



5th Australian HR
Technology Survey



Introduction

Welcome.

The Australian HR Technology Report is a study commissioned by Navigo, experts in HRIS, Payroll and Org Charting software.

This year's report sees responses from 246 different organisations representing almost 381K employees.

As with last year we have divided the results into two reports. This document looks at aspects associated with the management of HR systems. Our second longer report looks at HR System usage rates.

Some highlights include that Australian organisations are still lagging behind in the use of advanced reporting in areas such as predictive analytics.

Our respondent profile continues change year over year, however the general trend in the most usage HRIS system has remained the same.

We know that some vendors have marketed the survey to their customer base with varying degrees of success. This year Frontier Software heavily promoted the survey resulting in a bias to them for adoption rates of Core HRIS.

In our survey we are using the neutral term “respondent usage” as opposed to terms like “most popular” or “most common” to mean what solution an organisation uses.

This year, we have seen a growth in the number of Best of Breed products being used and adopted in favour of HRIS modules, which in most cases has led to increased levels of Customer Satisfaction.

As expected, SaaS tools are becoming more and more popular, particularly in the areas of recruitment and learning.

Whilst the traditional, core HRIS platforms are still the most common HR Tech tools overall, we are seeing a far more varied tech landscape than ever before. Niche players are entering the market, and organisations are adopting a variety of solutions to meet their individual needs.

Software as a Service (SaaS) usage continues to grow as a method of deployment for Core HRIS although security and data privacy is still a barrier for adoption.

The largest surprise this year is the fact that wearables are seen by respondents as the most important technology to improve HR Service Delivery.

Finally the report highlights that many HR professional still do not have a good understanding of their HR systems technology environment.

[Enjoy the report.](#)

[Peter Forbes & Michael Specht](#)



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SaaS Deployment



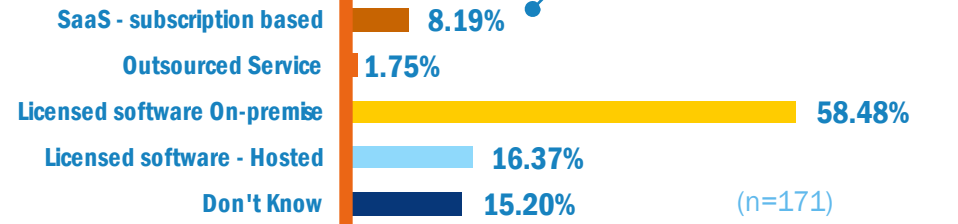
SaaS Deployment

Consistent with previous years, we have seen growth in the adoption of SaaS (Software as a Service) solutions for Core HRIS. **8%** of respondents have their Core HRIS deployed in a “SaaS” model, with **29%** indicating that “SaaS” is their preferred approach.

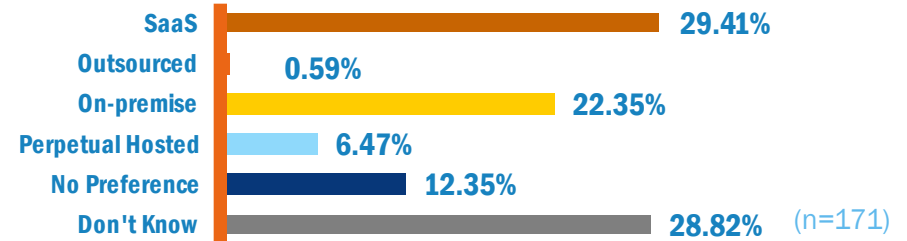
21% of organisations who have a preferred deployment of “SaaS” currently use an on-premise core HRIS. Only **71%** of organisations with a preference for SaaS currently have a SaaS based Core HRIS. We would expect the growth in SaaS adoption to continue.

29% of respondents stated they did not know their organisation’s preference. This is still a disturbingly high number of people involved in HR Technology not understanding the strategic direction of their IT strategy.

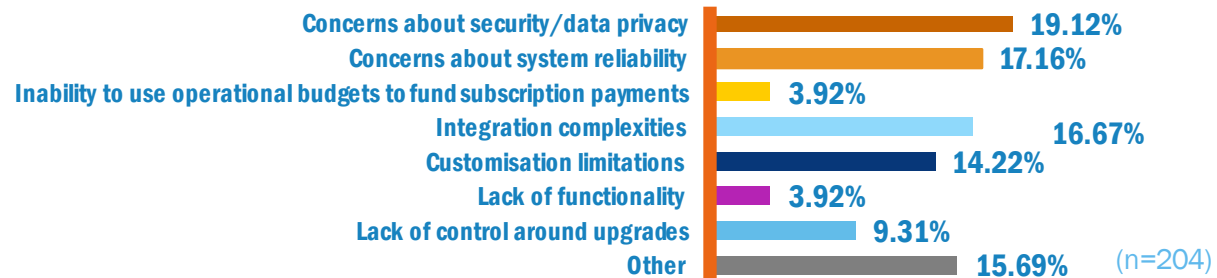
Current Systems Deployment



Preferred Systems Deployment



What are the barriers you foresee in moving to HR SaaS Technology?



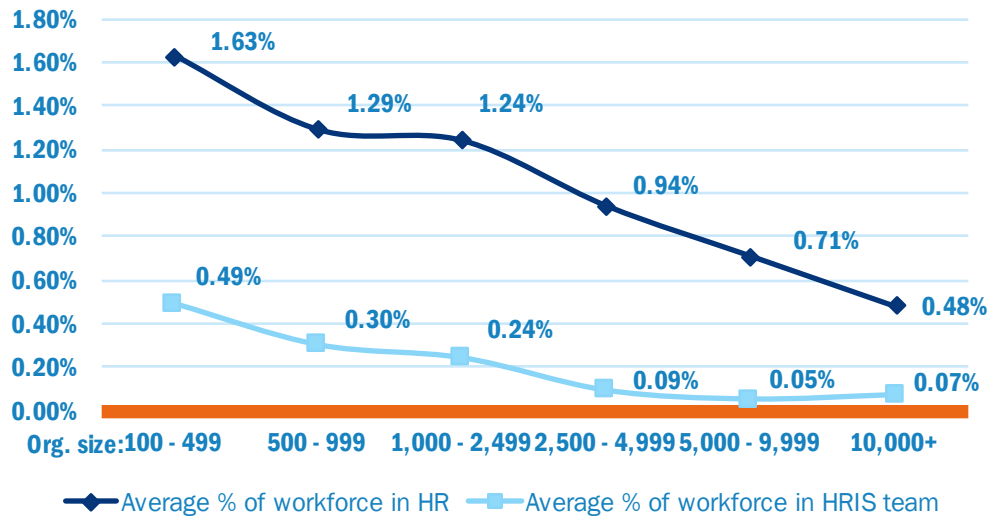
Management of HR Technology



HR Technology Management

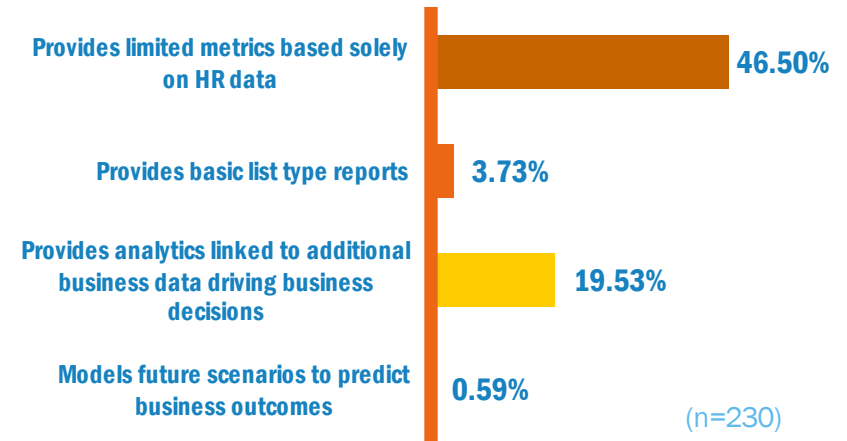
Percentage of workforce in the HR department

(n=245)

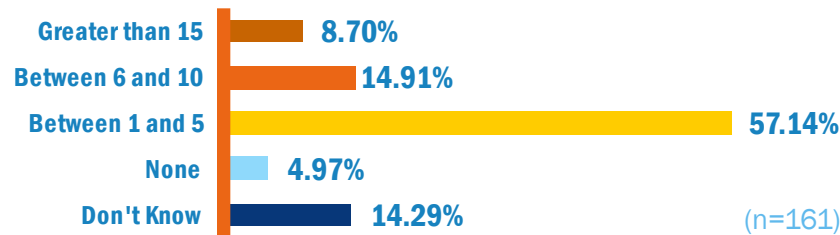


Average 1 HR person for every 82 Employees

Nature of HR reporting and analytics in the organisation



How many systems does your HRIS send or extract data from?






The larger the organisation, the more integrations they have.

Motivations and Roadblocks



Motivation and Roadblocks to improving HR Technology

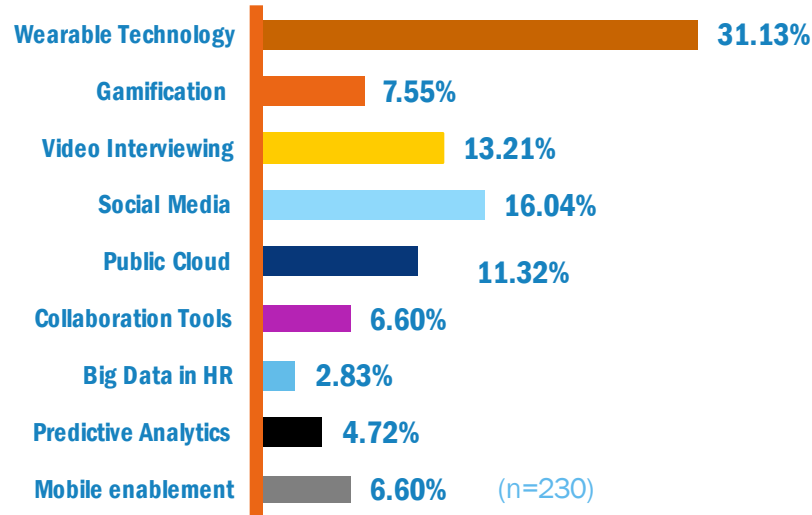
| Motivations | | Roadblocks |
|--|--|--|
| 1. Improved Operational Efficiency (116) | | 1. Cost and budget (111) |
| 2. Meeting business objectives/strategy (77) | | 2. Time and resources (76) |
| 3. Systems modernisation (65) |  1 spot | 3. Management buy-in (43) |
| 4. Reduce operational costs/headcount (62) |  1 spot | 4. Existing system and technology restrictions (38) |
| 5. Compliance/Legislative requirement (39) |  2 spots | 5. Lack of HR Technology strategy (25) |
| 6. Global initiative/directive (17) | | 6. Lack of decision making ability (15) |
| 7. Mergers and Acquisitions (9) | | 7. Poor understanding of available HR Solutions (14) |

Strategies, Major Initiatives and Budgets

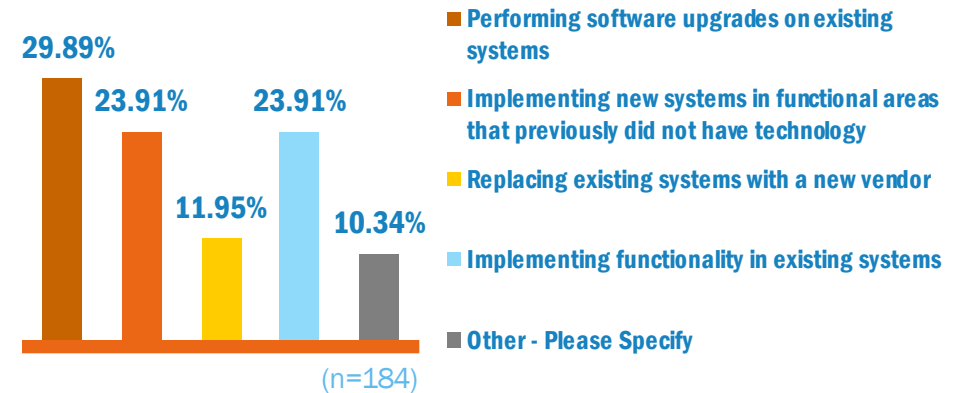


Strategies, initiatives and budgets

What technology is most important to HR Service Delivery?



Where has your effort been expended over the last 12 months?

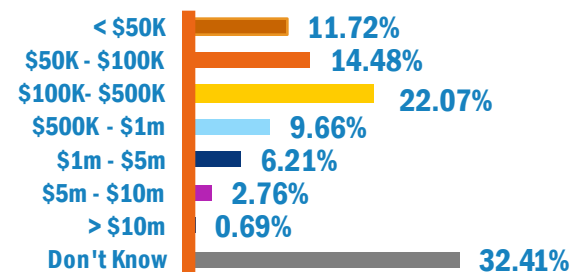


Organisations with between 5,000 and 9,999 employees were the only ones who didn't have HR as the core driver of HR Technology. This group of employers were more likely to have Finance or IT driving the HR Technology strategy!

It is unsurprising that 32% of respondents did not know what their organisation's annual HR Technology budget was.

Across the board larger organisations tended to have great access to funds to invest in HR Technology programs. Across all respondents, the 36% of organisations had between \$50,000 and \$500,000 to spend on HR Technology in a given year.

Annual HR Technology budget (n=171)



Key Driver of HR Technology

1. HR
 2. Group of representatives
 3. IT
 4. Finance
- (n=184)

Core HRIS Overview

A Human Resource Information Systems (HRIS) is the core system of record for employee information.



Core HRIS Usage

This year we are seeing a growth in international solutions such as Oracle Cloud HCM, SuccessFactors Employee Central and Workday. We expect this trend to continue over the next few years.

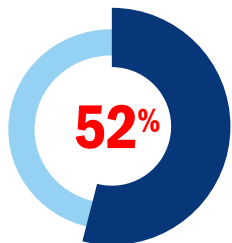
Almost **53%** of core HRIS systems have been in use for more than seven years, with another **10%** in use for more than five years. These results are similar to international surveys.

A majority of Core HRIS systems have between one and five integrations. Generally the larger the organisation, the more integrations.

Most Common HRIS

1. **chris21** (Frontier Software)
2. **Ascender Pay** (Ascender HCM/Alesco)
3. **SAP HCM** (SAP)
4. **Aurion** (Chandler Macleod)
5. **PeopleSoft** (Oracle) (n=197)

43 different core HRIS systems were mentioned by respondents in the survey. 9.64% of survey respondents indicated the Other category, growing year over year.

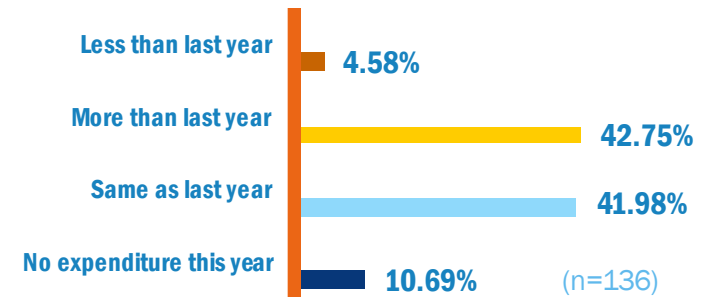


Core HRIS Age

52% of Core HRIS systems have been in use for over seven years.

(n=197)

Future System Expenditure



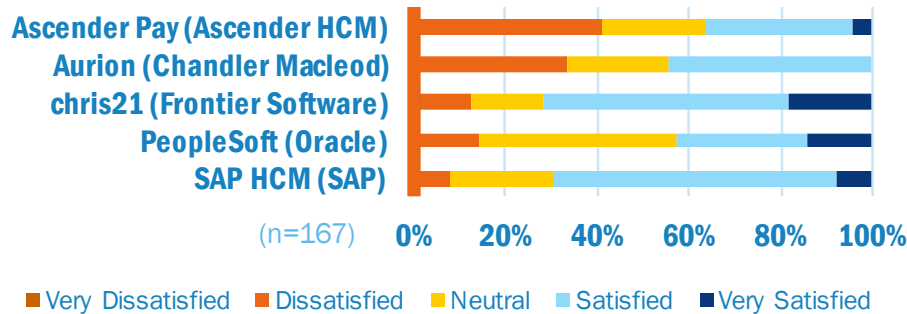
In the next year, **16%** of respondents indicated that they will be replacing their Core HRIS platform. The primary reason still being better functionality, followed improving customer satisfaction. Indicating that buyers are starting to value satisfaction with their vendors an important factor in their purchasing process.

This year **62%** of organisations who plan to replace their core HRIS in the next 12 months indicated they will be increasing expenditure. This is a change over last year potentially indicating pre-approval of budgets. A positive sign for vendors!

Only **13%** (**30% last report**) of small enterprises (100 – 500 employees) are planning to replace their core HRIS in the next 12 months.



Core HRIS Satisfaction



-32

Net Promoter Score (NPS) for Core HRIS systems

With a 32% reduction in core HRIS usage for OH&S

The NPS is better than last year by **10 points** indicating a marked improvement by vendors in their support of their customers.

Overall respondents were more dissatisfied over customer service (communication, support and account management) than with the features of the Core HRIS.



of respondents would not recommend their current HRIS solution to someone else!

In the five most used by respondents, only chris21 received a “Very Dissatisfied” rating - a general improvement across the board.

Several vendors had 40% or more respondents using their system rate them a “Dissatisfied” or “Very Dissatisfied”; these tended to be “smaller” players in the market.

At the same time a few vendors came close to a “perfect” satisfaction rating, with many vendors seeing significant changes in satisfaction levels. A great move for the industry.

The Other category for Core HRIS received the overall worse NPS score of -69. SAP HCM had the largest improvement in NPS moving from -55 to -8 with a similar number of respondents.



All Functional Areas

Technology Adoption

As with previous years, Payroll and Recruitment are the two functional areas with the highest levels of technology adoption.

Our theory that clear and consistent business processes allow for technology adoption remain true. Functional areas with these types of environments had higher levels of adoption.

Outside of the Payroll function, Time and Attendance is still the largest area where your core HRIS is used instead of a “best of breed” solution. Core HRIS usage has grown in the area of Remuneration, a departure over previous years.

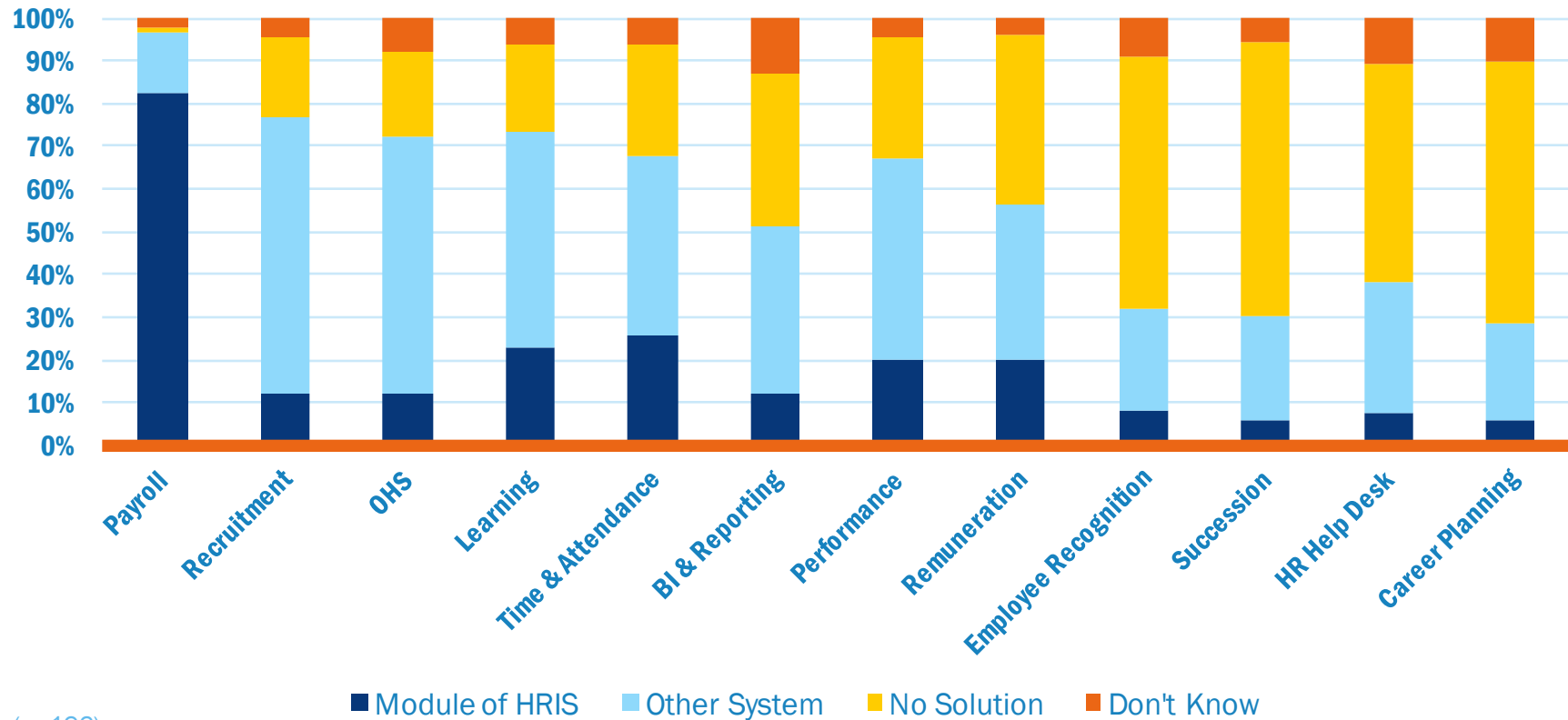
Business Intelligence and HR Help Desk are the functional areas that respondents knew the least.





All Functional Areas

HR Functional Areas Technology Adoption



(n=196)

Payroll

Payroll systems complete the required calculations to correctly calculate pay, and associated payments including superannuation, tax, and third party payments.



Payroll

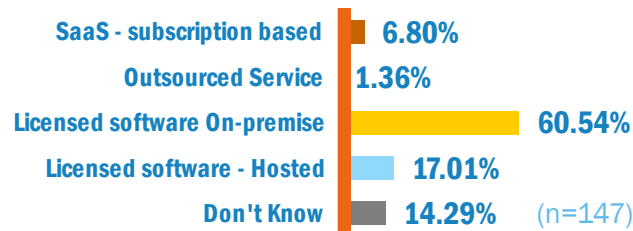
Again this year Payroll has the highest level of technology adoption; we are still seeing less than **1.4%** of organisations having no payroll solution.

Only **25%** of respondents indicated that they will be looking to replace their payroll solution in the next 12 months, with **50%** of these citing Consolidation of an Enterprise Platform as the primary reason.

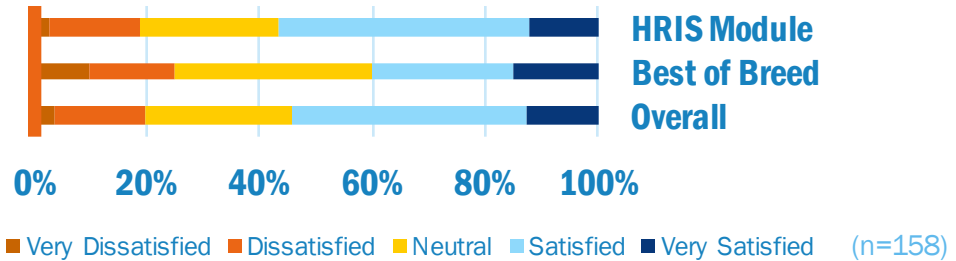
In 2014 organisations with 500 – 999 employees are most likely, **17%** of organisations, to be using a SaaS based payroll solution.

This year organisations with **1000-2499 employees** are most likely, **14.29%** of organisations, to be using a SaaS based payroll solution.

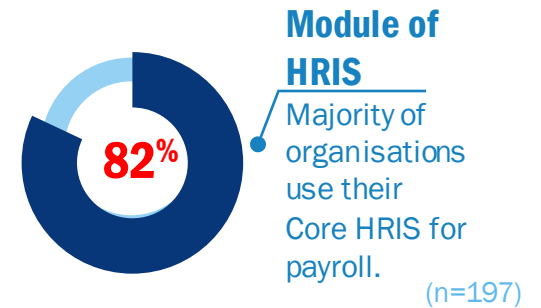
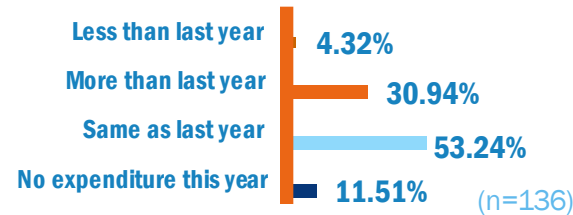
Deployment



User Satisfaction



Future System Expenditure



Average Age of Payroll System



Most Common Payroll Systems

- chris21** (Frontier Software)
- Ascender Pay** (Ascender HCM/Alesco)
- SAP HCM** (SAP)
- Aurion** (Chandler Macleod)
- PeopleSoft** (Oracle)
- Preceda** (NGA Human Resources) (n=190)

Given the high level of adoption of the Core HRIS as the preferred Payroll platform (82%), the deployment modes are very similar.

Recruitment

Recruitment refers to the process of attracting, screening, and selection of the qualified person for a job. At the strategic level it may involve the development of employer brand assets.



Recruitment

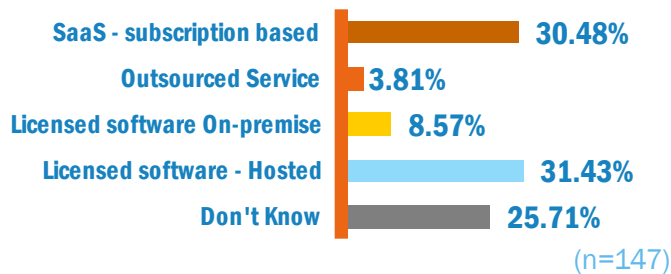
Recruitment is the only functional area where best of breed solutions “rule the roost”. This may be due to the early growth in Applicant Tracking Systems at the beginning of the century when core HRIS platforms were unable to deliver this functionality.

Once again the *Other* category was heavily selected by respondents. Some of these included Turbo Recruit, Scout, Click2Cloud, and Phoenix ATS.

Over 60% of recruitment systems have been in place for more than 7 years with another 12% greater than 5 years.

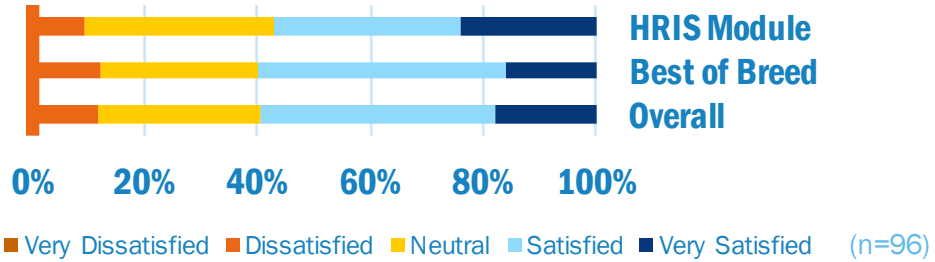
Satisfaction with Best of Breed solutions is significantly ahead of those who use a module of their HRIS for recruitment.

Deployment

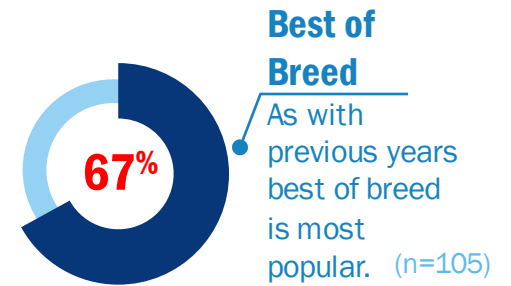
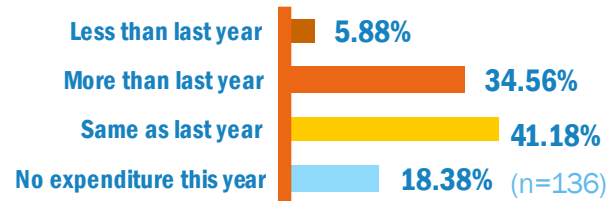


Cloud based (SaaS plus Hosted) deployments for recruitment solutions are the most popular at 61%.

User Satisfaction



Future System Expenditure



Average Age of Recruitment System



Most Common Recruitment Systems

1. PageUp People
2. Springboard
3. Taleo (Oracle)
4. NGA.net
5. Big Red Sky (n=129)

Over 47 different recruitment systems were mentioned.

OH&S, Accident & Incident Reporting

Occupational health and safety systems cover the health and safety of employees through the management of risks, hazards, incidents, compensation claims and reporting.

OH&S

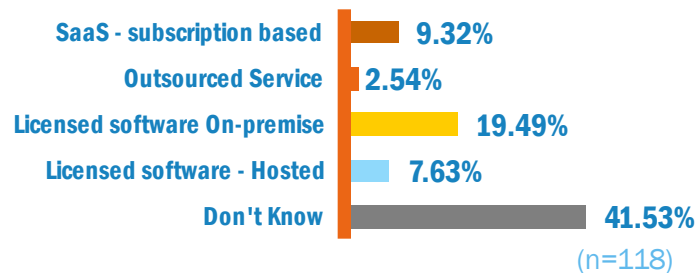


OHS has a very high level of technology adoption, with over **61%** of respondents using technology to support OHS. However, the trend of using the Core HRIS to manage OHS is reducing with organisations now preferring specialised best of breed solutions.

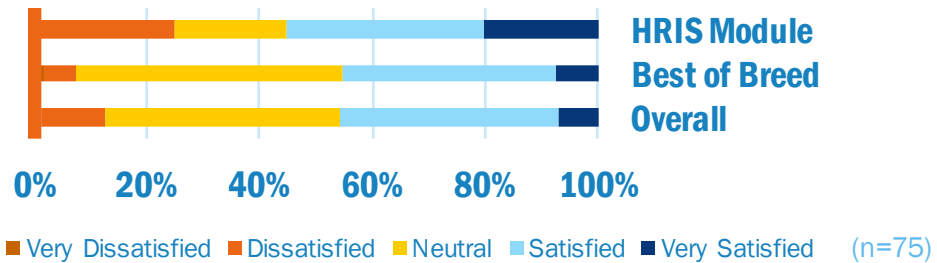
With **20%** of organisations having had their OHS solution for more than five years it is not surprising to find on-premise deployments as most common.

Understanding the deployment model of OHS solutions was at one of the lowest levels across the survey, potentially indicating OHS technology is still not under the control of your typical HRIS function.

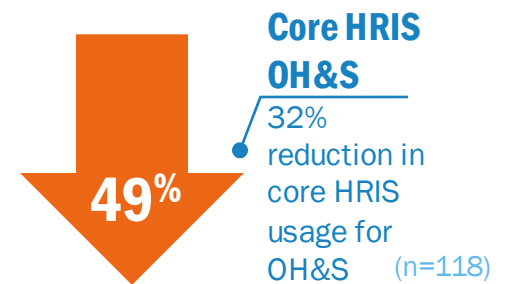
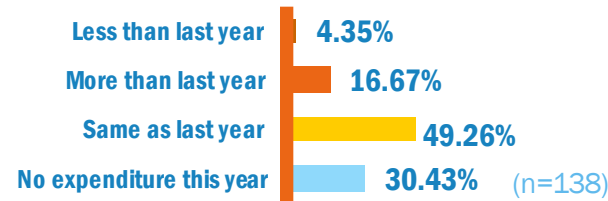
Deployment



User Satisfaction



Future System Expenditure



Average Age of OH&S System



Most Common OH&S Systems

1. Other
2. Module of HRIS
3. In-House System
4. Cintellate (SIA Global)
5. Figtree
6. Vault (NBG) (n=118)

Licensed - On-Premise deployments are the most popular for safety solutions.

Learning Management

Learning management systems manage training courses (including induction and orientation), eLearning, “on the job” and education assistance that are scheduled, delivered and tracked through the course of the employee's employment.



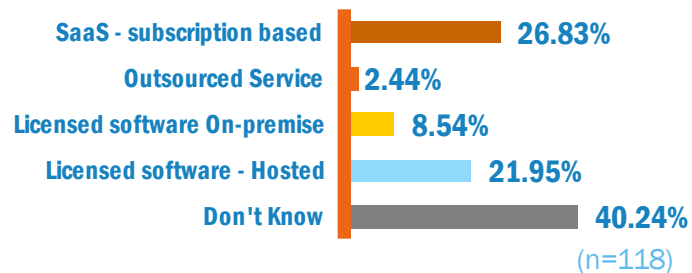
Learning Management

Learning had **22** different best of breed systems listed by respondents. This indicates a very fragmented market with limited market share by any one vendor.

Best of breed vendors continued the trend of having higher satisfactions rating. However, the data indicates these respondents could easily become dissatisfied if their vendors are not careful.

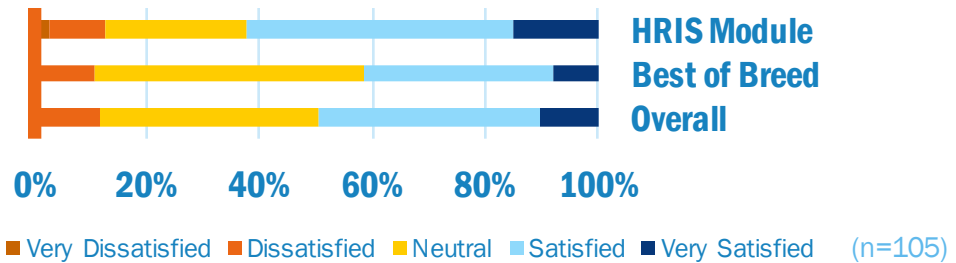
Learning has the **4th** highest level of expected expenditure in the next 12 months. This has reduced two place from last year, over taken by recruitment and payroll. The area also had one of the highest levels of planned spending reductions.

Deployment

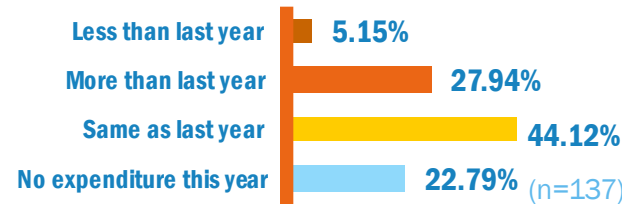


SaaS - Subscription based deployments are the most popular for learning solutions.

User Satisfaction



Future System Expenditure



Average Age of LMS



Most Common LMS

1. Module of HRIS
 2. Other
 3. Learning Suite
 4. Moodle
 5. SABA
 6. SuccessFactors (SAP)
- (n=144)

Time, Attendance & Rostering

Time, Attendance & Rostering covers the capture of hours based on a roster or time captured to assist in providing information for payments to the payroll system. Rostering ensure the right skilled employees are scheduled to work.



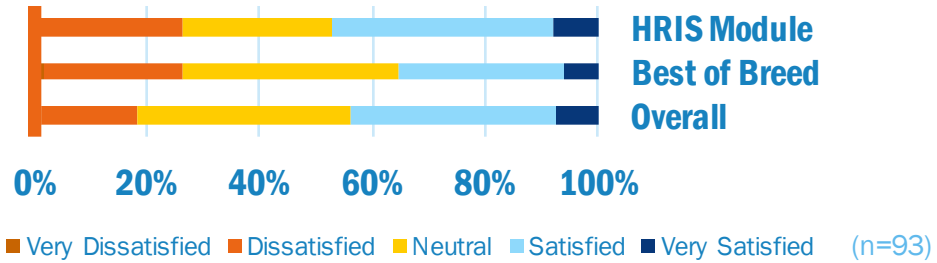
Time, Attendance & Rostering

Using a module of your core HRIS is more popular than any single best of breed solution, with Kronos the leading best of breed solution.

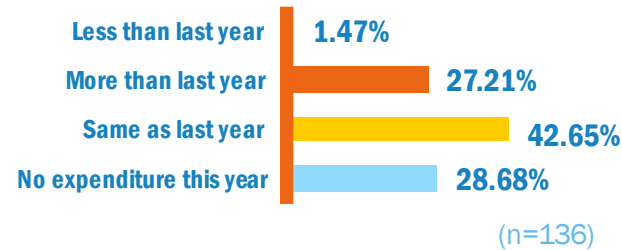
27% of respondents have no solution for time, attendance and rostering, with 60% of those organisations having less than 1000 employees.

69% of respondent organisations will spend the same or more in the next 12 months.

User Satisfaction



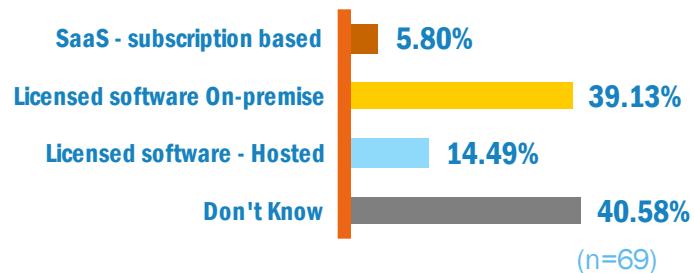
Future System Expenditure



Technology Adoption



Deployment



Average Age of System



Most Common System

1. Module of HRIS
2. Other
3. Kronos
4. RosterOn
5. Riteq (n=109)

Licensed - On-Premise deployments are the most popular for time & attendance solutions.

Business Intelligence

Business Intelligence and Reporting covers a broad scope, from basic queries and list creation through predefined reports, comprehensive analytics and analysis of business information to achieve competitive advantage.



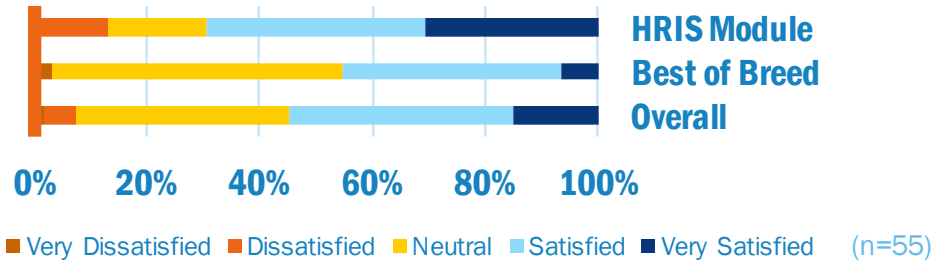
Business Intelligence

This year sees growth in the use of best of breed solutions to support Business Intelligence and Reporting.

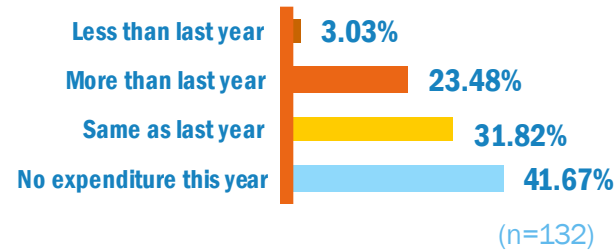
We've seen a drop in the number of organisations using a module of their HRIS for Business Intelligence and Reporting this year, from 45% down to 24%.

In-House offerings are the primary solution, with newer vendors such as Tableau and Qlikview starting to make their presence felt.

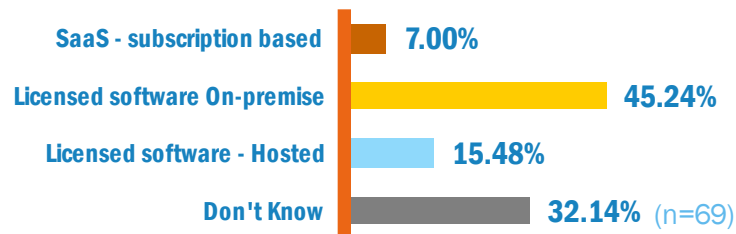
User Satisfaction



Future System Expenditure



Deployment



Average Age of BI System



Most Common BI Systems

1. In-house system
 2. IBM (Cognos)
 3. Other
 4. Business Objects (SAP)
 5. SQL Server Reporting Services
- (n=61)

Licensed – On-Premise deployments are the most popular reporting solutions.

Performance Management

Performance management refers to the activities which ensure that employee's individual goals consistently align and are being met in an effective and efficient manner against an organisation's broader goals and strategic directives.



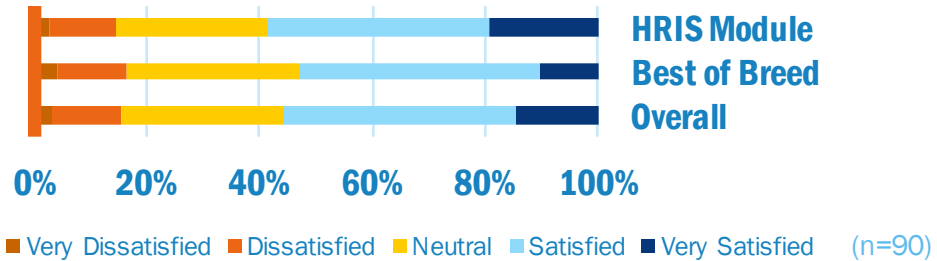
Performance Management

Once again there are many different vendors supporting this functional area, with **11** different best of breed solutions mentioned

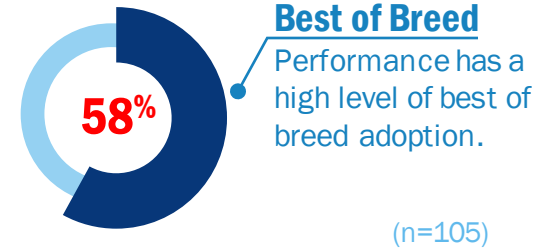
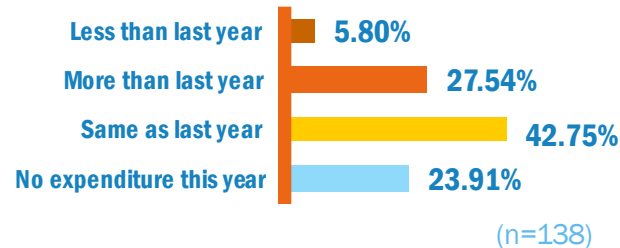
In-House solutions are still common today.

Performance solutions have the third highest level of SaaS adoption behind Recruitment and Remuneration tools. They also represent some of the “youngest” systems in use.

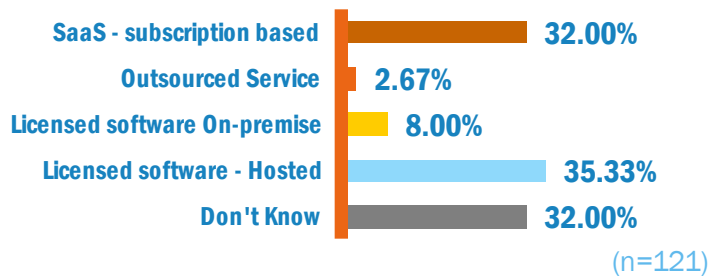
User Satisfaction



Future System Expenditure



Deployment



Average Age of System



Most Common Systems

1. **Module of HRIS**
2. **SuccessFactors (SAP)**
3. **Cognology**
4. **Cornerstone OnDemand**
5. **Peoplestreme** (n=141)

Remuneration

Manages remuneration planning and delivery, along with payroll functions, in line with relevant organisation agreements and awards. Salary planning covers the annual remuneration review process, within budgets set at various organisational levels.



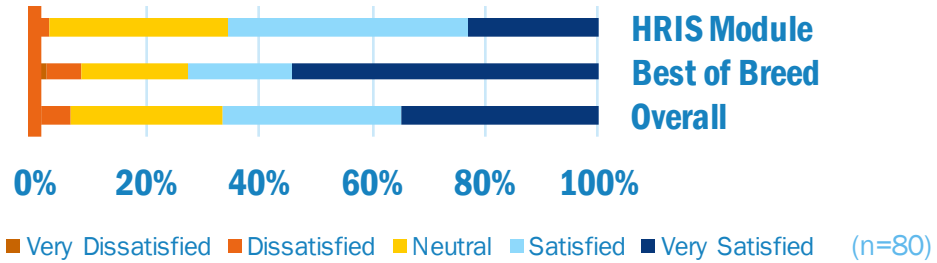
Remuneration

The use of best of breed Remuneration solutions has remained steady at **37.5%** this year, in line with last years predictions.

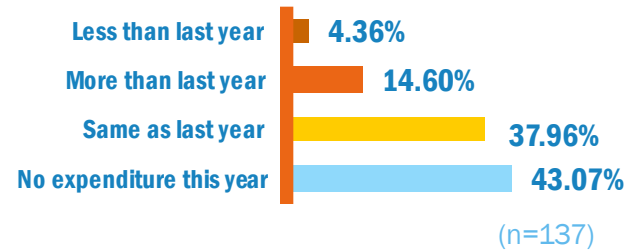
Local vendors such as Remesys and Pivot still dominate the market.

Best of breed solutions have a much higher level of satisfaction than HRIS based solutions, with many respondents giving a perfect satisfaction rating.

User Satisfaction

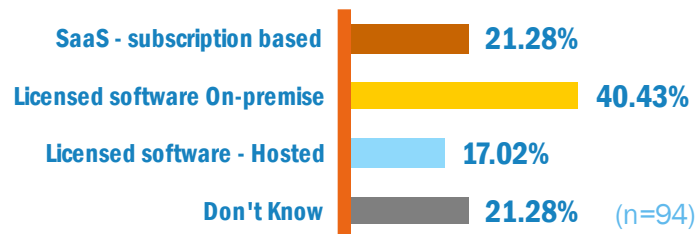


Future System Expenditure



Remuneration solutions have some of the highest levels of SaaS deployments.

Deployment



Average Age of System



Most Common Rem Systems

1. **Module of CRM/HRIS**
 2. **Remesys**
 3. **Spreadsheets**
 4. **Pivot**
 5. **In-house system**
- (n=110)

CRM/HRIS modules remain the most popular option overall.

HR Help Desk/ Case Management

For the first time, we have surveyed organisations on their use of help desk and assistance software.

This tech is designed to assist with dispute resolution and HR communication with the organisation.

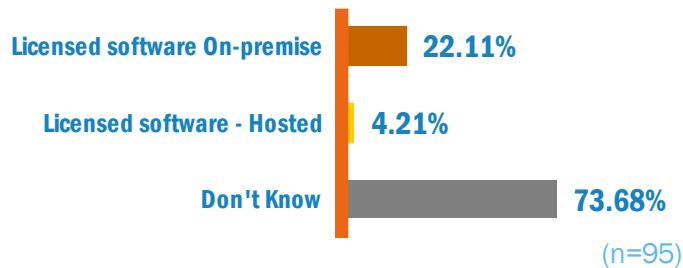


HR Help Desk / Case Management

As a relatively new area of HR Tech, many respondents are not yet using a dedicated HR Help Desk/Case Management tool.

Of those who are, these systems are most commonly an HRIS module or internal system.

Deployment

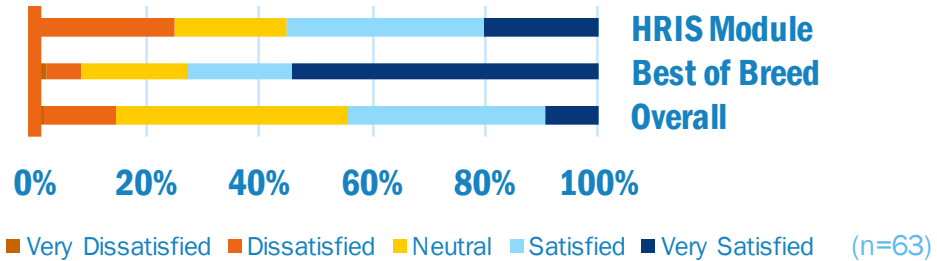


Average Age of System

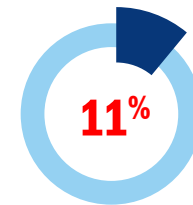
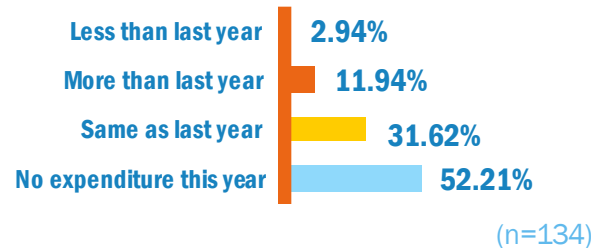


54% of respondents don't know the age of their system (n=95)

User Satisfaction



Future System Expenditure



HR Help Desk Tool

Respondents have a dedicated HR Help Desk Tool (n=256)

Most Common Systems

1. **Module of HRIS**
2. **Internal system**
3. **Sharepoint**
4. **Service Now** (n=95)

Core HRIS are significantly more popular HR Help Desk Systems.

Succession Planning

Succession planning systems assist in identifying and developing internal people with the potential to fill key leadership positions. The process also increases the availability of experienced and capable employees to assume these roles.

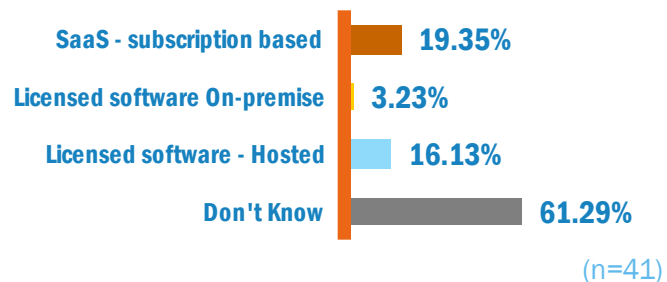
Succession Planning

Succession Planning is still a functional area with a low level of technology adoption, though it has increased since last year by 3%.

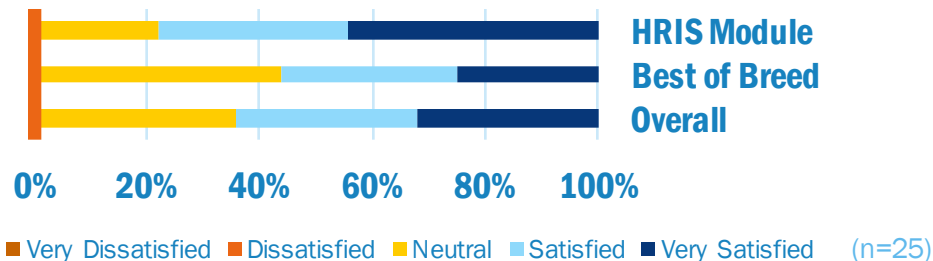
Satisfaction with succession planning tools reversed the trend, with users of HRIS based solutions more satisfied than best of breed users (excluding customer service).

Lower satisfaction levels for customer service and features were generally found in those using a Succession Planning Module from their HRIS.

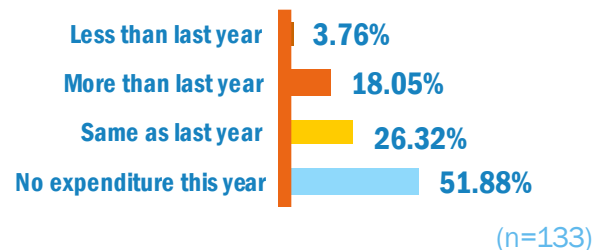
Deployment



User Satisfaction



Future System Expenditure



Average Age of System



Most Common Systems

1. Module of HRIS
2. SuccessFactors (SAP)
3. Other
4. Halogen
5. Taleo (Oracle) (n=41)

There are many different solution options for Succession Planning making "Other" rate very highly.



Respondent Demography and Method



respondent demography and method

Methodology

Method

Primary research for the Australian HR Technology Report was conducted in the form of an online survey. The survey was carried out between February and March 2015.

Our respondent profile are individuals working in HR or IT, in Australia, for organisations with 100 or more employees. Overall 263 responses from 232 unique organisations fit our respondent profile.

Where we received more than one response from an organisation all subjective (opinion) answers are included. Objective (fact) answers were compared and combined or investigated further if required.

Sampling Bias

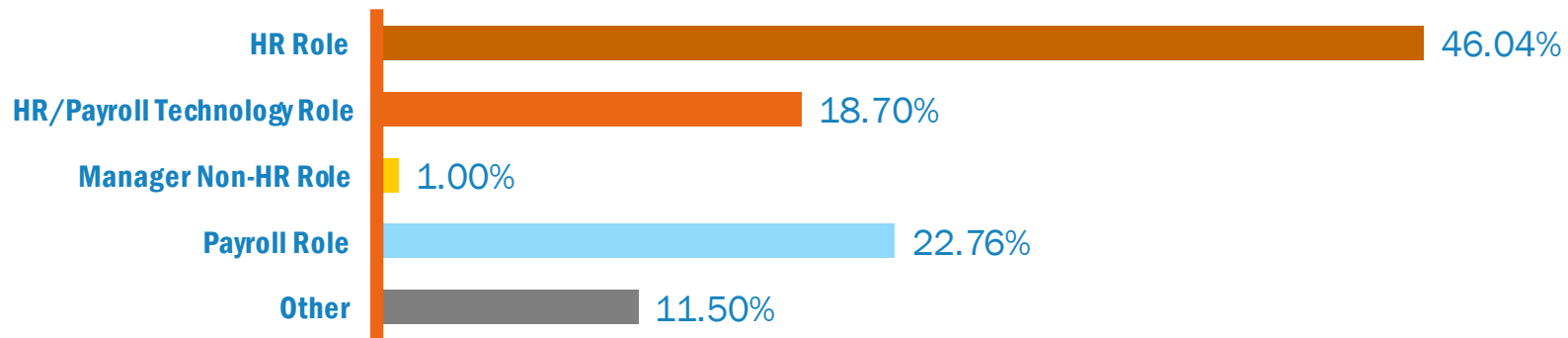
Navigo offers HR Technology related products and services and our customers do account for a higher percentage of the survey population than the total market. This could cause a sampling bias that represents the HR solution chris21 as more popular than reality.

Our aim is to get an accurate representation of the market, and we invited the majority of HR vendors to promote the survey to their customer base. This again could cause a sampling bias where one vendor has promoted the survey over another.

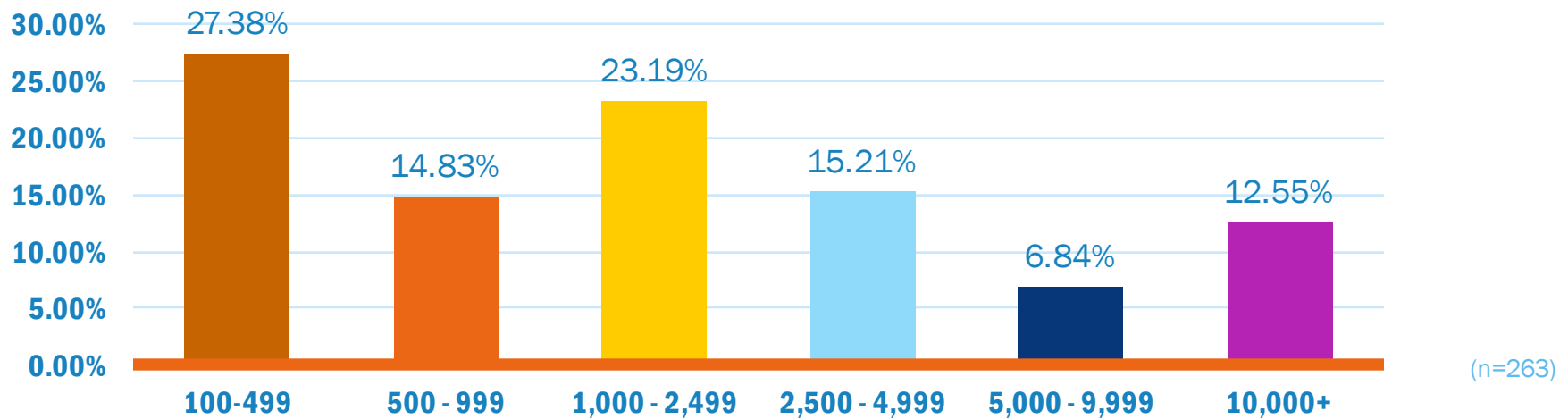


respondent demography and method

Roles and Organisation Size



Size





respondent demography and method

Industry Breakdown

| | | | |
|-----------------------------------|--------|--|-------|
| Accommodation / Food Services | 1.22% | Health Care / Social Assistance | 6.12% |
| Aerospace / Aviation / Automotive | 1.63% | Legal | 1.22% |
| Agriculture / Forestry / Fishing | 1.22% | Manufacturing | 8.16% |
| Arts / Recreation Services | 1.22% | Marketing / Market Research / Public Relations | 0.82% |
| Business / Professional Services | 3.27% | Media / Printing / Publishing | 1.22% |
| Computers (Hardware, Software) | 1.22% | Mining | 2.04% |
| Construction | 6.12% | Non-Profit | 6.12% |
| Consulting | 1.63% | OTHER | 6.53% |
| Education / Training | 10.20% | Research / Science | 1.22% |
| Electricity / Gas / Water Supply | 3.67% | Retail Trade | 3.27% |
| Engineering / Architecture | 0.82% | Telecommunications | 0.82% |
| Entertainment / Recreation | 0.82% | Transportation / Distribution | 2.04% |
| Finance / Insurance | 11.84% | Wholesale Trade | 1.63% |
| Government | 13.88% | | |



About Navigo

Navigo are HR Technology experts specialising in mid-tier HRIS and point solutions that deliver hard ROI against transactional HR activities.

Working with over 600 customers across various industry sectors in Australia, New Zealand and Papua New Guinea our solutions include:

- Organisational Charting, Workforce Visualisation, Modelling & Planning
- Paperless Employee Onboarding
- HR Systems Consulting

Our tight knit Melbourne based team consists of a combination of HRIS veterans and technology experts.

We started performing this survey due to a lack of Australian focussed research into the HR technology space.

To fill this gap, we decided to perform our own survey to release to the public – and the rest is history.

Since 2009 our annual report, the Australian HR Technology Survey, has been taking the pulse on how hundreds of HR teams across the nation utilise HR technology.

You can learn more about Navigo at navigo.com.au

