Plan for the Aftermath of COVID-19 for Your HCM Technology Portfolio

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By Analysts Sam Grinter, Jeff Freyermuth, Amanda Grainger, Ranadip Chandra, Helen Poitevin

Initiatives: HCM Technology Transformation

The nature of work has changed radically for many as a result of COVID-19. Employers have responded quickly to this challenge, but there is still work to be done to fully shift to the “new normal.” This research explores what further action application leaders responsible for HCM technology transformation should be planning as the global pandemic comes to an end.

Overview

Impacts

- Social distancing and the delivery of multiple vaccines is starting to control the infection rate of COVID-19.
- As vaccines are delivered to a large proportion of the population, and effective and affordable therapies to treat COVID-19 are developed and made widely available, the global pandemic will subside.

Recommendations

Top recommendations for application leaders responsible for HCM technology transformation:

- Evaluate COVID-19-related technology changes to determine what will remain, pivot or be decommissioned as the pandemic subsides.
- Connect the decommissioning of obsolete technology and the retention of technology that still offers value post-COVID-19 to cost control and future-of-work initiatives.

Strategic Planning Assumptions

By 2023, more than half of the tools that were first deployed to mitigate the health impact of COVID-19 will be decommissioned.
By 2023, the majority of tools that were deployed to support new ways of working during COVID-19 will be retained.

**Analysis**

The spread of COVID-19 and the health risks posed by this virus have forced employers to adapt HR processes in order to safeguard workers and customers. The HR technology market has been quick to respond to this need. New vendors have emerged, and established vendors have developed new products, modules, and configurations to support processes designed to mitigate the health risks and to support new ways of working.

At the time of writing, globally there have been over 100 million confirmed cases of COVID-19 and more than 2.5 million deaths. However, a number of vaccines have been approved for use and the global immunization effort is underway. More than 300 million vaccine shots have been given. Further to this, new and improved therapies to treat those infected with COVID-19 continue to be developed. We are moving toward a point where COVID-19 is no longer described as an active global pandemic and where social and work behaviors can begin to return to normal.

This raises a question for application leaders responsible for HCM technology transformation.

Of the investments and changes that were made to HCM Technology in response to COVID-19, what HCM Technology changes must be made to support the “new normal” and why?

Table 1 outlines the impacts and recommended actions regarding this question.
Table 1: Top Impacts and Recommendations for Application Leaders

<table>
<thead>
<tr>
<th>Impacts</th>
<th>Recommendations</th>
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<tbody>
<tr>
<td>Social distancing and the delivery of multiple vaccines are starting to control the infection rate of COVID-19.</td>
<td>Evaluate COVID-19-related technology changes to determine what will remain, pivot or be decommissioned as the pandemic subsides.</td>
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<td>As vaccines are delivered to a large proportion of the population, and effective and affordable therapies to treat COVID-19 are developed and made widely available, the global pandemic is subsiding.</td>
<td>Connect the decommissioning of obsolete technology and the retention of technology that still offers value post-COVID-19 to cost control and future-of-work initiatives.</td>
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Source: Gartner (March 2021)

By way of an introduction to the recommendations, it is useful to consider COVID-19 in terms of stages in order to plan and act at appropriate times. Gartner proposes three stages to COVID-19, and the authors will refer to these stages at certain points in the research:

- **Stage 1**: COVID-19 spreads to become a global pandemic. Employers are forced to adapt their work processes in order to safeguard employees, other workers and customers from the health risks posed by the virus.
- **Stage 2**: Social distancing and the delivery of multiple vaccines control the infection rate of COVID-19.
- **Stage 3**: The vaccine has been delivered to a large proportion of the population and effective and affordable therapies to treat COVID-19 have been developed and are widely available. The global pandemic ends.

Readers should note that this research does not discuss Stage 1 of COVID-19, the spread of the virus and the initial response by organizations. At the time of writing, it's expected that the majority of organizations will already have responded to COVID-19 by transforming technology to support new processes that mitigate the health risks posed by the virus.

**Impacts and Recommendations**

**Stage 2: Social Distancing and the Delivery of Vaccines**

**Processes to Mitigate the Health Risks Must Remain Active Throughout the Global Pandemic**
Due to the infectious nature of the virus, even if COVID-19 isn't present in the local population and social distancing is in place, it may still return via external transmission. As an example, Australia is geographically isolated and yet has seen community transmission of COVID-19 occur in multiple instances due to overseas transmission. A further example of the recurrence and spread of COVID-19, even during Stage 2 is the following:

An investigation by the BBC found that “there were more than 500 outbreaks, or suspected outbreaks, in offices in the second half of 2020” in the U.K. More than in supermarkets, construction sites, warehouses, restaurants and cafes combined. Additionally, the investigation found that there were an additional 60 suspected COVID-19 outbreaks in offices during the initial two weeks of the U.K.’s third lockdown (starting 5 January 2021).

Consequently, as a precautionary measure, processes to mitigate the health risks posed by COVID-19 must remain active until such a time as the global pandemic subsides.

Determine What Will Remain, Pivot, or Be Decommissioned as the Pandemic Subsides

It is assumed that many HR and work processes have been adapted and/or introduced to mitigate the health risks posed by COVID-19. This then leads us to the question of:

Of the investments and changes that were made to HCM Technology in response to COVID-19, what HCM Technology changes must be made to support the new normal and why?

In order to answer this question, we must first address the following:

What will the “new normal” look like for HR and the future of work?

The new normal can be summarized by the following list of trends:

1. More people will work from home at least part of the time.
2. There will be greater availability of (and demand for) productivity and performance data.
3. There will be an immediate need to scale but this will be tempered by financial constraints.
4. Globally, we will be more health conscious.
A defining feature of COVID-19 for many workers has been that of working from home. According to Gartner analysis the number of remote workers went from around 400 million workers in 2019 to over 1 billion workers at the height of the pandemic in 2020 (see Forecast Analysis: Remote Workers Forecast, Worldwide). While this is forecast to drop down toward prepandemic levels, it is also anticipated that many more workers will continue to work from home at least part time.

The drivers for this are that:

- Employers have already made the investment in infrastructure and equipment to support home working.
- It is broadly true that employees are no less productive working from home, and that at least some workers prefer to work from home at least some of the time.

A consequence of this trend is that processes that have been introduced to support remote workers such as office booking and productivity monitoring will need to remain in place.

As an estimated 600 million additional workers globally began working from home as a response to COVID-19, employers rushed to invest in technology and deliver processes to gauge and manage employee productivity (see Getting Value From Employee Productivity Monitoring Technologies for Remote and Office-Based Workers). At the same time, a growing trend in performance management has been the use of continuous and 360-degree performance appraisals. These two forces combined will continue to deliver much greater access and granularity of performance-related data and insight over time. This will likely offer greater utility to succession planning as well as learning and development processes.

The IMF is forecasting a recovery in the global economy in 2021. As economic activity increases, the demand for labor is likely to grow. However, there is uncertainty about the pace and stability of recovery, with the memory of multiple waves of COVID-19 still fresh in the minds of business leaders. It's certain that organizations will increase hiring in 2021. However, there is also the potential for more use of contingent workers in order to offer organizations greater agility when it comes to employment cost control. Furthermore, it’s anticipated that budgets for noncritical systems or for investments that do not offer clear ROI will be tightly controlled. This means that HR, as well as other business units, will need to adapt to do more with less.

The SARS outbreak in 2002 contributed to a social mindset change in South East Asia for the prevention of infectious diseases. This can be characterized by the use of face masks as a cautionary measure long before the Western world started to use them as a response to COVID-19. It is highly likely that the lessons learned at work and taught in schools will stick with workers, future workers and employers. The outcome of this will likely see decisions factoring in what is hygienic (or more importantly what is not hygienic) in workplace design and processes.

From these predictions we can now answer this question:
Of the investments and changes that were made to HCM technology in response to COVID-19, what changes must be made to support the new normal, and why?

Table 1 outlines the common changes made to HCM Technology in response to COVID-19, and whether Gartner expects these changes to be decommissioned once the pandemic ends (Stage 3). Application leaders should use the examples described in Table 1 as a starting point to identify their own list of changes made to their HCM technology portfolio. From there, they should then identify which changes will continue to deliver value outside the context of COVID-19, and so should be kept, and which changes will offer no or limited value in a post-pandemic world, and so should be decommissioned.
Table 2: Technology Transformation Checklist: Changes to HCM Technology After COVID-19

<table>
<thead>
<tr>
<th>Technology</th>
<th>Change</th>
<th>Analysis and Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact Tracing</td>
<td>Yes</td>
<td><strong>Decommission</strong>: Contact tracing was introduced to track infections of COVID-19 within the workforce. Contact tracing proactively issues guidance to self-isolate for workers and customers that have come into contact with someone that is either confirmed or suspected of having COVID-19. Contact tracing offers little perceived value outside of COVID-19. The vast majority of employers cannot justify the continued use of contact tracing relative to the loss of privacy of workers and customers.</td>
</tr>
<tr>
<td>Office Booking</td>
<td>No</td>
<td><strong>Keep</strong>: Gartner anticipates that many workers will continue to work from home at least part of the time. This means that employers can afford to reduce real-estate investments to refit to the demand for office space. However, this means that not all employees can be accommodated at the same time, meaning that an office booking system to maintain appropriate maximum occupancy levels will still be needed. There are also benefits from a health and safety (in the event of an evacuation of the office) and security perspective from keeping this system in place.</td>
</tr>
<tr>
<td>Touchless Time Clocks</td>
<td>No</td>
<td><strong>Keep</strong>: Touchless time clocks were introduced to improve workplace hygiene for hourly-paid workers. Examples of credential types supported by touchless time clocks include facial recognition, iris recognition, and RFID. A time clock is a device designed to be used up to and more than 10 years. Touchless time clocks continue to deliver value outside of COVID-19 by reducing the transmission of influenza and the common cold, and so will likely reduce/maintain lower levels of illness-related absence.</td>
</tr>
</tbody>
</table>

Source: Gartner (March 2021)

In addition to technology supporting distinct HR processes, there is growing demand for an approach to HR technology architecture that delivers greater flexibility and scalability than cloud HCM suites. Gartner anticipates a gradual move away from the HCM suite approach in favor of the HR application framework (see The Future of Cloud HCM Suites). A similar trend is unfolding for integrated HR service management (see Market Guide for Integrated HR Service Management Solutions).

Stage 3: Vaccines and Therapies Are Delivered and the Global Pandemic Comes to an End

Execute Plans for Transforming Processes to Support the “New Normal”

Timing
Once we have our list of changes, we must then plan the timing of the execution. Central to timing for this plan is understanding the point where a function that must be changed becomes redundant. In other words, when it offers no value (or severely reduced value), or when a change is needed for it to be fit for purpose for the “new normal.”

Figure 2 presents the technologies identified for change in Table 1, presenting the proposed timing for the execution of the changes.

**Figure 2: Timing for the Decommissioning and/or Pivoting of HCM Technology Following the Aftermath of COVID-19**

The trigger point for decommissioning is the transition from Stage 2 to Stage 3. The exact timing of this will vary from country to country, but should be based on official advice from local, national and international public health organizations. Global organizations should pursue a staggered approach based on the conditions in each country.
Adjustment

It may be desirable to keep a technology implemented initially as a response to COVID-19 but to pivot it to be fit for purpose for the “new normal.” Table 2 summarizes the suggested changes, and should be used as a starting point for application leaders in planning what changes beyond decommissioning may be necessary for technology in their own portfolios.

Table 3: Summary of Proposed Changes to Technology Introduced as a Response to COVID-19

<table>
<thead>
<tr>
<th>Technology</th>
<th>Summary of Proposed Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Screening</td>
<td>Organizations must determine whether health screening would deliver value outside of COVID-19. A starting point would be to consider historical instances of absence due to illness for short periods of time (typical of cold/flu infections), as well as any potential liability that would occur if a worker who was unwell was involved in a workplace incident. It would also be prudent to understand anecdotally how frequently workers came to work when unwell, which could be discovered via focus groups and/or surveys. A decision must then be made whether health screening should be used as a means of reducing transmission of the cold/flu virus. The main question being, is the impact of the cold/flu virus on our organization sufficient to justify the continued use of health screening beyond COVID-19? Organizations could also consider a seasonal approach to health screening, as cold/flu is typically more common in winter months.</td>
</tr>
<tr>
<td>Remote Productivity Monitoring</td>
<td>It is likely that organizations that have deployed remote productivity monitoring will continue to support remote work, or work from home, at least part of the time. What is certain is that some workers at least will return to offices. As such, technology designed to support remote work should be tailored to provide value in a hybrid mode of home and office work. Specifically, these technologies should be able to provide support for face-to-face interactions with colleagues, teams, managers and clients. This may include the necessity to record and broadcast interactions, possibly including augmented reality to project remote workers into a virtual boardroom, for example. A further point is that it is expected that remote productivity monitoring will increase in sophistication. As a starting point, many organizations have deployed time tracking tools to understand how remote workers spend their time. More sophisticated tools are available to help managers understand workload and workload-balancing, and mid-tier managers balance between teams (using ActiveOps, for example).</td>
</tr>
</tbody>
</table>

Source: Gartner (March 2021)

Connect Decommissioning or Retention to Cost Control and Future-of-Work Initiatives

ROI and value-add resulting from the actions outlined in this research should be collected and celebrated to justify future investment in HR.

According to HR Budget Outlook for 2021, 34% of HR leaders expect their budget to decrease in 2021, while an additional 32% of HR leaders expect no increase to their budget, with many budgets having
been cut part way through 2020. The majority of application leaders supporting the HR business must learn to adapt business processes to fit with the “new normal” with less budget. To do more with less. In order to achieve this, the approach when considering change must not be additive. Rather, to redesign and to not shy away from decommissioning obsolete technology and processes when they no longer deliver value. The tendency to “set it and forget it” must be expunged, and HR must learn to deliver value on demand. HR and IT leaders supporting HR must become more practiced in linking initiatives and projects with clearly defined business cases and outcomes in order to justify investment and to drive strategic value for the organization.

**Acronym Key and Glossary Terms**

<table>
<thead>
<tr>
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<th>Definition</th>
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<tbody>
<tr>
<td>HCM</td>
<td>human capital management</td>
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<tr>
<td>IHRSM</td>
<td>integrated HR service management</td>
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<tr>
<td>WFM</td>
<td>workforce management</td>
</tr>
<tr>
<td>ROI</td>
<td>return on investment</td>
</tr>
<tr>
<td>FOW</td>
<td>future of work</td>
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</tbody>
</table>

**Evidence**

1. COVID-19 Tracker, World Health Organization

2. Bloomberg Vaccine Tracker

3. COVID-19: Australia’s Victoria State Enters Snap Lockdown After Coronavirus Outbreak Linked to Quarantine Hotels, Sky News, and Australian Government Health Advice

4. Covid: Data Shows Outbreaks in England’s Offices in Lockdown, BBC, 29 January 2021

5. IMF World Economic Outlook, IMF, January 2021

6. 2002 SARS Outbreak Timeline, CDC

7. ActiveOps

**Recommended by the Authors**

Post-COVID-19 Future of Work Trends and Talent Implications
Forecast Analysis: Remote Workers Forecast, Worldwide
Predicts 2021: HCM Technology Transformation
Market Guide for Workforce Management Applications