



Empowering HR Transformation Through Cloud and AI

Unlocking Strategic HR Impact with Cloud



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HR Responsibilities Are Expanding

HR teams are expected to:



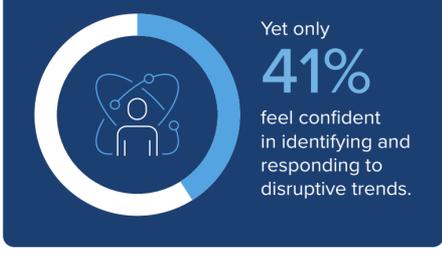
Embed AI into HR processes



Provide real-time insights



Elevate the employee experience



Most still operate on transactional platforms built for administration, not transformation, leaving HR struggling to keep up with growing compliance requirements and new skill demands.

n = 125; Source: IDC's SaaS Path Survey 2025, April 2025

Unlocking HR's Strategic Value

As HR's role in business transformation grows, capability and alignment gaps hold progress back:



22% of organizations cite a lack of or less effective technology as a barrier to delivering strategic impact.

Legacy processes and outdated systems limit agility and slow adaptation to new workforce expectations.



31% struggle with limited executive support or buy-in.

Without leadership sponsorship, transformation efforts lose momentum.

Other barriers include:



Budget constraints



Technology gaps



Misalignment

Addressing these gaps can unlock HR's full strategic value and enable it to guide enterprise-wide transformation.

The Cost of Standing Still Versus the Value of Modernization



Many HR systems were built to store employee information and manage transactions — not to support the fast, connected, and data-driven way organizations now work.



Existing HR platforms often focus on record-keeping instead of helping leaders make informed decisions across HR, finance, and operations.



Flexible, cloud-based systems help HR adapt faster, meet compliance demands, and deliver insights that guide business change.



Delaying modernization keeps HR focused on maintenance instead of playing a strategic role in the business.

n = 125; Source: IDC's SaaS Path Survey 2025, April 2025; n = 512; IDC's Human Capital Management Survey, August 2024

HR Needs Systems that Keep Up with Change

Cloud platforms help HR evolve from basic transactions to connected operations:



Payroll insights can be shared across HR, finance, and operations to manage compliance more effectively.



Employees can see payroll information in real time, check accruals, request same-day pay, and report issues more easily.



Cloud-based payroll automation improves accuracy and audit readiness, giving HR quicker access to the information it needs.

n = 125; Source: IDC's SaaS Path Survey 2025, April 2025

Cloud-Driven HR Outcomes

Cloud and AI enable HR to shift from managing processes to improving business outcomes.



Cloud foundations for AI:

Cloud platforms give organizations the structure needed to use AI effectively across HR, payroll, and finance.



AI's impact on workforce planning:

40% say AI and ML are driving changes in performance tracking and workforce planning.



Skills growth:

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

n = 5,000; Source: IDC's Global Employee Experience Survey, April 2025

Steps Toward Modern HR



Make cloud the baseline for HR modernization:

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:

Cloud systems give AI the data and consistency it needs to be effective.



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

Investment in modern tools and reskilling must keep pace so HR can act as an equal partner in enterprise change.

Get the full IDC report

For more information, [download the IDC InfoBrief](#) titled **"How Cloud Platforms Can Empower HR"**, sponsored by SAP.

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