

How Cloud Platforms Can Empower HR



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In this InfoBrief

Cloud platforms create the foundation for HR to take on new responsibilities. They enable the use of AI at scale to support skills deployment and matching, connect HR with finance and operations, support the business with key data, and enable more employee-focused processes such as personalized experiences.

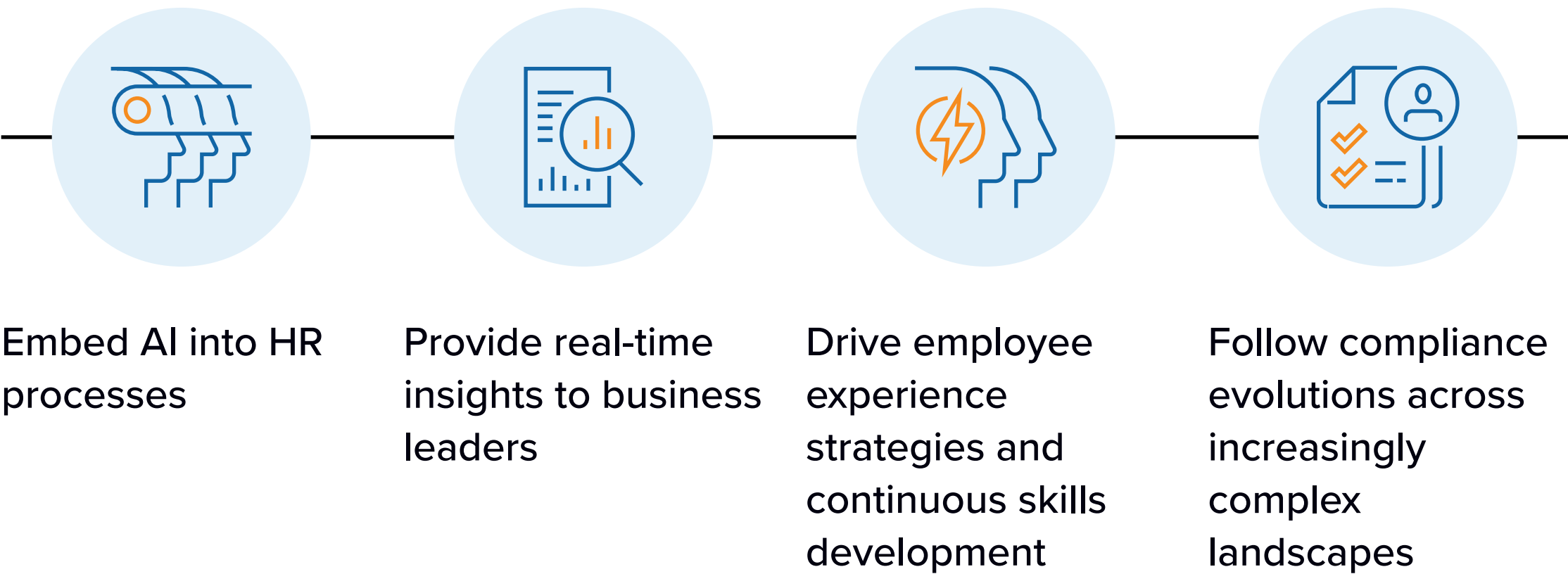
This InfoBrief examines the gap between what HR is asked to deliver and the limits of current systems. It reviews the main challenges, the barriers slowing progress, and the areas where organizations are already making changes.



HR Is Taking on More Responsibilities Than Its Systems Support

Today’s HR leaders are expected to deliver outcomes that extend beyond traditional human capital management.

They must:



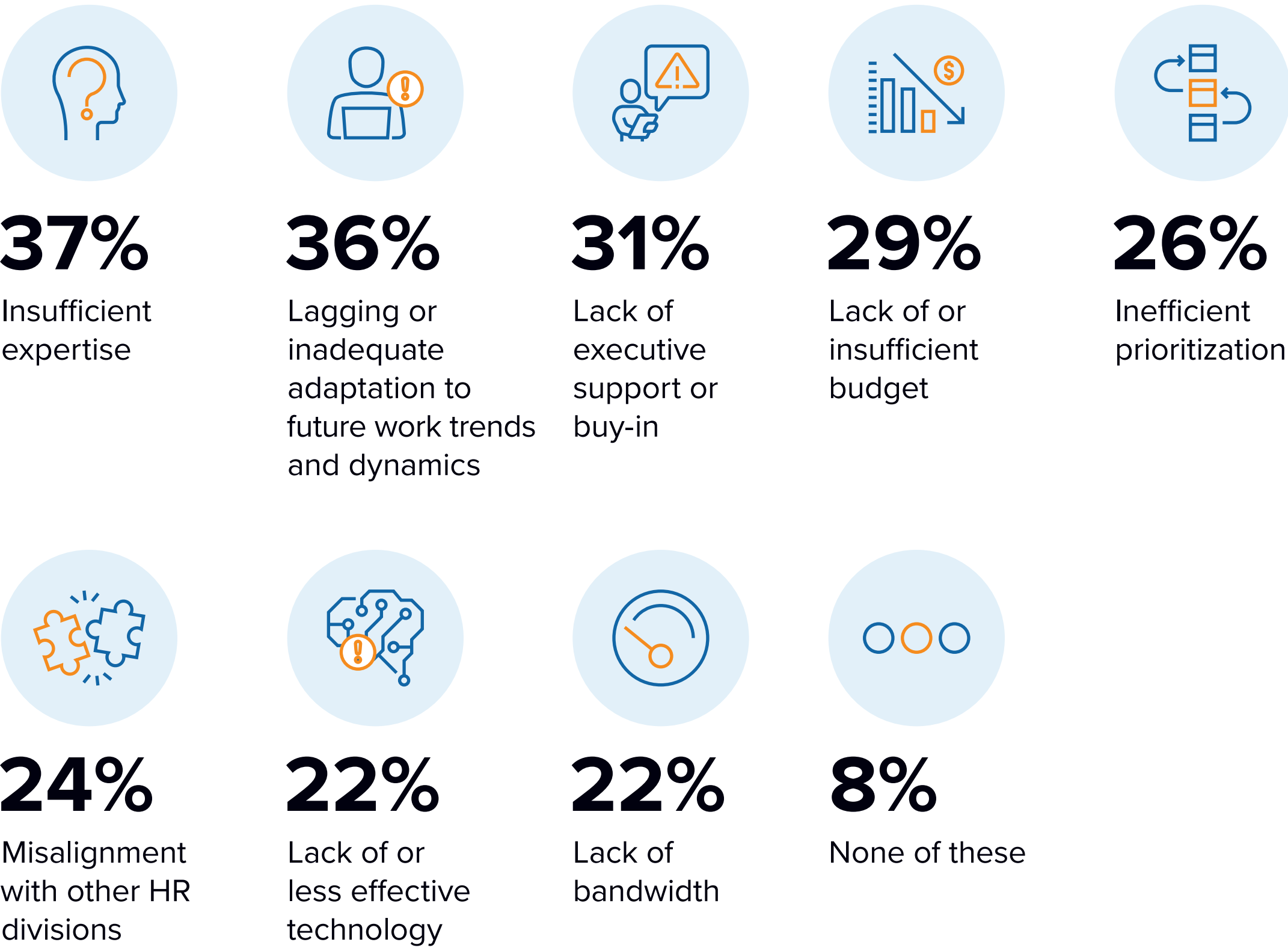
But many HR organizations still rely on platforms designed for transactional tasks rather than transformation.



Only **41%** of HR teams feel confident in identifying and responding to disruptive trends.

As HR Takes a Larger Role in Business Transformation, It Opens the Door for Greater Strategic Impact

Q: In general terms, what barriers do you identify as limiting the HR organization from achieving greater effectiveness?



Organizations expect HR to help people work more effectively by uncovering and making better use of the skills already present in the workforce.

With stronger visibility into skills, HR can connect people to new roles/tasks and form teams that respond quickly to business needs.

This allows organizations to achieve more with their existing talent while improving the employee experience.

While this approach gives HR a larger strategic role, many leaders still face barriers that prevent them from moving beyond routine administration. Overcoming these barriers is essential if HR is to meet its expanding responsibilities.

The Cost of Standing Still in HR Modernization

Most HR systems were designed to keep/manage records and transactions, not to support business transformation.

This leaves organizations struggling to adapt when expectations shift toward real-time intelligence.

The challenge is not a lack of intent to modernize but a lack of flexible infrastructure with which to do it.

Q: How likely is your organization to switch from your current vendor for core HR systems?



76% of organizations are unlikely to switch HR vendors, **reflecting the value of existing systems and the opportunity to modernize with trusted partners rather than replace them entirely.**

Q: What are the biggest roadblocks to improve talent management efficacy and integration within the broader scope of human capital management and finance?



34% of organizations say lack of trust in new vendors limits progress in talent management, **showing the importance of relying on established partners to manage sensitive HR data securely.**

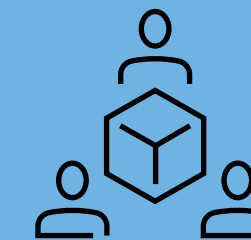
To Support Continuous Change, HR Must Move Away from Transactional Platforms

Q: How is payroll being drawn closer into your organization's cross-functional management automation journey? (Top 3)

01



Payroll insights are being extended to managers and HR and non-HR stakeholders to manage compliance insights and model for financial, operational, and workforce planning.



Cloud platforms create the foundation for HR to work in a more proactive way.

02



Payroll insights are being extended through real-time reporting to employees to manage accruals, request same-day pay, and report errors or issues.



Instead of reacting after problems appear, HR can use real-time data to manage payroll, compliance, and other HR operations more smoothly.

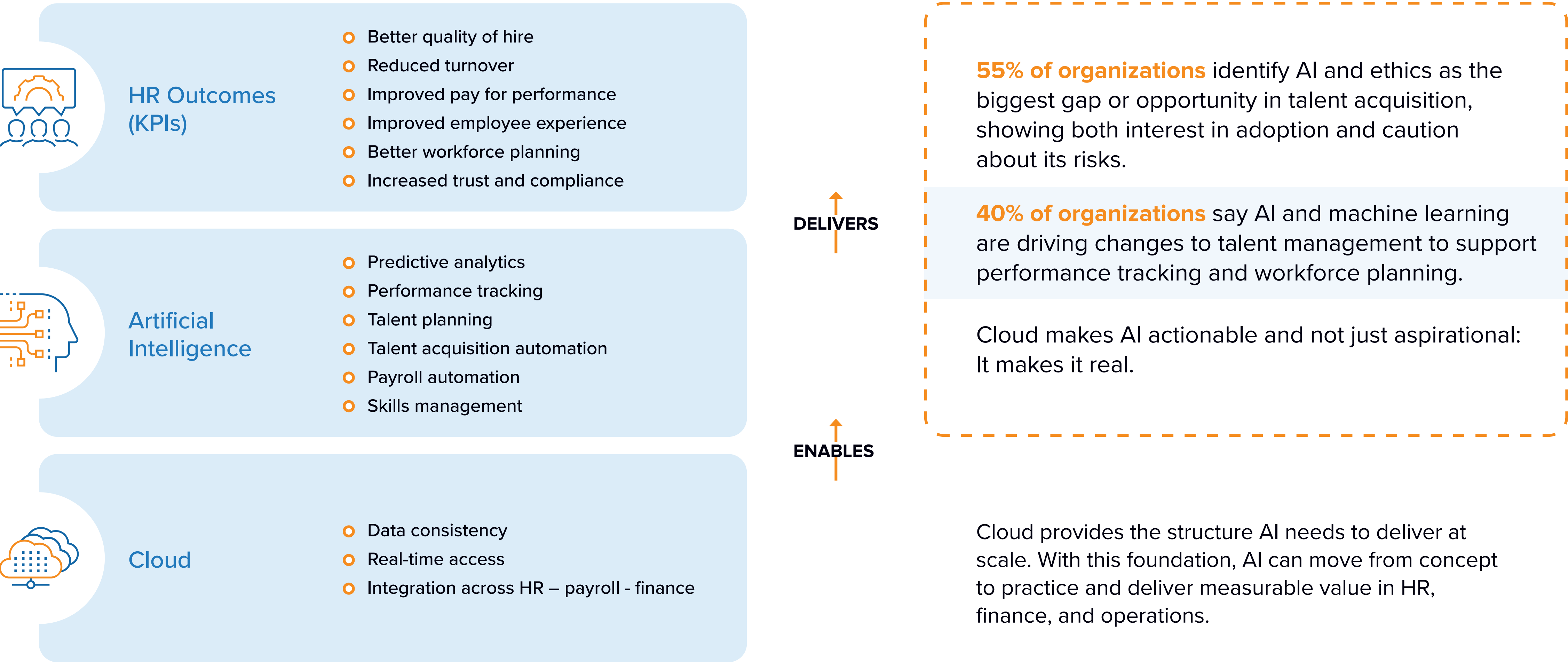
03



Cloud-based payroll automation is supporting greater accuracy and information access in the event of audits, sudden reporting needs, or managing for errors.



Cloud Enables AI and AI Delivers HR Outcomes



Cloud Makes It Possible to Build HR Systems Around Employee Needs and Aspirations at Scale

Employees now expect more from HR:

- Clear visibility into objectives, key results, and requisite skills/tasks
- Personalized career pathing and learning opportunities
- Tools that feel as simple and responsive as consumer applications
- Self-service with embedded decision support

Cloud platforms make it possible to meet these expectations by connecting data and scaling the personalization of experiences at work.



Cloud is an opportunity to move HR away from process-driven design and toward employee-centered experiences.

AI learning is becoming a workforce-wide trend

Younger employees are leading:

61% of those aged 18–34 feel very or extremely confident about learning AI.

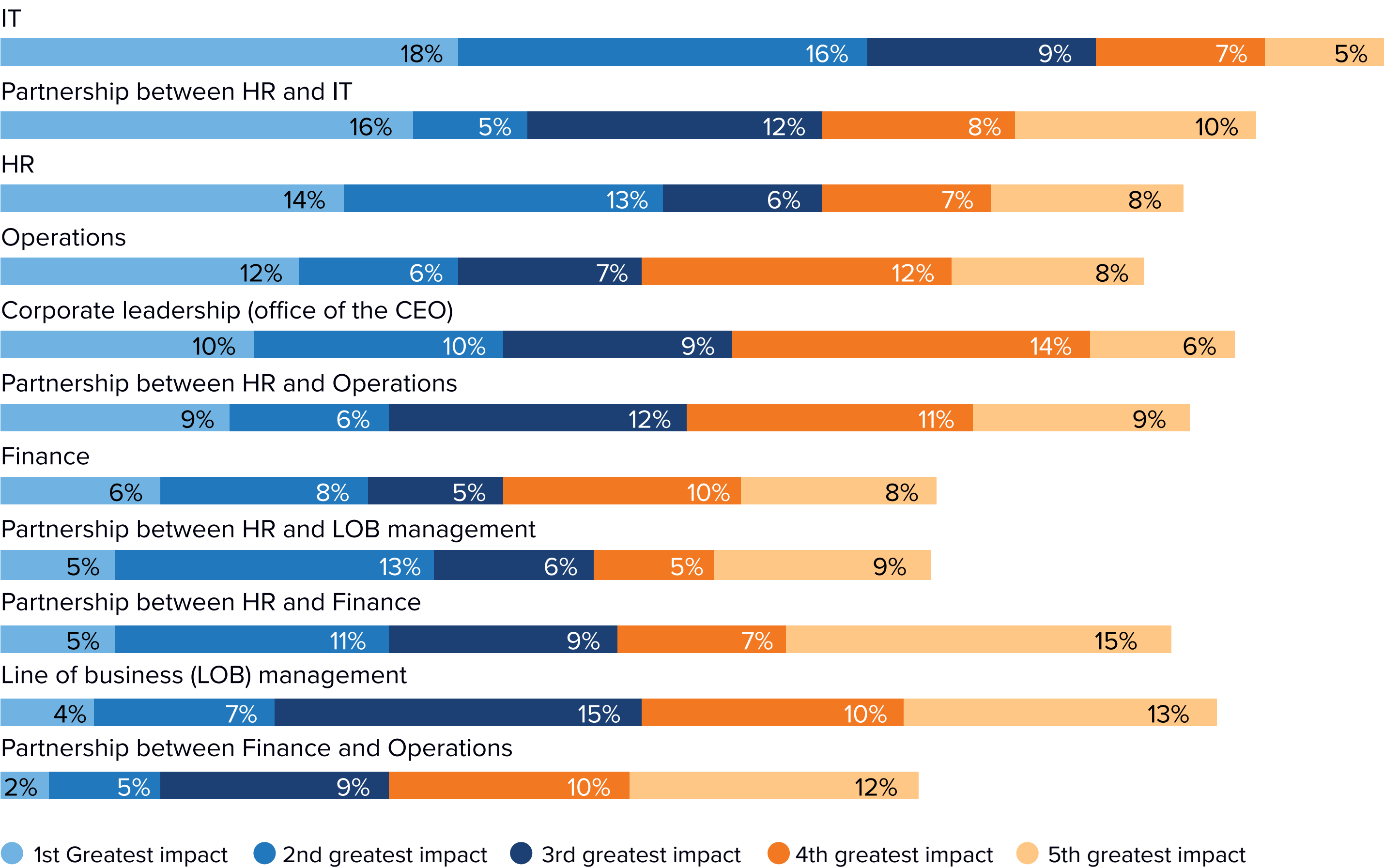


But adoption is not limited to one generation:

54% of all employees spend more than three hours each week building AI skills.



HR's Role in Transformation Grows When Aligned With IT and Enterprise Investments



Digital transformation is not only an IT project.

It requires alignment across HR, finance, and operations

HR can become an equal partner in this transformation but only if it has the systems and connections to share insights and act with the same speed as other functions.

Cloud platforms make this possible by enabling HR data to flow into the wider enterprise in real time.

This need for alignment is also reflected in broader enterprise priorities. HR and IT areas for future investment include migrating to cloud, modernizing infrastructure, and upgrading enterprise applications. HR modernization should be part of this journey.

Recommendations



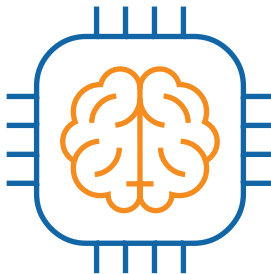
Make cloud the baseline for HR modernization.

Legacy systems limit agility and keep HR reactive. The cloud offers a flexible foundation to deliver at scale and prepare the organization for the agentic future of HR.



Focus on integration across HR, finance, and operations.

Disconnected systems create silos that block transformation.



Treat AI as a practical tool.

AI is already being used by employees. Cloud systems give AI the data and consistency it needs to be effective.



Match HR's ambition with the right infrastructure and resources.

HR is helping drive transformation, but its capacity is limited. Investment in modern tools and reskilling must keep pace with expectations so HR can act as an equal partner in enterprise change.

About the Analyst



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Ivan Oz is a research manager working with IDC's Worldwide Human Capital Management team. Based in Prague, he covers HR strategies, core HR, and payroll as part of IDC's Workplace Solutions team. Ivan's research agenda focuses on Payroll Automation and Compliance, Generative AI for Core HR and Payroll, HR automation and efficiency, and the futureproofing of the HR Function.

[More about Ivan Oz](#)

Message from the Sponsor



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