeopleSoft (Enterprise HCM) continues to be the most frequently used vendor solution among most respondents. The exception: time and attendance, where Kronos is the leading application. The survey predicts that PeopleSoft will take the lead in all categories this year.

* Business users are satisfied with all HR services, and their level of satisfaction has been improving since 2005. However, users are least satisfied with analytics, employee development, and recruiting services.

Subject: Human resource management; Polls & surveys; Information systems; Technological planning

Location: United States--US

Classification: 9190: United States; 6100: Human resource planning; 5240: Software & systems

Publication title: HR Focus

Volume: 84

Issue: 1

Pages: 1,11,13-15

Number of pages: 5

Publication year: 2007

Publication date: Jan 2007

Year: 2007

Publisher: Bureau of National Affairs, Inc.

Place of publication: Washington, DC

Country of publication: United States

Publication subject: Business And Economics--Management, Business And Economics--Labor And Industrial Relations

ISSN: 10596038

Source type: Trade Journals

Language of publication: English

Document type: Cover Story

ProQuest document ID: 206821509

Document URL: <http://search.proquest.com/library.capella.edu/docview/206821509?accountid=27965>

Copyright: Copyright Institute of Management & Administration Jan 2007

Last updated: 2012-01-26

Database: ProQuest Research Library: Business,ABI/INFORM Global

Contact ProQuest

Copyright © 2012 ProQuest LLC. All rights reserved. - **Terms and Conditions**