HCM Suites
Buyers Guide

Software Provider and Product Assessment

EXECUTIVE
SUMMARY

iSG Research

HCM Suites

Human Capital Management (HCM) software has undergone a profound transformation over the past decade, shifting from a back-office system of record to a strategic enterprise solution. Traditionally, HCM platforms focused on administrative functions—housing employee data, managing payroll and ensuring compliance. While these capabilities remain essential, they are no longer sufficient on their own. Today, employees expect systems that actively support their growth, engagement and well-being, while businesses demand tools that drive workforce intelligence, productivity and retention.

ISG Research defines an HCM suite as an integrated system that operates on a platform that unifies HR operations and employee data and that supports HRMS and talent management needs. Enterprises adopt HCM suites to eliminate data silos, improve workforce insights and streamline HR processes within a single ecosystem. Modern HCM suites are evolving from compliance-driven tools into strategic workforce hubs, incorporating artificial intelligence (AI)-driven automation, workforce planning and proactive engagement. By centralizing HR transactions and analytics, they enhance efficiency and decision-making. While an all-in-one suite improves data consistency and user experience, organizations must assess if it aligns with their specific workforce needs and strategy.

> **Employees are no longer passive participants in HR processes; they are digital consumers who expect workplace technology to offer the same seamless, intuitive experiences they encounter in their personal lives.**

The workplace has evolved dramatically, shaped by shifting workforce demographics, remote and hybrid work models, and an increasing emphasis on skills-based talent strategies. Employees are no longer passive participants in HR processes; they are digital consumers who expect workplace technology to offer the same seamless, intuitive experiences they encounter in their personal lives. The rise of consumer-grade digital experiences has set a new benchmark for enterprise technology, making AI-driven personalization, self-service capabilities and intelligent automation critical to the success of modern HCM platforms.

Organizations that fail to meet these expectations risk operational inefficiencies, disengagement and increased employee turnover. As a result, business leaders are looking to HR technology to enhance agility, improve decision-making and align workforce strategies with broader corporate objectives. Companies that continue to rely on static, outdated HCM systems often struggle to respond to dynamic market conditions, supply chain disruptions and evolving customer demands. The ability to adjust workforce strategies in real-time is no longer a competitive advantage—it is a business necessity.

One of the most significant drivers of change in HCM software is the growing integration of AI and machine learning (ML). By 2026, one-half of enterprises are expected to require AI-driven capabilities in their HCM systems to enable personalized experiences, real-time insights and proactive workforce management. AI is no longer a mere enhancement—it has become a core requirement for enterprises seeking to improve HR efficiency, reduce administrative burden and deliver employee-centric solutions at scale.

Human Capital Management
Market Assertion

By 2026, one-half of enterprises are expected to require AI-driven capabilities in their HCM systems to enable personalized experiences, real-time insights and proactive workforce management.

Matthew Brown
Director of Research, Human Capital Management

iSG Research

AI-driven workforce planning tools are transforming how organizations approach talent management. Predictive analytics allow HR leaders to anticipate talent shortages and proactively address gaps before they impact operations. Instead of relying solely on historical workforce data, companies now use AI-powered forecasting to identify critical roles, assess internal talent readiness and determine whether upskilling or external hiring is the best approach.

Beyond workforce planning, AI is reshaping how employees interact with HR technology. Employees increasingly expect intelligent, conversational experiences that anticipate their needs and provide actionable recommendations. AI-powered virtual assistants and chatbots are reducing administrative workload by handling routine HR inquiries related to payroll, benefits and policies, while also improving response times and employee satisfaction. These advancements free up HR teams to focus on strategic initiatives, such as workforce development and employee engagement.

As organizations continue modernizing their HR functions, competition among HCM software providers is intensifying. Established enterprise software providers are expanding their offerings with AI, automation and advanced analytics to differentiate their platforms. At the same time, emerging disruptors are gaining traction by introducing highly specialized, next-generation solutions tailored to specific industry needs and focused on the consumer-grade, culture-forward experience. In addition, HCM providers are leveraging AI to respond to the ever-changing regulatory landscape, delivering value through real-time updates and automated risk assessments.

One of the most significant shifts in the HCM market is the growing demand for modular, highly configurable platforms. Enterprises no longer want rigid, one-size-fits-all software; instead, they are seeking flexible solutions that allow for customization, seamless integration with third-party applications and scalability to meet evolving business needs. Providers capable of offering both comprehensive HCM suites and best-of-breed modular solutions will be best positioned to capture market share in the coming years.

AI-driven automation is further reshaping traditional HR functions, particularly compensation management, benefits administration and compliance tracking. Historically, these processes required extensive manual intervention, leading to inefficiencies and increased risk of errors. AI-powered solutions are now enabling real-time compliance updates, automatic compensation benchmarking and equity analysis, and predictive analytics for benefits utilization. These advancements not only enhance operational efficiency but also minimize costly mistakes, reinforcing AI as a critical driver of the next evolution in HCM software.

In addition to automation, the shift toward skills-based workforce planning is transforming HCM strategies. By 2027, one-third of enterprises are expected to prioritize career and skill development opportunities for employees over traditional job-based structures. As a result, providers are incorporating AI-powered learning pathways, career-matching algorithms and automated mentorship programs into their platforms. Instead of relying on tenure-based promotions, forward-thinking organizations are using HCM technology to assess employees based on demonstrated skills and potential, ensuring career progression aligns with both workforce aspirations and business objectives.

Beyond technological advancements, successful HCM adoption depends on effective change management. Many HR technology implementations fail, not because of poor software design, but due to inadequate training, communication and integration into existing workflows. Employees and managers often struggle with new systems when they are introduced without sufficient guidance, leading to resistance and underutilization.

The most successful enterprises take a structured approach to HCM adoption by implementing phased rollouts, targeted enablement programs and ongoing support mechanisms. Organizations that invest in HR technology champions—internal advocates who help drive engagement and guide employees through new processes—see higher success rates. Additionally, software providers that offer intuitive user experiences, AI-powered self-service tools and embedded coaching within their platforms make it easier for organizations to drive adoption and maximize ROI.

Another critical trend shaping HCM software adoption is the growing importance of AI-driven workforce intelligence. AI is no longer just a tool for automation—it is transforming how organizations make strategic HR decisions. Companies are increasingly leveraging AI-powered people analytics to assess employee sentiment, predict attrition risks and identify workforce performance trends. These insights allow HR leaders to proactively address challenges,

ensuring that retention strategies, career development programs and compensation structures are aligned with evolving workforce needs.

AI is also enhancing employee experiences by making HR technology more interactive and responsive. Virtual assistants and AI-driven chatbots handle routine HR inquiries, improving accessibility and response times while reducing administrative workloads for HR teams. This enables HR professionals to shift their focus toward more strategic initiatives, such as workforce planning, employee engagement and skills development, rather than being bogged down by transactional tasks.

> **As organizations continue to embrace AI-driven workforce intelligence, the ability to derive actionable insights from data will be a key differentiator.**

As organizations continue to embrace AI-driven workforce intelligence, the ability to derive actionable insights from data will be a key differentiator. Companies that invest in analytics-driven decision-making will have a competitive advantage in optimizing talent management, improving employee retention and aligning workforce strategies with business goals.

The debate between all-in-one HCM suites and best-of-breed solutions will continue to shape the provider landscape. While full-suite providers offer seamless integration across HR functions, some enterprises prefer specialized solutions that provide best-in-class capabilities for specific HR needs. The deciding factors often come down to integration capabilities, scalability and the level of AI-driven automation within the platform. Organizations must carefully evaluate their unique workforce requirements and long-term business objectives when selecting an HCM solution.

Looking ahead, the next decade of HCM software will be shaped by organizations' ability to adapt, integrate AI strategically and prioritize employee-centric experiences. Companies that invest in agile, intelligent and user-friendly HR technologies will gain a competitive advantage in attracting and retaining top talent. The demand for AI-driven automation, predictive analytics and integrated workforce intelligence tools will continue to grow, pushing HCM providers to innovate rapidly and expand their capabilities.

Enterprises must recognize that HCM modernization is not just about choosing the right software—it is about building an adaptable, future-ready workforce. Business leaders must align their HCM investments with long-term strategic goals, ensuring that technology not only meets today's workforce needs but is also equipped to support the future of work. Companies that continuously evolve their HCM strategies—leveraging AI, automation and data-driven insights—will gain a competitive edge in talent acquisition, employee engagement and workforce productivity.

This research provides a comprehensive assessment of HCM software, evaluating how well providers align with enterprise needs and HR leadership expectations. By analyzing provider capabilities, innovation strategies and market positioning, this report equips organizations with the insights necessary to make informed technology decisions. As businesses navigate an increasingly complex HR landscape, investing in the right HCM technology will be critical for driving workforce transformation, improving operational efficiency and achieving long-term success.

The ISG Buyers Guide™ for HCM Suites evaluates software providers and products in key areas required to support the full scope of needs regarding the human resources function. This includes all aspects of HCM Platforms, HRMS, and Talent Suites combined.

This research evaluates the following software providers that offer products that address key elements of HCM suites as we define it: ADP, Dayforce, HiBob, Infor, isolved, Oracle, Paycom, Paycor, Paylocity, Rippling, SAP, UKG and Workday.

Buyers Guide Overview

For over two decades, ISG Research has conducted market research in a spectrum of areas across business applications, tools and technologies. We have designed the Buyers Guide to provide a balanced perspective of software providers and products that is rooted in an understanding of the business requirements in any enterprise. Utilization of our research methodology and decades of experience enables our Buyers Guide to be an effective method to assess and select software providers and products. The findings of this research undertaking contribute to our comprehensive approach to rating software providers in a manner that is based on the assessments completed by an enterprise.

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The ISG Buyers Guide™ for HCM Suites is the distillation of over a year of market and product research efforts. It is an assessment of how well software providers' offerings address enterprises' requirements for HCM software. The index is structured to support a request for information (RFI) that could be used in the request for proposal (RFP) process by incorporating all criteria needed to evaluate, select, utilize and maintain relationships with software providers. An effective product and customer experience with a provider can ensure the best long-term relationship and value achieved from a resource and financial investment.

In this Buyers Guide, ISG Research evaluates the software in seven key categories that are weighted to reflect buyers' needs based on our expertise and research. Five are product-experience related: Adaptability, Capability, Manageability, Reliability, and Usability. In addition, we consider two customer-experience categories: Validation, and Total Cost of Ownership/Return on Investment (TCO/ROI). To assess functionality, one of the components of Capability, we applied the ISG Research Value Index methodology and blueprint, which links the personas and processes for HCM to an enterprise's requirements.

The structure of the research reflects our understanding that the effective evaluation of software providers and products involves far more than just examining product features, potential revenue or customers generated from a provider's marketing and sales efforts. We believe it is important to take a comprehensive, research-based approach, since making the wrong choice of HCM suite technology can raise the total cost of ownership, lower the return on investment and hamper an enterprise's ability to reach its full performance potential. In addition, this approach can reduce the project's development and deployment time and eliminate the risk of relying on a short list of software providers that does not represent a best fit for your enterprise.

ISG Research believes that an objective review of software providers and products is a critical business strategy for the adoption and implementation of HCM software and applications. An enterprise's review should include a thorough analysis of both what is possible and what is relevant. We urge enterprises to do a thorough job of evaluating HCM suites and offer this Buyers Guide as both the results of our in-depth analysis of these providers and as an evaluation methodology.

How To Use This Buyers Guide

Evaluating Software Providers: The Process

We recommend using the Buyers Guide to assess and evaluate new or existing software providers for your enterprise. The market research can be used as an evaluation framework to establish a formal request for information from providers on products and customer experience and will shorten the cycle time when creating an RFI. The steps listed below provide a process that can facilitate best possible outcomes.

1. <u>Define the business case and goals.</u>

   Define the mission and business case for investment and the expected outcomes from your organizational and technological efforts.

2. <u>Specify the business needs.</u>

   Defining the business requirements helps identify what specific capabilities are required with respect to people, processes, information and technology.

3. <u>Assess the required roles and responsibilities.</u>

   Identify the individuals required for success at every level of the enterprise from executives to frontline workers and determine the needs of each.

4. <u>Outline the project's critical path.</u>

   What needs to be done, in what order and who will do it? This outline should make clear the prior dependencies at each step of the project plan.

5. <u>Ascertain the technology approach.</u>

   Determine the business and technology approach that most closely aligns to your enterprise's requirements.

6. <u>Establish software provider evaluation criteria.</u>

   Utilize the product experience: Adaptability, Capability, Manageability, Reliability and Usability, and the customer experience in TCO/ROI and Validation.

7. <u>Evaluate and select the technology properly.</u>

   Weight the categories in the technology evaluation criteria to reflect your enterprise's priorities to determine the short list of software providers and products.

8. <u>Establish the business initiative team to start the project.</u>

   Identify who will lead the project and the members of the team needed to plan and execute it with timelines, priorities and resources.

The Findings

All of the products we evaluated are feature-rich, but not all the capabilities offered by a software provider are equally valuable to types of workers or support everything needed to manage products on a continuous basis. Moreover, the existence of too many capabilities may be a negative factor for an enterprise if it introduces unnecessary complexity. Nonetheless, you may decide that a larger number of features in the product is a plus, especially if some of them match your enterprise's established practices or support an initiative that is driving the purchase of new software.

Factors beyond features and functions or software provider assessments may become a deciding factor. For example, an enterprise may face budget constraints such that the TCO evaluation can tip the balance to one provider or another. This is where the Value Index methodology and the appropriate category weighting can be applied to determine the best fit of software providers and products to your specific needs.

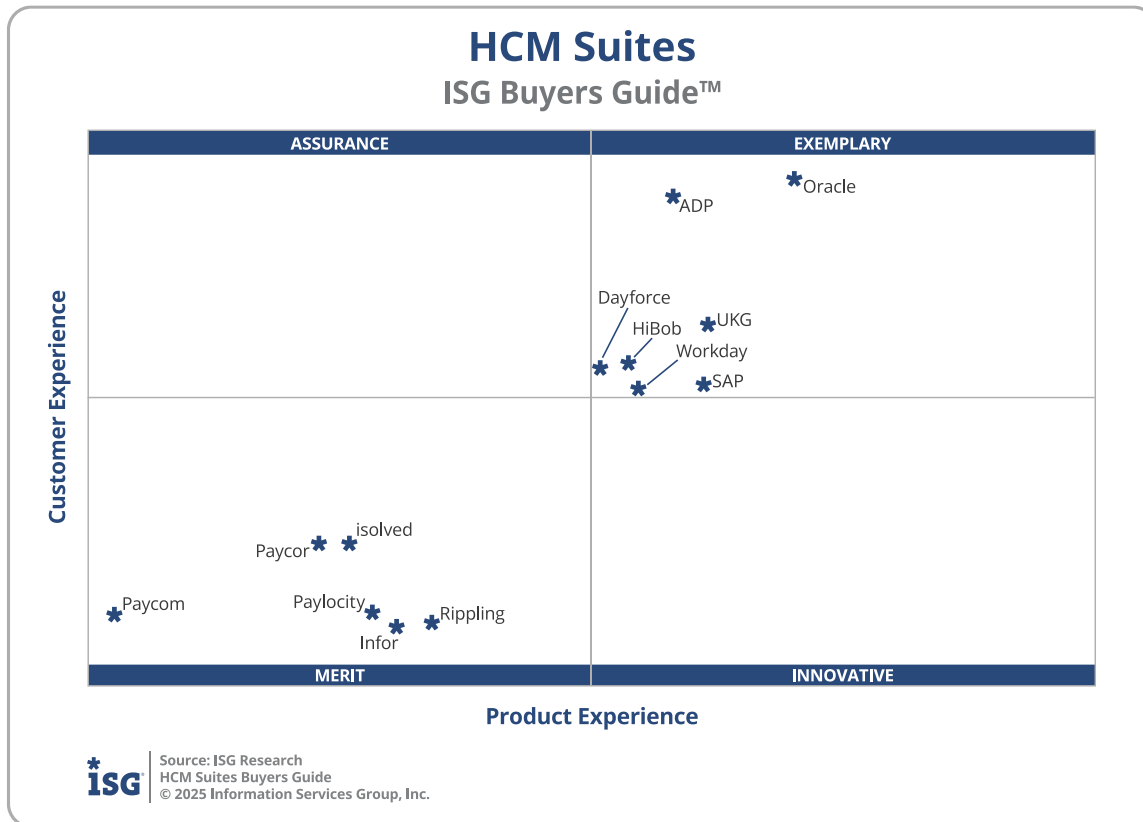## Overall Scoring of Software Providers Across Categories

The research finds Oracle atop the list, followed by UKG and ADP. Providers that place in the top three of a category earn the designation of Leader. Oracle has done so in seven categories, ADP in six, UKG in three, SAP and Workday in two, and HiBob in one category.

The overall representation of the research below places the rating of the Product Experience and Customer Experience on the *x* and *y* axes, respectively, to provide a visual representation and classification of the software providers. Those providers whose Product Experience have a higher weighted performance to the axis in aggregate of the five product categories place farther to the right, while the performance and weighting for the two Customer Experience categories determines placement on the vertical axis. In short, software providers that place closer to the upper-right on this chart performed better than those closer to the lower-left.

HCM Suites
Overall

Providers	Grade	Performance
Oracle	A	*Leader* 91.6%
UKG	A-	*Leader* 85.5%
ADP	A-	*Leader* 85.1%
SAP	A-	84.7%
Workday	A-	82.8%
HiBob	B++	81.2%
Dayforce	B++	80.8%
Rippling	B+	71.1%
Paylocity	B+	69.9%
isolved	B+	69.1%
Infor	B	68.7%
Paycor	B	66.8%
Paycom	B-	57.0%

Source: ISG Research
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The research places software providers into one of four overall categories: Assurance, Exemplary, Merit or Innovative. This representation classifies providers' overall weighted performance.

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Exemplary: The categorization and placement of software providers in Exemplary (upper right) represent those that performed the best in meeting the overall Product and Customer Experience requirements. The providers rated Exemplary are: ADP, Dayforce, HiBob, Oracle, SAP, UKG and Workday.
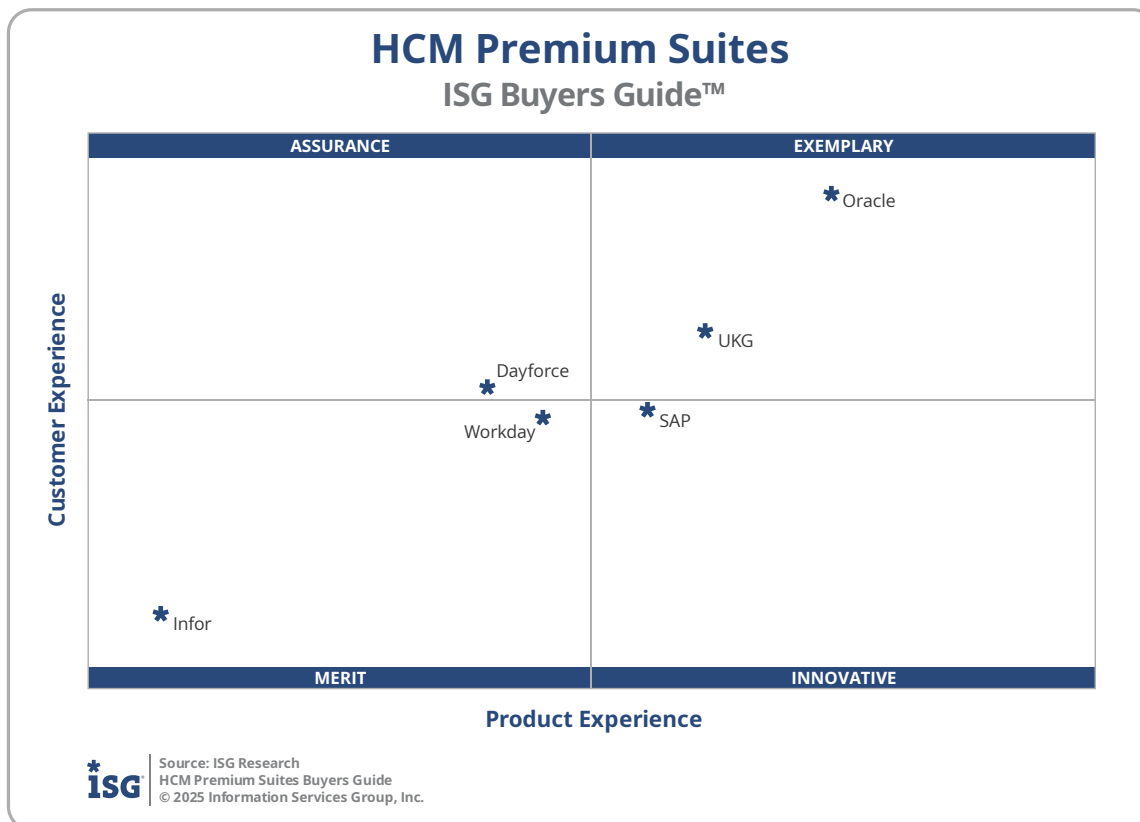
Innovative: The categorization and placement of software providers in Innovative (lower right) represent those that performed the best in meeting the overall Product Experience requirements but did not achieve the highest levels of requirements in Customer Experience.

Assurance: The categorization and placement of software providers in Assurance (upper left) represent those that achieved the highest levels in the overall Customer Experience requirements but did not achieve the highest levels of Product Experience.

Merit: The categorization of software providers in Merit (lower left) represents those that did not exceed the median of performance in Customer or Product Experience or surpass the threshold for the other three categories. The providers rated Merit are: Infor, isolved, Paycom, Paycor, Paylocity and Rippling.

A subset of the overall HCM Suites evaluation requirements was established to examine the need for premium HCM Suites and to highlight the providers who offer an end-to-end HCM Suite, including Core HCM Platform, HRMS, Talent Suite and HR Service Delivery. The software providers were then weighted to these specific needs and rated.

HCM Premium Suites
ISG Buyers Guide™

ASSURANCE	EXEMPLARY

Oracle

UKG

Dayforce

Workday

SAP

Infor

MERIT	INNOVATIVE

Customer Experience

Product Experience

Source: ISG Research
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Exemplary: The categorization and placement of software providers in Exemplary (upper right) represent those that performed the best in meeting the overall Product and Customer Experience requirements. The providers rated Exemplary are: Oracle and UKG.

Innovative: The categorization and placement of software providers in Innovative (lower right) represent those that performed the best in meeting the overall Product Experience requirements but did not achieve the highest levels of requirements in Customer Experience. The provider rated Innovative is: SAP.

Assurance: The categorization and placement of software providers in Assurance (upper left) represent those that achieved the highest levels in the overall Customer Experience requirements but did not achieve the highest levels of Product Experience. The provider rated Assurance is: Dayforce.

Merit: The categorization of software providers in Merit (lower left) represents those that did not exceed the median of performance in Customer or Product Experience or surpass the threshold for the other three categories. The providers rated Merit are: Infor and Workday.

We warn that close provider placement proximity should not be taken to imply that the packages evaluated are functionally identical or equally well suited for use by every enterprise or for a specific process. Although there is a high degree of commonality in how enterprises handle HCM, there are many idiosyncrasies and differences in how they do these functions that can make one software provider's offering a better fit than another's for a particular enterprise's needs.

We advise enterprises to assess and evaluate software providers based on organizational requirements and use this research as a supplement to internal evaluation of a provider and products.

Product Experience

The process of researching products to address an enterprise's needs should be comprehensive. Our Value Index methodology examines Product Experience and how it aligns with an enterprise's life cycle of onboarding, configuration, operations, usage and maintenance. Too often, software providers are not evaluated for the entirety of the product; instead, they are evaluated on market execution and vision of the future, which are flawed since they do not represent an enterprise's requirements but how the provider operates. As more software providers orient to a complete product experience, evaluations will be more robust.

HCM Suites
Product Experience

Providers	Grade	Performance
Oracle	A	*Leader* 73.9%
UKG	A-	*Leader* 69.8%
SAP	A-	*Leader* 69.5%
ADP	A-	68.9%
Workday	A-	66.8%
HiBob	A-	66.3%
Dayforce	A-	65.3%
Rippling	B+	58.7%
Infor	B+	57.1%
Paylocity	B+	56.1%
isolved	B+	55.3%
Paycor	B	54.0%
Paycom	B-	45.4%

Source: ISG Research
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The research results in Product Experience are ranked at 80%, or four-fifths, of the overall rating using the specific underlying weighted category performance. Importance was placed on the categories as follows: Usability (20%), Capability (25%), Reliability (10%), Adaptability (15%) and Manageability (10%). This weighting impacted the resulting overall ratings in this research. Oracle, UKG and SAP were designated Product Experience Leaders.

Customer Experience

The importance of a customer relationship with a software provider is essential to the actual success of the products and technology. The advancement of the Customer Experience and the entire life cycle an enterprise has with its software provider is critical for ensuring satisfaction in working with that provider. Technology providers that have chief customer officers are more likely to have greater investments in the customer relationship and focus more on their success. These leaders also need to take responsibility for ensuring this commitment is made abundantly clear on the website and in the buying process and customer journey.

The research results in Customer Experience are ranked at 20%, or one-fifth, using the specific underlying weighted category performance as it relates to the framework of commitment and value to the software provider-customer relationship. The two evaluation categories are Validation (10%) and TCO/ROI (10%), which are weighted to represent their importance to the overall research.

The software providers that evaluated the highest overall in the aggregated and weighted Customer Experience categories are Oracle, ADP and UKG. These category leaders best communicate commitment and dedication to customer needs.

HCM Suites
Customer Experience

Providers	Grade	Performance
Oracle	A-	*Leader* 17.2%
ADP	A-	*Leader* 17.0%
UKG	B++	*Leader* 15.5%
HiBob	B++	15.1%
Dayforce	B+	15.0%
SAP	B+	14.8%
Workday	B+	14.8%
Paycor	B	13.2%
isolved	B	13.2%
Paylocity	B-	12.5%
Paycom	B-	12.5%
Rippling	B-	12.4%
Infor	B-	12.4%

Source: ISG Research
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Software providers that did not perform well in this category were unable to provide sufficient customer case studies to demonstrate success or articulate their commitment to customer experience and an enterprise's journey. The selection of a software provider means a continuous investment by the enterprise, so a holistic evaluation must include examination of how they support their customer experience.
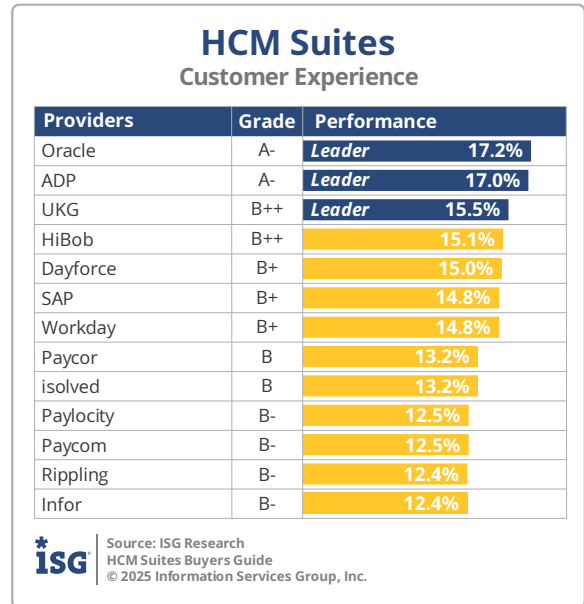
Appendix: Software Provider Inclusion

For inclusion in the ISG Buyers Guide™ for HCM Suites in 2025, a software provider must be in good standing financially and ethically, have at least $70 million in annual or projected revenue verified using independent sources, sell products and provide support on at least two continents and have at least 50 customers. The principal source of the relevant business unit's revenue must be software-related, and there must have been at least one major software release in the last 12 months.

HCM Suites is a category of human resources technology designed to support and power all aspects of the worker lifecycle. The suite is comprised of a core HR product known as an HCM platform or human resources information system (HRIS), which manages worker data, workflows and process automation and provides reporting and analytics. In addition, HCM suites contain a group of capabilities designed to support the core operations of human resources, focused on areas such as compensation, benefits administration and employee engagement. The HCM suite, as defined by ISG, also contains a collection of capabilities designed to support and administer the processes relative to talent management and development.

The research is designed to be independent of the specifics of software provider packaging and pricing. To represent the real-world environment in which businesses operate, we include providers that offer suites or packages of products that may include relevant individual modules or applications. If a software provider is actively marketing, selling and developing a product for the general market and it is reflected on the provider's website that the product is within the scope of the research, that provider is automatically evaluated for inclusion.

All software providers that offer relevant HCM products and meet the inclusion requirements were invited to participate in the evaluation process at no cost to them.

Software providers that meet our inclusion criteria but did not completely participate in our Buyers Guide were assessed solely on publicly available information. As this could have a significant impact on classification and ratings, we recommend additional scrutiny when evaluating those providers.

Products Evaluated

Provider	Product Names	Version	Release Month/Year
ADP	ADP Lyric	SaaS	February 2025
Dayforce	Dayforce	R2025.1	February 2025
HiBob	Bob	SaaS	February 2025
Infor	Infor HR Talent	2025.1	January 2025
isolved	isolved People Cloud	11.2	February 2025
Oracle	Oracle Cloud HCM	25A	January 2025
Paycom	Paycom	SaaS	February 2025
Paycor	Paycor	SaaS	February 2025
Paylocity	Paylocity	SaaS	February 2025
Rippling	Rippling	SaaS	February 2025
SAP	SAP SuccessFactors HCM	2H2024	October 2024
UKG	UKG Pro	2024.R2	November 2024
Workday	Workday HCM	2024R2	September 2024

Providers of Promise

We did not include software providers that, as a result of our research and analysis, did not satisfy the criteria for inclusion in this Buyers Guide. These are listed below as "Providers of Promise."

Provider	Product	Revenue	Customers	Scope
Lattice	Lattice	Yes	Yes	No
BambooHR	BambooHR	Yes	Yes	No
Cegid	Cegid TalentSoft	Yes	Yes	No
Zoho	Zoho PeoplePlus	Yes	Yes	No
Unit4	Unit4 Human Capital Management	Yes	Yes	No
Zellis	ZellisHR	Yes	Yes	No
Darwinbox	Darwinbox	Yes	Yes	No
Namely	Namely HCM	Yes	Yes	No

About ISG Software Research and Advisory

ISG Software Research and Advisory provides market research and coverage of the technology industry, informing enterprises, software and service providers, and investment firms. The ISG Buyers Guides provide insight on software categories and providers that can be used in the RFI/RFP process to assess, evaluate and select software providers.

About ISG Research

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About ISG

ISG (Nasdaq: III) is a global AI-centered technology research and advisory firm. A trusted partner to more than 900 clients, including 75 of the world's top 100 enterprises, ISG is a long-time leader in technology and business services sourcing that is now at the forefront of leveraging AI to help organizations achieve operational excellence and faster growth. The firm, founded in 2006, is known for its proprietary market data, in-depth knowledge of provider ecosystems, and the expertise of its 1,600 professionals worldwide working together to help clients maximize the value of their technology investments.