Magic Quadrant for Cloud HCM Suites for 1,000+ Employee Enterprises

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Initiatives: HCM Technology Transformation

The market for human capital management suites is diverse, with a mix of ERP, HR and payroll vendors vying for position. Application leaders in enterprises with more than 1,000 employees that are pursuing a cloud HCM suite strategy should use this research to identify vendors for evaluation.

This Magic Quadrant is related to other research:
View All Magic Quadrants and Critical Capabilities

Strategic Planning Assumption

By 2025, 60% of global midsize and large enterprises will have invested in a cloud-deployed HCM suite for administrative HR and talent management, but will still need to use other solutions for 20% to 30% of their HR requirements.

Market Definition/Description

Gartner defines the market for cloud human capital management (HCM) suites as that for application suites that deliver functionality to help organizations attract, develop, engage, retain and manage workers.

The core capabilities of cloud HCM suites for enterprises with more than 1,000 employees include:

- **Administrative HR**: Employee data, organization structure, employment life cycle transaction, role-based self-service, payroll and benefits administration. May also include health and safety administration, employee well-being administration, and other value-added competencies.
Optional capabilities of cloud HCM suites for enterprises with more than 1,000 employees include:

- **Talent management**: Recruiting, onboarding, performance management, compensation planning, career and succession planning, and learning and development.

- **HR service management**: Personalized direct access to policy, procedure and program guidance for employees and managers. May also include integrated case management, knowledge bases, digital document management and virtual assistants.

Optional capabilities of cloud HCM suites for enterprises with more than 1,000 employees include:

- **Workforce management (WFM)**: Time and attendance, absence management, and workforce scheduling. May also include task/activity tracking, budgeting and forecasting, fatigue management and functions related to the mitigation of COVID-19, such as health screening and vaccine tracking.

- **Cross-functional enabling capabilities**: These capabilities (which are often emerging) use data from, and interact with, the above capabilities, and are increasingly embedded in HCM suites through native development or acquisitions. They include talent analysis, workforce planning, voice of the employee (VoE) and skills management capabilities.

The user experience (UX) is a leading selection criterion for cloud HCM suites. Mobile access is a fundamental element of these offerings, and UX options for HCM suites continue to evolve with the integration of virtual assistants. Chat integration with “new work hubs” (such as Slack, Facebook Workplace and Microsoft Teams) enables users to perform basic transactions or look up information without leaving their day-to-day operational environment. Altogether, these methods deliver an increasingly frictionless UX, enabling employees to complete processes without actually logging into the cloud HCM suite's user interface (UI) directly. This points the market toward a point when “a good UX has no UI.”

As organizations support workforces with ever-increasing expectations for connectivity, many in-person conversations with HR administrators have been replaced by interactions with applications. This shift to digital HR administration increases the need for a compelling and personalized UX, as applications become the “face” of HR departments. HCM suites continue to support digital transformation efforts by including visible and frequently used processes for, among other things, learning and development, payroll, and WFM.
Cloud HCM suites are still used primarily to manage employees. However, vendors are increasingly adding functionality to support the management of contingent and freelance workers. It remains common for organizations to use a vendor management system or freelance management system to manage such workers for the purposes of sourcing, billing and integration into operational systems. However, for the purposes of ensuring compliance and developing talent pools of both employees and nonemployee workers, the use of a cloud HCM suite remains desirable.
Magic Quadrant

Figure 1: Magic Quadrant for Cloud HCM Suites for 1,000+ Employee Enterprises

Source: Gartner (October 2021)
Vendor Strengths and Cautions

ADP

ADP is a Challenger in this Magic Quadrant.

ADP is an extra-large, global payroll services and HR solution vendor.

ADP Workforce Now is the solution evaluated in this Magic Quadrant. ADP also sells a range of additional HR products and services that complement Workforce Now.

ADP has over 75,000 clients for Workforce Now. This product is sold only in the U.S. and Canada, and more than 95% of clients have fewer than 1,000 employees. However, some clients have up to 25,000 employees, and approximately 1,500 clients have between 1,000 and 2,500 employees.

ADP Workforce Now is available in either a private cloud hosted by ADP or a public cloud from Amazon Web Services (AWS).

Almost all implementations of ADP Workforce Now are completed directly by the vendor. The use of third-party implementation partners is rare.

Strengths

- **Payroll and benefits administration**: ADP is rated highly by Gartner for its provision of payroll services. ADP Workforce Now payroll is localized for the U.S. and Canada, and the payroll module has been adopted by almost all ADP Workforce Now customers. ADP also delivers global payroll outsourcing services via additional products. Additionally, it delivers benefits administration technology and outsourcing services, which receive high ratings from, and have a high attach rate with, customers.

- **WFM**: ADP delivers native WFM capability via the ADP Workforce Now Essential Time module, which is designed to handle basic to medium levels of complexity. For more complex WFM requirements, ADP offers ADP Workforce Manager either with ADP Workforce Now or as a stand-alone product.

- **Customer satisfaction**: ADP Workforce Now’s ratings on Gartner’s Peer Insights platform have improved year over year. Anecdotal customer feedback on ADP received during Gartner client inquiry sessions has also improved. This is notable as ADP Workforce Now had previously struggled with customer satisfaction.
**Cautions**

- **Learning**: ADP launched the ADP Workforce Now Essential Learning module on 21 April 2021. Although this is a positive step in the functional expansion of ADP Workforce Now, the module is not yet suitable for organizations with complex learning requirements.

- **Geographic coverage**: ADP Workforce Now is sold only to U.S. and Canadian organizations, although it is used in 23 countries. There are no signs that ADP intends to sell the solution to organizations headquartered outside the U.S. and Canada.

- **Workforce, succession and career planning**: ADP Workforce Now appears to have no native capabilities for workforce planning, succession planning and career planning. However, clients can source these capabilities from third parties via the ADP Marketplace.

**Cegid (Meta4)**

Cegid (Meta4) is a Niche Player in this Magic Quadrant.

Cegid is a midsize, global technology provider. It offers a range of solutions for finance (ERP, treasury, taxes), HR (payroll and talent management), accounting and retail. Cegid acquired Meta4 in September 2019. In July 2021, Cegid completed the acquisition of Talentsoft, which is assessed separately in this Magic Quadrant.

Cegid (Meta4) sells to the European and Latin American markets. Approximately 75% of customers have more than 1,000 employees. Cegid (Meta4) is hosted in a private cloud and managed by Cegid.

Cegid (Meta4) completes the majority of implementations directly. Only approximately 20% of its clients rely on a third-party implementation partner for at least part of a deployment.

**Strengths**

- **WFM**: Cegid (Meta4) delivers robust native WFM capability. Recent enhancements to this module have reflected consideration of customer requirements resulting from COVID-19, such as the need for increased flexibility of scheduling and support for home and hybrid workers.
**Services:** Cegid (Meta4) offers payroll services and undertakes most implementations directly, which typically reduces the cost and duration of deployment. Customers are highly satisfied with Cegid, according to reviews on Gartner's Peer Insights platform, which is an indication of strong services.

**Reporting and analytics:** In March 2021, Cegid launched Cegid HR Insights, which delivers robust data reporting and analytical tools to Cegid customers. Cegid HR Insights is the result of a recent partnership between Cegid and Visier.

**Cautions**

**Geographic coverage:** Cegid focuses on serving markets in Europe (mostly France, Spain and Portugal) and Latin America. It has indicated plans to expand into other regions, but customer adoption is currently limited mainly to Europe and Latin America.

**Sales momentum:** Cegid achieved slower sales growth over the past 12 months than other vendors in this Magic Quadrant. The impact of COVID-19 had some bearing on this, as did the relative lack of marketing investment since Cegid’s acquisition of Meta4.

**Technology:** Cegid has relatively limited native artificial intelligence (AI) capabilities in the HR sector, beyond what it delivers via Cegid HR Insights. Furthermore, there is no prebuilt integration with Microsoft Teams or Slack (integration with Teams is scheduled for early 2022) and no virtual assistant, even though these are increasingly important for vendors of cloud HCM suites.

**Ceridian**

Ceridian is a Leader in this Magic Quadrant.

Ceridian is a global HCM solution and payroll services vendor. It has completed a number of acquisitions recently, most notably of Ascender in February 2021 and Ideal in April 2021.

Ceridian's Dayforce suite has over 5,000 live customers, the majority of which are headquartered in the U.S. and Canada, although Ceridian also has a growing European, Asian and global customer base. Ceridian Dayforce is available hosted in a private cloud and in a public cloud managed by Ceridian or a third party.
Four-fifths of Ceridian Dayforce deployments are completed directly by Ceridian, but Ceridian also has a growing number of implementation partners for large and international customers.

**Strengths**

- **Integrated HR, payroll and WFM**: The strongest attribute of Ceridian Dayforce is its native administrative HR, payroll and WFM capability. This makes it suitable for organizations with large proportions of hourly paid and/or blue-collar workers.

- **Benefits administration and flexible earned wage access (FEWA)**: Ceridian Dayforce offers both robust benefits administration technology and outsourcing services — a key aspect of Ceridian’s value proposition of compliance. Furthermore, the continued development of Dayforce Wallet expands on Ceridian’s brand promise to “Make Work Life Better.”

- **UX**: Ceridian is rated by Gartner among the top-tier vendors for UX design. Ceridian enables integration of Ceridian Virtual Assistant with Slack, meaning users can complete self-service tasks without going directly to Dayforce. Furthermore, the UX emulates consumer technology and enhances the visual experience with the addition of a confetti animation dubbed “funfetti.”

**Cautions**

- **Geographic coverage**: Ceridian has continued to expand the localization of Dayforce, and has augmented its payroll coverage via a partnership with Immedis and the acquisitions of Excelity and Ascender. However, Gartner considers that Ceridian still has room to scale up its business to take advantage of its expanding geographic footprint outside the U.S. and Canada.

- **Help desk**: The functional capabilities of Ceridian Dayforce HR Help Desk are relatively unchanged from 2020. However, Ceridian Dayforce Knowledgebase is planned for release in 2022, so this is an area in which Ceridian will likely strengthen during the next 18 months.

- **Workforce planning, succession management and career planning**: Ceridian Dayforce delivers only basic capabilities in the areas of workforce planning, succession management and career planning.

**Cornerstone OnDemand**

Cornerstone OnDemand is a Niche Player in this Magic Quadrant.
Cornerstone OnDemand is a midsize, global HR technology vendor. In August 2021, it entered into a definitive agreement to be acquired by Clearlake Capital Group for $5.2 billion.

Cornerstone HCM was initially developed with midsize multinational European customers in mind, but it has also been adopted in other regions. It is available hosted in a private cloud or in a public cloud managed by a third party.

The vast majority of Cornerstone HCM deployments are completed by third-party implementation partners. In some cases, it may be possible for customers to configure and deploy the product themselves.

**Strengths**

- **Learning:** Of the vendors in this Magic Quadrant, Cornerstone OnDemand receives the highest rating by Gartner for a corporate learning management system. Among other things, the learning module offers an offline player, analytics to gauge the popularity of certain content and courses, and support for virtual-reality content.

- **Succession planning, career planning and performance management:** Cornerstone OnDemand is highly rated by Gartner for capabilities relating to employee development and succession planning — areas in which most vendors in this Magic Quadrant fall short.

- **Cost-effectiveness:** Cornerstone OnDemand learning or talent management customers will likely find that purchasing Cornerstone HCM for core HR functionality offers a saving, compared with deploying a cloud HCM suite from another vendor.

**Cautions**

- **Payroll and WFM:** Cornerstone OnDemand has no native payroll or WFM capabilities. It partners with ADP and activpayroll for payroll, Edays for absence management, and UKG for WFM.

- **Global compliance:** Gartner has observed the geographic expansion of Cornerstone HCM, which now offers global coverage, but the lack of native payroll and WFM capabilities make Cornerstone HCM unsuitable for organizations seeking to unify the more administrative side of HR.

- **Services:** Cornerstone OnDemand is rated by Gartner below average for the delivery of professional services. It offers no outsourcing services and delivers almost no implementation services directly, instead relying on third-party system implementation partners.
Darwinbox

Darwinbox is a Niche Player in this Magic Quadrant.

Darwinbox is an emerging provider that was established in 2014 and is headquartered in India.

Darwinbox has over 500 customers. Its solution was initially developed to serve customers in Asia, but it has recently gained wider geographical and localization support. The average client has 2,400 employees, and approximately 60% of clients have more than 1,000 employees. Darwinbox is hosted in a public cloud from AWS and Microsoft Azure (for failover backup only).

Approximately 85% of deployments are completed directly by Darwinbox itself, although the vendor is expanding its network of implementation partners.

Strengths

- **Business model and value:** Darwinbox is expanding its use of third-party implementation partners in order to scale up to meet customer demand. Furthermore, the price that Darwinbox sells at represents good value, compared with other vendors in this Magic Quadrant.

- **Customer experience and momentum:** For its size, Darwinbox has strong customer traction. Furthermore, it has a rapidly growing number of customer ratings on Gartner's Peer Insights platform, most of which are favorable.

- **Technology:** Darwinbox was one of the first vendors to develop a cloud HCM suite using GraphDB and microservices from the outset. The vendor also offers a lighter-weight, 10MB mobile app for use in regions with low bandwidth, which highlights its market awareness and technical execution.

Cautions

- **Geographic coverage:** Darwinbox has recently begun expanding beyond its home market of Asia. Consequently, there are limitations in terms of the localization of certain functions, such as payroll, which currently supports only Indian requirements natively; it supports other geographies through partners.
Infor

Infor is a Niche Player in this Magic Quadrant.

Infor is a large, global technology provider. It offers Infor HR Talent (previously known as Infor CloudSuite HCM), as well as other ERP products, such as those for finance, field service, sales, asset management and supply chain management.

Infor HR Talent is aimed at large enterprises. Over 90% of its customers have more than 1,000 employees and 30% have more than 10,000. Infor HR Talent is sold globally, although most of its customers are in North America. It is available hosted on-premises, hosted by a partner, hosted in a private cloud, and hosted in a public cloud managed by a third party.

About half of Infor HR Talent deployments are completed by third-party system implementation partners. These partners are used mainly for multicountry or global deployments.

Infor (Infor Government Solutions [ISG] SaaS) is FedRAMP-certified with a Moderate impact level.

Strengths

- WFM: Infor has robust native WFM capabilities, which make it suitable for any organization with populations of hourly paid, blue-collar or exempt workers. It can accommodate highly complex environments, including unionized workforces and highly regulated industries.
- **Vertical strategy**: Infor is rated by Gartner as the best-performing vendor for vertical strategy. This is largely due to its positioning of packaged products for certain industries, as well as its expertise in the healthcare and manufacturing sectors.

- **Professional services**: Relative to other vendors serving large and complex organizations, Infor executes more deployments without third-party support. Deployment directly by an application vendor tends to be lower cost and faster than deployment involving a typical third-party implementation partner.

**Cautions**

- **Customer momentum**: Infor has reported relatively low sales momentum in this market, compared with other vendors. This finding is supported by Gartner client inquiry sessions, in which Infor is mentioned less frequently than many other vendors.

- **Geographic strategy**: Despite its native ability to address complex use cases, Infor HR Talent is seldom sold outside its primary markets of North America and Europe. Gartner has observed little sign of this changing, beyond some increase in traction in Europe.

- **Career planning and succession management**: Infor is rated by Gartner as below average for career planning and succession management — areas for which it offers only partial coverage. We have, however, noted a slight year-over-year improvement in this capability, owing to the use of the AI platform Infor Coleman to search for potentially suitable candidates for succession management.

**Oracle**

Oracle is a Leader in this Magic Quadrant.

Oracle is an extra-large, global technology provider. It offers Oracle Fusion Cloud HCM as an integrated part of the Oracle Fusion Cloud Applications suite, which also includes functionality for, among other things, customer experience, enterprise performance management, finance, sales, services, and supply chain and manufacturing management.
Oracle Fusion Cloud HCM has over 3,400 customers and is sold to midsize and large enterprises worldwide. The vast majority of customers have more than 1,000 employees. Oracle Fusion Cloud HCM (and Fusion Applications) are available on the Oracle Cloud Platform, which runs as a public cloud utility. Options also exist to deploy Fusion Applications in an “at customer” configuration (Oracle’s Cloud@Customer). In this configuration, the customer provides the network connectivity and Oracle provides the cloud infrastructure, platform, applications and cloud management services, which operate at a location of the customer’s choosing.

Approximately 70% of deployments involve a third-party implementation partner.

Oracle (Fusion Cloud) is FedRAMP-certified with a Moderate impact level.

**Strengths**

- **Technology:** Oracle Fusion Cloud HCM is built on the same Fusion technology stack as Oracle Cloud ERP, which is attractive to organizations desiring a combined HR and finance solution. Furthermore, Gartner is not aware of a product with more flexible cloud deployment models for supporting both software and hardware updates.

- **UX:** Oracle Journeys enhances the applicability of Oracle Fusion Cloud HCM to various employee life cycle moments and increases Oracle’s overall UX strength. Additionally, Oracle has enhanced the reporting and analytics experience to enable users to access and use reports via natural language (text and voice command).

- **Broad functional capability:** Oracle Fusion Cloud HCM is rated by Gartner as having the highest average and combined total scores for all functions considered for HR. It is the most well-rounded product evaluated in this Magic Quadrant.

**Cautions**

- **Payroll and benefits administration:** Oracle Fusion Cloud HCM’s payroll functionality is localized in nine countries. In common with some of its enterprise global competitors, Oracle does not offer managed services for payroll and benefits administration. As such, areas in which many clients will need to engage a third party include global payroll software and outsourcing services for payroll and benefits administration.

- **HR customer mind share:** With regard to cloud HCM suites, Gartner receives fewer client inquiries about Oracle than some of its competitors. This finding is supported by Gartner’s market share estimates.
SAP

SAP is a Leader in this Magic Quadrant.

SAP is an extra-large, global provider of business software. It offers the SAP SuccessFactors HXM Suite alongside SAP S/4HANA Cloud, Ariba, Customer Experience and Fieldglass, which support ERP functions such as finance, services, sourcing and procurement, supply chain, and manufacturing management.

SAP SuccessFactors has over 7,100 customers, and the SAP SuccessFactors Employee Central solution has more than 4,200 customers. Over 60% of clients have more than 1,000 employees and approximately 20% have more than 10,000. The SAP SuccessFactors HXM Suite is hosted in a public cloud managed by SAP in partnership with Microsoft (Azure) and Google (Google Cloud Platform).

For customers requiring FedRAMP certification, SAP’s NS2 Secure Node provides a cloud infrastructure hosted by AWS that meets Department of Defense (DoD) FedRAMP+ Moderate Impact Level 4 requirements.

Approximately 90% of clients deploy the SAP SuccessFactors HXM Suite using a third-party implementation partner.

Strengths

- **Geographic localization**: SAP SuccessFactors HXM Suite’s payroll module has the most localizations (more than 45) of any product evaluated in this Magic Quadrant. Furthermore, SAP tracks compliance requirements for 101 countries in the core HR module.

- **Talent management**: SAP is rated highly by Gartner for both prehire and posthire talent management functions, with particularly high ratings for recruiting and performance management.
**Cautions**

- **HR help desk**: Limitations of SAP's HR help desk function include restrictive configuration options on the employee landing page, relative to some competitors, and no chatbot support for certain use cases.

- **Partner strategy**: SAP is reliant on certain partners, such as Benefitfocus, for some functionality, and for modules resold as part of the SAP SuccessFactors HXM Suite. SAP has limited control over such partners and is one step removed from the product development process for this functionality.

- **Hybrid deployment**: SAP has a sizable base of legacy HR technology customers to consider. Many European clients to whom Gartner has spoken pursue a hybrid deployment model, whereby SAP SuccessFactors is deployed for cloud talent management and sometimes cloud core HR functionality, but remaining payroll (and sometimes core HR) functionality stays on-premises.

**Talentsoft**

Talentsoft is a Niche Player in this Magic Quadrant. It became a Cegid company in July 2021 (after the evaluation period for this Magic Quadrant).

Talentsoft is a midsize, global vendor of HR technology and is headquartered in France. In July 2021, it was acquired by Cegid, a vendor treated separately in this Magic Quadrant.

Talentsoft is best known as a European talent management suite vendor. It has over 2,200 clients operating in 130 countries. Talentsoft Hub, which was launched in 2019, delivers core HR functionality and has over 300 clients. It is aimed at midsize and large organizations in Europe. Approximately, 70% of its clients have more than 1,000 employees. Talentsoft Hub is available hosted in a private cloud or in a public cloud managed by Talentsoft.

Approximately half the deployments of Talentsoft Hub are completed by third-party implementation partners.

**Strengths**
**Talent management**: Talentsoft is rated highly by Gartner for recruiting, performance management and learning management functionality. Furthermore, Talentsoft scores above average for onboarding, compensation planning, succession management and career planning. This makes it suitable for organizations that prioritize functions related to talent management.

**Partnerships and alliances**: Talentsoft has strategic partnerships to complement its product portfolio and services. Partners include ADP, SD Worx, Visma and Zellis for payroll, and Bodet Software and Quinyx for WFM. Furthermore, Talentsoft has recently expanded its network of system integration providers.

**Sales execution**: Despite challenging market conditions, Talentsoft grew well in 2020, securing hundreds of new customers. The high attach rate of Talentsoft Hub is further evidence of stellar sales execution.

**Caution**

**Customer satisfaction**: Talentsoft has received less favorable reviews from customers on Gartner's Peer Insights platform than other vendors in this Magic Quadrant. Furthermore, its customer satisfaction scores deteriorated slightly from 2020 to 2021, compared with its all-time scores, which indicates that some customers are becoming less satisfied with Talentsoft over time.

**Payroll, benefits administration, WFM and help desk**: Talentsoft does not offer native capabilities for payroll, absence management, benefits administration, WFM and HR help desk. However, it does have a robust partnership and alliance strategy to mitigate this shortcoming.

**Geographic coverage**: The majority of Talentsoft deployments have been in Europe. However, Talentsoft does have a growing global business and plans to use the acquisition by Cegid to expand its geographic coverage and branch into new markets.

**UKG (Pro)**

UKG is a Leader in this Magic Quadrant with its UKG Pro solution.

UKG is a large, global vendor of HCM technology. It is the product of a merger between Kronos and Ultimate Software (UKG stands for Ultimate Kronos Group), the name of which was finalized in October 2020.
UKG Pro is aimed at organizations with more than 1,000 employees, and almost 10% of its 6,600 customers have more than 10,000. Approximately 99% of clients are headquartered in the U.S. or Canada, although UKG Pro can be deployed as a global system of record for international clients. UKG Pro is hosted in a public cloud managed by UKG.

UKG Pro has prebuilt integrations with UKG Ready Time & Scheduling and UKG Dimensions (for advanced WFM).

UKG typically deploys UKG Pro itself. Only approximately 15% of deployments are completed by a third-party implementation partner.

**Strengths**

- **WFM:** Owing to the merger between Kronos and Ultimate Software, UKG can deploy market-leading WFM capability as an integrated part of UKG Pro. Clients also have a choice between UKG Dimensions for more complex WFM needs and UKG Ready for less complex or smaller deployments.

- **HR help desk:** The HR help desk delivered by UKG receives the highest rating from Gartner of any product evaluated in this Magic Quadrant. UKG Pro’s robust HR help desk reduces the likelihood of clients needing to engage with a third party for this function.

- **Sales and marketing execution:** UKG is rated highly by Gartner, in relation to UKG Pro, for market understanding, marketing strategy and sales execution. UKG has secured more than 650 new clients for UKG Pro over the past 12 months, despite challenging market conditions and fierce competition.

**Cautions**

- **Customer service:** UKG is known for delivering high-quality customer service, but within the past 12 months its quality for UKG Pro may have diminished slightly. This is suggested by an increase in the number of users of Gartner’s client inquiry service who mention issues with customer service in relation to this suite. It is also indicated by client feedback on Gartner’s Peer Insights platform.

- **Geographic coverage:** UKG Pro is capable of serving as a global system of record for organizations’ HR and talent management functions, but it is localized for payroll only in the U.S. and Canada. Payroll functionality in other countries is delivered through an open API and the vendor’s network of partners.
**UKG Ready**

UKG is a Niche Player in this Magic Quadrant with its UKG Ready solution.

UKG is a large, global vendor of HCM technology. UKG is the product of a merger between Kronos and Ultimate Software (UKG stands for Ultimate Kronos Group), the name of which was finalized in October 2020.

UKG Ready is sold in North America to organizations ranging in size from 75 employees to 1,000, and in Europe, Australia and New Zealand to organizations ranging from 500 employees to approximately 5,000. Roughly 15% of UKG Ready clients have more than 1,000 employees. UKG Ready is hosted in a public cloud on Google Cloud Platform.

Approximately 45% of deployments utilize a third-party implementation partner.

**Strengths**

- **WFM**: UKG Ready is rated highly by Gartner for its native WFM capability. Furthermore, for the most complex WFM use cases, UKG Ready integrates with UKG Dimensions. Recent additions to the native WFM module of UKG Ready include Schedule Manager, which automatically matches employees with open shifts and can consider budget constraints.

- **HR help desk and case management**: UKG Ready delivers robust HR help desk capability. Recent enhancements include the integration of UKG HR Service Delivery (formerly known as PeopleDoc) with UKG Ready, as a result of the merger of Kronos and Ultimate Software.

- **Business model and sales execution**: UKG Ready has gained strong traction, having secured hundreds of new customers over the past 12 months, despite challenging market conditions.

**Cautions**

**Learning**: UKG Pro is rated by Gartner as below average for its learning management capabilities, which makes it more likely that organizations with demanding requirements for learning would need to augment UKG Pro's learning capability with a third-party application. UKG Pro's learning capability stems from a resale partnership with Schoox.
Workday

Workday is a Leader in this Magic Quadrant.

Workday is a large, global technology provider. It offers Workday Human Capital Management (HCM) alongside other products for ERP functions such as planning, finance, procurement, student information and professional service automation.

Workday HCM is sold to midsize and large enterprises, and has more than 3,450 customers. Approximately 75% have more than 1,000 employees, and roughly 20% have over 10,000. Workday HCM is available hosted in a public cloud managed by Workday and in a public cloud managed by AWS (the latter is a recent approach and currently represents only a small percentage of customers).

Approximately 80% of Workday HCM deployments are performed by a third-party implementation partner.

Strengths

- **Core HR**: Workday’s strengths in this area include support for both position management and job management staffing models, and provision of self-identification pronouns to support diversity, equity and inclusion.

- **Reporting tools, analytics and workforce planning**: Workday receives the highest rating from Gartner for the combined fields of reporting tools, analytics and workforce planning. This reduces the chance that clients would need to augment these capabilities by going to a third-party data analytics vendor.
**Marketing strategy and execution:** Workday is one of the most asked-about vendors during Gartner client inquiry sessions, which reflects its mind share, especially with HR buyers.

**Cautions**

**Data residency and processing:** Workday does not currently have FedRAMP certification, which is a requirement for the U.S. federal government. However, Workday has applied for this certification and expects to achieve Moderate certification in 2022. Furthermore, Workday does not have data centers in Saudi Arabia or the United Arab Emirates (and AWS, which is an option for hosting Workday elsewhere, is not yet available in the United Arab Emirates). This means that Workday HCM is not suitable for organizations in these countries, due to their local data residency requirements.

**Payroll localization:** Workday’s payroll functionality is localized only for the U.S., Canada, the U.K. and France. Workday does, however, have a network of global payroll partners, and it is considering adding further payroll localizations to its development roadmap.

**Total cost of ownership (TCO):** Workday HCM is a premium-priced product. Organizations that want a cloud HCM suite to optimize their costs may find Workday’s TCO prohibitive.

**Vendors Added and Dropped**

We review and adjust our inclusion criteria for Magic Quadrants as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant may change over time. A vendor's appearance in a Magic Quadrant one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

**Added**

- Darwinbox

**Dropped**

None
Inclusion and Exclusion Criteria

To be included in this Magic Quadrant, each vendor had to:

1. Deliver core HR administrative transaction support and reporting/analytics capabilities, plus at least three talent management functions (out of recruiting/onboarding, performance management, career/succession management, learning, compensation and workforce planning) or a combination of WFM and at least one talent management function.

2. Deploy its solution(s) on either a community cloud or a public cloud (a subscription-based private cloud was not acceptable).

3. Have at least 125 customers, each with more than 1,000 employees, that use its core HR capabilities and at least two talent management functions in a production environment in either a community cloud or a public cloud.

4. Actively market, sell and implement an HCM suite on a stand-alone basis, regardless of any additional bundling with ERP suites or other applications.

5. Provide evidence of market momentum by documenting at least 25 net new deals during the previous four fiscal quarters (31 March 2020 through 31 March 2021) — each with more than 1,000 employees — for its core HR capabilities and either two or more TM functions or one TM function and WFM.

6. Be regularly identified by Gartner clients and prospective customers as a notable vendor in the HCM market.
Evaluation Criteria

Ability to Execute

Gartner assesses vendors’ Ability to Execute by evaluating the products, technologies, services and operations that enable them to be competitive, efficient and effective in the market, and that positively impact their revenue, client satisfaction, client retention and general market reputation. A vendor’s Ability to Execute is judged by its success in delivering on its promises, using the criteria in Table 1.

Table 1: Ability to Execute Evaluation Criteria

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Weighting</th>
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<tbody>
<tr>
<td>Product or Service</td>
<td>High</td>
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<tr>
<td>Overall Viability</td>
<td>High</td>
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<tr>
<td>Sales Execution/Pricing</td>
<td>Medium</td>
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<tr>
<td>Market Responsiveness/Record</td>
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<tr>
<td>Marketing Execution</td>
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<tr>
<td>Customer Experience</td>
<td>High</td>
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<tr>
<td>Operations</td>
<td>High</td>
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</tbody>
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Source: Gartner (October 2021)

Completeness of Vision

Gartner assesses vendors’ Completeness of Vision by evaluating their ability to articulate their perspectives on the market’s current and future direction, to anticipate customers’ needs and cloud technology trends, and to address competitive forces. We also judge Completeness of Vision by vendors’ understanding and articulation of how they exploit market forces to create new opportunities for themselves and their clients. We use the criteria in Table 2.
Table 2: Completeness of Vision Evaluation Criteria

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
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<td>Market Understanding</td>
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Quadrant Descriptions

Leaders

Leaders demonstrate a market-defining vision for how HCM technology can help HR leaders achieve business objectives. Leaders have the ability to execute against that vision through products and services, and have demonstrated solid business results in the form of revenue and earnings. Leaders use cutting-edge technologies in impactful ways. In the cloud HCM suite market, Leaders show a consistent ability to win deals. These deals include the foundational elements of administrative HR (with many country-specific HR localizations) and result in high attach rates for talent management, WFM and HR service delivery capabilities. Leaders have multiple proofs of successful global and regional implementations by organizations of different sizes (judged by number of employees) with workforces in multiple regions and a wide variety of industries. Leaders are often the companies that other providers measure themselves against.
Challengers

Challengers have a broader addressable market than Niche Players. They have developed a substantial presence in one market and have a growing presence in multiple submarkets, but are unable to execute consistently or equally well in all geographies. They understand the evolving needs of HR organizations, but may not lead customers into new functional areas with a strong functional vision. Challengers tend to have a good technology vision for architecture and other considerations of IT organizations, but are not as operationally mature as Leaders. They have strong customer growth and momentum, financial health, and sustained product investment. Challengers are distinguished from Leaders primarily by their reduced ability to execute consistently across the full range of cloud HCM suite functionality for large and complex global enterprises.

Visionaries

Visionaries are ahead of most competitors in delivering innovative products and/or delivery models. They anticipate emerging and changing market needs, and can lead the market into new areas. Although Visionaries have a strong potential to influence the direction of the cloud HCM suite market, they are limited in execution and/or demonstrable track record.

There are no Visionaries in this edition of the Magic Quadrant, mainly due to the greater emphasis placed on the execution of administrative HR functions (including cost-effective and reliable delivery of standardized processes) that are less subject to innovation. Much of the innovation in the field of HCM has been in niche talent management and talent analytics applications, which do not constitute a HCM suite.

Niche Players

Niche Players offer cloud HCM suite functionality, but may lack some functional components, may focus on a limited geographic or workforce scale, or may lack strong business execution in their chosen niche. They may offer complete portfolios for a specific industry or workforce size, but cannot fully support cross-industry requirements for several HCM functions, such as WFM, recruiting and learning. They may offer only limited localizations for administrative HR. From an execution standpoint, Niche Players may lack the ability to support large-enterprise requirements or complex global deployments. Nevertheless, Niche Players can offer the best solutions for HR organizations whose requirements align with their market focus and capabilities. The price-to-value ratio for these vendors is often attractive. They may win consistently in a certain region or industry, but do not consistently win in multiple regions. This may be due to limitations of execution or maturity, or it may simply reflect their market focus.
Context

The market for cloud HCM suites for enterprises with more than 1,000 employees includes a diverse range of vendors. Each vendor has unique strengths, but also weaknesses in terms of functionality or service, or challenges in relation to cost of ownership. In most cases, no vendor will be a perfect fit for an organization, but one or two vendors are likely to be a better fit than others.

Gartner recommends that application leaders in enterprises with more than 1,000 employees who are pursuing a cloud HCM suite strategy:

1. Use this Magic Quadrant and the accompanying Critical Capabilities to create a shortlist of potentially suitable vendors. They should also consult Market Guide for Human Capital Management Suites, if they want to expand their list by including smaller and more local vendors.


3. Conduct an RFI or RFP based on their shortlist in order to identify the most suitable vendor.

Market Overview

Each year, Gartner receives thousands of client inquiries on the subject of cloud HCM suite vendor selection. The desire to replace legacy on-premises HR systems and multiple disparate HR systems with a consolidated solution remains a key driver of investment in cloud HCM suites. Also fueling this investment are new demands for delivery of greater resilience for HR and the provision of tools to support hybrid working practices.

Gartner has observed a slight proportional decrease in the number of client inquiries about cloud HCM suite vendor selection in 2021, compared with 2020. One explanation for this is that some organizations have continued to defer investment in cloud HCM suites until conditions stabilize. This reflects the impact of COVID-19 on the global economy, with certain industries, such as transport and hospitality, experiencing huge volatility in terms of customer demand. Cloud HCM suites represent a huge investment — likely the biggest investment an HR department will make after the cost of the HR team itself. Hence, the reluctance of some organizations to invest during uncertain times. Instead, Gartner has noted a proportional increase in client inquiries relating to essential purchases (such as payroll and WFM solutions to support COVID-19 risk mitigation) or smaller augmentation purchases (such as VoE and talent acquisition technology).
Central to business resilience for HR leaders is access to HR data for use in strategic workforce planning. Many organizations have been through drastic changes in terms of the scale of business demand and the availability of talent, and HR business leaders are blind unless there is consolidated HR data reporting. Investment approaches and maturity levels for talent analytics still vary widely. Talent analytics may be conducted in generic business intelligence tools, specialist packaged talent analytics solutions or HCM suites. Investments in workforce planning vary even more, ranging from spreadsheets to financial planning and analysis solutions, and specialist tools. Consequently, HR data reporting, analytics, embedded insights, AI-enabled decision support and planning capabilities remain high on the list of priorities used to differentiate between HCM suite providers.

Hybrid working is characterized by the work-from-home initiatives introduced by many employers in 2020 as a response to COVID-19. Many employers continue to support hybrid working to help ensure employees’ safety, especially as many employees prefer to work from home at least part of the time and employees have been found to be no less productive when working from home. Hybrid working is not without its challenges, however. HR processes traditionally conducted in-person with employees must now be conducted with optional virtual/remote capabilities. Furthermore, employees opting to work from home all or part of the time should not be at a disadvantage to those who work in the office. This is especially important given the increased demand for talent. There is a widespread expectation that the opportunity to work from home will continue (see Infographic: Redesigning Work for the Hybrid World). Therefore, technologies to support video recruitment, virtual classrooms, other virtual learning experiences and remote performance appraisals are in great demand. Furthermore, there is some investment in payroll technologies to support employees living in countries or states that are new to employers. Hybrid working is not universal, however, especially as not all work can be done remotely.

In relation to hourly paid or blue-collar workers, new requirements emerged in 2020, primarily for:

- Tools designed to mitigate the risk of infection: health-screening, contact-tracing and vaccine-tracking tools.
- Tools designed to improve work experiences: FEWA and VoE solutions, and shift-swapping, shift-bidding and shift board functions to enable more flexible scheduling.
Many of the tools described here relate to WFM, and it is noteworthy that many cloud HCM suite vendors have invested heavily in WFM technology over the past 12 months. Organizations with a moderate to high number of hourly paid or blue-collar workers should prioritize the requirement for robust WFM during vendor selection, or consider deploying robust WFM capabilities via a system delivered separately to a cloud HCM suite.

**Acronym Key and Glossary Terms**

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>AI</td>
<td>Artificial intelligence</td>
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<tr>
<td>ERP</td>
<td>Enterprise resource planning</td>
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<td>FEWA</td>
<td>Flexible earned wage access</td>
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<tr>
<td>HCM</td>
<td>Human capital management</td>
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<tr>
<td>HR</td>
<td>Human resources</td>
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<tr>
<td>TCO</td>
<td>Total cost of ownership</td>
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<tr>
<td>UI</td>
<td>User interface</td>
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<tr>
<td>UX</td>
<td>User experience</td>
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<tr>
<td>VoE</td>
<td>Voice of the employee</td>
</tr>
<tr>
<td>WFM</td>
<td>Workforce management</td>
</tr>
<tr>
<td>Small vendor</td>
<td>Vendor with annual revenue of less than $100 million</td>
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<tr>
<td>Midsize vendor</td>
<td>Vendor with annual revenue of between $100 million and $0.9 billion</td>
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<tr>
<td>Large vendor</td>
<td>Vendor with annual revenue of between $1 billion and $9.9 billion</td>
</tr>
<tr>
<td>Extra-large vendor</td>
<td>Vendor with annual revenue of $10 billion or more</td>
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Evidence

The authors of this Magic Quadrant evaluated the profiled vendors on the basis of these vendors’ responses to a detailed questionnaire and scripted product demonstrations. Unless otherwise indicated, vendor information was accurate as of May 2021. Additionally, the authors used data from Gartner's Peer Insights platform and more than 1,000 Gartner client inquiries over the past 12 months on the subject of HCM suite strategy and vendor selection. Additional information came from vendor briefings outside the Magic Quadrant research process, and from research into vendors’ revenues, mergers and acquisitions, product enhancements, and strategies.

Evaluation Criteria Definitions

Ability to Execute

Product/Service: Core goods and services offered by the vendor for the defined market. This includes current product/service capabilities, quality, feature sets, skills and so on, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability: Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

Sales Execution/Pricing: The vendor's capabilities in all presales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel.

Market Responsiveness/Record: Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional initiatives, thought leadership, word of mouth and sales activities.
Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Completeness of Vision

Market Understanding: Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those with their added vision.

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service, and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements.

Business Model: The soundness and logic of the vendor's underlying business proposition.

Vertical/Industry Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.

Innovation: Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.
Geographic Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.

Document Revision History

Magic Quadrant for Cloud HCM Suites for 1,000+ Employee Enterprises - 3 March 2021
Magic Quadrant for Cloud HCM Suites for 1,000+ Employee Enterprises - 23 September 2019
Magic Quadrant for Cloud HCM Suites for Midmarket and Large Enterprises - 15 August 2018
Magic Quadrant for Cloud HCM Suites for Midmarket and Large Enterprises - 15 August 2017
Magic Quadrant for Cloud HCM Suites for Midmarket and Large Enterprises - 16 June 2016

Recommended by the Authors

Some documents may not be available as part of your current Gartner subscription.

How Markets and Vendors Are Evaluated in Gartner Magic Quadrants
Tool: RFI for HCM Technology Functional Requirements
Selecting HCM Technology Requires an ‘Eyes Wide Open’ Approach
Market Guide for Human Capital Management Suites
Table 1: Ability to Execute Evaluation Criteria

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