

Hype Cycle for HR Technology, 2023

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Initiatives: [HR Technology Strategy, Transformation and Management](#)

As HR leaders manage an increasingly complex portfolio of technologies, they must prioritize investments that enable flexibility and resilience. This Hype Cycle highlights the latest HR technology innovations, providing insights into maturity of key applications and technologies.

Strategic Planning Assumption

By 2025 60% of enterprise organizations will adopt a responsible AI framework for their HR technology and achieve greater employee experience and trust in the organization.

Analysis

What You Need to Know

HR leaders must manage an increasingly complex technology portfolio amid a continued need from HR and business leaders for greater agility and flexibility to address a constantly changing environment.

This year's Hype Cycle has a consistent supply of innovations rising toward the peak, with the most activity in the Trough of Disillusionment, as innovations around employee experience and human-centric work continue to mature. The peak of this year's Hype Cycle is dominated by AI, including generative AI (GenAI) and responsible AI.

With the increased hype about AI and GenAI, conversations around productivity and a greater demand for responsible AI continue. Uncertain labor and economic conditions add another layer of urgency to embrace innovations that support flexible HR strategy. Meanwhile, the demand for employee experience and human-centric work design continues. Thus, HR must continue its efforts to:

- Manage a technology portfolio of increased complexity without compromising user experience: Multiple new applications (and vendors) must be budgeted, selected, implemented and integrated alongside existing solutions.
- Evaluate the HCM suite for both current and expected future capabilities: Suite providers can provide "good enough" solutions in a number of innovation areas or plan to provide them at specific future intervals. As a result, HCM suites need to be continuously evaluated alongside specialist vendors.
- Implement in an agile way through targeted experiments: Many of these innovations require cultural changes that take time. Instead of waiting for change to happen, select the right places inside the organization to pilot innovations that demonstrate business value.

The Hype Cycle

The technologies featured in this Hype Cycle respond to the need for greater flexibility, human-centric work and employee experience (EX). Human-centric EX-related innovations continue to mature. With uncertainty and volatility in the market amid rising importance of skills, the peak of the 2023 Hype Cycle is filled with AI that supports skills and flexibility. New entrants to the Hype Cycle include generative AI (GenAI) in HR, labor market intelligence (LMI), responsible AI and global employer of record solutions.

Although new to the Hype Cycle, GenAI has already experienced massive hype. Especially relevant to HR is GenAI's ability to generate text and improve HR data storytelling and data-driven decisions. Text generation can be used for job description and onboarding content creation, recruiting and coaching.

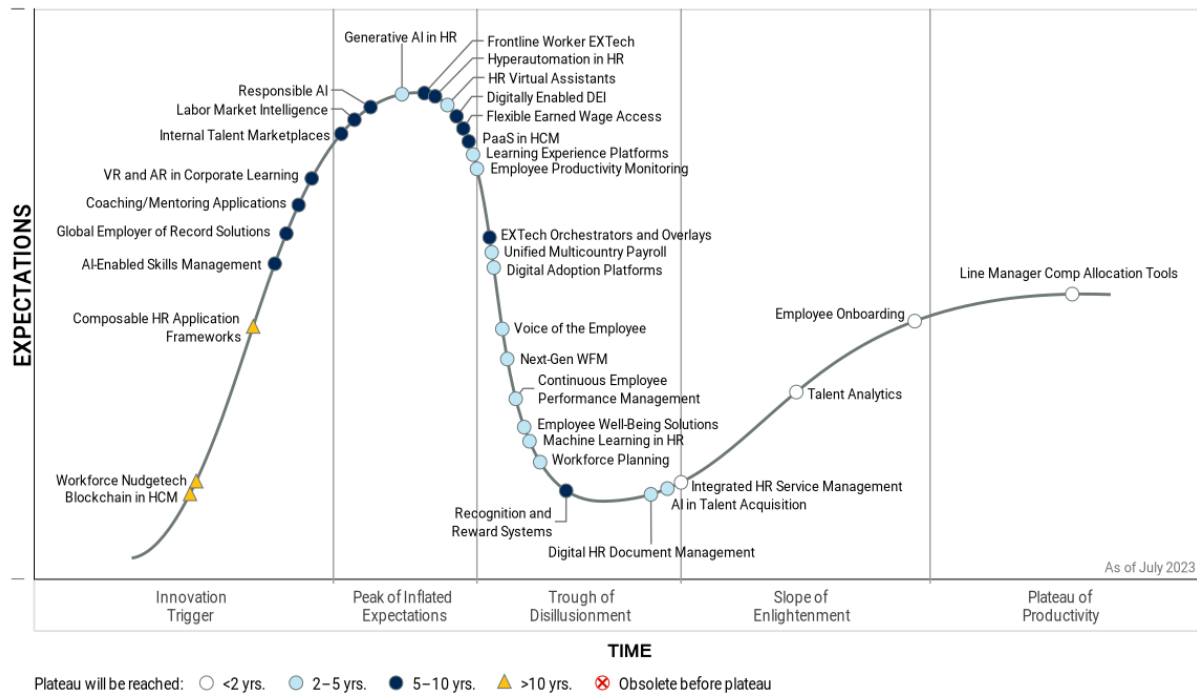
Internal talent marketplaces (ITM) and AI-enabled skills management have both experienced considerable adoption and increased hype in the last year. In fact, the market for ITM has expanded considerably (see [Market Guide for \(Internal\) Talent Marketplaces](#)) along with the use cases for AI-enabled skills management (see [Innovation Insight for AI-Enabled Skills Management](#)).

Fast movers include AI in talent acquisition (TA), which has demonstrated not only considerable value and broader adoption but also increased pushback as regulation of AI in recruiting continues globally. EX technology for frontline workers has also moved quickly toward mainstream adoption due to broad industry-specific support, such as retail.

Meanwhile, blockchain in HCM continues to disappoint as it fails to realize value. Although blockchain has the potential to cut down on time-consuming and redundant processes like background verification or processing payment approvals, those problems are not pressing enough to justify the considerable investment required to deploy blockchain in HCM. Similarly, virtual and augmented reality have not matured as quickly as other innovations.

Figure 1: Hype Cycle for HR Technology, 2023

Hype Cycle for HR Technology, 2023



Gartner

Source: Gartner (July 2023)

The Priority Matrix

The Priority Matrix groups included technologies in terms of their potential level of benefit and the number of years until they reach mainstream adoption. For example, GenAI has the potential to fundamentally change how work is done across business units, including HR, with responsible AI dictating how AI is managed throughout the organization. Internal talent marketplaces support new, agile ways of working. They impact how employees find work and growth opportunities, how managers and project managers find and use talent, and how staffing and personnel budget decisions are made.

Gartner has assigned a benefit rating to each technology according to the expected outcome of that technology's deployment in the majority of cases. Thus, for example, we believe investing in PaaS for HCM will usually be moderately beneficial, but it might be transformational in some cases for particular organizations.

All of the technologies in this Hype Cycle have been included because Gartner has identified them as being important and potentially interesting to HR leaders who are responsible for transforming HR technology. As such, these HR leaders should consider each of these technologies, regardless of their placement on the Hype Cycle, to determine if it can be beneficial for the unique needs of their organization.

Table 1: Priority Matrix for HR Technology, 2023

(Enlarged table in Appendix)

Benefit ↓	Years to Mainstream Adoption			
	Less Than 2 Years ↓	2 - 5 Years ↓	5 - 10 Years ↓	More Than 10 Years ↓
Transformational		Generative AI in HR	Internal Talent Marketplaces Responsible AI	
High	Employee Onboarding Integrated HR Service Management Talent Analytics	AI in Talent Acquisition Digital Adoption Platforms Machine Learning in HR Next-Gen WFM Voice of the Employee Workforce Planning	AI-Enabled Skills Management Coaching/Mentoring Applications Digitally Enabled DEI EXTech Orchestrators and Overlays Frontline Worker EXTech Global Employer of Record Solutions Hyperautomation in HR Labor Market Intelligence	Composable HR Application Frameworks Workforce Nudgetech
Moderate	Line Manager Comp Allocation Tools	Continuous Employee Performance Management Digital HR Document Management Employee Productivity Monitoring Employee Well-Being Solutions HR Virtual Assistants Learning Experience Platforms Unified Multicountry Payroll	Flexible Earned Wage Access PaaS in HCM Recognition and Reward Systems VR and AR in Corporate Learning	
Low				Blockchain in HCM

Source: Gartner (July 2023)

Off the Hype Cycle

- Freelancer management has been dropped; client inquiries indicate this innovation falls largely outside the purview of HR.
- Ontology-based skills graph has been updated to AI-enabled skills management. Although this innovation still utilizes ontology-based skills graphs, the updated title better explains the purpose and value of this innovation.
- The following innovations have moved from this Hype Cycle to the new [Hype Cycle for Talent Acquisition Technologies, 2023](#): video recruiting, CRM, Virtual assistants in recruiting and next-gen talent assessments.

On the Rise

Blockchain in HCM

Analysis By: Ranadip Chandra

Benefit Rating: Low

Market Penetration: Less than 1% of target audience

Maturity: Embryonic

Definition:

A blockchain is an expanding list of cryptographically signed, irrevocable transactional records shared by all participants in a network. Blockchain in human capital management (HCM) refers to applications that leverage blockchain to authenticate and manage a shared version of employee data and processes across organizations.

Why This Is Important

The main advantages that blockchain brings in HCM technology are “trust” and “transparency” around employee data, that can be shared across multiple organizations, and can be controlled by the employees themselves. Added levels of trust supported by distributed ledgers can cut down many time-consuming and redundant processes in HCM. Such processes include manual background verification for shortlisted candidates, payment processing approvals, cross-border payment, currency adjustment, etc.

Business Impact

Most HR-relevant blockchain projects are carried out in the areas of identification and credential management and in payroll management (such as building applications for identification and verification or networks for data processing and management). Blockchain-technology-based applications are designed to streamline hiring, improve the verification of candidates’ qualifications, and transform the way worker credentials are shared and verified. Although due to unclear business value, blockchain in HCM has not progressed beyond the early stage.

Drivers

Blockchain adoption in enterprise applications remains low despite potential benefits. This is largely because most enterprises who try to adopt the technology set up private blockchains and do not have sufficient awareness about the time and resources required to run an enterprise blockchain HR application. We think adoption will improve once there are more off-the-shelf HCM blockchain applications that enterprises can easily access and use.

Some practical use cases behind the embryonic yet tangible development are:

- Employee career credentials: Independently authenticated by past employers and/or educational institutions, and can be reused by a candidate in each subsequent application. Tamper-proof credentials are useful for industries like healthcare where the certifications and mandatory training are critical for candidate evaluation but the window of assessment needs to be quick.
- Smart contracts for a gig economy: Specify the conditions agreed upon by the employer and the candidate. Once the contract is successfully completed, a prior approved sum held in an escrow account can be automatically released and credited to the professional's account. This is particularly applicable for artists and creative professionals trying to sell their products on public platforms (e.g., [OpenSea](#)) without any intermediary. They are paid for their work, based on contract terms that they set themselves.
- Blockchain payroll platforms: Transactions through cryptocurrency exchange enable payments directly to employees without requiring any bank's involvement.

Obstacles

- Blockchain supports decentralized identity where users own and control their own identity data, and decide who can view it. This runs counter to current business models where vendors and organizations own and sometimes monetize employee data.
- The biggest obstacle for blockchain adoption in enterprise applications has been the failure of permissioned blockchain platforms to gather any momentum. The vendor-controlled enterprise blockchain networks are neither decentralized nor do they address the default central weakness that makes them vulnerable to cyberthreats.
- Many vendors that offered HR technology use cases have rebranded and are using their blockchain platforms for applications such as supply chain management where the adoption is relatively higher.

User Recommendations

- Evaluate the operational costs, technology debt, business benefits and the evolution of the blockchain technology landscape before investing.
- Pilot with not more than one application to observe the results in the near term and identify the most suitable use case from the list.
- Leverage the success to justify further investment in blockchain platforms in other areas within HCM technology.
- Participate in opportunities in ecosystem-led enterprise software development, such as CEPD, as beta users to gain early access in innovative development that may proved to be highly impactful in the long term.
- Prioritize the development of Web3 applications. Web3 is the next iteration of the World Wide Web, envisaged as being decentralized and powered by blockchain technologies. These innovations can help modernize HR applications.
- Experiment with decentralized ownership of employee data for specific use cases to evaluate the degree of change required and the business impact of such decentralized ownership

Sample Vendors

Aworker; Deel; Etch; Velocity Network Foundation; Workday; WurkNow

Gartner Recommended Reading

[Quick Answer: What Is Blockchain?](#)

[Emerging Tech Impact Radar: Blockchain and Web3](#)

[Guidance for Blockchain Assessments](#)

Workforce Nudgetech

Analysis By: Rania Stewart

Benefit Rating: High

Market Penetration: Less than 1% of target audience

Maturity: Embryonic

Definition:

Workforce nudge technology (nudgetech) is a form of AI-enabled choice architecture designed to elicit behaviors aimed at accelerating targeted positive outcomes at the individual, team and/or organizational level. Nudgetech incorporates behavioral economic principles, hyperpersonalized through AI. Nudges come with the freedom of choice and are often based on worker behavior data, including workstyle analytics.

Why This Is Important

Nudgetech can be transformative in its potential to enable high-impact behavioral change, often with low-effort investment by the individual. Nudgetech is seeing traction in leading-edge people development, personal productivity and employee experience applications. Use-case relevancy continues to grow and expand, particularly where desired behaviors are not immediate or certain (requiring greater interpretation, judgment and agency of choice, hence benefiting from nudge guidance).

Business Impact

Nudgetech uses technology to drive small, beneficial changes that are good for employees, managers and the organization. These small changes are designed to effectively compound to scale toward a greater impact on the desired behavioral outcome. And yet these outcomes can be positive, net neutral or even inadvertently negative. Without AI-enabled feedback loops, nudges can backfire and become mass-scale “sludge,” deterring progress.

Drivers

- Personalized guidance is invaluable to change, learning and improvement initiatives at every level (individual, team, department, organization). It is simultaneously difficult to scale, due to the combination of required subject matter expertise and contextual knowledge required of the individual and their team/organization.
- The 2022 Gartner Digital Worker Experience Survey found that 26% of workers consider themselves to be either novice or have developing knowledge of the digital technology used for work. Fifty-five percent of these workers struggle to find information or data needed to do their job and 43% admit to having made the wrong decisions due to lack of awareness.
- This scalability challenge drives the value proposition of nudgetech to close the behavioral gap from where you are today to where you ideally want to be tomorrow. The most concentrated workforce-targeted use-case applications observed to date include enabling the following outcomes — agile culture and adaptive teams, inclusion and belonging, manager and leader effectiveness, proficiency with digital tools, security-conscious culture, and well-being and personal effectiveness.

Obstacles

- **Lack of definition:** Nudgetech is not yet sufficiently far along to have a commonly accepted definition.
- **Filter the nudge noise:** A nudge is not a reminder or a notification by itself. Those are common delivery mechanisms that are often, understandably, referred to as “nudges,” but lack the systematic rigor of nudge technology.
- **Is it really AI-enabled?:** This can be difficult to uncover, in that the behavioral economics of nudge technology will likely present as more static, decision-tree logic. This should be complemented by AI-driven feedback loops, where the system learns which nudges work better for which people (completion rates) and outcomes (impact tracking).
- **“Sludge” vs. nudge:** Employees may develop “nudge fatigue” from too many nudges or ineffectual or inappropriate nudges that ultimately deter progress.
- **Choice is key:** If there’s no option to pass, it is not a nudge, but rather a prescriptive action, which is less effective at sustainable behavioral change.

User Recommendations

- **Prioritize which organizational outcomes may benefit the most from nudge technology.** The ideal fit would be an outcome theme that enables you to start small, with easy but potentially high-impact outcomes (see [Create Self-Sustaining Culture Hacks by Applying Nudging Techniques](#)).
- **Experiment selectively with isolated proofs of concept within your own organization.** Depending on available in-house skills and expertise, it may be an option to pursue this as an internal build. Many larger organizations have the requisite data science capability. If yours does not, consider contracting with an organizational psychologist or related firm to create the nudge library.
- **Encourage bidirectional discussions with prospective or existing vendors.** How do you encourage select prospective vendors (or even current ones) to consider the pros and cons of investing in nudgetech? You ask them. You put it on their radar. You encourage bidirectional discussions.

Sample Vendors

Beamery; BetterUp; Digital Attitude; Humu; Perceptyx (Cultivate); Workday (Peakon)

Gartner Recommended Reading

[Establish a Security-Conscious Culture Using Behavioral Economics](#)

[How to Use Behavioral Economics to Drive Adoption and Save Money in Your Organization](#)

Composable HR Application Frameworks

Analysis By: Sam Grinter, Helen Poitevin

Benefit Rating: High

Market Penetration: Less than 1% of target audience

Maturity: Emerging

Definition:

A composable HR application framework (CHAF) is an architectural approach that enables quick and effective deployment of new employee experiences based on underlying packaged business capabilities (PBCs). This includes application PBCs dedicated to specific talent or administrative HR domains, data PBCs and analytics PBCs which include reusable analytical and AI models. These components are surfaced through an application composition platform to deliver composed application experiences.

Why This Is Important

CHAFs are expected to ultimately become the dominant approach for deploying and managing human capital management (HCM) solutions. CHAFs deliver compelling advantages over HCM suites. Although CHAFs are still nascent and emerging, application leaders should begin shaping their HR technology strategies around this concept.

Business Impact

CHAFs deliver several advantages:

- **User Experience Orchestration:** Support improved ability to deliver employee and manager experiences across multiple underlying systems or PBCs.
- **Personalization:** Shared data and AI assets allow for the delivery of personalized experiences across HR process domains. This includes decision support.
- **Extensibility/Customization:** This architectural approach enables flexibility, lower reliance on single vendors for their innovation roadmap, and a higher degree of responsiveness to business transformation.

Drivers

Cloud HCM suites are the result of a more than 20-year journey by vendors from discrete functionality to a broad consolidation of HR functionality in a single integrated suite.

- However, functional gaps remain a challenge, and cloud HCM suites generally do not support the most cutting-edge HR processes or universal coverage of local compliance needs.

- A further constraint is that the current model cannot respond quickly to new challenges by turning on/off functionality provided by third-party vendors, because connections between applications are often delivered via custom integrations. This is a recent lesson learned for many HR and IT leaders owing to the challenges faced during the COVID-19 pandemic, followed by the talent crunch, and for organizations and employees impacted by the Russian invasion of Ukraine.
- During the next 10 years, Gartner expects cloud HCM suites to evolve and/or be replaced by CHAFs.

Obstacles

- Cloud HCM suites are still the dominant deployment approach, and the initial intention at deployment was that they would serve a client for 10 or 20 years. The appetite to rip out and replace a cloud HCM suite with a CHAF is low for most organizations. Most organizations yet to deploy a cloud HCM suite would still likely be better served by a cloud HCM suite, rather than a CHAF, due to the comparable difference in market maturity.
- Current investments in CHAFs rely heavily on IT investments in application composition technologies and multiexperience development platforms, including low-code technologies. There is little in the way of off-the-shelf-ready CHAF products on the market today, hence the need to self-build should an organization want to deploy a CHAF over the short term.

User Recommendations

- Evaluate the composability of their application portfolios by rating how easily they can compose employee experiences, leveraging functional components from different applications, along with shared data and AI models.
- Include composability readiness when evaluating cloud HCM suite offerings, if such a solution is not yet in place. Do not consider an HR application framework as an alternative to a cloud HCM suite.
- Introduce application composition platforms into your HCM technology roadmap to increase composability and improve the employee experience. This applies to mature and well-executed cloud HCM suite deployments.
- Partner with other IT leaders to build out components of the composable HR application framework by prioritizing a set of employee experiences and leveraging general-purpose application and data composition solutions. Start this work on your own, while vendor offerings mature.

Gartner Recommended Reading

[Quick Answer: What Is Composable Business Architecture?](#)

[Innovation Insight for Composable HR Application Frameworks](#)

[2022 Strategic Roadmap for HCM Technology Investments](#)

[Use Gartner's Reference Model to Deliver Intelligent Composable Business Applications](#)

AI-Enabled Skills Management

Analysis By: Helen Poitevin

Benefit Rating: High

Market Penetration: 1% to 5% of target audience

Maturity: Emerging

Definition:

AI-enabled skills management is a foundational capability within talent and day-to-day work contexts that applies natural-language processing, knowledge graphs and other AI techniques to build a dynamic representation of skills data. It is used to automate skills inference for people, content, work tasks, career paths and jobs.

Why This Is Important

Skills are described as the new currency for talent. They are a foundational element for managing the workforce within any industry. Improved and automated skills detection and assessment allow for significantly greater organizational agility. In times of uncertainty, or when competition is fierce, organizations with better skills data can adapt more quickly and be more dynamic in acquiring and deploying talent.

Business Impact

Properly architected and deployed AI-enabled skills management improves the following:

- Productivity and capacity utilization when used to prioritize and distribute work assignments.
- Quality of hire when used to match internal and external candidates to open positions.
- Strategy execution when used to support continuous strategic workforce planning activities.
- Impact of reskilling and upskilling initiatives when used to automate learning and career path recommendations.

Drivers

Although adoption progress is somewhat hampered by data complexity and technical constraints, interest in AI-enabled skills management has increased due to the following:

- The increasing pace of degradation of skills within roles and emergence of new roles.
- Geopolitical and other disruptions increase uncertainty for many organizations. This drives the need for more visibility into skills in order to plan and respond effectively.
- Digital transformation and automation efforts that change the skills footprint in many professions.

- The impact of AI and automation on jobs, and the use of skills models to forecast further impacts.
- Increasing use of AI in matching talent to job opportunities in talent acquisition systems and internal talent marketplaces.
- Changing hiring patterns from location-based to skills-based for many types of roles in many geographies.
- Tight labor markets where organizations can benefit from tapping into AI-enabled and skills-based labor market insights in support of recruiting and workforce planning efforts.
- Increased demand for using skills data to automatically tag and recommend learning content.
- Increased need for visibility into skills and knowledge in order to more easily find and connect with experts across teams in hybrid work environments.
- Improvement in availability and maturity of graph techniques and technologies.
- Improvement in natural language processing techniques to automatically detect and infer skills data in unstructured text, in multiple languages.

Obstacles

Technical and organizational obstacles include:

- Access to sufficient data about what work is done, to better codify skills. Data from HR systems is often low in detail. Internal data is often difficult to access and is inconsistent.
- Insufficient progress in natural language processing techniques for skills and proficiency inferences across highly varied datasets.
- The amount of processing power needed for the most detailed and complete skills ontologies.
- Standards and language to describe the same skill varies significantly across contexts.
- Skills data can be complex to visualize and analyze.

- Too many skills approaches from too many providers, and difficulties in sharing data and models across systems.
- Readiness to think of jobs and the organization of work in terms of skills.
- Fear that the skills inferences show inaccurate information. Desire to more tightly control the validation and assessment of skills.
- Attachment to existing, and less-detailed, competency frameworks.

User Recommendations

Application leaders transforming HCM should:

- Identify data sources that can be used to enhance skills detection and inference. This is essential if you are building your own skills graph. This is also important if you are working with a provider with their own skills ontology, who also allows you to add organization-specific skills and knowledge.
- Plan on leveraging AI to identify, infer and track skills instead of relying on competency libraries or time-consuming manual skills updates. Plan how employees can interact with skills data to improve quality over time.
- Leverage labor market analytics with in-depth skills analysis and forecasts to enhance and improve your strategic workforce planning efforts. Use this data to benchmark internal skills forecasts against broader market trends.
- Check your current vendor roadmaps for inclusion of skills data in their platforms across HR domains, and their use of AI.

Sample Vendors

Eightfold AI; Gloat; JANZZ.technology; Lightcast; Phenom; Reejig; retrain.ai; SkyHive; TechWolf; Visier

Gartner Recommended Reading

[Innovation Insight for AI-Enabled Skills Management](#)

[Future of Work Reinvented: Shifting Talent and Skills](#)

[Workforce Planning — How to Use Technology to Support Planning Processes](#)

[Video: How to Best Assess HCM Technology Providers' AI Capabilities](#)

Global Employer of Record Solutions

Analysis By: John Kostoulas, Nicole Paripurana

Benefit Rating: High

Market Penetration: 1% to 5% of target audience

Maturity: Emerging

Definition:

Global employer of record (EoR) solutions help organizations hire and manage workers in a new geography, without the latter having to set up a legal entity in each country. The EoR provider becomes the full legal employer of the workforce and assumes all employer-related responsibilities and tasks on behalf of their customers.

Why This Is Important

Global EoR solutions are quintessential when organizations seek to quickly expand in new markets without having to incur the upfront cost of setting up a legal entity and hiring people to perform HR and other administrative activities. More recently, talent shortage around specific skills (e.g., technology, programming, graphic design) and broader adoption of remote work enabled organizations to broaden their talent reach beyond their existing or planned operations and associated legal entities.

Business Impact

The most important piece of business impact is legal compliance. Organizations do not need to spend time understanding and applying various country-specific legal frameworks that only apply to a few workers at a time. In addition, their expanded outreach for talent is beneficial to quickly acquire critical skills and enhance diversity (often at a lower cost too). Finally, organizations can offer more options for flexible work locations to all employees, when the nature of the job allows, which increases employee engagement and retention.

Drivers

- **Scarce skills give rise to borderless talent:** Recruiters increasingly embrace borderless recruiting in response to these changes in the global market for talent and continuing skills shortages in the market. As per the 2022 Gartner Borderless IT Workforce Survey, most executives (85%) express interest in working with a borderless workforce, with 58% having actually implemented such a model to some extent. The pandemic is clearly an accelerator of borderless hiring, recently reflecting a significant increase, with 31% of organizations reporting adoption during the past three years up from 25% reporting adoption more than three years ago.
- **Rise in demand for flexibility:** In the 2022 Gartner Candidate Survey, when comparing job offers, candidates are likely to give up an offer with a 10% pay increase for an offer with greater flexibility in when they work (51% of employees) and where they work (47% of employees). And when location flexibility is combined with other flexibility aspects and broader autonomy over work (human-centric work model), it is 3.8 times more likely for an organization to have high employee performance, 3.2 times more likely to have high intent to stay and 3.1 times more likely to have low fatigue than when these aspects of human-centric work are not present.
- **Volatile economic and political conditions call for agile business expansion strategies:** Gartner research shows that 77% of enterprises now review their strategy at least twice per annum, with 37% adjusting their strategy at least twice yearly. New market expansion or operating model changes are often on the table, but these activities need to be executed quickly while optimizing the associated cost base. Alternatively, the decision to withdraw from or downsize presence in specific markets is often unavoidable but can incur significant costs due to existing legal and administrative setup when an entity is owned versus the accommodation offered by an EoR.

Obstacles

- Organizations often fail to create the same conditions for employee experience, inclusion and belonging as with those workers they directly employ. This impacts the engagement and retention of EoR-managed workers.
- While all providers manage legal compliance and administrative aspects, organizations often need extended capabilities in recruiting, onboarding, compensation or other aspects of employment that an EoR may not support appropriately.
- In addition, providers often depend on in-country partners for some services (e.g., payroll services). When in-country partners are not seamlessly integrated, the result is suboptimal service and employee experience.
- Typically, global EoR providers would use their own proprietary platforms to manage administrative activities in their service scope, while the employer organization would use other systems for performance management, talent management and daily work. This variance creates risk of inconsistent HR support or employee experience and gaps in related workforce/talent insights.

User Recommendations

- **Define workforce needs in connection with business requirements:** Tight connection between business planning and workforce planning is critical to spot cases where a global EoR needs to be considered early. For example, the scarcity of talent to fulfill specific roles is often underestimated during planning.
- **Consider the plan and subsequent steps in the evolution of global EoR usage to gradual establishment of an owned entity:** Very often, utilizing the services of a global EoR provider is a temporary step until a specific employee threshold (typically around 50-100 employees) is reached to set up a local legal entity. It is important to have such checkpoints included in your roadmap and your contractual process with the providers (e.g., minimum scope or contract early termination clauses).
- **Define your service priorities and map them to the operational model of each provider:** Having clarity in what scope of services matters to you the most (e.g., payroll compliance vs. recruitment) will make the global EoR selection and ongoing partnership more harmonious and operate with less friction.

Sample Vendors

Atlas Technology Solutions; Deel; Globalization Partners; Lano Software; Neeyamo; Omnipresent Group; Papaya Global; Remote Technology; Safeguard Global; Velocity Global

Gartner Recommended Reading

[Market Guide for Multicountry Payroll Solutions](#)

[Define Your Borderless Entry Strategy to Attract Scarce Technical Talent and Address Skills Shortages](#)

[9 Steps to Improve RFP Effectiveness and Optimize HR Outsourcing or Implementation Vendor Proposals](#)

Coaching/Mentoring Applications

Analysis By: Laura Gardiner

Benefit Rating: High

Market Penetration: 5% to 20% of target audience

Maturity: Emerging

Definition:

Coaching and mentoring applications provide a set of tools to maximize the effectiveness of a corporate mentoring or coaching program. These tools are used by the two sides of the coaching/mentoring arrangement (coaches/learners, mentors/mentees), as well as by HR and line managers.

Why This Is Important

Coaching and mentoring applications enable the optimal program, matchup, execution of sessions, auxiliary resources and reporting/analytics. As use cases quickly expand to include diversity, equity and inclusion (DEI), reverse mentoring from early career employees and entire teams or new hires, so does the importance of scalability and the need for technology support.

Business Impact

The democratization of coaching/mentoring can be transformational for the development and engagement of the workforce. Therefore, we expect these programs to expand rapidly and become a substantial part of the development cycle for the entire workforce. For areas such as middle management, coaching/mentoring can soon become a standard expectation from employees, but expectations are gradually increasing across both individual contributor roles and within teams.

Drivers

- Coaching and mentoring have been applied in the corporate world for years, but with a narrow focus (typically covering senior executives) and through internal resources, small service firms or individuals. The last few years have seen increasing demand to expand mentoring and coaching across the workforce, particularly for middle managers. This is often referred to as the democratization of coaching/mentoring.
- With permanent remote and hybrid working arrangements in place, coaching and mentoring have now become essential for employee connectedness and belonging. However, these programs can be susceptible to proximity bias with consequences for the inclusion of diverse employees in coaching and mentoring programs.
- As formal and informal coaching and mentoring programs are increasingly used for development, they must be integrated into the overall development process.
- HR is facing challenges to ensure the scalability of corporate coaching and mentoring programs. These now include thousands of potential matchups, thousands of sessions, and a diverse range of development objectives (as well as integration into other learning, development and performance management activities).
- HR and line managers also need better metrics that display the connection between the time invested, cost and the impact of these coaching/mentoring arrangements and the overall program.
- On top of technology, organizations might require a pool of external coaches or mentors, as well as services to help with the optimal design and launch of these programs. Organizations with specific language and geographic requirements can also use these applications to connect their own pool of approved external coaches and mentors to opportunities.

Obstacles

- Most vendors cover one of the two areas, so the category effectively contains two subsegments: one for mentoring and one for coaching applications.
- Only a few vendors have achieved scale, particularly in the mentoring subarea.
- For coaching applications, the quality of coaching services and the effectiveness of the corresponding vetting process of external coaches by the vendor are paramount.
- Gaps in regional or language coverage still exist, particularly for coaching that requires a pool of coaches per location/language.
- Reporting and analytics lack depth, which hinders HR's ability to make decisions to continue, suspend or expand coaching/mentoring programs.

User Recommendations

- Establish scalability of the coaching/mentoring vendor solution as an important assessment criterion, as programs can quickly expand, particularly in large organizations.
- Check overlaps with incumbent adjacent vendors. Some talent management applications, and more recently human capital management (HCM) suites, include mentoring features.
- Check that vendors have a multistage vetting process for hiring coaches as well as a quality control process (including learner ratings) to use for coach retention decisions.
- Evaluate content and advice offered by the vendor to help drive quick program adoption, particularly for programs related to a specific topic (e.g., DEI mentoring and group coaching).
- Assess multilingual and regional capabilities of candidate vendors, to allow for fast expansion of your programs across multiple locations.

Sample Vendors

BetterUp; Chronus; CoachHub; EZRA; MentorcliQ; PushFar; Skillsoft; Sounding Board; Together; Torch Leadership Labs

Gartner Recommended Reading

[Innovation Insight: Continuous Employee Listening and Talent Management for Increased Agility](#)

[Innovation Insight for Digitally Enabled Diversity, Equity and Inclusion](#)

[Unlocking Mentoring for Development Impact](#)

VR and AR in Corporate Learning

Analysis By: Travis Wickesberg

Benefit Rating: Moderate

Market Penetration: 1% to 5% of target audience

Maturity: Emerging

Definition:

Virtual reality (VR) and augmented reality (AR) are different yet related technologies. VR provides a computer-generated 3D environment (supporting both computer graphics and 360-degree video) that surrounds a user and responds to an individual's actions in a natural way, either through immersive head-mounted displays (HMDs), computing devices or room-based systems. AR technologies use HMDs to overlay digital information on the physical world to enhance it and guide action.

Why This Is Important

Initial VR and AR use cases have shown promising results that showcase higher levels of engagement and accelerated time to proficiency. This, in turn, translates to reduced training costs and long-term behavior changes that drive business outcomes.

Business Impact

In corporate learning, VR and AR can help:

- Enable learners to practice complex tasks or experience realistic scenarios in a controlled and safe environment that's free of consequence.
- Drive higher proficiency in relevant information through interactive advanced graphical visualization and simulations.

- Reduce training time and cost by quickly replicating an environment without the need to rebuild physical props, recreate high-risk situations or schedule equipment downtime.

Drivers

- As an interface for digital content, VR has garnered interest from the metaverse, primarily because well-known organizations have emphasized and heavily invested in it.
- Organizations need alternatives to face-to-face (F2F) training on use cases that are too dangerous or expensive to replicate in an F2F environment.
- VR is well-aligned to support complex scenarios in the military, healthcare (surgeries), aviation (flight simulations) and various safety training environments.
- Owing to market maturity, organizations are adopting VR and AR for sales training, customer service, product and soft skills training (such as public speaking).

Obstacles

- VR and AR tools are still in the early adoption phase in corporate learning.
- Higher upfront costs due to required investments in hardware, software and infrastructure can make AR/VR prohibitive for organizations on a strict or small budget.
- Learning and development buyer adoption has been slow due to a combination of technical maturity and change management challenges.
- Only a few vendors have invested in simple learning management system (LMS) integrations, but complete integration is still a challenge and often requires you to administer multiple platforms.

User Recommendations

- Evaluate VR and AR as emerging, effective and often less risky options to replace F2F training in selective circumstances where not providing the F2F training presents an increased risk (or loss of opportunity) to the business.
- Identify and leverage areas where technology vendors and training service providers have prebuilt, out-of-the-box, high-quality content that meets your specific requirements.
- Start by running experiments and pilots based on market maturity, and determine whether the product, platform and hardware are a good fit that provides additional value beyond traditional corporate training methods.
- Evaluate compatibility with existing learning and talent technologies to ensure integration and continuity across platforms.

Sample Vendors

Elearning Design Center; Jenson8; Mursion; PIXO VR; PTC; Roundtable Learning; Saritasa; Strivr; Viar360; VR Vision

Gartner Recommended Reading

[Quick Answer: What Is a Metaverse?](#)

[Market Guide for Corporate Learning Technologies](#)

[Reach VR Users Around the World](#)

At the Peak

Internal Talent Marketplaces

Analysis By: Emi Chiba

Benefit Rating: Transformational

Market Penetration: 5% to 20% of target audience

Maturity: Adolescent

Definition:

Internal talent marketplaces (ITMs) are intelligent platforms that match internal or contingent workers to work opportunities without recruiter involvement. They provide personalized recommendations aligned to workers' unique skills and experiences. Opportunities include gigs, time-boxed projects, stretch assignments, mentoring or full-time roles. ITMs offer marketing features, matching algorithms and feedback functionality, while aligning with adaptive organizational design principles.

Why This Is Important

Continued market uncertainty and demand for new skills have made adaptability and resilience critical. Volatility combined with worker demands for increased mobility and development opportunities has led to the adoption of ITMs. ITMs provide organizations with valuable insight into skills and workers equitable insight into available growth opportunities. They are key to enabling adaptability, resilience and experiential learning.

Business Impact

Adopters of ITMs use them to:

- Understand workforces through a different lens — focused on the skills needed, rather than the role.
- Gather skills data and support talent through experiential learning and hands-on opportunities.
- Encourage and track employee development and collaboration in new ways, with a focus on skills.

- Address rapidly changing business priorities, and redeploy or reskill existing employees in order to improve organizational sustainability, while increasing employer brand appeal.

Drivers

- **Business agility and composability:** Agile and composable organizations require more flexible deployment of workers across projects, products and other initiatives. Composable businesses are architected for real-time adaptability and resilience in the face of uncertainty. They need people with learning agility to adapt to changing skills demands. They also need to be able to align a highly networked workforce to the work that needs to get done in a dynamic way.
- **Talent visibility:** HR and other organizational leaders benefit from the data and insights from ITMs to support workforce planning and other talent processes. Team, project and product leaders within organizations benefit from more flexible staffing and improved visibility into talent.
- **Worker demand for growth opportunities:** Deployed correctly, ITMs provide employees and contingent workers with better visibility into work opportunities. They can stretch and build up their skills and experiences in order to grow their portfolio of work and careers.
- **Technology availability:** Hype around the ITM has increased. The market for these platforms consists of human capital management (HCM) suite providers, talent acquisition vendors, learning platforms and specialist point solutions. Maturity in applying AI to detect, infer and map relationships between skills has increased, as has the use of AI techniques to automatically match talent to work opportunities.

Obstacles

Organizational challenges impeding adoption include:

- Lack of cultural readiness for more dynamic and adaptive organizational models and project- or gig-based work.
- Talent hoarding due to fear of lack of resources. Managers may discourage team members from seeking outside opportunities as they only see talent engaging in work for other teams, and fear not having enough talent to get assigned work done on their own team.

- Lack of psychological safety. Workers may not be confident enough to bid on projects or gigs for fear that they will not be selected. Uncertainty can also exist around how performance on projects will impact annual performance reviews.

Data-related challenges include:

- Access to data regarding worker and worker experiences, knowledge and skills.
- Use of organization-specific and more granular skills to enable better matching.
- Difficulties in balancing privacy and the need for a significant amount of talent data to enable better user experiences through more relevant matching.

User Recommendations

- Pilot ITMs within business units that use adaptive or agile organization models, or work with progressive talent management leaders who want to deliver agile skills development.
- Invest in design thinking, work design and workplace ethnography. Allowing workers to bid for projects and gigs, represents a significant change to management practices.
- Inventory current skills ecosystem and data sources to decide what may feed into matches and recommendations in the ITM prior to vendor evaluation.
- Evaluate vendors by assessing user experience, ability to incorporate diverse sources of data and skills ontologies. When evaluating vendors with similar capabilities, prioritize user experience as user adoption is critical to the adoption and success of an ITM.
- Market the ITM, as it gets adopted within your organization, as an essential, growth-focused part of your differentiated employer brand.

Sample Vendors

365Talents; Degreed; Eightfold AI; Fuel50; Gloat; Oracle; ProFinda; SAP; Workday

Gartner Recommended Reading

[Market Guide for \(Internal\) Talent Marketplaces](#)

[Innovation Insight for AI-Enabled Skills Management](#)

Market Guide for Talent Acquisition (Recruiting) Technologies

Future of Work Reinvented: Shifting Talent and Skills

Labor Market Intelligence

Analysis By: Emi Chiba, Rania Stewart

Benefit Rating: High

Market Penetration: 5% to 20% of target audience

Maturity: Adolescent

Definition:

Labor market intelligence (LMI) solutions offer external labor market data to serve an organization's strategic workforce planning process and make informed planning, hiring and skilling decisions. Using job postings, publicly available résumés or talent profiles, census data or dynamic skills taxonomies, they provide insight on labor (compensation, unemployment, size/composition of available workforce) and skills trends (supply, demand, availability by location, disappearing/emerging skills).

Why This Is Important

In response to volatile market conditions, organizations rely on strategic workforce planning to align organization strategy and workforce initiatives to ensure the right mix of talent, technologies and employment models. Labor market insights are an essential part of making strategic, data-informed workforce planning decisions at scale. They provide a more complete picture of the relative gaps between talent supply and demand both in and outside of the organization (ideally by blending labor market insights and organizational data simultaneously).

Business Impact

LMI platforms help organizations answer the build, buy or borrow question and enable resiliency and adaptability. They can be especially valuable when introducing new products or expanding into new markets, as they make workforce considerations an active part of business strategy planning. Without LMI, workforce considerations only appear in the later execution phase of the change initiative, rather than planning. This potentially introduces sizable, late-stage risk that can thwart success.

Drivers

- **A need for skills insight both in and outside of the organization:** As the new currency for talent, skills are central to many talent strategies. Without a complete view of skills availability in the greater market or understanding how skills are viewed in the market, organizations cannot adequately plan their own talent strategies.
- **A need for diverse data sources:** LMI platforms use a variety of external data sources to provide insight info, including skills availability based on location or industry, pay and titles associated with certain skills, competitor or industry trends for skills supply, and competition or difficulty in recruiting for certain skills.
- **Strategic workforce planning initiatives:** Labor market insights are vital to strategic workforce planning. Separate strategic workforce planning solutions are a growing market, but many organizations supplement their existing operational workforce planning solutions with LMI platforms.
- **Competitive labor markets that require changing hiring patterns:** To support hiring in competitive or tight labor markets, many organizations are moving from location-based hiring to skills-based, regardless of geography.
- **Tailored, relevant insights:** Improvements in machine learning and natural language processing enable these platforms to take large amounts of unstructured data and automatically detect and contextualize skills across geographies, providing relevant insights unavailable from labor market or economic data alone.

Obstacles

- Labor market insights do not solve workforce planning questions on their own and instead offer a more complete picture of skills and overall labor market availability. On their own, they provide limited utility but are part of a greater set of workforce planning tools. Furthermore, not all organizations need strategic workforce planning and may instead be focused on operational workforce planning or workforce optimization. For those organizations, insights into the broader labor market may not be necessary.
- There is a lack of relevant data. Not all jobs or industries may be represented in publicly available data and can therefore be difficult to track.
- There is limited support for languages or APIs for diverse data sources. Some LMI vendors lack APIs to transfer and combine internal data with external insights. Language support outside of English may be limited, or the language used to describe skills may vary widely.
- Not all LMI providers use AI for dynamic and emerging skills sensing, instead relying on fixed skills taxonomies.

User Recommendations

- Identify the required scope and type of workforce planning activities by engaging with business leaders and executives to review their priorities. Decide whether strategic workforce planning and thus labor market insights are necessary.
- Focus on data sources, skills ontologies, languages and data privacy when evaluating labor market insight platforms.
- Pair labor market analytics with in-depth skills analysis and forecasts to enhance and improve strategic workforce planning efforts. Use this data to benchmark internal skills forecasts against broader market trends.

Sample Vendors

Coresignal; Draup; Horsefly; LaborIQ; Lightcast; LinkedIn; Magnit; People Data Labs; SkyHive; TalentNeuron

Gartner Recommended Reading

[Use Labor Market Intelligence to Make Build/Buy/Borrow Talent Decisions](#)

[Workforce Planning — How to Use Technology to Support Planning Processes](#)

Responsible AI

Analysis By: Svetlana Sicular

Benefit Rating: Transformational

Market Penetration: 5% to 20% of target audience

Maturity: Adolescent

Definition:

Responsible artificial intelligence (AI) is an umbrella term for aspects of making appropriate business and ethical choices when adopting AI. These include business and societal value, risk, trust, transparency, fairness, bias mitigation, explainability, sustainability, accountability, safety, privacy, and regulatory compliance. Responsible AI encompasses organizational responsibilities and practices that ensure positive, accountable, and ethical AI development and operation.

Why This Is Important

Responsible AI has emerged as the key AI topic for Gartner clients. When AI replaces human decisions and generates brand-new artifacts, it amplifies both good and bad outcomes. Responsible AI enables the right outcomes by ensuring business value while mitigating risks. This requires a set of tools and approaches, including industry-specific methods, adopted by vendors and enterprises. More jurisdictions introduce new regulations that challenge organizations to respond in meaningful ways.

Business Impact

Responsible AI assumes accountability for AI development and use at the individual, organizational and societal levels. If AI governance is practiced by designated groups, responsible AI applies to everyone involved in the AI process. Responsible AI helps achieve fairness, even though biases are baked into the data; gain trust, although transparency and explainability methods are evolving; and ensure regulatory compliance, despite the AI's probabilistic nature.

Drivers

- Responsible AI means a deliberate approach in many directions at once. Data science's responsibility to deliver unbiased, trusted and ethical AI is just the tip of the iceberg. Responsible AI helps AI participants develop, implement, utilize and address the various drivers they face.
- Organizational driver assumes that AI's business value versus risk in regulatory, business and ethical constraints should be balanced, including employee reskilling and intellectual property protection.
- Societal driver includes resolving AI safety for societal well-being versus limiting human freedoms. Existing and pending legal guidelines and regulations, such as the [EU's Artificial Intelligence Act](#), make responsible AI a necessity.
- Customer/citizen driver is based on fairness and ethics and requires resolving privacy versus convenience. Customers should exhibit readiness to give their data in exchange for benefits. Consumer and citizen protection regulations provide the necessary steps, but do not relieve organizations of deliberation specific to their constituents.
- With further AI adoption, the responsible AI framework is becoming more important and is better understood by vendors, buyers, society and legislators.
- AI affects all ways of life and touches all societal strata; hence, the responsible AI challenges are multifaceted and cannot be easily generalized. New problems constantly arise with rapidly evolving technologies and their uses, such as using OpenAI's ChatGPT or detecting deepfakes. Most organizations combine some of the drivers under the umbrella of responsible AI, namely, accountability, diversity, ethics, explainability, fairness, human centricity, operational responsibility, privacy, regulatory compliance, risk management, safety, transparency and trustworthiness.

Obstacles

- Poorly defined accountability for responsible AI makes it look good on paper but is ineffective in reality.
- Unawareness of AI's unintended consequences persists. Forty percent of organizations had an AI privacy breach or security incident. Many organizations turn to responsible AI only after they experience AI's negative effects, whereas prevention is easier and less stressful.
- Legislative challenges lead to efforts for regulatory compliance, while most AI regulations are still in draft. AI products' adoption of regulations for privacy and intellectual property makes it challenging for organizations to ensure compliance and avoid all possible liability risks.
- Rapidly evolving AI technologies, including tools for explainability, bias detection, privacy protection and some regulatory compliance, lull organizations into a false sense of responsibility, while mere technology is not enough. A disciplined AI ethics and governance approach is necessary, in addition to technology.

User Recommendations

- Publicize consistent approaches across all focus areas. The most typical areas of responsible AI in the enterprise are fairness, bias mitigation, ethics, risk management, privacy, sustainability and regulatory compliance.
- Designate a champion accountable for the responsible development and use of AI for each use case.
- Define model design and exploitation principles. Address responsible AI in all phases of model development and implementation cycles. Go for hard trade-off questions. Provide responsible AI training to personnel.
- Establish operationalize responsible AI principles. Ensure diversity of participants and the ease to voice AI concerns.
- Participate in industry or societal AI groups. Learn best practices and contribute your own, because everybody will benefit from this. Ensure policies account for the needs of any internal or external stakeholders.

Sample Vendors

Amazon; Arthur; Fiddler; Google; H2O.ai; IBM; Microsoft; Responsible AI Institute; TAZI.AI; TruEra

Gartner Recommended Reading

[A Comprehensive Guide to Responsible AI](#)

[Expert Insight Video: What Is Responsible AI and Why Should You Care About It?](#)

[Best Practices for the Responsible Use of Natural Language Technologies](#)

[Activate Responsible AI Principles Using Human-Centered Design Techniques](#)

[How to Ensure Your Vendors Are Accountable for Governance of Responsible AI](#)

Generative AI in HR

Analysis By: Eser Rizaoglu, John Kostoulas, Helen Poitevin

Benefit Rating: Transformational

Market Penetration: 1% to 5% of target audience

Maturity: Emerging

Definition:

Generative AI technologies can generate new derived versions of content, strategies, designs and methods by learning from large repositories of original source content. Generative AI has profound business impacts, including on content discovery, creation, authenticity and regulations; automation of human work; and customer and employee experiences. This insight is related to the application of Generative AI (GenAI) in the HR domain.

Why This Is Important

GenAI exploration is growing, becoming more accessible and proving itself in various areas. In the HR domain, it is currently being experimented with by HR leaders, and tech vendors are integrating capabilities into their solutions. One of the key innovations of GenAI is in natural language technologies, which generate humanlike text, and can be used in virtual assistants, chatbots and processing unstructured data. As a part of wider automation initiatives, GenAI may be able to drive greater efficiency and effectiveness of the HR function.

Business Impact

GenAI in HR will primarily focus on text generation. But only a few HR functions will extend its use to speech, image or video. This includes job description creation, recruiting, learning and onboarding content, HR policies, performance reviews and coaching recommendations, and “humanlike” HR chatbots.

Drivers

- The hype around GenAI is at a peak, and HR leaders are showing curiosity and interest in potentially experimenting with these tools.
- HR technology vendors, especially in the recruitment space, have either started or are potentially planning to integrate GenAI into their solutions. This will allow HR functions to gain access to and take advantage of GenAI embedded in HR applications.
- Currently, OpenAI's ChatGPT has attracted mindshare in the market because the tool enabled a broad swath of consumers and employees to see the different ways they could directly benefit from GenAI. The core AI technology, and the scale of its capabilities, are progressing fast. For example, new iterations of GPT, which are built on larger data parameters, are growing exponentially and can combine concepts, attributes, and styles.
- Content creation and improvement in text, images, video and sound are attractive not only to marketing, media and entertainment, but also to HR in learning and recruitment. Combining generative techniques, like audio-to-video generation, inspires new creative and business applications.
- HR has a lot of unstructured data (e.g., from resumes, human capital management [HCM] systems, pulse surveys, etc.), which can be time- and resource-consuming to work with. GenAI can help HR leaders easily analyze and provide insights into unstructured data at a steady pace, without the requirement of large and costly data analytics teams.

Obstacles

- Some technology providers may be potentially building or infusing subpar GenAI solutions into their products to keep pace with the current hype. Therefore, HR leaders may not utilize and benefit from the true potential capabilities of mature GenAI solutions.
- There may be a gap in perceived expectations of use cases and value drivers for applying GenAI versus actual reality. This can lead to deflated motivations for further future exploration of GenAI in HR.
- Data privacy related to GenAI usage within the HR space remains a pertinent issue, as solutions for HR are still being explored and not fully matured.
- GenAI development and usage, especially related to personal and employee data, may be hindered by regulations.
- Text generated is sometimes inaccurate and therefore must be monitored.
- Data may be drawn from many data sources including Reddit, Wikipedia and Twitter, which could propagate inherent biases and potentially toxic content.
- Fragmented and specialized technology offerings (such as generating only images or only text) currently lead to a combination of tools rather than a single solution.

User Recommendations

- Investigate how GenAI techniques can positively impact HR outcomes. Determine initial use cases where you can rely on purchased capabilities or partner with vendors.
- Examine and quantify the advantages and limitations of GenAI in improving HR service delivery and employee experience. Use it first to improve an existing process, which could benefit from enhanced text generation and meet HR's risk appetite.
- Work closely with their current HR technology vendors to understand if they have integrated GenAI into their workflow or have it in their current technology roadmap.
- While no technology is inherently good or evil, GenAI can amplify bias if its training data is biased. Hence, take the necessary precautions and mitigations.
- Prioritize any vendors who promote the responsible deployment of models by publishing usage guidelines, enforcing those guidelines, documenting known vulnerabilities and weaknesses, and disclosing harmful behavior and misuse scenarios.
- Work with legal and compliance partners to understand existing and emerging AI regulations, and mitigate any risks which may potentially arise through the GenAI utilization.

Gartner Recommended Reading

[Current State of Generative AI: HR Leader Perspective](#)

[Quick Answer: Can ChatGPT Be Used in HR?](#)

[Innovation Insight for Generative AI](#)

[Board Brief on Generative AI](#)

[ChatGPT Research Highlights](#)

Frontline Worker EXTech

Analysis By: Ranadip Chandra, Sam Grinter

Benefit Rating: High

Market Penetration: 5% to 20% of target audience

Maturity: Adolescent

Definition:

Frontline worker EXTech is an approach that delivers distinctive employee experiences to frontline workers by unifying a collection of applications that promote staff engagement and a sense of community. Applications typically include administrative support, recognition, well-being, internal communications and personal development processes. These apps are primarily designed for use via smartphones and tablets with digital signage sometimes complementing the approach.

Why This Is Important

Organizations in verticals like retail, healthcare, manufacturing and logistics have many more frontline workers than desk-based workers. Globally, Gartner estimates that there are 2.8 billion frontline workers — more than twice the number of desk-based workers. Despite this, technology initiatives have often focused solely on desk-based workers. Delivering technology focused on addressing this unmet need is a significant opportunity for improving the experience of this underserved section.

Business Impact

- Frontline jobs come under extreme stress and burnout. Positive experience in day-to-day business applications would remove stress and improve retention.
- Quick access to training or standard operating procedures for broken equipment is very beneficial for logistics and manufacturing industries.
- Frontline worker EXTech represents an opportunity to aggregate 10+ different applications these workers engage with daily and replace clunky homegrown portals.

Drivers

A common driver of investment in frontline worker EXTech has been the mismatched job openings and hire rates. According to the [U.S. Department of Labor — Bureau of Labor Statistics April 2023 report](#), the number of job openings stands at 9.9 million, but the number of hires stands at 6.2 million, indicating retention is a key driver for organizational sustainability.

Drivers in individual application categories used by frontline workers are:

- Workforce management core administration: Significant changes in work for many frontline roles. This trend increases the importance of dynamic task management to frontline workers.
- Benefits and recognition platforms: These applications enable frontline workers to receive rewards that are easily redeemable while someone is on the road and facilitate immediate acknowledgments of co-workers across teams without complex workflows.
- Well-being/experience for frontline workers: These applications track health through wearables or offer stress reduction for employees dealing with a high volume of customers directly.
- Employee communication applications (ECA): Include internal communication channels for organizational communications and are often better designed to meet the needs of frontline workers than mainstream consumer-based communication platforms. These channels also integrate with schedules and include the ability to create communities with common interests or work.
- Learning platforms for frontline workers: Retail and hospitality frontline workers are increasingly leveraging dedicated frontline worker learning solutions to read job-specific learning bytes.
- Superapps: Some organizations are piloting with front-end platforms for employees that consolidate multiple application services such as payment and help desk allowing for new miniapps to be built in a composable way. These apps provide both the work and life needs of frontline workers by allowing them to pick and choose which miniapps they use when they need them.

Obstacles

- Similar to workforce management technology, frontline worker experience initiative suffers from a lack of ownership at the vertical or horizontal executive levels. Some initial projects led by application leaders are maturing from the early adoption stage, but most are stand-alone deployments led by the head of the department or line of business.
- In some industries, for safety reasons, frontline workers are prohibited from using mobile applications for the entire length of the shift.
- The solutions need to prove the nontracking of time and data during off-shift hours to build greater trust.
- The discipline of providing compelling frontline worker experience needs a combination of many different applications from different markets and/or often vertical-specific products, making it difficult to navigate the market or recommend best practices for deploying and managing the portfolio.
- Many industry-specific applications prove to be important for the frontline worker in the short term, but adoption and usage decrease over time due to a lack of improvements.

User Recommendations

- Evaluate solutions based on their ability to work uninterruptedly for hours in the background and provide significant value in little interaction time. Many frontline workers would only access the application between time-consuming tasks.
- Set a criterion that any solution that “needs more than two minutes to complete a moderate complexity use case” or “takes more than five clicks/form parameters” should not be considered.
- Analyze the employee engagement metrics filtered to identify the specific figure for frontline workers. Establish frontline worker engagement as a key metric for the success of the employee experience strategy of the organization.
- Balance the content of frontline EXTech applications between critical tasks and communications with well-being and DEI announcements.
- Explore how frontline worker EXTech can coexist with applications that meet more stringent needs, such as clinical collaboration or purpose-built tools for certain operational work.

Sample Vendors

Blink; DaysToHappy; Flip; Headspace; Perkbox; Site Diary; SparkPlug; Workstream; Wyzetalk; YOOBIC

Gartner Recommended Reading

[Quick Answer: How Does a Superapp Benefit the Digital Employee Experience?](#)

[How Organizations Are Taking Action to Increase Frontline Flexibility](#)

[Presentation Materials: The Future of Frontline Work](#)

Hyperautomation in HR

Analysis By: Eser Rizaoglu

Benefit Rating: High

Market Penetration: 5% to 20% of target audience

Maturity: Adolescent

Definition:

Hyperautomation in HR involves orchestrated use of technologies, tools or platforms, such as AI, machine learning (ML), event-driven software architecture, robotic process automation (RPA), integration platform as a service (iPaaS), packaged software, and various types of decision, process and task automation tools. Hyperautomation in HR is a step toward autonomous HR that links a series of manual and semiautomated processes into a fully automated workflow.

Why This Is Important

Hyperautomation in HR provides opportunities to improve efficiency and reliability, particularly across transactions and workflows that are subject to manual data entry errors and delays, such as payroll, workforce management, recruitment and service operations. Hyperautomation in HR is among the top emerging technologies in the coming year.

Business Impact

Hyperautomation in HR positively impacts service delivery, as it reduces error rates and increases overall staff availability. When used strategically, it has the potential to accelerate organizational performance and significantly reduce operational costs. Hyperautomation in HR is most effective when deployed across the full spectrum of business operation ecosystems. The positive effects of hyperautomation in HR on business operations include increased efficiency, scalability and reliability.

Drivers

- Hyperautomation in HR is likely to be of interest to high-transaction domains, as it has rapidly changed from being optional to vital because of the relentless demand to shift to digital business models.
- Hyperautomation in HR can boost organizational efficiency and effectiveness, hence enabling organizations to address inflation, talent shortages and economic downturn pressures.
- Human capital management (HCM) technology megavendors (e.g., Oracle, SAP) have invested in hyperautomation as stand-alone offerings. They have also built strong partnerships with major consultancies, systems integrators and business process outsourcing providers that can add hyperautomation use cases.
- There is evidence of RPA in payroll, driving some payroll processing alerts, along with data migration utilizing RPA to speed up data validation and implementation.
- Hyperautomation has streamlined operations for HCM functions, such as service desk, business process monitoring (BPM) and digital document management, which receive a high volume of requests and activity, particularly for employees working remotely.

Obstacles

- Most vendors already use intelligent services, ML, adaptive intelligence and integrator connectors in siloed fashion. However, they are yet to demonstrate combined hyperautomation broadly across the full suite.
- Some hyperautomation projects are initiated to achieve quick reduction in operational expenditure or staff. These initiatives often face challenges in scaling up and building a broad narrative of continuing business value.
- Many organizations do well while picking the low-hanging fruits of task automation to RPA, and try to combine IT architecture, governance and greater business agility using a single RPA solution while automating complex business processes. But simple RPA tools do not deliver strong outcomes working with semistructured data like invoices, or unstructured data like emails or PDF data extracted from contracts.
- HR teams' limited expertise with combined integration, BPM, RPA and other tools will be one of the biggest barriers to hyperautomation.

User Recommendations

- Maximize the success of hyperautomation initiatives by architecting multiple concurrent HR technology initiatives. Aim for holistic mapping of related initiatives, rather than islands of administrative HR task automation.
- Continue to identify low-value work that can benefit from process optimization to reduce handoffs and labor costs. Obvious repeatable and low-value workflows have already been automated, but new opportunities lie in complex workforce management and employee experience technology that deliver maximum benefit to managers, employees and the organization.
- Join forces with high-performing multidisciplinary fusion teams to lead hyperautomation projects using multiple best-of-breed tools.
- Engage experts from other parts of the organization with BPM, PaaS, AI integration and other tools to help guide and execute HR hyperautomation strategy successfully.

Sample Vendors

Automation Anywhere; Celonis; IBM; Microsoft; Pegasystems; SAP; SS&C Blue Prism; UiPath

Gartner Recommended Reading

[Quick Answer: Use Gartner's Hyperautomation Maturity Model](#)

[Beyond RPA: Build Your Hyperautomation Technology Portfolio](#)

[Infographic: Which Technologies Should You Use for Hyperautomation?](#)

HR Virtual Assistants

Analysis By: Ranadip Chandra, Helen Poitevin

Benefit Rating: Moderate

Market Penetration: 20% to 50% of target audience

Maturity: Adolescent

Definition:

HR virtual assistants (HRVAs) are software applications (either integrated with other HCM applications or natively provided) that work with human voice (or text) commands to assist employees in completing HR tasks or requests. They also automate communication with users via a smartphone, tablet, computer or specific device.

Why This Is Important

HRVAs provide employee access to information and completion of transactions via conversational queries. This results in enhanced productivity because of increased use of business-critical information. It also results in decreased friction for employees when engaging with HR. Hype around ChatGPT and, more broadly, generative AI, has increased interest in HRVAs as a way to provide an improved employee experience.

Business Impact

Virtual assistants (VAs) are becoming an important layer in many HCM functions — particularly gaining maturity in recruiting, HR service management, enrollment for benefits process, onboarding and HR functional insights (e.g., flight risk analysis).

VAs with domain specific capabilities (e.g., HR) can initiate communication with the workforce in response to event triggered conditions. This facilitates timely response to changing business conditions by removing the need for employees to initiate transactions thus improving the employee experience.

Drivers

- VAs continue to grow not just in HCM but across all business applications. Recently, use of GPT models in a web service chatbot captured the imagination of the end users on a global scale and is currently leading to widespread experimentation.
- HRVAs in the broader market are becoming increasingly sophisticated. Many conversational AI platforms can now initiate up to moderate complexity transactions in administrative HR and other modules in response to natural language user commands.
- All cloud HCM suites and extended ecosystem vendors are investing further in this capability. Many of these VAs can also be deployed as a wrapper or as the underlying model in a “bot within a bot” framework — thus opening up possibilities to coexist with different virtual assistants deployed in the organization.
- Tasks related to reporting and data analytics require employees to follow complex, step-by-step technical processes. VAs can reduce these processes to one single step. For example, a recruiter asking a VA: “How is my recruiting pipeline performing?” and receiving an immediate answer, rather than painstakingly analyzing multiple reports and coming to a conclusion.
- A growing number of VAs leverage RPA and no-code or low-code integrations to enable full processing of workflows through the VA interface. This provides more value than a more simple FAQ-focused chatbot.

Obstacles

- HRVAs lag the overall market in supporting advanced use cases such as speech-to-text or multimodal inputs such as graphics, tables and video and gaze. The benchmark set by consumer applications or ChatGPT would be difficult to match in near term.
- Hundreds of vendors are available in the chatbot and VA market landscape, including myriad smaller, niche vendors who often overstate the capabilities leaving users frustrated if the VA cannot understand the real intent behind the interaction.
- Successful deployment of VAs needs equal maturity in three parts – natural language query, business intelligence (BI) to join the command and ability to integrate with sometimes very dated systems with limited integration capabilities (payroll & time). Many solutions only have the first part and miss out augmented analytics and integration elements.
- Deploying multiple chatbot solutions and creating a unified user interface provides an opportunity to leverage domain specific VAs.

User Recommendations

- Decide whether a centralized platform-based approach (deploying a generalized conversational AI) or a HCM contextualized VA approach is suitable for your organization. A centralized platform-based approach provides consistency in chatbot implementation, operations and conversational management. HCM contextualized VAs will offer deeper understanding of HR processes.
- Determine the use cases (e.g., shift reminder, learning content suggestion) for VAs that will result in maximum benefit to employees.
- Leverage the opportunity to explore different technologies leading the transformation of next generational conversational AIs. Balance the hype of Generative AI with ethical choice models such as Responsible AI.
- Assess the solutions on their ability to self-train based on the historical records of employee transactions. Additionally, any solution's ability to resolve a query based on variations of phrases, misspellings and keywords of the same question should be a "litmus test" for its effectiveness.

Sample Vendors

Acuvate; Amelia; Espressive; Leena AI; Moveworks; Socrates.ai; The Bot Platform

Gartner Recommended Reading

[Infographic: Artificial Intelligence Use-Case Prism for HCM Technology](#)

[Market Guide for Integrated HR Service Management Solutions](#)

[Making Sense of the Chatbot and Conversational AI Platform Market](#)

Digitally Enabled DEI

Analysis By: John Kostoulas

Benefit Rating: High

Market Penetration: 5% to 20% of target audience

Maturity: Adolescent

Definition:

Digitally enabled diversity, equity and inclusion (DEI) includes a range of technology solutions to enhance DEI in organizations. These solutions aim at maximizing data-driven decision making and specific value drivers — such as transparency, accountability and efficiency — across people processes and daily work.

Why This Is Important

The prevalence of hybrid work and the global social justice movement have changed the strategies leaders must implement to successfully deliver on DEI priorities. Corporate leaders also face intense external pressure to meet DEI and environmental, social and governance (ESG) measures. Technology is a powerful means for positive DEI outcomes; however, the 2023 Gartner DEI Functional Benchmarking Survey shows that only 8% respondents will prioritize implementation of DEI technologies in the next 12-18 months.

Business Impact

According to the 2022 Gartner Future of Work Reinvented Implementation Survey, human-centric work — combining flexibility, collaboration and empathy — makes high employee performance and intent to stay more than three times more likely. Sustainable business that incorporates ESG factors into decision making is fast becoming an integral part of business strategy, affecting all organizational functions, with ESG factors embedded into decision making. DEI can be seen as the amplifier to deliver both human-centric work design and sustainable business.

Drivers

- The need to obtain a real-time, granular view of diversity in its many forms across the employee base to map to DEI strategy goals.
- The requirement for a continuous feedback loop with employees to understand how individuals perceive the state of inclusion and its embodiment in the organizational culture.
- The need to scale employee resource groups (ERGs) to cover multiple aspects of DEI and geographies (making them “glocal”).
- The need to reduce bias across talent sourcing and selection activities through the use of artificial intelligence (AI).
- The need to increase the funnel of potential candidates through outreach in diverse talent pools.
- Enhanced demand for tailoring candidate experience to the needs of various aspects of diversity across candidates.
- The need to proactively address (or at least detect and fix) pay and workplace inequity.
- Development of inclusive leaders across all levels of the organization.
- The need to ensure that the digital workplace is accessible to people requiring accommodations for various types of disability (including loss of sight, hearing or motor skills).
- Enhancement of emotional proximity for those employees that have weak physical proximity due to their remote/hybrid nature of work.
- Empowerment to increase workforce digital dexterity for a diverse range of people with differing abilities.

Obstacles

- **Narrow DEI focus:** Organizations often concentrate on just a single aspect of diversity (gender or ethnicity) or on compliance needs as opposed to broader business impacts.
- **Technology as an afterthought:** A number of DEI programs compromise technology use by leveraging it at later stages instead of during early design; unconscious bias training is a typical example.
- **Disconnects between global and local sponsors/owners of DEI programs:** Conflicts in prioritization between the global team and local operations lead to local purchases that need consolidation at a later stage.
- **Lack of integration between technology tools:** Narrow vendor vision or insufficient ability to execute an integration roadmap can contribute to this problem.
- **Too much focus on the HR/DEI function as the primary user:** Technology purchases need to balance functionalities and user experience targeting the HR/DEI function with functionalities that are mostly performed by managers and employees.

User Recommendations

- Increase the scalability and effectiveness of DEI programs by establishing technologies as an integral part of initial design. Don't wait until these programs hit the scalability wall.
- Map out all potential owners of DEI programs. These include DEI leaders, HR leaders, operational leaders and especially the CEO.
- Align technologies not just to HR and DEI professionals but also to operational leaders, line managers and employees.
- Team up with local HR and operations leaders, too. Progressive organizations increasingly blend local variations in their DEI programs to fit local objectives and culture (i.e., make them "glocal").
- Familiarize DEI leaders with the benefits of available technologies. Very often, leaders have limited understanding of what is possible.
- Pursue opportunities for DEI technology consolidation and alignment to employee experience by continuously evaluating large HCM vendor offerings and integrating among HCM suites and dedicated DEI applications.

Sample Vendors

ADP; Learning Technologies Group (LTG); Oracle; SAP; SeekOut; Syndio; UKG; Visier; WeSpire; Workday

Gartner Recommended Reading

[Innovation Insight for Digitally Enabled Diversity, Equity and Inclusion](#)

[2023 Diversity, Equity and Inclusion Functional Benchmarking Report](#)

Flexible Earned Wage Access

Analysis By: Ron Hanscome

Benefit Rating: Moderate

Market Penetration: 5% to 20% of target audience

Maturity: Emerging

Definition:

Flexible earned wage access (FEWA) enables workers to receive a portion of their earned income in advance of their employer's actual payday. Providers market this capability to employers, who deploy it as an optional benefit. The amount the employer subsidizes the cost (usually a monthly, per-employee subscription) can vary by customer. The employer's ability to specify available wage ratios varies by provider, as does the range of disbursement options (such as pay card or bank account).

Why This Is Important

Continued disruption by global events, high inflation and economic uncertainty continue to affect employees on a worldwide basis. Thus, many hourly paid workers continue to have little financial reserve and cope with unforeseen expenses by resorting to various expensive, short-term borrowing options. From its origins in 2016, FEWA continues to manifest as a cost-effective alternative that helps employees meet urgent unexpected needs and, thus, reduce their financial stress.

Business Impact

Early adopters primarily saw FEWA as a benefit, expecting workers to view it as evidence of care. Avoiding usurious payday loans may improve productivity by reducing “presenteeism,” and sharpening focus on job tasks. Retention may also improve, as workers are less likely to leave for another opportunity without FEWA. Those deploying FEWA as part of a broader financial well-being solution may also improve usage of savings plans due to employees building their future discretionary income base.

Drivers

- Continuing customer interest and increased adoption outside the U.S., along with ongoing vendor product investments (particularly among core payroll providers), have resulted in a slightly above-average Hype Cycle progression.
- There are three main FEWA provider categories. First, point solutions that serve as an overlay to customers’ existing payroll and workforce management solutions, and facilitate the FEWA transaction from request to disbursement. Many of these partner with existing payroll solution providers and are part of their “marketplace” of ancillary offerings that leverage standard APIs for integration. Second, North American midmarket HCM suites and mainstream payroll providers are beginning to deliver FEWA as an optional product feature. Third, providers of financial well-being solutions that provide FEWA as the “borrowing” component of a holistic educational and coaching approach.
- Most vendors initially targeted U.S. employers with predominantly hourly workers, but these offerings have been shown to also pertain to salaried workers dealing with unplanned expenditures.
- There is also emerging market activity and customer adoption in several countries in EMEA, with the U.K. leading the way. FEWA may be especially attractive in the European market, as monthly pay cycles are more common in this region. This increases the employee appetite for more flexibility in access to their earned wages.
- FEWA is being used in some industries to enable a smoother transition during current economic instability.
- FEWA provides more saving and spending options to unbanked employees.
- Some point solutions are expanding beyond FEWA to support other areas, such as payments reimbursement or retirement savings contributions.

Obstacles

- The current solution provider landscape is extremely country-specific, and adoption is predominantly in the U.S. and U.K. markets. The timeline for a robust, competitive market in other countries remains several years out. This limits applicability if an employer has hourly workers in multiple countries and wants to make this capability available to all.
- Legal and compliance requirements for FEWA vary substantially by country, and even by state or jurisdiction in complex countries such as the U.S.
- Maturity of FEWA varies, particularly where it has been recently deployed as part of an HCM suite.
- Administering FEWA will often require some form of reconciliation to the standard pay run, which may result in additional administrative burden on payroll staff. This depends on the comprehensiveness of the solution, but at worst may cause staff resistance and/or require additional resources.

User Recommendations

- Work with HR and operational leaders to assess the potential positive impacts of FEWA implementation on employee experience, productivity and retention.
- Determine which of the three vendor approaches is most suitable for your organization, as one size doesn't fit all.
- Scrutinize the relative maturity of solutions, especially when considering the North American midmarket HCM suites where this capability is either being planned or is in early adoption.
- Vet how each provider ensures ongoing compliance with sometimes volatile country wage laws (and, in the U.S., state and local regulatory requirements as well).
- Confirm that the provider's approach matches your internal legal risk tolerance and requirements.
- Evaluate the impact on current time approval processes, which could shift from pay-period-based approvals to a daily frequency.
- Determine how FEWA will affect existing payroll processes and staffing requirements.

Sample Vendors

ADP; Ceridian; DailyPay; Even; FinFit; FlexWage; Hastee; Instant; Payactiv; Wagestream

Gartner Recommended Reading

[Empower Workers and Energize Your Employment Value Proposition With Flexible Earned Wage Access](#)

[Market Guide for Multicountry Payroll Solutions](#)

Learning Experience Platforms

Analysis By: Jeff Freyermuth

Benefit Rating: Moderate

Market Penetration: 5% to 20% of target audience

Maturity: Adolescent

Definition:

A learning experience platform (LXP) is the front-end layer that typically sits on top of a learning management system (LMS). LXPs are used to enhance an individual learner's interactions and engagement via greater personalization, content curation and expanded breadth of content.

Why This Is Important

Organizations continue to prefer open-learning platforms that are easier to use and offer more consumer-grade personalization. LMSs have traditionally focused capabilities on the scheduling, registering and tracking of a learner's activities. LXPs look to go a step further by personalizing learning experiences through the use of AI, hoping to deliver more relevant learning paths, channels and collections based on learner preferences, interests, profiles, skills, system activity and collaborative interactions.

Business Impact

LXPs enable companies to deal with the growing demands of the digital workplace by improving the learners' experience and engagement by providing them with a more open, interactive and effective way to learn. Organizations that offer a wide range of learning and development opportunities often correlate with increased engagement, which then translates to less voluntary attrition and greater productivity.

Drivers

- Organizations realize that they cannot afford to treat all learners the same. When a workforce is spread across geographies and consists of various cultures, jobs and preferences, the one-size-fits-all approach is less than optimal.
- Digital workplaces and greater remote/hybrid work environments have led to increased requirements and expectations for learners around how, what, where and when they learn.
- Employees are demanding a wider range of resources and upskilling options beyond their traditional, role-focused development. Multidimensional learning and growth opportunities are increasingly seen as must-haves, thus becoming key elements of an organization's employer brand, and critical for talent mobility and retaining talent.
- Learners do not want to be limited only to accessing content that complies with industry standards, such as Sharable Content Object Reference Model (SCORM). They demand access to a wider range of publicly available (and subscription-based) content sources.

Obstacles

- New technologies such as generative AI (OpenAI's ChatGPT) may reduce organizational dependencies or needs for an extra LXP layer.
- The provider landscape for LXPs is in transition. Recent (and potential future) consolidation in the market adds a layer of uncertainty and risk, coupled with a greater number of LMS vendors building in LXP functionalities.
- Organizations have historically provided employees with a structured, often compliance-centric and focused set of learning resources. Shifting to a more open and personalized approach requires an increased investment in strategy and change management.
- Return on investment (and value-add) can be challenging to quantify. Driving stronger learner adoption and engagement can be tracked and measured; however, early adopters have often forgotten to align with business initiatives or specific business outcomes.

User Recommendations

HR Tech leaders responsible for learning technology investments should:

- Ensure strategy alignment and conduct proper change management communications and make those investments prior to LXP deployment.
- Evaluate the strengths, weaknesses and roadmaps of the various providers to determine their fit for the organization's culture and context. Consider their compatibility with existing HCM, workplace solutions, and LMS technologies to ensure integration and continuity across platforms.
- Pilot the LXP for a period of six to 12 months for a small targeted population of learners. Focus the initial pilot on learners who can quickly and clearly see the benefit to themselves, their teams and the overall organization.
- Continuously measure and align the LXP with learning and business outcomes across learning stakeholders and teams to support further optimization, integration, and a broader enterprise rollout.

Sample Vendors

360Learning; Absorb Software; Cornerstone OnDemand; Degreed; Fuse Universal; Learning Technologies Group; Microsoft; Skillsoft

Gartner Recommended Reading

[Market Guide for Corporate Learning Technologies](#)

[Quick Answer: 4 Key Steps Before Shortlisting LXP Vendors](#)

[Tool: RFI/RFP Questions for Selecting Learning Technology Platforms](#)

[Quick Answer: What Is xAPI and How Can It Improve My Learning Strategy?](#)

PaaS in HCM

Analysis By: Chris Pang

Benefit Rating: Moderate

Market Penetration: 5% to 20% of target audience

Maturity: Adolescent

Definition:

Platform as a service (PaaS) provides extensibility options that complement a cloud human capital management (HCM) product. PaaS allows customers to gain functionality that may not be in the vendor's core offering or roadmap, such as integration to third-party products and HR-centric process "journeys."

Why This Is Important

Despite HCM vendor efforts to cater for all the needs of their target segment, the reality is that customers will rarely use or want everything all from one vendor. Extensibility provides customers with bidirectional integration from the HCM application to third-party and in-house built systems. It also addresses the problem of customer-specific functionality where it does not make sense for a vendor to develop functionality with limited adoption potential.

Business Impact

PaaS in HCM helps end customers get a more "complete" solution that integrates with other applications and/or delivers extended functionality, which acts and appears as a native component of the HCM suite. For closing functionality gaps, PaaS can be more economical than buying and integrating a third-party point solution.

Drivers

- An "upgrade safe" solution for end-user functional needs not addressed by HCM vendor product roadmaps.
- Support for organization-specific process "journeys."
- Availability of packaged solutions that use PaaS from implementation providers.
- Evolving maturity and marketing of HCM PaaS from human capital management (HCM) suite providers. Establishment of marketplaces offering PaaS extensions.

Obstacles

- There is limited end-customer understanding and internal resources to manage HCM PaaS capabilities.
- There is limited availability of skilled implementation/consulting resources in HCM PaaS.
- Cost of using and managing extensibility options — most PaaS offerings are sold as an ongoing subscription in addition to the core HCM offering.
- HCM PaaS does not offer unlimited freedom to customers. Most vendors have established “guardrails” and limitations on what is possible, which will curtail some complex use cases.

User Recommendations

- Use HCM PaaS to support processes that are not possible through configuring the underlying SaaS application and/or when using a third-party point solution is not ideal — due to cost, integration complexity or functional fit.
- Check that HCM PaaS adheres to any organizational data processing and security requirements.
- Budget for preimplementation and ongoing regression testing and evolution. Budget for ongoing training and certification of internal resources because it is an evolving technology.
- Determine if the use of HCM PaaS will be temporary (one to three years) or more permanent (over three years) by comparing your needs with the vendor’s roadmap. Annually review each use case to determine if it should be maintained, evolved or retired in the next cycle.
- When using an implementation partner, ensure there is sufficient proficiency of staff trained in HCM PaaS available to you. (Most vendors have separate certifications for PaaS offerings).

Sample Vendors

Cegid; Ceridian; Cornerstone OnDemand; Darwinbox; Oracle; SAP; UKG; Workday

Gartner Recommended Reading

[Essential HR Tech Roles and Resources for Implementing Cloud HCM Suites](#)

How to Create a Business Case for HR Technology Transformation

Employee Productivity Monitoring

Analysis By: Helen Poitevin

Benefit Rating: Moderate

Market Penetration: 5% to 20% of target audience

Maturity: Adolescent

Definition:

Employee productivity monitoring technologies use automated data collection and analytics to report on employees' activities, time spent, work locations and work patterns. They contribute to measuring and improving workforce productivity, well-being and experience.

Why This Is Important

Client interest in employee productivity monitoring increased during the COVID-19 pandemic and the subsequent return to the workplace. It can provide insights into when employees are working, what work is being done and how much time is spent on different activities. Employees, managers, and HR and business leaders have had increased interest in this technology to gain visibility into work activities, in both remote and hybrid work environments.

Business Impact

Used well, insights from employee productivity monitoring can support efforts to improve organizational effectiveness, employee experience, worker well-being and working-time compliance. Used poorly, monitoring tools can present substantial employer brand risk, high cost due to erosion of trust, reduced employee engagement from worker backlash and a toxic work culture. It's best suited for roles where a large number of employees have similar and relatively routine work tasks and activities.

Drivers

- Flexible work arrangements have driven many organizations around the globe to operate with a significant portion of their workforce working remotely. This has increased interest in monitoring employee activities and analyzing work patterns. Prior to the pandemic, these technologies were not widely considered or adopted.
- Uncertainty regarding the impact of hybrid work arrangements on employee experience, productivity and well-being has allowed for continued interest in collecting and analyzing employee behavior data.
- In some cases, interest in employee productivity monitoring is driven by a desire to ensure employee compliance and to limit the amount of time spent on nonwork activities. CEOs or other business leaders may be the ones demanding for these solutions to be put in place, and it is more frequent in organizations with low-trust and risk-averse cultures.
- Talent analytics teams and HR leaders have shown increased interest in analyzing data from outside of HR systems to understand worker behaviors. The intent, in general, is to increase worker well-being, identify burnout rates or improve employee experience. In some cases, the intent is to establish control over working-time compliance, especially in jobs or roles that would be eligible for overtime pay.
- To limit survey fatigue, there is interest in combining behavioral data with existing sentiment data to understand and improve employee experience.
- Some investments in employee productivity monitoring aim to improve how teams work by identifying workload imbalances within teams and focusing on workforce optimization. They may also seek to improve productivity by advising leaders on how to communicate or how to better organize work.

Obstacles

- Many monitoring tools offer basic categorization of activities (including applications, browser URLs or other activities) as work- and nonwork-related. This data can be of limited value.
- Organizations must weigh the potential organizational and cultural cost of monitoring employees against the value of the data collected and insights generated. Employees can feel a lack of trust or a sense that time and volume of activities matter more than outcomes or impact.
- Labor regulations in a number of countries will limit the ability to use these tools or require negotiations with workers councils to put them in place.
- Public opinion around privacy, in addition to privacy regulations, means that investments in employee productivity monitoring must be done with great care. Reasons for monitoring must be clearly aligned with employees' performance development, as well as specific controls put in place to limit who has access to what insights generated from the data, and for what purpose.

User Recommendations

- Inform your investment decisions through careful inquiry about data sources, user interface design and what value you intend to get from the data collected.
- Ensure that the technology is being implemented ethically by testing it against a key set of human-centric design principles. Mitigate risks through a careful communication strategy and collaboration with legal and HR peers.
- Use a checklist to ensure that the purpose and scope of data collection are in line with how it will be used and supports employees doing their best work.
- Minimize legal risk by complying with applicable privacy and personally identifiable information regulation and laws.
- Mitigate risk by ensuring that managers are fully trained on appropriate use before they get access.

Sample Vendors

ActiveOps; ActivTrak; enable; Insightful; Prodoscore; Sapience Analytics; Teramind; Time Doctor; WorkMeter

Gartner Recommended Reading

[Innovation Insight: Workstyle Analytics](#)

[Getting Value From Measuring Employee Experience, Productivity and Well-Being](#)

[Market Guide for Insider Risk Management Solutions](#)

[Market Guide for Task-Mining Tools](#)

Sliding into the Trough

EXTech Orchestrators and Overlays

Analysis By: Ron Hanscome, John Kostoulas

Benefit Rating: High

Market Penetration: 5% to 20% of target audience

Maturity: Emerging

Definition:

Employee experience technology (EXTech) orchestrators and overlays streamline, unify and orchestrate the primarily HR-related digital aspects of EX, generally across a fragmented applications landscape. Their scope spans worker interactions with HR, managers, teams and communities. They typically include low-/no-code tools that enable trained end users to develop, track and iterate employee “journeys” to address critical “moments that matter” throughout the employment life cycle.

Why This Is Important

Most organizations realize that employee engagement and retention are primarily driven from an optimized employee experience (EX). Unfortunately, EX is often hampered by the disparate user experiences employees encounter as they navigate their enterprise’s fragmented solution portfolio, even when a HCM suite is deployed. Presenting a more streamlined EX while effectively supporting ongoing hybrid and remote work has driven continued strong interest in EXTech overlays and orchestrators in 2023.

Business Impact

Worker motivation and engagement are key in work environments that demand ever-increasing levels of innovation, creativity and collaboration across teams. These solutions can help increase employee productivity, motivation and engagement, thus aiding business performance and outcomes while supporting a pivot to a more agile culture. They can also help to improve the overall employment value proposition over time by better matching EX with the organization’s values, culture and objectives.

Drivers

Continued significant interest in EXTech orchestrators and overlays represent the strong majority of Gartner client inquiries on the overall EXTech topic, and come from three main client types:

- Organizations with a mix of on-premises core HR and payroll solutions, augmented by cloud talent management tools, often minimally integrated. These clients want to deliver a modern, consistent, improved UX overlay to give them time to swap out their on-premises components as time and resources permit.
- Those in the first seven years of their HCM suite journey who have realized that the suite UX won't completely address their business requirements, leaving them with an "HCM suite plus" portfolio that still suffers from integration and disparate UX issues.
- Mature HCM suite users (more than eight years) who have come to grips with the limitations of their chosen suite, and have completed their initial augmentations. These are evaluating existing EXTech orchestrators and overlays versus using composable HR application frameworks (CHAFs) to internally build their own solutions.

The following needs will also influence selection over the next two to three years, regardless of client type:

- Attracting and retaining staff for regions and industries grappling with uneven talent availability due to continued economic and geopolitical disruption.
- Supporting a more agile organization and increasingly fluid work environments, including the splitting of jobs or roles into groupings of tasks requiring similar skill sets.
- Improving EX within the context of remote or hybrid environments by rendering HR processes and tasks within a new work hub, thus increasing the connection of employees to others.
- Orchestrating employee journeys that may support subprocesses (including both work and life events) that cross application boundaries and owners, and require awareness and tracking of process steps.

Obstacles

- There is still no comprehensive EX "platform" that meets the needs of all worker types and work patterns in the major industries across all employee size segments and geographies. Despite robust development (and marketing) efforts by many providers, one is not likely to emerge in the next four years (if ever), so enterprises will have to deploy multiple EX solutions to meet their requirements.

- EX usually has multiple stakeholders, with HR, corporate communications, digital workplace leaders and operations all wanting to drive (or at least influence) solution design and deployment. This can cause difficulties in gaining consensus on the issues and outcomes.
- The market has become increasingly crowded, with digital workplace, HCM suite, HR service management, frontline communications, modern intranet and specialist vendors all positioning their offerings as “employee experience platforms.” This has resulted in continued market confusion as to which solution is best fit for a given use case.

User Recommendations

- Use Gartner’s EX-Ready model to gain stakeholder agreement on EX priorities and to build a three-year investment roadmap.
- Assess each solution’s philosophy and design approach to determine its cultural and contextual fit, using Gartner’s digital workplace framework to identify its relationship to existing “work hubs.” Also evaluate your incumbent HCM suite and HR service management solution (if deployed), as they are continuing their EXTech investments.
- Conduct agile pilots, as EXTech solutions are emerging, features vary and relative impact differs across worker types and industries. Focus on employee value-add and time to benefit.
- Use leading design practices such as personas and employee journey mapping to ensure that the delivered solution actually improves interaction quality.
- Examine these tools for both shorter-term hybrid work environment needs and longer-term requirements to remove EX “dissatisfiers” and cultivate a deeper relationship between organization and employee.

Sample Vendors

Akumina; Applaud Solutions; Leena AI; LumApps; Microsoft; Oracle; SAP; ServiceNow; Skuid; Workday

Gartner Recommended Reading

[Apply Gartner’s EX-Ready Model to Optimize Employee Experience Technology Initiatives](#)

[Predicts 2023: HCM Technology Transformation](#)

Transform the Digital Employee Experience With an Evolving Digital Workplace

Market Guide for Intranet Packaged Solutions

Unified Multicountry Payroll

Analysis By: Ranadip Chandra

Benefit Rating: Moderate

Market Penetration: 20% to 50% of target audience

Maturity: Early mainstream

Definition:

Unified multicountry payroll is an approach to deploying an integrated solution by an organization that is present in a minimum of two countries to manage the data, processes and operations of the payroll function. The strategy can be to keep it “in house,” where software with sufficient localization is utilized for calculations, and/or “outsourced,” where a business process outsourcing (BPO) service provider or aggregator takes responsibility for processing payroll across multiple countries.

Why This Is Important

A unified multicountry payroll strategy will improve vendor management efforts, as it removes the complexities of managing multiple versions of SLA adherence, governance, maintenance and issue resolution processes. It will also pave the way for improved integration, consistency in compliance and fewer errors in calculation, and should better support organizations with (increasingly) global teams.

Business Impact

Unified multicountry payroll strategy removes process efficiency bottlenecks and gives an opportunity to add uniformity to the service metrics. A unified data reporting layer ensures granular visibility into payroll costs, such as overtime allocation and compliance breach settlements, thus helping with cost allocation and workforce planning. Unified multicountry payroll also enables improved business continuity planning through secondary processing units and infrastructure in “nearshore” countries managed by the same provider.

Drivers

- The workforce is becoming more global due to the limited availability of talent in some countries and teams. Unified multicountry payroll is an important tool to support global HR and compliance.
- Maintaining integrations with multiple payroll systems is cumbersome and makes real-time reporting and analysis difficult and slow. Generally, larger multicountry solutions offer out-of-the-box integrations with major human capital management (HCM) suites. There is strategic value in unified payroll, data reporting and analytics.
- Having unified payroll, data reporting and analytics can provide insights into labor costs which can be used when planning to increase or decrease headcount based on the average cost of employment by country.
- Easier vendor maintenance through consolidation results in more opportunities for cost savings and improved service/product quality.
- The support of secondary data sites for failover processing, multiple delivery centers with similar setups and strong recovery time objective (RTO) metrics improves significantly under a unified operation than a combination of disparate systems.
- Some regional providers have matured in their service and advanced tech capabilities, enabling organizations to create regional clusters to consolidate payroll operations and minimize the footprint.
- Multicountry payroll BPO vendors are replatforming to build their native payroll technology in order to improve integration, reporting and analytics as well as reduce dependency on legacy payroll engines.

Obstacles

- Mainstream HCM suites are adding new localizations at a notably slow rate, thus making it difficult for organizations to unify HR administration with payroll.
- Dynamic regulation changes and country-specific statutes remain challenging for most global aggregation and outsourcing providers to address quickly without overly relying on in-country last-mile subcontractors.
- Government mandates on payment transactions with neobanks, digital wallets and alternative modes of payments remain a challenge for multicountry payroll providers to comply with, despite increasing interest from end users.
- Countries affected by geopolitical events and government directives are best managed by local solution providers, rather than a leading multicountry solution from the perspective of business continuity.
- Geopolitical events and consequent risks have also forced many organizations to operate in a more decentralized, localized fashion that curtails a region's or a country's operation from being part of a unified strategy.

User Recommendations

- Develop a payroll transformation strategy that is suitable for your organization and prioritize execution based on your geographic footprint of providers, volume of workers and existing/planned HR application investments.
- Evaluate vendors on your roadmap to expand localization. If your organization has plans to expand its geographical footprint in the next five years, think ahead and partner with a payroll provider that will support this journey. Create a shortlist of suitable vendors that fit with your payroll strategy.
- Prioritize experience across your geographic footprint when selecting vendors, and demand transparency in terms of how payroll is delivered in each country.
- Consolidate global payroll solutions and data to improve reporting, auditing and planning capabilities. This will enable easier vendor management and integration between payroll and other HR/finance applications, and improve internal payroll operations' efficiency.

Sample Vendors

ADP; Alight; CloudPay; EY; Neeyamo; Papaya Global; SafeGuard Global; SAP; SD Worx; Zalaris

Gartner Recommended Reading

[Market Guide for Multicountry Payroll Solutions](#)

[Tool: Vendor Selection for Multicountry Payroll Solutions, 2022](#)

Digital Adoption Platforms

Analysis By: Melissa Hilbert

Benefit Rating: High

Market Penetration: 5% to 20% of target audience

Maturity: Adolescent

Definition:

A digital adoption platform (DAP) overlays applications (e.g., CRM, HCM, ERP, legacy and external) with in-application guided learning, simulations, nudging and analytics to drive adoption and engagement. DAPs improve adoption and usage supporting organizations' digital transformation objectives. They provide consistent user experiences that help users complete work efficiently. A DAP also offers analytics driving actionable insights to improve experience and streamlines work, improving ROI.

Why This Is Important

DAPs improve user productivity and efficiency, reducing digital friction and increasing user engagement and employee retention. Key employee use cases appear in sales, HR, ERP and digital workplace, but this technology applies to all functional areas in an organization. For external use cases where your company sells software, consider embedding a DAP to improve customer experience and loyalty. Use cases include onboarding, technology adoption and use, change management and process efficiency.

Business Impact

DAPs provide high value for organizations looking to improve adoption of applications for employees and customer experience. The ROI of DAP can be measured by:

- Reducing employee onboarding and training costs
- Speeding new-hire time to productivity
- Eliminating change management related training

- Reducing support tickets
- Improving user engagement, proficiency and efficiency
- Minimal setup and low administrative overhead
- Usage analytics and insights enabling continuous improvement
- Improved CSAT scores

Drivers

Digital adoption platforms are relevant for any organization in any vertical. The most prominent application employee use cases to date include where sales force automation (SFA), HR, ERP, procurement or digital workplace solutions are used.

- The solutions in the market have evolved to include platform capabilities, such as the use of partner ecosystems.
- The need for cross-application guidance and analytics is critical to digital transformation and improved employee experience.
- DAPs also address the need for multiple device types such as mobile, desktop, hybrid, web and on-premises hosted applications.
- Additionally, they are relevant for organizations selling software where user adoption and usage are critical to customer value realization, renewals and expansion.
- DAPs drive actionable insights to improve the user experience and maximize ROI from application investments.

Organizations should seek this technology if they are facing the following challenges:

- There is poor adoption of existing applications or high churn or growth of employees.
- Tasks are complex within an application.
- Tasks are performed infrequently but have high organizational impact.
- Business processes are changing frequently and knowledge management is difficult.
- An application changes frequently.

- Customers' end users using your software have low engagement where adoption is closely correlated to renewal or growth.

Obstacles

- On-premises applications behind firewalls are more difficult for some vendors to connect to and will be more costly to deploy while also losing some analytics.
- Mobile application support is weak from many vendors; some do not offer it at all.
- Language translation for content varies greatly among vendors.
- Some vendors utilize a per-application (including varying pricing for application complexity) and per-user pricing model, which can increase costs when deploying at the functional or enterprise level.
- Some vendors do not support cross-application guidance and analytics.
- Governance and new DAP roles for guidance, content creation and maintenance are required, as well as a partnership between product, customer success and IT teams.

User Recommendations

- Create a plan by functional area to incorporate DAP by prioritizing high-impact applications such as CRM, ERP, HCM or client-facing applications across the entire tech stack or product portfolio.
- Evaluate all applications for an employee's work hub by documenting all applications used to get work done by an employee.
- Ensure analytics are deep at both a macro (aggregate) and a micro (workflow) level and can cross applications for a single workflow.
- Investigate multilanguage capabilities for application and content support.
- Design a governance plan by including new DAP roles or reallocation of learning and development (L&D) or subject matter expert (SME) roles to support content and a rollout across the organization.

Sample Vendors

AppLearn; Aptly; Knowmore; myMeta; Pendo; SAP; tts; Userlane; WalkMe; Whatfix

Gartner Recommended Reading

[Market Guide for Digital Adoption Platforms](#)

[Toolkit: Job Descriptions for the Digital Workplace](#)

[Tool: Guide to Selecting Digital Adoption Platform Vendors](#)

[Create an Enablement Continuum to Advance Digital Skills Outside of IT](#)

Voice of the Employee

Analysis By: Laura Gardiner

Benefit Rating: High

Market Penetration: 20% to 50% of target audience

Maturity: Adolescent

Definition:

Voice of the employee (VoE) solutions collect and analyze employee opinions, perceptions and feelings. They use surveys, feedback tools and other data sources to gather worker sentiment and infer preferences, opinions and well-being. They deliver insights with actionable guidance to help improve employee engagement, experience, productivity and performance. When connected with HCM and digital workplace technologies, VoE can become a key component of a firm's "sense and respond" feedback loop.

Why This Is Important

Enterprises are grappling with the pace of change accelerated by the recent talent crunch, continued economic instability and disruptive geopolitical events. Many still use an annual survey to primarily gather employee feedback, but struggle to capture and respond to more frequent changes in perception as their workforce reacts to organizational changes, work/life collisions and market events. VoE solutions include direct surveys and other feedback tools to better capture employee perceptions, feelings, opinions and ideas.

Business Impact

More robust collection and analysis of employee feedback with actionable guidance results in:

- Earlier problem spotting and quicker response due to faster data collection and direct delivery of insights to managers.
- Deeper feedback for managers on team perceptions and performance.
- Better data for longitudinal analysis.
- Improved employee engagement, learning, development and retention.
- Efficient idea management.
- Enhanced employee experience, employment value proposition, worker performance and productivity.

Drivers

- Organizations are responding to the ongoing talent crunch and increased worker burnout/fatigue by trying to better understand employee perceptions, enable managers, drive digital workplace adoption and improve employee experience (EX). Continuous listening remains a critical element to maintaining a connection to a distributed and less connected workforce.
- Many HR clients use an annual survey as a feedback baseline but have also implemented some form of pulse measurement to increase the frequency of feedback and reduce lag between feedback, analysis and action.
- Organizations now want to go beyond merely gathering engagement-related data and expand use of VoE to communicate care, listen to a broader set of employee concerns, prioritize investments and quickly take action where necessary. They are also using VoE to measure the effectiveness of employee experience initiatives and to drive further iteration.
- VoE market requirements and customer expectations have coalesced over the past year, resulting in faster than average progression along the Hype Cycle from 2022 to 2023. Many organizations now perceive the more continuous approach to employee listening embodied by VoE to be more crucial than ever before.
- Some providers are responding to customer demand by blending VoE with other HR processes, such as performance, recognition, learning and leadership actions. Others are exploring the intersection of VoE and EX insight management. Regardless, these combinations are attempting to build an ongoing “sense and respond” capability that crosses traditional application boundaries.

Obstacles

- No VoE solution fully supports all types of VoE listening (direct survey-based, focus group-based, indirect) and analytical methods, so integrating multiple providers will be a common outcome. It may be difficult for internal stakeholders to come to an agreement on which types of listening to use and how best to consider the outputs from each type.
- Organizations often struggle to take timely action in response to VoE results, commonly due to limited delivery of manager insights and difficulties identifying solutions to the challenges raised by VoE.
- Clients with long-standing internally-built surveys may find it hard to transition to VoE platforms that require adherence to the vendor's methodologies.
- Providers acquiring VoE technology will often need two to three years to fully integrate it into their existing solution and organization. Clients implementing during that time frame will likely face integration challenges and disparate analytical tools.

User Recommendations

- Adjust VoE strategy to support faster decision timelines, including choice of metrics and measurement intervals.
- Determine what types of VoE "listening" are desired and how much weight will be given to each type.
- Define the degree to which managers will participate in VoE and also assess enterprise readiness to tightly link VoE to other talent or work processes. Results of these two tasks will help drive tool selection.
- Select the right data sources, collection/measurement methods and technologies. Assess how well the provider applies techniques such as NLP and event-triggered listening.
- Scrutinize provider integration roadmaps if all or part of VoE functionality is the result of an acquisition in the past 18 months.
- Implement selected technologies on a pilot basis, then iterate based on early feedback from employees and managers.
- Make VoE initiatives actionable by equipping stakeholders to respond quickly to anonymized, aggregated insights coming from VoE data.

Sample Vendors

Culture Amp; Glint; Medallia; Perceptyx; Qualtrics; Quantum Workplace; UKG; Workday; WTW

Gartner Recommended Reading

[Market Guide for Voice of the Employee Solutions](#)

[Innovation Insight for Continuous Employee Listening and Talent Management for Increased Agility](#)

[Apply Gartner's EX-Ready Model to Optimize Employee Experience Technology Initiatives](#)

Next-Gen WFM

Analysis By: Sam Grinter, Ron Hanscome, Ranadip Chandra, Kelsie Marian

Benefit Rating: High

Market Penetration: 20% to 50% of target audience

Maturity: Early mainstream

Definition:

Workforce management (WFM) is a set of functions designed to help manage hourly paid workers. Core WFM functions include time and attendance, scheduling, absence and task management. An emerging and transformation capability is AI-enabled skills management in WFM. Next-gen WFM is the result of the following trends impacting the market: skills management, automation of the manager experience, employee experience, generative AI, new platforms and the flexible workforce.

Why This Is Important

WFM is often considered as only a system of administration. However, WFM contains untapped value in supporting the business outcomes of worker effectiveness, the employee value proposition and cost optimization. Furthermore, leaders find it challenging that WFM has no clear business owner, leading to WFM applications being overlooked and underinvested. As such, WFM, and in particular next-gen WFM, presents a compelling opportunity to deliver business transformation.

Business Impact

Next-gen WFM can augment and transform hourly/frontline worker business processes. The benefits of next-gen WFM include more effective resource scheduling, improved employee experience, reduced manager time spend on administrative tasks, reduced training cost and easier management of employees and contingent workers.

Drivers

- WFM is included as part of a wider digitalization/digital workplace/employee experience initiative.
- The ransomware attack and subsequent outage of the Kronos Private Cloud (KPC) product in December 2021, which affected 2,000 enterprise clients, is leading to a refresh of this product and similar era products.
- WFM is included as part of wider human capital management/payroll transformation.
- WFM is adapted to be fit for purpose in the context of skills shortages and the COVID-19 pandemic.

Obstacles

- A lack of clear ownership often stalls investment, with ownership often somewhere between HR, IT, operations and even finance.
- Consideration of WFM as a system of administration rather than a system for transformation is a continued obstacle for further growth.
- The market for WFM is highly fragmented, making it challenging to consolidate WFM applications with the wider HR application ecosystem.

User Recommendations

- Unlock new business value by evaluating the current use of qualification and certification as a capability of WFM and expanding to include other skills attributes relevant to each role.
- Work with operations, finance, procurement and HR leaders to ensure your organization's WFM requirements reflect an updated and holistic perspective that incorporates the needs of workers, managers, administrative staff and executives.
- Plan to migrate any on-premises and older cloud WFM applications to the latest generation of cloud solutions within the next one to two years to gain access to the latest capabilities and, where applicable, leverage migration discounts.
- Assign a stakeholder for WFM applications to prioritize and oversee investment.
- Identify the potential of these emerging WFM capabilities. Develop a business case for a pilot deployment to quantify the ROI and to justify wider rollout of the initiative.

Sample Vendors

ADP; ATOSS; Ceridian; Deputy; Jitjatjo; Legion; Mark Information; Quinyx; UKG; WorkForce Software

Gartner Recommended Reading

[Innovation Insight for AI-Enabled Skills Management in Workforce Management](#)

[Market Guide for Workforce Management Applications](#)

[Best Practices for Workforce Management Deployments](#)

[Quick Answer: What Are the Lessons to be Learned From the UKG Ransomware Attack?](#)

[Drive Employee Experience for Frontline Workers Using HR Technology](#)

Continuous Employee Performance Management

Analysis By: Laura Gardiner

Benefit Rating: Moderate

Market Penetration: 20% to 50% of target audience

Maturity: Early mainstream

Definition:

Continuous employee performance management tools enable managers and employees to frequently track progress toward goals, capture peer and 360-degree feedback, prepare and execute one-on-one check-ins, and provide and receive performance and development feedback. Increasingly, they include coaching, managing one-to-one preparation and follow-ups, pulse engagement surveys, and ties to rewards and recognition.

Why This Is Important

If done well, continuous performance management often leads to improved engagement, employee productivity and manager effectiveness. When employees are all working toward goals aligned to corporate strategy, better business results generally follow. In a fast-paced business environment and remote work structures, regular feedback and check-ins help ensure that workers are focused on the right things, and adapting to the changing nature of their work and environment.

Business Impact

Adapting performance feedback processes to match the pace of business, given recent economic headwinds, is a vital step for HR and IT leaders of HR transformation initiatives. Continuous employee performance management supports goal alignment for frequent and broadly sourced feedback. This includes social feedback, social recognition, pulse surveys and other ways to collect employee feedback.

Drivers

- With growing pressures from the recent rounds of layoffs and ongoing challenges due to talent scarcity, there is a strong demand for ongoing performance and development feedback to document contributions and initiate early intervention regarding potential issues.
- The mainstreaming of agile work processes has brought about the need for more fluid goals with frequent updates and adjustments, and more frequent performance feedback.
- Organizations continue to bring historically isolated processes together by investing in broader, continuous and more personalized solutions for employee listening, performance, coaching, talent development, and succession planning.

Obstacles

- The market is in transition and the vendor landscape is evolving. There is notable market consolidation of performance management specialist vendors, particularly as employee engagement, coaching, and continuous performance management tools and practices merge.
- As with any change impacting employee jobs and pay, properly implementing and executing continuous performance management requires significant resources and strong change management practices to address manager and employee resistance.
- Not all feedback (and data) is treated or weighted the same across various business units of an organization, causing a healthy skepticism among employees about the relationship between feedback, contributions, and compensation. This is especially true when some managers only provide positive feedback during these more frequent interactions.

User Recommendations

- Deploy solutions that support the right cadence and activities for the organization and culture.
- Evaluate new processes and tools for relevance and practicality, from both the employee's and the manager's viewpoint.
- Track current market disruptions and use pace-layering methodology to develop a foundational, long-term plan.
- Invest in robust change management practices to ensure the adoption and impact of any selected technology supporting employee performance management.

Sample Vendors

15Five; Betterworks Systems; Culture Amp; Lattice; Learning Technologies Group (LTG); Quantum Workplace

Gartner Recommended Reading

[Innovation Insight: Continuous Employee Listening and Talent Management for Increased Agility](#)

[How to Ensure a Successful Performance Management Technology Implementation](#)

[Ignition Guide to Implementing a Continuous Feedback Process](#)

Performance Management That Drives Connectedness to Culture

Employee Well-Being Solutions

Analysis By: John Kostoulas

Benefit Rating: Moderate

Market Penetration: 5% to 20% of target audience

Maturity: Early mainstream

Definition:

Employee well-being solutions refer to the set of technologies and services extending beyond physical wellness and into mental, financial and emotional health support. Components of employee well-being include mobile apps, wearable devices, dashboards to track status, on-demand motivational and instructional content, organized events and rewards. Additional components include communities and social networking capabilities as well as gamification services (such as leaderboards and challenges).

Why This Is Important

Fatigue, stress, worry and anxiety are common symptoms in the modern workplace. In response, organizations have begun to offer new well-being programs and/or expand existing programs. Despite the large majority of employers — over 70% — offer well-being benefits across various categories (physical, financial, community, mental/emotional), only 56% of employees think their company's executives care about their well-being. Employers still need to address the issues of low employee participation and reactive well-being approaches.

Business Impact

Employers have historically deployed wellness programs focused on reducing employer healthcare costs. However, the broader value of employee well-being programs is toward reinventing EVP to deliver a more human deal that focuses on the whole person, their life experience and, ultimately, the feelings this human deal creates. This eventually increases engagement and loyalty among employees.

Drivers

Employee well-being solutions can become an engine to power employee experience and deliver well-being impact. Employee well-being solutions can consist of three main sets of capabilities: foundational, direct functional and indirect functional.

- **Foundational capabilities** include a unified user experience (UX) layer for employees and other users; analytics for employees, managers and HR to show participation and impact of the various programs; and integration components to connect the various functional capabilities.
- **Direct functional capabilities** include functionalities to help employees support the various aspects of well-being: physical, mental, financial, community/social and digital. These functionalities are used solely for the purposes of well-being support and include technology (e.g., mobile applications, wearable applications), content (e.g., learning resources) or interaction with experts (e.g., counseling, clinical support).
- **Indirect functional capabilities** include functionalities not used solely for well-being that support effectiveness of related programs. Examples include:
 - Voice of the employee (to provide employee sentiment about well-being programs)
 - Rewards and recognition (to provide rewards relevant to well-being achievements)
 - Learning experience (to support learning activities toward well-being)

Obstacles

- **The business value of such an initiative is difficult to quantify.** This is particularly true as participation rates are generally still low (typically under 50%) despite more time and effort in communicating well-being offerings. Although midmarket organizations increasingly make well-being investments, larger employers typically have the budget for such initiatives without a rock-solid business case.
- **Organizations with a reactive mindset around well-being.** This affects the ways organizations are measuring the impact of well-being programs, connecting data beyond absence and retention rates. This data is often unstructured and requires deeper analysis to uncover impact.
- **Limited insights with regards to the use of well-being solutions.** Organizations provide applications and services to their employees as a benefit but fail to regularly ask for employee feedback with regards to their use and perceived value.
- **Fragmentation of solutions.** The employee well-being solutions landscape has been very fragmented, which makes it difficult to streamline user experience and analytics.

User Recommendations

- **Pilot where possible to justify further investment.** Programs can start as a grassroots effort to reduce stress, to become more physically or mentally active or to create a greater sense of team spirit. Well-being coaches, and recognition and rewards tools, can play a key role in encouraging participation and building communities.
- **Enroll senior leadership as champions for well-being.** Employee well-being becomes more strategic and transformational when connected to formal programs and HR processes.
- **Plan how employee well-being technology will connect with your wider HR technology ecosystem.** Employee well-being can be delivered via point solutions, employee experience technologies and HCM suites. Buyers should first review the capabilities offered by existing providers, then consider additional point solutions if needed. If deploying multiple point solutions, consider utilizing providers that act as data, workflow and analytics aggregators.

Sample Vendors

ADP; Alight; Benevity; BetterUp; Even; Limeade; TELUS Health; Thrive Global; Unmind; Virgin Pulse

Gartner Recommended Reading

[Innovation Insight: Employee Well-Being Solutions](#)

Machine Learning in HR

Analysis By: Sam Grinter

Benefit Rating: High

Market Penetration: 5% to 20% of target audience

Maturity: Early mainstream

Definition:

Machine learning is an AI discipline that solves business problems by utilizing statistical models to extract knowledge and patterns from data. Machine learning techniques, when applied to HR, translate most frequently into data-driven recommendations and predictive insights in domains such as recruiting, learning, employee engagement, compensation, benefits, HR service management and career development.

Why This Is Important

Machine learning helps HR leaders go beyond descriptive analytics and basic reporting to detect patterns and improve decision making. Insights change how strategic investment decisions are made, helping HR leaders select high-impact talent program investments. They provide data-driven decision support around who to hire, which learning materials to consume, what compensation to propose or what actions to take to improve engagement.

Business Impact

Data-driven insights ensure that HR and organizational leaders make the right investments in talent for the future. Flight risk analysis identifies drivers influencing employee churn. Strategic action can be taken to decrease the cost of attrition and increase engagement. Through personalization and prescriptive advice to employees and managers, HR can have a greater impact on employee experience, organizational culture, reskilling and upskilling efforts, and overall organizational health.

Drivers

- Embedded and vendor-provided capabilities such as risk analysis, recommendation engines or matching algorithms within a broad set of HR applications drive widespread adoption, sometimes without the full understanding of HR teams. This includes employee flight risk analysis, sentiment analysis, candidate-ranking algorithms, learning recommendations, augmented and segmentation analysis across many talent metrics, and a personalized homepage with an automated display of key insights or workflows to fit user behavior patterns.
- Homegrown or consulting service-provider-developed algorithms to support one-off talent analytics projects or custom applications. These cover the same scope as above, but may also aim to connect talent data with business operations data to uncover areas of improvement with clear business impact.
- Hype is driven by a desire of HR teams to go beyond descriptive analytics to more predictive and prescriptive insights. Since machine learning is one set of AI techniques, interest is also driven by innovation teams seeking AI use cases in the HR domain.

Obstacles

- Lack of awareness among HR teams that this technology is supported by some of the vendor solutions they already have in place.
- A number of HR technology providers have struggled to introduce machine learning into their solutions. Organizations leveraging aging HR solutions may not have access as easily to this set of capabilities.
- Lack of trust in the models delivered by HR technology providers; many are proprietary and not openly shared with customers.
- Difficulties in accessing relevant data to support meaningful predictions or models. Data can often be siloed in individual applications.
- Lack of discipline in model management including drift, infrequent updates, and lack of adaptation to new data or data management practices.
- Lack of resources in HR teams to develop, build and deploy models, to support the use of machine learning in HR.

User Recommendations

- Evaluate your existing application portfolio for the use of machine learning techniques and check vendor roadmaps.
- Hire or nurture staff that can understand machine learning and advanced statistics in order to articulate the benefits and limitations of the associated techniques.
- Evaluate solutions based on the relevance and accuracy of the output of the models; the ability to modify or build models; the data lineage and the nature of the data being used. Also evaluate on the basis of the ability to leverage analytical output in other analytics workflows, or display results in various parts of the application; the results as presented to end users.
- Ensure alignment with digital ethics principles because machine learning in HR involves personal data about workers.
- Explore use cases where data from HR systems, and from other business or operational systems, are combined to answer strategic and business-critical talent-related questions.

Sample Vendors

ADP; Deloitte; One Model; Oracle; Panalyt; Qlearsite; SAP; UKG; Visier; Workday

Gartner Recommended Reading

[Infographic: Artificial Intelligence Use-Case Prism for HCM Technology](#)

Workforce Planning

Analysis By: Harsh Kundulli

Benefit Rating: High

Market Penetration: 5% to 20% of target audience

Maturity: Adolescent

Definition:

Workforce planning enables HR professionals to plan and monitor the evolution of their organization by aligning talent supply and demand to various business scenarios, such as transformation, growth, rationalization or divestiture. Functions can include organization visualization and modeling, support of restructuring, headcount management, headcount budgeting and forecasting, and strategic workforce planning.

Why This Is Important

The need to respond to market shocks and uncertainty makes it important for HR, finance, and business leaders to be well-equipped to support agile and continuous workforce planning activities. There is increased HR leader interest and maturity in conducting workforce planning processes. Technology solutions supporting workforce planning continue to improve their ability to connect tactical and strategic scenario-based workforce planning activities.

Business Impact

Workforce planning and modeling brings business, HR and finance leaders together. It provides them with a shared view of the current workforce, and of the workforce-related changes that must occur to meet strategic and operating objectives. It supports both short- and long-term strategic business goals, whether these are related to managing economic uncertainty, driving talent agility, location strategy, digital business transformation, growth or changes through merger and acquisition, or divestiture activities.

Drivers

- Interest in workforce planning tends to be cyclical, increasing in times of uncertainty and decreasing in times of stability. Economic uncertainty, geopolitical shifts, demographic changes and digital business imperatives have created an environment for rising interest in workforce planning.
- Workforce planning practices are getting established for both operational workforce planning (headcount management, budgets and forecasts), and strategic workforce planning (scenarios and strategic investment decision support). Increased process maturity and improved governance typically lead to more technology investments.
- Organizational modeling and transformation require timely communication, employment contract changes and system updates. This is still a heavy administrative burden for HR teams in large multinational organizations. Hence, organization modeling technology solutions that can help assess scenarios and automate the execution of these tasks are increasing in adoption.
- Skills data is increasingly becoming critical to managing talent, and AI-enabled skills management and labor market insights are now enabling skills-based workforce planning. This is, in particular, of interest when doing labor market scans to determine skills availability.
- Workforce optimization, including capacity utilization optimization, automated work distribution and specific resource planning, remains industry-specific. Interest in this form of workforce planning has increased due to the introduction of automation and hybrid work arrangements.
- Interest in extended planning and analysis (xP&A) is increasing due to its ability to provide better transparency into business performance and enable more holistic planning. xP&A connects financial planning and analysis with other planning disciplines across the enterprise, such as supply chain, operations, IT, sales, and workforce planning. Adequate functionality in xP&A tools to meet HR's operational workforce planning drives tighter alignment with financial planning and analysis and leads to increased tool adoption.

Obstacles

- Leaders across the business, finance and HR have disparate perspectives on what workforce planning is, and how it should be done.
- Organizations exhibit varying degrees of maturity in employee data governance which, in turn, affects access to employee data for headcount reporting and other kinds of workforce planning.
- Lack of access to quality data on the contingent workforce makes total workforce planning challenging.
- HR is not always in a leadership position for workforce planning. It may be managed within a finance organization. This often limits the application of strategic workforce planning.
- Strategic planning efforts rarely incorporate downstream workforce planning implications into their timelines.
- Detailed personnel cost planning can be challenging in multinationals because of the variability of payment and wage types across geographies. In addition, payroll system data can be difficult to access due to aging systems.
- No one workforce planning technology solution can support all forms of workforce planning.

User Recommendations

- **Collaborate:** Engage in conversations with business leaders and executives to prioritize the workforce questions you need to answer. This will help you decide which type(s) of workforce planning and associated technologies you need.
- **Start small:** Prioritize certain workforce segments for workforce planning rather than starting with the whole workforce. For example, choose hard-to-resource workforce segments.
- **Explore new technology:** Explore using AI-based techniques to confront the challenges in workforce planning such as obtaining reliable skills and talent profile data, and the ability to include more data sources.
- **Create a portfolio:** Invest in a portfolio of technologies to support the most critical workforce planning activities in order to increase workforce planning maturity.
- **Align:** Connect workforce planning to financial planning and analysis through xP&A.

Sample Vendors

Albert; Anaplan; Ingentis; Nakisa; Oracle; Orgvue; SAP; Vemo; Visier; Workday

Gartner Recommended Reading

[Workforce Planning – How to Use Technology to Support Planning Processes](#)

[Innovation Insight for AI-Enabled Skills Management](#)

[5 Ways AI Shifts How Organizations Think About Skills Data](#)

Recognition and Reward Systems

Analysis By: Chris Pang

Benefit Rating: Moderate

Market Penetration: 5% to 20% of target audience

Maturity: Early mainstream

Definition:

Employee recognition and reward systems allow organizations to show appreciation to individuals “in the moment” for accomplishments and behaviors desired by the organization. Rewards can be monetary- or nonmonetary-based.

Why This Is Important

Given the challenges in the macroenvironment, many organizations need to reenergize company culture and organizational morale to improve talent attraction, engagement and retention. These challenges are not dependent on company size, especially in organizations where remote working is the norm.

Business Impact

Recognition and reward technology can improve an employee’s morale, motivation and sense of belonging. It can help to drive and sustain initiatives such as job candidate referrals, company well-being initiatives, health and safety, and environmental, social and corporate governance (ESG) programs.

Drivers

- Improving talent retention and attraction for in-demand skills and talented individuals
- Driving an elevated customer experience by using recognition and reward to positively influence employee engagement
- Providing motivation outside of merit and bonus plans, which typically occur only once or twice a year
- Empowering individuals to recognize others for “going the extra mile” or exceptional work on a one-on-one or a one-to-many basis
- Allowing leaders to track progress on initiatives such as ESG and other efforts outside of revenue targets

Obstacles

- Unclear or wavering management sponsorship and support, with not enough ROI for HR leaders to prioritize recognition and reward programs ahead of other initiatives
- Reduced scope and/or lack of budget for monetary awards
- When current or previous experience with a recognition and reward program involves a process/technology that is unchanged since the original implementation
- Lack of awareness that this category offers much more than a work anniversary gifting tool
- Lack of change management and internal commitment to continually evolve the recognition and reward program
- Perception of recognition and reward as being a tactical compensation and benefits project
- Fear of individuals gaming the process/system and uncertainty of recognition and reward process governance
- Buyer confusion because the market is crowded with overlapping offerings from HR, talent, employee experience, and recognition and reward solution providers

User Recommendations

- Elevate the impact of recognition with a reward component. Use in-built reporting and analytics to gain insight into where and why there are hot and cold spots of usage.
- Invest time in solution design and internal marketing to push awareness and ongoing system usage and engagement. Make it easy to give and “see” recognition, and encourage leadership to regularly promote the program.
- Use recognition to encourage and maintain cultural cohesion and employee engagement to unite employees across work styles with the mission, principles and culture of the company. Examine the possibility of integrating recognition systems with performance management systems to enhance the 360-degree view of the employee.

Sample Vendors

Achievers; Awardco; BI WORLDWIDE; Kudos; O.C. Tanner; Semos Cloud; Vantage Circle; Workhuman; WorkTango; Xoxoday

Gartner Recommended Reading

[Innovation Insight: Continuous Employee Listening and Talent Management for Increased Agility](#)

[Tech CEOs: Use Recognition and Reward Technology to Drive Talent and Culture Efforts](#)

[Top Practices for Tech CEOs' Recognition and Reward Programs](#)

Digital HR Document Management

Analysis By: Ron Hanscome

Benefit Rating: Moderate

Market Penetration: 20% to 50% of target audience

Maturity: Early mainstream

Definition:

Digital HR document management tools enable enterprises to store, access and manage HR documents, while complying with multijurisdictional regulatory requirements for security and retention. Common functions include multilevel security, document tagging to enable search, notification and approval, digital signature support and robust auditing/traceability. Typically, these solutions integrate with administrative HR systems, but they may also link to other HR and identity management solutions.

Why This Is Important

Enterprises struggle with how to best manage HR documents needed for regulatory and corporate policy compliance. Storing paper files in HR offices or warehouses has existed for decades, but this approach is costly and lacks the security and quick access/search capabilities needed for legal discovery or compliance audit requests. Also, paper records cannot be analyzed for missing data or expirations, nor can they be easily purged. Automation and digitalization is needed to address these issues.

Business Impact

Digitalizing HR documents can result in productivity savings due to:

- Time saved searching for information.
- Reduced physical document storage costs.
- Delivery of secured access to data for HR staff process support.
- Mitigation of risk of using dated or incorrect legal forms.
- Avoidance of regulatory fines and potential legal costs.

Enterprises with a complex HR technology portfolio can benefit from using this solution to combine transactional and unstructured data with documents to form a unified HR hub.

Drivers

- While many firms have partly digitized basic HR documents, several factors have added to this function's complexity. These include: (1) Increasing globalization, which raises the number of workers operating in multiple locations. Volume of documents, storage, security and retention requirements vary by country. (2) The sheer volume and rate of increase of regional and country-specific regulatory requirements, including GDPR, digital format mandates and those driven by distributed work environments.
- Other factors of note include: (3) The impact of mergers, acquisitions and divestitures, which generate even more documentation. (4) The need for easy employee, manager and HR administrative access. This became particularly acute with the ongoing use of fully remote and hybrid workers, as these roles are typically unable to access physical documents "at the office." It is not likely that this driver will ever subside to prepandemic levels. (5) Difficulty in determining how best to grant and manage the right level of access to the appropriate users across HR and operational functions.
- Although substantially decreasing in importance for some organizations, many HR and operations functions still want a robust digital response to COVID-19 documentation, including vaccine certificates, health declarations and doctor's notes for medical reimbursement.
- Many organizations desire solutions that enable a holistic approach to managing HR documents in their distributed environment. In addition, convergence with integrated HR service management (IHRSM) tools continues to manifest.
- Several HR document management vendors have added IHRSM functionality. Conversely, many IHRSM solutions and HCM suites have added HR document management, as have several content services platforms (CSPs). These providers continue to enhance their offerings to meet a wider range of use cases. The result is a steady market progression, with adoption continuing to increase (particularly among midmarket enterprises) over the next three years.

Obstacles

- Picking the right solution from this complex landscape is a significant challenge, as market entrants come from (1) traditional records management providers that have developed software combined with services to help clients convert paper records to digital, and (2) CSPs that have enhanced their solution to comply with HR's more stringent security and confidentiality needs.
- Other relevant application categories include (3) HR software and service providers that have either built or acquired and integrated a point solution, and (4) point solutions that may cover multiple countries and deliver granular security models, including the ability to specify where digital documents are physically stored. This is particularly relevant to clients with operations in the EU due to the enforcement of GDPR.
- Justifying the investment if the enterprise hasn't experienced litigation or penalties due to prior noncompliance.
- Ensuring enough change management to drive adoption, especially in lagging businesses.

User Recommendations

- Determine needs based on business growth strategies and whether they include new locations in countries with differing regulations. Consider the persistence of remote and hybrid work, as this will increase demand for digitalization.
- Develop a strategy around HR document governance, which may include addressing any existing paper document backlogs.
- Determine if the organization is ready to meld it into a broader IHRSM initiative, as this will reduce the vendor pool to those meeting both requirements.
- Evaluate the current CSP strategy and solution along with other alternatives.
- Scrutinize the provider's ability to handle complex requirements like customer-configurable workflows and notifications, quick document tagging and search, and compliance with multijurisdictional records retention policies and regulations.
- Include processes for ongoing conversion of paper to digital, as paper documentation will be a fact of life for the foreseeable future.

Sample Vendors

Access; aconso; ADP; D2Xchange; DynaFile; Hyland; Neocase; OpenText; ServiceNow; UKG

Gartner Recommended Reading

[Market Guide for Integrated HR Service Management Solutions](#)

[Market Guide for Content Services Platforms](#)

[Critical Capabilities for Cloud HCM Suites for 1,000+ Employee Enterprises](#)

AI in Talent Acquisition

Analysis By: Jackie Watrous

Benefit Rating: High

Market Penetration: 20% to 50% of target audience

Maturity: Early mainstream

Definition:

AI in talent acquisition (TA) drives automation within the recruitment process and improves user experience. AI can perform useful functions such as fully automating repetitive and manual tasks, personalizing candidate experience, and leveraging data to prioritize top qualified candidates. AI solutions in recruiting continue to emerge, but AI-enabled virtual assistant, sourcing and screening solutions are currently the highest in demand.

Why This Is Important

Recruiting leaders are pressed to drive efficiency, provide greater impact on business outcomes and deliver a digital experience to all users. Leaders who wish to introduce process automation, while improving overall usability, must consider the available AI offerings. As organizations grow their confidence in AI capabilities and add processes for risk mitigation, we have seen adoption and utilization increase. Organizations are moving from basic AI awareness to active and operational use.

Business Impact

AI solutions can improve the productivity of recruiters and hiring teams, and positively impact candidate engagement. They enable organizations to better utilize their resources throughout the recruitment life cycle. Investments in AI can improve key metrics for recruiting, such as candidate experience, diversity and inclusion, quality of hire (candidate prioritization, skills identification), cost per hire, time to hire, and process efficiency.

Drivers

AI is being applied to many elements of the hiring process to support efficiency, while also improving user experience. Common AI use cases include:

- **Job post optimization** augments content to optimize job posts and other outreach with branded, inclusive (unbiased) language.
- **AI-enabled candidate sourcing** identifies passive candidates within existing databases or through externally-sourced public data to curate leads for open positions.
- **Preemployment assessments** leverage AI to test for a range of different job-specific and behavioral skills based on position requirements, with the most common being technical skills.
- **Candidate prioritization** leverages AI to match job and candidate attributes to prioritize qualified candidates to the top of the funnel. Some solutions do a reverse match to help place silver medalists and internals to open jobs.
- **Interview scheduling** allows full automation of highly manual interview scheduling tasks, from simple 1:1 interviews to complex scenarios requiring three consecutive interviews in different time zones.
- **Interview intelligence** is an emerging offering that provides live cues to interviewers (e.g., if spending too much time on introduction), recording and transcription, and postinterview analytics to drive informed decisions.
- **Job fit score** assesses whether a candidate will be successful in a specific role, using custom-built predictors that incorporate job- and context-specific performance data.
- **Recruitment marketing optimization** uses AI to personalize career site content, make job recommendations and deliver custom candidate communication, to maximize candidate conversion and engagement.

- **Virtual assistants (VAs)** are conversational AI solutions that support all participants within the recruitment process. They can prompt a candidate to fulfill a simple data or interview scheduling request, or solve more complex scenarios that facilitate the entire application and selection process.

Obstacles

- **Maturity of AI capability:** With the amount of AI solutions available, buyers need to assess the vendor landscape to review how long the product has been on the market and its adoption rate among their peers. Combining this maturity assessment with your own strategic priorities is the best approach.
- **Assisted human decision making:** During implementation, teams must set appropriate expectations regarding use of these tools. AI should support recruiting processes to assist in human decision making, not replace it.
- **Ethics and regulatory compliance:** AI in recruitment remains under review with legal, compliance and data privacy teams. In certain U.S. states, as well as the EU, proposed regulations are addressing how AI should be managed to ensure fair outcomes. Vendors must deliver a product that offers explainable AI, through the user interface (e.g., highlighting skill matches within a profile) and through analytics that demonstrate fairness in selection outcomes.

User Recommendations

- Focus on prioritized use cases when considering AI solutions. This may include things like improving candidate engagement, elevating recruiter capabilities, automation or cost reduction.
- Consider full automation through tools like VAs for high-volume recruitment, such as retail, to reduce candidate drop-off and achieve minimum time to fill.
- Start with roles that have clear job descriptions and qualifications, and a sizable candidate base, for candidate prioritization. Partner with vendors to understand how they monitor for bias. Vendors should confirm the frequency of these analytics and provide samples as part of the implementation.
- Engage with governing bodies within your organization, when considering new vendors and preparing for implementation. While some capabilities have low risk (e.g., interview scheduling), others will require more thought to mitigate risk (e.g., prioritization of qualified candidates).

Sample Vendors

Datapeople; Eightfold AI; Fetcher; HiredScore; hireEZ; HireVue; Paradox; Phenom People; SeekOut; SkyHive Technologies

Gartner Recommended Reading

[Infographic: Artificial Intelligence Use-Case Prism for HCM Technology](#)

[Innovation Insight for AI-Enabled Skills Management](#)

[2023 Recruiting Innovations Bullseye Report](#)

[Quick Answer: What Are the Top Trending Recruiting \(Talent Acquisition\) Technology Investments?](#)

Integrated HR Service Management

Analysis By: Ranadip Chandra

Benefit Rating: High

Market Penetration: 20% to 50% of target audience

Maturity: Early mainstream

Definition:

Integrated HR service management tools are a holistic platform for organizations to manage HR shared services operations and transactional activity. Core functionality includes HR case management (ticketing or routing), knowledge base, content delivery via channels such as portal and virtual assistant, SLA monitoring and single sign-on into transactional applications. Additional functionality may include digital document management, business process management tools and transition management.

Why This Is Important

Many HR organizations move through physical, virtual or distributed shared services models, especially if they have more than 2,500 employees in multiple geographies. Integrated HR service management (IHRSM) solutions give robust control and standardization to the processes required to provide and manage HR services. Personalized workflows for work or life transitions have become an important part of the employee experience narrative, especially for employees working in a hybrid workplace.

Business Impact

Improved HR administration can significantly cut HR costs and improve the overall perception of HR. The effective deployment of integrated HR service delivery tools will help reduce HR shared services costs by up to 30%. At mature levels, IHRSMs include early detection and correct handling of employee relation cases with the correct actions and documents such as investigation questionnaires and court-ready templates, which improve the process for employees while saving legal fees and remaining compliant for the organization.

Drivers

Demand for IHRSM tools is driven by a desire to streamline HR administration, increased compliance and risk complexity, and has accelerated in recent years due to a desire to improve employee service experience, along with additional factors:

- Expanding the scope of manager-led configurable workflows (often branded as “journeys”) for assisting employee life cycle events such as parental leave, academic sabbatical, and work events such as onboarding, role change or relocation.
- Automating the resolution of repetitive employee queries around common policies and company updates. Resolving the employee questions, before they are logged in as tickets, helps in reducing the manual workload of the HR shared services resources.
- Managing sensitivities relating to HR issues and data, which requires specialized functionality above that of IT or CRM service management applications. For example, specialized complexity and legislative requirements for union-governed cases, health and safety cases, long-term disability cases, or general data protection regulation (GDPR) compliance are often too complex for incumbent IT ticketing systems.
- Development of HR service management and HR help desk as part of the broader employee experience offering in the majority of global human capital management (HCM) suites.
- Providing comprehensive employee service experience throughout the enterprise. Most IHRSM vendors now offer natively built conversational platforms e.g., Slack and Microsoft Teams, in addition to common access options such as portal, mobile device and online chat.

Obstacles

- Solutions in the market vary in the robustness of case management capabilities as well as the depth of HR domain expertise.
- Vendors' focus on workflows has often come at the expense of improving other core functionalities such as employee relations or document management. As a result, many organizations need a hybrid portfolio of IHRSM solutions to satisfy different use cases.
- Many IHRSM solutions lack support for specialized cases that require judgment-based decisions, such as employee relations, grievances and disciplinary actions, as well as survey questions, form templates and domain expertise.
- IHRSM solutions add a secondary layer of cost and integration maintenance that adds complexity to the HCM technology portfolio.
- The low-code/no-code (LCNC) platforms to configure workflows remain at various levels of maturity and many of the solutions in this category offer limited flexibility for custom workflows.

User Recommendations

- Evaluate IHRSM solutions based on their ability to support different functional components covered under HR service management. Generally, the providers tend to be stronger in the module of their origin (case management or document management) and weaker in other extended use cases.
- Avoid selection bias by balancing the evaluation of overly hyped employee experience features with less visible but critical capabilities such as employee relations.
- Assess the level of complexity in configuring the IHRSM solution with the HR core. It is preferable to pick a solution that offers out-of-the-box integration with the present HCM suite. If any additional tool, such as an HR virtual assistant, is needed for handling employee queries on top of the IHRSM solution, then assess the integration readiness between the two.
- Investigate emerging capabilities such as alumni portal, employee communications and campaign management and critically evaluate organization-specific needs.

Sample Vendors

BMC Software; Dovetail Software; Ivanti; Leena AI; Neocase Software; WTW; ServiceNow; UKG; Zendesk

Gartner Recommended Reading

[Market Guide for Integrated HR Service Management Solutions](#)

[How to Improve HR Workload Distribution Using Shared Services Centers](#)

[Deliver Peak Digital Employee Experience Excellence in 4 Steps](#)

Climbing the Slope

Talent Analytics

Analysis By: Laura Gardiner

Benefit Rating: High

Market Penetration: 20% to 50% of target audience

Maturity: Early mainstream

Definition:

Talent analytics includes tools that enable HR and business leaders to track the performance of HR processes and program investments in conjunction with business performance. It also enables analysis by workforce segment. This improves performance measurement and contextual decision support throughout an organization, thereby improving overall workforce effectiveness and ongoing productivity.

Why This Is Important

Only enterprises equipped with accessible talent data and insights will meet the fast-paced demands of business and a quick-evolving workplace. All leaders need to understand which talent analytics to focus on, and the skills, data, analytics tools and governance necessary to support it. Talent analytics maturity across enterprises has been increasing, and the most advanced are going beyond HR data to incorporate data from many other enterprise systems.

Business Impact

All organizations need, at a minimum, to have clear visibility into headcount, headcount movements, and employee demographics. They need an overview of HR process completion rates and outcomes. In addition, most organizations leverage talent analytics insights to improve diversity, equity and inclusion, along with employee experience. Most advanced talent analytics teams combine talent and skills-related data with other business data to explore impacts of talent decisions on business outcomes.

Drivers

- Adoption of talent analytics solutions continues to grow. Solutions include prepackaged talent analytics offerings from specialist providers or the talent analytics modules offered by their cloud human capital management (HCM) suite provider. In addition, many have built their own data lakes or data warehouses and reporting solutions on generalist BI platforms.
- Self-service access to trend analysis, standard dashboards, KPIs, and predictive insights are standard parts of talent analytics solutions. The aim is to increase HR team and business leader use of talent insights in decision making.
- The volume of data available to organizations has skyrocketed in recent years, and business leaders are expected to rely on objective, data-driven insights from talent analytics to navigate the uncertainty of a rapidly evolving talent landscape.
- A growing number of solutions offer augmented analytics capabilities to pinpoint talent segments requiring greater focus for improvement efforts.
- Midmarket adoption in organizations with fewer than 2,500 employees is growing as market offerings extend to meet their requirements regarding fast time to value and cost-effectiveness. Acceleration will also happen as business leaders recognize how access to more sophisticated talent analytics can improve their ability to make more strategic and better-informed workforce-related decisions — at the organization, team and individual employee level.
- Highly mature talent analytics practices incorporate data from systems beyond those managing HR processes. This includes behavioral data, operational data from business processes, and external data sources. Advanced talent analytics functions engage in strategic talent analytics projects aimed at using data to drive strategic investment decisions and employee experience design initiatives.

Obstacles

- Difficulties in accessing data from a number of HR and non-HR systems.
- Challenges in setting up and maintaining sufficient data governance.
- Complexities in time series analysis due to frequent changes in organizational structures.
- Metrics can appear stable at the highest level but show great variability across meaningful segments. These meaningful segments can be difficult to detect and act upon.

- Adoption remains a challenge, especially beyond talent analytics teams.
- Some talent analytics teams get stuck rebuilding and adjusting dashboards for headcount and HR process metrics. They struggle to go beyond this work to take on analytics projects and to deliver more meaningful insights.

User Recommendations

- Align talent analytics investments to HR strategy, HCM technology strategy and enterprise analytics strategies. When selecting technology solutions, consider the size of your talent analytics team and any budgetary constraints.
- Invest in data governance for the most critical data points that support baseline analytics, such as headcount, worker, job or functional categories, location, and department.
- Invest in technologies that automate the design and delivery of standard dashboards, metrics and reports. When possible, make sure these technologies contain augmented analytics features to drive adoption across HR roles and business management. Aim to free up talent analytics resources to focus on more strategic talent analytics projects.

Sample Vendors

Crunchr; One Model; Orgvue; SplashBI; Vemo; Visier; ZeroedIn

Gartner Recommended Reading

[Innovation Insight for Talent Analytics Technology Options](#)

[When to Choose a Line-of-Business Analytics Application](#)

[State of Talent Analytics, 2023](#)

[Talent Analytics Metrics Map](#)

Employee Onboarding

Analysis By: Rania Stewart

Benefit Rating: High

Market Penetration: More than 50% of target audience

Maturity: Mature mainstream

Definition:

Onboarding begins when a job applicant accepts a contract or employment offer and ends when that worker is productive at work, often extending well past the first 30 days. Onboarding solutions include forms management to support regulatory compliance, task management to ensure activities are completed efficiently, asset provisioning that includes software access, badges and uniforms, and sociocultural assimilation tools to improve engagement and encourage retention.

Why This Is Important

In the “culture setting” new-hire-transition experience, many organizations are both upgrading and extending their onboarding processes as part of addressing first-year retention challenges. Of note are the sociocultural components (caring, belonging, trust-building) of onboarding that have had the most demand. HR is increasingly looking to improve speed to productivity for internal transitions (cross-boarding), as well as simultaneously enhance/learn from departures (offboarding).

Business Impact

Onboarding products are largely adopted, driven by increases in operational efficiency and a focus on the candidate to pending hire to employee experience. Furthermore, the scope of onboarding now often includes related tasks undertaken by the procurement, security, facilities, finance and IT departments to provide a holistic, integrated approach to onboarding. Onboarding is an opportunity to improve experience, support retention and increase speed to productivity.

Drivers

- **A need to support a greater variety of employee transitions through the talent life cycle:** Increasingly, onboarding software is being purpose-built (or tuned) for additional employee transitions, including promotions/transfers (cross-boarding), acquisitions (massboarding), terminations (offboarding) and “boomerang” rehires (reboarding).
- **An opportunity to apply inherent strengths to “off-label” use cases:** Leveraging efficiency and tracking, employee experience has also become a key focus for using onboarding technologies for organizational moves both figuratively (reorganizations) and literally (on-site office to virtual office).
- **An increase in regrettable turnover for hard-to-fill roles:** The offboarding process, previously focused on compliance, has also become an experience-driven process with organizations seeking to manage process delivery as well as encourage positive feelings (e.g., “closure”) for potential alumni to return or recommend others to work at the organization in the future.

Obstacles

- **Provisioning:** Onboarding systems have embedded links and key contact features for delivering different asset types (e.g., uniforms, laptops, software access), but they often fall short of expectations in this area. This disappointment is largely due to the organization’s reliance on integration with other in-house systems (procurement, learning, identity management) needed to fully automate.
- **Forms Processing:** A more recent challenge for remote onboarding can be manual identification verification steps required for forms like the I-9 in the United States. Inquire how this use case is assisted by prospective onboarding solutions.
- **Confusion:** With onboarding’s expanding definitions and parameters, leaders often find it hard to accomplish the aspired leap in value proposition (particularly as it relates to improving talent retention) with a single onboarding solution. It may easily take two to three complementary solutions, layered over time, to mature into a world-class onboarding experience.

User Recommendations

- Assess your onboarding needs and your process maturity carefully before committing to a technology or vendor. Ask prospective vendors to be explicit about what areas of onboarding they actually manage versus simply capture as a topical placeholder in a workflow process (leaving the automation burden to your organization).
- Move beyond baseline automation of administrative forms and evaluate onboarding solutions that address learning, cultural orientation and social collaboration. Onboarding is an ideal starting place for applying social software concepts to accelerate activities in the onboarding process and extend networking interactions.
- Make onboarding a part of broader digital transformation initiatives, including an end-to-end approach that integrates activities beyond HR's borders, to improve enterprise efficiency.

Sample Vendors

Appical; Cornerstone; Enboarder; HeyTeam; HiBob; Leena AI; ServiceNow; SilkRoad Technology; Talmundo; WorkBright

Gartner Recommended Reading

[Innovation Insight: Onboarding Technologies](#)

[Onboarding Must Work Better, Especially for Remote Hires](#)

[Onboarding Experience Monitor](#)

[How to Successfully Transition to Virtual Onboarding](#)

Entering the Plateau

Line Manager Comp Allocation Tools

Analysis By: Ron Hanscome

Benefit Rating: Moderate

Market Penetration: 20% to 50% of target audience

Maturity: Early mainstream

Definition:

Line managers use compensation allocation tools to recommend salary changes, assess and award employee annual merit increases, and allocate bonuses and equity based on policies and guidelines. These applications are exclusively used by line managers, and do not include other forms of compensation tools with functionalities such as job-grade-based pay scheme development, complex sales or executive incentive program management, and employee total rewards and benefits management.

Why This Is Important

Direct compensation is a key element of most employers' total rewards program. Compensation allocation tools for line managers are deployed to enable more equitable and better-informed compensation decisions and outcomes. Most offer mature functionality, and many include analytics and recommendations based on worker performance combined with progression through the role's designated pay range, and other factors. This helps line managers allocate direct compensation more fairly and equitably.

Business Impact

These tools can:

- Reduce the time needed for managers to effectively allocate funds.
- Reduce overall administration time and decrease allocation errors.
- Apply global compensation guidelines equitably while satisfying budget constraints.
- Help managers support diversity, equity and inclusion (DEI) initiatives by improving pay equity.
- Help optimize costs during times of economic disruption and recovery.

- Improve retention of key staff via improved pay transparency and proper rewarding of high performers.

Drivers

There are two main approaches to providing line managers with tools used to plan compensation for their workers. The first is deploying custom systems that are developed in-house and are typically based around Microsoft Excel or an equivalent technology. The second is using a packaged application module from either compensation point solution vendors or an HCM suite. Gartner anticipates a continued shift from homegrown to packaged applications by midsize and larger enterprises, driven by:

- A need for many organizations to demonstrate a tighter linkage of pay and performance while providing a more visible and transparent planning process.
- A mandate from senior leaders to reduce manager-driven errors and data security issues common in homegrown Excel-based “solutions.”
- Increased societal and governmental pressure to ensure fairer compensation processes as a part of DEI initiatives, which for some include delivering mandatory “gender pay gap” reporting. Increased awareness of and sensitivity to pay gap equity across the workforce over the past 12 months will continue to increase in the coming years.
- Market consolidation, as some providers historically focused on compensation administration have acquired compensation allocation specialists that have recently enhanced their offerings to address pay equity analysis.
- For some organizations, the need for cost optimization in response to economic uncertainty over the next 12 to 18 months.

Continued growth of the specialist point solutions and increasing adoption of compensation allocation tools within HCM suites are also indicators of faster than average progress through the Hype Cycle in 2023.

Obstacles

- Line managers and compensation leaders used to the flexibility of Excel-based tools may chafe at the more structured parameters of commercial solutions.

- Functionality and configuration options tend to be limited in midmarket HCM suites; enterprise HCM suites are usually more robust. In most cases, point solutions deliver the deepest functionality, but must be integrated into the HR technology portfolio and the user experience (UX) will often differ.
- DEI initiative support and depth of pay equity analysis differ by vendor, and may not meet internal stakeholder expectations or country-specific compliance needs.
- Point solution vendors may be smaller firms with limited customer bases and R&D budgets compared to HCM suites.
- Acquired functionality will usually need to be folded into the acquirer's solution, so seamless integration and UX over the short term is not a given. Natively built functionality in these suites also varies based on early customer needs and ongoing roadmap priorities.

User Recommendations

- Evaluate line manager comp allocation tools by comparing the fit of the functionality offered by the incumbent HCM suite provider versus that of point solutions. The benefits of providing this function via an existing suite include tighter integration and common user experience, but point solutions may deliver more advanced functionality.
- Scrutinize integration roadmaps for any provider offering comp allocation and pay equity functionality based on any acquisition closed within the last 18 months.
- Deploy these tools to drive more equitable pay allocation to help HR leaders tasked with supporting DEI initiatives.
- Work with vendors and peers in similar organizations to develop case study evidence demonstrating the impact of deploying better line manager comp allocation tools. Building a business case for this investment requires application leaders to connect it to potential improvements in employee retention and fairer, more transparent compensation adjustment processes.

Sample Vendors

beqom; Ceridian; HRSoft; Oracle; Payscale; salary.com; SAP; SimplyMerit; Workday; WTW

Gartner Recommended Reading

[Mastering the Complex Compensation Management Solution Market](#)

[Critical Capabilities for Cloud HCM Suites for 1,000+ Employee Enterprises](#)

[Market Guide for Cloud HCM Suites for Regional and/or Sub-1,000 Employee Enterprises](#)

[Innovation Insight for Digitally Enabled Diversity, Equity and Inclusion](#)

Appendixes

See the previous Hype Cycle: [Hype Cycle for Human Capital Management Technology, 2022](#)

Hype Cycle Phases, Benefit Ratings and Maturity Levels

Table 2: Hype Cycle Phases

(Enlarged table in Appendix)

<i>Phase</i> ↓	<i>Definition</i> ↓
<i>Innovation Trigger</i>	A breakthrough, public demonstration, product launch or other event generates significant media and industry interest.
<i>Peak of Inflated Expectations</i>	During this phase of overenthusiasm and unrealistic projections, a flurry of well-publicized activity by technology leaders results in some successes, but more failures, as the innovation is pushed to its limits. The only enterprises making money are conference organizers and content publishers.
<i>Trough of Disillusionment</i>	Because the innovation does not live up to its overinflated expectations, it rapidly becomes unfashionable. Media interest wanes, except for a few cautionary tales.
<i>Slope of Enlightenment</i>	Focused experimentation and solid hard work by an increasingly diverse range of organizations lead to a true understanding of the innovation's applicability, risks and benefits. Commercial off-the-shelf methodologies and tools ease the development process.
<i>Plateau of Productivity</i>	The real-world benefits of the innovation are demonstrated and accepted. Tools and methodologies are increasingly stable as they enter their second and third generations. Growing numbers of organizations feel comfortable with the reduced level of risk; the rapid growth phase of adoption begins. Approximately 20% of the technology's target audience has adopted or is adopting the technology as it enters this phase.
<i>Years to Mainstream Adoption</i>	The time required for the innovation to reach the Plateau of Productivity.

Source: Gartner (July 2023)

Table 3: Benefit Ratings

Benefit Rating ↓	Definition ↓
Transformational	Enables new ways of doing business across industries that will result in major shifts in industry dynamics
High	Enables new ways of performing horizontal or vertical processes that will result in significantly increased revenue or cost savings for an enterprise
Moderate	Provides incremental improvements to established processes that will result in increased revenue or cost savings for an enterprise
Low	Slightly improves processes (for example, improved user experience) that will be difficult to translate into increased revenue or cost savings

Source: Gartner (July 2023)

Table 4: Maturity Levels

(Enlarged table in Appendix)

<i>Maturity Levels</i> ↓	<i>Status</i> ↓	<i>Products/Vendors</i> ↓
<i>Embryonic</i>	In labs	None
<i>Emerging</i>	Commercialization by vendors Pilots and deployments by industry leaders	First generation High price Much customization
<i>Adolescent</i>	Maturing technology capabilities and process understanding Uptake beyond early adopters	Second generation Less customization
<i>Early mainstream</i>	Proven technology Vendors, technology and adoption rapidly evolving	Third generation More out-of-box methodologies
<i>Mature mainstream</i>	Robust technology Not much evolution in vendors or technology	Several dominant vendors
<i>Legacy</i>	Not appropriate for new developments Cost of migration constrains replacement	Maintenance revenue focus
<i>Obsolete</i>	Rarely used	Used/resale market only

Source: Gartner (July 2023)

Note 1: Definition of Frontline Worker

Frontline workers make up the largest segment of the workforce, estimated at 2.8 billion workers on a global scale. They can be further segmented into service workers and task workers:

- Service workers primarily spend their time performing client-facing activities. They typically represent the “face” of an organization to customers. Some examples are a delivery person and a retail salesperson.
- Task workers primarily spend their time performing operational activities. They typically represent the “heart” of an organization. Some examples are a warehouse worker and someone who works on a manufacturing line.

See [Hype Cycle for Frontline Worker Technologies, 2022](#), for further details.

Document Revision History

[Hype Cycle for Human Capital Management Technology, 2022 - 14 July 2022](#)

[Hype Cycle for Human Capital Management Technology, 2021 - 9 July 2021](#)

[Hype Cycle for Human Capital Management Technology, 2020 - 27 July 2020](#)

[Hype Cycle for Human Capital Management Technology, 2019 - 23 July 2019](#)

[Hype Cycle for Human Capital Management Technology, 2018 - 7 August 2018](#)

[Hype Cycle for Human Capital Management Software, 2017 - 20 July 2017](#)

[Hype Cycle for Human Capital Management Software, 2016 - 21 July 2016](#)

[Hype Cycle for Human Capital Management Software, 2015 - 4 August 2015](#)

[Hype Cycle for Human Capital Management Software, 2014 - 31 July 2014](#)

[Hype Cycle for Human Capital Management Software, 2013 - 31 July 2013](#)

Recommended by the Author

Some documents may not be available as part of your current Gartner subscription.

[Understanding Gartner's Hype Cycles](#)

[Tool: Create Your Own Hype Cycle With Gartner's Hype Cycle Builder](#)

[2022 Strategic Roadmap for HCM Technology Investments](#)

[Magic Quadrant for Cloud HCM Suites for 1,000+ Employee Enterprises](#)

[Innovation Insight for Composable HR Application Frameworks](#)

[Toolkit: HCM Technology Role-Based Discovery, Inventory and Prioritization](#)

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Table 1: Priority Matrix for HR Technology, 2023

Benefit ↓	Years to Mainstream Adoption			
	Less Than 2 Years ↓	2 - 5 Years ↓	5 - 10 Years ↓	More Than 10 Years ↓
Transformational		Generative AI in HR	Internal Talent Marketplaces Responsible AI	
High	Employee Onboarding Integrated HR Service Management Talent Analytics	AI in Talent Acquisition Digital Adoption Platforms Machine Learning in HR Next-Gen WFM Voice of the Employee Workforce Planning	AI-Enabled Skills Management Coaching/Mentoring Applications Digitally Enabled DEI EXTech Orchestrators and Overlays Frontline Worker EXTech Global Employer of Record Solutions Hyperautomation in HR Labor Market Intelligence	Composable HR Application Frameworks Workforce Nudgetech

Benefit ↓	Years to Mainstream Adoption			
	Less Than 2 Years ↓	2 - 5 Years ↓	5 - 10 Years ↓	More Than 10 Years ↓
Moderate	Line Manager Comp Allocation Tools	Continuous Employee Performance Management Digital HR Document Management Employee Productivity Monitoring Employee Well-Being Solutions HR Virtual Assistants Learning Experience Platforms Unified Multicountry Payroll	Flexible Earned Wage Access PaaS in HCM Recognition and Reward Systems VR and AR in Corporate Learning	
Low				Blockchain in HCM

Source: Gartner (July 2023)

Table 2: Hype Cycle Phases

Phase ↓	Definition ↓
<i>Innovation Trigger</i>	A breakthrough, public demonstration, product launch or other event generates significant media and industry interest.
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<i>Years to Mainstream Adoption</i>	The time required for the innovation to reach the Plateau of Productivity.

Phase ↓

Definition ↓

Source: Gartner (July 2023)

Table 3: Benefit Ratings

Benefit Rating ↓	Definition ↓
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High	Enables new ways of performing horizontal or vertical processes that will result in significantly increased revenue or cost savings for an enterprise
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Source: Gartner (July 2023)

Table 4: Maturity Levels

Maturity Levels ↓	Status ↓	Products/Vendors ↓
Embryonic	In labs	None
Emerging	Commercialization by vendors Pilots and deployments by industry leaders	First generation High price Much customization
Adolescent	Maturing technology capabilities and process understanding Uptake beyond early adopters	Second generation Less customization
Early mainstream	Proven technology Vendors, technology and adoption rapidly evolving	Third generation More out-of-box methodologies
Mature mainstream	Robust technology Not much evolution in vendors or technology	Several dominant vendors
Legacy	Not appropriate for new developments Cost of migration constrains replacement	Maintenance revenue focus
Obsolete	Rarely used	Used/resale market only

Source: Gartner (July 2023)