Results of the 5th Latin American Study of HR Tech

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Introduction

A vision from the eyes of Latin America

The future of work is already here shaping the Employee Experience through relevant factors: we witness new attitudes and behaviors shaped by the presence of social media networks and the internet; we see millennials becoming the most prominent generation in the workforce; we adopt new flexible methods that allow remote work; we move in the context of globalization that erases borders; and, above all, **we encounter disruptive technology, such as big data, the internet of things and collaborative technologies, which have completely changed the way we connect, work and make business.**

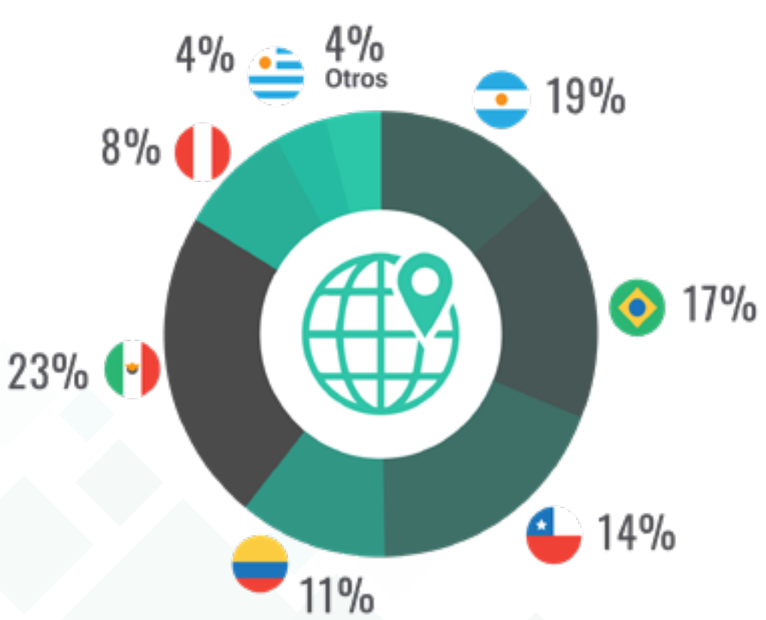
To catch up with the speed of **technology in the Digital Age, Human Resources has assumed a leading role.** In fact, in our recent studies, we have witnessed an increase in investment towards HR tech solutions.

In the 5th version of our Latin American study of HR Tech, we seek to stay up to date on the latest HR Tech trends and emerging technologies affecting the HR professionals and the organizations at large.

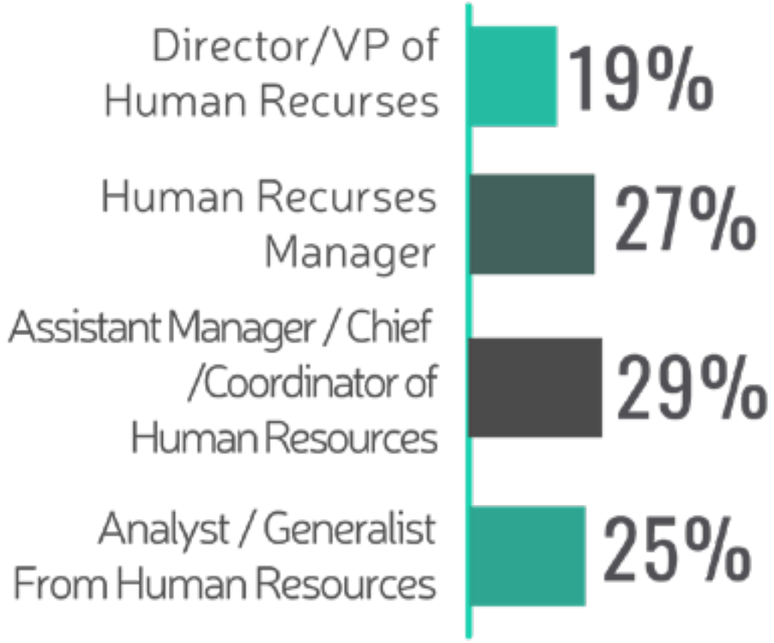
02 About the study

We conducted an online survey between June and August 2019, where 1,108 Human Resources professionals from Latin America answered 19 questions related to HR Tech trends. The sample goes as follows:

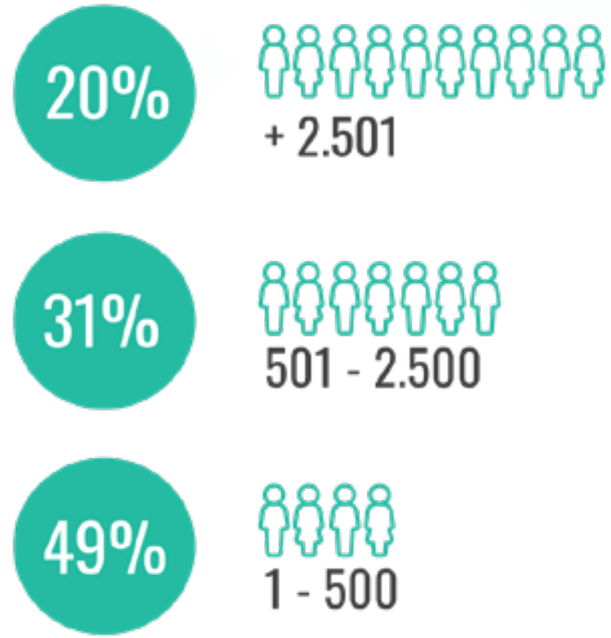
Country



Position



Company size

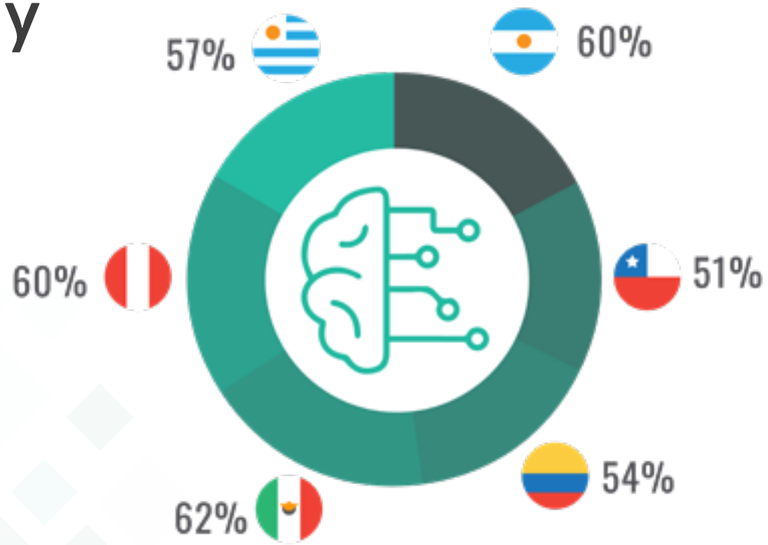


03 HR Participation in Digital Transformation

The participation of HR leaders in the organizations' Digital Transformation varies significantly according to the country and company size. F**or example, Mexicans feel that they participate in a greater proportion than Chileans, 62% v / s 51% respectively, and professionals from companies with more than 2,500 employees feel more involved (73%) than those from smaller companies (50%).**

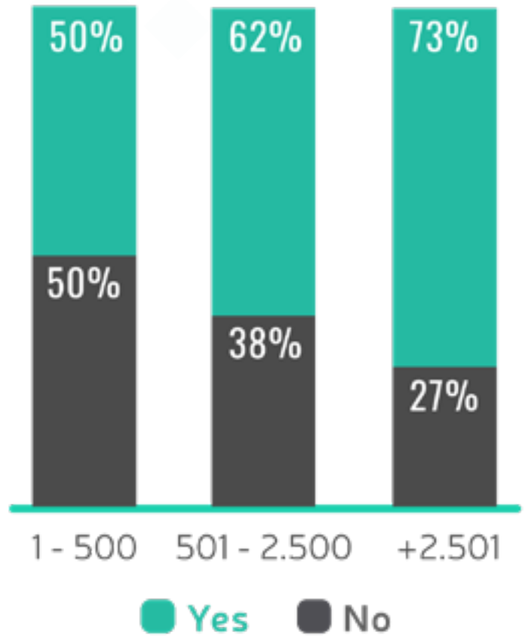
Do you feel that HR is actively participating in the initiatives related to Digital Transformation in your company?

Country



(% of countries that feel participatory.)

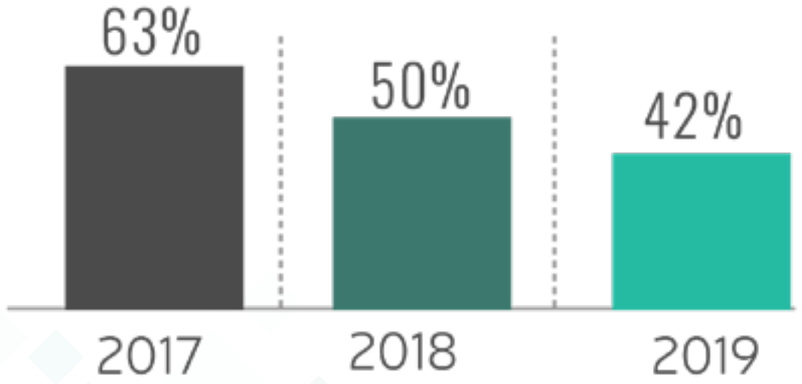
Company Size



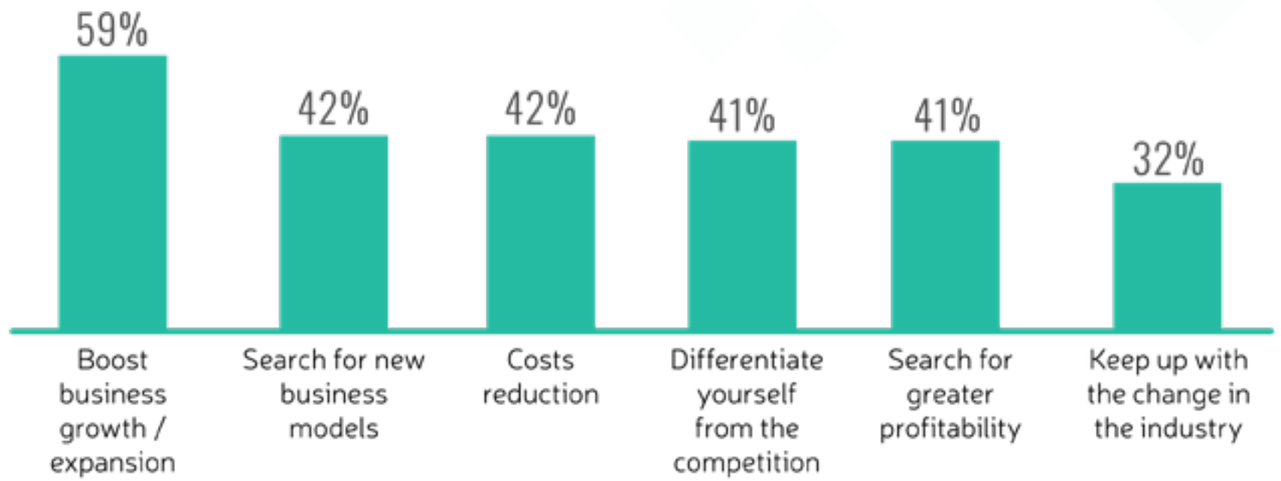
04 Objectives of Digital Transformation

In 2017, 63% of respondents chose cost reduction as the main objective of moving towards Digital Transformation, but it has since lost importance. In 2019, the main motive behind Digital Transformation is driving business growth and expansion, while cost reduction went down to third place.

Cost reduction as the goal of Digital Transformation



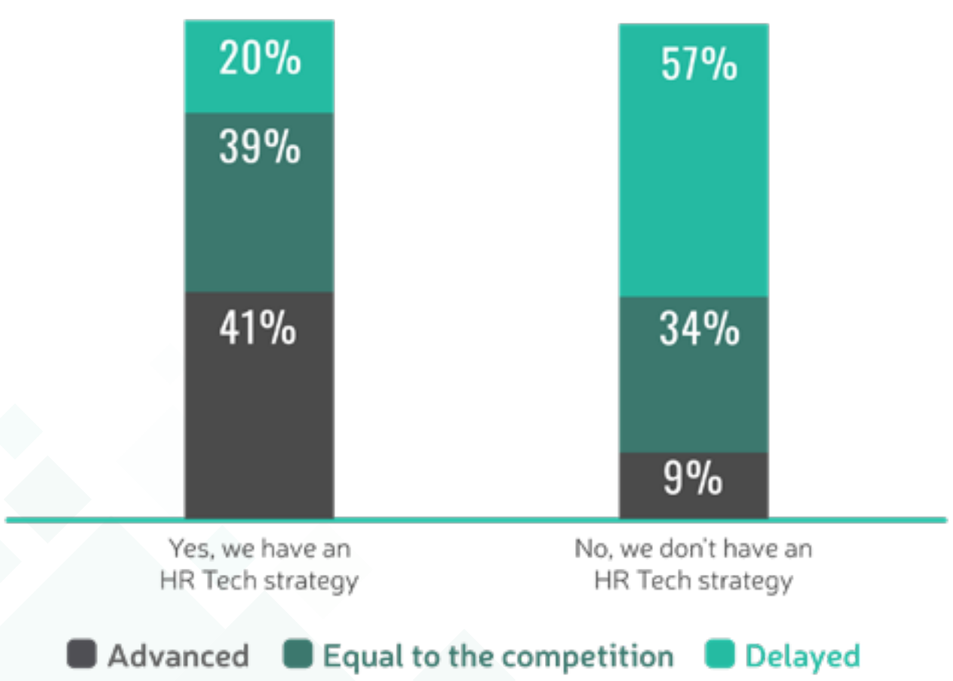
What do you think are your company's objectives in moving towards Digital Transformation?



05 Perception of Progress in Digital Transformation

HR leader's perception of progress regarding Digital Transformation as compared to other competitor companies vary according to the mere existence of strategy. process with regard to other competitor companies are goes very much in hand with the mere existence of an HR Tech strategy. **41% of the companies that do have an HR Tech strategy feel advanced in coparison to competitors, compared to those that do not, of which only 9% feel advanced.**

How advanced is your company in the Digital Transformation process as compared to other competitor companies?

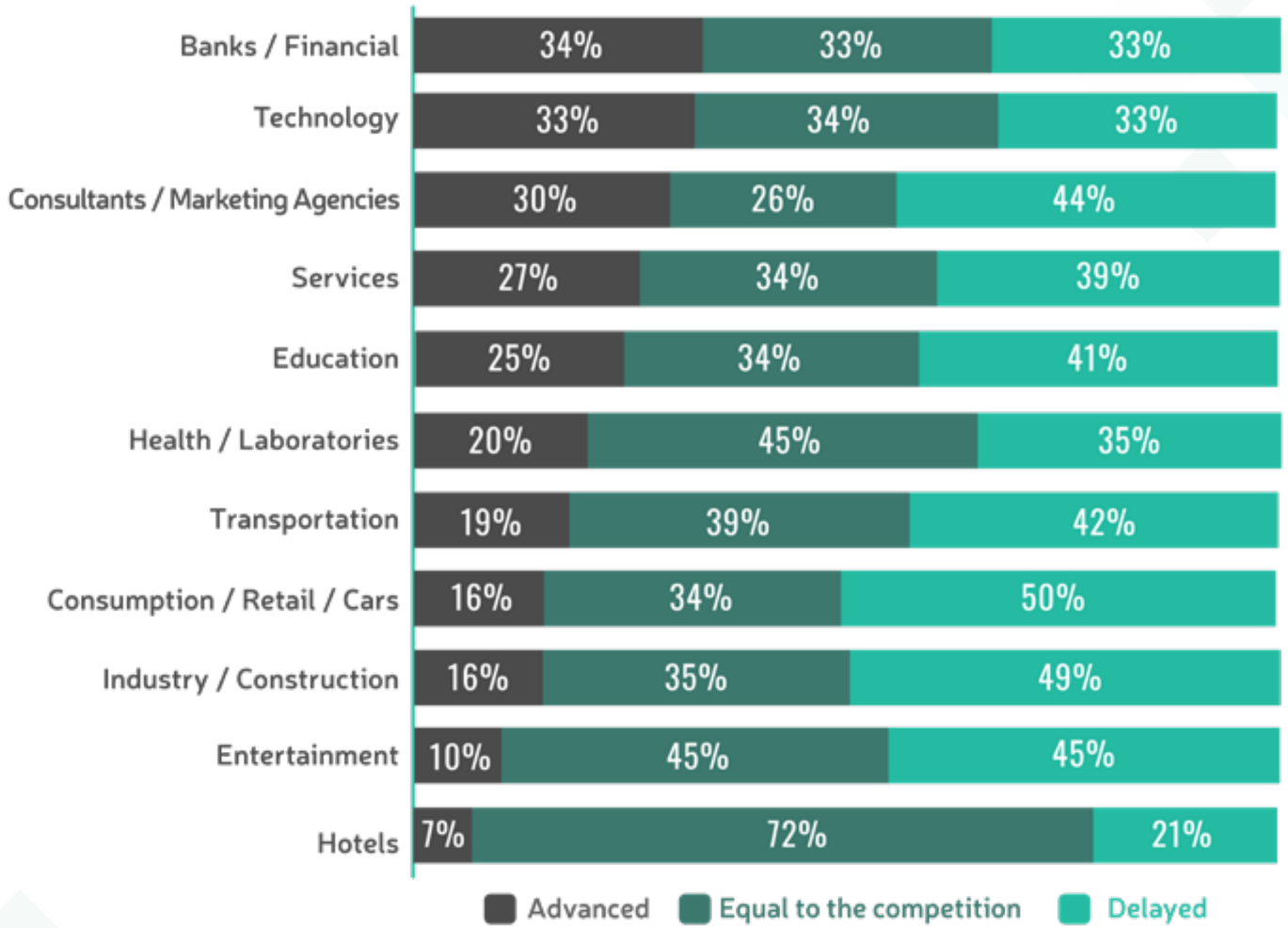


"In each area you should spend some time thinking about all the routine and simple tasks that can be automated and reinvent traditional roles to devote more time to tasks that add more value (...) While we can have a sense of what comes next, I consider more important to work on it every day, so when the future of work becomes a reality, it will find us prepared."

Natalia Matteis
HR Director in Indra, Coach & Speaker.

There is also a significant gap regarding the perception of progress according to the type of company. **For example, the companies that feel more advanced compared to other items are financial (34%) and technology (33%) v / s entertainment (10%) and hotels (7%).**

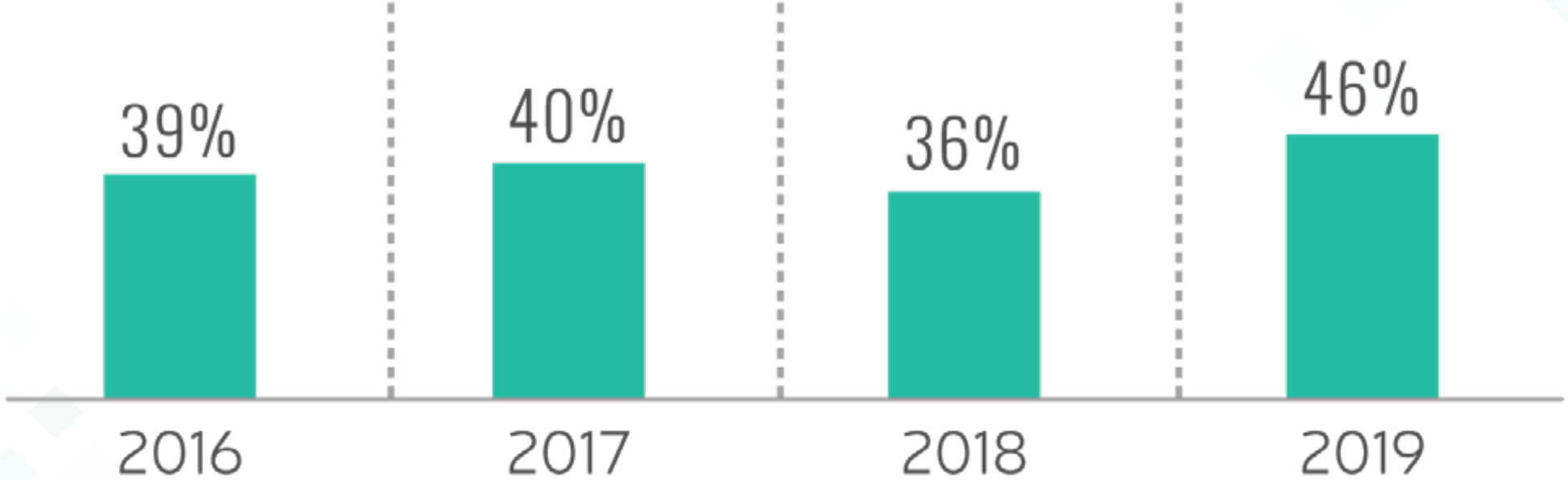
How advanced is your company in the Digital Transformation process with respect to the competition?



06 HR Tech's strategy in Latin America

In 2019 we see a significant change in the number of companies that have a formal HR Tech strategy, which is expressed in a growth of 10% (28% growth compared to 2018).

Is there a formal Technology strategy for HR in your company?



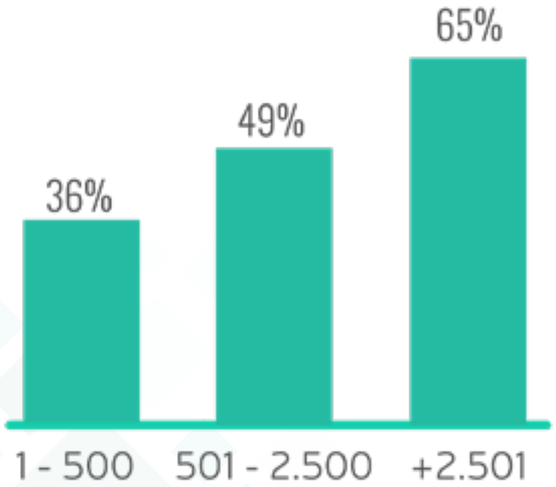
*% of respondents who said yes.

The presence and importance of a strategy aimed at incorporating HR Tech is highly related to the size of the company and the hierarchical level of the leader. For example, 65% of companies over 2,500 employees say they have HR Tech strategy, almost double that of smaller ones (36%).

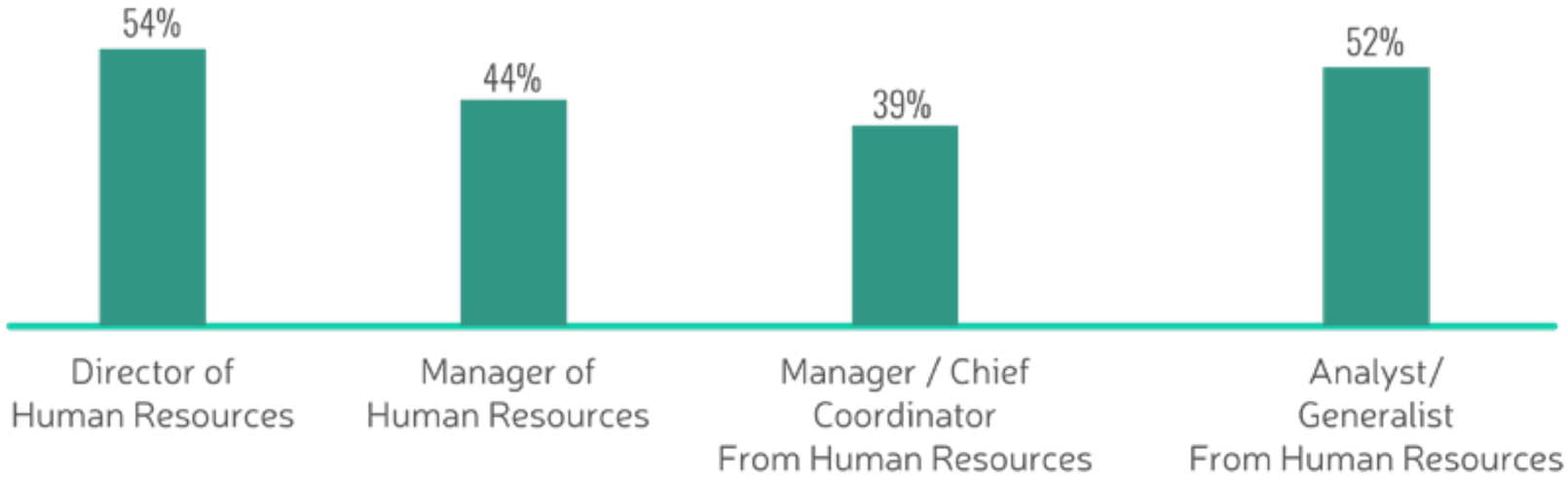
On the other hand, the directors and vice presidents think that there is a strategy of HR Tech to a greater extent (54%) than the rest, especially that the assistant managers, head of areas, and coordinators (39%).

Is there a formal Technology strategy for HR in your company?

Company Size



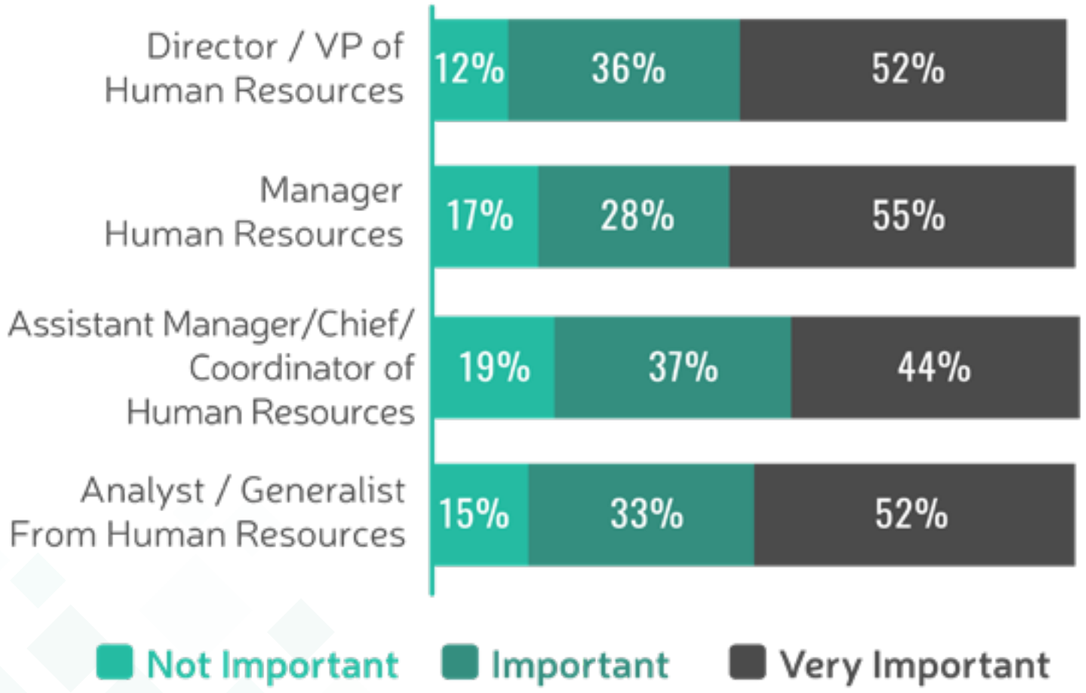
Position



(% of respondents who said yes.)

07 Importance of HR Tech's strategy

How important is the HR Tech's strategy to Human Resources Management?



Analysts believe that HR Tech's strategy is "very important" 11 points above the assistant managers. The latter think that this strategy is "not important" to a greater extent.

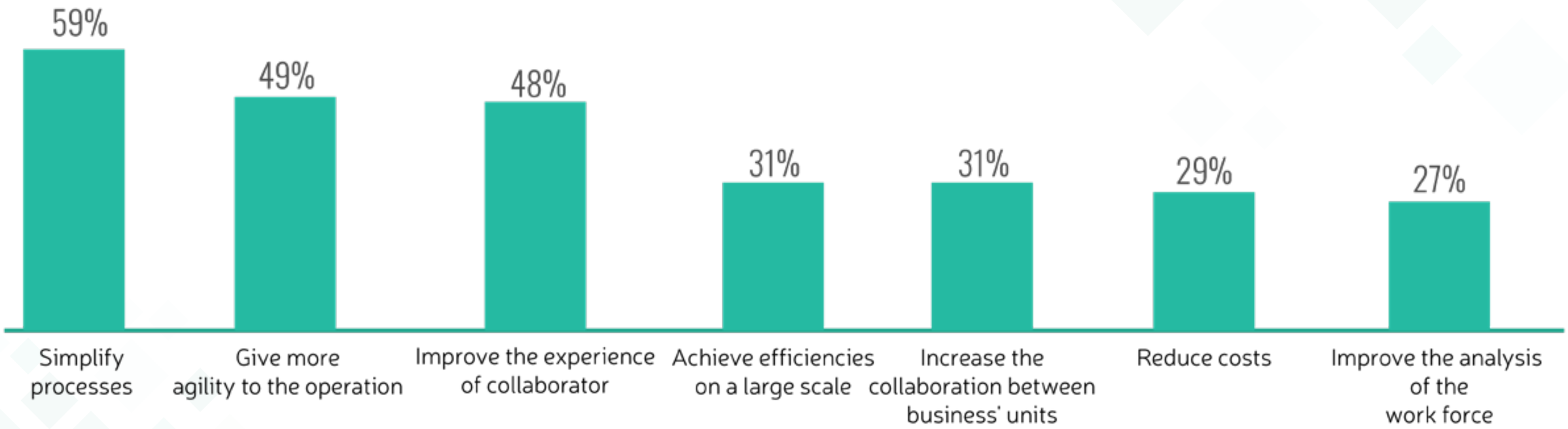
"In each area you should spend some time thinking about all the routine and simple tasks that can be automated and reinvent traditional roles to devote more time to tasks that add more value (...) While we can have a sense of what comes next, I consider more important to work on it every day, so when the future of work becomes a reality, it will find us prepared."

Hermes Ruiz
Responsible for Optimism and Solutions
WOW, OleWow, Colombia.

08 What is HR Tech implemented for?

HR leaders use HR Tech mostly to simplify and streamline processes, as well as to improve the Employee Experience. On the other hand, HR professionals have begun to improve the analysis of the workforce.

What are HR Tech's main objectives in your organization in 2019?

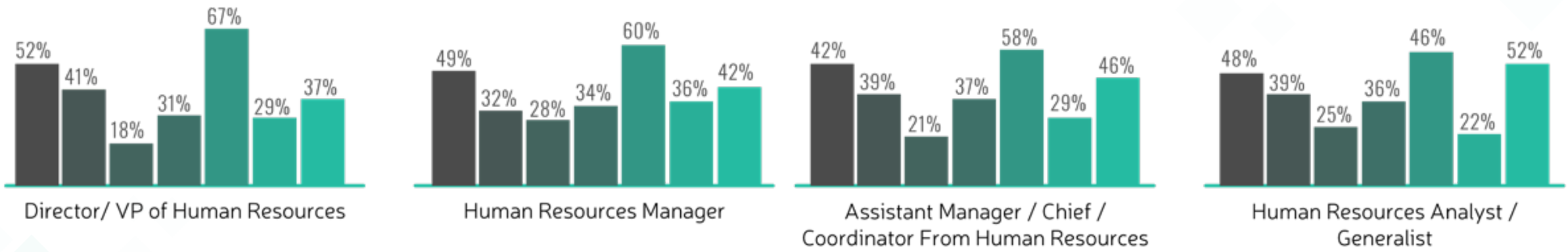


Note: You can see the objectives according to the companies' size, country and position in the annex section.

09 Differences regarding the perception of value of HR Tech

There are different perceptions regarding the value HR Tech provides. 67% of directors, for example, consider that HR Tech has helped increase employee productivity, which is the highest percentage among the rest of respondents. Analysts, meanwhile, think that it increases employee wellbeing more than everyone else. **These differences highlight the importance of listening to other employees regardless of their position and departments through fluid communication.**

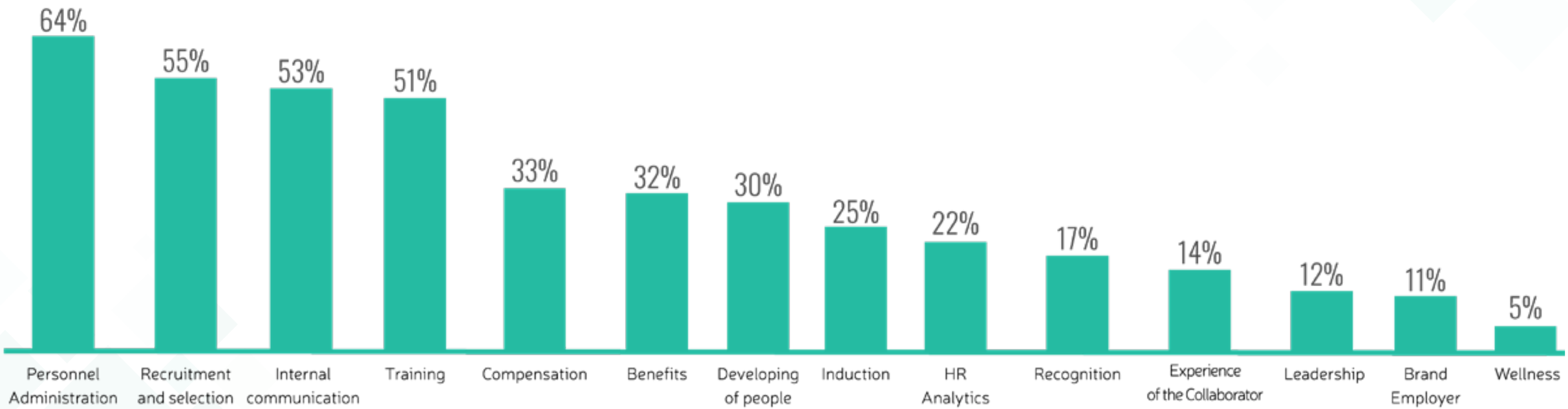
What do you think are the benefits of adopting technological solutions to improve the Employee Experience?



10 Use of HR Tech within the organization

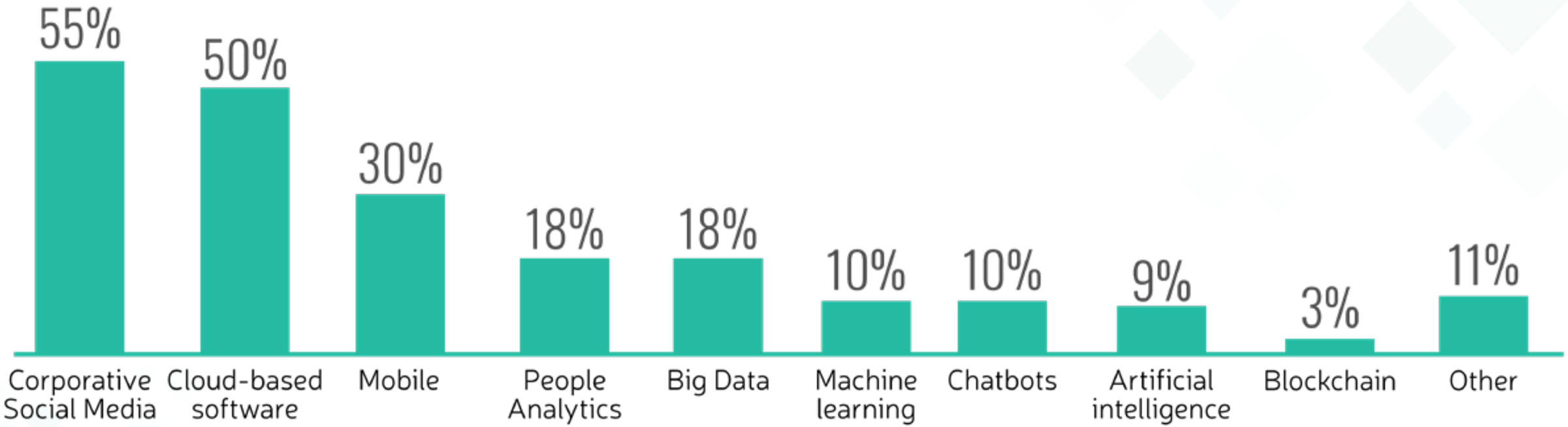
There are different perceptions regarding the value HR Tech provides. 67% of directors, for example, consider that HR Tech has helped increase employee productivity, which is the highest percentage among the rest of respondents. Analysts, meanwhile, think that it increases employee wellbeing more than everyone else. These differences highlight the importance of listening to other employees regardless of their position and departments through fluid communication.

What do you think are the benefits of adopting technological solutions to improve the Employee Experience?



Regarding the type of emerging technologies that respondents chose to adopt, the favorites were corporate social network, cloud-based software and mobile.

What types of emerging technologies have your companies adopt in HR management? Select all that apply.

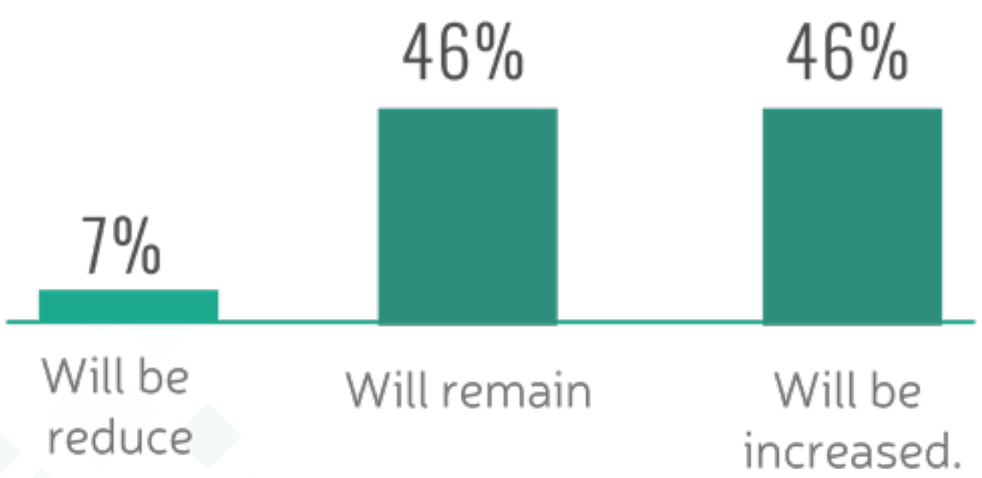


* Note: You can see the type of technology used by company size and industry type in the annex section.

11 HR Tech opportunities for the future

The future of work in Latin America is shaped by several factors and technology will be perhaps the most decisive. The budget destined to invest in HR Tech is expected to increase 13 points more than in 2017 and 6 points compared to 2018.

How do you think the HR technology investment in your company will change in the next 12 months?



Mobile, Corporate Social Network, People Analytics

These technologies respond to people's demands and motives at the workplace. If we want to be competitive in the market, we must incorporate and implement initiatives related to them."

Vanesa Rosenthal
Internal Communication Specialist, Trend Set, Argentina.

12 Conclusion

HR leaders have been asking for a seat at the decision table for decades and today they have finally succeeded. The 5th HR Tech Study reflects the radical change in the strategic vision of HR. The results show that, currently, **the main objective of adopting HR Tech by almost 60% of respondents is to boost business growth and expansion.** Objectives such as cost reduction, which previously occupied the frontline, has lost importance.

Due to the vertiginous nature of technological change, **HR teams assume new roles, quite different from before.** Today we see departments increasingly involved in tasks that traditionally were not part of their field of expertise, manifested in the way in which HR leaders perceive their participation in Digital Transformation.

These circumstances set out new demands for HR leaders, who now adopt formal strategies that include HR Tech solutions. **In fact, the study revealed a 10 point increase in the existence of HR Tech strategies compared to previous years.**

Consequently, not only do HR teams feel more confident while implementing HR Tech initiatives, but also see the opportunity to new types of leadership and financing within the organization.

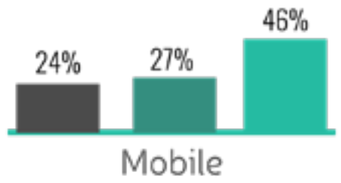
The study also highlights the importance of technological integration accompanied by all employees. Although innovation seem to be in the hands of team leaders and not top managers, overcoming cultural resistance can only occur if all the organization's cross-cutting areas understand the impact of HR Tech.

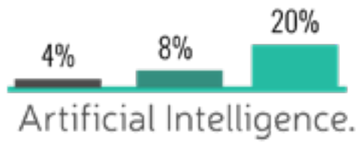
In fact, cultural resistance is precisely one of the main challenges to implement technological solutions after cost, which is the most voted option. These results are in line with the opinion of the HR Influencers LatAm 2019 who consider that the greatest challenge to adopt HR Tech is leading cultural change and promoting Digital Transformation from HR.

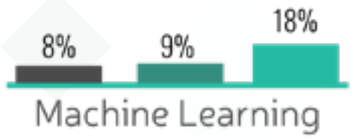
13 Annexes

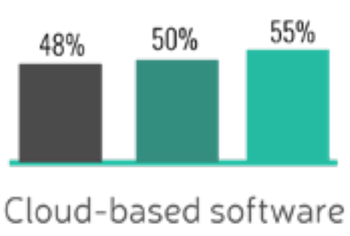
Here are the types of emerging technologies HR Leaders have incorporated in their organizations.

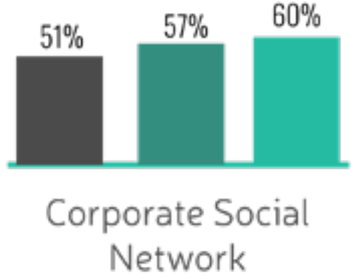
Type of technology according to the size of the company:

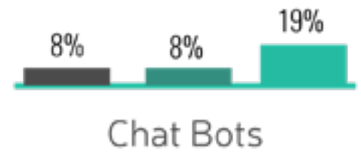


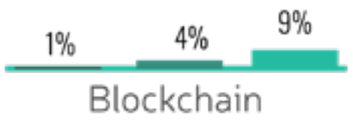






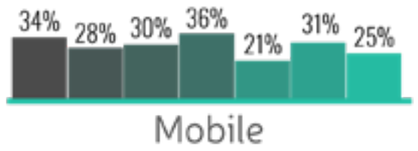




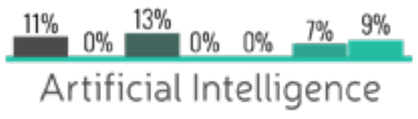


1-500 501-2.500 +2.501

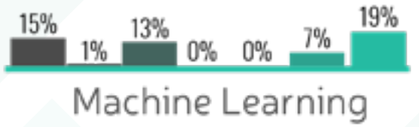
Type of technology according to job title:



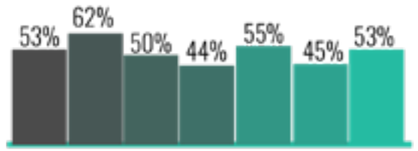
Mobile



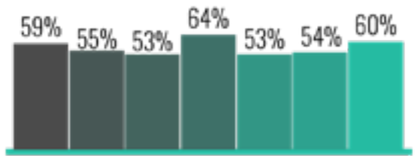
Artificial Intelligence



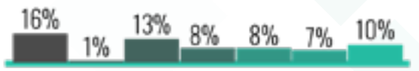
Machine Learning



Cloud-based software

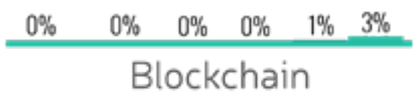


Corporate Social Network

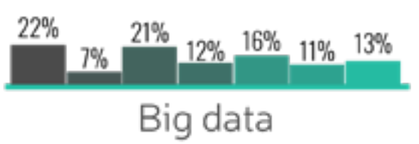


Chat Bots

People Analytics



Blockchain

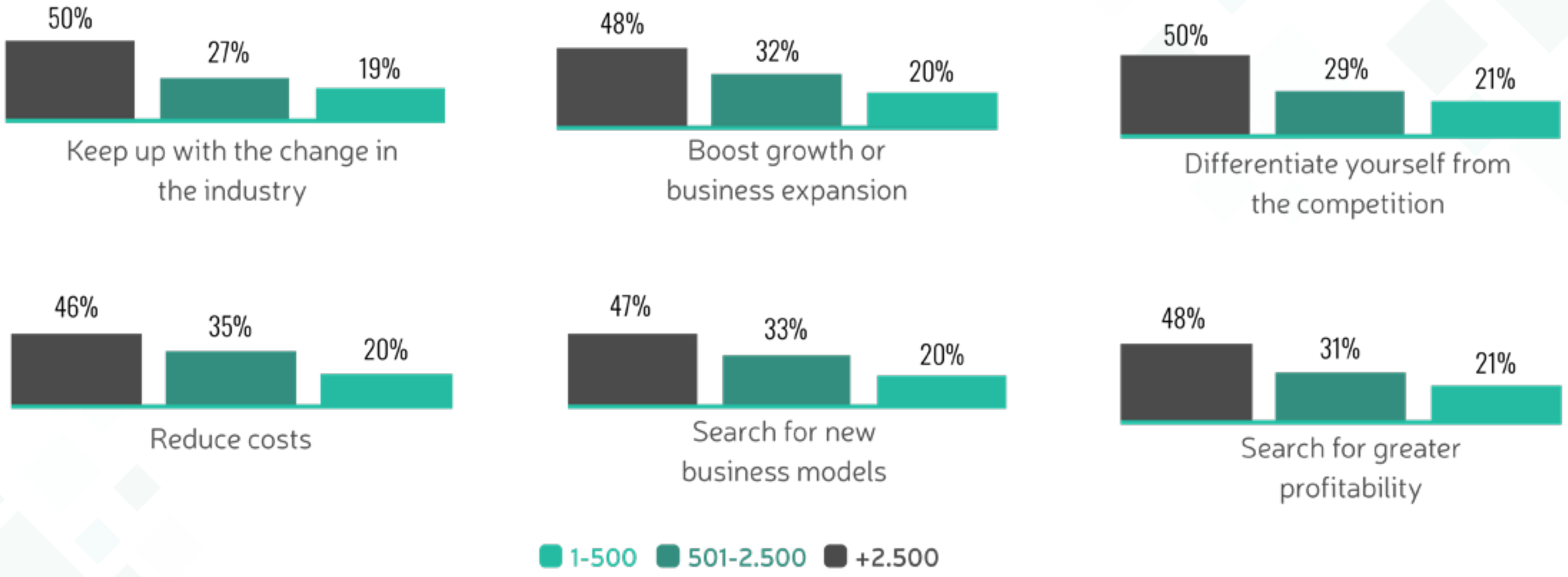


Big data

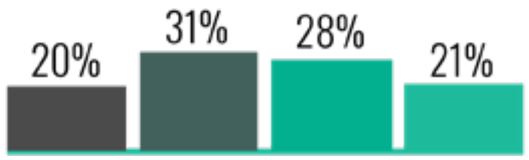
Banks and Retail
Education and health
Service and Technology
Transport and Energy
Entertainment and Tourism
Industry, Construction and Mining
MKT Agencies and Others

We also present the objectives of implementing solutions of HR Tech.

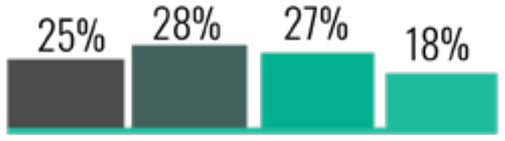
Objectives according to size:



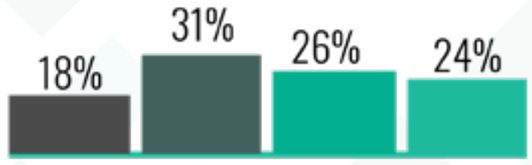
Objectives according to job title:



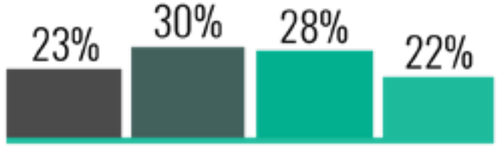
Search for greater profitability



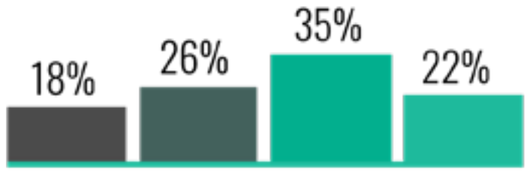
Search for new business models



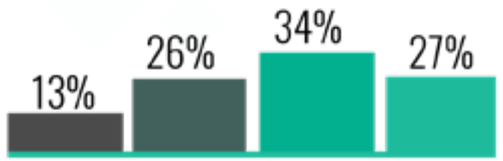
Differentiate yourself from the competition



Boost business growth or expansion



Reduce costs



Keep up with the change in the industry

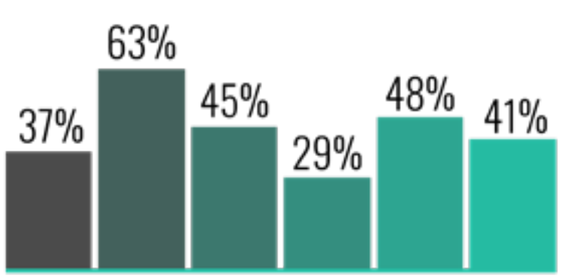
Director of Human Resources

Manager Human Resources

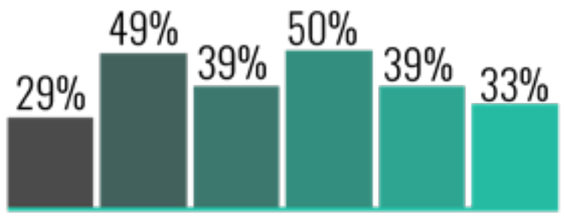
Assistant Manager / Coordinator From Human Resources

Analyst / Generalist From Human Resources

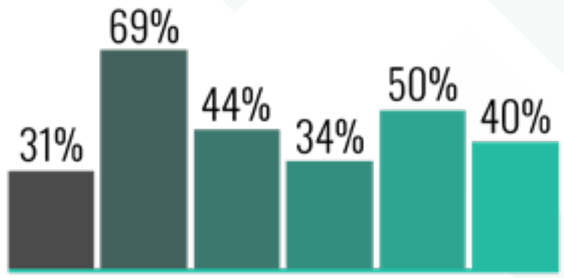
Objectives by country:



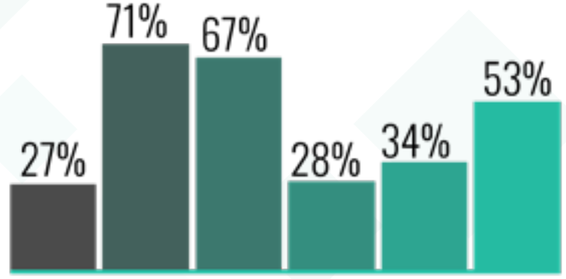
Banks and retail



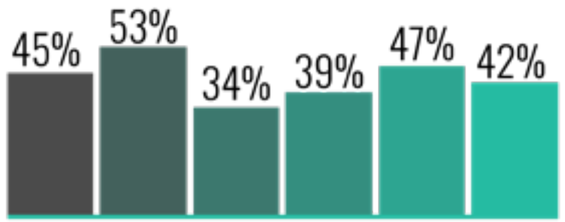
Education and health



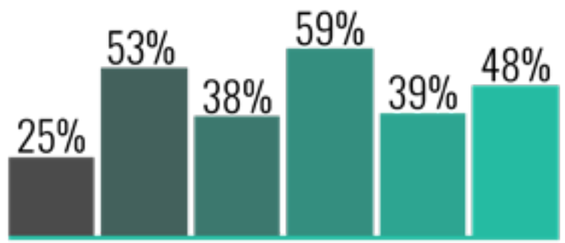
Services and technology



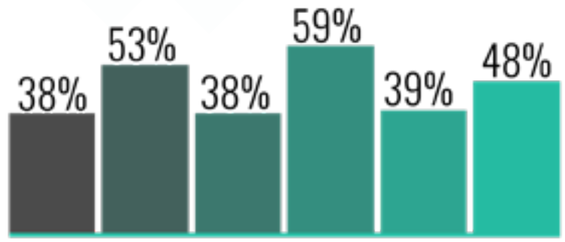
Entertainment and tourism



Transport and energy



Industry / Construction / Mining



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Reduce costs

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