27TH

ANNUAL HR SYSTEMS SURVEY REPORT

SAPIENT INSIGHTS GROUP

INTRODUCTION AND KEY THEMES

SAPIENT INSIGHTS GROUP

1/14 SECTION

INTRODUCTION AND KEY THEMES

ABOUT US

Sapient Insights Group is a women-owned research and advisory firm with a strong sense of business ethics, a passion for data, and a commitment to achieving outcomes for our clients, partners, and the business functions we serve.

All that we publish is based on our Voice of the Customer research results and our work with the broader HR community. We have the confidence to challenge our industry on what drives results rather than so-called best practices. Organizations often waste time and resources trying to fit into a mold that doesn't work for their unique industry or size. We pride ourselves on offering information and practical guidance tailored to every organization type.

> **Everything we offer our clients is rooted in decades of experience, primary research, and proven practices. We bring you the insights you need and inject some fun along the way...**

We specialize in serving these communities:

Executives, HR, Finance, IT leaders, and their organizations as they tackle technology transformation, modernize business practices, lead change, and develop workforces for today and tomorrow.

Technology vendors and investors, arming them with the latest market data, growth projections, and user feedback to guide spending plans, product roadmaps, marketing strategies, pricing, and strategic partnerships.

Supporting services providers and consultants with targeted data to shape their advice to customers and inform their practice roadmaps.

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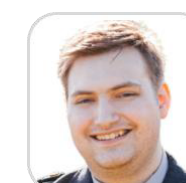
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LEGEND

Organization Sizes:

Enterprise
≥5,000 Employees

Mid-Market
500-4999 Employees

SMB
<500 Employees

Voice of the Customer:

Payroll Systems

HR Management Systems

Benefits and Wellness

HR Service Delivery Systems

Time Management Systems

Talent Management Systems

HR Analytics & Planning Systems

The HR Systems Blueprint:

Data Governance

Strategy

Culture
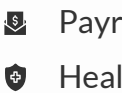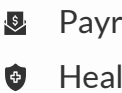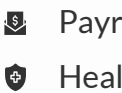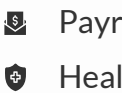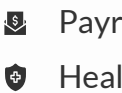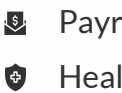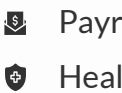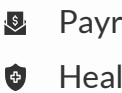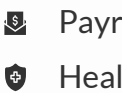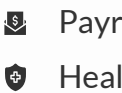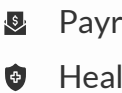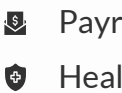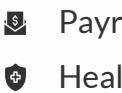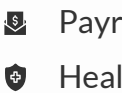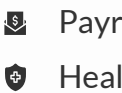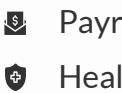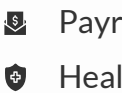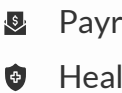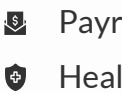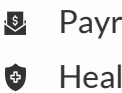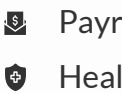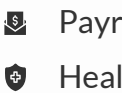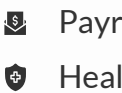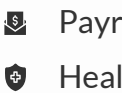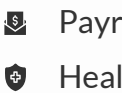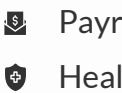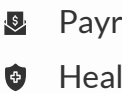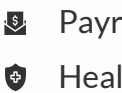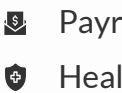
Generational Compositions:

Greatest Generation
1930-1945

Baby Boomers
1946-1964

Gen X
1965-1980

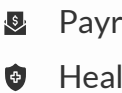**Millennial**
1981-1996

Gen Z
1997-2012

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Primary Applications we track in 6 categories:

Payroll   HRMS   Benefits
Health and Safety   Wellness
Employee and Manager HR Self-Service
HR Portals and Communications
HR Content and Document Management
Employee Engagement/ Surveys
Employee Help Desk/Case Management
Time and Attendance   Absence Management
Leave Management   Labor Scheduling
Labor Budgeting
Productivity / Task Management (Assessing)
Recruiting and Acquisition
Onboarding and Mobility
Performance Management
Learning and Development
Compensation and Rewards
Skills Management
Career Planning and Succession
Embedded HR Tech Analytics Applications
Generic Analytics, Vis, and Stats Tools
Enterprise Business Intelligence Platforms
HR Intelligence / Analytics Platforms
Workforce and Org Planning Applications
Data Mapping and Integration Tools – (Assessing)
Data Storage Applications: Warehouses and Lakes

The information in this survey analysis report is compiled and analyzed by Sapient Insights Group as part of our commitment to providing thought leadership on human resources technologies and trends and the impact their adoption has on business outcomes. Sapient Insights Group does not endorse any solution or vendor referenced in our research.

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INTRODUCTION

The Sapient Insights 2024–2025 HR Systems Survey Report, 27th Annual Edition, is the latest installment in our ongoing effort to provide data and information directly from the practitioner's perspective, the Voice of the Customer.

Since 1997, this invaluable resource has provided insight and guidance to practitioners around the world. Sapient Insight's renowned survey is the industry's most extensive global research effort of the HR systems market, delivering views of current and future technology spending, adoption, and achieved outcomes. The cumulative 27-year research effort represents more than 25000 companies and over 300 million employees in more than 80 countries.

This year's report covers the current and future adoption plans for specific HR-related application categories, Voice of the Customer feedback on specific vendor solutions, and value achieved for the categories of HR applications listed below.

| Core HR Systems | Time Management | Analytics and Planning |
| HR Service Delivery | Talent Management | Emerging Technology |

Additionally, we cover key HR operational topics critical to the success and outcomes organizations hope to achieve with HR System investments, including:

- Systems governance, planning, and strategies
- Selections, implementations, and maintenance
- Service delivery models and system enablement
- Expenditures, resourcing, and organizational structures
- Adaptive change management and system adoption
- Vendor negotiations and relationships

For custom cuts of research data, contact us at Research@SapientInsights.com.

The survey was conducted from May 1st through June 26th, 2024.

| 3318 | 59 | 25M |
| Unique Organizations | Countries | Employees and contingent workers represented |

The **Sapient Insights 2024–2025 HR Systems Survey Report** contains 248 pages and 183 figures, including charts and graphics. This comprehensive set of HR system data and insights is produced annually to help HR Tech buyers, consumers, investors, and solution providers make the best possible decisions for their organization.

For more details on our full research methodology and demographics on participating organizations, please see this paper's **Research Methodology and Demographics section**.

SAPIENT INSIGHTS GROUP'S 2024-2025 ANNUAL HR SYSTEMS SURVEY KEY THEMES & FINDINGS
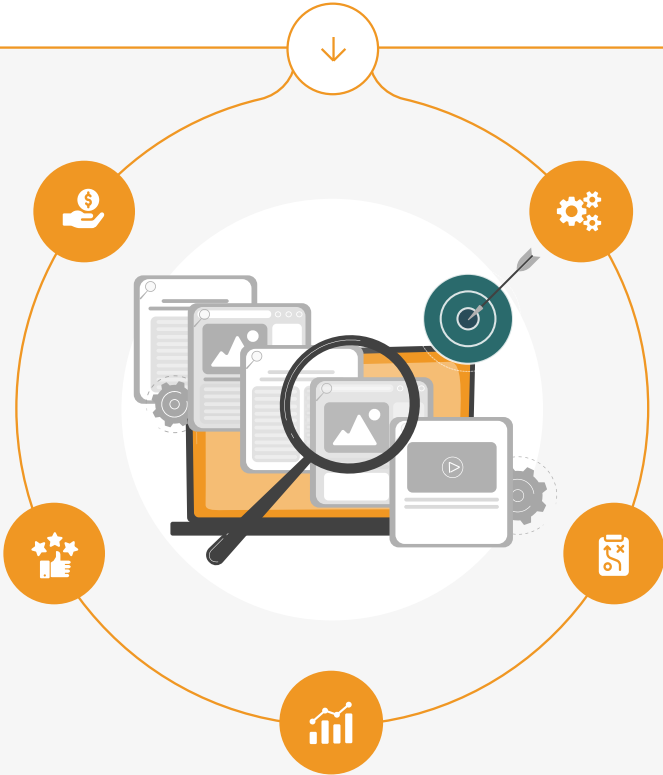
SPENDING

- HR Tech spending plans are holding steady YoY, with **41%** of organizations increasing HR Tech spending in the next 12 months.

- **7-9%** budget increases are expected for those making increased investments this year.

- **HRMS, benefits, learning, and recruiting** are on the HR Tech buyer's current shopping list.

AI ENABLED HR

- Early indicators show, on average **7%-10%** increase in HR, Talent, and Business Outcomes aligned with **#AI** investments.

- Just **8%** of SMB organizations use AI features embedded in their HR Technology compared to **32%** of Enterprise organizations.

- Writing **Job Descriptions** is the **#1-way** HR currently uses AI tools.

VOICE OF THE CUSTOMER

- Major **declines** in HRMS, payroll, and benefits YOY User Experience and Vendor Satisfaction ratings are driving change plans.

- The big replacement story this year is the HRMS. **18%** of organizations are replacing their HRMS in 12 -24 months, a **48%** increase YoY.

- Last year, we highlighted key HR solutions getting ready to make a mark in the **Mid-Market** space, and this year, they did!

STRATEGIC HR FUNCTIONS

- Year-over-year, all **Outcomes** are slightly down, but HR is making progress! **52%** of HR functions are viewed as Strategic partners in 2024!

- **43%** of organizations now have a defined HR Technology function or role – but **58%** of those in the role have less than **3 years** of experience.

- On average, Gen Z's make up **17%** of today's workforce–shifting user experience conversations from user-friendly to intuitive and adaptive.

BEYOND AI - EMERGING HR TECH

- AI is Hot, but buyers are burnt on the topic! **3 X's** as many companies say they aren't adopting AI solutions because they have **no good use cases** this year.

- HR Tech buyers are building **HR Platform Clusters** looking for more stability in price, data integration, global capabilities, and shared vendor services.

- Organizations with a dedicated Employee Experience function are **2 X's** more likely to have a well-defined HR Systems experience!

THE BUSINESS OF HR IN 2024

2024

$ $ $

2/14 SECTION

THE BUSINESS OF HR IN 2024

The story of 2024 and 2025 is one of a global tipping point – as the world is poised at the top of a precipice we've been climbing towards since 2020. Collectively, we've been holding our breath to see what direction our businesses will be pushed by our economy, governments, climate, artificial intelligence, and evolving workforces. Depending on which factor impacts your business the most, we expect that sometime in the next 12 to 24 months, most organizations will be forced to make major investment decisions to ensure their ability to compete and survive in the impending transformation of our global economy.

In the 10 years that I've been lucky enough to manage this amazing industry research - I've never seen HR technology spending plans, hiring plans, and future growth projections stay so stable from one year to the next. Now, don't get me wrong, there are a lot of underlying shifts taking place in the type of technology investments we are making and the roles we are hiring for in this industry. For many organizations, this is the calm before the storm as we prepare workforces, evolve our approaches to data governance, and stabilize the systems that help us run our businesses and engage our workforces. Historians will look back on this era as the point at which we decided to either empower human ingenuity with technology or use that technology to remove the errors, risks, and costs associated with a human workforce. There is no right or wrong in these decisions, and there is a lot of middle-ground between these two factors.

2022

Great Resignation
Average hourly in the US jumps to $32.94
Average voluntary global turnover rate increases by 13%

Labor Shortages
Unemployment rates hit record lows:
US 3.6% Global 5.4%

Addressing the skills gap
64% of Managers don't think employees can keep pace

Pandemic-driven work environments
35% of organizations still working remotely or hybrid

2023

Cooling Economy
Highest Labor Force Participation Since 2020

Frontline Labor Shortages
Unemployment rate still low:
US 3.9%, Global 5.1%

Global Conflicts
Ukraine, Middle East, China

Generative AI Shift
30% Increase in the use of AI in a Business Context

2024 - 2025

Unsure Economy

Global Labor Issues

Global Conflicts & Climate Crises

AI is part of the job!

OUTCOME FOCUSED HR

The Business of HR is about achieving outcomes. And "how" we achieve those outcomes continues to make the most significant difference. Outcomes are definable, measurable expectations of "what" the customer, employee, and stakeholders will achieve from the organization's work. As you will see in **Figure 1**, outcome-focused HR functions are seen as strategic and adaptable, allowing them to focus on enabling the organization to achieve its goals.

It is also important to note that this is not a maturity pyramid. Various HR functions move in and out of these categories, as they need to readdress compliance risks or revisit changing HR practices. However, the goal is to make outcomes part of the language of HR and achieve the greatest success by pushing multiple HR levers to obtain those outcomes.

We saw this in action over the last four years as organizations that had in place internal mobility programs, skills management solutions, and transformational time management processes were twice as likely to have higher post-pandemic profits and increased customer demand. They were also 20% more likely to see lower voluntary turnover rates during the Great Resignation.

Last year, we noted that transformational HR data management approaches aligned with early AI / ML adoption. In 2024, we are now seeing that AI-enabled organizations achieving better business outcomes - are **2X** times more likely to have transformational HR Analytics, Workforce planning, and Skills management processes. Being transformational in these process areas – requires company-wide data management capabilities, HR data literacy skills, and close alignment with operational business needs.

FIGURE 1: OUTCOME FOCUSED HR, A NEW HR LEADERSHIP MODEL

STRATEGIC HR SCORES IMPROVE

The story of the outcome-focused HR function starts with whether HR is viewed as contributing strategic value to its organization. We've been asking this question for at least 10 years. After several years in which responses plateaued at around 46%, this year, we saw significant improvement! In 2024, 52% of survey respondents said their HR organizations were viewed as contributing strategic business value. We are making progress in achieving the "55 by 25" goal we set out two years ago.

56%
Enterprise

49%
Mid Markert

53%
SMB
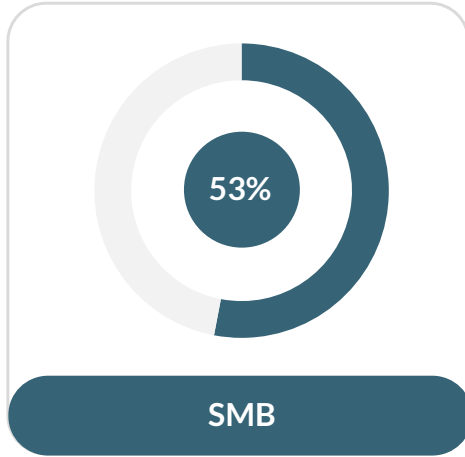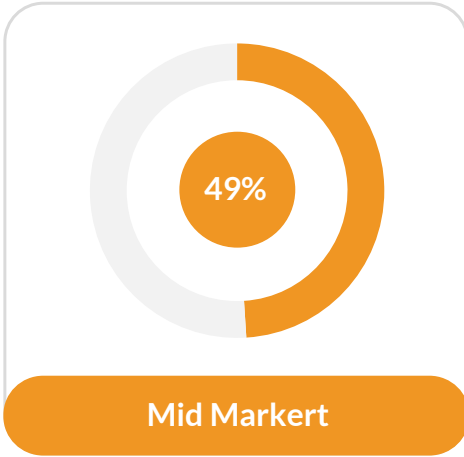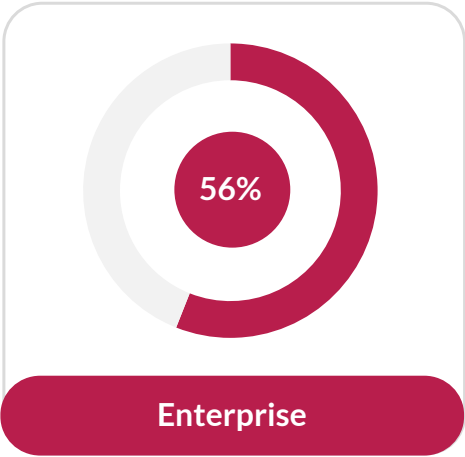
55
BY
25

FIGURE 2: VIEWED AS CONTRIBUTING STRATEGIC VALUE

41% (2015)
43% (2016)
44% (2017)
45% (2018)
46% (2019)
45% (2020)
46% (2021)
46% (2022)
50% (2023)
52% (2024)
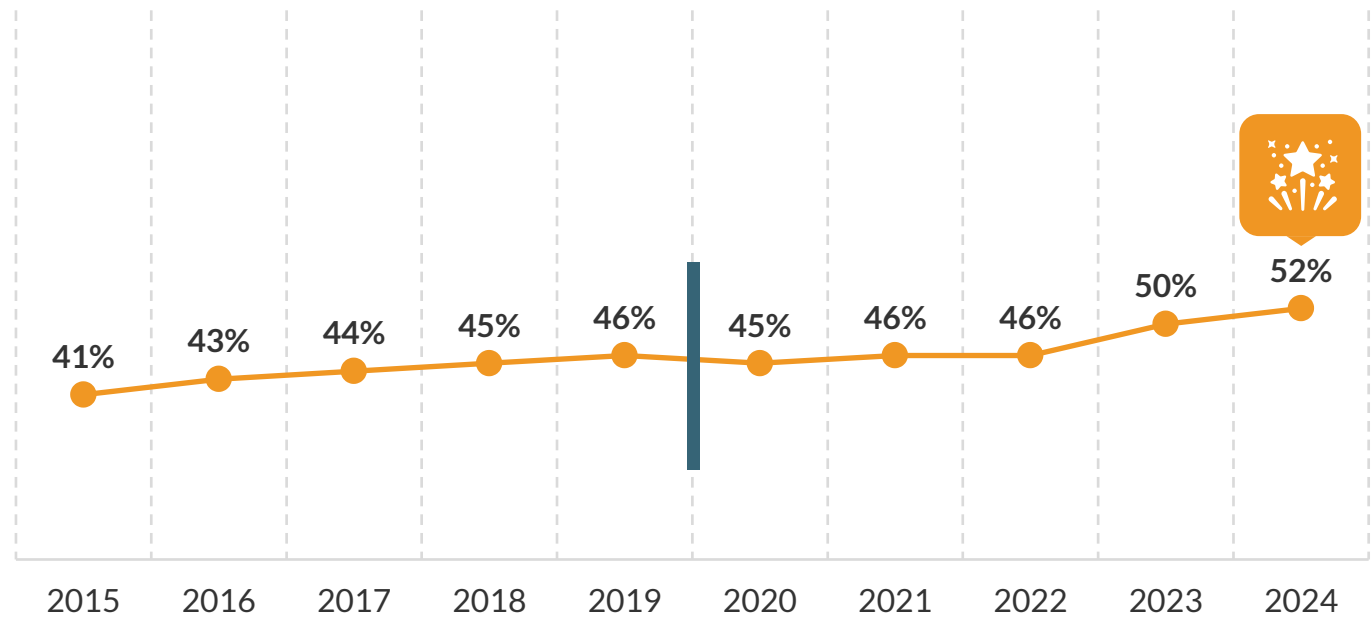
55 BY 25 CHALLENGE:
Let's reach 55% of HR functions viewed as Strategic partners by 2025

This isn't just a challenge to HR leaders; this is a challenge to the entire industry – including vendors, implementors, and consulting firms supporting this market.

Join our LinkedIn group "Raising the Bar in HR" and take part in the 55 By 25 Challenge!

In an outcome-focused HR environment, financial metrics are tightly connected to critical employee outcomes such as employee health and safety, engagement, diversity, and workforce experience, as well as additional long-term business outcomes like market share, brand, and innovation.

When we look across our outcome metrics over the last 7 years, we find that, on average, the ability to achieve talent outcomes lags slightly behind the ability to achieve HR and business outcomes, but all three outcome areas follow similar trajectories of decreasing and increasing over the last several years. 2023 was one of the first years we've ever seen the business metrics decrease, while Talent and HR metrics continued to see slight increases. In 2024 we are once again seeing all the measures slightly decline – but Talent and HR are not declining at the same rate as the business outcomes.

From 2019 to 2020, we saw the most significant increase in HR, business, and talent outcomes achieved from one year to the next since 2015, and then we saw the deepest drop in outcomes that we saw in 10 years. Our businesses and HR functions did what many said couldn't be done, and within one year of tackling a major pandemic, we not only bounced back but, in some cases, we even did better than 2019 in outcomes.

So, what does this all mean in 2024? We believe this is a continuation of last year's findings that even in an economic slowdown, savvy business leaders are still investing in HR systems and resources to maintain higher talent and HR outcomes. Growing labor shortages and a lack of skilled workers continue to impede growth for organizations that take a short-term approach to these realities.

FIGURE 3: 7 YEAR LOOK AT ACHIEVING TALENT, HR, AND BUSINESS OUTCOMES (SCALE OF 0 – 5)

	2018	2019	2020	2021	2022	2023	2024
Business Outcomes	3.07	3.01	3.09	3.02	3.08	3.01	2.96
HR Outcomes	3.02	2.99	3.08	3.01	3.04	3.08	3.01
Talent Outcomes	2.89	2.87	2.96	2.82	2.91	2.96	2.93

Scale labels: Improved / Neutral / Declined

● Business Outcomes   ● HR Outcomes   ● Talent Outcomes
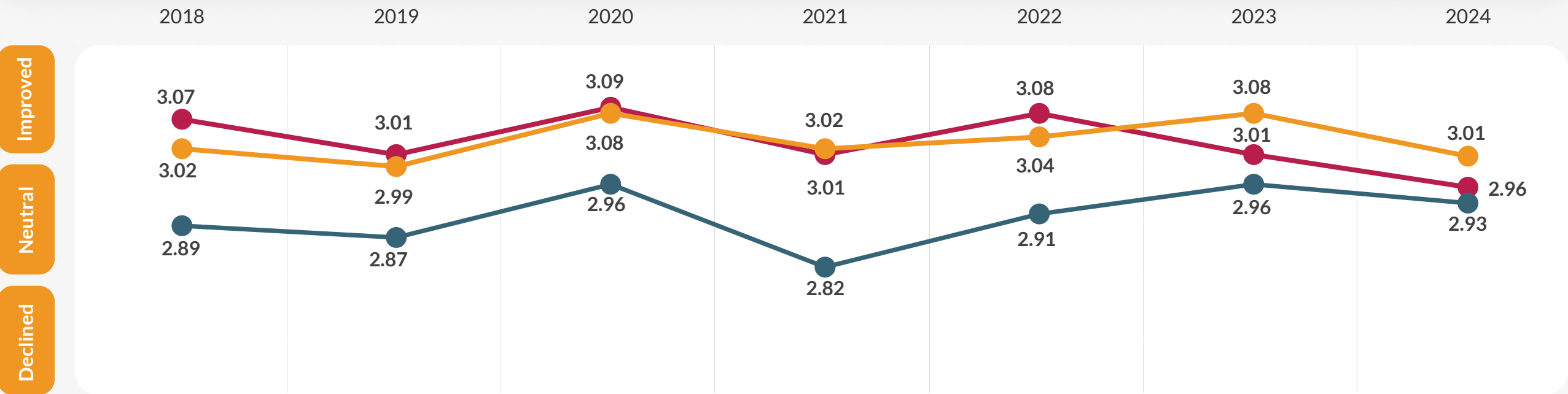
1. Specific Talent, HR, and Finance Outcomes are defined in the **Demographics** section of the paper

ACHIEVING TALENT, HR, AND BUSINESS OUTCOMES

For the last 15 years, we've asked each survey respondent to identify if, over the past year, talent, HR, and business outcomes declined, stayed the same, or improved on a scale of 0–5 (0=Sharply Declined to 5=Greatly Improved). Below are the aggregate scores for our survey respondents in 2024, along with the year-over-year changes from 2023. As you can see, in 2024, we've seen a slight decline in almost every measurement area except the ability to attract top talent.

FIGURE 4: TALENT, HR, AND BUSINESS OUTCOMES (SCALE OF 0 − 5)

2024 #	Score	YOY Change
TALENT OUTCOMES		
Ability to attract top talent	2.87	No Change
Ability to develop a highly qualified workforce	2.92	↓ -.01
Availability of workforce data for decision making	3.10	↓ -.02
Talent mobility; internal talent movement	2.94	↓ -.06
Retention of top talent	2.81	↓ -.06
HR OUTCOMES		
Employee engagement	2.88	↓ -.12
Employee and manager productivity	2.94	↓ -.07
HR alignment with business strategy	3.20	↓ -.05
HR cost efficiency	3.01	↓ -.06
BUSINESS OUTCOMES		
Competitive advantage	2.92	↓ -.3
Customer (constituent) satisfaction	3.04	↓ -.04
Innovation	3.09	↓ -.04
Market share	2.83	↓ -.08
Organizational profitability	2.89	↓ -.06
Customer retention	2.96	↓ -.09

THE ECONOMICS OF A WORKFORCE

Another indicator that organizations are carefully managing this most recent economic slowdown is the limited amount of workforce reductions we've seen over the last 12 months. Although the news was filled with layoff announcements and discussions about AI solutions replacing record numbers of employees – the reality was that just **20%** of our survey respondents said they reduced their workforces in the last 12 months, and slightly less than that said they planned to reduce their workforce than that in next 12 months.

SMB and Mid-Market organizations had slightly higher plans for workforce reductions next year. In contrast, almost **50%** of Enterprise level organizations planned to increase workforce levels in the next 12 months, and just 15% had reduced workforce levels in the last 12 months.

In EMEA where we saw the highest levels of workforce reductions at **29%** - we are also seeing increased investments in contingent labor. Over **80%** of EMEA organizations said they were leveraging contingent workforces, and **30%** said they planned to increase that percentage next year. In North America, just **62%** of organizations said they were using contingent workers. However, that jumps to **90%** for organizations with over 5,000 employees.

We also continue to see the majority of organizations still managing contingent workforces outside of the HR function, even in the largest organizations. APAC is the only region more likely to have the HR function responsible for contingent workforces, at **64%**. It is hard to imagine an HR leader who can quickly support the organization's need to pivot with an adaptable workforce without some oversight of the contingent labor pipeline.

FIGURE 5: LAST 12 MONTHS WORKFORCE CHANGES

20%
39%
41%

- Decreased
- Increased
- Maintained
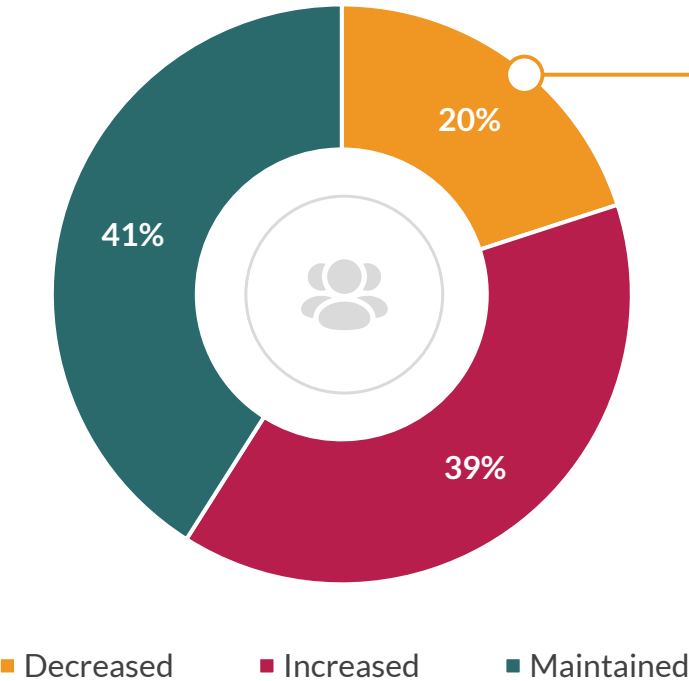
70%	51%
Decreased through Layoffs	Decreased through Attrition

TOP THREE INDUSTRIES INCREASING WORKFORCE

Non-Profit / Education

Hospitality / Entertainment

High Tech / Telecoms

It is no longer a question of whether our global workforce is changing—it is growing more diverse and fragmented in available skill sets than any previous generation. It is estimated that around 30% of the global working population identifies as a person of color in 2024 and that by 2030 that number is projected to rise to 54%. Women account for an estimated 42% of the current global workforce in 2024, regaining not all but some of the workforce parity levels before Covid 19. It should be noted that even with Women making up 46% of entry-level roles – they still represent just 25% of C-Suite positions.

As populations continue to increase and become more diverse around the globe, actual labor force participation also continues to decline. In the U.S., by 2040, we are estimated to have 2.7 working adults for every non-working person, almost half of what it was in 2000. Europe is already facing a major labor crisis in 2024; with a current average labor force participation number that hovers around 2.9.

As seen in **Figure 6**, in 2024, Millennials and Gen Z workforces now make up, on average, 54% of our working population. At 17% of the average organization's workforce, Gen Z's are no longer holding just entry-level positions – but critical roles within organizations. Their expectations for work-life balance, benefits, and business technology have all been highly influenced by early career and education experiences during the COVID-19 pandemic. HR leaders are finding this new generation's expectations more aligned with long-tenure employees seeking more work flexibility, in-person environments, robust benefits packages, and technology that isn't just user-friendly but intuitive and self-adapting to their personal styles and needs.

https://www.uschamber.com/workforce/data-deep-dive-the-workforce-of-the-future

FIGURE 6: AVERAGE % OF WORKFORCE MAKEUP BY GENERATION BASED ON RESPONSES

	Greatest Generation 1930-1945	Baby Boomers 1946-1964	Gen X 1965-1980	Millennial 1981-1996	Gen Z 1997-2012
2024	2%	13%	31%	37%	17%
2023	4%	16%	31%	35%	14%
2022	10%	19%	30%	33%	8%
2021	4%	21%	34%	36%	5%
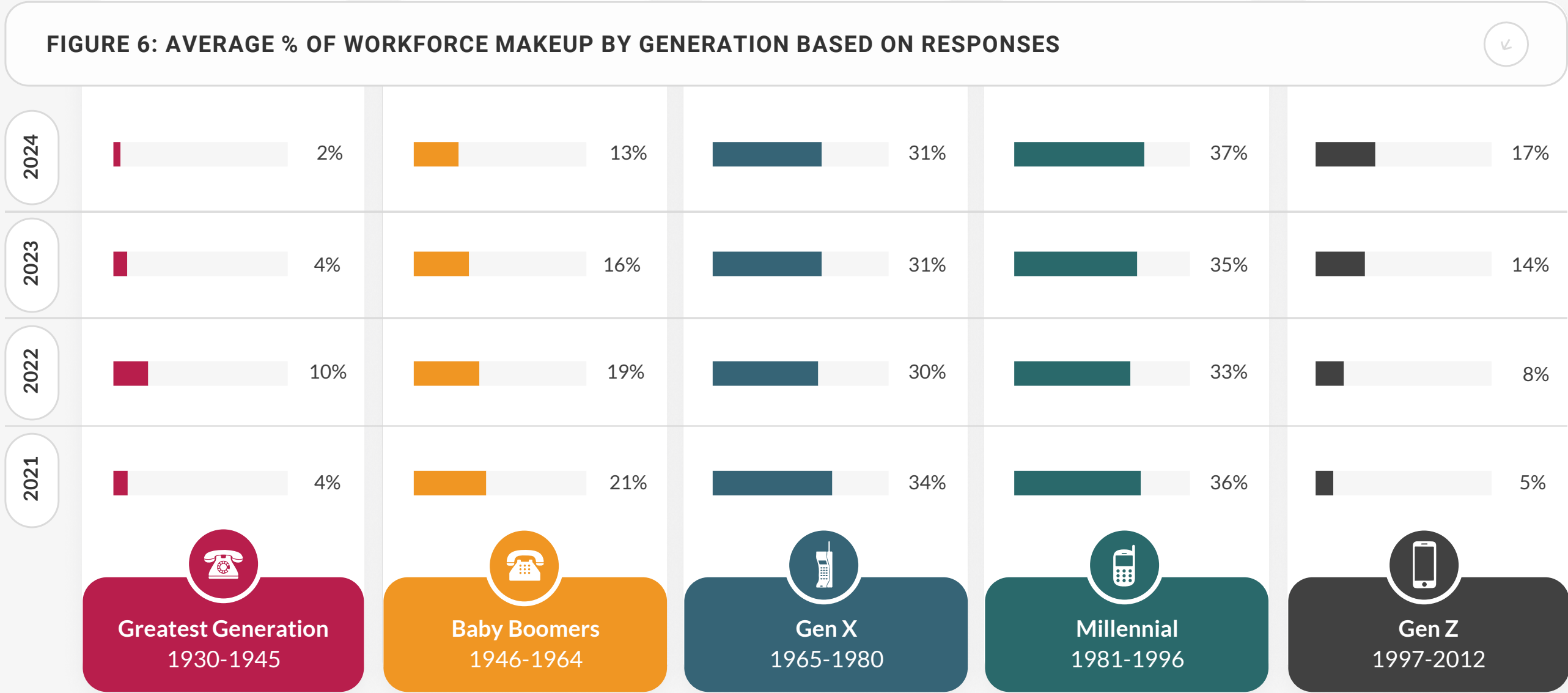
REMOTE WORKFORCE REALITIES

While return-to-office mandates still seem to be a significant topic for business leaders worldwide, in the U.S., many high-profile mandates have made less than positive headlines. Some mandates have been viewed as thinly veiled self-selection work reductions, while others were simply seen as out-of-touch leadership issues.

Following return-to-work mandates, various studies conducted by researchers at the Universities of Pittsburgh, Chicago, and Michigan all found similar findings: no significant increase in financial performance and upwards of a 15% decline in top talent retention and senior leadership turnover.
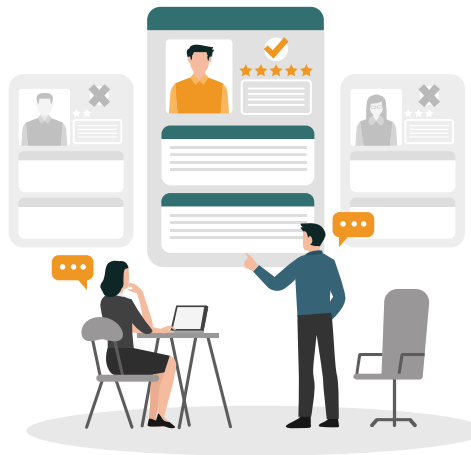
Last year, 75% to 90% of business leaders stated they planned to implement return-to-work policies before the end of 2024, with 30% to 40% of those executives willing to fire employees who did not comply. Many believed their culture, innovation, productivity, and overall brand were connected to the in-office working environments. Our data shows that this massive migration back to the in-office environment never happened in 2024.

Before 2020, just 6% of organizations had a substantial number of their employees working entirely remotely or in hybrid environments. Today, in our aggregate data, fully remote and hybrid workers still comprise 40% of the average organization's workforce, with no significant change from last year. If you include employees in the field who have always been remote, you have more than 49% of your workforce working outside a traditional office on a regular or full-time basis (**see Figure 7**). In fact, the only change in our data was a slight increase in working from remote fully.

The return-to-office mandates have had an outsized impact on the rising percentage of family caretakers trying to return to work while dealing with increasing childcare and elder care costs in countries where these benefits are not covered at the federal government level. This impact creates a strong business case for providing flexible work.

FIGURE 7: WHERE EMPLOYEES WORK IN OUR ORGANIZATIONS BY SIZE

Enterprise Orgs (≥5000)
- 48.2%
- 26.2%
- 16.8%
- 8.8%

Mid-Market Orgs (500-4999)
- 51.3%
- 22.8%
- 15.4%
- 10.6%

SMB Orgs (<500)
- 52.4%
- 20.6%
- 17.1%
- 9.9%

Aggregate
- 51.3%
- 22.1%
- 16.6%
- 10.0%

■ Fully office/work location   ■ Hybrid (remote and office)   ■ Fully remote   ■ Fully in the field
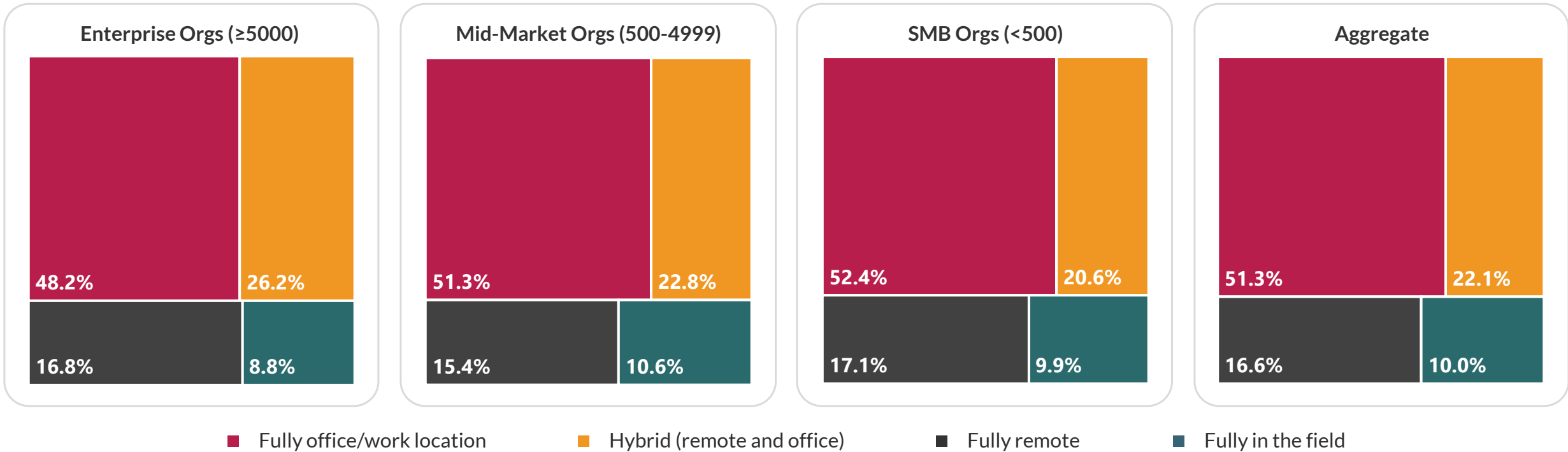
AI-ENABLED HR − WHAT IS IT?

With the dawn of Generative Artificial Intelligence (GenAI) in the last two years, we've seen a seismic shift in how organizations use and think about the role of Artificial Intelligence in their businesses. However, cutting through the hype and understanding the impact of AI investments on both business and workforce dynamics requires accurate and contextualized data.

Our 27 years of in-depth HR and HR systems research gives us a unique ability to look carefully at both the positive and negative practices growing out of this phenomenon. Leading through change is now a critical requirement for every HR leader as our world continues to transform from knowledge-based work to insight-based work. AI solutions will continue to commoditize knowledge and require us to place higher values on skills aligned with judgment, creativity, and critical thinking.

Adjusting for company size and industry, we calculated a 9.71% higher average of HR, Talent, and Business Outcomes for organizations using AI / ML in their HR System Environment.

We've tracked the adoption of AI / ML in HR system environments and budgets since 2014, with multiple years when the adoption has doubled in size. This year is the first year we've tracked this metric since Generative AI hit the scene, and It is also the first year we've seen significantly higher outcome metrics across all areas. It should be noted that these outcomes could be driven by many factors other than AI / ML – such as the fact that organizations that were already doing well had the capacity to invest in AI / ML earlier. We'll need several more years of data to confirm this connection.

AI seems to dominate business discussions these days. However, it's important to note that while there has been a 90% increase in the use of standalone AI and machine learning (ML) within HR processes this year, only 23% of organizations are currently allocating funds for AI applications in their HR budgets and tracking the use of those investments, as shown in **Figure 8**. We anticipate that this percentage will continue to grow over the next several years.

However, it may take longer than expected for organizations to see actual returns on the significant investments made in AI. Based on our extensive experience with new technology rollouts, we expect an initial improvement in various metrics for early adopting organizations in the near future who are prepared and ready to utilize this new technology. It will likely take the bulk of organizations several more years to create data and system environments ready to take advantage of this massive shift. But, over the next 5 to 10 years, the resulting changes are likely to be greater than most anticipate.

FIGURE 8: AI / ML IS IN USE IN MY HR SYSTEMS ENVIRONMENT

23%

5%

4%

68%

■ In Use ■ 12 Months ■ 24-26 Months ■ Not In Use
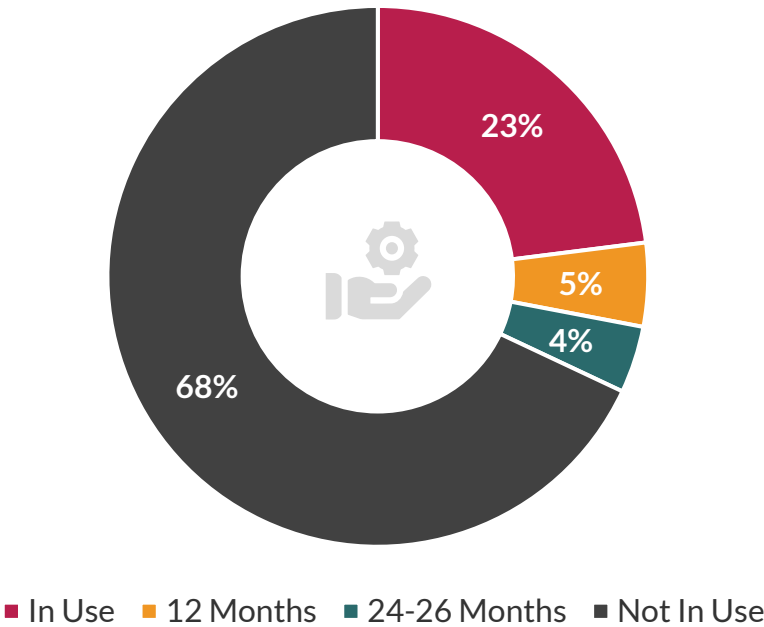
FIGURE 9: OUTCOMES ALIGNED WITH AI / ML IN USE ORGANIZATIONS

Average HR, Talent, and Business	NO AI USE		AI IN USE
Talent Outcomes Average	2.86		3.16
HR Outcomes Average	2.92		3.23
Business Outcomes Average	2.87		3.15
Overall Averages	2.88		3.18

On a scale of 1 – 5, how have these Talent, HR, and Business outcomes changed over the last 12 Months?

We've also asked organizations over the last two years about their use of embedded AI / ML, specifically in their HRMS environments. Last year that number was just 14% of organizations who were aware of the use of AI / ML in their HRMS environments, and we expected that to go up considerably this year – but it only moved up to 15%. Enterprise organizations were more likely to be using and aware of embedded AI / ML at 32%, but that was still a much smaller percentage than expected based on all the focus on AI messaging from the vendor community this year.

When we look at this data by Vendor rather than by size or industry, we know that each of these organizations has extensive amounts of AI/ ML currently embedded in their full solution, or in solutions that can be added to the platform. Additionally, only Workday and SAP have more customers using the embedded application versus those who are unaware of the status. Workday customers were 2X times more likely to say they were using Machine Learning / AI technologies provided by their HRMS provider than the average organization, and SAP was the only other large HRMS solution more likely to be identified as including AI rather than customers being unaware of those capabilities.

FIGURE 10: ARE YOU CURRENTLY USING AI / ML PROVIDED BY YOUR HRMS SOLUTIONS?

	Aggregate	UKG	Oracle	ADP	MSFT Dynamics 365	SAP	Workday
Yes	15%	15%	14%	16%	21%	28%	45%
I'm not aware of any AI/ML	22%	24%	25%	21%	29%	13%	12%
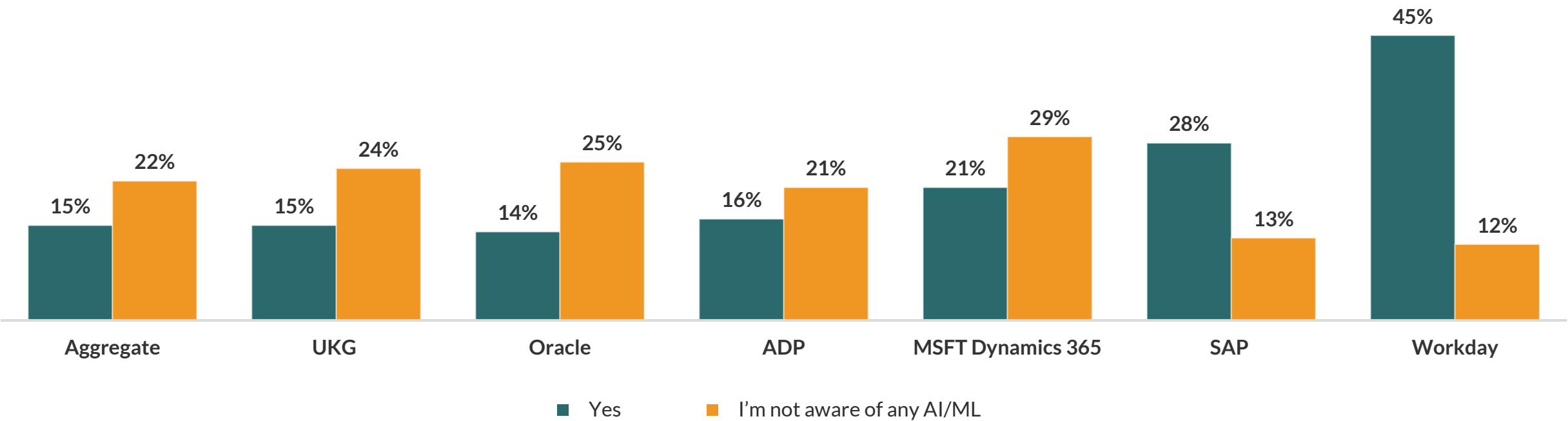
This lack of both awareness and comfort with these technologies is the biggest challenge vendors will have in creating real ROI for their customers on their AI / ML investments. AI is hot, but buyers are feeling burnt out on the topic. When asked about the barriers to plans for implementing these solutions, **3 Xs** as many companies said they weren't adopting AI solutions because they have **no good use cases** this year versus issues like cost or knowledge that were the most significant reasons for not adopting these solutions last year.

THE HR SYSTEMS ENVIRONMENT

Although we are seeing HR step into its strategic role with confidence and a focus on both business and workforce welfare, our research has clearly shown that many HR leaders are still struggling to build an HR System environment that supports their vision. Even if they are one of the less than half of organizations that have an HR systems or HR operations function these roles are still juggling more than ever.

43% of organizations now have a defined HR Technology function or role – but **58%** of those in the role have less than **3 years** of experience on the job.

In **Figure 11** we've captured the HR Systems environment that Sapient Insight Group assesses each year. This complex picture of multiple systems, processes, strategies, maintenance, and change leadership is based on the details we've gathered from HR leaders in organizations of every size and industry concerning the system complexities they manage on a daily basis.

It isn't surprising that it is difficult to determine where AI / ML investments will add the greatest value to this picture.

FIGURE 11: THE HR SYSTEMS ENVIRONMENT THAT SAPIENT INSIGHTS GROUP ASSESSES EACH YEAR

3	6	55	60+	100+	600+	2,750+
Critical starting points	Primary HR System Categories	Individual Application Areas	HR's Possible non-HR strategies to assess	Non-HR applications that need connections	HR solutions with 3% or more adoption our data	HR vendors tracked annually by Sapient Insights Group

SAPIENT INSIGHTS HR SYSTEMS ADOPTION BLUEPRINT™

LEGEND

- 📊 Data
- 🔀 Strategy
- 👥 Culture

- 🔴 Guiding Principles
- 🟠 HR System Applications
- 🔵 Enterprise Standards
- 🔵 Enterprise Work Applications

CONSTANT WORKSTREAMS

Managing Budgets	Resources	Customer Service
Maintenance	Updates	Calibration	Data Management
Adaptive Change Management	Communications	Training
Adoption	Measurement	Assessment of Needs	Roadmaps
Implementations	Configuration	Workflows	Security
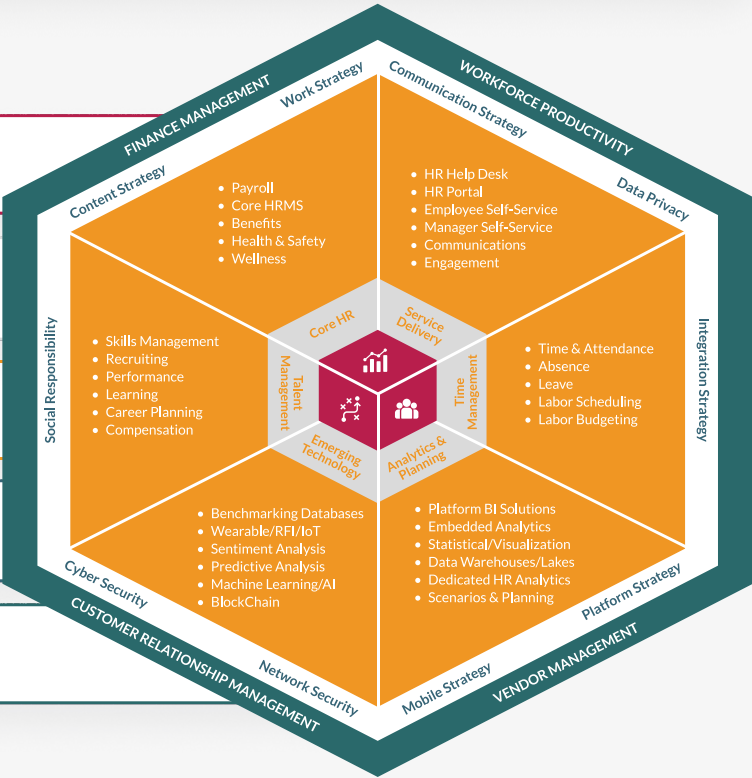
As HR leaders try to organize the chaos of their HR Systems and processes, they are also being held accountable for the workforce experience – from front-line workers to executives and even contingent workers. Over 30% of organizations believe they have no standard experience or a disjointed experience with their existing platforms- and this metric doesn't change much weather they are using their HRMS or another portal technology as their primary employee front-door. However, organizations with a dedicated Employee Experience function are **2 X's** more likely to have a well-defined HR Systems experience!

HR Service Delivery models and workforce experiences are inextricably linked. Our data indicates that HR departments continuously balance multiple factors when crafting a comprehensive workforce experience. Recent additions to the HR Service Delivery model of AI-driven elements only make that balancing act more complicated. HR must weigh high-touch versus low-touch service delivery and collaboration versus self-reliant workforce experiences – all weighed against desired business and employee outcomes.

FIGURE 12: HR SERVICE DELIVERY AND WORKFORCE EXPERIENCE MODEL

High Touch

Business Outcome

Experience Collaboration

- Wellness
- Learning
- Performance
- Rewards
- Career/Mobility
- Onboarding

- Talent Solutions
- Engagement Point Solutions
- Work Tech

Intelligent Data Gathering

Intelligent AI Guidance

- Relationships
- Journeys
- Collaboration

AI AGENTS

SERVICE DELIVERY

- Employee Self-Service (Workflows)
- Manager Self-Service (Workflows)
- Portal/Communication
- Help Desks/Chat Bots
- Survey/Feedback Tools

- ERPS/HRMS
- HR Service Delivery
- Time Management

- HR Front Door
- Self-Reliance
- Work Flexibility

WORKFORCE EXPERIENCE

Tactical AI Chatbots

Low Touch

Personal Outcomes

Experience Self Service

HR leaders are addressing these challenges is by moving away from the age-old conflict between the Best-of-breed and Single Platform conversation – to a new approach, we are calling HR Platform Clusters. These environments are architected by savvy HR Leaders to focus on 2 – 4 central HR or HR-adjacent solutions that are most critical to an organization's cultural or business outcomes.

Once these pillar applications have been identified, HR leaders can then give guidelines to both HR and IT teams to focus on using as many modules as possible from those solutions or their direct partners. Platform Cluster approaches no longer force HR professionals to use a single solution that may be inadequate, and it also opens up their environment to select solutions that already share data standards or have a relationship with the pillar solution. This isn't a revolutionary model but rather an evolution that we've seen organizations move to out of necessity.

FIGURE 13: HR SYSTEM PLATFORM CLUSTERS PROVIDE BOTH STRUCTURE AND FLEXIBILITY

HRMS

PROMISING PRACTICES

LEARNING

ANALYTICS

WHAT MAKES A PLATFORM CLUSTER?

Centers on 2 - 4 Central Solutions

Marketplace Driven over Suites

Data Integration is Platform-to-Platform

The Non-Central Solutions are kept as simple as possible
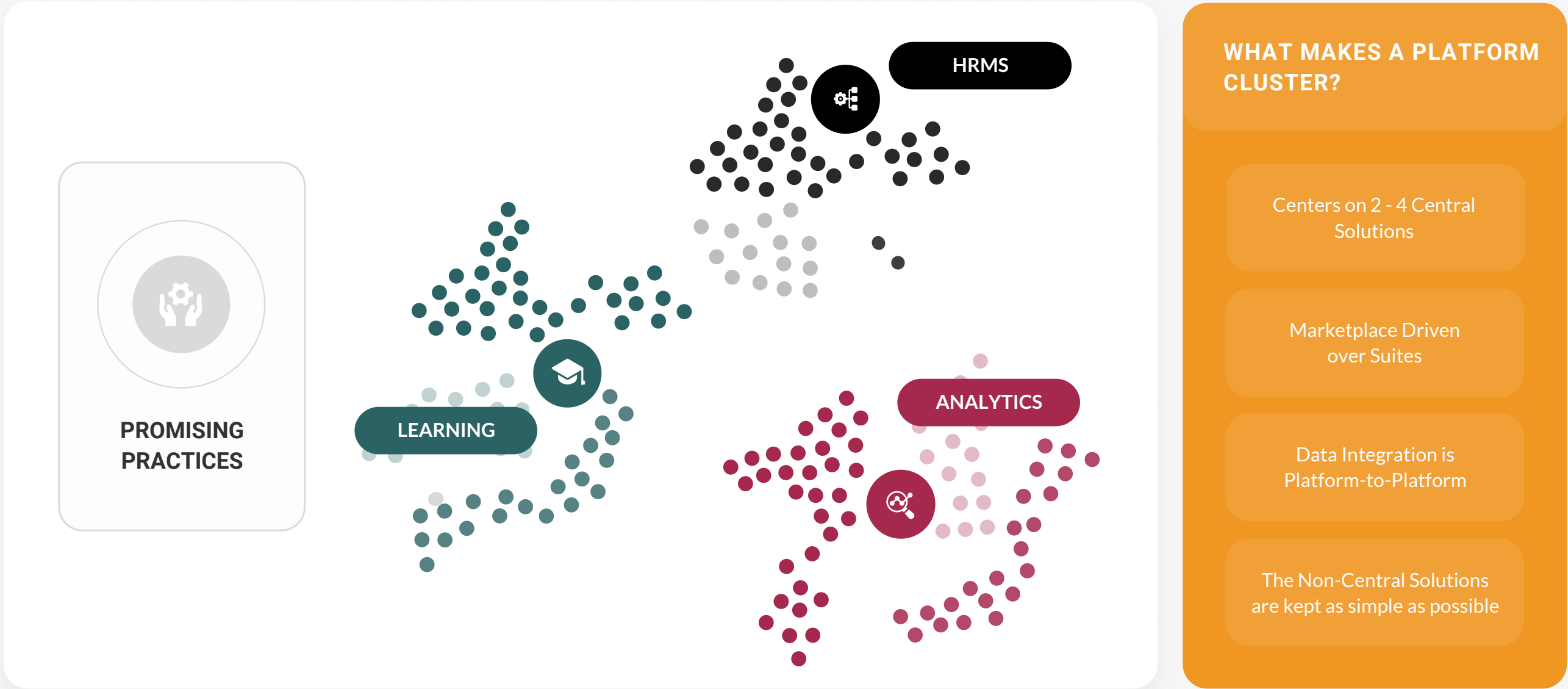
OVERALL SPENDING PLANS

The mixed messaging in the User Experience and Vendor Satisfaction ratings also plays out in the overall HR Technology spending plans for 2024. Every year, we ask organizations if expenditures will increase, decrease, or stay the same for the following year. Despite seeing several years of higher increased spending expectations, we are now seeing plans for increasing HR Technology spending in 2024 plateau with no major changes from last year and holding steady at 41% (**see Figure 14**). Last year, we saw HR Technology investments shifting from engagement-focused applications to solutions that automated more work, replaced risky on-premise solutions, and addressed any system limiting the organizations' ability to fill critical roles. In 2024, HR Technology investments are more diversified, but the biggest focus is still on core HR solutions Payroll, HRMS, and Benefits – along with Learning, Recruiting, and early intelligent tools.

We continue to see that SMB organizations have the lowest level of plans for increased spending, with 35% planning to increase spending this year. Mid-Market and Enterprise organizations also stayed stable, with much higher plans for increased spending, at 47% and 53%, respectively.

So, what is driving this sustained HR Technology plan for increasing spending? In aggregate, 62% of organizations stated that their top driver behind increased spending this year was improved HR efficiency, followed closely by the need to improve HR data quality and analytics capabilities. For the small percentage of organizations planning to decrease spending in 2024, the clear driver was cost-cutting efforts within their organization at 66%. About 30% of organizations also stated that system consolidation and reorganizing the HR function was also driving spending reductions as well.

FIGURE 14: 5 YEAR TREND ON HR TECHNOLOGY SPENDING
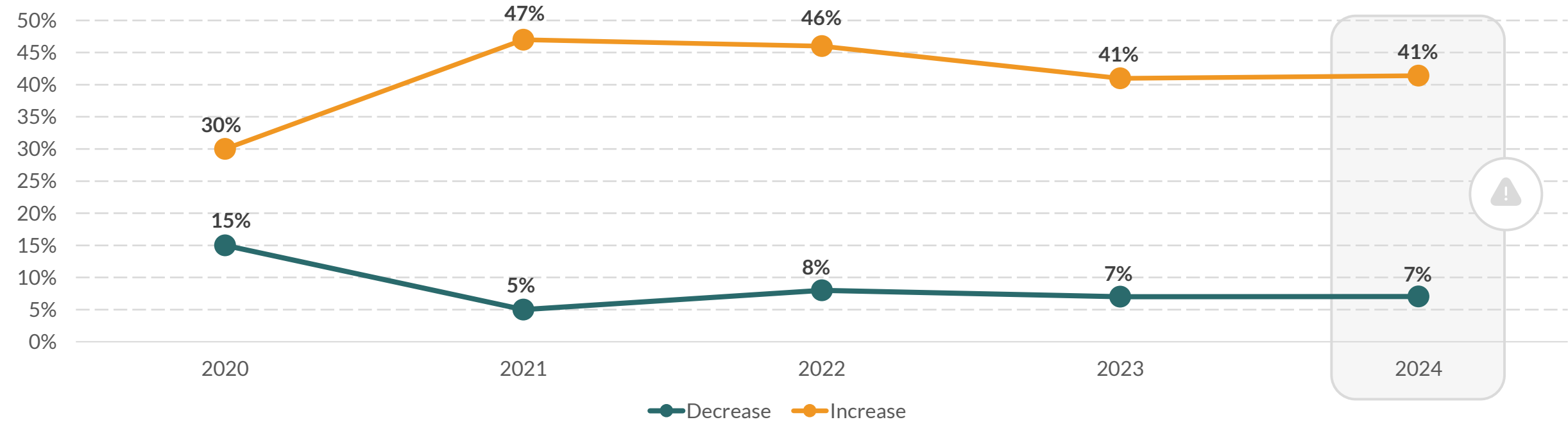
Source: 2019-2022 HR Systems Survey

HR SYSTEMS STRATEGY AND REPORTING

It isn't enough to just buy and implement HR technology or transform HR processes. Each year, we also ask organizations how they use their HR technology in five major categories. Between **2020 and 2021, we saw a 10% increase** in the number of organizations using HR technology to inform business strategy and influence workforce business decisions - two key areas that increase HR credibility. However, we plateaued and even went slightly backward since 2021 for several years – until 2024! This year, we saw increases in all areas – with considerable jumps in the most strategic use of the HR systems. **With a 17% increase over last year, almost 50% of organizations were utilizing HR systems to inform business strategy in 2024!**

The uptick in the strategic use of HR technology from 2020 to 2021 was partly due to the constant workforce cost assessments, especially for SMBs whose survival was based on the ability to fund payroll from week to week. As executive data requests declined post-pandemic, we saw a shift back to HR technology being utilized primarily for automation rather than as a strategic business tool.

It is exciting to see double-digit increases this year in the use of HR technology in a more strategic fashion, and it mirrors the increase we saw in organizations being viewed as strategic HR partners. This is a key validation metric for reaching our 55X25 goal!

FIGURE 15: HOW OUR HR SYSTEMS ENVIRONMENT IS BEING USED

HR TECHNOLOGY USE	2022	2023	2024	YOY Change
Informs Business Strategy	42%	42%	49%	↑ 17%
Influences Workforce Business Decisions	52%	54%	60%	↑ 11%
Monitor & Report Compliance	64%	72%	76%	↑ 5%
Replaces Paper-Based Processes	73%	75%	82%	↑ 9%
EE & Managers Input/ Access Information	68%	79%	87%	↑ 10%
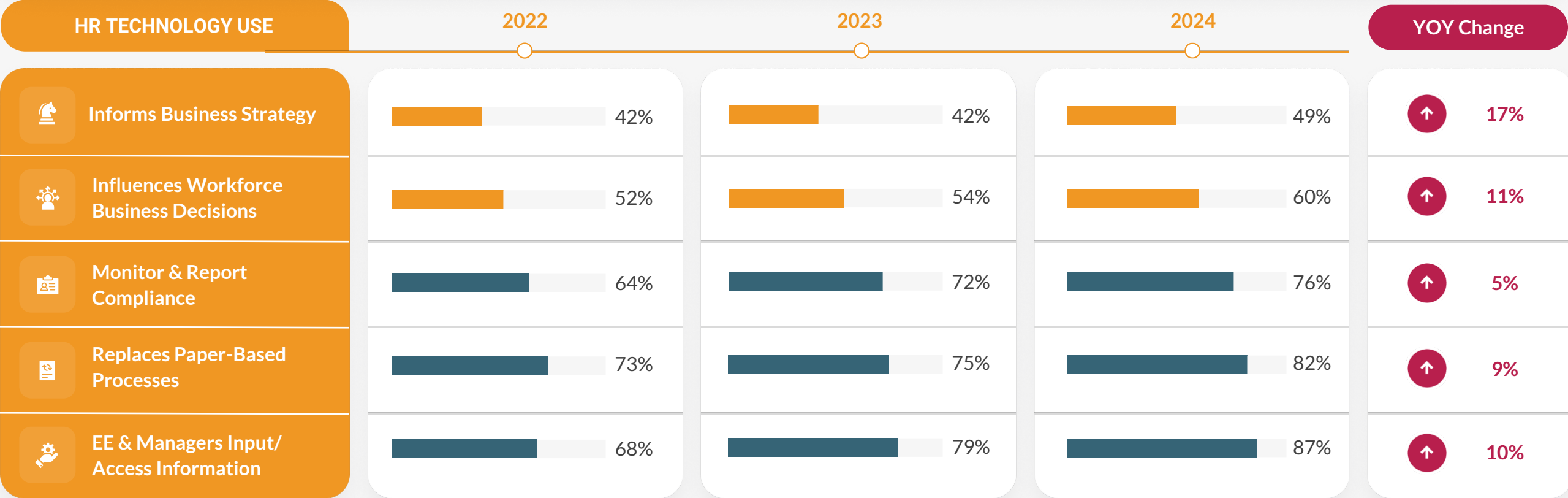
CUSTOMER HAVE MIXED FEELINGS

This year's Voice of the Customer survey data sends mixed messages to HR technology vendors. Overall, User Experience and Vendor Satisfaction ratings saw very little change from last year to this year - with the same average UX and a slightly higher Vendor Satisfaction ratings.

No Change

in overall
User Experience ratings

1% Increase

in overall
Vendor Satisfaction ratings
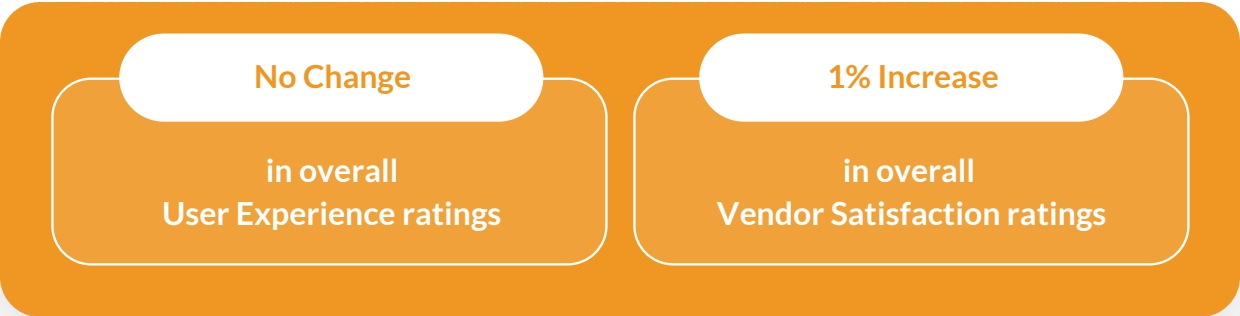
But individual categories didn't fare so well. Core HR applications such as HRMS, Payroll, and Benefits all saw drastic declines in UX and VS ratings this year – continuing the downward trend of buyer dissatisfaction with these solutions. After analyzing 8,000-plus comments, **the four most common issues related to poor ratings Include**:

Cost versus outcomes	48% of organizations saw an increase in their Payroll solutions costs last year, and over 20% plan to replace Payroll this year. The cost of AI add-ons and features buyers feel should be included in core platforms are also causing concerns.
Declining customer service	Over 60% of organizations stated that customer service was the primary reason for giving a low Vendor Satisfaction rating this year. It is a constant comment –with many comments focused on implementor partners as much as the solution providers themselves.
Configuration / Custom Needs	HR functions aren't looking for more features, but specific configurations and customizations aligned with their unique industry or cultural requirements.
Complexity, lack of training	Once again, training options are a major issue for buyers. Organizations struggle to keep up with the changes in today's HR technology environments and need more accessible training and guidance on how to get the most from these solutions.

These factors are exacerbated by the fact that the HR and HR technology community continues to look for support from their vendors. Since 2020 we've seen a 38% drop in survey respondents with over **10** years of experience in the HR technology field; this "brain drain" of both knowledge and expertise means that administrators and analysts need more help from vendors in education and support than ever before.

58% of HR technology professionals had less than three years in their current role. We are in the process of training the next generation of HR technology leaders now.

FIGURE 16: LAST YEAR THE STORY WAS PAYROLL, NOW, WE'VE ADDED HRMS

■ No Change   ■ Yes Change, Decision Made   ■ Yes Change, In RFP

	No Change	Yes Change, Decision Made	Yes Change, In RFP
Payroll	79%	10%	11%
HRMS	82%	10%	8%
Time	82%	10%	8%
Benefits	85%	9%	6%
Analytics	87%	7%	6%
HR Service	87%	7%	6%
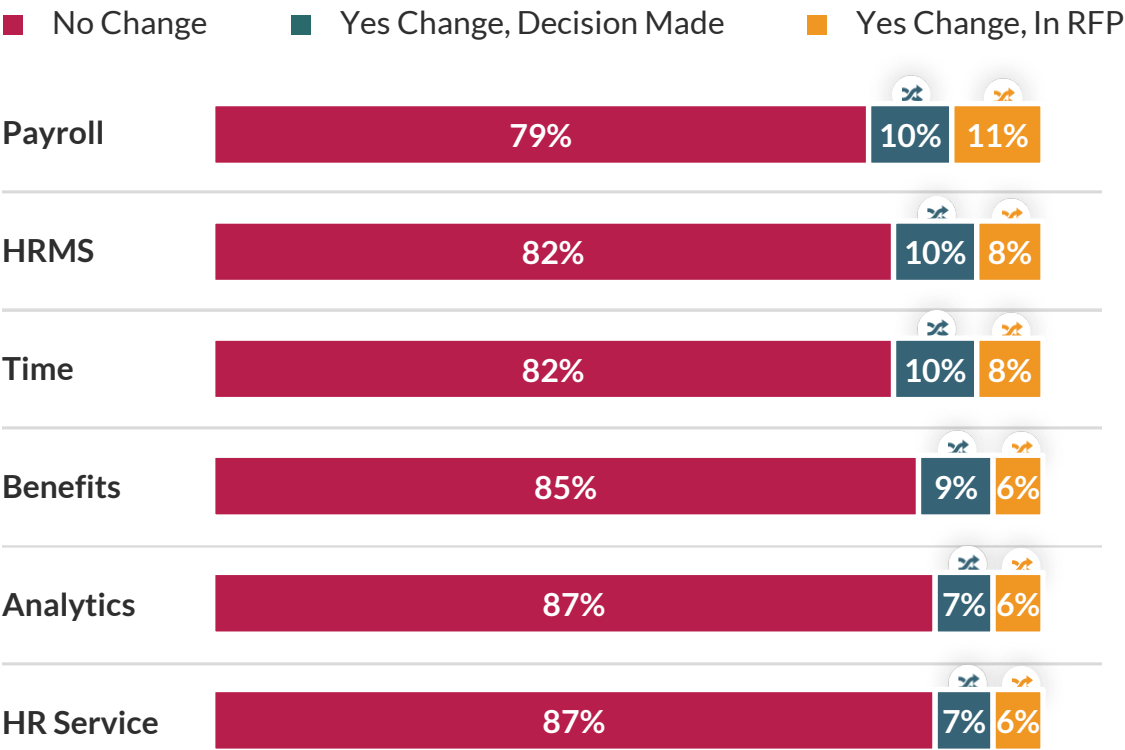
Almost a quarter of Enterprise Organizations are looking at replacing their HRMS in the next 12 – 24 Months – a 48% increase in aggregate from last year.

FIGURE 17: USER EXPERIENCE AND VENDOR SATISFACTION (SCALE 1-5, WITH 5 BEING THE HIGHEST)

2023 / 2024

	2023 UX	2023 VS		2024 UX	2024 VS
Onboarding	3.73	3.8		3.80	3.76
Compensation	3.64	3.71		3.71	3.70
Performance	3.59	3.62		3.66	3.62
HR Service Delivery	3.63	3.6		3.65	3.67
Learning	3.65	3.65		3.60	3.59
Benefits	3.58	3.59		3.58	3.52
Recruiting	3.52	3.55		3.52	3.47
Time Solutions	3.5	3.53		3.52	3.61
Analytics	3.54	3.58		3.42	3.53
Payroll	3.53	3.54		3.41	3.33
HRMS	3.59	3.51		3.39	3.39

■ Average User Experience　　■ Average Vendor Satisfaction

In 2024, User Experience (UX) and Vendor Satisfaction (VS) dropped dramatically for the HRMS. UX was down 6%, while VS was down 3.5%. For the second year in a row, Payroll UX was also down 3.5%, and VS was down 6%.

STRATEGIC HR AND REPORTING

How the HR function and its supporting technology are viewed often depends a great deal on how often we place data and metrics from those systems in front of executive leaders and board members. In 2024 Strategic HR functions continue to share more metrics with executives on a regular basis than compliance focused HR functions. However, we did see an 8% drop in the percentage of Strategic HR functions sharing Diversity and Engagement metrics this year, and a 15% increase in sharing Total Workforce Cost metrics.

In the first 2 years of asking this question, we asked about weekly reporting, and in the last 2 years, we've asked about regular reporting. Until we shifted to the definition of regular reporting, we saw almost no Diversity and Skills metrics being shared, even though organizations profess these issues are mission critical.

65% Of all Organizations report regularly on Employee Turnover, Recruiting, and Compensation

10% Of Organizations viewed as having No Credibility also have no regular HR metrics included in business reports

15% -18% Leadership Trust and Internal Mobility are the least likely metrics to be shared with executives in 2024.

FIGURE 18: HR METRICS REPORTED REGULARLY TO EXECUTIVE LEVEL LEADERSHIP, BY VIEW OF HR FUNCTION

Strategic HR Function	Metric	Compliance Focused HR
81%	Employee Turnover/Retention	62%
77%	Recruiting	62%
72%	Compensation	55%
62%	Employee Demographics	42%
57%	Budget / Costs	49%
53%	Performance / Productivity	33%
49%	Diversity/Equity/Inclusion	24%
47%	Engagement	25%
47%	Total Workforce Cost	35%
46%	Compliance / Safety	32%
41%	Learning	19%
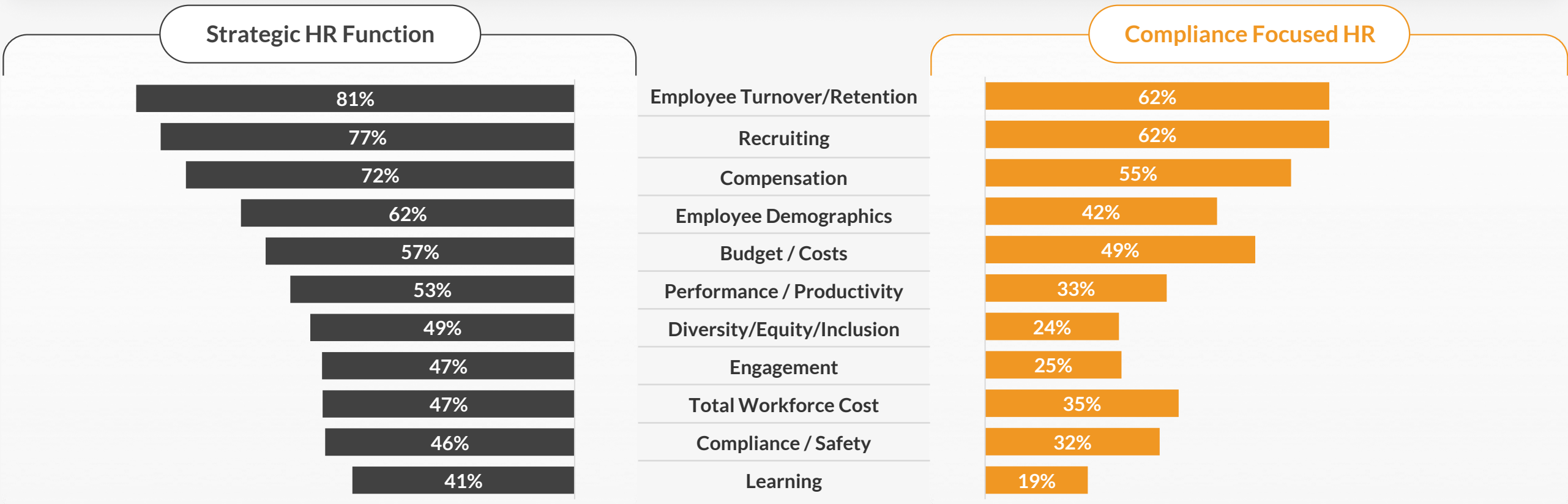
FINAL THOUGHTS

Two years ago, we introduced the "55 by 25" campaign – our commitment to helping 55% of HR organizations gain recognition as strategic partners. Although we didn't include our analysis of the Strategic HR function on Talent, HR, and Business metrics this year, we once again found similar double-digit impact on those metrics.

We will continue to assess our original findings for repeatable outcomes with multiple data sets – and build the case for a proven approach to being a Strategic HR function. Central to our advice is a focus on monitoring and measuring outcomes with business leaders, the more we share the better the conversations.

However, merely generating data isn't enough. It's hugely important to prioritize your focus on the outcomes that matter most to your company. What might be critical to one CEO will not be top of mind for another. What is financially feasible for a large enterprise might not be realistic for a small company. This is why we recommend customized outcome dashboards for every HR organization. In addition to supporting data, you need to put those numbers into context – explaining the stories behind them and correlating the actions and decisions to tangible results.

We also urge HR leaders to adopt a big-picture, visionary view when it comes to outcomes. Too often, there's pressure to achieve specific numbers – such as the revenue generated per employee or the cost of benefits per employee – without regard to the long-term impact on business. Strategic HR organizations must support business outcomes in a sustained manner and avoid hasty, reactionary decisions whenever possible. We need to trust our data and insights and come prepared to explain the impact of every decision – this has never been more important than in the era of AI Enabled HR functions.

HR organizations are currently assessing their HR System environments, hoping to take advantage of future AI offerings and drive business outcomes. With **64%** of organizations telling us that their vendor satisfaction ratings were due directly to customer service experiences, we need to seriously reevaluate the relationship between HR System providers, buyers, and consulting firms. These relationships have more impact on the value of our HR systems than any new technology or AI addition.

When we look forward to tomorrow's big HR challenges and opportunities, there's no perfect way to prepare for the decisions we must make. However, our research and 27 years of industry experience have shown us that solid data governance, effective systems management, and adaptive change management can have a major impact on HR and business outcomes. We are running out of time to gain these capabilities as a community – they must be part of every development program we create for the next generation of HR professionals and technologists.

The biggest challenges we see facing tomorrow's HR functions include:

- Enabling the ethical use and impact of AI within our organizations
- Valuing multimodal work environments
- Working as global citizens and employers
- Labor shortages in skilled labor and front-line positions
- Increasing innovation while managing worker burnout

WHY THEY PARTICIPATED:

To ensure that I provide an honest report of our current HCM platform. Everyone tries to sell their best-in-class service, but ours far outweighs many of the others I've worked with.

Manufacturing 4,500 + EE

THE HR SYSTEMS ADOPTION BLUEPRINT

3/14   SECTION

THE HR SYSTEMS ADOPTION BLUEPRINT

The annual HR Systems Survey assesses the adoption and trends of six primary HR system categories and 51 individual application areas across the HR Systems Adoption Blueprint™.

Developing a clear blueprint of your own HR systems environment provides a common basis for acquiring and optimizing your HR applications.

The following pages provide an overview of **Sapient Insights HR Systems Adoption Blueprint** in three levels:

01

Strategy and culture

02

HR applications

03

Enterprise standards and work applications

Investment in any HR application can be costly and should only be undertaken with a clear understanding of how to maximize adoption to achieve the stated business outcomes.

Misalignment in any number of areas such as strategy, culture, features, or user expectations can lead to:

| Low adoption | Lack of critical data |
| No return on value or investment | Missed outcomes |

For a more detailed description of the blueprint elements and templates for designing your own organizational HR system blueprint, contact us about joining the Sapient Insights Groups Research Center Community at SapientInsights.com.

FIGURE 19:
SAPIENT INSIGHTS GROUP HR SYSTEMS ADOPTION BLUEPRINT™
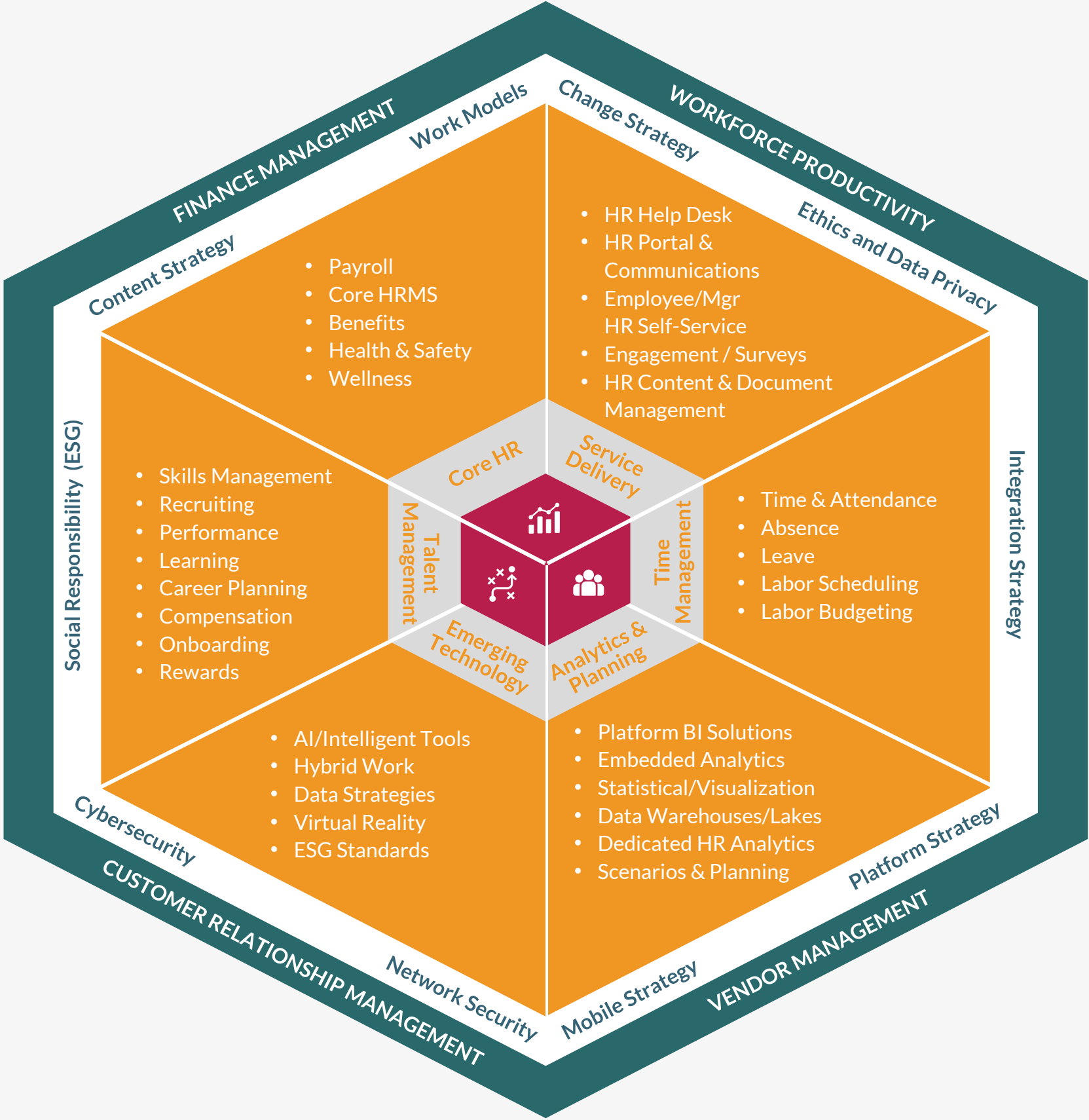
LEGEND

- Data Governance
- Strategy
- Culture

- Guiding Principles
- HR System Applications
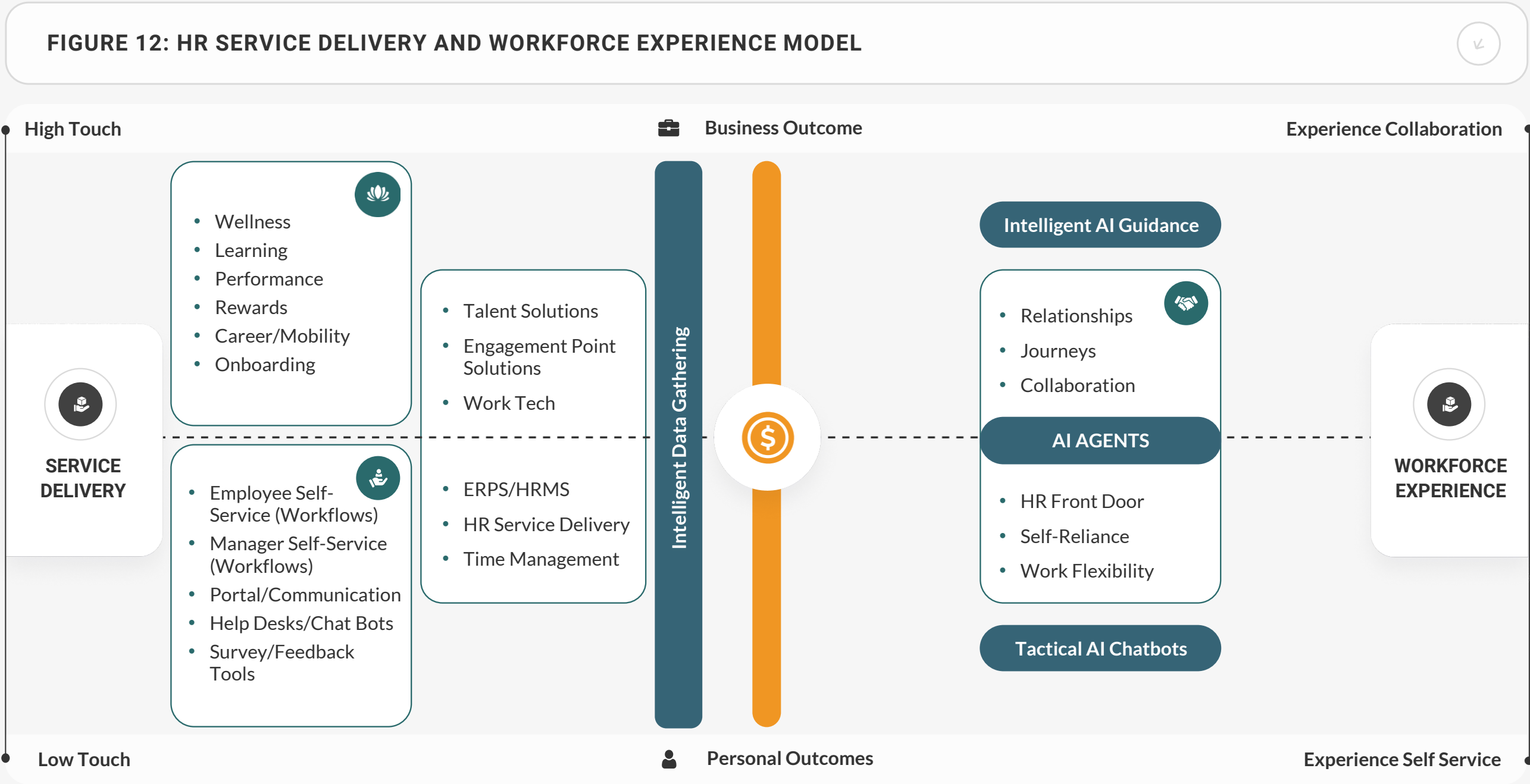- Enterprise Standards and Work Applications

FINANCE MANAGEMENT
Work Models • Change Strategy • **WORKFORCE PRODUCTIVITY** • Ethics and Data Privacy
Content Strategy

- Payroll
- Core HRMS
- Benefits
- Health & Safety
- Wellness

- HR Help Desk
- HR Portal & Communications
- Employee/Mgr HR Self-Service
- Engagement / Surveys
- HR Content & Document Management

Social Responsibility (ESG)

- Skills Management
- Recruiting
- Performance
- Learning
- Career Planning
- Compensation
- Onboarding
- Rewards

Core HR • Service Delivery • Talent Management • Time Management • Emerging Technology • Analytics & Planning

Integration Strategy

- Time & Attendance
- Absence
- Leave
- Labor Scheduling
- Labor Budgeting

Cybersecurity

- AI/Intelligent Tools
- Hybrid Work
- Data Strategies
- Virtual Reality
- ESG Standards

- Platform BI Solutions
- Embedded Analytics
- Statistical/Visualization
- Data Warehouses/Lakes
- Dedicated HR Analytics
- Scenarios & Planning

Platform Strategy

CUSTOMER RELATIONSHIP MANAGEMENT
Network Security • Mobile Strategy • **VENDOR MANAGEMENT**

LEVEL ONE. STRATEGY, CULTURE, DATA GOVERNANCE

FIGURE 20: THREE FOUNDATIONAL ELEMENTS ARE AT THE CENTER OF A BLUEPRINT

Data Governance

Everyone talks about data. But few organizations invest the time needed early on in system selections to assess data capture, extraction, and governance needs. Every application that your employees or customers interact with – internally or externally -becomes a possible data repository for your organization. Data governance is a major factor in the design of an HR systems environment, as it defines how you capture, access, use, protect, and eventually purge necessary data.

Culture

Organizations often focus solely on specific functionality desired from HR technology and supporting processes; however, they may overlook how that functionality will actually work within their unique cultures. Technology is of little value if not used; it must fit within the context of how an organization operates and how decisions are made to optimize your investment.

Strategy

HR Applications impact all aspects of an organization's operations, are likely to be used by nearly every employee, and possibly extend to vendors and contractors. Taking the time to define the outcomes you expect from your HR Systems implementation, in terms of your enterprise Strategy, always pays off.

Organizations that consider the long-term impact of systems on their mission, goals, and workforces are more likely to select applications that grow with them and respond to what makes their organizations unique.

Organizations with an HR systems strategy tied to their business strategy are **two** times more likely to inform their business strategy with data from their HR system environments.

HR technology should help you achieve the most value from your workforce data while ensuring adherence to ethical and legal standards.

LEVEL TWO. HR APPLICATIONS: TECHNOLOGY AT WORK

Moving outward from the foundational basics of our HR Systems Adoption Blueprint, we have our next level – HR applications – grouped into six categories within our hexagram. **These six primary categories of enterprise HR systems applications include:**

01	Core HR Management
02	Service Delivery
03	Time Management
04	Talent Management
05	Analytics and Planning
06	Emerging Technology

FIGURE 21: BLUEPRINT HR APPLICATIONS
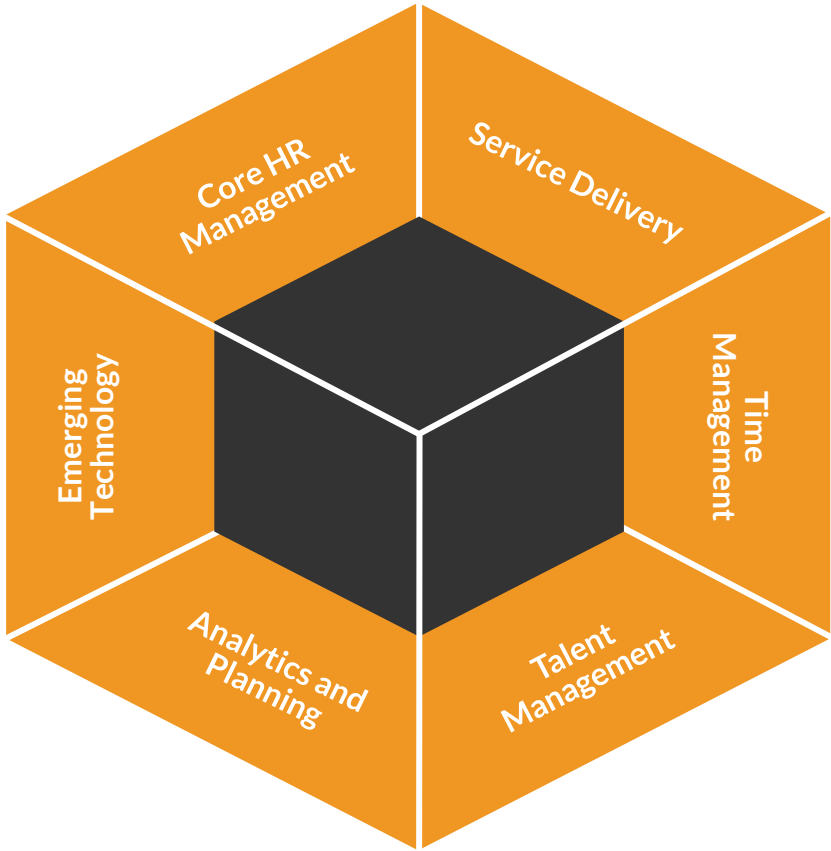
● Foundation   ● HR System Applications

Each of the six primary HR systems categories includes numerous HR applications designed to address the various strategic, cultural, and procedural requirements requested by buyers. These categories and the subsequent applications are always in flux; therefore, each year we make additions and updates to the survey as needed.

CORE HR APPLICATIONS: GETTING THE BASICS RIGHT
01

Core HR applications are at the heart of an organization's HR system environment and represent, on average, at least 50% of the overall HR technology spend per employee each year. In 2024 over **91%** of organizations with 100 or more employees have purchased at least one of these applications to help manage their workforce needs.

Applications we track in this category include:

Payroll	93%
HRMS	90%
Benefits	70%
Wellness	37%
Health and Safety	22%
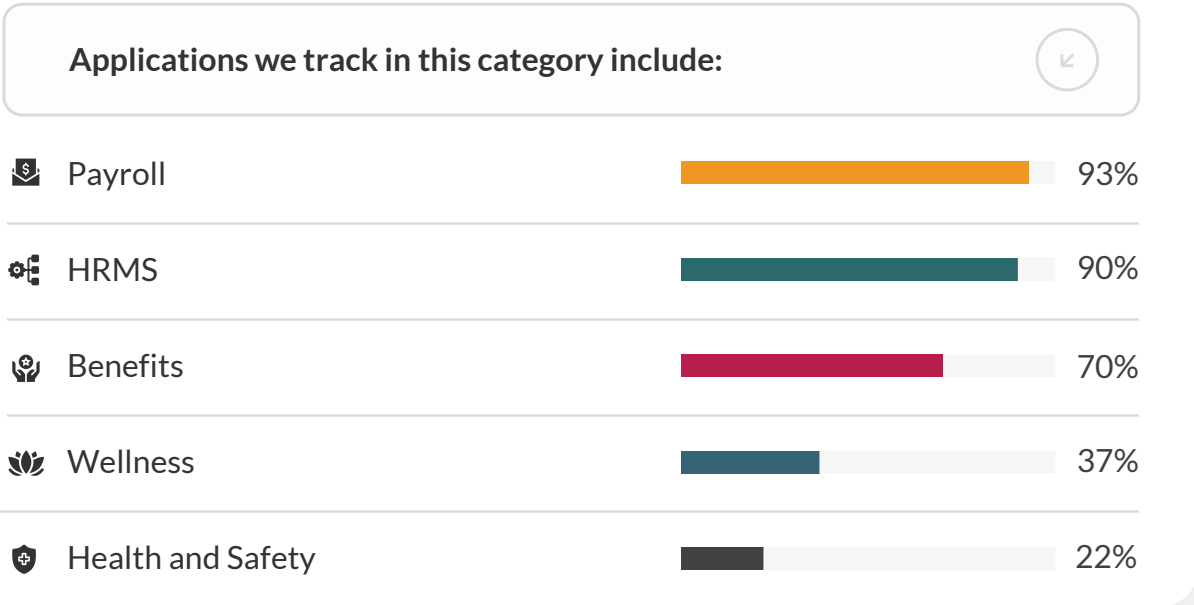
Originally viewed as back-office tools for HR administration, today's core HR management systems play a critical role in achieving all areas of HR outcomes. Payroll applications not only automate workforce payments and manage tax calculations but also provide valuable planning data and vital tools for engaging directly with employees. The human resource management system (HRMS) continues to store all the relevant HR information necessary for compliance reporting and also manages constantly changing reporting structures, data security standards, and data privacy requirements in rapidly evolving, data-driven business environments.

Adoption of benefits, health and safety, and wellness applications vary widely with a workforce size, industry, and regional location. While the conversation concerning health and wellness may have culminated during the COVID-19 crisis, we've been aware of the connection between productivity and the health of our workforces for years.

https://www.cdc.gov/workplacehealthpromotion/model/control-costs/benefits/productivity.html

HR SERVICE DELIVERY APPLICATIONS: CREATING AN ENGAGING WORKFORCE EXPERIENCE
02

HR service delivery applications grew as a category out of the need to deliver a wide range of new HR services to multiple stakeholders efficiently, effectively, and engagingly. These applications manage the HR experience, communication, content, and data sharing that is part of an HR organization's service delivery model.

Applications we track in this category include:

Employee Self-Service	90%
Manager Self-Service	58%
HR Portals and Communications	63%
HR Content and Document Management	60%
Employee Engagement/Surveys	60%
Employee Help Desk/Case Management	43%
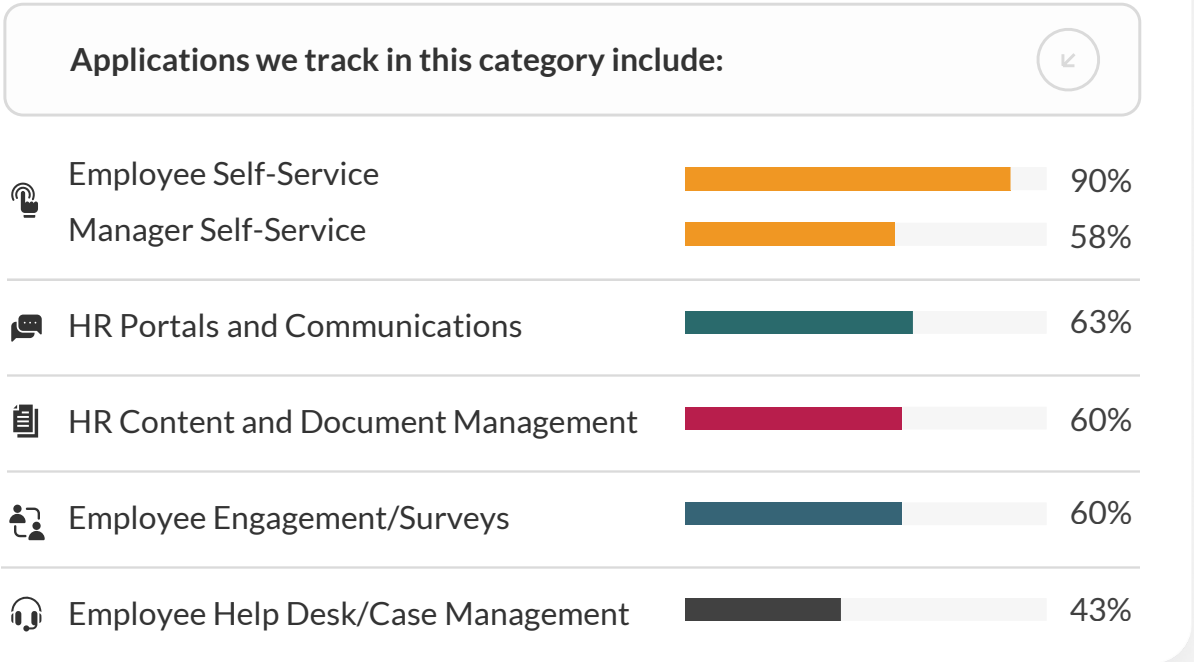
The average employee will work between **60 and 100,000** hours in a lifetime, depending on industry, region, and personal circumstances; only sleep takes more time in our lives. As labor markets continue to tighten and a growing number of roles require hard-to-find skillsets, many organizations are investing heavily in an improved employee experience. This category of applications is at the center of that employee experience transformation by providing personalization tools to engage at-risk employees and ensure they feel both seen and heard.

We saw limited change in the adoption of Core HR applications and HR Service Delivery applications between 2023 and 2024. The greatest declines were a 40% drop in the adoption of Health and Safety applications and a 13% drop in the adoption of Manager Self-Service applications.

TIME MANAGEMENT APPLICATIONS: KNOWING WHERE AND WHEN THE WORK GETS DONE

03

Time management applications help an organization manage when and where work is accomplished and have the unique requirement of spanning past, present, and future workforce data sets. Sometimes called workforce management or labor management systems, these highly complex solutions track hours worked, locations, schedules, time off, and sometimes the actual tasks completed.

Applications we track in this category include:

Application	%
Time and Attendance	88%
Absence Management	77%
Leave Management	68%
Labor Scheduling	45%
Labor Budgeting	36%
Productivity / Task Management (Assessing)	
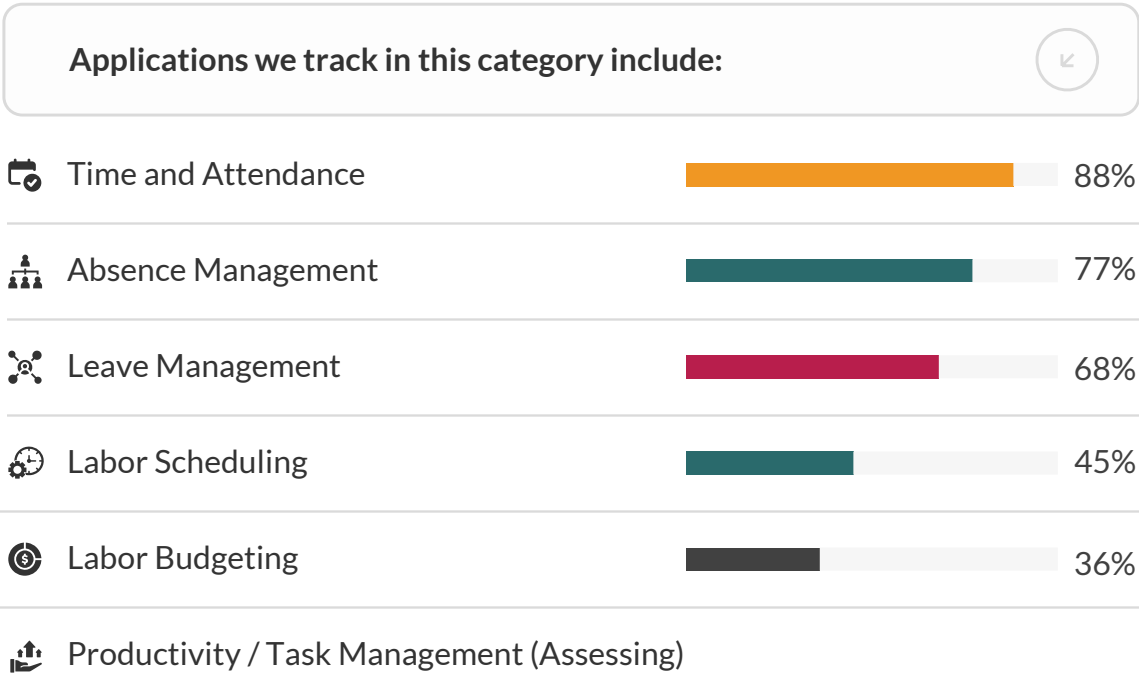
Although time management systems require tight integrations with payroll, HRMSs, and talent solutions to connect individual employee records to the actual data concerning work, over **60%** of the time, these application budgets are owned and managed by a function other than HR. When time management applications are elevated from a compliance focus to the same strategic level as talent management solutions, the systems can offer tools and data to help HR teams address critical business goals such as operational readiness or improved employee engagement.

The adoption of Time Management applications continues to grow, with a **slight increase in all application areas** between 2023 and 2024.

TALENT MANAGEMENT APPLICATIONS: KNOWING WHO DOES THE WORK

04

Talent management applications help an organization manage details about who does the work and are often categorized in modules that mirror the employee lifecycle. These applications may also touch talent pools, job candidates, and workforce alumni groups that sit outside an organization's current workforce.

Applications we track in this category include:

Application	%
Recruiting and Acquisition	88%
Onboarding and Mobility	85%
Performance Management	70%
Learning and Development	65%
Compensation Management	53%
Rewards and Recognition	40%
Succession and Career Planning	34%
Skills Management	20%
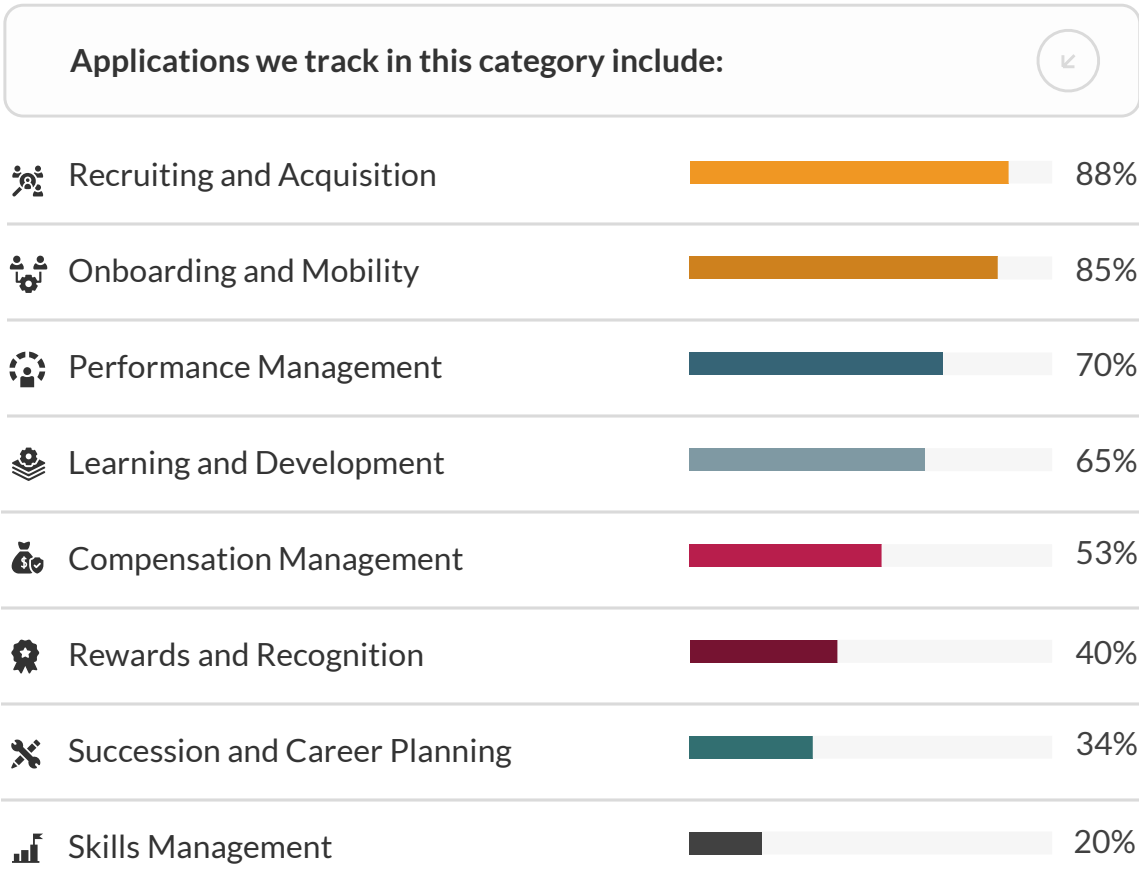
The current talent management landscape is slowly transitioning from managing the workforce based on the single dimension of a job role to a more complex model that is based on skill sets, personalization, and defined business outcomes.

The transition of focus in the Talent Management application category also means that our adoption rates are fluctuating with **slight increases from 2023 to 2024 in Recruiting, Onboarding, Learning, and Career planning**, while all other applications remained flat or slightly down.

ANALYTICS AND PLANNING APPLICATIONS: GUIDEPOSTS FOR REACHING OUTCOMES, WHILE WARNING OF UPCOMING RISKS **05**

The adoption of core HR systems for service delivery, time management, and talent management provides an organization with clear benefits in HR efficiency and process improvement. However, the real value of these systems is realized in the ability to capture and analyze the data to inform strategic decisions and conduct business and workforce planning efforts. Still just **57% of organizations say they are using any solution** at all specifically for the purposes of HR / People analytics, reporting, or planning.

Applications we track in this category include:

Application		%
Embedded HR Applications		62%
Generic Analytics & Visualization Tools		38%
Data Storage Applications: Warehouses and Lakes		29%
Enterprise Business Intelligent Platform		23%
Standalone HR Workforce Analytics		19%
Standalone Statistical Tools		15%
Workforce Planning Solution		15%
Automated Data Governance Tools		12%

Data Mapping and Integration Tools – (Assessing)

The HR analytics and planning category is slowly maturing from a disparate set of generic tools to a cohesive set of modules. These may be part of larger business intelligence platforms, embedded in existing HR systems, or combined in new stand-alone HR intelligence and analytics platforms.

EMERGING TECHNOLOGY AND TOPICS: BETTING BEYOND TOMORROW **06**

Emerging technologies are in early stages of development. Often, these are simple tools or beta features to test out ideas percolating in the industry. Nevertheless, it's essential to monitor the progress and evolution of these applications because many will have an impact on the future of HR and the move to intelligent systems. The biggest story this year is a **90%** increase in adoption of AI / Machine Learning solutions from 2023 to 2024. Not surprising, but still relatively small considering the hype surrounding this emerging category.

Applications we track in this category include:

Application		%
Benchmarking		37%
AI / Machine Learning (ChatGPT)		23%
Skills Management		20%
Predictive Analytics		15%
Chatbots		15%
Robotic Process (RPA)		10%
Virtual Reality		3%
Blockchain		2%
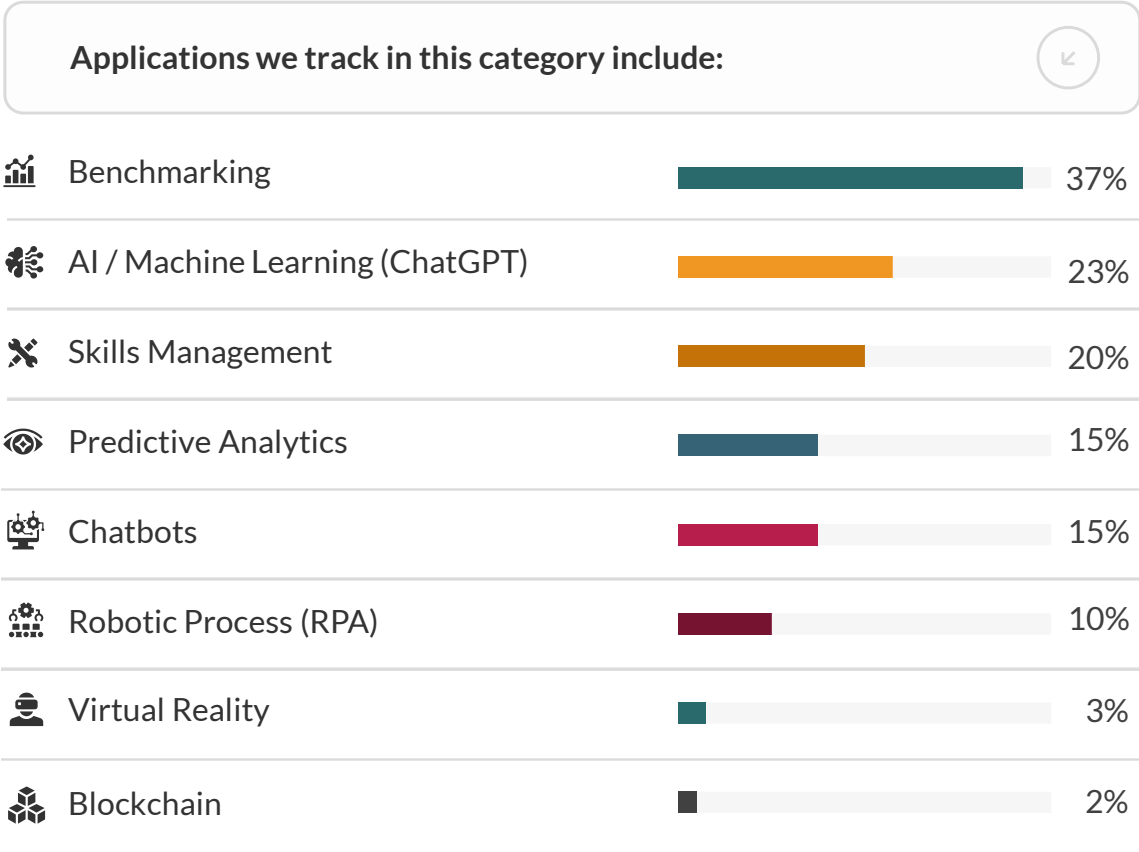
Innovation in the business world comes from many things, including ground-breaking technologies. Research into areas such as neuroscience, psychology, and behavioral decision-making will play a critical role in the HR innovations we'll see in coming years. If this research makes you a bit uncomfortable and nervous, that is to be expected. Game-changing innovations are generally outside the comfort level of every business leader. As a final note, all emerging technologies have a place in history, but not all of them will have an enterprise-wide impact or be of value to an organization over time.

LEVEL THREE. ENTERPRISE STANDARDS: THE GREAT CONNECTORS

Surrounding the six categories of HR system applications in the Blueprint is a layer of critical enterprise standards that play a major role in the success or failure of application investments. The most critical standards include:

- Change Strategies
- Ethics/Data Privacy
- Content Strategy
- Work Models
- Platform Strategy
- Mobile Strategy
- Network Security
- Cybersecurity
- Integration Strategy
- Social Responsibility (ESG)

Connecting HR systems to enterprise standards allows organizations to embed HR solutions seamlessly and safely into everyday work environments and share data across multiple system environments. By working within these standards, leaders can provide clear context, guidance, and ethical frameworks for HR applications that are critical for moving into a future of intelligent decision making.

FIGURE 22: ENTERPRISE STANDARDS
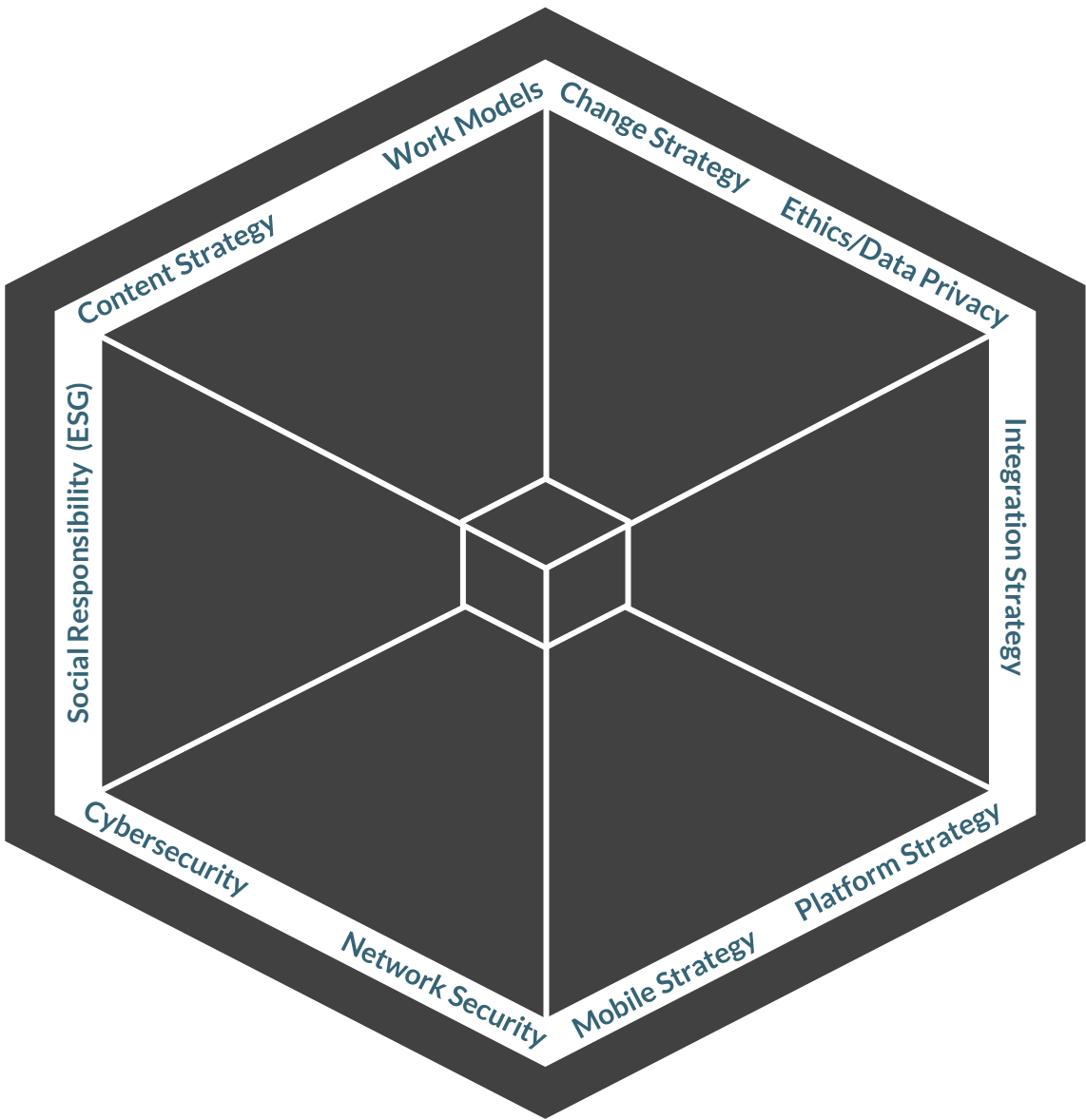
LEVEL FOUR. ENTERPRISE WORK APPLICATIONS: WORKSCAPES

HR technologies coexist in a larger technology environment represented by the outer rim of our Blueprint. These include enterprise business applications for finance management, workforce productivity (Microsoft, Google, etc.), customer relationship management, and vendor management. Depending on the organization's industry and the type of work it actually does, there could be many other enterprise applications that fit into this category.

These solutions are where work occurs daily and where an abundance of additional data is captured, stored, and repeatedly used for business decisions. HR and HRIT have an important role in staying on top of how these applications gather and use employee data and ensuring all government and ethical standards are followed.

Creating a clear picture of these applications, how security is managed, and how HR needs to connect, communicate, and share data with these applications is critical to achieving the outcomes desired by leaders.

FIGURE 23: ENTERPRISE WORK APPLICATIONS
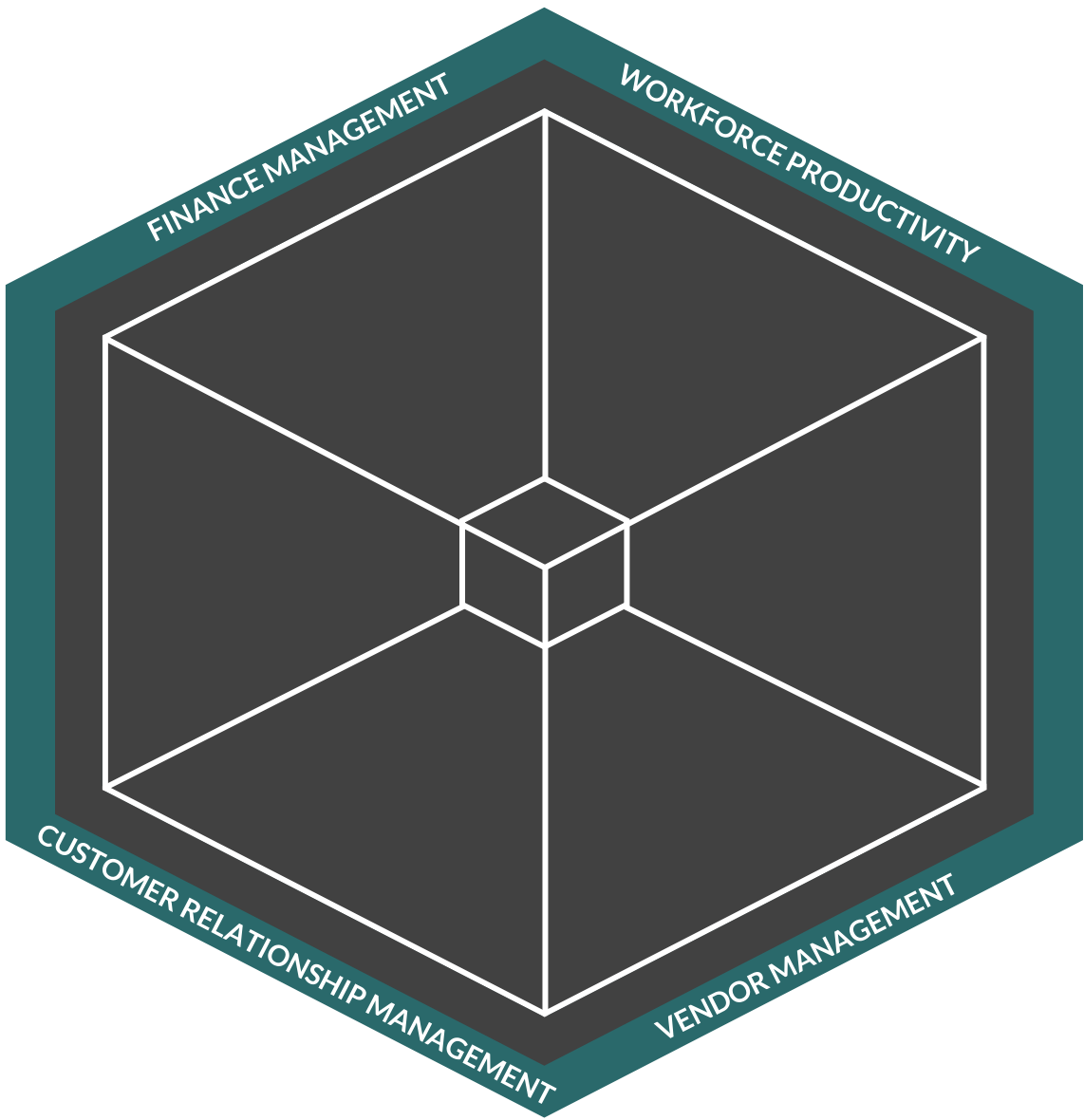
**Final Thoughts:
HR Systems
Adoption Blueprint**

The Blueprint can be viewed as a series of containers, each level connected through interrelated elements. The connection points between applications are as important as the individual applications themselves.

The HR Systems Blueprint is a tool that your organization can utilize to spark conversations for your own HR systems strategy and planning efforts.

HR SYSTEMS STRATEGY
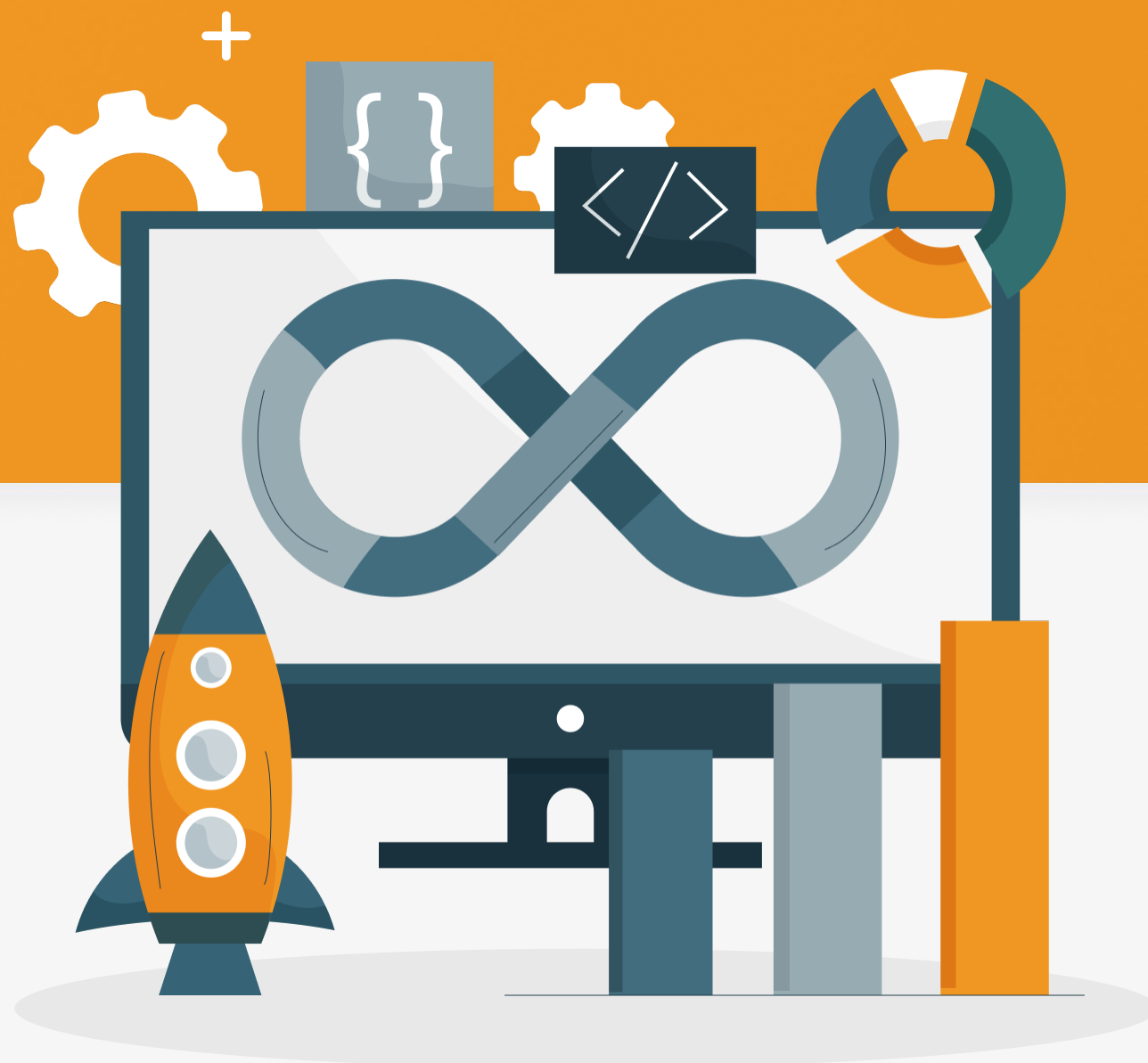
4/14 SECTION

HR SYSTEMS STRATEGY

GETTING STARTED

An HR technology environment is a complex set of applications, platforms, integrations, data sets, and intelligent workflows. Existing environments are generally architected over an organization's lifespan, with multiple levels of ownership in HR, IT, and operations. It is the one business environment that touches everyone.

- To the HR function, this environment is a super-powered filing cabinet and connector that can do all sorts of HR-related tasks automatically, making things easier for both HR and the workforce.

- To the organization's executives, leaders, and managers, it is a critical business tool that provides the data they need to strategically and compliantly manage their workforce.

- To the workforce, it is a collection of screens and possibly mobile environments where they've been asked to create one or more profiles — that require personal and professional details — to ensure they get the benefits, compensation, and career opportunities that they negotiated when agreeing to the work.

The most essential thing to remember along the way is that this HR systems strategy is not a Binder on your shelf. We all have some version of a binder or Excel spreadsheet that we've created to detail the technology we believe we have or will have in the future. The most effective HR Systems Strategies are much more than a binder.

First, it's a journey; every organization and every team's journey will look different and be unique to their needs. Within the journey, repeatable processes need to be established to ensure business outcomes are achieved and a long-term vision is clearly defined. The vision for this environment is outlined over several phased roadmaps. Building the phased roadmaps will enable a series of planned (and unplanned) conversations that help cultivate the professional relationships required to achieve positive change.

The HR systems strategy is also a management model for the HR Technology function. It provides the standard of work required for architecting the vision and measuring progress and outcomes. It defines the resources, teams, and work effort needed to continuously build, maintain, and adapt the environment to an evolving vision.

Last, but perhaps one of the most important steps is that an HR systems strategy is an intentional approach for Leaders within an organization, regardless of size, industry, or region, to build their Leadership impact. By embracing this multidimensional approach to an adaptable HR systems strategy, we are putting the Human back in the process – and creating an environment that is focused on achieving outcomes for everyone.

The complexity of the HR Technology Landscape is changing. Complexity can create either chaos or order; the difference is planning. The one thing we know time and time again about technology everywhere and in every industry is that it is changing at an exponential pace these days. The cool new tech of today may be old news in a few months. It is easy to get frustrated and turn away from managing the change and dealing with business requests as they come at us. However, building an HR Systems Strategy is all about planning for possible changes. HR and IT play a collaborative role in helping the organization think differently so that the change isn't so painful.

In this section, we will discuss why an HR systems strategy is important, its complexity, and how it supports your business outcomes. We will also look at an HR systems framework and its key elements. Finally, we'll give you some suggestions for getting started, either developing your strategy or updating the one you have!

SO, WHAT IS THIS?

- It's a journey…
- … repeatable process…
- … several phased roadmaps…
- … documented plan and decisions…
- … series of conversations and relationships…
- … management model for the HR Tech function…
- … an intentional approach to building your Leadership Impact

ELEMENTS OF AN ADAPTABLE HR SYSTEMS STRATEGY

Based on our quarter century of research on this topic, we've outlined the most common Key Elements of an HR Systems Strategy, as shown in **Figure 24**. These elements cover a wide range of work efforts – that need to be managed by someone who is passionate about the impact HR systems can have on the organization.

While there are other considerations you may choose to include, these represent the most critical components that allow you to better handle internal requests and external pressures on decision-making. Creating an HR technology environment that achieves real outcomes requires careful planning, constant evaluation, and regular updating to ensure the organization has the information it needs for informed decision-making.

FIGURE 24: KEY ELEMENTS OF AN ADAPTABLE HR SYSTEMS STRATEGY

LOOKING INWARD....

01 **Strategy Prep:** Business/Mission Goals, Culture, Workforce Scale & Scope, HR Service Models

02 **Strategy Planning:** Create guiding principles, define standards, measurements, scope, roles, governance

03 **Assess Current State:** Create a Current State Blueprint and assess Current State Outcomes (data, metrics, perceptions, achievements)

LOOKING FORWARD....

01 **Model Future State(s):** Business Strategy, HR Strategy, Employee Experience Goals, Benchmarking, Ideation / future modeling

02 **Gap Analysis:** Assess necessary changes and define expected outcomes

03 **Phased Roadmap:** Visualize roadmap, timelines, expenditures, budgets, resourcing, & service delivery

CRITICAL ENTERPRISE STANDARDS...

Leadership & Culture Standards	Adoption / Change Management Model
Data / Product Management Model	Governance, Measurement, Business Alignment Model

Another element of the framework is what we call Critical Enterprise Standards. These are the engines that make this strategy flexible – this is how you move it forward, make it adaptable. You are probably most familiar with the Governance, Measurement, & Business Alignment efforts – but there is a growing need to invest time in Leadership, Change, and Data strategies as well! Although we have broken these down into standards, none of these efforts work in silos or against each other.

WHY YOUR STRATEGY MATTERS

In 2024, 47% of organizations stated that they had some form of an HR systems strategy in place. However, if a strategy isn't regularly reviewed and updated, it's of little use. Just 37% of organizations regularly update their strategies. Whether organizations have a strategy and how much time they spend on it varies by the size of the organization.

As you can see from **Figure 25** below, Mid-Market and Enterprise organizations are much more likely to have HR technology strategies than SMB companies. However, a consistent finding in our research is that the size of a company does not change the improvement in outcomes achieved with a regularly updated strategy. Year over year, the data shows that having a regularly updated strategy matters the most!

The percentage of organizations with any HR systems strategy dropped significantly during the COVID-19 crisis but has been on an upward trajectory for the last four years until 2024. We saw an 18% drop this year in the overall percentage of organizations with any strategy at all and a 12% drop in those with a regularly updated HR system strategy - with the largest drops in those organizations with less than 5,000 employees. When we consider that almost 20% of organizations are assessing replacement of their primary Payroll and HRMS solutions at this time, plus the onslaught of vendors pushing AI hyped solutions – it isn't surprising that organizations feel like they need to reassess their current HR system strategies.

Investing time and resources in developing your HR systems strategy is a must do today - HR functions are more likely to be seen as business leaders contributing strategic value to the organization. Meanwhile, those without a strategy are typically viewed as having a compliance and transaction-focused HR function.

FIGURE 25: PERCENTAGE OF ORGANIZATIONS WITH AN HR SYSTEMS STRATEGY

E 🏢 **≥5000 EE**

- 9%
- 19%
- 13%
- 59%

M 🏢 **500 - 4999 EE**

- 23%
- 41%
- 23%
- 13%

S 🏢 **<500 EE**

- 46%
- 28%
- 8%
- 18%

Legend:
- 🟧 Yes, updated regularly
- 🟩 Yes, but rarely or never updated
- 🟥 In development
- ⬛ No HR Systems strategy
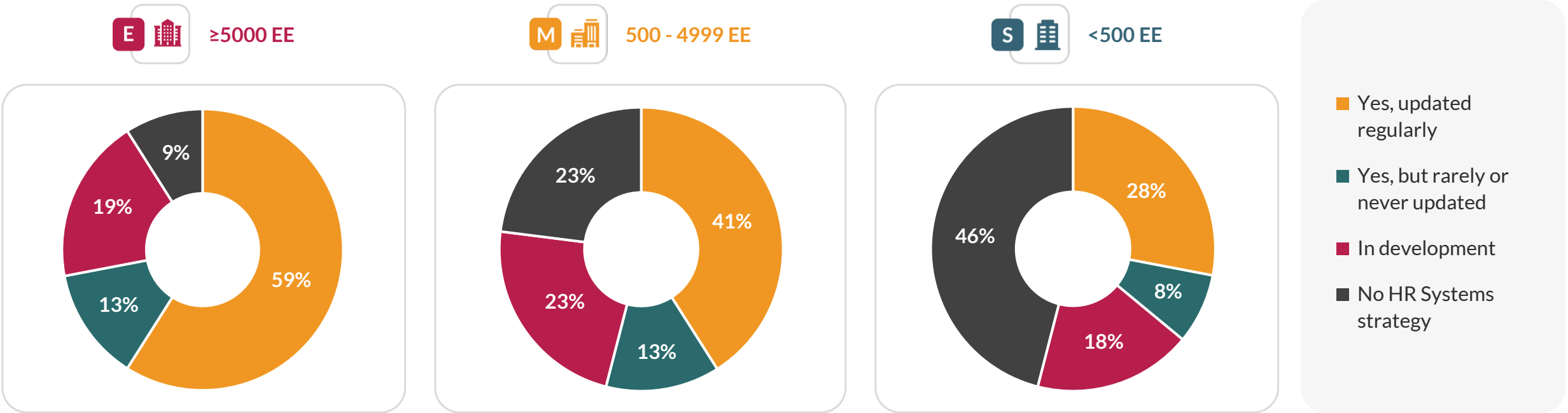
WHY YOUR STRATEGY MATTERS

As mentioned earlier, the HR Systems Strategy should enable and support the organization's overarching business strategy. Part of that business strategy is how innovative and competitive a company is, what its market share and profitability are, and how it treats its customers—including what its customers say about it.

To that end, **Figure 26** shows that just having an HR Systems Strategy aligns in 2024 with a 12% increase in these exact types of business outcomes. This question has been in our survey for many years, and we can confidently state that no matter the size, regional location, or industry of an organization – having an HR Systems Strategy always aligns with better outcomes versus those organizations that have no strategy. In fact, the 5-year average increase in higher outcomes sits at 15%.

Most HR Technology investments require a business case on how the solution will drive greater outcomes, but the system itself is just one part of the equation. Our data is very clear: no single HR technology solution regularly aligns with a higher impact on business outcomes. Investing the time and resources needed for a regularly updated HR Systems Strategy is your best bet in achieving outcomes.

REGULARLY UPDATED HR SYSTEMS STRATEGY

15% AVG

5-year average of Higher Business Outcomes

- ✔ Reviewed every 12 to 18 months
- ✔ Tied to enterprise outcomes
- ✔ Current state analysis
- ✔ Phased roadmaps
- ✔ Key Performance Indicators (KPIs)
- ✔ Governance models

FIGURE 26: BUSINESS OUTCOMES - HAVE THEY DECLINED OR IMPROVED IN THE LAST 12 MONTHS?

↑ **12% INCREASE**

	Innovation	Market Share	Organization Profitability	Customer Retention	Customer Satisfaction	Competitive Advantage
HR Systems Strategy 2024	3.26	2.99	3.06	3.17	3.2	3.06
No HR Systems Strategy 2024	2.89	2.69	2.73	2.79	2.89	2.77

■ HR Systems Strategy 2024 ■ No HR Systems Strategy 2024
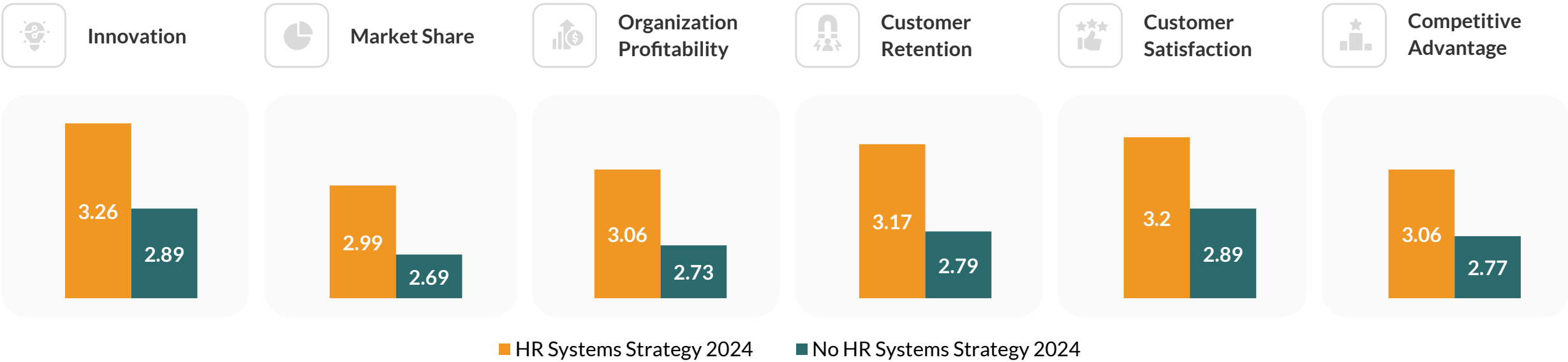
HR TECHNOLOGY SPENDING PLANS

While how much you spend isn't as important as how you spend it, having a good budget is key to being able to make the investments you need in HR technology. To give you some idea of what the expectation is for the coming year, we asked organizations to tell us whether they planned to increase or decrease their HR tech spending.

As you can see from **Figure 27** below, spending plans vary by the size of the organization. We see that 35% percent of SMB organizations plan to increase spending this year, while Mid-Market and Enterprise organizations were much higher at 47% and 53%, respectively.

These numbers are surprisingly stable, and in the aggregate, we know that they stayed exactly the same Year over Year. This year, we continued to see a slight slowdown in spending plans for Mid-Market organizations, with a 4% drop in plans for increasing spending, offset by slight increases in spending plans for SMB and Enterprise organizations. We also saw declines in the actual amount they planned to increase spending, dropping from an average of 10% last year to 8% this year.

Of those organizations planning to increase spending, the average amount expected is:

7% – 9%	7% - 9%	7% - 9%
Enterprise	Mid-Market	SMB

FIGURE 27: HR TECHNOLOGY SPENDING OUTLOOK BY SIZE FOR 2024

E ≥5000 EE
- 53%
- 39%
- 8%

M 500 - 4999 EE
- 47%
- 47%
- 6%

S <500 EE
- 35%
- 58%
- 7%

■ Increase   ■ Stay The Same   ■ Decrease
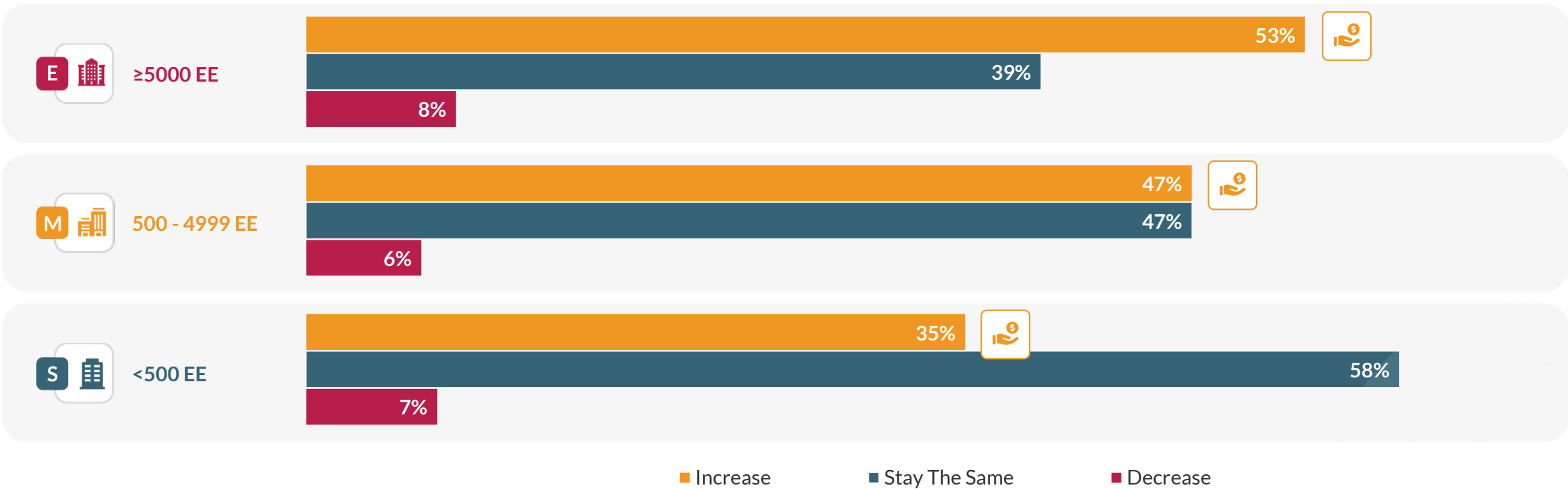
HR TECHNOLOGY SPENDING PLANS

We also looked at spending plans by the type of organization, to see if there were any trends across public versus private sectors, government, or other unique business models. **Figure 28** below gives you an idea of how spending trends change as you look at organizations by type.

Non-Profit organizations are the most likely to increase HR technology spending in 2024, compared to their private and government-based counterparts. This isn't surprising for 2024 when Non-Profit organizations are focused on enhanced efficiency.

Non-Profits are looking to invest more in their core mission, data-driven decision making for Boards and donors, and digital platforms to easily recruit and retain volunteers and employees and manage scheduling and workforce planning.

Government-owned entities also reported plans to increase spending. This isn't surprising when you consider the continued movement by regulatory bodies such as the U.S. Securities and Exchange Commission towards adding more human capital reporting requirements for public organizations or for proposed or pending legislation about the use of emerging technologies in HR. Investors are moving faster than the regulatory bodies, with new funds focused on social responsibility and positive HR practices achieving increasing interest.

FIGURE 28: PLANS TO INCREASE SPENDING BY ORGANIZATION TYPE

Organization Type	Percentage
Privately Owned Entity	40%
Franchise-Owned Entity	40%
Private-Equity-Backed	42%
Publicly Traded Entity	45%
Government Owned Entity	47%
Non-Profit	49%

HR TECHNOLOGY SPENDING PLANS

This year, organizations also weighed in on which specific categories of HR applications they plan to increase or decrease their spending in 2024.

Figure 29 below shows the categories where 20% or more of all organizations plan to increase spending in 2024. Although Learning/Training and Recruiting & Onboarding were also at the top of this list last year, this year they saw a 10% decrease in the percentage of organizations that planned to increase spending in these areas. Overall, we had a much more diverse list of areas for increased spending plans, meaning almost every category saw a slight decline – except for Intelligent tools.

When we look at the increased spending plans by organization size, - HRMS tops the list for Enterprise organizations, followed closely by HR analytics. SMBs & Mid-Market plan to invest more in learning, benefits, and recruiting. They may be over-investing in employee experience and retention as a competitive advantage.

On the other side of the equation, in **Figure 30** below, you will see those categories where 2.6% or more of all organizations plan to decrease spending in 2024. Recruiting & onboarding, payroll, and survey/feedback tools are also the top categories in which organizations plan to reduce spending in 2024. We believe payroll is on the decrease side again this year due to high expectations that replacing and consolidating solutions will further reduce costs.

FIGURE 29: TOP INCREASING HR TECH SPENDING BY CATEGORY

Category	%
Learning / Training	38%
Benefits / Wellness	36%
Recruiting & Onboarding	35%
HRMS	29%
HR Analytics	29%
Rewards & Recognition	28%
Performance Management	27%
Compensation Management	25%
Payroll	25%
Survey / Feedback Tools	24%
Intelligent Tools	22%
HR Portal / Communications	22%
Succession / Career Management	22%
Time and Attendance	21%
HR / Workforce Planning	21%
Health and Safety	20%
Leave Management	20%
Skills Management	20%

FIGURE 30: TOP DECREASING HR TECH SPENDING BY CATEGORY

Category	%
Recruiting & Onboarding	5.4%
Payroll	4.7%
Survey / Feedback Tools	3.9%
HRMS	3.9%
Benefits / Wellness	3.7%
Learning / Training	3.6%
HR Help Desk	3.5%
Rewards & Recognition	3.3%
HR Portal / Communications	2.9%
Time and Attendance	2.8%
Workforce / Labor Budgeting	2.8%
Compensation Management	2.8%
Succession / Career Management	2.8%
HR Content Management	2.8%
Workforce / Labor Scheduling	2.7%
Leave Management	2.6%
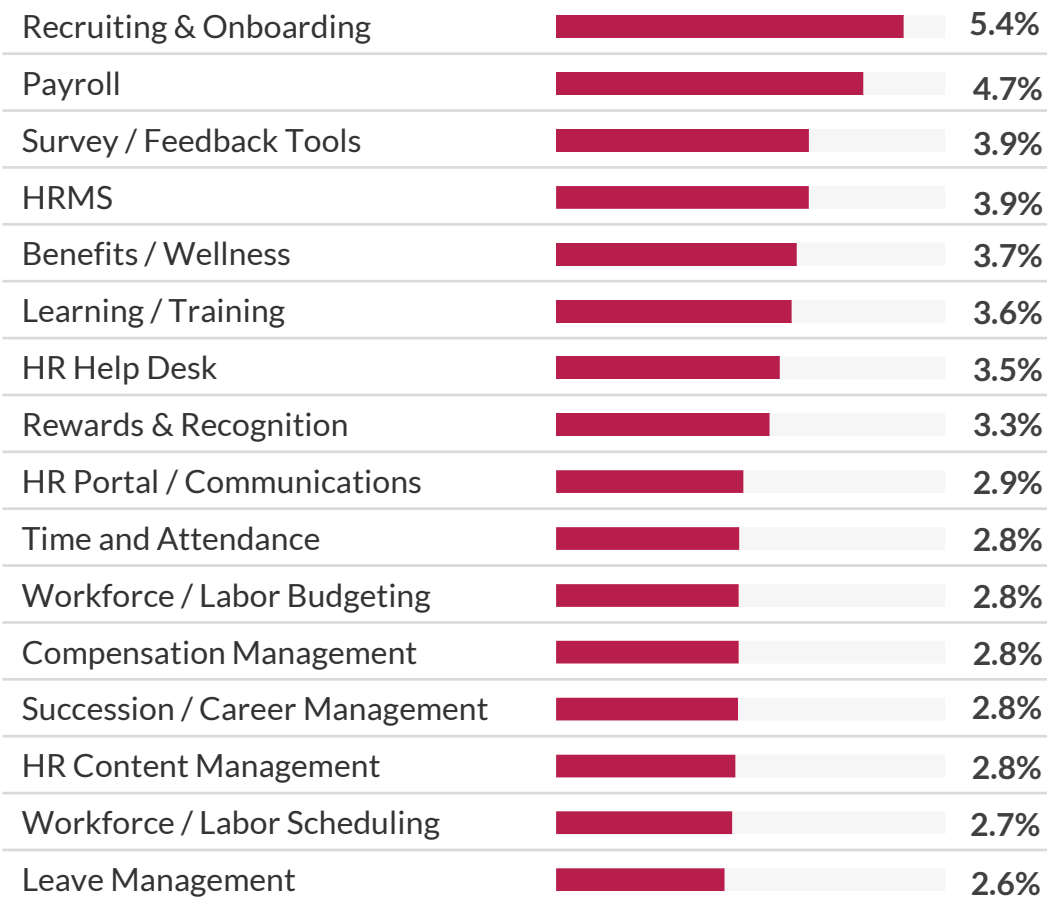
HR SYSTEMS STRATEGY IN THE AI ERA

Judging solely by media attention, AI-enabled solutions are the only topic in HR technology. The buzz surrounding artificial intelligence has reached a fever pitch. This year's conversation focus is on embedded versus standalone AI.

A number of HR software providers are integrating AI capabilities into their existing platforms (embedded). These AI-enhanced systems are being used to automate routine tasks, allowing HR professionals to focus on more strategic initiatives. Advanced natural language processing algorithms are being employed to analyze employee feedback and sentiment, providing organizations with real-time insights into workforce morale and engagement.

Additionally, stand alone AI-powered models, chatbots and virtual assistants are becoming increasingly sophisticated, offering employees 24/7 support for HR-related queries and streamlining various self-service functions.
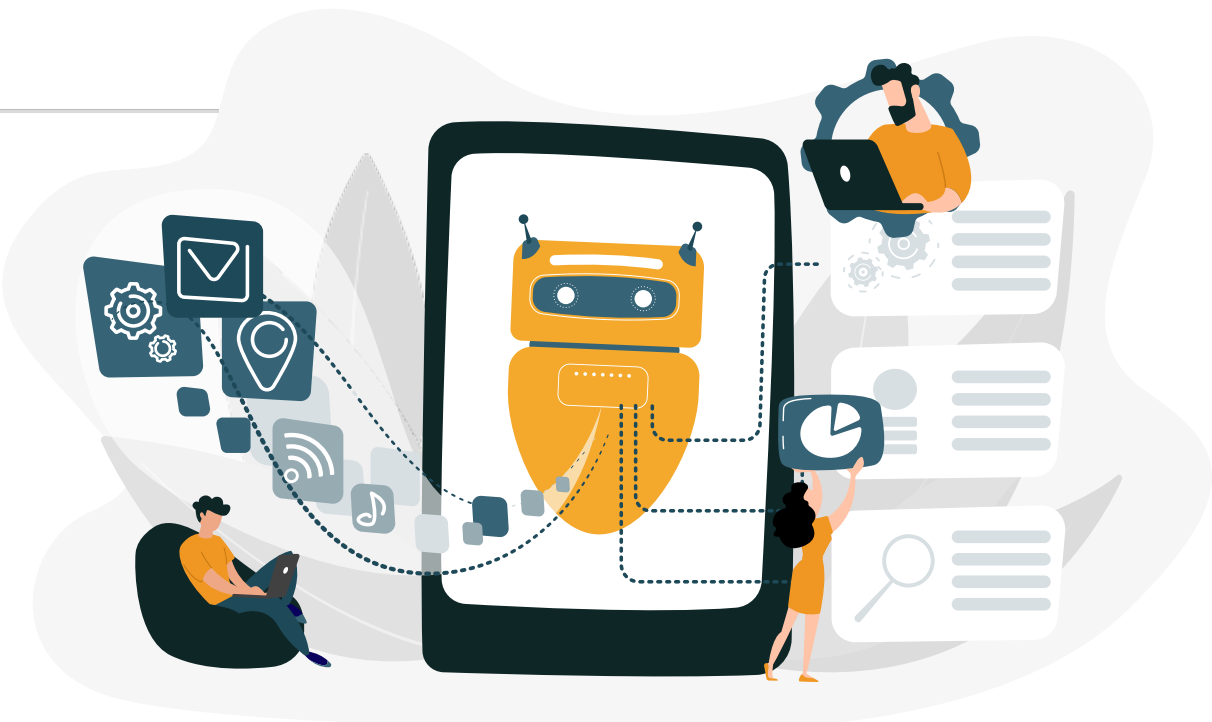
FIGURE 31: AI AND BUSINESS OUTCOMES

IS AI /ML (e.g. CHATGPT) IN USE AT YOUR HR ORGANIZATION?

- 23%
- 5%
- 4%
- 68%

Legend:
- In Use
- 12 Months
- 24-36 Months
- Not in Use

7%

Average HR, Talent, and Business Outcome Increases

INCREASE OF

90% YoY
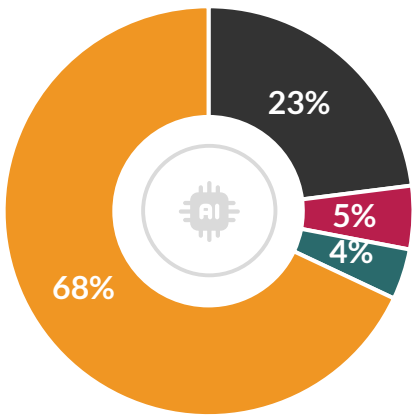
AI in HR has caught the attention of Federal and state agencies; they are starting to regulate AI in HR. Some areas they are focusing on: vendor agreements, tracking hours and calculating wages owed with AI, and the use of AI for FMLA compliance. We recommend you work with your legal partners on these new and changing regulations to review your policies.

As AI continues to permeate HR practices, there's a growing emphasis on the need for human oversight and the importance of maintaining the "human" in human resources. While AI can process vast amounts of data and identify patterns that humans might miss, it's essential to recognize its limitations and balance this with a pragmatic approach on AI and ethics. The most successful implementations of AI in HR are those that augment human capabilities. As we move forward, the challenge for organizations will be to strike the right balance between leveraging AI's efficiency and maintaining the empathy, intuition, and ethical judgment that human HR professionals bring to the table.

BENCHMARKING HR SYSTEM ENVIRONMENTS

Once you've developed your HR Systems Strategy and budgets are allocated, the hard work is just beginning. To effectively manage an environment, you need to have metrics, a vision, and guidelines for change. These are complex environments to manage, no matter the size of an organization, as you can see in **Figure 32**.

In the chart below, we've assembled an overview of just a few of the critical metrics we recommend tracking and benchmarking for the average HR systems environment in specified size ranges. With all data pulled from a wide range of company sizes and industries, these benchmarks **benchmarks should be used as a starting point and not the goal line for your planning conversations.**

In a year-over-year comparison, the average overall annual HR Tech spend has stayed relatively stable, with Enterprise and SMB organizations spending slightly less per employee than last year and Mid-Market organizations spending increasing about 20%.

FIGURE 32: THE AVERAGE HR TECHNOLOGY ENVIRONMENT BY ORGANIZATION SIZE

	AGGREGATE	Enterprise ≥5,000 Employees	Mid-Market 500-4,999 Employees	SMB <500 Employees
ANNUAL PER EMPLOYEE HR TECH COST RANGES	$279-$387	$186-$221	$326-$399	$324-$542
# OF HR SYSTEM INTEGRATIONS	24 (0 — 201+)	55 (0 — 201+)	15 (0 — 201+)	3 (0 — 20+)
HR TECH SYSTEMS INCLUDED IN ANNUAL HR BUDGET	8 - 10	11 – 13	8 - 10	4 – 6
AVG NUMBER OF IN-USE MODULES (OUT OF 51 APPLICATIONS TRACKED)	26 (1 — 51)	41 (1 — 51)	21 (1 — 51)	15 (1 — 51)
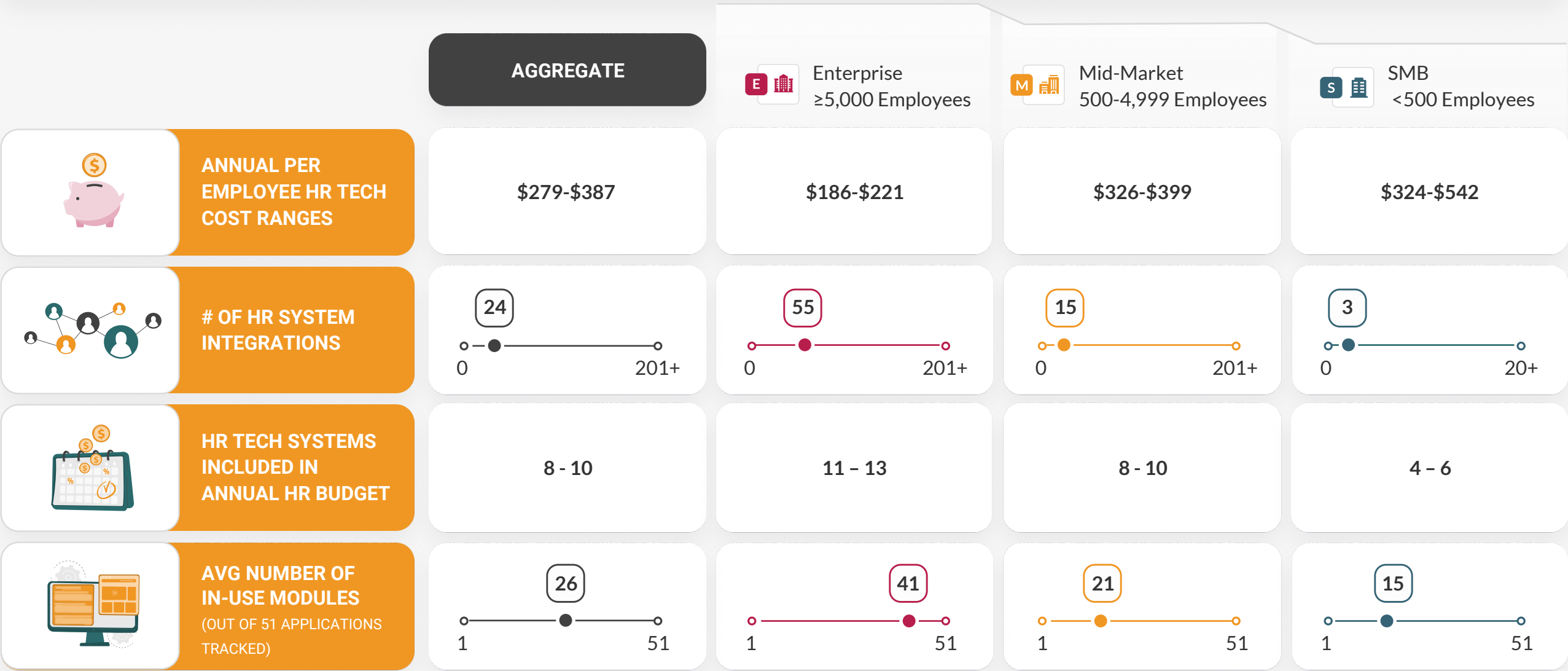
For custom cuts of research data, contact us at Research@SapientInsights.com.

Average survey responses and range of responses listed above.

Using a framework to develop your strategy helps assure it is in constant alignment with organizational needs. **Figure 33** outlines a strategic framework to help guide your thinking and build a plan that supports your business goals and objectives.

Building a strategy isn't linear – it's more like ripples. Like ripples in a pond, each element builds upon the next and the world continues to move and change while you're building your strategy. We will talk more about the importance of change management and how to develop your plan in the next section.

FIGURE 33: HR SYSTEMS STRATEGIC PLANNING FRAMEWORK

Business Mission/Drivers	Increase market share in North America	Grow client loyalty with extended product adoption	Increase client satisfaction across product lines	Increase shareholder value through cost efficiencies
Talent/ HR Outcomes	Attract talent to a modern workplace	Retain experienced sales talent through career planning	Achieve new hire product certification within 90 days of hiring	Enable compensation planning for all field roles
HR Tech Guiding Principles	Meet common business needs through enterprise solutions	Use SaaS solutions wherever possible	Reduce management administration and enable self-service for all employees	Balance investment in innovative vs cost effective solutions
Annual HR Tech Goals	Define one key service goal	Define one key security goal	Define one key data analytics goal	Define one key cost/value goal
Strategic HR Tech Projects	Secret Acquisition Project X	Enterprise HR Magic - Release 2.0	Talent Cloning Miracle System	Workforce Management Made Easy App

Your HR Tech Guiding Principles might not change much from year to year, but the other elements of your framework should be adapted as business drivers change

ADAPTIVE CHANGE AND IMPLEMENTATIONS

5/14 **SECTION**

ADAPTIVE CHANGE AND IMPLEMENTATIONS

Managing change is a vital component of any complex HR systems project. Practicing change management techniques by incorporating proven methodologies and supporting a culture of **adaptive change management** can dramatically impact the success and health of all HR system projects.

According to Prosci, a recognized leader in change management research, projects with excellent change management in the U.S. were **8X** more likely to meet or achieve project objectives than those with poor change management.[1] Our study reveals **that 52%** of respondents report regularly utilizing some form of structured change management process during project work, with only **9%** indicating they invested in no change management.

1. *Best Practices in Change Management, 12th Edition, 2023, Prosci

FIGURE 34: CHANGE MANAGEMENT APPROACHES

- 24% Adaptive Change Management
- 28% Project Based, with Criteria
- 39% Sporadic, No Criteria
- 9% No Plans
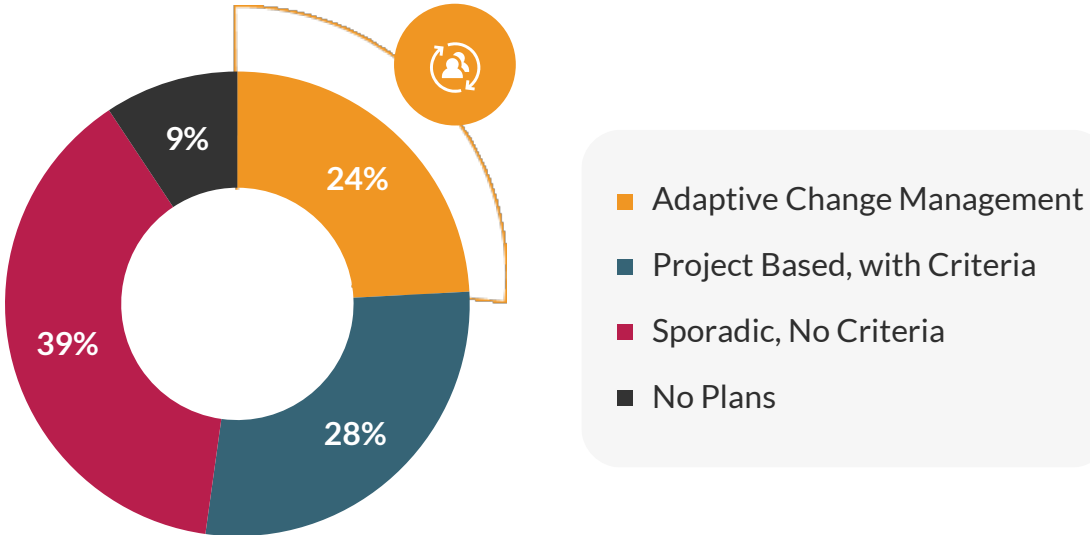
FIGURE 35: WHAT KIND OF CHANGE MANAGEMENT DO YOU DO?

Approaches to Change	Definitions of Change Management Approaches
Adaptive Change Management	Continuous assessment of all change events with ongoing governance, communication, feedback, and measurement – to ensure change goals are being achieved and create positive outcomes over time.
Project-based Change Management	Key projects that meet size, budget, or breadth of stakeholder criteria receive standard project-based change efforts – including short-term governance, communication, and measurement.
Sporadic Change Management	Done on an ad-hoc basis, with no criteria nor standard approach to change efforts.

THE BUSINESS CASE FOR ADAPTIVE CHANGE MANAGEMENT

The business case for change management in HR system initiatives is strong. Our research has consistently seen that organizations that practice adaptive-style change management efforts see higher HR, talent, and business outcomes. In fact, over the last five years, organizations that practice adaptive change management saw, on average higher outcomes over the five years. In 2024 the trend declined slightly to 15% while still showing a double digit increase in outcomes.

Why does change management have such an impact on outcomes?

That is because change is happening constantly in our businesses. Getting people to change their behaviors takes much more than a single email or a one-time announcement.

Effective change management requires empathy, understanding, and skills to navigate complex transitions. Organizations that fail to incorporate change management into their programs experience slower speed to adoption and potentially lower return on investment.

FIGURE 36: 5-YEAR IMPACT ON HR, TALENT, BUSINESS OUTCOMES OF ADAPTIVE CHANGE MANAGEMENT (0 – 5 SCALE)

22%

Higher Average Outcomes Over 5 Years

Legend:
- Sporadic/No Change Mgmt
- Adaptive/Agile Change Mgmt
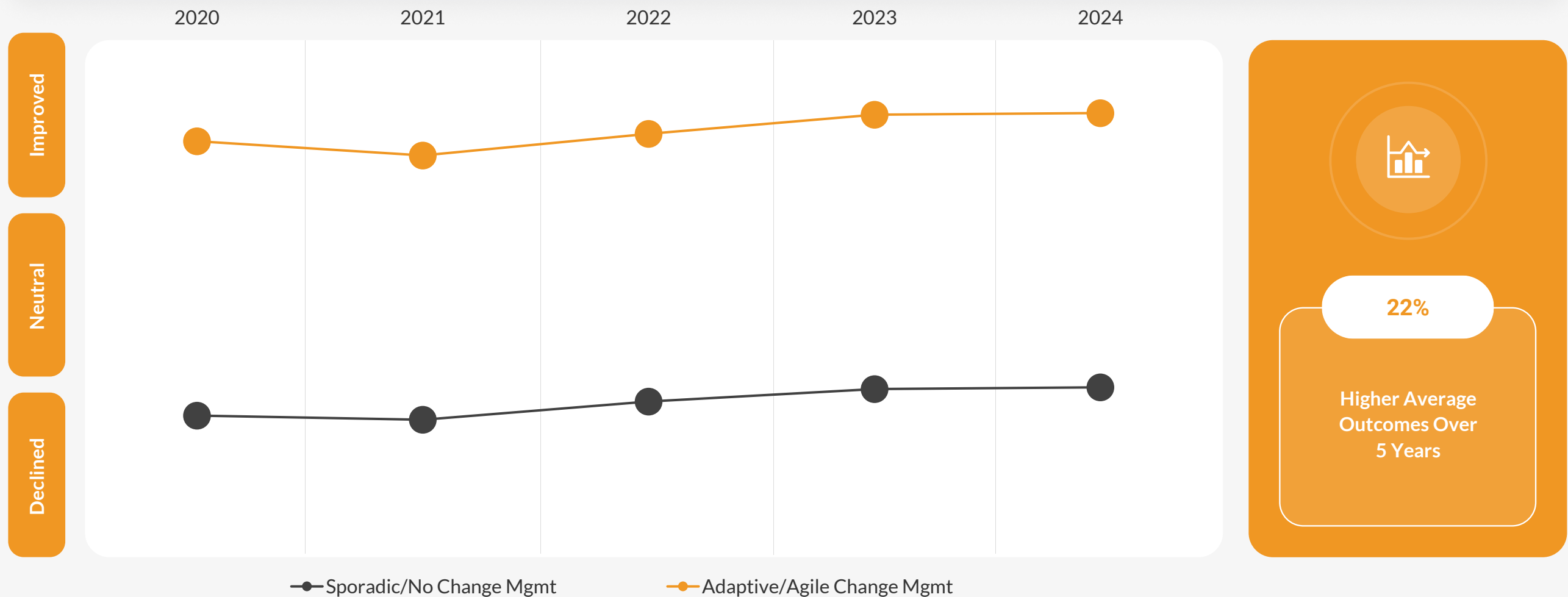
HR'S ROLE IN ADAPTIVE CHANGE MANAGEMENT

What is the business case for HR owning adaptive change management? It's simple: HR understands people better than anyone else and is uniquely positioned to lead the charge. It's reasonable to expect that HR's capabilities to assess key stakeholders, utilize survey tools, and tap available HR systems and payroll data are the critical components of success for any change effort.

There are specific areas and functions that puts HR into a unique position to support the most important aspects of a change management effort.

Training - HR leaders can coach executives and managers on effectively leading their team through change. Training can encompass technical skills, soft skills, or new processes.

Coaching - HR leaders can coach executives and managers on how to effectively lead their teams through the change. This includes change leadership skills like empathy, active listening, and motivation.

Monitoring People Data - HR analytics can track employee engagement, productivity, retention, and other metrics before and during the change to monitor impact.

Reinforcing Behaviors - HR can help identify and reward positive behaviors that align with the change through recognition programs, incentives, or other mechanisms.

Change Networks - HR can establish change agent networks across the organization to promote change at all levels. This bottom-up enablement brings more employees into the fold.

Feedback Channels - HR can create open channels for employees to ask questions and give feedback about the change. This could be through existing employee communication solutions (see the **HR Service Delivery** section of this paper for more on this topic) or through more traditional means such as surveys, town halls, and focus groups.

Communication - HR can and should frequently communicate details of the change management effort across the organization. These communications should cover topics such as rationale for change, timeline, roles impacted available support for new ways of working and anticipated results.

> Incomplete change management planning and skill development internally impede adoption and functional implementation planning.

Healthcare/Pharma 88000+ EE

Over 25% **of organizations fell short of all Implementation expectations minus budgeting in 2024.**

> Unexpected challenges during the implementation process and unrealistic expectations set during the planning phase contributed to outcomes falling short of expectations.

High-Tech 600+ EE

Get further information about change management practices and supporting services by contacting Info@SapientInsights.com.

As seen in **Figure 37**, 64% of organizations practicing strategic change management are viewed as having strategic HR functions. And just 43% of organizations doing sporadic change management are viewed as strategic. That's an almost 50% increase to being viewed as a strategic HR function when practicing strategic change management.

When HR leans into high-visibility, high-impact change efforts, the payoff is not just being at the table but becoming a critical partner in the business initiatives that drive organizational success. It continues to be the **#1 practice correlated with being viewed as a strategic HR partner that adds value to the organizational outcomes**.

FIGURE 37: IMPACT OF CHANGE MANAGEMENT ON PERCEPTION OF HR

- HR Viewed as Contributing Strategic Value
- HR Viewed as a Compliance Function
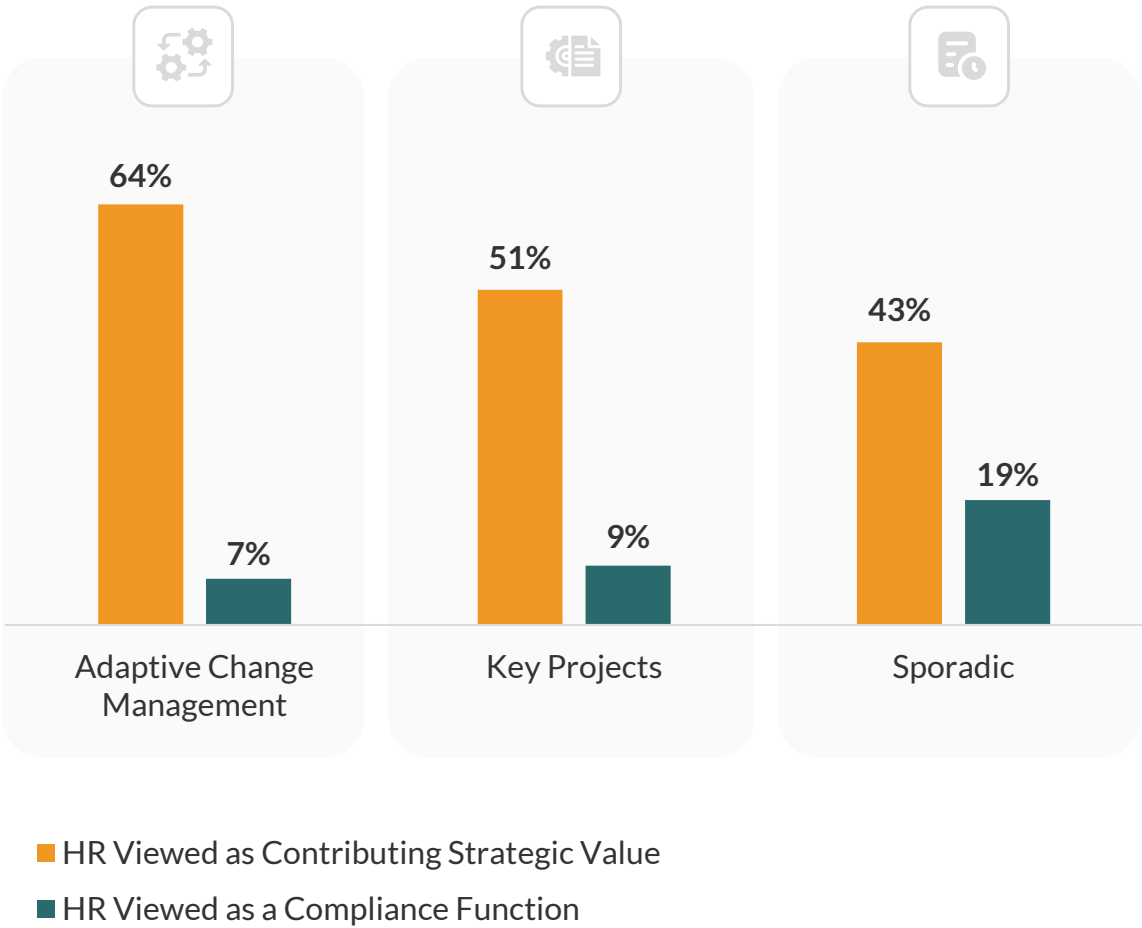
FIGURE 38: 3 YEARS OF CHANGE MANAGEMENT APPROACHES

- Adaptive / Agile Change
- Project-Based
- Sporadic
- No Change Mgmt
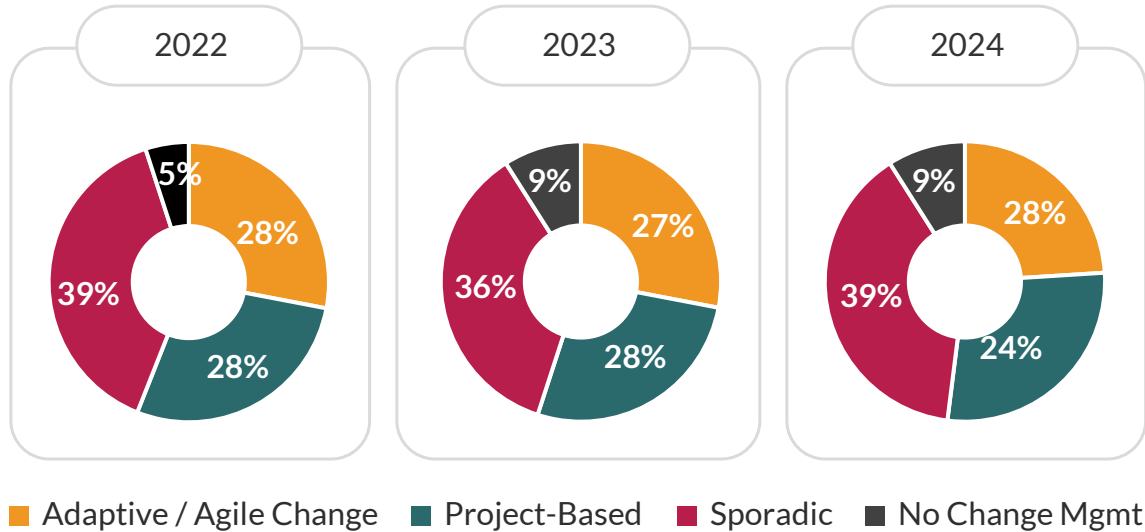
Despite a compelling business case, the number of organizations that practice or incorporate adaptive change management has declined over the past three years. During this time, many organizations have shifted to sporadic change management while consistent change management practices have diminished. This trend may be due to an increase in projects alongside heightened expectations for productivity, leading organizations to allocate resources toward project execution instead of developing change management initiatives.

Ninety-one percent **(91%)** of organizations reported utilizing change management tactics are reporting their efforts this year. However, only **7%** of these organizations allocate the recommended **20%** of their project budgets to comprehensive change management programs. This may help explain why **23%** of respondents reported that their projects did not meet adoption expectations.

Only **7%** set aside the recommended **20%** of initiative budgets for change management

$ = Outcomes

THE ADAPTIVE CHANGE MANAGEMENT FRAMEWORK ™

One of the most compelling reasons for budgeting the right level of funding for effective change management practices is the achievement of expected outcomes - especially outcomes related to HR technology implementations. In the last three years of our research, we have studied the correlation between change management and outcomes. We have found that organizations using a structured approach to change management were twice as likely to exceed expectations for completing projects on time, within budget, with allocated resources, and with high levels of adoption.

FIGURE 39: HR TECHNOLOGY IMPLEMENTATION EXPECTATIONS BASED ON USE OF FORMAL CHANGE MANAGEMENT EFFORTS

Legend:
- ■ Adaptive Change Management
- ■ Key Project Change Management
- ■ Sporadic Change Management
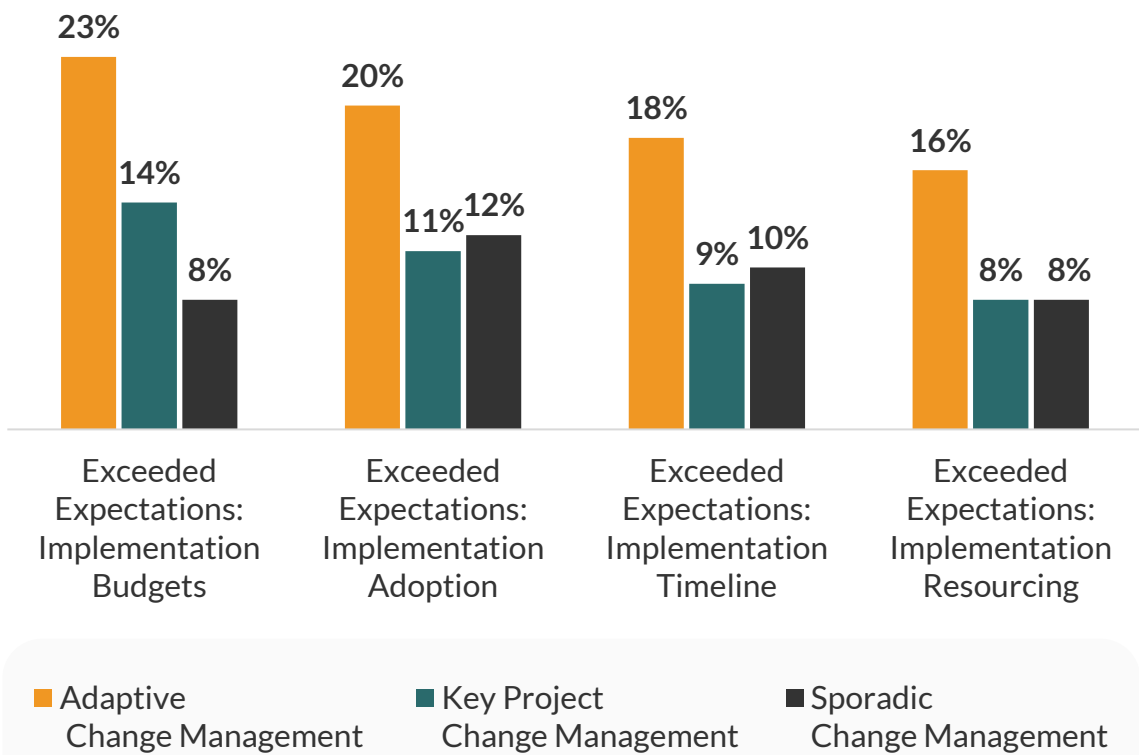
As seen in **Figure 39**, oorganizations practicing adaptive change management are **2x** more likely to exceed implementation expectations over those practicing sporadic or even key project management approaches.

Adaptive change management is the second most potent contributor to project success, according to Prosci benchmarks. Introducing and owning change management strategy and execution for the organization is an effective way for HR to add value and contribute to project success. Sapient Insights Group's **Adaptive Change Management™** methodology, shown on the next page, incorporates learnings from change management discipline leaders such as Kotter, Lewin, Bridges, and Prosci.

Adaptive Change Management™ is organized around three phases:

Anticipate	Adopt	Adapt

During the **Anticipation phase** of the project, the change team is focused on planning activities. This phase may include developing a project vision, building the business case for change, identifying and aligning leaders, and establishing a baseline of organizational readiness.

The second phase, or **Adopt phase**, is where the most visible change activities happen; stakeholders are engaged, communications are developed and distributed, training is developed and delivered, and organizational changes are made.

Unfortunately, the project's final phase, or **Adapt phase**, is often overlooked or forgotten as teams rush to their next projects. The adapt phase is where an authentic culture of change management is built and where HR can have a profound impact. When organizations take the time to measure success, monitor new behaviors for sustainability, and account for lessons learned in the overall approach to change, they begin to build muscle memory for future changes.

Whether you use the Sapient Insights Group's Adaptive Change Management™ model or another method, the important takeaway is that a structured approach makes a vital difference in organizational and employee outcomes.

WHAT IS ADAPTIVE CHANGE MANAGEMENT?

Aligning leadership to drive change from the top down, to create ownership across the board.

Engaging stakeholders at the right time, in the right way, with the right messages.

Creating a combined change team to leverage the skills and knowledge of all organizations.

Measuring the effectiveness of the change efforts ongoing.

Developing a vision unique to the organizational needs.

FIGURE 40: SAPIENT INSIGHTS GROUP ADAPTIVE CHANGE MANAGEMENT FRAMEWORK™

PROGRAM MANAGEMENT

Vision

Leadership Alignment

Organizational Readiness

Business Case

ANTICIPATE

THE BUSINESS

Program Measures

ADAPT

ADOPT

Training

Communications

Transition Support

Stakeholder Engagement

GOVERNANCE
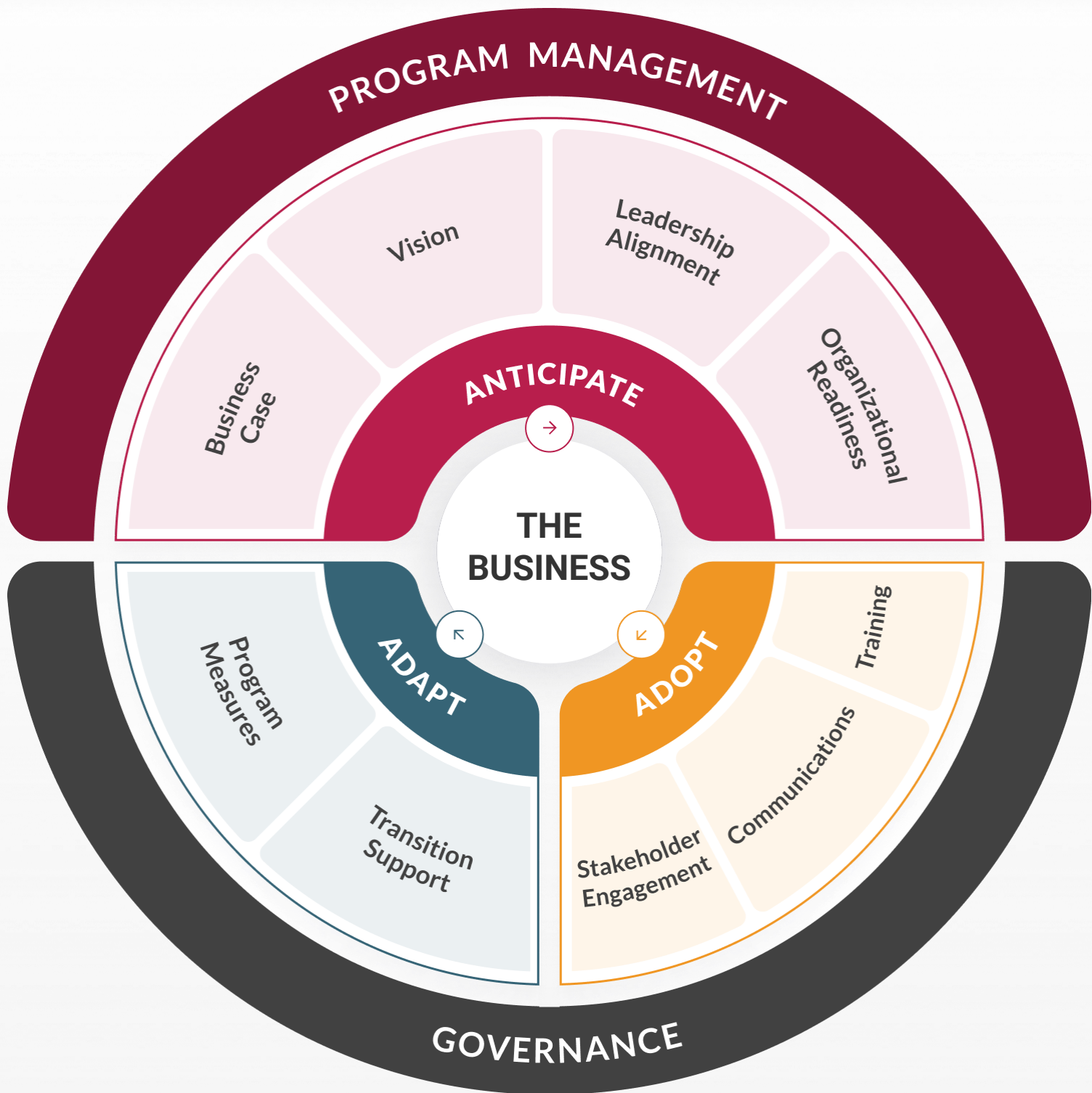
FIGURE 41: HR TECHNOLOGY IMPLEMENTATION OUTCOMES BASED ON USE OF FORMAL CHANGE MANAGEMENT EFFORTS

Practice	Percentage
Dedicated Project Management Team	42%
Strong C-suite Sponsorship	39%
Tracked Communications	37%
Employee Engagement Activities	28%
Business Case for Change Mgmt	28%
Active Engagement of Middle Management	28%
Feedback Loops / Surveys	24%
Change Mgmt Integrated with Project / Program Mgmt Function	19%
Dedicated Change Resources	19%
Change Resources Engaged Early in Project	17%
Strong Business Unit / Regional Sponsorship	16%
Active Change Champion Network	14%

A formal change management framework provides a clear process for deciding the most critical change management activities and the best timing for conducting those activities.

In our 2024 survey, participants again reported on the change management activities deployed on their projects. We were pleased to see that the top five practices -- integration/dedication of project management, C-suite sponsorship, tracked communications, employee engagement activities, and a business case for change management -- are among the leading contributors to project success according to Prosci's Best Practices in Change Management.[1]

The challenge for many HR leaders advocating for better approaches to change management is that the consequences of poor approaches often bubble up slowly. Unfortunately, some organizations undertake no change management efforts at all – simply choosing to throw away both the time and money spent on the very investments that required changing behaviors. This leaves the company unable to pivot to address changing customer needs.

Others make rash decisions without a comprehensive change and risk analysis – wreaking havoc on their organization, employees, stakeholders, and the society in which they conduct business. In either case, a lack of continuous change management practices seriously impacts everything from employee engagement and customer retention to performance resiliency and innovation.

[1.] Source Prosci Best Practices in Change Management 12th edition

ADAPTIVE CHANGE MANAGEMENT

IMPLEMENTATION MANAGEMENT

This year, survey respondents reported completing 270 organizational implementations in the last 12 to 24 months. The top five implementation areas were in time and attendance, HRMS, payroll, onboarding, and recruiting solutions. **Figure 42** shows the activities performed by various implementation resources.

51%	49%	47%	44%	41%
Time & Attendance	HRMS	Payroll	Onboarding	Recruiting
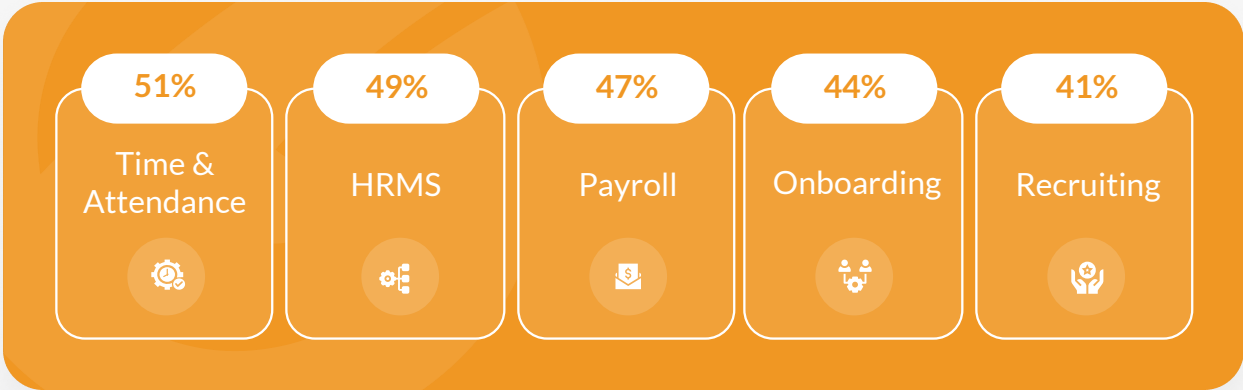
FIGURE 42: COMMON ACTIVITIES PERFORMED BY IMPLEMENTATION RESOURCES

Activities	3rd-Party Implementers	Vendor Resources	Internal Resources
Change Management			✓
Configurations	✓	✓	
Data Input/Setup			✓
Integrations	✓	✓	
Project Management	✓		✓
Report Development		✓	✓
Strategy & Guidance	✓	✓	
Systems Training		✓	
Testing / Validation	✓		✓

This year, we again broke out the selection process data by company size. We found that while functional HR roles are still heavily involved in the HR technology selection processes in many SMB and Mid-Market organizations, HRIT most often makes those decisions at the Enterprise level. This only makes sense, as the security needs of larger organizations and the higher number of integrations involved practically force IT departments to be directly in the middle of any technology purchase, regardless of its intended use.

SAPIENT INSIGHTS GROUP IS HERE TO HELP YOU:

Every year, Sapient Insights Group helps dozens of organizations of all sizes align their HR teams, HR technology, and functional business units through our proprietary methods and by leveraging our industry-leading data and research. Contact us directly at info@sapientinsights.com, and be sure to sign up at our website, SapientInsights.com, for communications on upcoming reports and events where we'll be sharing more details and data.

FIGURE 43: WHO IS IN CHARGE OF YOUR HR SYSTEM SELECTION PROCESS?

E | **≥5000 EE**
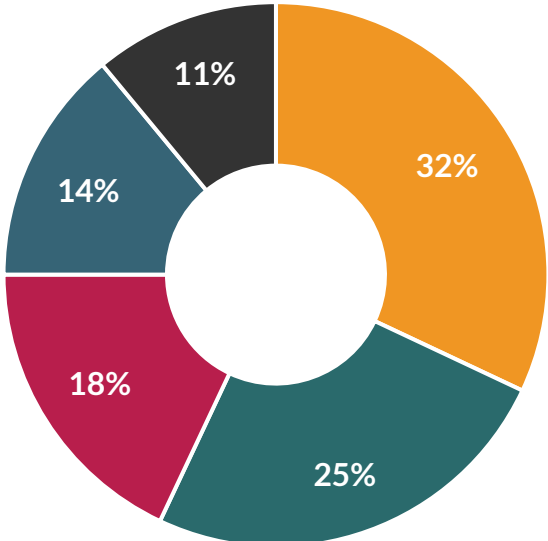
- HRIT
- Business Unit Leaders
- Functional HR
- HR Generalists
- Executives

M | **500 - 4999 EE**
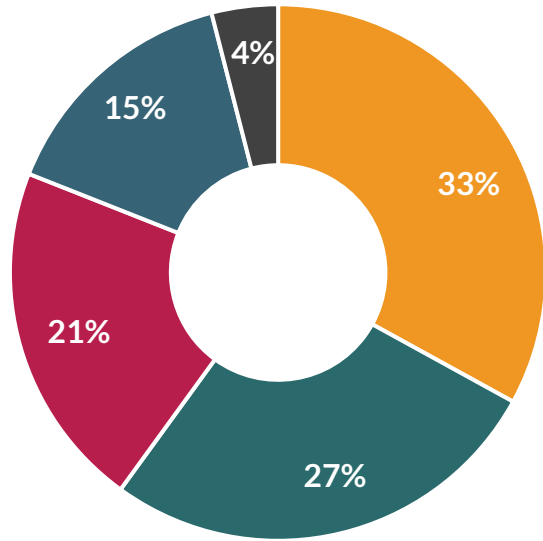
- Functional HR
- HR Generalists
- Executives
- IT Function
- HRIT
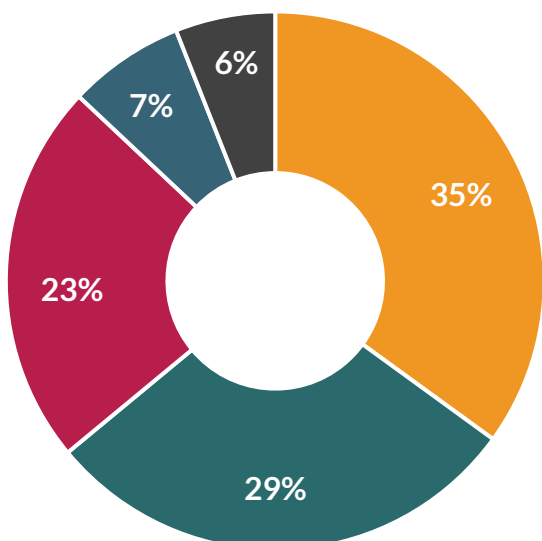
S | **<500 EE**

- Functional HR
- HRIT
- HR Generalists
- Ownership
- Executives

VOICE OF THE CUSTOMER PAYROLL SYSTEMS

6/14 SECTION

VOICE OF THE CUSTOMER PAYROLL SYSTEMS

Core HR systems are at the heart of an organization's HR system environment and consistently represent, on average, at least half of the overall HR technology spend per employee each year. Over 94% of organizations with 100 or more employees have purchased at least one of these applications to help manage their workforce needs, a percentage that has only been steadily increasing over time.

The three main segments covered in the Core HR Systems section of the Annual HR Systems Report are Payroll, Human Resources Management System (HRMS), and Benefits and Wellness Systems. Each segment features its own Voice of the Customer (VoC) segment based directly on feedback, ratings, and comments from customers of those applications.

> For more details on our methodology for all Voice of the Customer charts and research, see our **Research and Methodology section of this paper**.

HOW THESE SYSTEMS MAKE A DIFFERENCE!

Applications we track in this category include:

Category	Adoption
Payroll	93%
HRMS	90%
Benefits	70%
Wellness	37%
Health and Safety	22%
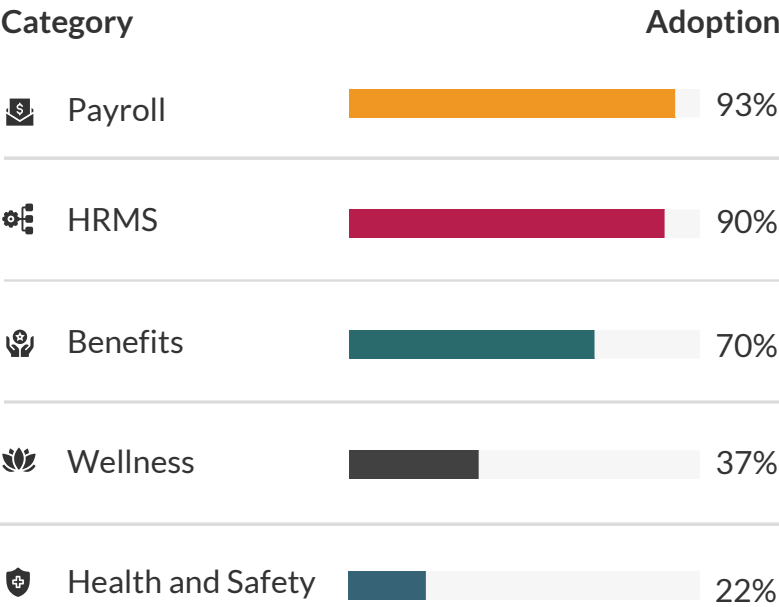
Payroll
Our payroll system has great useability and employee experience.

Financial Services / Insurance 63000+ EE

Payroll
Our system has a quick and easy payroll processing feature.

Energy / Utilities 30+ EE

HRMS
Great customer relationship, great product, and great user experience. It carries much of the administrative load and frees up our team.

Hospitality / Restaurant / Entertainment 250+ EE

Benefits
Overall, an easy user experience and [good] communication between the Benefits platform and vendors.

Telecoms / Media 1150+ EE

HRMS
It's a well-known system so [it's] easier to find resources/solutions from other customers.

Education 30000+ EE

HRMS
Data [is able to] cross into other modules, including business areas, lessening duplication of data.

Agricultural / Mining 1450+ EE

PAYROLL SYSTEMS

Payroll, the first and most universally implemented core HR application, achieved 93% adoption this year. The minute percentage of organizations not using a complete payroll solution are either using financial tools or accounting firms to handle employee payroll, or they are extremely small organizations and are performing payroll manually.

Traditional functionality managed in a payroll solutions include:

- Scheduling pay runs
- Historical pay record keeping
- Calculating taxes by state/region
- Calculating deductions
- Processing payment

Emerging trends in data and functionality include:

- Global payroll aggregation
- Automatic payroll audits and testing
- Contingent and gig economy payment tools
- Blockchain payroll solutions
- Pay on-demand or earned wage access

According to **Figure 44**, payroll adoption rates are notably high across organizations. Nevertheless, SMBs increasingly opt for alternative solutions such as professional employer organizations (PEOs) or employer of record (EOR) co-employment models, thereby reducing direct technology investments. Recent data reveals that **18%** of SMBs currently utilize these outsourced payroll services, a slight increase from the previous year reflecting a growing need to handle increased complexity. Even when fully outsourcing, understanding the service provider's technological infrastructure remains crucial, especially for businesses anticipating expansion or increased reporting requirements in the future.

FIGURE 44: PAYROLL SYSTEMS ADOPTION BY SIZE

≥ 5000 EE: 88% In Use Today, 7% Budgeted 12m, 4% Forecasted 24-36m
500 – 4999 EE: 95%, 4%
< 500 EE: 93%, 3%, 3%

Legend: In Use Today · Budgeted 12m · Forecasted 24-36m · Not in use
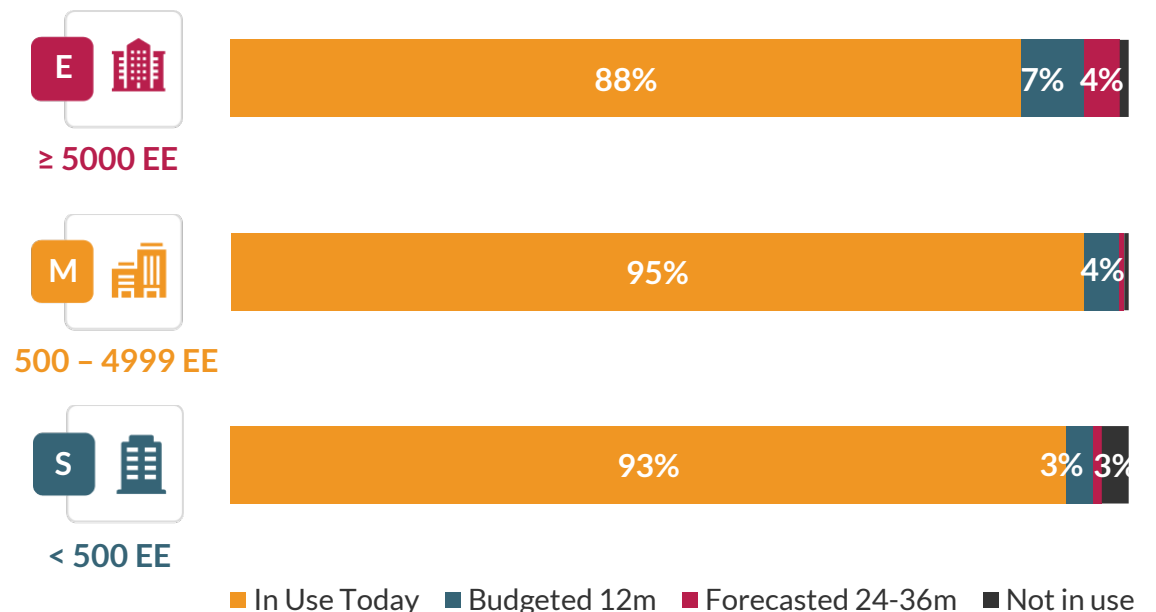
FIGURE 45: PAYROLL SYSTEMS REPLACEMENT PLANS BY SIZE

≥ 5000 EE: 71% No Change, 16% Yes Decision Made, 13% Yes In RFP
500 – 4999 EE: 76%, 11%, 13%
< 500 EE: 83%, 7%, 10%

Legend: No Change · Yes, Decision Made · Yes, In RFP
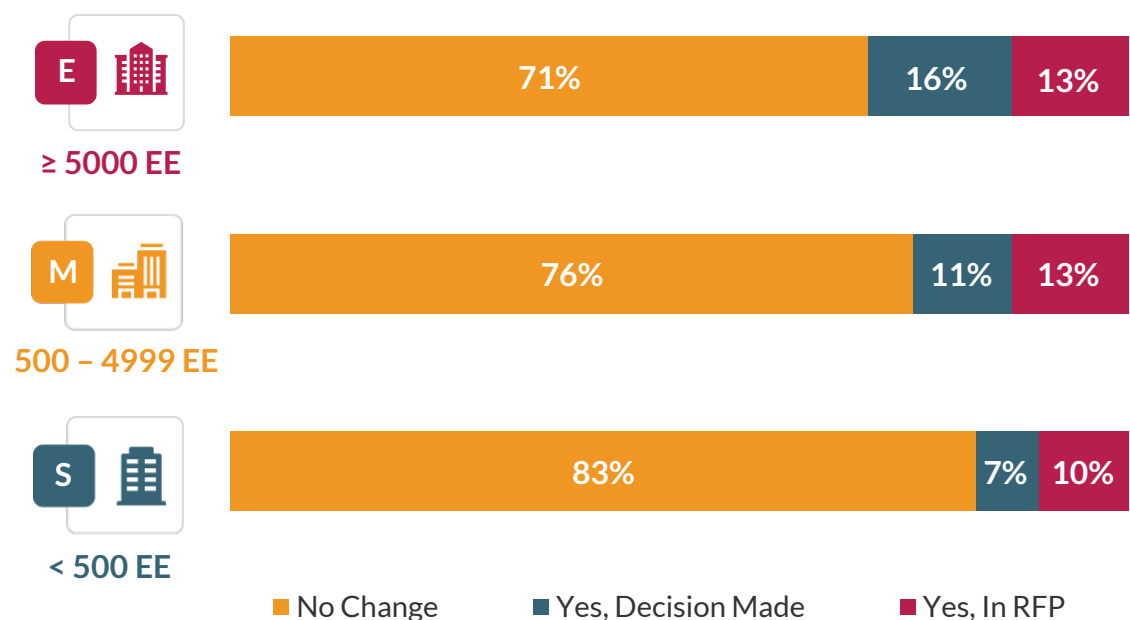
Payroll applications are purchased in multiple ways depending on the organization's enterprise systems strategy, outsourcing decisions, and critical requirements. For organizations not getting their payroll solutions from outsourcing providers, **Figure 46** shows organizations' approach to purchasing payroll applications.

FIGURE 46: PAYROLL SYSTEMS PURCHASE APPROACH AND OWNERSHIP

Payroll Purchasing Approach	Today	12 Months	Average Years Owned
ERP/Payroll Suite[1]	15%	19%	9.1
Payroll/HRMS Suite	78%	81%	5.7
Payroll Point Solution	6%	8%	5.4

As illustrated in **Figure 46**, approximately **78%** of respondents opted for an integrated Payroll/HRMS package. The trend towards cloud-based payroll systems persists, driven by either organizational preferences or the increasing prevalence of such solutions in the marketplace.

This year's data also indicates that organizations typically retain their Payroll/HRMS systems for an average of **6 years** - a surprisingly brief period given the complex nature of these integrated systems.

ERP/PAYROLL SUITE CUSTOMER QUOTE:

[Our payroll suite has] great useability and employee experience.

Financial Services / Insurance 63000+ EE

ERP/PAYROLL SUITE CUSTOMER QUOTE:

[They provide a] good partnership and leverage size/ scale of workforce for competitive pricing.

Trade / Specialty Services 46000+ EE

PAYROLL/HRMS SUITE CUSTOMER QUOTE:

[Our payroll suite has an] excellent GUI (graphical user interface) and an intuitive process.

Financial Services / Insurance 1140+ EE

PAYROLL POINT SOLUTION CUSTOMER QUOTE:

Great service, great software, California compliant (surprisingly difficult to find), highly adaptive and customizable.

Business / Professional Services 40+ EE

*Enterprise resource planning (ERP) is a category of enterprise software that typically integrates financials, HR, manufacturing, order processing, and customer relationship management

** 12 Months will not equal 100% because customers can select multiple options for 12-month plans.

AI IN PAYROLL

In 2024, artificial intelligence (AI) has changed from a rare, differentiating, feature in only the most advanced payroll systems to a fundamental part of most platforms, regardless of size. Although the term AI has become the industry standard, it should be noted that most HR systems are actually using large language models (LLMs) and some machine learning. However, the more commonly-used term "AI" will be used as a "catchall" term throughout this report.
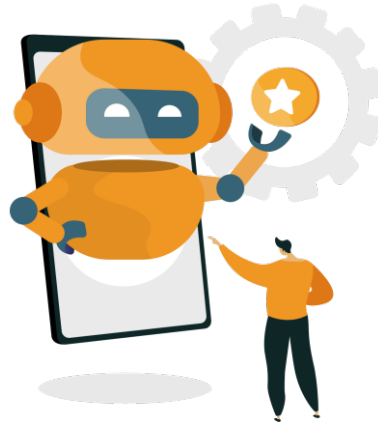
EMBEDDED AI:

The integration of artificial intelligence models into existing products and functionality.

AI APPLICATION:

A stand-alone software program built on a native AI model to complete a specific set of tasks.

FIGURE 47: OVERALL PERCENTAGE OF ORGANIZATIONS USING ALL FORMS OF AI PAYROLL FEATURES IN 2024-2025

- 23%
- 5%
- 5%
- 67%

- In Use
- Budgeted 12m
- Forecasted 24-36m
- Not In Use
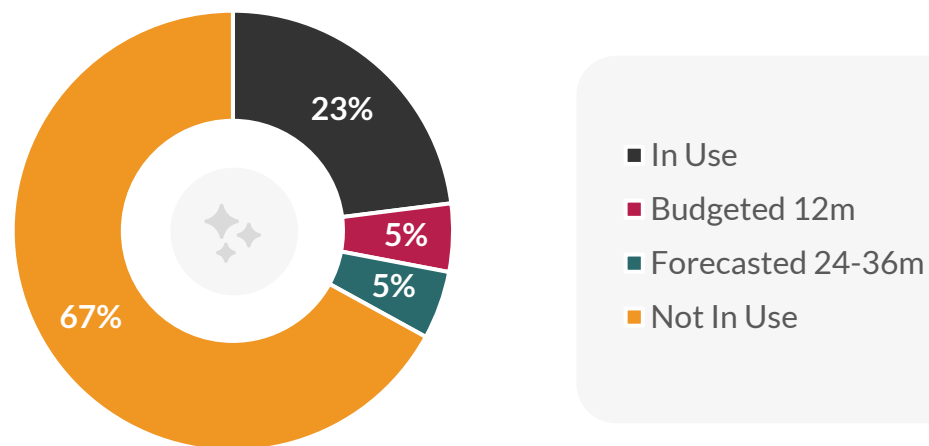
In payroll, AI algorithms are often used to detect and prevent payroll fraud. By analyzing patterns in payroll data, these systems can identify anomalies that may indicate fraudulent activities, such as ghost employees or unusual overtime claims. This enhanced security feature provides businesses with an additional layer of protection against financial losses and reputational damage.

Predictive analytics is another area where AI is making significant strides in payroll management. AI-powered systems can now forecast future payroll expenses based on historical data, helping businesses better plan their budgets and make informed decisions about hiring, raises, and bonuses. These predictive capabilities are particularly valuable for businesses with seasonal fluctuations in their workforce or those considering expansion.

In 2024, AI-driven payroll systems are also playing a crucial role in ensuring compliance with complex and ever-changing tax regulations. These systems can automatically update tax tables, calculate withholdings, and generate required reports for various jurisdictions. This is especially beneficial for businesses operating across multiple states or countries, as AI can navigate the intricacies of different tax laws with ease and presumed accuracy.

Personalization has become a key feature of AI-powered payroll systems. As an example, individual employee data can be used to provide personalized insights and recommendations. For example, employees might be alerted to optimal tax withholding strategies or unused vacation days. This AI-assisted personalization helps companies better manage their workforce and reduce potential liabilities.

Natural language processing (NLP) capabilities also continue to improve. Employees can now interact with chatbots or virtual assistants to ask questions about their pay, benefits, or tax withholdings. These AI-powered assistants can understand and respond to queries in natural language, providing instant info, reducing the workload on HR and payroll departments.

Despite the numerous benefits, the integration of AI into payroll systems has also raised important considerations around data privacy and ethical use of employee information. As a result, there's an increased focus on developing robust governance frameworks and transparent AI algorithms. Companies are now required to clearly communicate how AI is being used in their payroll processes and ensure that employees have control over their personal data. As we move forward, striking the right balance between leveraging AI's capabilities and maintaining employee trust will be crucial for the continued evolution of payroll systems.

As we noted in **Figure 47, 23%** of all survey participants said they were using AI as part of their current Payroll environment (both through embedded HR solutions and stand-alone AI applications). Although HR and business system vendors have invested heavily in AI enhancements or rolling out full-blown AI applications, buyers still struggle to understand where and when to use these features and applications safely and with the greatest outcomes for their organizations.

Cost is also a considerable concern for many organizations – as noted in the quote below by one HRMS buyer who listed High Cost as one of the primary reasons their HRMS wasn't meeting all of their current business needs.

> Now that they are developing AI and passing the cost off to customers, some of their new SKU's are insane compared to others. They know the value they have with the connections they build between SKUs - Finance doesn't care about that, they just see the numbers. It's a constant uphill battle or tradeoff b/c we can't afford the integrated solution [and AI].

Retail / Hospitality 19500 + EE

HR vendors consider many factors when deciding to invest in embedded AI features or create AI applications for their existing and prospective customers. Probably the most important question is whether a vendor's client base is ready and able to use the AI feature or application created.
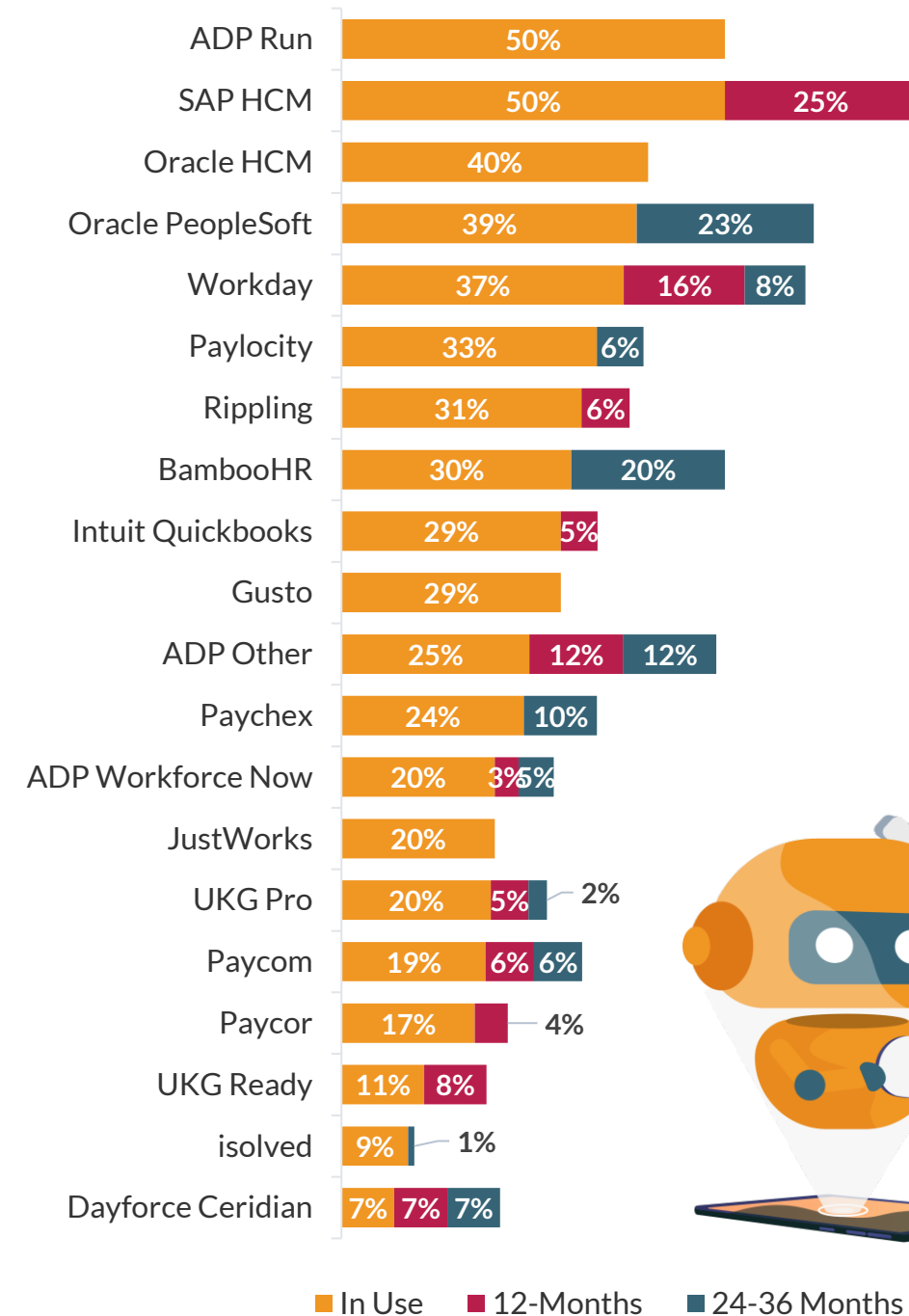
Figure 48 shows the percentage of Payroll clients (by vendor solution) currently using AI as part of their HR technology environment (both through embedded HR solutions and stand-alone AI applications). It also shows customers' future plans for adopting AI over the next 12 to 36 months. This chart only includes the top 20 solutions in our data.

There are several possible factors that may play into the higher or lower percentages of the customer's AI adoption levels in this chart:

- The overall percentage of AI features or applications a customer can access from that specific vendor(s).

- The willingness of the customer to buy, pay for or use available AI solutions.

- The customers' level of data, knowledge, and education readiness to use AI solutions.

- The customer's risk analysis concerning AI use within the HR function. This is a particular issue for multi-national customers.

FIGURE 48: PERCENTAGE OF PAYROLL CUSTOMERS *USING AI IN HR CURRENTLY AND IN FUTURE PLANS

*AI use includes both embedded HRMS AI & stand-alone AI applications

Vendor	In Use	12-Months	24-36 Months
ADP Run	50%		
SAP HCM	50%	25%	
Oracle HCM	40%		
Oracle PeopleSoft	39%		23%
Workday	37%	16%	8%
Paylocity	33%		6%
Rippling	31%	6%	
BambooHR	30%		20%
Intuit Quickbooks	29%	5%	
Gusto	29%		
ADP Other	25%	12%	12%
Paychex	24%		10%
ADP Workforce Now	20%	3%	5%
JustWorks	20%		
UKG Pro	20%	5%	2%
Paycom	19%	6%	6%
Paycor	17%		4%
UKG Ready	11%	8%	
isolved	9%	1%	
Dayforce Ceridian	7%	7%	7%

■ In Use ■ 12-Months ■ 24-36 Months

The Payroll Systems Adoption chart is expressed as a percentage of total survey responses achieved for each vendor solution viewed by organization size (**see Figures 49, 50, 51**). Please note, these charts are not market-size data. They are best used to view the predominant vendors in each company size category and to identify trends in future adoption plans.

FIGURE 49: PAYROLL SYSTEMS ADOPTION, ENTERPRISE

E 🏢 ≥5000 EE	Adoption Level Today	Expected Growth	12-Month Adoption Level	Appears in RFP
ADP Other	13.59%	↓	12.14%	0.00%
Workday	13.11%	↑	15.53%	15.79%
Other Solution	12.62%	↓	11.17%	10.53%
UKG Pro	8.74%	↗	9.22%	5.26%
Oracle PeopleSoft	5.34%	↔	5.34%	5.26%
ADP Workforce Now*	4.37%	↔	4.37%	5.26%
SAP HCM	4.37%	↗	4.85%	5.26%
Office Productivity Tools*	3.88%	↓	2.91%	0.00%
In-house Developed	3.40%	↔	3.40%	0.00%
Dayforce (Ceridian)	2.91%	↑	3.88%	5.26%
SDWorx	2.91%	↔	2.91%	0.00%
ADP Run*	2.43%	↔	2.43%	0.00%
SAGE HRMS*	2.43%	↔	2.43%	0.00%
SAP SF Employee Central	2.43%	↑	3.40%	10.53%
Alight*	1.46%	↑	2.91%	0.00%
Frontier ichris	1.46%	↗	1.94%	0.00%
Oracle HCM	1.46%	↑	2.43%	15.79%
Paycom*	1.46%	↓	0.49%	0.00%
Ramco*	1.46%	↔	1.46%	0.00%
UKG Ready*	1.46%	↔	1.46%	0.00%

Note: These data sets do not equal 100%. Respondents often have multiple applications, and responses below certain thresholds in current or 12-month adoption levels have been removed.

* Not identified as a primary Payroll solution for respondents in this size category.

ENTERPRISE PAYROLL SYSTEMS ADOPTION - ANALYST INSIGHTS:

Over 58% of respondents from Enterprise-size organizations stated that they had two or more payroll solutions currently in use, with 28% running five or more payroll solutions. The need for these systems to work together is often a deciding factor when deciding whether to stay with an acquired system or to make a change.

ADP (excluding ADP Workforce Now and ADP Run) had the highest level of adoption for a payroll platform in 2024, and Workday is right behind. These two solutions are likely to remain high in adoption rates as Workday and ADP integrations, including payroll administrations and joint service offerings, have proven popular with their customers, as evidenced by their high scores in user experience and vendor satisfaction. UKG Pro, another solution consistently high in adoption, rounds out the top three. We also want to note that ADP Run, Paycom, & UKG Ready are never identified as primary payroll solutions at the enterprise level; they only show up as secondary systems used to meet regional workforce needs or acquired through acquisitions.

When it comes to combined current adoption and forecasted adoption levels, Workday rises above its competitors with 28% adoption. ADP also sees very high combined current and forecasted payroll adoption. With an 18% combined adoption projection, UKG trails these Workday and ADP but leads all other suppliers.

Enterprise organizations continue to see the highest percentage of expected change in payroll systems this year, with 16% of survey respondents having already selected a new solution and 13% actively in RFP status. The "Appears in RFP" column is noteworthy, with organizations like Workday, Oracle HCM, and SAP SuccessFactors Employee Central topping that list.

Expected Growth Legend

↑ Substantial Growth

↗ Slight Growth

↔ Flat

↘ Slight Decline

↓ Substantial Decline

Expected growth calculations are based on the difference between current adoption and 12-month adoption plans, in addition to data points from future replacement plans.

FIGURE 50: PAYROLL SYSTEMS ADOPTION, MID-MARKET

M 500 - 4999 EE	Adoption Level Today	Expected Growth	12-Month Adoption Level	Appears in RFP
UKG Pro	21.28%	↑	22.39%	12.26%
Other Solution	13.39%	↘	13.21%	9.43%
ADP Workforce Now	8.62%	↓	7.89%	4.72%
ADP Other	8.44%	↓	7.89%	3.77%
Workday	8.26%	↑	9.36%	15.09%
Office Productivity Tools*	4.95%	↔	4.95%	0.00%
UKG Ready	4.40%	↑	4.95%	0.94%
Dayforce (Ceridian)	4.04%	↑	4.77%	8.49%
Paycor	2.94%	↘	2.75%	5.66%
isolved	2.57%	↗	2.94%	0.00%
In-house Developed	2.20%	↓	1.47%	0.94%
Paylocity	2.02%	↗	2.20%	6.60%
Oracle PeopleSoft	1.47%	↘	1.28%	0.94%
SAP HCM	1.47%	↔	1.47%	3.77%
Frontier ichris	1.28%	↔	1.28%	0.94%
Paycom	1.28%	↔	1.28%	3.77%
Microsoft Dynamics 365*	1.28%	↗	1.47%	0.94%
Oracle HCM	0.92%	↗	1.28%	3.77%
SAGE HRMS	0.73%	↗	0.92%	0.00%
Oracle E-Business Suite	0.73%	↗	0.92%	0.00%
Paychex*	0.73%	↔	0.73%	0.94%
Papaya Global*	0.73%	↘	0.55%	0.00%
Tyler Technologies	0.73%	↔	0.73%	0.00%

MID-MARKET PAYROLL SYSTEMS ADOPTION - ANALYST INSIGHTS:

The Mid-Market category (500-4999 employees) continues to see significant flux in payroll systems adopted as vendors traditionally serving the enterprise or SMB market continue to expand functionality and services needed by mid-sized companies. This movement has resulted in some interesting and unexpected projections for expected growth.

UKG Pro has the highest adoption levels from our survey takers, followed by ADP's two offerings and Workday. This continues a trend from the last few years (these are the same top three organizations as last year, only in a different order), as organizations struggle with complex payroll requirements brought on by a more globalized, mobile, and remote workforce.

The combination of services and simple-to-use core HR suite capabilities offered by isolved, Paylocity, Paycor, and Paycom attract buyers experiencing rapid growth and looking for flexibility, innovation, and direct services. The bulk of the survey customers using these solutions fall below 3,000 employees and are less likely to be multinational organizations.

ERP vendors such as Oracle HCM, Workday, and SAP continue to succeed in selling bundled finance and HR packages to mid-market clients undergoing major transformations who see value in consolidating cross-functional data. This trend reflects a growing demand for integrated solutions that streamline operations across multiple business functions. Companies are increasingly recognizing the benefits of having a unified platform for both financial management and human resources, particularly when embarking on significant organizational changes.

Expected Growth Legend

↑	Substantial Growth
↗	Slight Growth
↔	Flat
↘	Slight Decline
↓	Substantial Decline

Expected growth calculations are based on the difference between current adoption and 12-month adoption plans, in addition to data points from future replacement plans.

Note: These data sets do not equal 100%. Respondents often have multiple applications, and responses below certain thresholds in current or 12-month adoption levels have been removed.

* Not identified as a primary Payroll solution for respondents In this size category.

FIGURE 51: PAYROLL SYSTEMS ADOPTION, SMB

S 🏢 <500 EE	Adoption Level Today	Expected Growth	12-Month Adoption Level	Appears in RFP
isolved	21.59%	↑	23.28%	2.40%
Other Solution	15.44%	↔	15.44%	6.59%
ADP Workforce Now	7.84%	↘	7.60%	7.78%
UKG Pro	7.36%	↗	7.60%	5.99%
UKG Ready	6.15%	↑	6.88%	5.99%
Paylocity	4.70%	↘	4.58%	7.78%
Paycor	4.58%	↘	4.22%	8.38%
Office Productivity Tools*	4.34%	↔	4.34%	1.20%
Intuit Quickbooks	4.22%	↔	4.22%	1.20%
Rippling	3.74%	↗	3.98%	6.59%
Paychex	3.26%	↔	3.26%	2.40%
Paycom	2.53%	↘	2.29%	7.19%
In-house Developed	1.81%	↗	2.05%	0.60%
ADP Other	1.69%	↗	1.81%	1.80%
Dayforce (Ceridian)	1.57%	↗	1.69%	2.40%
Workday	1.21%	↗	1.33%	3.59%
Gusto	1.09%	↔	1.09%	1.80%
ADP Run	0.97%	↗	1.21%	1.20%
BambooHR	0.84%	↘	0.72%	6.59%
TriNet	0.72%	↔	0.72%	0.60%
JustWorks	0.60%	↗	0.72%	1.20%
Papaya Global*	0.48%	↗	0.60%	1.20%

SMB PAYROLL SYSTEMS ADOPTION - ANALYST INSIGHTS:

Over 50% of SMB organizations were looking to replace their current payroll solutions in 2022, then 20% in 2023, and now it's 17%. The always-fluctuating SMB market and the fact that many organizations have replaced their payroll systems in the last two years continue to mean volatile growth levels for this category.

For the third year in a row, isolved is the top single solution in SMB payroll adoption. A deeper dive into respondents' comments continues to show that customer service, especially the high level of personalized service, is a large factor in why customers choose isolved. ADP Workforce Now, along with UKG's Pro and Ready solutions, round out the top five solutions in the SMB adoption chart, with an increasing number of organizations placing these solutions on RFP lists.

Sandwiched between the "Pays" (Paychex, Paylocity, Paycom, and Paycor) is Rippling, which narrowly missed out on appearing in the payroll adoption chart two years ago but now finds itself in the middle of the list. Rippling addresses several SMB needs in a single solution, including global payroll, IT solutions like identity access management, and an employer-of-record. Based on this year's "other" category write-ins, we expect to see similar growth in globally-focused organizations like Deel and Helios next year.

With all the new entrants into this space – we caution buyers to pay close attention to a vendor's approach to implementation, financial stability, approach to payroll processing, and compliance management. Even the smallest companies are now hiring more remote and contingent workers, requiring them to deal with the same complicated regulatory environments as larger organizations.

Expected Growth Legend
↑ Substantial Growth
↗ Slight Growth
↔ Flat
↘ Slight Decline
↓ Substantial Decline

Expected growth calculations are based on the difference between current adoption and 12-month adoption plans, in addition to data points from future replacement plans.

Note: These data sets do not equal 100%. Respondents often have multiple applications, and responses below certain thresholds in current or 12-month adoption levels have been removed.

* Not identified as a primary Payroll solution for respondents In this size category.

As Figures 49, 50 and 51 show on the previous pages, the payroll provider landscape is still consolidating. This year, we have 35 vendor solutions selected by 1% or more of our survey population across the three company size categories. Most vendors competing in this space now offer additional HR-related functionality such as an HRMS, time, talent, and analytics solutions. Innovative vendors are also adding interesting functionality around IT management, global payroll, payroll validation, data cleaning, and compensation benchmarking based on real-time data.

Those vendors that did not reach statistical thresholds in our data set and therefore do not appear in lists include regional payroll solutions, internationally-focused payroll solutions, and solutions that are highly-industry specific. Fifteen percent of organizations use a payroll vendor in this "other" category. The most often mentioned solutions are:

Big solution differentiators now include:

- Scalability
- Global capabilities
- Solution and service marketplaces
- Dashboards, reporting, and data accessibility
- Earned wage access options/finance wellness tools
- Intelligent features* specifically in audits and payroll runs
- Self-service payroll solutions, including reviews, approvals, and fixes

- ActivPayroll
- Asure
- CloudPay
- Deel
- Deltek Costpoint
- Deltek Vantagepoint
- Deltek Vision
- Deputy
- ExponentHR
- Infor HCM
- Insperity
- One Source Virtual
- Oracle E-Business Suite
- Oyster
- Safeguard
- Unit4

*By intelligent features, we refer to such technologies as machine learning and artificial intelligence. See the Emerging Technology section for more details

Our **Payroll Systems Voice of the Customer (VoC) User Experience (UX) and Vendor Satisfaction (VS) charts** highlight buyers' perceptions of each particular solution. Every year, we ask survey respondents to evaluate their systems' user experience (UX) and vendor satisfaction (VS) on a 1-5 scale. We then calculate the average ratings for each solution. This year's average scores in the payroll category are **3.41 for UX and 3.33 for VS**, continuing a downward trend observed over the past two years. We're noticing a general shift towards more conservative ratings as we move beyond the anomalous pandemic period. In this year's Payroll VoC chart, nineteen vendor solutions met the criteria of receiving the required number of verified customer ratings for inclusion.

FIGURE 52: PAYROLL VOC CHART, USER EXPERIENCE AND VENDOR SATISFACTION RATINGS

Payroll

Major factors driving vendor satisfaction and user experience ratings include:

Customer Service

Global Functionality

Integration

Reporting

*These solutions did not meet our response threshold numbers and are being shared as directional indicators only.

FIRST

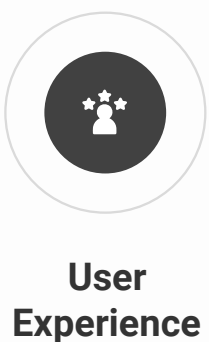SAPIENT
INSIGHTS GROUP

USER EXPERIENCE

PAYROLL

2024-2025

Our aggregate **Voice of the Customer (VoC) User Experience (UX) and Vendor Satisfaction (VS) charts** are valuable tools for obtaining a broad perspective of how the HR community is evaluating currently used applications. The ratings are based exclusively on feedback from validated survey respondents.

To provide more context to this data, we analyze the solutions that achieve the highest average rankings from multi-sourced validated responses in the three company-size categories. The solutions must reach a minimum statistical threshold of responses in the respective size categories to qualify for this analysis.

Below are the solutions achieving the Top Five ratings for **user experience** for payroll systems by company size. We call out the solution that received the highest rating and then list the remainder of the **Top Five in alphabetical order**. Vendors achieving Top Five status have the option of licensing badges to highlight this notable customer rating.

*Full adoption details and breakdowns of data by company size can be accessed through our research subscriptions. Contact us at Research@SapientInsights.com for further information.

**FIGURE 53:
TOP FIVE (OUT OF 48)
VOC RATINGS – BY
COMPANY SIZE**

**User
Experience**

ENTERPRISE, ≥5000 EE PAYROLL SYSTEMS		MID-MARKET, 500 - 4999 EE PAYROLL SYSTEMS		SMB, <500 EE PAYROLL SYSTEMS	
TOP		TOP		TOP	
#1	Workday	#1	isolved	#1	Rippling
Top 5	ADP Workforce Now	Top 5	Dayforce (Ceridian)	Top 5	Dayforce (Ceridian)
Top 5	Dayforce (Ceridian)	Top 5	Paycor	Top 5	Intuit Quickbooks
Top 5	SAP HCM	Top 5	UKG Pro	Top 5	isolved
Top 5	UKG Pro	Top 5	Workday	Top 5	Paycor

**FIGURE 54:
TOP FIVE (OUT OF 48)
VOC RATINGS – BY
COMPANY SIZE**
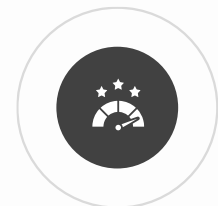
**Vendor
Satisfaction**

ENTERPRISE, ≥5000 EE PAYROLL SYSTEMS

TOP

#1	**Workday**
Top 5	ADP Workforce Now
Top 5	Dayforce (Ceridian)
Top 5	Oracle PeopleSoft
Top 5	SAP HCM

MID-MARKET, 500 - 4999 EE PAYROLL SYSTEMS

TOP

#1	**isolved**
Top 5	Dayforce (Ceridian)
Top 5	Paycor
Top 5	UKG Ready
Top 5	Workday

SMB, <500 EE PAYROLL SYSTEMS

TOP

| #1 | **Rippling** |
Top 5	Dayforce (Ceridian)
Top 5	Intuit Quickbooks
Top 5	isolved
Top 5	Paychex

Above are the companies achieving the Top Five ratings for vendor satisfaction for payroll systems by company size. Survey participants were asked to rate their satisfaction with their relationship with their payroll vendors, including the services and support provided. **We highlight the solution that received the highest rating and then list the remainder of the Top Five in alphabetical order.**

FIRST

SAPIENT
INSIGHTS GROUP

VENDOR SATISFACTION

PAYROLL

2024-2025

*Full adoption details and breakdowns of data by company size can be accessed through our research subscriptions. Contact us at Research@SapientInsights.com for further information.
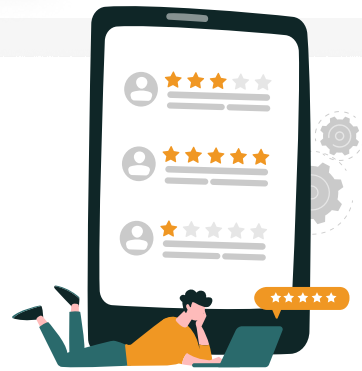
In the competitive payroll landscape, vendors must figure out ways to differentiate their solutions, either through service offerings, bundling other HR and business functionality, or investing in higher levels of innovation.

The top factors given for low user experience and vendor satisfaction ratings include:

- Customer service
- Tax services and errors
- Service outages
- Reporting issues
- Lack of global payroll

The top factors given for high user experience ratings include:

- Flexibility of solution
- Integration with partners and other systems
- Transparency and reporting

The top factors given for high vendor satisfaction ratings include:

- Clear communications
- Dedicated resource(s)
- Friendly and responsive support
- Innovation and regular updates

The quote shown to the right is pulled at random from the criticisms received and is not a reflection of any vendors on this page:

> Inadequate implementation and poor functionality.

Transportation / Airlines / Logistics 6300+ EE

ENTERPRISE PAYROLL UX AND VS RATINGS - ANALYST INSIGHTS:

This year, Workday achieved the top position in the enterprise market for both user experience and vendor satisfaction ratings. Customer feedback highlighted Workday's adaptability and customization options as key factors driving their UX scores. Some new themes emerged in this year's comments, including praise for managing extensive data sets and introducing innovative features. Workday's ability to provide a unified payroll hub for both domestic and international payrolls, along with the recent launch of its global payroll connector, also continues to impress; Workday's vendor satisfaction ratings were primarily driven by its responsiveness and accessibility.

WORKDAY CUSTOMER QUOTE:
[It's an] integrated system that can get multiple data points from [our] time and attendance vendors.

Retail / Wholesale 10000+ EE

The payroll software market is still struggling to meet buyers' expectations, as evidenced by the 5% decline in overall UX and VS scores compared to the previous year. This sector evolves at a gradual pace despite the fact that over 29% of enterprise organizations plan to switch their payroll solutions in the coming year. The challenge lies in finding solutions that can effectively cater to the needs of expansive global workforces and complex regional regulations. Only a handful of providers are truly up to the task.

Besides Workday, the only other Payroll solution that made the Top 5 UX and VS charts last year and this year was Dayforce. They continue to exceed enterprise customer expectations, especially those adopting extended service offerings. UKG Pro took a top 5 spot in enterprise user experience this year, partly due to the focus they've placed on global payroll capabilities in the last year. We also saw considerably higher UX and VS ratings this year for the remaining On-Premise Oracle Peoplesoft and SAP HCM solutions. With only about 10% of payroll environments now on-premise – they are highly customized and cost-effective for large organizations. Another anomaly in this year's data is the relatively high ratings of ADP Workforce Now, which is only identified as a primary payroll solution for enterprise organizations 1.2% of the time. As a secondary solution, often used by non-US-based organizations for US payroll, their ability to get the job done efficiently seems to be highly valued.

MID-MARKET — PAYROLL UX AND VS RATINGS - ANALYST INSIGHTS:

The top spot in UX and VS ratings this year for the mid-market is isolved. The rating reflects the company's two-year effort to move up in the market. It should be noted that isolved categorizes the mid-market somewhat differently than we do. Therefore, the company's customers usually don't exceed 3,000 employees, although there are some exceptions. They are also less likely to be a primary payroll solution for multinational organizations. Still, mid-market customers are extremely pleased with the solution's full functionality, ease of use, and diverse managed service offerings. As is usually the case, mid-market is a hotly-contested space for payroll vendors; a glance at this year's UX/VS ratings chart will confirm this.

ISOLVED CUSTOMER QUOTE:

The UI is extremely easy to navigate and to get to the information needed.

Hospitality / Restaurant / Entertainment 590+ EE

Other vendor solutions that received high ratings in this category include Dayforce, Paycor, UKG Pro, UKG Ready, and Workday. Paycor's appearance in the Top Five for UX and VS ratings is new this year and emphasizes its focus on expanding its ability to meet the needs of larger customers. Dayforce, UKG Pro, UKG Ready, and Workday have been consistent top performers in this category – with UKG Ready more aligned with the needs of organizations between 500 and 1500. In fact, consistency was a common theme reflected in this category's comments. Many mid-sized organizations have experienced rapid growth, so the need for a stable employee experience and reliable service is paramount.

SMB — PAYROLL UX AND VS RATINGS - ANALYST INSIGHTS:

Rippling, a solution provider that did not even appear on our charts five years ago, is this year's leader in UX and VS for the SMB category. Although the company caters to the SMB market, its platform is comprehensive and can integrate global payroll, HR, and IT management, a rarity in the SMB market. Rippling's users comment enthusiastically about its integrated solutions, user-friendly platform, and strong customer support. With over 2,000 current customers, Rippling is poised to continue its success if it can continue to meet customers' high expectations.

RIPPLING CUSTOMER QUOTES:

Great customer service relationship, automation of processes, and overall experience.

Hospitality / Restaurant / Entertainment 250+ EE

Other solutions that received top rankings were Dayforce, Intuit, isolved, and Paychex. As mentioned earlier, isolved has traditionally served the SMB market and continues to do so with very high ratings in both user experience and vendor satisfaction.

Although the company has been around since 1992, Ceridian acquired the Dayforce solution in 2012 to reach SMB and mid-market buyers interested in moving to the cloud. Since its IPO in 2018, the organization has been heavily focused on appealing to up-market buyers. In 2024, the organization formally changed its name to Dayforce, marking a final step in its long turnaround story. Dayforce's appearance in the top 5 UX/VS ratings for SMB once again highlights their interest in this category.

Founded in 1983, Intuit QuickBooks is truly the "grandparent" of the group. It has carved out a strong position by combining its accounting software, which is how most customers discover it, with integrated payroll solutions.

Paychex rounds out the group. Paychex, founded over 50 years ago is one of the longest-tenured Payroll companies in the world and with one of the largest user bases. In our extensive comments section, we say many users highlighting its scalability, dedicated support staff, and wide-reaching marketplace and integrations.

The payroll system, when properly managed, is typically one of the most reliable components within an organization's HR technology infrastructure. However, only 23% of survey participants reported that their current solution "always" fulfills their business requirements – the same percentage as in 2023. Further reflecting a lack of improvement is that 17% of those surveyed indicated their payroll solutions met business needs less than half the time – an uptick from last year at 15%. The underlying message remains clear: a considerable portion of organizations continue to feel underwhelmed by the performance of their payroll systems.

Confidence in the payroll system always meeting our business needs has more than doubled in the last two years, from **11% in 2022 to 23% in 2024.**

Overall, the story remains the same as it has for the last few years. Although there might be some slight improvements in terms of the capabilities of these providers, there is clearly still a disconnect between what buyers believe they need and what tools solution providers are giving to them.

A silver lining is the uptick in users' confidence of payroll systems to "always meet needs." This percentage greatly increased last year and remains high in 2024, proving it wasn't a fluke as we originally suspected. The next year will tell if that confidence was well-placed.

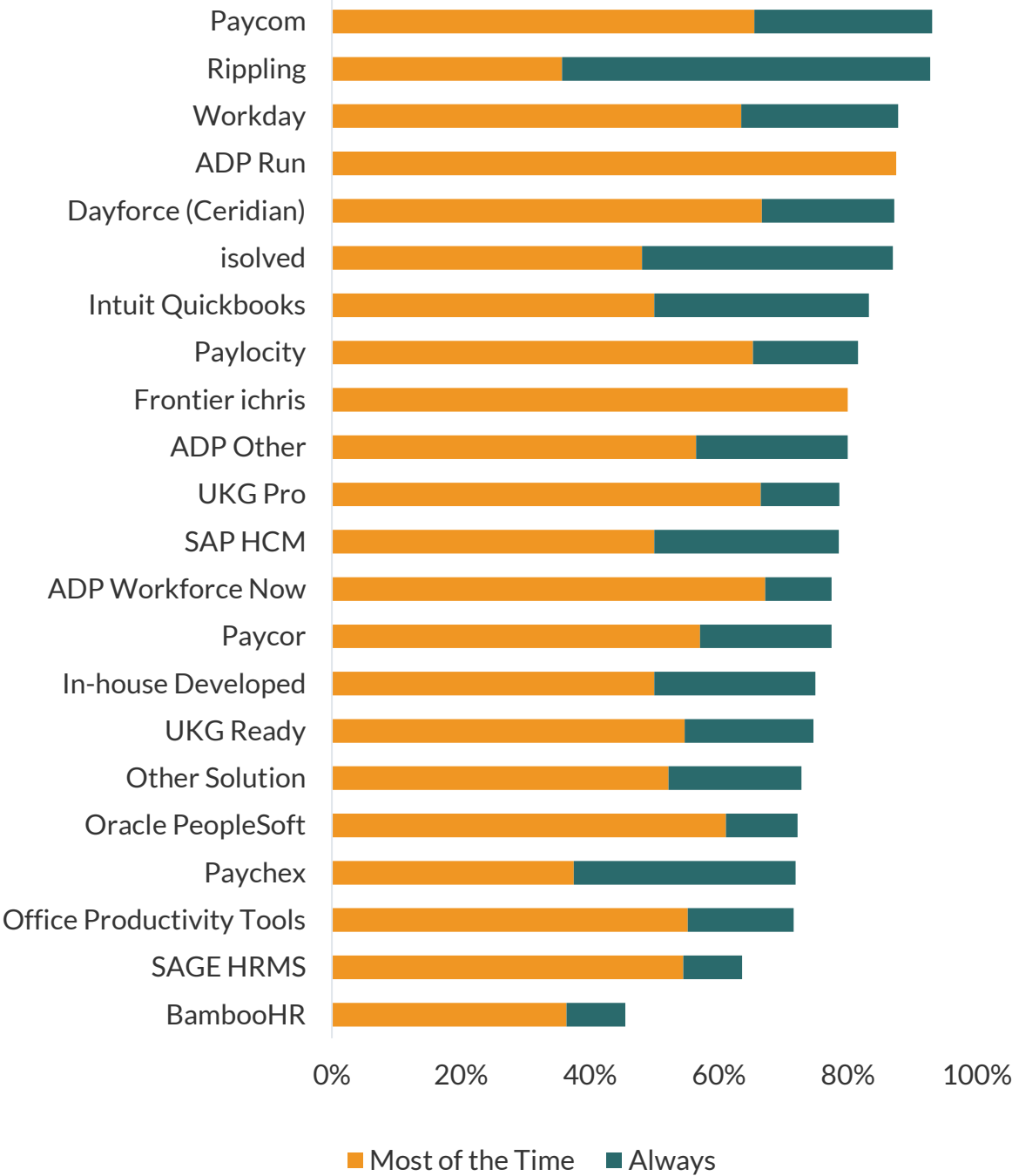## TOP PAYROLL GAPS IN MEETING BUSINESS NEEDS

PAYROLL APPLICATIONS

- Customization / Configuration   40%
- Customer Service / Maintenance   40%

As seen in **Figure 55**, we provide a quick report on the percentage of survey respondents that noted their specific payroll solution meets current business needs always or most of the time. Note that although In-house solutions, productivity tools, and the all-inclusive "other" solutions may have ranked high in terms of usage, their ability to meet business needs is lacking. When buyers use business-focused use cases as part of their selection process, it usually results in finding a solution that truly meets requirements, something that isn't usually possible for off-the-shelf or ad-hoc tools.
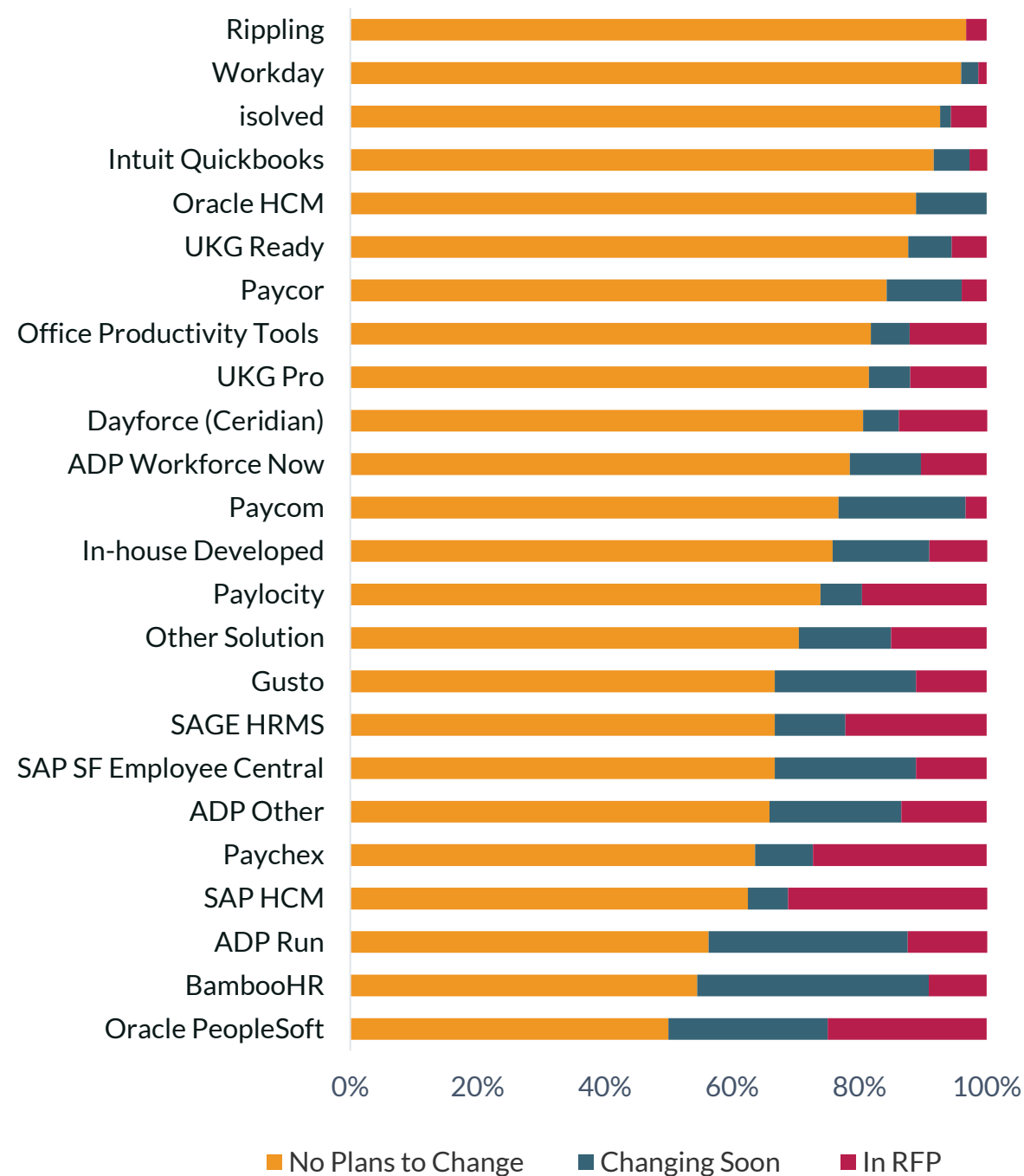
**FIGURE 55: DOES YOUR PAYROLL SYSTEM(S) MEET CURRENT BUSINESS NEEDS?**

Legend: ■ Most of the Time ■ Always

FIGURE 56: ARE YOU PLANNING TO CHANGE YOUR CURRENT PAYROLL SYSTEM(S)?

Rippling
Workday
isolved
Intuit Quickbooks
Oracle HCM
UKG Ready
Paycor
Office Productivity Tools
UKG Pro
Dayforce (Ceridian)
ADP Workforce Now
Paycom
In-house Developed
Paylocity
Other Solution
Gusto
SAGE HRMS
SAP SF Employee Central
ADP Other
Paychex
SAP HCM
ADP Run
BambooHR
Oracle PeopleSoft

0%   20%   40%   60%   80%   100%

■ No Plans to Change   ■ Changing Soon   ■ In RFP

After the last few years of change, this year finally sees a bit of a slow down in volatility. In 2024, 21%, of organizations are actively replacing their payroll solutions, quite a bit lower than last year's 28%. While many organizations are still in the RFP process, 10% of respondents said they have already identified the new payroll solution they will implement in 12 to 24 months. The average ownership of payroll systems planned for replacement is 6.2 years; the main reasons for making changes are:
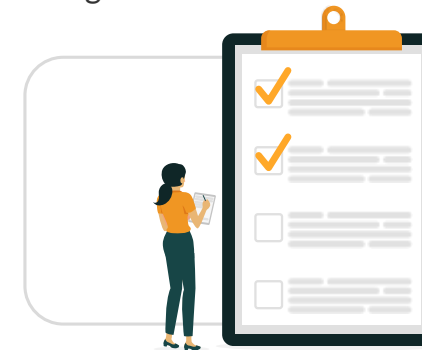
- Solution not meeting needs
- Poor customer service
- Consolidation of vendors

Fifty-five percent of respondents cited that their reason for change was that their current solution did not meet the organization's basic needs. Poor customer service was the reason given by 43% of respondents; cost was the reason for change by 26%. Other factors, like M&A activity, new leadership, or vendor issues (ethics or legal), were cited by fewer than 8% of respondents.

As you can see in **Figure 56**, an organization's plans to change payroll vary greatly depending on the current solution owned. However, we are starting to see some connection between the highest UX/VS satisfaction ratings. A common compliment for highly rated solutions was customer service, and our data shows that 65% of survey respondents say the main reason for their VS score is Customer Service.

This year, Rippling has the fewest customers planning to make a change, but it is worth noting that over 43% of their respondents reported deployments were less than 1 year ago. Workday and isolved users also remain steady, indicating trust in these vendors.

10%
Replacing Payroll Systems in 12 – 24 Month

11%
Actively in the RFP Process for 2024-2025

PAYROLL OUTSOURCING SERVICES

A crucial element influencing overall satisfaction with payroll solutions extends beyond the software itself, often hinging on the location of payroll service execution. These services encompass tasks like payroll data entry and validation, processing, and tax filing and reporting. Organizations can choose from various management approaches for these activities: handling them entirely in-house, partially outsourcing to a third party, or fully delegating to an external provider. This year's data reveals that 46% of organizations opted for partial or full outsourcing of their payroll services, showing a marginal decrease from the 49% of SMB organizations that made similar choices previously.

The top services being used by organizations that use payroll outsourcing include:

- Payment and tax filing   86%
- Payroll Processing   85%
- Wage garnishment processing   55%
- ACA Reporting   40%
- Compliance reporting   33%

Earned Wage Access, or On-Demand Pay

On-demand pay, also known as Earned Wage Access (EWA), is a payroll service that allows employees to access some or all of their wages as they earn them, instead of on the standard set payday. Usually, this access is provided through an online application and many payroll vendors have leveraged partnerships to make these solutions available to their clients today.

On this page, **Figure 57** shows respondents' feedback on Earned Wage Access / On-Demand Pay services or applications at their organization.

FIGURE 57: ADOPTION AND EMPLOYEE SEGMENTS SERVED BY ON-DEMAND PAY

Legend (donut chart):
- In Use / Implementing
- Budgeted 12m
- Forecasted 24-36m
- Not in use

Values: 13%, 2%, 2%, 83%

Legend (bar chart):
- Hourly Employees — 85%
- Salaried Employees — 80%
- Contingent Workers — 5%
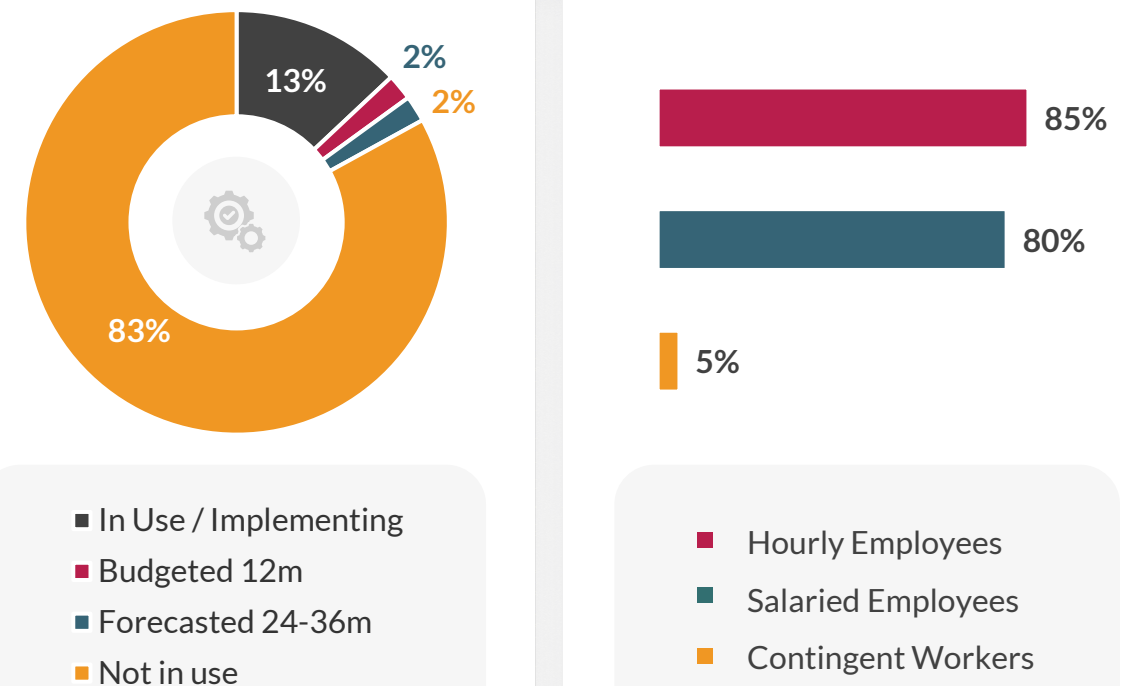
On-demand pay adoption has plateaued at 13%, an 8% increase over the past two years, suggesting market saturation. Yet enterprise organizations are almost two times more likely to have adopted Earned Wage Access solutions than their mid-market and SMB counterparts.

The aggregate stagnation may also reflect limited use cases, as only a specific employee demographic requires such services. Despite the recent surge in the availability of on-demand pay solutions, aligning with the broader trend of smartphone-enabled instant access, businesses remain cautious.

Many companies hesitate to enter this space, concerned about potentially exacerbating the financial challenges faced by employees living paycheck-to-paycheck. This cautious approach persists even as the market offers increased flexibility and options for both employers and employees.

Modern Payroll platforms are evolving, incorporating enhanced employee self-service functionalities, AI-driven audits, robust data management, and greater flexibility for integration. This evolution is causing Payroll systems to require better user interfaces, more hubs and connectors, and more training. Many organizations are focusing on boosting global capabilities along with enhanced user engagement. Our survey respondents reported that 55% of organizations listed User Experience as their top selection criteria over more traditional payroll selection criteria such as Payroll / HRMS integrations or overall cost.

Additional emerging trends to watch in Payroll applications include:

- Voice-initiated artificial intelligence (AI)
- AI-based audits and error management prior to payroll runs
- Contingent and contract-based payment models
- Employee-centered audit and approvals
- Separation of front- and back-end architecture (headless microservices)
- Generative AI assistance in communications and workflows

Organizations of all workforce sizes, industry segments, and regional makeups are now leveraging HR technology as a critical business solution. As a community, we have a real opportunity to leverage these technologies to support both our business outcomes and workforce expectations.

> We are a complex, highly unionized organization, and configuring all of the various requirements for this group of employees has been challenging.

HighTech Manufacturing 100000+ EE

> [Our Payroll] allows for multiple customizations for variable pay types (annual, hourly, period activity pay, supplemental pay, one-time pay, etc.). That is very helpful.

Education 30000+ EE

> Various groups within the [vendor] do not communicate. Changes are implemented in one area, and then you spend months tracking down what other groups also need to make a change to align across the platform.

Healthcare / Pharma 11000+ EE

These are a few of the 8,000-plus compliments and criticisms we received from respondents on ways their current systems support or don't support their business outcomes. These are excellent topics to include in an RFP assessment process.

VOICE OF THE CUSTOMER
HR MANAGEMENT SYSTEMS

HUMAN RESOURCE MANAGEMENT SYSTEMS

Core to most organizations' HR technology environments is a human resource management system (HRMS) that handles administrative record-keeping and serves as the single source of truth on current and historical workforce data.

Traditional functionality managed in HRMS solutions include:

- Employment history
- Reporting structures
- Organizational charts
- Employee data
- Regulatory reporting

Emerging trends in data and functionality include:

- Contingent labor management (or direct integration with those tools)
- Skills inventories and taxonomies
- Talent profiles
- AI-backed reporting and analysis

Considering its importance in managing reporting structures and employment data, the HRMS, adopted by at least 90% of organizations, often plays a major role in HR transformation efforts and other HR tech decisions. As seen in **Figure 58,** an HRMS plays an even more critical role for enterprise organizations, which have adopted HRMS at a 91% rate. Employers depend on their HRMS environments for the historical accuracy of their large workforce data set. Thus, replacing or upgrading an HRMS requires considerable work for IT and HR functions alike. In 2023, just 11% of all survey respondents planned to replace their HRMS solutions, but in 2024, that percentage has increased to 18%, showing that a greater number of organizations have decided that the cost of switching HRMS providers is outweighed by the perceived benefit of making that change.

FIGURE 58: HRMS ADOPTION BY SIZE

E ≥ 5000 EE — 91% | 5% | 4%

M 500 – 4999 EE — 95% | 3%

S < 500 EE — 86% | 3% | 3% | 8%

Legend: ■ In Use Today ■ Budgeted 12m ■ Forecasted 24-36m ■ Not in use
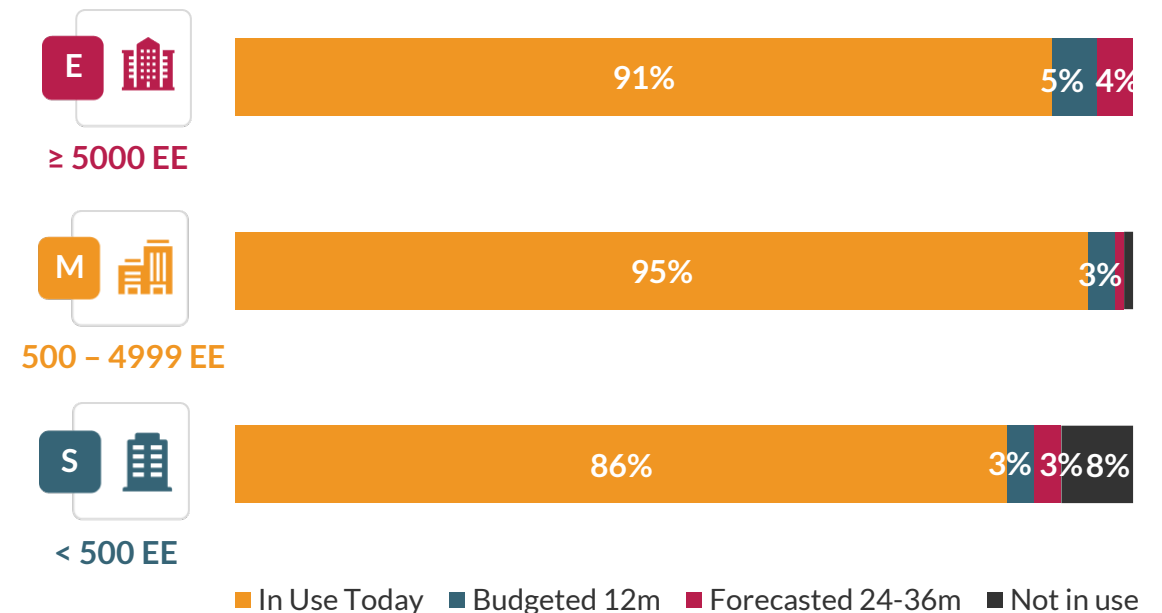
FIGURE 59: HRMS REPLACEMENT PLANS BY SIZE

E ≥ 5000 EE — 72% | 24% | 4%

M 500 – 4999 EE — 81% | 11% | 8%

S < 500 EE — 86% | 6% | 8%

Legend: ■ No Change ■ Yes, Decision Made ■ In RFP Process
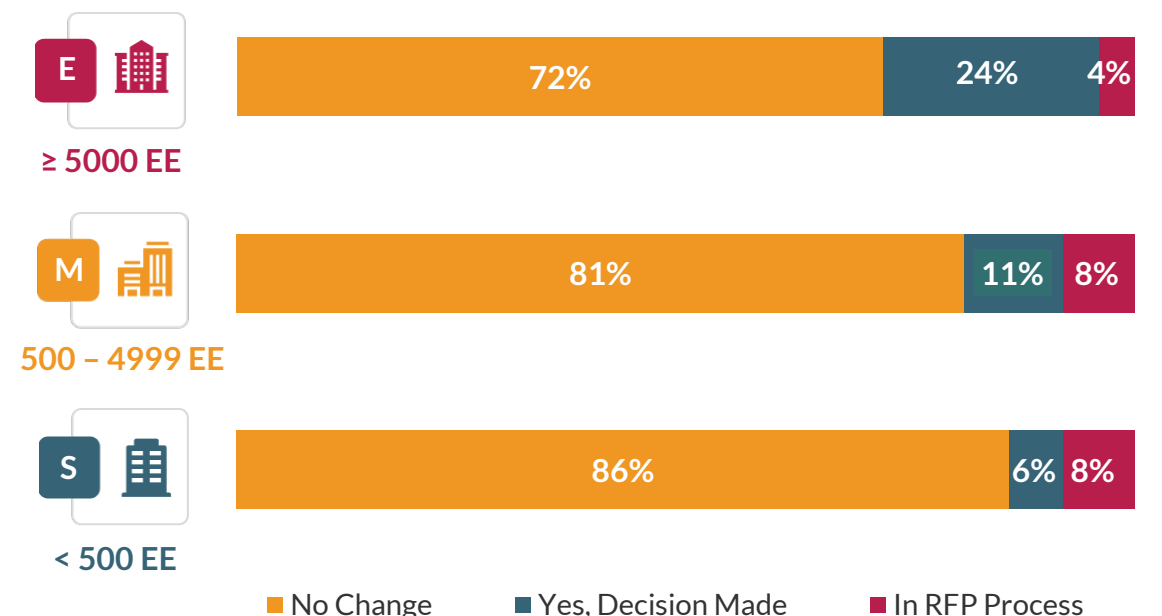
HRMS applications are purchased in multiple ways, depending on the organization's systems strategy, outsourcing decisions, and critical requirements. The HRMS market continues to splinter into a multitude of vendors and tailored solutions designed for specific company sizes, industry segments, and regional requirements.

FIGURE 60: HRMS PURCHASE APPROACH AND OWNERSHIP

HRMS Purchasing Approach	Today	12 Months**	Average Years Owned
ERP / HRMS Suite[1]	24%	27%	10.1
Payroll / HRMS Suite	69%	72%	4.6
HRMS Point Solution	7%	7%	4.2

As illustrated in **Figure 60,** a clear majority of respondents—69% specifically—opted for an HRMS suite integrated within a conventional payroll system. Our 2024 analysis revealed an uptick in the adoption of ERP platforms incorporating HRMS functionality. Drawing from the 2024 findings, we anticipate this trend persisting into 2025.

Additionally, **Figure 60** presents the average time of ownership for each type of HRMS purchase. This information sheds light on how long purchasers retain their HRMS within these varied ecosystems and indicates when vendors might expect clients to reassess suitability and key requirements following the initial implementation.

ERP/HRMS SUITE CUSTOMER QUOTES:
Fully customisable, very usable, and easy to upgrade with the update manager software.

Government / Defense 10000+ EE

ERP/HRMS SUITE CUSTOMER QUOTES:
Our systems has robust workflow functionality.

Education 6500+ EE

PAYROLL/HRMS SUITE CUSTOMER QUOTES:
We like the system's ability to collect, process and report on all pertinent data.

Financial Services / Insurance 7600+ EE

HRMS POINT SOLUTION CUSTOMER QUOTES:
Great customer support, and an excellent online community to share best practices. There are continual upgrades and new features to reflect new HR trends.

Hi-Tech 280+ EE

*Enterprise resource planning (ERP) is a category of enterprise software that typically integrates financials, HR, manufacturing, order processing, and customer relationship management

** 12 Months will not equal 100% because customers can select multiple options for 12-month plans.

AI IN HRMS

In 2024, artificial intelligence (AI) has emerged as a foundational element of many Human Resource Management solutions, significantly changing how organizations think about managing their workforce. AI-enabled HRMS solutions are beginning to streamline recruitment processes, enhance employee engagement, ensure compliance with evolving labor regulations, and deliver extremely high levels of personalization and increased efficiency in HRMS solutions that have invested in embedded AI options.
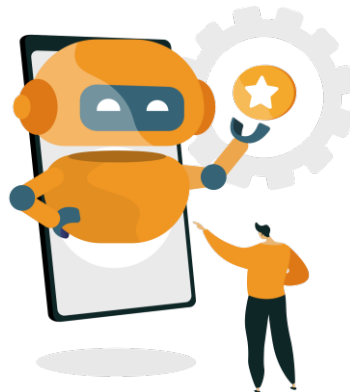
EMBEDDED AI:

The integration of artificial intelligence models into existing products and functionality.

AI APPLICATION:

A stand-alone software program built on a native AI model to complete a specific set of tasks.

FIGURE 61: PERCENTAGE OF ORGANIZATIONS USING EMBEDDED HRMS AI FEATURES IN 2024-2025

- 15% Yes
- 63% No
- 22% Not Aware of ML / AI within HRMS
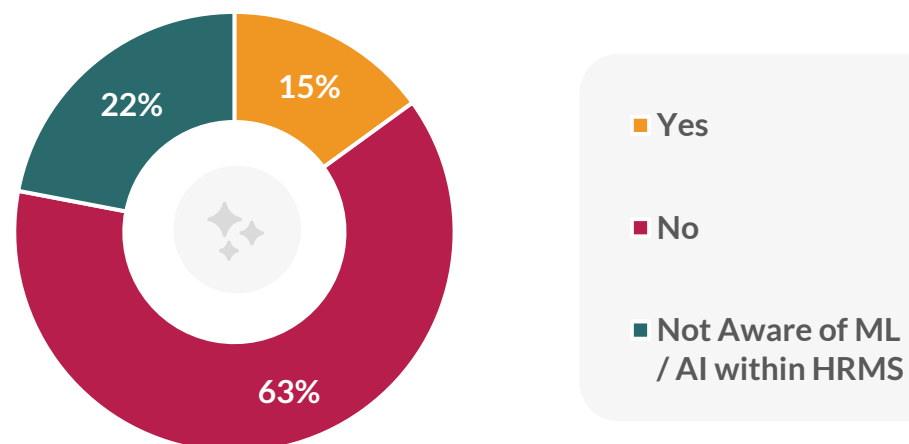
The HRMS has been one of the earliest adopters of the major HR technology systems that use AI. Its primary focus on gathering, organizing, and distributing data accurately greatly benefits from natural language processing (NLP) and newer generative AI solutions like large language models (LLM).

In predictive analytics, AI is making significant strides using data captured by the HRMS. For example, AI models can be trained to forecast employee turnover based on historical data, helping businesses proactively address retention issues and make informed decisions about succession planning and employee engagement initiatives. These predictive capabilities are particularly valuable for businesses with high turnover rates or those undergoing rapid growth.

AI-enhancedHRMS are also crucial in ensuring compliance with complex, ever-changing labor laws and regulations. These systems can automatically update policies, track employee hours, and generate required reports for various jurisdictions. This is especially beneficial for businesses operating across multiple states or countries, as the AI can quickly and accurately navigate the intricacies of different employment laws.

Personalization has become a key feature of the AI-enhanced HRMS. Compiled employee data can be used to provide personal views of work history, career progression, and even suggestions on team interactions. For example, the HRMS might suggest relevant cohort groups or career advancement opportunities based on an employee's skills and career goals. This level of personalization not only improves employee engagement but also helps companies better develop their workforce and reduce skill gaps.

Natural language processing (NLP) capabilities have significantly enhanced HRMS user experiences in 2024. Employees can now interact with chatbots or virtual assistants to ask questions about company policies, benefits, or career development opportunities. These AI-powered assistants can understand and respond to queries in natural language, providing instant, accurate information and reducing the workload on HR departments while improving employee satisfaction and access to information.

While AI offers significant benefits,, its use is not without challenges. Companies often grapple with issues like bias amplification, where AI algorithms perpetuate existing biases in hiring and promotion decisions. Data privacy concerns arise as AI systems handle sensitive employee information. Additionally, automation can lead to job displacement, sparking ethical questions and potential workforce disruptions. Moreover, the complexity of AI systems can make it difficult to understand and rectify errors, potentially leading to unfair or inaccurate decisions.

As we noted in **Figure 61** on the earlier page, the use of embedded AI solutions within an organization's existing HRMS averaged across all HRMS buyers is just **15%**. That number jumps to **22%** of organizations If we look at all survey participants who said they were using AI as part of their current HR Technology environment (both through embedded HR solutions and stand-alone AI applications). Although HR and business system vendors have invested heavily in AI enhancements or rolling out full-blown AI applications, buyers still struggle to understand where and when to use these features and applications safely and with the greatest outcomes for their organizations.

Cost is also a considerable concern for many organizations – as noted in the quote below by one HRMS buyer who listed High Cost as one of the primary reasons their HRMS wasn't meeting all of their current business needs.

> Now that they are developing AI and passing the cost off to customers, some of their new SKU's are insane compared to others. They know the value they have with the connections they build between SKUs - Finance doesn't care about that, they just see the numbers. It's a constant uphill battle or tradeoff b/c we can't afford the integrated solution [and AI].

Retail / Hospitality 19500 + EE

HR vendors consider many factors when deciding to invest in embedded AI features or create AI applications for their existing and prospective customers. Probably the most important question is whether a vendor's client base is ready and able to use the AI feature or application created.

Figure 62 shows the percentage of HRMS clients (by vendor solution) currently using AI as part of their HR technology environment (both through embedded HR solutions and stand-alone AI applications). It also shows customers' future plans for adopting AI over the next 12 to 36 months. This chart only includes the top 20 solutions in our data.

There are several possible factors that may play into the higher or lower percentages of the customer's AI adoption levels in this chart:

- The overall percentage of AI features or applications a customer can access from that specific vendor(s).

- The willingness of the customer to buy, pay for or use the available AI solutions.

- The customers' level of data, knowledge, and education readiness to use AI solutions.

- The customer's risk analysis concerning AI use within the HR function. This is a particular issue for multi-national customers.

FIGURE 62: PERCENTAGE OF HRMS CUSTOMERS *USING AI IN HR CURRENTLY AND IN FUTURE PLANS

*AI use includes both embedded HRMS AI & stand-alone AI applications

Vendor	In Use	12-Months	24-36
Workday	45%	17%	5%
SAP HCM	44%	33%	
BambooHR	37%		11%
HiBob	33%		
ADP Other	32%	11%	11%
Oracle PeopleSoft	32%	5%	16%
Paylocity	28%		3%
Rippling	27%	7%	
SAP SuccessFactors	25%	10%	20%
Paychex	25%		
UKG Pro	24%	6%	1%
ADP Workforce Now	20%		4%
Paycom	19%		
Employee Navigator	18%		
Paycor	15%	5%	
Dayforce (Ceridian)	15%	4%	4%
Oracle HCM	14%		
UKG Ready	11%	5%	
isolved	9%		2%
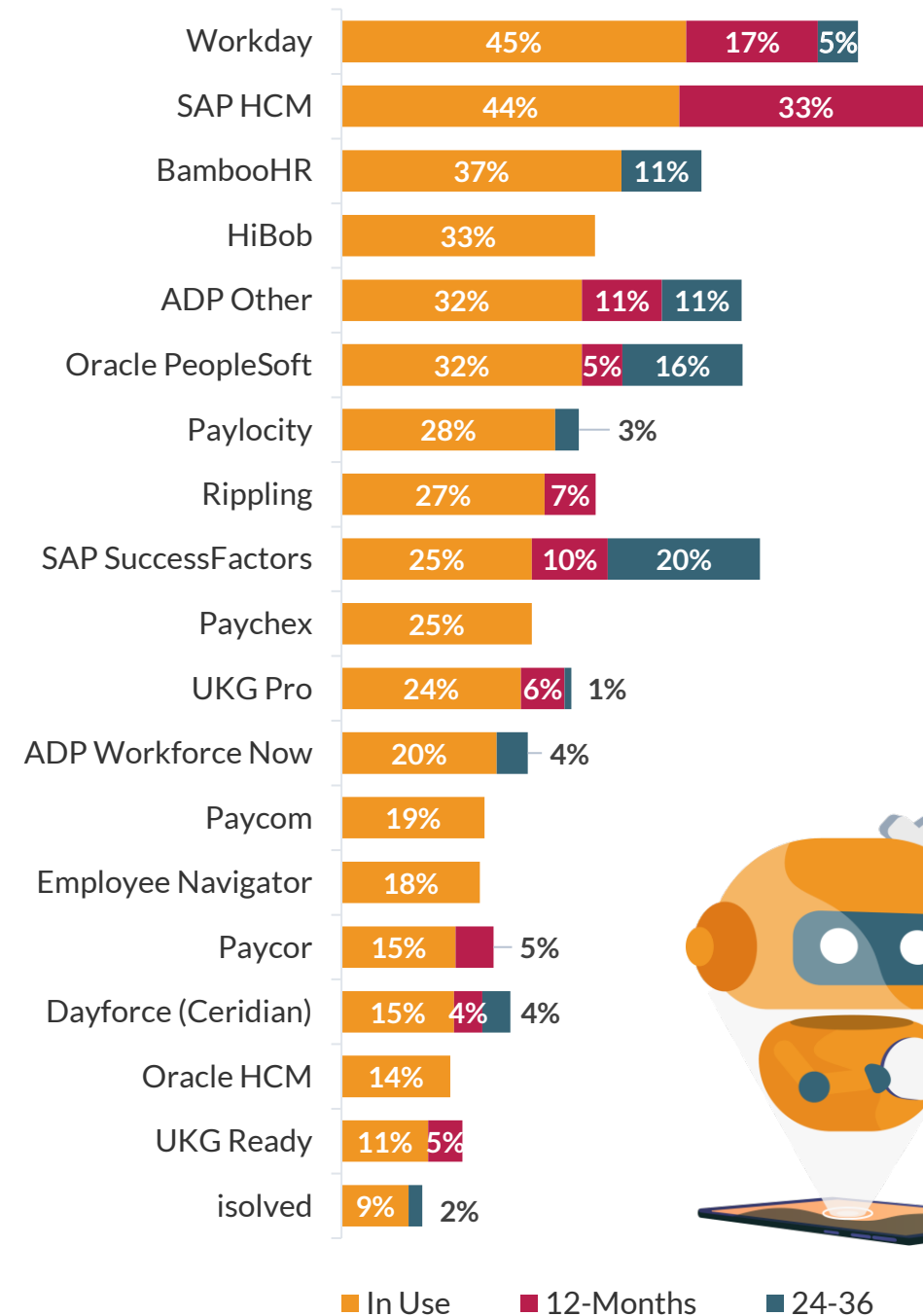
The HRMS vendor adoption charts show the percentage of total survey responses achieved for each vendor solution, organized by company size (**see Figures 63, 64, 65**). Please note, these charts are not market-size data. They are best used to view the predominant vendors in each company size category and to identify trends in future adoption plans.

FIGURE 63: HRMS VENDOR ADOPTION, ENTERPRISE

E 🏢 ≥5000 EE	Adoption Level Today	Expected Growth	12-Month Adoption Level	Appears in RFP
Workday	26.47%	⬆	31.37%	13.16%
UKG Pro	11.27%	↗	11.76%	10.53%
Oracle PeopleSoft	7.84%	↘	7.35%	2.63%
Other Solution	6.86%	↔	6.86%	0.00%
SAP SuccessFactors	6.37%	↗	6.86%	7.89%
ADP Other	3.92%	↘	3.43%	0.00%
Oracle HCM	3.92%	↔	3.92%	13.16%
In-house Developed	3.43%	⬇	1.96%	0.00%
ADP Workforce Now	2.94%	↔	2.94%	2.63%
Cornerstone	2.94%	↗	3.43%	5.26%
Microsoft Dynamics 365*	2.94%	⬆	5.39%	0.00%
Office Productivity Tools*	2.94%	⬇	1.47%	0.00%
SAP HCM	2.45%	↗	2.94%	2.63%
ADP Run*	1.96%	↗	2.45%	2.63%
Dayforce (Ceridian)	1.96%	↔	1.96%	0.00%
BambooHR*	1.47%	↗	1.96%	2.63%
Infor HCM	1.47%	⬇	0.49%	0.00%

Note: These data sets do not equal 100%. Respondents often have multiple applications, and responses below certain thresholds in current or 12-month adoption levels have been removed.

* Not identified as a primary Payroll solution for respondents in this size category.

ENTERPRISE HRMS VENDOR ADOPTION - ANALYST INSIGHTS:

Faced with managing large workforces (and the associated data), enterprise organizations often encounter a limited pool of vendors offering full-featured HRMS solutions that meet their unique needs and requirements. As a result, the list of HRMS solutions here has changed little in recent years. But it's important to note that in many cases, the solutions on this list cater to very specific needs related to managing large workforces or regional needs. Examples include Workday, SAP, and Oracle – ERP-based solutions with the highest enterprise HRMS adoption levels when aggregated under their respective businesses. These organizations are often seen as the dominant vendors in the enterprise HR market, highlighted by the large percentage of organizations including them in next year's HRMS RFP process.

For those new to this category, it is also worth noting that Oracle PeopleSoft and SAP HCM are legacy on-premise solutions that are only sold today in unique customer cases. About 50% of current solution owners are looking to replace them in the next 24 months—one of the many contributing factors to a quarter of enterprise survey respondents planning to change their HRMS relatively soon.

Newer primary HRMS solutions on the enterprise list include UKG Pro, Dayforce, Cornerstone, and ADP solutions. Of these, UKG Pro is making the greatest strides in adoption. UKG Pro benefits from its time and attendance capabilities and recent investment in global payroll. Cornerstone is another solution to watch as it expands its HRMS capabilities. We also want to note that ADP Run, ADP WFN, and BambooHR are never identified as primary solutions at the enterprise level; they only show up as secondary systems used to meet regional workforce needs or acquired through acquisitions.

Expected Growth Legend

⬆ Substantial Growth

↗ Slight Growth

↔ Flat

↘ Slight Decline

⬇ Substantial Decline

Expected growth calculations are based on the difference between current adoption and 12-month adoption plans, in addition to data points from future replacement plans.

FIGURE 64: HRMS VENDOR ADOPTION, MID-MARKET

500 - 4999 EE	Adoption Level Today	Expected Growth	12-Month Adoption Level	Appears in RFP
UKG Pro	24.57%	↑	26.48%	14.13%
Workday	13.14%	↑	14.48%	21.74%
Other Solution	9.33%	↓	8.57%	2.17%
UKG Ready	4.95%	↘	4.57%	3.26%
ADP Workforce Now	4.76%	↘	4.57%	4.35%
Office Productivity Tools	4.76%	↘	4.57%	0.00%
Dayforce (Ceridian)	4.76%	↗	5.14%	8.70%
ADP Other	3.81%	↘	3.62%	3.26%
Oracle PeopleSoft	2.67%	↘	2.29%	2.17%
In-house Developed	2.29%	↔	2.29%	0.00%
SAP SuccessFactors	2.10%	↑	2.67%	7.61%
HiBob	2.10%	↑	2.67%	0.00%
isolved	2.10%	↗	2.48%	0.00%
Paycor	2.10%	↗	2.29%	4.35%
Oracle HCM	1.90%	↘	1.52%	7.61%
Paycom	1.90%	↘	1.52%	2.17%
Paylocity	1.52%	↔	1.52%	7.61%
Microsoft Dynamics 365	1.33%	↗	1.71%	0.00%
BambooHR	1.33%	↓	0.57%	1.09%
Cornerstone	1.14%	↘	0.95%	0.00%
SAP HCM	1.14%	↘	0.76%	2.17%
NEOGOV	0.95%	↗	1.14%	0.00%
Paychex	0.95%	↘	0.57%	0.00%

MID-MARKET HRMS VENDOR ADOPTION - ANALYST INSIGHTS:

Our research data shows a distinctive trend: the mid-market segment (500-4999 employees) for HRMSs has seen significant growth over the last three years. It's clear that the strategic investments made by vendors to cater to mid-size organizations are paying off.

UKG Pro, Workday, and UKG Ready are all leading in terms of current adoption levels. But pay attention to Dayforce, which is expected to see some of the strongest growth in the next 12 months and also is the solution most likely to appear in an RFP according to survey participants.

HiBob, new to this list, is already in the top 10 vendors and is expected to continue to grow. Another solution provider that was not normally associated with the mid-market is isolved; it has gone from 1.45% of usage last year to 2.1% this year, surpassing its expected growth from our 2023 chart.

Also on the list are ERPs and solution providers that are more commonly associated with the Enterprise space such as SAP and Oracle. Often these vendors have created solutions specific to the needs of the mid-market. They also may be making a direct effort to court the organizations in this category due to a perceived saturation of the enterprise market.

Expected Growth Legend

↑ Substantial Growth
↗ Slight Growth
↔ Flat
↘ Slight Decline
↓ Substantial Decline

Expected growth calculations are based on the difference between current adoption and 12-month adoption plans, in addition to data points from future replacement plans.

Note: These data sets do not equal 100%, respondents often have multiple applications, and responses below certain thresholds in current or 12-month adoption levels have been removed.

FIGURE 65: HRMS VENDOR ADOPTION, SMB

S 🏢 **<500 EE**	Adoption Level Today	Expected Growth	12-Month Adoption Level	Appears in RFP
isolved	22.10%	⬆	23.55%	2.91%
Other Solution	11.77%	⬇	10.65%	4.85%
UKG Pro	9.19%	↘	9.03%	7.77%
ADP Workforce Now	7.26%	↘	7.10%	8.74%
UKG Ready	6.94%	⬆	8.55%	7.77%
HiBob	6.13%	↘	5.97%	0.97%
Paylocity	5.81%	↔	5.81%	8.74%
Paycor	4.03%	↗	4.19%	8.74%
Rippling	4.03%	↔	4.03%	5.83%
Office Productivity Tools	2.58%	↔	2.58%	0.00%
Paycom	2.58%	↘	2.42%	8.74%
Paychex	2.58%	↘	2.42%	2.91%
Employee Navigator	2.10%	↗	2.42%	0.97%
BambooHR	1.94%	↔	1.94%	9.71%
Workday	1.45%	↗	1.94%	6.80%
Dayforce (Ceridian)	1.29%	↗	1.45%	2.91%
ADP Other	1.29%	↔	1.29%	0.97%
Gusto	0.97%	↔	0.97%	1.94%
ADP Run	0.81%	↔	0.81%	0.97%
Sage HRMS	0.81%	↔	0.81%	0.00%

Note: These data sets do not equal 100%, respondents often have multiple applications, and responses below certain thresholds in current or 12-month adoption levels have been removed.

SMB HRMS VENDOR ADOPTION - ANALYST INSIGHTS:

The SMB market for HRMS shows the most flux in terms of adoption - this is perhaps because entry barriers to this market are lower than those vendors serving Mid-Market and Enterprise organizations.

It is important to note the duration of HRMS ownership in this category. Our data shows that 51% of SMBs have had their HRMS for three years or less. This compares to 33% of mid-market organizations and 27% of enterprise organizations with the same ownership duration.

The high percentage of relatively new HRMS adoptions in SMBs could certainly be due to the newness of the organizations themselves; but it also means SMBs may be less entrenched in an HRMS system and therefor may be willing to change as needed.

isolved and UKG Ready have the highest expected growth levels in this category in the coming 12-month period. Note though that BambooHR is the solution most likely to appear in RFPs, and that ADP Workforce Now is tied for second in "appears in RFP" with Paylocity, Paycor, and Paycom, indicating that we could see some future shakeup in adoptions. Other notable solutions that we expect to see high growth from based on our survey data (but that did not have high enough current adoption to make this chart) are Microsoft Dynamics 365, NEOGOV, and Cegid.

Rippling was a newcomer to this list last year and now falls in the top 10 in terms of adoption at the SMB level. The company's innovative approach, extremely deep IT services offerings, and high-touch customer service are all factors in its rapid rise.

Gusto was also a new entrant last year, and while it hasn't seen the extreme growth of Rippling, the company is showing future growth. By taking care not to overextend, it maintains high levels of service.

Expected Growth Legend

⬆ Substantial Growth
↗ Slight Growth
↔ Flat
↘ Slight Decline
⬇ Substantial Decline

Expected growth calculations are based on the difference between current adoption and 12-month adoption plans, in addition to data points from future replacement plans.

Figures 63, 64 and 65 show that the HRMS landscape is still comprised of various vendors serving different-sized organizations. This year, 26 vendor solutions meet a statistical threshold in our survey population across the various company size categories. Most vendors competing in this space now have the full complement of HR applications as part of their offerings – including core HR, time, talent, and analytics solutions.

Differentiators for HRMS include:

- Generative AI and machine learning
- Global capabilities
- Integration tools or marketplaces
- Mobile capabilities
- Scalability

When trying to evaluate options for both HRMS and payroll solutions, buyers might find it helpful to understand how the various vendors are trying to expand their target sales markets:

Larger vendors pushing down to Mid-Market:
Workday, Oracle HCM, SAP SuccessFactors

Key Mid-Market vendors pushing up to Enterprise market:
UKG Pro, Dayforce, ADP Workforce Now

Vendors pushing up to Mid-Market:
Paycor, Paylocity, Paycom, Paychex, HiBob, isolved

Some HRMS vendors did not meet the criteria needed to be included in our adoption charts. Typically, these are industry-focused HRMS solutions and newer and/or more internationally-focused HRMS solutions. On average, 10% of organizations use a vendor in the "Other" category. The most often mentioned solutions are:

- BusinessPlus
- Cegid
- CMiC
- Deel
- Deltek
- ELMO
- Employment Hero
- Epicor
- Frontier chris21
- Insperity
- Namely
- Sage People
- SDWorx
- TriNet
- Tyler Technologies
- Unit4
- Zoho

Our annual **HRMS Voice of the Customer (VoC) User Experience (UX) and Vendor Satisfaction (VS)** charts show how similar the buyers' perceptions are from one vendor to the next. Each year we ask survey respondents to rank the quality of their system's UX and VS on a scale of 1-5, and we average those ratings for each solution. This year the average scores of the overall HRMS categories sit at **3.39 UX and 3.39 VS**; this is 4.5% lower than last year's HRMS averages. As is the case for many solutions across all of our tracked categories, end users are being more critical of their solutions and demanding more in terms of features and service. There were 25 vendor solutions that received the minimum validated customer ratings to make our HRMS VoC charts this year.

FIGURE 66: HRMS VOC CHART, USER EXPERIENCE AND VENDOR SATISFACTION RATINGS

HRMS

Major factors driving vendor satisfaction and user experience ratings include:

Customer Service

Cost

Ease-of-use

Integrations

*These solutions did not meet our response threshold numbers and are being shared as directional indicators only.

FIRST

SAPIENT
INSIGHTS GROUP

USER EXPERIENCE

HRMS

2024-2025

Our aggregate Voice of the Customer (VoC) User Experience (UX) and Vendor Satisfaction (VS) charts are valuable tools for providing a broad perspective of how the HR community is evaluating its current applications, Over the last 27 years, we have seen a wide range of customer ratings based on the global complexity and total workforce size managed within the application.

To provide more context to this data, we analyze the solutions that achieve the highest average rankings from multi-sourced validated responses in three company size categories. The solutions must reach a minimum statistical threshold of responses in the respective size categories to qualify for this analysis.

The figure below shows the solutions achieving the Top Five average **user experience** ratings in the HRMS category by company size. We call out the solution that received the highest rating and then list the remainder of the Top Five in alphabetical order.

*Full adoption details and breakdowns of data by company size can be accessed through our research subscriptions. Contact us at Research@SapientInsights.com for further information.

**FIGURE 67:
TOP FIVE (OUT OF 47)
VOC RATINGS – BY
COMPANY SIZE**

User Experience

	ENTERPRISE, ≥5000 EE HRMS	MID-MARKET, 500 - 4999 EE HRMS	SMB, <500 EE HRMS
TOP			
#1	Workday	HiBob	Employee Navigator
Top 5	ADP Other	ADP Other	BambooHR
Top 5	Oracle PeopleSoft	isolved	HiBob
Top 5	SAP SuccessFactors	Paycor	isolved
Top 5	UKG Pro	Workday	Rippling
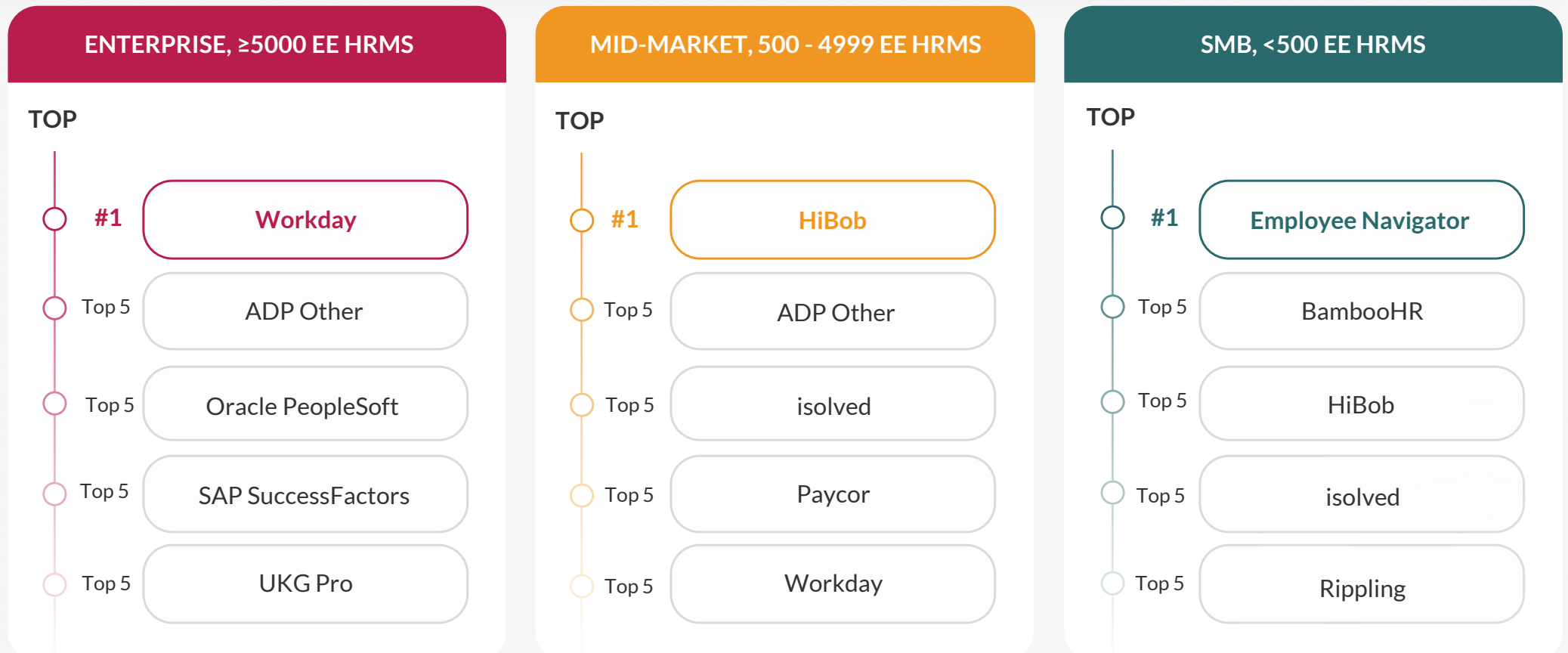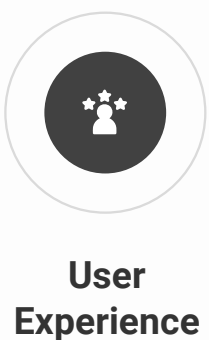
**FIGURE 68:
TOP FIVE (OUT OF 47)
VOC RATINGS – BY
COMPANY SIZE**
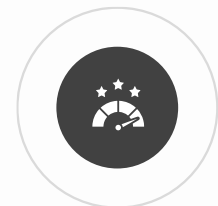
**Vendor
Satisfaction**

ENTERPRISE, ≥5000 EE HRMS

TOP

#1	**Workday**
Top 5	ADP Other
Top 5	Oracle PeopleSoft
Top 5	SAP SuccessFactors
Top 5	UKG Pro

MID-MARKET, 500 - 4999 EE HRMS

TOP

#1	**HiBob**
Top 5	ADP Other
Top 5	isolved
Top 5	Paycor
Top 5	Workday

SMB, <500 EE HRMS

TOP

#1	**Rippling**
Top 5	BambooHR
Top 5	Employee Navigator
Top 5	HiBob
Top 5	isolved

The figure above shows the solutions achieving the Top Five average **vendor satisfaction** ratings in the HRMS category by company size. Survey participants were asked to rate their satisfaction with their relationship with their HRMS vendor, including its services and support. **We highlight the solution that received the highest rating and then list the remainder of the Top Five in alphabetical order.**

FIRST

SAPIENT
INSIGHTS GROUP

VENDOR SATISFACTION

HRMS

2024-2025

*Full adoption details and breakdowns of data by company size can be accessed through our research subscriptions. Contact us at Research@SapientInsights.com for further information.

The HRMS market in all size categories continues its movement towards equality across systems. It takes something special for vendors to differentiate themselves in user experience and vendor satisfaction.

The top factors given for low user experience and vendor satisfaction ratings include:

- Cost
- Difficult to use
- Customer service
- Lack of features

The top factors given for high user experience ratings include:

- Integration of data
- Usability
- Scalability

The top factors given for high vendor satisfaction ratings include:

- Consistent account management
- Customer service response time
- Customer community
- Innovation in products and service

The quote shown to the right is pulled at random from the criticisms received and is not a reflection of any vendors on this page:

> Our mobile solution changes often so employees are constantly having to figure it out.

Manufacturing 3400+ EE

ENTERPRISE | **HRMS UX AND VS RATINGS - ANALYST INSIGHTS:**

Since 2014, Workday has held the most **#1** Voice of the Customer rankings for User Experience and Vendor Satisfaction in the HRMS category. As noted in previous iterations of this survey, Workday has maintained its position through strong community development, a focus on meeting strategic HR needs, and a continued investment in next-gen technology. It was one of the first HRMS providers to fully integrate AI solutions within its core product. The company continues to solidify its global and industry-specific capabilities through core platform development as well as use of its Workday Extend platform. They are also focused on creating strong relationships with the large service providers already serving target industries and regional markets.

> **WORKDAY CUSTOMER QUOTES:**
> [We like their] customization and ability to integrate with other systems / applications.

Retail / Wholesale 10000+ EE

ADP (GlobalView, Enterprise, Lyric (NextGen), Oracle PeopleSoft, SAP SuccessFactors, and UKG Pro round out the Top Five. All of these vendors have regularly achieved top UX/VS rankings in this category, but it has been several years since Oracle Peoplesoft outranked Oracle HCM. Based on customer comments, this is partly due to Oracle HCM add-on fees, reporting capabilities, and 3rd party integration requirements. On the flip side, Oracle PeopleSoft is seeing a spike in ratings from the remaining customers due partly to the high levels of business-specific customization they have achieved. We should also note that **60%** of Oracle PeopleSoft users have plans to replace their HRMS solution in the next 12 -24 months.

Both ADP and UKG have made a concerted effort to expand offerings to appeal to more complex, globally-minded organizations and introduce expanded service offerings to the Enterprise landscape, similar to what drove their SMB and Mid-Market success.

SAP SuccessFactors has new leadership, and we expect to hear more this year on its long-term plans for expanding sales and market leadership efforts. SAP is repeatedly called out by its users for having a powerful and easily customizable platform that supports global and industry specific needs.

MID-MARKET — HRMS UX AND VS RATINGS - ANALYST INSIGHTS:

HiBob may be new to the HRMS market, especially in this size category but, our data continues to point to its ongoing expansion. In fact, last year, we specifically pointed out HiBob as a company to watch. Now, just a year later, it is ranked #1 in both user experience and vendor satisfaction. Founded in 2015 in Tel Aviv, the company already boasts over 1,000 customers. Users often comment on HiBob's intuitive interface, modern design, and laundry list of features not often seen in mid-market solutions.

HIBOB CUSTOMER QUOTE:

Bob, HiBob's platform, has the usability of a social media app.

High-Tech 1000+ EE

Other solutions achieving Top Five Mid-Market rankings are ADP (GlobalView, Enterprise, Lyric (NextGen), isolved, Paycor, and Workday. The fact that all of these solutions ranked in the Top Five in both user experience and vendor satisfaction is telling, as customer service can often be the differentiator in a crowded market. Users of these solutions commented on the ability to reach a person at any hour (as specifically opposed to automated help) and the general reliability of service to fix any issues promptly.

Workday has held the #1 UX and VS rating in this category for several years, and it is worth noting that it continues to have the highest rating among organizations of 3,000 employees and above. Workday has long been able to leverage its experience and success at the Enterprise level to entice Mid-market buyers. Now, it is also focusing on faster and more out-of-the-box implementations.

Like HiBob, this is isolveds first time ranking in the Top Five for Mid-Market organizations and represents a considerable shift in market dynamics. In this category we did not see any isolved customers over 3,000 employees – but below this size group, organizations seem to appreciate the isolved community, service levels, and willingness to meet customer needs at various HR maturity stages.

Paycor beat out the other pays (Paychex, Paylocity, Paycom, PayPrime, etc.) and Dayforce in meeting the Mid-Market customer needs this year, a coveted spot in this competitive landscape. Customer comments focus on improved customer service, talent solutions, and HR community support.

SMB — HRMS UX AND VS RATINGS - ANALYST INSIGHTS:

In this highly competitive category and equally competitive year, it might surprise some to see Employee Navigator taking the #1 spot for User Experience. However, the company was frequently mentioned by last year's respondents, even though it didn't qualify for statistical analysis. Employee Navigator is primarily known for benefits administration and enrollment. By integrating more general HR tasks like onboarding, ACA reporting, and time off tracking in a hyper-easy-to-use platform, Employee Navigator has clearly found its market.

Rippling is also a first-time winner in VS and a Top Five in UX. Although very new to the market, it's praised for its training and integration capabilities. We should note that most Rippling customer responses were from organizations with less than 100 employees.

EMPLOYEE NAVIGATOR CUSTOMER QUOTE:

Customer service is amazing; they are quick to respond and support us.

Energy / Utilities 490+ EE

RIPPLING CUSTOMER QUOTE:

Great product. Always working on getting better and advancing their technology.

Trade / Specialty Services 58+ EE

Much like Workday in the Mid-Market category, isolved remains in the Top 5 after holding the SMB #1 ranking since 2022. Customer service remains a key differentiator for isolved as, again this year, survey respondents commented on the friendliness of isolved support. We should also note that isolved ranked #1 or Top 5 in more application categories than any other solution for the SMB market.

BambooHR and HiBob are also ranked in the Top Five in this category for both UX and VS. They are also highlighted for receiving high rankings in other technology categories in this report. HiBob consistently rates high in its ability to offer high-quality global service and user experience even to the smallest of customers. BambooHR is often complimented on its suite of talent solutions.

When effectively used and well-maintained, the HRMS is one of the most dependable and strategic apps in our HR systems environment. This year, 60% percent of respondents believe their current HRMS applications meet their business needs most of the time, and 15% believe their systems always meet their needs. While these numbers are slightly higher than those from last year, some context is needed.

Confidence in the HRMS "meeting our business needs" ticked up 2 percentage points this year, from 73% in 2023 to 75% in 2024.

While it sounds good that 75% of respondents are confident their HRMS meets their business needs, it should be noted that in 2021, the percentage was 82%. Clearly even 82% isn't ideal, but this downward trend shows some gaps in expectations remain, most commonly around difficulty in customization and a perceived lack of value for the cost paid.

TOP HRMS GAPS IN MEETING BUSINESS NEEDS

HRMS APPLICATION

- Gaps in Functionality **43%**
- Customization / Configuration **40%**
- Customer Service / Maintenance **30%**

Figure 69 provides a snapshot of how various solutions meet the business needs of their customers. These ratings align closely with their UX and VS ratings. In fact, category winners such as HiBob, Rippling, and Workday had the highest percentages of respondents stating their solutions always or almost always met their business needs.

FIGURE 69: DOES YOUR HRMS MEET CURRENT BUSINESS NEEDS?

Legend: ■ Most of the Time ■ Always

(Bar chart, top to bottom: HiBob, Workday, Dayforce (Ceridian), Rippling, isolved, Paychex, SAP SuccessFactors, UKG Ready, Paycor, Paylocity, UKG Pro, BambooHR, ADP Workforce Now, Paycom, Other Solution, ADP Other, Office Productivity..., In-house Developed, Oracle PeopleSoft, Oracle HCM. X-axis: 0% 20% 40% 60% 80% 100%)
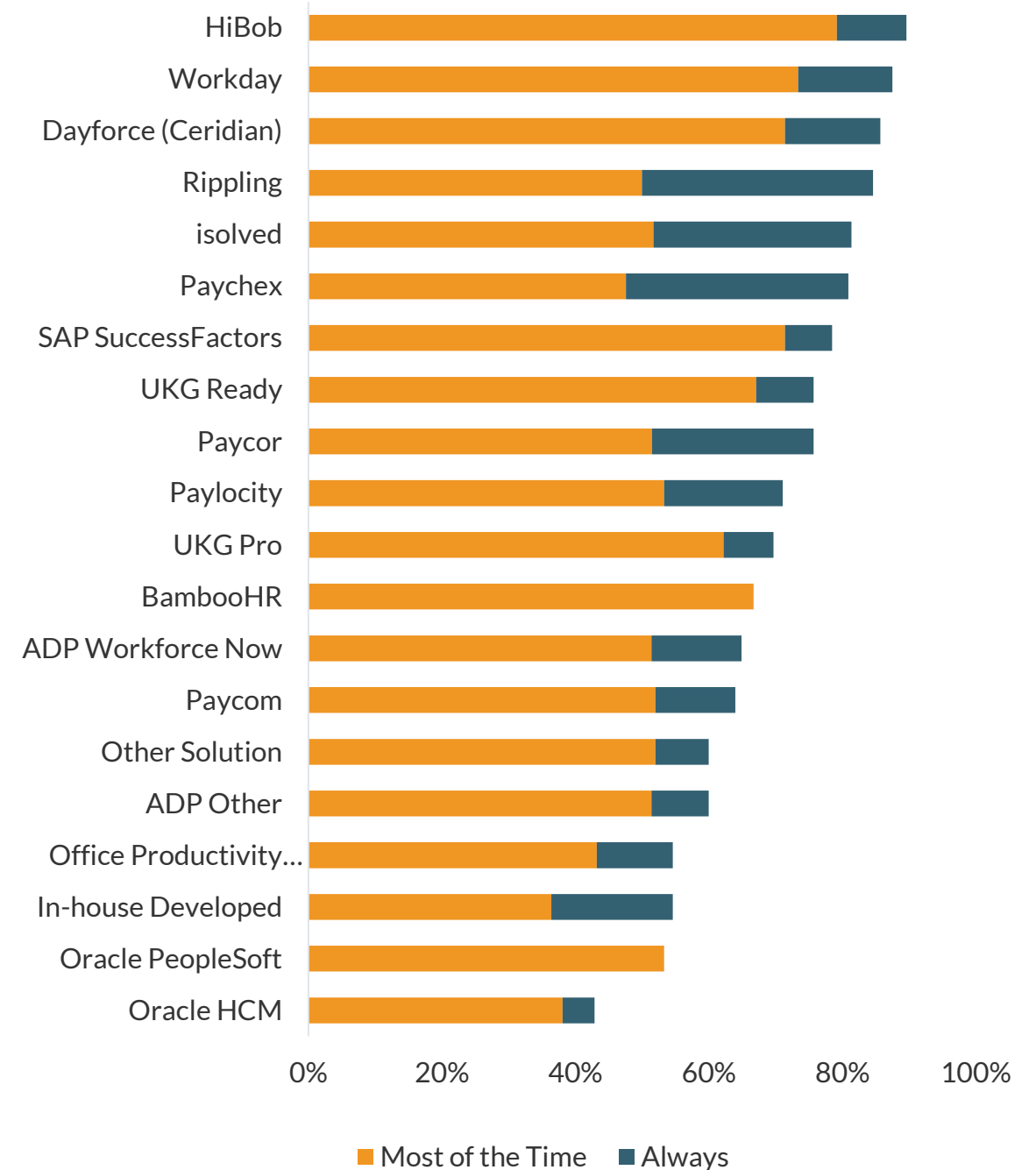
FIGURE 70: ARE YOU PLANNING TO CHANGE YOUR CURRENT HRMS?

Legend:
- No Plans to Change
- Changing Soon
- In RFP

Categories (top to bottom): Rippling, Workday, isolved, HiBob, Paycor, UKG Ready, UKG Pro, Dayforce (Ceridian), Office Productivity Tools, SAP SuccessFactors, Paylocity, ADP Workforce Now, Paycom, Other Solution, ADP Other, In-house Developed, Oracle HCM, Paychex, BambooHR, Oracle PeopleSoft
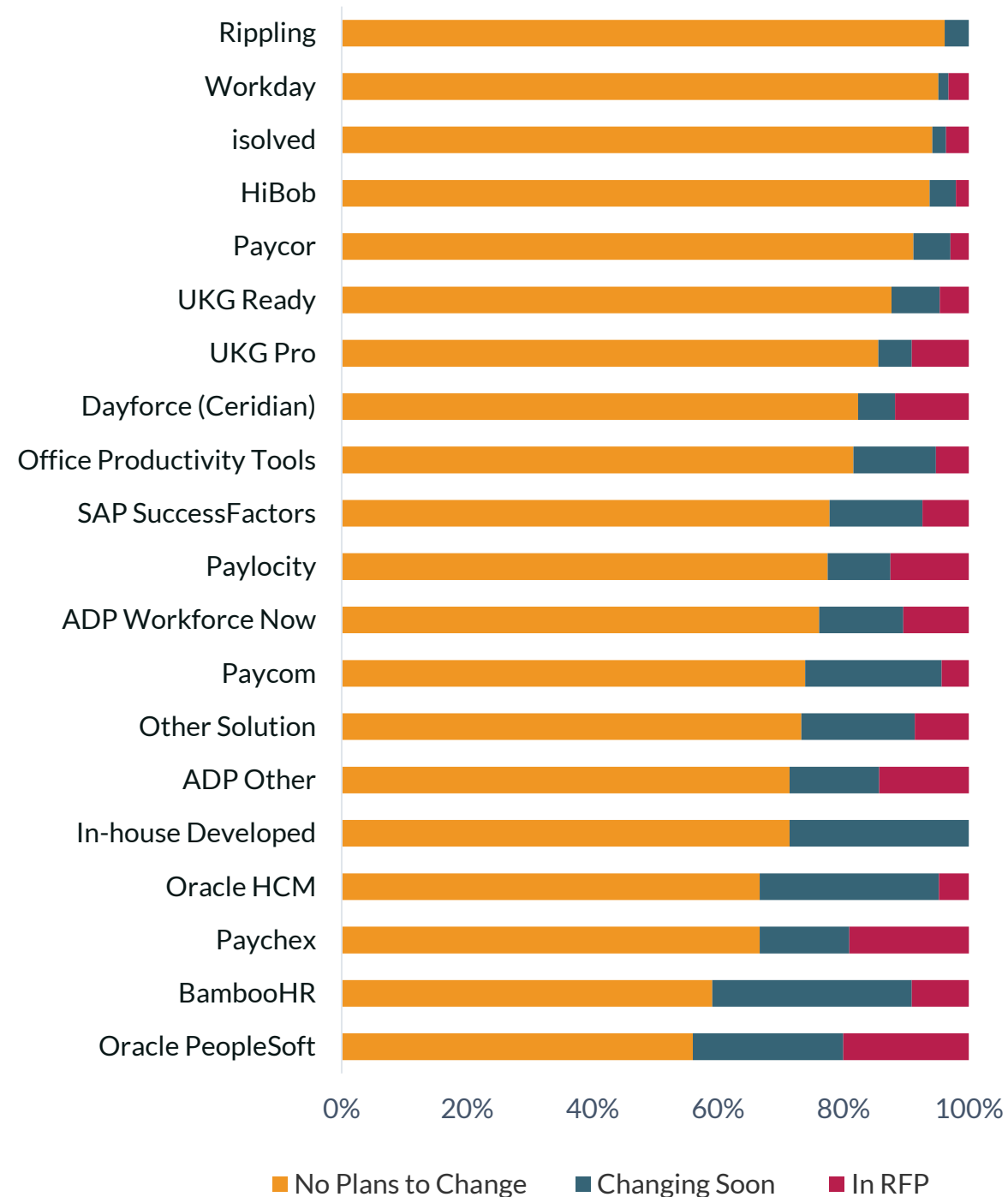
With 82% of organizations making no plans to review their current HRMS solutions, we are now seeing a small but significant drop in the percentage of organizations planning to change their current HRMS over the next few years. The average ownership for an HRMS is now 10 years for most organizations, which shows a fairly meaningful increase in longevity for most systems. For those that are making a change, the reasons for making that HRMS change range from:
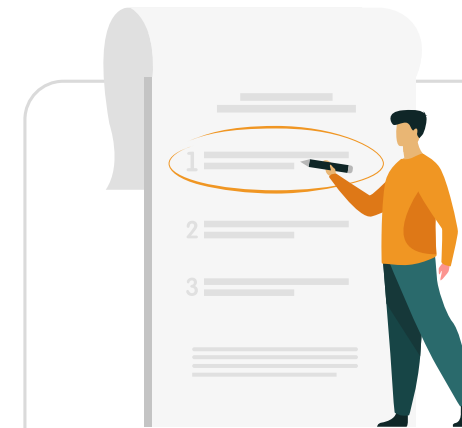
- Increasing costs
- Need for more or specific integrations
- Problems with customer service responsiveness
- Data security concerns

As shown in **Figure 70**, plans to change HRMS solutions vary according to the vendor solution that is owned.

Rippling leads the way in projected customer retention, followed by Workday and isolved. In these cases, the lack of intent to replace these systems is highly correlated to higher UX/VS scores.

However, there are exceptions. For instance, BambooHR is in the Top Five for the SMB category, but it has one of the higher expected change rates of the vendors listed here. This may be due to specialization in the SMB market which sometimes is at odds with rapidly-growing companies.

Modern HRMS platforms are evolving, incorporating enhanced self-service functionalities for staff and leadership, AI-driven features, robust data management, and greater flexibility for integration. This evolution is causing HRMS ecosystems to divest from traditional HR service delivery components (discussed later in this report). Many organizations are focusing on boosting user engagement, aiming to enhance the precision and regularity of employee-provided data. Our survey respondents reported that on average, 61% of their workforce interacts with their HRMS on a weekly basis.

Additional emerging trends to watch in HRMS applications include:

- Voice-initiated artificial intelligence (AI)
- AI-based analytics
- Team-based organizational structures
- Contingent / remote worker management
- Extended workforce organizational structures
- Separation of front- and back-end architecture (headless microservices)
- Generative AI assistance in communications and forms

Organizations of all workforce sizes, industry segments, and regional makeups are now leveraging HR technology as a critical business solution. As a community, we have a real opportunity to leverage these technologies to support both our business outcomes and workforce expectations.

> It is the best end-to-end HRIS and customer-driven, but it costs a lot. Also, sometimes they don't release features fast enough.

Education 8500+ EE

> Our HRMS holds so much information. [But this means it] can require research to determine how to do something, rather than easily search it.

Manufacturing 850+ EE

> The UI is consistent, and the help articles and chatbot can answer 95% of the questions. Account managers are thoughtful and ask questions about your business to map uses of the platform. However, recent modules have had bugs during implementation that take a long time to resolve.

Healthcare / Pharma 65+ EE

These are a few of the 8,000-plus compliments and criticisms we received from respondents on ways their current systems support or don't support their business outcomes. These are excellent topics to include in an RFP assessment process.

VOICE OF THE CUSTOMER BENEFITS AND WELLNESS

SAPIENT
INSIGHTS GROUP

8/14 SECTION

BENEFITS AND WELLNESS

The Benefits and Wellness Systems category is one of the most complex HR process areas. Solutions need to handle a wide array of benefit types, including health insurance, retirement plans, paid time off, and various voluntary benefits -- each with its own rules and calculations. They must also comply with numerous federal and state regulations in the U.S.; and, if serving global companies, the exponentially complex regulations of different geographic regions and countries. Ideally, these systems need to integrate with other HR systems, accommodate diverse company policies, and manage open enrollment periods and life event changes. They also must handle data security and privacy concerns around sensitive employee information.

Traditional functionalities in a benefits solution include:

- Ability to create non-payroll benefit programs
- Administration calculation and reconciliation tools
- Manage payroll deductions
- Manage the enrollment and use of non-payroll benefit programs
- Regulatory reporting and compliance rules

Emerging trends in data and functionality include:

- AI-backed benefits customization options
- Automatic benefit audits and bias testing
- Communication/campaign, education, and workflow tools
- Global benefits management
- Wellness and mental health benefit management

Adoption of Benefit and Wellness applications depends a great deal on employee size, and company and workforce location. As we can see if **Figure 71**, over **80%** of organization over 500 employee have a solution in place. Replacement plans were much higher for SMB and Mid-Market organizations in 2023, but this year **20%** of Enterprise organizations are replacing their solutions.

FIGURE 71: BENEFITS APPLICATION ADOPTION BY COMPANY SIZE

E ≥ 5000 EE: 84% / 5% / 3% / 8%
M 500 – 4999 EE: 80% / 3% / 2% / 15%
S < 500 EE: 63% / 4% / 2% / 31%

Legend: In Use Today | Budgeted 12m | Forecasted 24-36m | Not in use
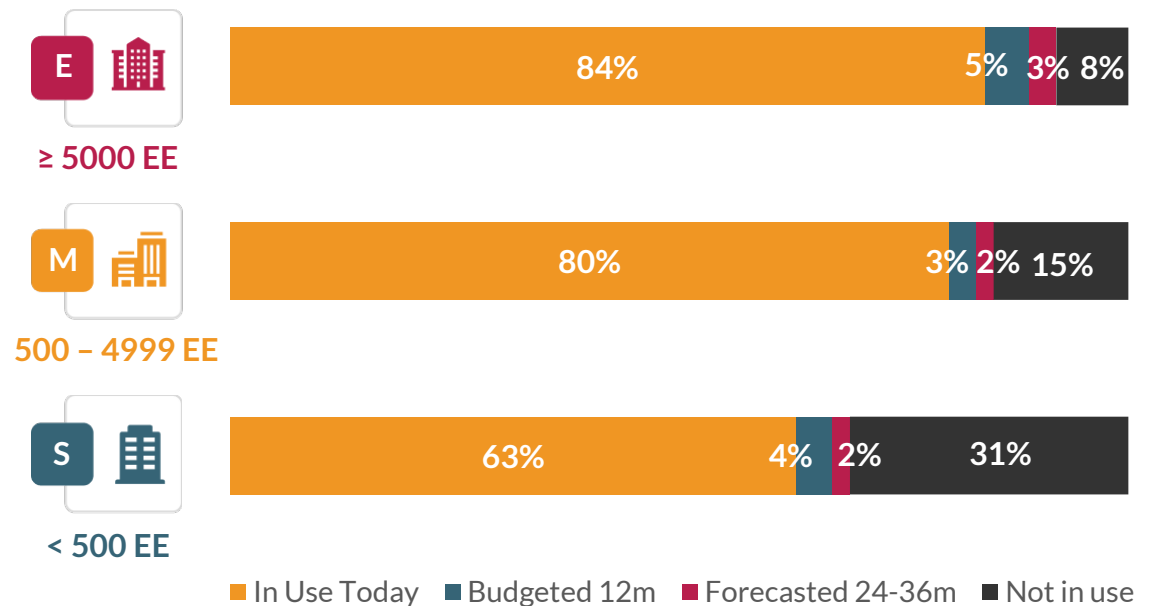
FIGURE 72: BENEFIT APPLICATION REPLACEMENT PLANS BY COMPANY SIZE

E ≥ 5000 EE: 80% / 9% / 11%
M 500 – 4999 EE: 89% / 6% / 5%
S < 500 EE: 88% / 7% / 5%

Legend: No Change | Yes, Decision Made | Yes, In RFP
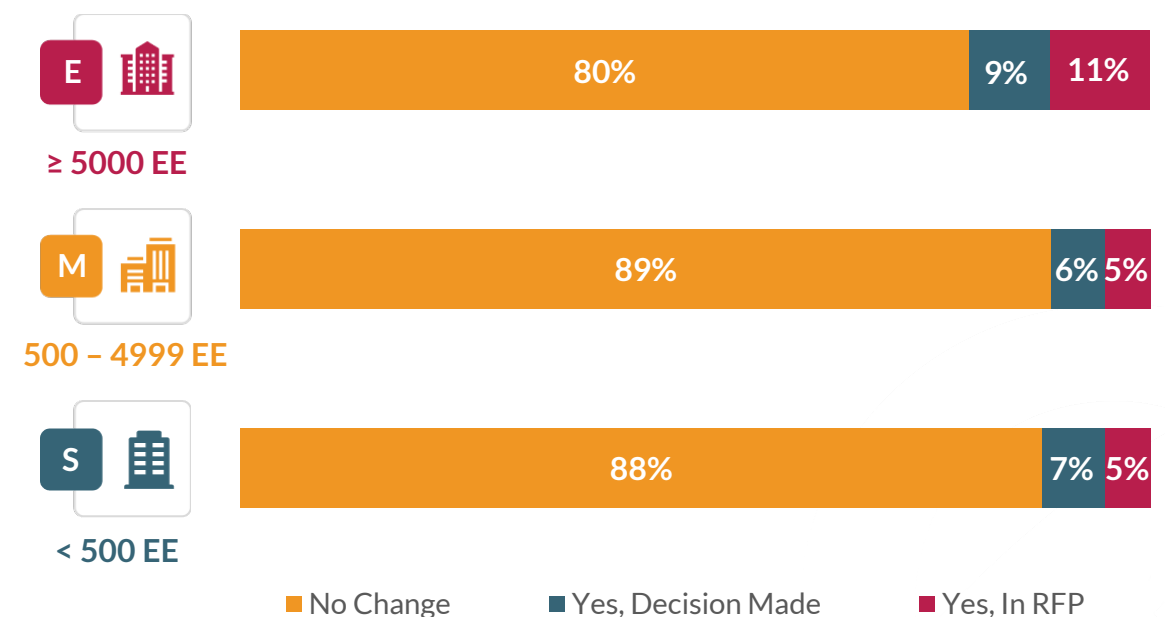
BENEFITS OUTSOURCING SERVICES

Benefits administration services are just as complex as payroll services in some cases, particularly regarding service delivery locations. Organizations have to choose to integrate benefit administration with payroll processing or combining these functions with consulting and brokerage services in comprehensive outsourcing arrangements. Decision making is further complicated by the various levels of outsourcing available. Companies can choose to manage their benefit activities entirely in-house, partially outsource to external providers, or fully delegate these responsibilities to a third-party.

This year 38% of organizations partially outsource their benefit services, while 11% fully outsource them.

THE TOP FIVE BENEFITS SERVICES
being co-outsourced by organizations today include:

• Retirement plan (401K/Pension) administration	75%
• COBRA administration	67%
• Employee assistance programs (EAP)	66%
• Voluntary benefits admin (life, dental, vouchers, etc.)	55%
• Spending accounts admin (HSA, tuition, gym)	52%

These percentages change dramatically when we view the data by region or size, but in the U.S., regardless of industry or company size, 401k administration is the top outsourced service.

Benefits Offered

The benefits offered to employees can also play a role in whether an organization outsources benefits services or chooses some type of benefit application. **Figures 73 and 74 show that organizations, regardless of size and locations, are offering a wider range of benefits** (both traditional and discretionary). However, note that traditional benefits are still offered at much higher rates than discretionary benefits across all company sizes.

FIGURE 73: TOP 5 TRADITIONAL BENEFITS OFFERED BY SIZE

Legend: Medical Insurance, Paid Vac/Holiday, Life Insurance, Retirement, Dental
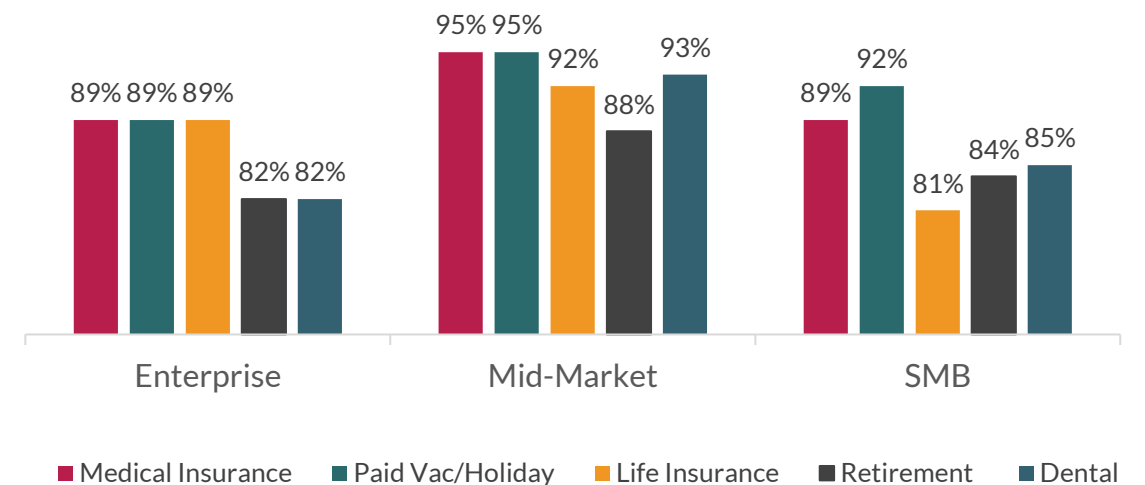
FIGURE 74: TOP 5 DISCRETIONARY BENEFITS OFFERED BY SIZE

Legend: Mental Wellness Program, Paid Parental Leave, Mental Health Coverage, Wellness / Gym Discounts, TeleMed/TeleHealth
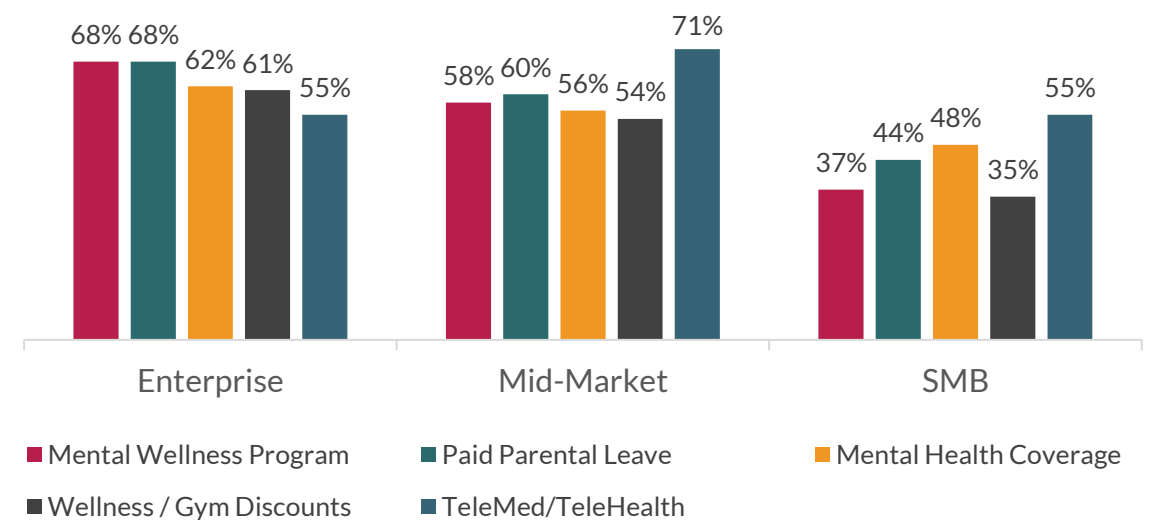
As organizations continue to blur the lines between traditional and discretionary benefits, we see less and less separation with the most commonly-offered discretionary benefits. For example, mental wellness and paid parental leave are approaching the same levels of commonality as dental or retirement planning at enterprise-level organizations.

AI IN BENEFITS AND WELLNESS

Organizations are using AI in Benefits and Wellness in many of the same general ways as seen in payroll systems and HRMS but with different use cases. AI-powered chatbots and virtual assistants are becoming commonplace, offering employees 24/7 support for benefits-related queries. These intelligent systems can guide employees through complex benefit selections, explain policy details, and even assist with claims processes. The goal of most of these AI solutions is to significantly reduce HR workloads and employee frustrations.

FIGURE 75: OVERALL PERCENTAGE OF ORGANIZATIONS USING ALL FORMS OF AI BENEFITS FEATURES IN 2024-2025

- 22% In Use
- 4% Budgeted 12m
- 5% Forecasted 24-36m
- 69% Not In Use

Predictive analytics is another area where AI is being used by benefits management systems. By analyzing huge volumes of employee data, including health records, lifestyle information, and benefit utilization patterns, AI systems can predict future health risks and suggest preventive measures. This intelligence allows companies to tailor wellness programs to individual needs, potentially reducing healthcare costs and improving employee well-being.

AI is also changing the open enrollment process. Machine learning algorithms can analyze an employee's demographics, past choices, and current life situations to recommend the most suitable benefit packages. These systems can simulate various scenarios, helping employees understand the long-term implications of their benefit choices. This not only simplifies the decision-making process for employees but can also result in more satisfactory and cost-effective benefit selections.

Additionally, AI is being used to detect fraud and errors in benefits claims. Advanced algorithms can quickly scan through thousands of claims, identifying patterns and anomalies that might indicate fraudulent activity or processing errors. This can not only save organizations money but also ensures faster, more accurate processing of legitimate claims. When AI is used in this way in the public sector or by organizations with very large workforces, the benefits may far outweigh the cost of the AI.

Finally, AI-driven systems are being employed to continuously monitor regulatory changes, automatically updating benefit policies to ensure compliance with the latest laws and regulations.
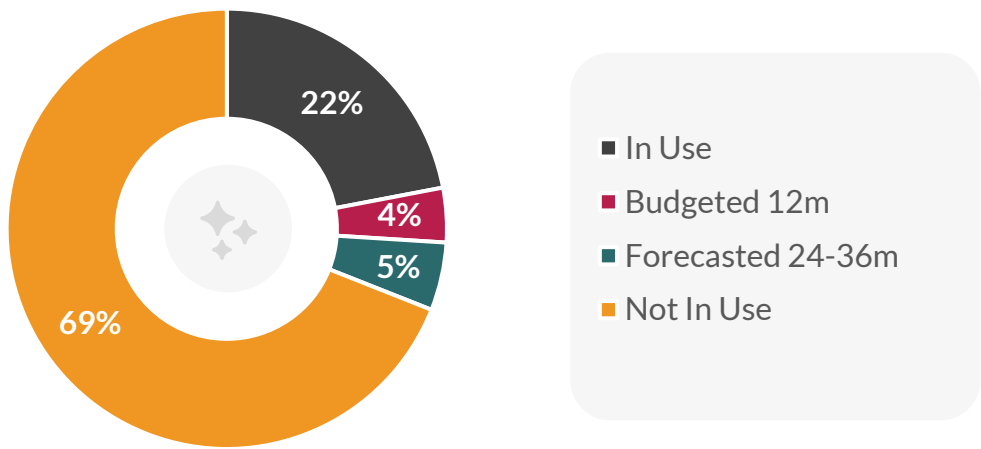
While AI offers numerous advantages in benefits and wellness systems, there are also potential risks and drawbacks. Privacy concerns are the most important. AI systems require access to vast amounts of sensitive employee data, thereby increasing the risk of data breaches or misuse. There's also the danger of algorithmic bias, where AI systems might inadvertently discriminate against certain employee groups based on historical data patterns. Also potentially outweighing the benefits, especially for smaller organizations, is the "black box" effect. This is when an organization doesn't have the AI-related skills to properly manage, monitor, and customize the use of AI – resulting in unexpected outcomes.

FIGURE 76: BENEFITS VENDOR ADOPTION, ENTERPRISE

E 🏢 ≥5000 EE	Adoption Level Today	Expected Growth	12-Month Adoption Level	Appears in RFP
Workday	16.67%	↑	18.42%	9.09%
Other Solution	8.77%	↔	8.77%	0.00%
Oracle PeopleSoft	8.77%	↔	8.77%	0.00%
UKG Pro	7.02%	↔	7.02%	9.09%
Fidelity NetBenefits/PSW	6.14%	↓	5.26%	0.00%
Oracle HCM	5.26%	↑	7.02%	13.64%
Office Productivity Tools	4.39%	↔	4.39%	0.00%
PlanSource	4.39%	↑	5.26%	0.00%
Dayforce (Ceridian)	4.39%	↓	3.51%	0.00%
Alight	4.39%	↑	5.26%	4.55%
isolved	2.63%	↓	1.75%	0.00%
WEX	2.63%	↔	2.63%	0.00%
Mercer (All Solutions)	2.63%	↔	2.63%	0.00%
Businessolver	2.63%	↔	2.63%	9.09%
WTW Benefits	2.63%	↔	2.63%	0.00%
ADP	1.75%	↑	2.63%	0.00%
In-house Developed	1.75%	↑	2.63%	0.00%
Aetna bswift	1.75%	↓	0.88%	0.00%
Benefitfocus	1.75%	↓	0.88%	4.55%
Conduent	1.75%	↓	0.88%	0.00%

Note: These data sets do not equal 100%. Respondents often have multiple applications, and responses below certain thresholds in current or 12-month adoption levels have been removed.

Adoption data is expressed as a percentage of total survey responses achieved for each vendor solution (**see Figure 76**). These charts are not market-size data. They are best used to view the predominant vendors in this category and to identify trends in future adoption plans.

ENTERPRISE BENEFIT VENDOR ADOPTION - ANALYST INSIGHTS:

Benefits technology, at the Enterprise size level, has to deal with two different, but not necessarily competing, drivers of success: the software must remain compliant in a highly-regulated space and must help drive talent, HR, and business outcomes. The solutions we see with the highest adoption are those that are able to manage these two major drivers either through their unified suite of tools (and data) such as with Workday, Oracle PeopleSoft and UKG Pro – which have the three highest adoption levels.

Next on this list of most adopted tools is Fidelity NetBenefits (or Plan Sponsor Webstation) which is not an ERP or HRMS suite but instead a dedicated Benefits technology platform, albeit one that is part of an expanded set of financial software.

The Benefits solutions that are expected to see the highest rates of growth in the following 12 months are Workday, Oracle HCM, PlanSource, Alight, and ADP which shows that buyers are not necessarily moving en masse towards a Benefits solution that is a standalone/point platform nor one that is part of a larger HR suite but instead are selecting solutions that are aligned with their organization's specific goals or that fulfill present and expected future needs.

Most of the solutions that are the fastest growing also are more likely to appear in RFPs, such as Oracle HCM, UKG Pro, and Workday but Businessolver also appears high on this list making them worthy of consideration as well.

Expected Growth Legend

↑ Substantial Growth

↗ Slight Growth

↔ Flat

↘ Slight Decline

↓ Substantial Decline

Expected growth calculations are based on the difference between current adoption and 12-month adoption plans, in addition to data points from future replacement plans.

FIGURE 77: BENEFITS VENDOR ADOPTION, MID-MARKET

M 🏢 500 - 4999 EE	Adoption Level Today	Expected Growth	12-Month Adoption Level	Appears in RFP
UKG Pro	20.12%	↑	21.32%	12.90%
Workday	12.01%	↑	13.81%	12.90%
Other Solution	9.31%	↑	9.91%	12.90%
Fidelity NetBenefits / PSW	8.11%	↔	8.11%	3.23%
ADP	6.91%	↗	7.21%	9.68%
WEX	4.50%	↔	4.50%	0.00%
PlanSource	4.20%	↓	3.60%	6.45%
Dayforce (Ceridian)	3.30%	↑	3.90%	3.23%
Office Productivity Tools	2.70%	↔	2.70%	0.00%
isolved	2.70%	↔	2.70%	0.00%
Mercer (All Solutions)	2.10%	↔	2.10%	3.23%
Aetna bswift	2.10%	↔	2.10%	0.00%
In-house Developed	1.80%	↔	1.80%	0.00%
UKG Ready	1.80%	↔	1.80%	0.00%
Paycor	1.80%	↗	2.10%	3.23%
Oracle HCM	1.50%	↔	1.50%	0.00%
Businessolver	1.50%	↔	1.50%	3.23%
Paylocity	1.50%	↔	1.50%	9.68%
Gallagher	1.50%	↔	1.50%	0.00%
Manulife	1.50%	↔	1.50%	3.23%
Oracle PeopleSoft	1.20%	↓	0.60%	0.00%
Empyrean Compass / Map	1.20%	↔	1.20%	0.00%

MID-MARKET BENEFITS VENDOR ADOPTION - ANALYST INSIGHTS:

In general, the mid-market has many vendor names that would look just as familiar in our HRMS charts, with very few pure Benefits solutions but also very few solutions that are highly-specialized to industry or region. Even Manulife, primarily serving Canada and Asia, also operated in the United States as John Hancock Financial has a broader range than might be expected.

Growth in the Mid-Market category is interestingly divided between the longtime market leaders, UKG Pro and Workday, with ADP, Dayforce, and Paycor all also showing growth in this segment.

Appearing in a high percentage of RFPs is another telltale sign of future adoption potential, and while UKG Pro and Workday also lead in this distinction, Paylocity and ADP are both high on the list for inclusion in RFPs meaning that many buyers consider them strong potential partners in addressing Mid-Market Benefits needs.

A final note is that Benefitfocus, SAP, BenefitFirst, Rippling, and Namely did not have the requisite adoption levels in our dataset to be included in Figure 77 but all have higher than average appearances in RFPs.

Expected Growth Legend

↑ Substantial Growth
↗ Slight Growth
↔ Flat
↘ Slight Decline
↓ Substantial Decline

Expected growth calculations are based on the difference between current adoption and 12-month adoption plans, in addition to data points from future replacement plans.

Note: These data sets do not equal 100%. Respondents often have multiple applications, and responses below certain thresholds in current or 12-month adoption levels have been removed.
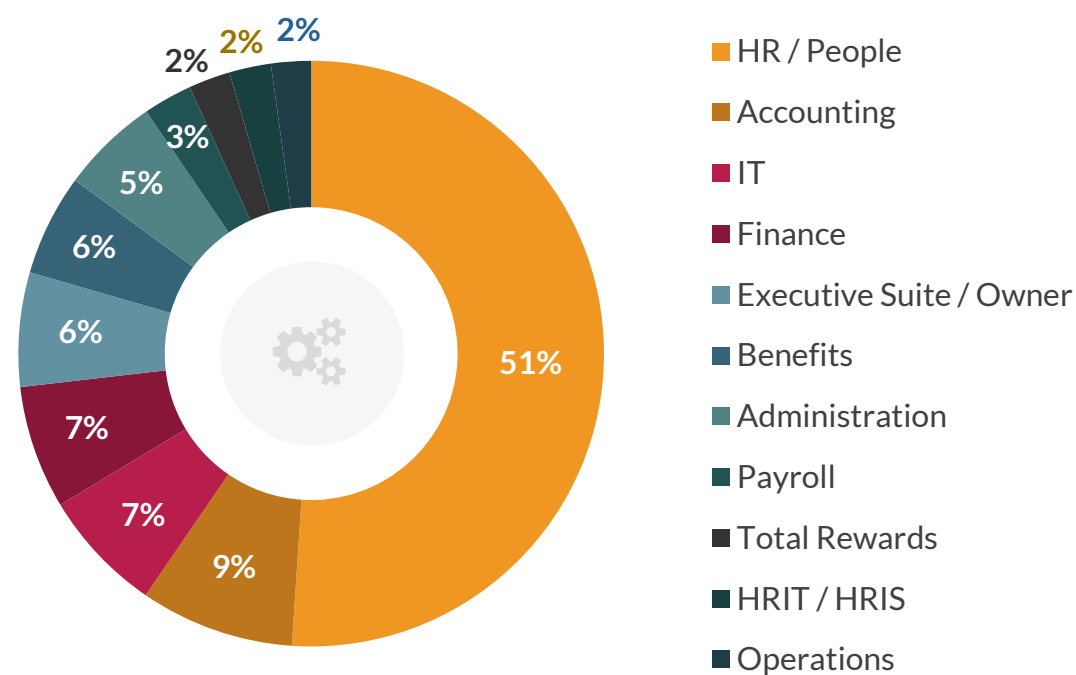
FIGURE 78: BENEFITS VENDOR ADOPTION, SMB

S **🏢** **<500 EE**

	Adoption Level Today	Expected Growth	12 Month Adoption Level	Appears in RFP
Other Solution	15.93%	↑	16.91%	18.75%
isolved	11.76%	↑	13.73%	9.38%
Employee Navigator	8.58%	↗	8.82%	0.00%
UKG Pro	6.62%	↔	6.62%	0.00%
ADP	5.88%	↗	6.37%	9.38%
In-house Developed	5.88%	↗	6.37%	3.13%
UKG Ready	5.39%	↑	6.86%	3.13%
Fidelity NetBenefits / PSW	5.15%	↘	4.90%	0.00%
Office Productivity Tools	4.41%	↔	4.41%	3.13%
Paylocity	4.17%	↗	4.41%	3.13%
Rippling	3.92%	↗	4.41%	6.25%
EASE	3.68%	↓	2.70%	0.00%
Paycor	2.45%	↔	2.45%	3.13%
Paycom	2.21%	↗	2.45%	12.50%
Gallagher	1.96%	↑	2.70%	0.00%
PlanSource	1.72%	↔	1.72%	3.13%
Paychex	1.72%	↔	1.72%	3.13%
WEX	1.47%	↔	1.47%	0.00%
Aetna bswift	1.23%	↔	1.23%	0.00%
Workday	0.98%	↗	1.23%	3.13%
Dayforce (Ceridian)	0.98%	↔	0.98%	0.00%
BenefitFirst	0.98%	↔	0.98%	0.00%

SMB BENEFITS VENDOR ADOPTION - ANALYST INSIGHTS:

The SMB market for Benefits solutions has consistently been where we have seen the most variety in solution providers, as evidenced by the large amount of region-specific solutions or those serving an industry niche, primarily found in the "Other Solution" category.

Besides those that fall in the "Other" category, the Benefit solution providers with the current highest adoption levels are isolved, Employee Navigator, UKG Pro and ADP. All of those solutions are also expected to grow in adoption in the coming 12 months, with the only exception being UKG Pro with an expected flat growth rate.

Other solutions we expect to increase in adoption in that same 12-month period from this chart are UKG Ready, Gallagher, Paylocity, Paycom, Rippling and Workday. Of all of those solutions, Paycom should be one to watch as it also appears in RFPs more often than any other single solution, followed closely by isolved and ADP.

Additionally, solutions that did not have enough adoption to meet the statistical threshold to appear in the SMB chart but are showing high expected growth are Telus Health, Infor HCM, and League.

As we will see later in this segment, overall User Experience and Vendor Satisfaction scores for Benefits solutions is slightly down but not significantly, and this seems to be related to the adoption levels of these solutions which also remains largely flat with only a few solutions marked by substantial growth or decline.

Expected Growth Legend

↑ Substantial Growth
↗ Slight Growth
↔ Flat
↘ Slight Decline
↓ Substantial Decline

Expected growth calculations are based on the difference between current adoption and 12-month adoption plans, in addition to data points from future replacement plans.

Note: These data sets do not equal 100%. Respondents often have multiple applications, and responses below certain thresholds in current or 12-month adoption levels have been removed.

Figures 76, 77 and 78 show that the Benefits landscape is still comprised of various vendors for different-sized organizations. This year, 25 vendor solutions meet a statistical threshold in our survey population across the various company size categories. Most vendors competing in this space now have the full complement of HR applications as part of their offerings – including HRMS, Time Management, Talent Management, and Analytics solutions.

Differentiators for Benefits include:

- Global reach

- Integration across internal systems

- User/Employee marketplaces

- Intelligent features*

Some benefits vendors did not reach the criteria needed to be included in our charts. Typically, these are industry-focused benefits solutions and newer and/or more internationally-focused benefits solutions. On average, 12% of organizations use a vendor in the other category. The most often mentioned solutions are:

- BambooHR
- CanadaLife
- Infor HCM
- Justworks

- SAP HCM
- Sequoia
- Telus Health
- TriNet Zenefits

FIGURE 79: DEPARTMENT THAT OWNS THE BENEFITS SOLUTION BUDGET

- HR / People — 51%
- Accounting — 9%
- IT — 7%
- Finance — 7%
- Executive Suite / Owner — 6%
- Benefits — 6%
- Administration — 5%
- Payroll — 3%
- Total Rewards — 2%
- HRIT / HRIS — 2%
- Operations — 2%

*By intelligent features, we refer to such technologies as machine learning and artificial intelligence.

Our annual **Benefits Voice of the Customer (VoC) User Experience (UX) and Vendor Satisfaction (VS) charts** show how similar buyers' perceptions are from one vendor to the next. Each year we ask survey respondents to rank the quality of their system's UX and VS on a scale of 1-5, and we average those ratings for each solution. This year the overall average scores in the **Benefits category are at 3.58 for UX and 3.52 for VS**. This is 1% lower than last year's Benefits averages and is in line with the general lowering of ratings we've seen across most categories. There were 24 vendor solutions that received the minimum validated customer ratings to make our **Benefits Voice of the Customer** charts this year.

FIGURE 80: BENEFITS VOC CHART, USER EXPERIENCE AND VENDOR SATISFACTION RATINGS

BENEFITS

Major factors driving vendor satisfaction and user experience ratings include:

Cost

Customer Service

Ease-of-use

Integrations

FIRST

SAPIENT
INSIGHTS GROUP

USER EXPERIENCE

BENEFITS

2024-2025

Our aggregate Voice of the Customer (VoC) User Experience (UX) and Vendor Satisfaction (VS) charts are valuable tools for obtaining a broad perspective of how the HR community is evaluating its current applications. Over the last 27 years, we have seen a wide range of customer ratings based on the global complexity and total workforce size managed within the application.

To provide more context to this data, we analyze the solutions that achieve the highest average rankings from multi-sourced validated responses in three company size categories. The solutions must reach a minimum statistical threshold of responses in the respective size categories to qualify for this analysis.

The figure below shows the solutions achieving the Top Five average user experience ratings in the benefits and wellness category by company size. We call out the solution that received the highest rating and then list the remainder of the **Top Five in alphabetical order**.

FIGURE 81:
TOP FIVE (OUT OF 43) VOC RATINGS – BY COMPANY SIZE

User Experience

ENTERPRISE, ≥5000 EE BENEFITS

TOP

#1 **Fidelity NetBenefits/PSW**

Top 5 Dayforce (Ceridian)

Top 5 Oracle HCM

Top 5 UKG Pro

Top 5 Workday

MID-MARKET, 500 - 4999 EE BENEFITS

TOP

#1 **isolved**

Top 5 Fidelity NetBenefits/PSW

Top 5 Mercer (All Solutions)

Top 5 WEX

Top 5 Workday

SMB, <500 EE BENEFITS

TOP

#1 **Rippling**

Top 5 EASE

Top 5 Employee Navigator

Top 5 Fidelity NetBenefits/PSW

Top 5 isolved

**FIGURE 82:
TOP FIVE (OUT OF 43)
VOC RATINGS – BY
COMPANY SIZE**

**Vendor
Satisfaction**

ENTERPRISE, ≥5000 EE BENEFITS

TOP

#1	Fidelity NetBenefits/PSW	
Top 5	Dayforce (Ceridian)	
Top 5	Oracle HCM	
Top 5	UKG Pro	
Top 5	Workday	

MID-MARKET, 500 - 4999 EE BENEFITS

TOP

#1	Fidelity NetBenefits/PSW	
Top 5	ADP	
Top 5	isolved	
Top 5	WEX	
Top 5	Workday	

SMB, <500 EE BENEFITS

TOP

#1	Rippling	
Top 5	EASE	
Top 5	Employee Navigator	
Top 5	Fidelity NetBenefits/PSW	
Top 5	isolved	

FIRST

SAPIENT
INSIGHTS GROUP

VENDOR SATISFACTION

BENEFITS

2024-2025

In the figure shown on this page, we provide a snapshot of the solutions achieving the Top Five average vendor satisfaction ratings in the benefits category by company size. Survey participants were asked to rate their satisfaction with the relationship, including their vendors' services and support. We then highlight the solution that received the highest rating and then list the remainder of the **Top Five in alphabetical order**.

*Full adoption details and breakdowns of data by company size can be accessed through our research subscriptions, contact us at Research@SapientInsights.com for further information.

The benefits market in all size categories continues its movement towards equality across systems. It takes something special for vendors to differentiate themselves in user experience and vendor satisfaction.

The top factors given for low user experience and vendor satisfaction ratings include:

- Difficult to use
- Poor integrations
- Providers' changes
- Unreachable customer service

The top factors given for high user experience ratings include:

- Seamless integrations
- Intuitive user experience
- Low error rates

The top factors given for high vendor satisfaction ratings include:

- Vendor responsiveness
- Strong account management

The quote shown to the right is pulled at random from the criticisms received and is not a reflection of any vendors on this page:

> We experienced a lack of support from our account manager and the changeover to their HSA was a very difficult transition and they still do not offer us the customer support we desire.

Healthcare / Pharma 790+ EE

ENTERPRISE BENEFITS UX AND VS RATINGS - ANALYST INSIGHTS:

At the enterprise level, Fidelity NetBenefits was the highest rated system for both user experience and vendor satisfaction. The Fidelity NetBenefits platform is geared for large organizations as it centralizes benefits, including retirement savings, healthcare plans, and even stock options. The consolidation of disparate benefits is ideal for enterprise organizations, as well as those in the mid-market. Survey takers often praised this all-in-one aspect and called out the educational resources and tools available for employees through the platform.

> **FIDELITY NETBENEFITS CUSTOMER QUOTES:**
> Good company with reasonable fees and good customer service.

Healthcare / Pharma 9000+ EE

Workday, Dayforce, UKG Pro, and Oracle HCM were the other benefit solution providers in the Top Five of our VoC rankings. Unlike Fidelity, these providers have been traditionally associated with larger HCM and ERP solutions. However, as these solution providers move towards creating a true, all-inclusive suite of HR tools for large organizations, it is becoming common to see them also associated with benefits administration. Workday recently launched a new Wellness AI aggregator solution to help companies access real-time benefit information into the usage of benefits and wellness offerings – and is an example of the type of balance broader HCM solutions are addressing with solution provider partners in this space.

That being said, the fact that these four vendors were all so highly-rated in such a large data set means they are doing more than simply adding in benefits-related functionality. In fact, all four were consistently praised for their systems' ability to integrate easily and without errors, an absolute necessity for reporting. The other common compliment was that these benefits systems tied directly and seamlessly to payroll systems and in extension easily managed benefit deductsion, critical when dealing with such an important aspect of an employee's experience.

MID-MARKET — BENEFITS UX AND VS RATINGS - ANALYST INSIGHTS:

At the Mid-Market level, an interesting distinction occurred in VoC ratings. isolved was the highest-rated platform for user experience, and Fidelity NetBenefits was the highest-rated for vendor satisfaction. While both providers were very highly rated overall, isolved was specifically called out for its customer service, and survey respondents highlighted the functionality of Fidelity's platform.

ISOLVED CUSTOMER QUOTES:
isolved is easy to reach when needed.

Construction / Real Estate 500+ EE

FIDELITY CUSTOMER QUOTES:
Fidelity continues to stay on top of the ever-changing compliance regulations and is ahead of the game on implementing solutions.

Government / Defense 1600+ EE

ADP, Mercer, Workday, and Wex round out the Top Five in user experience or vendor satisfaction. It is at the Mid-Market level where VoC ratings begin to highlight speciality benefits providers. WEX is notable not just for its breadth of coverage, with over 800k customers globally, but also for its specialization in fleet management. Mercer, known more for their Benefits consultation services in the US, has multiple solutions including their Darwin International benefits platform. Mercer takes a different route by using its industry and consulting knowledge to bring a data-driven approach to benefits management.

SMB — BENEFITS UX AND VS RATINGS - ANALYST INSIGHTS:

Rippling is a new HCM solution making waves this year in our overall SMB dataset. Customers gave very high SMB VoC ratings for its benefits and wellness module, repeatedly calling out the ease of integrations which allowed for centralized benefits management on a single platform, leading to reduced administrative time and costs. We should note that more than 50% of Rippling's responding customers currently had the solution deployed for less than one year.

RIPPLING CUSTOMER QUOTES:
It's incredibly easy to use, and the integrations are nearly seamless. It's easy to navigate for both admins and team members.

Healthcare / Pharma 65+ EE

The other solution providers in the Top Five in VoC rankings are Ease, Employee Navigator, isolved, and Fidelity NetBenefits. In the past, Employee Navigator has been viewed primarily as a point solution benefits and wellness platform. However, its success in building out a true suite is evident by its high ranking in this year's HRMS VoC chart as well. Ease, on the other hand, is first and foremost a benefits solution. Customers frequently cite its ability to handle nearly every type of benefit in a simplified manner, as well as its exemplary customer service. Appearing in both the enterprise and SMB size categories, Fidelity NetBenefits shows that its platform and service models are not specific to a particular company type but are instead a valued solution across organizational sizes and industries. While not specializing in benefits, isolved's customers specifically complimented the company on its ability to partner with them to meet their needs.

Benefit systems have a major impact on the lives of employees and their families, yet they are often overlooked when we talk about employee experiences. In 2024, only **18%** of respondents said their current benefit applications are always meeting their business needs, a noticeable decrease over last year's **23%.** This number is disappointing considering the importance of these applications. However, **62%** of survey respondents feel their systems are meeting their needs most of the time.

Confidence in the Benefits "meeting our business needs" slightly decreased this year, going from 81% in 2023 to 80% in 2024.

The top reasons given for Benefit solutions gaps in meeting business expectations were customization and configuration issues and integrations with financial or other HCM systems. These were followed by gaps in functionality which can be a significant problem for any organization in a highly regulated environment.

BENEFITS APPLICATION

In **Figure 83**, we provide a snapshot of the percentage of survey respondents who noted their specific Benefits solution met current business needs always or most of the time. Both Rippling and isolved should be noted for the high percentage of users who indicated their solutions always met their needs. Taken as a whole, Benefits solutions that were highly rated in either UX or VS also tend to be those we see here.

FIGURE 83: DOES YOUR BENEFITS AND WELLNESS SYSTEM MEET CURRENT BUSINESS NEEDS?
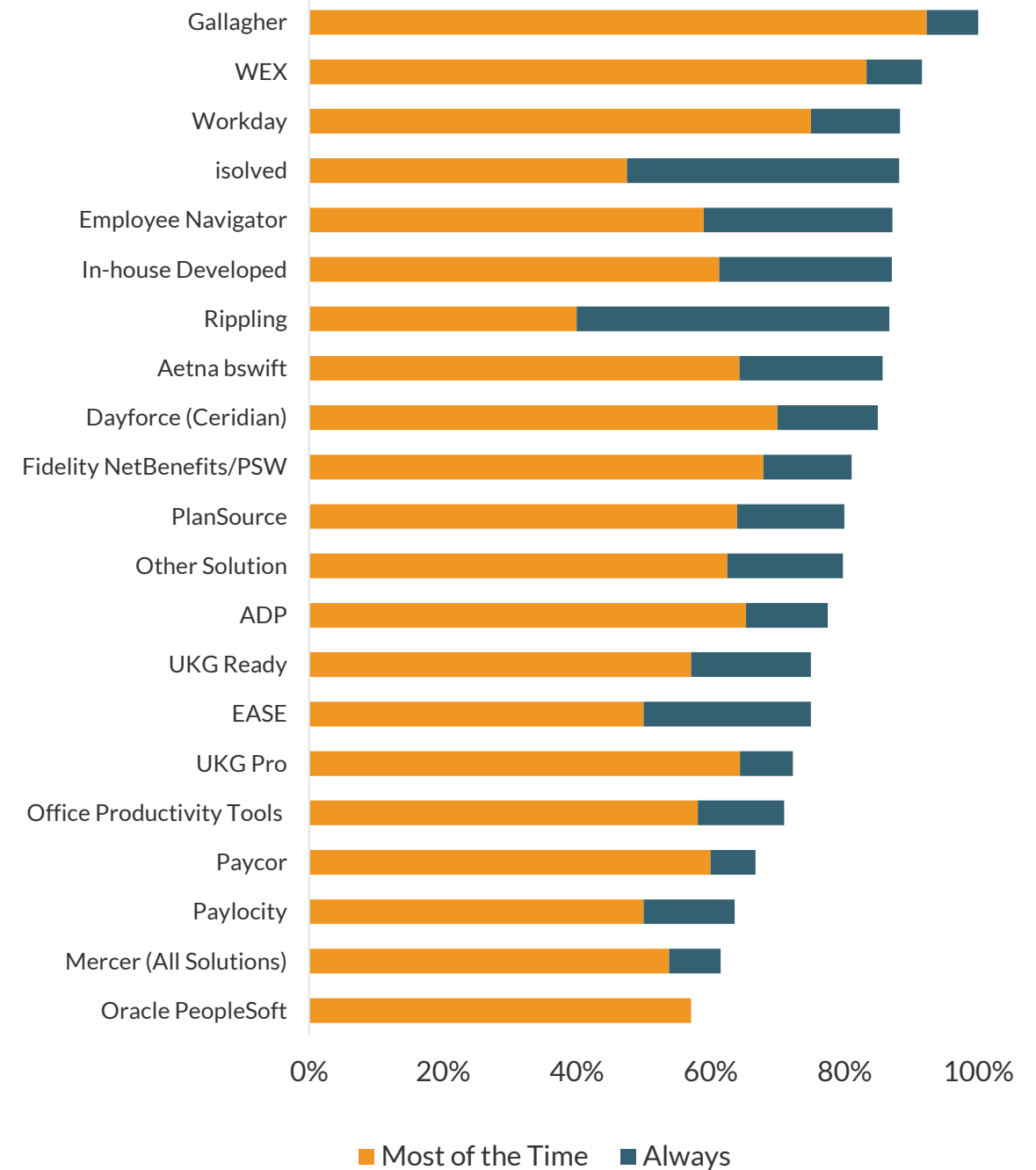
Legend: ■ Most of the Time ■ Always

TOP BENEFITS APPLICATION GAPS IN MEETING BUSINESS NEEDS

BENEFITS APPLICATION

- Customization / Configuration   **40%**
- Integration Challenges   **37%**
- Gaps in Functionality   **30%**

As seen in the customer quotes provided for each of the highlighted challenges, there is definite frustration on the part of benefit administrators with these major gaps. Customization challenges, integration gaps, and even basic functionality were all commonly mentioned. The sensitive nature of benefits data means that it requires more restrictions on access than most people data (already heavily restricted). The initial purchase and implementation of these systems should be a joint effort between HR and IT whenever possible to help mitigate these issues early before they become a cause for an entire system change.

CUSTOMIZATION / CONFIGURATION GAPS:

Would like more customization within benefits enrollment (i.e. if employee is enrolling in medical, employee has this set of benefit options versus someone who is not enrolling in medical has this other set of benefit options).

Retail / Wholesale 600+ EE

INTEGRATION GAPS:

Files fail for the smallest detail.

Business / Professional Services 800+ EE

FUNCTIONALITY CHALLENGES:

inflexibility of off-cycle for M&A to have certain new hire waiting periods waived.

Healthcare 1000+ EE

REPORTING CHALLENGES:

No analytics of either benefits usage and [health] baskets.

High-tech 700+ EE

FIGURE 84: ARE YOU PLANNING TO CHANGE YOUR CURRENT BENEFITS SYSTEM(S)?

Workday
In-house Developed
Fidelity NetBenefits / PSW
Paycor
Rippling
Employee Navigator
Gallagher
isolved
WEX
Aetna bswift
Mercer (All Solutions)
Office Productivity Tools
Oracle HCM
UKG Pro
UKG Ready
ADP
Dayforce (Ceridian)
Other Solution
Paycom
PlanSource
Paylocity
EASE
Oracle PeopleSoft

0%   20%   40%   60%   80%   100%

■ No Plans to Change   ■ Changing Soon   ■ In RFP
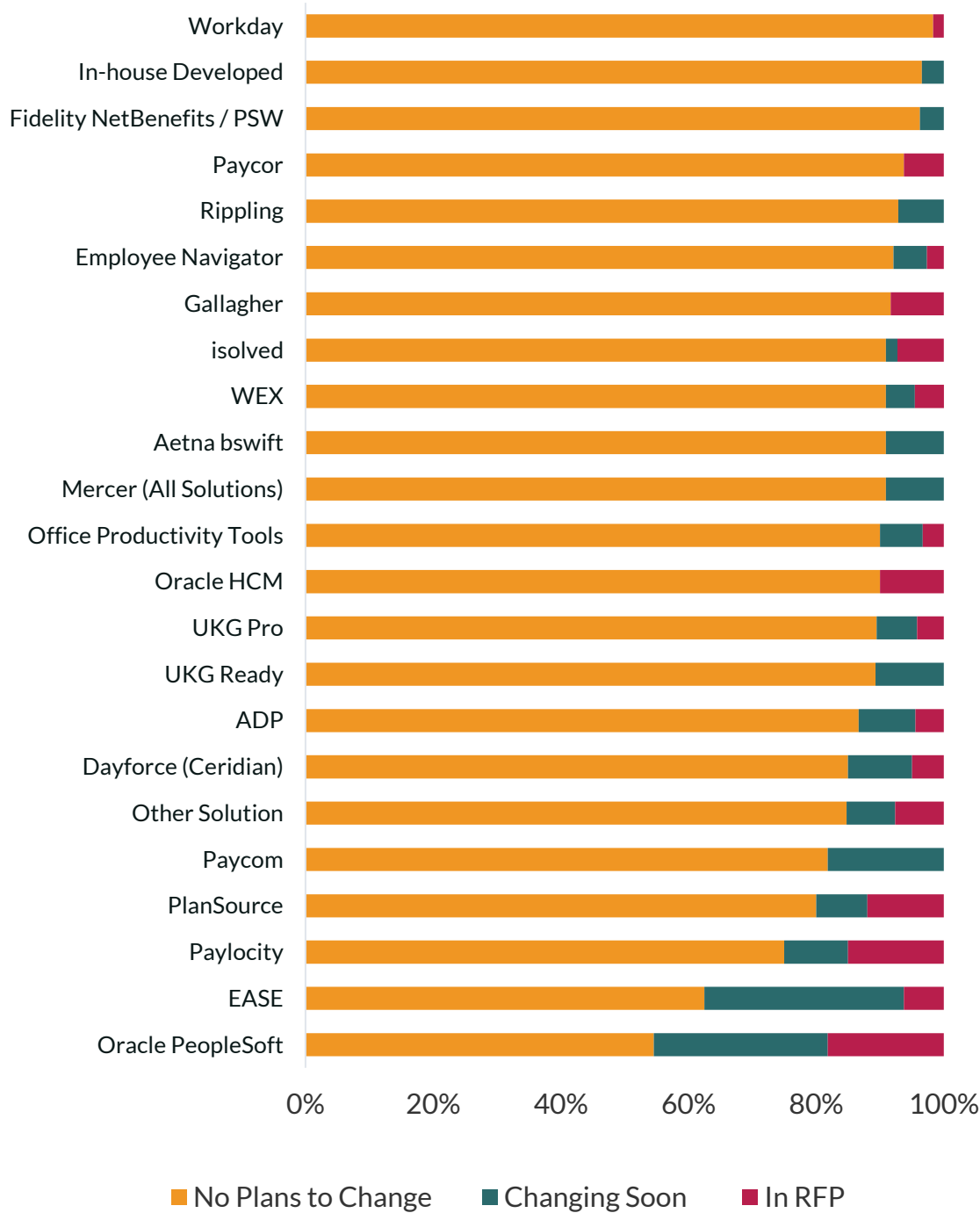
Since the benefits market often goes through periods of flux due to changing regulatory environments and changing employee needs, the decision to stay with or leave a systems provider generally comes down to program offerings, resources, and wellness programs. Following are several reasons responders provided for potentially changing their providers:

- Data accuracy issues
- Lack of global support
- Systems too complex/difficult to use
- Integrations difficult or result in errors

As illustrated in **Figure 84** the majority of benefits systems users do not feel the need to change current solution providers, despite occasional challenges. Our analysis suggests that organizations will likely expand the utilization of their existing HR platforms for managing their benefit systems, as evidenced by the consolidated adoption data presented below. However, we anticipate a growing demand for enhanced integration capabilities and more seamless connections with applications supporting newer benefit offerings.

Benefits Purchasing Approach	Today	12 Months
ERP / HRMS Suite[1]	13%	15%
Payroll / HRMS Suite	51%	55%
Point Solution / Service Provider	36%	36%

[1.] Enterprise Resource Planning (ERP) is a category of enterprise software that typically integrates financials, HR, manufacturing, order processing, and customer relationship management.

BUSINESS NEEDS AND OPPORTUNITIES

Employee expectations of the benefits experience are evolving, driven by demographic changes and the increasing use of technology in decision-making processes. Today, mobile accessibility and intuitive interfaces are seen as fundamental, rather than competitive differentiators. Benefits systems are now standing out by offering expanded educational resources, support resources, and guidance on taking best advantage of benefit packages. The competition in this application space continues to intensify, with new benefit platforms incorporating AI, financial metrics, and forecasting. Despite these advancements, we've observed a trend where organizations are retaining their benefit systems (in terms of application deployment) for longer periods than in the recent past. **Today, the average tenure for Benefits applications stands at nine years.**

Additional emerging trends to watch in this category include:

- Increased integration and use of financial wellness tools

- Chatbots, agents, and other AI-driven communication tools

- Expansion of reproductive health and pregnancy support benefits

- Robotics processing for benefit confirmations

- Global benefit platforms

- Decision-making support and education tools

> Benefit enrollments are intuitive and support mobile users.

Trade / Specialty Services 46000+ EE

DIGITAL WELLNESS PLATFORMS

Many companies recognize that employees' most impactful interactions often revolve around benefits, whether they are traditional medical benefits or newer discretionary offerings. Due to this, system providers are taking a more platform-centric approach to benefits and wellness. Our research, as illustrated in **Figure 85**, reveals that 37% of organizations have already implemented a wellness platform for their workforce. Furthermore, an additional 8% of companies are actively planning to introduce a wellness platform within the next three years. While 71% of enterprise organization have already adopted a wellness platform.

FIGURE 85: DO YOU OFFER A DIGITAL WELLNESS PLATFORM?

- 37%
- 55%
- 4%
- 4%

Legend:
- ■ In Use
- ■ Budgeted 12 Months
- ■ Forecasted 24-36m
- ■ No Plans
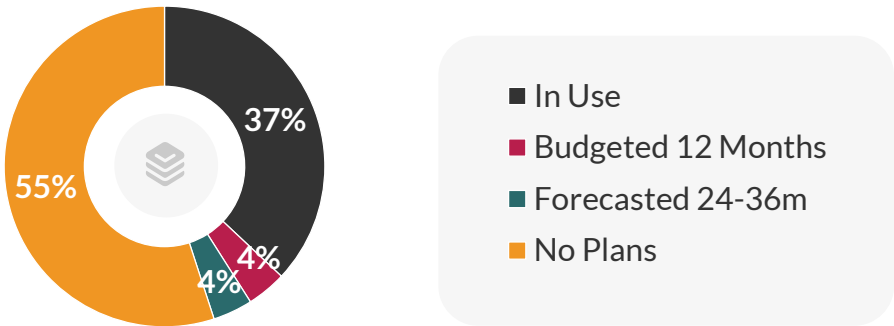
We also asked organizations what their primary business case was for implementing a digital wellness platform:

• Improve Health / Mental Behaviors	**29%**
• Free with Benefit / Insurance	**24%**
• Improve Employee Morale / Engagement	**15%**
• Lower Insurance Cost	**15%**
• Improves Organizational Culture	**12%**

Benefits offerings continue to expand and evolve with the needs of the workforce. Expect to see more offerings in mental wellness, financial wellness, and even social wellness in the coming years.

VOICE OF THE CUSTOMER
HR SERVICE DELIVERY

HR SERVICE

9/14 SECTION

VOICE OF THE CUSTOMER HR SERVICE DELIVERY

HR service delivery systems grew as a category out of the need to deliver a wide range of HR services to multiple stakeholders in an efficient, effective, and engaging manner. These applications manage the HR experience, communication, content, and data sharing that is part of an HR organization's service delivery model. They are often considered the front-door to the HR systems experience.

Our Voice of the Customer section of the paper is based directly on feedback, ratings, and comments from customers of these applications.

For more details on our methodology for all Voice of the Customer charts and research, see our **Research and Methodology section of this paper**.

HOW THESE SYSTEMS MAKE A DIFFERENCE!

Applications we track in this category include:

Category	Adoption
Employee Self-Service	90%
Manager Self-Service	58%
HR Portals and Communications	63%
HR Content and Document Management	60%
Employee Engagement/ Surveys	60%
Employee Help Desk/Case Management	43%

Manager Self-Service

Lots of possibilities for future expansion in terms of employee and manager self-service.

Financial Services / Insurance 1150+ EE

Employee Self-Service

Good source for storing info and allows a modern, digital self-help experience for our employees.

Business / Professional Services 6400+ EE

HR Portal

The [solution's] employee portal is a great addition to our communication and employee services.

Manufacturing 500+ EE

HR Content Management

We use [our solution] for content management and electronic signatures. This service is convenient and saves time and resources.

Non-Profit 24+ EE

Employee Help Desk

An integrated solution across help desk and content management for both employees and customers.

High-Tech 15+ EE

Engagement/Surveys

We utilize [our solution] mostly for exit surveys, and overall they are a good partner that is easy to work with.

High-Tech 104000+ EE

HR SERVICE DELIVERY SYSTEMS

The HR Service Delivery (HRSD) category started with simple self-service add-ons to the HRMS environment but continues to evolve and change frequently. Today HRSDs encompass a whole series of service functions listed in **Figure 86**.

FIGURE 86: HR SERVICE DELIVERY APPLICATION DEFINITIONS

HR Portal / Communications	A unified online location to access HR content, information, and communication; often called HR hubs or HR information centers.
Employee Self-Service	Applications that help employees manage their own personal information, complete HR tasks, and access relevant HR data.
Manager Self-Service	Applications that provide organizational leaders with access to their employee's / teams' information and initiate manager-related HR activities
Content / Document Management	Document management and workflow applications that support the need to receive, track, manage, and store HR documentation.
Employee Help Desk / Case Management	Applications that support the tracking and resolution of HR-related employee inquiries, usually made to a call center.
Survey / Feedback / Engagement Platforms	Applications that facilitate two-way communication and data sharing with employees; these include tools for gathering and analyzing survey, engagement, and activity data.

The perceived administrative nature of these applications can undermine their strategic importance. These applications shape the HR experience for employees and managers alike, instantly setting expectations of HR's role in the organization. Matching these systems with an organizational culture is critical when seeking to build an authentic relationship with the workforce and align people activities with business outcomes.

The disconnect in this understanding is evident in **Figure 88**, which shows that HR controls the HRSD budget in only **41%** of organizations, a dramatic drop from **59%** in 2023. This only underscores how these solutions are being misclassified.

HR Service Delivery applications handle our most protected employee information and are often accessed during times of great emotional stress — when starting a new job, getting a promotion, growing a family, dealing with health issues, and losing loved ones. Elevating the role of these applications is not only strategic but absolutely necessary as we focus on keeping humanity at the center of our work environments.

FIGURE 87: REASONS FOR NOT IMPLEMENTING SELF-SERVICE

Manager Reasons					
57%	27%	21%	16%	9%	3%
Prefer HR Controls Data	Not a Priority of Leadership	Managers Lack Skills to Use	No Business Case	No Access to Needed Tech	Cost

Employee Reasons					
30%	28%	23%	21%	20%	11%
Not a Priority of Leadership	Employees Lack Skills to Use	Other	No Access to Needed Tech	No Business Case	Cost

Manager Reasons ■   Employee Reasons ■
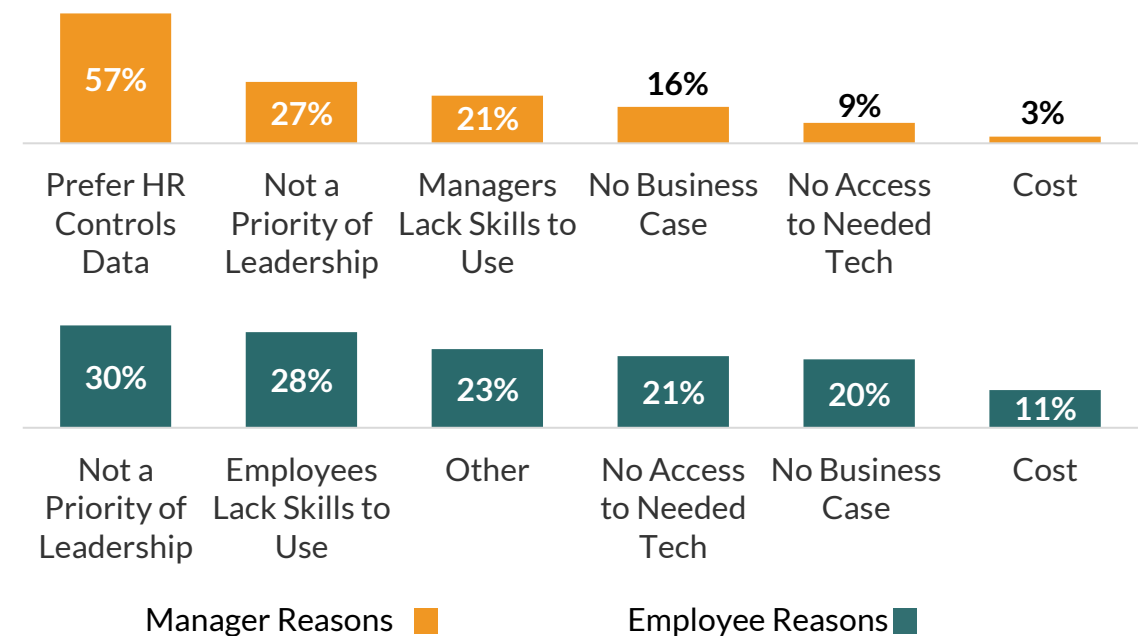
If these service delivery applications are hard to use, poorly adopted, or not even deployed for multiple reasons, as seen in **Figure 87**, this can result in lowered outcomes, which in turn feeds back into these reasons, creating a vicious cycle.

The procurement of HR service delivery applications varies, often reflecting an organization's vision for its workforce experiences. Contemporary firms typically combine multiple applications to craft their desired HR service delivery environment. Generally, they select one of the three application categories below as their primary service delivery platform:

- HRMS
- HR Help Desk
- Employee Experience

HRSD employee experience is intrinsically linked to system familiarity, irrespective of the application type or combination employed. The relationships between existing employees and an organization's service delivery needs may explain the trend illustrated in **Figure 89**, where an overwhelming **87%** of all survey respondents indicate that "no change" is planned for their current HRSD solutions. This high retention rate suggests that employee experiences are positive or a reluctance to disrupt established workflows.

CORE HRMS CUSTOMER QUOTES:

The greatest compliment to [name] as our HR service delivery solution is the potential for streamlining and automating.

Manufacturing 115 + EE

FIGURE 88: DEPARTMENTS THAT OWN HRSD BUDGET

DEPARTMENT	Percentage
HR / People	41%
Information Technology (IT)	22%
Accounting / Finance	13%

FIGURE 89: HR SERVICE DELIVERY REPLACEMENT PLANS

E **≥5000 EE**: No Change 89% | Yes, Decision Made 6% | Yes, In RFP 5%

M **500 – 4999 EE**: No Change 84% | Yes, Decision Made 9% | Yes, In RFP 7%

S **< 500 EE**: No Change 88% | Yes, Decision Made 7% | Yes, In RFP 5%

Legend: ■ No Change ■ Yes, Decision Made ■ Yes, In RFP
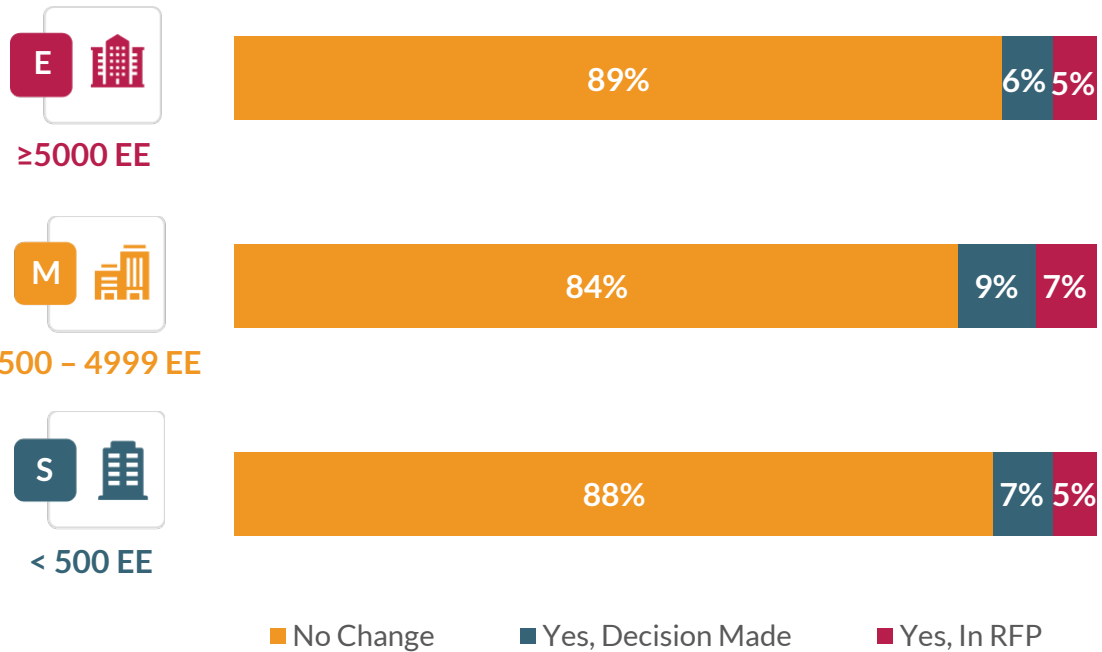
COLLABORATION SOLUTION CUSTOMER QUOTES:

We love using [our solution]. It is easy to use and flexible. As an administrator, I find their software easy to customize.

Manufacturing 37000+ EE

HR HELP DESK CUSTOMER QUOTES:

Love how connected it is with the rest of our system.

Healthcare / Pharma 3400+ EE

HR service delivery models and workforce experiences are inextricably linked. Our data indicates that HR departments continuously balance multiple factors when crafting a comprehensive workforce experience. Recent additions to the HR Service Delivery model of AI-driven elements only make that balancing act more complicated. HR must weigh high-touch versus low-touch service delivery and collaboration versus self-reliant workforce experiences – all weighed against desired business and employee outcomes.

A low-touch, self-service model for all employees might achieve the business goal of reducing HR costs. However, it could inadvertently create an isolating experience for employees and increased workloads for new supervisors. In this category, HR technology should serve dual purposes: efficiently delivering HR services and collecting experiential data and feedback. Such solutions ensure an environment that achieves organizational objectives and desired personal outcomes. Only 35% of organizations have a role or function responsible for the Employee Experience – jumping to 50% for Enterprise.

FIGURE 90: HR SERVICE DELIVERY AND WORKFORCE EXPERIENCE MODEL

High Touch

Business Outcome

Experience Collaboration

- Wellness
- Learning
- Performance
- Rewards
- Career/Mobility
- Onboarding

- Talent Solutions
- Engagement Point Solutions
- Work Tech

Intelligent Data Gathering

Intelligent AI Guidance

- Relationships
- Journeys
- Collaboration

AI AGENTS

SERVICE DELIVERY

- Employee Self-Service (Workflows)
- Manager Self-Service (Workflows)
- Portal/Communication
- Help Desks/Chat Bots
- Survey/Feedback Tools

- ERPS/HRMS
- HR Service Delivery
- Time Management

- HR Front Door
- Self-Reliance
- Work Flexibility

WORKFORCE EXPERIENCE

Tactical AI Chatbots

Low Touch

Personal Outcomes

Experience Self Service

FIGURE 91: WHAT IS THE STATUS OF USE OF THE FOLLOWING HR SERVICE DELIVERY MODELS

HR Generalists — 62%

Self-Service Applications — 56%

HR Business Partners — 54%

Shared Service Centers — 23%

Centers of Excellence — 21%

Digital Chat Bots — 10%

Offshore Outsourcing — 6%

Onshore Outsourcing — 3%
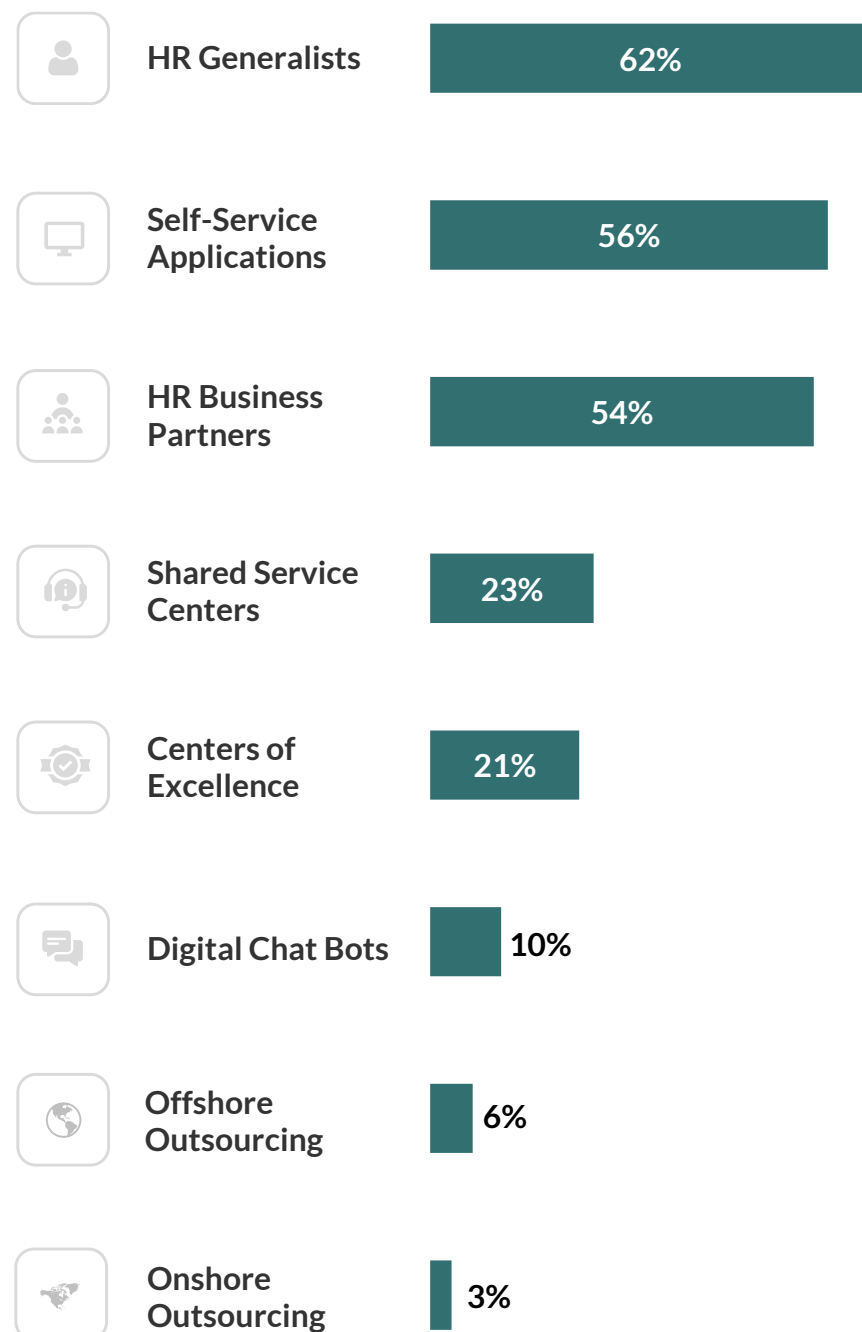
How HR-related services are delivered to employees varies widely. In some organizations, HR generalists or HR business partners assume responsibility for ensuring employees receive the needed services. In others, service delivery is funneled through centralized call centers, employee self-service, or even completely outsourced. Most organizations utilize a combination of these approaches to create their HR Service Delivery Model

A service delivery model generally describes the services to be provided and usually includes the infrastructure and management needed to provide those services. Sophisticated service delivery models are documented, with clearly defined stakeholders and service level agreements.

The most common HR service delivery approaches are:

- HR Generalists
- Self-Service Applications
- HR Business Partners
- HR Shared Service Centers
- Centers of Excellence
- Digital Assistants or Chatbots

As **Figure 91** illustrates, over 54% of respondents indicate that their organizations use HR generalists, HR business partners, or self-service solutions for service delivery. Likely, most of these organizations are combining self-service with a dedicated HR staff member. Recent years have seen consistent growth in the adoption of self-service and HR content management tools. However, this year, we saw a 17% decrease (compared to 2023) in the use of shared service centers and HR centers of excellence. The use of digital chatbots also dropped from 16% in 2023 to 10% this year. These declines highlight a shift in HR Service Delivery practices, possibly driven by AI investments.

HR technology sits solidly in the middle of these service delivery models providing a vehicle through which the experiences can be tailored into workflows, journeys, front doors, accessible information, and feedback. It is also a great avenue for setting cultural expectations, rewarding behaviors, and engaging the workforce.

AI IN HRSD

AI and machine learning are rapidly transforming HR Service Delivery (HRSD) systems, enabling organizations to streamline processes and enhance employee experiences and business outcomes. Just as we looked at how these technologies are being deployed across various HR functions, the following gives an overview of some of the unique ways these technologies are being used explicitly in HRSD.
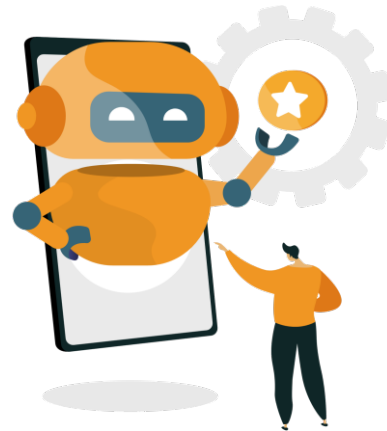
> Over 30% of HR functions that have adopted an artificial intelligence (AI) element in their HR Systems environment are using it to:
>
> - Improve HR process efficiency
> - Handle HR related questions
> - Update employee / HR documentation

HRSD use cases are three of the top five ways organizations are leveraging AI today.

FIGURE 92: OVERALL PERCENTAGE OF ORGANIZATIONS USING ALL FORMS OF AI HRSD FEATURES IN 2024-2025

- 32% In Use
- 6% Budgeted 12m
- 4% Forecasted 24-36m
- 58% Not In Use
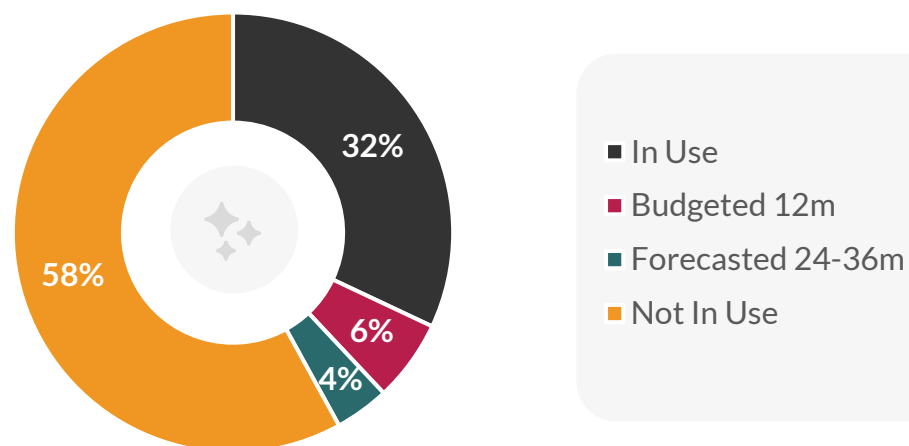
HR Service Delivery applications were early adopters of branching logic, workflow design tools, and predictive analytics – even before the shift to newer machine learning (ML) algorithms, These applications have quickly implemented natural language processing (NLP) and newer generative AI solutions like large language models (LLM).

One of the most significant applications of AI and ML in HR service delivery is employee self-service. Chatbots and virtual assistants, powered initially by logic-based algorithms, are now shifting to true AI. These solutions are quickly being utilized to answer employee questions about benefits, policies, and procedures – while also assessing the value of the answers and adjusting output with minimal HR guidance. The 24/7 access and self-updating nature of these AI applications reduces the burden on HR staff and improves employee satisfaction. These were some of the earliest applications of AI/ML in the greater world of HR tech and remain some of the easiest to prove return on investment.

Additionally, AI-driven analytics can identify patterns in employee inquiries and suggest improvements to HR processes. Large language models can similarly examine full-text employee inquiries and comments to find patterns and perform sentiment analysis to get an honest, objective sense of employee emotions during major organizational events.

When the most challenging HR issues are escalated to HR staff, they now have AI agents with details to help personalize the conversation, suggest appropriate language, and orchestrate the next steps, ensuring the proper parties are brought into the following conversations. HR listening applications are now gathering environmental data through emails and operation platforms before diving deeper into conversations with insights valued by the employees. By automating routine tasks and providing data-driven insights, these technologies enable HR professionals to focus on the human being in front of them and deliver exceptional employee experiences.

As these technologies continue to evolve, they promise to optimize HR operations further, leading to improved productivity and satisfaction for everyone, but not without some considerations that should inform any major AI technology decisions.

> There is no area of in HR technology where the use of AI and ML does not offer some potential drawbacks and risks to consider. One major concern is the potential for bias in AI algorithms, which can lead to discriminatory outcomes. Additionally, there is a risk of job displacement as AI automates routine HR tasks – requiring everyone in HR to shift to more strategic work. HR task automation may also be used solely for cutting costs in the form of salaries. To mitigate these risks, it is essential for organizations to implement ethical AI practices and invest in employee training and development to prepare for the changing workforce.

FIGURE 93: HRSD VENDOR ADOPTION, ENTERPRISE

E ≥5000 EE	Adoption Level Today	Expected Growth	12-Month Adoption Level	Appears in RFP
ServiceNow	18.37%	↑	19.83%	15.38%
Microsoft SharePoint	9.60%	↗	10.02%	0.00%
Dovetail	8.56%	↑	9.39%	0.00%
Other Solution	6.89%	↗	7.31%	15.38%
Microsoft Viva / Teams	5.64%	↑	6.26%	0.00%
In-house Developed	4.80%	↓	4.18%	0.00%
UKG HR Service Delivery	4.38%	↑	5.22%	0.00%
Workday Help	3.55%	↑	4.59%	7.69%
Office Productivity Tools	3.55%	↗	3.97%	0.00%
DocuSign	2.92%	↑	3.76%	0.00%
Qualtrics	2.71%	↗	3.13%	15.38%
Microsoft Glint	2.51%	↗	2.92%	7.69%
ADP	2.30%	↑	2.92%	0.00%
Generic IT Help Desk	2.09%	↗	2.51%	0.00%
Survey Monkey Momentive	2.09%	↔	2.09%	0.00%
SAP SuccessFactors	1.88%	↑	2.92%	7.69%
UKG Employee Voice	1.88%	↗	2.09%	0.00%
Willis Towers Watson – AskHR	1.67%	↘	1.25%	0.00%
Oracle HCM	1.46%	↑	2.30%	7.69%
Salesforce.com	1.46%	↔	1.46%	0.00%
Zendesk	1.46%	↗	1.67%	0.00%

The HR Service Delivery Vendor Adoption chart is expressed as a percentage of the total survey responses achieved for each vendor solution and broken down by organization size (**see Figures 93, 94, 95**). Please note, these charts are not market-size data.

ENTERPRISE HR SERVICE DELIVERY ADOPTION - ANALYST INSIGHTS:

Enterprise organizations often use HR applications outside of their HRMS for service delivery. The increasing number of solutions in this category has led to lower adoption percentages, though overall growth expectations for most vendors remain high. ServiceNow is the most highly adopted HRSD solution for enterprise respondents, especially when IT is involved in procurement.

Microsoft's Office 365 suite is another commonly-chosen solution due to its ubiquity across many existing organizations. Dovetail, an HR-focused help desk solution, which we noted for its growth in the last two years is now the third-most adopted solution among our users.

UKG HR Service Delivery, like Dovetail, was on this chart in 2023 but had not achieved the level of adoption in our dataset that we see this year, although it was marked for growth, much as it is this year.

RFPs are critical in this category, where features and modules differ greatly – the highest named RFP placements include SericeNow, Qualtrics, Workday Help, Microsoft Glint, SAP SuccessFactors, and Oracle HCM. The expansion of vendors in this category continues to impact adoption trends across applications.

Expected Growth Legend

↑ Substantial Growth
↗ Slight Growth
↔ Flat
↘ Slight Decline
↓ Substantial Decline

Expected growth calculations are based on the difference between current adoption and 12-month adoption plans, in addition to data points from future replacement plans.

Note: These data sets do not equal 100%. Respondents often have multiple applications, and responses below certain thresholds in current or 12-month adoption levels have been removed.

FIGURE 94: HRSD VENDOR ADOPTION, MID-MARKET

M 500 - 4999 EE	Adoption Level Today	Expected Growth	12-Month Adoption Level	Appears in RFP
Other Solution	12.90%	⬆	14.00%	11.32%
Microsoft SharePoint	10.81%	↗	10.93%	0.00%
UKG HR Service Delivery	10.44%	⬆	13.88%	9.43%
In-house Developed	8.11%	↘	7.74%	0.00%
Office Productivity Tools	5.16%	↘	5.04%	0.00%
DocuSign	5.16%	↔	5.16%	0.00%
Microsoft Viva / Teams	4.79%	↔	4.79%	1.89%
UKG Employee Voice	4.67%	⬆	7.00%	5.66%
ServiceNow	3.07%	⬆	3.93%	0.00%
Qualtrics	2.95%	↗	3.07%	5.66%
Dovetail	2.70%	↗	2.83%	0.00%
Survey Monkey Momentive	2.70%	↘	2.58%	1.89%
ADP	2.46%	↔	2.46%	3.77%
Dayforce (Ceridian)	2.21%	↗	2.33%	3.77%
Workday Help	2.09%	↗	2.58%	5.66%
Generic IT Help Desk	1.72%	↗	1.84%	0.00%
Freshworks Freshdesk	1.72%	↘	1.60%	1.89%
Atlassian Jira	1.60%	↔	1.60%	1.89%
Workday Peakon	1.47%	⬆	2.09%	7.55%
CultureAmp	1.47%	⬆	1.97%	5.66%
isolved	1.11%	↗	1.23%	0.00%
Paycom	1.11%	↘	0.74%	1.89%
HiBob	0.98%	↔	0.98%	0.00%
Paycor	0.98%	↔	0.98%	3.77%
SAP SuccessFactors	0.86%	↗	1.23%	3.77%
Zendesk	0.86%	↘	0.74%	0.00%
Infor HCM	0.86%	↘	0.74%	0.00%

MID-MARKET HR SERVICE DELIVERY ADOPTION - ANALYST INSIGHTS:

The Mid-Market segment once again shows the most significant growth in our survey data. This year, 27 vendor solutions met this category's statistical criteria for current or future adoption. Microsoft SharePoint leads in current adoption and has very high predicted future use. Users cite its ubiquity of use and its facilitation of high levels of collaboration.

UKG HR Service Delivery shows nearly identical adoption rates, but its highest overall 12-month outlook and frequent RFP appearances suggest it may top the list by 2025.

UKG HR Service Delivery is the most prominent in RFPs., but the next most frequently appearing are Workday Peakon, CultureAmp, Qualtrics, and UKG Employee Voice. While not included in this chart due to insufficient survey responses, Paylocity also appears in a high percentage of RFPs and warrants monitoring in the coming year.

The use of in-house developed solutions sharply declined by 50%, indicating that HRSD providers' functionality and perceived value now better aligns with market expectations.

Expected Growth Legend

⬆ Substantial Growth

↗ Slight Growth

↔ Flat

↘ Slight Decline

⬇ Substantial Decline

Expected growth calculations are based on the difference between current adoption and 12-month adoption plans, in addition to data points from future replacement plans.

Note: These data sets do not equal 100%. Respondents often have multiple applications, and responses below certain thresholds in current or 12-month adoption levels have been removed.

FIGURE 95: HR SERVICE DELIVERY VENDOR ADOPTION, SMB

S 🏢 <500 EE	Adoption Level Today	Expected Growth	12-Month Adoption Level	Appears in RFP
Other Solution	14.50%	↑	15.65%	9.09%
isolved	10.02%	↗	10.50%	2.27%
In-house Developed	8.87%	↘	8.78%	2.27%
Microsoft SharePoint	8.30%	↑	9.26%	4.55%
Office Productivity Tools	6.87%	↗	6.97%	2.27%
HiBob	6.39%	↗	6.49%	2.27%
Microsoft Viva / Teams	5.53%	↑	6.20%	0.00%
ADP	4.77%	↗	4.96%	11.36%
Paylocity	4.20%	↗	4.58%	0.00%
DocuSign	4.01%	↗	4.20%	2.27%
UKG HR Service Delivery	3.72%	↗	4.01%	2.27%
Survey Monkey Momentive	2.48%	↗	2.67%	2.27%
Paycor	2.48%	↗	2.67%	6.82%
BambooHR	2.10%	↗	2.58%	2.27%
Paychex Oasis / Flex	1.81%	↘	1.72%	0.00%
Paycom	1.34%	↗	1.62%	6.82%
Mitratech (Mineral)	1.24%	↗	1.34%	2.27%
Atlassian Jira	1.15%	↗	1.24%	0.00%
Salesforce.com	1.05%	↗	1.24%	2.27%
Generic IT Help Desk	0.86%	↘	0.76%	0.00%
CultureAmp	0.86%	↔	0.86%	4.55%
UKG Employee Voice	0.76%	↔	0.76%	0.00%
Dayforce (Ceridian)	0.76%	↗	0.86%	0.00%
Qualtrics	0.57%	↔	0.57%	2.27%
Zendesk	0.57%	↗	0.76%	0.00%
Lattice	0.57%	↗	0.95%	4.55%

SMB HR SERVICE DELIVERY SOLUTION ADOPTION - ANALYST INSIGHTS:

In the SMB HR service delivery market, we observe widespread increases in solutions with core HRMS functionality; these have the highest combined growth and are frequently used as comprehensive solutions for this category.

"Other" (solutions not meeting statistical requirements) and systems developed in-house remain among the top three solutions used by SMB's. Our data shows in-house solutions are slightly declining by 2025. Of the external systems reaching our statistical threshold, isolved, Microsoft SharePoint, and HiBob lead the adoption chart. HiBob's emergence is notable since it was absent from the 2023 chart and is now one of the top solutions with projected continued growth. Three other vendors that showed growth in the next 12 months but did not make the chart are Microsoft Glint, Neocase HR, and ApplaudHR.

ADP is worth noting because it is the solution most likely to appear in RFPs and is likely favored by those organizations already using other ADP offerings. ADP users comment positively about ADP's integration across its HR applications. Just as in adoption, we would like to note vendors that appeared in a high percentage of RFPs that didn't make the chart due to low adoption levels: Workday Help and Workday Peakon.

While SMBs are often perceived as lacking complexity for document management, case management, or employee feedback solutions, their smaller HR functions often benefit most from streamlining processes, automating content updates, and digitizing employee and manager support. These seemingly tactical activities, when executed consistently and accurately, can significantly contribute to long-term strategic outcomes.

Expected Growth Legend
↑ Substantial Growth
↗ Slight Growth
↔ Flat
↘ Slight Decline
↓ Substantial Decline

Expected growth calculations are based on the difference between current adoption and 12-month adoption plans, in addition to data points from future replacement plans.

Note: These data sets do not equal 100%. Respondents often have multiple applications, and responses below certain thresholds in current or 12-month adoption levels have been removed.

Figure 95 on the preceding page illustrates the increasing fragmentation of the HR service delivery landscape, with solutions and vendors offering diverse feature sets. This year's survey data across various size categories yielded 36 vendor solutions meeting our inclusion criteria. The majority of vendors in this space consider these capabilities as complementary to their primary offerings rather than core products. This trend reflects the evolving nature of HR service delivery solutions and the growing emphasis on comprehensive, integrated platforms in the HR technology market.

The most common "other" vendors that did not meet the criteria for inclusion in our data set include a mix of enterprise and niche players. On average, 12% of organizations use a vendor in the other category; the most often mentioned solutions are:

Differentiators for HRSD solutions include:

- Cost
- Ease of use
- Customization
- Accessibility
- Analytics and Reporting
- Intelligent and/or AI-backed functionality

- 15Five
- ApplaudHR
- Deltek
- Frontier ichris
- Infor HCM
- Neocase HR
- Oracle PeopleSoft
- Rippling
- Sage People
- Willis Towers Watson –AskHR

Each year, we ask survey respondents to rank the quality of their system's userexperience and vendorsatisfaction on a scale of 1-5, and we average those ratings for each solution. This year the overall average scores for this category sit at 3.65 (UX) and 3.67 (VS), a 1% increase from last year's HRSD averages. This year, 24 vendor solutions received the minimum validated customer ratings to make our HRSD VoC chart this year.

Due to the evolving buying patterns in this category, we've decided to separate the **HRSD Voice of the Customer (VoC) User Experience and Vendor Satisfaction charts into three major functionality areas: Help Desk/Case Management Solutions, Self-Service Solutions, and Engagement Solutions**.

HRSD HELP DESK SOLUTIONS:

Buyers who make these applications their primary service delivery tools are often looking to create economies of scale, by serving more employees with fewer HR resources using streamlined processes and supported technology. Organizations often find that beyond the cost savings, these applications add real value in both improved employee and HR engagement, along with more environmental data for employee-focused decision making.

FIGURE 96: HRSD HELP DESK, VOICE OF THE CUSTOMER USER EXPERIENCE AND VENDOR SATISFACTION CHART
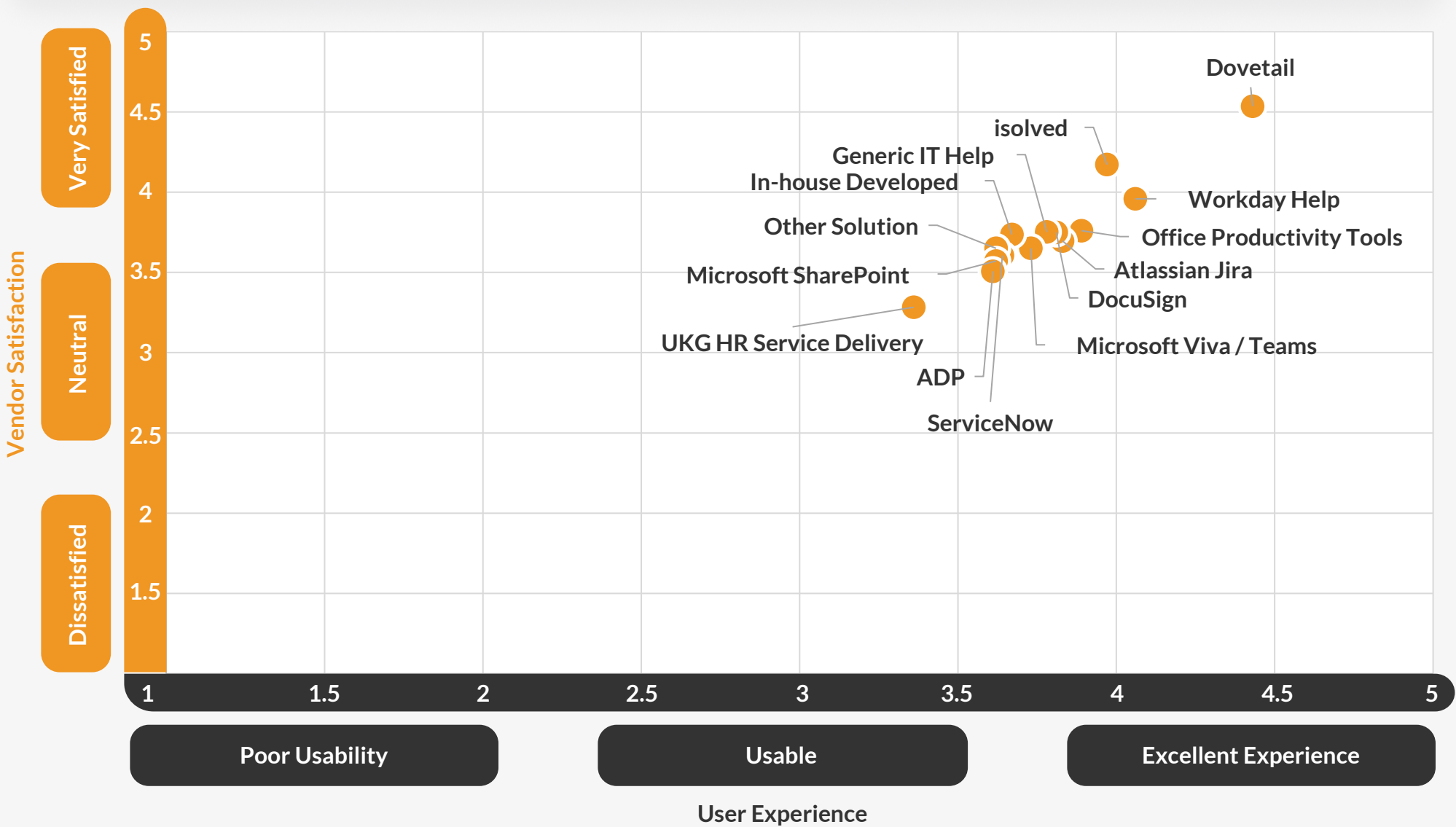
HRSD

HELP DESK

Major factors driving vendor satisfaction and user experience ratings include:

Ease of Use

Integrations

Cost

Accuracy

HRSD SELF-SERVICE SOLUTIONS:

This category encompasses a diverse array of HRMS, HR service delivery, and portal technologies. These solutions empower HR to design and implement workflows, facilitate employee and manager completion of HR and work-related tasks, collect essential employee data for process execution, and disseminate crucial information and documents.

Currently, these platforms represent the most widely adopted solutions for addressing HR service delivery requirements; several overlap with HR help desk functionalities. Given their predominantly practical feature sets, purchasers typically prioritize convenience and cost-effectiveness when selecting solutions to fulfil these needs.

FIGURE 97: HR SERVICE DELIVERY SELF-SERVICE, VOICE OF THE CUSTOMER USER EXPERIENCE AND VENDOR SATISFACTION CHART
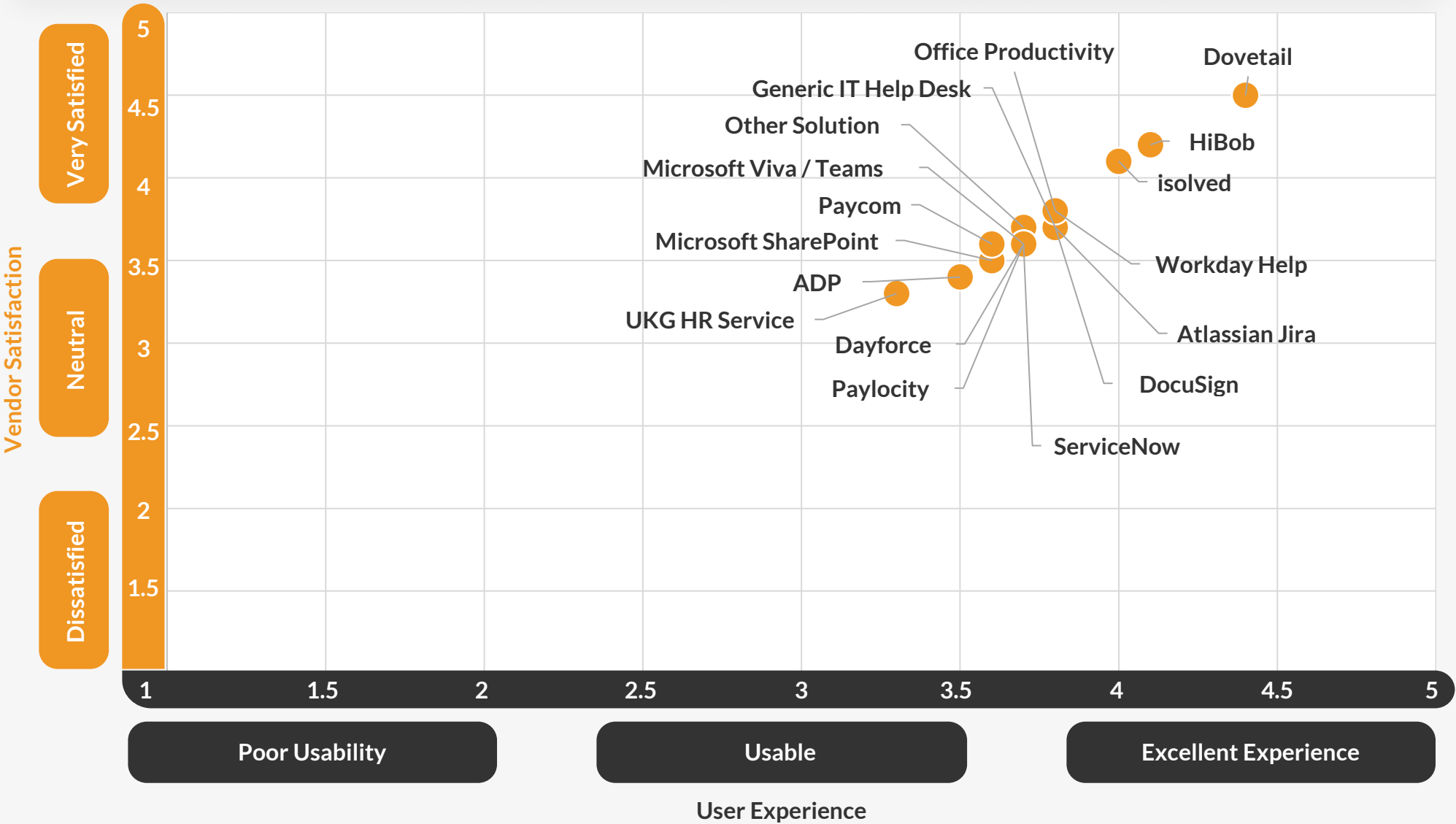
HRSD

SELF SERVICE

Major factors driving vendor satisfaction and user experience ratings include:

Cost

Ease of Use

Customization (Admin)

Ppersonalization (User)

FIRST

SAPIENT
INSIGHTS GROUP

USER EXPERIENCE

HRSD

2024-2025

Our aggregate Voice of the Customer (VoC) User Experience (UX) and Vendor Satisfaction (VS) charts are valuable tools for obtaining a broad perspective of how the HR community evaluates currently used applications. The ratings are based exclusively on feedback from validated survey respondents.

To provide more context to this data, we analyze the solutions that achieve the highest average rankings from multi-sourced validated responses in the three company-size categories. To qualify for this analysis, the solutions must reach a minimum statistical threshold of responses in the respective size categories.

Below are the solutions achieving the Top Five ratings for user experience for HR Service Delivery systems by company size. We call out the solution that received the highest rating and then list the remainder of the **Top Five in alphabetical order.**

Full adoption details and breakdowns of data by company size can be accessed through our research subscriptions, contact us at Research@SapientInsights.com for further information.

**FIGURE 98:
TOP FIVE (OUT OF 39) VOC RATINGS BY COMPANY SIZE**

User Experience
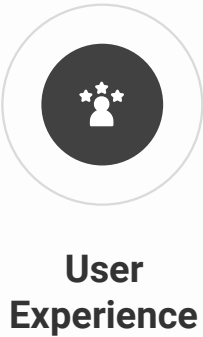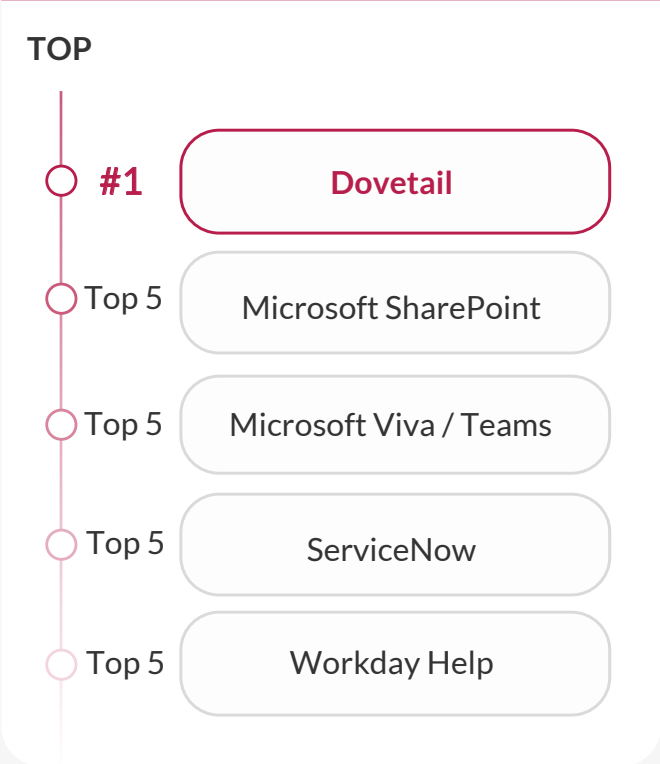
ENTERPRISE, ≥5000 EE HR SERVICE DELIVERY SYSTEMS	MID-MARKET, 500 - 4999 EE HR SERVICE DELIVERY SYSTEMS	SMB, <500 EE HR SERVICE DELIVERY SYSTEMS
TOP	**TOP**	**TOP**
#1 Dovetail	#1 Workday Help	#1 HiBob
Top 5 Microsoft SharePoint	Top 5 Atlassian Jira	Top 5 DocuSign
Top 5 Microsoft Viva / Teams	Top 5 Dayforce (Ceridian)	Top 5 isolved
Top 5 ServiceNow	Top 5 DocuSign	Top 5 Microsoft SharePoint
Top 5 Workday Help	Top 5 ServiceNow	Top 5 Microsoft Viva / Teams
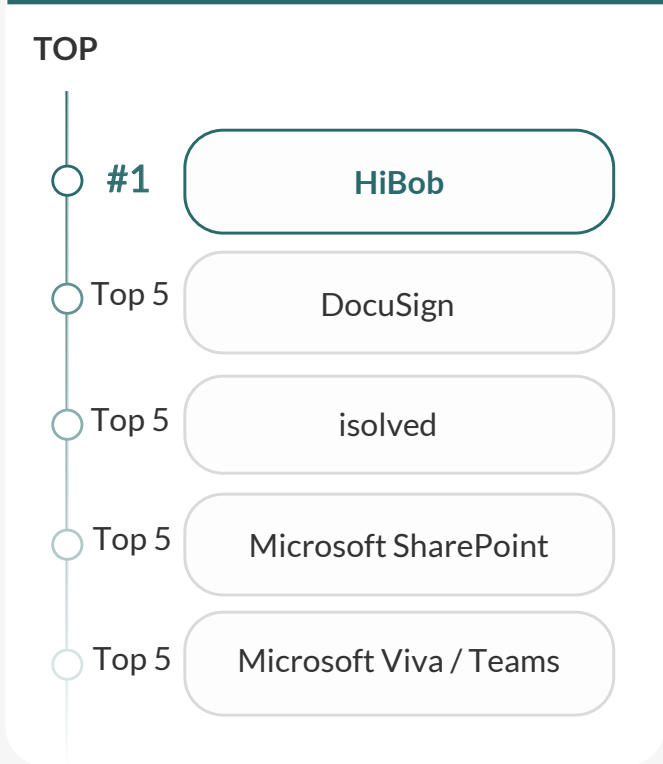
**FIGURE 99:
TOP FIVE (OUT OF 39)
VOC RATINGS BY
COMPANY SIZE**

**Vendor
Satisfaction**

ENTERPRISE, ≥5000 EE
HR SERVICE DELIVERY SYSTEMS

TOP

#1	**Dovetail**
Top 5	Microsoft Viva / Teams
Top 5	ServiceNow
Top 5	UKG HR Service Delivery
Top 5	Workday Help

MID-MARKET, 500 - 4999 EE
HR SERVICE DELIVERY SYSTEMS

TOP

#1	**Workday Help**
Top 5	Atlassian Jira
Top 5	Dayforce (Ceridian)
Top 5	DocuSign
Top 5	ServiceNow

SMB, <500 EE
HR SERVICE DELIVERY SYSTEMS

TOP

#1	**HiBob**
Top 5	BambooHR
Top 5	DocuSign
Top 5	isolved
Top 5	Mitratech (Mineral)

The figure above shows the solutions achieving the Top Five average **vendor satisfaction** ratings in the HR Service Delivery category by company size. Survey participants were asked to rate their satisfaction with their relationship with their HR Service Delivery vendor, including its services and support. **We highlight the solution that received the highest rating and then list the remainder of the Top Five in alphabetical order.**

FIRST

SAPIENT
INSIGHTS GROUP

VENDOR SATISFACTION

HRSD

2024-2025

*Full adoption details and breakdowns of data by company size can be accessed through our research subscriptions. Contact us at Research@SapientInsights.com for further information.

As HR service delivery systems become more standardized and buyers become clearer on their expectations and needs, the Vendor Satisfaction and User Experience ratings will start to balance. Currently vender ratings are widely dispersed.

The top factors given for low user experience and vendor satisfaction ratings:

- No / low integrations
- Data accuracy concerns
- Cost concerns
- Security / authorization challenges
- Lack of customization

The top factors given for high user experience ratings include:

- Ease-of use
- Integrations across multiple platforms
- Simple interface

The top factors given for high vendor satisfaction ratings include:

- Quick ticket resolution
- Helpful, hands-on account managers
- Dedicated support staff
- Partner and user communities

The quote shown to the right is pulled at random from the criticisms received and is not a reflection of any vendors on this page:

> Our HRSD solution does not make it easy to find analytics, report data, or to perform searches.

Healthcare 7000+ EE

ENTERPRISE | **HR SERVICE DELIVERY UX AND VS RATINGS – ANALYST INSIGHTS:**

Dovetail achieved the top overall ratings for both user experience and vendor satisfaction for the enterprise segment. Its platform includes features like automated workflows, case management, and self-service portals, all of which can help HR teams handle employee inquiries, provide support, and enhance overall employee satisfaction. According to customer comments, Dovetail's customization options set it apart from other solutions.

DOVETAIL CUSTOMER QUOTES:

> Dovetail's platform is extremely customizable, user friendly and its search capabilities are Google-like. No special IT developers are needed to customize it.

Government / Defense 1000+ EE

Workday Help, has been available for only four years but has already ranked in the Top 5 for Voice of Customer (VoC) ratings in both user experience and vendor satisfaction among enterprise-level organizations. We continue to anticipate significant growth in adoption within this category.

Microsoft has been has been utilizing the interoperability of its productivity and HR tools for some time. With its advanced data capabilities and proprietary AI assistance, Microsoft is effectively meeting market demands. Its platforms, including SharePoint, Viva, and Teams, received high ratings among this year's HR Service Delivery solutions.

The ServiceNow solution has experienced several years of increasing adoption in this category by capitalizing on existing customer relationships with organizations already using its IT help desk, asset management, and workflow applications. Buyers seeking convenience, a focus on multi-application integrations, and standardized experiences across IT and HR shared service solutions often find this to be a cost-effective and efficient service delivery tool. This year, ServiceNow has heavily invested in additional workflow tools, automation, and AI analysis.

MID-MARKET — HR SERVICE DELIVERY UX AND VS RATINGS - ANALYST INSIGHTS:

Workday Help had the highest user experience and vendor satisfaction ratings for HRSD systems in the mid-market category. As enterprise users noted, the biggest advantage of Workday Help is the easy integration with other Workday modules, such as HRMS, payroll, and benefits. The shared platform helps reduce inaccuracies in reporting and helps create more impactful reports. Users also brought up the integrated nature of the HRSD functions for completing day-to-day tasks.

WORKDAY HELP CUSTOMER QUOTES:
Workday Help is a basic tool native within Workday that makes it easy for employees to connect with HR.

Healthcare / Pharma 4600+ EE

In the mid-market segment, we also observe solid ratings for Dayforce in both user experience and vendor satisfaction, mirroring overall performance at the enterprise level. While the Dayforce platform covers most major categories in our report, many mid-market customers find their HRSD features, including workflow tools, forms, communication tools, and user analytics, to be seamlessly integrated within the comprehensive Dayforce suite.

The other solutions in the Top Five in user experience and vendor satisfaction for the mid-market category are DocuSign, ServiceNow, and Atlassian Jira. These solutions function as conventional HR service delivery platforms but focus on specific or niche HR workflows, particularly those involving project management, incident tracking, and HR service desk operations.

SMB — HR SERVICE DELIVERY UX AND VS RATINGS – ANALYST INSIGHTS:

HiBob, achieved the highest-rated HRSD solution in the SMB category this year, a standout from many other HRMS providers simply by focusing on employee engagement and experience. The simplicity of design and DIY configuration features mean that SMBs can streamline HR processes and improve employee communications without the complexity that is often associated with traditional HRSD solutions (which are usually designed primarily for larger organizations).

HIBOB CUSTOMER QUOTES:
HiBob has an excellent user experience and provides some easy ways to communicate with employees..

Education 80+ EE

Mineral received the highest user experience and vendor satisfaction ratings in our VoC charts last year. At the beginning of 2024, Mineral was purchased by Mitratech, and at the same time, Mitratech acquired Syntrio. These acquisitions turned Mitratech into one of the global compliance technology leaders almost overnight. This change of ownership has not detracted from the Mineral/Mitratech platform's ability to help small to mid-size businesses remain compliant while simultaneously improving their employee experience, as evidenced by their appearance in the Top Five this year for vendor satisfaction.

The other solutions appearing in the Top Five ratings in vendor satisfaction were BambooHR, Docusign, and isolved. In user experience, the Top Five were MS Sharepoint and MS Viva/Teams, Docusign, and isolved. BambooHR, Docusign, and isolved were all in the Top 5 in 2023, and all of their user comments point to their ability to meet specific organizational needs regardless of organizational size. Microsoft's two solutions on this list speak to the company's ability to leverage its growing suite of solutions and remain competitive in pricing even for smaller organizations.

HRSD ENGAGEMENT SOLUTIONS:

The spectrum of HRSD engagement applications spans from conventional survey instruments to employee listening platforms to wellness or reward systems centered on workforce engagement. Additionally, we have been seeing productivity tools like Microsoft entering this arena, leveraging its extensive data on work behaviors to offer tailored communication, sharing, and enterprise workflow solutions that enhance workforce experiences and deepen organizational insights into employee engagement. While these solutions often intersect closely with other HR application domains such as talent management or time management, our survey participants currently categorize their primary ownership or procurement function within their HR service delivery or shared-services departments.

FIGURE 100: HRSD ENGAGEMENT, VOICE OF THE CUSTOMER USER EXPERIENCE AND VENDOR SATISFACTION CHART
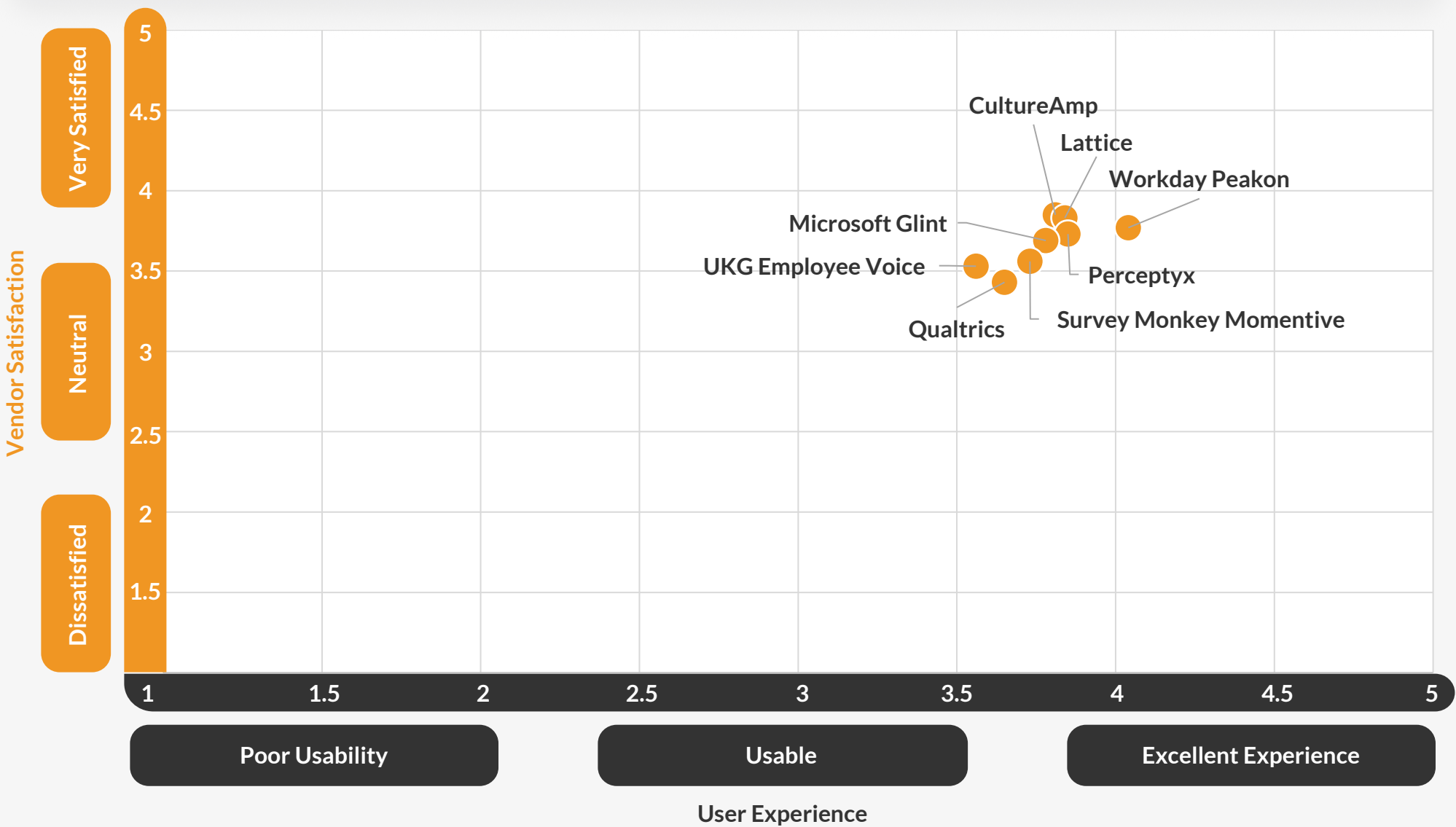
HRSD

ENGAGEMENT

Major factors driving vendor satisfaction and user experience ratings include:

Cost

Personalization

Accuracy

Data and Analytics Capabilites

**FIGURE 101:
TOP FIVE (OUT OF 21)
VOC RATINGS IN
AGGREGATE**

**User Experience
& Vendor
Satisfaction**

ENGAGEMENT SURVEY SYSTEMS USER EXPERIENCE

TOP

#1	**Workday Peakon**
Top 5	CultureAmp
Top 5	Lattice
Top 5	Microsoft Glint
Top 5	Perceptyx

ENGAGEMENT SURVEY SYSTEMS VENDOR SATISFACTION

TOP

#1	**CultureAmp**
Top 5	Lattice
Top 5	Microsoft Glint
Top 5	Perceptyx
Top 5	Workday Peakon

FIRST

SAPIENT
INSIGHTS GROUP

USER EXPERIENCE

*Engagement
Surveys*
2024-2025

FIRST

SAPIENT
INSIGHTS GROUP

VENDOR SATISFACTION

*Engagement
Surveys*
2024-2025

*Full adoption details and breakdowns of data by company size can be accessed through our research subscriptions. Contact us at Research@SapientInsights.com for further information.

The HR service delivery category is rapidly evolving and is at the center of today's employee experience conversations. This year, **54%** of respondents believe their primary HR service delivery application meets their business needs most of the time and 17% believe it always meets their needs.

Only 17% of organizations are confident that their primary HR service delivery solutions are always meeting their employee experience and business needs

Why are organizations struggling with these solutions? Over **38%** of respondents stated that the top reasons were either a lack of customization or functionality gaps. Currently these applications continue to be viewed as incomplete with room for improvement.

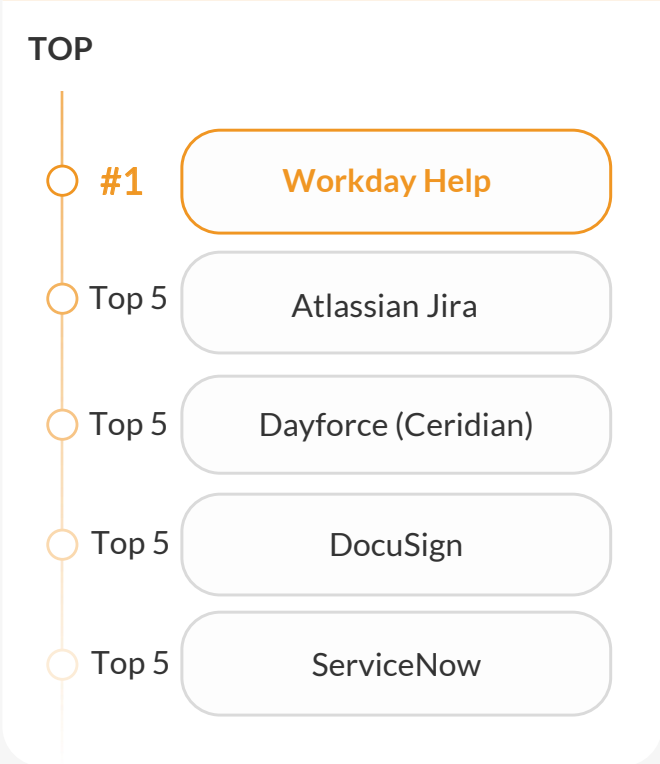## TOP HR SERVICE DELIVERY GAPS IN MEETING BUSINESS NEEDS

HR SERVICE DELIVERY APPLICATIONS

- Gaps in customization options — **39%**
- Gaps in overall functionality — **38%**

A way to frame this data is to see it as how the current employee experience is achieved through an organization's HR systems and processes. When we asked respondents to describe the employee experience gained through the use of their HR systems, 32% chose a culture of collaboration and teamwork (**Figure 102**). We saw a slight drop this year in organizations that felt they had no experience or fragmented experience, but we still have over a quarter of organizations struggling with this issue.

FIGURE 102: DESCRIPTION THAT BEST FITS YOUR CURRENT HR SYSTEMS EMPLOYEE EXPERIENCE

Description	Percentage
A Culture of Collaboration and Teamwork	32%
No Standard Experience	15%
A Disjointed / Fragmented Experience	12%
A Culture of Standards / Policy	9%
A Culture of Innovation / Work Flexibility	9%
A Culture of Belonging	9%
A Manager-led Culture	6%
A Culture of Self-reliance	3%
A Culture of Diversity	3%
A Consumer Grade-experience	2%
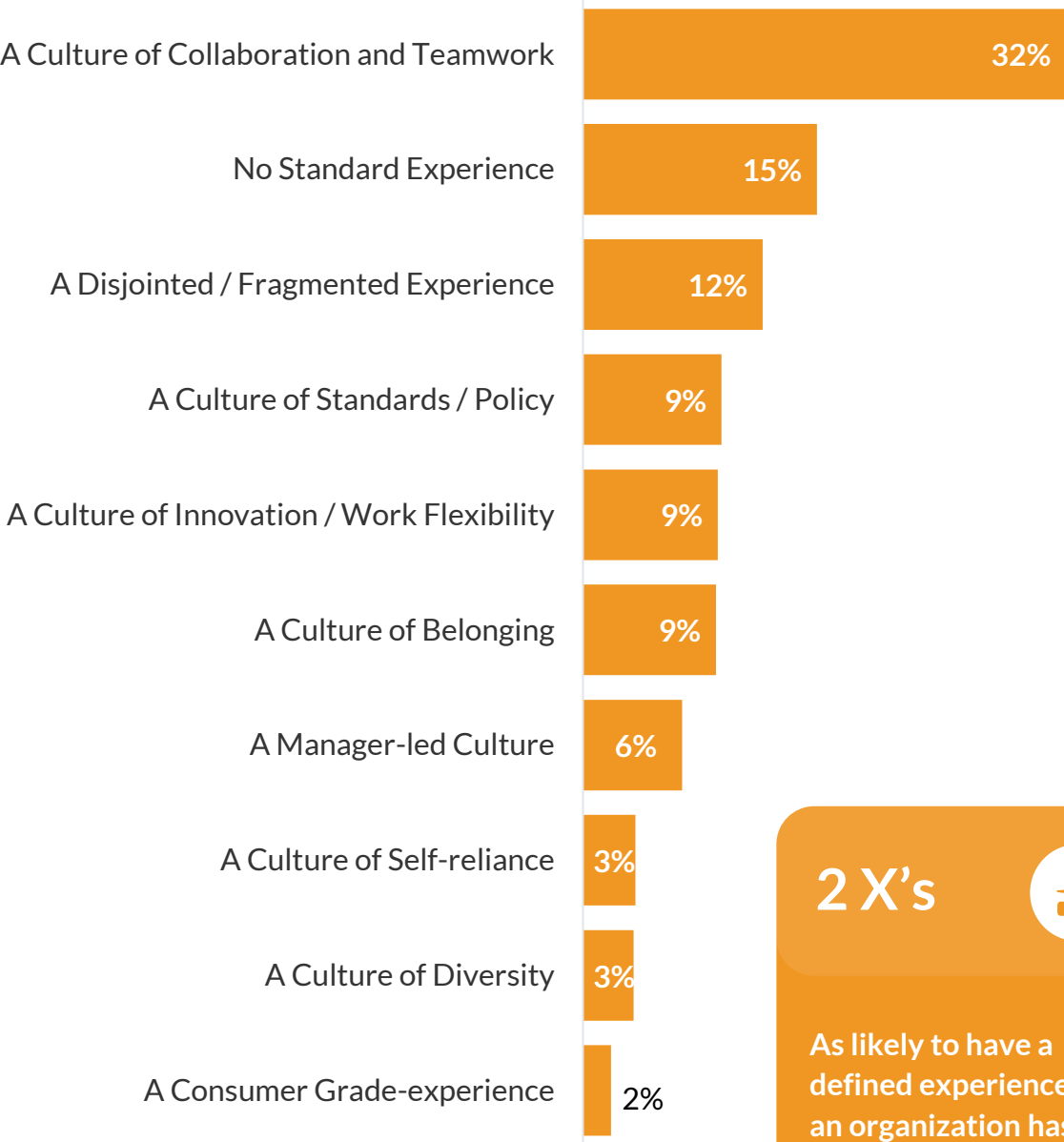
2 X's

As likely to have a defined experience if an organization has an **Employee Experience Role or Team**

The HR service delivery application market is experiencing intensified competition as niche providers broaden their platforms and comprehensive HR suites enhance their service delivery capabilities. Most solution providers are significantly investing in employee and manager self-service experiences, incorporating workflow tools and employee feedback mechanisms. This trend may eventually align HR service delivery tools with HRMS environments or potentially spawn a distinct category focused solely on employee experiences. A primary objective for many organizations is to boost adoption rates, aiming to enhance data accuracy and increase the frequency of employee-sourced information. This approach is designed to improve overall employee experience and ensure sustained engagement.

Additional emerging trends to watch in HR Service Delivery applications include:

- Use of AI or ML driven services
- Internet of Things (IoT) integrations
- Voice initiation / AI-assistants
- Natural Language Processing (NLP)
- HR communication and standards, based on ESG requirements
- Separation of front and back-end architecture (headless microservices)
- Workflows for contingent and/or remote workers

Organizations of all workforce sizes, industries, and regional makeups are now leveraging HR technology as a critical business solution. As a community, we have a real opportunity to leverage these technologies to support both business outcomes and workforce experiences.

CUSTOMER QUOTES:

Our organization likes that our HRSD is available for all employees., but sharing documents is not very user friendly.

Non-Profit 24000+ EE

CUSTOMER QUOTES:

Our HR service delivery system has been a fantastic solution and partner. Great value and easy to implement.

Financial Services / Insurance 5000+ EE

CUSTOMER QUOTES:

Our HRSD is extremely user friendly, but some additional functionality/customization would be helpful.

High-Tech 60+ EE

These are just a few of the 8,000 plus comments we received from respondents on ways their current systems or vendors struggle to support their business outcomes. These are great topics to include in your RFP assessment process.

VOICE OF THE CUSTOMER: TIME MANAGEMENT

10/14 SECTION

VOICE OF THE CUSTOMER: TIME MANAGEMENT SYSTEMS
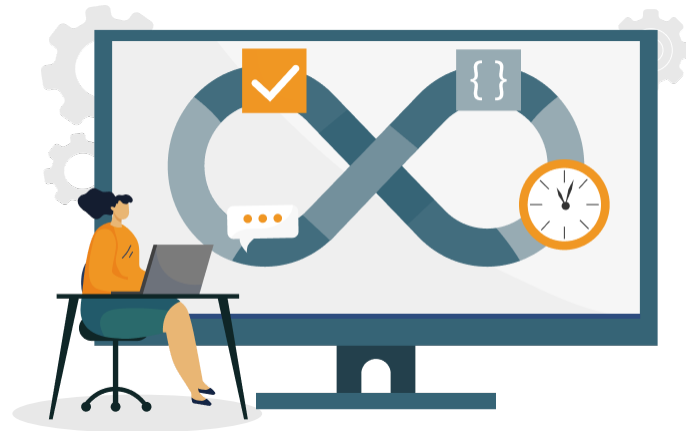
Time management applications help an organization manage when and where work is accomplished and have the unique capability of spanning past, present, and future workforce data sets. Sometimes called workforce management or labor management systems, these highly complex solutions track the hours worked, the locations where work was performed, schedules, time off, and sometimes the actual tasks completed.

Our Voice of the Customer vendor rankings are based directly on feedback, ratings, and comments from customers of these applications.

For more details on our methodology for all Voice of the Customer charts and research, see our **Research and Methodology section of this paper**.

HOW THESE SYSTEMS MAKE A DIFFERENCE!

Applications we track in this category include:

Category	Adoption	
Time and Attendance		88%
Absence Management		77%
Leave Management		68%
Labor Scheduling		45%
Labor Budgeting		36%
Productivity / Task Management (Assessing)		
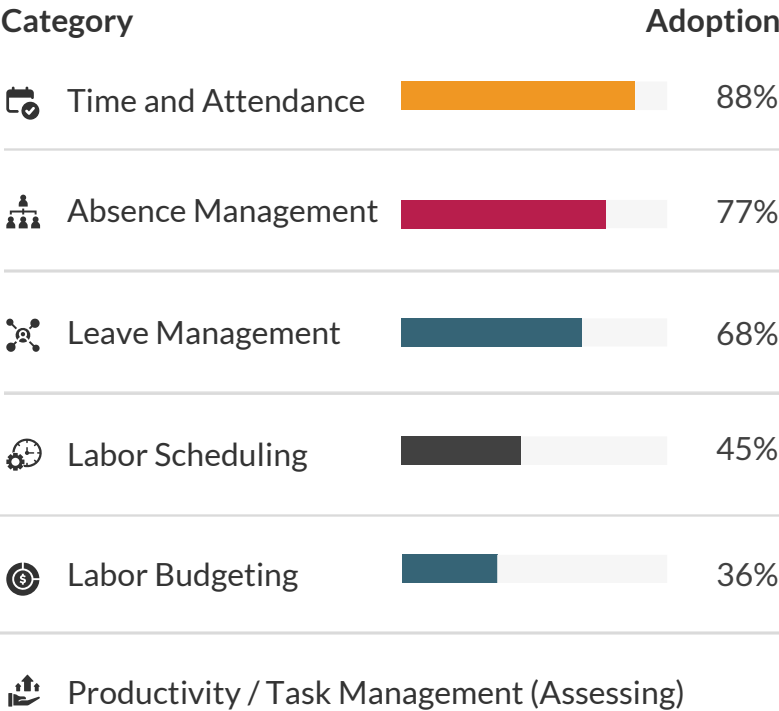
Time and Attendance
The time management application is easy to configure, and the user experience is good.

Financial Services / Insurance 63000+ EE

Time Clocks
The application's time clock with geofencing has significantly helped with time control and accurate time punches.

Retail / Wholesale 170+ EE

Labor Budgeting
Our labor cost is very high; our time management system helps to control that.

Government / Defense 2200+ EE

Absence Management
[Vendor] offers a good solution for absence requests/approvals for our company..

Business / Professional Services 45+ EE

Labor Scheduling
Our time management system does specific group scheduling well.

Government / Defense 10000+ EE

Leave Management
Very easy to enter in, report, […] and make changes/update. Our leave accrual is calculated automatically and accurately.

Retail / Wholesale 2900+ EE

TIME MANAGEMENT SYSTEMS

The applications that fall into the Time Management category should do more than just track and optimize work. They should also ensure that an organization is safe, ethical, and innovative in managing both employee resources and activities. The individual applications that traditionally fall into this category include:

Traditional functionality managed in time management solutions include:

- Time and attendance
- Absence management
- Leave management
- Workforce/labor scheduling
- Workforce/labor forecasting

Emerging trends in data and functionality include:

- Time management for contingent labor
- Self-scheduling and/or schedule trading
- Schedules based on skills or certifications
- Position, skills, and activity forecasting
- Project, activity, and goal tracking
- Predictive or AI scheduling

Organizations can implement time management applications as standalone modules from specialized providers or as part of an integrated workforce management solution from a single vendor. This research incorporates customer feedback on primary time solutions, whether modular or standalone. As illustrated in the previous page, Time and Attendance applications are the most prevalent in this category. This year, 88% of organizations have implemented a time and attendance application, a 3.5% increase from last year, demonstrating the importance of these systems in current business operations. Replacement plans are very high in this category, with almost a quarter of Enterprise organizations planning to replace their Time Management solutions in the near future.

FIGURE 103: TIME MANAGEMENT ADOPTION BY COMPANY SIZE

E ≥5000 EE
- 88% In Use Today
- 3% Budgeted 12m
- 6% Forecasted 24-36m
- 3% Not in use

M 500 – 4999 EE
- 93% In Use Today
- 2% Budgeted 12m
- 4% Forecasted 24-36m

S < 500 EE
- 87% In Use Today
- 2% Budgeted 12m
- 11% Not in use

Legend: ■ In Use Today ■ Budgeted 12m ■ Forecasted 24-36m ■ Not in use
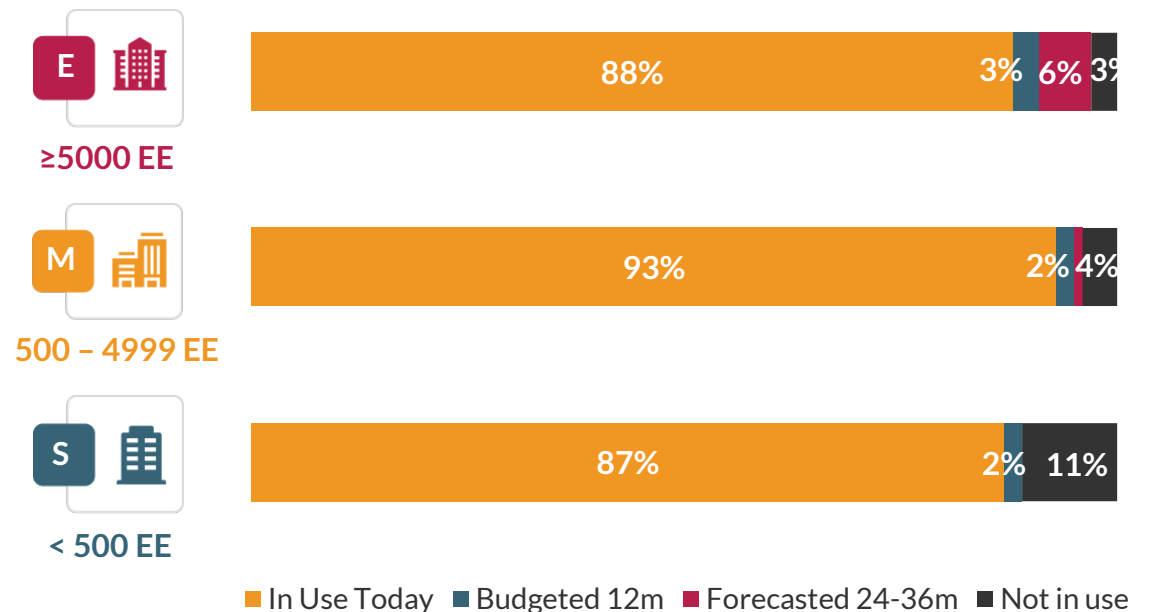
FIGURE 104: TIME MANAGEMENT REPLACEMENT PLANS BY COMPANY SIZE
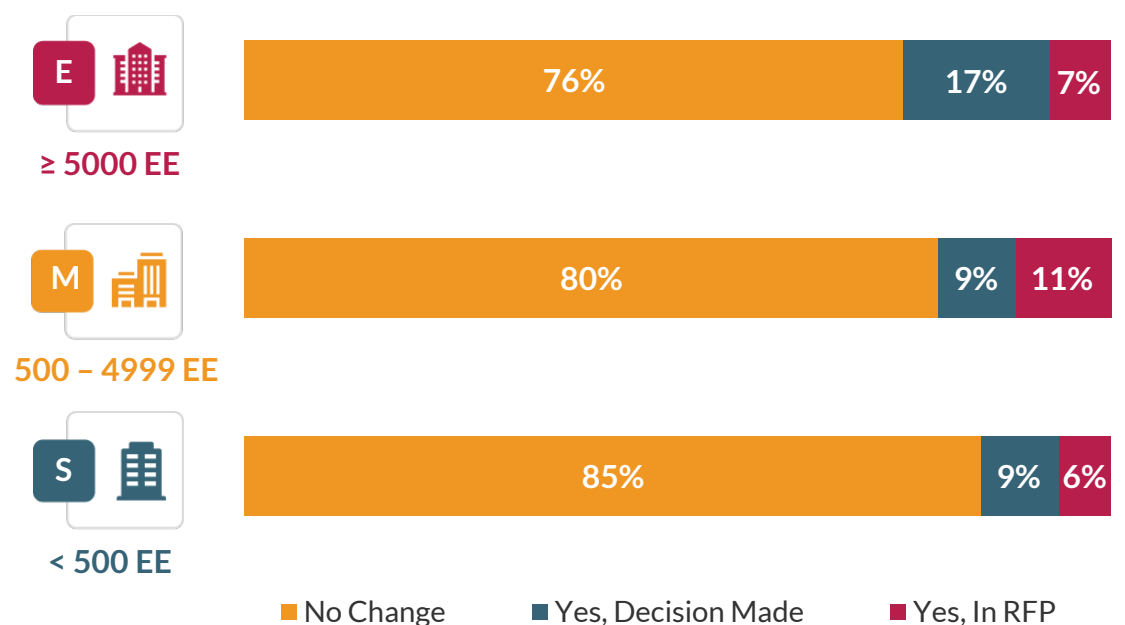
E ≥ 5000 EE
- 76% No Change
- 17% Yes, Decision Made
- 7% Yes, In RFP

M 500 – 4999 EE
- 80% No Change
- 9% Yes, Decision Made
- 11% Yes, In RFP

S < 500 EE
- 85% No Change
- 9% Yes, Decision Made
- 6% Yes, In RFP

Legend: ■ No Change ■ Yes, Decision Made ■ Yes, In RFP

Time management applications are purchased in multiple ways, depending on the organization's enterprise systems strategy and time management requirements. An organization may choose to purchase an application that's offered as a part of an existing or new ERP or operations suite, as part of an HRMS suite, or from a standalone point solution provider.

FIGURE 105: TIME MANAGEMENT PURCHASE APPROACH

Time Purchasing Approach	Today	12 Months
ERP / Operations Suite[1]	14%	16%
Payroll / HRMS Suite	82%	89%
Time Management Point Solution	4%	5%
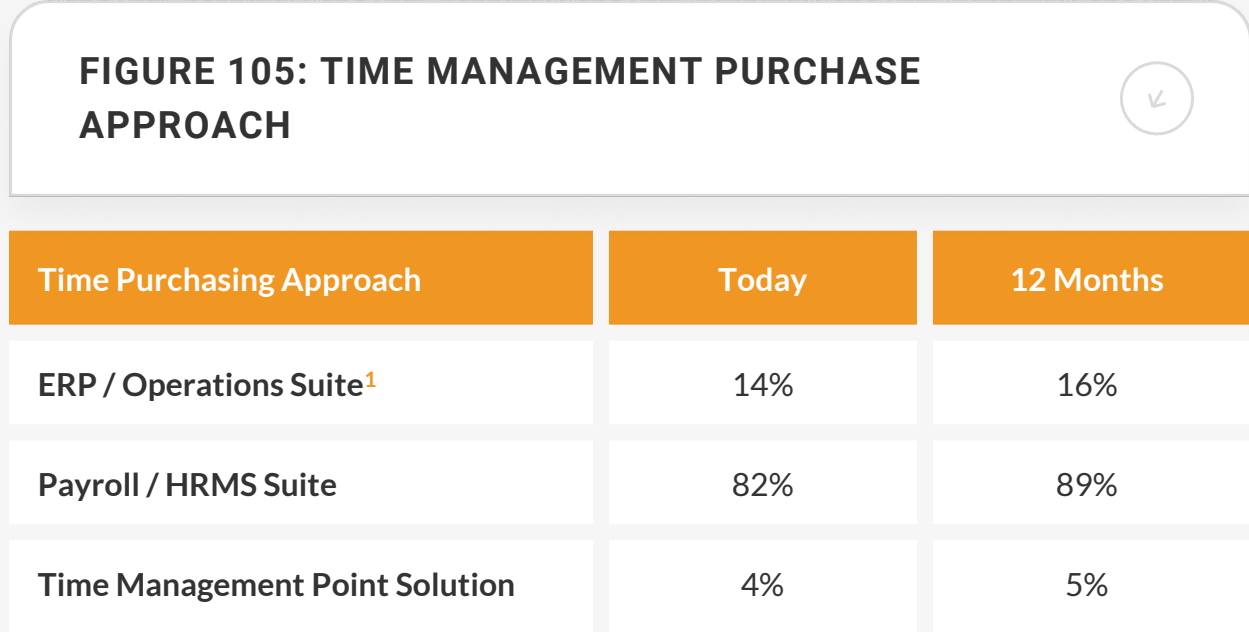
Figure 105 indicates that time management solutions are most frequently acquired as part of payroll/HRMS suites, a trend projected to continue into 2025. Survey data shows ongoing increased adoption of ERP environments incorporating HRMS or operations modules. Major ERP/HRMS providers, previously reliant on partnerships for point solutions, are developing comprehensive time management applications. This development is driving market adoption in this direction. The time management application market is experiencing fluctuations due to evolving solution capabilities and organizations' changing needs in response to regulatory environments. This year, 10% of survey respondents indicated they have already decided to replace their current time management applications in the next 12 to 24 months with a new solution, and another 8% are actively in the RFP process. This is still a very high replacement plan number but a decline from 2023.

[1.] Enterprise Resource Planning (ERP) is a category of enterprise software that typically integrates financials, HR, manufacturing, order processing and customer relationship management.

ERP/OPERATIONS SUITE CUSTOMER QUOTES:

Time management works well, and it is heavily customized.

Government / Defense 31000+ EE

PAYROLL/HRMS SUITE CUSTOMER QUOTES:

The [vendor's] time management module works great with the integration to the [same vendor's] payroll applications.

Healthcare / Pharma 64000+ EE

TIME MANGEMENT SUITE CUSTOMER QUOTES:

There is a clear report on the analysis of time management.

Business / Professional Services 145+ EE

AI IN TIME MANAGEMENT

Time Management applications capture massive amounts of data on where and when work takes place in the organization daily. This makes them valuable environments for AI training and analysis. Multiple use cases for Time Management AI-Enablement existed long before the recent emergence of the reigning AI formats of large language models (LLMs), like ChatGPT.

Sophisticated solutions have been using predictive analytics and AI to forecast scheduling, labor budgets, and expected leave of absence numbers for years.

FIGURE 106: OVERALL PERCENTAGE OF ORGANIZATIONS USING ALL FORMS OF AI TIME MANAGEMENT FEATURES IN 2024-2025

- 24%
- 5%
- 4%
- 67%

- In Use
- Budgeted 12m
- Forecasted 24-36m
- Not In Use

One of the most common uses of AI in Time Management is automated time tracking. By analyzing employee work patterns, project data, and sometimes physical location, AI can accurately track hours worked, eliminating the need for manual timekeeping and reducing the risk of errors or fraud. This type of automation is often required to be coupled with calibration or approval workflows that ensure human beings sign off on documented work hours or provide the ability to alter incorrectly calculated hours.

Another key area where AI is making a difference is workforce scheduling. These systems can use AI algorithms to create employee schedules based on historical data, skillsets, preferences, local regulations, regional weather patterns, and project requirements. These capabilities require many internal setups, such as implementing a company-wide skills environment or integrating project management solutions. Still, they are often worth the effort as they can help businesses ensure adequate staffing levels while balancing labor costs and employee satisfaction.

AI-powered Time Management systems can also improve analytics and reporting. By analyzing vast amounts of data, these systems can identify trends, patterns, and potential areas for improvement. For example, AI can help businesses identify underutilized resources, inefficient workflows, and potential regulatory violations.

AI can also enhance the employee experience with Time Management systems; by incorporating natural language processing (NLP), visual and audio-trained machine learning (ML), and tools that capture environmental data. These forms of AI help the system to understand and respond to users in a way that is more natural and informed. This capability can simplify tasks, reduce time spent on issues, and improve usability.

AI is also being used to address challenges related to time misuse or possible fraud. AI can detect anomalies that may indicate suspicious activity by analyzing employee behavior patterns and comparing them to expected or historical patterns. This can help businesses protect their bottom line and maintain a fair and equitable workplace. We expect to see more use cases for this category as the technology advances.
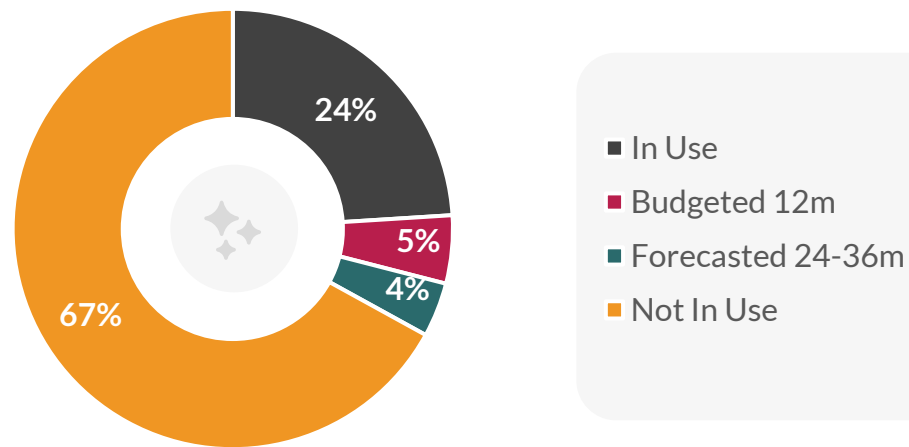
Although there are not as many security and privacy concerns with using AI in Time Management systems as there might be in benefits, for example, there is still the potential for privacy and security breaches through the massive amounts of data the systems collect.

If AI algorithms are trained on biased data derived from Time Management data, they may perpetuate or amplify existing biases, leading to unfair treatment of employees. Also, Time Management is the HR system that may be the most susceptible to causing job loss or displacement as fully "optimized" schedules may actually not be feasible for humans in the long term.

The Time Management Vendor Adoption charts show the percentages of total responses for each vendor solution. We've broken down responses by organizational size (**see Figures 107, 108, 109**). **Please note: These charts are not market-size data. They are best used to view the predominant vendors for each company size category and to identify trends in future adoption).**

FIGURE 107: TIME MANAGEMENT VENDOR ADOPTION, ENTERPRISE MARKET

E ≥5000 EE	Adoption Level Today	Expected Growth	12-Month Adoption Level	Appears in RFP
Workday	20.77%	↑	23.44%	10.61%
Other Solution	16.62%	↑	20.18%	6.82%
UKG Pro	15.13%	↑	19.58%	12.12%
UKG Central / On-Premise	7.42%	↓	6.82%	1.52%
ADP Other	5.34%	↑	6.23%	0.76%
Oracle PeopleSoft	5.04%	↑	7.12%	0.76%
Dayforce (Ceridian)	4.45%	↑	5.93%	4.55%
In-house Developed	4.15%	↑	4.75%	1.52%
Office Productivity Tools	3.56%	↓	2.67%	0.76%
SAP SuccessFactors	2.97%	↑	3.56%	1.52%
Anaplan	1.78%	↑	2.37%	0.00%
SAP HCM	1.78%	↗	2.08%	2.27%
Insperity*	1.48%	↗	1.78%	0.00%
BambooHR*	1.19%	↔	1.19%	0.00%
Deltek	1.19%	↑	1.78%	1.52%
isolved*	1.19%	↑	2.08%	0.00%
Oracle HCM	1.19%	↑	3.86%	6.06%
WorkForce Software	1.19%	↔	1.19%	0.76%

Note: These data sets do not equal 100%. Respondents often have multiple applications, and responses below certain thresholds in current or 12-month adoption levels have been removed.

* Not identified as a primary Payroll solution for respondents in this size category.

ENTERPRISE TIME MANAGEMENT VENDOR ADOPTION – ANALYST INSIGHTS:

Replacing any Time Management system poses significant challenges for HR departments due to their daily usage by employees, substantial investments in timeclock hardware, and intricate integrations with payroll, HRMS, and operational platforms. These hurdles become even more pronounced when considering the complexities and scale inherent to enterprise-level organizations, making the transition process particularly daunting and resource-intensive.

UKG continues to see the highest level of adoption at 22% in the Enterprise category when we combine on-premise UKG Central and cloud-based UKG Pro (previously Dimensions). UKG Central is scheduled to be completely decommissioned by March 2027 – driving much of the RFP and change activity we've seen in the last few years.

One of the last HR application areas to move to the cloud, it has created an entry point for several new solutions in the market. Workday has gained the most from these transitions, now leading in enterprise-level adoption for a single solution and investing heavily in connecting its Time Management module to skills and AI capabilities within its broader HRMS. However, UKG Pro has deep levels of expertise in meeting industry-specific needs and regional complexities. It continues to bolster these areas – while adding global payroll integrations and filling out its full HRMS platform. It currently has high expected adoption levels in the next 12 months but also shows up in more RFPs than any other solution.

We also want to note that BambooHR, Insperity, and isolved are never identified as primary solutions at the Enterprise level; they only show up as secondary systems used to meet regional workforce needs or acquired through acquisitions.

Expected Growth Legend

↑ Substantial Growth

↗ Slight Growth

↔ Flat

↘ Slight Decline

↓ Substantial Decline

Expected growth calculations are based on the difference between current adoption and 12-month adoption plans, in addition to data points from future replacement plans.

FIGURE 108: TIME MANAGEMENT VENDOR ADOPTION, MID-MARKET

M 500 - 4999 EE	Adoption Level Today	Expected Growth	12-Month Adoption Level	Appears in RFP
UKG Pro	23.95%	↑	28.45%	17.39%
Workday	15.38%	↑	16.69%	15.22%
UKG Ready	8.56%	↑	13.06%	2.17%
ADP Workforce Now	6.39%	↑	7.26%	6.52%
Dayforce (Ceridian)	6.10%	↑	7.55%	0.00%
isolved	5.08%	↑	7.55%	0.00%
In-house Developed	4.50%	↑	5.52%	0.00%
ADP Other	3.92%	↘	3.77%	0.00%
WorkForce Software	2.90%	↗	3.05%	2.17%
Office Productivity Tools	2.76%	↗	3.05%	0.00%
Paycor	2.76%	↑	3.34%	4.35%
Oracle PeopleSoft	2.03%	↑	3.19%	0.00%
Deltek	2.03%	↔	2.03%	4.35%
HiBob	1.89%	↑	2.47%	0.00%
UKG Central / On-Premise	1.74%	↗	2.18%	0.00%
SAP HCM	1.60%	↘	1.45%	2.17%
Paylocity	1.45%	↑	2.03%	6.52%
Paychex	1.16%	↑	1.89%	0.00%
Paycom	1.16%	↑	1.89%	2.17%
BambooHR	0.87%	↑	1.45%	0.00%
Microsoft Dynamics	0.87%	↗	1.02%	2.17%
Oracle HCM	0.73%	↑	2.18%	6.52%

Note: These data sets do not equal 100% as we have removed responses below certain thresholds in the aggregate data set in either the current or 12-month adoption levels.

MID-MARKET TIME MANAGEMENT VENDOR ADOPTION – ANALYST INSIGHTS:

Mid-sized organizations increasingly seek Time Management solutions to optimize productivity, ensure compliance with labor laws, and gain valuable insights into workforce patterns, especially as remote and hybrid work models continue to evolve. However, the level of complexity required increases year over year, and we are seeing high levels of increased adoption by Mid-Market organizations in 2024.

UKG Pro has the highest adoption level, a natural result of its strategy of expanding its Time Management and HRMS platform. With a complete HR platform package, UKG is seeing high growth levels from existing and new customers. UKG also has a more simplified HR platform, UKG Ready, that has successfully met early-stage Mid-Market needs of up to 1,000+ employees.

Workday, which topped this chart in 2023, is also a market leader for this size category – offering buyers an expanded solution with analytics, skills, and planning modules. Other high-growth solutions include ADP's Workforce Now, Dayforce, and isolved. We projected Isolved's market rise two years ago, and there is no reason to doubt its high adoption growth rate will abate anytime soon, which is also the case for the top six solutions in the Mid-Market category.

The solutions most likely to appear in RFPs in this space are UKG Pro and Workday, reflecting their market strength. ADP Workforce Now and Paylocity are the next highest RFP mentions, and we should note that in October of 2024, ADP announced that they acquired Workforce Software, which will likely provide buyers with more Time Management options in the ADP ecosystem.

Finally, solutions that did not receive enough responses to make this adoption list but show high growth potential over the next 12 months include ADP Run, Unit4, Netchex, Anaplan, and Unanet.

Expected Growth Legend

↑ Substantial Growth

↗ Slight Growth

↔ Flat

↘ Slight Decline

↓ Substantial Decline

Expected growth calculations are based on the difference between current adoption and 12-month adoption plans, in addition to data points from future replacement plans.

FIGURE 109: TIME MANAGEMENT VENDOR ADOPTION, SMB MARKET

S 🏢 <500 EE	Adoption Level Today	Expected Growth	12-Month Adoption Level	Appears in RFP
isolved	24.70%	↑	26.07%	4.62%
UKG Ready	10.77%	↑	12.79%	4.62%
UKG Pro	7.21%	↑	8.02%	7.69%
ADP Workforce Now	6.23%	↗	6.48%	7.69%
HiBob	5.75%	↗	5.83%	1.54%
Paylocity	5.75%	↗	6.07%	6.15%
Office Productivity Tools	5.43%	↔	5.43%	1.54%
Paycor	4.53%	↗	4.78%	9.23%
Rippling	4.29%	↔	4.29%	4.62%
In-house Developed	3.89%	↗	4.05%	3.08%
Paycom	2.91%	↗	3.16%	7.69%
ADP Other	2.27%	↗	2.43%	1.54%
Dayforce (Ceridian)	1.94%	↗	2.19%	1.54%
Paychex	1.86%	↗	2.27%	3.08%
Workday	1.30%	↗	1.38%	4.62%
Unanet	1.30%	↗	1.46%	0.00%
BambooHR	1.21%	↗	1.46%	9.23%
Intuit Quickbooks Time	1.13%	↔	1.13%	1.54%
Deltek	0.89%	↔	0.89%	0.00%
TriNet	0.81%	↘	0.73%	1.54%
SAP SuccessFactors	0.73%	↗	0.89%	0.00%
Gusto	0.65%	↘	0.57%	1.54%

Note: These data sets do not equal 100% as we have removed responses below certain thresholds in the aggregate data set in either the current or 12-month adoption levels.

SMB TIME MANAGEMENT VENDOR ADOPTION – ANALYST INSIGHTS:

The SMB market is no different from larger companies that must handle complex regulations, achieve accurate reporting, and maintain a positive employee user experience. The remote work shift has also impacted SMB Time Management due to increased regulatory demands for accurate reporting across dispersed workforces.

Many "light" Time Management options exist as embedded features in operational software, such as time trackers in manufacturing software, scheduling tools in point-of-sales technology, and project assignment and activity trackers in project management solutions. We often see these industry-specific solutions in the Other category, and many SMB organizations find that they initially meet their needs but don't scale over time. The solutions on this list tend to be more sophisticated, with clear connections to other HR datasets and the ability to scale as organizations grow.

For the third consecutive year, isolved leads our SMB Time Management category with high adoption rates (current and projected). UKG Ready and UKG Pro are closely following, and they also show strong growth potential in the SMB sector. We should also note the relatively fast adoption of Rippling, from its first appearance last year.

The solutions most likely to appear in RFPs are notable. These include BambooHR and Paycor, followed by ADP Workforce Now, Paycom, and UKG Pro. They are clearly attracting SMB interest due to their unique offerings. For example, both Paycor and Paycom recently launched new time-off management solutions to encourage the use of PTO and speed up the approval processes for time-off requests.

Oracle HCM and ADP Run are solutions that did not make the SMB Adoption Chart but showed growth in 12 months. One last point of interest: in-house solutions are experiencing a sharp decline in usage after years of popularity, likely due to their inability to address the growing complexities of modern time management needs.

Expected Growth Legend

↑ Substantial Growth

↗ Slight Growth

↔ Flat

↘ Slight Decline

↓ Substantial Decline

Expected growth calculations are based on the difference between current adoption and 12-month adoption plans, in addition to data points from future replacement plans.

The time management landscape is changing from both the provider and buyer sides. This year we have more than 20 vendor solutions that met the selection criteria to be counted across the various size categories. The vendors competing in this space are both building out functionalities across the HR systems spectrum while also needing to compete in highly-specialized industry requirements for time management.

Differentiators in Time Management include:

- Global capabilities
- Scalability
- Integration tools or marketplaces
- AI-backed processes
- Specific regulatory functions or services

The "other" category (vendors that were most-commonly written in by survey participants)include several industry (or organizational type)-focused Time Management solutions, along with newer entrants limited to regional geographies. On average, 15% of organizations use a vendor in this category. The most often mentioned solutions are:

- Harvest
- Legion
- NetSuite
- TCP TimeClock
- Timeclock Wizard
- TriNet Zenefits
- Tyler Technologies
- Unit4
- WellSky
- When I Work

A distinctive purchasing consideration for Time Management solutions is the integration and support of physical timeclocks for data entry. Several providers are phasing out or have already retired legacy clock systems that are incompatible with modern software. Among the 87% of entities utilizing Time and Attendance applications, only 18% opt against employing some form of timekeeping device. Organizations that do utilize time-tracking hardware offer, on average, **1.35** different clock-in methods. Web-based time entry systems remain the predominant choice across organizations of all sizes, adopted by 64% of users (**Figure 110**). It is also worth noting that we've seen a decline in the use of both Bio Metric and Facial Recognition solutions – possibly due to concerns over data privacy or recent regulations concerning the use and capture of this type of data.

FIGURE 110: TIMECLOCK ADOPTION & DEPLOYMENT MODEL

Legend: ■ Enterprise ■ Mid-Market ■ SMB

Categories: Web / App-Based, Card Swipe / Keypad, Bio Metrics / Touch, Manual (spreadsheets / punch-clock, etc.), Proximity/Environment, Facial Recognition
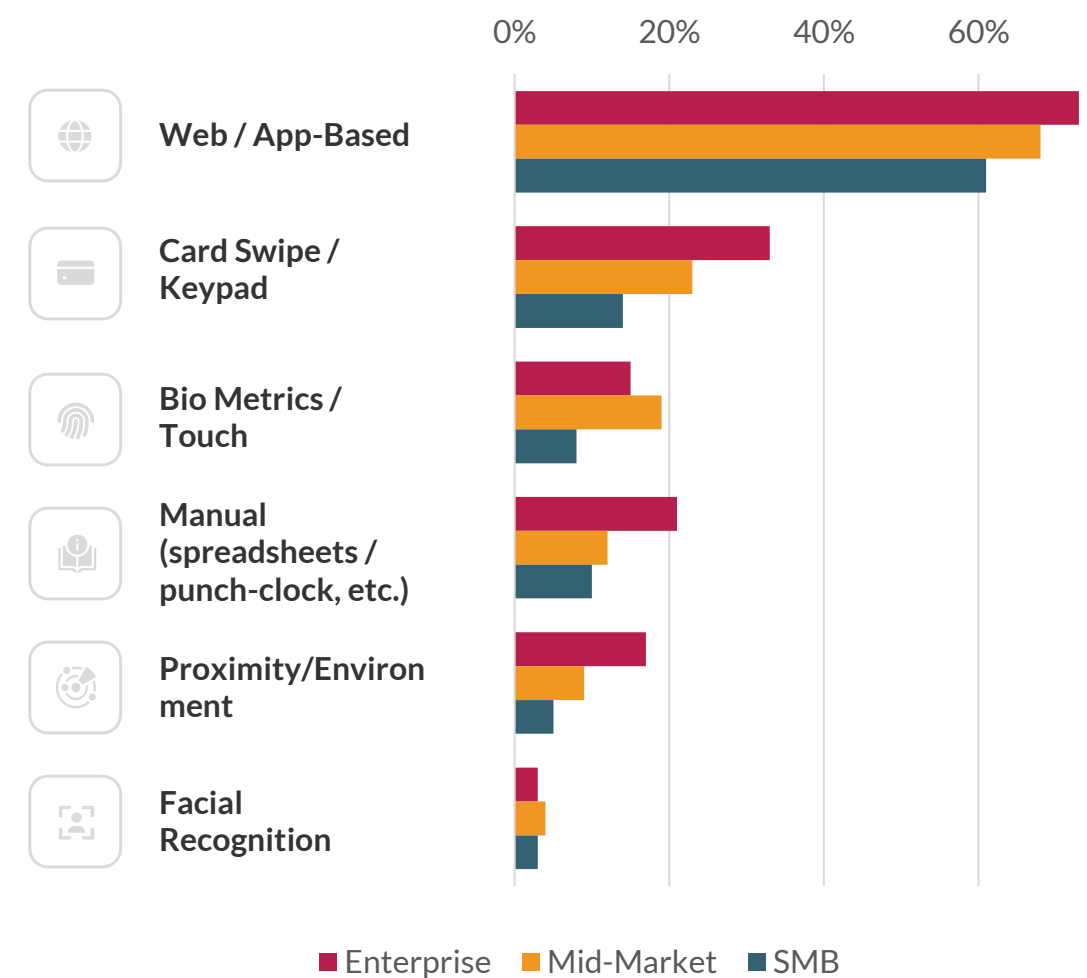
Our annual **Time Management Voice of the Customer (VoC) User Experience and Vendor Satisfaction chart** showcases the vast difference across applications in this category. Each year, we ask survey respondents to rank the quality of their system's user experience and vendor relationship on a scale of 1-5, and we average those ratings for each solution. This year, the average User Experience (UX) and Vendor Satisfaction (VS) scores for **Time Management are between 3.52 (UX) and 3.61 (VS),** just slightly higher (1%) than last year's averages, which were themselves 7% higher than the year before. Time Management systems are key to data-driven decision-making in HR and an enhanced employee experience. Twenty vendor solutions received the minimum validated customer ratings to make our **Time Management VoC** charts this year.

FIGURE 111: TIME MANAGEMENT, VOC USER EXPERIENCE AND VENDOR SATISFACTION CHART
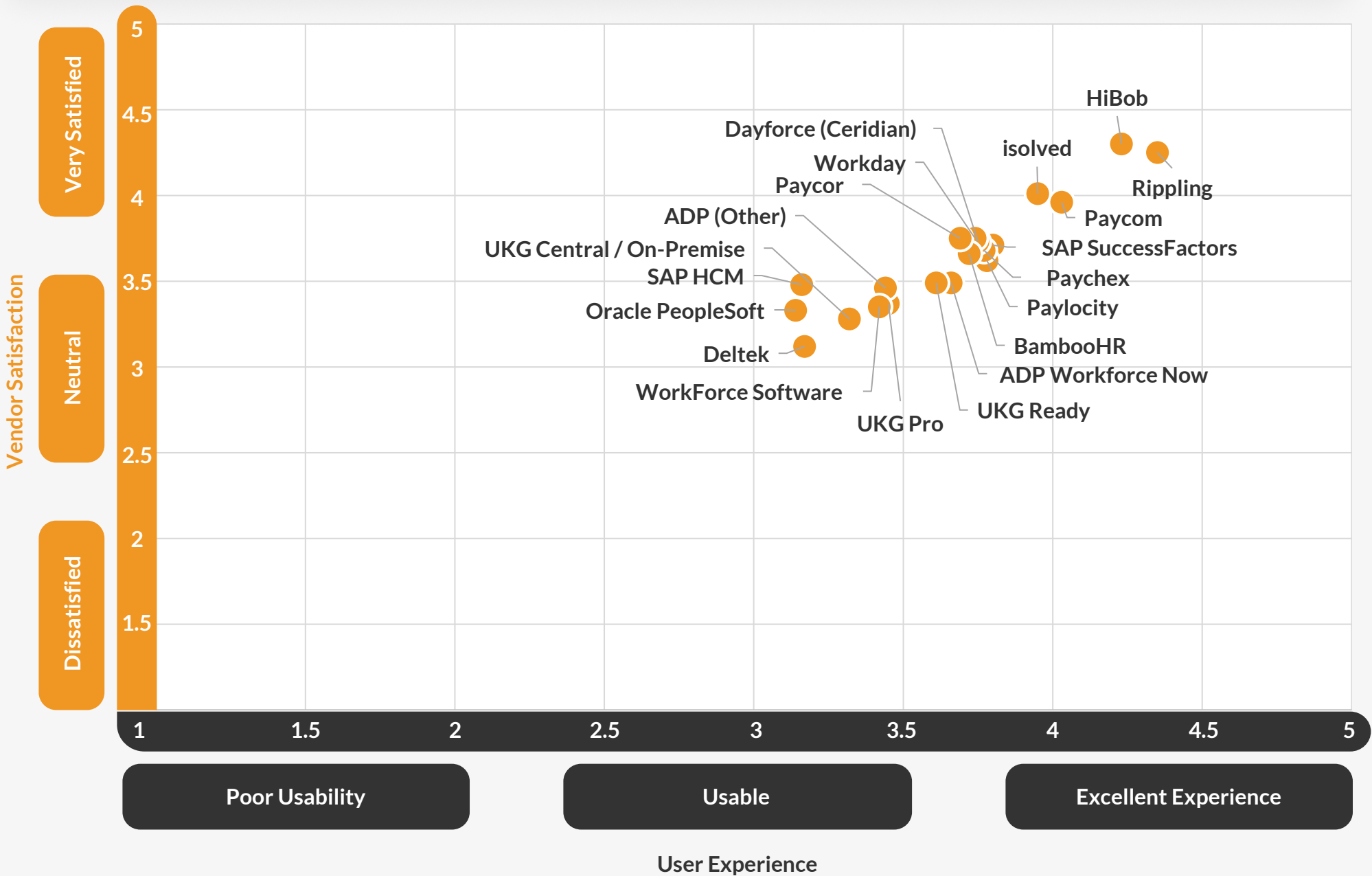
TIME MANAGEMENT

Major factors driving vendor satisfaction and user experience ratings include:

Ease of Configuration

Innovation

Integrations

Reliability

FIRST

SAPIENT
INSIGHTS GROUP

USER EXPERIENCE

TIME

2024-2025

Our aggregate Voice of the Customer (VoC) User Experience (UX) and Vendor Satisfaction (VS) charts are valuable tools for obtaining a broad perspective of how the HR community is evaluating its current applications. Over the last 27 years, we have seen a wide range of customer ratings based on the global complexity and total workforce size managed within the application.

To provide more context to this data, we analyze the solutions that achieve the highest average rankings from multi-sourced validated responses in three company-size categories. The solutions must reach a minimum statistical threshold of responses in the respective size categories to qualify for this analysis.

The figure below shows the solutions achieving the Top Five average user experience ratings in the Time Management category by company size. We call out the solution that received the highest rating and then list the remainder of the **Top Five in alphabetical order.**

*Full adoption details and breakdowns of data by company size can be accessed through our research subscriptions. Contact us at Research@SapientInsights.com for further information.

**FIGURE 112:
TOP FIVE (OUT OF 46)
VOC RATINGS BY
COMPANY SIZE**

**User
Experience**

ENTERPRISE, ≥5000 EE TIME MANAGEMENT SYSTEMS	MID-MARKET, 500 - 4999 EE TIME MANAGEMENT SYSTEMS	SMB, <500 EE TIME MANAGEMENT SYSTEMS
TOP	TOP	TOP
#1 UKG Pro	#1 isolved	#1 Rippling
Top 5 ADP Other	Top 5 ADP Workforce Now	Top 5 ADP Other
Top 5 Dayforce (Ceridian)	Top 5 Dayforce (Ceridian)	Top 5 HiBob
Top 5 UKG Central / On-Premise	Top 5 UKG Ready	Top 5 isolved
Top 5 Workday	Top 5 Workday	Top 5 Paycom
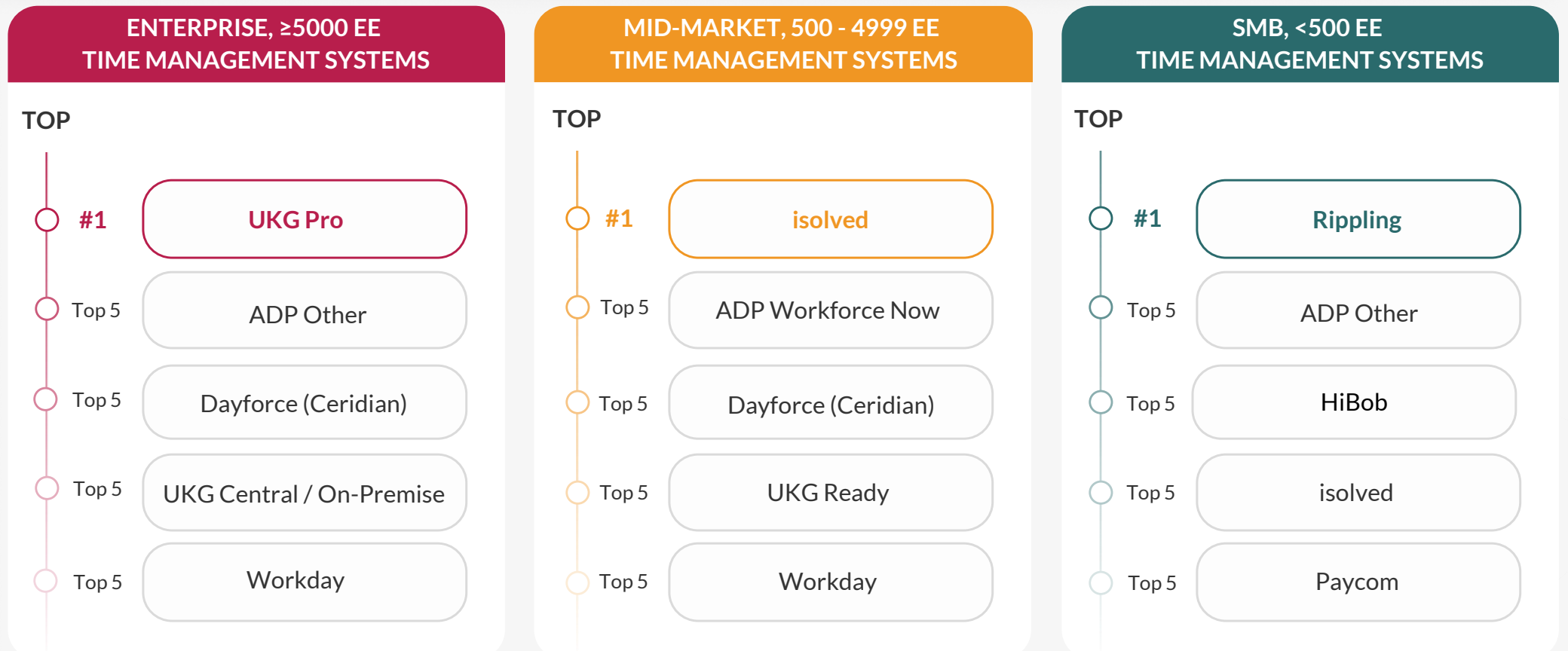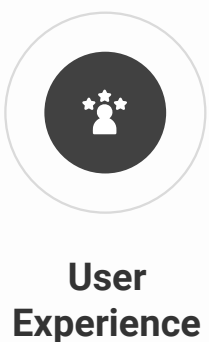
**FIGURE 113:
TOP FIVE (OUT OF 46)
VOC RATINGS BY
COMPANY SIZE**

**Vendor
Satisfaction**

ENTERPRISE, ≥5000 EE TIME MANAGEMENT SYSTEMS

TOP

#1	UKG Pro
Top 5	Dayforce (Ceridian)
Top 5	Oracle PeopleSoft
Top 5	UKG Central / On-Premise
Top 5	Workday

MID-MARKET, 500 - 4999 EE TIME MANAGEMENT SYSTEMS

TOP

#1	isolved
Top 5	ADP Other
Top 5	Dayforce (Ceridian)
Top 5	UKG Pro
Top 5	Workday

SMB, <500 EE TIME MANAGEMENT SYSTEMS

TOP

#1	HiBob
Top 5	ADP Other
Top 5	isolved
Top 5	Paycom
Top 5	Rippling

FIRST

SAPIENT
INSIGHTS GROUP

VENDOR SATISFACTION

TIME

2024-2025

In the figure shown on this page, we provide a snapshot of the solutions achieving the Top Five average vendor satisfaction ratings in the benefits category by company size. Survey participants were asked to rate their satisfaction with the relationship, including their vendors' services and support. We then highlight the solution that received the highest rating and then list the remainder of the **Top Five in alphabetical order**.

*Full adoption details and breakdowns of data by company size can be accessed through our research subscriptions, contact us at Research@SapientInsights.com for further information.

As time management systems continue to increase in importance to strategic HR functions, we continue to see a focus on both the innovation and global capabilities for these applications.

The top factors given for low user experience and vendor satisfaction ratings:

- Cost
- Integration problems
- Security issues
- Unresponsive customer service

The top factors given for high user experience (UX) ratings include:

- Intuitive user experience
- Easy customization/personalization
- Regular updates

The top factors given for high vendor satisfaction (VS) ratings:

- Partnership
- Simplicity of interactions
- Responsiveness to requests
- Training availability

The quote shown to the right is pulled at random from the criticisms received and is not a reflection of any vendors on this page:

> Customer support in a timely manner is non-existent.

Manufacturing 325+ EE

ENTERPRISE

TIME MANAGEMENT UX AND VS RATINGS – ANALYST INSIGHTS:

UKG Pro retook its top spot as the highest-rated solution at the enterprise level this year in both UX and VS ratings. Its leading Time Management solution continues to deliver overall business results while handling the most complex regulatory needs of this industry. UKG's continued efforts to shift its customers to its newest cloud solutions and provide more integration with its global payroll and expanded AI tools seem to resonate with its customers. UKG had an eventful year of leadership changes as the new CEO, Jennifer Morgan, joined the organization following a full structural realignment just after we closed this year's survey. The company's go-forward messaging is focused on improving customer care and increasing organizational innovation. We find this positive as it aligns with the feedback requests in our data from their existing customers.

> **UKG PRO CUSTOMER QUOTES:**
> UKG Pro handles complexity in certain areas well. Manufacturing focused; Great vendor support

Manufacturing 5000+ EE

The remaining solutions in the Top Five rankings for both User Experience and Vendor Satisfaction are Dayforce (Ceridian), UKG Central, and Workday. Dayforce achieved top rankings last year and continues to see high marks from customers in the Enterprise space who also leverage its compliance service offerings. Workday has been rapidly increasing the number of enterprise customers who are using their AI features, and Time Management is a key area of AI investment that customers seem to appreciate.

Oracle Peoplesoft achieved a Top Five ranking in Vendor Satisfaction, and ADP achieved a Top Five ranking in User Experience. We should note that depending on the ADP solution being used, they may access a customized version of UKG technology designed specifically for ADP customers. In October of 2024, ADP announced that they acquired Workforce Software, a Time Management point solution that achieved a Top Five ranking last year, which may shift the dynamics for next year's rankings.

VOICE OF THE CUSTOMER: TIME MANAGEMENT SYSTEMS

MID-MARKET — TIME MANAGEMENT UX AND VS RATINGS – ANALYST INSIGHTS:

In the Mid-Market category of Time Management, isolved took the #1 spot in UX and VS – achieving this ranking for the first time in this size range. isolved achieved the same honor in the SMB category in 2023, and we noted then that their customers were increasing in size and complexity. We should note that In this category, there was only one isolved customer, over 3,000 employees – but below this size group, Mid-Market organizations seem to appreciate the isolved service levels and willingness to provide customer support at all levels. The customer comments mentioned seamless integrations and praised its ability to get the job done. The comment "It just works" is a representative quote.

ISOLVED CUSTOMER QUOTE:

isolved Time's customer support team is phenomenal! There are a lot of customization options, but the setup involved is very technical.

High Tech, 2000+ EE

Once again, Dayforce (Ceridian) and Workday were the two remaining solutions that achieved both Top Five UX and VS in the Mid-Market category. Dayforce's customers were most appreciative of the fact that the solution was dependable, with a wide range of time-tracking offerings, Workday's customers were most excited by its level of configurability and the fact that it was part of a complete HR platform.

ADP Workforce Now and UKG Ready achieved Top Five User Experience ratings this year, and both solutions were specifically designed to support less complex Mid-Market company needs. We should note that depending on the needs of the ADP customer, they may be using a customized version of UKG technology designed specifically for ADP customers.

The same vendors, but with different solutions, also achieved Top Five Vendor Satisfaction ratings with UKG Pro and ADP Other. This isn't surprising as vendors often offer different service level packages for different solutions or have different support teams by product. On a final note, it is worth watching HiBob in this space. While this company is one of the newer entrants into the market, it shows many of the qualities associated with isolved during its quick rise through the rankings.

SMB — TIME MANAGEMENT UX AND VS RATINGS – ANALYST INSIGHTS:

Rippling and HiBob are the solutions that achieved the highest rankings in the SMB category for Time Management User Experience and Vendor Satisfaction, respectively. Rippling users positively commented on their ability to track data across HR systems and found the product effective and simple to use. HiBob's customer comments highlighted its user-friendly interface, simplicity of function and design, and responsive customer service. Both HiBob and Rippling's scalability, which allows small companies to grow without requiring an overhaul of their Time Management systems, is reminiscent of isolved's strength in this category – but they both have added global capabilities earlier in their product maturity.

RIPPLING CUSTOMER QUOTE:

Integrated with payroll, HR, finance, IT and accessible via the Rippling app.

Non-Profit 45+ EE

HIBOB CUSTOMER QUOTE:

HiBob offers phenomenal customer support and community engagement.

High-Tech 410+ EE

The other time management systems that appear in the Top Five Voice of the Customer ratings in the SMB sector for User Experience are ADP other, isolved, HiBob and Paycom. In Vendor Satisfaction, the Top 5 are ADP other, isolved, Paycom, and Rippling. These vendors have distinguished themselves through innovative time management technology and effective integration of payroll and other suite products into their time management solutions. This integration enables users to navigate complex time management scenarios, even at the SMB level, with enhanced efficiency and precision. The result is a more streamlined user experience that facilitates accurate and compliant time management practices and reporting.

This year, 58% of survey respondents feel their current time management application "meets their business needs most of the time," and just 23% feel it "always meets their needs." As we noted, last year, we continue to see a correlation between organizations that have a time management application that "always" meets an organization's business needs and the HR function being viewed as a Strategic HR partner.

23% of organizations feel their time management application always meets business needs and impacts HR outcomes.

We saw a slight uptick this year in Time Management applications that "always" met business needs, from 21% last year to 23% this year. We believe this is in part due to the continued movement from older platforms along with growing innovation in this category due to increased competition.

TOP TIME MANAGEMENT GAPS IN MEETING BUSINESS NEEDS

TIME APPLICATIONS

- Inability to customize   **45%**
- Gap in overall functionality   **35%**
- Gap in reporting functionality   **34%**

As depicted in **Figure 114** we present a direct analysis of the percentage of survey participants reporting that their specific Time Management solution met their business needs "most of the time" or "always". In Time Management applications, these ratings often differ slightly from the UX and VS top vendor rankings, as a solution meeting business needs may not always deliver the best User Experience or create the most Vendor Satisfaction. Nevertheless, the ratings remain fairly linked with many of the Top 5 in UX/VS also frequently meeting needs. Notably, Paychex emerges as the solution most likely to meet needs either most of the time or always, despite not appearing in the Top 5 in Time solutions this year. Rippling is another outlier in that it sems to be a bit of an 'all or nothing' option in terms of fulfilling organizational Time Management requirement to its users.

FIGURE 114: DOES YOUR TIME MANAGEMENT MEET CURRENT BUSINESS NEEDS?

Paychex
Paycom
HiBob
Workday
Dayforce (Ceridian)
isolved
UKG Central / On-Premise
Paylocity
SAP SuccessFactors
Paycor
UKG Ready
Rippling
ADP Workforce Now
UKG Pro
Other Solution
ADP other
Deltek
Oracle PeopleSoft
In-house Developed

0% 20% 40% 60% 80% 100%
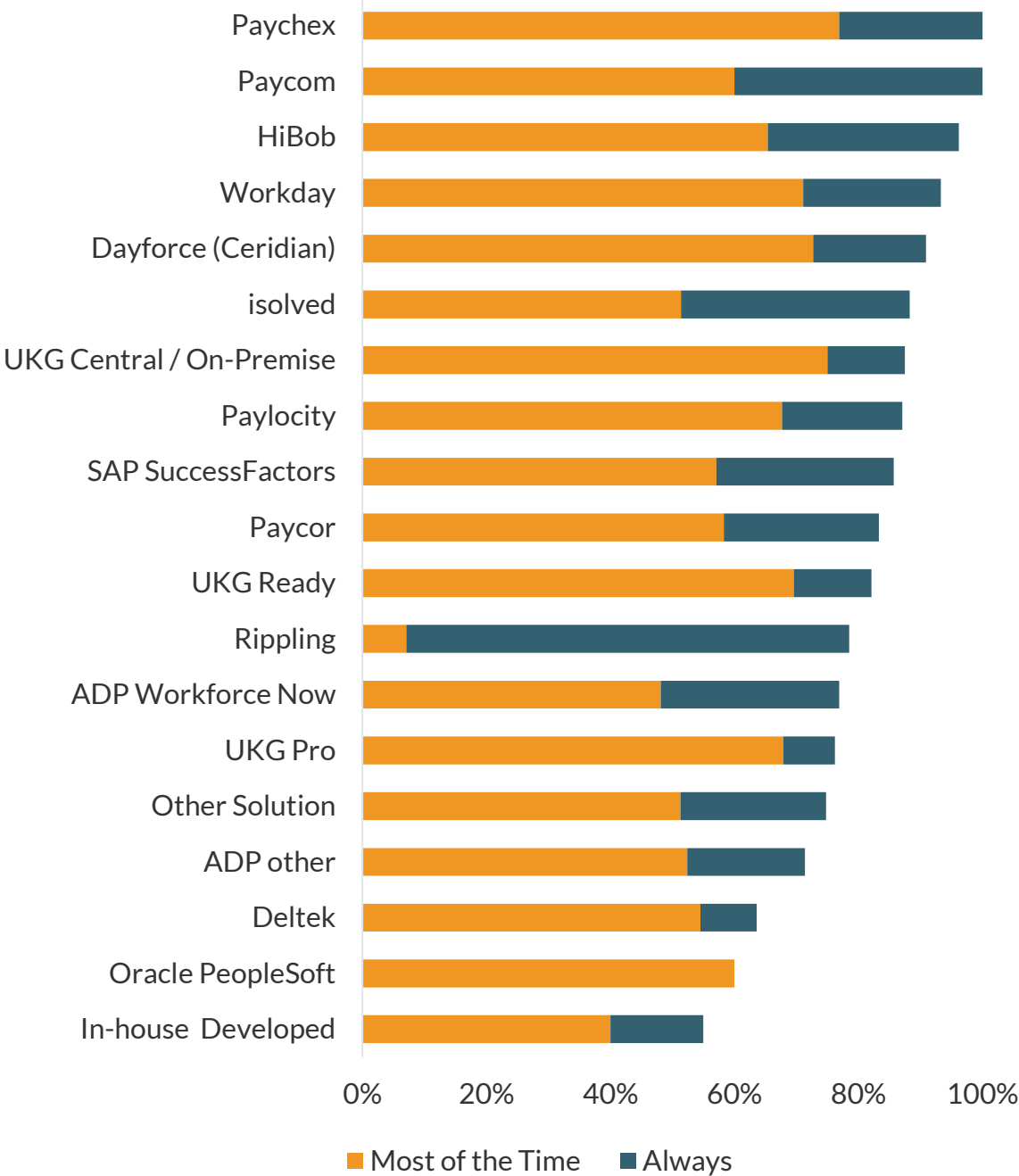
■ Most of the Time ■ Always

FIGURE 115: ARE YOU PLANNING TO CHANGE YOUR CURRENT TIME MANAGEMENT APPLICATION?

Legend:
■ No Plans to Change ■ Changing Soon ■ In RFP

Categories (top to bottom): HiBob, Workday, Rippling, isolved, Paycor, Paychex, UKG Ready, UKG Pro, Dayforce (Ceridian), Other Solution, Office Productivity Tools, Paycom, In-house Developed, ADP Other, ADP Workforce Now, Paylocity, SAP HCM, BambooHR, Deltek, UKG Central / On-Premise, Oracle PeopleSoft
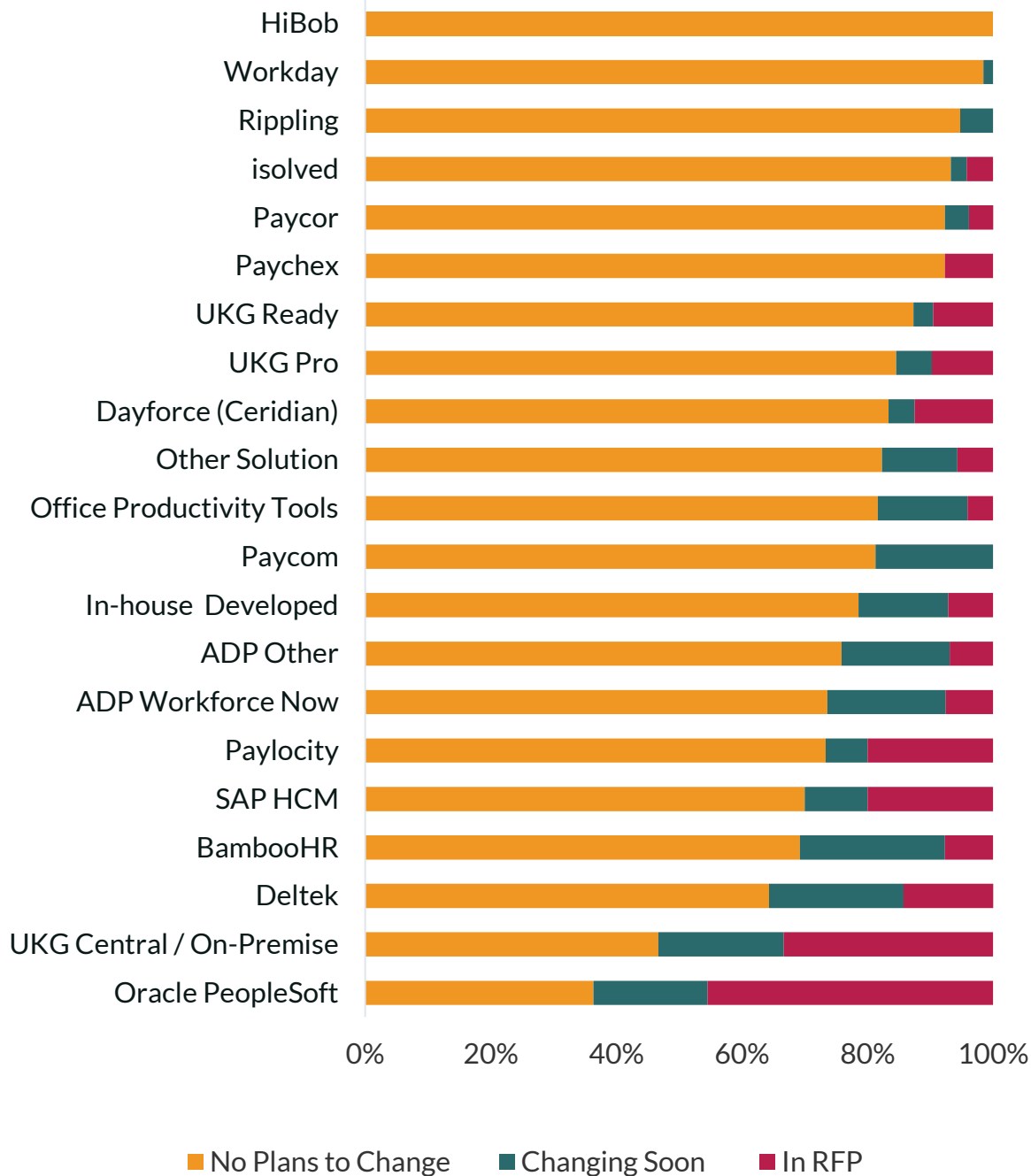
We saw a slight decline in overall plans to change Time Management solutions within the next 12 to 24 months – dropping from 20% last year to 18% this year, mostly in the SMB space. Still, we are expecting to see movement from the largest organizations in the next year, as 24% of Enterprise and 20% of Mid-Market organizations are planning to change. It is always helpful to find out which solutions are valued the most and, therefore, least likely to be replaced by current owners. When buyers are moving to a new Time Management solution, the main reasons remain:

- Need to scale in size or regions served
- Necessity of physical hardware (usually timeclocks)
- Need for heightened security or data privacy
- Need for more integrations with Payroll, HRMS, or other internal systems
- Innovation in functions or service

As you can see in **Figure 115,** an organization's plans to change its time management system can depend greatly on the vendor solution that is owned. Plans also closely correlate to solutions that achieve the highest UX and VS satisfaction ratings. This year, HiBob has led the way in customer retention. As noted previously, the overall appetite for change in this category is down in 2024, and many of the comments focus on the importance of integrations , which may be a reason customers are hesitant to switch to a possibly non-integrated system.

Time Management applications touch everyone in the organization and hold an immense amount of data. These processes are tightly connected to operational functions. We believe the next frontier of employee engagement and workforce optimization will be in this application area. Competition is changing for time management applications – impacting both enterprise HR system providers and niche players. New AI native applications are finding time management data sets a valuable trove of historical information for both training purposes and insight elevation. We are beginning to see a slow but important realization that these processes are a critical element in the strategic HR function. Innovation in this area means recognizing the endgame of tying productivity outcomes to business outcomes.

Emerging trends to watch in Time Management applications include:

- Certified AI audit trails for time tracking
- AI-driven scheduling and forecasting
- Contingent / remote worker scheduling
- Environmental scans for automated check-in
- Separation of front and back-end architecture (headless microservices)
- Self-scheduling with AI-assistance

Organizations of all workforce sizes, industry segments, and geographies are now leveraging HR technology as critical business solutions. As a community, we have a real opportunity to leverage these technologies to support both our business outcomes and workforce expectations.

CUSTOMER QUOTES:

Giving staff multiple options to punch in and out is helpful. We have a web-based clock at all of our sites, a geofence via the mobile app, and physical clocks with touch-biometric. This has increased our punch compliance.

Non-Profit 650+ EE

CUSTOMER QUOTES:

Easy to use and good customer service but the maintenance windows conflict with our 24-hour requirements forcing manual tracking of punches.

Financial Services / Insurance 60000+ EE

CUSTOMER QUOTES:

It is helpful to be incorporated into our HRIS system, however the time management system is old-school and not intuitive or user friendly.

Non-Profit 1180+ EE

The following are a select few from over 8,000 plus comments we received highlighting how organizations' current time management technologies are underperforming relative to expectations. These experiences are crucial to consider when evaluating your next time management application. We have a wealth of additional feedback available and can provide more specific comments or insights upon request to further inform your decision-making process.

VOICE OF THE CUSTOMER: TALENT MANAGEMENT

11/14 SECTION

VOICE OF THE CUSTOMER: TALENT MANAGEMENT SYSTEMS

Talent management applications help an organization manage details about who does the work; the solutions are often organized by modules that mirror the employee lifecycle. These applications may also touch the talent pools, job candidates, and workforce alumni groups outside of an organization.

The Voice of the Customer (VoC) sections of this report are based directly on feedback, ratings, and comments from customers of these applications.

For more details on our methodology for all Voice of the Customer charts and research, see our **Research and Methodology section of this paper**.

HOW THESE SYSTEMS MAKE A DIFFERENCE!

Applications we track in this category include:

Category	Adoption
Recruiting and Acquisition	88%
Onboarding and Mobility	85%
Performance Management	70%
Learning and Development	65%
Compensation Management	53%
Rewards and Recognition	40%
Succession and Career Planning	34%
Skills Management	20%

Recruiting

Our solution is easy to use during the whole hiring process, [we use] fewer apps than what we have used in the past.

Manufacturing 200+ EE

Onboarding

We like our onboarding module. [The vendor] is always doing updates and enhancements so we have few issues.

Financial Services / Insurance 1190+ EE

Performance

Our performance management system was easy to set up and to standardize a global review process.

Healthcare / Pharma 6700+ EE

Learning

Easy to use, a wonderful learning module

Government / Defense 31000+ EE

Compensation

Offers a lot of functionality. Market data is integrated into the solution.

Construction / Real Estate 1700+ EE

Rewards & Recognition

Managers and employees love this tool. Easy implementation with very little maintenance.

Manufacturing 440+ EE

TALENT MANAGEMENT SYSTEMS

Talent management solutions extend beyond enhancing employee lifecycle processes and workflows. These platforms aim to foster a personalized approach to workforce management, offering tools for optimizing recruitment, performance evaluation, professional growth, compensation strategies, and career progression. The following specific applications constitute this category of HR technology:

Traditional functionality managed in talent management solutions include:

- Recruiting / Talent Acquisition
- Onboarding / Offboarding
- Performance Solutions
- Learning Solutions
- Rewards and Recognition Solutions
- Compensation / Rewards
- Succession / Career Planning Solutions
- Skills / Competency Solutions

Based on the previous page, 88% of organizations currently utilize recruiting and acquisition applications, the highest adoption rate among tracked talent management solutions. In 2022, we observed a slight decrease in recruiting and onboarding solution usage (70% usage rate), possibly due to a more significant representation of SMB organizations in the dataset. However, despite the significant presence of smaller companies, recruitment software adoption surged in 2023, as talent acquisition became a critical priority across all organizations and remains high in 2024. **This year, skills management again lagged behind other solutions in adoption. Only 20% of organizations employ a skills management platform, down from 30% in 2022 and plateaued.** While 20% adoption may appear low for skills management, it still indicates that one-fifth of all organizations recognize the need for a dedicated skills management platform, a non-existent solution a decade ago.

FIGURE 116: TALENT SOLUTION CHANGE PLANS

	No Change	Yes, Decision Made	Yes, In RFP
Learning and Development	87%	6%	7%
Recruiting and Acquisition	88%	6%	6%
Onboarding and Mobility	89%	6%	5%
Performance Management	85%	9%	6%
Compensation	89%	6%	5%
Rewards and Recognition	90%	5%	5%
Succession and Career Planning	87%	9%	4%
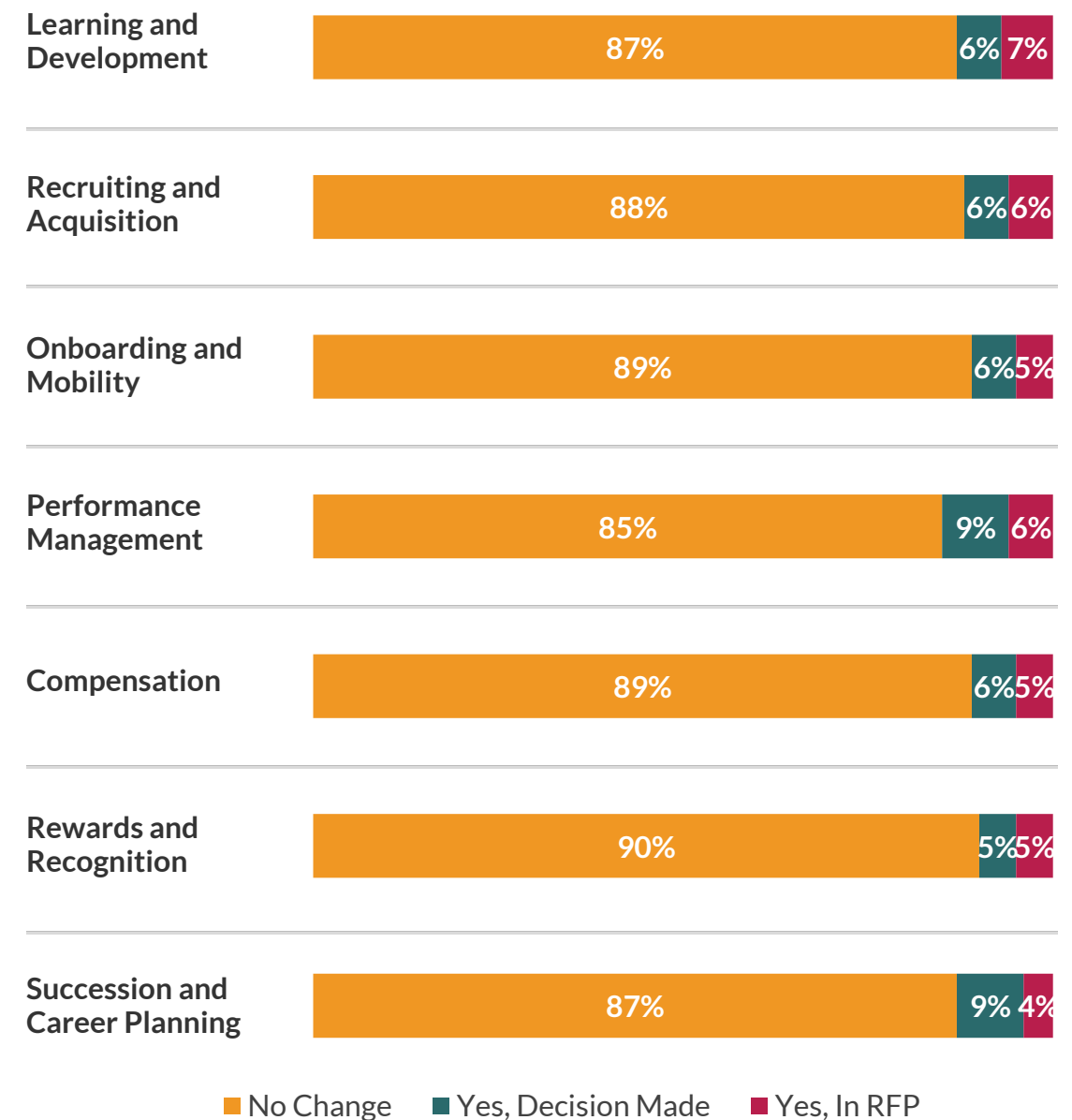
Talent management solutions have lower plans for replacement again this year compared to categories like payroll and HRMS solutions. However, because many individual components of a talent management solution are integrated, at least ideally, the pain of change often outweighs any potential benefits. Therefore, this category often sees less change than other HR tech categories.

Talent management applications can be purchased in multiple ways, depending on the organization's enterprise systems strategy and required functionality. Talent management applications are purchased as either:

- Modules within existing /new ERP suites
- Modules within an HCM/payroll suite
- Modules within a talent suite
- Best-of-breed HR point solutions

We also find that many organizations initially select a point solution with deep best-of-breed functionality. However, over time, these solutions are sometimes acquired by more extensive ERP and HCM vendors. Examples such as Microsoft's purchase of LinkedIn, SAP's acquisition of SuccessFactors, and Oracle's acquisition of Taleo show that these vendors clearly see the value in an integrated and connected set of people services. We also see acquisitions taking place within the subset area of Talent Management suites, for example, Cornerstone's most recent acquisition of Saba, SumTotal, Edcast, tailspin, and SkyHive – all applications and customers that expand its reach in the Talent space.

As illustrated in **Figure 117 and Figure 118**, despite the many specialized solutions, industry consolidation that took place within these categories has led to fewer and fewer organizations using point solutions. Exceptions exist primarily in newer technologies such as AI, discussed at greater length later in this section, where options remain limited to a select group of vendors.

*Full adoption details and breakdowns of data by company size can be accessed through our research subscriptions. Contact us at Research@SapientInsights.com for further information.

FIGURE 117: CURRENT AND FUTURE PURCHASING APPROACHES

Learning Purchasing Approach	Today	12 Months
ERP/HRMS Suite	14%	14%
HRMS/Payroll Suite	26%	27%
Talent Management Suite	14%	12%
Learning Point Solution	46%	47%

Recruiting Purchasing Approach	Today	12 Months
ERP/HRMS Suite	14%	13%
HRMS/Payroll Suite	56%	56%
Talent Management Suite	4%	5%
Talent Acquisition Point Solution	26%	26%

Onboarding Purchasing Approach	Today	12 Months
ERP/HRMS Suite	14%	16%
HRMS/Payroll Suite	76%	80%
Talent Management Suite	2%	2%
Talent Acquisition Point Solution	8%	9%

While increasingly integrated into broader HCM platforms, recruiting and onboarding solutions have experienced renewed buyer interest due to post-pandemic shifts towards remote work and intensified competition for scarce talent. While vendors catering to specific regions or worker types have emerged to address market needs, these niche solutions are likely targets for swift acquisition. Established talent management and HCM suite providers are expected to pursue these acquisitions to maintain their competitive advantage by offering comprehensive talent management services encompassing talent acquisition, skills development, and performance management.

As such, last year, we began looking at the UX and VS scores for onboarding across all three of our tracked company sizes. This year, we are also breaking out VOC rankings by different company sizes for the rewards and recognition category. Due to this year's remarkably large data set, we are also able to provide aggregate UX/VS scores for succession management.

FIGURE 118: CURRENT AND FUTURE PURCHASING APPROACHES

Performance Purchasing Approach	Today	12 Months
ERP/HRMS Suite	26%	24%
HRMS/Payroll Suite	41%	45%
Talent Management Suite	0%	1%
Performance Point Solution	33%	44%

Compensation Purchasing Approach	Today	12 Months
ERP/HRMS Suite	27%	29%
HRMS/Payroll Suite	29%	34%
Compensation Point Solution	44%	49%

*Full adoption details and breakdowns of data by company size can be accessed through our research subscriptions, contact us at Research@SapientInsights.com for further information.

AI IN TALENT MANAGEMENT

In 2024, artificial intelligence (AI) has transformed from a niche, cutting-edge capability found only in top-tier talent management platforms to an essential component of most systems. While "AI" has become the industry's go-to term, it's worth clarifying that the majority of HR solutions are primarily leveraging large language models (LLMs) and certain machine learning techniques.

Nevertheless, for the purposes of this report, the more common and simple "AI" will be employed as an umbrella term. One of the most significant advancements in AI in 2024 has been the expansion of use cases for Talent Management. In acknowledgment, we will look at how AI has impacted any central application area in the relevant report section.

FIGURE 119: OVERALL PERCENTAGE OF ORGANIZATIONS USING ALL FORMS OF AI RECRUITING FEATURES IN 2024-2025

- 24% ■ In Use
- 4% ■ Budgeted 12m
- 5% ■ Forecasted 24-36m
- 67% ■ Not In Use
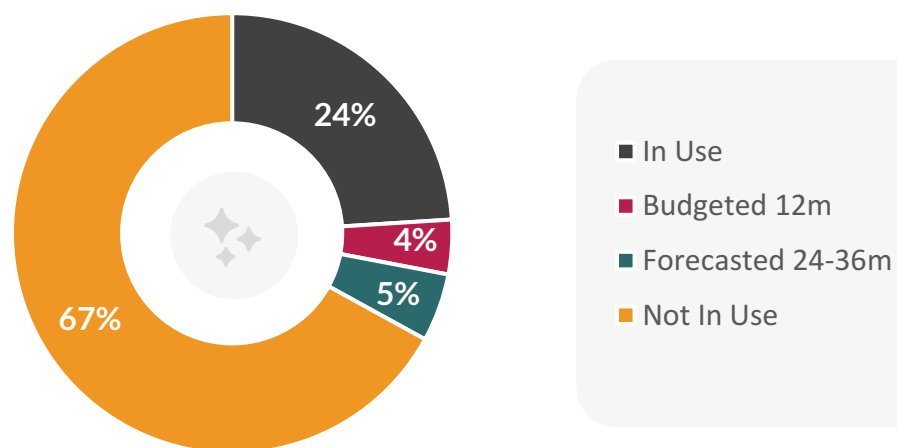
Recruitment and Onboarding Systems:

AI is seeing the most use cases in the recruitment process. AI-enabled recruitment software can analyze vast amounts of candidate data to identify the most suitable individuals based on specific criteria. AI-powered chatbots can also streamline the application process by answering common questions and providing initial screening. Once an employee is hired, AI can automate many onboarding tasks, such as generating personalized welcome packages and scheduling necessary training.

Performance Management:

Traditional performance reviews are being augmented by AI-driven tools. AI can provide real-time feedback based on employee behavior and productivity metrics, allowing for more frequent and objective performance evaluations. Additionally, AI can identify potential areas for development and recommend tailored training programs.

Learning Management Systems:

AI is helping to make learning solutions more personalized and effective. AI-powered learning technology can collect learner data to identify knowledge gaps and tailor content to individual needs. AI-powered chatbots can also provide instant support and answer questions. A few systems use AI to automate administrative tasks, such as grading assignments and tracking progress.

Rewards and Recognition Systems:

When used correctly, AI can help organizations identify high-performing employees and reward them accordingly. By processing various data points -- such as productivity, quality of work, and customer satisfaction -- AI can help managers find employees who deserve recognition. AI can also suggest appropriate rewards, such as bonuses, promotions, or public praise, based on either self-selection or proven practices.

When it comes to talent management, the potential benefits of using AI-enabled systems are directly linked to the biggest concerns. One of the most prominent concerns is the potential for bias in AI algorithms, which could lead to discriminatory hiring practices or unfair performance evaluations. Instances where this has happened have led to legal actions. Additionally, there are justified concerns about data privacy and security. Breaches can negatively impact employees, and as in the case of recruitment solutions, people outside of your organization.

RECRUITING SOLUTION SYSTEMS

This year, **Voice of the Customer (VoC) User Experience and Vendor Satisfaction charts for recruiting highlight** the breadth of solutions in this category -- ranging from deep point solutions to embedded HRMS/payroll modules. A decade ago, recruiting technology was primarily confined to applicant tracking systems (ATS). But now, like other HR tech segments, recruiting systems have become integral to achieving business outcomes.

With that in mind, in this year's HR Systems Survey we asked respondents to rank the user experience (UX) and vendor satisfaction (VS) for all the recruiting solutions they were using to achieve their outcomes. The average scores for this category were 3.52 (UX) and 3.47 (VS). There were 23 vendor solutions that received the minimum validated customer ratings to make our recruiting solutions VoC chart this year.

FIGURE 120: RECRUITING SOLUTIONS, VOC USER EXPERIENCE AND VENDOR SATISFACTION CHART
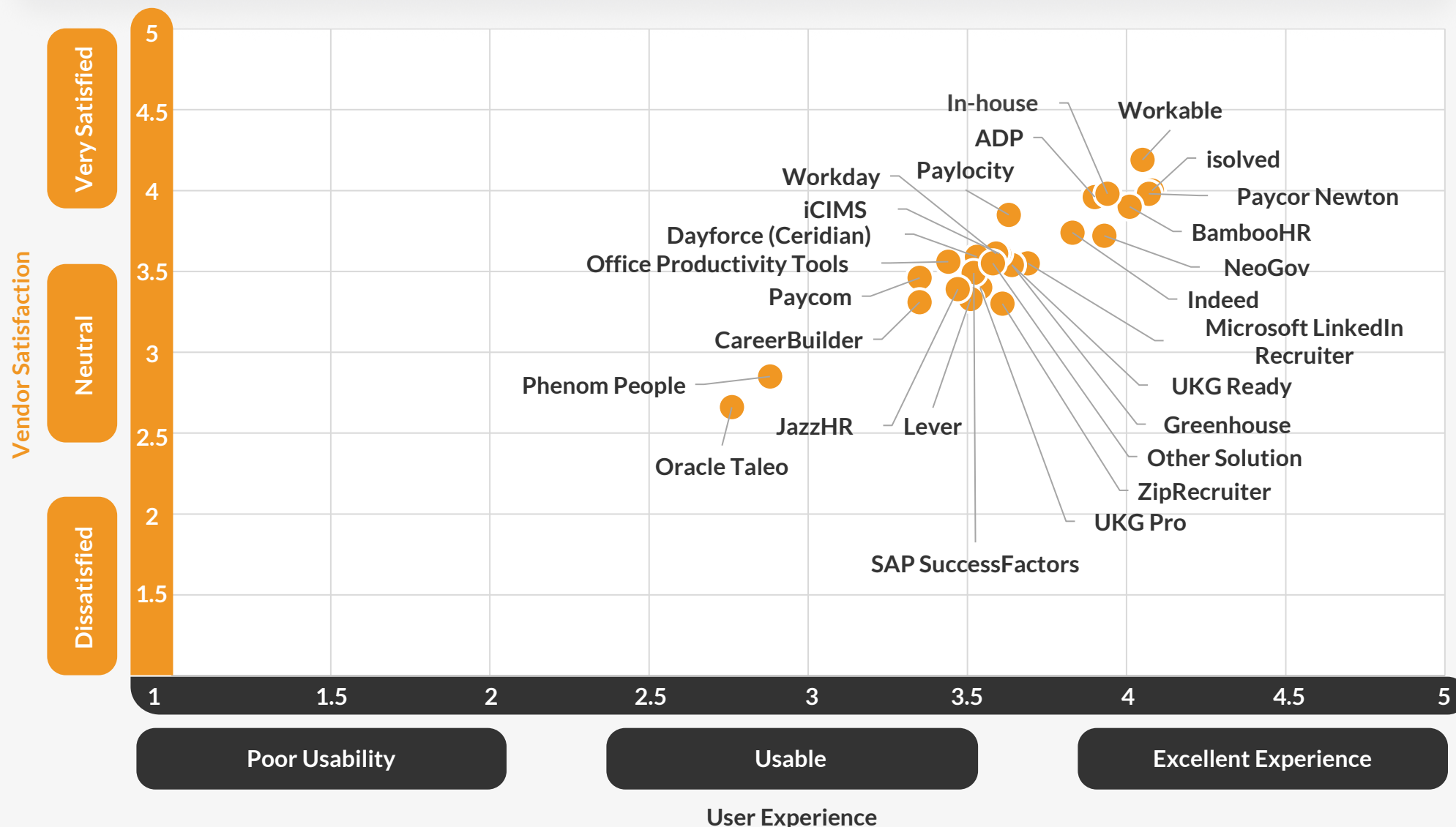
RECRUITING SYSTEMS

Vendors with high ratings that did not have enough responses to make the chart:

- ApplicantPro
- Breezy HR
- Clear Company
- Infor HCM
- Cornerstone
- Jobvite

FIRST

SAPIENT
INSIGHTS GROUP

USER EXPERIENCE

RECRUITING

2024-2025

RECRUITING SOLUTION SYSTEMS

Our aggregate Voice of the Customer (VoC) vendor satisfaction (VS) and user experience (UX) charts are valuable tools for obtaining a broad perspective of how the HR community is evaluating current applications.

In **Figure 121,** we provide a snapshot of the solutions achieving the Top Five average ratings for **recruitment systems** by company size. **We** highlight the solution that received the highest rating and then list the remainder of the **Top Five in alphabetical order.**

*Full adoption details and breakdowns of data by company size can be accessed through our research subscriptions. Contact us at Research@SapientInsights.com for further information.

FIGURE 121:
TOP FIVE (OUT OF 44)
VOC RATINGS BY
COMPANY SIZE
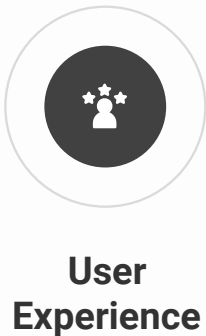
User Experience

ENTERPRISE, ≥5000 EE RECRUITMENT SYSTEMS

TOP

#1	iCIMS
Top 5	Indeed
Top 5	Microsoft LinkedIn Recruiter
Top 5	SAP SuccessFactors
Top 5	Workday

MID-MARKET, 500 - 4999 EE RECRUITMENT SYSTEMS

TOP

#1	Indeed
Top 5	ADP
Top 5	Greenhouse
Top 5	Microsoft LinkedIn Recruiter
Top 5	Workday

SMB, <500 EE RECRUITMENT SYSTEMS

TOP

#1	BambooHR
Top 5	ADP
Top 5	isolved
Top 5	Paycor Newton
Top 5	Workable

**FIGURE 122:
TOP FIVE (OUT OF 44)
VOC RATINGS BY
COMPANY SIZE**

**Vendor
Satisfaction**

ENTERPRISE, ≥5000 EE RECRUITMENT SYSTEMS

TOP

#1	iCIMS
Top 5	Indeed
Top 5	Microsoft LinkedIn Recruiter
Top 5	SAP SuccessFactors
Top 5	Workday

MID-MARKET, 500 - 4999 EE RECRUITMENT SYSTEMS

TOP

#1	ADP
Top 5	Greenhouse
Top 5	iCIMS
Top 5	Indeed
Top 5	Workday

SMB, <500 EE RECRUITMENT SYSTEMS

TOP

#1	Workable
Top 5	ADP
Top 5	BambooHR
Top 5	isolved
Top 5	Paycor Newton

Above are the companies achieving Top Five ratings for **vendor satisfaction** for recruiting systems by company size. Survey participants were asked to rate their satisfaction with the relationship they have with their recruiting vendors, including the services and support provided. As with user experience ratings, we highlight the solution that received the highest rating and then list the remainder of the **Top Five in alphabetical order**.

FIRST

**SAPIENT
INSIGHTS GROUP**

VENDOR SATISFACTION

RECRUITING

2024-2025

*Full adoption details and breakdowns of data by company size can be accessed through our research subscriptions, contact us at Research@SapientInsights.com for further information.

RECRUITING SOLUTION SYSTEMS

The recruiting solutions market has changed from a focus on capturing candidate data and compliance to expectations for full hiring suites that include CRMSs, assessments, background tools – all backed with AI assistance. This is a market that continues to be at the forefront of innovation and change.

The top factors given for low user experience and vendor satisfaction ratings:

- Inaccuracy of data
- Integration issues
- Security issues
- Cost concerns
- Lost information

The top factors given for high user experience ratings include:

- Integrations into single systems
- Ease of use
- Posting across multiple boards or systems

The top factors given for high vendor satisfaction ratings:

- Integration with jobsites
- Partnerships with job communities
- Service capabilities
- Customer service responsiveness

The quote shown to the right is pulled at random from the criticisms received and is not a reflection of any vendors on this page:

> [Our recruiting solution] has great visibility and applicant base but also has poor support [in terms of] billing and accounts.

Manufacturing 1500+ EE

| AGGREGATE | RECRUITING UX AND VS RATINGS, ANALYST INSIGHTS: |

Recruiting solutions are still essentially either highly focused point solutions or part of broad-based HRMS/payroll solutions, as evidenced by the solutions in the Top Five. ICIM's achieved #1 VoC ratings in both user experience and vendor satisfaction in 2024 for recruiting at the enterprise level. A difficult size category to support, ICIMS' strength is in its knowledge of the industry, providing the ability to, attract candidates with personalized messaging and its easy –to-use interface which helps non-HR staff efficiently perform the tasks around hiring new employees.

> **ICIMS CUSTOMER QUOTES:**
>
> Great product with excellent customer support. Keeps up with and ahead of current technology trends. Best in class.

Healthcare / Pharma 6050+ EE

The other four solutions in the Top Five are Indeed, Microsoft LinkedIn Recruiter, SAP SuccessFactors, and Workday. SAP SuccessFactors and Workday were also in the Top Five last year, and it is not surprising to see them again this year as both take full advantage of their extensive suite of HR services (and ERP capabilities) to create a seamless employee journey starting with recruitment.

Indeed, and Microsoft LinkedIn Recruiter are much more focused on recruiting as a standalone function. However, their solutions are easily integrated into other systems, as evidenced by the high marks both received from current users for their solutions' ease of connection. Indeed leverages the strength of its job boards and name recognition to cast the widest possible net for candidates, and LinkedIn Recruiter leverages its position as the most-used professional networking site to find candidates that might not show up in traditional methods (as well as those that use their service directly).

VOICE OF THE CUSTOMER: TALENT MANAGEMENT SYSTEMS

MID-MARKET — RECRUITMENT UX AND VS RATINGS - ANALYST INSIGHTS:

Indeed and ADP had the highest UX and VS scores, respectively, in the mid-market size group for recruiting systems in this year's report. Indeed, also a Top Five at the enterprise level, again shows how combining its job boards, market reach, and brand recognition have helped the company partner with their customers. ADP is mentioned in customer comments repeatedly for how easy it is to move candidates into their system when hired, and how well the data stays consistent throughout the employee lifecycle.

INDEED CUSTOMER QUOTES:

Very easy to post and sponsor jobs. Lots of views of those jobs, and there are a lot of options to promote positions.

Manufacturing 500+ EE

ADP CUSTOMER QUOTES:

[We like the] Integration with our background screening vendor and HR system.

Business / Professional Services 525+ EE

The other solutions in the Top Five for user experience were ADP, Greenhouse, Microsoft LinkedIn Recruiter, and Workday; top-ranked solutions for vendor experience were iCIMS, Indeed, Greenhouse, and Workday. With the exceptions of Greenhouse and ADP, these solutions were also in the Top Five at the enterprise level, which speaks to their ability to scale. Greenhouse was often praised for both its simple-to-use system and for the ability for candidate data to be carried over throughout the Greenhouse platform.

SMB — RECRUITMENT UX AND VS RATINGS - ANALYST INSIGHTS:

For the SMB market, BambooHR took the top spot for user experience, while Workable received it for vendor satisfaction. Note that the rankings for both solutions were very close. BambooHR users repeatedly marked the provider positively for how easy the system was to set up and use, which is especially important at the SMB level. Workable was praised for the same, and also for the high number of integrations and relationships with other talent systems and job boards.

BAMBOOHR CUSTOMER QUOTES:

High ease-of use and cost effective.

Financial Services / Insurance 24+ EE

WORKABLE CUSTOMER QUOTES:

It's user-friendly, and the template capabilities are beneficial. We also like the AI integration, electronic signatures, and integration with over 18 online job boards.

Financial Services / Insurance 360+ EE

This year, ADP, isolved, and Paycor also appeared in the Top Five for both user experience and vendor satisfaction for SMBs. Last year, ApplicantPro achieved the highest ratings in recruiting for SMBs, and many of this year's top-ranking solutions show similar strengths. ADP is seen as a solid partner for many high-growth SMBs due to its ability to scale. Paycor stands out as an HRMS/ Payroll solution that offers deep functionality to knowledgeable recruitment professionals without shutting out those new to the profession.

ONBOARDING SOLUTION SYSTEMS

This year's **Onboarding Solutions Voice of the Customer (VoC) User Experience and Vendor Satisfaction chart** highlights the range of solutions in this category – from 'point solutions to embedded modules in HRMS/payroll solutions. Now recognized as a function separate from recruiting, onboarding has become more important due to the need for more engagement with remote or contingent workers

We asked respondents to rank the user experience (UX) and vendor satisfaction (VS) for all the onboarding solutions they were using. The average scores for this category were 3.80 (UX) and 3.76 (VS). There were 15 vendor solutions that received the minimum validated customer ratings to make our **Onboarding Solutions** VoC chart this year.

FIGURE 123: ONBOARDING SOLUTIONS, VOC USER EXPERIENCE AND VENDOR SATISFACTION CHART
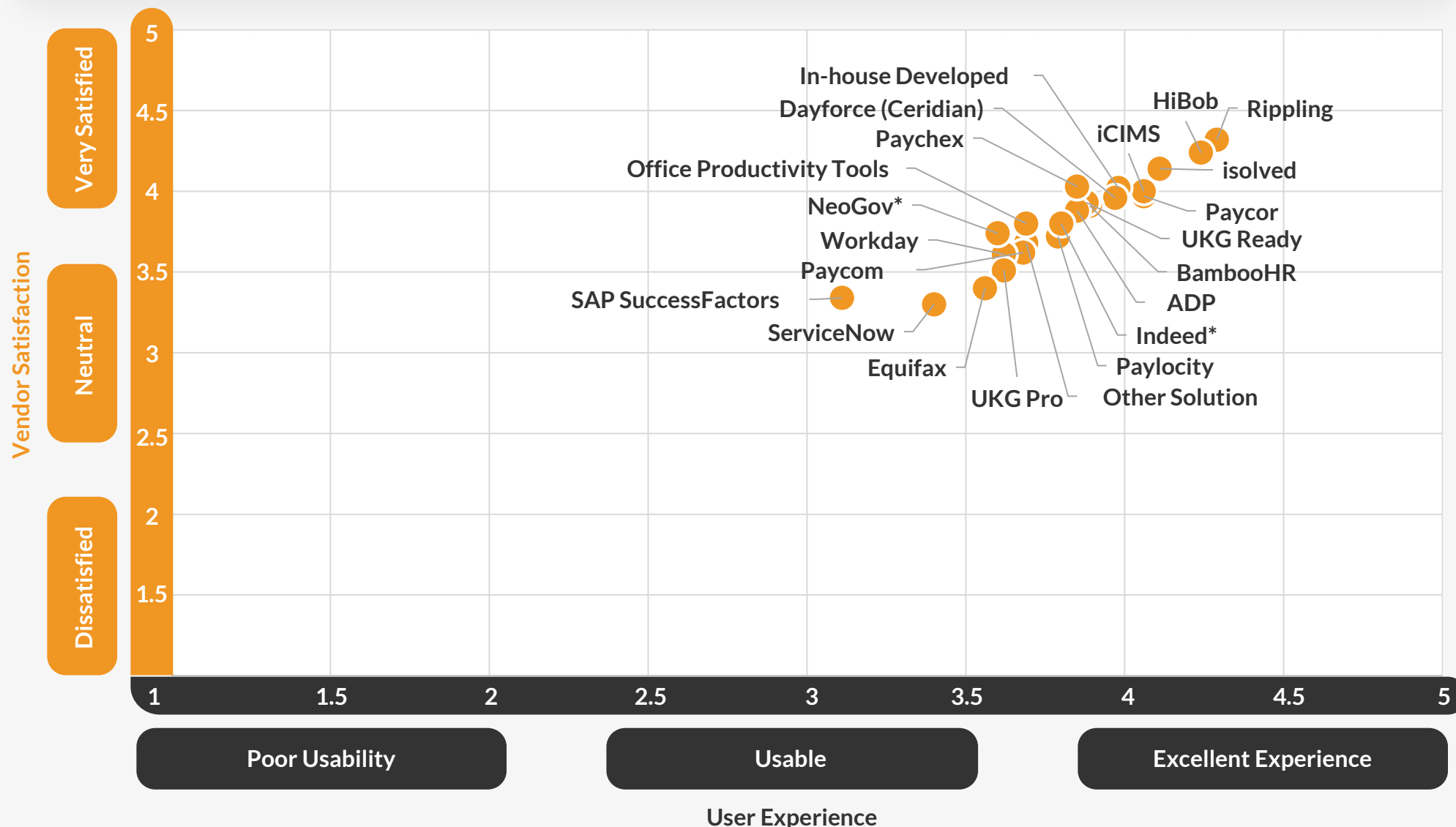
ONBORDING SOLUTIONS

Vendors with high ratings that did not have enough responses to make the chart:

- Gusto
- Oracle HCM
- Oracle Taleo
- Paycor
- Rival (SilkRoad)
- Tri-Net Zenefits

*These solutions did not meet our response threshold numbers and are being shared as directional indicators only.

Chart labels (User Experience horizontal axis): Poor Usability, Usable, Excellent Experience. Vendor Satisfaction vertical axis: Very Satisfied, Neutral, Dissatisfied.

Plotted vendors: In-house Developed, Dayforce (Ceridian), Paychex, Office Productivity Tools, NeoGov*, Workday, Paycom, SAP SuccessFactors, ServiceNow, Equifax, UKG Pro, HiBob, Rippling, iCIMS, isolved, Paycor, UKG Ready, BambooHR, ADP, Indeed*, Paylocity, Other Solution.

FIRST

SAPIENT
INSIGHTS GROUP

USER EXPERIENCE

ONBOARDING

2024-2025

Our aggregate Voice of the Customer (VoC) Vendor Satisfaction (VS) and User Experience (UX) charts are a valuable tools for obtaining a broad perspective of how the HR community is evaluating their current applications.

For further context, we analyze the solutions that achieve the highest average rankings from multi-sourced validated responses in three company size categories. The solutions must meet or exceed a qualifying number of responses in the company size categories to qualify for this analysis.

In **Figure 124**, we provide a snapshot of the solutions achieving the Top 5 average ratings in **onboarding systems** by company size. **We** highlight the solution that received the highest rating and then list the remainder of the **Top Five in alphabetical order**.

*Full adoption details and breakdowns of data by company size can be accessed through our research subscriptions. Contact us at Research@SapientInsights.com for further information.

FIGURE 124:
TOP FIVE (OUT OF 46) VOC RATINGS BY COMPANY SIZE

User Experience

ENTERPRISE, ≥5000 EE ONBOARDING SYSTEMS	MID-MARKET, 500 – 4999 EE ONBOARDING SYSTEMS	SMB, <500 EE ONBOARDING SYSTEMS
TOP	TOP	TOP
#1 **iCIMS**	#1 **isolved**	#1 **Rippling**
Top 5 Equifax	Top 5 Dayforce (Ceridian)	Top 5 ADP
Top 5 ServiceNow	Top 5 iCIMS	Top 5 HiBob
Top 5 UKG Pro	Top 5 UKG Pro	Top 5 isolved
Top 5 Workday	Top 5 UKG Ready	Top 5 Paycor

**FIGURE 125:
TOP FIVE (OUT OF 46)
VOC RATINGS
COMPANY SIZE**

**Vendor
Satisfaction**
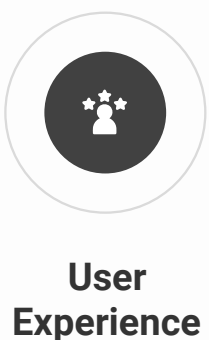
ENTERPRISE, ≥5000 EE ONBOARDING SYSTEMS		
TOP		
#1		iCIMS
Top 5		Equifax
Top 5		SAP SuccessFactors
Top 5		UKG Pro
Top 5		Workday

MID-MARKET, 500 - 4999 EE ONBOARDING SYSTEMS		
TOP		
#1		isolved
Top 5		Dayforce (Ceridian)
Top 5		iCIMS
Top 5		UKG Ready
Top 5		Workday

SMB, <500 EE ONBOARDING SYSTEMS		
TOP		
#1		Rippling
Top 5		ADP
Top 5		HiBob
Top 5		isolved
Top 5		Paycor

Above are the companies achieving Top Five ratings for **vendor satisfaction** for onboardingl systems by company size. Survey participants were asked to rate their satisfaction with the relationship they have with their onboarding vendors, including the services and support provided. As with user experience ratings, we highlight the solution that received the highest rating and then list the remainder of the **Top Five in alphabetical order**.

FIRST

SAPIENT
INSIGHTS GROUP

VENDOR SATISFACTION

ONBOARDING

2024-2025

*Full adoption details and breakdowns of data by company size can be accessed through our research subscriptions. Contact us at Research@SapientInsights.com for further information.

ONBOARDING SOLUTION SYSTEMS

Onboarding is often grouped with recruiting, but now we are seeing solutions with specialized functions and AI-backed technologies specific to onboarding. Because of this, we want to give onboarding customers an opportunity to express their voices about these important solutions.

The top factors given for low user experience and vendor satisfaction ratings:

- No integration with other talent systems
- Difficulty for new users
- Unresponsive service
- Cost concerns

The top factors given for high user experience ratings include:

- Integrations/single systems
- Ease of use
- Customization options

The top factors given for high vendor satisfaction ratings:

- Service options
- Community building
- Talent acquisition solution bundling

The quote shown to the right is pulled at random from the criticisms received and is not a reflection of any vendors on this page:

> The onboarding module can use some work. It's a little clunky.

Financial Services / Insurance 950+ EE

ONBOARDING — **ONBOARDING UX AND VS RATINGS, ANALYST INSIGHTS:**

At the enterprise level for onboarding in 2024, the top user experience and vendor satisfaction ratings went to iCIMS, long recognized as a leader in recruitment, as evidenced by their placement in this year's VoC rankings in that category.

iCIMS heard a significant customer pain point which was taking candidates and their data from a separate recruiting system and transferring them to an onboarding system without loss of data. The iCIMS onboarding platform is explicitly designed to create a rewarding experience for the candidate while simultaneously giving onboarding administrators a broad view of the candidate data that creates a seamless connection.

> **ICIMS CUSTOMER QUOTES:**
> Significant improvement over [our old system]. Has a lot of features that others were missing.

Transportation / Airlines / Logistics 6300+ EE

The other solutions in the Top Five for user experience were Equifax, ServiceNow, UKG Pro, and Workday. The other top-ranking solutions for vendor satisfaction were Equifax, SAP SuccessFactors, UKG Pro, and Workday.

UKG Pro, Workday and ServiceNow are now able to create that perfect handoff from recruiting to onboarding and then on through the rest of the employee lifecycle, due to their extensive solution suites.

Equifax is an interesting case because its strength comes from a different direction. It has grown by providing background checks, identity checks, and other pre-hire needs. However, its Work Number system offers an essential differentiator by helping companies ensure security and privacy when transferring candidate data from the pre-hire phase into the organizational database with full integration.

MID-MARKET — ONBOARDING UX AND VS RATINGS - ANALYST INSIGHTS:

For mid-sized companies, isolved takes the top spot for user experience and vendor satisfaction. Over a short period of time, isolved has not only developed a suite of services previously available only to enterprise-sized organizations, but it has also done it in a way that has created value for its customers, as evidenced by its high VoC ratings. Onboarding solutions are a critical tool for the SMB market, and iSolved puts emphasis on both the compliance and culture portion of that effort for Mid Market buyers.

> **ISOLVED PRO CUSTOMER QUOTES:**
> New hires are easy to find, and can be onboarded directly into the HRIS side of things.
>
> Non-Profit 550+ EE

The other solutions in the Top Five for user experience were Dayforce, iCIMS, Workday, and UKG's Pro and Ready solutions. The appearance of both UKG's Pro and Ready solutions shows the overlap in providing solutions for companies with 500 to 5,000 employees. Dayforce and UKG's high ratings continue to highlight the value Mid-Market organizations see in their solutions to meet their needs.

SMB — ONBOARDING UX AND VS RATINGS - ANALYST INSIGHTS:

For SMBs, the top spot in our Voice of the Customer (VoC) rankings for both user experience and vendor satisfaction went to Rippling. There are many similarities between Rippling and isolved, which was last year's SMB winner. Like isolved, Rippling has built a dedicated group of users and created a truly extensive platform of HR solutions. Not only that but through the integration of IT tools, Rippling is able to provide a secure and private data transfer throughout the employee lifecycle.

We should also note that due to Rippling recent entrance into this market, less than 50% of their customers have had their talent solutions for more than 1 year.

> **RIPPLING CUSTOMER QUOTES:**
> Rippling delivers a great experience to new hires: getting them onto payroll, updating their information, etc.
>
> Hospitality / Restaurant / Entertainment 15+ EE

The other Top Five solutions for onboarding for SMBs are ADP, HiBob, isolved, and Paycor -- all providers we are used to seeing with high ratings. Year over year, they are all able to build on their talent tools to make extensive improvements in ease of use and intuitive user interfaces. While it lacks the longevity of other companies, HiBob is called out consistently by its users for its very responsive and highly efficient customer service teams that pair well with the high-end user experience of its tools.

PERFORMANCE MANAGEMENT SOLUTION SYSTEMS

This year's **Performance Solutions Voice of the Customer (VoC) User Experience and Vendor Satisfaction chart** portrays an HR technology category that is still trying to find its identity. Once again, a limited number of solutions achieved the required number of responses for this chart due to the wide range of products being used.

We asked respondents to rate the user experience (UX) and vendor satisfaction (VS) for all performance management solutions used. The average scores for this category were at 3.66 (UX) and 3.62 (VS), 1% higher than last year's averages. There were 12 vendor solutions that received the minimum validated customer ratings to make our **Performance Solutions** VoC chart this year.

FIGURE 126: PERFORMANCE SOLUTIONS, VOC USER EXPERIENCE AND VENDOR SATISFACTION CHART

PERFORMANCE SOLUTION

Vendors with high ratings that did not have enough responses to make the chart:

- 15Five
- Cornerstone Saba
- PerformYard
- Quantum Workplace
- SilkRoad

*These solutions did not meet our response threshold numbers and are being shared as directional indicators only.

FIRST

SAPIENT
INSIGHTS GROUP

USER EXPERIENCE

PERFORMANCE

2024-2025

PERFORMANCE MANAGEMENT SYSTEMS

Our aggregate Voice of the Customer (VoC) Vendor Satisfaction (VS) and User Experience (UX) charts are a valuable tool for obtaining a broad perspective of how the HR community is evaluating their current applications, .

In **Figure 127**, we provide a snapshot of the solutions achieving the Top Five average ratings, in **performance management Systems** by company size. **We** highlight the solution that received the highest rating and then list the remainder of the **Top Five in alphabetical order**.

*Full adoption details and breakdowns of data by company size can be accessed through our research subscriptions. Contact us at Research@SapientInsights.com for further information.

**FIGURE 127:
TOP FIVE (OUT OF 48)
VOC RATINGS BY
COMPANY SIZE**

User
Experience
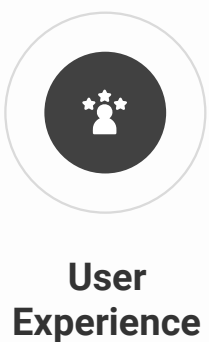
ENTERPRISE, ≥5000 EE PERFORMANCE SYSTEMS	MID-MARKET, 500 - 4999 EE PERFORMANCE SYSTEMS	SMB, <500 EE PERFORMANCE SYSTEMS
TOP	TOP	TOP
#1 Cornerstone	#1 Workday	#1 Lattice
Top 5 Oracle HCM	Top 5 ADP	Top 5 ADP
Top 5 SAP SuccessFactors	Top 5 Cornerstone	Top 5 HiBob
Top 5 UKG Pro	Top 5 Dayforce (Ceridian)	Top 5 isolved
Top 5 Workday	Top 5 SAP SuccessFactors	Top 5 Paycor

FIGURE 128:
TOP FIVE (OUT OF 48) VOC RATINGS BY COMPANY SIZE

Vendor Satisfaction

ENTERPRISE, ≥5000 EE PERFORMANCE SYSTEMS

TOP

- #1 **Cornerstone**
- Top 5 — Oracle HCM
- Top 5 — SAP SuccessFactors
- Top 5 — UKG Pro
- Top 5 — Workday

MID-MARKET, 500 – 4999 EE PERFORMANCE SYSTEMS

TOP

- #1 **Cornerstone**
- Top 5 — ADP
- Top 5 — Dayforce (Ceridian)
- Top 5 — UKG Pro
- Top 5 — Workday

SMB, <500 EE PERFORMANCE SYSTEMS

TOP

- #1 **Lattice**
- Top 5 — ADP
- Top 5 — HiBob
- Top 5 — isolved
- Top 5 — Paycor

FIRST

SAPIENT
INSIGHTS GROUP

VENDOR SATISFACTION

PERFORMANCE

2024-2025

Above are the companies achieving Top Five ratings for **vendor satisfaction** for performance management systems by company size. Survey participants were asked to rate their satisfaction with the relationship they have with their vendors, including the services and support provided. As with user experience ratings, we highlight the solution that received the highest rating and then list the remainder of the **Top Five in alphabetical order**.

*Full adoption details and breakdowns of data by company size can be accessed through our research subscriptions. Contact us at Research@SapientInsights.com for further information.

PERFORMANCE SOLUTION SYSTEMS

Companies have long debated the optimal performance management strategy. Recent trends indicate a shift from rigid to flexible frameworks, as businesses strive to balance ongoing feedback with yearly evaluations that inform equitable pay determinations.

The top factors given for low user experience and vendor satisfaction ratings:

- Lack of integration
- Clunky interface
- Missing or low-level reporting
- No connection to skills

The top factors given for high user experience ratings include:

- Connectivity to HRMS, skills, and compensation
- Integrations with manual systems
- Support for multiple PM processes

The top factors given for high vendor satisfaction ratings:

- Vendor responsiveness
- Adaptive services
- Available training
- Knowledgeable support

The quote shown to the right is pulled at random from the criticisms received and is not a reflection of any vendors on this page:

> There are too many ways to access one performance management activity, which confuses employees.

Financial Services / Insurance 530+ EE

ENTERPRISE — **PERFORMANCE UX AND VS RATINGS, ANALYST INSIGHTS:**

For both user experience and vendor satisfaction at the enterprise level, this year's top-rated system is Cornerstone. Although best known for its learning systems, Cornerstone has been able to leverage its strengths to tie employee learning and performance together – just as recruiting and onboarding are intrinsically linked. In fact, it is the integration between performance and learning that is most often called out as positive by the Cornerstone user community in our dataset.

Cornerstone also has a highly configurable Performance Management solution, providing enterprise organizations the flexibility they need to handle multiple roles, regions, and business units with unique approaches to Performance Management and still view a cohesive rolled-up account at the company level.

CORNERSTONE CUSTOMER QUOTES:

> The Cornerstone performance tool is extremely flexible!

Healthcare / Pharm 51000+ EE

The other solutions in the Top Five for both user experience and vendor satisfaction were Oracle HCM, SAP SuccessFactors, UKG Pro, and Workday. Every one of these solutions has broad and deep solutions across the HR tech spectrum. Therefore, each solution is able to bring performance into a broader discussion of how employee performance is directly related to organizational outcomes, a necessity for complex organizations.

MID-MARKET — PERFORMANCE UX AND VS RATINGS - ANALYST INSIGHTS:

Coming in first in user experience is Workday; Cornerstone came in first in vendor satisfaction. Both solutions take a view of performance management as part of an interconnected system and treat the performance management processes and data in their systems as such.

WORKDAY CUSTOMER QUOTES:

We are able to create different performance management templates for use [through our entire organization].

High-Tech 4600+ EE

CORNERSTONE CUSTOMER QUOTES:

Cornerstone took our performance management to a whole new level and automated a paper process overnight. It also helped us to standardize the process across the organization..

Healthcare / Pharma 600+ EE

The other Top Five performance management solutions for user experience were ADP, Dayforce, Cornerstone, and SAP SuccessFactors. The other Top Five for vendor satisfaction were ADP, Dayforce, UKG Pro, and Workday. These top-tier solutions frequently leverage cutting-edge technologies to enhance performance management processes. These may include AI-powered systems that initiate performance discussions with tailored prompts, reducing the burden on managers. Additionally, advanced sentiment analysis tools are employed to process large volumes of employee feedback, providing organizations with valuable insights into the overall reception of their performance management initiatives.

SMB — PERFORMANCE UX AND VS RATINGS - ANALYST INSIGHTS:

In performance management for SMBs, Lattice emerged as the top-ranked solution for both user experience and vendor satisfaction. Despite its relatively recent establishment in 2015, Lattice has rapidly amassed a client base exceeding 5,000. The platform secured the highest ratings among mid-market performance management solutions in 2023. It now shows the ability to meet the needs of smaller business as well. Customer comments frequently highlighted Lattice's direct, personalized customer support.

LATTICE CUSTOMER QUOTES:

It created a strong foundation of continuous feedback culture for our company.

Retail / Wholesale 300+ EE

The other solutions in the Top Five in both user experience and vendor satisfaction were ADP, HiBob, isolved, and Paycor - all of which have appeared in many other talent management rankings. All also have HR tech functionality all the way down to the recruitment level, something that just was not within reach for the SMB market as little as five years ago. The user comments for all of these solutions show that the connectivity and ability to work with varying types of performance management processes are what set these solutions apart from their competitors.

LEARNING SOLUTION SYSTEMS

This **year's Learning Solutions Voice of the Customer (VoC) User Experience and Vendor Satisfaction chart** shows that the field continues to tighten, with numerous applications clustering closely together in terms of UX and VS scores. Unlike previous years when we focused solely on learning management systems (LMS), this year we've acknowledged the multi-solution approach adopted by today's buyers.

Consequently, we now ask respondents to rate the user experience and vendor satisfaction of all learning solutions they employ. The average scores for this category have slipped slightly **from 2023, with UX dropping 1.4% to 3.60 and VS declining by the same margin to 3.59. A total of 23 vendor solutions** met the minimum validated customer ratings to earn a place on this year's Learning Solutions VoC chart.

FIGURE 129: LEARNING SOLUTIONS, VOC USER EXPERIENCE AND VENDOR SATISFACTION CHART
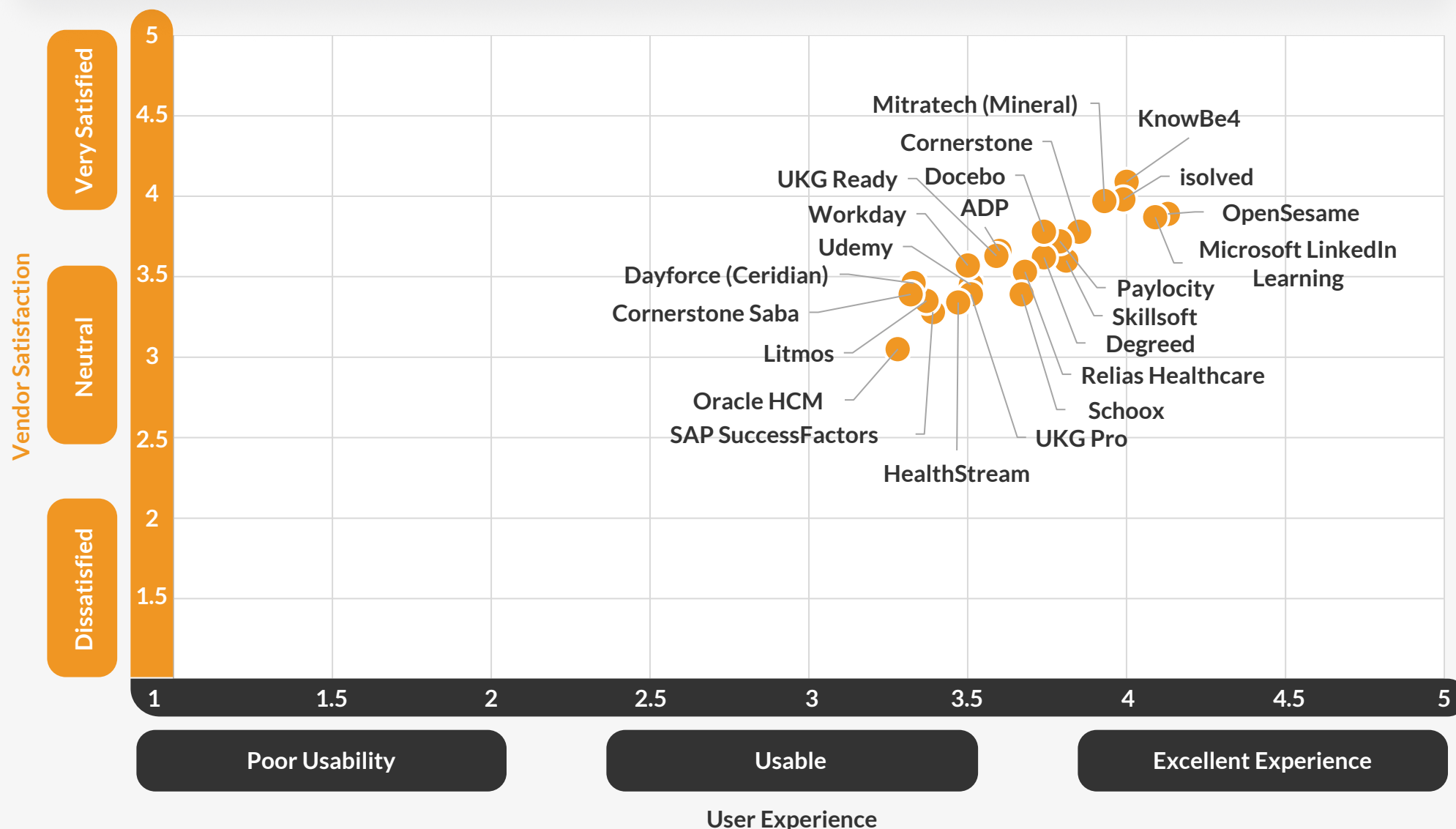
LEARNING SOLUTION

Vendors with high ratings that did not have enough responses to make the chart:

Branier

Microsoft Viva Learning

Paychex

Paycor

LEARNING SOLUTION SYSTEMS

Our aggregate Voice of the Customer (VoC) Vendor Satisfaction and User Experience charts are valuable tools for obtaining a broad perspective of how the HR community is evaluating current applications, The solutions in our Top Five analysis must have a qualifying number of multi-sourced validated responses in our aggregate data set to qualify for this analysis. Hearing directly from validated and multi-sourced customers that buy, maintain, and use these applications to achieve organizational outcomes is a rare opportunity.

In **Figure 130**, we provide a snapshot of the solutions achieving the Top Five average ratings in **Learning systems** by company size. **We** highlight the solution that received the highest rating and then list the remainder of the **Top Five in alphabetical order**.

*Full adoption details and breakdowns of data by company size can be accessed through our research subscriptions. Contact us at Research@SapientInsights.com for further information.

FIGURE 130:
TOP FIVE (OUT OF 48) VOC RATINGS BY COMPANY SIZE

User Experience

ENTERPRISE, ≥5000 EE LEARNING SYSTEMS	MID-MARKET, 500 - 4999 EE LEARNING SYSTEMS	SMB, <500 EE LEARNING SYSTEMS
TOP	**TOP**	**TOP**
#1 — MSFT LinkedIn Learning	#1 — OpenSesame	#1 — MSFT LinkedIn Learning
Top 5 — Cornerstone	Top 5 — Cornerstone	Top 5 — isolved
Top 5 — Degreed	Top 5 — Docebo	Top 5 — KnowBe4
Top 5 — Skillsoft	Top 5 — KnowBe4	Top 5 — Mitratech (Mineral)
Top 5 — Workday	Top 5 — MSFT LinkedIn Learning	Top 5 — Paylocity

**FIGURE 131:
TOP FIVE (OUT OF 48)
VOC RATINGS BY
COMPANY SIZE**

**Vendor
Satisfaction**

ENTERPRISE, ≥5000 EE LEARNING SYSTEMS		MID-MARKET, 500 - 4999 EE LEARNING SYSTEMS		SMB, <500 EE LEARNING SYSTEMS	
TOP		TOP		TOP	
#1	Cornerstone	#1	Docebo	#1	KnowBe4
Top 5	Degreed	Top 5	Cornerstone	Top 5	isolved
Top 5	MSFT LinkedIn Learning	Top 5	KnowBe4	Top 5	MSFT LinkedIn Learning
Top 5	Skillsoft	Top 5	MSFT LinkedIn Learning	Top 5	Mitratech (Mineral)
Top 5	Workday	Top 5	OpenSesame	Top 5	Paylocity

FIRST

SAPIENT
INSIGHTS GROUP

VENDOR SATISFACTION

LEARNING

2024-2025

Above are the companies achieving Top Five ratings for **vendor satisfaction** for learning systems by company size. Survey participants were asked to rate their satisfaction with the relationship they have with their vendors, including the services and support provided. As with user experience ratings, we highlight the solution that received the highest rating and then list the remainder of the **Top Five in alphabetical order**.

*Full adoption details and breakdowns of data by company size can be accessed through our research subscriptions. Contact us at Research@SapientInsights.com for further information.

LEARNING SOLUTION SYSTEMS

The learning solution landscape has transformed significantly, progressing from simple online course delivery systems to a rich ecosystem of multifaceted learning platforms. This evolution has led to heightened expectations among buyers, who now demand more sophisticated features and capabilities from their current solution providers.

The top factors given for low user experience and vendor satisfaction ratings:

- Poor user experience
- Implementation issues
- Integration gaps
- Lack of analytics features

The top factors given for high user experience ratings include:

- Intuitive user interface
- Integrated data
- Innovative functionality

The top factors given for high vendor satisfaction ratings:

- Vendor responsiveness
- Connection to other HR systems
- Access to information
- Strong user communities

The quote shown to the right is pulled at random from the criticisms received and is not a reflection of any vendors on this page:

> Some configurations are difficult to set up and manage.

Manufacturing 1500+ EE

ENTERPRISE LEARNING UX AND VS RATINGS, ANALYST INSIGHTS:

For learning solutions at the enterprise level, our Voice of their Customer rankings finds Microsoft LinkedIn Learning at the top for user experience and Cornerstone at the top for vendor satisfaction. LinkedIn Learning has a vast and extensive connection of networks and integrates well with the Microsoft suite of productivity tools. While also having a lot of connections, Cornerstone finds differentiating strength in its immense content library, suitable for any standard or niche industry organization.

> **MICROSOFT LINKEDIN LEARNING CUSTOMER QUOTES:**
> LinkedIn Learning is easy to use and has its own content.

Manufacturing 20700+ EE

> **CORNERSTONE CUSTOMER QUOTES:**
> Cornerstone provides excellent reporting capabilities and flexibility with assignments.

Financial Services / Insurance 70000+ EE

The other Top Five solutions for user experience were Cornerstone, Degreed, Skillsoft, and Workday. For vendor satisfaction, the other Top Five were Degreed, Microsoft LinkedIn Learning, Skillsoft, and Workday.

Degreed has long been one of the industry leaders in learning and its high placement in vendor satisfaction is not surprising. Degreed's searchability and customization of learning were contributing factors according to user comments. Appearing in the Top Five for both UX and VS, Skillsoft is another legacy leader whose emphasis on skills and microlearning were some of the earliest in the learning management space. Workday succeeds due to its ability to connect employees and their data across Workday's truly all-encompassing suite of people technology.

MID-MARKET — LEARNING UX AND VS RATINGS - ANALYST INSIGHTS:

At the mid-market level, OpenSesame was the highest rated learning solution for user experience; Docebo was the highest rated in vendor satisfaction. OpenSesame would be a great choice for a company seeking a vast library of pre-built, off-the-shelf courses at a competitive price, making it ideal for organizations looking for quick and cost-effective training solutions. Docebo would be a strong option for a company that requires a highly customizable platform with advanced features like gamification, social learning, and AI-powered recommendations, making it suitable for organizations that want to create a unique and engaging learning experience.

OPENSESAME CUSTOMER QUOTE:

The wide variety of content partners aggregated into one solution is very convenient and for the most part, the quality of deliverables is good.

Business / Professional Services 1100+ EE

DOCEBO CUSTOMER QUOTE:

Easy to use, develop and add courses. Allows various types of training (video, online, etc).

Financial Services / Insurance 1180+ EE

The other Top Five solutions for user experience were Cornerstone, Docebo, KnowBe4, and Microsoft LinkedIn Learning. For vendor satisfaction, Cornerstone, KnowB4, Microsoft LinkedIn Learning and OpenSesame were the other Top Five. Recognized for their strengths at the enterprise level, Microsoft LinkedIn Learning and Cornerstone are able to bring that expertise and depth to the mid-market. KnowB4 is primarily focused on the infosec/security market but makes extensive use of modern AI tools in its platform.

SMB — LEARNING UX AND VS RATINGS - ANALYST INSIGHTS:

At the SMB level, Microsoft LinkedIn Learning was the top-rated solution for user experience, and KnowB4 was the top-rated solution for vendor satisfaction. Interestingly, last year's top rated SMB learning solution was Mineral, which like KnowB4, works extensively in the compliance space.

MICOSOFT LINKEDIN LEARNING CUSTOMER QUOTE:

We like the number and variety of learning modules available.

Non-Profit 24+ EE

KNOWBE4 CUSTOMER QUOTE:

Extensive library with frequent updates..

Business / Professional Services 180+ EE

The other solutions in the Top Five for user experience were isolved, KnowB4, Paylocity, and Mitratech (which acquired Mineral). The highest ratings in vendor satisfaction went to isolved, Microsoft LinkedIn Learning, Mitratech, and Paylocity. Microsoft LinkedIn Learning's appearance in all size categories is noteworthy. Isolved and Paylocity should also be called out for not sacrificing user experience or vendor satisfaction regardless of the category or size of customer.

COMPENSATION SOLUTION SYSTEMS

This year's **Compensation Solutions** Voice of the Customer (VoC) User Experience and Vendor Satisfaction chart shows a fairly wide range of vendors due to the wide range of compensation solution needs. Where some organizations require compensation software to help remain competitive for hiring, others are more focused on the need for pay equity or other DEI&B initiatives or concerns.

We asked respondents to rate the user experience (UX) and vendor satisfaction (VS) for all of their compensation solutions. The average scores for this category were at 3.71 (UX) and 3.70 (VS). There were 11 vendor solutions that received the minimum validated customer ratings to make our **Compensation Solutions** VoC chart this year.

FIGURE 132: COMPENSATION SOLUTIONS, USER EXPERIENCE AND VENDOR SATISFACTION CHART

Chart axes: Vendor Satisfaction (y-axis): Very Satisfied (5, 4.5, 4), Neutral (3.5, 3, 2.5), Dissatisfied (2, 1.5). User Experience (x-axis): 1 to 5 — Poor Usability, Usable, Excellent Experience.

Vendors plotted: Payscale/Insight/Benchmark, HiBob*, Payscale MarketPay, ADP, Payscale Payfactors, Salary.com, Dayforce (Ceridian)*, Pave*, Paylocity, Workday, Oracle HCM, Cornerstone*, Oracle PeopleSoft*, Mercer Survey Services, UKG Pro, WTW Reward*, SAP SuccessFactors, Paycor*, Aon Survey Services*

COMPENSATION SOLUTIONS

Vendors with high ratings that did not have enough responses to make the chart:

- Compease
- CompXL
- HRSoft
- Paychex
- SAP HCM

*These solutions did not meet our response threshold numbers and are being shared as directional indicators only.

FIRST

SAPIENT
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USER EXPERIENCE
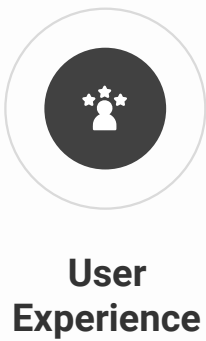
COMPENSATION

2024-2025

COMPENSATION SOLUTION SYSTEMS

Our aggregate Voice of the Customer (VoC) Vendor Satisfaction (VS) and User Experience (UX) charts are valuable tools for obtaining a broad perspective of how the HR community is evaluating their current applications.

For further context, we analyze the solutions that achieve the highest average rankings, from multi-sourced validated responses in three company size categories. The solutions must have a qualifying number of responses or more in the respective size categories to qualify for this analysis.

In **Figure 133**, we provide a snapshot of the solutions achieving the Top 5 average ratings in **Compensation Systems** by size. We highlight the solution that received the highest rating and then list the remainder of the **Top Five in alphabetical order**.

**FIGURE 133:
TOP FIVE (OUT OF 35)
VOC RATINGS BY
COMPANY SIZE**

User Experience

ENTERPRISE, ≥5000 EE COMPENSATION SYSTEMS	MID-MARKET, 500 - 4999 EE COMPENSATION SYSTEMS	SMB, <500 EE COMPENSATION SYSTEMS
TOP	TOP	TOP
#1 Payscale MarketPay	#1 Payscale /Insight/Benchmark	#1 ADP
Top 5 Mercer Survey Services	Top 5 Payscale MarketPay	Top 5 Payscale/Insight/Benchmark
Top 5 Oracle PeopleSoft	Top 5 Payscale Payfactors	Top 5 Payscale Payfactors
Top 5 Payscale Payfactors	Top 5 Salary.com	Top 5 Salary.com
Top 5 Workday	Top 5 Workday	Top 5 UKG Pro

FIGURE 134:
TOP FIVE (OUT OF 35) VOC RATINGS BY COMPANY SIZE

Vendor Satisfaction

ENTERPRISE, ≥5000 EE COMPENSATION SYSTEMS

TOP

- **#1** — Payscale MarketPay
- Top 5 — Mercer Survey Services
- Top 5 — Payscale Payfactors
- Top 5 — UKG Pro
- Top 5 — Workday

MID-MARKET, 500 - 4999 EE COMPENSATION SYSTEMS

TOP

- **#1** — Workday
- Top 5 — Dayforce (Ceridian)
- Top 5 — Payscale/Insight/Benchmark
- Top 5 — Payscale MarketPay
- Top 5 — Payscale Payfactors

SMB, <500 EE COMPENSATION SYSTEMS

TOP

- **#1** — Payscale Payfactors
- Top 5 — ADP
- Top 5 — Paylocity
- Top 5 — Payscale/Insight/Benchmark
- Top 5 — Salary.com
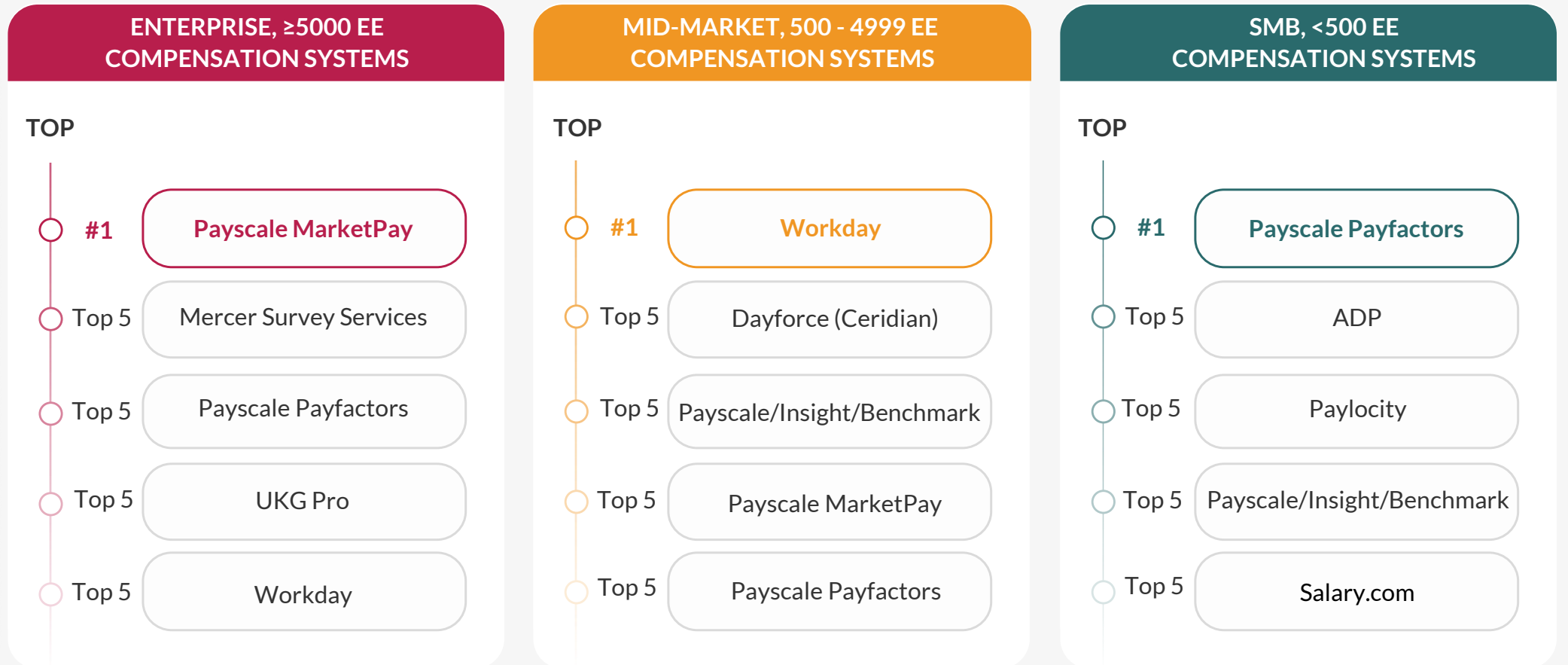
Above are the companies achieving Top Five ratings for **vendor satisfaction** for compensation systems by company size . Survey participants were asked to rate their satisfaction with the relationship they have with their compensation vendors, including the services and support provided. As with user experience ratings, we highlight the solution that received the highest rating and then list the remainder of the **Top Five in alphabetical order**.

*Full adoption details and breakdowns of data by company size can be accessed through our research subscriptions. Contact us at Research@SapientInsights.com for further information.

FIRST

SAPIENT
INSIGHTS GROUP

VENDOR SATISFACTION

COMPENSATION

2024-2025

COMPENSATION SOLUTION SYSTEMS

The margins for success for any organization are often highly-reliant on their compensation structure, but compensation costs must be balanced against the need for top-tier employees, an engaged workforce, and transparent pay systems. Having the right compensation management platform is sometimes the only way to balance those needs.

The top factors given for low user experience and vendor satisfaction ratings:

- Non-reliable outputs
- Poor user interface
- Slow update schedule
- Missing/incomplete information
- Data not validated against external sources

The top factors given for high user experience ratings include:

- Reliability and validity
- Immediate updating of relevant compensation information
- Micro-regional data
- Ease of use

The top factors given for high vendor satisfaction ratings:

- Geographical expertise/knowledge
- Industry knowledge
- Transparency
- Service-oriented staff

The quote shown to the right is pulled at random from the criticisms received and is not a reflection of any vendors on this page:

> Outdated portal and technology, and stale data.

Transportation / Airlines / Logistics 3400+ EE

ENTERPRISE — **COMPENSATION UX AND VS RATINGS - ANALYST INSIGHTS:**

Payscale MarketPay secured the highest rankings in user experience and vendor satisfaction for enterprise-level solutions. The solution combines crowdsourced and direct company compensation data, offering an exceptionally comprehensive and current view of organizational pay. The platform enables sophisticated modelling and scenario planning capabilities, which allows enterprise customers to take highly-variable internal economies into account.

PAYSCALE MARKETPAY CUSTOMER QUOTES:

High level of customer service.

Construction / Real Estate 5500+ EE

Other solution providers in the Top Five for user experience were Oracle PeopleSoft, Workday, Payscale Payfactors, and Mercer Survey Services. Payscale Payfactors, Mercer Survey Services, UKG Pro, and Workday were also in the top five for vendor satisfaction.

According to the hundreds of user comments, the key strength of all of the high-ranked solutions is that they are accurate and reliable. Customers who left comments for lower-rated platforms lamented that given the same inputs, they would receive different outputs, which is simply a non-starter for any enterprise compensation planning team.

We should also note that Salary.com and PayScale Insights received very high customer ratings but did not receive enough responses to make this year's chart in the enterprise category. Salary.com's recent launch of SalaryIQ which aligns real-time job market data with its skills taxonomy, focusing on workforce intelligence may be a factor in receiving more enterprise level attention.

MID-MARKET — COMPENSATION UX AND VS RATINGS - ANALYST INSIGHTS:

At the mid-market level, Payscale Insights received the highest rating for user experience. In contrast, Workday ranked highest for vendor satisfaction. Workday's position at the top of this list highlights its effectiveness in helping customers address their compensation needs, regardless of the specific issues or industries they face. Customers also mentioned that Payscale Insights enhances decision-making, even for administrators who may not have extensive experience.

PAYSCALE INSIGHTS CUSTOMER QUOTES:

Easy to use, benchmarking data at your fingertips.

Manufacturing 620+ EE

WORKDAY CUSTOMER QUOTES:

It's a solid solution for the purpose of delivering compensation cycles, directly feeds from the core Workday data, which is helpful.

High-Tech 2600+ EE

The other solutions in the Top Five for user experience were Payscale MarketPay, Payscale Payfactors, Salary.com, and Workday. In vendor satisfaction, the other solutions in the Top Five were Dayforce, Payscale Insights, Payscale MarketPay, and Payscale Payfactors. Seeing the Payfactors name multiple times shows the power of segmenting into different products to specifically address a market need. The appearance of Workday and Dayforce also demonstrates another market need - the importance of compensation data across an entire HR suite.

SMB — COMPENSATION UX AND VS RATINGS – ANALYST INSIGHTS:

At the SMB level, the highest rated solution for user experience was ADP; and Payscale Payfactors achieved top ranking for vendor satisfaction. Each of these solutions presents a different successful use case. ADP's compensation solution is often used because of the ubiquity of its payroll solution and the ability to easily connect the two in addition to a wealth of knowledge. Payscale Payfactors can assist small businesses even if they don't have a fully integrated solution but still need to hire in unfamiliar areas or find outliers in their own pay systems.

ADP CUSTOMER QUOTES:

Good tool that flows with our performance management system.

Energy / Utilities 270+ EE

PAYSCALE PAYFACTORS CUSTOMER QUOTES:

Provides high value for a fair price. We enjoy the opportunity to market-price positions without paying for costly compensation tools..

Energy / Utilities 30+ EE

Other solutions in the Top Five for user experience were Payscale Insights, Payscale Payfactors, Salary.com, and UKG Pro. In the Top Five for vendor satisfaction were ADP, Paylocity, Payscale Insights, and Salary.com. The compensation needs for small businesses have changed over the last few years. Today, some small businesses require specialized solutions due to changing work conditions and the shifting regulatory environment. The prevalence of remote and contingent workers requires that any business, regardless of size, get the most value for its compensation costs while paying employees fairly.

REWARDS AND RECOGNITION SYSTEMS

For the first time, we are including a R**ewards and Recognition Solutions Voice of the Customer (VoC) User Experience and Vendor Satisfaction chart**. The average scores for this category were at 3.81 (UX) and 3.75 (VS).

There were 7 vendor solutions that received the minimum validated customer ratings to make the chart this first year, and we expect to see exponential growth in the number of providers represented in coming years.

FIGURE 135: REWARDS AND RECONGNITION SOLUTIONS, VOC USER EXPERIENCE AND VENDOR SATISFACTION CHART
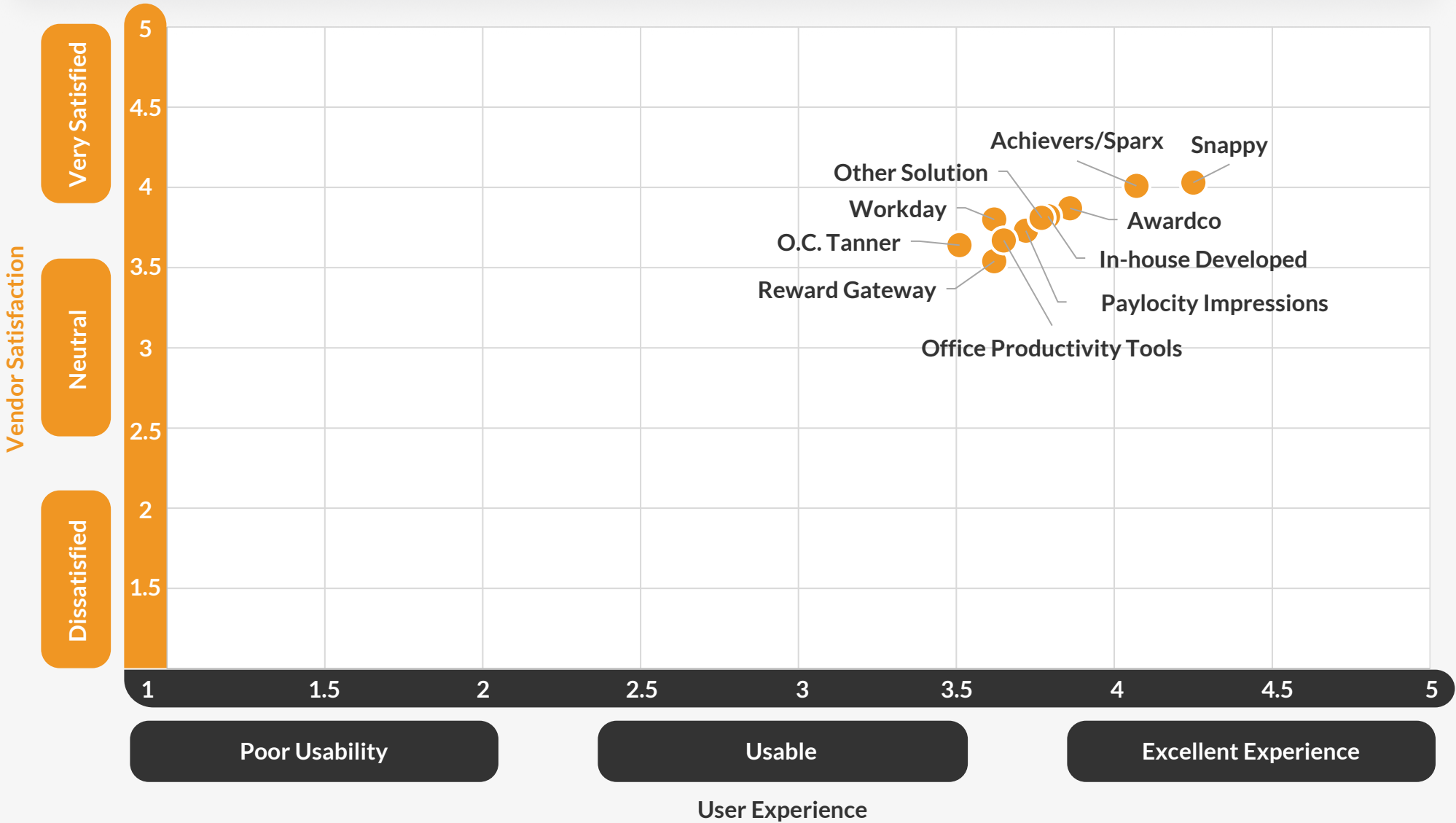
REWARDS & RECOGNITION

Vendors with high ratings that did not have enough responses to make the chart:

- 15Five
- Bonusly
- Fond
- Kudos
- Microsoft Teams
- Motivosity

FIRST

SAPIENT
INSIGHTS GROUP

VENDOR SATISFACTION

REWARDS

2024-2025

Our aggregate Voice of the Customer (VoC) Vendor Satisfaction (VS) and User Experience (UX) charts are valuable tools for obtaining a broad perspective of how the HR community is evaluating their current applications.

For further context, we analyze the solutions that achieve the highest average rankings, from multi-sourced validated responses in three company size categories. The solutions must have a qualifying number of responses or more in the respective size categories to qualify for this analysis.

In **Figure 136**, we provide a snapshot of the solutions achieving the Top Five average ratings in **Rewards & Recognition Systems** by company size. We highlight the solution that received the highest rating and then list the remainder of the **Top Five in alphabetical order**.

*Full adoption details and breakdowns of data by company size can be accessed through our research subscriptions, contact us at Research@SapientInsights.com for further information.

**FIGURE 136:
TOP FIVE (OUT OF 34)
VOC RATINGS BY
COMPANY SIZE**

**User
Experience**

ENTERPRISE, ≥5000 EE		MID-MARKET, 500 – 4999 EE	
REWARDS & RECOGNITION SYSTEMS		**REWARDS & RECOGNITION SYSTEMS**	
TOP		TOP	
#1	Achievers	#1	Achievers
Top 5	Awardco	Top 5	Awardco
Top 5	O.C. Tanner	Top 5	O.C. Tanner
Top 5	Reward Gateway	Top 5	Snappy
Top 5	Workday	Top 5	Workday

**FIGURE 137:
TOP FIVE (OUT OF 34)
VOC RATINGS BY
COMPANY SIZE**

**Vendor
Satisfaction**
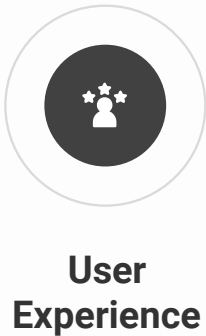
ENTERPRISE, ≥5000 EE
REWARDS & RECOGNITION SYSTEMS

TOP

#1	Achievers
Top 5	Awardco
Top 5	O.C. Tanner
Top 5	Reward Gateway
Top 5	Workday

MID-MARKET, 500 – 4999 EE
REWARDS & RECOGNITION SYSTEMS

TOP

#1	Achievers
Top 5	Awardco
Top 5	O.C. Tanner
Top 5	Snappy
Top 5	Workday

Above are the companies achieving Top Five ratings for **vendor satisfactio**n for rewards and recognition systems by company size. Survey participants were asked to rate their satisfaction with the relationship they have with their vendors, including the services and support provided. As with user experience ratings, we highlight the solution that received the highest rating and then list the remainder of the **Top Five in alphabetical order**.

*Full adoption details and breakdowns of data by company size can be accessed through our research subscriptions, contact us at Research@SapientInsights.com for further information.

FIRST

SAPIENT
INSIGHTS GROUP

USER EXPERIENCE

REWARDS

2024-2025

REWARDS AND RECOGNITION SYSTEMS

Rewards and recognition platforms equip HR with mechanisms to encourage and reinforce actions aligned with company objectives or culture fit. For instance, HR can leverage these systems to provide immediate acknowledgment to staff who embody essential values such as exceptional customer care, inventiveness, or collaboration. This establishes a clear link between exhibiting strategically important behaviors in an organizational setting and shows both the recognized/rewarded employee and the rest of the organization what is valued.

The top factors given for low user experience and vendor satisfaction ratings:

- Not data-driven
- Cost
- Lack of options (rewards)
- Low usability

The top factors given for high user experience ratings include:

- Integrated reporting and data
- Ease-of-use/engaging system
- Connection to talent management suite

The top factors given for high vendor satisfaction ratings:

- Vendor responsiveness
- Partnerships with known-brands

The quote shown to the right is pulled at random from the criticisms received and is not a reflection of any vendors on this page:

> " It can be challenging for teammates to access the recognition platform.

Business / Professional Services 1140+ EE

ENTERPRISE | **REWARDS AND RECOGNITION UX AND VS RATINGS, ANALYST INSIGHTS:**

Rewards and recognition systems are becoming increasingly connected to the broader HR software ecosystem. Last year, there was only enough data to examine this category in the aggregate, but this year, we received enough data to get accurate Voice of the Customer ratings for both the enterprise and mid-market levels. At the enterprise level, Achievers was the highest rated in both user experience and vendor satisfaction. Achievers is one of the most well-known rewards and recognition solution providers. Like many other top-ranked vendors, Achievers goes beyond simple gift-giving services and acts as a sophisticated data gathering tool that can be used to help understand and connect with employees.

> " **ACHIEVERS CUSTOMER QUOTES:**
> Easy to setup one-time payments.

Manufacturing 6500+ EE

The other solutions achieving Top Five status in both user experience and vendor satisfaction were Awardco, OC Tanner, Reward Gateway, and Workday. Awardco, Reward Gateway and OC Tanner may have begun as primarily reward and gift catalog companies, but all have adapted for the modern age by providing a suite of services. OC Tanner has invested heavily into a dedicated research group and all provide services to help give guidance. User comments for these four solutions often spoke about user interfaces that focused on business outcomes and showing the return on investment from the rewards and recognition efforts. Of course, Workday should be noted for appearing in every category throughout this entire report, which shows just how well it serves the market with the depth and breadth of its HR technology.

MID-MARKET

REWARDS UX AND VS RATINGS - ANALYST INSIGHTS:

At the mid-market level, the highest-rated solution for both user experience and vendor satisfaction was Achievers. Regardless of organizational size, Achievers brings to customers years of expertise and a refined platform. Its solution shows data that links newer concepts such as social recognition directly to outcomes such as engagement and retention, which is as valuable for a business of any size.

ACHIEVERS CUSTOMER QUOTES:

The points can be redeemed for practically anything.

Healthcare 1430+ EE

The other four solutions in the Top Five were Awardco, OC Tanner, Snappy, and Workday. Much like Achievers, Awardco, OC Tanner and Workday leverage the same strengths shown at the enterprise level for customers downmarket. Primarily, users pointed out that tying data from other systems to their rewards and recognition system helped them quantify their efforts for executive audiences. Additionally, the ability to communicate results throughout the company creates a virtuous cycle of rewards, recognition and performance. While Snappy is still primarily on the gifting side, it does have a wealth of integrations and organizational dashboards to provide some of the same data-rich information.

SUCCESSION MANAGEMENT SOLUTION SYSTEMS

This year's **Succession Management Solutions Voice of the Customer (VoC) User Experience and Vendor Satisfaction chart** is reflective of a category that has the lowest adoption in the talent management category but is still of critical importance to those organizations that require it. A small total number of solutions appear on this list, but those that do are generally seen as integral to their HR tech environment.

We asked respondents to rate the user experience (UX) and vendor satisfaction (VS) for their succession management solutions. The average scores for this category were at 3.50 (UX) and 3.45 (VS), 5% lower than last year's. There were 6 vendor solutions that received the minimum validated customer ratings to make our **Succession Management Solutions** VoC chart this year.

FIGURE 138: SUCCESSION MANAGEMENT SOLUTIONS, VOC USER EXPERIENCE AND VENDOR SATISFACTION CHART
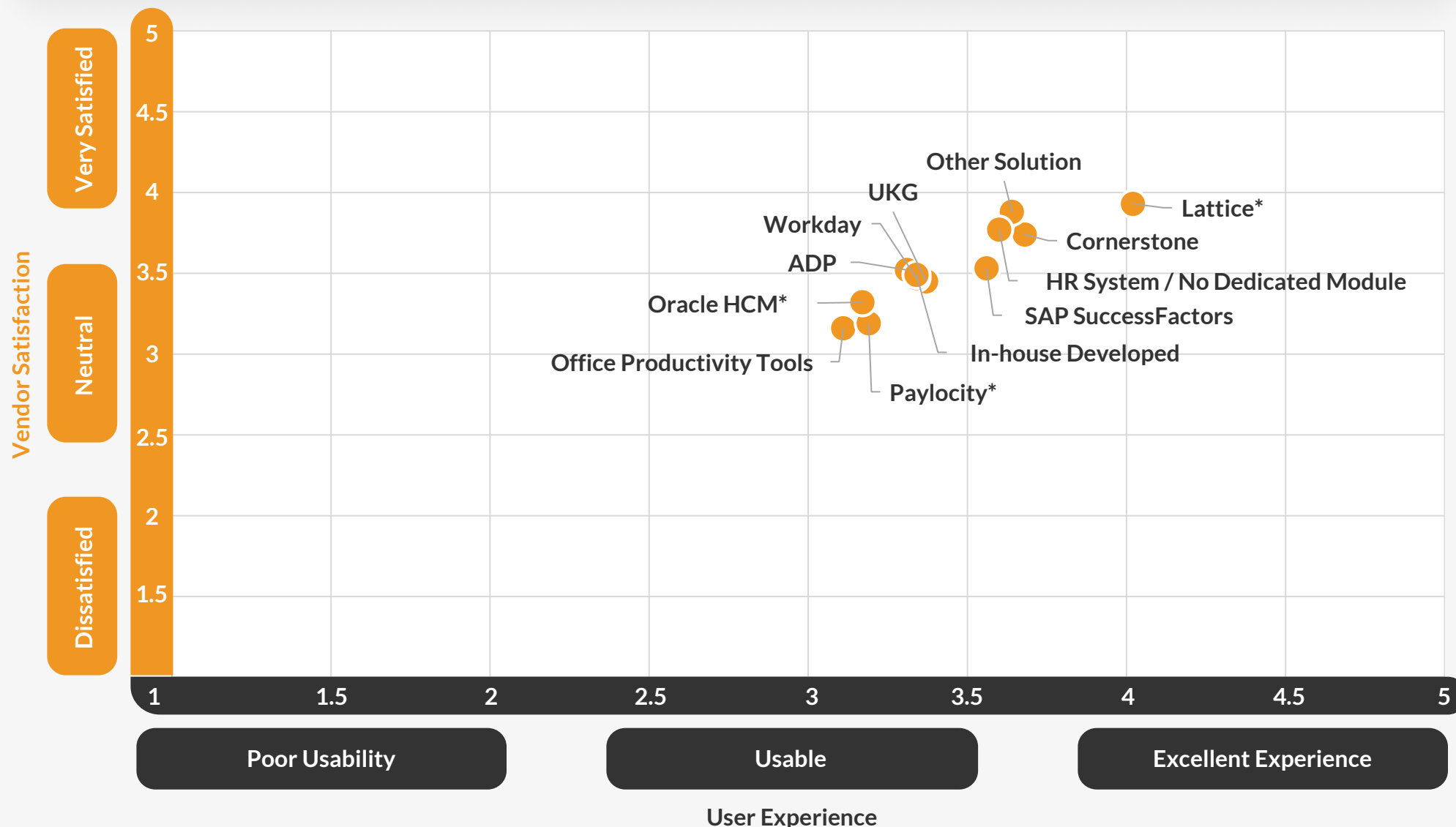
SUCCESSION SOLUTIONS

Vendors with high ratings that did not have enough responses to make the chart:

- 15Five
- Dayforce (Ceridian)
- Microsoft Glint
- Phenom
- Talentiks

*These solutions did not meet our response threshold numbers and are being shared as directional indicators only.

**FIGURE 139:
TOP FIVE (OUT OF 31)
VOC RATINGS IN
AGGREGATE**

**User Experience
& Vendor
Satisfaction**

*Full adoption details and breakdowns of data by company size can be accessed through our research subscriptions. Contact us at Research@SapientInsights.com for further information

SUCCESSION SYSTEMS USER EXPERIENCE

TOP		
#1	**Cornerstone**	
Top 5	ADP	
Top 5	SAP SuccessFactors	
Top 5	UKG	
Top 5	Workday	

SUCCESSION SYSTEMS VENDOR SATISFACTION

TOP		
#1	**Cornerstone**	
Top 5	ADP	
Top 5	SAP SuccessFactors	
Top 5	UKG	
Top 5	Workday	

FIRST
SAPIENT INSIGHTS GROUP
USER EXPERIENCE
Succession
2024-2025

FIRST
SAPIENT INSIGHTS GROUP
VENDOR SATISFACTION
Succession
2024-2025

SUCCESSION SOLUTION SYSTEMS

Organizations have been questioning the approach to succession management for years. Our data shows that organizations continue to pivot from highly structured to unstructured models, while trying to find a balance between continuous feedback and annual assessments for fair compensation decisions.

The top factors given for low user experience and vendor satisfaction ratings:

- Lack of customization
- Inability to integrate
- Data missing or not carrying through
- No skills connection

The top factors given for high user experience ratings include:

- Customization
- Self-service features
- Connection to LMS platforms

The top factors given for high vendor satisfaction ratings:

- Lack of connection to other vendors
- Vendor innovations
- Personalization to specific needs
- Training options

The quote shown to the right is pulled at random from the criticisms received and is not a reflection of any vendors on this page:

> Succession module is not the best for reporting.

Manufacturing 7500+ EE

AGGREGATE | **SUCCESSION UX AND VS RATINGS, ANALYST INSIGHTS:**

The top-rated succession management solution in 2024 was Cornerstone. Due to Cornerstone's deep knowledge of the employee development space, it can integrate talent identification tools with other capabilities for setting goals, tracking progress, and identifying opportunities within the organization. Users consistently called out the ability to flex the full talent management suite functionality when using Cornerstone's succession management tool.

> **CORNERSTONE CUSTOMER QUOTES:**
> We like our solution because it is integrated with all other talent modules and we have the reporting we need.

Financial Services / Insurance 650+ EE

The other succession management solutions in the Top Five were ADP, SAP SuccessFactors, Workday, and UKG, all of which use their organization-wide suite capabilities to give a truly holistic view to skills and people capabilities available in up-to-the second reporting.

User comments often fixated on the integrations these suites can bring. Another common point of interest was in customization, as many users felt their organization had unique methods for moving up or laterally within their organizations. A final note that although this data is being shown in the aggregate, most respondents are from enterprise or occasionally mid-market-sized organizations as that is the size one expects to find formal succession management processes. However, we have also seen some SMB organizations adopt succession management processes that in the past had only been used by large organizations so it would not be shocking to see some solutions geared towards industry-specific or small-sized organizations in the future.

VOICE OF THE CUSTOMER HR: ANALYTICS & PLANNING

12/14 SECTION

VOICE OF THE CUSTOMER: ANALYTICS & PLANNING SYSTEMS

HR analytics and planning tools have evolved from disjointed general-purpose applications to integrated HR-specific modules. These can now be obtained as part of comprehensive business intelligence systems, built into current HR platforms, or bundled in dedicated HR intelligence and analytics solutions.

The Voice of the Customer (VoC) portion of our report draws directly from user feedback, ratings, and comments regarding these HR analytics and planning applications.

> For more details on our methodology for all Voice of the Customer charts and research, see our **Research and Methodology section of this paper**.

HOW THESE SYSTEMS MAKE A DIFFERENCE!

Applications we track in this category include:

Category		Adoption
Generic Analytics & Visualization Tools		38%
Data Storage Applications: Warehouses and Lakes		29%
Enterprise Business Intelligent Platform		23%
Standalone HR Workforce Analytics		19%
Standalone Statistical Tools		15%
Workforce Planning Solution		15%
Automated Data Governance Tools		12%

Data Mapping and Integration Tools – (Assessing)
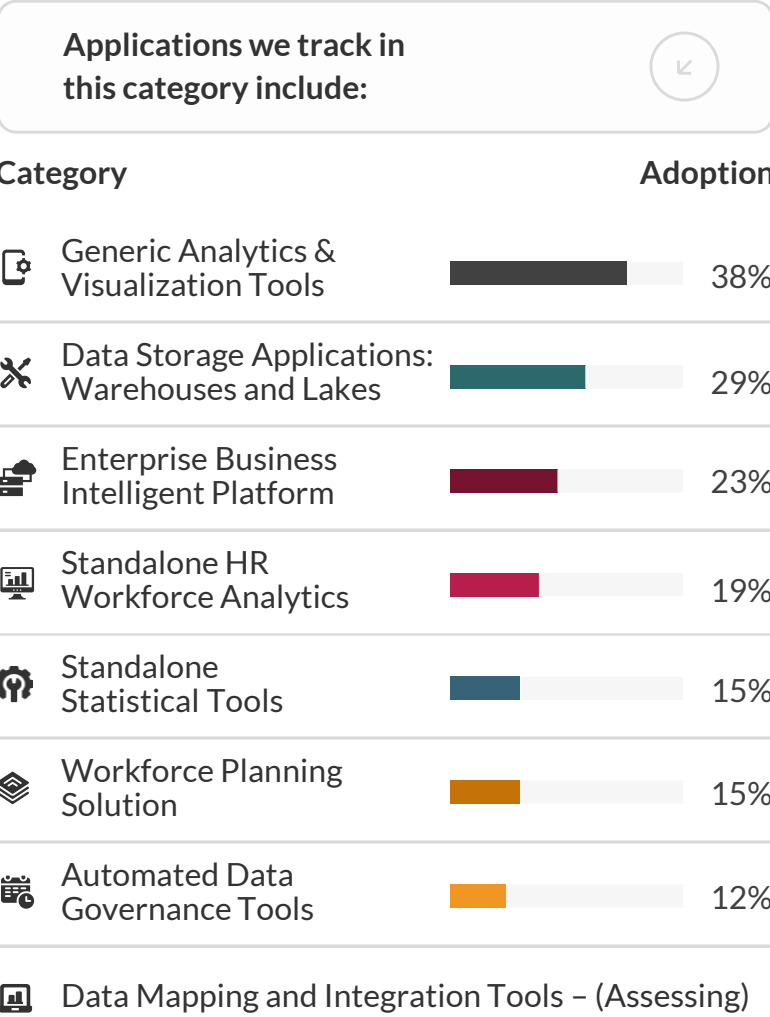
Embedded Analytics

[The analytics platform] is easy to navigate for end users (employees).

High-Tech 1845+ EE

HR Analytics Platform

It is a fantastic tool that is increasing our impact exponentially.

High-Tech 1050+ EE

Generic Visualization Tool

Great visualization and integration.

Manufacturing 8000+ EE

Datawarehouse Solutions

All of our data is there.

Construction / Real Estate 425+ EE

Enterprise BI Platforms

Our system is well known, familiar and highly used by end users.

Government / Defense 10000+ EE

Workforce Planning

Complete integration with our HRMS.

Government / Defense 8000+ EE

HR ANALYTICS AND PLANNING SYSTEMS

Although many of the tools in this category are the same ones used by the business as a whole, HR teams do have planning tools specific to their needs or they have adapted these existing tools. HR, once derided for its perceived lack of analytical ability, is now on the forefront of HR and analytics use cases.

Traditional HR analytics solutions consisted mostly of:

- Excel
- Generic visualization tools
- Embedded HR reporting tools
- Structured relational data warehouse solutions
- Complex analytics software, requiring programming

Traditional HR analytics tools remain widely used today, with Excel maintaining its ubiquitous presence. However, as this HR systems category matures, we're observing a significant uptick in the adoption of more advanced solutions. These sophisticated tools include standalone applications, comprehensive platforms, and embedded HR solutions, as detailed in the following sections. This shift indicates a growing recognition of the limitations of traditional tools and a move towards more powerful, purpose-built analytics solutions that can handle the increasing complexity and volume of HR data.

Emerging HR analytics and planning solutions:

- Standalone HR intelligence/analytics platforms
- Enterprise ERP business intelligence platforms
- Embedded AI for HR analytics and intelligent reporting
- Unstructured data lakes, data mapping, and data integration tools

Figure 141 shows that 85% of organizations overall have **no plans to change their HR analytics system, compared to 91% in 2023**. In 2022, the percentage was closer to 50%, meaning that the HR analytics market has greatly stabilized in less than five years. A big reason behind this relative stability is that HR analytics platforms tend to require a level of expertise that resists opportunistic swaps between systems, even when systems are becoming easier to use each year.

FIGURE 140: USING CORE HRMS DATA ANALYTICS MODULE

E **≥5000 EE** — 71%

M **500 – 4999 EE** — 63%

S **< 500 EE** — 36%

23%
Pay an additional fee for this module
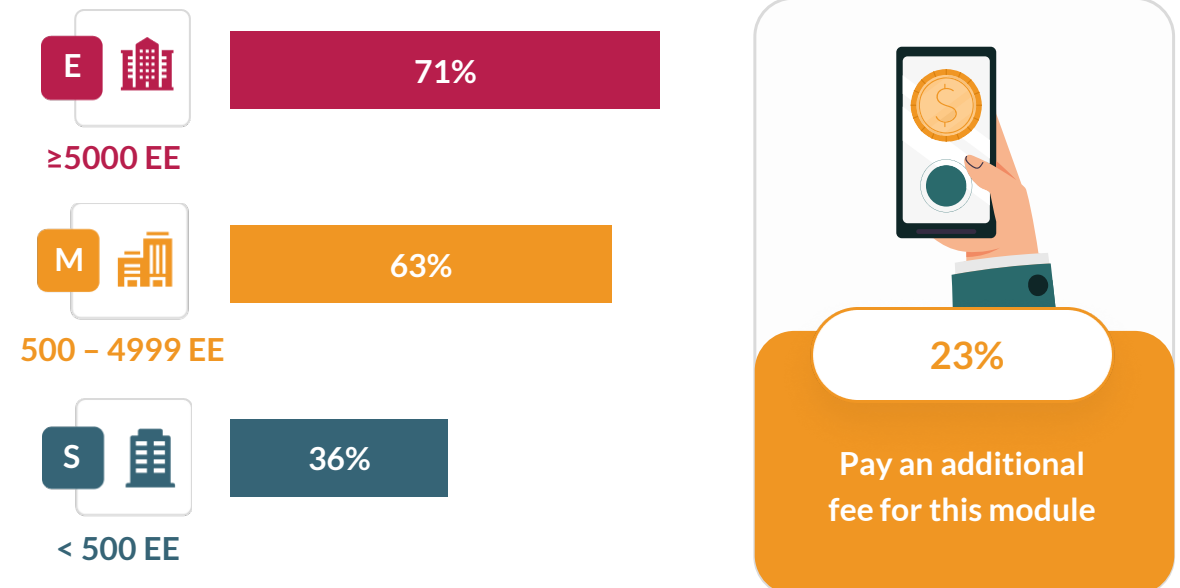
FIGURE 141: HR ANALYTICS AND PLANNING REPLACEMENT PLANS

E **≥ 5000 EE** — 89% | 8% | 3%

M **500 – 4999 EE** — 88% | 6% | 6%

S **< 500 EE** — 80% | 14% | 6%

■ No Change ■ Yes, Decision Made ■ Yes, In RFP
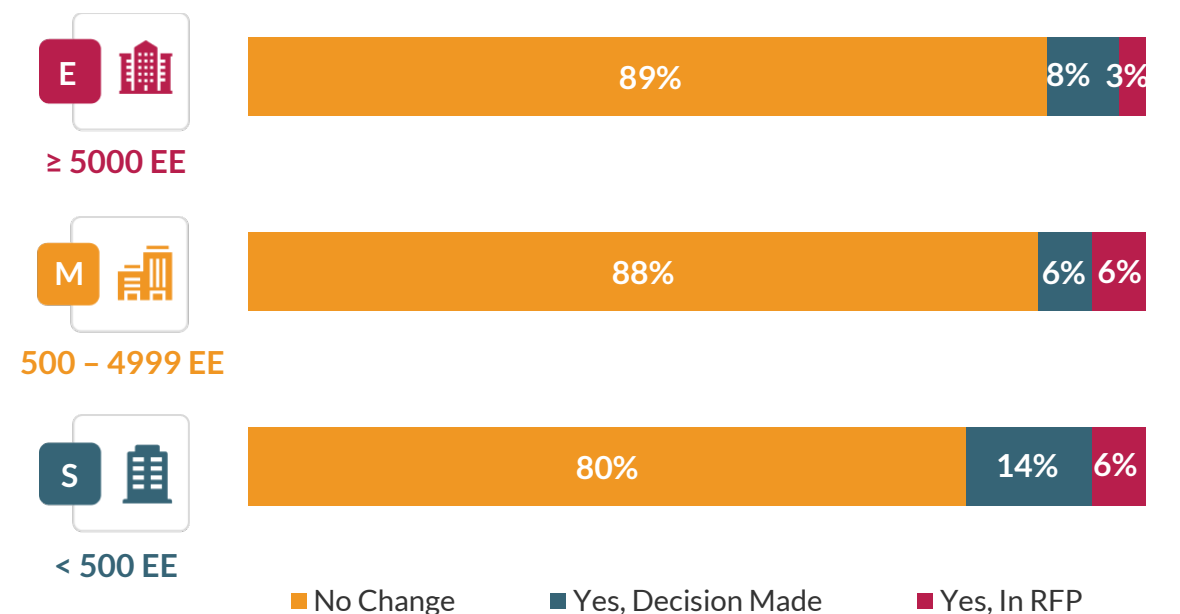
AI IN HR ANALYTICS SYSTEMS

Artificial intelligence (AI) and machine learning (ML) have revolutionized various industries, and human resources (HR) is no exception. By leveraging these technologies, HR departments can gain valuable insights into their workforce, optimize processes, and make data-driven decisions.

As these technologies refine and improve, they promise to lead to better focused and more accurate HR analytics solutions. These analytics platforms can help even newcomers to the analytics space separate meaningful insights from extremely large datasets, but as always there are some important factors to consider when adopting these technologies that should be a part of any buying decision.
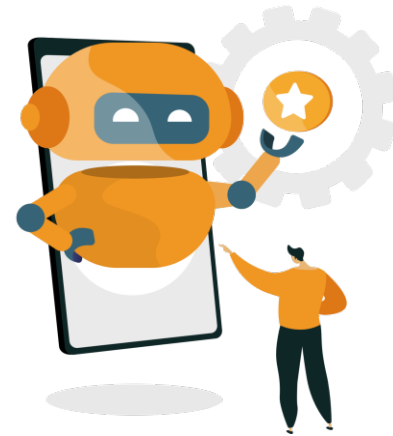
HR analytics was not the first adopter of AI-backed technologies, but this category is currently at the forefront of leveraging AI-enabled technology to enhance their platforms. By incorporating AI and machine learning algorithms, many of these solution providers are able to provide more accurate, predictive, and actionable insights for their customers.

One of the key ways HR analytics solution providers are utilizing AI is through natural language processing (NLP). This technology allows users to ask questions in plain language and receive relevant, data-driven answers. For example, an HR professional could ask, "What is the average tenure of employees in the sales department?" and HR the AI-enabled software would quickly provide a precise response. This eliminates the need for complex data queries and makes analytics accessible to a wider range of users.

Another area where AI is making a significant impact is in predictive analytics. By analyzing historical data and identifying patterns, AI-backed HR analytics platforms can predict future trends such as employee turnover, hiring needs, and skill gaps. This enables HR teams to see potential issues and make better-informed decisions about their workforce. For instance, if the AI predicts a high turnover rate in a specific department, HR can implement targeted retention strategies to mitigate the impact. Going one step further, these same AI-backed analytics platforms can help create these retention strategies by making predictive models based on past behaviors to find the retention strategies with the highest likelihood of success, even down to the individual level.

Finally, through a combination of NLP and sentiment analysis technologies, AI/ML-enhanced analytics platforms can take unstructured, qualitative data (e.g. employee comments on a organization-wide satisfaction survey) and convert that data into quantitative datasets. These datasets can then be used to visualize employee sentiment, feed into predictive models, or used to assess effectiveness of employee engagement or satisfaction efforts.

FIGURE 142: OVERALL PERCENTAGE OF ORGANIZATIONS USING ALL FORMS OF AI ANALYTICS FEATURES IN 2024-2025

- 32% In Use
- 12% Budgeted 12m
- 8% Forecasted 24-36m
- 48% Not In Use
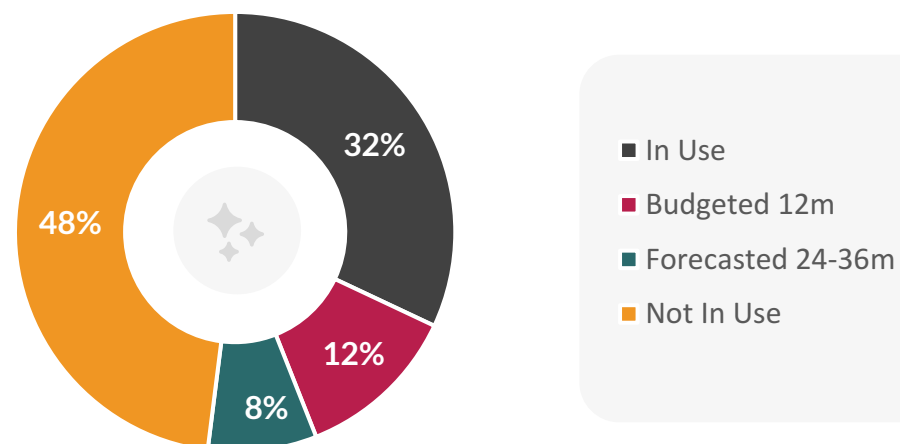
As with all aspects of people data, whether AI-enahanced or not, privacy and security concerns are paramount when dealing with collection and use of employee information. It is crucial to ensure that data is handled responsibly and in compliance with relevant regulations. Additionally, safeguards should be put in place to minimize bias (with the understanding that human bias is inherent in the data collection snd interpretation so can never be wiped out completely). Finally, the temptation to see AI technologies as replacements for human effort must be constantly battled, as all of these tools are merely augmentations to employee effort and will always require oversight, analysis, and implementation that can never be done by a machine.

The HR Analytics and Planning Vendor Adoption chart is expressed as a percentage of total responses achieved for each vendor solution, viewed by organization size (**see Figures 143, 144, 145**). Please note: These charts are not market-size data. They are best used to view the predominant vendors in each size category and to identify trends in future adoption.

FIGURE 143: HR ANALYTICS & PLANNING VENDOR SOLUTION ADOPTION, ENTERPRISE

E 🏢 ≥5000 EE	Adoption Level Today	Expected Growth	12-Month Adoption Level	Appears in RFP
Microsoft Power BI	17.97%	↔	17.97%	16.67%
Tableau	14.45%	↑	15.63%	0.00%
Other Solution	12.89%	↑	14.06%	8.33%
Workday Prism Analytics	8.98%	↑	10.16%	8.33%
Workday People Analytics	8.20%	↑	9.38%	16.67%
Office Productivity Tools	6.25%	↗	5.86%	0.00%
Visier	4.69%	↑	5.86%	25.00%
UKG Employee Voice	4.30%	↔	4.30%	0.00%
SAP SuccessFactors	2.73%	↑	3.91%	0.00%
OneModel People Analytics	2.34%	↔	2.34%	0.00%
Workday Adaptive Planning	2.34%	↑	3.52%	8.33%
IBM Cognos	1.95%	↗	1.56%	0.00%
Qualtrics	1.95%	↔	1.95%	0.00%
SAP Business Objects	1.95%	↔	1.95%	0.00%
Anaplan	1.56%	↑	2.34%	0.00%
ServiceNow Performance Analytics	1.56%	↔	1.56%	0.00%
Google Analytics	1.17%	↔	1.17%	0.00%

Note: These data sets do not equal 100%. Respondents often have multiple applications. Responses below certain thresholds in current or 12-month adoption levels have been removed.

ENTERPRISE HR ANALYTICS & PLANNING ADOPTION – ANALYST INSIGHTS:

Similar to 2023, Excel-based and custom-coded solutions remain widely adopted for HR analytics and planning. However, unlike last year, these in-house solutions are projected to see decreased adoption in the coming year. This trend extends to the mid-market segment, indicating an increasing demand and budget allocation for analytics tools specializing in people operations.

The leading commercial HR analytics and planning platforms have remained relatively stable over the past two years. Microsoft BI and Tableau continue to top the list of separately purchased analytics solutions with HR-specific applications. Embedded HR and ERP offerings, such as Workday Prism Analytics and Workday's People Analytics, are also in the Top Five in adopting specialized solutions. Visier completes the Top Five, and like all of the solutions in the Top 5 (except for Microsoft Power BI) is expected to grow in usage in the next 12 months rapidly.

While not appearing on this chart, Insightful and SAP Analytics Cloud are worth mentioning because both are expected to increase in adoption within the next 12 months. Crunchr, also missing from the chart, is currently in the RFP stage for two organizations, representing 16.67% of potential adoptions.

Expected Growth Legend

↑ Substantial Growth

↗ Slight Growth

↔ Flat

↘ Slight Decline

↓ Substantial Decline

Expected growth calculations are based on the difference between current adoption and 12-month adoption plans, in addition to data points from future replacement plans.

FIGURE 144: HR ANALYTICS & PLANNING VENDOR SOLUTION ADOPTION, MID-MARKET

M 500 - 4999 EE	Adoption Level Today	Expected Growth	12-Month Adoption Level	Appears in RFP
Microsoft Power BI	20.69%	↗	21.15%	15.79%
Other Solution	12.41%	↑	13.10%	15.79%
IBM Cognos	11.49%	↓	10.80%	0.00%
Office Productivity Tools	8.51%	↘	8.28%	0.00%
Tableau	7.59%	↔	7.59%	0.00%
UKG Employee Voice	5.52%	↗	5.75%	10.53%
ADP	4.83%	↗	5.06%	5.26%
Workday People Analytics	4.37%	↑	5.29%	5.26%
Workday Adaptive Planning	4.37%	↔	4.37%	5.26%
Workday Peakon	3.68%	↔	3.68%	0.00%
Anaplan	2.99%	↔	2.99%	0.00%
Visier	1.61%	↑	2.30%	0.00%
SAP SuccessFactors	1.61%	↗	1.84%	0.00%
Paycor Analytics	1.38%	↘	1.15%	10.53%
SAP Analytics Cloud	1.38%	↗	1.61%	0.00%
Workday Prism Analytics	1.15%	↑	2.07%	5.26%
Google Analytics	0.92%	↔	0.92%	0.00%
Oracle Enterprise Planning Mgmt EPM	0.92%	↘	0.69%	0.00%

Note: These data sets do not equal 100%; respondents often have multiple applications. Responses below certain thresholds in current or 12-month adoption levels have been removed.

MID-MARKET HR ANALYTICS & PLANNING ADOPTION – ANALYST INSIGHTS:

In the mid-market segment, we observe increased adoption across nearly all categories as organizations leverage people analytics, whether through integrated analytics modules, standalone platforms, or readily available tools. Microsoft Power BI leads in adoption and shows strong future growth potential. Its ability to integrate with internal systems and provide a unified view of people data sets it apart. Notably, Power BI appears in the most RFPs, suggesting a continued high adoption level, just as we saw last year.

Microsoft Power BI is also the solution with the highest 12-month adoption level in this category, followed by IBM Cognos. Other solutions expecting adoption increases include Tableau, UKG Employee Voice, Workday People Analytics and Adaptive Planning, and ADP. The high adoption rates, both current and projected, of embedded HCM analytics solutions aligns with the growing recognition of the value of integrated data and insights.

OneModel and IntelliHR do not appear on this chart but are expected to have high growth in adoption.

Expected Growth Legend

↑ Substantial Growth

↗ Slight Growth

↔ Flat

↘ Slight Decline

↓ Substantial Decline

Expected growth calculations are based on the difference between current adoption and 12-month adoption plans, in addition to data points from future replacement plans.

FIGURE 145: HR ANALYTICS & PLANNING VENDOR SOLUTION ADOPTION, SMB

S 🏢 <500 EE	Adoption Level Today	Expected Growth	12-Month Adoption Level	Appears in RFP
Other Solution	32.26%	↑	33.47%	0.00%
Office Productivity Tools	14.52%	↑	15.32%	5.56%
ADP	10.08%	↘	9.68%	11.11%
Microsoft Power BI	6.85%	↑	7.66%	0.00%
Tableau	5.24%	↗	5.65%	0.00%
Paylocity	4.84%	↑	5.65%	5.56%
UKG Employee Voice	3.23%	↑	4.03%	0.00%
IBM Cognos	2.82%	↔	2.82%	0.00%
Paycor Analytics	2.02%	↔	2.02%	0.00%
ChartHop	2.02%	↔	2.02%	0.00%
Google Analytics	1.61%	↔	1.61%	0.00%
OnwardsHR	1.61%	↔	1.61%	0.00%
Workday People Analytics	1.21%	↗	1.61%	0.00%
Anaplan	1.21%	↑	2.02%	0.00%
SAP SuccessFactors	1.21%	↑	2.02%	0.00%

Note: These data sets do not equal 100%; respondents often have multiple applications. Responses below certain thresholds in current or 12-month adoption levels have been removed.

SMB HR ANALYTICS & PLANNING ADOPTION – ANALYST INSIGHTS:

Organizations with fewer than 500 employees tend to favor analytics applications integrated into their existing HRMS or payroll solutions. In-house tools like Excel and custom programming remain very widely adopted, mirroring larger organizations. However, ADP, Microsoft Power BI, and Tableau rank in the Top Five for adoption and most are expected to see increased adoption as analytics, become essential even for small businesses.

ADP ranked highest in adoption across SMB segments. By leveraging existing employee productivity data and enabling advanced modeling with strong external data (or proprietary benchmarking data), ADP can be used in any number of industry segments and is proving to have multiple use cases even to smaller organizations.

As SMBs expand their use of people analytics beyond compliance and reporting, payroll and HRMS solutions such as Paylocity, UKG, and ADP are offering advanced analytics and see high adoption rates. This year's data also shows SMB interest in standalone applications like Microsoft Power BI, Tableau, and IBM Cognos, further indicating the growing sophistication of smaller organizations in data-driven decision-making strategies.

Lightcast and Oracle Analytics Cloud did not make this year's chart but are showing higher than average growth.

Expected Growth Legend

↑ Substantial Growth

↗ Slight Growth

↔ Flat

↘ Slight Decline

↓ Substantial Decline

Expected growth calculations are based on the difference between current adoption and 12-month adoption plans, in addition to data points from future replacement plans.

As **Figure 145** shows on the previous page, the HR analytics and planning space contains a wide variety of solutions for both specialized and general needs. This year, we have 20 vendor solutions selected by 1% or more of our survey population across the company size categories.

HR analytics vendor differentiators now include:

- Automation of collection and reporting
- Data importing and exporting capabilities
- Benchmarking data sets (either existing or customized)
- Ease of use, especially for reporting or data visualization
- Intelligent/AI-backed features including predictive, forecasting, and modeling

Those vendors that did not reach the minimum statistical threshold in our data set include several generic solutions and less-used niche solutions. On average, 16% of organizations use a vendor in the "other" category or an in-house solution. The most often mentioned solutions are:

- Snowflake
- UKG Pro
- OrgVue
- Cloudera
- ZeroedIn
- Solve

- Workday General Reporting
- GOVINVEST
- Five9
- AWS Redshift
- HiBob

We currently group HR Analytics and Planning applications together, as many organizations use these tools interchangeably. However, we anticipate that in the HR domain, these two categories may evolve into more distinct platforms over time.

Presently, the average organization employs 2.3 different HR Analytics and Planning application solutions to fulfill their comprehensive HR analytics and planning requirements. This multiplicity of tools not only increases costs but also complexity.

This data point highlights the current state of the HR analytics and planning landscape, in which organizations are piecing together multiple solutions to meet diverse needs. As the market matures, we may see a shift towards more integrated platforms that can address a wider range of analytics and planning functions within a single solution, potentially simplifying processes and reducing overall costs.

Our annual **HR Analytics and Planning Voice of the Customer (VoC) User Experience and Vendor Satisfaction chart** showcases how crowded this space is becoming for buyers. Each year, we ask survey respondents to rank the quality of their systems' user experience (UX) and vendor satisfaction (US) on a scale of 1-5, and we average those ratings for each solution. This year, the average scores sit at **3.42 (UX) and 3.53 (VS), 2% lower** than last year's averages. Twelve vendor solutions received the minimum validated customer ratings to make our HR Analytics and Planning VoC chart this year.

FIGURE 146: ANALYTICS AND PLANNING, VOC USER EXPERIENCE AND VENDOR SATISFACTION CHART
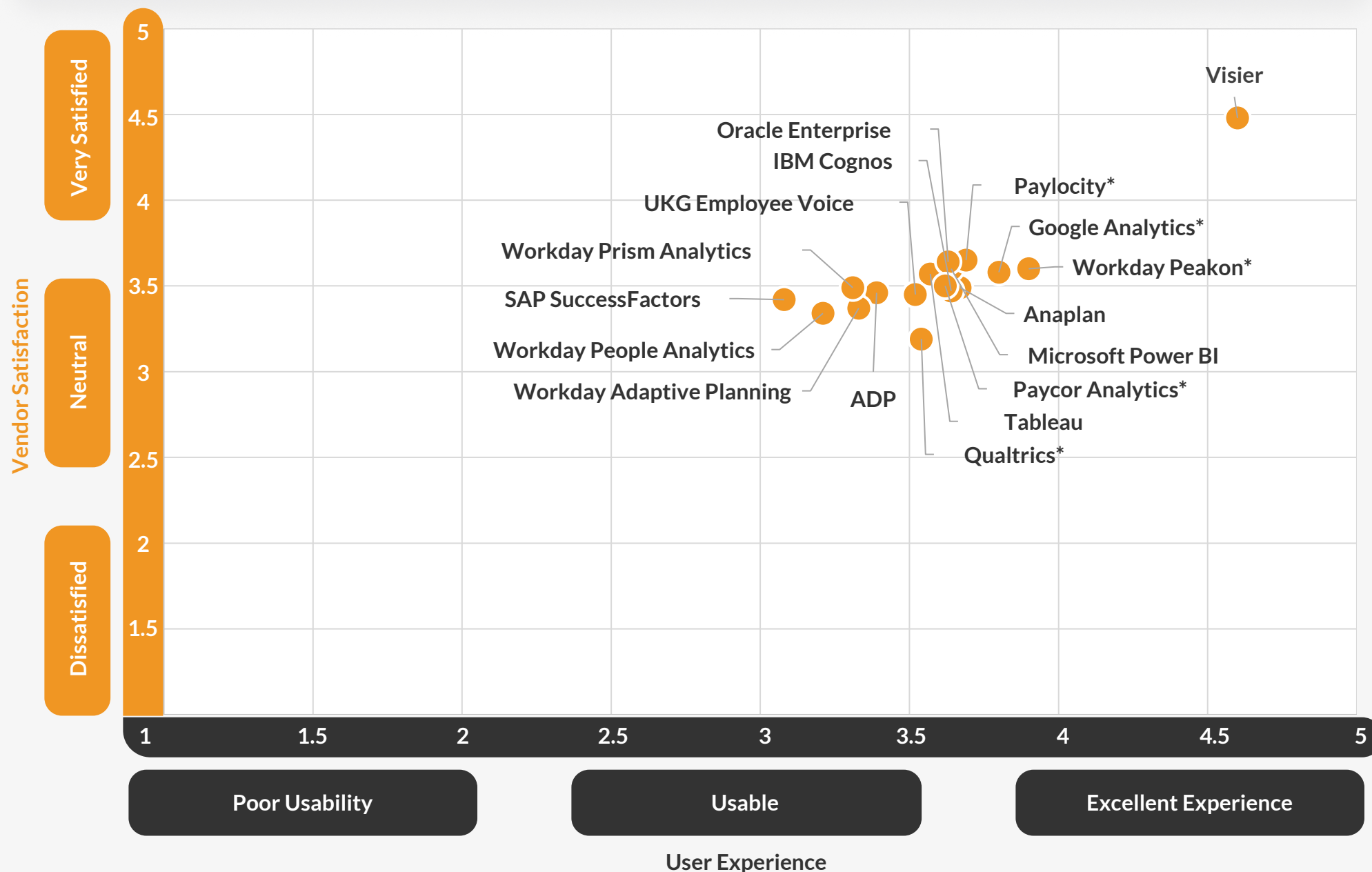
Analytics & Planning

Vendors with high ratings that did not have enough responses to make the chart:

ChartHop

IBM SPSS

Onemodel PA

Oracle Enterprise Planning Mgmt EPM

*These solutions did not meet our response threshold numbers and are being shared as directional indicators only.

VOICE OF THE CUSTOMER: HR ANALYTICS & PLANNING SYSTEMS

FIRST

SAPIENT
INSIGHTS GROUP

USER EXPERIENCE

ANALYTICS

2024-2025

Our aggregate Voice of the Customer (VoC) User Experience (UX) and Vendor Satisfaction (VS) charts are valuable tools for providing a broad perspective of how the HR community is evaluating its current applications, Over the last 27 years, we have seen a wide range of customer ratings based on the global complexity and total workforce size managed within these applications.

For further context, we analyze the solutions that achieve the highest average rankings from multi-sourced validated responses in three company size categories. The solutions must reach a minimum statistical threshold of responses in the respective company size categories to qualify for this analysis.

The figure below shows the solutions achieving the Top Five average **user experience** ratings in the **HR Analytics** category by company size. We call out the solution that received the highest rating and then list the remainder of the Top Five in alphabetical order.

*Full adoption details and breakdowns of data by company size can be accessed through our research subscriptions. Contact us at Research@SapientInsights.com for further information.

**FIGURE 147:
TOP FIVE (OUT OF 48)
VOC RATINGS BY
COMPANY SIZE**
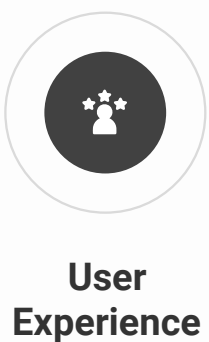
User
Experience

ENTERPRISE, ≥5000 EE HR ANALYTICS AND PLANNING SYSTEMS	MID-MARKET, 500 - 4999 EE HR ANALYTICS AND PLANNING SYSTEMS	SMB, <500 EE HR ANALYTICS AND PLANNING SYSTEMS
TOP	TOP	TOP
#1 Visier	#1 Workday Peakon	#1 IBM Cognos
Top 5 Microsoft Power BI	Top 5 IBM Cognos	Top 5 ADP
Top 5 Qualtrics	Top 5 Microsoft Power BI	Top 5 Microsoft Power BI
Top 5 Tableau	Top 5 Tableau	Top 5 Paylocity
Top 5 Workday Prism Analytics	Top 5 UKG Employee Voice	Top 5 Tableau

FIGURE 148:
TOP FIVE (OUT OF 48) VOC RATINGS BY COMPANY SIZE

Vendor Satisfaction

ENTERPRISE, ≥5000 EE HR ANALYTICS AND PLANNING SYSTEMS	MID-MARKET, 500 - 4999 EE HR ANALYTICS AND PLANNING SYSTEMS	SMB, <500 EE HR ANALYTICS AND PLANNING SYSTEMS
TOP	TOP	TOP
#1 **Visier**	#1 **Tableau**	#1 **Paylocity**
Top 5 Microsoft Power BI	Top 5 ADP	Top 5 ADP
Top 5 Tableau	Top 5 IBM Cognos	Top 5 IBM Cognos
Top 5 Workday People Analytics	Top 5 Microsoft Power BI	Top 5 Microsoft Power BI
Top 5 Workday Prism Analytics	Top 5 Workday People Analytics	Top 5 Tableau
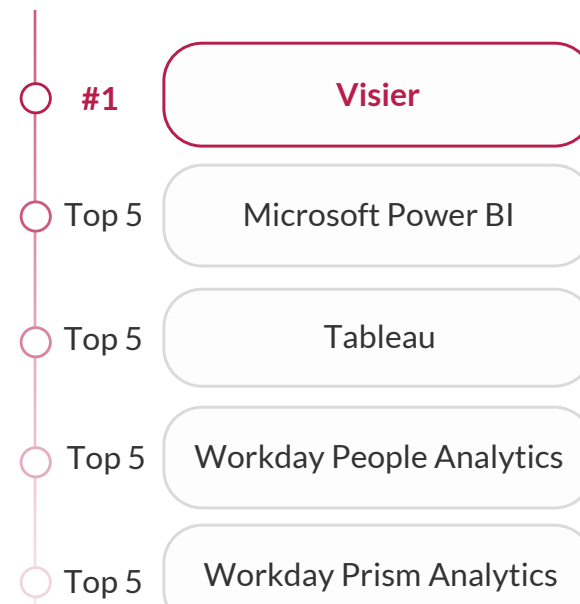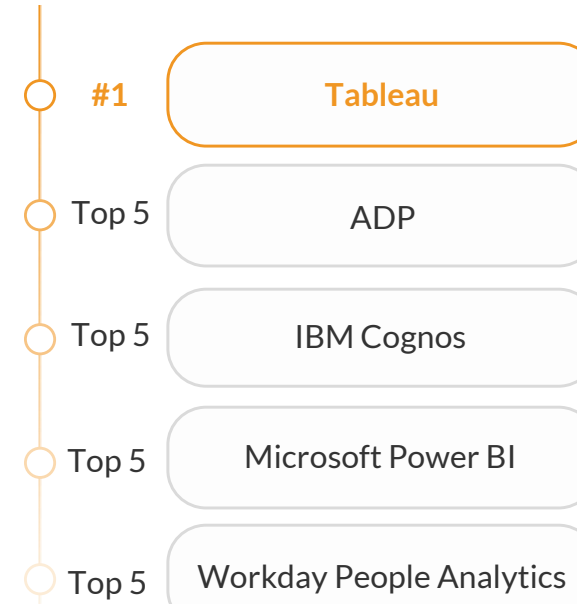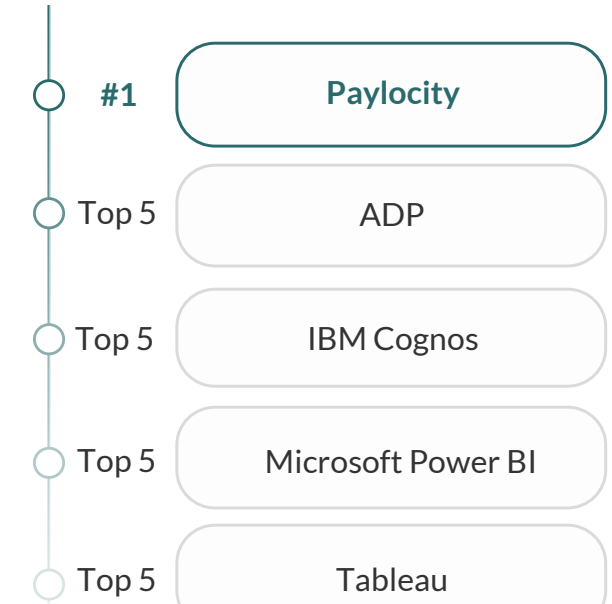
The figure above shows the solutions achieving the Top Five average **vendor satisfaction** ratings by company size. Survey participants were asked to rate their satisfaction with their vendor relationships, including services and support. We highlight the solution that received the highest rating and then list the remainder of the **Top Five in alphabetical order**.

FIRST

SAPIENT INSIGHTS GROUP

VENDOR SATISFACTION

ANALYTICS

2024-2025

*Full adoption details and breakdowns of data by company size can be accessed through our research subscriptions. Contact us at Research@SapientInsights.com for further information.

As HR analytics and planning vendors converge on a core set of features, with interfaces catering to less technical users for data input, access, and visualization, we anticipate rising adoption rates and decreasing entry-level costs. Initially, HR analytics solutions were tailored for large, complex organizations with dedicated HR analytics roles. However, a growing demand for solutions suitable for mid-market and SMB segments has emerged, and vendors are actively responding to this need.

The top factors given for low user experience and vendor satisfaction ratings:

- Poor usability
- Skill requirements
- Cost
- Privacy issues
- Data security concerns

The top factors given for high user experience ratings:

- Ease of use
- Integrations / accessible external data
- Strong reporting or visualization
- Integrated AI features

The top factors given for high vendor satisfaction ratings include:

- Available training
- Frequent updates
- Personalization / Customization services

The quote shown to the right is pulled at random from the criticisms received and is not a reflection of any vendors on this page:

> Complicated to create and manage reports.

Construction / Real Estate 425+ EE

ENTERPRISE | HR ANALYTICS AND PLANNING UX AND VS RATINGS – ANALYST INSIGHTS:

For half a decade, we have tracked user experience (UX) and vendor satisfaction (VS) data for HR analytics and planning solutions. Throughout this period, platforms like Visier, Qualtrics, Workday, and UKG have consistently ranked high in both areas. Starting last year, we began to segment user experience and vendor satisfaction scores by organization size, with Visier achieving the top rating in the enterprise category.

Visier maintains its focus on user-friendly interfaces that resonate with HR and operations personnel at all levels, while preserving the robust capabilities essential for complex, multinational organizations. The company continues to invest in multi-tiered customer support, enabling clients to prioritize data utilization over basic reporting tasks.

This approach has solidified Visier's position as a leader in the HR analytics and planning space, particularly for large enterprises seeking both accessibility and depth in their analytics solutions.

> **VISIER CUSTOMER QUOTES:**
> Excellent customer service, wonderful user experience, exceptional functionality.

Manufacturing 6000+ EE

Achieving the next highest UX ratings this year were Workday Prism Analytics, Microsoft's Power BI, Qualtrics, and Tableau. Other solutions in the Top Five for VS were Workday Prism Analytics, Workday People Analytics, Tableau, and Microsoft Power BI. Workday People Analytics focuses on HR-specific data insights, while Workday Prism Analytics offers a broader view of enterprise-wide data for strategic decision-making. Although primarily thought of as a data visualization tool, Tableau has become a robust standalone analytics platform and has seen significant adoption. While Microsoft Power BI and Qualtrics are both known for applications outside of HR, their users took time to comment on their abilities to tie people data to larger organizational metrics.

MID-MARKET

HR ANALYTICS AND PLANNING UX AND VS RATINGS – ANALYST INSIGHTS:

Workday Peakon had the highest ratings for UX in the Mid-Market category, and Tableau had the highest ratings for VS. Workday Peakon was favored by organizations seeking a comprehensive HR analytics solution integrated with Workday's broader suite of HR tools. Tableau offers a highly customizable and flexible platform for advanced data visualization and analysis regardless of underlying HCM platforms; its users commented often on its ease of use.

> **WORKDAY PEAKON CUSTOMER QUOTES:**
>
> [It is] easy to extract and access data in Workday Peakon.
>
> High-Tech 1850+ EE

> **TABLEAU CUSTOMER QUOTES:**
>
> - Great visualization and integration.
>
> High-Tech 1050+ EE

Among the Top Five for user experience were IBM Cognos, Tableau, and Microsoft Power BI - all representing more generalized analytics platforms. Also making the list was UKG Employee Voice, which operates within the broader UKG HRMS environment while offering more sophisticated modeling and predictive analytics capabilities than the base platform. The other solutions in the Top Five for vendor satisfaction were ADP, IBM Cognos, Microsoft Power BI, and Workday People Analytics. This mix indicates a market demand for both standalone, versatile analytics tools and those that seamlessly integrate with existing HR ecosystems. Each approach offers unique advantages in data analysis and workforce planning.

SMB

HR ANALYTICS AND PLANNING UX AND VS RATINGS – ANALYST INSIGHTS:

In the SMB category, IBM Cognos achieved the highest user experience ratings. Users consistently praised its focus on optimized decision-making and the ease with which HR professionals can generate and share reports. These features were repeatedly highlighted in user feedback, underscoring the platform's effectiveness in streamlining HR analytics processes for smaller organizations. Paylocity secured the top spot for vendor satisfaction. Users commended its ability to deliver real-time insights into workforce data, enabling data-driven decision-making and enhancing HR efficiency.

> **IBM COGNOS CUSTOMER QUOTES:**
>
> Unlimited access to any data you want.
>
> Telecoms / Media 280+ EE

> **PAYLOCITY ANALYTICS CUSTOMER QUOTES:**
>
> Very nice tool. There are options for different charts and graphs and data right at a click.
>
> Manufacturing 90+ EE

The other solutions in the Top Five for user experience were ADP, Microsoft Power BI, Paylocity, and Tableau. Other solutions in the Top Five for vendor satisfaction were ADP, IBM Cognos, Microsoft Power BI, and Tableau. All of these solutions have been written about in the other company size categories. This is noteworthy because it shows that features and assistance provided by these tools are not specific to any particular industry segment or company size. Rather, they all help HR organizations solve critical business problems with meaningful analytic support.

HR analytics and planning is still an evolving category of HR applications. Only 58% of respondents indicated their primary application "meets their business needs most of the time," and 12% said it "always meets their needs."

Only **12%** of respondents are "confident" their primary HR analytics and planning solutions are meeting all of their business needs.

The top reasons for a lack of confidence were customization and configuration issues, followed by reporting capabilities. These issues have shown up for the last three years and seem to be major stumbling blocks for most platforms.

TOP HR ANALYTICS AND PLANNING GAPS IN MEETING BUSINESS NEEDS

ANALYTICS AND PLANNING

- Reporting functionality — 37%
- Customization/Configuration — 35%

An alternative perspective on this topic involves examining the current applications of HR analytics and planning tools within organizations. As illustrated in **Figure 149**, when aggregating responses to this inquiry, benchmarking HR metrics remains the primary achievement. However, this year we observe a growing emphasis on enhancing business decision-making processes and improving reporting/transactional activities.

On the subsequent page, **Figure 150** provides a more detailed analysis, presenting the top three achievements associated with specific HR analytics and planning applications. This breakdown offers insights into how different tools are being leveraged to meet various organizational objectives, highlighting the diverse ways in which these technologies are contributing to HR and business strategies across different companies.

FIGURE 149: WHAT ARE THE HR ANALYTICS AND PLANNING APPLICATIONS BEING USED TO ACHIEVE?

Application	Percent
Benchmark HR Metrics	60%
Inform Business Decisions	55%
Reporting or Transactional Activities	53%
Organizational Structure	46%
Improve Employee Engagement	38%
Improve Diversity/Equity/Inclusion/Belonging	37%
Manage Retention Risks	37%
Compliance Risks (ACA, EEOC, HIPPA)	34%
Manage HR Costs	30%
Identify/Attract Top Talent	22%
Optimize Workforce Margins/Productivity	17%
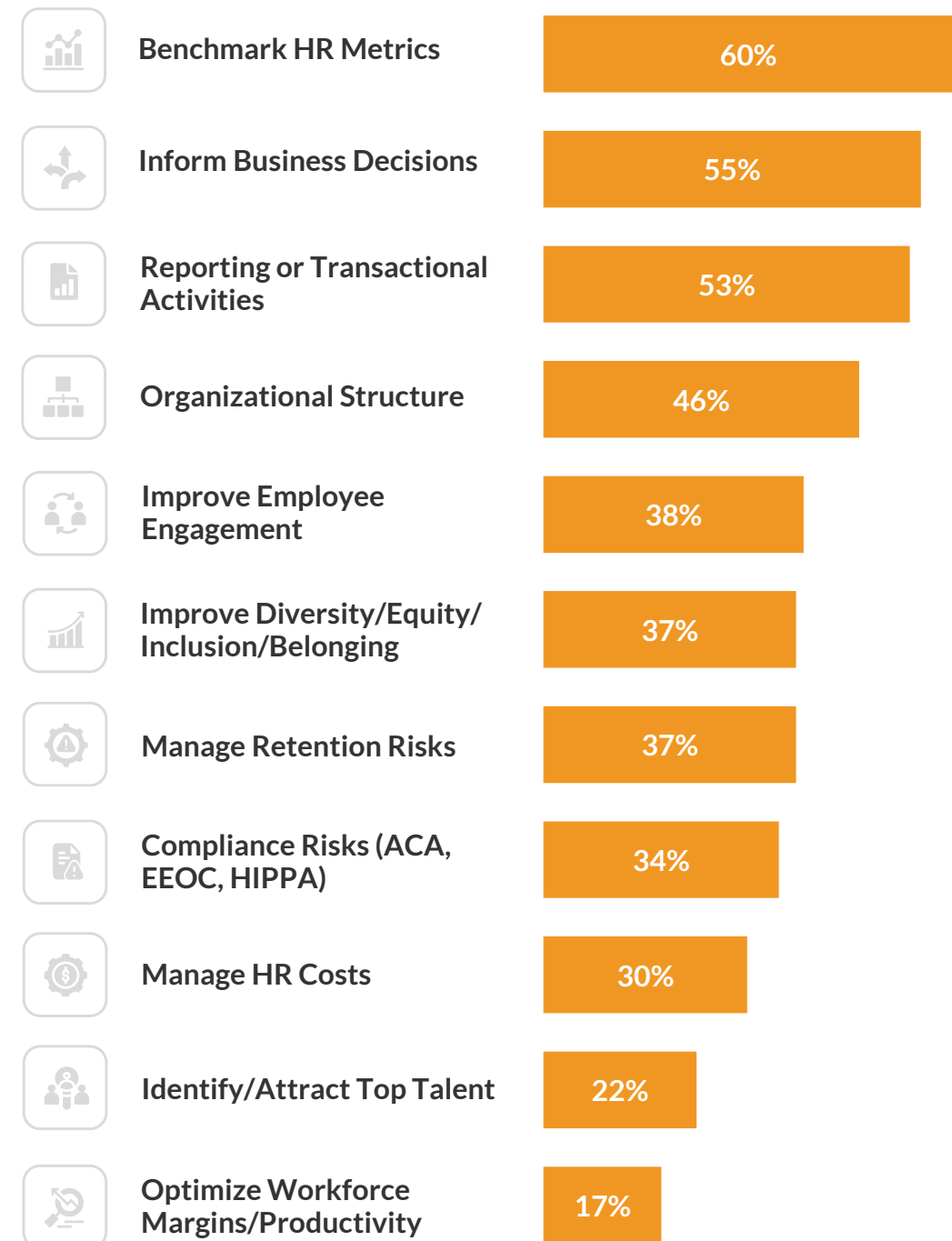
Analysis of the primary uses of HR analytics and planning tools reveals distinct patterns based on application type. General productivity and HR-specific analytics applications are commonly used for reporting, informing business decisions, and metric benchmarking. While sharing some overlap in reporting and benchmarking, planning and BI applications focus more on managing HR costs. Notably, certain areas see minimal use of these analytics tools. Compliance and talent acquisition activities rarely appear among the top three use cases for any of these applications. This insight is particularly telling about current priorities in HR analytics. Understanding the deployment rationale for HR applications is crucial. These use cases and priorities should be key considerations when selecting HR analytics solutions. When reviewing top application categories and their alignment with HR analytics objectives, it's vital to assess where your organization needs to evolve. This context provides valuable guidance in the decision-making process for HR analytics investments.

FIGURE 150: TOP 3 USES OF HR ANALYTICS AND PLANNING APPLICATIONS BY PRIMARY HR ANALYTICS AND PLANNING SOLUTIONS

	Optimize Workforce Margins/Productivity				Planning/BI Applications				Human Resources Focused Applications								Feedback App
	Microsoft Power BI	Tableau	IBM Cognos	Google Analytics	Anaplan	Oracle OTBI	SAP Analytics Cloud	Workday Adaptive	Other Embedded	ADP Data Cloud	Paycor Analytics (Visier)	Visier People	Workday People Analytics	Workday Prism Analytics	SAP Success Factors	In House	UKG Employee Voice
Benchmark HR Metrics	2	1	1	1	3			1		1	2		1	2		2	1
Inform Business Decisions		2	3		1	1		2	2		3	2	3	3	1		
Reporting or Transactional Activities	3		2	3		2	1	3	3	2			2	1	2	1	
Organizational Structure							2		1					3			
Improve Employee Engagement		3		2													2
Improve DEIB												1				3	
Manage Retention Risks					2					3	1	3					
Compliance Risks (ACA, EEOC, HIPPA)	1					3											3
Manage HR Costs							3										
Identify / Attract Top Talent																	

TOTAL WORKFORCE PLANNING

As illustrated in **Figure 152**, the past four years have shown an upward trend in the percentage of organizations engaging in workforce planning activities. This trend, while exhibiting some minor fluctuations, has been generally consistent over recent years.

The data underscores a growing recognition across organizations of all sizes that long-term, strategic workforce planning is essential. This shift reflects an increasing need for more comprehensive scenario planning and complex modeling in workforce management.

FIGURE 151: DATA INCLUDED IN WORKFORCE PLANNING EFFORTS

Data	Percentage
Recruiting Headcount Data	65%
Business Strategy Data	55%
Position Management Requirements	52%
Business Unit Data	51%
Regional Data	29%
Skills Analysis Data	27%
External Data (labor stats, weather forecasts, etc.)	22%
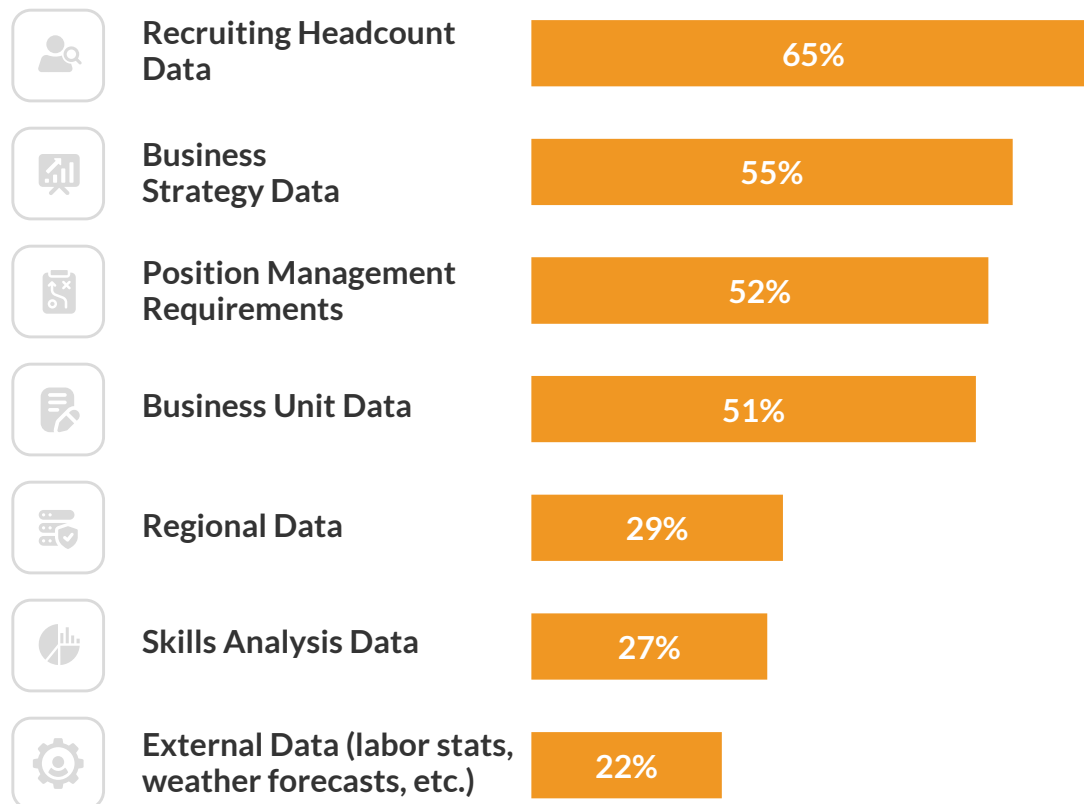
When analyzing workforce planning, we see an increasing number of organizations using multiple datasets and without much change in the data used, with nearly every data set shown in **Figure 151** to the left showing identical or near identical percentages as 2023.

FIGURE 152: ORGANIZATIONS CONDUCTING SOME LEVEL OF WORKFORCE PLANNING 5 YEAR VIEW

Year	Workforce Planning
2020	36%
2021	49%
2022	58%
2023	45%
2024	47%

—◆— Workforce Planning
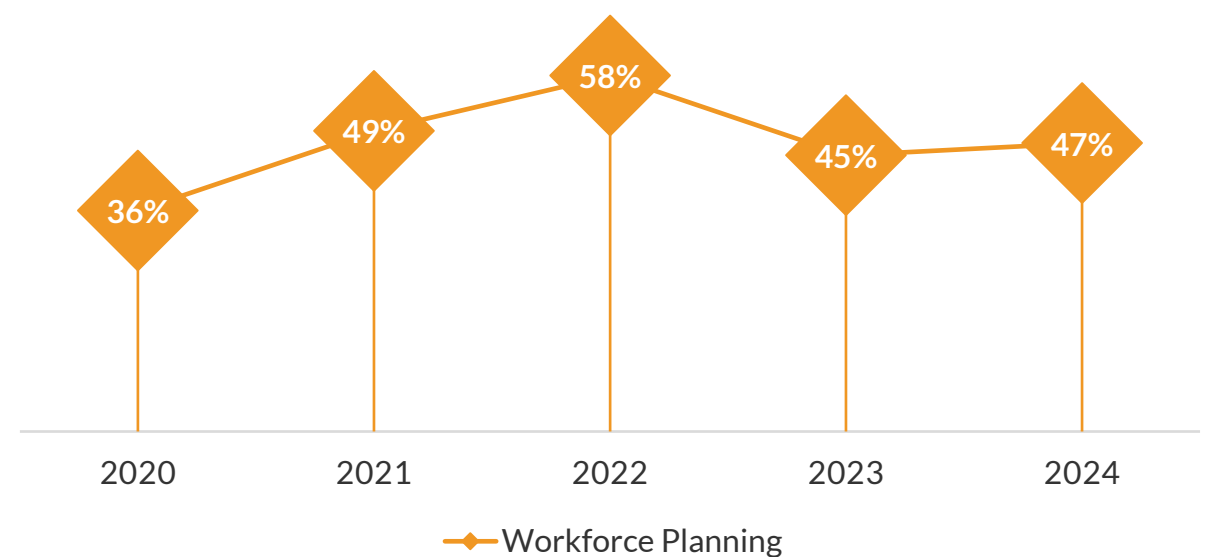
Our annual analysis of organizations with and without workforce planning consistently reveals superior talent, HR, and business outcomes among those that invest in these efforts. This year's findings reinforce this trend, as detailed below.

Organizations Conducting Workforce Planning Achieve

5%	7%	3%
Higher Talent Outcomes	Higher HR Outcomes	Higher Business Outcomes

The HR analytics and planning sector continues to undergo rapid transformation. Organizations are seeking more efficient methods to integrate data, compare information, and securely disseminate insights across their structure. Recent regulatory changes, both in the U.S. and globally, have heightened the need for enhanced reporting capabilities and data transparency across all aspects of workforce data. In 2020, the SEC introduced mandates requiring public reporting of human capital metrics for companies under its purview. These requirements have now become standard practice for many organizations. Additionally, we're witnessing a surge in proposed regulations concerning AI-driven decisions in HR, compensation transparency, resource risk planning, and employee engagement measurement.

Additional emerging trends to watch in HR analytics and planning applications include:

- Extended security including end-to-end encryption

- Enhanced data visualization tools

- Embedded predictive analytics and machine learning applications

- Sentiment analysis of noncategorized data

- Bias analysis, and cleaning of existing and new benchmarking/AI training datasets

- Data extraction, mapping, and integration platforms

- Growing emphasis on DEIB use cases

A distinctive feature of HR analytics and planning systems is a common requirement for extensive training or specialized skills for effective use and deployment. This can result in a low ROI if organizations lack appropriately skilled personnel or if key employees depart. This concern is a primary driver behind the growing push for increased automation and AI-assisted capabilities in HR analytics. The goal is to transform these complex systems into more accessible tools that a broader range of employees can quickly adopt and utilize effectively. By simplifying these powerful analytics platforms through AI and automation, organizations aim to mitigate the risks associated with specialized skill dependencies, enhance user adoption, and ultimately maximize the value derived from their HR analytics investments.

CUSTOMER QUOTES:

Our business makes using the canned analytics tool a bit cumbersome. However, the data present is useful and interesting.

Manufacturing 3400+ EE

CUSTOMER QUOTES:

Customization capability is great, but it is very manual.

High-Tech 31000+ EE

CUSTOMER QUOTES:

Plenty of data to analyze but there is no entity relationship diagrams so [it is] difficult to figure out where to get data from.

Retail / Wholesale 7000+ EE

Above are representative of the 8,000-plus comments we received from respondents on ways their current technology providers could make their lives and their employees' lives better. These can serve as considerations for your next selection process.

EMERGING HR TECHNOLOGY

13/14 SECTION

EMERGING HR TECHNOLOGY

Emerging technologies are in the early stages of development. Often these innovations first appear in the market as add-on tools, applications features, or even just talked-about ideas percolating in the industry.

Nevertheless, it's important to monitor the progress and evolution of these innovative technologies because many will have an impact on the future of HR applications and the move to intelligent HR systems.

Innovation in the business landscape extends far beyond technological advancements, particularly in the realm of human resources. While emerging technologies play a role, the most significant future innovations in HR are likely to stem from advancements in human fields such as psychology, sociology, or behavioral science. These disciplines offer more potential for transformative HR practices than current technical skills. Although all new technologies mark milestones in business evolution, not all will prove to have lasting organizational value or widespread impact. However, this doesn't render them inconsequential. AI is one such example. **AI and machine learning adoption in HR increased from 12% in 2023 to 23% in 2024**, demonstrating steady growth. This trend suggests that while AI's prevalence in HR may not be as pervasive as some media portrayals suggest, it is far from being irrelevant, contrary to more pessimistic views.

Emerging Technology topics and categories we tracked in 2023 include:

Category	Adoption
Benchmarking	37%
Machine Learning	23%
Skills Management	20%
Predictive Analytics	15%
Chatbots	15%
Robotic Process (RPA)	10%
Virtual Reality	3%
Blockchain	2%

Other topics that we tracked in 2024:

Data Capture Tools

Wellness Applications

Earned Wage Access Solutions

ESG (Environmental, Social, Governance) Practices

INTELLIGENT TOOLS

In this section, "intelligent tools" refers to the technologies that use artificial intelligence, large language models, machine learning or any other set of processes that create a facsimile of a thinking "intelligent" machine. While the term "AI" is broadly used in media to refer to this category, intelligent tools is a more accurate way to describe this category, since each of these technology types has distinct and different designs and purposes.

EMERGING HR TECHNOLOGY ANALYST INSIGHTS

The most successful emerging technologies are those that address specific business needs, whether these are at the organizational or individual level. Any new technology that is focused more on what it "could" do rather than what it "can" do is often doomed for failure or at least quiet disregard. Generally, the applications that go from being emerging to everyday use are those that were created for a specific business problem and then address that issue, consistently and easily.

FIGURE 153: TWO-YEAR LOOK AT INTELLIGENT TOOL ADOPTION RATES AND PREDICTED GROWTH FOR 2025

	Benchmarks	Predictive Analytics	Chatbots	Machine Learning	RPA	Blockchain	Virtual Reality
In Use 2023	37%	14%	13%	12%	10%	3%	4%
In Use 2024	37%	15%	15%	23%	10%	2%	3%
2025 Estimate	40%	19%	19%	28%	15%	3%	4%

■ In Use 2023   ■ In Use 2024   ■ 2025 Estimate
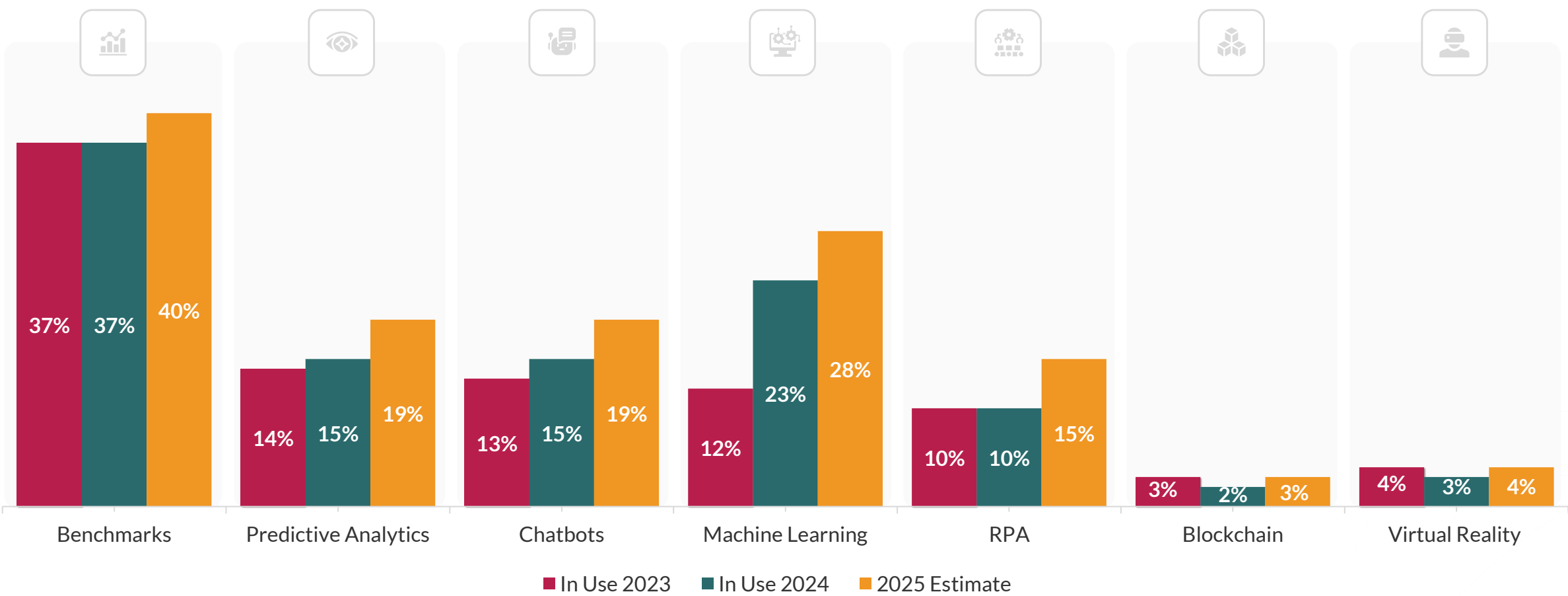
MACHINE LEARNING APPLICATIONS

Artificial intelligence analyzes HR data to forecast trends such as attrition, recruitment demands, and even strategic workforce planning. In theory, this should result in streamlined HR operations. However, a significant challenge that continues to hinder AI is the presence of data biases, which is paradoxical given that addressing such biases is one of the technology's intended benefits.
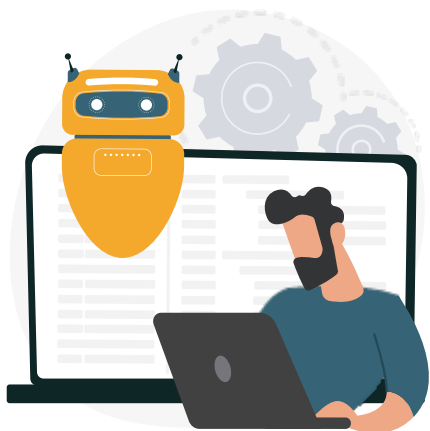
Despite potential limitations, machine learning-style AI may be the emerging HR technology with the most significant impact on the HR field, given its immense potential to enhance HR capabilities and processes. **In fact, Figure 153 on the preceding page indicates a 92% year-over-year increase in machine learning adoption within HR with an additional 22% growth predicted into 2025.** By automatically extracting insights from vast employee datasets, AI models can facilitate more predictive, real-time decision-making throughout the employee lifecycle. While AI is still finding its niche in HR, it can already streamline repetitive, high-volume tasks such as document processing, compensation management, and addressing employee inquiries. If ML is leveraged to reduce transactional burdens, HR professionals can shift their focus to more strategic initiatives like talent development, reskilling, and advanced analytics while reducing costs. Our survey also revealed that **61% of users were not paying additional fees for the AI platforms/applications currently in use**. Naturally, proper data and process governance frameworks must be established. But when implemented effectively, AI has the potential to augment rather than replace HR expertise.

FIGURE 154: WHAT ARE YOU USING MACHINE LEARNING PLATFORM(S) IN HR FOR?

Job Descriptions	47%
General Process Efficiency	36%
HR Related Questions	34%
Recruitment / Onboarding	32%
Updating Documentation	31%
Learning / Training	28%
Performance Mgmt / Feedback	16%
Employee Experience / Satisfaction	13%
Use not listed / Other	11%
Adaptive Predictive Models	8%
Retention	6%
Compliance Audits / Reviews	5%
Optimal Workforce Scheduling	3%
Payroll Audits / Reviews	3%
Time Entry / Edits	3%

AI-ENABLED APPLICATIONS

There was no more hyped-up technology in 2024 for HR than AI-powered solutions. While many companies are leveraging generative AI in the workplace including in some groundbreaking ways such as employee coaching or self-guided career pathing, a significant 64% of organizations either lack clear ethical AI usage guidelines or are uncertain if such standards exist, which in effect is the same problem. More concerning is that this percentage remains unchanged from 2023, despite being highlighted as a critical issue in last year's report.

And despite a full year of media coverage (or perhaps because of it!) the prime obstacle to adopting new technologies like AI is insufficient knowledge about their capabilities and potential impact. Data protection and security concerns are perennial issues with any technology, and these are amplified when dealing with a highly sophisticated and technical innovation such as Artificial Intelligence. Of course, data governance remains a hot topic as it is fundamental to any truly useful AI-enabled application, but also note that cost is seen as much less of an issue compared to the 30% who listed it as barrier in 2023.

FIGURE 155: WHAT IS YOUR ORGANIZATIONAL STRATEGY FOR USING AI ETHICALLY?

We don't have one	37%
I don't know	27%
Comply with all current regulatory and legal guidelines	24%
Require human oversight for any intelligent technologies used	15%
Adhere to internal or external AI or Intelligent Technology Code of Conduct	12%
Follow defined set of rules and/or scenarios for use	11%
Work directly with technology provider for guidance and compliance	9%
Only use after review from ethics council / director / etc.	7%
Only use intelligent technologies with open algorithms / source code	2%
Use an AI governance platform	1%

FIGURE 156: WHAT ARE THE BARRIERS TO USING AI/INTELLIGENT TECHNOLOGIES AT YOUR ORGANIZATION?

We do not have enough knowledge and/or understanding	39%
Privacy concerns	29%
Concerns over data quality and governance	23%
Cost	19%
No value-add use cases	19%
Lack of AI internal skills for proper use	18%
No plans to use until certain industry standards or criteria have been met	18%
Other reason not listed	10%
No plans to use any of these technologies due to ethical concerns	7%
Socioeconomic concerns	2%

INTERNAL AND/OR EXTERNAL BENCHMARKING DATA

Benchmarking databases enable HR to compare company policies, practices and metrics against competitors and industry standards. This helps set effective HR strategies. One important caveat to note is that by their very nature, benchmarks can be outdated, incomparable, or just incorrect.

FIGURE 157: MOST COMMONLY USED BENCHMARKING DATABASES

Compensation Surveys / Salary Data	87%
General HR Metrics	56%
Benefits	50%
Skills / Competencies databases	29%
DEIB Metrics	18%
Customer Satisfaction	17%
Other not listed	2%
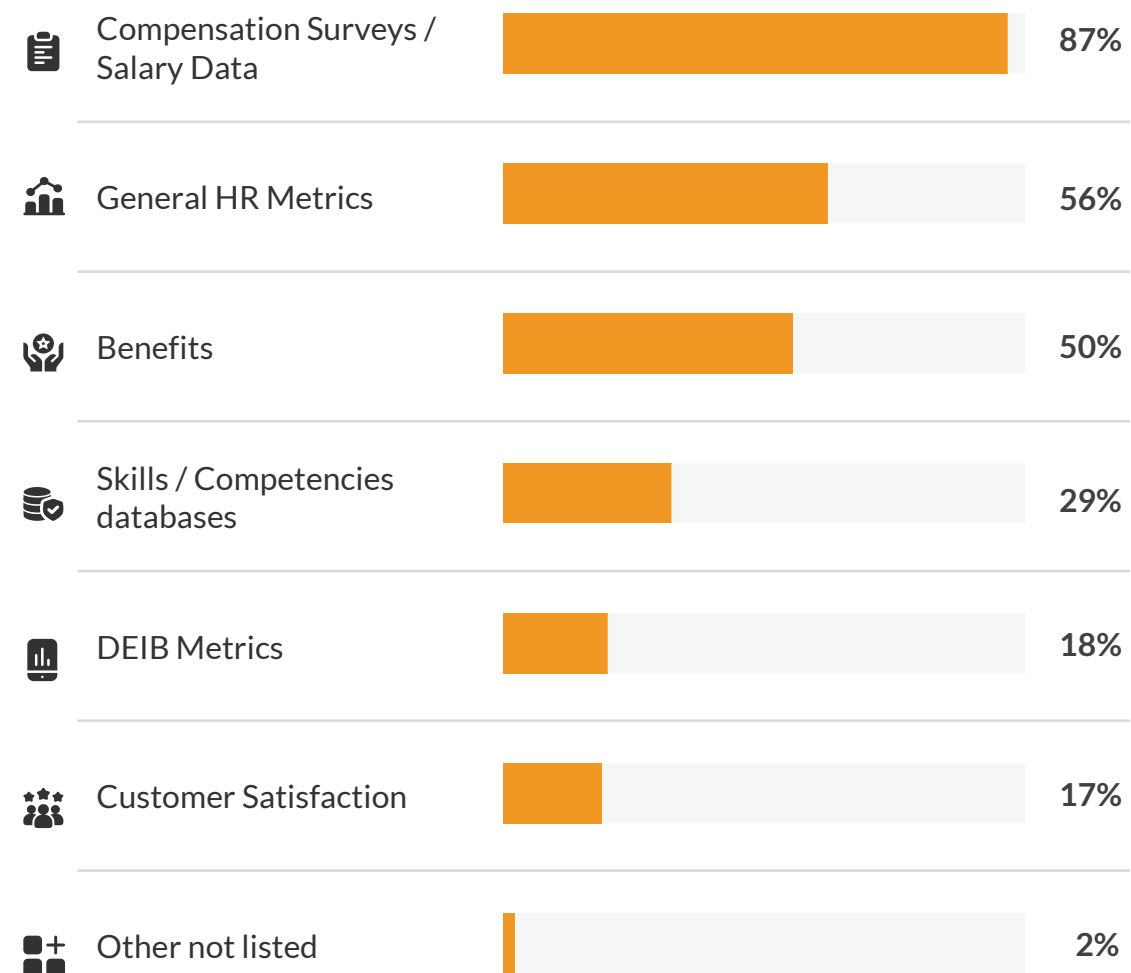
EMERGING HR TECHNOLOGY ANALYST INSIGHTS

Benchmarking data in HR provides a valuable tool for evaluating an organization's performance against industry standards. By comparing metrics such as employee turnover, compensation, and training costs, HR can identify areas where improvements are needed. This data can also be used to inform strategic decisions, like adjusting compensation packages or personalizing employee onboarding programs.

While benchmarking offers insights into industry trends, it's essential to consider factors like company size, industry sector, and geographic location when interpreting the data. Overreliance on benchmarking without thinking of the data in context could lead to unrealistic expectations or ineffective strategies. Ultimately, benchmarking can be a powerful asset for HR departments, helping them support the business in achieving its goals by identifying opportunities for optimization and continuous improvement.

HR CHATBOT SOLUTIONS

AI-powered HR assistants are some of the earliest uses of AI in the HR space. The ability of these bots to streamline common employee queries regarding topics such as compensation packages, leave applications, and organizational guidelines at any time is an obvious use case. However, despite significant progress in conversational AI, they are not equivalent to genuine human interaction. While they are still used primarily for basic use cases, there has been process improvements in how humans can intervene and supplement their use.

ROBOTIC PROCESS AUTOMATION IN HR

RPA can be used to automate repetitive HR tasks such as employee information entry, reporting, and form submissions.. However, RPA has long been stagnant and has not progressed much beyond such tasks. But this year, for the first time, RPA is being used more for creating and automating workflows (58%) more so than it is being used for transaction processing **(44%),** as seen in **Figure 159**. Still, very few organizations (fewer than 25%) use RPA for anything with a high risk for error, such as payroll, recruiting, or compliance.

FIGURE 158: WHAT HR CHATBOTS ARE YOU USING?

Using provided HRMS chatbot	29%
Using provided HR helpdesk chatbot	23%
Developed chatbot in-house	23%
Using provided IT, customer service chatbot	23%
Using provided recruiting chatbot	19%
Purchased chatbot from third-party (Mya, Capacity)	13%
Using provided learning hatbot	10%
Use not listed / other	8%
Using provided benefits chatbot	7%
Using a chatbot aggregator (Socrates.ai, BotCore)	4%
Using provided time management chatbot	3%

FIGURE 159: WHAT ARE YOU USING ROBOTICS PROCESS AUTOMATION (RPA) FOR IN HR?

Creating / automating workflows	58%
General process efficiency	45%
Transactional processing	44%
Reporting	29%
Recruitment / onboarding	23%
Payroll	18%
Testing	13%
Updating documentation	13%
Compliance	10%
Time entry / edits	5%
Use not listed / other	3%
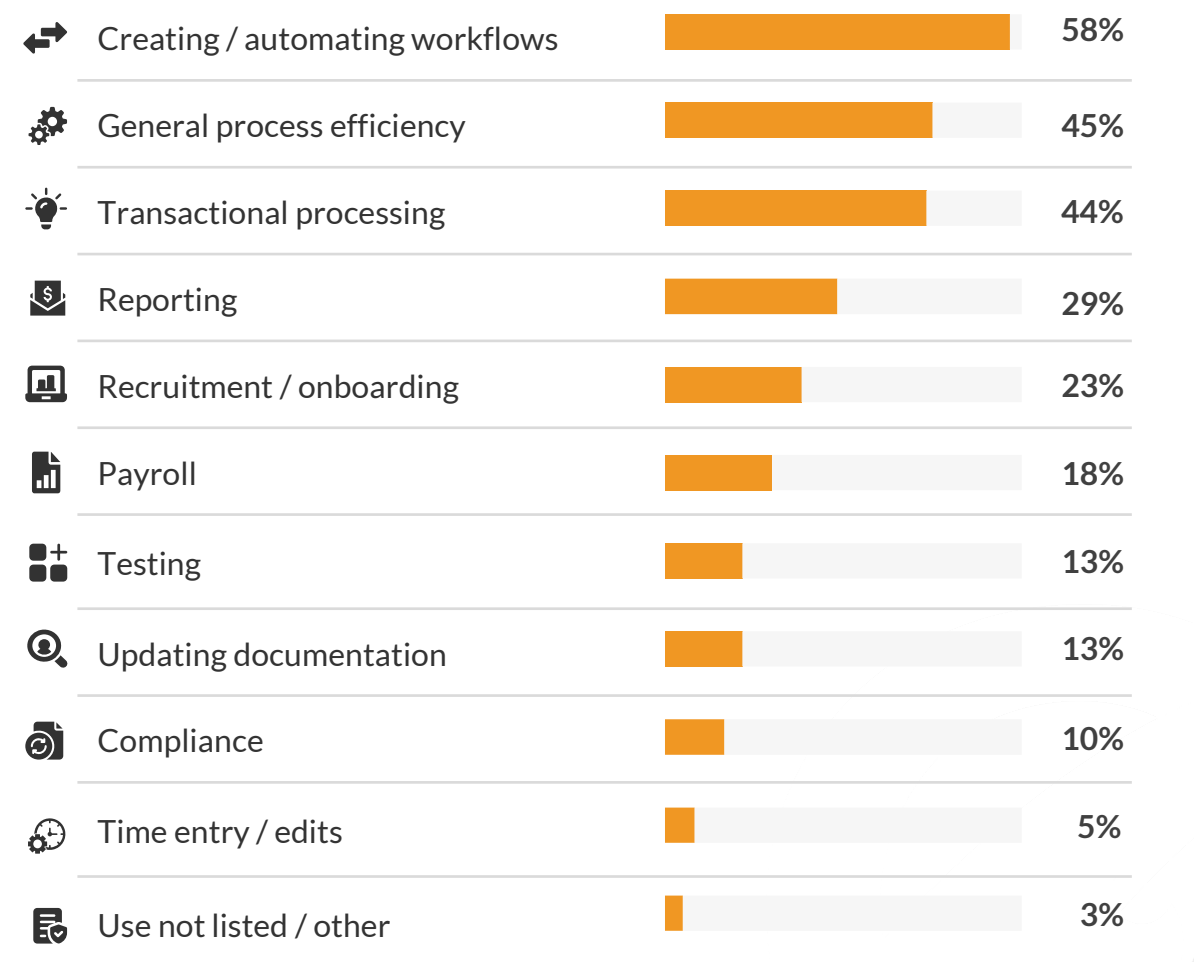
VIRTUAL REALITY / METAVERSE SOLUTIONS

The metaverse, a virtual reality space where users can interact with each other and digital objects, has the potential to drastically affect some HR practices. Current use cases show its potential for training and simulation in hazardous, highly-emotional, or simply hard-to-recreate situations. The immersive environment has shown potential to even combat bias in some cases. However, costs are high and with limited use cases outside of those listed above, there is limited demand. **Figure 160** clearly shows **the application for VR/metaverse applications in HR is dominated by the Learning space (55%)**.

BLOCKCHAIN TECHNOLOGY APPLICATIONS

Blockchain is a decentralized, distributed technology that records transactions (an audit trail) across multiple computers in a public-facing way, making it both secure and nearly impervious to security threats. And although it is mostly associated with cryptocurrency, HR professionals might use blockchain technologies to create secure, tamper-proof records of employee data, such as certifications, performance reviews, and employment contracts. As seen in **Figure 161**, currently there is no one clear use of blockchain technologies. Payroll and recruiting are the most frequently listed specific answers **(30%)**, but the general "other" **(40%)** is at the top of the list.

FIGURE 160: WHAT AREAS OF HR ARE YOU USING VIRTUAL REALITY / THE METAVERSE FOR?

Area	Percentage
Learning / training	55%
Live support	23%
Virtual office environment	23%
Use not listed / other	18%
Compliance	18%
HR helpdesk	14%

FIGURE 161: WHERE IN HR ARE YOU USING BLOCKCHAIN TECHNOLOGIES?

Area	Percentage
Use not listed / Other	40%
Recruitment	30%
Payroll	30%
Workflow improvement	20%
Learning / training	20%
Identity management	20%
General process efficiency	10%
Finance	10%

EMPLOYEE DATA COLLECTION APPLICATIONS

Employee data collection systems examine and aggregate workforce data to generate HR insights for talent strategy. The intended result is evidence-based decision-making, a crucial element of a more strategic HR approach. The primary challenge with broad-based employee data collection is that implementing robust data governance is resource-intensive and frequently outside the expertise of many HR professionals, necessitating the engagement of specialized support for these initiatives.

FIGURE 162: WHICH EMPLOYEE DATA COLLECTION TOOLS ARE YOU USING?

Legend:
- In Use
- Budgeted 12 Months

Tool	In Use	Budgeted 12 Months
EXIT INTERVIEWS	80%	2%
ANNUAL SURVEYS	62%	3%
PULSE SURVEYS	45%	4%
VIDEO MONITORING / SURVEILLANCE	35%	1%
SOCIAL MEDIA APPLICATIONS	28%	1%
INTERNET / SCREEN MONITORING	30%	2%
WEARABLES / BADGES / RFID	29%	1%
MOBILE (GPS/ LOCATION)	24%	2%
ENVIRONMENTAL SENSORS (AIR QUALITY)	17%	1%
BIO-METRIC SENSORS (FINGERPRINT / FACE)	16%	1%
AUDIO MONITORING / SURVEILLANCE	14%	2%

EMPLOYEE WELLNESS APPLICATIONS

Employee wellness apps give workers tools to manage their physical and mental health through functions like health assessments, habit tracking, telehealth access and personalized recommendations. This can lead to a healthier, more engaged workforce and lower healthcare costs for the employer.

The data insights taken from employee wellness initiatives also allow HR to better understand population health risks and tailor wellness programs. However, there can be privacy concerns if data is not properly protected, as well as difficulty in encouraging consistent employee use of wellness apps. However, when managed carefully, wellness apps can be a useful HR technology to promote workforce health, productivity and cost savings through data-driven digital, accessible tools.

FIGURE 163: WHAT IS YOUR ORGANIZATIONAL APPROACH TO EMPLOYEE WELLNESS?

Approach	Wellness Used for Compliance	Wellness Used Strategically
Fair & equitable paid time off policy for all employees	41%	54%
Fair & equitable healthcare benefits for all employees	41%	53%
Fair & equitable retirement plans for all employees	47%	48%
Health and wellness resources available to all, and easy to access	46%	43%
Mental wellness services available to all, easy to access, and supported	48%	43%
Easy access to paid family leave information & resources	53%	41%
Financial wellness resources are available to all, and easy to access	52%	37%

■ Wellness Used for Compliance   ■ Wellness Used Strategically

On-demand pay/earned wage access lets employees access their wages as they work, as opposed to waiting for the end of a standard pay period. Interestingly, despite this seemingly revolutionary idea, only 13% of surveyed organizations currently use on demand pay. When asked what the barriers to this technology are, 50% said they have no business case for adoption, but perhaps more tellingly 40% indicated it is not a priority of leadership (and 12% said they did not have enough knowledge or understanding of on-demand pay). This indicates that what seems like an obvious use of a new technology either isn't so simple or possibly does not provide a good perceived return on investment.

ON-DEMAND PAY SOLUTIONS

Most used ODP providers were:

- DailyPay
- DailyPay / PayEx
- Even
- Legion
- Other Solution
- Payactiv
- Rain
- Tapcheck
- Wagestream
- Zayzoon

FIGURE 165: WHO CAN ACCESS ON-DEMAND PAY?

Hourly Employees	86%
Salaried Employees	80%
Contingent Workers	5%

FIGURE 164: ON-DEMAND PAY APPLICATIONS USAGE - OVERALL

- In Use — 13%
- Budgeted 12m — 2%
- Forecasted 24-36m — 2%
- Not In Use — 83%
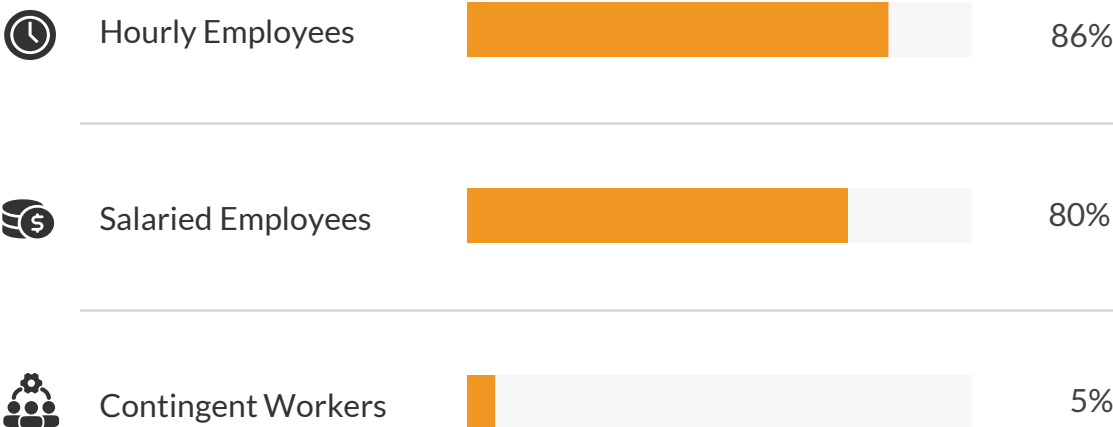
FIGURE 166: WHO PROVIDES ON-DEMAND PAY?

Current Payroll Vendor	53%
On-Demand Pay Vendor	44%
Other not listed	3%
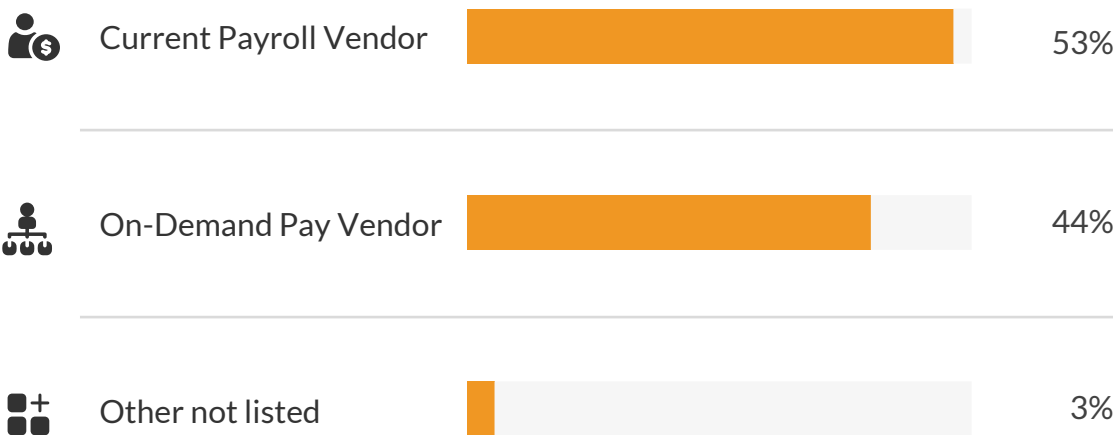
SKILLS MANAGEMENT SOLUTIONS

Skills management platforms allow HR to identify the current skills employees have and gaps that need to be addressed through training and development. The end goal is to align talent abilities to business needs. And although they have received a fair amount of attention, skills management solutions do not have high levels of adoption, with **only 20% of organizations finding a present-day use for these applications**.

However, those that do select them are finding use for these technologies in assisting with talent related processes, just as intended.
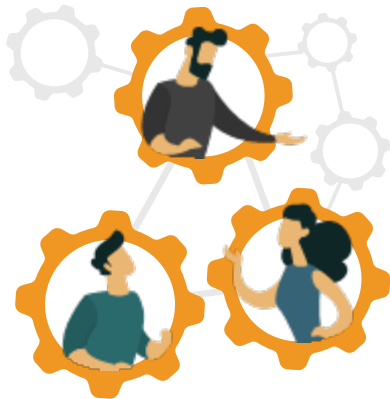
FIGURE 167: SKILLS MANAGEMENT APPLICATIONS USAGE - OVERALL

- 20% In Use
- 6% Budgeted 12m
- 5% Forecasted 24-36m
- 69% Not In Use
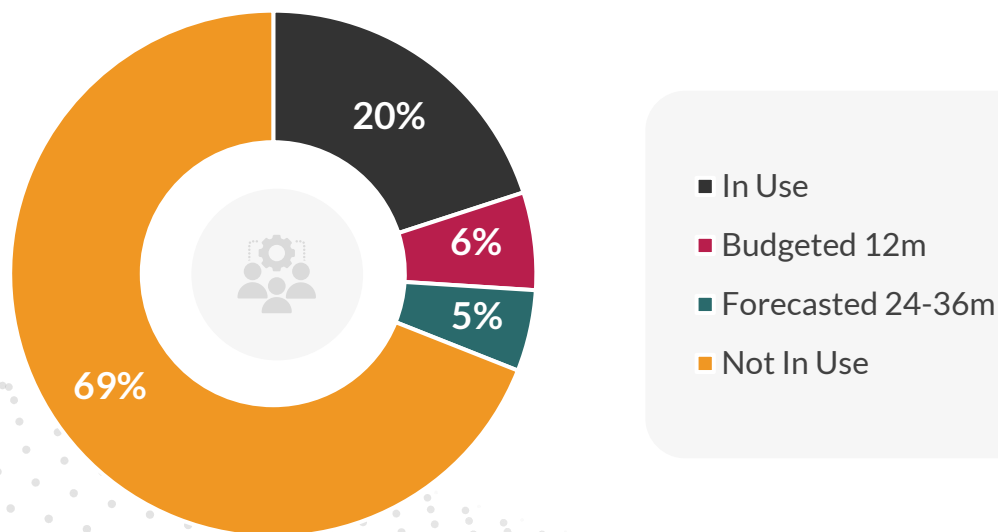
FIGURE 168: REASON FOR SELECTING SKILLS MANAGEMENT SOLUTION

Reason	%
Assists With talent-related processes	38.1%
Creates skills inventory / library	36.5%
Skills reporting / analytics capabilities	34.9%
Skills solution already included in existing HR system	31.7%
Skills assessment options	28.6%
Ability to import external skills library / data	15.1%
Assists with scheduling / time management processes	7.1%
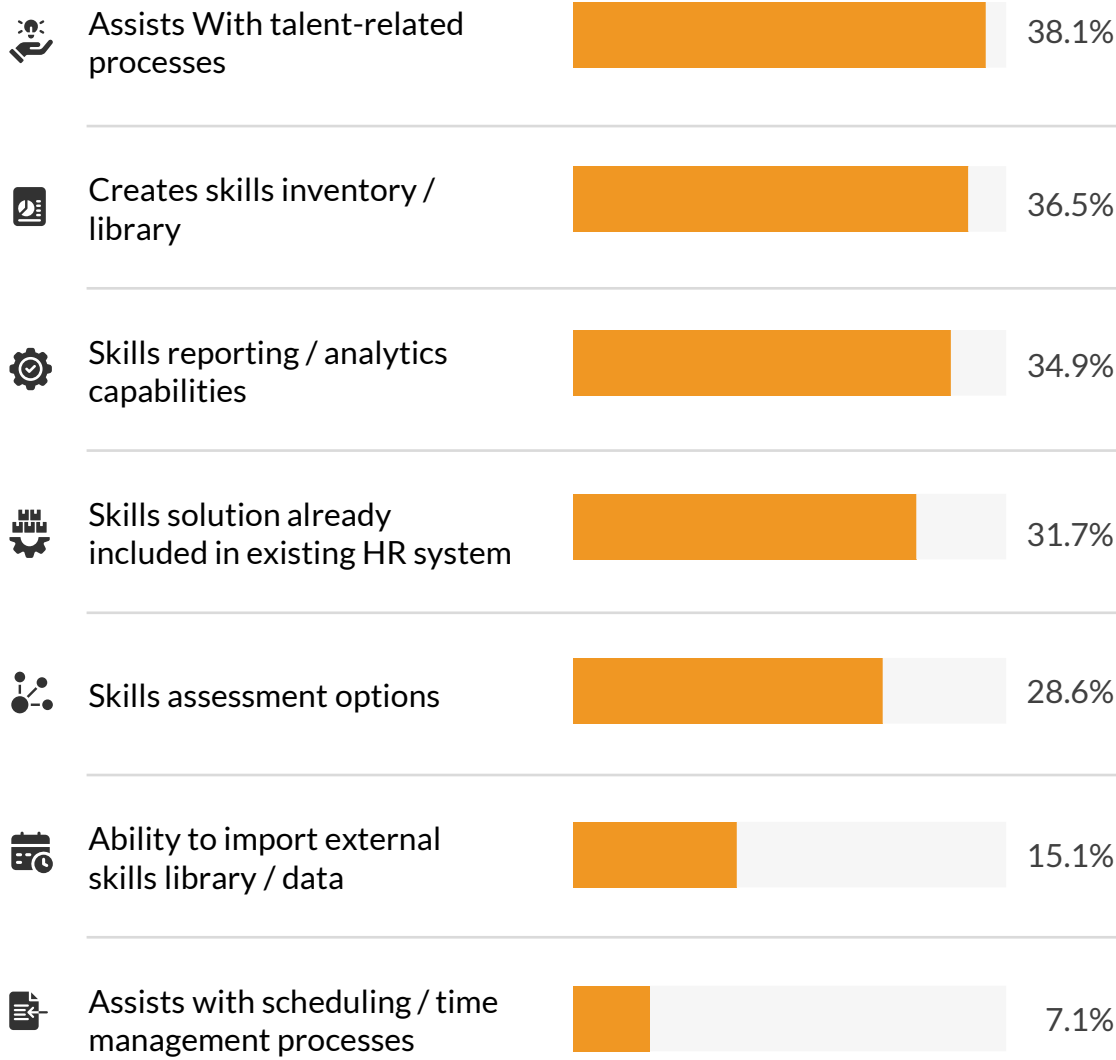
The burning question when analyzing this data is "Why is the adoption so low?" In our survey, we found that the most common barrier was that skills management was simply not a priority of leadership **(37%)**. Other reasons were that current manual processes met their organization's needs **(14%)**, and the lack of a clear business case **(13%)**. However, as shown on the next page, a compelling business case does exist for these technologies.

SUCCESSFUL ADAPTABLE SKILLS ENVIRONMENT FRAMEWORKS

This chart provides a useful visual aid for consideration but note that all components are rarely found in a single system.

Start with a Business Need:

- We can't keep skilled nurses
- Frontline workers need to be upskilled for a new product line
- We need to increase innovation to complete in the market

Company Profile
Competency / Culture Assessment (**value on Job**)

Job Profile
Competency Models / Job Analysis (**value on Job**)

Position/Role Profile
Work/Task/Team Analysis (**value on Work**)

Employee/Candidate Profile
Skills Analysis / Assessment (**value on Person**)

- **Skills Taxonomy** (Framework)
- **Hierarchy & Thesaurus** (value on associations)

- **Organization Prioritized Skills**
- **Leadership Set, HR Validated**

- **Industry Prioritized Skills**
- **Industry Set, Organization Validated**

Constant Change
The Work
Constant Change

- **Talent Intelligence**
- **Internal / External** (value on context)

- **Skills Ontology** (Cloud)
- **Relationships & Attribute** (value on connections)

- **Functional Skills (AI-Managed)**
- **Employee Generated, Multi-Source Validated**

ACHIEVING IMPACT

VALIDATION
- Assessment
- Observed
- Recency
- Usage
- Certification
- Perception

WORKFLOWS
- Hiring
- Development
- Career
- Work Assignments
- Planning
- Performance Reviews

OUTCOMES
- Metrics
- Dashboards
- Performance
- Feedback
- Retention
- Mobility

RESEARCH METHODOLOGY AND DEMOGRAPHICS SECTION

14/14 SECTION

RESEARCH METHODOLOGY AND DEMOGRAPHICS

SURVEY AND RESEARCH HISTORY

The 2024-2025 HR Systems Survey Report, 27th **Annual Edition**, is the latest installment in a continuous research effort that began in 1997 by The Hunter Group.

While the sponsoring organization has changed several times since the inception of this initiative, the project continues to follow a rigorous research methodology overseen by well-known and trusted industry analysts. The Annual HR Systems Surveys and resulting published research continue to be invaluable resources that provide insights and guidance to business leaders around the world concerning their HR and finance technology decisions.

THE DEPTH AND BREADTH OF THE RESEARCH

Each year, thousands of HR professionals worldwide complete our systems survey, providing us with valuable data from companies of all sizes and industry segments. Well-known technology and service providers support a wide distribution of the survey. This outreach gives us a broad and varied audience for gathering data on tech adoption and usage while safeguarding against data bias toward any particular vendor or user community. The data is, therefore, representative of the overall HR tech community and its practices.

Target survey participants are HR and IT practitioners and leaders at the center of HR technology decisions.

Participants answer in-depth enterprise systems questions that cover multiple topic areas, including:

- Enterprise outcomes and business financials
- HR technology selection, replacement, and deployment plans
- HR technology integration and implementation practices
- HR resourcing and system budgets
- HR functional processes and social responsibility behaviors
- Customer feedback and satisfaction drivers for major HR applications

Target participants are HR, finance, IT, and shared services leaders and practitioners at the center of HR or workforce tech decisions, implementations, maintenance, and/or change management efforts. Each year, our annual reach provides a wealth of knowledge that we share within the HR and finance communities. Many executives and business leaders who focus on workforce and finance technology use these survey results to make better, more informed business decisions.

Our **survey methodology** follows a rigorous, nine-step process, independently verified by the Mercer Survey Quality Group.

All participants are kept strictly anonymous, and only aggregate data is used in our analysis.

1	2	3	4	5	6	7	8	9
Survey Objectives	Survey Design	Survey Distribution	Data Collection	Sample Validation	Data Cleaning	Data Analysis	Result & Analytics	Publications Support
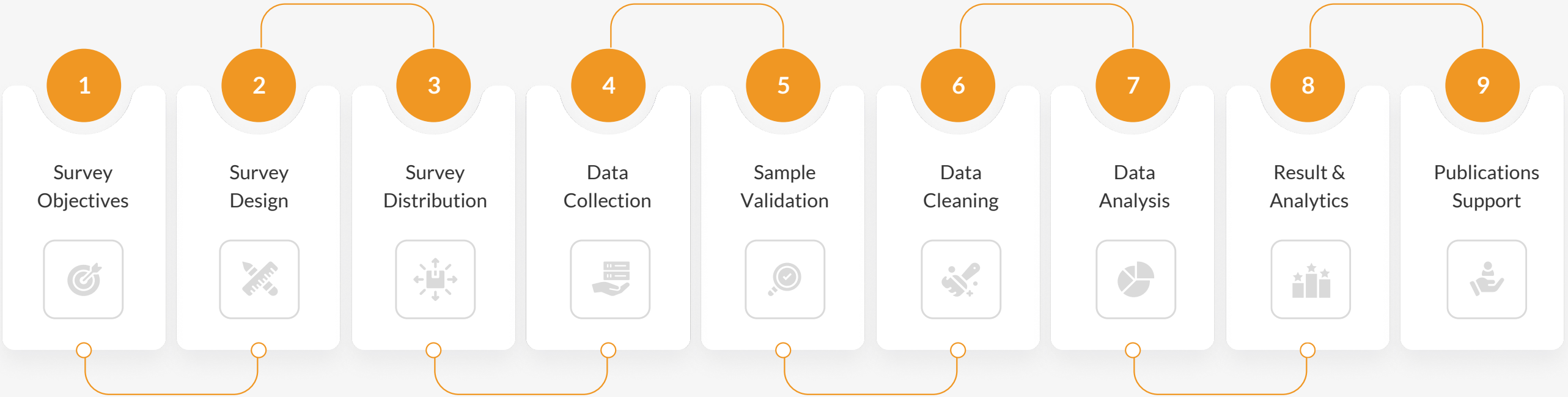
OUTCOME-FOCUSED HR METHODOLOGY

In our quest to conduct research that provides insights into the HR technology community's most challenging issues — such as adoption, cost, and value, we ask a wide range of questions concerning an organization's demographics, HR technology environment, and business/mission.

We also independently gather key financial metrics on publicly-traded organizations. We use this data to deliver insights into the correlation of specific HR practices and technology to business and financial outcomes.

FINANCIAL OUTCOMES

Sapient Insights Group independently gathers the following financial metrics on each of our participating organizations from publicly available data:

- Revenue per employee
- Profit per employee
- Operating income growth
- Return on equity

VOICE OF THE CUSTOMER METHODOLOGY

The importance of an organization's relationship with its HR technology solution providers is often overlooked and under-appreciated. A solid provider/customer partnership involves more than basic implementation work and communication between the primary contacts; it also encompasses how well the solution meets the organization's business needs and is perceived by the end users.

We ask participants to identify the following for each solution in 50 different categories:

- In use today
- Implementing in the next 12 – 36 months
- Replacing in the next 12 – 36 months

This data creates our vendor adoption charts (sample on this page), which include only those applications that represent a certain percentage (based on the number of providers in each category) of the overall responses for **in use or planned to be in use**. In certain cases, there are hard caps on the number of applications we can chart in a given category. In such cases, we show that maximum number based on the reported percentage of use.

Payroll Adoption Levels	Today	Growth	12 Months
Sample Solution Provider	9.26%	↑	9.92%

Our research then gathers quantitative and qualitative data from survey participants on four key factors that impact the overall customer relationship for each of their identified solutions:

Meets Business Needs:
We ask our respondents to rate how effective their specific HR solution is at meeting their organization's current business needs.

- Participants responding that the system always meets their needs are asked additional questions about the impact of that application.
- Participants responding that the system does not meet their needs are asked additional questions concerning the type of gaps and specific examples of those gaps.

User Experience:
Respondents rank the quality of the user experience for all deployed applications on a scale of 1-5 (poor to excellent). We specifically ask them to focus their answers on the applications' end-user experience for all stakeholders, including IT, HR, managers, and employees.

Vendor Satisfaction:
Respondents rank the quality of their vendor relationships for all deployed applications on a scale of 1-5 (very dissatisfied to very satisfied).. We ask them to specifically focus on relationship factors such as service levels, vendor communications, and alignment of product roadmap to their needs.

All survey participants are then asked additional open-ended questions to provide further details on the reasons behind the specific ratings for user experience and vendor satisfaction.

Based on these answers, we provide an average user experience and vendor satisfaction rating for every application that receives a qualifying number of responses from validated buyers. This data is used to create our Voice of the Customer (VoC) charts for these 14 HR solutions:

- Payroll
- HRMS
- Benefits
- Time Management
- HR Service Delivery
- HR Engagement Survey
- Learning
- Recruiting
- Onboarding
- Performance Management
- Compensation Management
- Rewards and Recognition
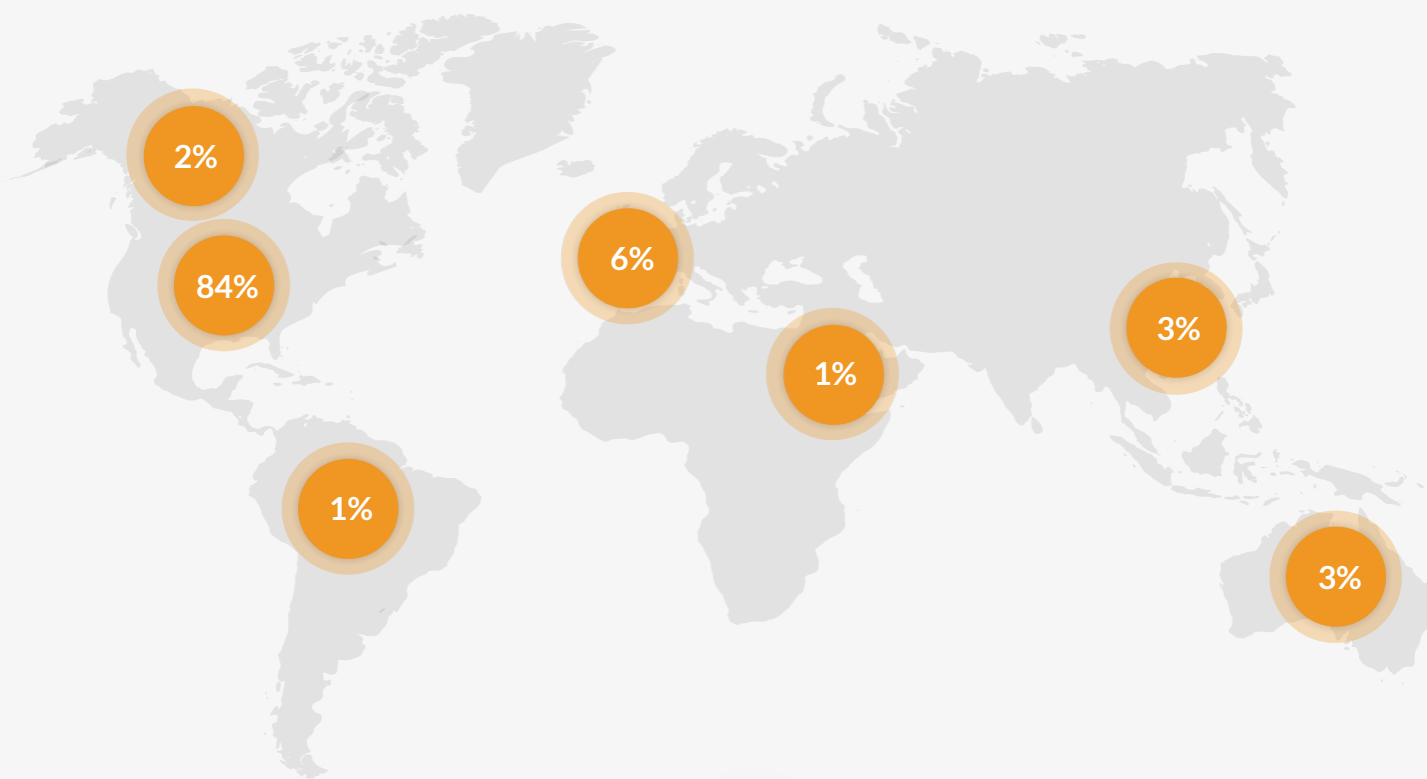- Succession Management
- Analytics and Planning
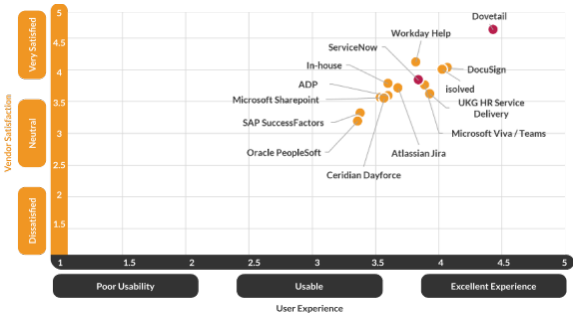
Our goal with the data in this section is to provide a broad overview of the vendor landscape for all buyers and HR technology community members as they assess their current solutions and needs. Details on the vendors that achieving top ratings in each HR technology category can be found on the **Voice of the Customer HR Systems Top 5 Performers Page**.

ORGANIZATIONAL DEMOGRAPHICS OF SURVEY RESPONSES

The 27th Annual HR Systems Survey was conducted from May 1—June 26, 2024. The survey had approximately 6,000 initial responses. Our research methodology includes an extensive cleansing process to remove duplicate organization details and responses with known inaccuracies based on a series of data validation steps. This year's report and research analysis are based on responses from **3,318 unique organizations representing a total workforce of more than 25 million employees and contingent workers**.

Twenty-nine percent of respondents (644 organizations) have a workforce population in at least one additional country outside their headquarter locations. These global organizations have, on average, employees outside of headquarter locations in 18 countries. A total of **452** organizations (**15% of respondents**) are headquartered outside the United States.

3318	59	644
Unique Organizations	**Countries**	**Global Organizations**

25M+ Total Number of Employees Represented

2%

84%

1%

6%

1%

3%

3%

PARTICIPATION SKYROCKETED IN OUR 27TH YEAR!

THANK YOU!
2024-2025 ANNUAL HR SYSTEMS SURVEY PARTICIPANTS
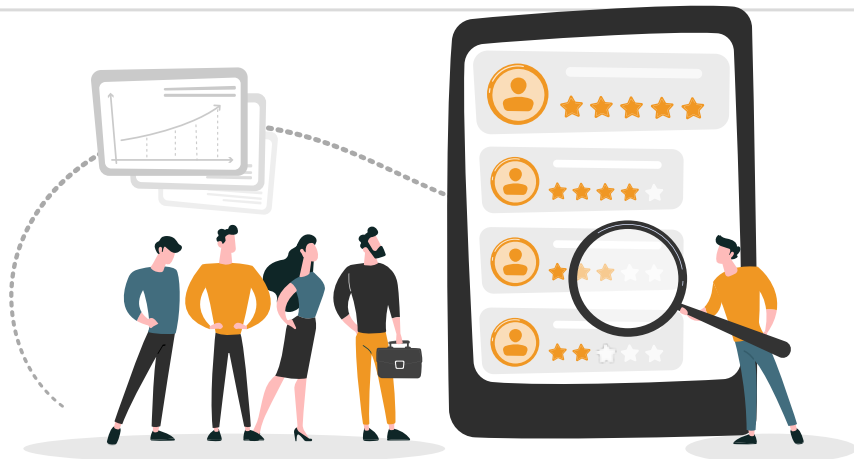
NON-FINANCIAL OUTCOMES

Non-financial outcomes fall into three categories. Each survey respondent is asked to identify if, over the past year, talent, HR, and business outcomes declined, stayed the same, or improved on a scale of 0–5 (0=Sharply Declined to 5=Greatly Improved). Below are the aggregate scores for our survey respondents in 2024, along with the year-over-year changes from 2023.

FIGURE 169: TALENT, HR, AND BUSINESS OUTCOMES (SCALE OF 0–5)

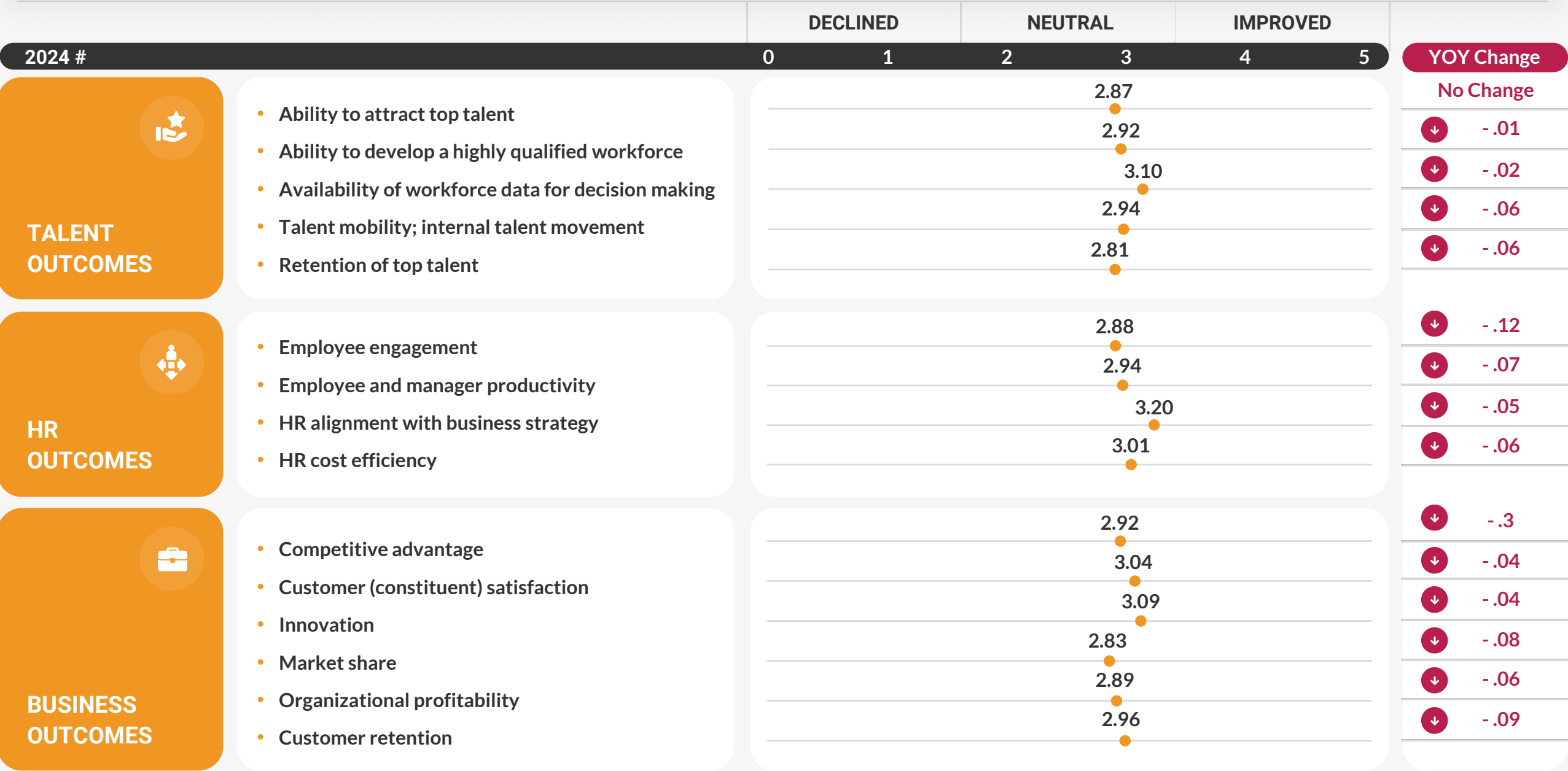| 2024 #					YOY Change
TALENT OUTCOMES	Ability to attract top talent	2.87		No Change
	Ability to develop a highly qualified workforce	2.92		↓ - .01
	Availability of workforce data for decision making	3.10		↓ - .02
	Talent mobility; internal talent movement	2.94		↓ - .06
	Retention of top talent	2.81		↓ - .06
HR OUTCOMES	Employee engagement	2.88		↓ - .12
	Employee and manager productivity	2.94		↓ - .07
	HR alignment with business strategy	3.20		↓ - .05
	HR cost efficiency	3.01		↓ - .06
BUSINESS OUTCOMES	Competitive advantage	2.92		↓ - .3
	Customer (constituent) satisfaction	3.04		↓ - .04
	Innovation	3.09		↓ - .04
	Market share	2.83		↓ - .08
	Organizational profitability	2.89		↓ - .06
	Customer retention	2.96		↓ - .09

Scale: DECLINED (0, 1) — NEUTRAL (2, 3) — IMPROVED (4, 5)

FIGURE 170: SIXTEEN INDUSTRY CATEGORIES

- Professional Services — 14%
- Manufacturing — 14%
- Healthcare — 14%
- Financial Services — 9%
- High-Tech — 8%
- Retail/Wholesale — 6%
- Non-Profit — 6%
- Construction/Real Estate — 6%
- Hospitality/Entertainment — 5%
- Education — 4%
- Trade/Specialty Services — 3%
- Government/Defense — 3%
- Transportation/Airlines — 3%
- Energy/Utilities — 2%
- Telecoms/Media — 2%
- Agricultural/Mining — 1%
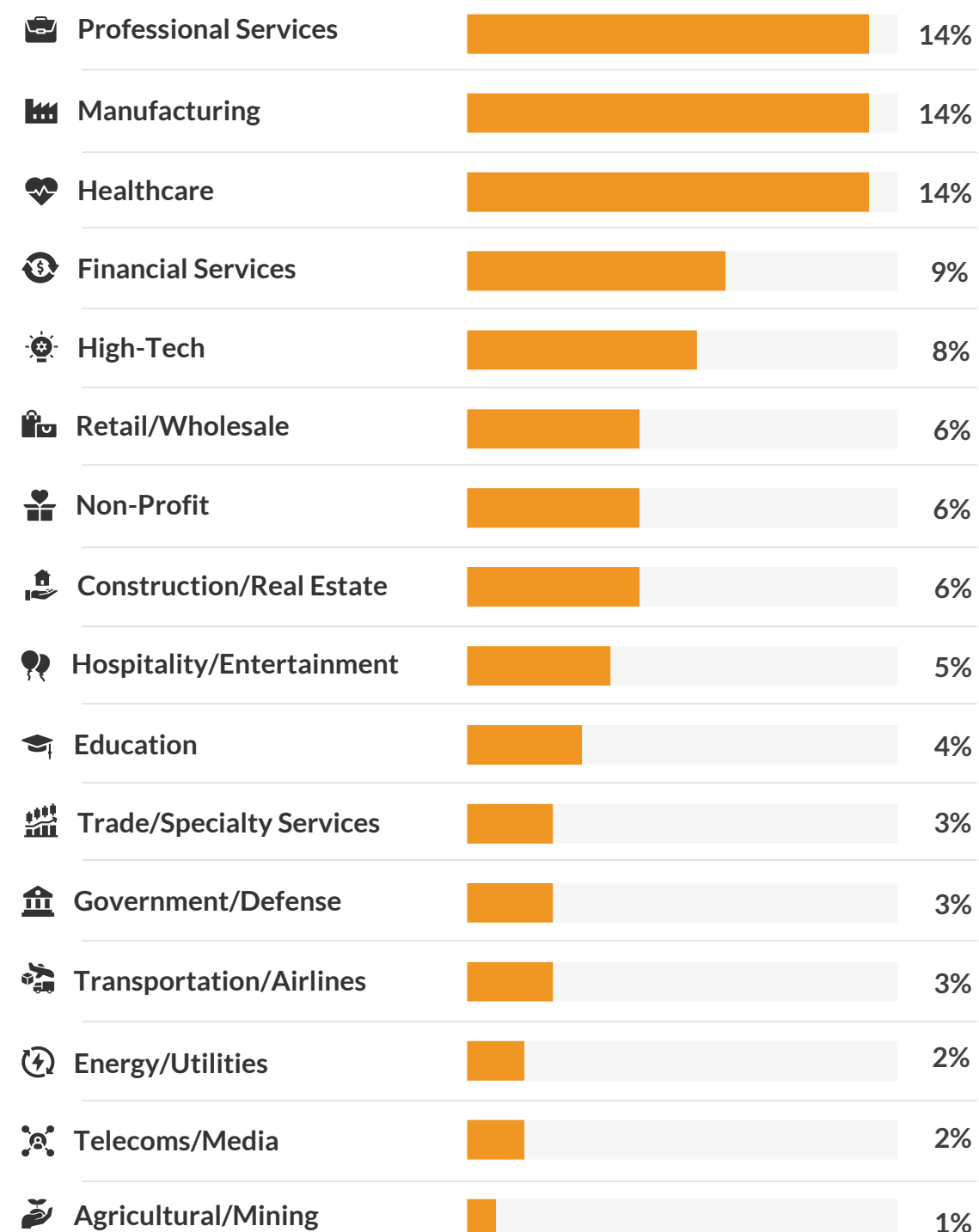
FIGURE 171: FIVE GENERATIONAL AVERAGES

- Gen Z 1997-2012 — 17%
- Millennial 1981-1996 — 37%
- Gen X 1965-1980 — 31%
- Baby Boomers 1946-1964 — 13%
- Greatest Generation 1930-1945 — 2%
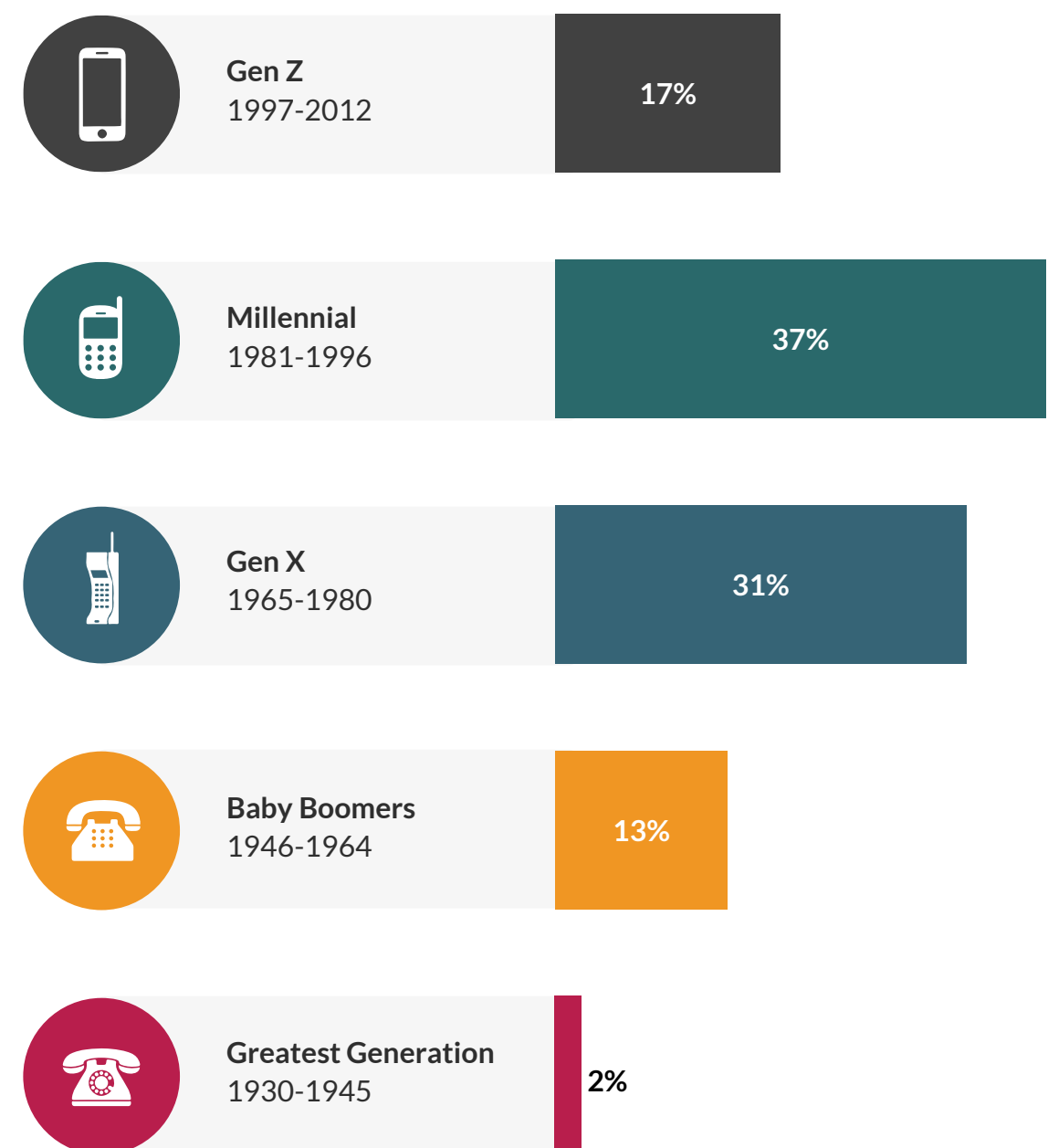
The 2024–2025 data set includes organizations of all sizes across multiple industry segments. For purposes of this report, we categorize our data into:

- Seven aggregate regional areas
- Three organizational size categories
- Sixteen industry categories
- Five generational averages
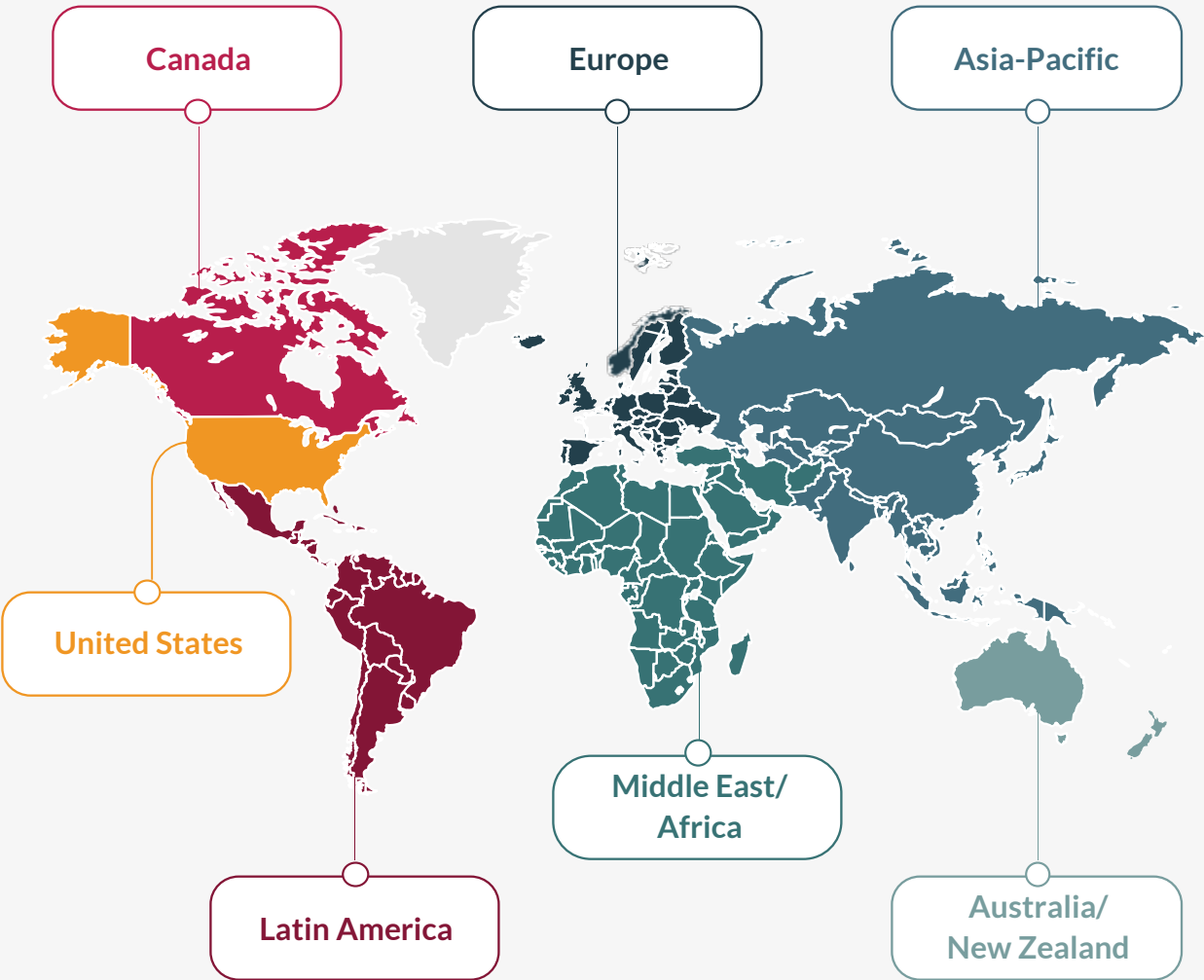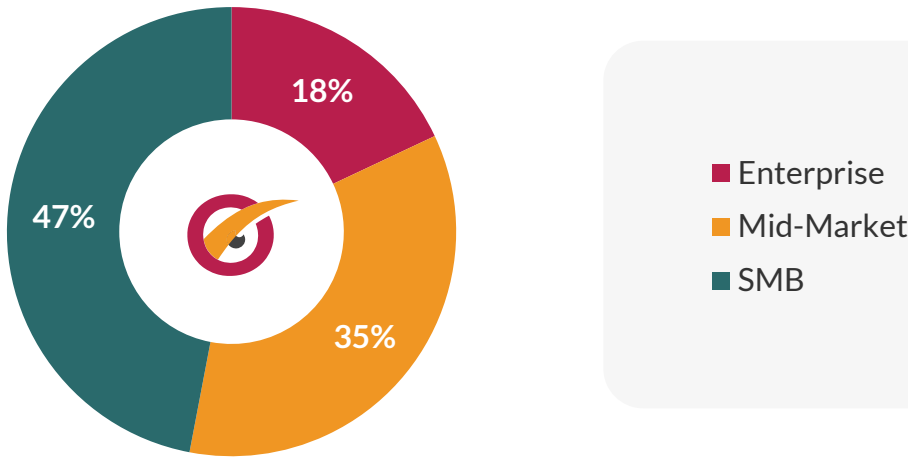- Six entity types

FIGURE 172: SEVEN AGGREGATE REGIONAL AREAS

Canada

Europe

Asia-Pacific

United States

Middle East/ Africa

Latin America

Australia/ New Zealand

FIGURE 173: THREE ORGANIZATION SIZE CATEGORIES

18%

35%

47%

- Enterprise
- Mid-Market
- SMB

E Enterprise — **≥5000 Employees**

M Mid-Market — **500-4999 Employees**

S SMB — **<500 Employees**

FIGURE 174: SIX ENTITY TYPES

50% — Privately Owned

20% — Non-Profit

18% — Publicly Traded

6% — Government Entity

5% — Private Equity Backed

1% — Franchise Entity
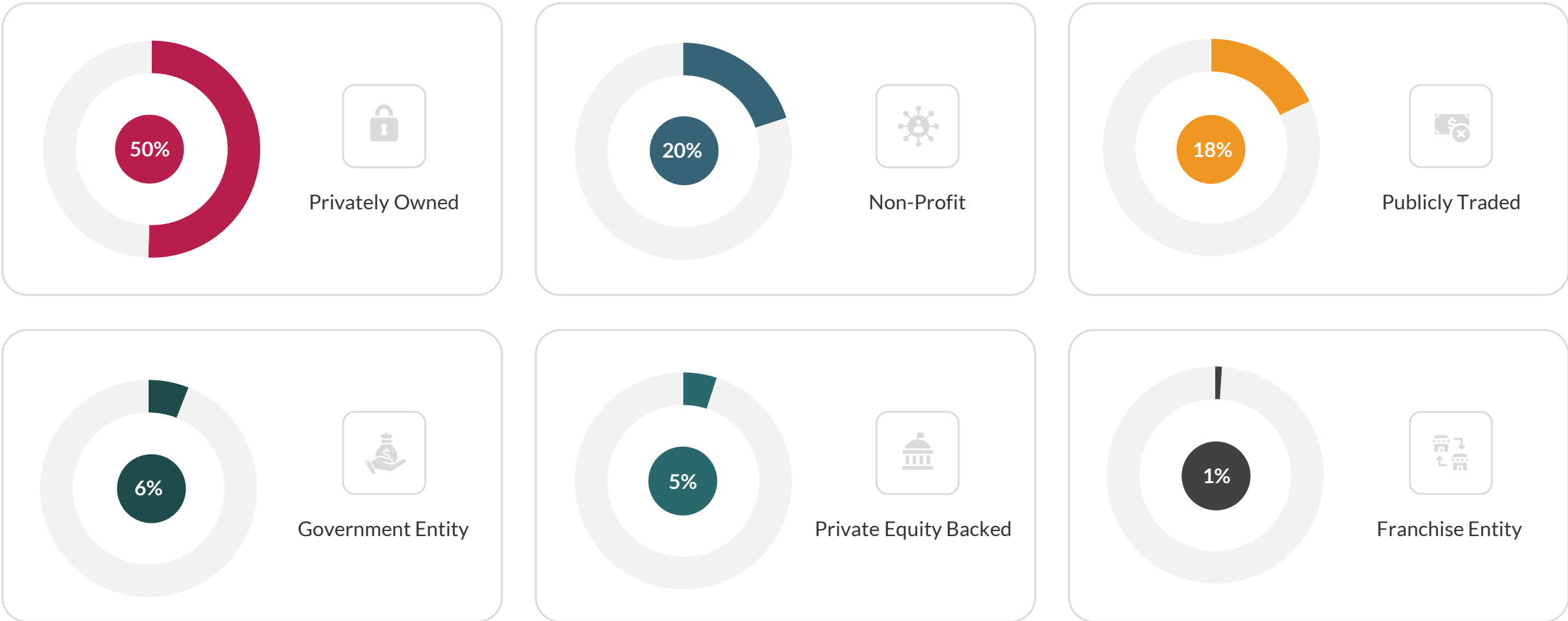
SAPIENT INSIGHTS GROUP

If you need data organized into a unique set of sizes, industry segments, or regions for benchmarking purposes, please contact us at Research@SapientInsights.com for information about our data services.

This year's major changes in organizational demographics are as follows:

PARTICIPATION:

This year's participation represents **the highest number of survey respondents in the Annual HR Systems Survey's history**; responses surpassed the previous high set in the 2022-2023 survey. Reasons for this include a focused and refined effort from survey distributors, internal marketing efforts led by our dedicated team, and growing interest in the HR tech space,

ENTITY TYPE:

We saw no drastic changes in the types of organizations represented, although there was a slight increase in the percentage of non-profits and a corresponding decrease in private-equity-backed organizations. We believe these changes are likely a result of changes in participant distribution and not a reflection of businesses as a whole.

INDUSTRY:

We saw little change in the industry segments represented this year. No industry segment changed more than a couple of percentage points, meaning that the representative sample of industry segments can be safely compared to last year's data.

REGIONAL:

This year, the percentage of respondents from geographical areas outside of North America decreased from previous years. However, due to the massive increase in respondents, the **total number of organizations in these areas represented in our survey increased significantly**.

EMPLOYEE SIZE:

This year showed some slight variations in the SMB, mid-market, and enterprise-size categories. While we saw more representation from the mid-market (500-4999 employees) than in previous years, it was not statistically significant. Overall economic stability may have allowed some small companies (under 500 employees) to grow; but the change could also be the result of the usual expected statistical variations.

GENERATIONAL WORKFORCES:

Two years has made a large difference in generational makeup of the workforce. In 2022, **Gen Z was only 8% of the workforce, and now that generation represents 17%**. In the opposite direction, the **Greatest Generation made up 10% of the workforce, in 2022, and now is down to only 2%**. Interestingly, Gen X's representation has not changed (percentagewise) from last year likely because they are not quite retirement age but also because they will not have anyone new entering the workforce.

INDIVIDUAL PARTICIPANT DEMOGRAPHICS

DEMOGRAPHICS OF SURVEY RESPONDERS

Next, we take a look at the demographics of the individual professionals participating in this year's survey. For additional context, we asked participants a series of questions that spanned:

- Job role
- Department / function
- Years in current role
- Education level
- Certifications held
- Generation identification

FIGURE 175: BY ROLE

- Director — 27%
- Manager — 27%
- Individual Contributor — 26%
- Executive — 17%
- Owner/Founder — 3%
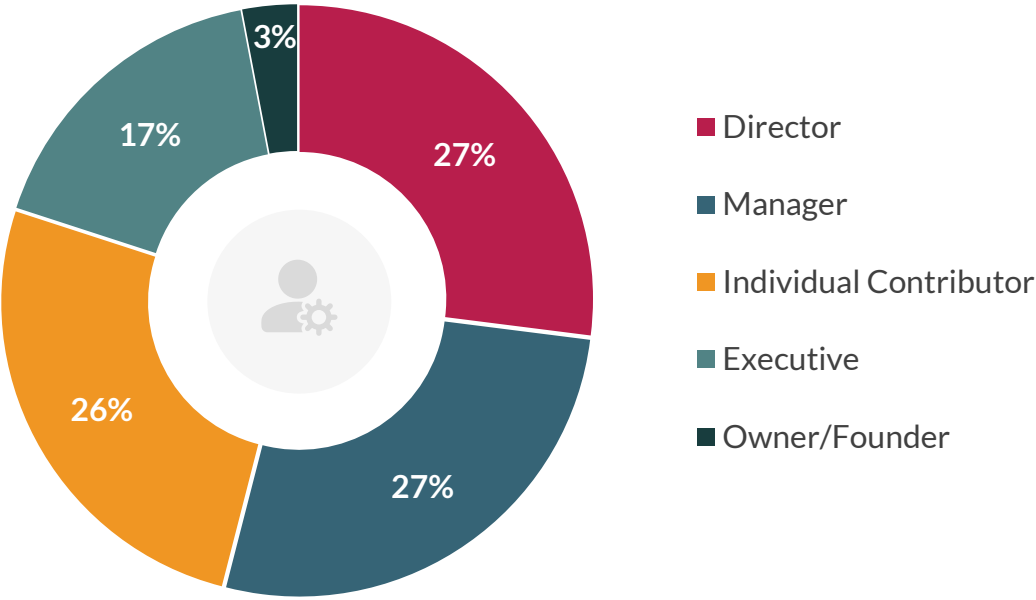
FIGURE 176: BY DEPARTMENT/FUNCTION

- Human Resources — 70%
- Exec. Leadership / Owner(s) — 9%
- Payroll — 4%
- Finance — 4%
- Business Operations — 4%
- Information Technologies — 2%
- None / Not Applicable — 2%
- Shared Services 1%
- Learning 1%
- Recruiting 1%
- Analytics 1%
- Board of Directors 1%
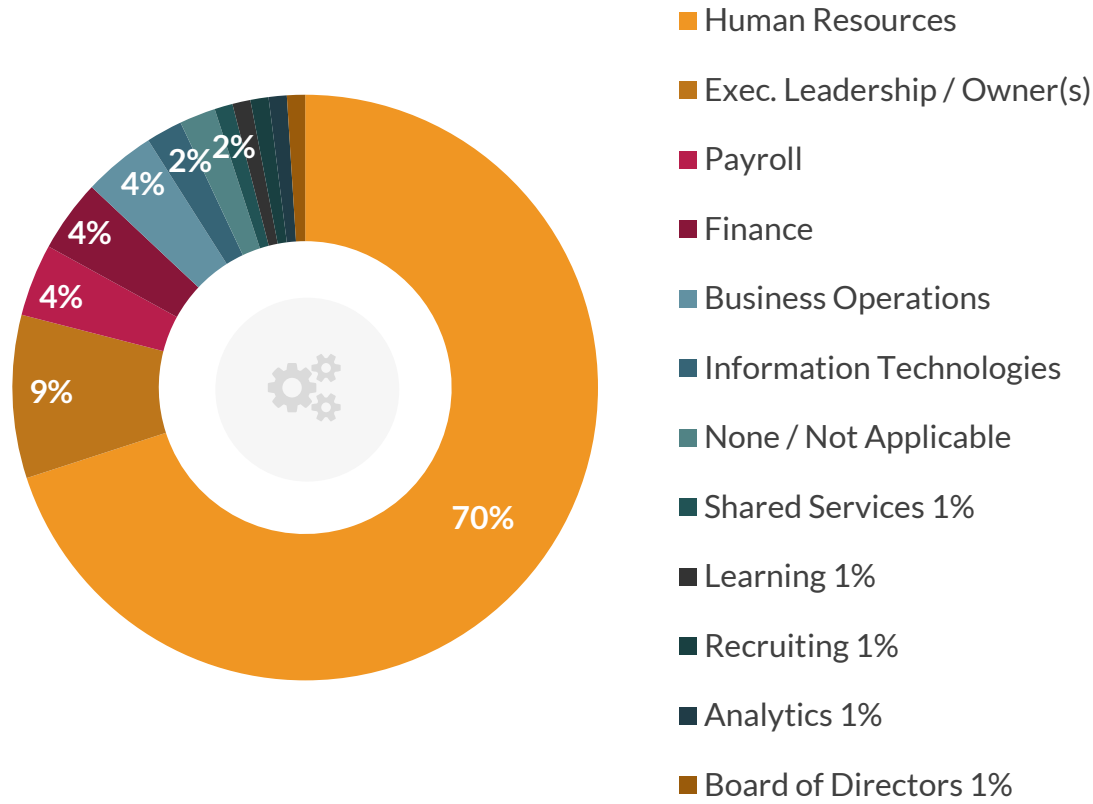
INDIVIDUAL PARTICIPANT DEMOGRAPHICS

FIGURE 177: YEARS IN CURRENT ROLE

<1 year	1 - 3 years	4 - 6 years	7 - 10 years	> 10 years
15%	43%	21%	9%	12%

FIGURE 179: CERTIFICATIONS HELD

46%   48%

Prefer not to answer 6%

FIGURE 178: EDUCATION LEVEL

High School or Equivalent	3%
Some College	8%
Associates Degree	6%
Trade School Degree	1%
Bachelors/ Undergraduate Degree	47%
Masters/Graduate Degree	30%
Doctorate/ Professional Degree	3%
Prefer Not to Answer	2%
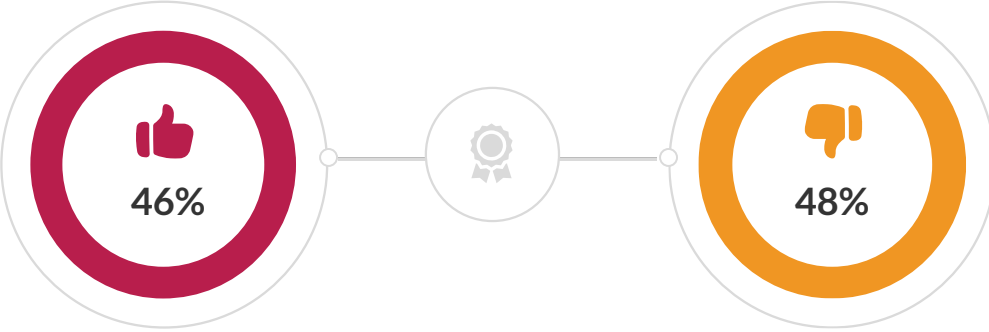
FIGURE 180: TOP 5 CERTIFICATIONS

SHRM-CP (Certified Professional)	25%
Certification through (University/Educational Inst.	23%
PHR (Professional Human Resources)	22%
Other not listed	20%
Certification through Solution/Service Provider	16%

FIGURE 181: GENERATION IDENTIFICATION

0%	13%	44%	38%	3%
Greatest Generation 1930-1945	**Baby Boomers** 1946-1964	**Gen X** 1965-1980	**Millennial** 1981-1996	**Gen Z** 1997-2012
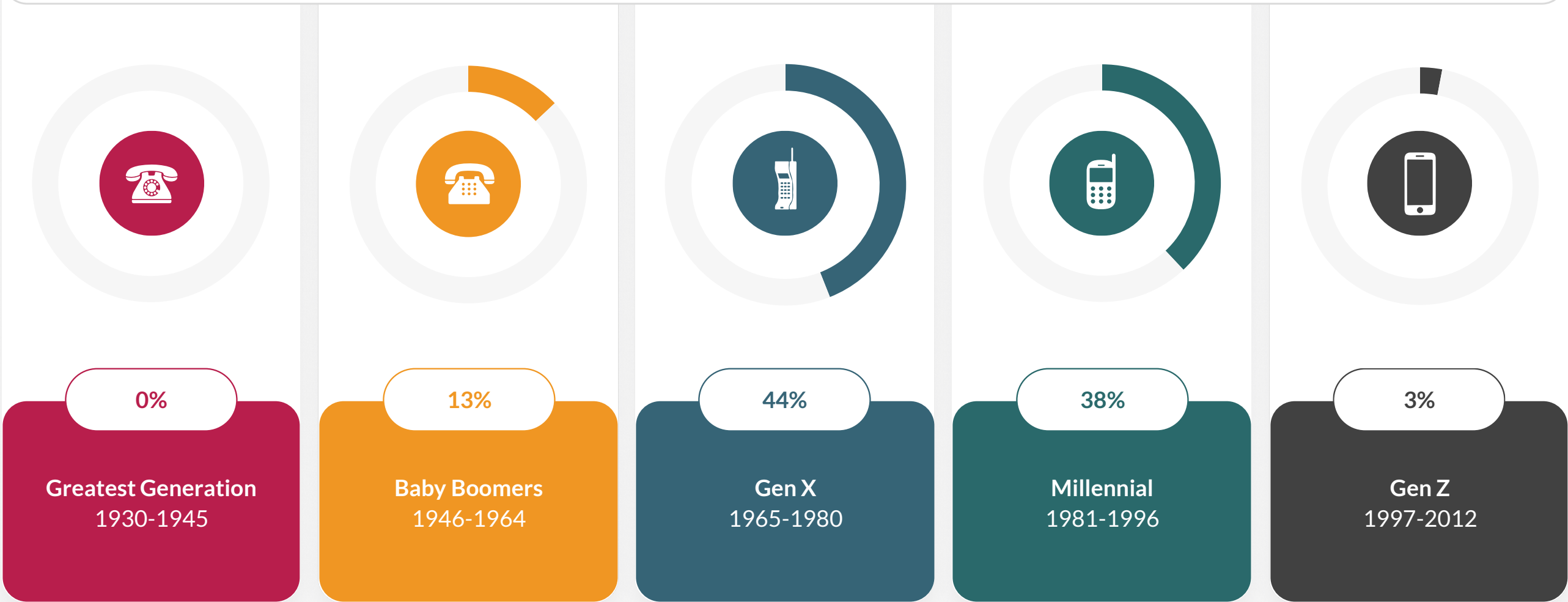
2%   **PREFER NOT TO ANSWER**

This year's major changes in participant demographics are as follows:

ROLE:

The minor variations in percentages of respondents by role can be easily explained by standard statistical fluctuations. There was a slight (2-3%) percentage decrease in managers, and a correspondingly small increase in individual contributors and directors in this year's survey responders. Otherwise, the responders' role demographics remain roughly the same as in 2023 with just short of half (47%) of responders in a director level role or higher.

GENERATIONAL MAKEUP:

Of all the demographics shifts we saw this year, the generational makeup of survey responders showed the most significant change. In 2023, Gen Xers made up the largest percentage of survey takers, with 49% , followed distantly by Millennials at 33%. This year, Gen X is still the most represented demographic but at only 44%, compared to Millennials at 38%. Also, as predicted, the Greatest Generation is no longer represented among respondents, although it is still represented (albeit in very small numbers) in the workforce.

FUNCTION:

As usual, the majority (76%) of respondents were from human resources and related fields. One interesting change from last year is the percentage of respondents from the executive leadership function, which nearly doubled from from 5% in 2023 to 9% this year.

EDUCATION:

In terms of the educational levels of survey responders, this year's percentages were exactly the same as those from last year. So for the second year in a row, those with bachelor's degrees (or the equivalent) or higher degrees make up 80% of survey responders.

YEARS IN ROLE:

We continue to see a decline in job-related experience. In 2023, 54% percent of respondents had been in their roles for three years or less; that percentage went up to 58% this year. This corresponds with global employment trends, but it does raise the question on how long the trend can continue before reaching a natural tipping point.

CERTIFICATIONS:

Survey participants who held HR- or IT-specific certifications decreased again in 2024, continuing a downward trend observed in 2023. In fact, 2024 marks the first time in many years that fewer than 50% of survey takers had an HR or IT certification of any kind. This finding could be related to HR professionals being in their jobs for fewer years, on average, than ever before.
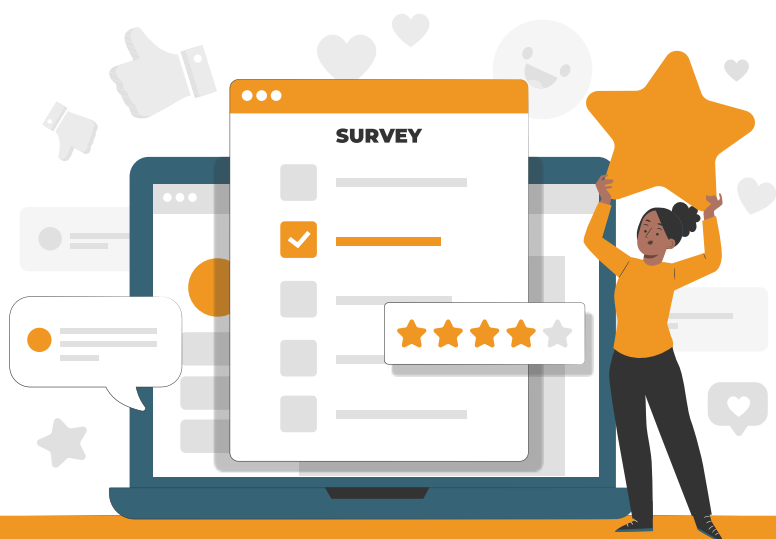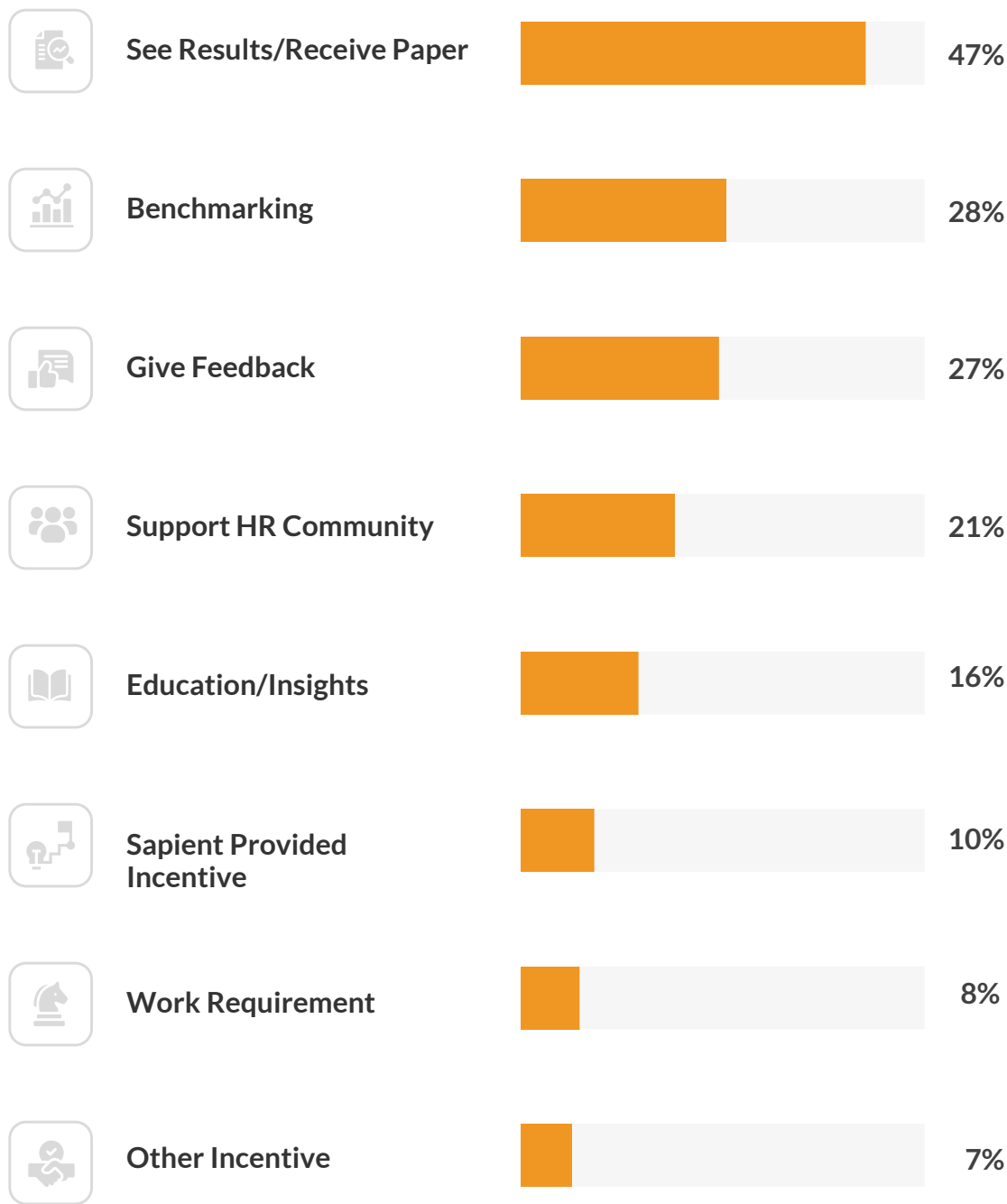
At Sapient Insights Group, we believe it's important to know why people participate in research since survey completion requires a significant amount of participant time and effort.
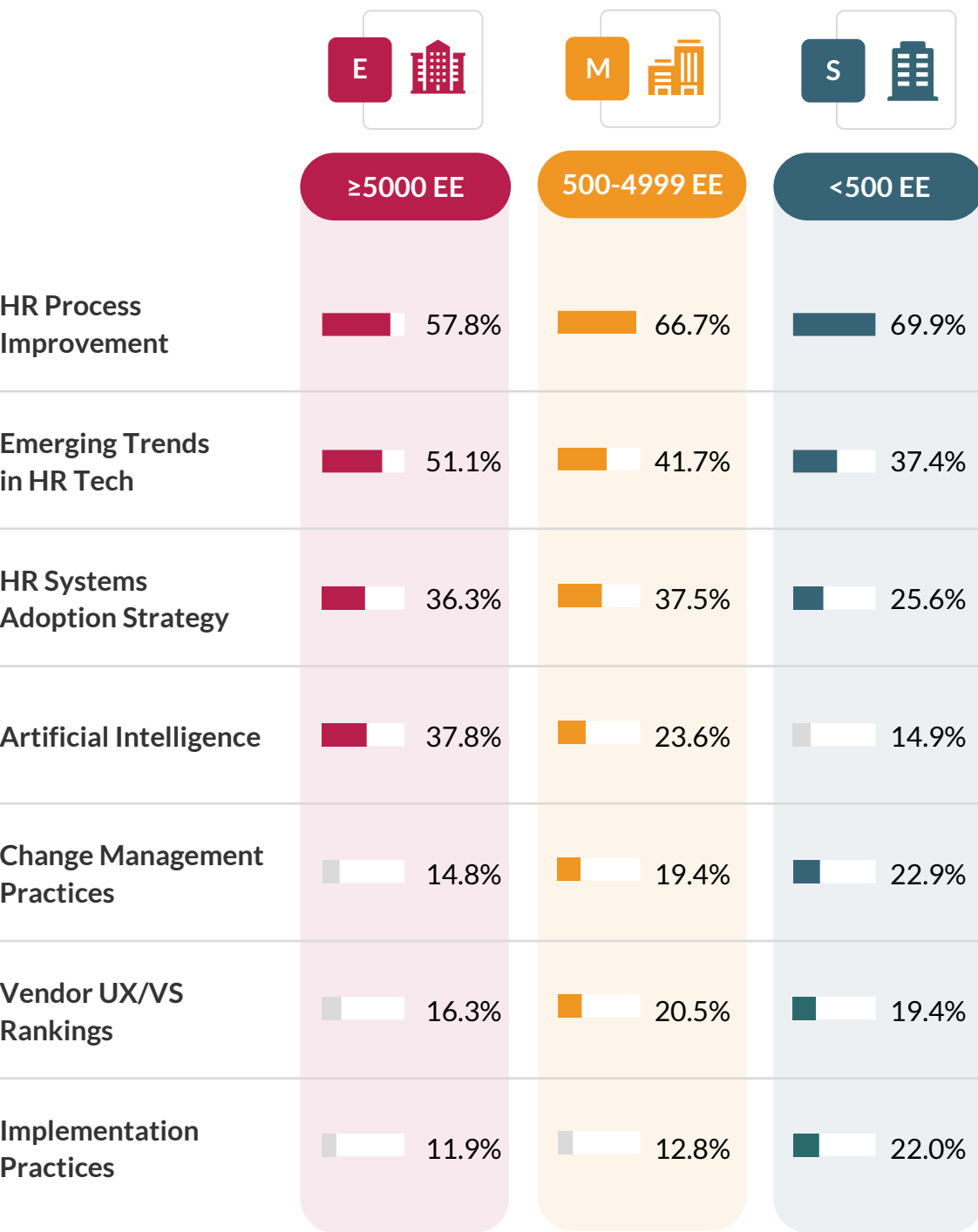
The figure on this page gives an overview of the reasons why participants participated in the 27th Annual HR Systems Survey. Topping the list is the desire to see the results and receive a free version of this report, followed by using the report data for benchmarking. The third and fourth most common reasons are related to the ongoing need to have informative conversations with others in the organization and to support HR work. Of course, there is no wrong reason to participate in the survey. We welcome all participants and appreciate the continued support of the HR community.

FIGURE 182: REASONS FOR PARTICIPATION IN 2024

Reason	Percentage
See Results/Receive Paper	47%
Benchmarking	28%
Give Feedback	27%
Support HR Community	21%
Education/Insights	16%
Sapient Provided Incentive	10%
Work Requirement	8%
Other Incentive	7%

FIGURE 183: TOP 5 MOST VALUABLE RESEARCH TOPICS

	E ≥5000 EE	M 500-4999 EE	S <500 EE
HR Process Improvement	57.8%	66.7%	69.9%
Emerging Trends in HR Tech	51.1%	41.7%	37.4%
HR Systems Adoption Strategy	36.3%	37.5%	25.6%
Artificial Intelligence	37.8%	23.6%	14.9%
Change Management Practices	14.8%	19.4%	22.9%
Vendor UX/VS Rankings	16.3%	20.5%	19.4%
Implementation Practices	11.9%	12.8%	22.0%

We also ask survey participants to select the research topics most valuable to them. As noted in the accompanying chart, the selections vary somewhat by company size.

HR process improvement is the top research topic in all three size categories. This is hardly a surprise considering the survey participants.

Emerging trends in HR tech is the next most valuable topic across all company sizes. However, it should be noted that the percentages of interested respondents from small and mid-market organizations did drop this year.

HR systems adoption strategy is the third most popular topic for small and mid-market organizations, and it is a close fourth topic of interest for enterprise organizations.

Artificial intelligence was a topic of frequent conversation in 2024, so it makes sense that the topic would be important to survey responders in mid-market and enterprise organizations. We are not surprised that AI didn't make the top ten list for respondents in small organizations since technology options for AI are limited for this group.

Other topic areas respondents could choose from include HR investment outcomes, expenditures and budgeting, security and data privacy, service delivery models, resourcing strategies, and social responsibility. The value survey takers placed on these topics is reflected in their order.

CELEBRATING OUR RESEARCH COMMUNITY

All survey participants who complete the survey and provide a valid business email will receive a copy of their results and a full copy of the Annual HR Systems Survey Report. Ninety-six percent of participants request an individual snapshot comparing their responses with our aggregate data set for benchmarking purposes. We look forward to welcoming you to our rapidly growing HR community.

For more details on this year's 2024-2025 Annual HR Systems Survey data set, please contact us at Research@SapientInsights.com

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All that we publish is based on statistically valid research results and our direct work with clients and the broad HR community. We pride ourselves on offering information and practical advice tailored to the unique needs, budgets, and size of our clients. We have the confidence to challenge our clients on what actually drives results rather than so-called best practices that could waste staff resources and dollars.

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- Supporting HR, finance, IT, and sales/marketing teams as they tackle technology transformation, modernize business practices, and invest in the change management and people development required for success.

- Informing technology vendors and investors using primary data, market landscapes, and analyst insights to guide product roadmaps, sales strategies, market pricing and vendor partnerships.

- Providing consultants with targeted data to shape their advice to customers and inform their consulting practices.

LICENSED RESEARCH POLICY

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More details on our research approach can be found on our website under **research methodology.**

To learn more about additional research efforts conducted by Sapient Insights Group, please visit **our website**.

Our research is an annual community effort; key aggregate findings can be found **here**.