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A background graphic showing a network of blue human silhouettes connected by white lines, with various sized blue spheres floating around them.

THE NEW WAVE OF **HR TRANSFORMATION**

A report in partnership with



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Key questions answered in this report:

What HR challenges are complicating new transformation initiatives?

Why automation, why now, and where should HR leaders begin?

What role does IT play in supporting this wave of digital disruption in HR?

What should HR know about emerging, next-gen orchestration models?



TRANSFORMATION THEN & NOW: ADAPTING TO THE NEW NORMAL

For the last fifteen years, the move to adopt modern technologies—cloud infrastructure, mobile-friendly user interfaces, and advanced analytics—has been the primary driver of transformation in human resources (HR). These new technologies were the key to unlocking unparalleled opportunities for HR organizations to operate more agilely, more efficiently, and more intelligently. In particular, the flexibility of cloud-based infrastructures and software-as-a-service models allowed talent and HR functions to build bespoke technology stacks that tapped into fast-emerging best practices, and many companies took advantage of the opportunity to update their HR strategies.

These digital transformation initiatives were powered by deep partnership between CHROs and CIOs, with both parties leveraging their aligned priorities to do more together than they ever had before. This close working relationship continues today, and it is in large part due to the success of the partnership of these two functions that companies were more ready to adapt to the nearly overnight transition to remote work following the emergence of COVID-19 than anyone thought possible.

Despite the progress made in HR operations over the years, however, many of the fundamental challenges that drove the last big wave of transformation (fragmented workflows, siloed data, inconsistent stakeholder experiences, outdated processes, etc.) were never fully resolved and have resurfaced as strategic risks to business continuity, workforce resilience, and market competitiveness.

Today, the primary drivers of today's HR technology investments directly correlate with continued disruptions—disruptions that were catalyzed by the COVID pandemic, impacted by renewed focus on diversity, equity, inclusion and belonging (DEIB), and now further compounded by economic uncertainty.

Today, HR functions and the organizations they support have been forced to adapt to new workforce paradigms: ongoing shifts from in-office to fully remote to hybrid work; widespread breakdowns in talent supply chains; high employee burnout and turnover rates; and increased DEIB expectations.

Organizations are doing their best to respond to these challenges, and Figure 1 below illustrates what efforts enterprise HR leaders are prioritizing in reaction to the changing paradigms—and the greatest obstacles they face in Figure 2.

These priorities reflect a return to core KPIs for HR, and a renewed focus on its most essential functions. But the current climate in the enterprise is not exactly ripe for yet more change. Rampant burnout and competing priorities are two sides of the same coin, and the lack of proper change management through disruptive times complicates both of these challenges.

Figure 1: – Enterprise HR Leaders' Top Priorities in 2023

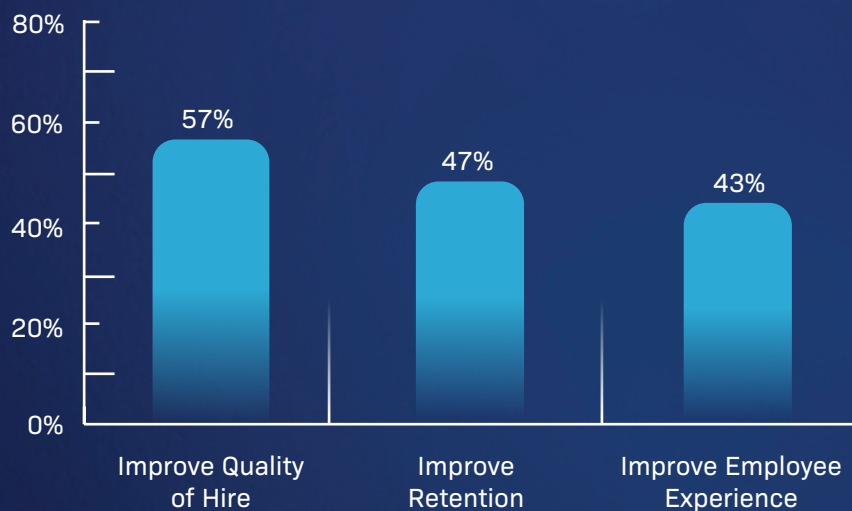
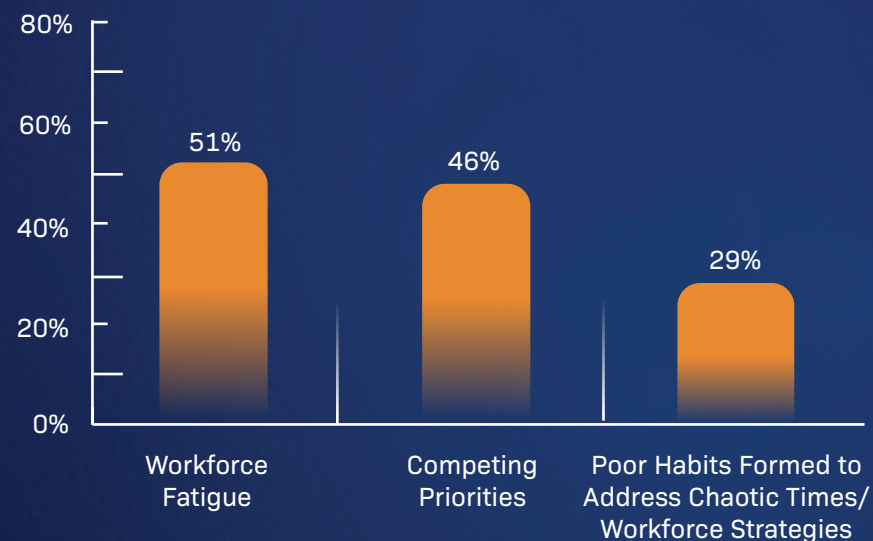


Figure 2: – Enterprise HR Leaders' Biggest Obstacles in 2023



In this environment, successfully executing on HR's stated priorities should be supported by technology projects that address the urgent need to close holdover gaps from the last great wave of transformation, primarily targeting three initiatives:

- Increasing efficiency in HR's operating model and service delivery, with renewed focus on employee experience and wellness to improve retention and reduce thrash
- Enabling more proactive, streamlined talent acquisition, onboarding and management processes to improve quality and diversity, to reduce cycle times, and to reduce costs
- Integrating talent strategies for internal, external, and contingent workforces to enable greater operational agility

Automation in HR: Aspirations versus Reality

Across each of HR's most pressing initiatives detailed above, there is one common trend: Those organizations leveraging automation and artificial intelligence are accelerating impact—and these capabilities are becoming a key success factor for effective transformation.

Case in point: In support of their top priorities, the majority of companies increased investments in automation in 2022 to support greater scale and impact. Figure 3 shows that 60% of HR and IT leaders surveyed said they increased investment in automation in 2022, and Figure 4 shows what they are trying to accomplish with these investments.

Figure 3: Investments in Automation in HR in 2022

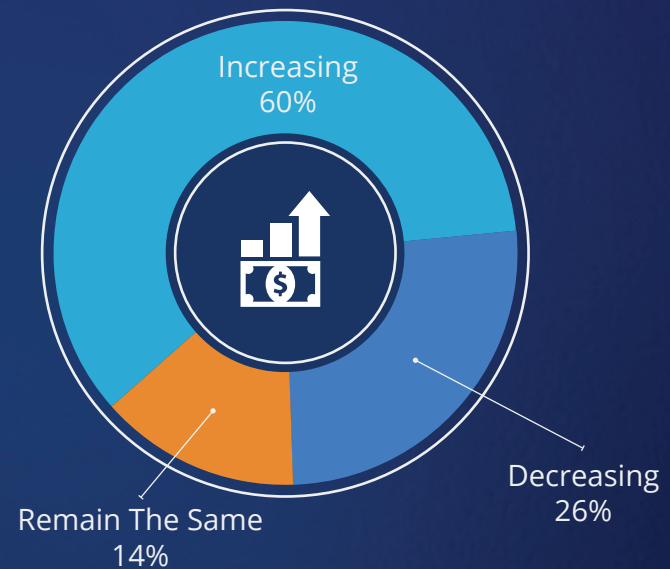
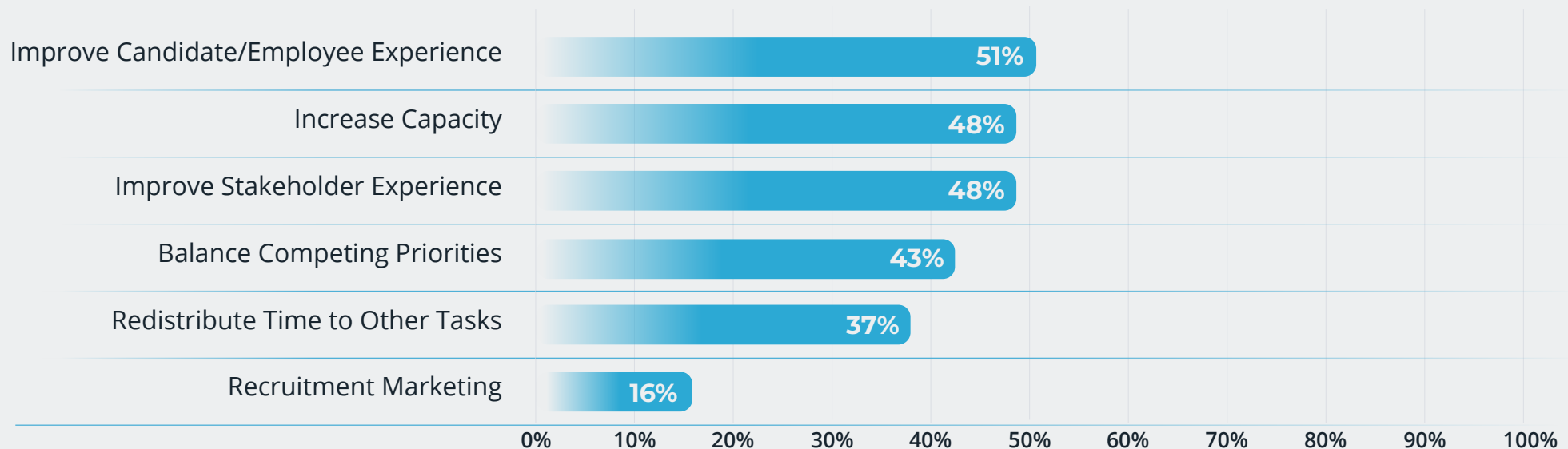


Figure 4: Top Drivers of Automation Investment





With more disruption on the horizon, the pressure for HR to rapidly expand its operating capacity without increasing its operational overhead—and this is where automation has the most immediate impact opportunity

While this is exciting, there is cause for concern. While 51% of HR leaders surveyed stated that that improving candidate and employee experience as a top driver of automation investment, only 16% of HR leaders surveyed identified becoming more impactful as a priority. In fact, full spread of drivers from improving experience to making time for other tasks indicates a preoccupation with the problems that are right in front of us rather than what's causing them.

Most concerning of all: Of the IT and HR leaders surveyed, 51% shared that they do not know what, exactly, they are automating.

In the current climate, delivering on strategic priorities requires strategic problem-solving—and HR often struggles to connect the dots between known problems and solutions that are both fully viable and reasonably scalable.

Lasting impact will require that HR leaders go all-in on automation as a cornerstone of their transformation strategies, lean into knowledge gaps when it comes to AI and automation, and to restore the deep level of partnership with IT that powered HR's last great digital transformation.

With these challenges in mind, this research report on the state of automation in HR lays the groundwork for HR organizations that know they need a better understanding of automation as a cornerstone of their continued evolution but are not sure where to begin.

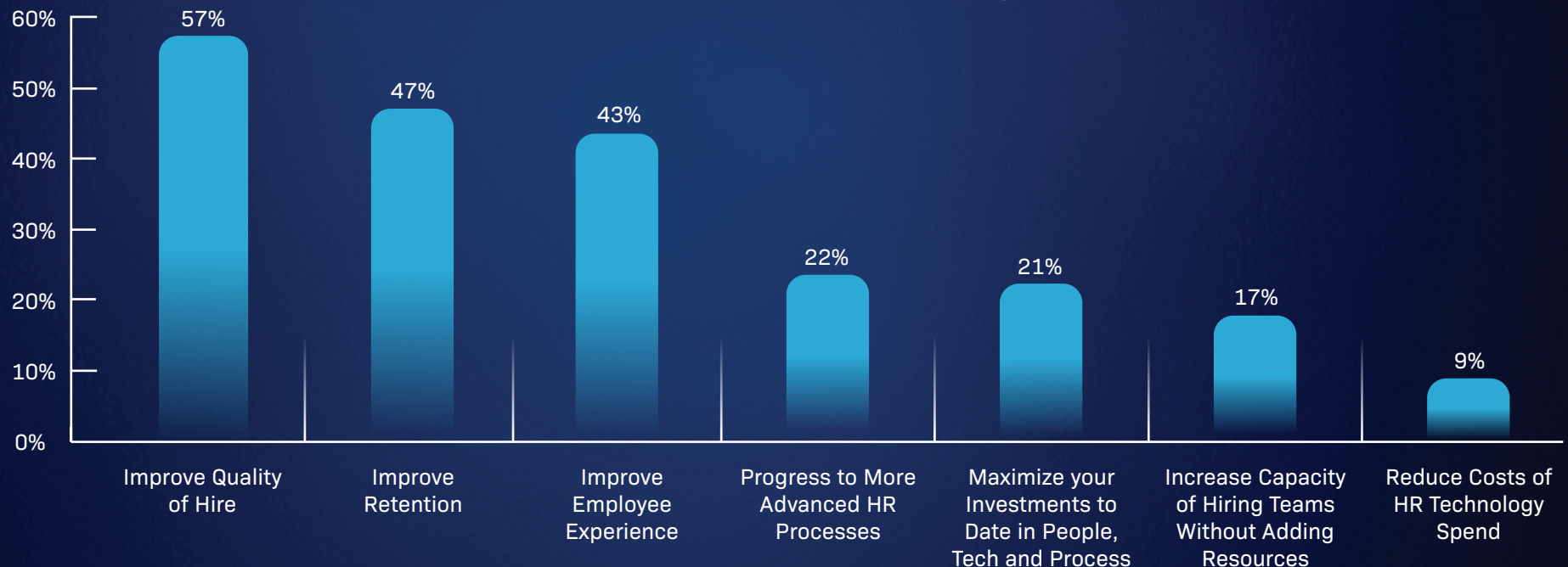


THE YEAR AHEAD FOR HR TRANSFORMATION: OLD CHALLENGES, NEW DYNAMICS

Clear Priorities & Partial Solutions

HR's broader priorities have not shifted much over the last ten years. The need to attract, hire and retain high-quality talent has remained a constant. Recent events renewed the focus on the importance of engaging diverse talent as well—and organizations have made efforts to improve equity, inclusion and belonging for the last several years in response. After years of disruption and uncertainty ahead, however, HR is doubling down on core KPIs when planning for 2023: quality of hire, talent retention, and employee experience.

Figure 5: HR's Priorities from Greatest to Lowest



With tightening budgets across the enterprise, investments in HR Technology remain secure with only 9% of HR leaders surveyed report that reducing HR technology spend as a priority for 2023. Though this is good news for the vibrant ecosystem of solution providers in this space, a disconnect remains between priorities and plans for HR that must be addressed: Though the problems ahead are clear, HR's specific plans for solutioning remain vague.

This is illustrated in a few key points from Figure 5: Only 22% of HR leaders surveyed reported progressing to more advanced processes as a top priority for 2023, 21% reported maximizing their existing investments in people, technology, and processes, and only 17% reported increasing capacity of hiring teams without adding resources. Each is a worthwhile undertaking in creating pervasive value and impact across the enterprise—but the gap between identifying problems and solutioning them remains a challenge for HR.



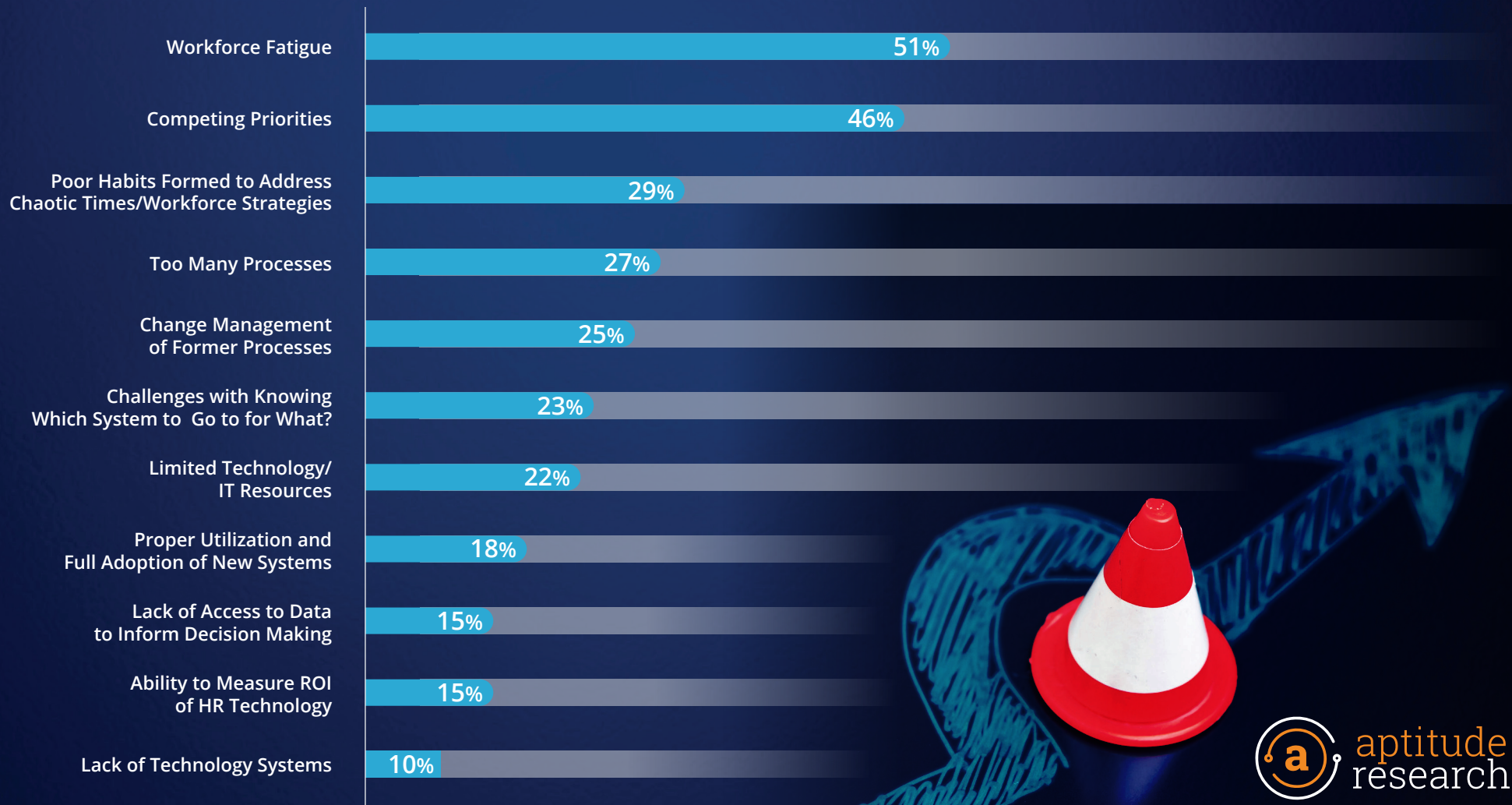
What does it mean that HR is more focused on end broad-brush goals (quality hires, talent retention, employee experience) and less so on specific initiatives for driving operational uplift? The answer is complicated, but some insight lies in a review of the obstacles they face—specifically workforce fatigue, competing priorities, and an abundance of disparate tools.



Roadblocks to True Transformation

HR's two greatest challenges are interconnected. As shown in Figure 6 below, HR transformation initiatives face rampant burnout in the workforce, with 51% of HR leaders citing this as their biggest challenge. While this is not surprising, it's especially important when taking HR's second greatest obstacle into consideration: 46% reported competing priorities as a major roadblock.

Figure 6: HR's Biggest Roadblocks to Transformation





CHALLENGE #1: THE GREAT BURNOUT, CONTINUED

Today's unprecedented levels of burnout pose the greatest obstacle for HR organizations. A workforce strained by operating environments both at work and at home are less likely to embrace new change coming out of HR.

HR leaders driving change in this climate would do well to note that the burnout challenge is not solely related to the global pandemic and looming recession—many were operating on the edge of burnout before.

A [2018 Gallup study](#) of nearly 7,500 full-time employees found that 23% reported feeling burned out at work very often or always, while an additional 44% reported feeling burned out sometimes.

Leading factors for burnout included continuously increasing performance expectations, reactive decision making from business leadership, and lack of autonomy and flexibility—which may sound familiar.

Today, [that number has increased](#) by a third with 30% reporting feeling burned out very often or always. While uncertainty and disruption continue to have an impact, the harsh reality is that few organizations addressed the bottlenecks and inefficiencies in HR and people processes that amplify rather than alleviate workforce fatigue. As burnout increases, engagement decreases; and after years of near-constant change, gaps in HR's change management practices are complicating efforts to improve employee experience.

Of course, burnout isn't limited to the extended workforce; it's a problem felt acutely within the HR organization itself. Research conducted by Aptitude earlier this year found that 30% of recruiters are feeling more burnt out this year than last year and 42% felt they did not have the resources needed to be successful. This adds a layer of urgency and difficulty to any efforts to further evolve, as HR teams desperately need more efficient ways of working but have limited bandwidth for relearning new systems and processes.

CHALLENGE #2: CONSTANT CHANGE, MISMANAGED

HR's second leading challenge (competing priorities) is something of an Achilles Heel relating to an apparent disconnect in HR's understanding of cause and effect. For example, 29% of HR leaders cited poor habits formed in response to disruption as a major roadblock and 27% cited too many processes in general—but this doesn't entirely add up as only 25% cited change management as a leading challenge.



29%
Poor Habits
from Disruptions



27%
Too Many Processes
in General



25%
Change
Management

The former points belie the latter, and these conflicting data points paint a picture of the most complicated obstacle HR has: their struggle to fully deliver on past initiatives undermines their ability to get buy-in from the business—and the workforce—when driving new initiatives. Competing priorities are certainly affecting us all, but HR's history of poor change management only compounds this challenge.

According to Allan Sabol, Director of Product Management at ServiceNow, many HR transformation initiatives struggle due to an inability to meet employees in the flow of work.

"Why do we get so little adoption of HR technologies? We have so many cool things for employees and managers—skills, goals, mobility," he says, reflecting on HR's predicament. "But no one is engaging because you're creating more work for them. To get value out of new tools, employees have to make more time for it, log into yet another application and learn how to navigate a new interface. Most employees are operating in completely different, disconnected systems from HR."

HR teams struggling to get traction in new programs need to rethink service delivery entirely, especially considering the degree of burnout they face. When considering how to make an impact in employee and stakeholder experience, embedding HR experiences into the flow of work is increasingly critical—and reduces the amount of change management needed.

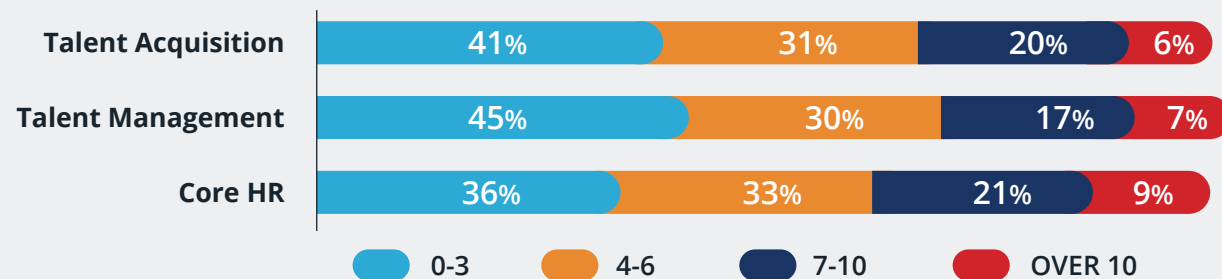
CHALLENGE #3: TOO MUCH TECH, NOT ENOUGH SOLUTIONS

The third dimension of the obstacles HR faces is no less complicated, but it might be the most readily solved. With only 10% of HR leaders surveyed reporting a lack of technology as a major obstacle begs the question: Why are we increasing investments in automation? According to Greg Muccio, Senior Director of Talent Acquisition at Southwest Airlines, “HR leaders get their eyes on a shiny object all the time, rather than focusing in on specific pain points, specific problems and searching for solutions for those specific things.”

It’s true that HR has historically had a tendency to react to the problems right in front of it (e.g. poor employee experience) rather than the root causes (e.g. over-engineered people processes)—and vendors are better at selling to the acute pain points than partnering with HR to solve deeper problems. As Muccio puts it, “What a vendor has come up with in the lab is great and interesting, but until I can actually, consistently utilize it within my team, it’s just a good idea.”

And HR buys a lot of good ideas. Figure 7 shows just how good.

Figure 7: The Number of HR Systems by Function



HR has become saturated with solutions with over 54% of respondents reporting 4 or more solutions across every function after a wave of increased investments in recent years. But in the current economic environment where every bit of budget counts, technology that isn’t bringing clear and tangible solutions to HR’s core challenges will be on the chopping block. Future-proofing technology investments may not be at the top of HR’s priority list currently, but this is a blind spot that puts many of their other initiatives at risk.

WHY AUTOMATION, WHY NOW:

OPPORTUNITIES & OBSTACLES FOR HR AUTOMATION

Getting Ahead of Disruption: *Time is of the Essence for HR Leaders*

HR finds itself in a precarious position. Despite the efforts of many businesses to return to pre-COVID operating norms, the workforce is living in a new normal—and HR is navigating the needs and expectations of both all while delivering on core KPIs cited above.

“The basic aspects of the role of HR—quality hires, retention, employee experience—the fundamental things are still a struggle,” says Kevin Laban, HRIT Platform & Business Engagement Manager at Unilever. “These things remain a struggle because they are multi-faceted problems that require granular analysis and problem-solving, which slows you down when everything is coming at you fast.”

That’s why solutions that can enable greater agility and effectiveness quickly and efficiently are more important to HR leaders now than they were even three years ago.

Key Consideration

In times of widespread disruption such as we have seen in the past several years, it’s all too easy for HR organizations to find themselves in a state of near-constant firefighting.

But Laban—a technologist supporting HR leadership at Unilever to achieve greater impact—believes that with the right technology in place, “you’re able to automate these kinds of activities, embed better, more data-driven practices into the actual work, and support your initiative consistently and at scale.”

And whether HR organizations are considering opportunities to automate aspects of service delivery to improve employee experience or need to solve for something more complex like quality of hire, consistency and scale are two of the most fundamental value propositions of automation.



The Current State of Automation:

Today's Leading Use Cases in HR

According to our research, the primary drivers for implementing automation today are fairly well-aligned to its top priorities for 2023. Figure 8 shows the leading driver is the need to improve candidate and employee experience—and this driver has led the first wave of adoption in HR technology, with solution providers catering to these needs quickly rising in prominence. But the tactical need to increase capacity in HR—a top driver for 48% of companies—is driving the next great wave (and possibly the biggest).

According to Muccio, the reason is pretty simple: “I am only going to be able to grow my team to a certain size, and I know that the things I need to get done are going to need more resources that I’m not going to get.” It’s a reality every HR organization faces. But where this is an obstacle for some, Muccio sees it as an opportunity. “I have to look at how automation in my systems, the different pieces of technology come together to solve the problems in front of us. I need agility, I need scale.”

Muccio’s experience isn’t isolated; most HR organizations need greater scale and agility to meet new workforce demands. And many automation use cases being leveraged by enterprise HR organizations are focused on some of the most friction-laden functions—that is, those in the talent acquisition process.

Of the top nine use cases we identified for automation in HR, four directly support HR’s need to improve quality of hire. Figure 9 on the next page shows that 47% of companies currently are utilizing automation in assessments, 43% in screening and selection, 42% in new hire onboarding, and 36% for interviewing purposes. This aligns with HR’s stated priorities and was supported in a tangible way with increased investment.

Figure 8:
*Top Drivers for Investing in
Automation in HR Technology*



**Improve
Candidate
Experience**



**Increase
Capacity**



**Improve
Hiring Team
Experience**



**Balance
Competitive
Priorities**



**Redistribute
Time to
Other Tasks**



**Become
More
Impactful**

Figure 9: *Where HR is Leveraging Automation*

Within each of these use cases, myriad opportunities exist to accelerate repeatable tasks, streamline disparate processes, and synchronize multiple workflows to reduce cycle times. When implemented effectively, automation can support all three—but HR’s understanding and technical expertise are an important success factor... and a known gap.

HR’s known for being expert in many important areas, but technology expertise is not as pervasive. And this is proving to be something of an obstacle for the adoption of automation outside of isolated instances. Muccio spells things out with three words:

“Misunderstood, misused, misapplied.”

When it comes to automation, he says, you have to know what it can do, what it won’t do, and what it should never do. “Sometimes people get caught up with the complexity and the technical terminology, but I try to focus on things that we understand—and show the value of AI in a specific example using terms they are familiar with.”

He also warns against the notion that automation is an all-or-nothing proposition. “In HR we have a tendency to go big right out of the gate with things, but at SWA we’re taking a land and expand approach with automation. I need to get it going, prove its value for a specific problem, and then grow from there.”

But in reviewing the leading use cases for automation this year, another disconnect emerges: Though 43% of HR leaders said that improving employee experience, only 36% are leveraging automation to directly support this initiative. Sabol believes this gap is rapidly closing. ServiceNow, which started as a solution provider to the IT organization, is increasingly engaging with HR with IT at the table.

“There’s been a major shift left from HR investing heavily in headcount to provide a white glove treatment to every stakeholder,” says Sabol. “Now, HR teams are partnering with IT and rethinking service delivery with a simple, shared goal: to get their stakeholders what they need in a frictionless way.”

An Optimistic Outlook for HR Technology Initiatives

HR transformation initiatives require support from many functions, but ultimately come down to a few essential audiences: executive leadership needs to buy into the need and opportunity and fund the program; purchasing and legal need to be properly briefed so they can be effective partners in the procurement and evaluation process; and IT needs to understand the scope of work—the what and the why—so they can effectively resource and support solution design and implementation.

Meeting the needs of all three can be daunting, but for automation initiatives IT may be more ready to partner than HR would expect. According to our research, 52% of IT professionals reported that HR technology projects are higher priority than other areas and 57% have 4 or more IT resources directly supporting HR technology needs.

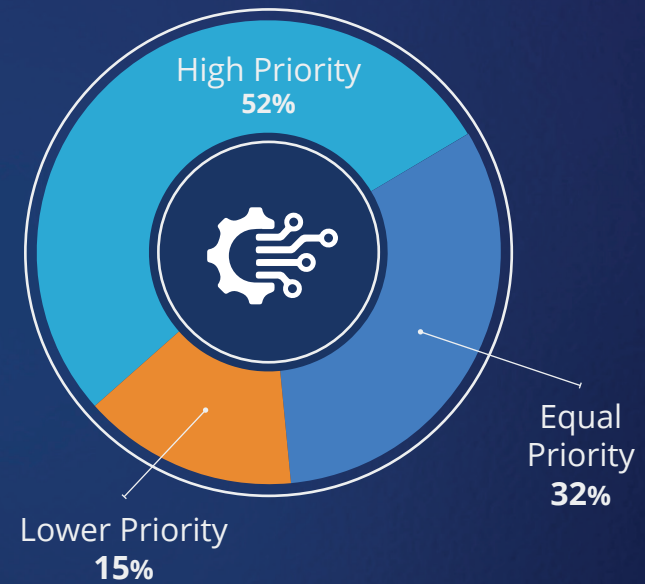
Those needs span implementation, integration, and maintenance, and 49% of those surveyed reported spending more than 10 hours per week on these efforts. The result is increasing IT costs, with 70% reporting increased in HR technology costs in general, and 62% reporting increases in implementation costs more specifically.

What's driving this increased investment and priority? According to Allan Sabol, Director of Product Management at ServiceNow, the answer lies in mutual opportunity derived from automation initiatives.

"HR often goes to IT with requests, needs, problems. But automation projects are an instance where both IT and HR has an opportunity to look good individually and together."

- Allan Sabol, Director of Product Management at ServiceNow

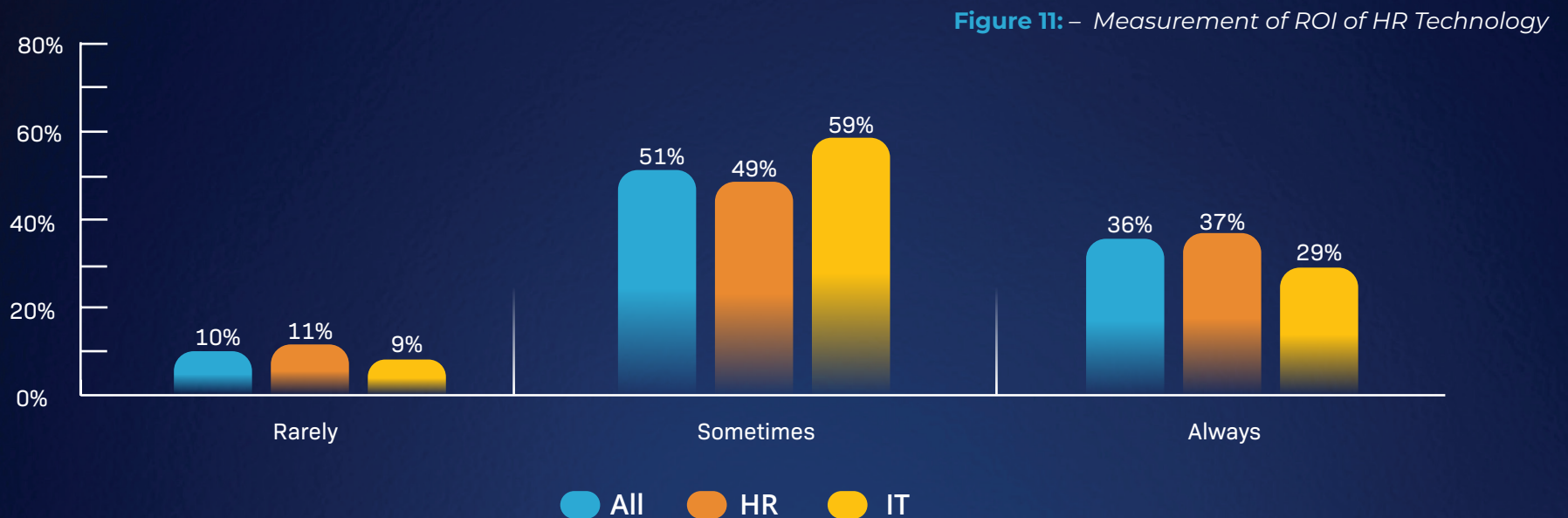
Figure 10:
The Importance of HR Technology Projects for IT



It's important to remember that HR and IT are service functions in the enterprise, and leaders in these organizations are under constant pressure to drive down cost and reduce (or even eliminate) cycle times for their stakeholders. Connecting processes and integrating systems are important aspects of these efforts, and automation is something of a skeleton key that can unlock new value for both.

And HR is well-resourced to meet this opportunity. High levels of resourcing in HRIT and HR Operations (57% and 55% respectively with 4 or more supporting HR technology) reflect the strategic importance HR technology programs. All of this data points to how HR & IT leaders in the enterprise are heavily invested in the success of HR transformation initiatives, which is good news for HR leaders with a mandate to increase automation in their operations next year.

There's just one problem: IT is not seeing the ROI from these initiatives as they might expect, and HR is doing little better. In Figure 11, our research found that only 29% of IT professionals were always able to define and measure ROI for HR technology programs compared to 36% of HR leaders.



Put another way, 61% of organizations surveyed reported they are only rarely or sometimes able to define and measure ROI of HR Technology systems. Considering the level of investment in automation—and HR's knowledge gaps in this area—this does not bode well for technology projects next year. But there may be some simple solutions to make quick gains here.

ADOPTION OF AUTOMATION IN HR TODAY: A GROWING GAP IN IMPACT

While one might assume that every enterprise HR organization today is using automation in one way or another, our research finds that one in four aren't currently leveraging automation. Most of that 25% (23%) are currently in the planning phase for rolling out automation in the next 12 months, while 2% don't plan to use automation at all. For the other 75% currently leveraging automation, some are further ahead than others.

As shown in Figure 12, the adoption maturity curve spans four groups: those automating simple tasks like automatically assigning a job requisition to a recruiter (36%), those automating tasks across multiple platforms like auto-requisitioning a new hire based on job family and seniority (25%), and those leveraging robotic process automation or RPA for more complex use cases like creating individualized, location-based new hire onboarding programs (23%).

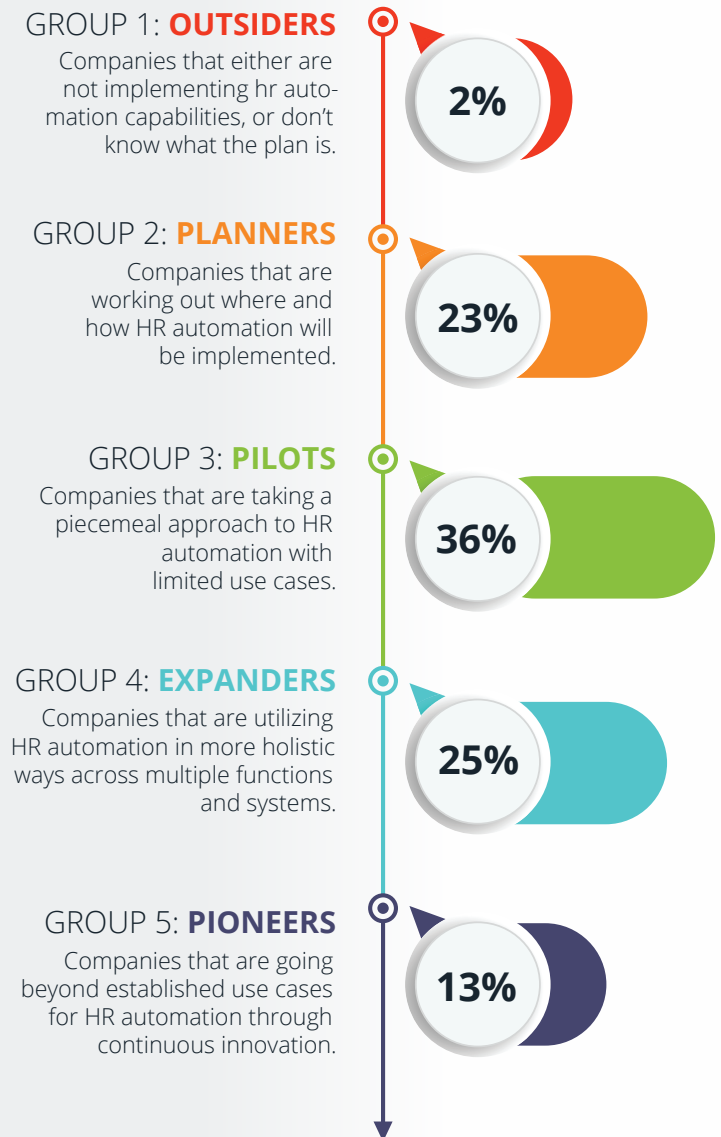
His observations are playing out in the market in an interesting way among maturity groups four and five: These groups are very close in size (25% vs 23%), which indicates an accelerated adoption curve once companies have tested isolated use cases and piloted more complex ones. Intentionality is a critical aspect of effective application and maximum impact, of course, as is expertise—and herein lies an opportunity for HR.

"Technologists can bring in the deep experience that HR needs," says Laban. As he sees it, modern HR is a technology function but the gap in technical expertise is an Achilles heel. HR expertise is an assumed capability in HR transformation, but it is technology expertise that will drive true, lasting change.

"The world is changing faster than HR is changing. Progressive leaders understand this and know it's probably easier to teach change agents and technologists about HR than it is to teach tenured HR professionals about technology and change."

- Kevin Laban, HRIT Platform & Business Engagement Manager at Unilever.

Figure 12: - HR Automation Adoption Levels



HR's Approach to Automation:

Problems with Piecemeal Problem-Solving

With adoption of automation accelerating rapidly, we know that adoption does not directly equate to success and impact. Looking at how a technology is being adopted and implemented is important in assessing potential risks and identifying success factors.

According to our research, 49% of companies are taking a piecemeal approach to automation—that is, automating for specific, isolated use cases like those in maturity group three above. In comparison, 51% of companies are taking holistic approaches to their automation strategies, with full integration of AI and automation across talent and HR functions.

Looking at behaviors and outcomes across these two distinct groups, as pictured in the Figure 13 below, gives us an idea of how impactful an organization's approach to automation can be.

Figure 13:

Qualities of Companies with Holistic Automation Strategies	Qualities of Companies with Piecemeal Automation strategies
65% clear on what they are automating	35% Clear on what they are automating
71% AI and automation strategies are aligned	39% AI and automation strategies are aligned
58% Automation strategies for talent acquisition and talent management are aligned	42% Automation strategies for talent acquisition and talent management are aligned
71% Increased investment in automation in the last year	57% Increased investment in automation in the last year
60% Will seek new ways to leverage automation in a recession	45% Will seek new ways to leverage automation in a recession

Most striking, the difference in clarity of purpose between these groups demonstrates the underlying problem with a piecemeal approach to automation: 65% of companies with a holistic approach are clear on what they're automating compared to 35% of those taking a piecemeal approach.

As any seasoned HR leader can attest, clarity—from start to finish—is critical for any transformation initiative to be successful. **Considering the levels of investment being made in HR automation today and in the year ahead, as well as IT's investments, lack of clarity in the what, why, and how are more than a gap—they're a liability.**



CONCLUSIONS:

AI ORCHESTRATION COULD CATALYZE NEW ERA OF HR AUTOMATION— IF HR CAN COURSE-CORRECT

Orchestration:

A New Model for Accelerating Automation in the Enterprise

Automation presents a substantial opportunity for HR leaders to fully realize the impact opportunity that they set out to achieve in the last great transformation—but only if they can overcome the operational, cultural, and skills gaps that went unaddressed in the move to cloud.

While HR continues to work through challenges associated with effectively implementing, managing, and utilizing automation in HR technology, innovation cycles in enterprise technology continue evolving. A new model for enabling greater operating capacity, more efficient and consistent processes, and stronger stakeholder experiences is emerging: orchestration.

Unlike traditional automation, which relies on a series of programmed if-this-then-that recipes, orchestration utilizes multiple layers of artificial intelligence (natural language processing, machine learning) to enable situationally aware automation across multiple systems without extensive manual programming. When applied to something like the standard process of opening a requisition, orchestration streamlines multiple aspects of the workflow to accelerate decision-making and reduce bottlenecks.

Figure 14 (on the next page) maps out a typical workflow from opening a new requisition to the beginning of the recruitment process:

- 1) The process begins when a new requisition is created in the applicant tracking system (ATS). Based on automation logic that was configured during implementation of the ATS, here's what happens next: A new task is automatically created within the ATS for the first designated approver.
- 2) Approver 1 reviews the requisition details and logs into the human resources management system (HRMS) to confirm that there is headcount approved for this department, this location, and the team in the proposed requisition, then approves or adjusts as necessary.
 - a. Assuming they approve, a new task is then automatically created within the ATS for Approver 2.
- 3) Approver 2 reviews the requisition details including the role's required skills and responsibilities, proposed seniority and salary band, and logs into their compensation tool to validate the request.
 - a. Approver 2 approves or adjusts as necessary. Assuming they approve, the user who requested the new requisition receives a notification that it has been approved
- 4) If at any point there are discrepancies in the requisition details, steps 1-3 may be repeated.
- 5) Once the requisition is created, the recruiting process can begin.

In this scenario, only the steps highlighted in [orange] are actually automated. The rest remains highly manual, is managed in a linear progression, and creates multiple possible bottlenecks. While it is possible to achieve a greater degree of automation, this requires extensive system integration and further configuration—as well as increasing ongoing system maintenance.

In comparison, Figure 15 on the next page illustrates how orchestration automates these same processes.



Figure 14: Current Requisition-to-Recruitment Process

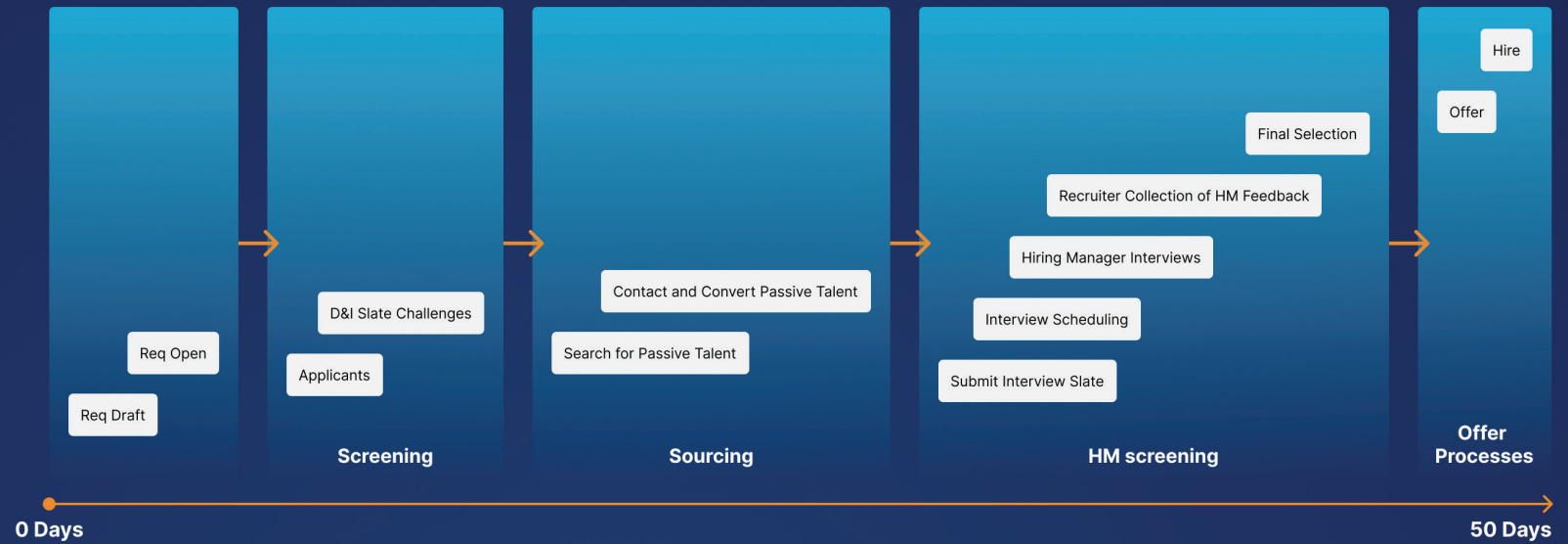
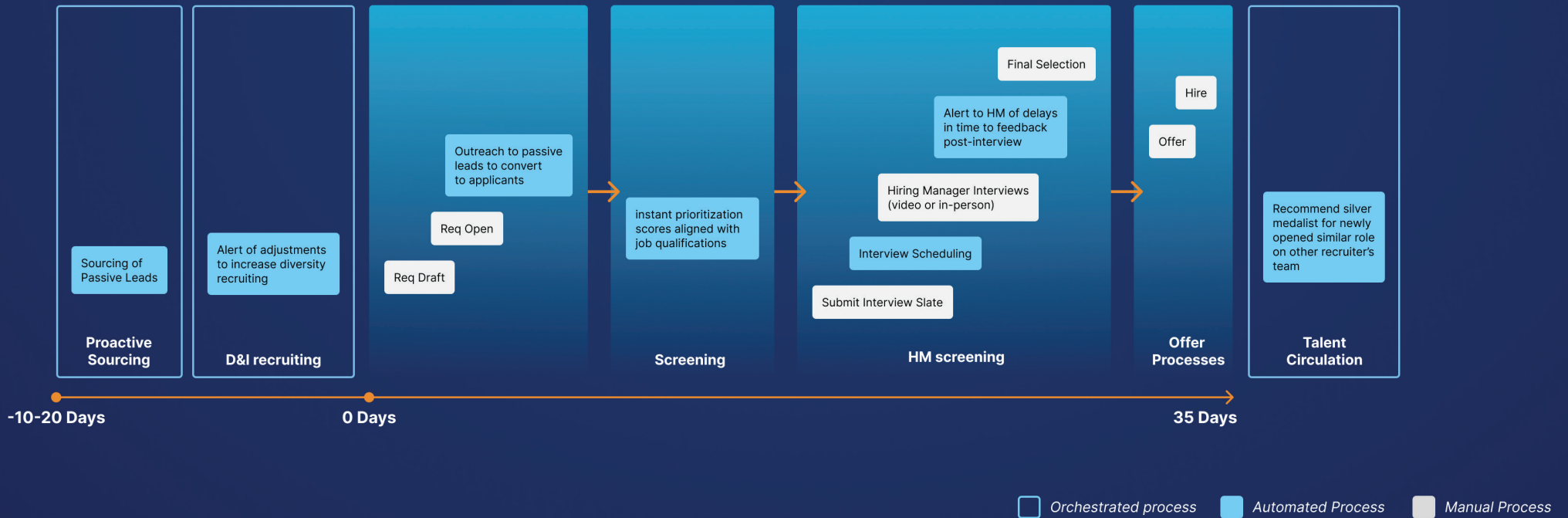


Figure 15: Orchestrated Requisition-to-Recruitment Process



In an orchestrated workflow, multiple processes occur simultaneously with deeper degrees of automation:

1) A user creates a new requisition in the ATS.

- a. AI automatically queries the HRMS to validate headcount and compensation details during the workflow.
 - i. For standard requests which have been validated, the requisition can be automatically approved.
 - ii. If there are discrepancies, the user can adjust details before submitting or input additional information required for either approver to consider making exceptions.
 - iii. For exceptional requests, a task is created for Approvers, who receive notifications via their preferred interface (in the ATS, email, Teams or Slack, etc.) simultaneously.

2) The requisition is approved—either automatically or following review of approvers if needed—and the recruiting process begins.

- a. As Stage 1, many of the workflows involved with beginning the recruiting process are all done automatically: the requisition is assigned, the job posted, an intake meeting scheduled, and a sample candidate slate generated.

Even with automation, the standard requisition workflow can take over a week before the recruiting process even begins—and even then, manual processes add further delays. With orchestration, multiple workstreams can kick off simultaneously and progress in tandem without extensive manual coordination. This reduces bottlenecks, eliminates redundancies, and results in faster cycle times with better, more consistent stakeholder experiences.

Simply put, orchestration in HR could bring unparalleled value to its many functions and its stakeholders. Despite increased investment in automation technologies and increased resourcing and prioritization from IT, however, HR's gaps in technical know-how when it comes to automation and AI threaten to undermine it all.



New Opportunities Undermined by Holdover Gaps

When discussing the obstacles HR faces in successfully leveraging automation to achieve its strategic priorities, the most significant gaps are also the most fundamental: HR doesn't understand how AI and automation technologies actually work, and many overestimate the risks these technologies present. For orchestration to be fully viable in HR automation efforts, HR has to overcome its wariness of automation and AI—and soon.

HR leaders are under pressure to create more value without adding costs. But while HR automation investments have increased and will continue into the next year, IT leaders are split on whether or not HR is ready to adopt orchestration technology.

Qualities of Companies with Holistic Automation Strategies	Qualities of Companies with Piecemeal Automation strategies
53% investing in orchestration currently or next year	72% not investing in orchestration at all

IT leaders at companies with a holistic approach to HR automation are planning to take a big leap in their automation programs next year, with 53% investing in orchestration capabilities this year or next. In comparison, 72% of IT leaders at companies with a piecemeal approach to automation are not investing in orchestration at all.

Partnerships go both ways, and IT's automation agenda is too important for CIOs to put them at risk with an HR function that remains stuck in the past. The future is bright, with automation unlocking new operating capacity today and orchestration exponentially impacting the future of work. The question is, what will HR do about it—and the clock is ticking.



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CLOSING CRITICAL GAPS: RECOMMENDATIONS FOR CORRECTING COURSE

Adopt a New Risk Mindset: *Manage Versus Avoid*

Historically, the HR function has served as an important aspect of corporate governance and administration, especially in the areas of risk mitigation and regulatory compliance related to workforce management. Though both remain important today, many HR operating cultures have become significantly more risk averse as compared to other corporate functions—sometimes overly so.

This is especially true with regards to AI and automation, which many HR leaders fear may introduce unchecked bias into people processes or take the so-called “human” element out of HR. In reality, manual processes are more likely to introduce and/or rely on human bias than any existing HR AI technology. An article titled [*The Promise & The Peril: Artificial Intelligence & Employment Discrimination, co-authored by EEOC Commissioner Keith Sonderling*](#), argues that “... AI tools in the area of employment decision-making result in a greater diversity of hires, fairer promotion decisions, and better retention of employee...”

That said, AI and automation use cases present HR leaders with new risks of discrimination. Global, federal, state, and local regulatory bodies are increasingly providing employers with guidance and governance for the application of AI in their HR processes. But industry-driven regulations are just as important and offer more immediate solutions. Wherever possible, HR should be working to ensure its interests and priorities are accounted for in any discussion of AI governance—not as a naysayer, but as an informed stakeholder.

The first step towards HR becoming more AI-enabled requires a change in mindset regarding risk—one focused more on management rather than aversion. The former relies on thoughtful evaluation and consultation to find appropriate solutions, whereas the latter simply avoids any perceived risk altogether. Only one approach will produce the outcomes HR needs in order to evolve.

Close Knowledge Gaps through Partnership

In order to adopt a different risk mindset, HR leaders and their teams must work to close the knowledge gaps that are impacting the function's mistrust of AI and automation. Understanding obstacles and opportunities starts with looking beyond sensationalized news stories and continues with delving into even the most drastic examples of AI and automation gone wrong.

Another important opportunity to close HR's technical knowledge gaps is to look beyond the HR function for information, experience, and guidance. There are several parties HR leaders and transformation project leaders should be engaging with:

- Build deeper relationships with colleagues in the IT department. There are resident subject matter experts on topics ranging from AI and automation to system integration that can answer many questions free of judgment and free of charge. And by engaging these partners when considering AI and automation technologies, HR leaders can proactively build alignment for any transformation efforts that involve technology solutions.
- Bring questions and concerns to compliance and risk colleagues. As with IT, there are subject matter experts that are specifically hired to assist with efforts to identify, understand and solve for potential risk scenarios. These professionals often take an “assume nothing and question everything” approach and can moderate discussions with other stakeholders who may need to sign off on automation or AI initiatives.
- Talk to peers at other companies. As we enter the Early Majority stage of HR automation, there are many practitioners and leaders who have already implemented AI and automation solutions—albeit to varying degrees of success. These professionals have firsthand knowledge and experience about what works, what doesn't, and what pitfalls to avoid.

Strategies Must Be Holistic, Not Siloed

As noted in this research, HR's tendency towards caution when considering AI and automation solutions can undermine the success of new initiatives in this area. It is important (and productive) to approach automation initiatives thoughtfully and with clarity, and pilot programs where automation use cases are tested in specific, controlled environments can be immensely valuable exercises in the lead-up to enterprise-wide implementations. However, there's a fine line between controlled pilots and piecemeal automation strategies. Figure 13 illustrated stark differences in a holistic approach to automation—which looks at the impact opportunity of automation capabilities across workflows, functions, and stakeholder experiences—and automations that are limited to simple, repeatable tasks in isolation.

Based on the findings of this study on the state of automation in HR, it is evident that AI orchestration is both gaining traction across the enterprise and able to catalyze new levels of impact for HR. It's true that automation has gained more traction in some functional areas of HR than others, most notably in talent acquisition, but fragmented AI and automation solves fragmented problems. CHROs and heads of HRIT would be well-served to bring functional HR leaders together to map out automation use cases across the entire HR service delivery model and employee lifecycle.

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Our flagship research, The Aptitude Index Report: Talent Acquisition Systems (2021), delivers a comprehensive look at talent acquisition trends and technology. This knowledge, combined with our consulting and advisory services, enables companies to save time, money and improve the recruiting, hiring and workforce management experience.

Founded by leading analyst Madeline Laurano and based in the Boston area, Aptitude Research provides a wealth of HCM expertise to companies, vendors and investors. View our recent and upcoming research at [AptitudeResearch.com](https://www.AptitudeResearch.com) or connect with us on [Twitter](#) or [LinkedIn](#).



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