

Six Emerging Human Capital Management Technology Trends



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Overview

By 2020, 30% of global midmarket and large enterprises will have invested in a cloud-deployed HCM suite for administrative HR and talent management, but will still need to source 20% to 30% of their HR requirements via point solutions.

This whitepaper highlights six emerging HCM technologies out of 30 from Gartner's 2018 Human Capital Management (HCM) Hype Cycle that are either in early proof-of-concept stages or have had some success stories in the media.

What is a Gartner Hype Cycle?

Gartner Hype Cycles provide a graphic representation of the maturity and adoption of a particular technology, practice, discipline or trend. Our clients use Hype Cycles to get educated on an emerging technology within the context of their industry and individual appetite for risk. Each Hype Cycle drills down into the five phases of a technology's life cycle:

- **Innovation Trigger:** A breakthrough, public demonstration, product launch or other event generates significant press and industry interest.
- **Peak of Inflated Expectations:** During this phase of overenthusiasm and unrealistic projects, a flurry of well-publicized activity by technology leaders results in some successes, but more failures, as the technology is pushed to its limits
- **Trough of Disillusionment:** Because the technology does not live up to its overinflated expectations, it rapidly becomes unfashionable. Media interest wanes, except for a few cautionary tales.
- **Slope of Enlightenment:** Focused experimentation and solid hard work by an increasingly diverse range of organizations lead to a true understanding of the technology's applicability, risks and benefits. Commercial off-the-shelf methodologies and tools ease the development process.
- **Plateau of Productivity:** The real-world benefits of the technology are demonstrated and accepted. Tools and methodologies are increasingly stable as they enter their second and third generations. Growing numbers of organizations feel comfortable with the reduced level of risk; the rapid growth phase of adoption begins. 20% of the technology's target audience has adopted or is adopting the technology as it enters this phase.

Internal Talent Marketplace

Mainstream adoption: More than 10 years

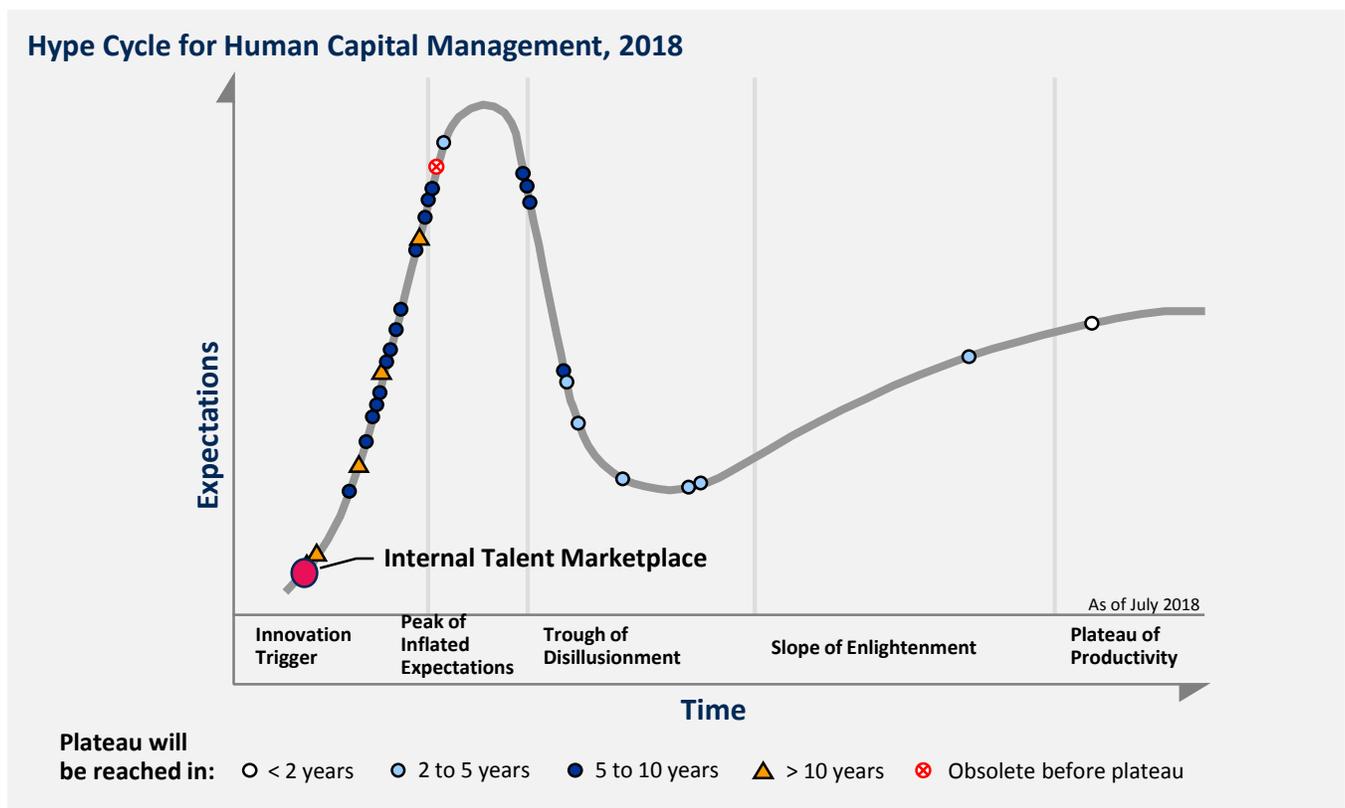
Internal talent marketplace technology uses marketplace principles to match internal employees, alumni, and contingent workers to short-term project and work opportunities, without recruiter involvement. Functionality includes marketing features, matching algorithms, and feedback tools.

Benefits

- Enables managers to use agile talent processes
- Provides alternative career development and learning experiences for employees
- Expands the pool of suitable candidates to employees, alumni, and contingent workers
- Contributes to lean/transformational initiatives

Recommendations

- Evaluate technology to see if it can help support and scale such initiatives, but expect some functional gaps
- Experiment with self-forming teams, adaptive structures and career development through stretch project assignments



Voice of the Employee (VoE)

Mainstream adoption: 5 - 10 years

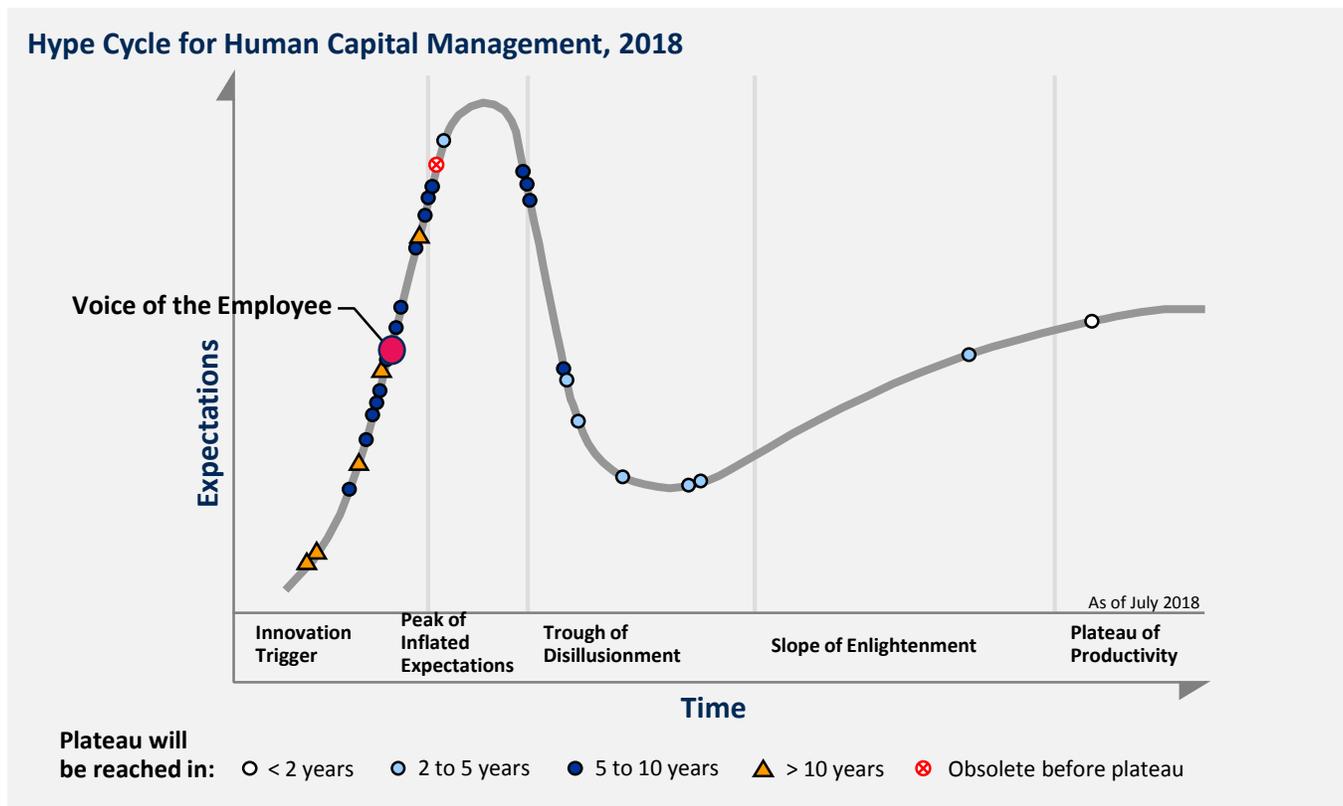
VoE technology collects and analyzes opinions, perceptions and feelings of employees and workers. Current technologies use surveys, feedback tools and other data sources to monitor employee sentiment and infer preferences, opinions and well-being.

Benefits

- Improved employee engagement and retention
- Detailed feedback on team perceptions and performance
- Data for longitudinal analysis and proactive problem identification
- Efficient idea capture and management

Recommendations

- Build a VoE strategy that includes measurement rationale, data privacy, and security requirements
- Evaluate technologies on a pilot basis with support from colleagues experienced with voice of customer (VoC) initiatives
- Define the role in which managers engage with the VoE initiative and assign stakeholders to respond quickly to VoE findings



Virtual Assistants (VAs) in HCM

Mainstream adoption: 5 - 10 years

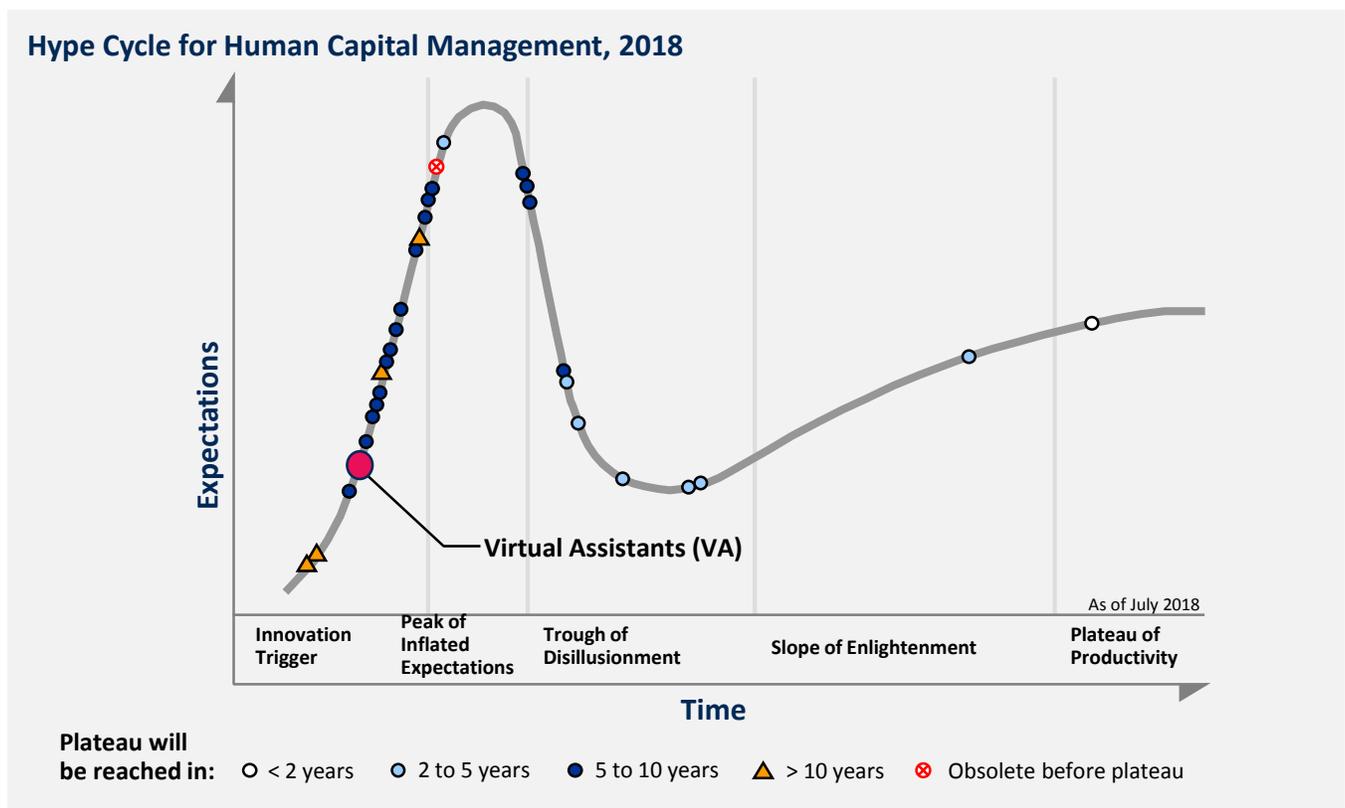
VAs will be the next-generation interface for employees, managers, and administrators. These may take the form of text, voice, or even an avatar. To be successful, it relies on tight integration with the HCM suite/HR applications.

Benefits

- The natural and intuitive interaction models should improve navigation and use of all HR technology.
- Easy to use for new or occasional users

Recommendations

- Determine what use cases are most appropriate for your organization
- Pilot a VA deployment for a specific user types and for a specific function; quantify results of the pilot
- Evaluate both HCM vendors and VA specialist vendors
- Address potential security and risk issues



Platform as a Service (PaaS) in HCM

Mainstream adoption: 5 - 10 years

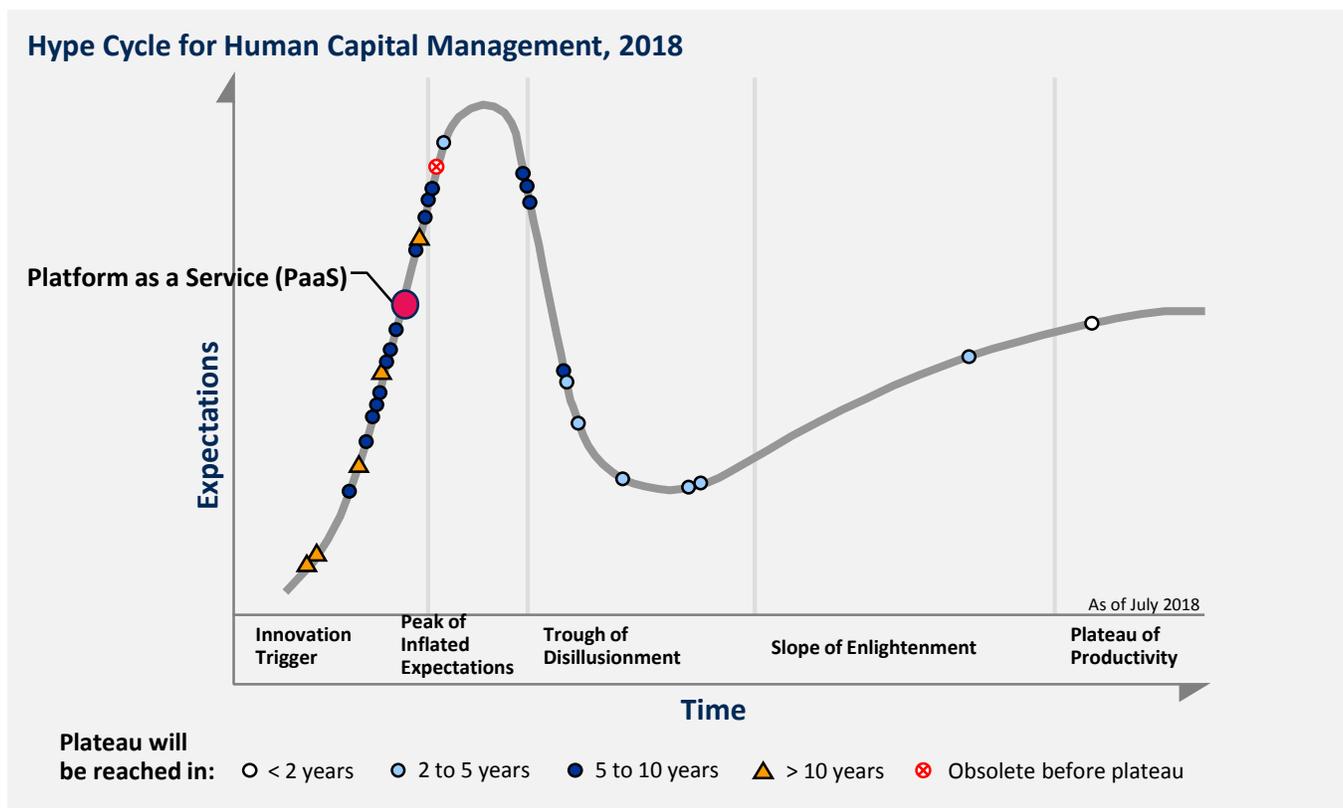
PaaS is an application toolkit provided by HR software vendors that enables customers to extend an application beyond its delivered configuration options. Functionality includes multiple APIs, development tools and frameworks.

Benefits

- Improved integration of extended functionality/capability beyond what is provided as standard within a HCM suite.
- Quicker, faster integration across multiple vendors
- Integration helps the HR application ecosystem run smoothly

Recommendations

- Use PaaS to support processes that are not possible via configuration
- If using third-party products, use PaaS to provide tighter integration between applications
- Review your vendor's product roadmap to determine if a PaaS extension will be a short-term "workaround" or longer-term solution
- Invest in training qualified internal resources
- Use with discretion



Worker Engagement Platforms (WEPs)

Mainstream adoption: 5 - 10 years

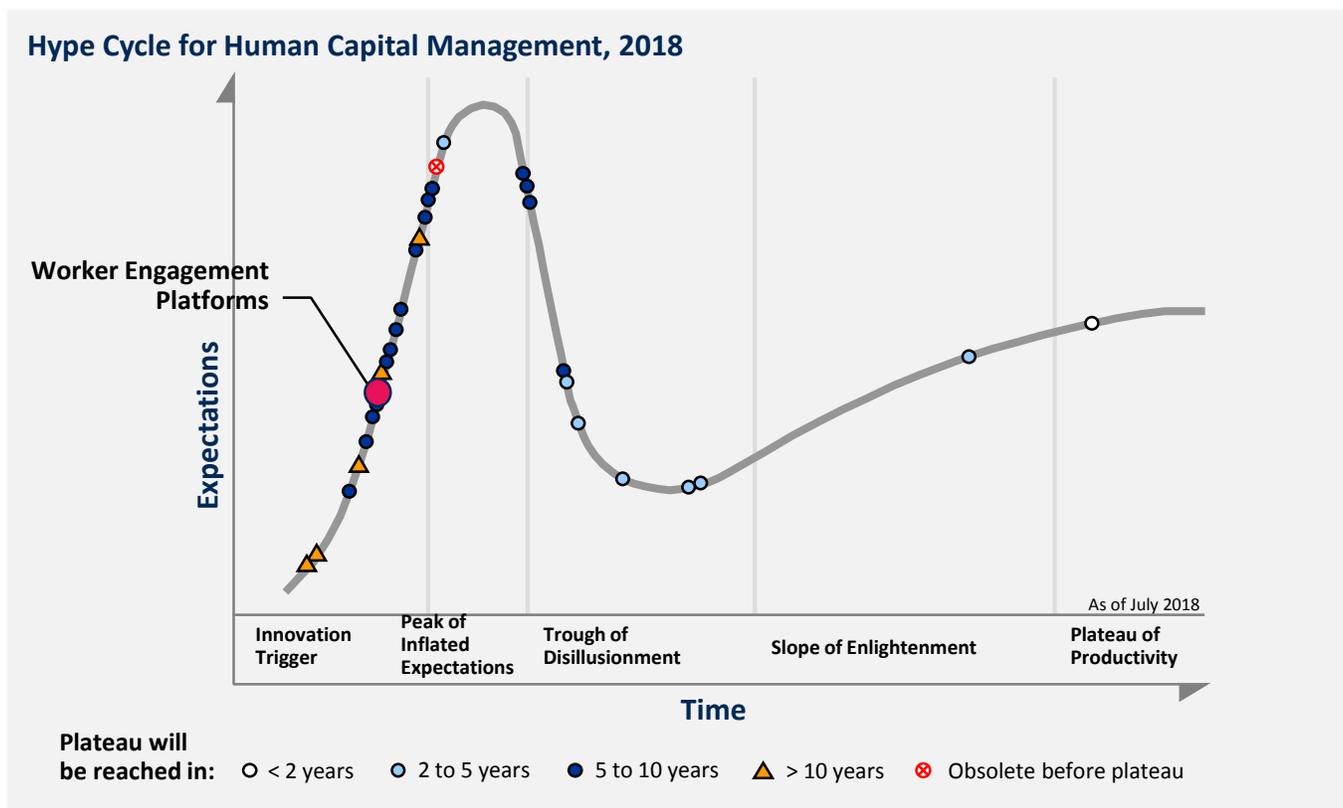
WEPs are designed to boost employee engagement by providing positive experiences at work. They span the interactions workers have across the entire organization. Functions may include communication & collaboration, rewards & recognition, training/learning, wellness, flexible work environment, and feedback.

Benefits

- Improves performance and reduces attrition via employee engagement
- Supports broader change management initiatives
- Increases the digital contact remote/temporary workers have with the organization and coworkers.

Recommendations

- Develop a holistic plan for worker engagement – WEPs can and do cover multiple functions, but there may also be cause to deploy more than one system
- Pilot with a smaller teams that struggles with attrition/performance
- Consider your existing HR technology provider and point solution vendors



Machine Learning in HCM

Mainstream adoption: 5 - 10 years

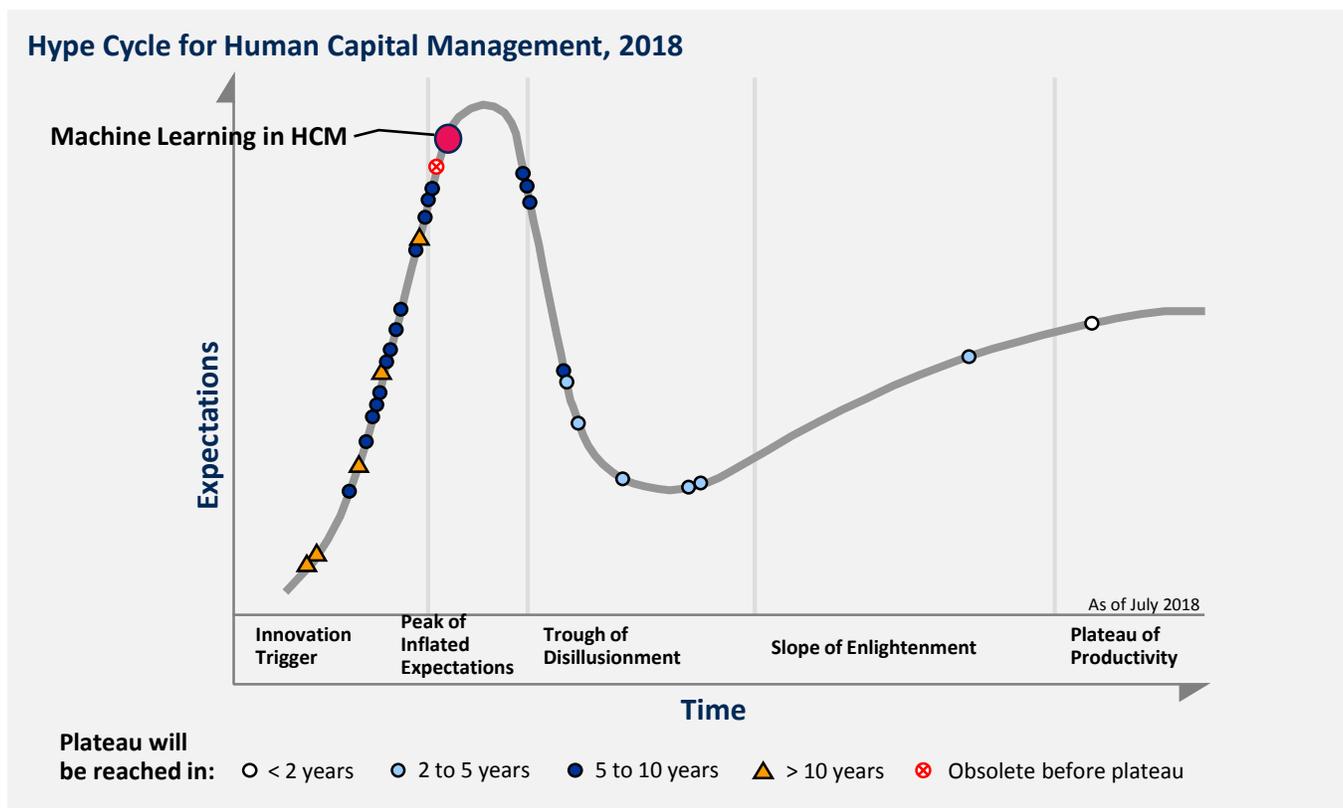
Machine learning in HCM provides analysis and recommendations to improve processes through the identification of trends and patterns. It is broadly applicable to most (if not all) HCM processes. To be successful, access to rich data sources, including historical data, is required.

Benefits

- Helps people, process and enabling technologies evolve
- Identifies areas for improvement and the timing of change
- Advanced forms of can guide talent planning and investment decisions

Recommendations

- Beware of the limitations of machine learning in HCM. A decision based on bad data/analysis will usually result in an unexpected / poor outcome
- Invest in staff that are trained in advanced statistics and the use of machine learning (and preferably familiar with HR/HCM)
- Do not deploy it as a one-off initiative, it is best at continuous improvement
- Pilot/test and change recommended by machine learning.



Conclusion

As you think about where your organization should invest you should:

- Explore existing systems and technologies
- Look for opportunities for innovation
- Identify where the greatest potential from technology transformation is at your organization
- Determine what has the greatest risk from system failure at your organization
- Use the HCM Technology Hype Cycle by Gartner as a reference guide for areas of technology innovation

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