The HR, Benefits and Payroll Technology
Survey - 2016

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Introduction and Methodology

This report presents the results of the 2016 HR, Benefits and Payroll Technology Survey. This survey was designed to capture information for the small to mid-sized business market, though firms larger in size did respond. The purpose of the survey was to gain an understanding as to the types of technologies employers are using in the HR, benefits, and payroll areas by employer size, identify the market leading vendors, capture satisfaction levels by vendor, and find out what employer plans are over the next 12 months.

Respondents were invited to take the survey by more than 30 employee benefits brokerage firms across the United States. Therefore, the employers surveyed are more than likely providing health insurance benefits to their employees. Firms providing health insurance, on average, fit the profile of having at least 10 employees with most defined as mid-sized (50-1000 employees). For example, in the United States, approximately 79% of employers have fewer than 10 employees (Source: US Census Bureau). In our survey, only 8.3% of respondents had 10 or fewer employees. On the high-end, 4.1% of our respondents had over 1,000 employees, while only 0.2% of employers in the U.S. have more than 1,000 employees. The majority of the survey respondents (60.1%) had between 50 and 1,000 employees. Survey data was collected from more than 700 employers throughout the United States.

In the survey results, we show satisfaction levels by technology type. However, we are purposely not providing satisfaction levels by vendor. Having been consultants in this space for many years, we realize opinions are subjective, and it is our experience that the vendors are not always completely at fault. In addition, this is an emerging market with rapid change occurring. Vendors are now adding more robust functionality and moving their applications to the web and mobile. Some employers are deploying solutions to the web and mobile for the first time. Because this is new to many, we consider this market to be somewhat in its infancy stages. Therefore, there is a learning curve and some growing pains that may lead to short-term dissatisfaction.

The frequencies or response distributions listed in the report show the number of times or percentage of times a value appears in a data set. Due to rounding, frequencies of data responses provided in this survey may not always total exactly 100%.

About HR Technology Advisors

HR Technology Advisors, LLC (HRT), is a premier national, independent benefits and HR technology consulting firm focused entirely on serving the needs of employee benefit firms and their clients. HRT deploys technology solutions for employers that streamline human resources & benefits delivery processes. HRT has assisted over 1,000 employers in the HR, Benefits and Payroll technology selection process.
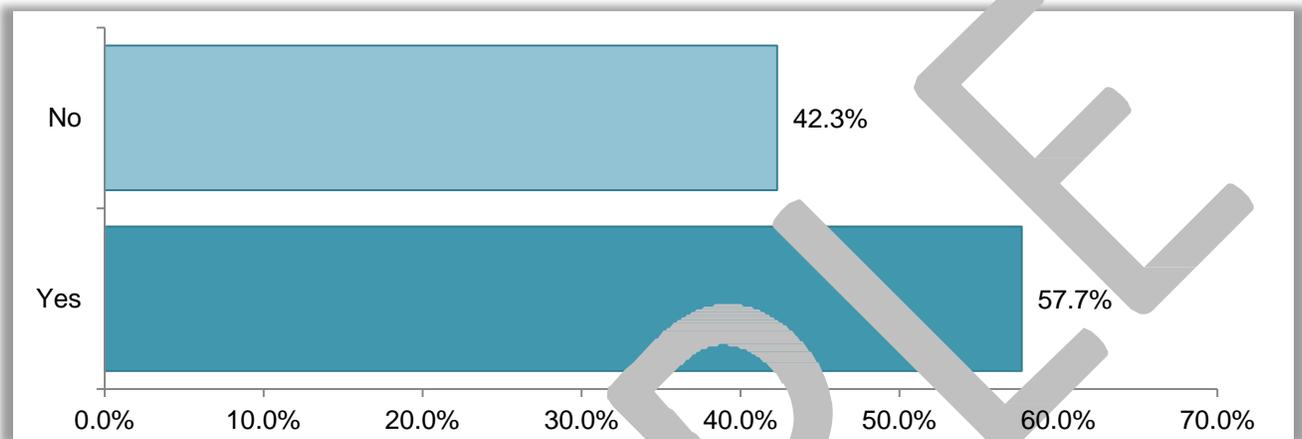
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Survey Demographics

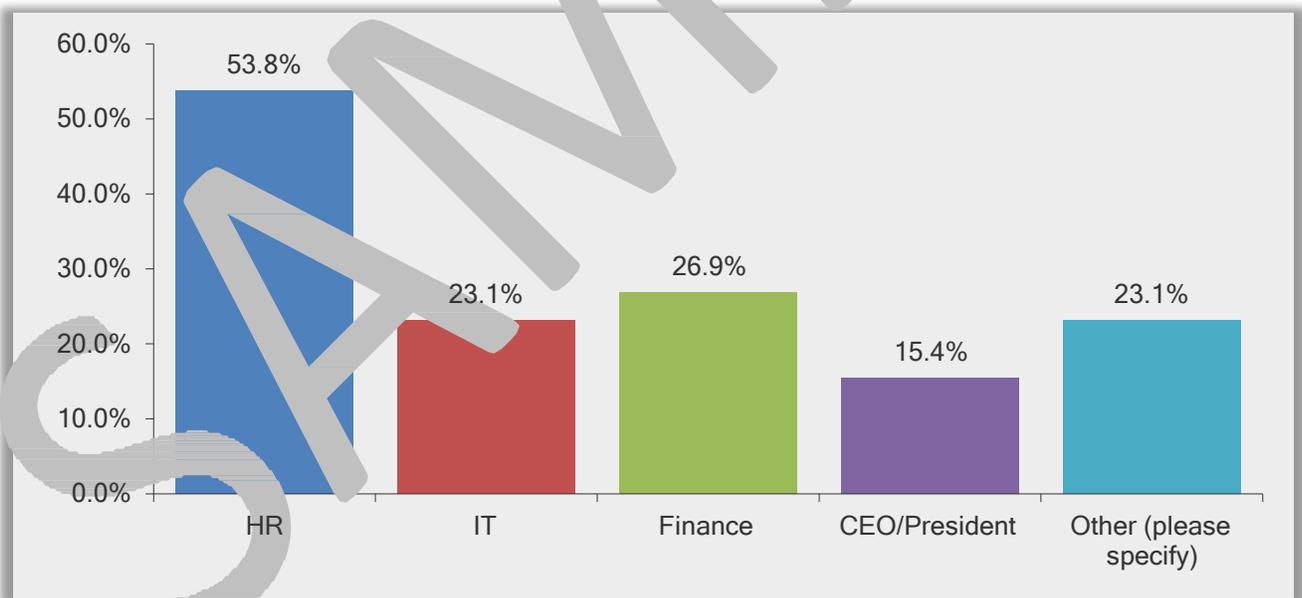**Who responded to the survey?**
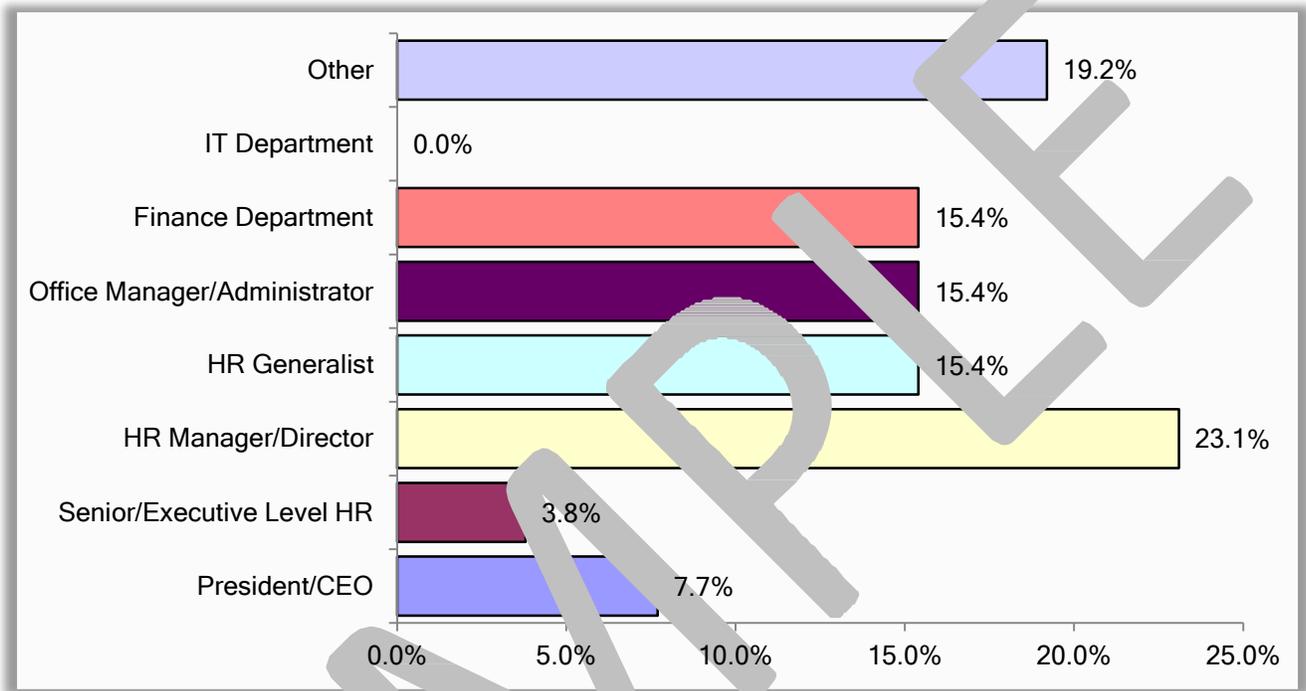
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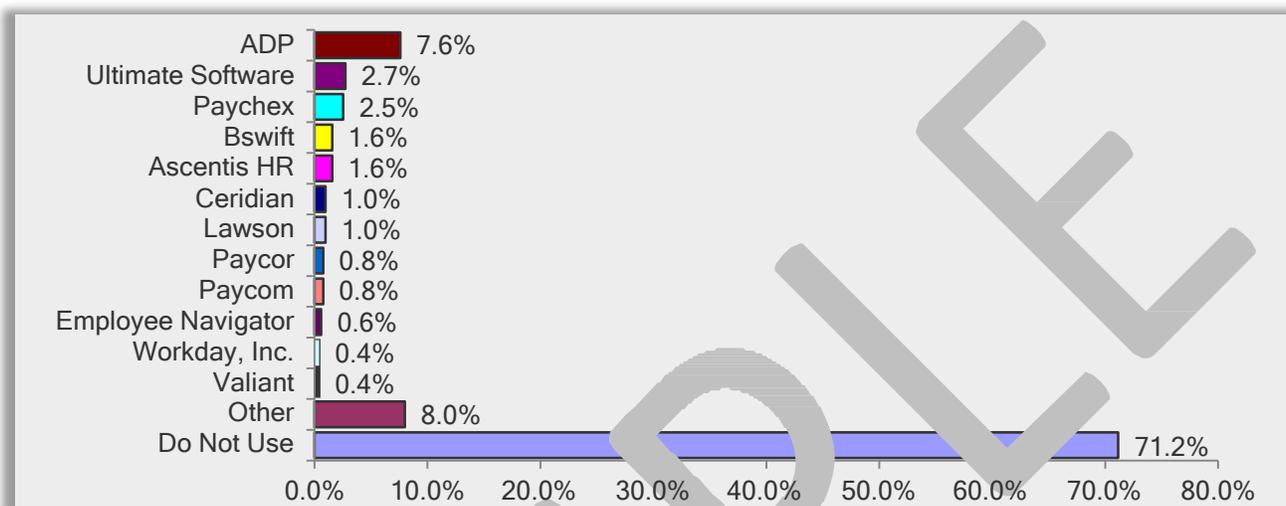
Is payroll processed in-house?

Who is responsible for the HR technologies at your company?

Other professional areas responsible for HR technologies included Office Manager, CFO, and Business Manager.

Benefits Enrollment or Benefits Management

Which vendor do you use for Benefits Enrollment of Benefits Management?

Only three out of ten respondents indicated they currently use a benefits enrollment system. Of those firms with a Benefits Enrollment system, ADP has the greatest market share with 25.7% followed by Ultimate, bswift and Ascentis HR, each with 5% share. Paychex and Ceridian both have over 3% share. Other benefits enrollment or benefits administration vendors include Employee Navigator, Workday, Valiant, Stratex, Silkroad, Kronos, Oracle, Infinisource, Paycor, Lawson and QuickBooks.

When it comes to utilization by size, more than 50% of the firms with more than 100 employees are using a system for benefits enrollment. Conversely, less than one-quarter of the firms with less than 100 employees use a system for benefits enrollment.

ADP is the dominant player in all market segments. Companies who operate in the telecommunications, technology, internet and electronics industry most use internal systems, while manufacturing and retail companies most use ADP. ADP is most used in the Southeast and Midwest. Ascentis is most used in the Midwest. Ultimate Software is most used in the Mid-Atlantic State. Paychex is most used in the Northeast and Paylocity is most used for Benefits Enrollment in the West.

Of the top 10 vendors only bswift and Employee Navigator are considered "Benefits Enrollment" only solutions. All other vendors provide either Payroll or HRIS functionality with their benefits enrollment platform. A total of 51 vendors were represented in the survey. Of those vendors, 80% offer solution that included more than just benefits enrollment.

These statistics are consistent with the trends HR Technology Advisors has seen as employers appear very interested in wanting to use fewer platforms. The majority of the vendors represented in the survey provide multi-function capability and employers are implementing such systems.