

# A Decade in the Making

We celebrate our anniversary by looking back and looking forward.

By Debbie Bolla

It has been 10 years since SharedXpertise took over the reigns of *HRO Today* magazine, and I don't think anyone could have ever possibly predicted how much the industry would change. This field has been transformed by many things—multi-process HRO, best-in-breed solutions, on-premise to SaaS, the Great Recession, the never-ending war for talent, the rise of RPO, the ACA and consumer-driven healthcare, social media's growth, the impact of contingent labor, and so much more!

I have pulled together a timeline to show how the industry—and our magazine—has evolved over the years. I am so happy I landed here nine years ago—here's to the next 10!



2007

- First-time adopters navigated shared services as an offering to help the transition to HRO.



• The HRO market was all about multi-process, multi-year, multi-million-dollar deals. But challenges arose: Organizations had big expectations and providers often overpromised and under-delivered.

• The Superstars of HRO are named.

- RPO is predicted as the fastest growing segment for 2008.

- Notable deals:  
J&J \$1 billion deal with Convergys  
GlaxoSmithKline \$171 million with ACS  
American Airlines \$217 million with IBM



• Social media is recognized as a possible recruitment strategy.

## 2008



• Deals are up for renewal, and the second-generation of contracts brings a clearer picture of expectations and deliverables. A shift begins: More informed buyers lead to shorter contracts with fewer services.

- The market begins to consider SaaS systems over on-premise HRM systems.
- Point solutions became an offering; NelsonHall research shows a decline of MPHRO mid year.

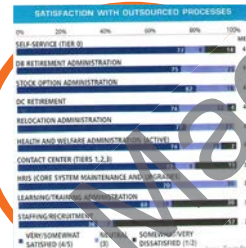
• The launch of our survey-based ratings for our Baker's Dozen lists in relocation, MPHRO, RPO, recognition, and screening.

**HRO** Baker's Dozen Customer Satisfaction Ratings

• The growth of midmarket deals.

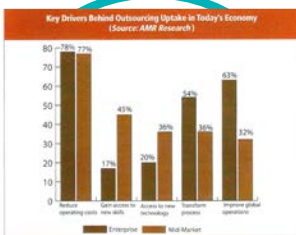


• In 2008, 70% of enterprise buyers were satisfied with outsourced services.



• HR transformation meant cost savings, operating efficiencies, retention of key talent, and improved productivity.

## 2009



• The economy puts a spotlight on HRO's scalability.

Criteria That Effect Purchase Decisions of HR Executives (Source: NelsonHall research)

Provider experience, reputation, and client references
Competitive cost
Good cultural fit
Financial stability
Quality of service

Success based on factors of reputation

• HRO's predicted growth came in at 23.5% for the year.

• Global payroll starts to become a sought-after solution.



• Big market shift to best-of-breed solutions.



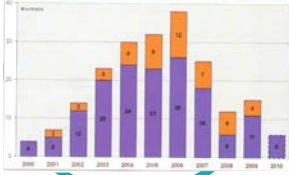
- Organizations look to save money while training the workforce through virtual and e-learning techniques.
- Social networking becomes a platform for brand enhancement and candidate attraction.



• RPO shows value in cost saving, scalability, global reach, and value-add services.

## 2010

Fig 1: Total Number of Multi-Process HRO Deals Since 1999  
Orange: Multi-Region, Purple: Single Region (Source: Equifax)



• Single-process deals continue to grow.

• More organizations leverage contingent labor, and managed service programs (MSPs) are part of the Baker's Dozen.



• Wellness programs become a popular perk.



• The use of talent management suites are on the rise.

• Healthcare reform is a hot topic, and healthcare benefits start to shift as costs begin to grow for organizations.

• RPO is a top sector.



• M&A activity hits the HR services market with almost three dozen mergers during the year.

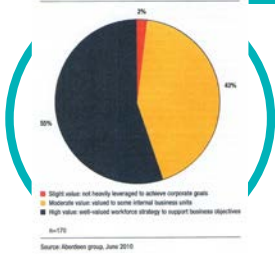


• The relocation market responds to the recession with new offerings.



## 2011

Figure 1: The True Value of Contingent Labor

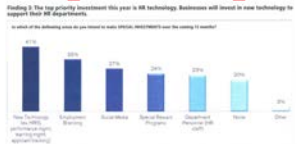


• The value of contingent labor continues to grow.

• The market shows post-recession job growth.

• Tech pushes the market to expand with mobile solutions, video interviewing, and easier ways to manage virtual workers.

• Talent management is a main HR priority.



• Metrics for measuring HR evolve.

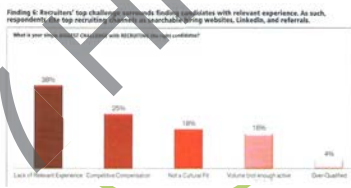


FIGURE 2: PRACTICES TO SUSTAIN AN ENGAGING WORK CULTURE

Practice	PERCENT
Publish a formal list of values or culture description	74%
Use exit interviews when managers leave	73%
Regularly conduct engagement surveys	69%
Provide information on culture to new hires	56%
Involve senior leadership in orientation programs	54%
Offer a career portal to help employees find growth opportunities	49%

International Association of Business Communicators and Buck Consultants. "IABC Research Foundation and Buck Consultants Employee Engagement Survey," June 2010.

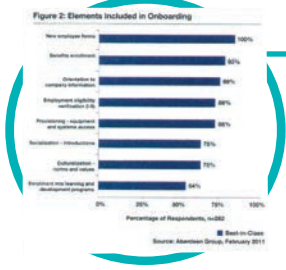
• HR focuses on engagement and culture.

• Research shows a major gap in the delivery of tech services with major room for improvement.

• 71% of organizations have plans to invest in technology.



## 2012

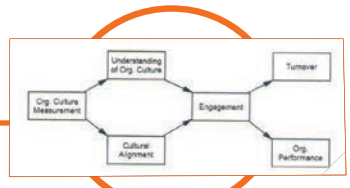


Onboarding employees improves with technology.

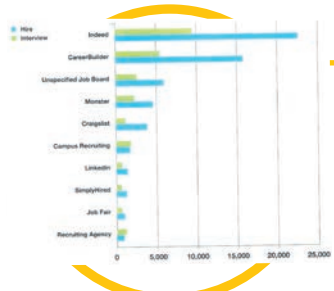


Veteran hiring programs are embraced by RPO and organizations.

Workforce analytics and big data emerge as the next big possibilities for HR.



Culture becomes critical for organizations to stay competitive.



RPO becomes RPO 2.0, with a big focus on quality of hire, talent pools, and innovative sourcing techniques.

As buyers become more confident with SaaS, 84% of organizations plan to transform HR processes through tech.



## 2013



Innovations spike in social, mobile, and video, with 59% of organizations using mobile devices for talent acquisition.



Tech is changing the industry, with investments in the cloud, gamification, and employee self-service.

Obamacare causes administrative concerns.

Factor	Millennials Cost	Millennials Cost Share
Healthcare and hospital services	\$1,200	34.5%
Prescription drugs	\$800	23.2%
Medical malpractice	\$700	20.0%
Administrative costs	\$600	17.3%
Other	\$500	14.5%
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Other	\$500	14.5%

Source: Society of Actuaries, The Physician Foundation

Talent management technology hits the Baker's Dozen.



Gallup shocks by reporting just 13% of employees are engaged at work.



Multigenerational workforce exhibits varied work preferences.

HR continues to shift from tactical to strategic.

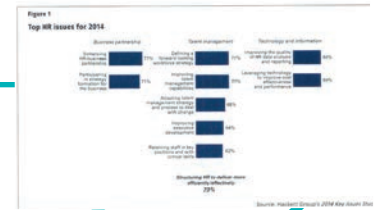


# 2014



• Candidate experience improves in order to bring in top performers.

• Talent remains a big concern for HR.



- Consumer-driven healthcare is offered by more organizations.
- Social, mobile, and gamification shape training offerings.

• Tech integration creates challenges, with only 26% of organizations able to execute on big data.



• We present our inaugural CHRO of the Year awards.



• New recognition strategies (social and peer-to-peer) drive retention and productivity.

Figure 1  
Rating of How Well Defined Employer Brand is in the Organization

	Total	Top Brands	Other Brands
Not at all defined	14.8%	29.0%	26.0%
Defined very well	13.0%	29.0%	1.0%
Somewhat fairly well	66.0%	50.0%	25.0%
Neutral	18.8%	17.0%	29.7%
Defined very little	18.8%	2.0%	18.1%
Not at all defined	5.8%	1.0%	14.2%

• Emphasizing employer brand helps companies differentiate themselves.

• Wearables help increase wellness program participation.

# 2015

• Talent becomes a mainstream issue, with 60% of CEOs concerned about their workforce.



• A main challenge for organizations is competing for resources.

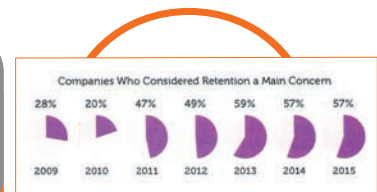


• 78% of business leaders rate engagement as an urgent concern.

• The on-demand workforce—freelancers and independent contractors—is slated to grow 18.5% over next five years.

• Predictive analytics provide a competitive edge, with 56% of HR leaders leveraging talent analytics to shape workforce planning.

• 87% of organizations report culture as a top challenge.



## 2016

- Organizations understand the value of contingent workers and seek to improve their work experiences.



• Learning and development encourages retention.

• Purpose becomes an engagement driver, with 83% of employees wanting to find meaning in work



• HR shows its value in the midmarket segment.

• With job tenures become shorter, organizations offer a selection of rewards and benefits to engage workers.



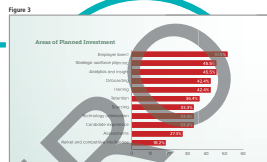
• Relocation is viewed as a perk by millennials.



- We honor talent execs with our inaugural Talent Acquisition Leader of the Year awards.

## 2017

• HR leaders are looking to get in front of technology instead of lagging behind.



• Employees continue to seek organizations that offer a good work-life balance.



• HR looks to manage all talent under one umbrella through total workforce solutions.

- Artificial intelligence and automation will change how people work.
- Progressive departments consider adding an analytics position to their HR teams.
- Staffing and total workforce solutions are added to our Baker's Dozen rankings.