SAPIENT
INSIGHTS GROUP

27TH ANNUAL HR SYSTEMS SURVEY REPORT

ADAPTIVE CHANGE AND IMPLEMENTATIONS SEGMENT

SAPIENT INSIGHTS GROUP

INTRODUCTION AND LEGEND

1/3 **SECTION**

INTRODUCTION AND LEGEND

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 actually 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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INTRODUCTION AND LEGEND

LEGEND

Organization Sizes:

- E Enterprise >5,000 Employees
- M Mid-Market 500-4999 Employees
- S SMB <500 Employees

The HR Systems Blueprint:

- Data Governance
- Strategy
- Culture

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

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

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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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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Please credit all quotes and references from this publication as **Sapient Insights 2024–2025 HR Systems Survey Research, 27th Annual Edition, Sapient Insights Group** on the first reference. All subsequent references should read **Sapient Insights 2024–2025 Annual Survey Data, Sapient Insights Group.**

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INTRODUCTION

This is a segment report taken directly from the Sapient Insights 2024–2025 HR Systems Survey Research Paper, 27th Annual Edition, our latest installment in our ongoing Voice of the Customer research. The information in this report has not been modified from the original paper, but more details are provided in the full paper.

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 25,000 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 full Sapient Insights 2024–2025 HR Systems Survey Report contains 248 pages and 173 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. **This Adaptive Change and Implementations Segment Report contains 37 pages and 25 Figures**.

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 does not endorse any solution or vendor depicted in our research. This report consists of aggregate research data gathered from Sapient Insights Group 2024-2025 HR Systems Survey, 27th Annual Edition and insights from Sapient Insights Group research organization, which is provided for informational purposes only.

ADAPTIVE CHANGE AND IMPLEMENTATIONS

2/3 **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.

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

FIGURE 1: CHANGE MANAGEMENT APPROACHES

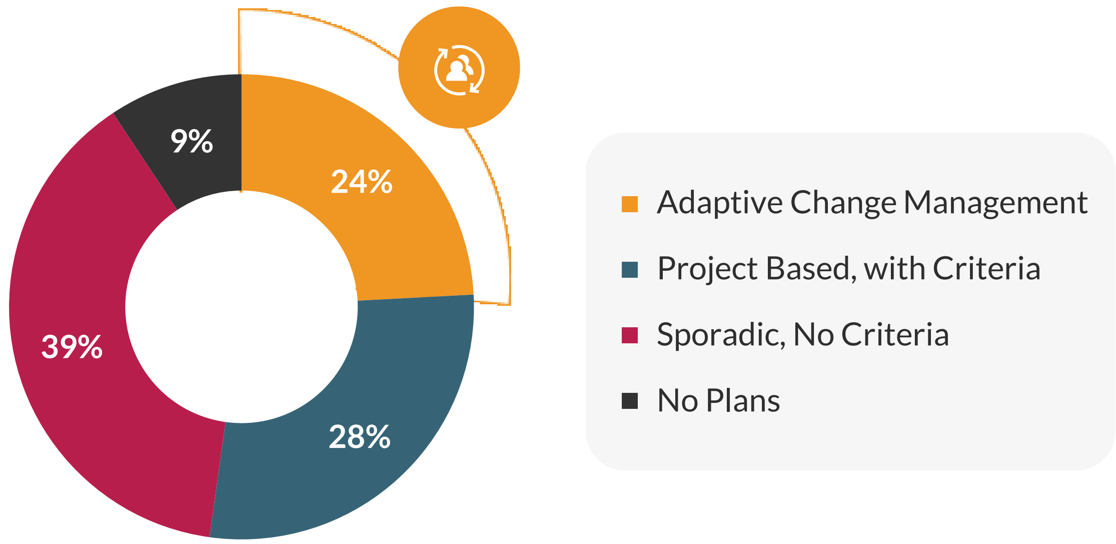


FIGURE 2: WHAT KIND OF CHANGE MANAGEMENT DO YOU DO?

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

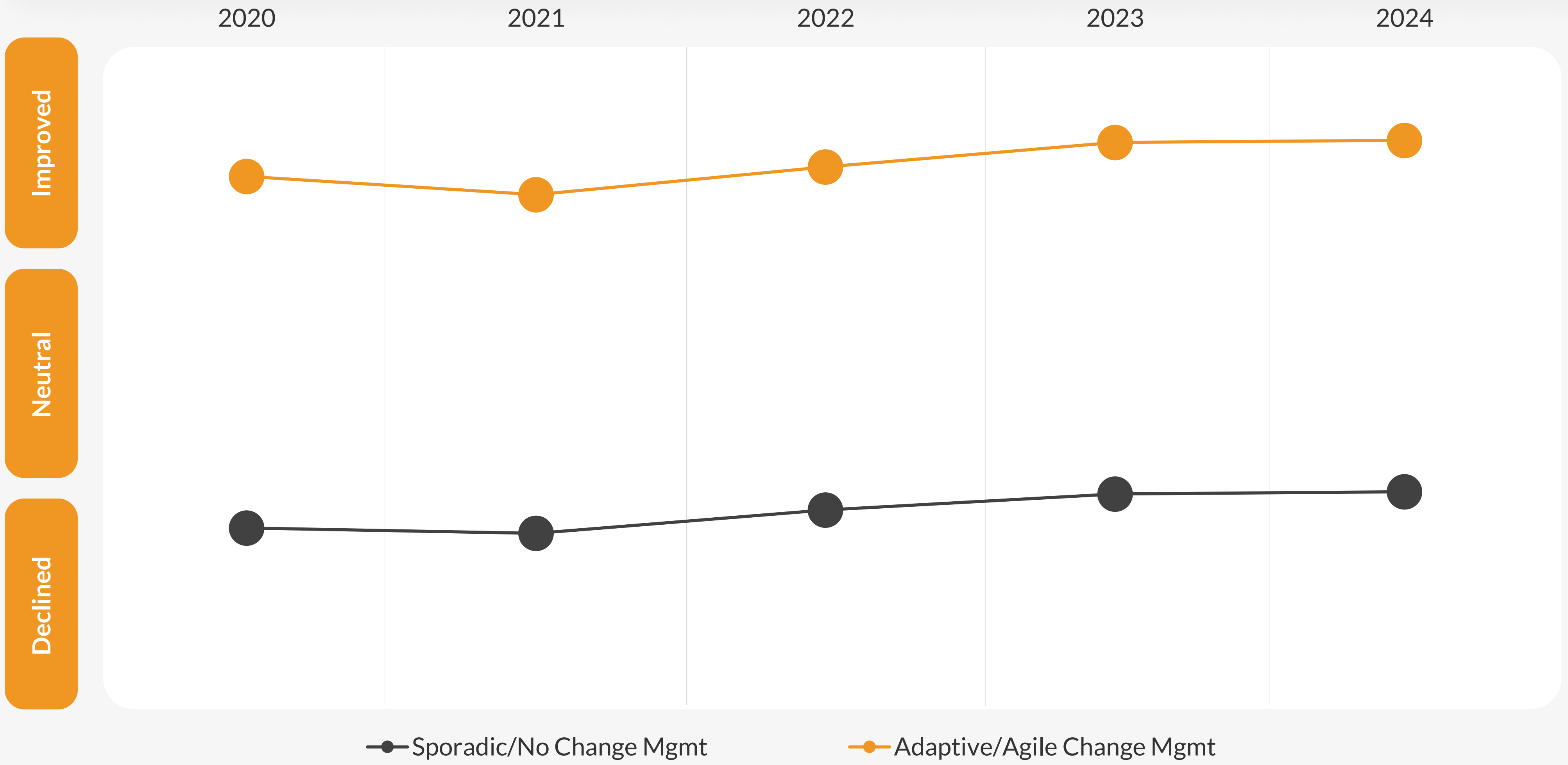
The business case for change management in HR system initiatives is strong. Our research has consistently seen that organizations that practice adaptive-style change management efforts see higher HR, talent, and business outcomes. In fact, over the last five years, organizations that practice adaptive 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 3: 5-YEAR IMPACT ON HR, TALENT, BUSINESS OUTCOMES OF ADAPTIVE CHANGE MANAGEMENT (0 – 5 SCALE)



22%

Higher Average Outcomes Over 5 Years

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 4**, 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 4: IMPACT OF CHANGE MANAGEMENT ON PERCEPTION OF HR

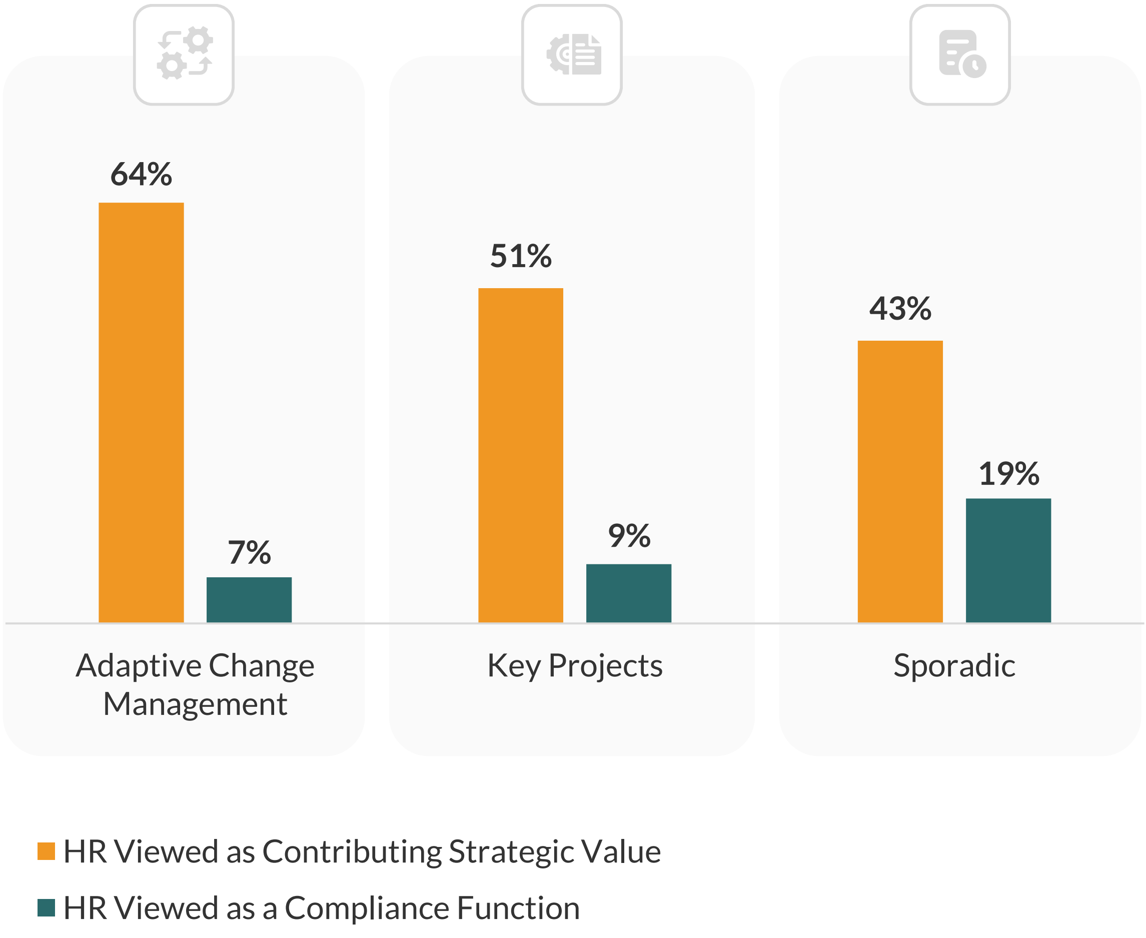
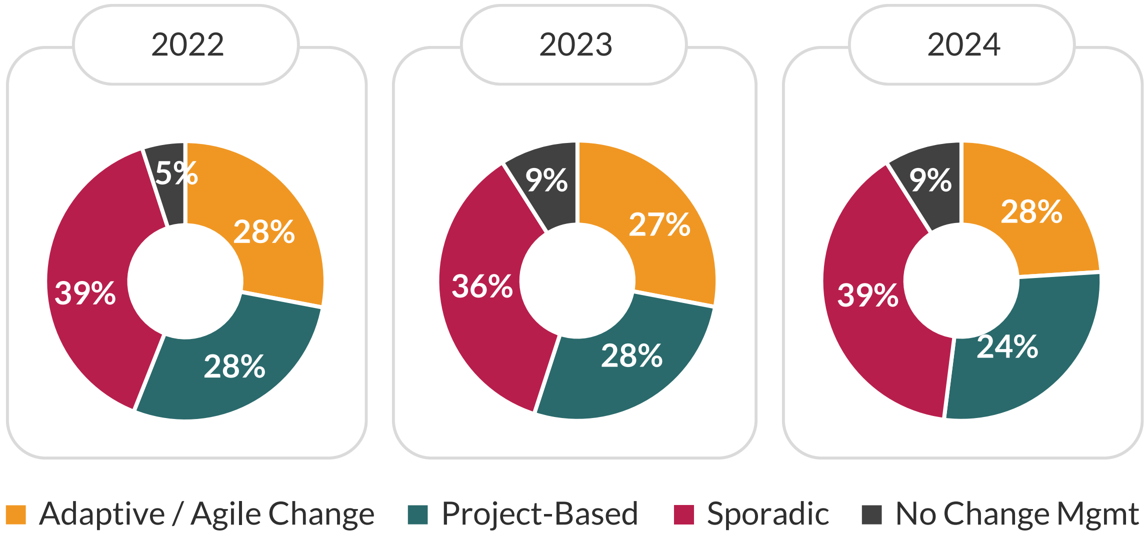


FIGURE 5: 3 YEARS OF CHANGE MANAGEMENT APPROACHES



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.

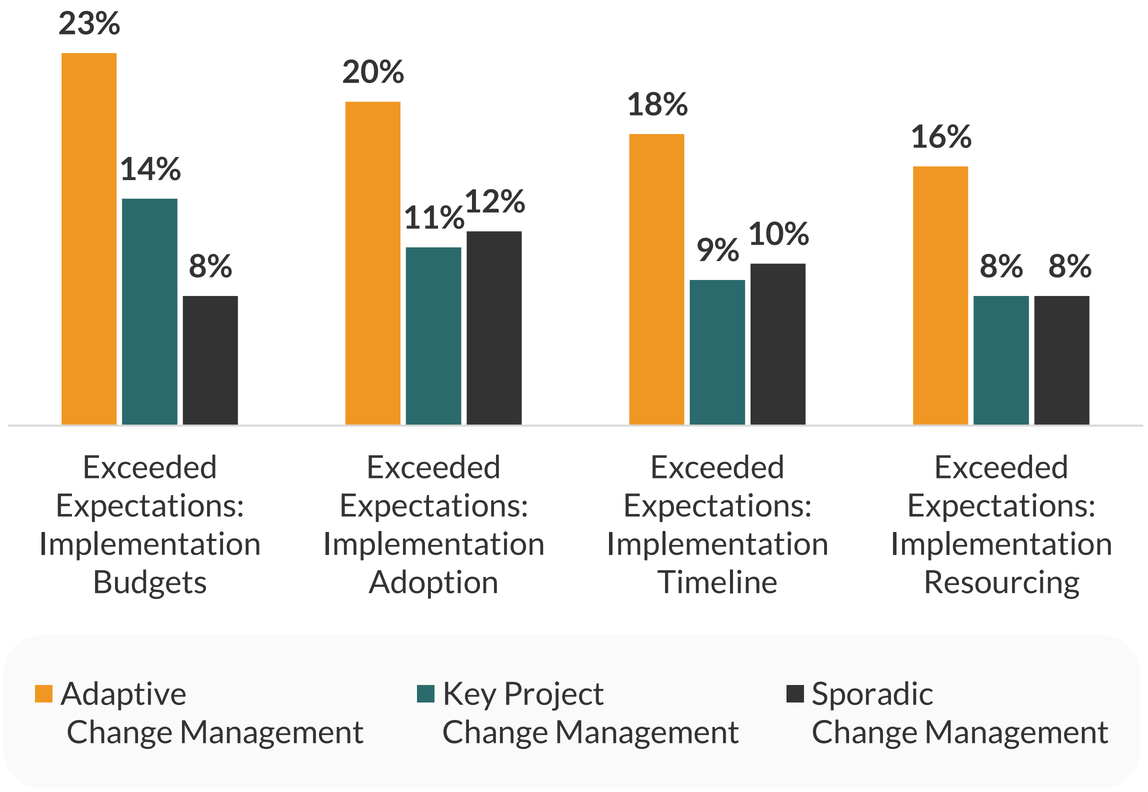
Only **7%** set aside the recommended **20%** of initiative budgets for change management

$ = 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 6: HR TECHNOLOGY IMPLEMENTATION OUTCOMES BASED ON USE OF FORMAL CHANGE MANAGEMENT EFFORTS



As seen in **Figure 6**, organizations 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.

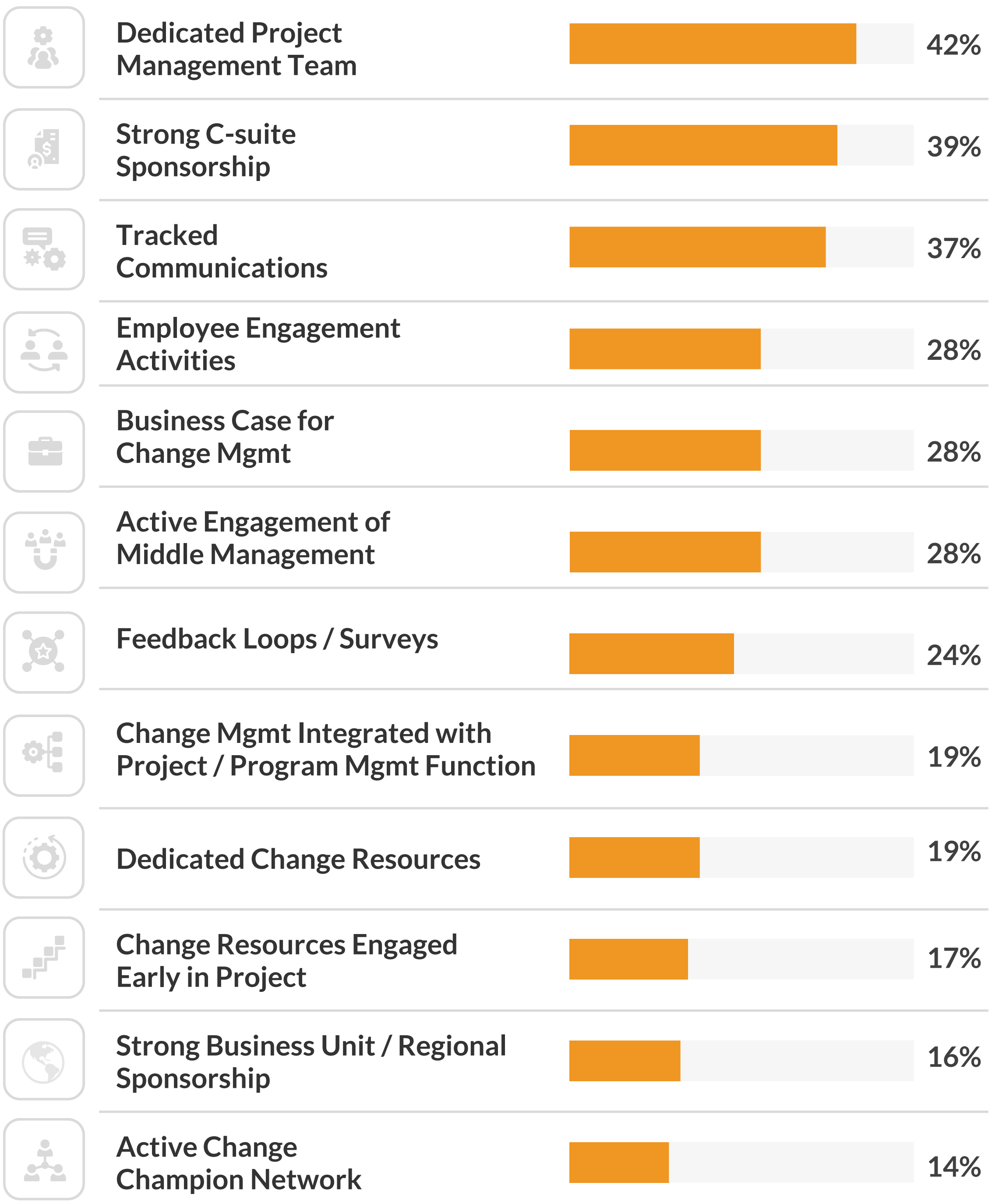
Creating a combined change team to leverage the skills and knowledge of all organizations.

Measuring the effectiveness of the change efforts ongoing.

Developing a vision unique to the organizational needs.

FIGURE 7: SAPIENT INSIGHTS GROUP ADAPTIVE CHANGE MANAGEMENT FRAMEWORK™

FIGURE 8: CHANGE MANAGEMENT ACTIVITIES DEPLOYED DURING HR TECHNOLOGY IMPLEMENATIONS



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 implementation efforts. 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.

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

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 9** shows the activities performed by various implementation resources.

51%	49%	47%	44%	41%
Time & Attendance	HRMS	Payroll	Onboarding	Recruiting

FIGURE 9: COMMON ACTIVITIES PERFORMED BY IMPLEMENTATION RESOURCES

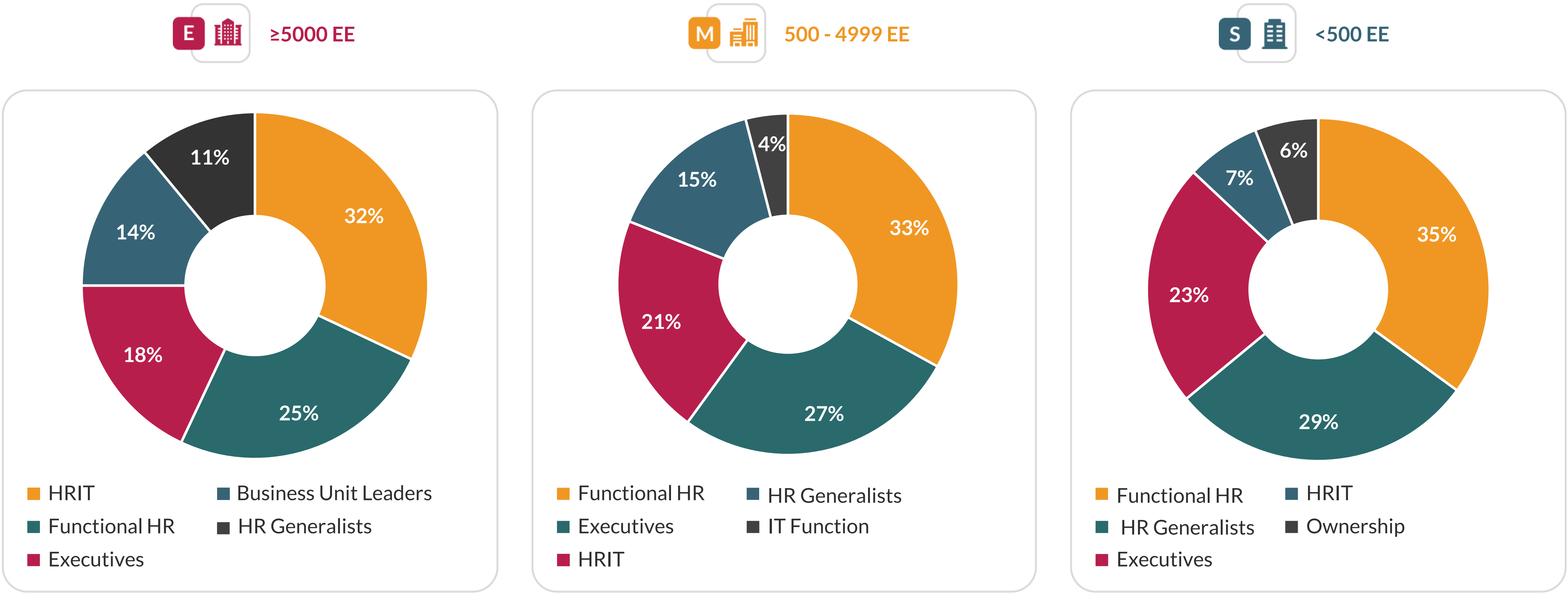
Activities	3rd-Party Implementers	Vendor Resources	Internal Resources
Change Management			✓
Configurations	✓	✓	
Data Input/Setup			✓
Integrations	✓	✓	
Project Management	✓		✓
Report Development		✓	✓
Strategy & Guidance	✓	✓	
Systems Training		✓	
Testing / Validation	✓		✓

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 education cohort events focused on Change Leadership and Change Management.

FIGURE 10: WHO IS IN CHARGE OF YOUR HR SYSTEM SELECTION PROCESS?



RESEARCH METHODOLOGY AND DEMOGRAPHICS SECTION

3/3 **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.

RESEARCH METHODOLOGY AND DEMOGRAPHICS

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. Survey Objectives
2. Survey Design
3. Survey Distribution
4. Data Collection
5. Sample Validation
6. Data Cleaning
7. Data Analysis
8. Result & Analytics
9. 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.

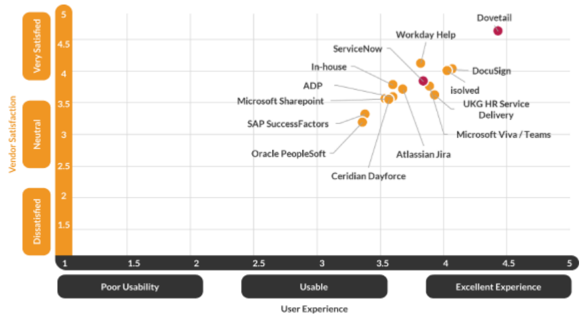
User Experience:
Respondents rank the quality of the user experience for all deployed applications on a scale of 1-5 (poor to excellent). We specifically ask them to focus their answers on the applications' end-user experience for all stakeholders, including IT, HR, managers, and employees.

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

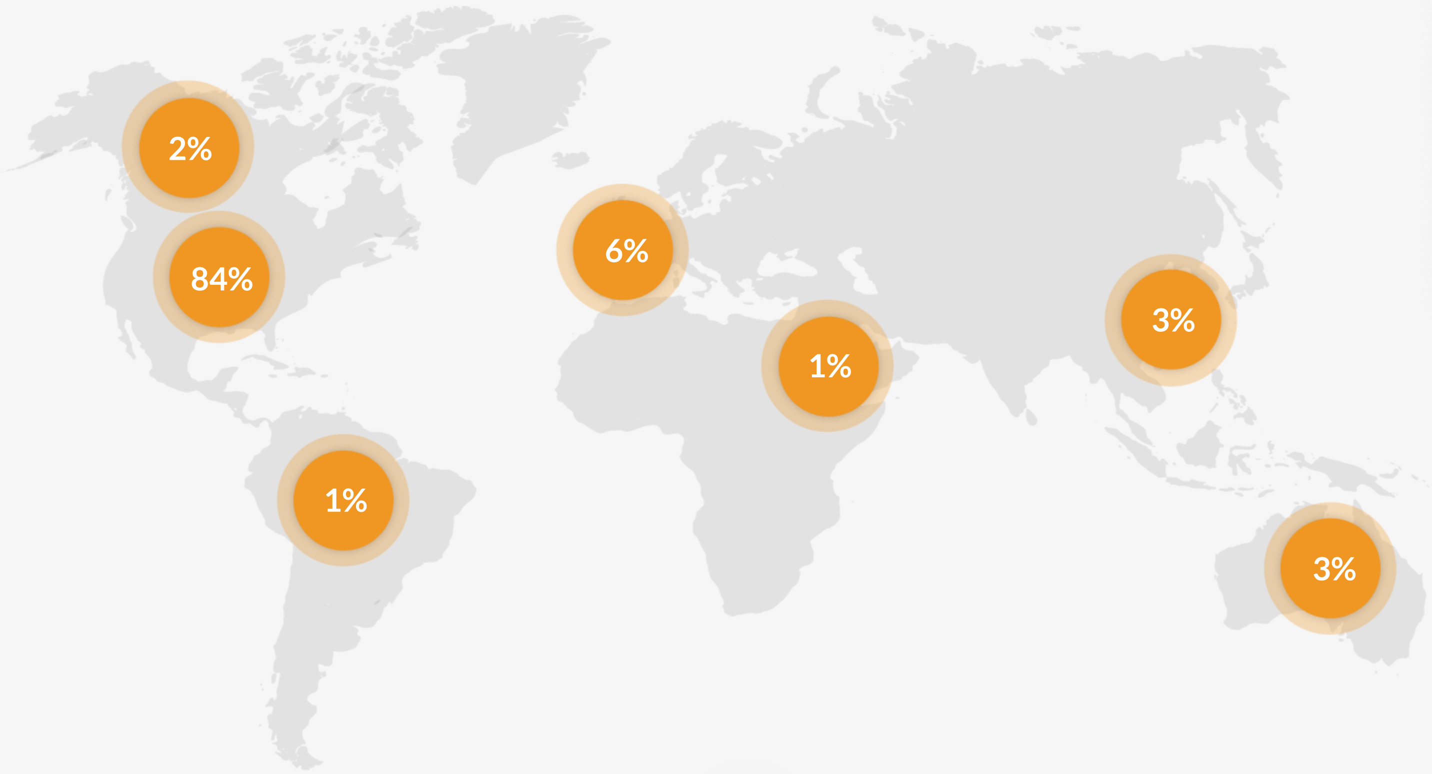


Our goal with the data in this section is to provide a broad overview of the vendor landscape for all buyers and HR technology community members as they assess their current solutions and needs. Details on the vendors that achieving top ratings in each HR technology category can be found on the **Voice of the Customer HR Systems Top 5 Performers Page**.

RESEARCH METHODOLOGY AND DEMOGRAPHICS

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**.



PARTICIPATION SKYROCKETED IN OUR 27TH YEAR!

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.

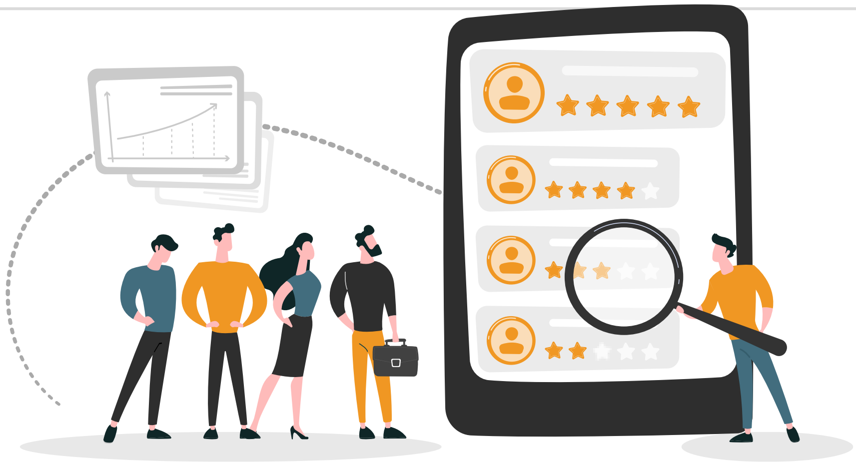
3318 Unique Organizations

59 Countries

644 Global Organizations

25M+ Total Number of Employees Represented

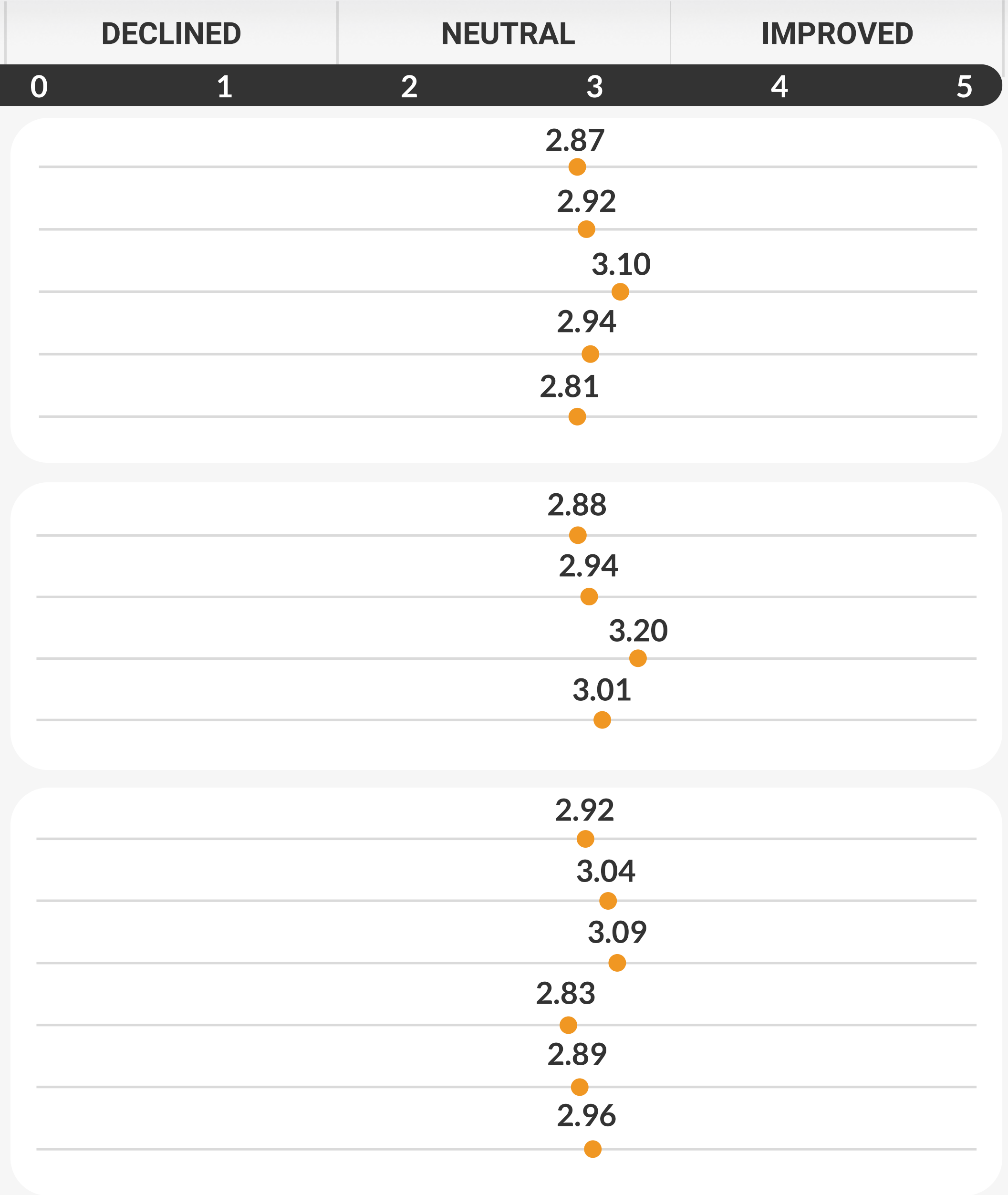
THANK YOU!
2024-2025 ANNUAL HR SYSTEMS SURVEY PARTICIPANTS



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 11: 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

FIGURE 12: SIXTEEN INDUSTRY CATEGORIES

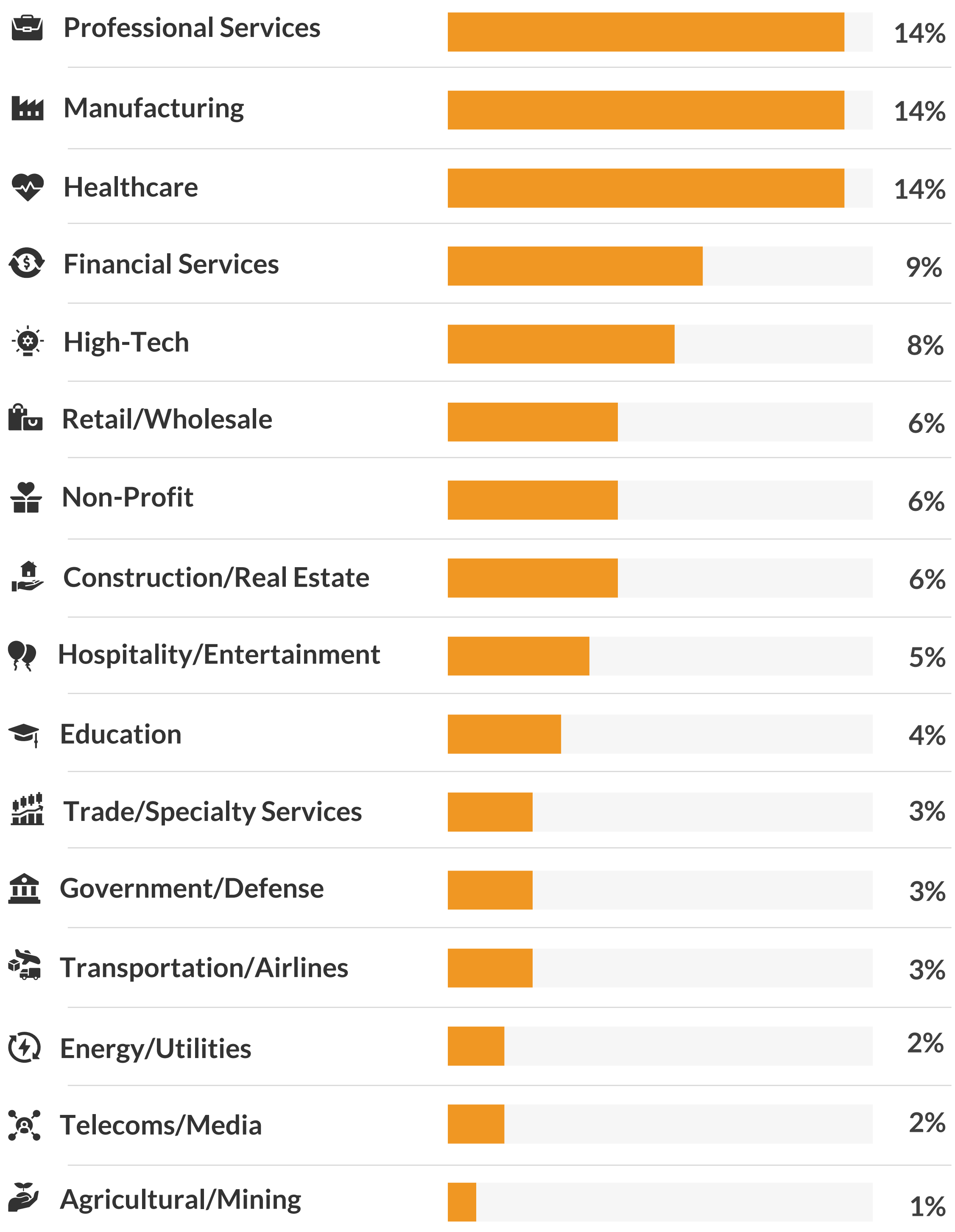
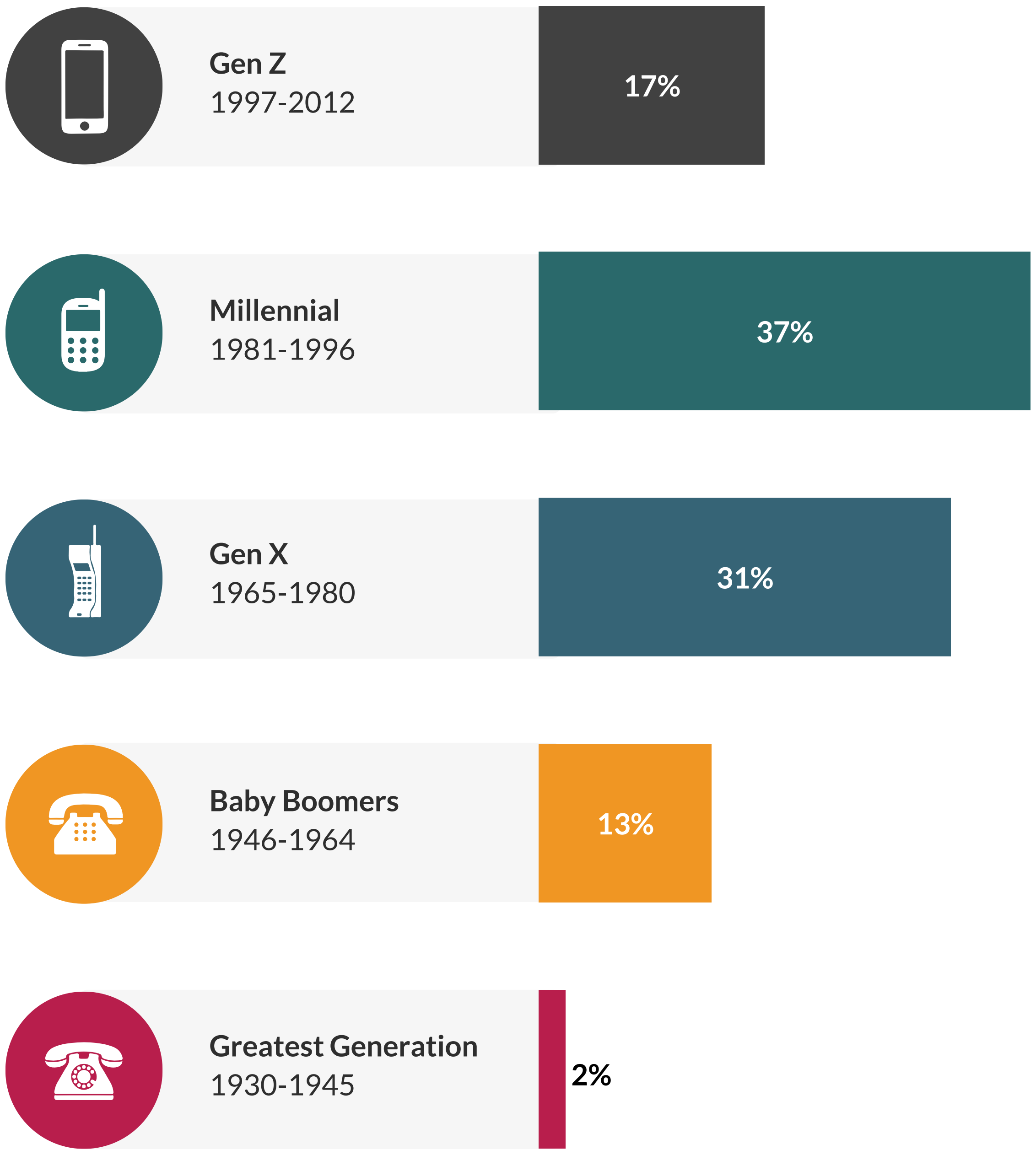


FIGURE 13: FIVE GENERATIONAL AVERAGES



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 14: SEVEN AGGREGATE REGIONAL AREAS

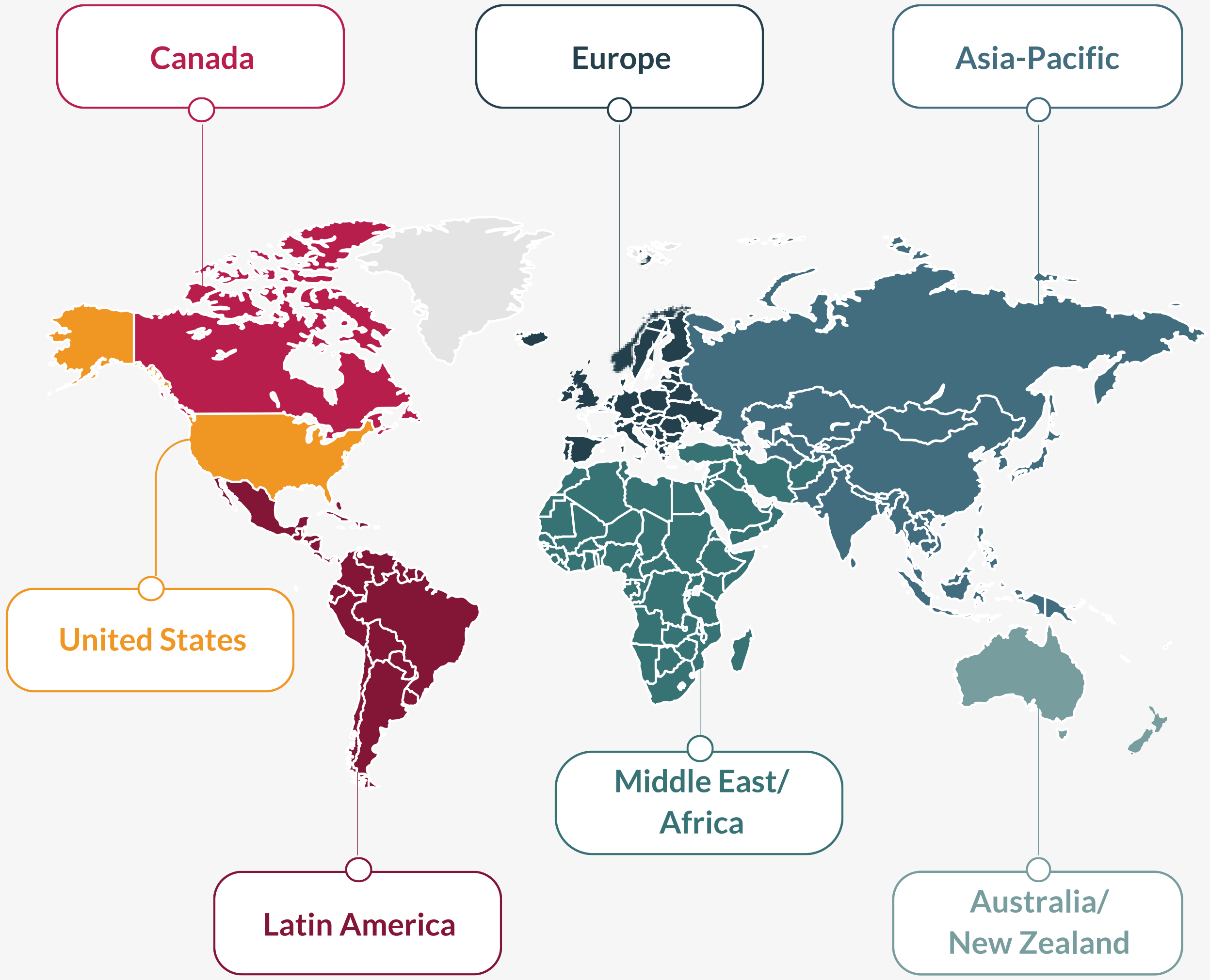
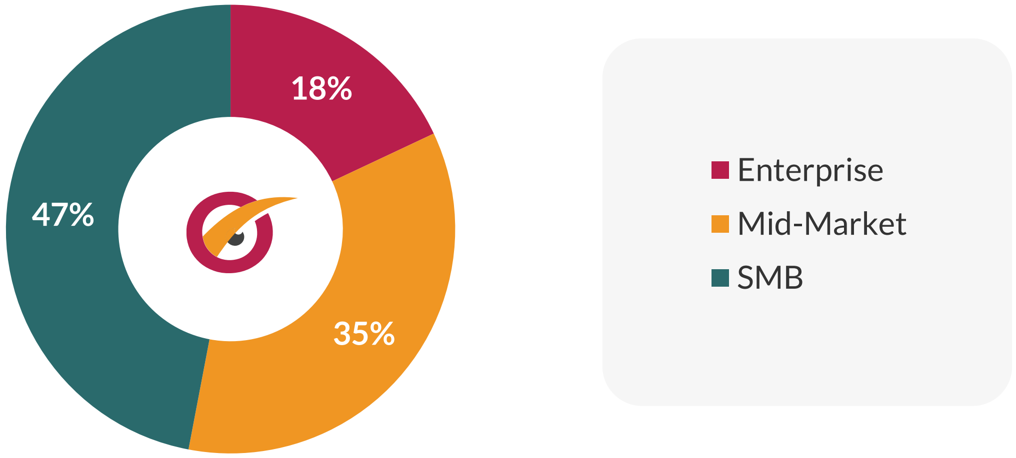
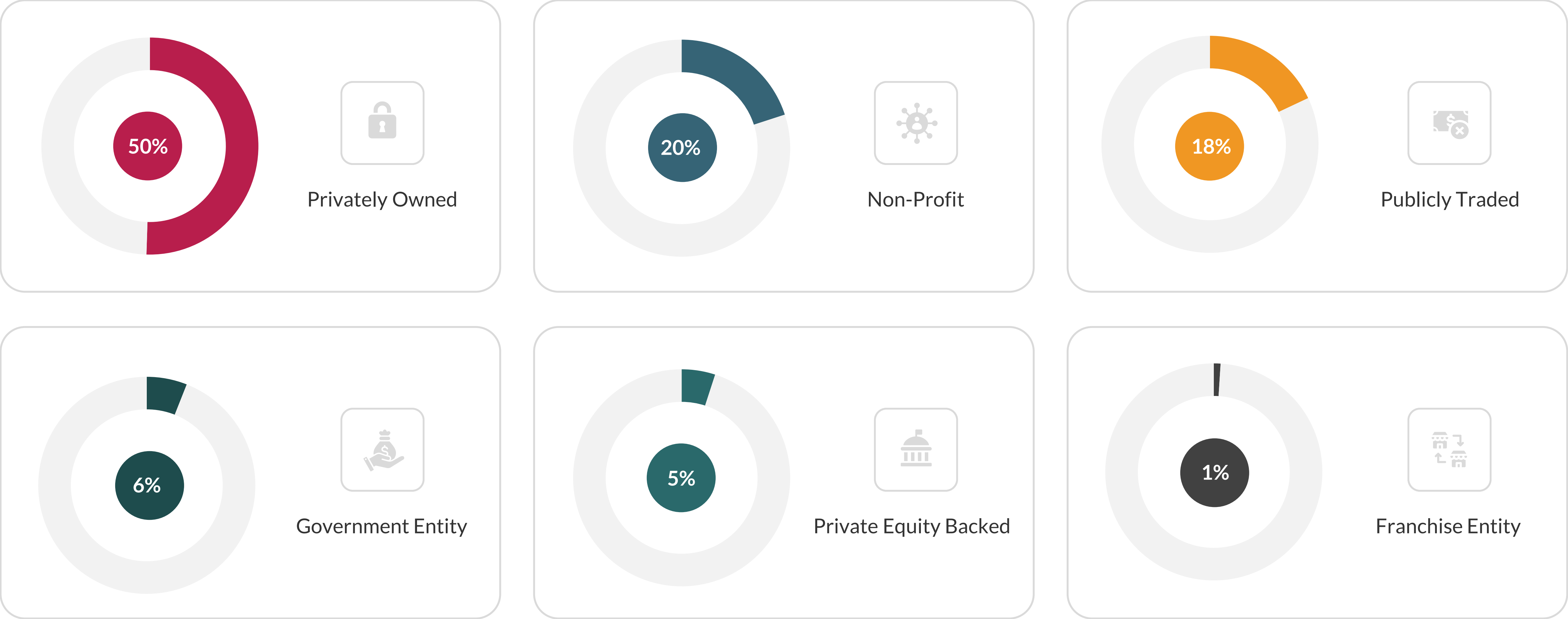


FIGURE 15: THREE ORGANIZATION SIZE CATEGORIES



E	Enterprise	≥5000 Employees
M	Mid-Market	500-4999 Employees
S	SMB	<500 Employees

FIGURE 16: SIX ENTITY TYPES



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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 17: BY ROLE

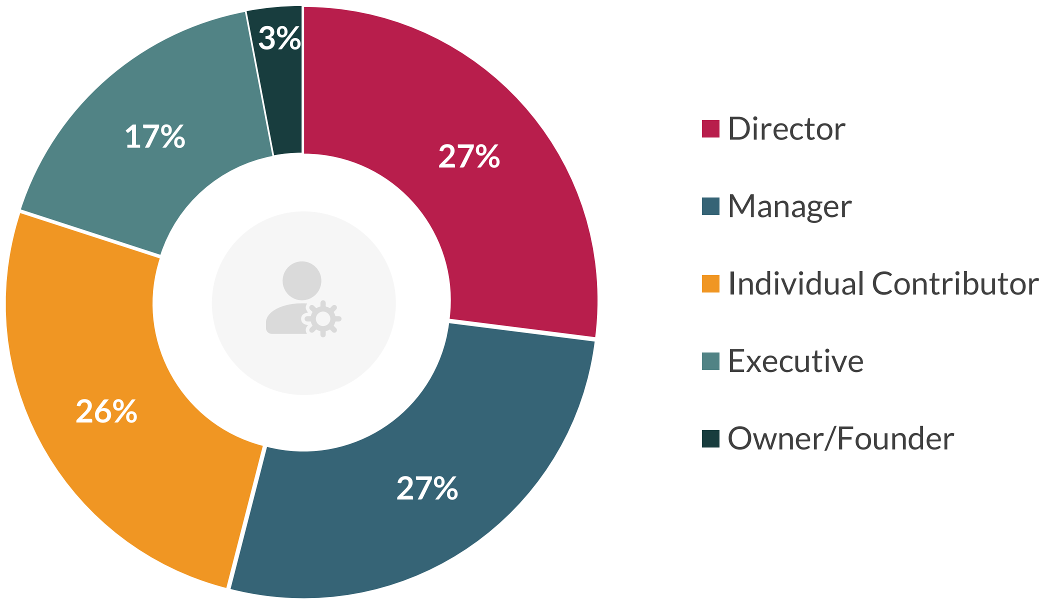
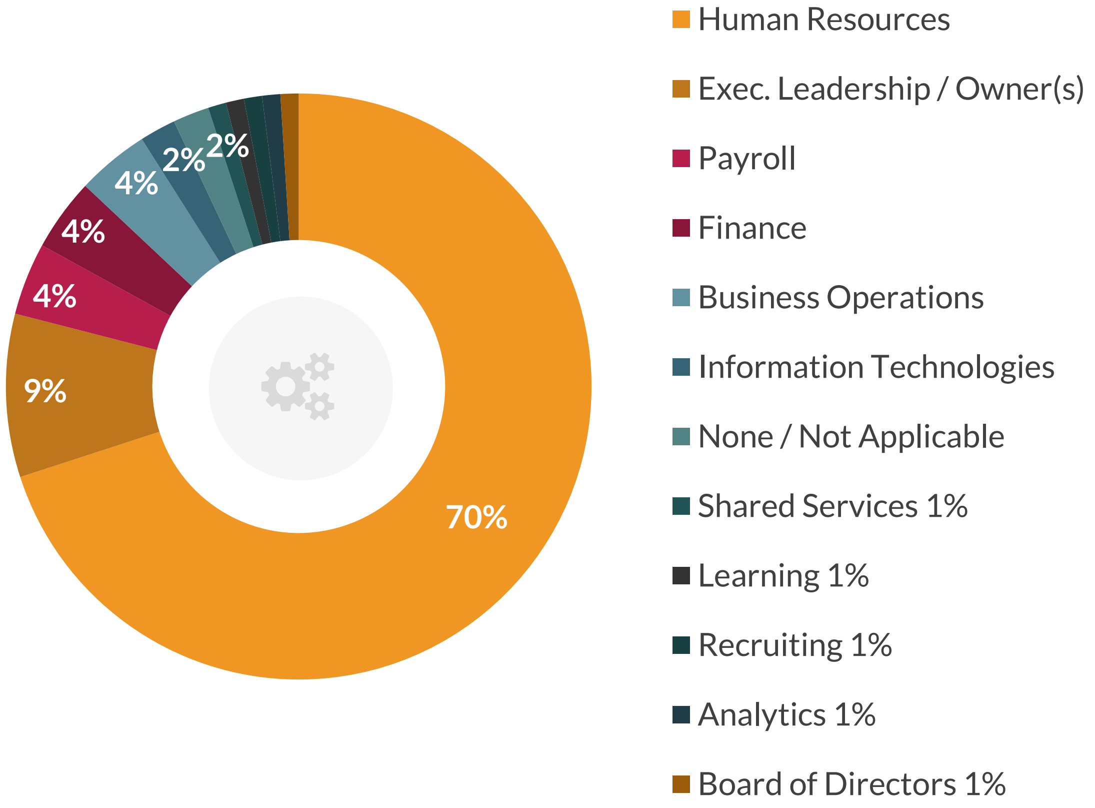


FIGURE 18: BY DEPARTMENT/FUNCTION



INDIVIDUAL PARTICIPANT DEMOGRAPHICS

FIGURE 19: YEARS IN CURRENT ROLE

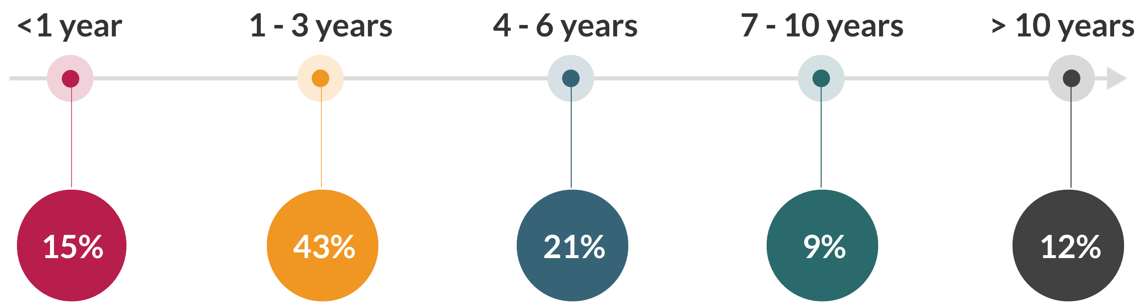


FIGURE 21: CERTIFICATIONS HELD

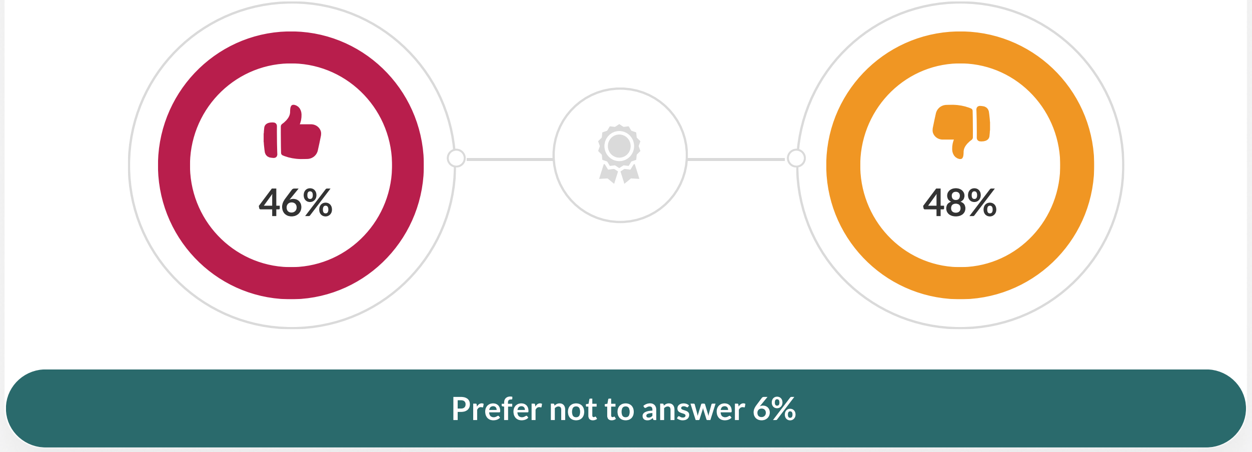


FIGURE 20: EDUCATION LEVEL

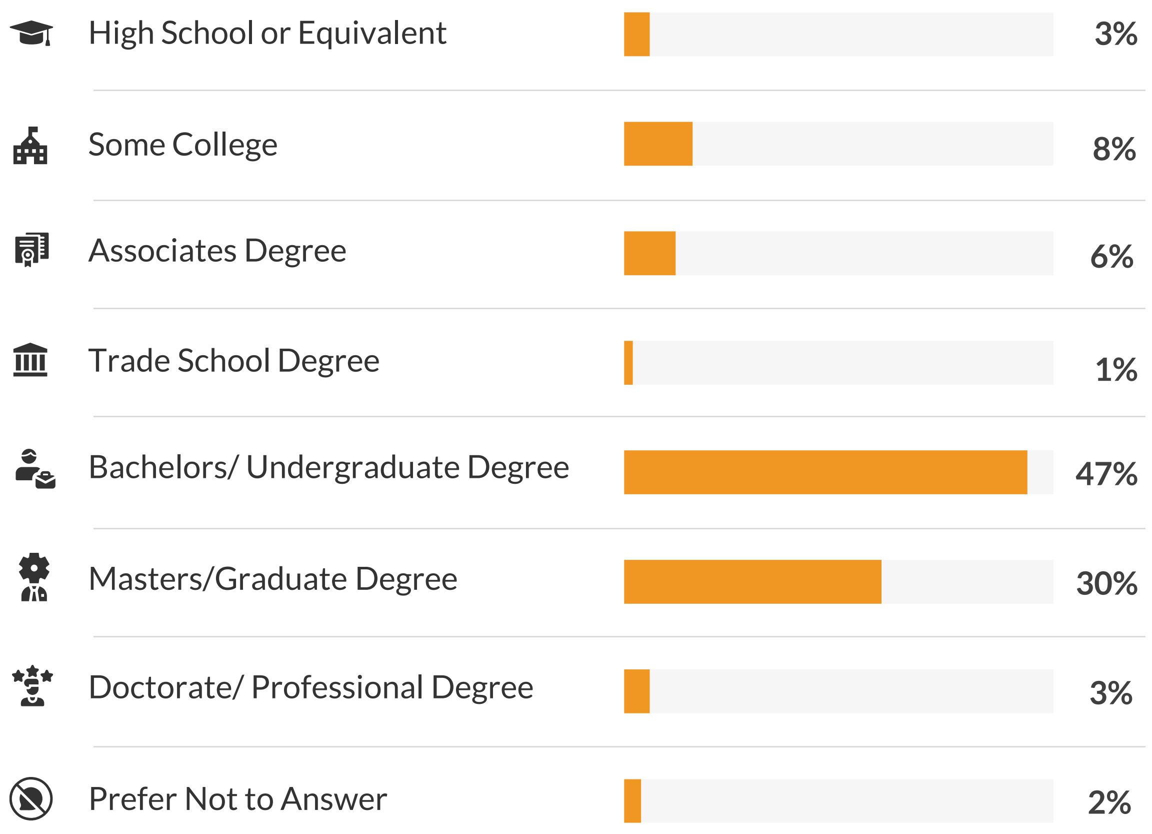
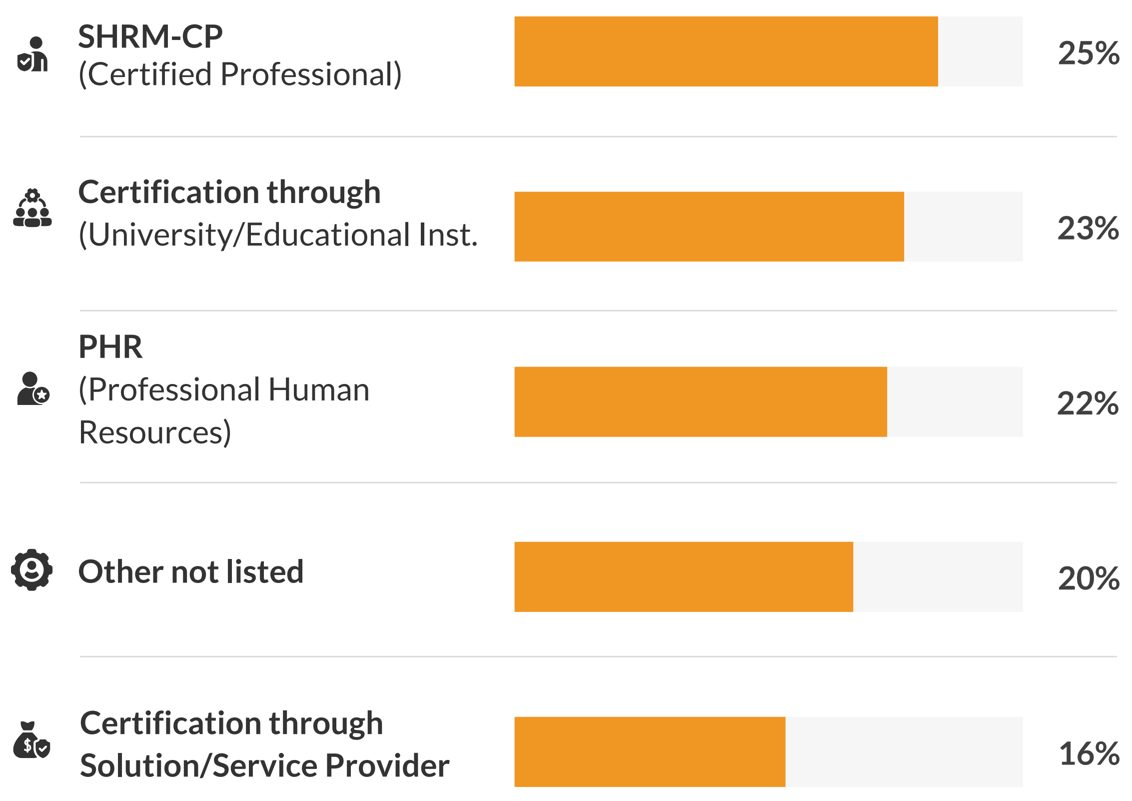
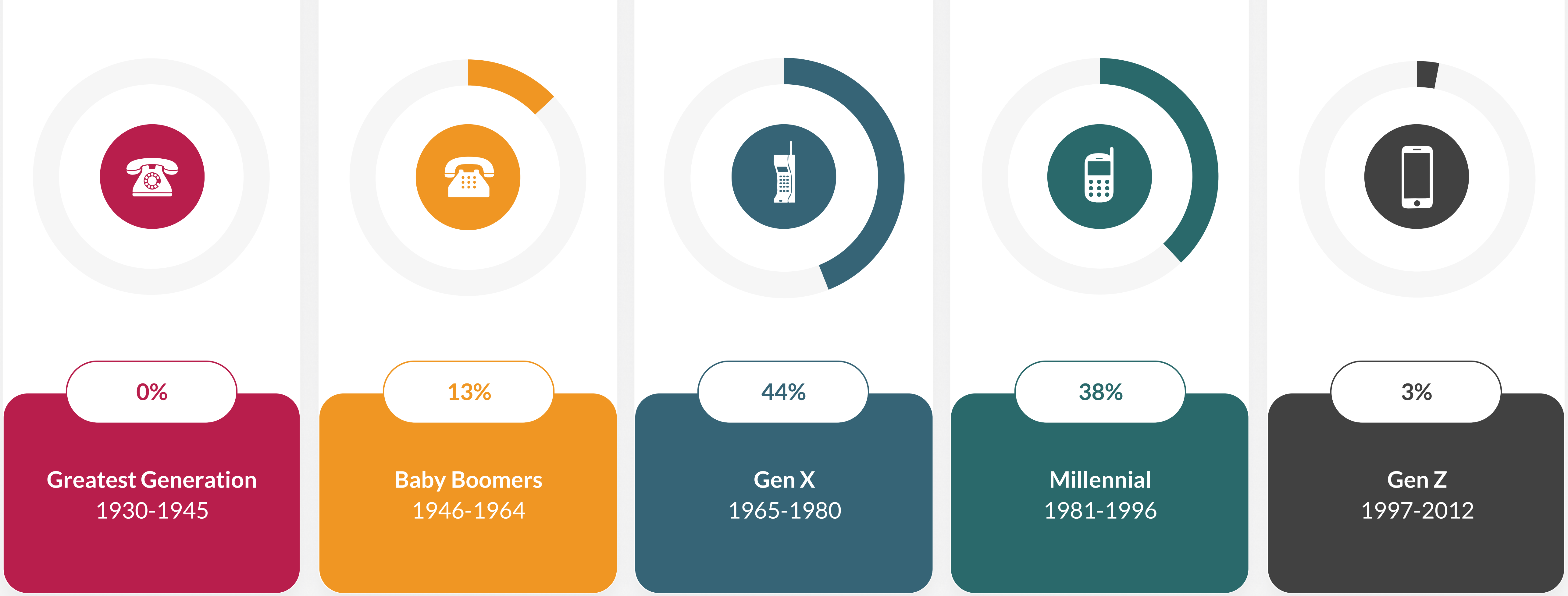


FIGURE 22: TOP 5 CERTIFICATIONS



INDIVIDUAL PARTICIPANT DEMOGRAPHICS

FIGURE 23: GENERATION IDENTIFICATION



0%

Greatest Generation
1930-1945

13%

Baby Boomers
1946-1964

44%

Gen X
1965-1980

38%

Millennial
1981-1996

3%

Gen Z
1997-2012

2%

PREFER NOT TO ANSWER

INDIVIDUAL PARTICIPANT DEMOGRAPHICS

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.

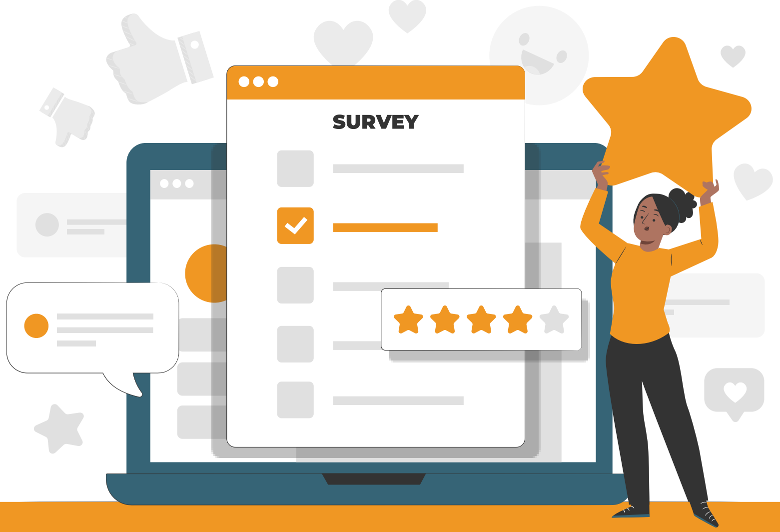
YEARS IN ROLE:

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.

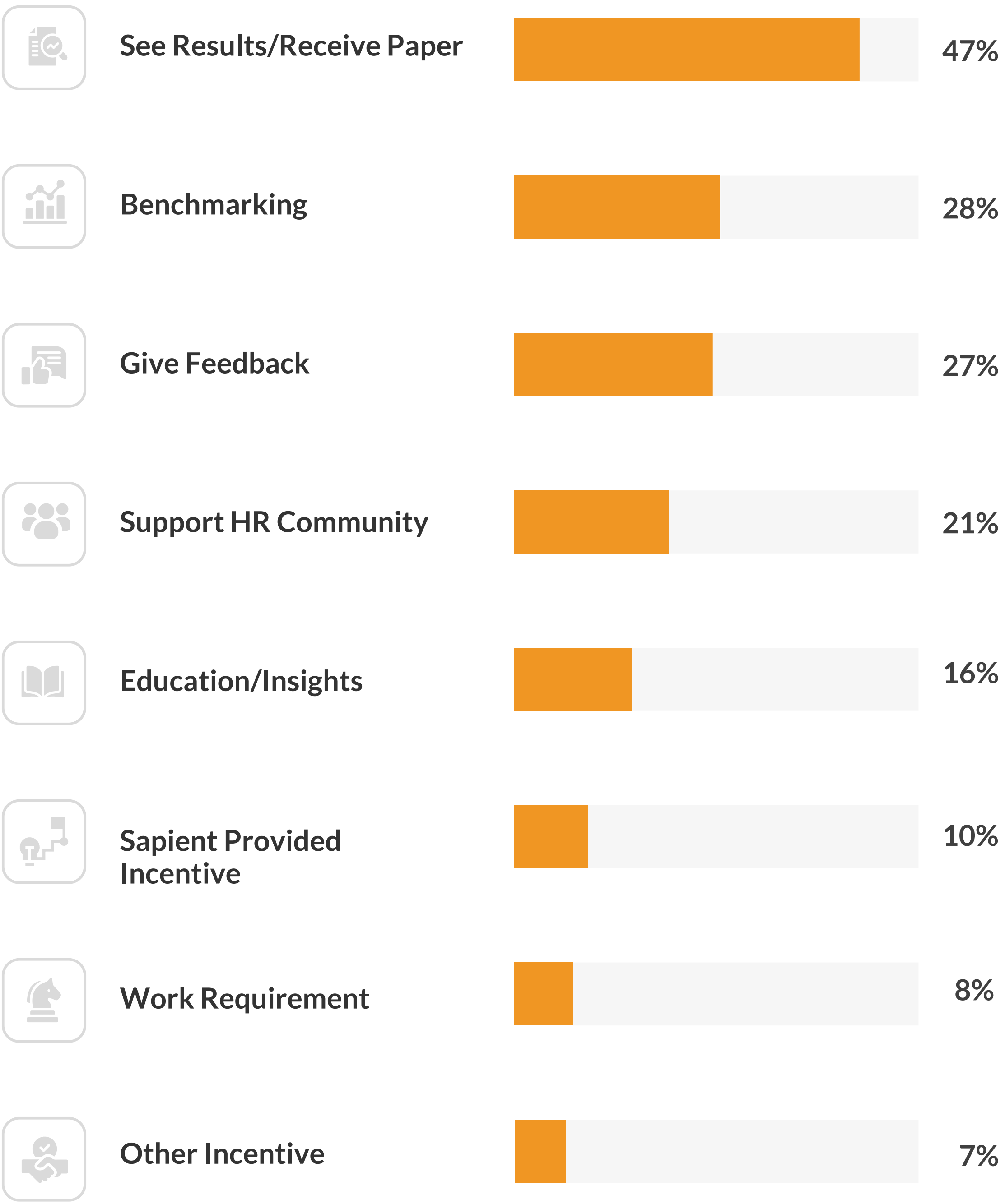
INDIVIDUAL PARTICIPANT DEMOGRAPHICS



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.

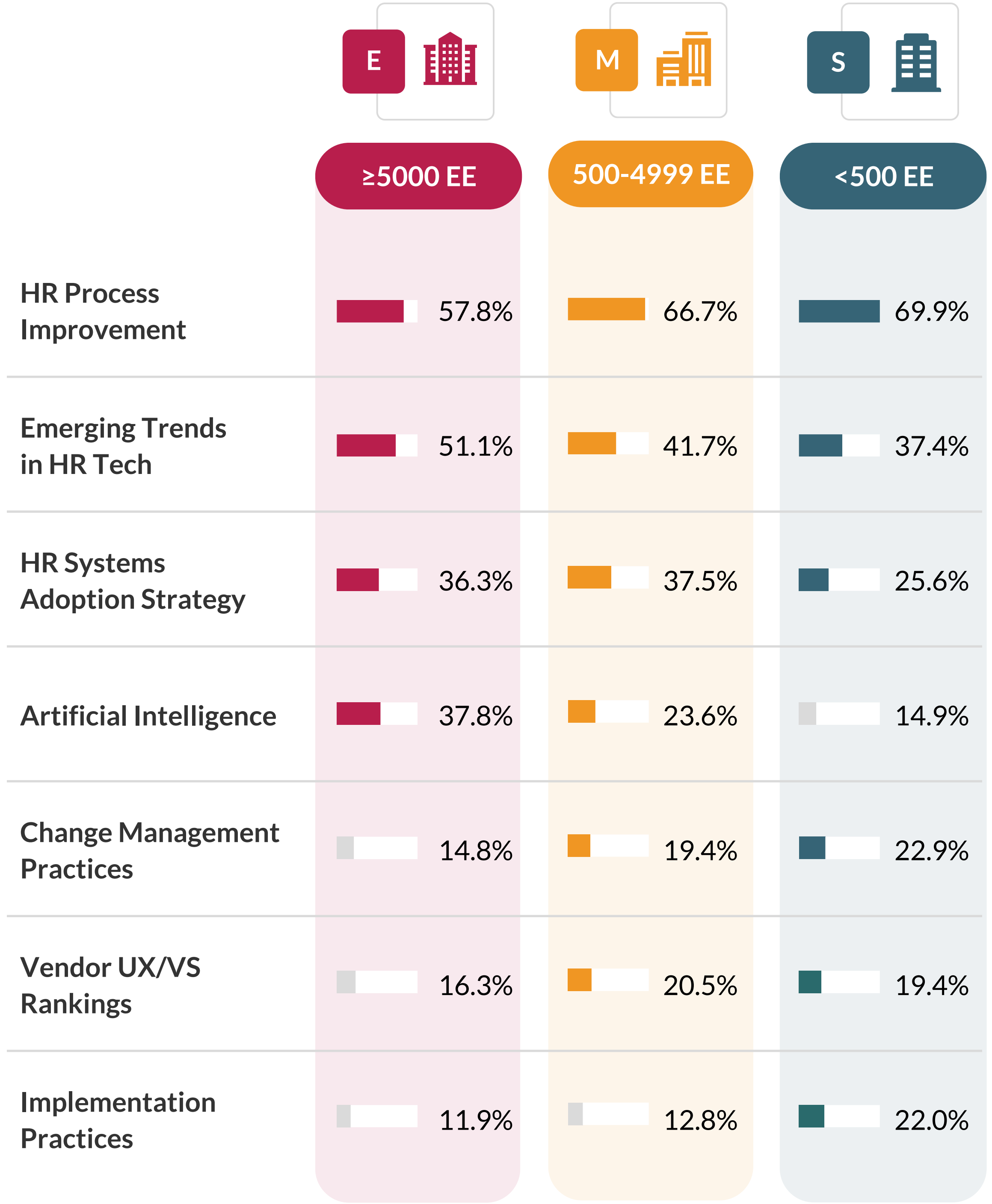
FIGURE 24: REASONS FOR PARTICIPATION IN 2024



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%

INDIVIDUAL PARTICIPANT DEMOGRAPHICS

FIGURE 25: TOP 5 MOST VALUABLE RESEARCH TOPICS



	≥5000 EE	500-4999 EE	<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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- 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.

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To request a media interview, email us at **Research@SapientInsights.com.**

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**.