WHY HR PROJECTS

FAIL

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ABOUT UNLEASH

UNLEASH is the new customer-first digital media platform, built to inspire, connect, and enable business leaders, HR leaders, and organizations worldwide to navigate the changing world of work.

We give leaders a platform to share ideas, network, and do business.

Leading the debate on the work revolution, UNLEASH brings together leaders who are passionate about people, technology, innovators and advocates, and world-leading influencers who help connect the dots and offer that big picture perspective.

Previous speakers have included Sir Richard Branson, Arianna Huffington, Edward Snowden, Esther Perel, Simon Sinek, Baroness Susan Greenfield, Sir Bob Geldof, Stephen Fry, and many more.

Our mission is to provide our community with a sense of PURPOSE and belonging. UNLEASH will be that FORCE FOR GOOD for the HR industry.

unleashgroup.io

FOREWORD

COVID is not an inventor. It is a time machine that has pulled the HR profession forward by 5 to 10 years to power the new working world.

We are bringing you this report during a global crisis, one that is unheard of in our lifetime and for which the future economic, social, and human impact is still unfolding. The events of 2020 have reinforced in me that the future of the workforce is changing more dramatically than anyone can predict, and it has led to fundamental changes in our labor force, economy, and politics.

That's why seeing the statistics behind this report is both scary and heartening for what we must do next.

Organizations must rethink how they do business, build an entirely new radar for the faster 'COVID economy' or next normal, mobilize their workforces, and unleash their technology investments for better adoption.

It is worrying to see so many people from the broader HR community saying tech projects don't deliver the exponential benefits they expect.

At UNLEASH, we've always asked our industry to call out the truth for full clarity and integrity. To clearly define what is working, what isn't, and explore the direction of travel for Human Resources.

UNLEASH's 8 Golden Rules for Successful HR Projects and Why HR Projects Fail enables HR and Business Leaders to get the best out of the systems they commission as CEOs, CFOs, CIOs, and CHROs move to retool their organizations over the next 12 months.

We found ourselves in Terra Incognita; therefore, I must give special heartfelt thanks to our independent underwriters for funding this research. They've been patient, trusting, and braved the storm of being the first on this journey with us – ServiceNow, SurveyMonkey, and WalkMe.

HR Tech is coming of age and under the spotlight. Getting it right means HR can become the business value driver it aspires to be.

Marc Coleman
Founder & CEO
UNLEASH

RESEARCH ACKNOWLEDGMENTS

Marc Coleman

Founder & CEO, UNLEASH

Founder & CEO of UNLEASH, Marc is passionate about building global communities that imagine, create and power the new working world. Since 2008, he has built a number of successful HR brands and created trusted HR communities and networks worldwide, providing a platform for networking, deal-making, and sharing big ideas. Educated in Ireland, Marc has a Higher Diploma in Quality Control Management, Applied Biology & Physics, a BSc in Microbiology, and an MSc in Biotechnology.

George La Rocque

Senior Vice President Insights, UNLEASH

George helps global HR leaders and technologists understand each other by drawing on his direct experience and research-based insights. He balances his passion for the promise of the future of work with pragmatism, having spent more than a decade as an HR leader, a decade bringing leading HR tech brands to market, and another as a top market analyst.
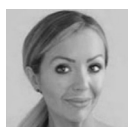
Jennifer Dunkerley

Head of Content & Strategy, UNLEASH

Jennifer is a content strategist and journalist specializing in new technology. Her work focuses on digital news and media, cultural trends, and empowering women in leadership. She previously served as Managing Editor at Microsoft UK & Ireland.

SPECIAL THANKS FOR ADDITIONAL ADVICE AND RESEARCH

Patty Thompson

Campaign Marketing Director
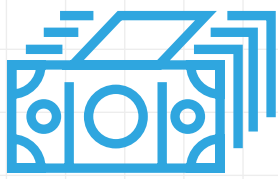
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RVP, Strategic Positioning

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Chief Marketing Officer

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INTRODUCTION

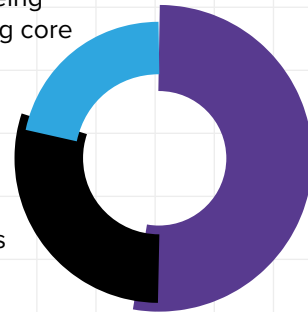The 700 respondents represent an estimated total of

$3B

managed HR tech budget/ investment.

24% are overseeing projects involving core HR systems

30% undertake HR tech projects every year

53% are executives, directors or VPs

ONLY
22%
thought their project adhered to the budgeted cost

ONLY
16%
of respondents consider their HR technology projects highly successful

ONLY
19%
said their projects kept to the project timeline

ONLY
11%
believe they improved the employee experience

NO MORE THAN
15%
are fully satisfied that their programs achieved the intended goals

The HR technology market has exploded. As program capabilities and complexity have grown exponentially, so has tech investment by employers. This growth is fueled by increasingly interconnected global workforces requiring rapid improvements to HR management capabilities and systems to support them. New employment models require changes in how employees are hired, trained, and paid.

As a result, organizations are investing significant time and money to enhance existing systems and add new ones. These upgrades promise increased productivity, better employee experience, and easier regulatory compliance. Yet, several years into this HR technology boom, we keep hearing from HR leaders across the globe that these investments are not living up to their promises.

To better understand the source of their dissatisfaction and figure out what differentiates successful HR technology use, we launched the first annual HR Tech Adoption Study. We gathered the perspectives of over 700 leaders globally who have been involved in significant HR technology projects in the past four years.

IN A NUTSHELL

HOW LONG DO PROJECTS TAKE?

0-6 MONTHS
39%

7-12 MONTHS
22%

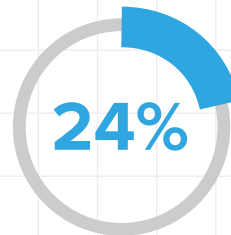**13-24 MONTHS**
25%

2-4 YEARS
8%

4-7 YEARS
1%

24% of projects involved **core HR management systems**

54% of respondents are planning to **increase spending**

6% of respondents are planning to **decrease spending**

WHO RESPONDED TO A SURVEY: A TRULY GLOBAL REACH

C-SUITE, VP, AND DIRECTOR
55%

INDIVIDUAL CONTRIBUTOR
15%

MANAGERS
29%

USING HR TECHNOLOGY FOR TRANSFORMATION

We are in an era of organizational change, with nearly all businesses and public bodies at some stage of significant transformation efforts. And as one program wraps up, a new one is often just about to begin, creating a culture of constant churn in systems and structures. In this environment, HR technology is no longer about merely adding features to existing processes.

Constant change alters what we need from HR technology, but advances in that technology are also shaping transformation efforts. Highly successful projects operate in this ecosystem, where HR systems are change enablers rather than just operational props. This is illustrated succinctly by Margaret Spink at Equinix when she says, "This transformational culture is the new normal. You don't get to go back to business as usual"; in a later section, we'll hear more about Margaret's experiences with technology adoption.

When we talk to HR leaders in the middle of major programs, many describe their organizations as tired and scared.

Technology is changing the way work is done through task automation and the introduction of new capabilities. Labor markets are changing, introducing new pools of talent and new employment models. Layering these advances on the old ways of working is a false solution. To integrate these new patterns, HR practitioners need to redesign workflows, jobs, and career paths. Highly successful HR technology implementations are not just about the technology; they measurably boost organizational performance.

MARKUS LECKE
EDUCATION POLICY
DEUTSCHE TELEKOM

Deutsche Telekom is a leading global telecommunications company, with a presence in over 50 countries and around 210,000 employees. The organization is currently juggling multiple transformation initiatives. One of these is intended to foster a new learning and development culture, promoted by an employee-facing campaign, You Learn, and underpinned by a program to digitize the learning experience for employees. Learning as an everyday matter, self steered learning, and learning with fun are the core ambitions of this new initiative.

The program involves moving from a learning management system to a learning experience platform with the integration of mobile learning tools. This technology shift builds on an aim to manage learning experiences through the collaborative reflection of employees and their managers. Individuals will identify learning gaps and training goals in discussion with their line managers. A skill management system supports mapping experiences to close these gaps and build a connection to the learning platform. The platform provides a personalized environment that reflects consumer technology interfaces (such as Netflix), allowing users to easily find opportunities that reflect the learner's experiences and needs, based on the work with their leaders to define their learning paths.

Engaging employees and leaders in the process and technology changes has required a significant communication and change management effort. Positive learner stories and senior executive endorsements illustrate to managers the value of embracing the new learning process. The technology is a tool that supports the more massive shift in the learning culture, as the organization seeks to engage leaders and employees in mapping out the learning needs and place learning in the flow of work.

> 66
>
> **This technology shift builds on an aim to manage learning experiences through the collaborative reflection of employees and their managers.**

CORE CHALLENGES DERAIL PROGRAMS
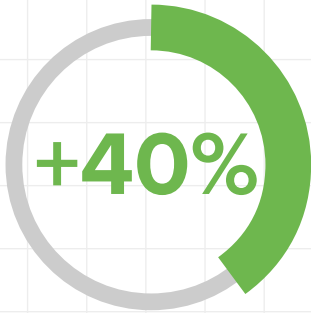
+40% of respondents reported three or more problems that directly impacted project success

Many things can go wrong in an HR technology implementation, and they often do. We asked participants in the study to dive deep on a single recent HR technology implementation, providing information about the project type, timeline, and budget; goals and whether they were achieved; who was involved in various project tasks and decisions; and what went well – and poorly. Where project elements did not succeed, we asked participants to identify what challenges were responsible. The challenges they identified spanned the entire project scope, including:

- design and management issues, such as system redundancy or lack of budget or people resources
- technology limitations, including security problems or system integration issues
- training and change management issues, such as poor training or training methods or lack of user readiness

Many faced multiple challenges. More than 40% of respondents reported three or more problems that directly impacted project success. We identified a subset of more common issues – encountered by 15% or more of respondents – that substantially decreased the likelihood of a project being judged highly successful (10% or less of projects encountering the challenge were considered highly successful).

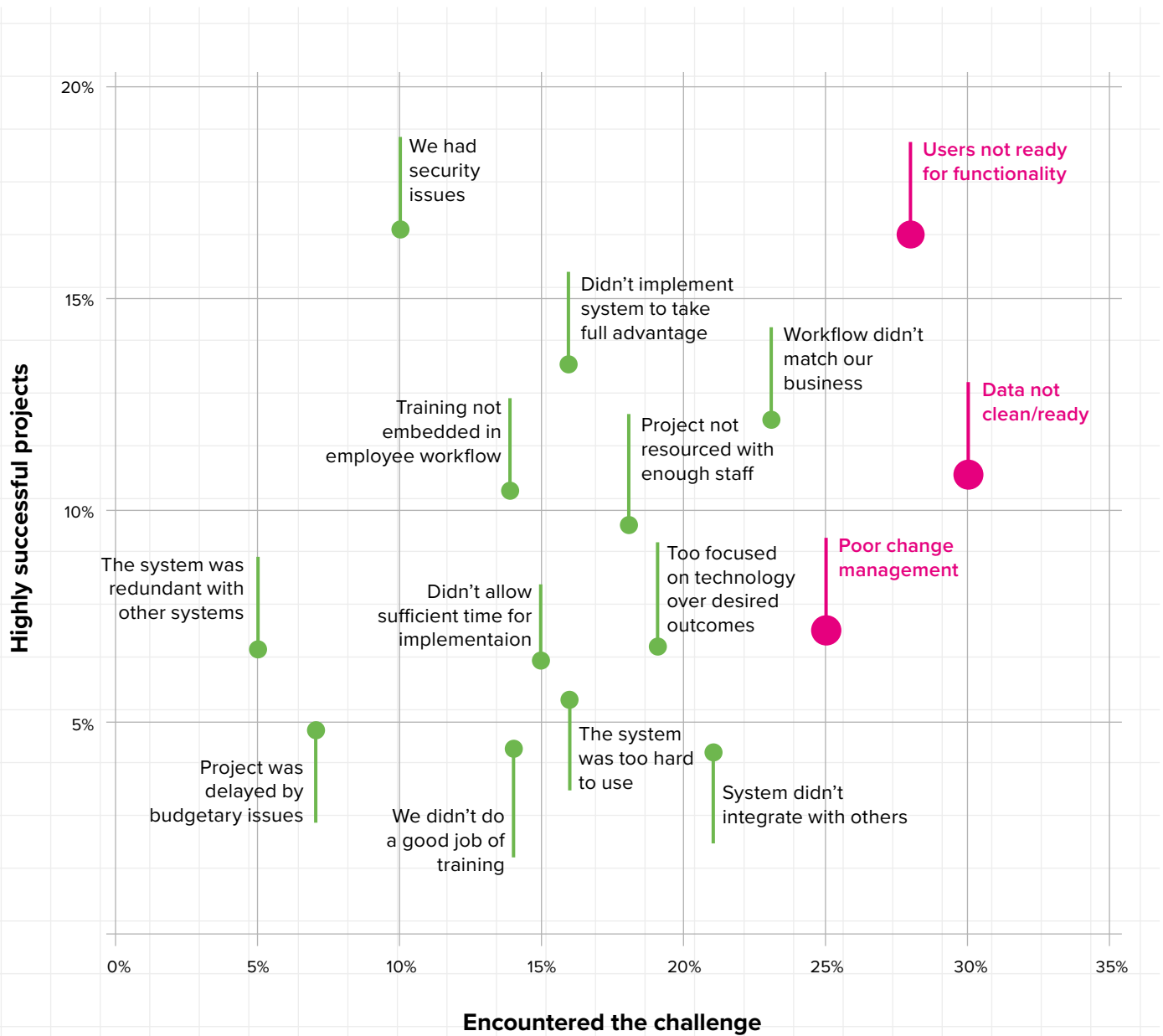# COMMON OPERATIONAL CHALLENGES OFTEN DERAIL HR TECH PROJECTS

Figure 1
These challenges flag up the fundamental criteria that must be in place to have a successful project. Many of these seem straightforward, yet these are some of the most commonly encountered challenges, each of which was prevalent in 15% or more of projects.

8 GOLDEN RULES
FOR SUCCESSFUL HR TECH PROJECTS

Based on our analysis of the survey data, showing what went right and wrong, we have identified that project excellence correlates with attention to eight critical factors.

1. FOCUS ON OUTCOMES

Ask the simple question; what do we need to achieve? Leadership teams must understand their objectives before signing expensive contracts. Organizations that have clear goals and stick to their vision are more likely to achieve transformational outcomes.

2. CHANGE MANAGEMENT MATTERS

As organizations move into a phase of nearly constant change, it is more important than ever to prepare employees for and support them through technological upheaval and organizational transformation.

3. INVEST IN INTEGRATION

HR and IT infrastructures continue to become more complex, requiring organizations to clearly define and execute system integration needs.

4. ALLOCATE ADEQUATE RESOURCES

Organizations must think beyond the bare minimum of resources to implement a technology, instead allocating the time, budget, and staff resources needed to deliver optimum results.

5. BUILD ON SOLID DATA

Data that is not clean or not ready is the most frequently encountered challenge for HR tech projects, underlining the importance of preparation to allow organizations to implement new systems and processes.

6. EMPLOYEE EXPERIENCE IS THE KILLER APP

The specific technology or platform is much less important than the experience employees have interacting with it; organizational focus on user experience and offering tools that smooth their experience are critical to adoption.

7. BIGGER CAN BE BETTER

Projects that are expansive in scope and that take advantage of expert support are more successful at driving big impact.

8. INVOLVE THE RIGHT PEOPLE

Success requires more than just HR involvement, including positive problem-solving with IT and bringing key partners from across the organization into the project.

1. FOCUS ON OUTCOMES

Asked to identify the challenges thrown up by their recent HR technology projects, 19% of respondents to our study reported that they were too focused on technology rather than what the technology was intended to achieve. Among respondents reporting this challenge, only 6% felt their project was highly successful. Rapid advances in HR technology offer improvements to technical capabilities that enable new ways of working. But to achieve a transformational impact, organizations must work through what they want to change and how the technology can support that.

2. CHANGE MANAGEMENT MATTERS

Change management has been recognized as a discipline for more than 25 years, but it continues to be a sticking point for many organizations. One in four respondents to our survey identified poor change management as a key challenge to their HR technology projects, and the proportion of organizations struggling in this area, rating their projects as highly successful was only 7%. We know that change management is an important element of any technical project, yet 29% of survey respondents told us they did not allocate any project budget to change management and/or training, and those who allocated nothing to change management reported particularly poor employee satisfaction and engagement outcomes. HR technology projects require investment in preparing and supporting employees impacted by the change in order to drive adoption of the new processes and capabilities.

E-COMMERCE RETAILER

One senior leader in a US-based e-commerce company shared his organization's recent experience with recruiting technology. The firm's recruiting infrastructure uses a core applicant tracking system complemented by a range of sourcing solutions tailored to hiring profiles across different roles. The organization has recently implemented a leading talent customer relationship management (CRM) system, but system adoption has been slow.

The talent CRM promised the ability to nurture long-term relationships with candidates and enhance the employment brand. Still, in practice, their recruiters cannot consistently keep up with the volume of candidate records. They are better able to find current information and contact candidates through other channels, such as LinkedIn. "It's possible we didn't deploy it properly and need to fix it, or that the software isn't as good as we believed it was," says the senior leader in charge of their talent acquisition technology.
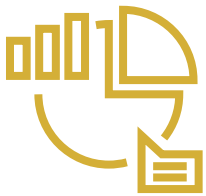
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... but it's also possible that the talent CRM market has been driven less by the needs of talent acquisition directors and more by the availability of technology and capital.
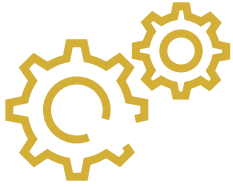
3. INVEST IN INTEGRATION

HR technology exists in a broader ecosystem, and integration is often considered a basic requirement for project success. However, 21% of our survey respondents told us the systems they commissioned did not integrate well with other systems in their infrastructure. When this happened, only 4% of projects went on to be considered highly successful. Poor system integration may result in delays in transmitting information between systems, incomplete networks, or complete lack of integration of some systems in the infrastructure. If they are to transform a business, new and upgraded HR systems cannot be siloed alongside existing systems but must integrate to provide a seamless set of tools for work performance.

4. ALLOCATE ADEQUATE RESOURCES

Rounding out the highest impact and most frequently encountered challenges, we found that allocating insufficient time (15% of respondents) or staff (18% of respondents) has a strong negative impact on project success. Organizations are under increasing pressure to reduce the overall cost and time to complete projects. In many cases, this pressure may result in unrealistic time frames. Our study finds that 26% of HR technology exceeds budget expectations and 46% of projects take longer than planned (one in ten projects exceeds its planned timeline by more than a year). To ensure success in driving meaningful improvements, be realistic about how much time and how many people are needed.
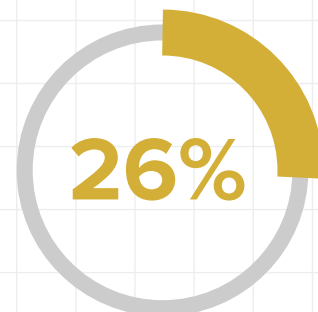
5. BUILD ON SOLID DATA

The single most common HR technology implementation challenge identified by our study respondents was data that was not clean or not ready for the new system. Almost a third (30%) of respondents told us they faced this problem, and only 11% of those who did were able to report highly successful outcomes. The data going into new systems and processes must be accurate and ready for the system to read and use.
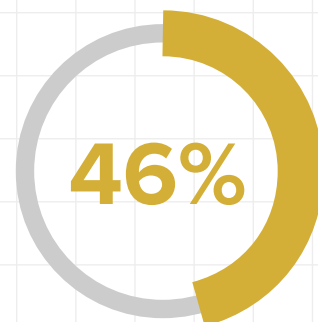
26%

of HR technology exceed budget expectations

46%

of projects take longer than planned

DESIGN FOR TRANSFORMATIONAL IMPACT

Achieving great project outcomes requires more than just the ability to sidestep common pitfalls. Our study looked beyond the key challenges to identify critical success factors, ways that highly successful organizations approach and implement their projects. We tested organizational factors, such as size, geographic scope, and experience with large-scale IT projects, as well as project-specific factors, such as project goals, platform selection criteria, cross-functional collaboration in key project phases, and type of system implemented.

As we studied the variation in successful outcomes across all these factors, three key themes emerged that consistently resulted in an increased likelihood of great results - a focus on employee experience, right-sizing the project, and including the right stakeholders throughout the project. These characteristics are foundational to successful organizational transformations and elevate the project from a tech implementation to a tool for wider change.
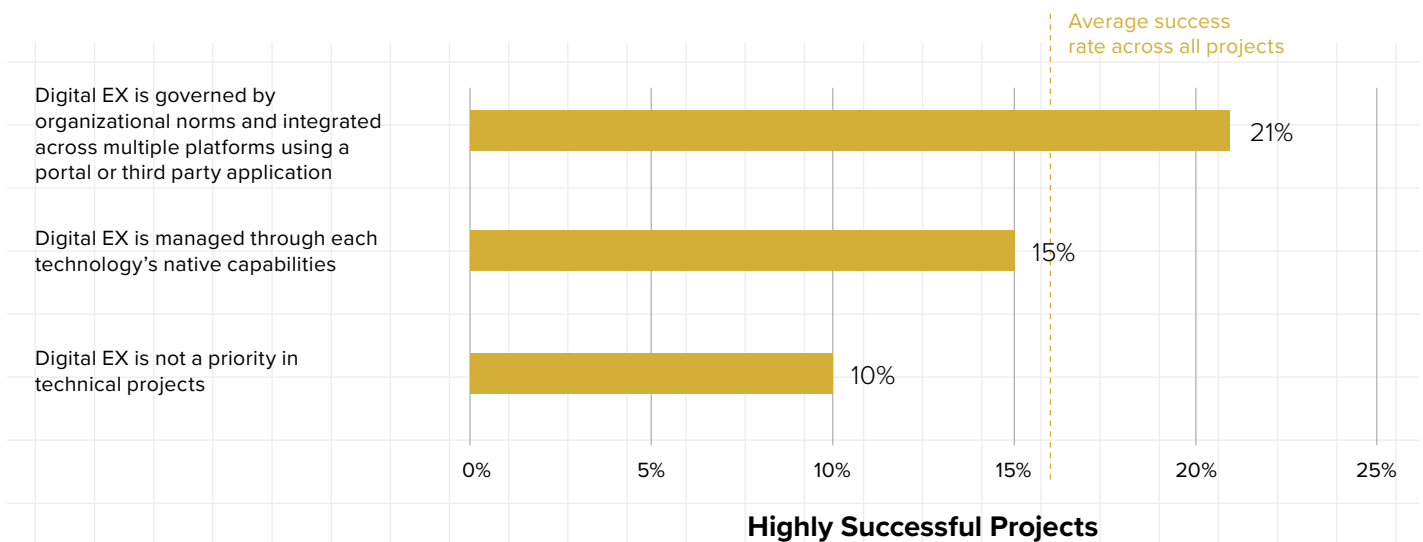
Digital EX is governed by
organizational norms and integrated
across multiple platforms using a
portal or third party application — 21%

Digital EX is managed through each
technology's native capabilities — 15%

Digital EX is not a priority in
technical projects — 10%

0%   5%   10%   15%   20%   25%

Highly Successful Projects

Figure 2
Organizations with established norms and tools governing
digital employee experience are more than twice as likely to
have highly successful HR tech outcomes

6. EMPLOYEE EXPERIENCE IS THE KILLER APP

The HR technology provider landscape is constantly evolving, with a growing list of platform types and providers. Walking the floor at any major HR tech conference, you will find hundreds of vendors, each promising exciting new capabilities and killer features. Our study took in organizations contracting with the full range of these providers, and we found that each vendor has its share of highly successful and highly unsuccessful projects. There is no single platform that has a significantly higher likelihood of success.

Employees today work with an increasingly complex HR infrastructure. More than half of the respondents to our survey told us that their HR systems architecture is made up of five or more systems; for 26% of respondents, it's eight or more. These systems are updated and replaced regularly; 40% of respondents to our survey report they have introduced five or more new HR systems in the past four years. These systems and their features may be remarkable, but not if the people expected to use them aren't equipped to take advantage. Many organizations' HR systems are drowning in features, and employees can't keep up.

A strong emphasis on user experience ensures that employees understand the features and that organizations get more value from their systems. In fact, our research shows that organizations that place a priority on the experience employees have interacting with the growing stack of HR technology solutions are more likely to have highly successful projects: 22% of respondents whose organizations regularly assess employee interaction with these systems report high levels of success.

At the project level, projects whose funding is justified by improvements to the employee experience are more likely to be highly successful than those that merely seek to replace outdated technology.

But just measuring is not enough; 36% of respondents told us their organizations are establishing a more consistent employee experience across multiple platforms by establishing organizational norms for user experience or integrating this experience through a portal or third-party application. These efforts are repaid in project success, with 21% of respondents who are using these methods rating their projects highly successful, compared with only 15% of those who use only native capabilities and interfaces in each application, and high levels of success for only 10% of those who report that this is not a priority.

EQUINIX

HR TRANSITION PROGRAMME DIRECTOR EQUINIX

Equinix connects the world's leading businesses to their customers, employees, and partners inside the most interconnected data centers spanning 55 metros. The company is in the midst of a significant transformation effort as it rapidly grows its business. To manage this expansion, Equinix recognizes that it must transform work processes to make things easier for HR and employees. "We're not designing this for HR. It's for employees and for managers, so HR is in the flow of work," explains their HR Transformation Programme Director.

"We need to provide one interface for whatever employees need to do — and that extends beyond HR, to include Finance, IT, Operations — and we'll work out behind the scenes how you triage and act on what employees need. When you log into Amazon, you don't see all the different suppliers' chains. You just know you can get what you need."

But Equinix won't call this integrated offering employee or manager self-service; Margaret has found this terminology creates resistance. Employees and managers feel they're being asked to do someone else's job; HR professionals feel they are being cut out of the process.

This transformation is not intended to do either of those things; it's about giving people direct access to what they need to do.

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This transformational culture is the new normal, you don't get to go back to business as usual
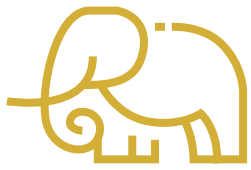
7. BIGGER CAN BE BETTER

As HR technology spending increases across a growing number of platforms, many organizations are looking at how to reduce the cost of HR tech implementations. While cost stewardship is important, it is equally important to keep sight of the desired functional outcomes when planning and resourcing the HR tech projects. Organizations that recognize the scale of the project they are undertaking and size their resources and support accordingly are most likely to have highly successful outcomes.

The recognition and resourcing of the project can show through in multiple facets. Implementations impacting larger employee populations and more geographic segments are somewhat more likely to be successful. Of course, the size and geography of HR tech projects are impacted by many factors, not least of which is the organization's size and geographic scope. However, at any size, there are certain indicators of appropriately scoped projects that are consistent drivers of success.

One indicator is the implementation team assembled for the project. Organizations that elect to partner with a leading global systems integrator, one with significant experience with the technologies involved, are more than twice as likely to have highly successful projects than those who rely on independent or less experienced partners.
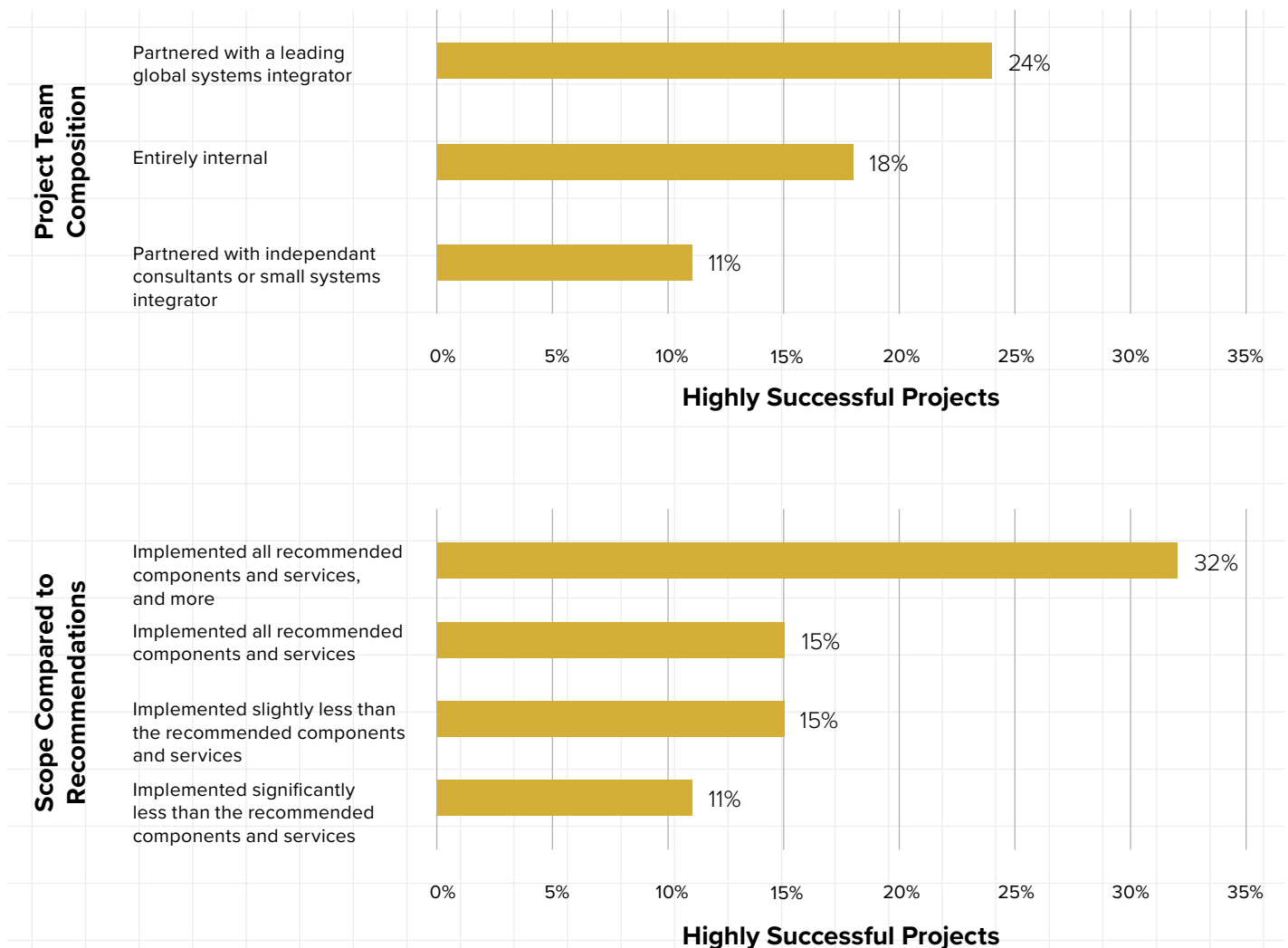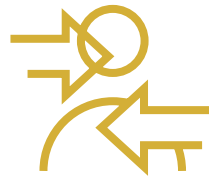
Project Team Composition

- Partnered with a leading global systems integrator — 24%
- Entirely internal — 18%
- Partnered with independant consultants or small systems integrator — 11%

x-axis: 0% 5% 10% 15% 20% 25% 30% 35%

Highly Successful Projects

Scope Compared to Recommendations

- Implemented all recommended components and services, and more — 32%
- Implemented all recommended components and services — 15%
- Implemented slightly less than the recommended components and services — 15%
- Implemented significantly less than the recommended components and services — 11%

x-axis: 0% 5% 10% 15% 20% 25% 30% 35%

Highly Successful Projects

Figure 3
Expansive scope results in better outcomes

In fact, organizations with appropriate internal resources who independently take on the project are more likely to achieve high levels of success than those partnering with smaller and less experienced integrators.

This partnership is essential because the external partners make important recommendations that drive project success in many cases. When it comes to recommendations related to scope, organizations that implement everything or slightly less than everything recommended have just below an average likelihood of success. For organizations that are willing and able to take an even more expansive view, the rewards are significant – they are more than twice as likely to be highly successful. In fact, 21% of our respondents told us their project had done this, and they are the most differentially successful group we found. Conversely, for organizations that implemented far less than recommended, the likelihood of having a highly successful project plummeted to 3%. Projects that are appropriately scoped and resourced to take full advantage of the new technology are the best positioned to achieve their intended outcomes.

IT role in platform selection

Primary owner
11%

Not involved
16%

Significantly involved
37%

Somewhat Involved
36%

IT role in platform implementation

Primary owner
15%

Not involved
13%

Significantly involved
41%

Somewhat Involved
31%

Figure 4
IT Role in HR Technology Selection and Implementation

8. INVOLVE THE RIGHT PEOPLE

HR technology projects require collaboration between HR, other business leaders, and IT professionals, but the roles played by each vary depending on the organization and the project. Sixteen percent of study participants told us IT was not involved in choosing their HR platforms, while 11% told us IT was the primary platform owner. IT involvement in project implementation showed similar variability. IT's role in the implementation does not significantly impact project outcomes, but its involvement in selection has a strong impact. The most positive outcomes were found in projects where IT is the primary owner of platform selection (24% of these say the projects were highly successful) or where IT is not involved (21% of these also report high levels of success). Partial involvement by IT in selecting and implementing the platform is associated with the lowest likelihood of a project being considered highly successful, suggesting it is all or nothing.

HR tech projects where IT is involved but is not the primary owner may be challenged by a lack of alignment between the technology function and HR/business needs. Our study revealed that in 40% of projects, there is some degree of disagreement between HR/business leaders and IT. Where the disagreement is resolved relatively easily, the likelihood of success drops only slightly (from 17% to 15%). However, in the 8% of cases where there is a high level of disagreement, or the issues are not easily resolved, none of our study participants rated their project as highly successful. High-quality collaboration between IT and HR/business leaders and the ability to resolve issues to everyone's satisfaction is critical to project success.
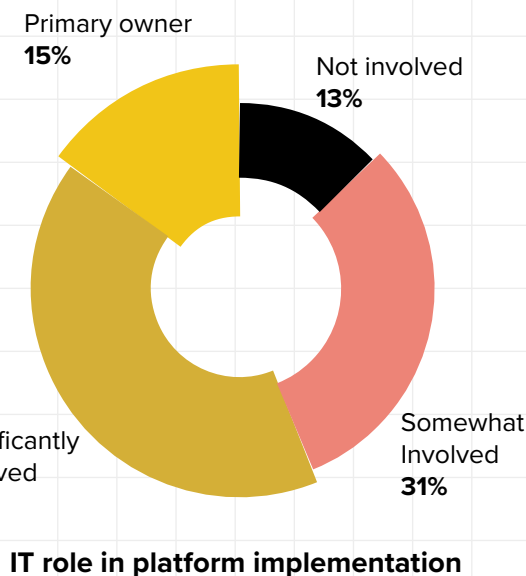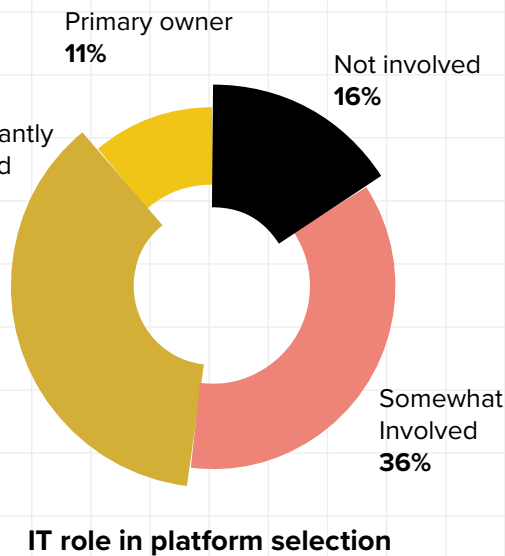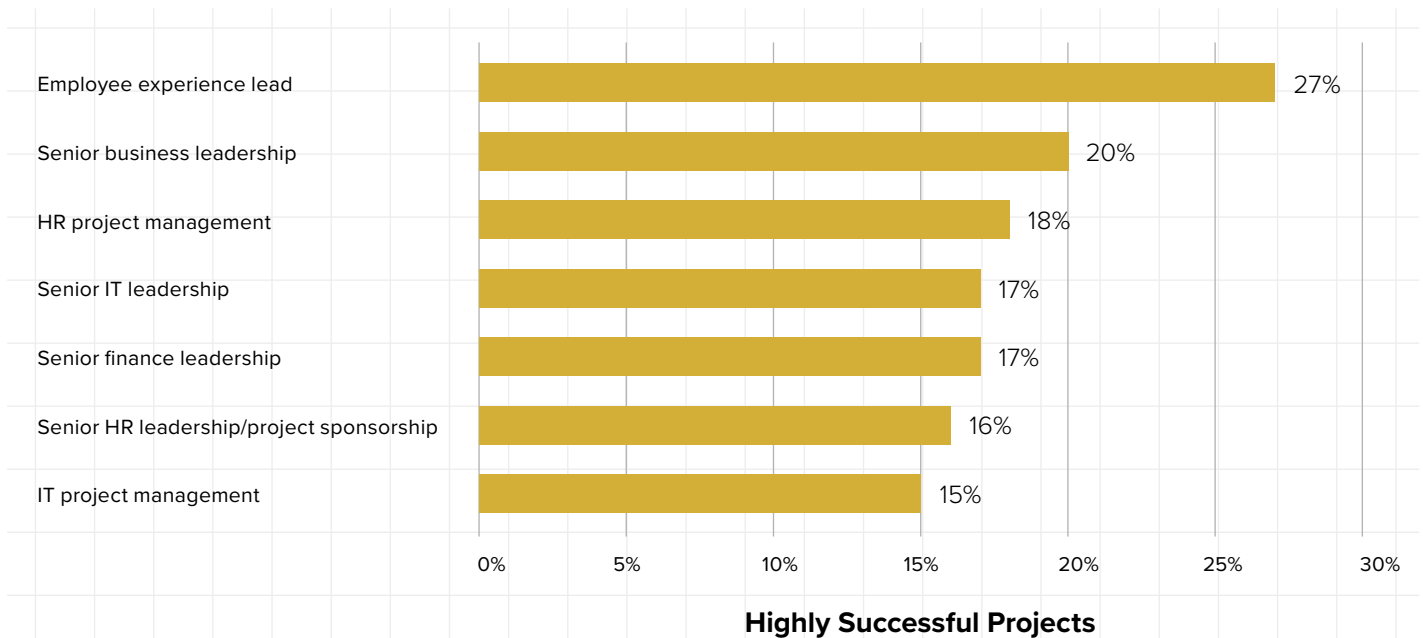
Figure 5
Projects including Employee Experience Lead and
Senior Business Leaders are more successful

Nevertheless, the most successful projects are those that reach beyond HR and IT. More than a quarter of projects that include an employee experience lead on the project team are considered highly successful; 20% of those that include senior business leaders from outside HR are highly successful. Similarly, involving employee end-users and line-of-business representatives in assessing functional capability raises the likelihood of project success to 20%.

This cross-functional collaboration may seem like an obvious way to ensure project success, but it doesn't happen in most organizations. Only 23% of respondents included employees in the functional assessment, and only 22% had an employee experience lead on their project teams. While there is no one-size-fits-all cross-functional collaboration model, increasing the degree of collaboration can be expected to improve HR technology outcomes by representing the needs of a more diverse set of users and creating a greater sense of project and platform ownership outside the HR function.

WHERE TO FROM HERE?

ONLY
16%
of projects currently considered highly successful

We are in an age of constantly evolving technology, and this evolution enables organizations to do work in new and more efficient ways. However, to take advantage of this technology's transformational opportunities, organizations must be ready to implement and use it to its best capability.

With only 16% of projects currently considered highly successful, there is tremendous room for improvement. This improvement requires a shift in mindset from HR technology as the savior to one of organizational transformation.

For organizations that succeed, the payoff is significant. They improve and streamline work processes, enhance employee experience, and create opportunities to accomplish things that were previously impossible.

Given the richness of our research, this report only conveys the data and insight captured at the time of publishing. Further insight and analysis can be found on the UNLEASH website, unleashgroup.io and given the pandemic is continuing to impact our workplaces, businesses, and people we will be providing regular updates that adapt and forecast the changing needs of our community.

unleashgroup.io

HR TECHNOLOGY: A TOOL FOR TRANSFORMATION, NOT AUTOMATION

We've been following the HR technology market for almost two decades now and have long been aware of adoption challenges. This is the first study that takes such a comprehensive, HR-focused look at the topic.

The HR Technology Adoption Study has uncovered important and essential findings: effective HR technology implementations are neither system replacements nor automation projects – they are business transformations. And when companies understand this, they gain much great return on investment, adoption, and impact from these investments.

LET US EXPLAIN.

Many years ago, we purchased HR technology to automate and capture data on HR processes. These systems were little more than complex form-automation systems that captured candidate resumes and assessments, training history, performance ratings, feedback forms, and other artifacts of talent-management practices. In fact, most of the technology was designed to automate "pre-hire to retire" talent practices, focusing on proving value to HR first, employees second.

In that era, we selected vendors based on the features they offered. We compared detailed requirements for every talent practice, evaluated global or local features, and then picked a vendor based on the maximum range of capabilities for our existing or perceived needs.

Today, as jobs have become more dynamic, and employees struggle to stay aligned and productive, these old systems seem like a burden. In fact, our research shows that buying systems to "automate talent practices" can often result in a negative return, forcing companies to think about HR tech in a new way.

The new world of HR technology is focused on employees and candidates first, HR users second. They are not simply systems of record, but systems of productivity. They can now help people select the right job, develop the right skills, set and align goals, give and receive feedback, and manage the wide range of experiences employees have at work. In fact, there are now almost 4,000 vendors selling HR tech tools, and each focuses on making employees' lives better.

At the same time, the tools have changed, so have the HR practices companies need. Today the number one focus in HR is employee experience: designing micro-experiences that help employees, managers, and executives do their jobs better, gain more information about work and the workforce, and find ways to make work easier. Our research found that when buyers focus on these problems, they get outstanding returns on their investment.

HR TECH PROJECTS FALL INTO 3 MAIN CATEGORIES

1. AUTOMATION SYSTEMS

At the most basic level, we buy platforms to "automate and deliver." Payroll systems are a good example here – without one, we can't really run the company.

2. TALENT MANAGEMENT SYSTEMS

At the second level, we buy platforms to "integrate and improve." Learning management systems, talent management systems, and other such platforms are designed to "integrate people processes" and make them better. While some platforms do this better than others, the main focus here is to "make a process better" – better for HR and employees

3. BUSINESS TRANSFORMATION AND GROWTH PLATFORMS

At the third and most important level, we buy platforms to "transform and grow." In this scenario, we look at these systems as a way to "change the way we operate."

A new digital HR platform may, for example, enable managers to set goals and collect feedback among teams in a direct and intelligent way – forcing a new way of managing teams. A next-gen recruiting system may automate screening and background checking, dramatically changing the role of recruiters. An intelligent learning system may enable self-directed learning, radically changing how managers and learning and development teams develop and deliver training.

And in this world, we expect systems to dramatically improve the employee experience, not make work harder.

TRANSFORMATION PROJECTS SUCCEED. AUTOMATION PROJECTS OFTEN FAIL.

What this research discovered is that the most successful (i.e., high-adoption) companies look at HR technology in this third way: they are adopting technology to help the company "work in a new and different way." Yes, they also automate many HR practices, but this is more of a sideline in the project.

This means successful HR tech projects now require a rethinking of talent philosophy and strategy, a new look at job design and job architecture, a rethinking of global vs. local business processes, a strong partnership with IT and business counterparts, and significant investments in training and change management. In fact, the research found that the most successful projects budget over 20% of the project cost on these processes and change issues – the actual license, integration, and configuration of the system makes up the rest.

If you go out and acquire Workday or SuccessFactors, for example, and don't put in the time and effort to rethink how recruiting, onboarding, development, performance management, and other practices will be done, you're missing an opportunity. You may believe that these systems "have best practices baked in," – but they really don't. They are well designed transactional systems, but it's up to us as HR professionals and business people to decide how to use them.

QUALITY DATA IS KEY!

The research also points out that successful projects focus not only on software features and tools but also on data. Most companies have mixed success with employee data. Some employee data is validated and clean, and a lot of it is inconsistent and messy. Every time a company acquires another company, there's a massive data rationalization to do. When you buy a brand new system, you don't want to put "old data into a new system." (It's like putting old furniture into a brand new house.)

This means you have a big effort to clean and rationalize data and then decide very carefully what data you want to keep, delete, and integrate from multiple sources.

And successful projects take data integration work seriously.

Today the average large company has 11 "systems of record," and most companies have more. Your ability to carefully decide how these systems integrate, create a common data dictionary, and carefully create rules for security, privacy, and data governance are all critical to success.

STRONG RELATIONSHIP WITH IT AND BUSINESS LEADERS

Despite the promise of the cloud, these projects demand a close alignment with IT. The research found clearly that the most successful companies had IT leaders closely involved in their projects. These individuals worry about security, systems integration, architecture, and important enterprise-wide deployment issues. While we once believed the cloud would make IT less important, in fact, the opposite is now true. With the myriad integration, data quality, and security issues involved, IT is essential to success.

We also found that HR tech projects must include business leaders throughout the process. It is no longer ok to "roll out the new HR system" and force employees and managers to use it. Since these systems are now being used to improve the way we work, we need business counterparts to join the project from the beginning. They should be involved in pilot tests, decisions about vendors and features, and have voting rights on process decisions and deployment options.

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Today, the average large company
has 11 Systems of Record!

SIMPLIFICATION AND THE EMPLOYEE EXPERIENCE

Let me conclude with the biggest finding of all. Successful projects take the time to make things easy. They pilot systems with users early, they segment users into groups to develop feature sets, and they simplify the configuration to remove any unnecessary steps. Companies now often buy an employee experience toolset to sit on top of the system. This helps guarantee employees find the system easy and valuable from day one, rather than having to go through "training" on how to get basic things done.

I just spent time with a large healthcare company in the Midwest who had implemented a world-class HCM ERP. They purchased the system with the expectation of business transformation – but nothing could have been further from the truth. After millions of dollars of implementation and license fees, the company told me, "things are even harder to do now than they were before." They are now going back and looking at all the talent processes, simplifying steps, removing unnecessary data elements, and making the system more usable.

In the process of doing this, they're rethinking their performance and reward process, simplifying their job model (companies often have far too many job descriptions in their job families), and creating a very simple set of processes for recruitment. This "cleaning up" process is already creating value: employees are excited to use the system now, and the whole organization is more productive.

DON'T JUST BELIEVE VENDORS AND CONSULTANTS. IT'S ALL UP TO YOU!

Vendors will always show you demos that make you want to buy their product. That's their job – to make their software look exciting, functional, and easy. While demos and requests for proposal are important – there are many function, language, feature, and security issues you have to evaluate, it's not the product that drives success; it's how well you use the platform to rethink how your company works.

Consultants will often help you with this, but many consultants focus primarily on implementation and not transformation, so make sure you pick consultants carefully.

A good consultant not only knows how the product works but can also perform complex data integration and knows how to guide you through the process of rethinking how your company manages people. They should have good HR domain expertise and a point of view on each practice you use.

DON'T MISS A GOLDEN OPPORTUNITY

Finally, this research points out an important point. Today, as companies grow and expand globally, almost all harder to maintain. A big systems replacement project is the perfect time to say, "how would we do this if we started all over?" and use this project as an excuse to modernize, clean-up, and harmonize how you get things done.

The HR systems of today are more advanced, intelligent, and functional than ever before. They all do amazing things: it's just up to you to use them as a strategic weapon to make your company better.

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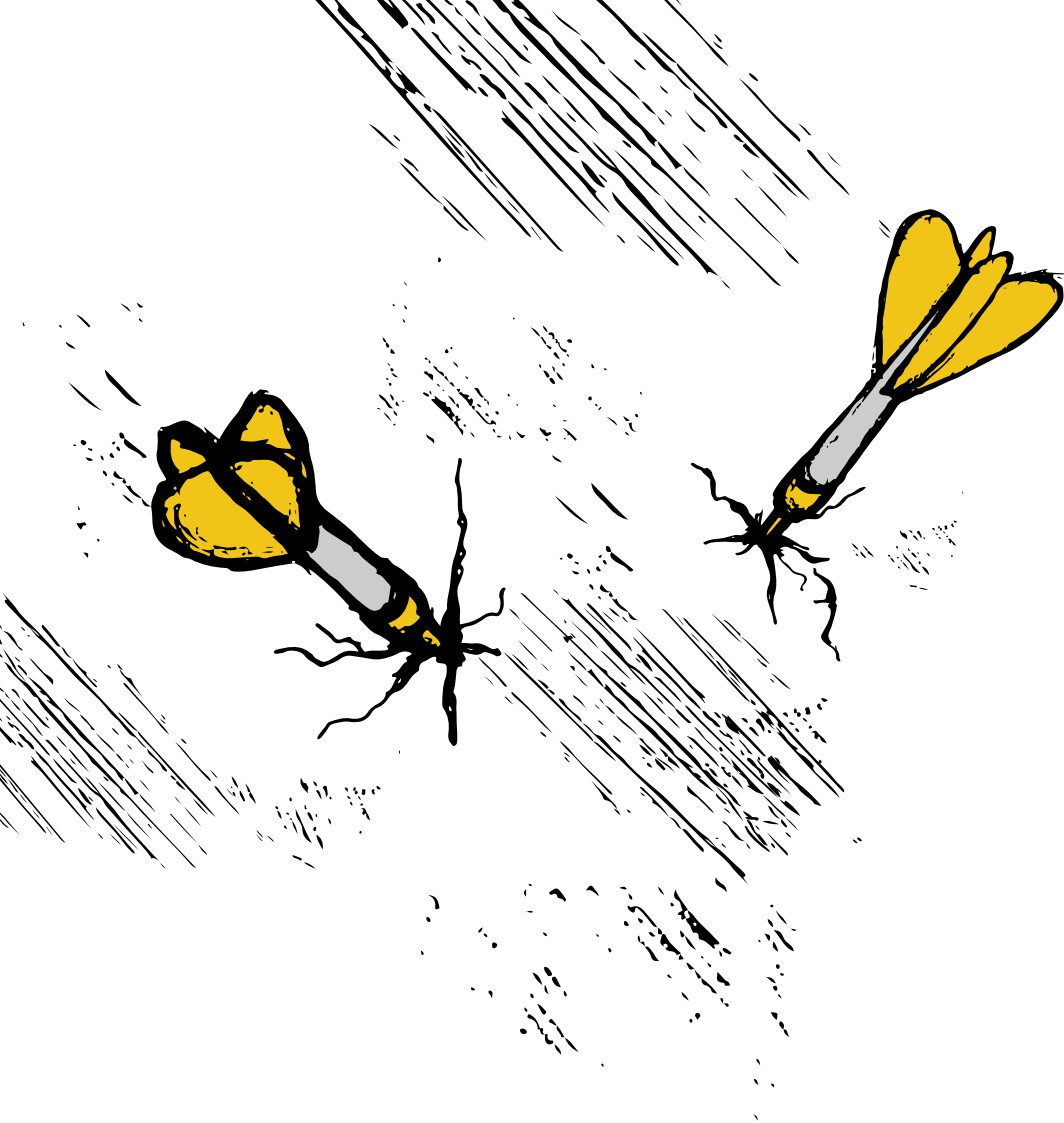
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>
> **HR tech is coming of age. Getting it right will make HR the business value driver it aspires to be.**

Marc Coleman
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