

HR Tech Trends for 2019

How to follow the fashion but not be a trend-setter

Just as there is business behind the fashion industry, there is fashion behind any business industry.

Technology has all the characteristics of an industry where trends, trend-setting and image (sometimes confused with the user experience!) matters. Technology attracts interest, it moves fast and it's seen as a sign of the times. HR and people technologies are one way to showcase that your organisation is "with it" and up-to-date. And that so are you.

Each year I look at the HR technology trends ahead and suggest what to look out for. In this year's feature I'll explain how to be surer of your 2019 ground. I'll point to the trends to take seriously and those where I recommend you play a waiting game.

It will be vital that HR and people professionals (and notice how the [CIPD's new Profession Map](#) launched in November 2018 makes the move to identifying us as no longer HR but the "people professions") do not lag behind business demand when it comes to our leadership on HR systems strategy. [HR Realities Research by Fosway](#) this year showed that only some 20% of business leaders are happy with the state in which their HR technology is advanced within their organisation. That means that HR must keep abreast of the real direction of travel – these are the emerging fashions that are set to stick around and add a value. But real directions are different from passing fads. Fads are fleeting fashions.

In uncertain times, adopt a people tech strategy that follows fashion and avoids being too much the trend-setter.



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2019 is set to be an uncertain climate for business. In our micro-climates we are surrounded by big, big questions about financing, trade, talent, politics, taxation, data and security. We add to that many real unknowns about the (exciting!) possibilities of the tech itself. Quite how far and how fast will it advance?

Be business-savvy about buzzwords!

Luckily (and with the possible exception of the once-a-year shows that are the catwalk of the people tech industry), news about the newly emerging technology trends reaches us in formats smattered with useful clues about its sticking power.

I will future-proof you with 3 tips about how to gauge if something you read about in this industry is worth getting to grips with:

1. Beware the buzzword. Ask yourself if a word describing technology appears new if it's really so. I have written before about how exciting new ideas can often be a case of [Old Wine in New Bottles](#). And why that is not a bad thing but a sign of staying power. Read on about HR analytics for a case of those new bottles.

In the advice ahead, I'll point to related concepts you can draw upon from your old HR library. You will increase your confidence and conviction with apparently new things.

2. Address the glamour factor. It's often said of buying new systems to be wary of being sold "the sizzle not the steak". 2019 will be another year where it's the thing to be done to be digitally-minded. How much more interesting we must be if we focus on blockchain or the Alexa of the HR service centre experience rather than good-old payroll?!

Imagine you're applying a weighted factor to your considerations about what is important to the question of glamour.

3. Triangulate your sources of advice. This is easy to do given all of the information available.

Some interesting reads this year have been about the concept of distributed trust. See my book review of [Rachel Botsman's "Who can you Trust? How Technology Brought Us Together – and Why It Could Drive Us Apart"](#). In [part 6](#) of the [12-part Smooth HR Technology Projects series](#) that is your "how to guide" for success with implementing HR systems, there is a handy list of the pro's and con's of different types of consultant out there.

Your aim is to be at the right point of acceleration within an accelerating people technology industry. To follow fashion fast but avoid being a trend-setter. Leave that to the solution providers! With this aim and a few tactics in mind, here is your head-start.

Here are 10 predictions I make for HR technology trends to take seriously; and 5 perhaps for passing (p)interest until 2020 sets in.

References to Hypotheses #1-20 show you what Phase 3 were saying about this one year ago in the article ['Hypotheses Kate on HR Tech for 2018'](#) and you can find plenty more material about these in the [Insights library](#).

Trends to take seriously. Follow this fashion.

1.

Partnerships of all kinds are becoming more important: partnerships between organisational department areas, between systems and between service providers.

Integration implies a lot of different things. Within the business, there is an increasing understanding of the inter-connectedness needed between people and IT functions and in the sharing of systems. Whether a solution is defined as an “HR system” (or HRIS, HRMS, HCM solution etc) becomes less clear. This means (a) using products previously thought to be unrelated to HR to serve all or part of the needs of the HR systems experience and (b) using HR-positioned products to support a richer, cross-functional user experience and business need. In 2019, we will see more use of intelligence applications to make sense of HR data and of communications and messaging tools to share HR news, for example. And we’ll see integrated and integrating HR solutions that add more value to the people managers and leaders concerned with both inputs and outputs less directly related to their apparent people issues.

Secondly, integration of product via partnerships is the direction of travel for solutions themselves. Gone are the days where we could assume that an integrated system, combining as many modules in one system was the ideal answer. These products – available typically at the mid- and upper ends of the market (examples are [MHR’s iTrent](#), [CoreHR](#), [Access](#) or at Enterprise level the [Oracle](#) suite) – remain one good answer with natural plus points, but newer market entrants are working with application partners to optimise a “best of breed” approach.

In this useful and brief white paper: [Better Together: The future for HR Systems Integration](#), one solution-provider, [CIPHR](#), explains some more about what product integration means.

Thirdly, service partnering makes for a more comfortable fit within the new world of people technology. This is because those more open product platforms create a comfort factor around complexity of multiple players. And because buying in expertise and expert tools (service and product) separately makes sense when a world is changing fast.

*Who knows which will need to adapt the fastest? The solution or the service provider?
Do you really wish to have no choice?*

Think again about outsourcing payroll or managed services, about third parties for system selection or system review work. Don’t be put off by overt partnering (sub-contracting) by a product company. [Sage People](#) are one company operating with this model in the UK, for example, and proud to do so. Can one company really be the best on both product and service?

[See: Hypotheses Kate on HR Tech for 2018: # 1, 3 and 10](#)

3.

2019 will give gently rising focus to **payroll**. But by the back-door. Here's why and how:

If you ask business to suggest their priorities, then payroll rarely is it. Traditionally, payroll has been the type of product that is so-called "stickiest" (meaning it gets changed less often). Payroll (have a read of the tips above) scores pretty low on glamour, so in your considerations for systems it needs an extra weighting if you do spot it in the press.

I do not suggest that business will suddenly take interest in the niceties of HMRC regulation – although we do have some significant changes ahead in 2019 to deal with. (A clear implication of Brexit negotiations is that legislative dates are shifting sands but coming soon, for example, there is a requirement for hours on payslips and other outcomes of the [Taylor Review](#) recommendations, more on pensions, the "[Making Tax Digital](#)" agenda, IR35 updates for the private sector, changes to student loans and mandates on ethnicity pay gaps to match those of gender). [SD Worx](#) is one sizeable solution provider with most focus on payroll within the people technology space and so you could look out for [these blog pages](#) to keep up with the news.

But these are not the big issues for payroll nor the reason why it's tide is rising. Business leaders still ain't bothered about payroll but they are wishing to deploy cloud for HR and to address cross-border issues which will force a look at some key questions:

There are two big ones set for 2019. Cloud payroll and what that means. And global payroll. In the first fashion to please follow (see above), I also point to renewed appetite for outsourcing of [payroll services](#). [Sage](#) were an example of a provider in 2018 to show how options within the Business Cloud join up HR to payroll to payments.

At Phase 3 in 2019 we will be exploring and explaining some of these movements in the payroll industry in greater depth with a mini-series. Look out for this from [Phase 3 Insights](#). Instinctively, by the way, we say "yes" to cloud but "no" to global even if that breaks some taboos. You need to be rather big to be worrying about RPA (robotic process automation) in payroll just yet.

In an [engaging podcast](#) presented with expertise from Deloitte you can hear a view about the profession as positioned immediately ahead.

[See: Hypotheses Kate on HR Tech for 2018: #4 and 18](#)

4.

Analytics is another case of [Old Wine in New Bottles](#). Amongst many industry analysts, bloggers and thought-leaders, we've been wrong in naming years to date as the year that HR gets to grips with people analytics.

In 2019 I predict instead a subtle re-badging of HR analytics. Remember to dig out the old HR library for your essential understanding of what analytics are all about and the journey from reporting to HR analytics. You will hear written and said about people science too and these are fine distinctions. Often for your purposes and mine unnecessary ones.

Instead of calling out analytics, in the year ahead the HR profession will have more concern for the use of people data. The [CIPD's new Profession Map](#) gives this prominence. But we'll be doing it in other guises, for example:

- Data-driven HR. A related concept is that of “evidence-based HR” practice (EBHR) which is well-covered by [Rob Briner](#)
- Employee forms. (I notice recent releases giving these quite a focus, for example both from [CoreHR](#) and [MHR](#)). Similarly, surveys and pulse tools.
- Reporting mandate requirements. Had the current government not suffered a forced re-positioning themselves, we might have seen less delay to match gender pay gap reporting with comparable regard to executive pay and ethnic or disability diversity.

For an easy read on how you can take one step forward with your HR analytics read [20 Ways to Inch To Analytics](#).

[See also: Hypotheses Kate on HR Tech for 2018: #6 and 2](#)

(I was wrong about Hypothesis #6, but right about Hypothesis #2 and the BI specialist role)

Measures about adoption will become important too. There is a new emergent agenda and product type with this sole focus and I encourage you to watch that. For example, [AppLearn](#) are doing and saying interesting things about how adoption can be enhanced to maximise the value of technology implemented to date and ahead.

5.

Data, data everywhere and not a clue what to do with it...

Data has the potential to add enormous power to our productivity and insight – read my point above about analytics. But a key feature of our uncertainty in 2019 are those questions about data which are of potential threat. Safeguarding of personal data privacy, organisational cyber security and compliance mandates threaten to cloud our vision of cloud HCM. We fear the headlines that have hit Facebook this year. We fear Cambridge Analytica. We haven't yet got to grips with the fact that GDPR is “not a project but a steering committee” (with thanks to one of my close associate colleagues).

Whilst people technology providers will need in some instances to be providing product answers to these issues, the real impact in 2019 is to create an in-house agenda about people data and technologies that is cross-function and both within and outside of the business but is entirely independent. Partnerships again will add a value to your understanding (see my first fashion to be following seriously).

There is a side effect I do expect to see from HR system providers, however. The practicalities, geographies, legislations and appetites for risk will vary to the number that there are organisations out there, but cluster around verticals (i.e. sectors). This will mean that solution providers may wish to invest more thoughtfully in vertical focus than to date has been the case in the UK.

I encourage all not to be afraid of these issues. In the [Systems Serenity Prayer](#) I show you how and why [it's all about attitude](#). Ask bold questions and do so openly.

Read the 3 tips at the start of this feature for some headline tactics too in navigating amidst lack of safety.



[See: Hypotheses Kate on HR Tech for 2018: #9 and 16](#)

6.

Prices are rarely spoken of in trend-writing. **Prices** are rarely the fashionable thing. But every product has a price tag.

In 2018 we've seen product price descending fast in a much more competitive market. At Phase 3, we've noted customer organisations able to afford to buy from players an old-fashioned industry used to call "top tier" (or tier 1). Consider the case of [Workday](#), for example.

I do not think this will be true for too very much longer and experts bigger than me are supporting that view. At [UNLEASH](#) in October 2018 [Josh Bersin](#) spoke about the sky-rocketing costs in the US. However, I give many UK-led organisations of medium size (perhaps between 100 and 5,000 employees or users) considerable hope when it comes to 2019 pricing:

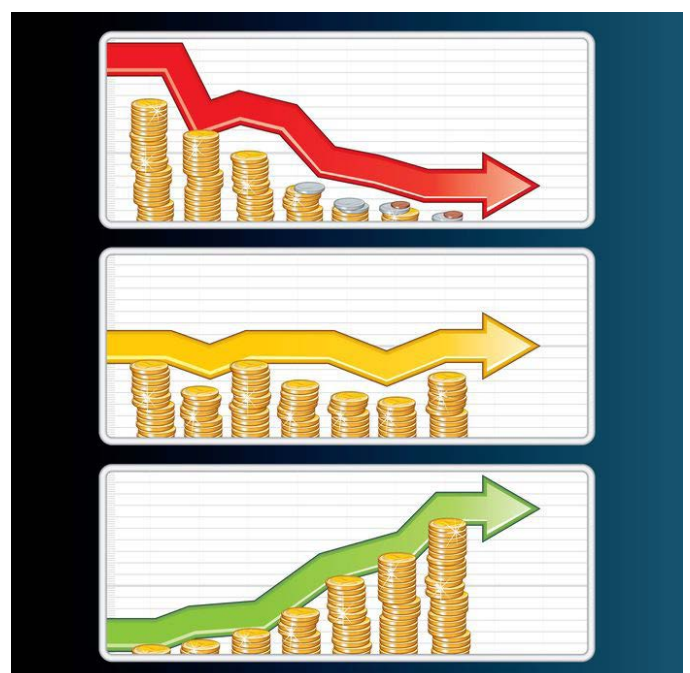
The price of big products may rise again in future, but there remains a "squeezed middle" in this country for some months ahead. Our squeeze is a comfy one, though. At this organisational size, we could still squeeze our way out of paying bigger licence bills because of the new competition for this industry space amongst the providers. This is a result of SaaS and cloud deployments, meaning that (a) enterprise-scale costs of delivery have come down allowing bigger companies to bid for smaller customers but also (b) smaller companies to bid for bigger customers.

Begin to take seriously in selecting new cloud-based systems a wider variety of product. With the luxury of an independent position, we like to work with a portfolio of product providers such that all of the organisations we'd like to serve are best catered for. In recent times that has led us as industry experts at Phase 3 to examine quite a few new contenders. Many choices and some more obvious mentioned in this paper, but as an example, I've rather enjoyed the user experience taking tours of [Hibob](#) and [CharlieHR](#). Notice the sense of accessibility with the names. And why not? Friendly feels familiar.

Familiarity overcomes a fledgling factor. Fledglings to the market are not necessarily very serious fashion for times ahead.

Secondly, our economic climate is a cloud on cloud adoption horizons, but with a silver system selector's lining. Is it really the time just yet, here in the UK to push up product price again? It should happen because of the new capabilities of these systems, as witnessed in the US, but maybe not just yet. Do begin to learn about making the business case on value-add not lower costs. Enquire with Phase 3 if you'd like some [help with system selection](#) or a business case template tool.

Read on for one thing on cost savings that won't happen in HR too! In the closing section of this paper I'll look at headcounts.



7.

HR will start to sound like business. Talking in the terminology of business is not trend-setting, nor is it self-aggrandisement for the strategising of HR small-talk of which I can accuse our profession.

The year ahead will see real talk amongst people professionals about [productivity and how to measure it](#). This paper, [“The UK productivity problem – difficulties, differences and debates”](#) published with [HRZone.com](#) is a useful introduction for you for what productivity means and is all about. It was in 2017 that Bersin’s industry insights: [HR Technology in 2018: Ten Disruptions Ahead](#) first introduced the notion that an HR system should be a “system for productivity”. The [Fosway Group’s](#) more recent [HR Realities Research](#) points to the same concern for productivity as a focus for HR.

With talk about productivity, HR should be able to show how performance and people metrics link to bottom line business measures, in a to-Brexit-or-not-to-Brexit era of Board discussion that looks outwards to the economic and political context of our decision-making. HR will be involved.

The practical implication for your work with people technology in 2019 is again the need for the capability, whether as an internal resource or with trusted advisors, to present a credible business case (try starting with this part 1 - [How to make the case for HR technology implementation](#) of the “how to” guide), to measure return on investment (“ROI”) and to use people data to join up with measures of organisational performance with analytics.



8.

Hierarchies are breaking down within organisations.

The HR press is full of case studies about role model restructures that create networks rather than siloes. This presents a very real challenge to technical developers of HR systems. Consider the reliance of those system links upon organisational hierarchy. The breaking down of traditional hierarchy is yet another driver towards some solutions adapting more successfully than others in times ahead.

Have a read below about the return of “talent”. Relate the context of disintegrating organisational structure to a need to turn towards non-HR people solutions to technology to provide answers to new ways to deliver that related concept we used to call performance management. If you are replacing annual, top-down schemes by now then how will you keep up continuous dialogue between manager and employee? How will you work within cross-functional networks where an individual role-holder has more than one manager? At the end of 2018, it is still true that few affordable systems can cater for even the case of more than one job per person. (The first system I got to know in detail, [MHR's iTrent](#), is one of those few).

Standard messaging tools will fill a growing gap. It has often been within IT departments or within the tech-savvier of business environments that simple tools like Slack or Skype for Business have really taken over, but the appetite and adoption here is on the up.

This paves the way for the evolution of a gig economy and more off-payroll working. Into the future will it be possible to define who is “in” the organisation’s people system and who is not? Look out for solutions that begin to address these questions. In 2019 don’t expect advanced solutions, embedded in the tech design yet, but look to those setting that direction. Work-arounds are often possible (ask your consultant!) but [CIPHR](#) showed me recently how it is by deliberate design that a person record and role need not equate to employee status.



[See: Hypotheses Kate on HR Tech for 2018: #1 and 14](#)

9.

I suggest the return of McKinsey's "War for Talent", a phrase first coined in 1997 by those management consultants.

Talent is a retro trend and it's returning.

The political agenda shouts out with the fear factor of talent shortage, talent drains on the UK and talent challenges especially when it comes to tech. The question of talent gives people technology trending a few difficulties. Talent suffers from too much glamour factor and yet too little understanding of system capabilities and direction. It proves such a complex environment.

We must appreciate:

- The particular talent demands of our business
- The particular responsibility of HR to know about talent pipelines in the real world
- The particular opportunities for technical solutions to access a talent market
- Governance structures to make decisions

The fashion that I suggest you follow seriously in 2019 is to be talking about it and filling gaps in your knowledge. You may wish to use a first fashion above and look to application and service partnering and a "best of breed" approach. You may wish to use fashion 4 above and see what your data-driven approach can tell you about the real talent concerns for your business. You may wish to use fashion 7 and involve yourself in closer conversation about the macro environments. What you should not do is to assume that advertising the same old roles to the same old contracts using the same old recruitment module within your current kit is the only answer.



10.

HR system capabilities are one clear example of a talent problem brewing for 2019 and years ahead. These capabilities will come into focus in 2019. HR leaders are recognising this shortfall within in-house capabilities and the search is on for skilled data scientists, systems administrators and HR system project managers.

We notice in the industry that one effect of cloud deployment is a shared interest in increasing your self-sufficiency as a customer organisation. That is a thoroughly good thing! Build your own resources and so with a systems plurality such that you are future-proofed as products stick less long.

HR professionals now understand that we must be digitally-driven, technically capable, connectedly confident. At a leadership level, the CIPD support this message with a new emphasis for continuous professional development (CPD) described as “principles-led, evidence-based and outcomes-driven”. Since the 2013 standards, the most striking change of direction is this new emphasis upon two core knowledge areas: analytics & creating value and digital working. You can read about the [new CIPD framework](#) for people professionals directly from the CIPD to track your generalist HR career.

All HR professionals need to get to grips with technology to some degree. But we also need specialist HR systems knowledge. The [HR Technology Skill-Set](#) introduces a suggested framework for the combination of skills that

make for the type of worker who can perform well between being a “people person” and an “IT person”. These are unhelpful classifications we’ve all made. Often not without reason!

Look for the material in the months ahead from the HR Technology Skill-Set (or [make an immediate enquiry](#) about what’s coming soon) to learn how to:

- Develop your own career specialism in HR technologies
- Assess your current team’s capabilities with HR systems work
- Prepare, structure and resource your changing HR department with the types of roles you will be needing

[See: Hypotheses Kate on HR Tech for 2018: #2 and 9](#)

There is serious business behind every fashion industry. As HR gets into serious 2019 business, these 10 fashions are to be taken seriously in the people and payroll technology industry.

Don't be a trend-setter. Watch the fashion pages but don't yet buy in.

Personally, I can enjoy a good catwalk show and a good bit of gloss from a seriously high-end fashion magazine. Fashion showcases have an important credibility that I do not dismiss – they point to a future. Then there is the practical reality of what to buy, what to wear today.

This analogy shows you how our related concept of the parallel universe grows in the HR technology world. See [People Analytics: A Parallel Universe](#).

I recommend you do see the showcase of [UNLEASH](#) or the [CIPD's summer 2019 Festival of Work](#). I recommend you read widely about technology if it inspires you. Remembering (see above) the value of HR system solutions that are consumerised, your home life will probably lead you to do so, job-role notwithstanding.

But let's get practical on advice for what to do with people systems in the year ahead.

In uncertain times, when surety is best for business and appetites for risk run as low as budgets, then this means avoiding too much trend-setting. Some of the buzzwords out there can be safely set aside for another 12 months.

With deliberate whirl-wind wording, here are 5 apparent trends I would adopt another season!

1. Blockchain.

Blockchain represents a significant change in the potential for technology advancement on a scale wider than HR. And certainly, wider than the bitcoin and cryptocurrency context for which it's best known to date.

Yes, the blockchain will have HR applications but not quite yet. The ability to share and distribute a ledger, without one single source of central trust and control presents much scope for re-thinking global work with people as individuals rather than controlled within the boundaries of one people system's person record.

For now, blockchain is sensible to be thinking about when it comes to CV verification first-up. I have confidence that blockchain will be on this trends list in years ahead and not a passing fad, but I urge HR leaders to let the developers understand the powers and limitations of the technology before we do. Blockchain is a great example of something where the more you know, the less you know.

2. The Internet of Things

("IoT") has glamour factor to match blockchain and even more so perhaps. Some of the wearables are designed to be a fashion accessory!

By all means enjoy the IoT. But the IoT of things at work is not to be worried about for many just yet. HR will be too nervous for some time to come. This is sensible. A cavalier approach to meeting apparent demand from one talent cohort in a too hasty drive to tackle that war for fresh talent (see above), with whizzy work-place gizmo, is no safe move in times where the context is distrust of distributed trust models, data breaches and increasing protectionism.

We need to be more observing of what employees are truly comfy with first.

3. A third suggestion for trends to allow others to set first are those technology answers to (a) **recruitment and** (b) **learning systems**.

These may seem like glaring gaps to you, when it comes to addressing the way ahead for people technology and that's right. But the industry is confused in both areas.

On resourcing (or "talent") we've witnessed increasing concern that current HR systems are no longer fit-for-purpose. As independent consultants, we are increasingly asked if there are alternatives. And there are. However, I am not yet ready to jump in one particular direction when it comes to how to use technology optimally to recruit. Be interested in what LinkedIn, for example, is wanting to do within the recruitment space to see quite how open the opportunities for doing things differently are. The greatest practical consideration for you in 2019 is that of keeping doors open. Keep the technology

doors open by valuing the highly integrative potential of new purchases (using API's). Similar can be said for the learning environment. Traditional learning management systems now frustrate us, but those with the right capabilities – as with broader enterprise level solutions for HCM – do become affordable. Yet with so much open source content available is that the right way to deliver learning? Are the answers with solutions that are learner-driven? If so, does the organisation need a learning "solution" at all? And if it does, is it a product or a capability to be connected and to share content?

4. Aggressive headcount or cost-savings in HR and people functions are not going to be achieved by technology in 2019. And at Phase 3 we say this is not even a case of "not yet" but a "never". In fact, I point to the increasing requirement for extra specialisms that a digitally-driven HR department requires – understand this with the [HR Technology Skill-Set](#).

[Research from PwC](#) towards the end of 2017 suggested that more than two thirds of organisations investing in HR systems see no appreciable difference to the size of their HR teams as a result of implementing Cloud HR. Make your business case on value-add not cost savings nor quantitative return expressed on that basis.

And finally, here is one last way in which you can safely and surely leave others to do the worrying and it's this.

5. "FOMO"

Fear of Missing Out. It is very unlikely that you are left behind!

Deployment and adoption is slower than you think. Studies do offer extremely variable figures about the percentage of, for example, cloud HCM adoption. I argue that context is everything and set little store by survey results. The nature and size of sampling, as well as rigour of method, makes all the difference. Statisticians will back in so saying (as will the people scientists by the way!).

And so, for 2019 it's a "no" to transformative stories. If you have made some progress on your maturity journey towards (a) using people data (b) looking into the cloud and (c) making use of social media for your HR missions, then you are safely in the majority UK territory. Beyond this, times, technology and troubles are complex: invest in the choice-making as well as the choice. Take [selecting systems](#) seriously.



The People Technology Parallel Universe Continues into 2019

In the year ahead, HR will still exist in that technological “parallel universe”, where our experience of life at the desk and in the day-job is rarely joined up with the buzzwords of business and geek-speak.

A pressing need to create a consumerisation of the user experience that we offer our employees and potential employees will tempt us to engage with new trends. This is in conflict with an organisational need for safety, due to overwhelming concern for political change, economic tightness and fears about data. We should tend towards a following of HR technology fashions not a pioneering of trend.

Above are 10 areas to invest in, in earnest – whether that is with your time and attention or with your purchasing power. And, with less attention, 5 to set aside until we all point to a new future in 12 months’ time.

In the meantime, allow your specialist teams, partners and providers to solve practical problems outstanding with creative work-around. That means at times, some nice HR strategic time-travel, related new words on the buzzword block to [Old Wine in New Bottles](#).

Old concepts about the employee experience, about reporting and about talent come back in new guises, and with new learning. It’s a bit of retro in our back-to-the-future fashion.