



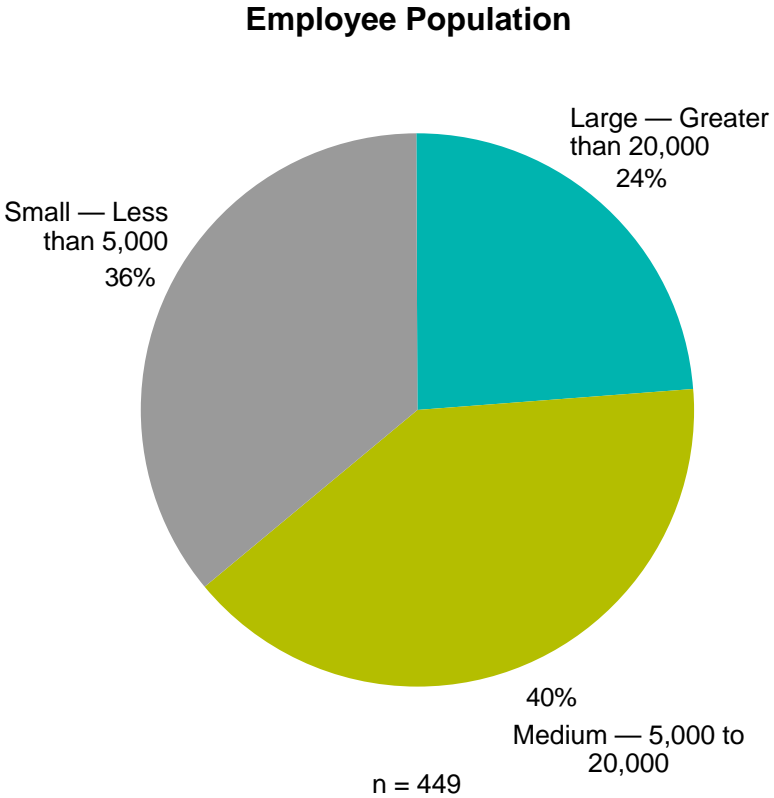
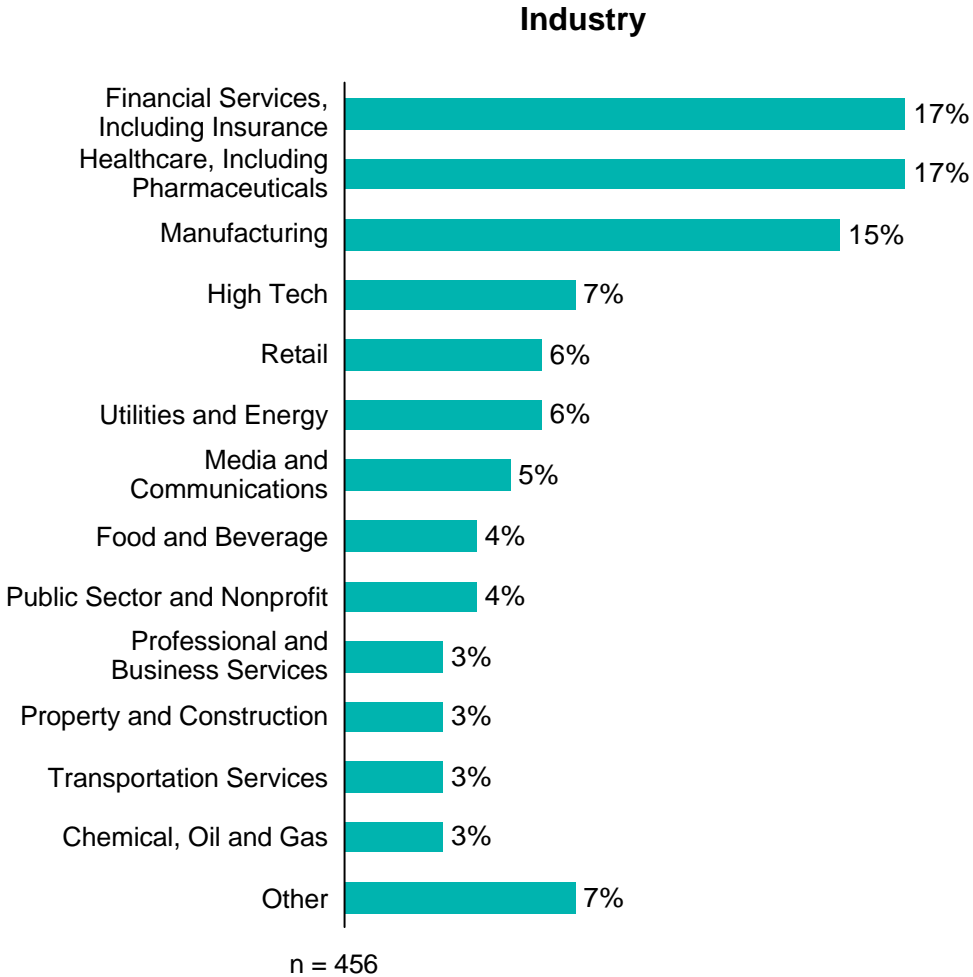
Shaping the HR Function of Tomorrow...Today

The Towers Watson 2010 HR Service Delivery Survey

About the survey

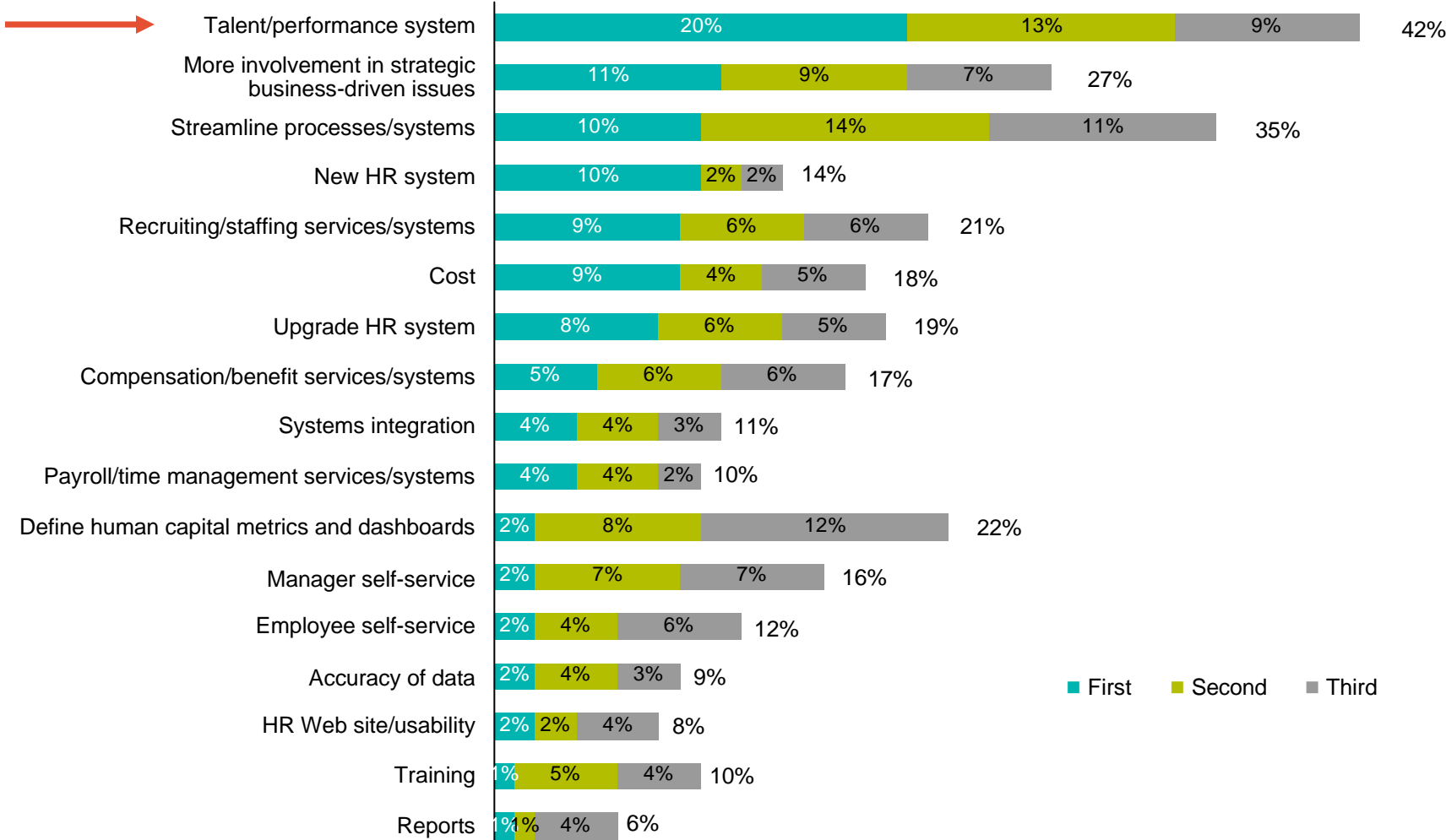
- Each year Towers Watson surveys global organizations on their HR service delivery strategies, plans, tactics and tools
- This year's survey included 456 companies around the world, and covered numerous content areas, including:
 - HR function and organization design
 - HR technology and systems
 - Talent management
 - Web 2.0 in HR
 - Employee and manager self-service
 - HR staff ratios
 - HR shared services
 - HRO effectiveness

About the survey – participants by industry and employee size



Headline #1: Talent Management systems stay at the top of HR service delivery issues

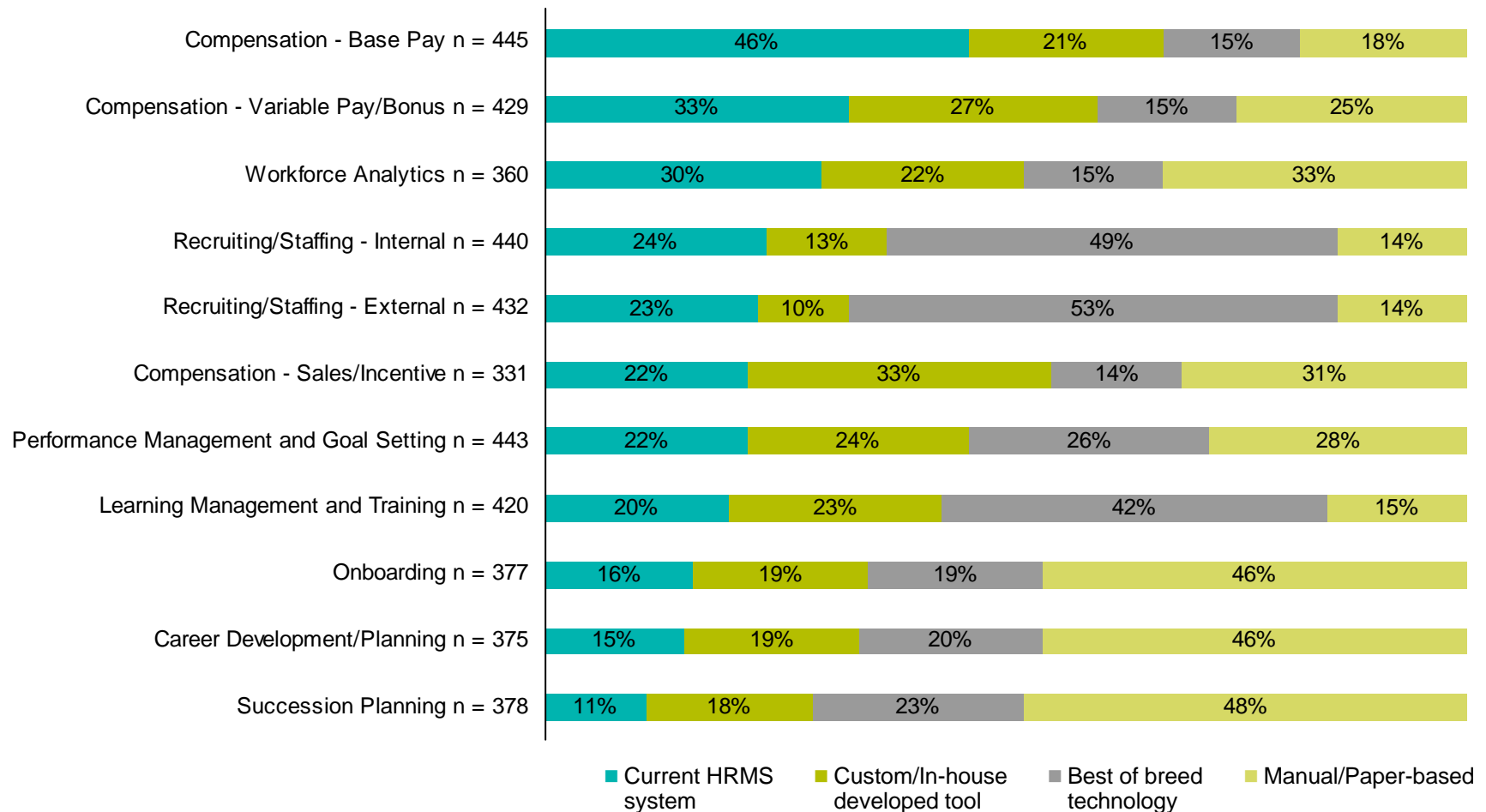
Top HR Service Delivery Issues (Top Three Frequency)



n = 456

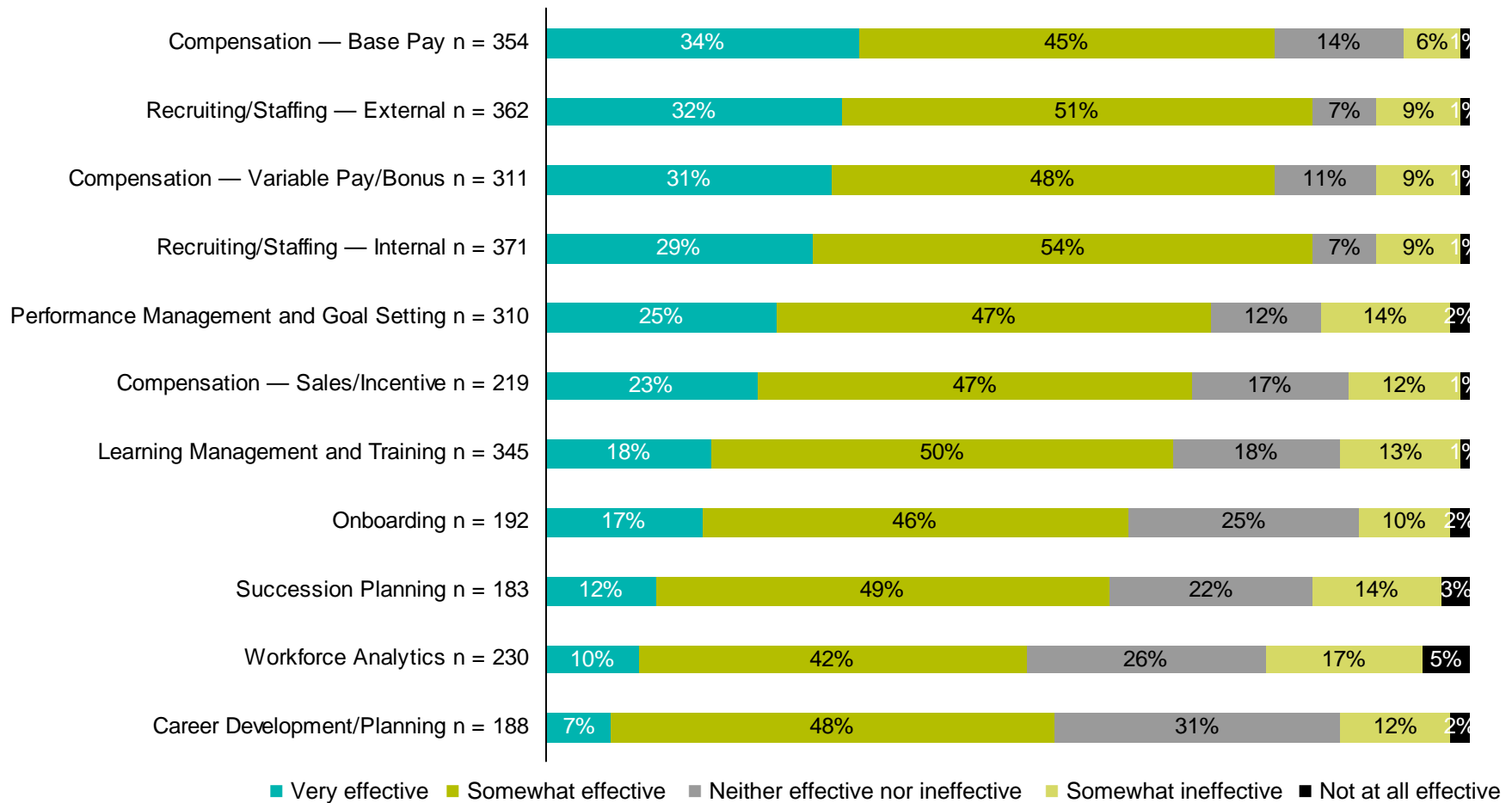
There is much variation in the systems being used across the Talent Management suite

Primary Delivery System Currently Used for Talent Management



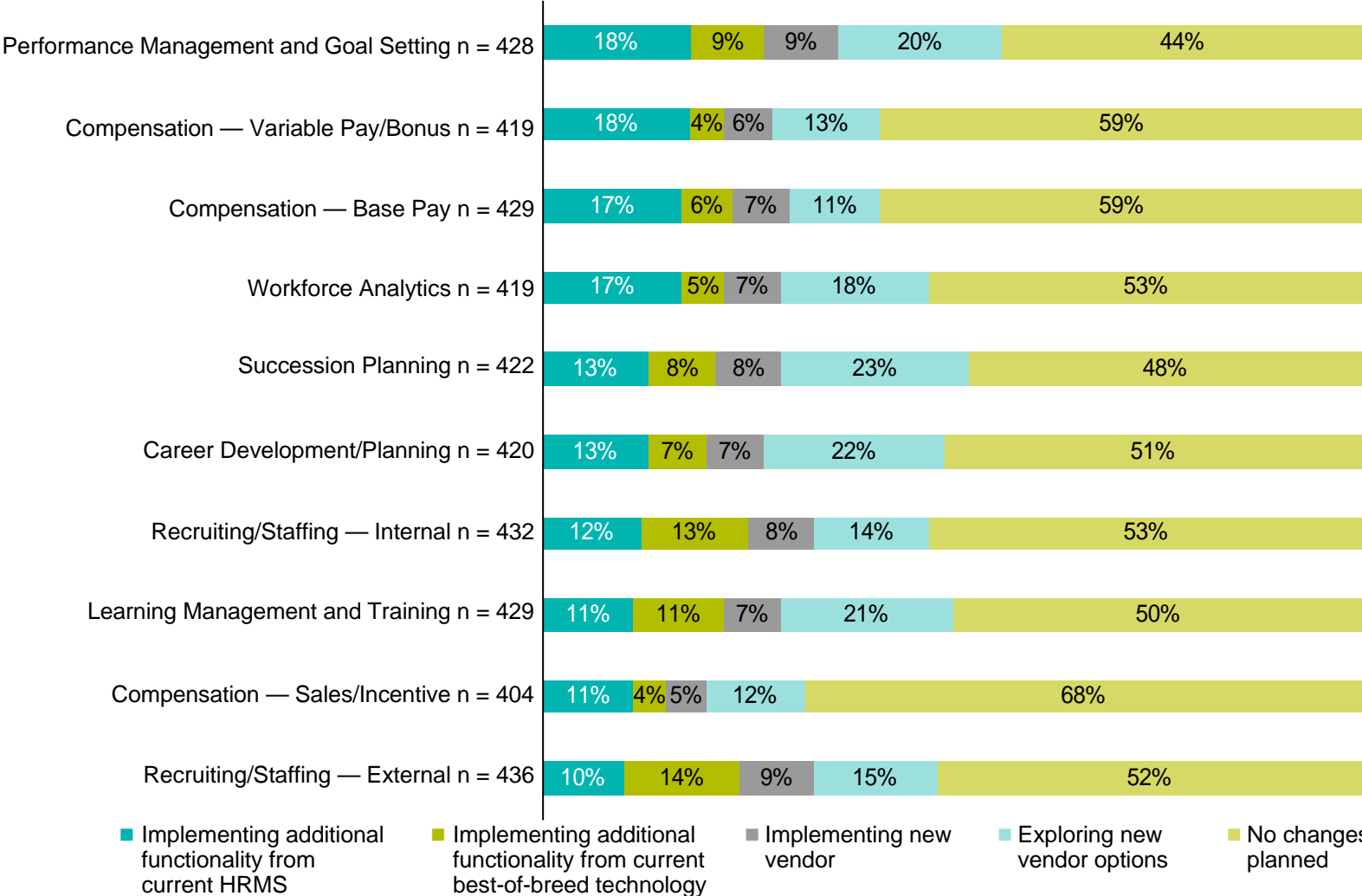
Talent Management technology is achieving varying degrees of success in meeting objectives

Effectiveness of Technology in Helping Meet Talent Management Objectives



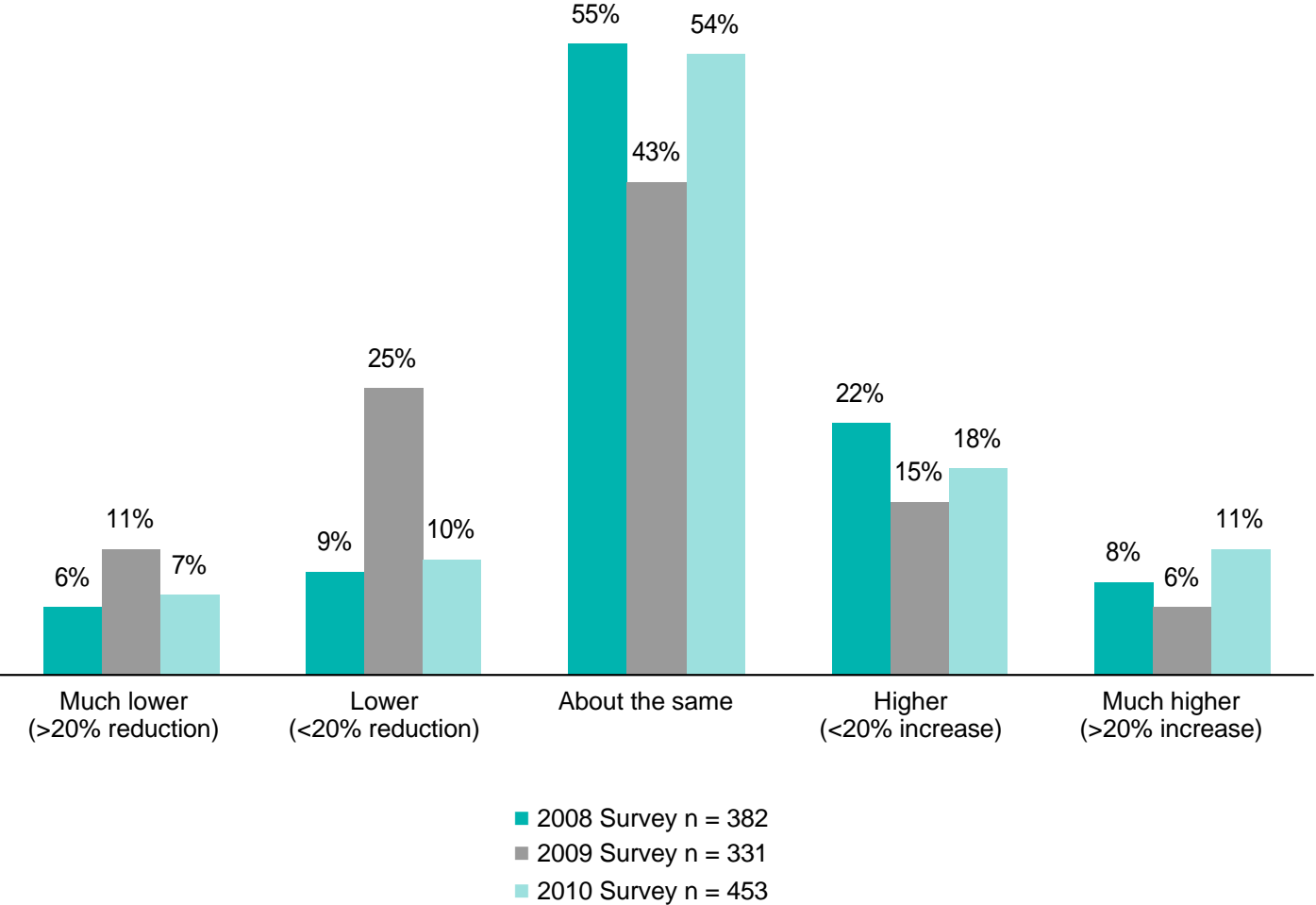
Many are making changes or exploring other options for their Talent Management technology

Status Regarding Changes Being Made to Primary System Used for Talent Management



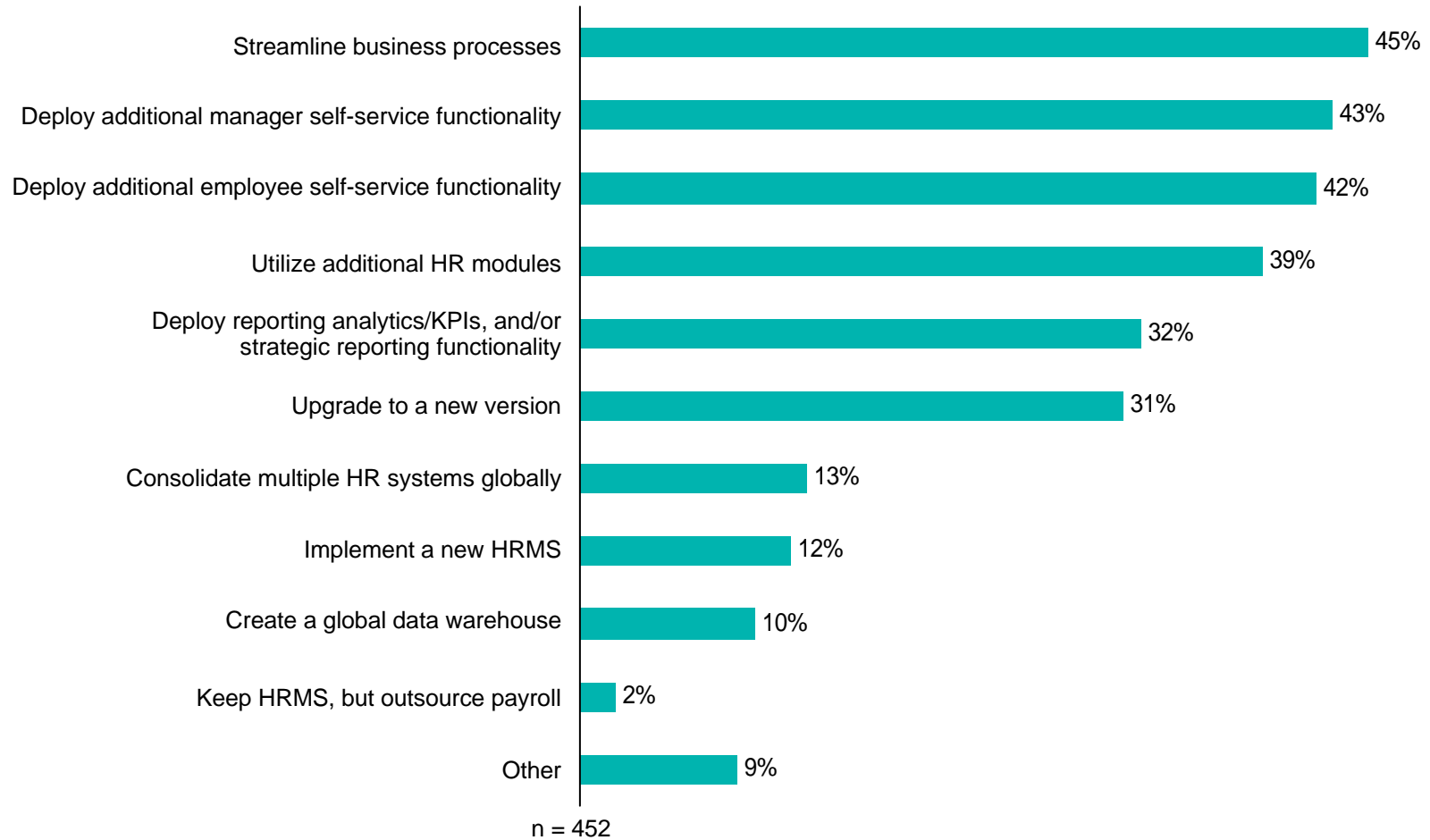
Headline #2: HR technology spending, level during the recession, is more robust this year

HR Technology Spending v. Prior Years

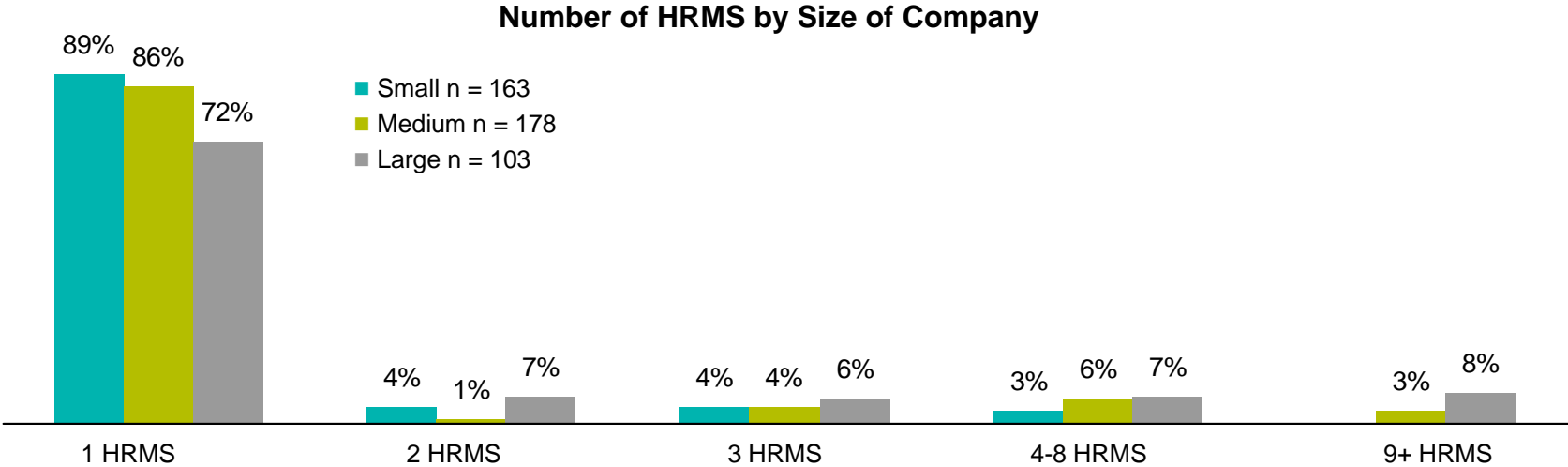
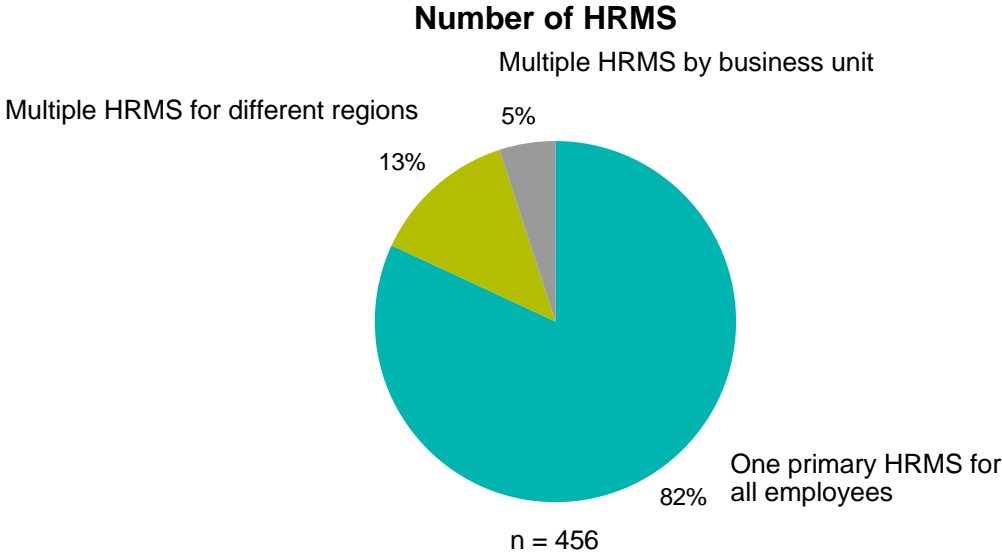


Much of the spend is going toward more streamlined processes and additional functionality

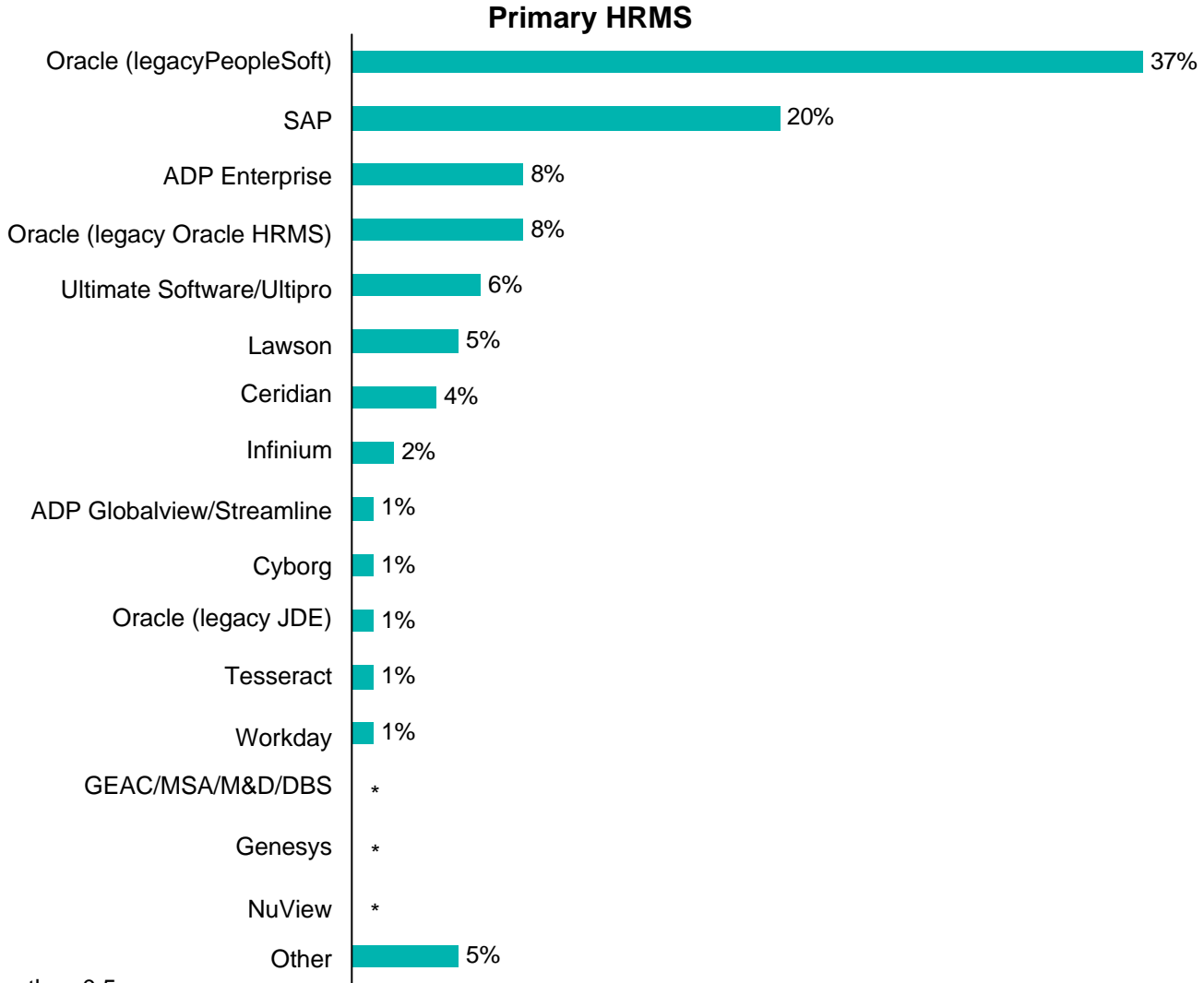
Main HRMS Application Objectives for 2010



Headline #3: Organizations continue to drive toward a single HRMS



And, while PeopleSoft still leads the market...



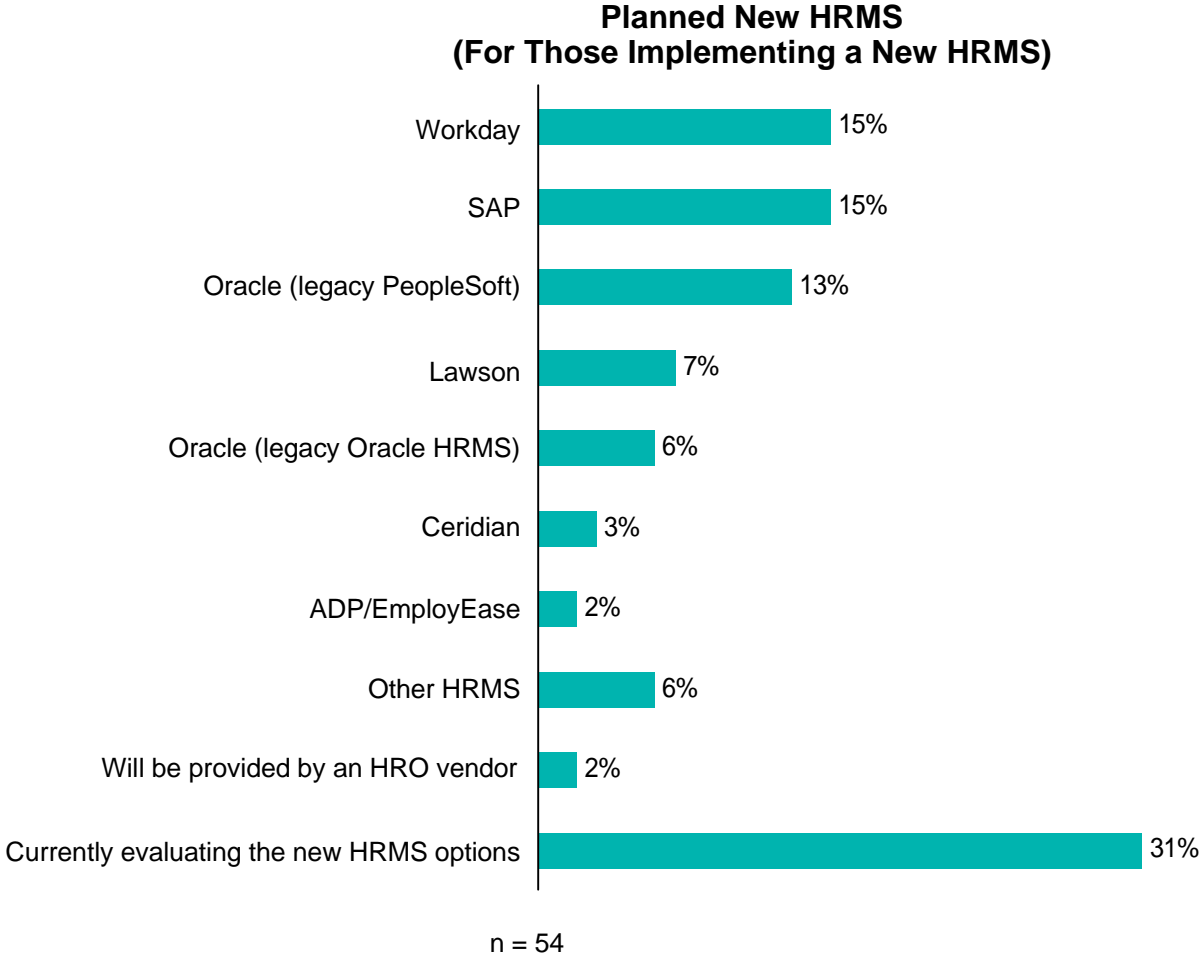
*Indicates percentage less than 0.5.

Integral received no mentions.

towerswatson.com

n = 439

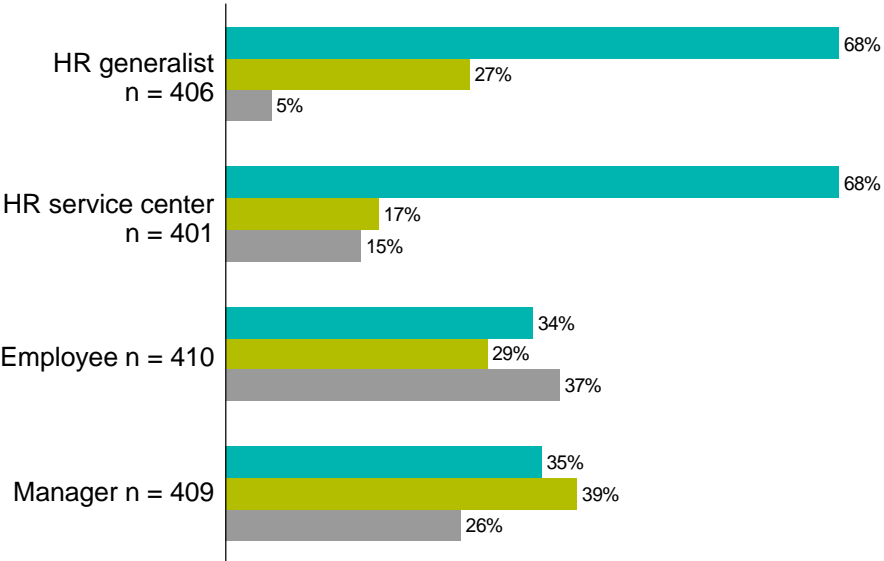
...SAP and Workday are leading for planned new systems



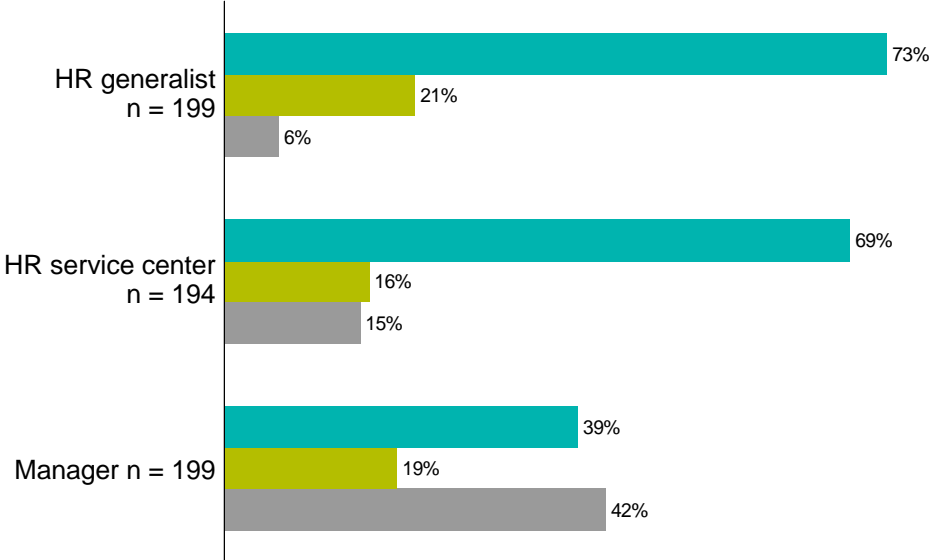
NuView, Oracle (legacy JDE), Ultimate Software/Ultipro and in-house developed system received no mentions.

Headline #4: HR is gradually relinquishing control over manual and duplicate processes that render technology less effective

Impact of Employee Self-Service



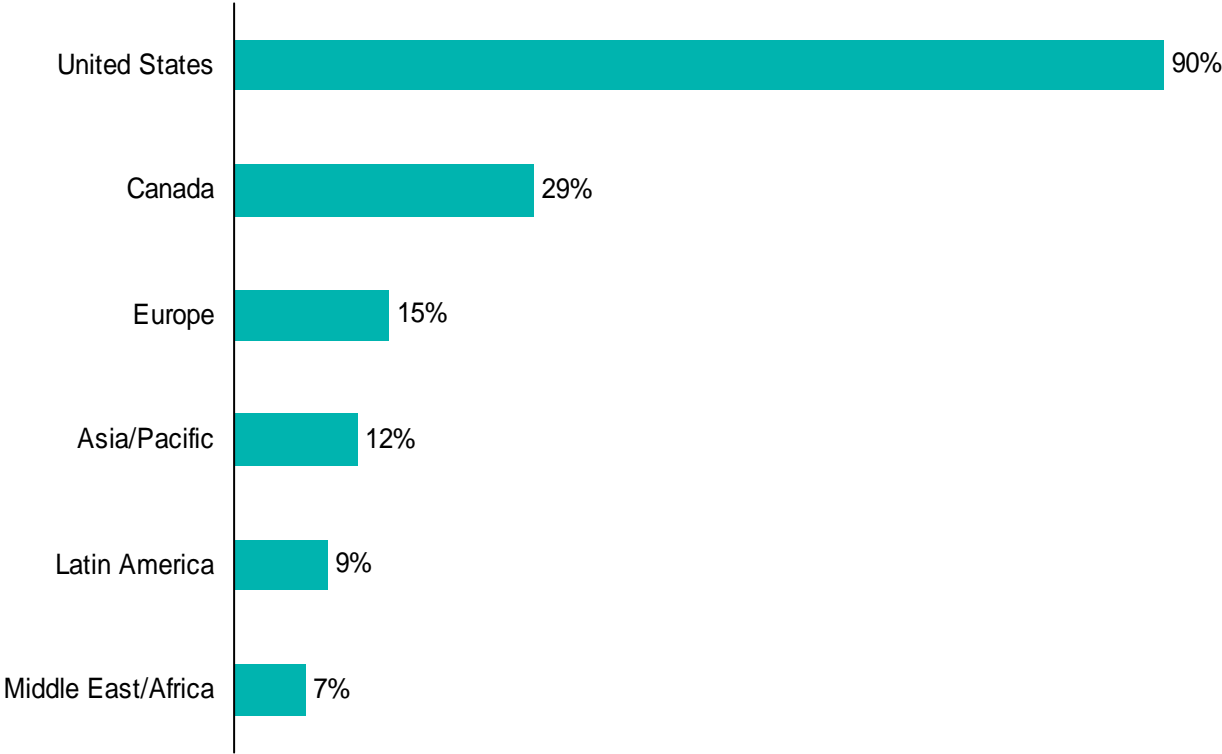
Impact of Manager Self-Service



- Less work
- No change
- More work

The U.S. continues to lead in the adoption of self-service, but other countries/regions are slowly gaining traction

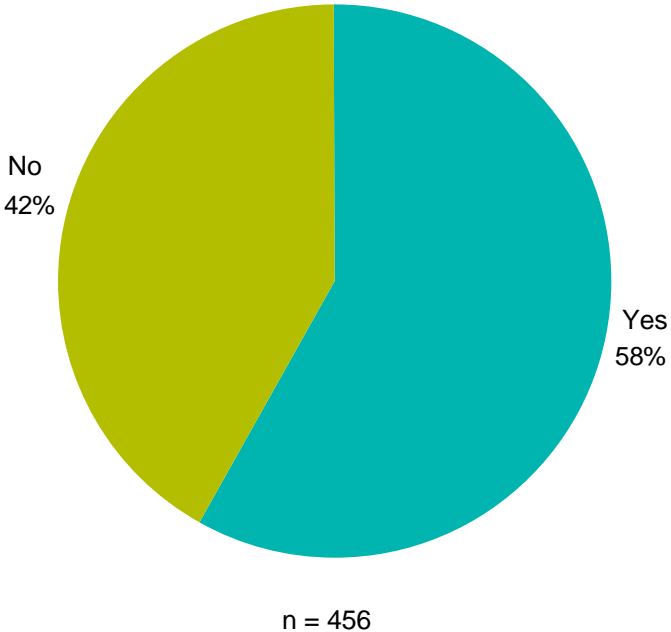
Geographic Footprint for Employee Self-Service (ESS) and Manager Self-Service (MSS)



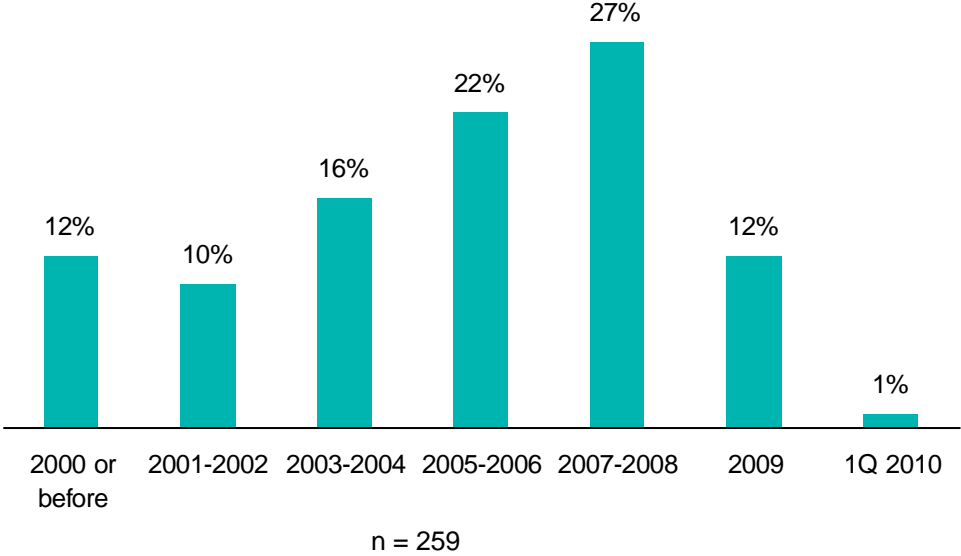
n = 450

Manager self-service is widely used and proving to be effective when designed properly

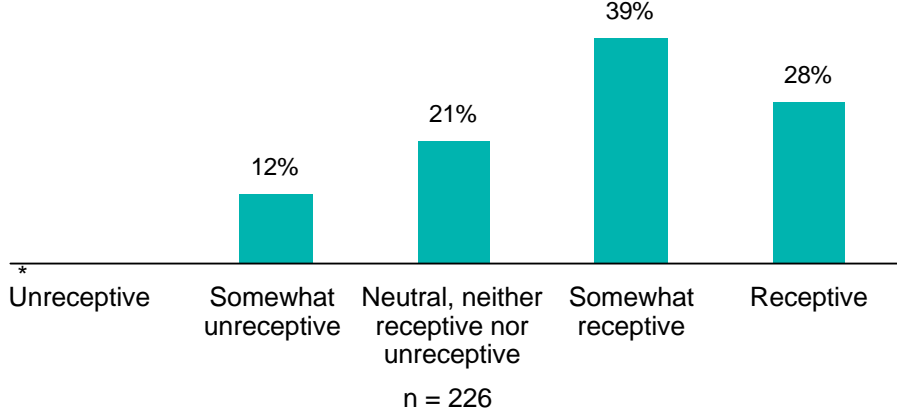
MSS Transactions Currently Deployed



Initial Launch of MSS

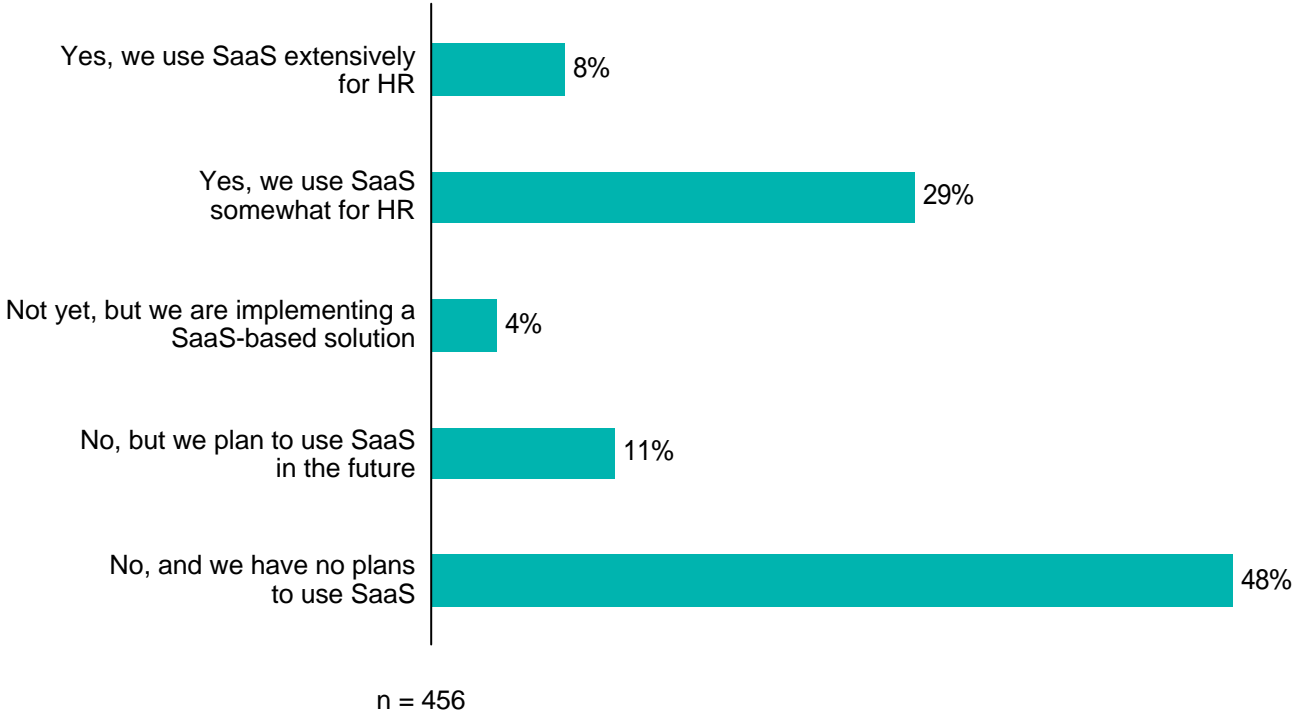


Receptivity of Managers to Rollout of MSS for HR/Pay Transactions



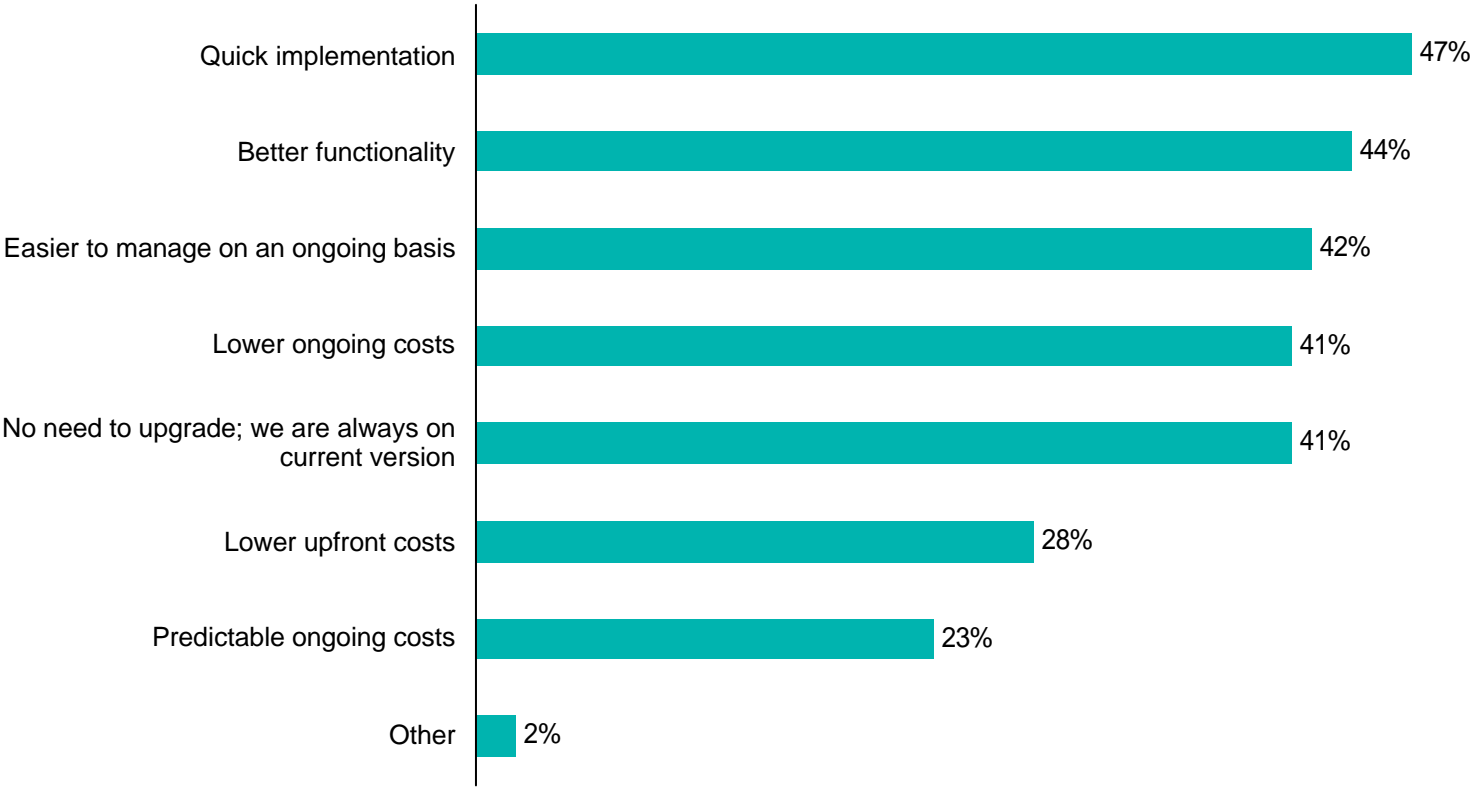
Headline #5: Software as a Service (SaaS) is being utilized more to support HR service delivery

Use of SaaS to Support HR Service Delivery



The advantages are clearly driving the decision to utilize SaaS in the overall HR service delivery model

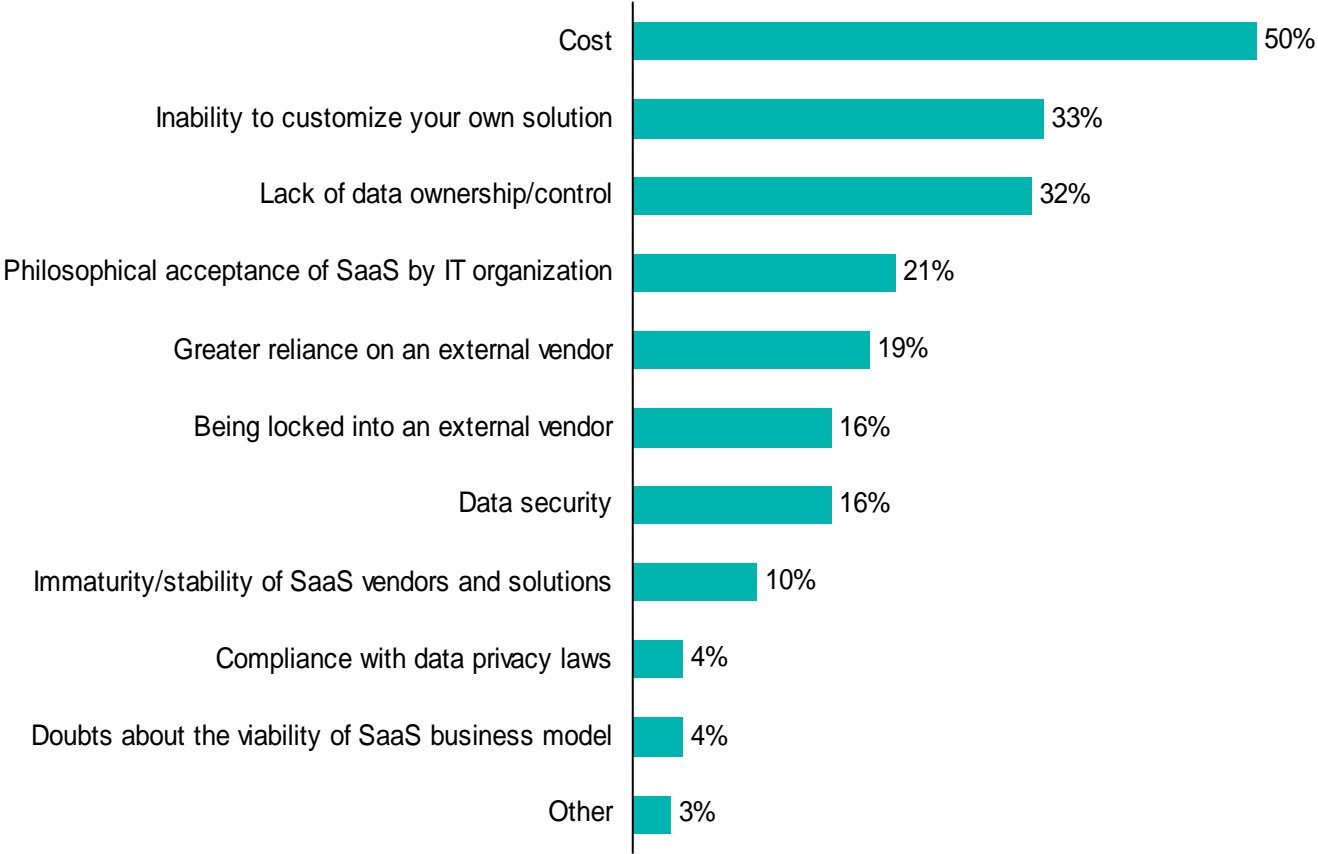
**Primary Benefits of SaaS (Select Up to Three)
(Companies Currently Using or Planning to Use SaaS)**



n = 231

However, the newness of SaaS has lead to some apprehension

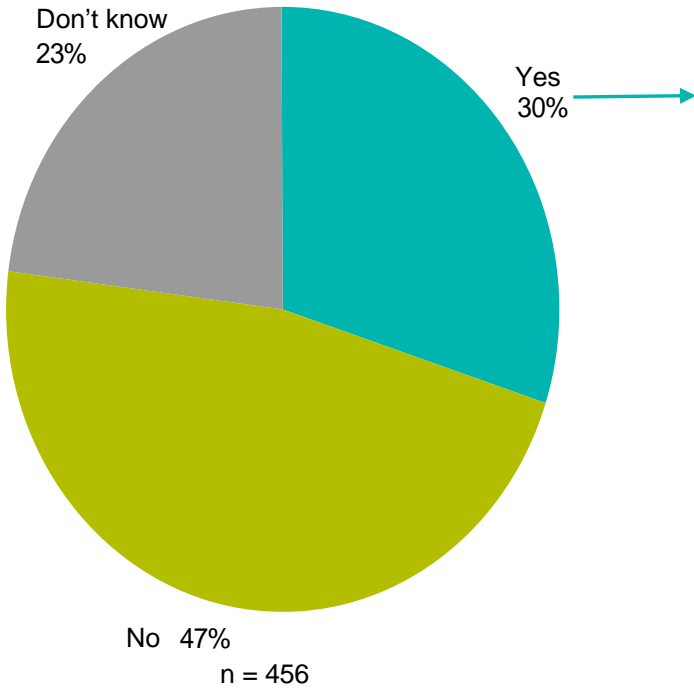
Concerns or Apprehensions About Using SaaS



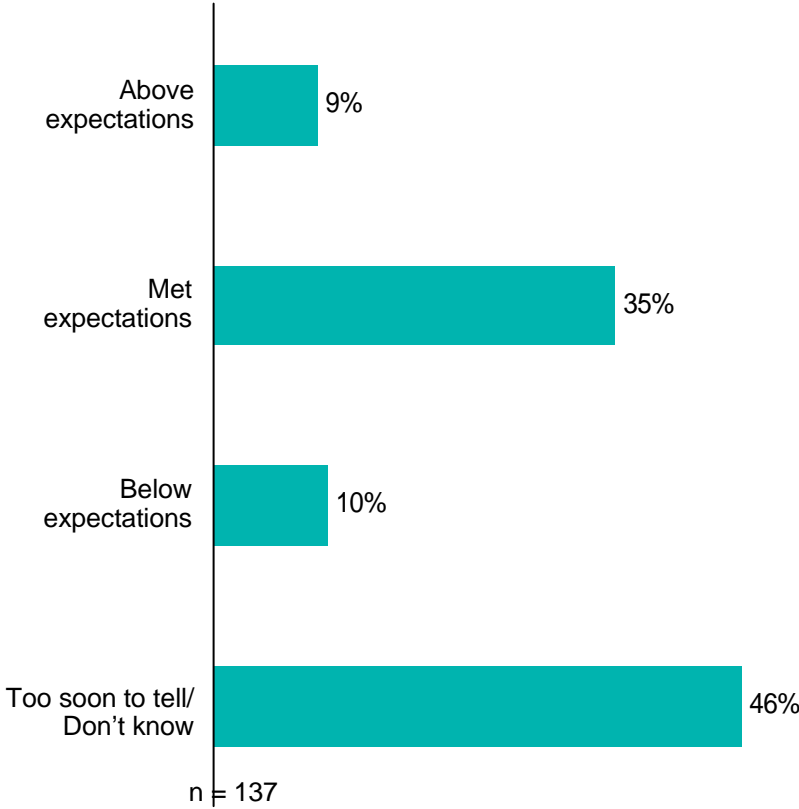
n = 135

Headline #6: 30% of participants are now using Web 2.0 tools in HR, however, for the most part, results are still too early to tell

Current Use of Web 2.0 Tools for HR Purposes



Have Web 2.0 Tools Met Organization's Goals

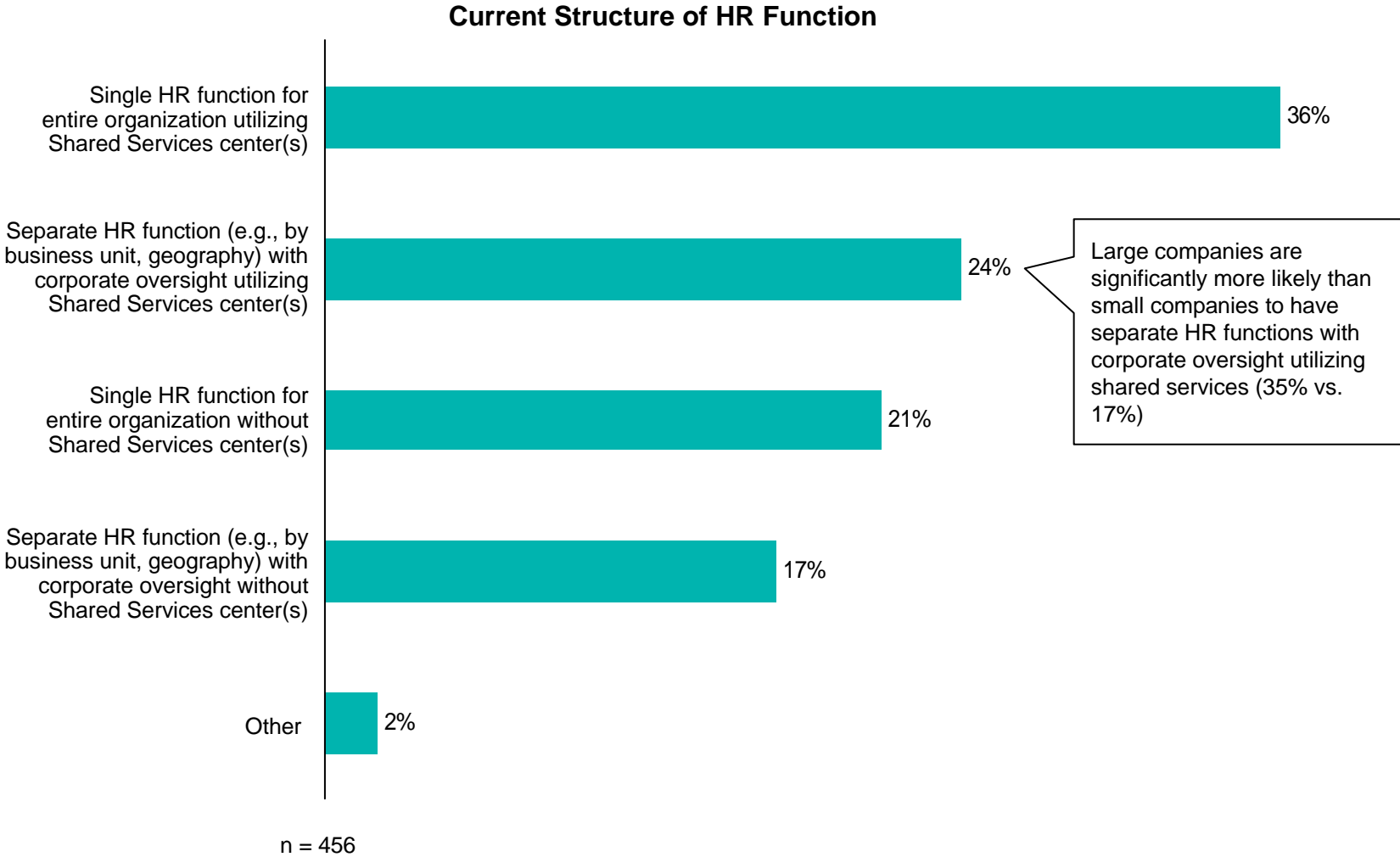


But the tools are mainly being used in areas that traditionally required a high degree of collaboration

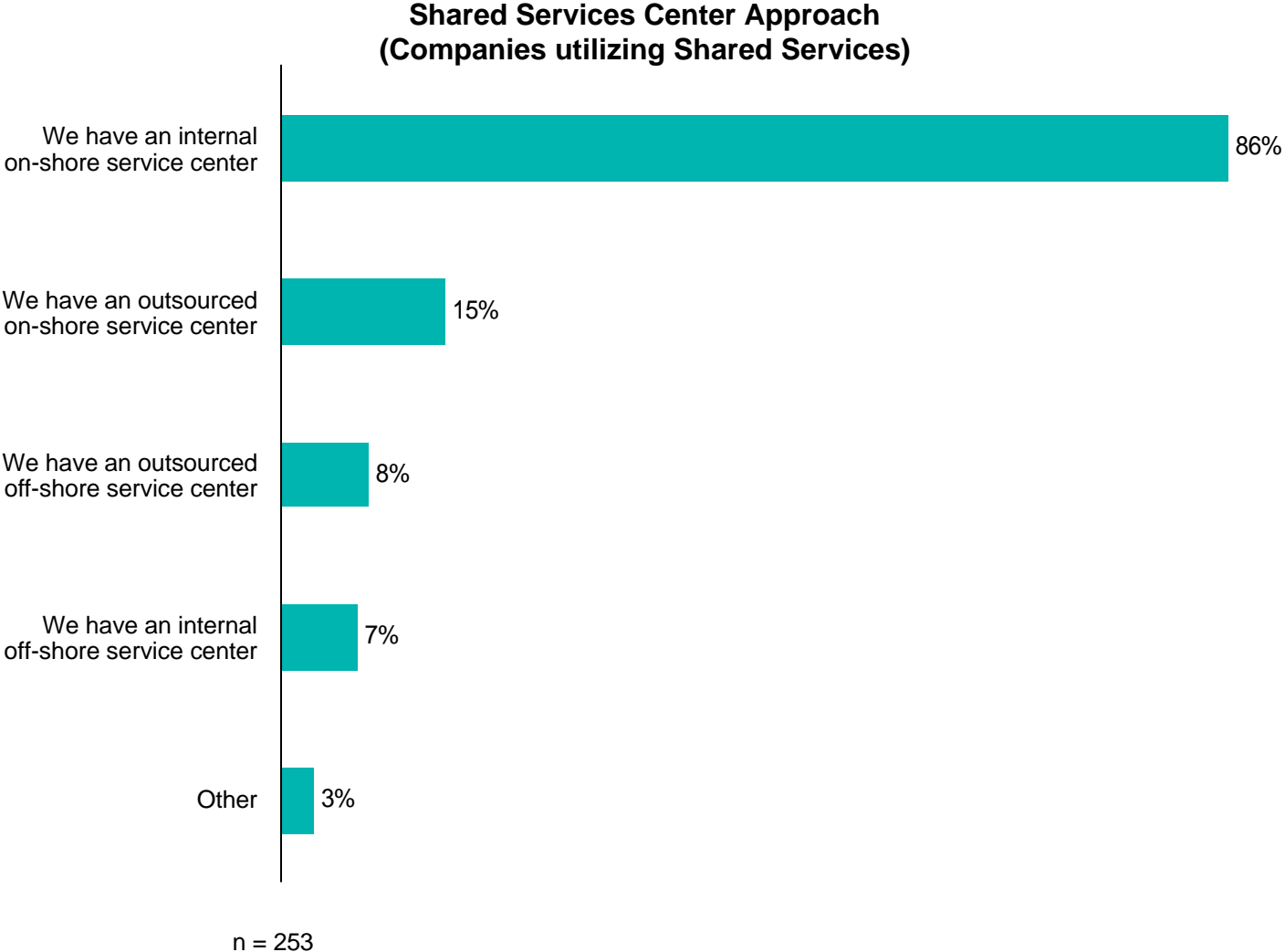
Web 2.0 Tools Currently Used for HR Activities

HR Activity	Team Sites	Social Networking	Forums	Wikis	Blogs	Podcasts
Recruiting n = 101	30%	88%	12%	7%	15%	10%
HR Communication n = 85	77%	12%	24%	13%	32%	13%
HR Knowledge Management n = 67	76%	9%	19%	18%	18%	8%
Training n = 56	77%	11%	29%	23%	21%	38%
Career Development n = 43	63%	35%	33%	19%	16%	9%
Onboarding New Hires n = 43	67%	23%	19%	14%	2%	9%
Talent Management n = 36	81%	28%	17%	11%	11%	14%
Workforce Administration n = 20	90%	5%	0%	25%	0%	0%
Workforce Planning n = 17	88%	6%	6%	18%	6%	6%
Other HR activities n = 17	59%	29%	6%	6%	24%	12%

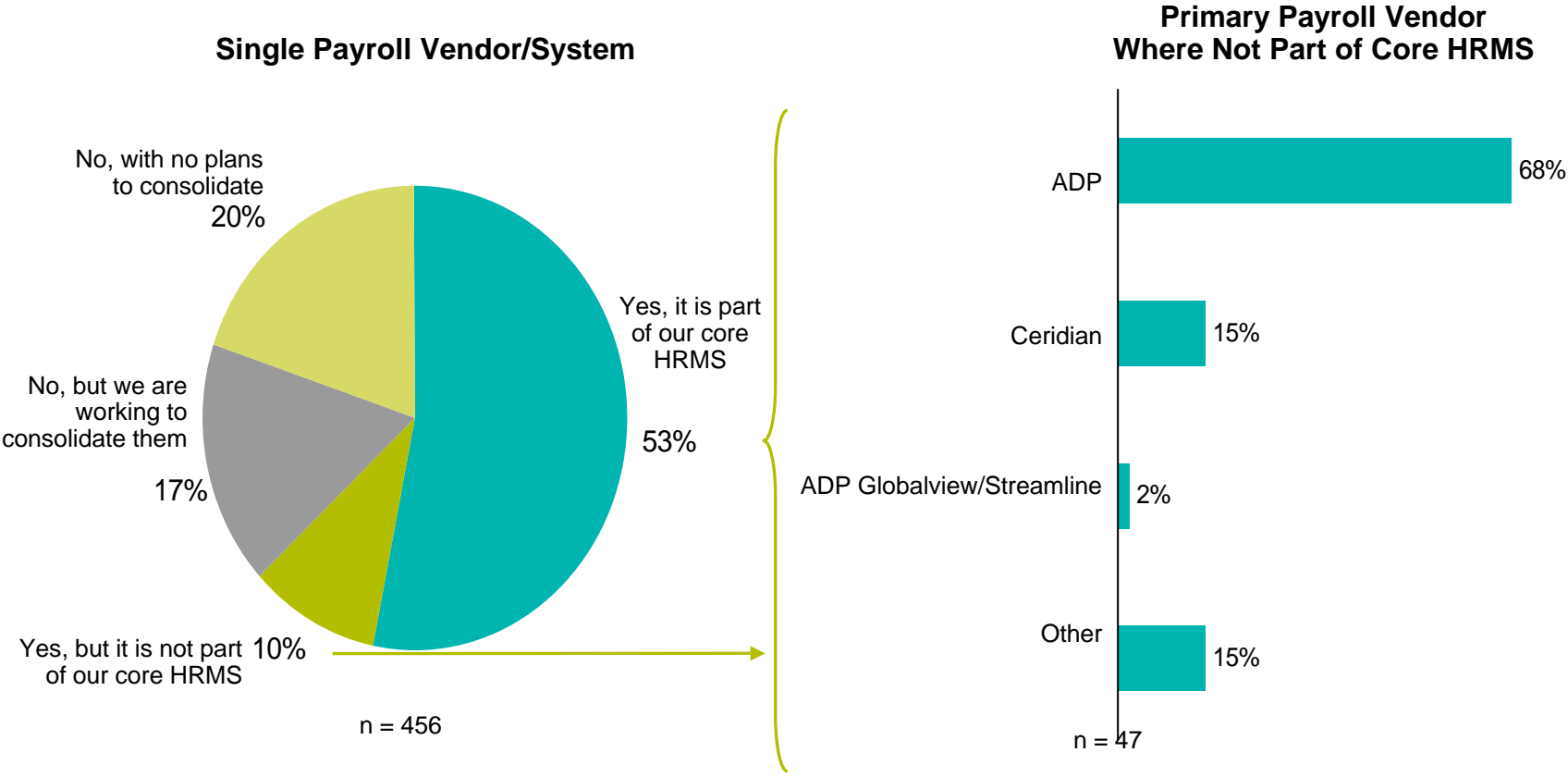
Headline #7: Shared services continue to be the most common and effective way to deliver HR services



...and the service center is primarily managed in-house



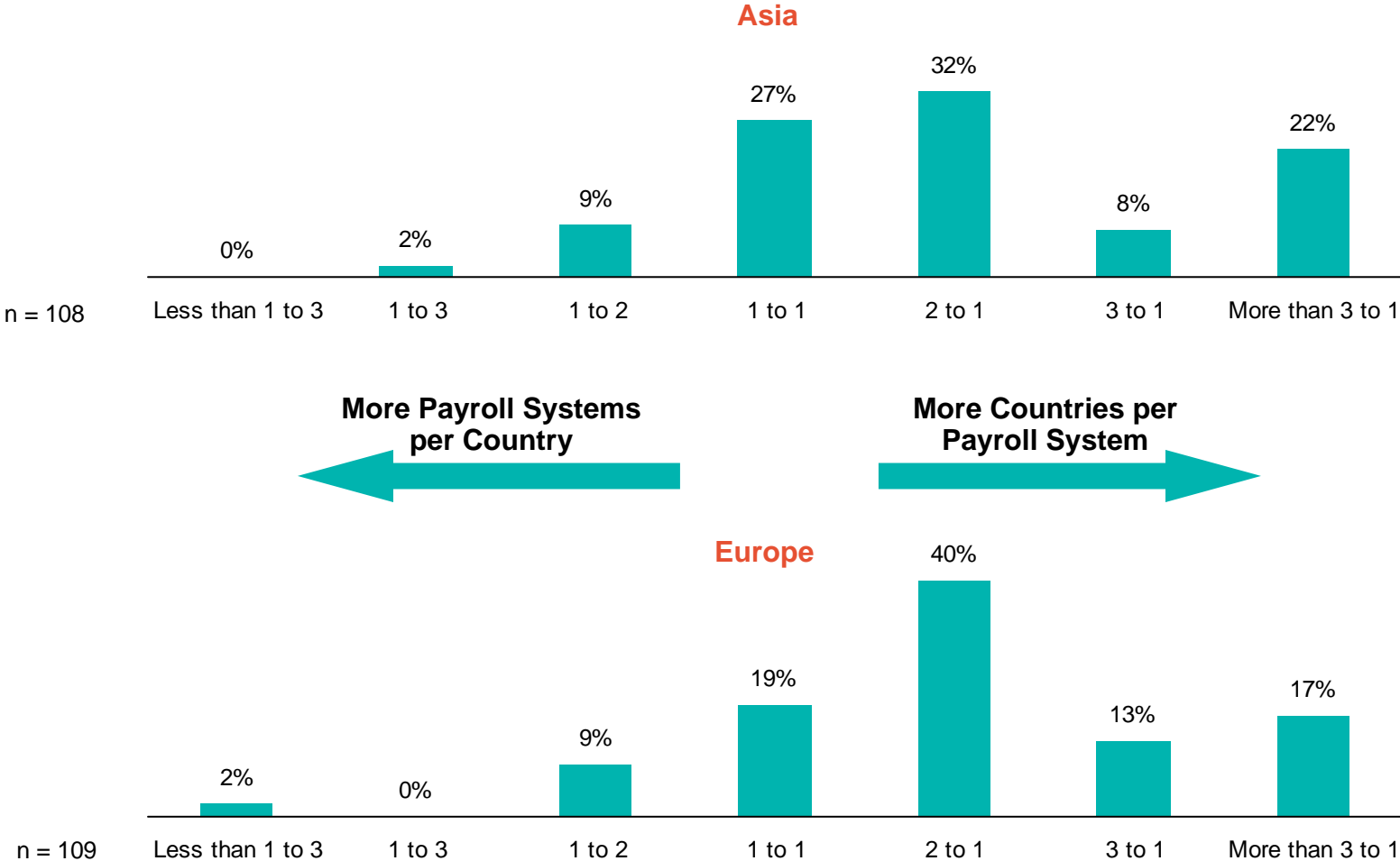
Headline #8: Payroll continues to be an area that is often outsourced as organizations are trying to tackle this on a global basis



Celergo, Hewitt, Northgate Arinso, Patersons and Paychex received no mentions.

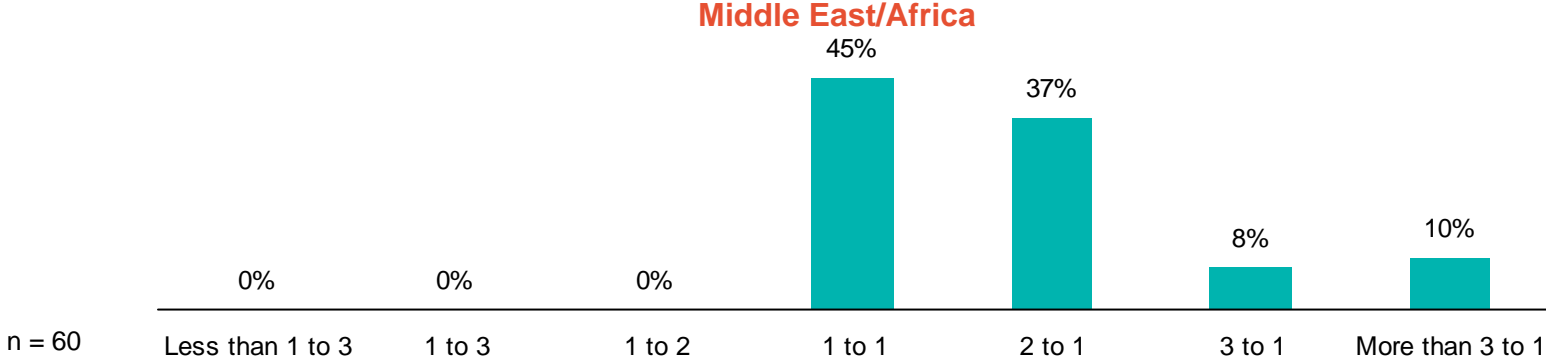
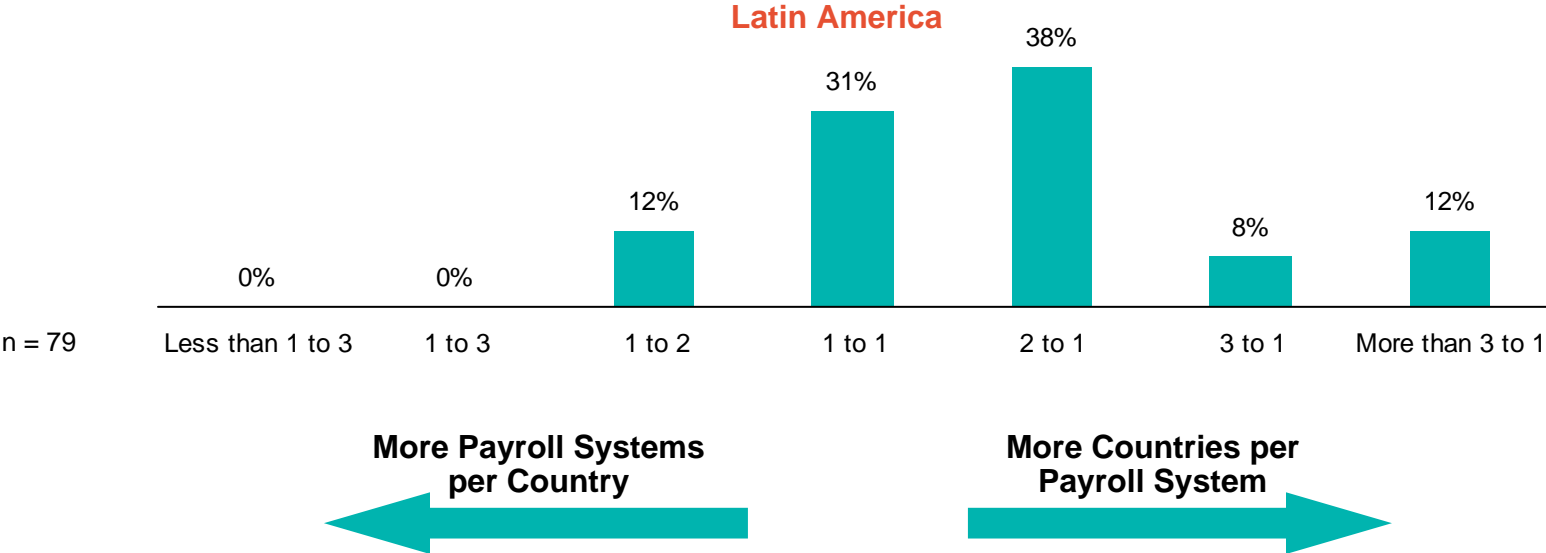
Payroll delivery varies substantially from region to region

**Ratio of Countries per Payroll Vendors/Systems by Geography
(Companies Using Multiple Payroll Vendors/Systems)**



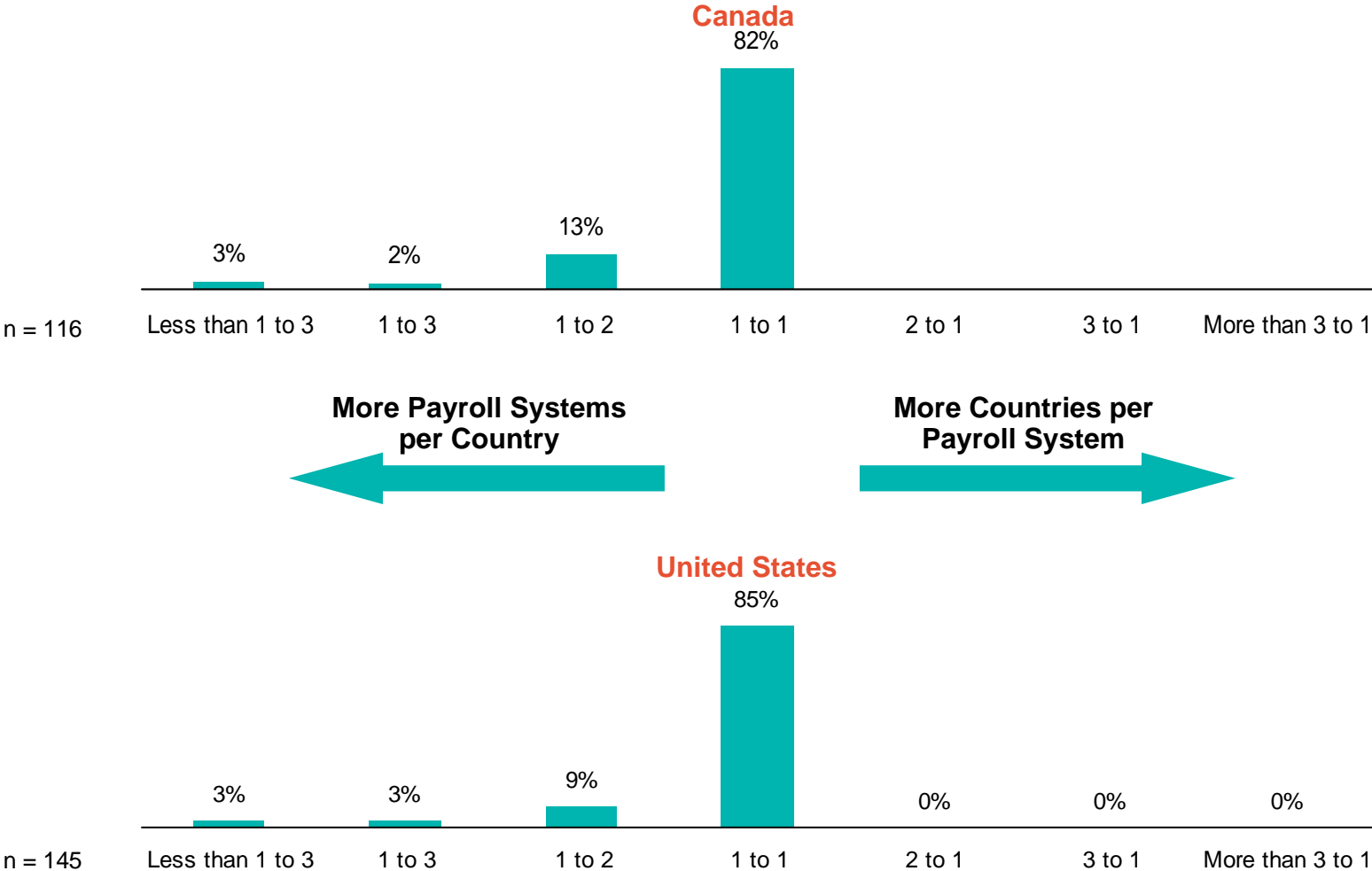
Payroll delivery varies substantially from region to region (cont'd)

**Ratio of Countries per Payroll Vendors/Systems by Geography
(Companies Using Multiple Payroll Vendors/Systems)**



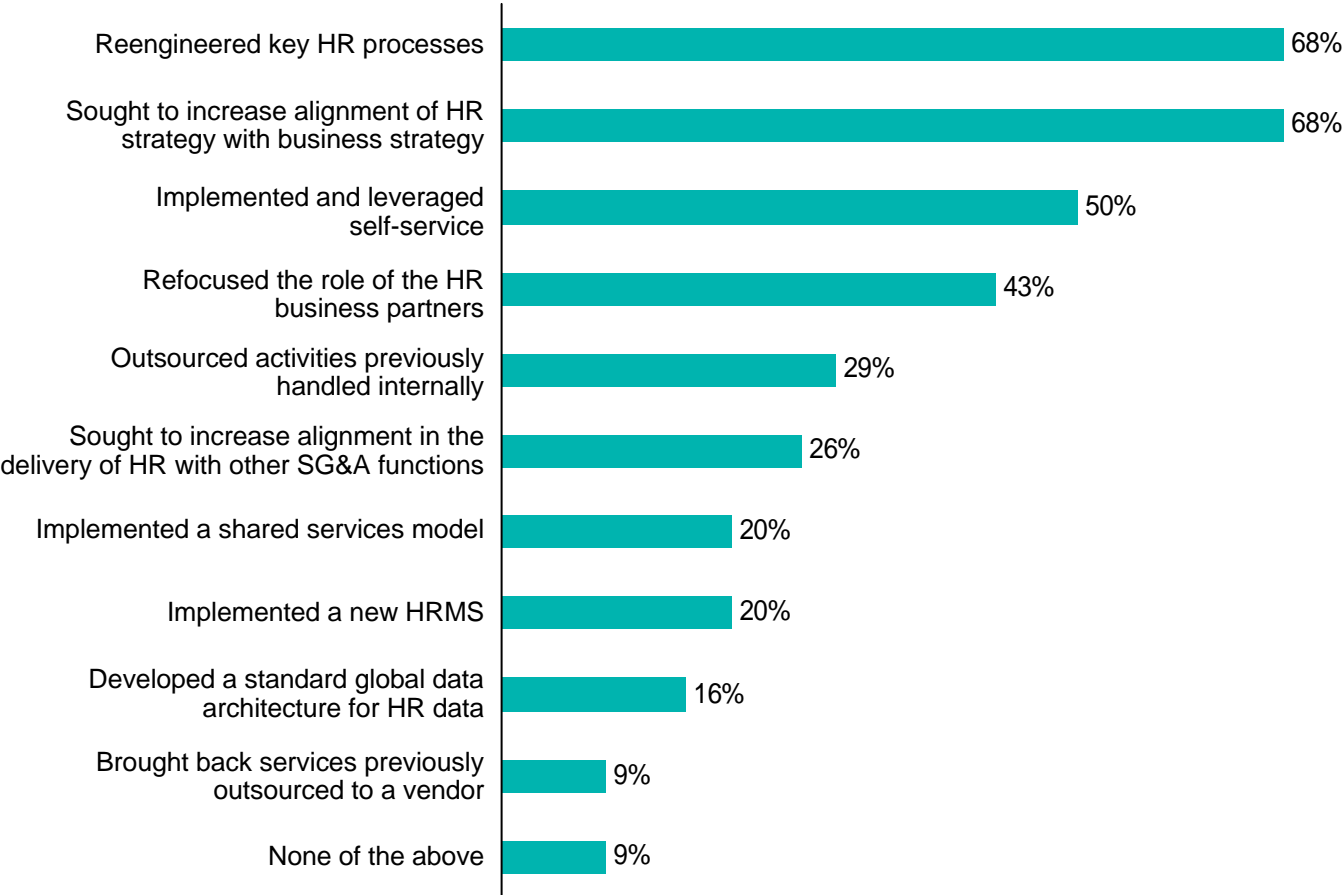
Payroll delivery varies substantially from region to region (cont'd)

Ratio of Countries per Payroll Vendors/Systems by Geography
(Companies Using Multiple Payroll Vendors/Systems)



Headline #9: Organizations are more effectively undertaking and completing initiatives to improve HR service delivery

Initiatives Undertaken in Last 18 Months



n = 454

For the most part, these initiatives have a big payoff

**Initiatives Undertaken in Last 18 Months — Results Achieved
(For Initiatives 76% or More Complete)**

