

# 5 Inescapable Trends of Modern HR

## Research Brief

Brandon Hall Group Research Team



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## Introduction



Technology is no longer just supporting HR, it is shaping it. Many of the trends we have seen in HR in the last ten years (e.g. rating-less performance management, evidence-based/analytical HR, transparency) have not come from cultural shifts, but from technological shifts. Exponentially more data is available through an increased dependence on computers and automated systems which evolved faster than our ability to make use of their capabilities.

We now have more data than we need to answer questions that commonly arise in business. But we are occasionally unable to answer those questions because we do not understand the

data, don't have access to the specific data we need or lack the know-how to turn the data into actionable information.

An organization's collective analytical ability can be enhanced through training and hiring, and the storage and distribution of the data can be improved through better systems, but certain trends show how the workforce is changing. Those changes are important to understand so the proper training and systems can be implemented. As each trend is discussed, note that none of them exist in a vacuum — all five trends are inextricably linked, though each requires understanding of its origin and impact.

## Key Findings

**39%**

**“Improving Customer Experience”**

= The top business priority for companies.

**#1 Regret (40%)**

For companies after an HCM implementation that they hadn't evaluated enough providers.

**83%**

More than four-fifths of companies said integration was essential or critical when choosing a workforce management solution.

### 1 Data-based Decision Making

One of the most common difficulties modern knowledge workers face is “turning data into information.” This phrase reveals a simple fact: Data alone does not solve business problems. As time passes, there will only be more data and if merely owning that data were enough, organizations would not be struggling with it. In Brandon Hall Group's most recent Human Capital Management Technology survey, only 33% of surveyed organizations reported their satisfaction level with their current workforce analytics provider as either satisfied or very satisfied. The data shows companies are concerned with their analytical capabilities but the real issue isn't in the availability of data, it is in using the data in ways that provide measurable, positive activity within your company.

As its name suggests, data-based decision-making is a system of collecting and analyzing data to choose the best course of action from several possible choices. In a business setting, these decisions are usually optimized in terms of financial risks and rewards, so the immediate effect of that decision is often easier to measure and analyze than in other settings.



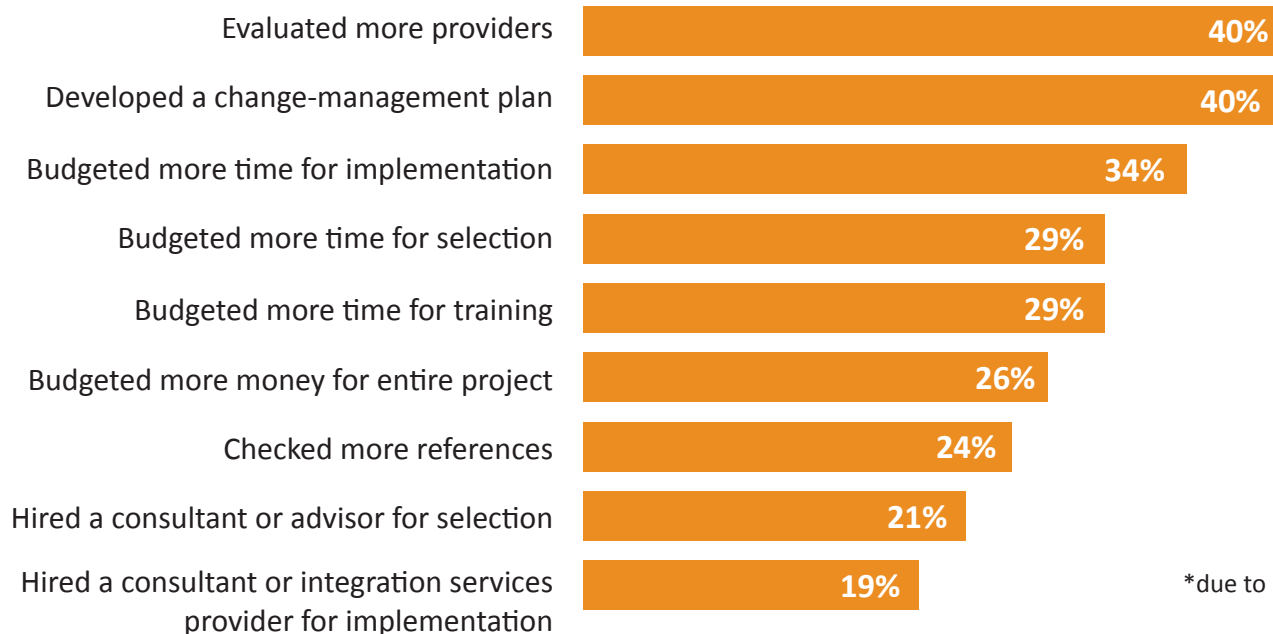
However, the long-term effects of common tactical decisions isn't as easily measurable because individual decisions may have minute consequences. It is only because there are thousands of daily decisions that a noticeable change in the organization occurs.

For that reason, the processes within your organization must change to optimize new data streams and improved analytics. Proper, secure data must be provided to all levels of decision

making but it also must be made part of the decision-making process. This means the right kind of people (analytically minded with the ability to use the technology provided to optimize their decisions) must be in place, with the right processes (systems, policies, procedures) supporting them. This might come through training, hiring or systems, but it's usually a combination of all three.

### HCM Technology Survey

**In hindsight, what would you have changed or liked to have known prior to implementing your current HCM Technology? (n=154)**



\*due to rounding, minor errors may occur in the number totals

When survey respondents were asked about their satisfaction level with any aspect of HCM in their organization, no system rated more than 10% “very dissatisfied.” However, when asked about what they would have done differently, 40% wished they had evaluated more providers, which seems to indicate that although they are not overly displeased with their HCM

technology, they feel there are better options available. This might not be the fault of the technology, though; organizations expected the technology to be a change agent (*spoiler alert: it never is*), instead of updating their own internal processes and supporting new methods to take full advantage of updated technology.

## 2 Transparency



Information wants to be free and this extends to the workplace. Social networking, the anonymity of the internet and sites such as Glassdoor.com demonstrate the ability of data to be shared and visible to employees leads to an increase in interest from those same employees as to what that data means. Organizations able to embrace the “clear revolution”

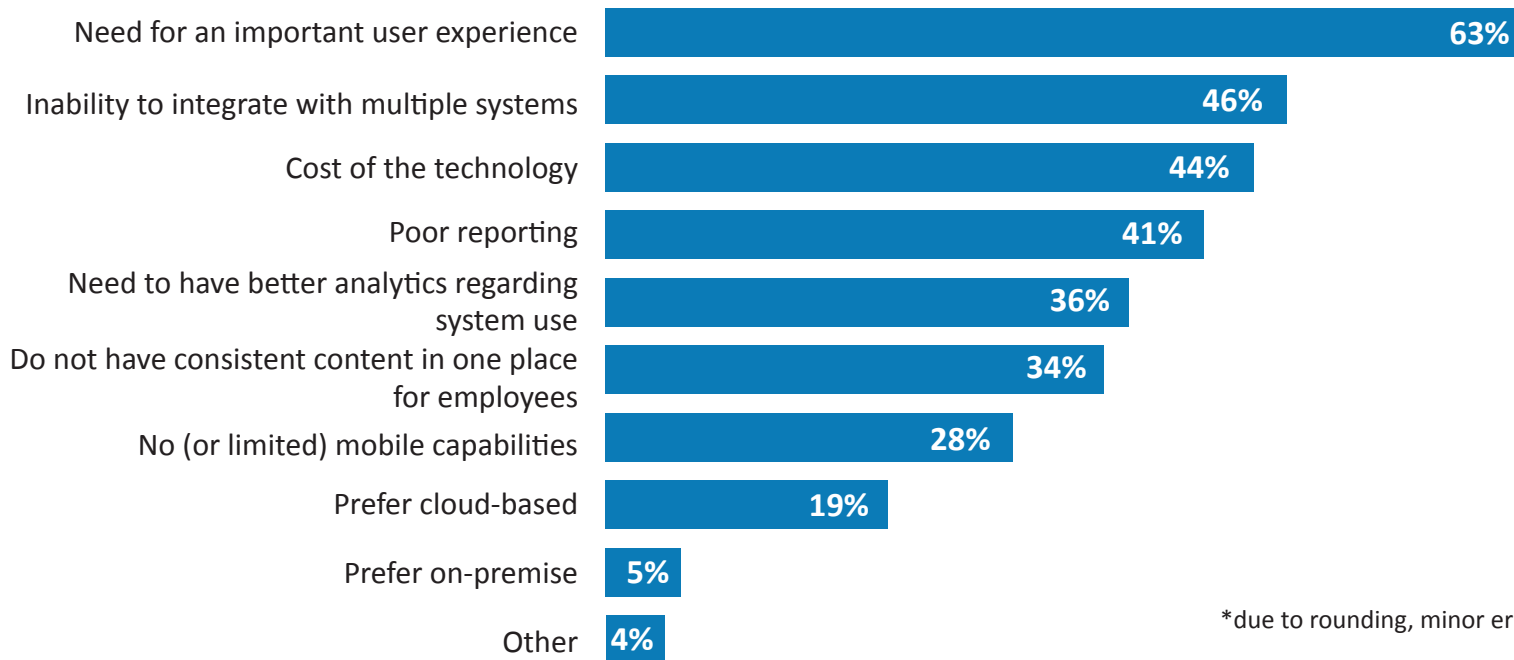
will set themselves apart by providing information from the data directly to employees, allowing the automated systems to work for and not against them.

Part of putting that transparent data to work involves making it accessible to managers and employees for day-to-day guidance and not just strategic planning. Much of the focus on the so-called “analytics revolution” has been on how data will allow companies to shift strategies in accordance with changing market conditions, but strategy is useless without execution, and execution requires front-line managers and employees. According to the 2019 Brandon Hall Group HCM Outlook survey, improving customer experience was listed as a top business priority for companies (39% overall cited it as their top concern), which requires full alignment between strategy and execution, fully facilitated by HCM technology, not hampered by it.

### 3 Improving User Experience

#### HCM Technology Survey

What are the biggest barriers to satisfaction with HCM Technology? (n=177)



\*due to rounding, minor errors may occur in the number totals

In the case of improving user experience, end-users and technology providers are on the same page. They agree that improving the user experience will have far-reaching positive consequences on engagement, productivity and ultimately on customer experience (the top priority for organizations

in 2018). Improving user experience isn't all about graphical interfaces, though. Having a simple but secure method for signing in and keeping those credentials throughout a session is important, as are intuitive layouts, easy access to data and quick service for any issues that might arise.



A lot has been made of the changing generational makeup of the workforce but what's really behind this push is that everyone expects a certain level of simplicity and effectiveness in the software and applications that we use outside of work, so

deficiencies in workplace software are more noticeable. Take the time to evaluate the end-user experience when evaluating a new HCM provider to ensure this essential component of the employee experience is not neglected.

#### 4 Continuous, Real-Time Updating



The power of real-time data is its *adaptability*.

HCM technology is not going to magically revert to collection and periodic ad-hoc reporting. There are solutions available right now that allow your organization to monitor performance, communication and engagement (among other things) as they happen in up-to-the-second dashboards. The most successful companies find ways to monitor the

health of their organizations and use that data to measure the impact of programs and personnel changes, financial rewards and promotions, or even the effect of seasonal changes. There's no greater advantage than when your company can change with the needs of your customers before a competitor does.

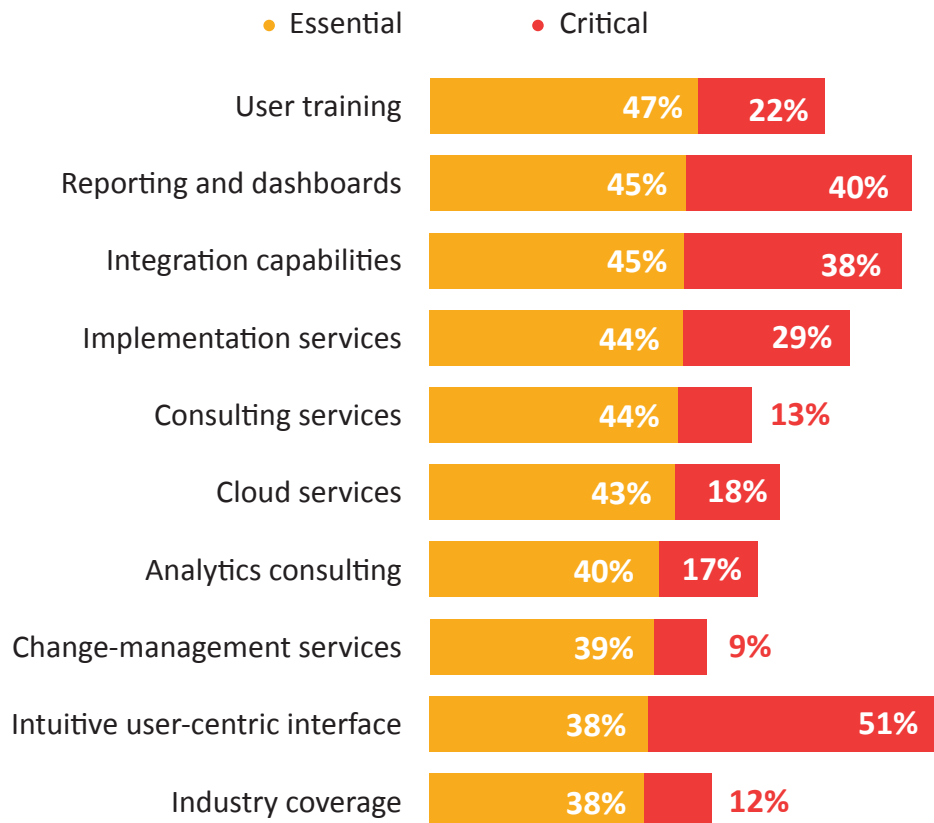
Performance management has seen a mini-revolution in the last ten years as many companies abandoned traditional yearly reviews and rankings in favor of continuous performance updates and feedback. The underlying catalyst was the realization that traditional performance management was backward-looking ("what did you do over the last year?") and the real value of performance management is in being forward-looking ("how much better can you do next year?"). Analytics in HR is undergoing a similar philosophic shift as companies realize the ultimate goal is predicting and changing processes, people and procedures, not in reporting things that already happened.



## 5 Integration

### HCM Technology Survey

How essential are the following provider/vendor competencies when you buy HCM Technology? (n=177)



\*due to rounding, minor errors may occur in the number totals

The gold standard in HCM technology, integration, has been the rallying call of HR professionals for over a decade. In the most recent Brandon Hall HCM Technology survey, 83% of companies indicated that integration capabilities were essential or critical when choosing a workforce management provider. HR professionals know integration is no longer a “nice to have” but is a critical component of success. Integration is simply a fact of life for HR systems going forward, yet many organizations underestimate its impact. Having integrated systems that allow data to be stored, shared and used in such disparate areas as benefits administration and succession management, employee engagement and talent acquisition or even marketing and onboarding, enables this new wave of HR professionals to fully realize their potential as change agents embedded in the organization.

All of the trends that have been identified so far require a certain level of integration. True transparency only happens when all of the data in the organization is available across a wide spectrum of job roles and that requires information systems within an organization to talk to each other.

## Conclusion

None of the above trends are actually separate trends. All are completely woven together, whether it is how automation lends itself to real-time updating or how integration is a key element of data-based decision-making.

Similar to how data by itself is rarely the solution, technology, systems or any of the trends mentioned here will not alone solve a given business problem. Rather, the ability for an HR professional to understand the trends and appreciate technical solutions to the business problem are key indicators for success. Systems must be fully integrated, have the ability to distribute data in real-time for immediate decision making and be as automated as possible to help free up time for more impactful activities and allow organizations to adapt to constantly changing conditions.

What is most important to remember is that technology shapes how we work just as much as how we work determines the technology we need. Today's HR professionals must be savvy enough to understand what technologies are available, rather than just shopping for a provider once they identify a need.

The one constant is change, as has been oft-repeated, but there is no denying that the market, the workforce and the nature of business will never slow down. As technology pushes the world to a faster pace, organizations have no choice but to keep up or stay ahead by accurately predicting upcoming changes and adapting in the most optimal way.



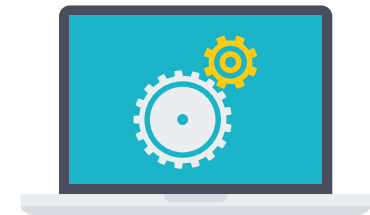
## Key Takeaways



- Integration is a means to an end; although it is keenly important to have integrated systems, they alone are not the answer. Improved transparency and adaptability are the ultimate goals.



- Data-based decision making is not just for the C-suite. Having a brilliant plan is useless without the ability to execute that plan. Empower front-line managers and employees with data to make intelligent decisions in alignment with the strategy.



- To improve user experience, it is essential to have end-users involved in the selection process. All the technological capabilities in the world are meaningless if no one can make use of them.

## About Brandon Hall Group

Brandon Hall Group is a HCM research and advisory services firm that provides insights around key performance areas, including Learning and Development, Talent Management, Leadership Development, Talent Acquisition, and HR/Workforce Management.

With more than 10,000 clients globally and almost 25 years of delivering world-class research and advisory services, Brandon Hall Group is focused on developing research that drives performance in emerging and large organizations, and provides strategic insights for executives and practitioners responsible for growth and business results.

## Authors and Contributors



**Cliff Stevenson** ([cliff.stevenson@brandonhall.com](mailto:cliff.stevenson@brandonhall.com)) wrote this report. He is Principal Analyst, Workforce Management Practice. His expertise includes data and analytics, performance management, recruitment, acquisition, retention, and attrition. He also served as the HR leader for a Boston consulting firm.

**Richard Pachter** ([richard.pachter@brandonhall.com](mailto:richard.pachter@brandonhall.com)) edited this report. He is the Content Manager at Brandon Hall Group and is responsible for editing all types of content related to research. He has experience as a journalist, copywriter, editor, marketer, blogger, and social media marketing manager. He also served as the business books columnist for the Miami Herald for more than a decade.

**Emma Bui** ([emma.bui@brandonhall.com](mailto:emma.bui@brandonhall.com)) is the Graphic Design Associate at Brandon Hall Group and created the graphics and layout for this report.

# Brandon Hall Group's Research Methodology



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