

## **Human Capital Management Software - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029**

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### **Report description:**

The Human Capital Management Software Market size is estimated at USD 24.92 billion in 2024, and is expected to reach USD 35.94 billion by 2029, growing at a CAGR of 7.60% during the forecast period (2024-2029).

Many companies are onboarding HCM vendors who provide robust and reliable software solutions to increase workforce productivity.

#### Key Highlights

- The employee's mobile-centric internet usage patterns are persuading the enterprises to deploy a mobile application for extending the employee management functions to enhance the culture, i.e., people management, thus providing growth prospects to the HCM vendors. As several companies have had the same HR software for over seven years, which needs to be updated to stay on par with the market, such factors are expected to influence the growth of the human capital management software market.
- Human resource information systems are being invested to effectively manage HR information, better manage employees, gain insights, and improve business outcomes. Companies of all sizes, large and small, are making significant improvements in all aspects of their operations by implementing the right HR technology. The cloud, big data, and artificial intelligence technological advances are changing HR professionals' work and their organizational roles. This trend indicates the potential growth in the market studied over the forecast period.
- For example, Danish retailer Salling Group A/S, which has more than 1,400 stores across Denmark, Germany, and Poland and employs some 53,000 people, is adopting human capital management software to enable its mobile recruitment and talent processes. The company mentioned achieving a 90% reduction in time for the store manager for the administrative task and posting a position in 15 seconds, where it used to take over three days earlier.

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-Data Security is a significant concern after the implementation of HCM software. The software must prevent unauthorized access to sensitive and confidential data. Multiple levels of security must be put in place, hampering the market growth.

-There has been a steady increase in people working from home for the past decade. However, the impact of COVID-19 dramatically accelerated this trend in a short period, forcing organizations of all sizes to adapt to the self-isolation measures that governments across the regions recommended. With the pandemic requiring more people to work remotely, remote workforce management software became essential for businesses, as it can efficiently manage the remote workforce. With the outbreak of COVID-19, market vendors began looking for cost-effective, flexible payroll solutions to reduce non-core spending, fueling the market growth after the pandemic.

## HCM Software Market Trends

### Cloud Based Software Dominates The Market

- The broad range of features, ease of use, and data capacity characteristics of the cloud-based applications drive cloud adoption across all enterprise application solutions. CRM and HCM were the first to be taken to the cloud. The cloud-based HCM solutions enable enterprises to make practical employee engagement tools leveraging social media integration and other APIs for learning, coaching, and recruiting agencies that disrupt the market.

- Human capital management (HCM) solutions that run in the cloud, often Software as a Service, are called cloud HCM (SaaS). When a software provider offers a cloud HCM solution, the interface and client's data are stored on servers. It can thus be accessible anytime and from any location without installing any particular software or programs. For organizations, this implies more access and flexibility in managing human resources and capital, as well as all of the other benefits of cloud computing, such as enhanced security, lower operational costs, and more scalability.

- Cloud HCM solutions like Oracle Cloud HCM provide a consistent user experience and a "single source of truth," which can help eliminate errors because all data is stored in one location. Cloud HCM providers may also take advantage of the full potential of cloud computing to give advanced analytics and functionalities, as well as a slew of integrations to assist HR departments in collaborating with other departments like finance, marketing, and IT.

- Cloud HCM software aids firms in developing a competitive and appealing employee package. It accomplishes this by allowing organizations to better understand their employees' expectations and wishes, training, growth opportunities, and relationships with their managers and coworkers by delivering more precise insights from employee experiences. Many complex operations can be partially automated thanks to artificial intelligence (AI) and machine learning (ML) in cloud HCM systems. This gives employees access to a broader and more personalized range of HR services. It also allows HR departments to focus on developing and sustaining relationships with your company's most valuable assets.

- Moreover, Zellis, the United Kingdom and Ireland's most significant payroll and HR software and services supplier, released Zellis HCM Cloud, its flagship Human Capital Management (HCM) solution. The new solution combines the latest cloud, automation, and AI breakthroughs to create engaging employee experiences, empower businesses with transformative data analytics, and increase payroll and HR process efficiencies.

### North America Region Is Contributing The Largest Market Share

- The rising application of HCM solutions in human resources processes is expected to drive the market's growth. The increasing advances in artificial intelligence (AI) and information technology (IT) will also likely contribute to North America's human capital management.

- In addition, another factor that is expected to drive the demand for human capital management solutions is the pursued

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initiatives and the aggressive investments in digitalizing the human resources process to enhance organizational productivity. The growing taste for HCM solutions delivered in a Software as a Service (SaaS) delivery model is further expected to propel the growth of the market for human capital management in North America.

- HCM solutions enable easy access to human resources data. Moreover, when human resources data is decentralized across various branches, cloud-based HCM solutions can be constructive in centralizing the human resources data. Cloud-based deployment of HCM solutions can help organizations reduce installation time and maintenance costs. North America is a developed region, and the cloud movement is driving the growth of the HCM software market in the region.

- The rising use of predictive analytics by organizations in talent management to improve decision-making and strengthen their capital by retaining human assets is also expected to drive the growth of the market for human capital management in North America.

- In North America, governments are convening various events to acquaint organizations with the latest technologies introduced in the market. Such efforts are expected to increase awareness and boost the demand for HCM solutions in North America. For instance, the government has embarked upon the 2.0 initiative in Canada. The initiative envisages creating a modern workplace that encourages public sector employees to work smarter.

## HCM Software Industry Overview

The market is fragmented, with new vendors offering specific services over the cloud, such as application tracking or Employee Onboarding. Legacy software giants and ERP providers are also gaining a significant market share and making the market more competitive.

- February 2023 - GoCo announced that the company has launched its flexible HR platform for SMBs by adding new features such as new template library, new integrations with E-Verify by Tracker I-9, enhancements to onboarding, Paychex, and popular learning management systems. With this the company makes it easy for HR to eliminate manual tasks.

- September 2022 - SkyHive has released SkyHive Answers, a cloud-based application giving business users immediate, accurate, and detailed answers to their most pressing questions regarding their human capital strategy. SkyHiveAnswers eliminates the need for rigorous human data analysis, complex data processing, and time-consuming research by utilizing SkyHive's Labor Market Intelligence.

### Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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