HR Technology 2021, by Josh Bersin

Contents

HR Technology 2021, by Josh Bersin ................................................................. 1

Introduction ........................................................................................................... 5

The Big Reset: A Shift From HR Tech to Work Tech .............................................. 6
The Vastness of HR Applications ........................................................................ 7
The Core Talent Apps Are All Evolving Fast ....................................................... 9
The Explosive Growth of Teams, Workplace, and Slack .................................. 11
Skills: The Decomposition of Jobs Into Fractal Work ...................................... 12
A Big Shift: From Management-Led To Marketplace-Led ................................ 15
Where We Are: HR Tech Moves In Waves ...................................................... 16
HR Tech For Creators: Building Experiences .................................................... 20
An Example of Mashups In HR ......................................................................... 21
The Explosive Investment Community ............................................................ 22
Major M&A in 2020 ........................................................................................ 23

Talent Acquisition ........................................................................................ 23
L&D and Talent Management ............................................................................. 23
Analytics and Wellbeing ................................................................................. 24
Continued Confusion for Buyers ..................................................................... 24

AI Is Now Here ................................................................................................. 26
Public Cloud? Private Cloud? Hybrid Cloud? .................................................. 29
Getting A Sound Return from HR Tech Investments ....................................... 31

1. Core HR Platforms Grow And Expand ............................................................. 33

General Trends Among Core HR Vendors: ...................................................... 35
SuccessFactors HXM – Moving Fast ................................................................. 37
Workday: Making Huge Leaps Forward .......................................................... 38
ADP’s Next-Gen Platform ................................................................................ 38
Microsoft: Teams, Glint, and LinkedIn ............................................................ 39
9. The Talent Marketplace

   The Talent Marketplace: A New Business Architecture

   Software Vendors Pile On Fast

   The Reality of Building A Marketplace

   Advanced Features To Consider

10. Performance Management Tools Evolve

11. Innovation And Growth In Learning Technology

   The Big Topic: Skills vs. Capabilities

   Enter The New World of Academies

   The LMS Market Adapts

   The New Learning Tech Vendor Marketplace

   Evolution of the LXP

   Phase 1: Learning Discovery

   Phase 2: Learning Paths, Skills, Roles

   Phase 3: Collaboration, Program Management, Authoring

   Phase 4: Talent Marketplace LMS Functional merger

   Bringing It All Together

12. Wellbeing Market Explodes

   Financial Wellbeing

   Mental Health, Stress, Mindfulness

   Telemedicine, Remote Care, AI-Based Support and Coaching

   Intelligent Matching Networks

   Integrated Wellbeing and Benefits Providers

13. Analytics, AI, ONA, and Natural Language Systems

   Growth of AI

   Greater Demand With New Use Cases

   Moving Beyond Traditional Data

   Visual Analytics, Organizational Analysis, ONA

   Organizational Analytics and Modeling

   NLP and Chatbots
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrated HR Analytics Platforms</td>
<td>136</td>
</tr>
<tr>
<td>Developing Analytics Expertise in The Business</td>
<td>137</td>
</tr>
<tr>
<td>Market Confusion: How To Evaluate Vendors?</td>
<td>138</td>
</tr>
<tr>
<td>Vendor Cultures: Real Data</td>
<td>139</td>
</tr>
<tr>
<td>Wrapping It All Up: HR Tech Integral To HR</td>
<td>141</td>
</tr>
<tr>
<td>Appendix: Background On The HR Technology Market</td>
<td>144</td>
</tr>
<tr>
<td>The Major Market Dynamics</td>
<td>144</td>
</tr>
<tr>
<td>Twelve Categories of the Market</td>
<td>147</td>
</tr>
<tr>
<td>Core HR and Payroll</td>
<td>147</td>
</tr>
<tr>
<td>Employee Self-Service or Employee Experience</td>
<td>150</td>
</tr>
<tr>
<td>Pay and Rewards</td>
<td>152</td>
</tr>
<tr>
<td>Workforce Management</td>
<td>153</td>
</tr>
<tr>
<td>Integrated Talent Management</td>
<td>154</td>
</tr>
<tr>
<td>Talent Acquisition</td>
<td>155</td>
</tr>
<tr>
<td>Performance Management</td>
<td>155</td>
</tr>
<tr>
<td>Corporate Learning</td>
<td>156</td>
</tr>
<tr>
<td>Corporate WellBeing</td>
<td>157</td>
</tr>
<tr>
<td>Diversity and Inclusion</td>
<td>157</td>
</tr>
<tr>
<td>Analytics and Workforce Planning</td>
<td>158</td>
</tr>
<tr>
<td>Workplace Productivity</td>
<td>159</td>
</tr>
<tr>
<td>Conclusion</td>
<td>160</td>
</tr>
<tr>
<td>Afterward</td>
<td>160</td>
</tr>
<tr>
<td>Table of Figures</td>
<td>161</td>
</tr>
</tbody>
</table>
Introduction

As an industry analyst, I spend many hours every year talking with HR leaders, vendors, investors, and consultants about the ever-changing world of HR Technology. I’ve done this for over 18 years, and I love every minute of it: this market is fascinating, ever-changing, and vitally important.

My goal in this effort is to give you understanding and perspective, and I do this with the belief that every product, every vendor, and every solution has value. My job is not to “rank or rate” all these solutions but rather to give you unbiased and informed information to make sound decisions.

While this report comes out once per year, I am always talking with clients and vendors. So if you’re a vendor who is missing or perhaps have an opinion that may vary from mine, I want to hear from you.

You can keep in touch with all my research at http://www.joshbersin.com where I regularly write articles and produce lots of studies on various parts of the market.

I hope you find this report valuable: it represents thousands of hours of effort, years of experience, and many hundreds of conversations with vendors, clients, and consultants. You can reach me on Twitter or LinkedIn and I will always make time to chat with you. And of course, if you have questions, please submit them through one of these channels.

Josh Bersin
Table of Figures

Figure 1: From HR Tech to Work Tech ................................................................. 6
Figure 2: Evolution of HR Functions to Work Tech ........................................... 7
Figure 3: HR Tech Architecture for 2021 ........................................................... 8
Figure 4: Jobs, Roles, Skills, Capabilities ......................................................... 14
Figure 5: Four Stages of The HR Tech Market .................................................. 17
Figure 6: Framework for Ethics and Trust in AI .............................................. 29
Figure 7: Edge Computing ................................................................................ 31
Figure 8: Difficulties In HR Tech Implementations .......................................... 32
Figure 9: New Focus: Improving Work Experience ......................................... 35
Figure 10: Teams vs. Slack ................................................................................ 41
Figure 11: Jobs, Roles, Skills, and Capabilities ................................................ 44
Figure 12: Object Oriented Database ................................................................. 46
Figure 13: HR Tech Architecture for 2021 ........................................................ 48
Figure 14: From Process to Experience ............................................................. 49
Figure 15: How HR Systems Are Evolving ....................................................... 50
Figure 16: Talent Experience vs. Employee Experience .................................... 51
Figure 17: Safe Workplace Dashboard .............................................................. 53
Figure 18: New World of Talent Applications .................................................. 55
Figure 19: Talent Management Market Is Crowded .......................................... 56
Figure 20: The Irresistible Organization Model ................................................ 61
Figure 21: HR in the Flow of Work ................................................................. 62
Figure 22: How Talent Systems Have Evolved ................................................ 66
Figure 23: The Overall Map of Employee Experience ...................................... 67
Figure 24: Four Stages of Employee Engagement Market ............................... 71
Figure 25: Employee Listening - Vendor Landscape ......................................... 72
Figure 26: Convergence of Talent Vendors Over Time ..................................... 73
Figure 27: Employee Listening Architecture .................................................... 74
Figure 28: People Analytics In The Pandemic .................................................. 75
Figure 29: Visual View of People Analytics ..................................................... 76
Figure 30: Business Skills Needed in People Analytics .................................... 77
Figure 31: Growth In Freelancing ..................................................................... 86
Figure 32: Three Models for Talent Mobility ................................................... 93
Figure 33: Key Features in Performance Management ..................................... 96
Figure 34: Convergence of Talent Applications .............................................. 97
Figure 35: The Performance Management Process ....................................... 99
Figure 36: Performance Management As An Integrated Process ................... 101
Figure 37: Convergence of Talent Applications .............................................. 103
Figure 38: How Corporate Learning Has Evolved ......................................... 104
Figure 39: Jobs, Roles, Skills, and Capabilities ................................................... 105
Figure 40: Learning Architecture of Today ......................................................... 108
Figure 41: The Learning Tech Marketplace ......................................................... 109
Figure 42: Macro vs. Micro Learning ................................................................. 110
Figure 43: Four Types of Corporate Learning ...................................................... 115
Figure 44: Need for Financial Wellbeing .......................................................... 118
Figure 45: Growth Of Real-Time Pay ................................................................. 120
Figure 46: Wellbeing Matching Opportunity ..................................................... 122
Figure 47: Evolution from Wellbeing to Human Performance ......................... 123
Figure 48: Convergence of Talent Applications ............................................... 124
Figure 49: Deep Learning with Python by Francois Chollet" Publisher: Manning Publications; 1 edition (December 22, 2017). ................................................... 127
Figure 50: Many Types of People Data To Analyze ........................................... 129
Figure 51: Data Analytics Architecture ............................................................. 133
Figure 52: ONA and Relationship Analytics ..................................................... 134
Figure 53: 15 Keys To Success In People Analytics ............................................ 138
Figure 54: Sample Vendor Customer Focus Scores (Glassdoor) ....................... 140
Figure 55: Sample Vendor Execution Scores (Glassdoor) ................................. 141
Figure 56: Investor Growth in HR Tech ............................................................. 147
Figure 57: Twelve Major Categories Of The Market ......................................... 147
Figure 58: Disruption to Core HCM Vendors ..................................................... 149
Figure 59: Growth Of Employee Self-Service ................................................. 151
Figure 60: Corporate L&D Market Size ............................................................ 156