

Single-Database HCM Solutions Drive Cross-Business Success

Unify And Automate Employee Data For Better Analytics,
Streamlined Workforce Planning, And Improved Decision-Making

Get started →



Single, Automated HCM Software Unifies Data And Eases HR Burden

Human capital management (HCM) technology can streamline processes, reduce data errors, and decrease administrative work. However, it is often built on multiple databases from different providers on a patchwork of API technology, resulting in disparate data and inhibiting the automation needed for accurate analytics and workforce reporting. Payroll and HR functions across the employee lifecycle (from hiring to retirement) should live in a single, automated HCM software solution built on just one database.

Our study indicated that adopting a single HCM solution would automate processes, support tasks across the employee lifecycle, and improve decision-making with seamless, unified data, therefore impacting both business and HR/payroll. Subsequently, with a single HCM solution, HR has less administrative work and more time to pursue strategic initiatives that drive business forward.

Key Findings



Increased efficiency and better analytics were among key HR goals. However, respondents felt their current HCM technology could be better at enabling both.



Using multiple HCM providers inhibits true automation. Processes may be automated within separate HCM solutions but not across them. Likewise, employee data isn't easily sharable between databases.

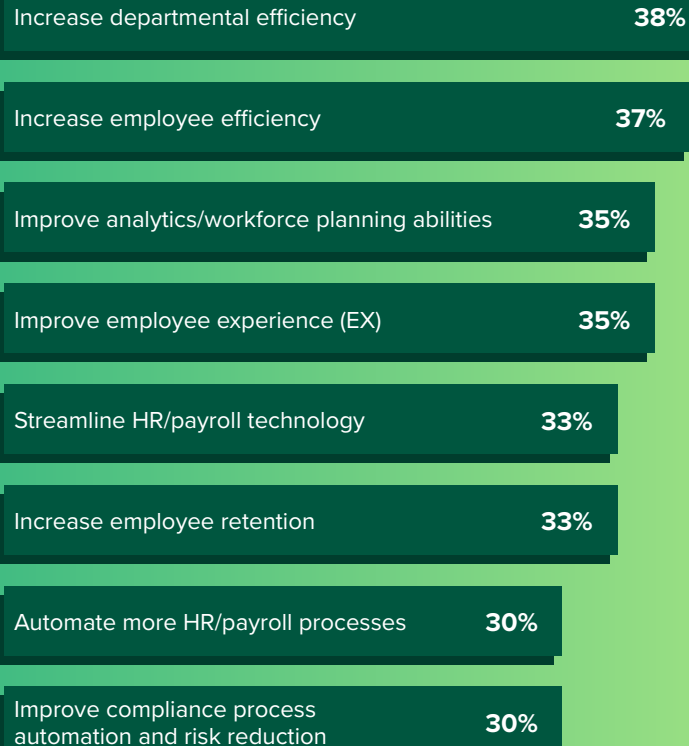


Single-database, automated HCM solutions drive success. Beyond helping them achieve departmental goals, respondents felt that using a single HCM solution would positively impact broader business goals.

Efficiency, Analytics, And Automation Among Top HR And Payroll Goals

Respondents were almost evenly split among their top goals but increasing departmental and employee efficiency came out on top, with 38% and 37%, respectively, ranking each among their top three. Improving analytics and workforce planning abilities (35%), streamlining technology (33%), and increasing automation (30%) were also ranked within 8 percentage points of respondents' top two goals. Such close ranks indicate that surveyed HCM strategy leaders have many focus areas, all of which can be positively or negatively impacted by the HCM technology that they use.

Top HR/Payroll Goals For The Next 12 To 24 Months



Beneath Surface-Level Satisfaction With HCM Software Is Room For Improvement

Respondents were generally satisfied with their current HCM solutions' ability to support their goals. However, when asked what they would change about their software if they could, they saw room for improvement across these six themes:

Key Areas For HCM Software Improvement



User experience and accessibility

- Intuitive, user-friendly, and easily accessible interfaces, especially on mobile devices



Automation

- Automated workflows that ease manual tasks, streamline processes, and increase efficiency



Data analysis and reporting

- Better data analysis and reporting capabilities to enable deeper insights, real-time reporting, and better decision-making



Employee self-service and engagement

- Self-service functions for employees to handle simple tasks on their own and personalization to improve engagement



Performance management and feedback

- Real-time feedback functions and notifications for work progress and performance management enhancements



Customization, configuration, and scalability

- Customization and configuration options to fit specific organizational needs and adjustable features that scale alongside changing business requirements

Top Desired HCM Features By Theme



User experience and accessibility

- Add more features to the mobile app so employees can work and apply from anywhere, anytime
- Make it easier for users to find what they need
- Make the [...] interface easier to use and understand so employees can better use it



Automation

- Make the system more automated to cut down on manual data entry and work more efficiently
- Integrate more automation to reduce manual tasks
- [Add] more automation features to streamline day to day HR management processes



Data analysis and reporting

- [Add] customizable real-time reporting features and better workforce analytics
- Consolidate performance, engagement, and metrics analytics into one dashboard
- Provide more powerful data analysis and reporting tools [...] to help make decisions



Employee self-service and engagement

- Add more self-service options so employees can handle simple tasks on their own
- Improve functions for employees
- Add personalized learning path planning so that employees can learn according to their interests and development directions



Performance management and feedback

- Enhance performance management and allow for real-time feedback
- Track employee training and development needs
- Improve the time and attendance tracking features



Customization, configuration, and scalability

- Make the system more scalable to grow with the organization
- Add more customization options to fit the organization's specific needs
- Make it easier to adjust to the organization's goals and situations

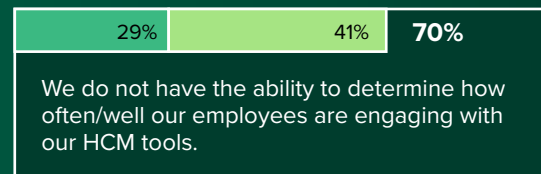
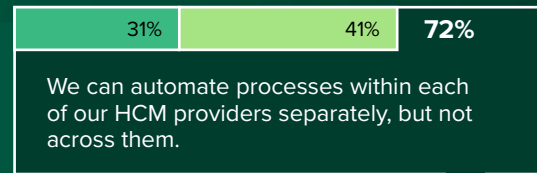
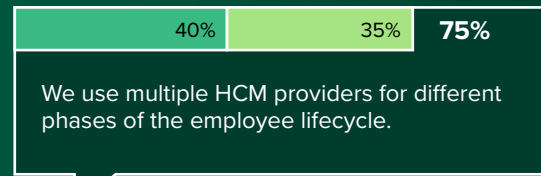
Using Multiple HCM Providers Hinders Comprehensive Automation

The surveyed HR and payroll leaders said their organizations use an average of more than six HCM providers, with 75% indicating that they use different providers for different phases of the employee lifecycle (e.g., payroll, time and labor management, benefits). It is no wonder, then, that 72% of respondents can't automate processes across HCM providers. Automation *within* separate providers or platforms is possible but without the ability to automate across the employee lifecycle, HR and payroll leaders have limited avenues to automate and streamline more processes, subsequently impacting their ability to meet their efficiency goals.

In addition, 70% of respondents also indicated that they were unable to determine how often or well employees engage with HCM tools, inhibiting their ability to determine if these tools meet employee needs and if they are being properly used to drive ROI.

True Automation Proves Difficult With Multiple HCM Providers

● Agree ● Strongly agree



Decentralized Data Leads Top Challenges

With 75% of respondents using multiple HCM providers for different phases of the employee lifecycle, it is unsurprising that 77% also reported that their employee data is stored in multiple HCM databases, and 71% said that this data cannot be transferred or shared between the databases where it's stored. Without easy transfer between databases, HR leaders are left with disparate data that may require manual integration and other time-consuming workarounds, especially since they are unable to automate processes across HCM providers.

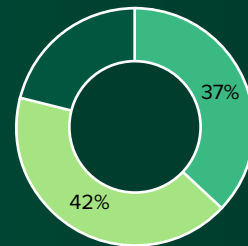
Because of these challenges, 80% of respondents reported that their ability to create accurate real-time workforce reports is negatively impacted by disparate or duplicate employee data despite it being among their top goals. Without seamless data, it is difficult — if not impossible — to access data and extract value in a timely manner.

Data-Specific HCM Challenges

● Agree ● Strongly agree

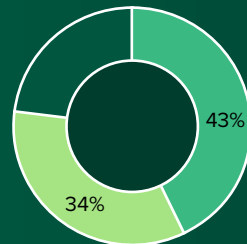
80%

Our ability to create accurate real-time workforce reports is impacted by disparate or duplicate employee data.



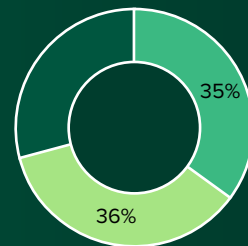
77%

Our employee data is stored in multiple HCM databases.



71%

Our employee data cannot be transferred or shared between the databases where it is stored.



A Single, Automated HCM Software Solution Drives HR And Business Goals

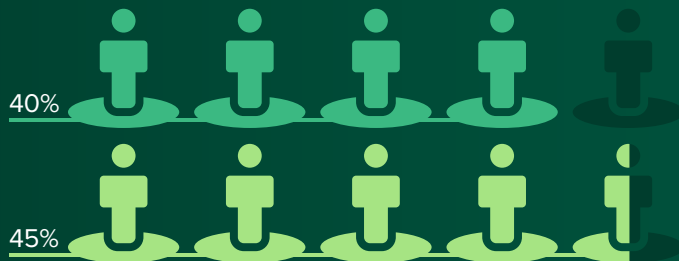
Using multiple HCM solutions from different companies spreads employee data across separate databases, inhibiting automation, efficiency, and analytics. To overcome these challenges, HR and payroll leaders must consider unifying data and workflows across the employee lifecycle in a single-database, automated HCM software solution. The appeal is there — nearly all respondents whose organizations had not yet adopted this type of HCM solution were interested in doing so.

The potential effects of replacing multiple, incompatible HCM solutions with just one are far-reaching. Eighty-five percent of respondents agreed that doing so would positively impact their ability to achieve their HR/payroll goals and 84% said the same regarding business goals.

91% of respondents were interested in adopting a single, automated HCM software solution.

Effects Of Adopting A Single, Automated HCM Solution

- Positive impact
- Very positive impact



85% HR/payroll goals



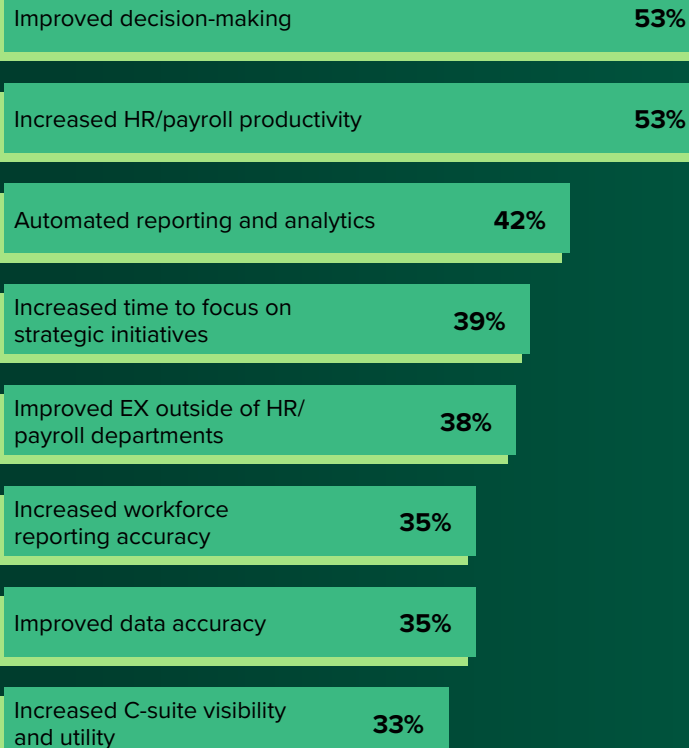
84% Business goals

Switching To A Single HCM Solution Reaps Strategic Benefits

A single, automated HCM solution can yield significant cross-business benefits. Over half (53%) of respondents believe making the switch would improve decision-making and increase HR/payroll productivity. Likewise, 42% agreed they'd gain automated reporting and analytics abilities, and 39% felt they'd have more time to focus on strategic initiatives.

When asked to choose the most crucial benefit of switching to a single, automated HCM solution, improved data accuracy jumped to the top spot. HR and payroll leaders understand that good data is the foundation of all the other benefits they chose. A solution that houses employee data in a single database means cleaner, more accurate, higher-quality data that is easily accessible, leading to the achievement of their top goals.

Top Benefits Of Single, Automated HCM Solutions



Conclusion

The surveyed HR and payroll leaders noted their organizations work with an average of six companies for their HCM software solutions. Employee data is often housed across multiple databases and few, if any, play well with each other. Instead, most respondents reported key activities like automation, analytics, and workforce reporting are inhibited by disparate and/or duplicate data, as well as a lack of interoperability and seamlessness across these databases and solutions.

Switching to a single, automated HCM solution that automates processes across the employee lifecycle eliminates the interoperability issues inherent in using multiple platforms.

Time-consuming and/or costly integrations are no longer needed as all data and functions are consolidated on a single solution.

When the key challenges around automation and data accuracy are solved, HR and payroll leaders are more likely to achieve their top departmental goals and contribute to overall business success.



Resources

Related Forrester Research:

[Human Capital Management Market Insights, 2024](#), Forrester Research, Inc., January 28, 2025

[The Human Capital Management Solutions Landscape, Q2 2025](#), Forrester Research, Inc., April 25, 2025

Related Resources

Akshara Naik Lopez, [Human Capital Management Solutions: The Hottest Trends And Business Impact](#), Forrester Blogs

Project Team:

Rachel Baum, Market Impact Consultant

Contributing Research:

Forrester's [Technology Architecture And Delivery](#) research group

Methodology

This Opportunity Snapshot was commissioned by Paycom. To create this profile, Forrester Consulting conducted an online survey of 217 cross-industry HCM technology strategy leaders based in the United States. The custom survey began and was completed in March 2025.

ABOUT FORRESTER CONSULTING

Forrester provides independent and objective [research-based consulting](#) to help leaders deliver key outcomes. Fueled by our [customer-obsessed research](#), Forrester’s seasoned consultants partner with leaders to execute their specific priorities using a unique engagement model that ensures lasting impact. For more information, visit forrester.com/consulting.

© Forrester Research, Inc. All rights reserved. Unauthorized reproduction is strictly prohibited. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change. Forrester®, Technographics®, Forrester Wave, and Total Economic Impact are trademarks of Forrester Research, Inc. All other trademarks are the property of their respective companies. [E-62840]

Demographics

COUNTRY	
United States	100%

RESPONDENT ROLE	
C-level executive	18%
Vice president	36%
Director	36%
Manager	9%

COMPANY SIZE	
20,000 or more employees	15%
5,000 to 19,999 employees	28%
1,000 to 4,999 employees	33%
500 to 999 employees	24%

HCM TECHNOLOGY INVESTMENT STRATEGY LEADERSHIP	
Final decision-maker for HCM technology investments strategy	40%
Part of a team making decisions for HCM technology investment strategy	36%
Influence decisions related to HCM technology investment strategy	24%

POSITION/DEPARTMENT	
Human resources	63%
IT	13%
Finance/accounting	12%
CEO/business owner	12%

Note: Percentages may not total 100 due to rounding.

A dark, teal-tinted photograph of a crowded staircase. The image is taken from a high angle, looking down the stairs. Many people are walking up and down the stairs, some in motion, creating a sense of a busy public space. The word "FORRESTER" is overlaid in the center in a white, serif font with a registered trademark symbol.

FORRESTER®