

WHICH TYPE OF HR TECHNOLOGY IS RIGHT FOR YOUR ORGANIZATION?

Whether you pursue a unified solution that all looks and works the same but may not optimize your needs – or a mismatched suite of solutions that makes you enter the same information in different systems to meet specific needs – it’s most important that you know what you’re looking at and what your many options are.

The HR Technology landscape is filled with a lot of jargon. Some is wrapped in acronyms such as SaaS (Software-as-a-Service), ERP (Enterprise Resource Planning) and HCM (Human Capital Management). SaaS refers to the hot trend in recent years to “rent” vs. purchase HR software applications, typically through the cloud delivery model where every customer is using the same “instance” or version of the software. HCM platforms are technology platforms used to support the entire employee lifecycle and other HR-related transactions, and ERP platforms (e.g., in HR, Finance, etc.) manage transactions across the entire organization, not just HR. What does all this jargon mean, and how can it help you make a decision about what technology to pursue for your group.

WHAT ARE HR TECHNOLOGY CATEGORIES?

Arguably the most important jargon heard in the HR Technology domain refers to the type of solution being discussed. We’re not referring here to functional solution types such as recruiting, performance management or learning solutions. In this case “type” relates to the category of solution. Determining the solution category is a great place to start a conversation with an HR Technology vendor and a great springboard from which many other key questions should logically follow.

For example, once you’re told a solution provider operates in the “HR-ERP” market or its alternative label, “Core HRMS” (Human Resource Management System) space, you immediately know they offer a transactional HR platform and “system of record” for recording relevant data and enabling analyses around all events in the “hire to retire” employee life cycle. Typical vendors mentioned in this category are Oracle, SAPSuccessFactors, Workday, ADP, Ultimate, Infor, Kronos, Ceridian and others.

If, however, you get a presentation from a Talent Management Suite or “TMS” provider (popular vendors include Saba, Cornerstone OnDemand, PeopleFluent, Silkroad, etc.), you won’t hear much talk about a system of record, but you’ll likely learn about their best-of-breed, functionally deep modules. A TMS is essentially the coupling of – through various degrees of “tight integration” and a common user experience – individual modules each designed to automate a specific HR process like recruiting, learning or performance management. The relative extent of tight integration and common user experience (look and feel) across the different modules is typically tied to whether all the modules were organically built by the same vendor or whether some were acquired and are being brought into a common solution framework over time.

The differences among categories are simple:

- Core HRMS platforms include the system of record for employee life cycle transactions and are fairly broad in functionality
- TMS platforms exclude the broad transactional HR recordkeeping but tend to offer deeper functionality for achieving best-in-class HR process design and support
- Best-of-Breeds are HR Tech solution platforms where single or “point” solutions are offered for automating and enabling just one HR process area; e.g., the aforementioned ATS for recruiting automation

WHICH OPTION IS BEST?

Those who have been in the HR Tech domain for some time recognize that many customer organizations go through “preference cycles,” swinging between a group of specific but disparate solutions — and consolidated, consistent but sometimes less effective solutions. These swings or cycles can take years to navigate and endure before the powers that be decide to pursue another HR Tech path.

Coming out of the swing, many customers will gravitate toward the opposite pole and seek to consolidate incongruent solutions from different vendors, migrating to a unified solution from one vendor after complaints from end users about things like redundant data entry, having to learn multiple user interfaces or “TCO” (total cost of ownership) in general. Other customers will find themselves deploying specialist or best-of-breed solutions or solution suites. This direction may alleviate HR process pain points that aren’t being adequately addressed by their old, core HRMS platform, or it may help the organization align better with HR process nuances needed by their business.

So which side of the pendulum is better? There’s no objectively right answer. It all comes down to preference and need. Whether you pursue a unified solution that all looks and works the same but may not optimize your needs – or a mismatched suite of solutions that makes you enter the same information in different systems to meet specific needs – it’s most important that you know what you’re looking at and what your many options are.

MEET THE EXPERT



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