

Deliver on Employee Experience in the New Workplace When HCM Technology Replacement Isn't an Option

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By Analysts [John Kostoulas](#), [Ron Hanscome](#)

Initiatives: [HCM Technology Transformation](#)

EX has emerged stronger as a top-of-mind requirement for HR, but comprehensive HCM technology replacement is constrained by tactical spending restrictions and strategic limitations. Application leaders can best address the EX issue by deploying solutions that enhance their fragmented landscape.

Overview

Key Findings

- Employee experience (EX) is a top-of-mind requirement for HR, but it may not itself drive legacy replacement due to remaining contract life, spending restrictions, industry regulation or the fragmented landscape of enterprise applications.
- The typical human capital management (HCM) portfolio for midmarket and large enterprises consists of multiple solutions with disparate user experiences. The need to streamline overall experience may also expand into related non-HCM solutions or digital workplace tools.
- Cross-process initiatives are often constrained by limited adoption of emerging EX concepts such as “moments that matter” and “worker personas” to enable solution development. Process-specific improvement initiatives can be a more realistic choice, but coming to consensus on priorities can be difficult.

Recommendations

Applications and software engineering leaders supporting HCM technology transformation should:

- Implement experience enhancements as a realistic alternative to waiting for large-scale solution replacement barriers to disappear.
- Prioritize cross-process experience enhancements in the next one to three years by using moments that matter and worker personas as building blocks.
- Accelerate process-specific experience enhancements by evaluating talent acquisition (TA), corporate learning and workforce management due to their process impact and availability of vendors.

Strategic Planning Assumption

By 2023, 40% of global enterprises with EX initiatives will include holistic EX definitions and connector roles as essential elements for success.

Introduction

Gartner defines employee experience as the interactions employees have throughout all touchpoints in their day-to-day work and the contexts that influence those interactions. Employee experience is gaining significant momentum with CEOs and HR leaders, and this momentum was not interrupted during the COVID-19 pandemic. In the Gartner 2021 HR Priorities Survey, it was among the top five priorities, being listed as such by about one-third of CHROs (see [Top 5 Priorities for HR Leaders in 2021](#)).

During the COVID-19 period, and despite some expectations that it would deteriorate as a priority, employee experience has emerged as even more important. A Gartner survey of 214 HR leaders in April 2020 found that 64% were prioritizing employee experience more highly than before the coronavirus outbreak (see [Market Snapshot – Human Capital Management, Worldwide, 2020](#)). These aspirations are often driven by a competitive business's need to become more resilient and leverage top talent who can deliver the creativity and productivity required to accelerate a company's success (see [Build Links Between Customer Experience, Multiexperience, User Experience and Employee Experience](#)).

After a return to normal conditions, HR will have an additional challenge in the journey to deliver on employee experience. Amid the shift to remote work and hybrid workforce models, HR must preserve company culture and ensure employee experience keeps up with employees' expectations and needs. Hybrid workforce models aren't only about selecting one work location over another (e.g., home versus office), as shown in Figure 1. They provide an opportunity for employers, managers and employees to share ownership of location decisions around a common expectation that employees can switch locations dynamically depending on what makes the most sense to drive the highest levels of productivity and engagement.

Figure 1: Employee Experience in the Hybrid Workplace

Employee Experience in the Hybrid Workplace



Source: Gartner
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Gartner

Among the EX touchpoints, an increasing number is enabled by technology. However, although the HCM technology market is vibrant, not all HCM solutions are being replaced. As per our recent software forecast analysis, we expect revenue from currently deployed on-premises HCM solutions to go no lower than 10% in North America in 2023. Reasons for this include:

- Core HR, payroll and learning management systems in several industries (public sector, education, healthcare and manufacturing) where regulation, limited complexity or limited maturity of HR processes are not creating the urgency for more modern HCM solutions
- Organizations with overcustomized on-premises solutions that have not been fully paid back or that require extensive process reengineering to adopt a cloud replacement
- Organizations that had to postpone their replacement projects due to spending restrictions in 2020 and 2021, and will require two or more years of existing systems' carry-over

The main trigger for these organizations to start thinking about replacement will be the withdrawal of mainstream support for their on-premises solutions. These substantial user bases include the following Gartner estimates:

- SAP ERP Central Component (ECC) – about 6,800 customers with more than 1,000 employees each
- Oracle PeopleSoft – around 2,800 customers (75% are on release 9.2 and the rest on earlier releases)
- Oracle E-Business Suite – approximately 1,800 customers
- Oracle JD Edwards – 1,000 to 1,200 customers on various versions
- Infor Lawson – about 1,800 customers using noncloud versions

For SAP and Oracle, the cessation of mainstream support is a number of years away. SAP's HCM on-premises product will be supported until at least 2030, and support will extend into 2040 for the newest version of SAP HCM based on SAP S/4HANA to be released in 2022. ¹ Oracle also will provide support for PeopleSoft until at least 2031. ² These currently communicated end-of-support dates are likely to be extended, depending on the speed of transition of the customer bases.

As a result, for many organizations, HCM technology interventions are required to enhance current technologies, at least for the next one to three years, and raise the level of employee experience through increased adoption of digital HR services. This document discusses two types of experience enhancements: cross-process for the entire HCM application landscape, and process-specific.

Analysis

Use Moments That Matter and Worker Personas as Building Blocks to Maximize ROI From Experience Enhancements

The typical application landscape in enterprises of over 5,000 employees – and in many cases, midmarket organizations between 1,000 and 5,000 employees – is fragmented among:

- HCM suites
- A number of specialist solutions for more functional depth or industry-specific requirements

In a multinational organization, this complexity is even greater due to the existence of local solutions, and it increases proportionally to local control over the application portfolio (see [2019-2021 Strategic Roadmap for HCM Technology Investments](#)). As the extent of HR process digitalization increases, these solutions are not used anymore just by regular HR users, but also by employees, managers, executives and nonemployees, most of whom are casual users.

The possibilities for experience enhancement projects are numerous in such a complex system and user landscape. To maximize ROI related to employee experience, HCM technology experience enhancement interventions have to tackle two major building blocks: moments that matter and worker personas.

- **Moments that matter** impact an employee's organizational experience most significantly across an employee's day, year and career. Besides frequency, other criteria for qualification include emotion

generation, scalability and alignment to the business or critical talent. Today, 16% of HR functions are experimenting with a moments-that-matter approach to understanding employees, and 56% of HR functions are interested in identifying moments that matter (see [Moments That Matter: An Emerging Approach to Understanding Employees](#)). Examples of moments that matter include:

- Getting feedback from manager or peers
- Processing sick leave
- Reporting for the first day at work

- **Personas** are a representation of a group of, in this case, workers. It is an abstraction of the characteristic behaviors, motivations, emotions, interests and values synthesized from data collected by interviews and other tools. Therefore, the concept of persona takes into account the whole person and ensures that the whole person is at the center of the employee design experience (see [Ignition Guide to Creating Employee Personas](#)). Examples of personas are:
 - John, a new hire
 - Lisa, a first-time employee
 - Arun, a retail store manager
 - Maria, a recent employee-turned-manager

The relationship between moments that matter, personas and ROI (in terms of employee experience impact) is reflected in Figure 2 on the experience ROI multiplier.

Figure 2: The Experience ROI Multiplier: How to Prioritize Employee Experience Enhancements Based on ROI

The Experience ROI Multiplier: How to Prioritize Employee Experience



Source: Gartner
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For example, according to a Gartner survey of more than 5,000 employees, being discriminated against at work was memorable for 36% of employees and scored twice as high when compared with hiring a new employee (see [Identifying and Managing Moments That Matter to Employees](#)). In a typical organization, there are at least twice as many frontline managers as higher-level managers.

Providing technology support to the frontline manager to contain discrimination at work (a moment that matters) can yield more than four times better employee experience ROI as opposed to technology support on the hiring decision (another moment that matters) by a higher-level manager.

In terms of technology options, a number of solutions can support these experience enhancements:

- Connection of various applications into an **interactive intranet/work hub**, combining a **single portal and workflow** coupled with communication, collaboration and mobile-first capabilities for deskless workers. Sample vendors are Akumina, Beekeeper, Citrix (Workspace), LumApps, Microsoft (Viva), SAP (Work Zone), SocialChorus, Staffbase and VMware (Workspace ONE).
- **Microapplication tools** for desktop and mobile that include prebuilt integration to existing HCM on-premises or cloud transactional solutions. Sample vendors are Citrix, InFlight, SAP and ServiceNow.
- **Enterprise low-code application platforms** that offer development, deployment and execution capabilities for any of user experience, business process, business logic and data. See [Magic Quadrant for Enterprise Low-Code Application Platforms](#) for more details.
- Implementation of **digital experience monitoring tools** supporting the optimization of the operational experience of users with the application and **employee productivity monitoring tools** that use automated data collection and analytics to measure and improve workforce productivity. See [Hype Cycle for the Digital Workplace, 2020](#) for more details.
- Implementation of **digital adoption solutions** that walk a user through business processes across multiple products, providing a consistent user experience, eliminating manual entry in some cases and providing visually clear paths to complete tasks. See [Improve Employee Usage, Engagement and Productivity With Digital Adoption Solutions](#) for more details.
- **Chatbots and conversational user interfaces (UIs)** can be deployed over popular workstream collaboration or enterprise social networking platforms for a number of high-volume use cases (e.g., absence reporting and leave requests). See [Hype Cycle for Human Capital Management Technology, 2020](#) for more details.

Recommendations

- Define an implementation and total cost of ownership horizon, which does not exceed 36 months, for cross-process experience enhancements. Despite maintenance commitments for on-premises applications, the need for innovation across HCM processes is likely to force replacement earlier than the communicated expiration date.
- Prioritize moments that matter by using employee surveys and looking to other data sources, such as candidate dropout during talent acquisition, attrition during the first two months of employment or calls to support for HR services issues.
- Do not design in a vacuum. Distribute ideation and decision making across teams by taking advantage of existing and new employee surveying and polling applications, and observe the real flow of work for each persona.
- Expect experience enhancements to be a repetitive process. Deliver in sprints, and plan feedback loops across the target personas, to establish a data-driven approach for the next round of improvements.

Consider Talent Acquisition, Corporate Learning and Workforce Management for Process-Specific Experience Enhancements

Very often, a cross-process, build-heavy experience enhancement approach is not feasible due to organizational dynamics, budgetary constraints or technical limitations of legacy applications. In such cases, an approach targeting a few high-impact processes, leveraging packaged capabilities from HCM vendors, makes the most sense.

There are three HCM processes that stand out for such an approach due to high levels of employee frustration:

- **Talent acquisition** is undergoing a rapid change from the administration of handling applications and selecting candidates to focusing on candidate attraction and experience (see [The Future of Talent Acquisition Requires Talent Engagement and Systems of Action](#)). Many legacy applicant tracking systems (ATSs), often deployed for more than 10 years, are still in use. In addition, multinational organizations have sometimes deployed multiple ATSs to support separate regions or business units. Tighter connections between recruiting and onboarding – and better understanding of the impact of proper onboarding beyond compliance – are making onboarding a priority for experience interventions (see [Overhauling Onboarding: Using Updated Capabilities and Design Thinking to Move Beyond Compliance to Care](#)).
- **Corporate learning** is transforming from a top-down training mentality driven by learning and development (L&D) to a learner-led, continuous effort to upgrade skills (see [Market Guide for Corporate Learning](#)). The traditional backbone for learning technologies has been the learning management system (LMS). Older-generation LMSs have been L&D-centric, with a focus on administration, and very hard to integrate with content systems or other HCM applications. In addition,

the LMS landscape in large multinationals is often fragmented across local solutions or solutions implemented by the line of business (e.g., for sales training).

- **Workforce management (WFM)** has lasting impact on employee experience for many hourly-based organizations due to its frequency of use. It is also one of the most difficult technologies to replace or to consolidate at a multinational level due to varying legal and industry requirements and provider capabilities (see [Market Guide for Workforce Management Applications](#)). As a result, the average life span of a WFM application deployed on-premises is between eight and 10 years. Furthermore, in smaller organizations there may be no obvious owner or stakeholder of the application, making it difficult to raise the profile of WFM or make a case for investment (see [Prepare Yourself for the Future of Workforce Management](#)).

Luckily, there are a number of solutions available to help jump-start the experience enhancement journey in these process areas. Table 1 summarizes these options and provides some sample vendors.

Table 1: Experience Enhancement Solutions in Talent Acquisition, Corporate Learning and Workforce Management

Viewing partial table. [Click here to view full table](#)

Process Area	Solution	Implementation Time Frame	Sample Vendors
Talent acquisition	Orchestrate various TA solutions under a single candidate experience workflow driven by a TA suite.	Three to four months	Avature, Greenhouse, iCIMS, Jobvite, SmartRecruiters
	Implement a CRM/recruitment marketing solution as the primary portal for candidates, and integrate with the legacy ATS.	Three to six months	Beamery, Eightfold, Phenom, Symphony Talent, Yello (see also Hype Cycle for Human Capital Management Technology, 2020)
	Introduce video interviews and gamified assessments connected to the ATS.	Two to four months	Arctic Shores, Goshaba, HireVue, Knack, Modern Hire, OutMatch, Owiwi, pymetrics, The Talent Games (see also Incorporate Technologies for Considering and Assessing Talent Into Your Hiring Process)
	Introduce candidate chatbots to do the heavy lifting of candidate	One to three months	AllyO, Leoforce, Mya, Paradox, Yello (see also

Source: Gartner (February 2021)

Recommendations

- Be extra cautious when overlaying new packaged solutions over your existing ones, as this will increase the complexity of your landscape. Look for packaged integration to your legacy applications or experienced implementation providers to help mitigate complexity risk.
- Work with the relevant HR functional leader to understand what is driving change and how quickly the organization should react. HR teams may be bonded with their legacy applications, but the actual requirement might be one of a bigger overhaul than piecemeal enhancements.
- If you are part of a multinational organization, spend time with your local subject matter experts to understand the entire landscape of solutions in a process area. Very often, local solutions are bought or legacy systems are still used under the radar.

Evidence

¹ [SAP Extends Its Innovation Commitment for SAP S/4HANA, Provides Clarity and Choice on SAP Business Suite 7, SAP.](#)

² [Oracle Extends Support for PeopleSoft to 2031, Oracle.](#)

Acronym Key and Glossary Terms

ATS	applicant tracking system
EX	employee experience
HCM	human capital management
L&D	learning and development
LMS	learning management system
TA	talent acquisition
WFM	workforce management

Document Revision History

[How to Enhance Employee Experience When Full HCM Technology Replacement Is Not an Option - 17 September 2019](#)

Recommended by the Authors

[The Modern Employee Experience: Increasing the Returns on Employee Experience Investments](#)

[Build Links Between Customer Experience, Multiexperience, User Experience and Employee Experience](#)

[How to Harness Voice of the Employee Insights for Continuous Employee Experience Improvement](#)

[Why and How to Align Your HCM Technology Strategy to the Future of Work and the Digital Workplace](#)

[Reignite Employee Engagement in the Remote Hybrid Organization](#)

[Measuring Employee Effort: Creating a Customer-Centric Culture by Focusing First on Your Employees' Experience \(Part 2\)](#)

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