



>  
accenture

*High performance. Delivered.*

## Progress toward productivity

How human capital management executives can achieve high performance

- Consulting • Technology • Outsourcing

This report details the results of a survey conducted by Accenture examining the views of human capital management executives. The views and opinions expressed in this report are meant to stimulate thought and discussion.

As each business has unique requirements and objectives, these ideas should not be viewed as professional advice with respect to your business.



# 2011 Survey

As the dual market pressures of cost containment and improved performance continue to impact human capital management executives, the need to manage time and talent has become more vital.

In a recent survey among more than 200 executives, Accenture has discovered that although the majority of Human Resources (HR) and Information Technology

(IT) directors say they are generally satisfied with their human capital management systems, many of these same executives claim to spend more time and money than they would prefer to for HR data management—and experience too many errors. Respondents also point to an opportunity to use IT tools and automation to raise HR's productivity by improving standardization and data analysis.



# Executive Summary

In January 2011, Accenture asked 213 senior executives responsible for human capital management (HCM) across a range of industries worldwide to share their views on the quality, reliability and accuracy of their HCM systems, and to rate their satisfaction with current HR operations.

Given that the human capital management systems market has been established for more than 20 years, it is not surprising that survey respondents indicated relatively high levels of satisfaction around reliability and accuracy. Core functions such as master data management or time management and essential capabilities such as payroll have had time to stabilize and enjoy familiarity amongst HR executives. Yet while our survey respondents are 'generally satisfied' with many of their human capital data management capabilities, they still recognize performance gaps.

Going forward, HR departments will require systems that free them up to operate at the heart of the business, managing the war for talent and accounting for demographic changes. So our respondents are clear on their priorities: not only are factors such as data quality, integrity and analysis becoming top of mind, they are also helping to shape the HR demands of the future.

Our findings show that:

- **Opportunities exist to simplify, standardize and speed up data-driven tasks:** The majority of respondents say their staff spends too much time on HR-related tasks, pointing to opportunities to save time and money in specific areas, such as payroll administration and data integrity testing.
- **There is significant potential to improve data quality:** Nearly two-thirds (64 percent) of respondents believe they need to improve their HR data quality, with nearly all citing the need to reduce data errors and help ensure information is up-to-date.
- **Data analysis, control and security are also human capital management issues:** By employing more effective data analysis, roughly one-third of companies indicate that they could close the gap between raw data and actionable insights. IT executives also point to data security as an area where organizations can improve.
- **North Americans are typically less satisfied with their human capital management systems than their European counterparts:** North American HR and IT directors indicate lower levels of satisfaction than do their European peers in terms of their ability to track talent and organizational changes, and manage processes such as payroll, data migration and software updates.

Technology plays its part, too, in our respondents' views on human capital management systems. The survey shows that SAP users are generally more satisfied than Oracle/PeopleSoft users for HR data management. For example, companies that use SAP to support their HR operations are more satisfied than those who use Oracle/PeopleSoft with regard to the ease and accuracy of copying and testing HR data. SAP users also feel slightly less need to improve the quality of their data versus those using Oracle/PeopleSoft.

Overall, the survey shows that increasing productivity in human capital data management is part of the path to high performance. With greater control over their ability to complete administrative tasks and better manage HR-related data, HR executives are freed up to focus on more strategic activities, such as recruitment, training and talent management.

Nearly two-thirds (64 percent) of respondents believe they need to improve their HR data quality.

# Introduction

Productivity around data access and management is important in helping companies focus on the 20 percent of HR that can really drive high performance—for example, finding, developing and keeping the right talent.

As markets evolve and companies re-structure, undergo mergers and acquisitions, and struggle to comply with government regulations, human resources executives must continue to push the envelope on productivity. Yet the scope and speed of change in the

digital age can strain HR managers' time and budgets, as well as the quality of and access to HR data that they rely on to manage various HR processes.

In a study conducted in early 2011, Accenture asked senior HR and IT professionals in human capital management about the performance of their HR systems.

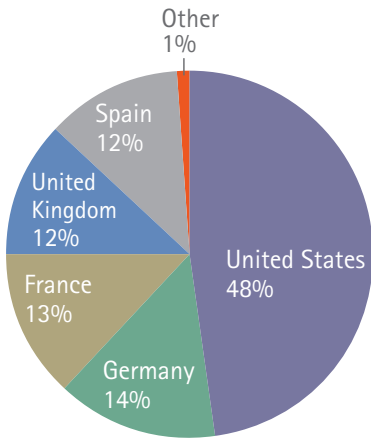
## Survey demographics

Accenture surveyed more than 200 HR and IT professionals among a broad range of companies (45 percent had revenues greater than U.S. \$1 billion) across more than 20 industries. See Figure 1.

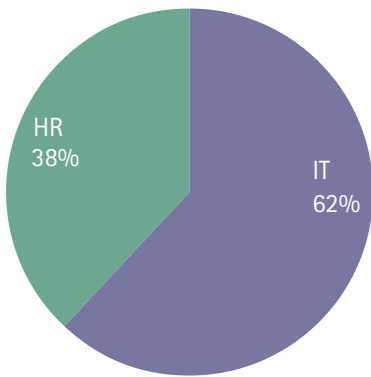
Figure 1. Survey respondents

Research sample\*

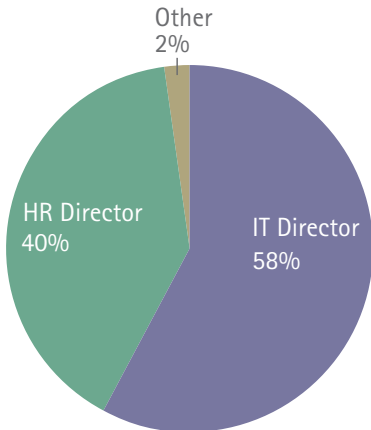
Headquarters



Function



Title



Industry	n=	%
Automotive	7	3%
Banking	12	6%
Biotechnology	4	2%
Capital Markets	3	1%
Chemicals and Natural Resources	7	3%
Communications	12	6%
Consumer Goods & Services	16	8%
Education	7	3%
Electronics and High Tech	17	8%
Energy	8	4%
Forest Products	2	1%
Freight and Logistics	2	1%
Government National/Federal	6	3%
Government-State/Regional	6	3%
Healthcare Providers	16	8%
Industrial Equipment	9	4%
Insurance	11	5%
Media & Entertainment	1	0%
Medical Products	1	0%
Metals & Mining	4	2%
Pharmaceuticals	11	5%
Retail	4	2%
Travel & Transportation Services	10	5%
Utilities	5	2%
Other	32	15%

\*Unweighted

Base = All respondents; n=213

Source: HRIT Survey, April 2011

## Survey findings

While respondents indicate they are 'generally satisfied' with many of their human capital data management capabilities, the research also points to some concrete gaps and opportunities where HR and IT professionals can apply technology to further automate time-intensive tasks and thereby improve data accuracy and increase overall HR productivity. Ultimately, employees that have more control over HR-related data are more likely to have time to focus on strategic talent management activities.

### Survey highlights include:

#### Opportunities exist to simplify, standardize and speed up data-driven tasks.

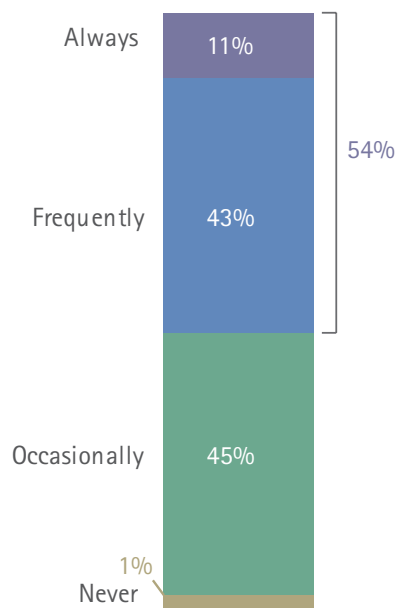
Among respondents, 58 percent said they were "satisfied" or "very satisfied" with their company's ability to track and manage talent. HR directors were significantly less satisfied than their IT peers who supported talent tracking—47 percent versus 66 percent, respectively—perhaps due to the fact that HR professionals are left to take up the slack for non-automated, tactical talent management activities.

When asked to rate the "flexibility of their human capital management system," 72 percent of respondents believe them to be "good" or

"excellent." Again, HR directors were less satisfied than IT directors (61 percent versus 79 percent, respectively). However, despite their stated level of satisfaction with flexibility, more than half (54 percent) of respondents believe their staff "spends too much time on HR-related tasks." Specifically, 43 percent of respondents said staff "frequently" spends too much time on manual tasks, while 11 percent believe that staff "always" spends too much time. See Figure 2.

### Figure 2. Staff spending

How often does your staff spend too much time on HR-related tasks (e.g., expense management, payroll)?



Base = All respondents; n=213  
Source: HRIT Survey, April 2011

Exploring the issue of time spent on manual HR-related tasks, nearly all HR and IT directors (89 percent) said it is important to accelerate data-driven tasks through automation as a means to yield greater efficiency. Yet today these same executives are dissatisfied with their productivity in specific areas:

- More than a quarter (27 percent) find it "difficult" or "impossible" to update company-wide organization charts;
- Less than half (44 percent) of respondents use wizards to customize organization-related data;
- Only 20 percent have a standardized method for creating HR-related documents, such as offer letters; and
- Only 21 percent rate the efficiency of certain key HR processes, such as payroll administration, as "very efficient."

The research also identified other areas where companies may not be taking full advantage of opportunities to improve efficiency, flexibility and cost savings. Regarding some disparities between how HR and IT directors view their human capital management system productivity, HR executives are often more frustrated with data-related tasks than their IT counterparts, who tend to be more concerned about costs.

For example:

- Thirty-one percent of HR directors report that data migration and software upgrades are "difficult" or "impossible," versus 18 percent of IT directors responding to the same question.
- Asked about the ease of data integrity testing and copying data when performing upgrades, 28 percent of HR directors say it is "difficult" or "impossible," versus 17 percent of IT directors. Also, both indicate a higher propensity to rate SAP as easier to use for testing and/or copying data during upgrades, compared to Oracle/PeopleSoft. Among respondents 23 percent rate SAP as "very easy" versus 15 percent for Oracle/PeopleSoft.
- Forty-seven percent of respondents believe current spending levels for human capital management data integrity testing are too high, ranging from "slightly more than necessary" to "excessive." IT directors are more likely to say costs are too high—53 percent versus 38 percent for HR directors.

### There is significant potential to improve data quality.

The quality and reliability of human capital management data appears to be top-of-mind for both HR and IT directors.

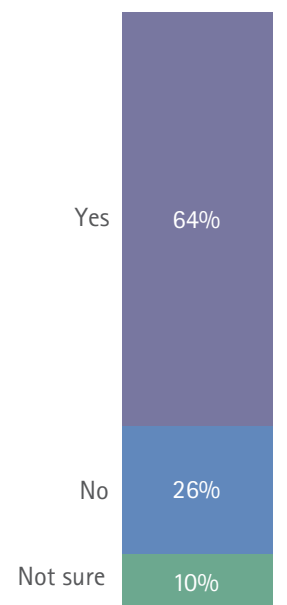
- Nearly all respondents (94 percent) cited up-to-date information for human capital management processes as "important" or "very important."
- A majority (88 percent) also believe that reducing human capital management data errors is equally vital, rating it as "important" or "very important," while even more (93 percent) worry over legislative issues and regulatory compliance, with 69 percent rating such as issues as "very important."

While the research found that respondents indicate they are generally satisfied with the quality of their data—82 percent rated the quality as "good" or "excellent"—at the same time, nearly two-thirds (64 percent) of respondents believe they need to improve their HR data quality. Moreover, a greater proportion of HR and IT directors using Oracle/PeopleSoft say they need to improve their

data quality—73 percent versus 65 percent for SAP. See Figure 3. Given the uncertainty and bottlenecks poor quality data can cause, companies may have an opportunity to significantly lower their risks and increase productivity with higher data quality. Without a single source of truth, companies can squander significant time and money due to error-prone manual processing, which then hinders effective decision-making. For example, our study shows that only 47 percent of respondents have "high confidence" in the accuracy of copied data when migrating their human capital management systems. SAP users, however, are more confident than Oracle/PeopleSoft users—57 percent versus 43 percent, respectively.

Figure 3. Data quality

Do you believe you need to improve the quality of your data?



Base = All respondents; n=213  
Source: HRIT Survey, April 2011

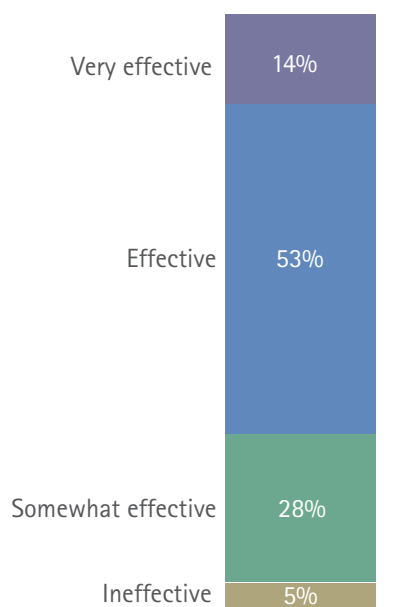
Ninety-four percent cited up-to-date information for human capital management processes as "important" or "very important."

### Data analysis, control and security are also human capital management issues.

While many companies often complain of data overload, the research shows that an equal number fail to effectively employ data analysis tools to help turn raw data into insights that lead to better business decisions. According to respondents, there is room for roughly one-third of companies to close the HR data-to-decision gap with more effective data analysis. When asked to rate the effectiveness of their HR data analysis techniques, 33 percent of respondents report that their techniques are "less than effective," while only 14 percent rated them as "very effective." See Figure 4.

**Figure 4. Data effectiveness**

How would you rate the effectiveness of your HR data analysis techniques?



Base = All respondents; n=213  
Source: HRIT Survey, April 2011

The study shows that 74 percent of respondents believe the level of control for human capital management data is "good" or "excellent"—53 percent and 21 percent, respectively. As one measure of control, 94 percent of respondents say the security of their HR data is "good" or "excellent." However, among IT executives, who may be more informed on this topic than their HR peers, only 31 percent rate data security as "excellent," whereas 47 percent of HR directors say the same. This disparity may reveal some security vulnerabilities at companies where HR professionals may be falsely reassured and therefore less vigilant around human capital management data security.

### North Americans are typically less satisfied with their human capital management systems than their European counterparts.

Across industries, North American HR and IT directors are less satisfied than their European counterparts with the organization's ability to track and manage talent—49 percent versus 66 percent, respectively. This pattern of lower levels of satisfaction in North America versus Europe appeared in areas, such as:

- **Payroll processing:** North American respondents rated the efficiency of their payroll administration processes at 70 percent while Europeans rated it at 89 percent;
- **Data migration and software updates:** North American respondents rated "the ease of data migration and software updates" at 69 percent versus 84 percent among Europeans;

- **Tracking organizational changes:** North American respondents rated "the ease of updating organization charts company-wide" at 67 percent versus 78 percent among Europeans; and
- **Data flexibility:** North American respondents rated as acceptable their "level of flexibility in HCM systems" at 67 percent versus 75 percent among Europeans.

There are two exceptions to the more positive trends among Europeans:

1. European HR and IT professionals are more likely to think their staff "spends too much time on HR-related tasks"—62 percent of European directors versus 46 percent of North Americans; and
2. European HR and IT professionals report spending "more time than necessary" on testing data during and after software upgrades: 56 percent of Europeans versus 37 percent of North Americans.



## The path to high performance

Whether simply automating an expense process or customizing an ever-changing organizational chart, the latest human capital management research shows that there are concrete opportunities to improve efficiency and quality in HR data management systems.

At Accenture, we believe there is a link between an organization's productivity in HR data management and high

performance. To assess the path to high performance for human capital management, companies should ask themselves:

- What are the greatest challenges in HR data management—access, integrity, migration, testing, or security?
- Which HR-related tasks are the most time-intensive and cumbersome and how could greater automation help improve them?
- Does the organization need to 'close the gap' between managing HR data and analyzing that data for better decision-making?

To learn more about the study and how Accenture helps companies achieve high performance in human capital management, please visit:

[www.accenture.com/hcmsoftware](http://www.accenture.com/hcmsoftware)

Or e-mail:  
[hcmsoftwaresales@accenture.com](mailto:hcmsoftwaresales@accenture.com)

## About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with more than 223,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US\$21.6 billion for the fiscal year ended Aug. 31, 2010. Its home page is [www.accenture.com](http://www.accenture.com).

Accenture Software combines deep technology acumen with industry knowledge to develop differentiated software products. It offers innovative software-based solutions to enable organizations to meet their business goals and achieve high performance. Its home page is [www.accenture.com/software](http://www.accenture.com/software).

Copyright © 2011 Accenture  
All rights reserved.

Accenture, its logo, and  
High Performance Delivered  
are trademarks of Accenture.