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Cool Vendors in Human Capital Management: Technology Innovations to Support the Future of Work

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By Analysts Ranadip Chandra, Jason Cerrato, Chris Pang, Helen Poitevin, Sam Grinter

Initiatives: HCM Technology Transformation

Disruption caused by COVID-19 forced organizations to change usual ways of working and accelerate trends arising before the pandemic. Application leaders should continue applying HR technology innovations to prepare for the future of work and assess vendors that are taking a different approach.

Overview

Key Findings

- Organizations reflexively look at external talent market pools to "shop" for talent to meet unanticipated short-term requirements. However, many ignore the availability, potential and willingness of internal talent to meet these needs.

- Tactical workforce planning activities rely on one-off and incomplete competency data collection, triggered by periodic business opportunities, often missing the business objectives.

- There is an increase in the adoption of solutions for measuring the voice of the employee, but early adopters are struggling to reconcile the insights from diverse listening tools and techniques.

- Functional requirements to support new ways of working are evolving faster than the development roadmaps of most HCM suites can accommodate.

Recommendations

HCM application leaders focused on revamping the organization's journey to support the future of work should:

- Investigate hybrid talent marketplaces to enable the flexible deployment of talent in addition to optimized budget utilization by balancing exposure to internal and external candidates.

- Build workforce planning models with granular information about worker skills, capabilities and knowledge supported by the labor market and business trends in order to create robust talent profiles across the organization.

- Combine different employee data channels such as voice of the employee (VoE), organizational network analysis (ONA) and talent analytics to build a compelling medium to understand employee sentiment.

- Evaluate HR application frameworks to build a resilient HCM architecture that enables the faster deployment of HR functions and applications.

Strategic Planning Assumptions

By 2025, 20% of large enterprises will have deployed an internal talent marketplace to optimize the utilization and agility of talent.

By 2025, imperative to support "composable business" will guide cloud HCM suites to evolve into a new generation of platforms with improved integrations into third-party applications and ability to deliver greater resilience.

By 2023, 25% of large enterprises will conduct continuous, rather than periodic, strategic workforce planning processes.

By 2023, 80% of enterprises with 2,500+ employees will augment annual engagement surveys with pulse, focus-group-based or indirect methods to better understand worker sentiment.

Analysis

This research does not constitute an exhaustive list of vendors in any given technology area, but rather is designed to highlight interesting, new and innovative vendors, products and services. Gartner disclaims all warranties, express or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

What You Need to Know

Gartner defines the "future of work" as an amalgam of changes to how work will be done over the next decade, influenced by technological, generational and social shifts. The broader trends making up the future of work include:

- New employment models that drive the best business outcomes.

- Changing expectations and needs of workers from different generations and demographics.

- Workforce planning to identify talent needs associated with an organization's future goals.

- Impact of emerging technologies to capture new business opportunities.

In a survey conducted in February 2020 among more than 400 global HR leaders, the future of work was marked by 21% of the participants as a priority initiative for their business in 2020. This saw the future

of work being ranked sixth out of 18 initiatives considered priorities for HR leaders in 2020 (see HR Leader Priorities for 2020).

Remote and hybrid workforce strategies received immediate attention at the outset of the COVID-19 pandemic and drove increased interest in the future of work. In a survey conducted in December 2020 among more than 800 HR leaders across different industries, the future of work was marked by 32% as a top priority for the year 2021, ranked fourth among the list of initiatives (see Top 5 Priorities for HR Leaders in 2021).

A particular revelation from last year was how technology can help during a crisis. Tools such as the "new work nucleus" and other digital workplace applications enabled business continuity during the disruption. It also served as a painful indication to organizations that had hesitated to modernize their platforms, that their legacy applications were ill-prepared to respond to these dynamic disruptions. Application leaders supporting HCM technology transformation should explore the technology trends detailed in this research in order to prepare for new ways of working (see Figure 1).

Figure 1: HCM Technology Supporting Future of Work

HCM Technology Supporting Future of Work
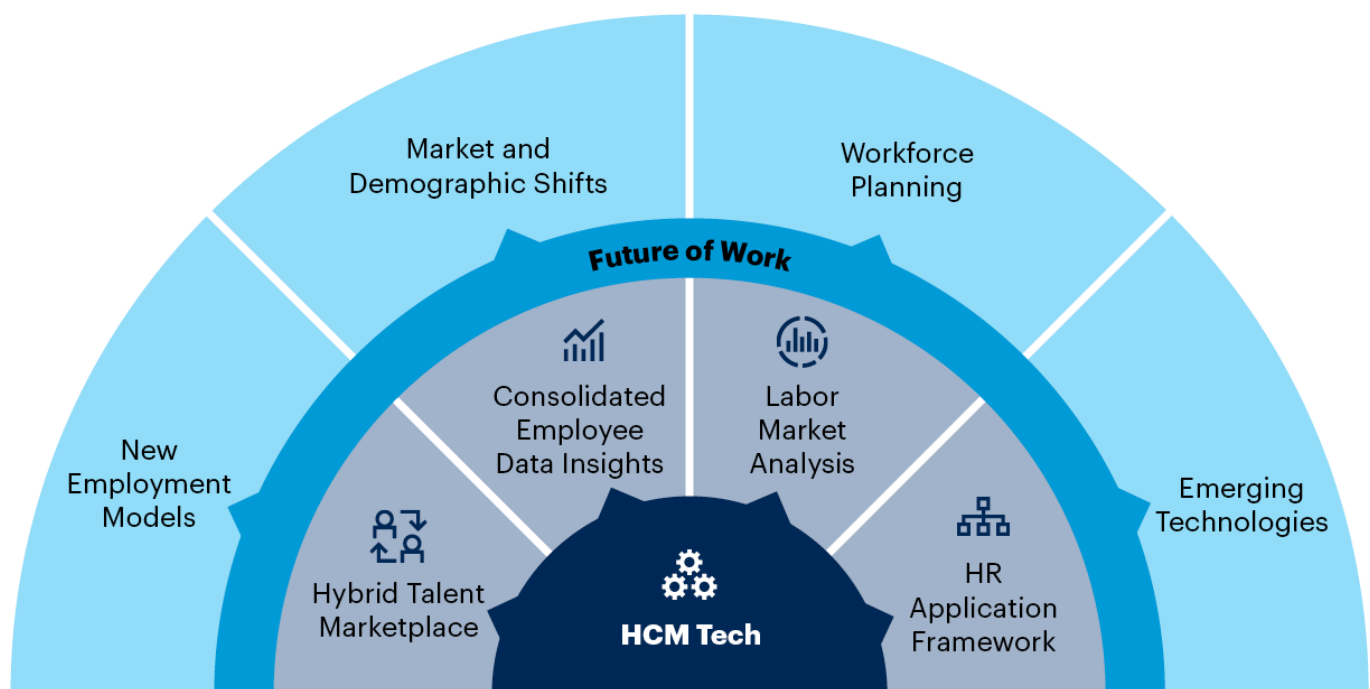
Source: Gartner
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Gartner.

Each aspect of the future of work will continue to be supported by multiple approaches and solutions. In this research we showcase four unconventional, but rising, technology trends that will shape how application leaders will prepare for the future of work.

Hybrid talent marketplaces — A hybrid talent marketplace combines employees from an internal pool by prioritizing their selection, but also includes the option of choosing a talent from an external source if no suitable internal candidates are available. This addresses both the challenges of agile skill development of internal employees and rapidly changing business priorities for immediate delivery needs. In addition, these platforms keep data on employee work preferences, availability and legal constraints. These solutions can play a key role in enabling an organization's adaptability, resilience and employee experiential learning.

Example: Andjaro

Actionable insights from aggregate employee data — There is growing interest among HCM application leaders in deploying employee listening tools and direct or indirect methods to capture employee perception and opinions. However, different sources of data and listening methods are making it difficult to generate consistent, actionable insights that help application leaders to improve employee experience, productivity and performance. Solutions that aggregate data from various sources and levels, such as organizational network analysis (ONA) and team-level sentiment, will generate better actionable guidance that will enable leaders to understand the perceptions of the various employee demographics.

Example: Panalyt

Strategic workforce planning and labor market analytics — Most operational workforce planning exercises just stack up headcount and job functions and wait for business opportunities to align with employees. New ways of working require new talent profiles across all business units, demanding more granular information about workforce skills, capabilities, knowledge and experience. However, in the old approach, relevant data is frequently incomplete, outdated or spread across too many different enterprise applications. In addition, a lack of external data sources in workforce planning models makes it difficult to build region-specific talent investment strategies. A new set of multifaceted strategic workforce planning tools is emerging. These tools combine external labor market benchmarks and internal data analysis with AI techniques and graph database technology.

Example: SkyHive

HR application framework — It is difficult for any HCM vendor to consistently release updates that help organizations address emerging niche use cases. Infrequent updates and a lack of control are already troubling HCM application leaders. The HR application framework is an intelligent composable business application for the HCM domain. It consists of a central node acting as a hub for core data, life cycle transactions and employee and manager self-service processes, augmented by several functional components (such as onboarding, payroll, performance management, etc.). Composable data and AI are critical components for scaling the framework. The functional, noncore components may take the form of packaged business capabilities (PBCs) and reside in the outer layer, selected and deployed as needed and replaced when requirements change.

Example: BizMerlinHR

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Table 1 highlights the most common approaches with regard to the aspects of the future of work, as well as new approaches observed by Gartner.

<p style="text-align:center">Table 1: Approaches to Future of Work Initiatives</p>

Future of Work Initiatives	Common Approach	"Cool" Approach
Employment models	Turn to external marketplaces for short-term roles that require new skills	Use hybrid talent marketplaces that look first at internal talent looking to learn a new skill or add a side project in their career path.
Workforce planning	Maintain static skills libraries and revisit when there are projects in the pipeline	Maintain records of skills and their relations with roles; facilitate training, mentorship, upskilling and reskilling, and proactively align projects with employees' interests.
Market and demographic shifts	Utilize disparate talent analytics and VoE tools	Use unified employee data from organization network analysis (ONA), talent analytics (TA) and virtual assistants (VAs).
Emerging technology	Use a HCM suite, representing a single source of truth	Use a central HR application framework that supports different PBCs.

Source: Gartner (April 2021)

Andjaro

en.andjaro.com

Headquarters: Paris, France

Analysis by: Chris Pang

Why cool: Andjaro is a staffing platform that helps organizations with a predominantly shift-based workforce fill short-term and short-notice staffing needs by prioritizing existing employees and individuals who have worked for the organization previously. This differs from conventional staffing solutions, which mainly focus on procuring external labor with little knowledge of the organization. The platform searches from employees working at other business units who are underutilized or want more

work, and external contacts who have worked for the company in the past. Andjaro also integrates with temp agencies should a search for internal or past workers fail to match the skills or time requirements of the short-term job. To provide viable matches for leaders needing to fill extra spots, Andjaro combines HR data such as availability, skills and employee contract type. This is augmented with dynamic data, such as personal preferences and commuting time boundaries, and any legal constraints such as maximum hours and time off associated with their regular full-time employment.

Challenges: Many of the larger HCM and talent providers are investing in talent marketplaces where employees can list their interests, indicate any previous experience and their openness to take on a side project. While not to the same sophistication level as Andjaro on requisitioning, selecting and verifying candidates have the qualifications and time to spare, the large suite providers do have some significant advantages that could be a headwind for Andjaro. Depending on the vendor, these advantages could include mind share, implementation ease, employees' learning and inferred skills, overtime and pricing.

Another challenge will be for Andjaro to successfully find and target organizations who have a level of flexibility and surplus in their employee base. This is especially true in the current times, when many organizations have reduced staffing levels and are already operating with a leaner and more loaded workforce.

Who should care: HR leaders and application leaders in shift-worker-heavy industries, such as retail, hospitality, healthcare and facilities management, should take note due to the potential cost savings (reducing the need for temporary workers). The solution enables organizations to meet their short-notice and short-term resourcing needs more quickly and with employees who are already familiar with the organization. For the organization's employees, this also improves the EX and their affinity to the company, as it offers an opportunity to get more work and experience. Most significantly, because the solution prioritizes existing employees and registered freelancers, there are no agency sourcing fees involved. This could be especially useful for organizations with a large number of furloughed or recently laid-off employees.

BizMerlinHR

bizmerlin.com

Headquarters: Reston, Virginia, U.S.

Analysis by: Sam Grinter

Why cool: BizMerlinHR has developed a robust toolset, including support for a seamless "drag-and-drop integration." BizMerlinHR is one of the first examples that Gartner has seen of a new generation of HR platforms that are expected to replace the cloud HCM suite, which is currently the dominant deployment model. BizMerlinHR is cool because it provides the organization with a choice: either to liberate themselves from a forced one-size-doesn't-fit-all model, or to develop and maintain integrations between the suite and the inevitable third-party applications brought in to fill the gaps. Central to this shift away

from the cloud HCM suite to what comes next is the extent to which the system is designed to work seamlessly with third-party applications (see The Future of Cloud HCM Suites). Examples of third-party applications that BizMerlinHR supports with out-of-the-box connectors include Google Workspace, Microsoft 365, Salesforce, Slack, LinkedIn, DocuSign and Zoom (to name a few). BizMerlinHR has an open API and continues to add to this list over time. It can deliver an agile and scalable framework of apps that are tailored to each customer's individual needs without the use of costly integrations and custom extensions.

Challenges: Gartner predicts that HR application frameworks will begin to reach mainstream adoption from approximately 2030. In the meantime, BizMerlinHR must market and sell themselves opportunistically to meet current levels of customer demand. BizMerlinHR will also encounter competition from both new and existing vendors over the coming years. The latter have considerable and numerous advantages, including scale of potential investment resources and large existing customer bases. When it comes to product development and success, market dominance is not necessarily determined by the initial inventor of a product or approach, but by the vendor that improves upon the idea and packages it the best. To successfully take advantage of market disruption, the vendor also needs to meet the requirements of early adopters, build awareness and execute proper product marketing.

Who should care: Application architects should be aware of this emerging approach to delivering a framework of multiple HR-related applications from a collection of different vendors and products. When application leaders build talent profiles, it is advantageous to have visibility into the work they are doing and the working relationships involved (projects, work items, teams they collaborate with). HR and IT leaders responsible for the overall HR technology strategy should begin to factor this approach into their medium- and long-term roadmaps.

Panalyt

panalyt.com

Headquarters: Singapore

Analysis by: Helen Poitevin

Why cool: Panalyt is cool because its primary focus is on what managers and business leaders need to know about their talent and the health of their organization. More established talent analytics solutions are generally very focused on HR users and their need to share HR-related updates with the business leaders they support. Panalyt combines multiple data sources to give managers a view into how their teams are working and performing. It combines typical HR metrics with ONA and other work-related and role-specific insights coming from business systems. This can include comparative work volumes for load balancing, or degrees to which team members are connected to other parts of the organization.

Challenges: Panalyt is challenged to establish worldwide brand recognition and visibility outside their core markets in Singapore and Japan. They will also face market headwinds, as piloted stand-alone ONA initiatives have struggled to prove their value to organizations. Panalyt has been perceived as providing insights that are interesting, but not highly impactful. This may change in highly networked organizations, where the manager relationship carries less importance in determining the role and impact of team members. In addition, the variety of data sources needed to be able to manage across many worker types will require Panalyt to make serious investments to scale up their operations to support different industries. Panalyt may need to focus initially on delivering insights to sales team leaders, as these roles exist in many different organizations, regardless of size or industry. They may also need to compete in both the workplace analytics and talent analytics markets. Each of these markets has its own set of providers, and buyers have been accustomed to aligning their requirements to existing offerings.

Who should care: Talent analytics leaders, application leaders supporting HCM transformation, EX and the digital workplace should take note. The trend of supporting people leaders with talent insights from multiple data sources will continue. HR leaders need to understand their teams' engagement, retention risk, way of working, extent and degree of connection within their networks and operational performance. These insights will help leaders best support the performance, experience and well-being of their teams, especially in a context where remote and hybrid work are becoming the norm.

SkyHive

skyhive.io

Headquarters: Vancouver, Canada

Analysis by: Jason Cerrato and Helen Poitevin

Why cool: SkyHive analyzes organizational capabilities compared to industry market-driven benchmarks in order to help identify trends and gaps and highlight emerging skills. It utilizes AI to analyze both the labor market (aggregated from government [census] data, candidate profile, patents), learning content libraries and an organization's talent data to provide insights for decisions based on the availability and shelf-life of skills. This approach is cool for modern talent management, as organizations look to deconstruct candidate resumes and employee profiles to identify emerging and critical skills. Current talent analytics platforms lack the external market data necessary to provide benchmarks against internal findings. SkyHive automates skills detection, forecasts skills evolution and provides learning program recommendations that can reduce skills gaps or support career movement. It uses a proprietary process called quantum labor analysis to get the skills data necessary to improve strategic workforce planning, sustainability, location strategy and forecasting efforts. Additionally, it helps organizations to predict their future talent needs for strategic acquisition and reskilling. SkyHive integrates with learning platforms to help connect these insights to employee training initiatives, and uses AI matching to help raise internal awareness and identify career paths supported by reskilling.

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Challenges: SkyHive sells to multiple markets and buyers: strategic workforce planning, talent acquisition, public employment services, staffing industry, etc. It can be difficult to scale effectively across so many categories. As a result, as SkyHive grows in recognition and awareness, they will face competition from both TA and TM vendor offerings covering portions of this space. As strategic workforce planning, internal mobility and reskilling programs continue to grow in importance, other solutions such as HCM suites, learning experience platforms and talent intelligence tools will have a role to play in these efforts. SkyHive will have to navigate this web of both potential partners and competitors to achieve strong integrations, broader access to data, an understanding of organization-specific information and data privacy.

Who should care: Talent analytics and strategic workforce planning leaders, application leaders supporting HCM transformation, talent management leaders and talent advisors will find SkyHive compelling. Public employment service organizations in the public sector are also likely to find the labor market insights and career advice workflows useful in their citizen-facing service offerings. As noted in this report, the trend of supporting HR leaders with talent insights from external data sources will continue as HR moves beyond benchmarking and becomes more insight-driven in real time. Gartner has observed that the number of skills required for a given role has increased by 10% year-on-year, and 30% of the skills an employee uses today will be largely irrelevant after three years. The rapid evolution of emerging skills means hiring managers may no longer serve as the best point of expertise in defining hiring needs, causing a "labor-market-analysis-based" approach to increase in importance.

Where Are They Now?

Altru

 altrulabs.com

Headquarters: New York, U.S.

Analysis by: Jason Cerrato

Profiled in Cool Vendors in Human Capital Management: Modernizing the Workplace With AI and Video

Why cool then: Altru was identified as a cool vendor in 2020 for offering a video platform that supported employee-generated storytelling for recruitment marketing, and for enhancing the candidate and employee experience. Their software also uses algorithmic matching and content curation to help talent organizations deliver on recruitment process automation and candidate engagement. Beyond their customers' career sites and job descriptions, Altru videos can also be distributed via recruitment emails or posted to social media sites.

Altru's video content is automatically transcribed with closed captioning, and the subtitles can be translated into 40+ languages. From there, algorithms match content and topics to user searches, and natural language processing is used to inventory and store videos in a content library based on

sentiment. The closed captioning not only supports Altru's matching and analysis capabilities, but also ensures an organization's use of video is accessible for individuals with disabilities.

Altru offered a "lab" that helped teach employees how to record, edit and produce captivating content for a variety of use cases with a very professional look and feel.

Where are they now: Altru was acquired by iCIMS in December 2020, and has now been rebranded as iCIMS Video Studio. The inclusion of Altru into what has now become the iCIMS Talent Cloud continues iCIMS' strategy of expanding their capability to provide both a partner marketplace and native end-to-end talent attraction and acquisition functionality. In recent years, iCIMS has acquired TextRecruit, Jibe, Opening.io, and EasyRecrue and expanded their capability as both an applicant tracking system and a talent attraction and engagement system. The acquisition of Altru not only speaks to the pervasiveness of video in talent attraction and automation, but also supports the shift to virtual recruiting both during and after the COVID-19 pandemic.

Who should care: Application leaders transforming HCM for enterprises and working with senior leaders to modernize talent acquisition, enhance candidate experience and improve employee engagement.

Recommended by the Authors

Future of Work Primer for 2021

Innovation Insight for Internal Talent Marketplaces

Workforce Planning — How to Use Technology to Support Planning Processes

How to Harness Voice of the Employee Insights for Continuous Employee Experience Improvement

Hype Cycle for Human Capital Management Technology, 2020

A Digital Workplace Strategy Must Embrace 'Democratized Delivery'

Gartner

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