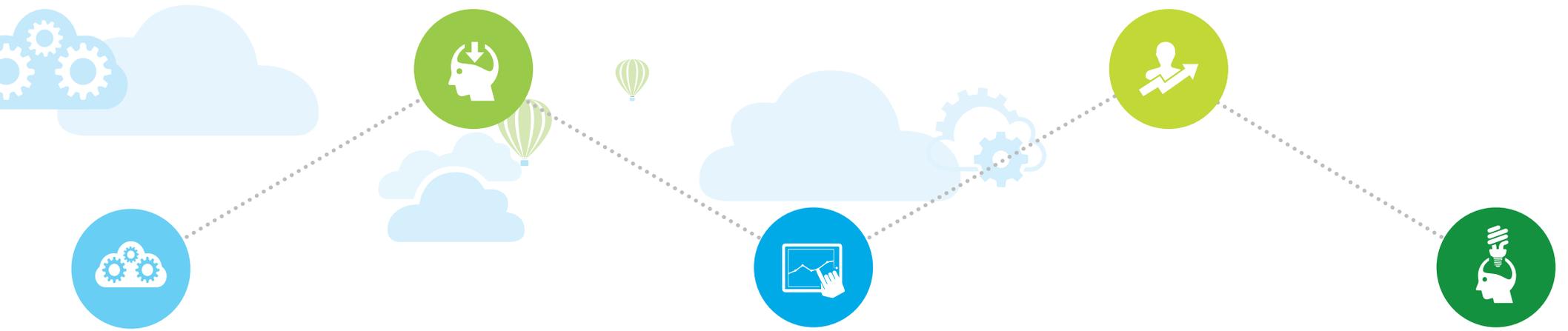


HR Technology Trends 2015 Ireland





Foreword



Welcome to this brief review of the main HR Technology Trends currently impacting Business, HR, and Talent leaders and our clients, both in Ireland and globally. We have gained a unique insight into this fast developing domain through our work with leading organisations who are transforming the way HR and Talent Management are performed.

The fusion of technology, organisations and HR is gathering momentum. Globalisation and demographic shifts are shaping 'a new world of work' where the emphasis is towards employees who are more connected, tech savvy, and expect services to be "always on". In addition, contingent working and virtualised teams result in a more distributed organisation looking to collaborate at a pace not experienced before.

This 'new world of work' requires innovation from HR leaders – but it also creates the opportunity for truly high impact HR. Cloud based applications are providing the platform for organisations to provide efficient HR processes, self service and information. More importantly, they are providing greatly increased flexibility to HR organisations when compared to traditional on premise installations. It is clear that Cloud is the future of HR technology, the question is only when will your organisation choose to adopt it.

For large enterprises, the market of Cloud vendors is stabilising, and the solutions are maturing. The next focus will be scaling, and localising the solutions for mid-size organisations. This promises to be a very dynamic period, as new delivery models, and new participants emerge in the market.

HR's mandate has expanded to include driving the talent agenda and tackling challenges such as retention, culture and engagement. The role of the HR function is changing rapidly. Business leaders are looking for a greater strategic impact from HR and information and insight are critical in this. HR leaders will be increasingly required to sponsor their technology agenda, and negotiate the appropriate level of priority for these investments.

With this in mind, we are pleased to share this HR Technology Trends report. We hope you find it interesting and useful.

Yours sincerely,

Cormac Hughes
Partner, Human Capital Consulting,
Deloitte



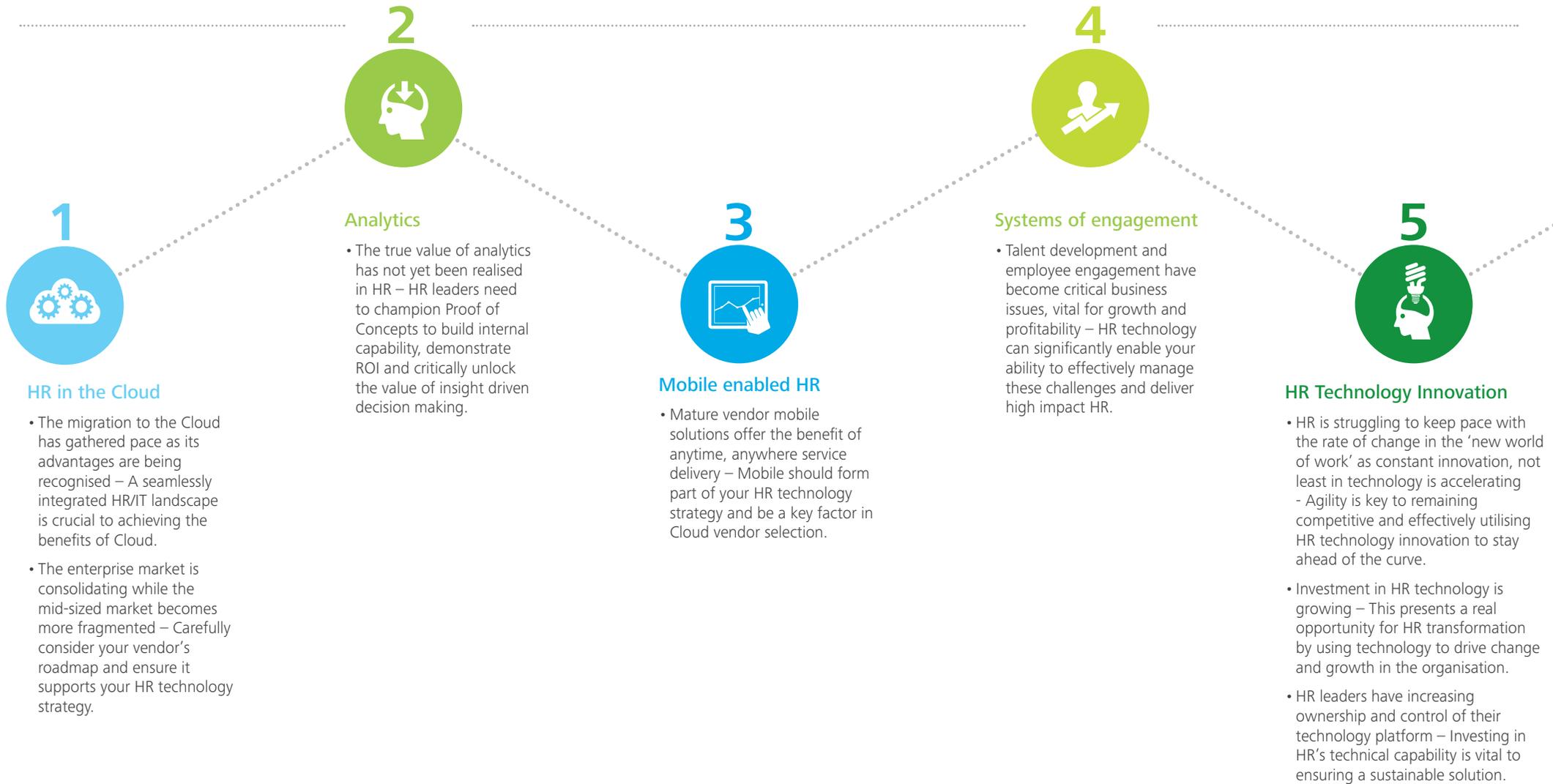
Through a combination of research, our experience as the global leader in HR Transformation Consulting¹, insight from Bersin by Deloitte, other Deloitte thought leaders and the rich knowledge of experienced HR and HRIS leaders in prominent Irish and global organisations, we have identified 5 broad technology trends impacting HR today. These trends are summarised below with the key components in each area.

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Quotes seen throughout the document are from the HR and HRIS leaders we interviewed in prominent Irish and global organisations.

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HR Technology Trends 2015





HR in the Cloud

1

A complete move to the Cloud is undeniable for HR. No longer considered bleeding edge, Cloud or SaaS solutions have matured, and are now the HR deployment model of choice². With many traditional enterprise vendors adopting Cloud strategies and hundreds of new Cloud-only vendors entering the market, moving to the Cloud is now a question of when, not if.

With investment in HR growing³, the migration to the Cloud is gathering further momentum. A flourishing global HR technology market - now worth more than \$15 billion in software alone⁴ - is also fuelling this trend.

Lower barriers to entry associated with the Cloud have created an innovative, competitive but disruptive market. The enterprise market has consolidated: Leading vendors such as SAP/SuccessFactors, Workday, and Oracle are emerging with integrated talent management suites, in some cases using acquisitions to expand their offerings. However the opposite is true of the mid-sized market with a stream of new vendors steadily appearing. Striking the right balance for your organisation between a single vendor integrated suite and multiple disparate solutions is crucial and particularly relevant in the mid-sized market.

Our interviews reflected HR's migration to the Cloud as an established trend. Most organisations interviewed had large footprints in the Cloud already with talent processes the most commonly migrated, while there was a mix of on-premise solutions and cloud solutions particularly for core HRIS processes. Common to all interviews was the confirmation that migration to the Cloud is part of a longer term strategy and the rate of this migration is set to increase over the next five years.

Understandably, the impact of this trend to date varies from organisation to organisation, however the ultimate destination will be the same. The journey offers the opportunity for organisations to consider a broader transformation of HR services leading to more efficient and effective ways of delivering HR, and the ability to leverage innovative solutions to meet the challenges of the 'new world of work'.

Ensure your strategy maximises these opportunities and uses technology to drive change in the organisation, rather than making technology the change itself.



What is the Cloud?

The Cloud, or Software as a Service (SaaS) is an IT delivery model where software is securely hosted by vendors and can be accessed via a web browser rather than having software installed onto your laptop or tablet and IT servers physically "on-premise" in your organisation.



"Implementing a cloud-based platform presents a real opportunity for HR transformation, allowing companies to consolidate legacy systems, redefine the role of HR and ultimately help improve the effectiveness of HR service delivery."

Diarmuid Marrinan
Director, Human Capital Consulting,
Deloitte



"The Cloud enables us to scale and integrate very quickly. Integrating acquisitions takes weeks not months"

HRIS Lead



Deloitte's 2015 HCM trends survey reported that 63% of respondents were either planning to or currently undertaking a Cloud implementation³.

“We migrated our talent management processes to the Cloud and have realised a number of benefits in particular improved user experience and faster implementation times”

HRIS Lead



“Integrations are the linchpin of every successful HRIS implementation. A seamlessly integrated HR/IT landscape drives efficiency, promotes confidence in the system and helps to fully realise the initial business case.”

Ciaran Duffy
Senior Manager, Technology Integration Consulting,
Deloitte



Key considerations

From our experience of HR Transformation, and as a leading implementer of Cloud solutions globally, we have identified some key considerations when migrating to the Cloud:

Build a compelling business case: Look beyond total cost of ownership. Benefits such as agility, scalability, end user engagement and business value should all be part of the decision to migrate.

Don't underestimate integrations: A common occurrence, we regularly see this as one of the biggest delivery challenges. Integrations are key to achieving the benefits of the Cloud. Ensure due consideration is given to this area in your HR Technology strategy.

Refresh the HR service delivery model: Use the opportunity provided by the implementation to rethink your HR service delivery model and how self-service can be leveraged to drive efficiencies.

Standardise and simplify: Use the migration to the Cloud to standardise and simplify processes. Define design principles early and challenge variations.

Promote broad adoption: Bring together all stakeholders early to encourage widespread adoption of the system once it is rolled out. Strong sponsorship is vital to ensure early buy-in. Make the system easy to use for both HR managers and employees.

Plan for legislative and compliance regulations: Often complex on global HRIS implementations, plan for these early.

Build internal capability: With the Cloud shifting ownership of HRIS to HR, building internal capability regarding system configuration and change control – historically IT competencies – are key to realising further benefits after go-live.



Integrations insight

Four factors should be considered when designing your integrations landscape:

1. Define your scope

Agree from the outset what the criteria are for deciding if a system requires an automated integration – or whether a manual option would suffice. Factors such as number of employees records maintained in the system, system type and long term viability of the target system should be assessed.

2. Know your vendors

Your legacy systems may have been customised throughout the years without adequate documentation maintained, making them very difficult to integrate with. Make sure your vendor is ready and is capable of dealing with building an integration to a SaaS environment.

3. Align internal departments

Implementing a HRIS can impact all areas of the business, and gaining the input and cooperation of Payroll, Finance and IT departments is vital to a successful integration strategy.

4. Prepare for go-live

Understanding how the system will run for real-world users from go-live is vital in order to build a robust and maintainable system. Building a self-sufficient 'Business As Usual' team who are experienced and confident in the solution, results in broader acceptance in the application and a quicker departure of your implementation partners.



Analytics

2

Becoming an analytics and insight driven HR organisation is about evolution not revolution. The challenge for HR is that there has been little evolution over the last two years. According to the Deloitte 2015 Human Capital Trends survey, 65% of respondents believe that using people analytics is “important,” but just 3% believe their organisation is “strong” in this area³. The survey results in 2014 were almost identical.

The workforce is the lifeblood of any organisation – so when it is operating at a high level, the likelihood of reaching key business goals is raised considerably. In the past, many HR leaders had a difficult time making the case for their role in guiding business strategy. But equipped with data-based insights from workforce analytics, these leaders are able to more clearly demonstrate value – and drive real changes in behaviour.

HR leaders need to take ownership of this trend in HR and kick-start it. As business leaders are demanding more from HR, analytics offers an innovative solution to tackling challenges such as engagement, retention, recruitment and workforce planning.

HR leaders must look to embed analysis and data into their decision-making processes rather than viewing analytics as a project with a start and end date. Defining a HR analytics vision, and communicating how analytics will assist both HR and the wider business in delivering against key strategic metrics is key. Critically HR leaders must ask those ‘crunchy’ questions that need answers and help highlight where to start.



What is analytics?

Analytics refers to the skills, technologies, applications and methods for collecting, analysing and visualising data to reveal insights that help organisations build strategies, reduce costs, understand their customers, maximise the potential in their workforce, combat fraud and many other applications⁵.



HR leaders – ‘crunchy’ questions to consider

What top talent is a retention risk over the next 2 years?

What workforce do we need to support business strategy over the next 5 years?

What skills shortages are likely to arise in the next 5 years that we should be developing today?

Where do the best hires come from and do they share common attributes?



Software is only part of the solution

Forrester found that organisations have already invested more than \$14bn in analytics software, and yet fewer than 4% can perform predictive analysis on their people and only 14% perform statistical analysis at all⁶.



We recommend small scale Proof of Concepts (PoCs) as the perfect way to explore and demonstrate return on investment in analytics. Appropriate risk taking in PoCs will help build a culture of innovation, embed data driven decision-making processes and mature analytics capability.

Our conversations across HRIS and HR leaders and organisations were almost identical. The value of analytics was clear and understood, and there was a strong desire to do more with it. Analytics solutions were in place for some organisations, although for most organisations analytics was still descriptive rather than predictive or statistical in nature – with only one organisation having more advanced capabilities – and not embedded in all decision making processes.

As analytics thrives in other disciplines, HR need to ensure they are not left behind. Becoming an insight driven HR organisation is a journey that will require investment in both technology and people. However, small steps in building the right team, starting with the tools already there, and partnering with IT will go a long way.

Do not let the perfect be the enemy of the good. Start small if needed, but do take that first step to making data part of your decision making processes.



Analytics tools and talent

There is no one right approach to defining the technology that you will use to support your analytics. For those organisations that have implemented new HR systems, many contain in-built reporting and analytics solutions. For those who still have multiple legacy systems, there are now a wide range of affordable tools that can support the initial steps of the analytics journey. These include both data visualisation and statistical packages.

Critical to success is creating the necessary analytics talent pool. Simply resourcing data scientists does not necessarily release the full value analytics has to offer. Communication skills, business acumen and political nous are vital.



“We have a huge data set from our HR systems and have strong descriptive analytic capabilities that have delivered benefits for us but we know there is more potential there”

HR Lead



Current drivers of the trend

- Access to inexpensive processing technologies
- Increase in data types and sources
- Economic pressures to gain efficiencies in operations and cost
- Changing market dynamics and competitive pressure that requires an intelligent decision support system, with a prescriptive or predictive view



“We are doing some really interesting things in this space and seeing real value in it. But people often try to run before they walk. Start small and get the right people needed to unlock the true value of HR analytics”

HRIS Lead



“Changing the way decisions are made to ensure insights are acted upon is vital. The potential business value of insight is often lost due to lack of action.”

Cormac Hennessy
Senior Manager, Analytics Consulting,
Deloitte



Mobile enabled HR

3

Today, mobile devices are ubiquitous in our lives. We increasingly communicate, collaborate and consume services via mobile applications. This rapidly accelerating trend presents opportunities for HR to deliver services anytime, anywhere and become more collaborative, responsive and efficient while doing so. As increasing millennial numbers in the workplace accelerate the demand and expectation for mobile services, now is the right time to start planning for mobile enabled HR service delivery.

Mobile should form part of your HR technology strategy, and be a key factor in cloud vendor selection decisions, particularly when considering integrated solutions versus multiple point solutions. High adoption rates are critical to realise value from mobile service delivery, and adoption is driven by rich user experience. It is here that integrated suites can offer benefits over multiple point solutions: One mobile app and user experience is preferable to multiple different mobile apps and experiences.

We recommend focussing initially on processes where high adoption is likely and which lend themselves comfortably to a mobile platform such as talent, eLearning, social collaboration, reporting or simple transactional self-service. As you plan for mobile ensure your vendor's roadmap is aligned to yours and can meet your needs.

Many vendors are ahead of this trend already, having established rich mobile offerings and continuing to invest heavily in development. However, in many of the organisations we spoke to, mobile enabled HR service delivery was not being fully utilised. While firmly on organisations' HR technology roadmaps, mobile services were only starting to emerge, with talent processes and time recording among the early prominent offerings. However the majority of organisations were yet to truly embark on the HR mobile journey. This was reflective of Gartner's research showing only 15% to 20% of organisations leveraging mobile apps for HCM processes⁷.

With many vendors' mobile solutions being increasingly accessible – just download the app and enable it in a few clicks – the significant benefits of mobile enabled HR service delivery can be realised in minutes.

The question is why are more HR organisations not enabling mobile service delivery now?



"Accessible anytime anywhere, simple and easy to use mobile is reimagining how HR services are consumed and experienced. Benefits extend far beyond productivity and efficiency gains particularly as talent management processes are mobile enabled and become increasingly continuous, social and datafied."

Robert Ryan
Manager, Human Capital Consulting,
Deloitte



Key considerations

Developing apps in house can be challenging. Device compatibility, regular OS updates, integrations and compliance with enterprise security policies can all add significant complexity.

Design is also more complicated than just a simple 'lift and shift' of existing processes and functionality. Redesigning services for mobile is vital. With mobile there is smaller screen real estate, with users typically using "tap and swipe" rather than "click and type" interactions that generally occur in bite sized chunks, while waiting in line for coffee, for example⁴.

Take advantage of vendors that have a team of mobile developers to navigate these complexities, but look closely at vendor offerings and product roadmaps to ensure they can meet your needs, both now and in the future.

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"Mobile gives us the potential to easily offer HR services to our non-office based employees"

HR Lead

”

“

"Mobile is where we are going to see the win-win for managers in terms of initiating self-service transactions"

HRIS Director

”



Systems of engagement

4

The last decade has seen a shift in the purpose of software. HR systems of record, used to host large, decentralised employee databases have evolved, to become employee systems of engagement². The shift started with the simple premise that HR solutions should be engaging and deliver an excellent user experience to drive adoption, the prerequisite for return on investment. However HR technology solutions now offer much more than engaging user interfaces.

HR organisations should look to leverage social collaboration, eLearning, mobile and analytics solutions in particular as they look to tackle employee engagement, the number one HR challenge facing organisations both in Ireland and globally in 2015³.

Social collaboration and pulse survey solutions can be used to capture employee sentiment in real time. Combined with HR data, engagement scores can be mined using analytics to identify causes of low engagement and retention and critically measure the effectiveness of engagement initiatives.

Social collaboration tools facilitate a culture of recognition – a long known determinant of engagement – by enabling peer to peer recognition⁹, similar to Facebook and LinkedIn, while also enabling employees to create internal networks, share ideas and collaborate.

Learning solutions built for mobile that support video, gamification, and agile development provide the opportunity to reimagine how learning is delivered in organisations. With proven links to engagement, retention, innovation and profitability¹⁰, investment in learning technology can have attractive returns.

The shift from systems of record to systems of engagement was recognised by all organisations we interviewed, with design and usability a key factor in the decision to select a vendor or product. However organisations were also leveraging social collaboration, network recruiting and eLearning solutions to engage their employees and talent pools.

With studies confirming the benefits of high engagement¹¹ – improved customer service and recruitment, lower voluntary turnover rates, and increased profitability – this trend will gather further momentum. Engagement, no longer just a HR issue, is now an imperative for every leader in the organisation³. HR technology should be a key component of any HR organisation’s strategy to engage employees, particularly as the number of millennials – the mobile and social generation – increase in the workforce.

Case study:

TELUS, one of Canada’s fastest-growing telecommunications organisations, saw employee retention improve by 30% after revitalised its learning platforms with improved technology³.



What are systems of engagement?

Systems of engagement are systems which are used directly by employees for social or peer interactions such as email, collaboration systems, and new social networking and learning systems. They “engage” employees⁸.



“Culture and engagement is the most important issue organisations are facing both here in Ireland and across the globe. Technology replacement is emerging as a critical program for HR and business leaders seeking to simplify work practices and systems, and positively impact employee engagement and retention.”

Valarie Daunt
Director, Human Capital Consulting,
Deloitte



“High engagement is paramount and a constant focus for us, technology is something we leverage to ensure engagement initiatives are successful”

HR Lead



“There has definitely been a shift towards the user’s experience. Making systems diverse, seamless and engaging has become a necessity”

HR Lead



Gallup have found that organisations in the top quartile of employee engagement had 22% higher profitability, 37% reduced absenteeism and 21% higher productivity than organisations in the bottom-quartile¹¹.





HR technology innovation

5

The HR technology market is experiencing unprecedented growth and innovation. Bersin by Deloitte is tracking over a 100 new start-ups in network-based recruiting, talent analytics, assessment science, continuous learning and new mid-market core HR systems⁴.

Fuelled by demand from HR for innovative new solutions to support business imperatives such as talent, engagement and cost efficiency, coupled with lower barriers to entry and vendor competition, this growth shows no sign of slowing. Areas seeing particular innovation include mobile services, social recruiting, eLearning, employee engagement and social collaboration tools⁴.

With so much technology innovation and change, the challenge for organisations is often keeping up. We recommend HR technology strategies be reviewed with more regularity to ensure technology and product innovations are planned for in advance and ensure HR's technology roadmap remains current. Create a business case framework to assess new solutions and initiatives to ensure investment is aligned with HR and business objectives and strategy.

Once products are implemented the rate of change and innovation often increases, with vendors delivering product innovations and improvements every three or four months. Designing and embedding change processes and structures as part of any implementation, to ensure timely assessment and communication of changes to business owners, is key to realising the value of innovation delivered by vendors.

Rigorous change processes are also needed to mitigate risk as system administration, configuration and change control – activities previously policed by IT – often moves to HR.

Leaders in organisations we spoke to confirmed the demand and desire for innovation is high. Social collaboration, flexible benefits, eLearning, mobile services, analytics and social recruiting were just some of the innovative initiatives organisations had engaged on that leveraged HR technology solutions to tackle Human Capital challenges.

As the demand for innovation within the HR technology market increases, managing the volume of change and ensuring alignment of business and HR strategy is paramount to realising the benefits of constant HR technology innovation.



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“We are constantly trying to change and innovate HR processes, leveraging technology is a big part of that”

HRIS Lead

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“Innovation a key priority for us, at all levels. It is supported and publicised because we realise the importance of it. We need it to differentiate ourselves”

HRIS Director

”

Conclusion

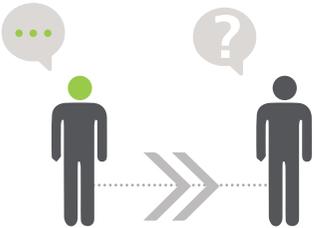
Globalisation, disruptive technologies and generational workforce transitions are creating a 'new world of work' where the challenges facing HR are greater than ever.

As investment in HR increases, HR needs to be forward looking as to how it can leverage innovative HR technology solutions to support business strategy, as well as meet both the increasing expectations of senior business leaders and the Human Capital challenges and in this 'new world'.

Technology is never the answer in itself, investment in process and people are paramount to achieving transformational change. However HR has never had such an array of innovative HR technology solutions available to leverage. Cloud, mobile, social solutions and analytics, if implemented correctly, have the potential to enable greater transformation in HR than ever before.



How we can help



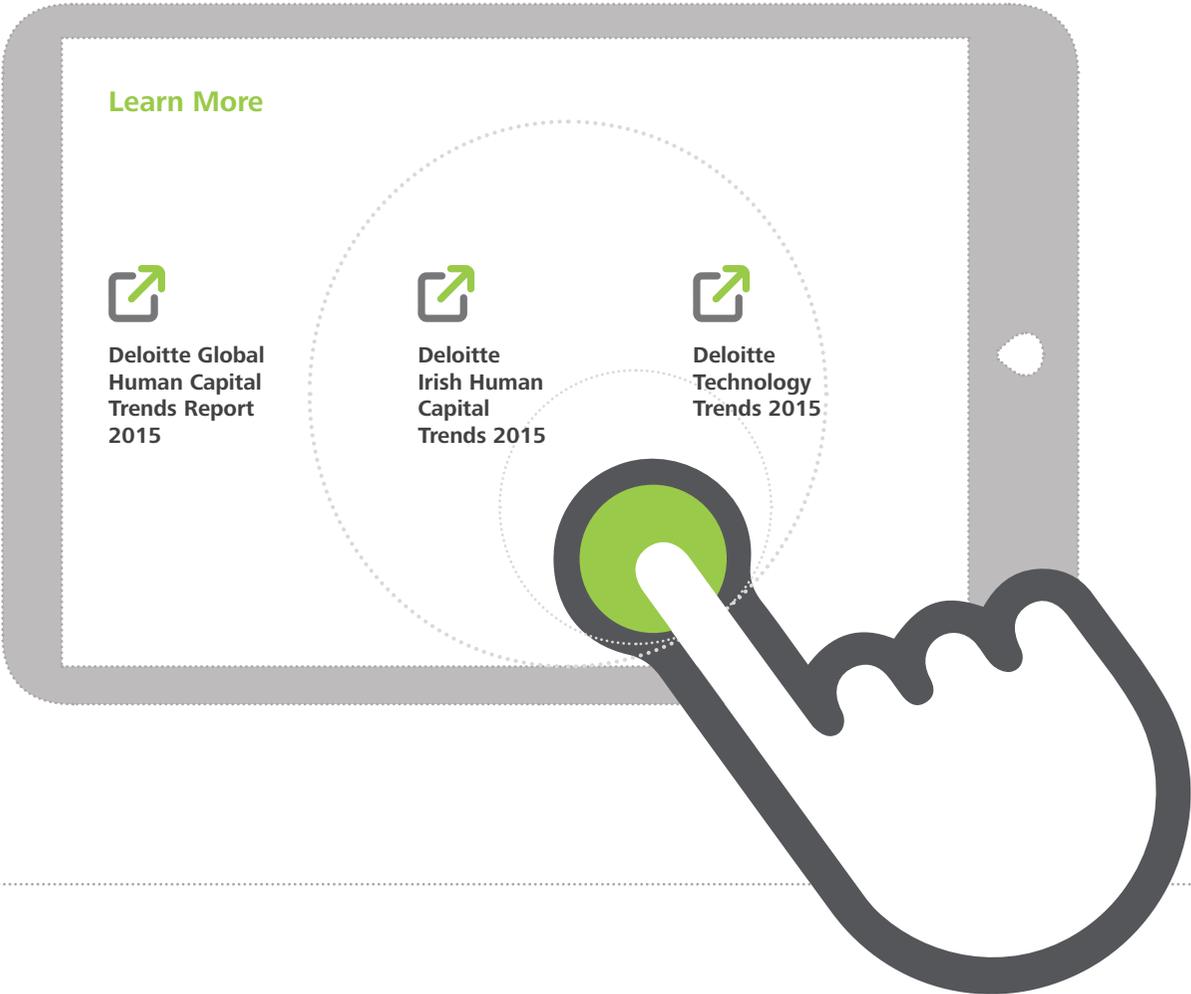
The HR transformation service line works with companies to clearly define, structure, and implement HR solutions – creating a uniform, high-quality, cost-effective HR service model, powered by technology capabilities to optimise business alignment and maximise performance.

Deloitte Human Capital is one of the world’s largest HR consulting firms, with over 6000 staff in 140 locations. We work very closely with our EMEA colleagues in bringing the best and most innovative solutions to our clients.

Our HR Technology Alliance Partners include: Oracle; Workday; Success factors and SAP.

Our services include:

-  HR strategy and planning
-  HR technology
-  HR service delivery and shared services



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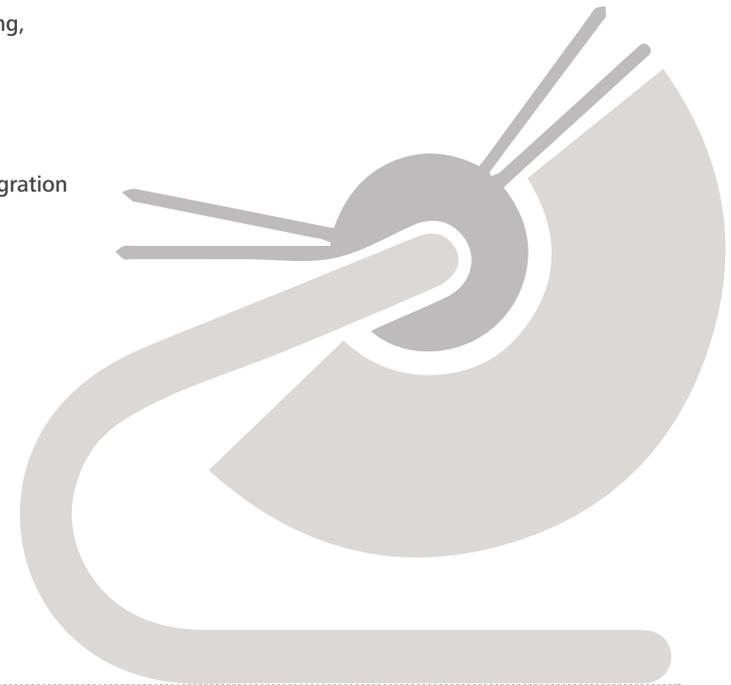
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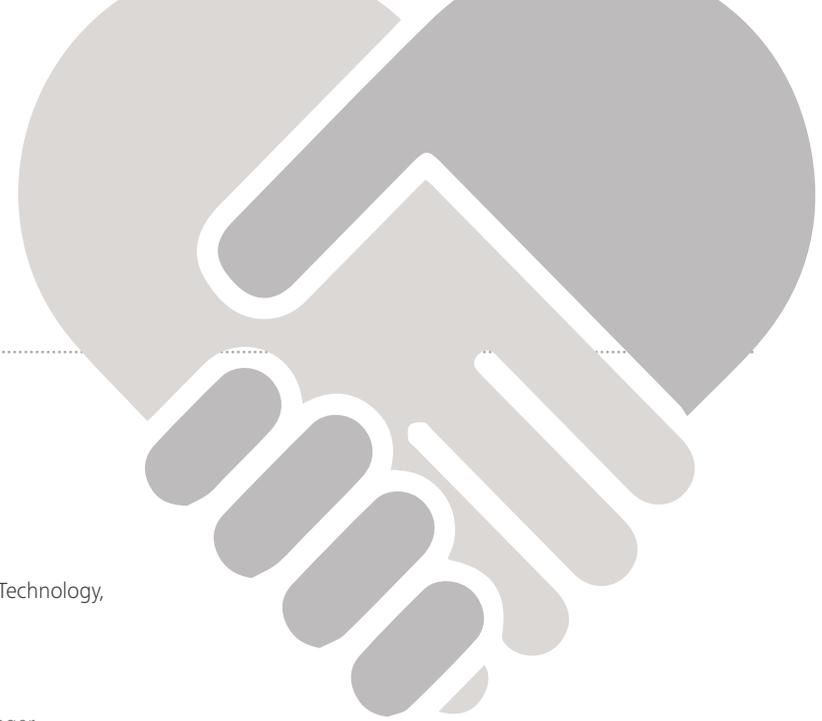
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Endnotes

¹[Kennedy Consulting Research & Advisory; HR Transformation Consulting 2015; Kennedy Consulting Research & Advisory estimates © 2015 ALM Media Properties LLC](#)

²[Forrester, The Forrester Wave™: SaaS HR Management Systems, Q4 2014](#)

³[Deloitte, Global Human Capital Trends Report and Survey 2015](#)

⁴[Bersin, Josh, Bersin by Deloitte, HR Technology for 2015: Ten Big Disruptions Ahead](#)

⁵[Deloitte, The Cloud Technical Advantages](#)

⁶[Forrester – Application Adoption Trends 2015: The SaaS Boom Continues As Businesses Demand Agility](#)

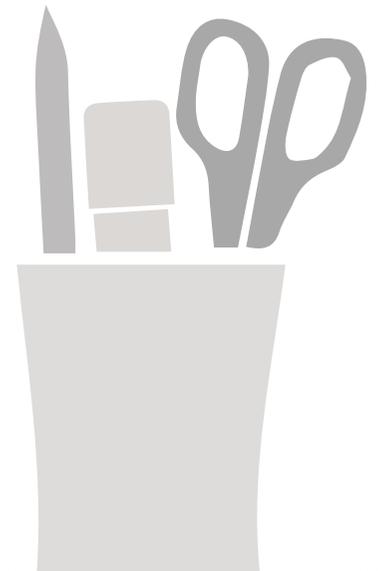
⁷[Gartner – Magic Quadrant for Talent Management Suites](#)

⁸[Bersin, Josh, The Move from Systems of Record to Systems of Engagement](#)

⁹[Bersin Josh, Becoming irresistible: A new model for employee engagement](#)

¹⁰[Bersin, Josh, Bersin by Deloitte, New Bersin & Associates research shows high-impact learning organisations generated three times higher profit growth than their peers, August 29, 2012](#)

¹¹[Gallup – How Employee Engagement Drives Growth, Business Journal, June 20 2013](#)



Notes



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