

Workplace technology and employee experience are the top critical HR priorities for organizations. Subjecting employees to multiple unintuitive HR technology systems is hurting employee productivity and satisfaction, ultimately detracting from an organization's bottom line.

As the HR technology landscape undergoes significant growth and fragmentation, employees face difficulties navigating this complex environment within their organizations. Adding to this complexity, the COVID-19 pandemic has introduced more variability in working, which has made for challenging daily employee experiences and has exacerbated the need for organizations to simplify and streamline their HR technology ecosystem. Traditional ways of working are now a thing of the past. If introducing consumer-grade technology to elevate employee experience is not on your organization's radar, you're behind the competition.

Applaud has commissioned Forrester to explore the challenges HR departments and businesses face with workplace technology and their resulting future investment decisions. Forrester Consulting surveyed 175 decision-makers in HR and human resource information system (HRIS) roles at global enterprises to further explore this topic.

SITUATION

WORKPLACE TECHNOLOGY IS CRITICAL TO EX

Employee experience enabled by workplace technology is critical to your organization's talent retention and competitive edge.

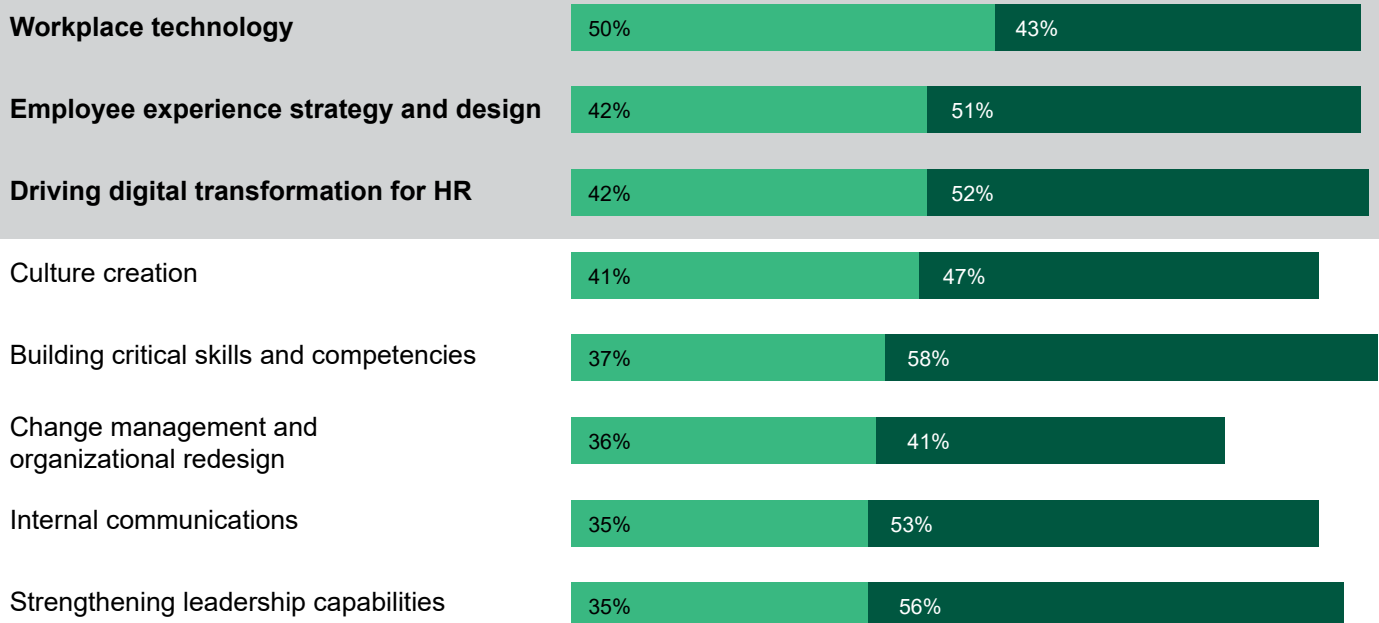
The pandemic has changed the world of work as we know it. Anywhere work has become the norm. As such, workplace technology now plays an even more critical role in employees' daily working lives.¹ That's why it comes as no surprise that half of respondents report workplace technology as a critical priority for their organizations.

If organizations wish to remain competitive in attracting and retaining talent, it's imperative for HR departments to leverage technology to improve employee experience (EX). This will boost efficiency, productivity, and engagement in turn — especially within a remote environment. If EX is absent from workplace technology purchasing decisions, technology becomes a source of frustration. It will affect employee productivity and morale, subsequently engendering negative effects on organizational performance.

Figure 1

Top Critical Priorities For HR Decision-Makers

● Critical priority ● High priority



Base: 175 decision-makers in HR and HRIS roles at global enterprises
Source: A commissioned study conducted by Forrester Consulting on behalf of Applaud, March 2021

TECH INVESTMENTS HELP MEET EMPLOYEE NEEDS

The majority of HR leaders are investing in technology to further meet their employees' needs.

Current systems aren't meeting employees' needs and expectations of a consumer-grade experience. Because of this, HR leaders are identifying strategic ways to provide better offerings to their employees. The COVID-19 pandemic has created new norms that have accelerated these efforts. Despite 84% of respondents' organizations already having between six to 15 HR systems in place, 75% of respondents report their organizations intend to continue to expand or upgrade HR technology. A driving cause behind this increase of investment is the need to improve employee experience.

Technology satisfaction or dissatisfaction plays a pivotal factor in employee experience, impacting engagement and productivity levels. CEOs and CFOs often mistakenly view employee experience as an intangible benefit, so its importance is frequently overlooked. Nevertheless, employee experience is fast becoming a key differentiator in an already competitive marketplace and crucial to the success of an organization. Ninety-three percent

Figure 2

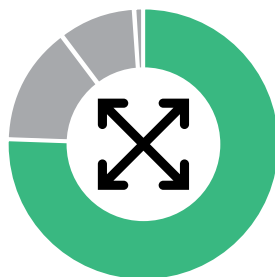
“What are your company’s plans when it comes to implementing new HR technology?”

Expanding or upgrading implementation (75%)

Planning to implement in the next 12 months (14%)

Implementing, not expanding/upgrading (9%)

Decreasing or removing (1%)



Base: 175 decision-makers in HR and HRIS roles at global enterprises
 Note: Percentage may not total 100 because of rounding.
 Source: A commissioned study conducted by Forrester Consulting on behalf of Applaud, March 2021

Figure 3



90% of decision-makers believe their organizations' employees and managers lose between 2 to 4 hours per week to HR tasks.

Base: 175 decision-makers in HR and HRIS roles at global enterprises
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of surveyed respondents report that improving employee experience strategy and design is a “High” or “Critical” priority for their organizations. Organizations need the right supporting technology to successfully bring this to fruition.

MANUAL HR PROCESSES COST BUSINESSES TIME AND MONEY

Technology needs to enable employees to do their jobs efficiently, effectively, and easily. However, many organizations adopt technology without considering EX. Complex systems with unintuitive workflows inhibit employee productivity and distracts them from their jobs. They also impact the efficacy of the HR service desk and HR department as a whole.

Businesses lose critical value through a loss of productivity. Over 90% of respondents report their organizations' employees and managers lose 2 to 4 hours per week to HR tasks. Automation and technology can save the time attributed to these manual HR processes, streamlining workflows and simplifying systems and processes.

If deployed effectively, the implementation of technology can turn productivity gains into cost savings. Employees can repurpose their time towards more value-add activity and, subsequently, organizations will benefit from happier, more effective employees and increased outputs, ultimately improving company performance.

CHALLENGES

DON'T LOSE VALUABLE EMPLOYEE TIME

HR professionals lose valuable time due to employees struggling with manual and complex HR processes.

Our survey shows employees and managers waste 2 to 4 hours per week on HR tasks due to complex manual processes. This causes professionals on the HR service desk to spend a significant proportion of their time on non-strategic, repetitive HR administration. For over half of all organizations, HR leaders have flagged that professionals on their HR service desk can repurpose up to 50% of their time doing more value-add activity. Taking the UK and the US national averages of a 40-hour working week, this means that up to 20 hours per HR service desk team member can be portioned towards more strategic high-value projects.

Ninety-one percent of respondents report their organizations receive between four to nine HR helpdesk requests per employee, per year. This number can decrease through self-service technologies with consumer-grade technology that prioritizes ease and flexibility. If current HR technology capabilities inhibit the productivity

of employees and managers to complete their assigned HR tasks, HR professionals will continue to face challenges that impede their time and curb their ability to pivot towards working on higher-value activity.

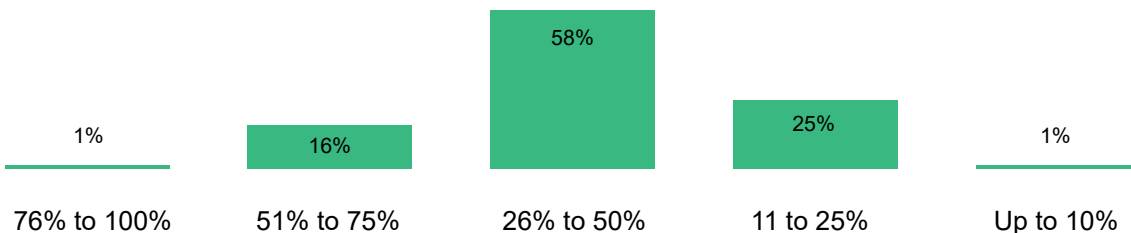
ANYWHERE WORK POSES CHALLENGES

HR professionals and employees alike face heightened challenges owing to anywhere work. Anywhere work has amplified the challenges HR professionals and employees face with workplace technology. The ability of HR professionals to support their employees is especially challenging. Seventy-four percent of respondents flagged this as an issue. Subsequently, 89% of organizations report significant inconsistencies between remote workers' and in-office employees' experiences with HR tools. Such a staggering figure causes concern, as the COVID-19 pandemic has introduced a new normal with the vast majority of the global workforce required to work remotely.

Organizations must quickly adapt to keep up with the pace of change and remain competitive. They must provide technology that doesn't create friction and frustration, but empowers the remote worker. HR leaders are responsible for the provision of workforce technology and systems

Figure 4

HR service desks can repurpose up to 50% of their time doing more value-add activity.



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Figure 5

Top Pain Points For HR Professionals



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that enable employees and managers to fulfil their HR-assigned duties in a timely manner. They play a critical role in reducing the 2 to 4 hours spent by employees on HR tasks.

HR TECHNOLOGY IMPACT COMPANY COSTS

HR technology challenges are materially impacting cost savings and wider organizational performance.

HR technology challenges cause issues ranging from employee dissatisfaction to low utilization of these systems and processes for over 85% of survey respondents. Despite many organizations implementing costly HR solutions, nine out of 10 respondents report their organizations still continue to have low utilization of HR platforms across the business. This is due to the complex and fragmented nature of these systems, which typically

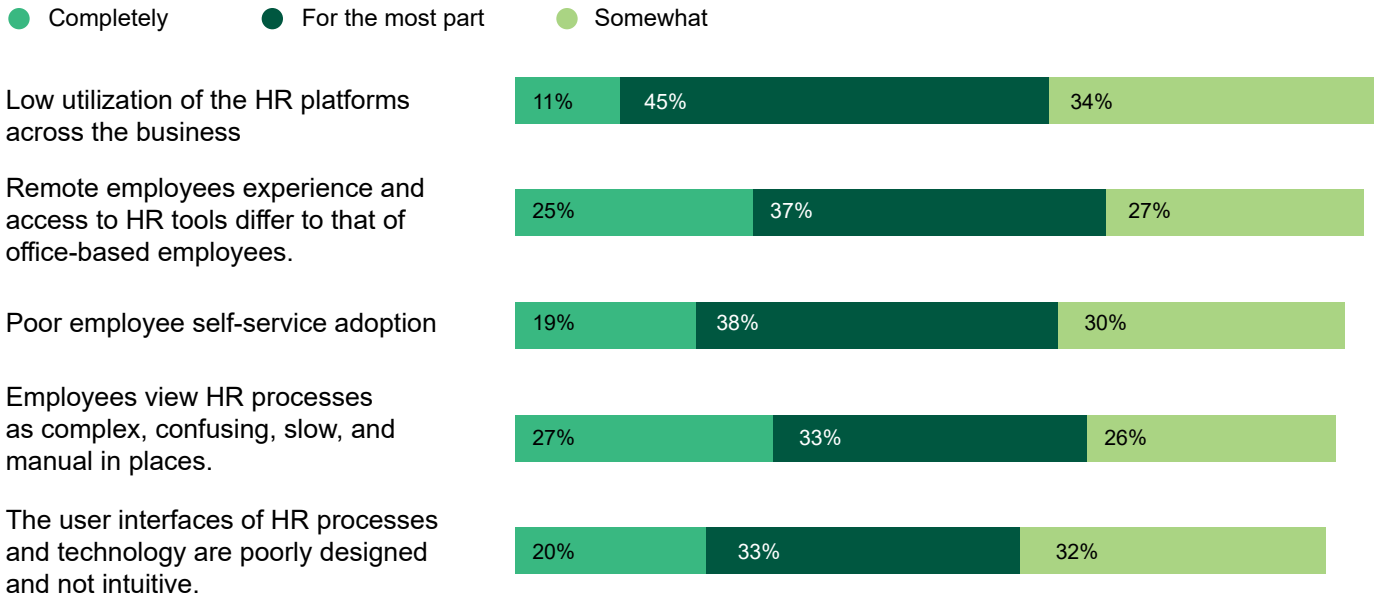
feature technology that isn't conducive to employee workflows. As a result, 90% of respondents miss out on maximizing their organizations' HR technology ROI.

Low utilization of HR platforms and poor self-service adoption make organizations susceptible to poor-quality workforce data. Two out of three respondents report their organizations lack visibility into workforce data. This is a huge number of companies that can't access the data they need to understand the factors keeping employees from being as productive as possible. Such limitations obscure how people use HR services and hinders the ability of organizations to make strategic decisions with materially significant results.

Figure 6

90% of decision-makers are missing out on maximising their organization's HR technology ROI.

“To what extent do the following statements apply to employee usage of your organization's HR systems and processes?”



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OPPORTUNITY

EX-FOCUSED TECHNOLOGIES MAKE HR DEPARTMENTS CRITICAL

Adopting technology that strongly considers EX aids HR departments' position as a strategic partner to the business.

HR departments have a critical role in helping an organization achieve its corporate strategy and objectives. As the beating heart of an organization, HR is placed amongst a complex landscape of technologies that is critically responsible for the entire employee lifecycle. It's imperative that the technologies supporting this function enable and empower HR professionals and employees in a way that is frictionless, efficient, and flexible — and supports the employee experience as a whole.

Too often organizations adopt HR platforms that are complex to navigate, difficult to access remotely, and have poor UI and user experience (UX). However, organizations can no longer overlook the employee and user experience aspect of internal technologies, especially in a business environment where organizations are increasingly competing

for talent with technology. Employees have the expectation that their company's internal technology offerings should reflect the standard of their external consumer-grade technology. It's imperative for HR and HR Analytics departments to prioritize employee experience in their technology enablement strategies. Ninety-three percent of respondents' organizations have prioritized employee experience strategy and design as a crucial HR objective, which intuitive technology must support.

THE PANDEMIC'S INFLUENCE ON HR INVESTMENTS

The pandemic has directed HR and HR Analytics leaders' investment decisions and will continue to do so.

Although investment in HR platforms is often costly, organizations are looking for more cost-effective ways to invest in technology offerings as the global pandemic causes a worldwide economic downturn. Pivoting in investment priorities, rather than a slowing or halting investment in HR technology,

Figure 7

HR Technology Investments To Improve Employee Experience

● Planning to expand HR technology in the next 12 months

37%

Investing in workforce experience platforms

24%

Investing in case development tools

31%

Investing in nontraditional innovative HR technology solutions

24%

Investing in HR service delivery platforms

28%

Investing in non-technical solutions

22%

Investing in a core HR solution

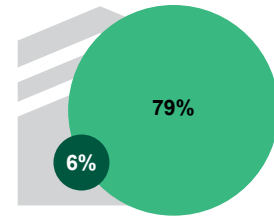
Base: 175 decision-makers in HR and HRIS roles at global enterprises
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Figure 8

Invest In HR Service Delivery Platforms

Decision-makers are up to 13 times more likely to upgrade and expand their organizations' HR service delivery platforms, rather than replace current HR technology.

- Planning to invest in upgrading/expanding HR technology in next 12 months
- Planning to invest in replacing HR technology in the next 12 months



Base: 175 decision-makers in HR and HRIS roles at global enterprises
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reflects this. Seventy-two percent of HR and HR Analytics decision-makers report that the pandemic has impacted their organizations' investment decisions. Over one-third have chosen to expand into investing in workforce experience platforms.

The recent global shift to anywhere work, which is here for the foreseeable future, further emphasizes

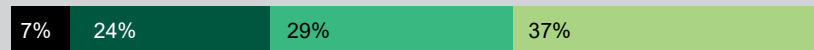
the importance for HR departments to provide employees with remotely accessible technology, and ensure employees have an easy, seamless experience when using technology for HR-related tasks. Because of this, organizations are up to 13 times more likely to upgrade and expand their HR service delivery platforms, rather than replace their current HR technology.

Figure 9

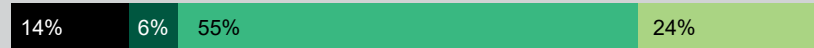
Expanding HR Technologies For The Future

- Maintaining current investment in HR systems
- Planning to invest in replacing HR technology in the next 12 months
- Planning to upgrade HR technology in the next 12 months
- Planning to expand HR technology in the next 12 months

Investing in workforce experience platforms



Investing in HR service delivery platforms



Investing in nontechnical solutions



Investing in nontraditional innovative HR technology solutions



Investing in a core HR solution



Investing in case development tools



Over 57% of decision-makers are upgrading and expanding their organization's HR technology. Two-thirds of decision-makers are upgrading or expanding their organization's investment in workforce experience platforms.

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Employee experience is a prominent feature in HR leaders' investment decisions.

Employee experience must influence investment decisions in technology that supports HR delivery. Increasingly, employees are drawn to organizations that offer technology that helps rather than hinders their productivity levels, improves time-to-completion for admin tasks, and considers user experience. Providing employees with technology that streamlines and simplifies HR processes is beneficial for employees and HR professionals — and for the organization as a whole. HR departments that truly understand the pivotal role technology plays in the daily lives of employees — and take action — will see material impact on retention and engagement numbers, which will be a key differentiator of successful organizations throughout the pandemic and beyond. Recognizing this, over 57% of respondents report that their organizations are upgrading and expanding their HR technology.

Now more than ever, HR departments need tools that connect existing HR platforms and work in ways that are intuitive for its users. Many organizations are already taking action to ensure they aren't left behind. Two out of three organizations are upgrading or expanding their investment in workforce experience platforms in the next 12 months. This will increase visibility into workforce data for HR professionals and heighten engagement in HR platforms, exponentially helping organizations make strategic data-driven decisions and positively impact its bottom line.

CONCLUSION

Employee experience is integral to the future of HR technology. Consumer-grade technology is the vehicle through which leading organizations execute their EX strategy and achieve HR objectives, further strengthening their competitive edge.

Our survey of 175 HR and HRIS decision-makers revealed that:

Organizations are investing in more HR technology — particularly focusing on elevating the experience of their workforce. Despite having multiple systems in place, organizations' current HR platforms and processes are not meeting employees' needs. Employees have difficulty navigating these complex technology landscapes, which inhibits productivity and causes frustration. As a result, HR leaders intend to purchase technology that streamlines and simplifies HR processes.

Manual and complex HR processes are costing the business time and money — and impacting organizational performance. Time-intensive, convoluted HR processes detract from the productivity of HR professionals and employees. The adoption of consumer-grade technology will significantly reduce the time taken to complete HR tasks and enable HR professionals to repurpose their time to more value-add activity. This increased output will elevate organizational performance and improve the bottom line.

EX considerations will steer investment decisions in HR technology over the next 12 months — a trend anywhere work has accelerated. The reality of widespread remote working has exacerbated the challenges faced with current HR systems and processes. It has also underscored the need to improve HR technology capabilities. With anywhere work here to stay post-pandemic, organizations need to provide employees with technology that is easy, efficient, and aids in productivity. This will be a key differentiator to successful business and critical to retention and engagement levels.

Firmographics

■ The Future Of HR — Employee Experience Fueled By Consumer-Grade Technology

REGION	
United States	50%
United Kingdom	50%

COMPANY SIZE	
20,000 or more employees	11%
4,000 to 19,999 employees	89%

RESPONDENT LEVEL	
Director (manage a team of managers and high-level contributors)	58%
Vice president (in charge of one/several large departments)	15%
C-level executive (e.g., CEO, CHRO, CIO)	26%

HR AREA COVERAGE	
Compensation and benefits	82%
Talent and engagement	73%
Recruitment and retention	71%
Performance management	67%
Employee experience	65%
Technology and data (HRIS)	65%
Company brand and culture	64%
Training and development	54%
Compliance and policies	2%

COMPANY REVENUE	
>\$5B	30%
\$1B to \$5B	41%
\$500M to \$1B	21%
\$400M to \$499M	6%
\$300M to \$399M	1%
\$200M to \$299M	1%
\$100M to \$199M	1%

INDUSTRY	
Retail	9%
Energy, utilities, and/or waste management	9%
Business or professional services	9%
Financial services and/or insurance	8%
Telecommunications services	7%
Manufacturing and materials	7%
Construction	6%
Chemicals and/or metals	6%
Electronics	5%
Consumer product goods and/or manufacturing	5%
Advertising and/or marketing	5%
Pharmaceuticals/biotech	4%
Technology and/or technology services	4%
Agriculture, food, and/or beverage	4%
Travel and hospitality	3%
Transportation and logistics	3%
Legal services	3%
Consumer services	2%

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