

Employee Self-Service and Mobile HR Applications

February, 2014



Contents

- Executive Summary** 3
- Introduction** 4
- Data and Research Methodology** 7
- How Does Mobile HR Usage Compare With Traditional Web Desktop Access?** 8
- How Do Mobile Adoption and Usage Metrics Vary by Industry/Organization?** 9
 - Mobile Users Per Organization 9
 - Mobile Page Views Per User 13
- Conclusion** 15
- About ADP®** 16
- About the ADP Research Institute®** 16
- Sources** 16

Executive Summary

The adoption of mobile applications for human resource (HR) functions continues to accelerate. To gauge actual mobile application usage in mid-sized U.S. organizations (employers with 50-999 employees), the ADP Research Institute® (ADPRI), a specialized group within ADP®, conducted research based on actual “real-time” activity. The research utilized aggregate, anonymous usage data from organizations with active mobile users and compared mobile and traditional Web desktop usage.

The data revealed some directionally significant findings.

For example, a much larger percentage of registered mobile users – 37% versus 23% using traditional Web desktop access – were found to employ mobile applications for reviewing pay statement information. This higher usage rate for registered mobile users may reflect both convenience and, for many employees, a more limited access in the workplace to desktop or laptop computers.

Comparing mobile usage for specific purposes, the average number of active Mobile Pay Users Per Organization (those viewing pay information) is roughly double that of Mobile Benefits Users (those viewing benefits information) across all industries.

Overall Mobile Page Views Per User are consistently low, reflecting the nature of using mobile – i.e., getting in, quickly accessing the desired information, and then exiting the application.



Introduction

Fourteen years after the first BlackBerry® smartphone was introduced, six years after the first iPhone®, and just three years after the first iPad®, mobile access has become the “new normal” for a rapidly growing number of people and organizations worldwide. In 2012, global mobile data traffic grew by an estimated 70 percent and average smartphone usage grew globally by 81 percent.¹ By the end of 2013, the number of mobile-connected devices is expected to exceed the number of people on earth. Moreover, global mobile data traffic will increase 13-fold between 2012 and 2017.²

Statistics reveal that in the United States:³

91%
of American adults
have a cell phone

56%
of American adults
have a smartphone

34%
of American adults
own a tablet computer

The impact of mobile technology on all organizations is already profound. It is changing the way people connect with each other and is reshaping the way enterprises are formed, organized, and operated. Like previous transformative technologies such as electricity, computers and the Internet, mobile technology provides fresh opportunities for enterprises to help transform core functional HR processes. This transformation can open the door to increased productivity, improved employee satisfaction, and the ability to communicate instantly with key stakeholders.

EMERGENCE OF MOBILE HR APPLICATIONS

While many of the first entrepreneurial mobile applications have targeted individual customers – media access, Internet sales, social media, travel reservations, etc. – the ubiquity of mobile devices has led to a growing adoption of mobile applications for internal HR functions among companies of all sizes in the United States. Mobile devices are proving to be an effective way to improve worker productivity, real-time decision-making, and workforce satisfaction.⁴

Among the first and most popular HR applications of mobile technology was recruiting.⁵ The explanation for this is simple: the vast numbers of Gen Xers (those born between 1965 and 1980) and Millennials (born after 1980, through the late 1990s) were among the first to adopt mobile technology and search for jobs in great numbers via mobile. Accordingly, effective communication with these dual segments of the U.S. population virtually requires mobile technology.

Looking forward, the mobile phenomenon is even applicable to what many are calling Generation C (individuals born since 1997). These young Americans are connected, communicating, collaborating, computerized, and seem always to be clicking. It is likely that they will readily adapt to mobile HR as they enter the workforce.

Clearly, as employers continue to adopt mobile technology to communicate important information with their employees, the use of mobile HR applications is growing and expected to accelerate over the next few years.

Other mobile HR applications for employees have proliferated in recent years. These include viewing pay statements, time entry, retirement accounts, vacation requests, benefits, work schedules, policies, and company news, among others. As an increasing number of organizations have found, there are many benefits to incorporating mobile HR applications into their internal corporate functions:

Convenience – Mobile applications reduce or eliminate the need to access a desktop computer. With a mobile HR application, the employee no longer needs to manually fill out paperwork, call or email HR with questions. They can access and adjust important HR information whenever they want, wherever they are – on the job, at home, on vacation, etc.

Speed – Mobile applications enable real-time decision-making without time-consuming paperwork or being physically tied to a desktop computer. Turnaround can be virtually instantaneous.

Productivity – Concurrent with the convenience of using mobile technology, employees spend less time managing HR issues, and the HR department spends less time with employee visits and answering employee phone calls or emails, allowing both parties more time to focus on value-generating functions. This can reduce the cost and improve the quality of HR services.

Accuracy – Interactive mobile HR applications, such as time entry and vacation requests, are generally automated, streamlined, step-by-step processes that help reduce the chance of human error.

Expectations/Engagement – Today’s increasingly social/mobile workforce appreciates and respects an organization that makes their job easier with mobile technology. Surveys have shown that mobile HR applications increase workforce satisfaction.⁵ With Generation C about to enter the job market, mobile HR applications may soon evolve from being perceived as an innovation to simply becoming an expectation.

Furthermore, the growth of mobile HR applications may be on the verge of gaining more traction as a standard operating procedure. The number of recruiters and HR professionals who employ mobile applications is projected to grow from 6 percent in 2012 to 13 percent by the end of 2013. Moreover, forecasts indicate that applications for tracking payroll, and time and attendance will catch up with or surpass recruiting for the first time.⁶ This is an indication of a maturing market.

Given the anticipated growth of mobile applications, it is crucial for HR managers to understand the dynamics of how employees can use mobile technology. Toward that end, the ADP Research Institute® conducted research leveraging real-world mobile HR usage data, yielding vital insights concerning the overall employee acceptance and popularity of mobile HR usage. Pay statements viewed on mobile devices was compared with traditional Web access (desktops and laptops). In addition, mobile usage patterns for both Pay and Benefits mobile access functions were analyzed by industry, focusing on the average number of Mobile Users Per Organization and the average number of Mobile Page Views Per User.

*** Function Definitions:**

Pay: Employees who view their pay statements through mobile or the Web (desktop or laptop), including earnings, deductions, direct deposits, for this pay period, or year to date.

Benefits: Employees who primarily view benefits plans, including health benefits, Flexible Spending Accounts (FSAs) and retirement information. May vary by organization. Benefits Plan information displays plan types, coverage level, pay period deductions. Retirement information displays current allocations, distribution percentages, account balances and rate of return. Flexible Spending Accounts allow employees to view their Flexible Spending Account (Healthcare, Dependent Care and Limited Healthcare accounts) information, including a list of the accounts, available balances, and annual goal amount.

Data and Research Methodology

This report utilizes aggregate, anonymous usage data from U.S.-based mid-sized organizations (50-999 employees) for the month of May 2013. First, to compare mobile and traditional desktop Web usage for the viewing of pay statements, the study leveraged data from approximately 50,000 organizations using stationary Web access, such as desktops and laptops, and more than 25,000 organizations using mobile access to view pay statements. Whether using traditional Web access or mobile, employees must first complete a registration profile in order to use the functionality. For the comparison, active user rates were determined as a percentage of employees who were registered users and compared across the two channels.

Secondly, mobile access usage patterns for both Pay and Benefits functions were analyzed by industry, focusing on the average number of Mobile Users Per Organization and the average number of Mobile Page Views Per (active) User. The mobile usage metrics examined usage patterns, leveraging a subset of ADP's mobile data across approximately 5,000 organizations (all between 50 and 999 employees), reflecting 65,000 individual active mobile users. All organizations in the subset offered the capability of viewing at least Pay and Benefits information, and included employees actively using mobile devices to access this information.

The research also included the analysis along industry lines, revealing key differences concerning industry concentrations of users and page views.

ADOPTION AND USAGE METRICS

Two measures were created to compare mobile usage characteristics across key industry segments, illustrating the degree to which mobile is being adopted among various groups of users and frequency of usage. These two metrics are described as follows:

- Mobile Users Per Organization – individual active mobile users, within an organization, having and utilizing mobile access to view pay statements and/or benefits information
- Mobile Page Views Per (active) User – total number of pages viewed during the month of May 2013 by an individual mobile user

How Does Mobile HR Usage Compare With Traditional Web Desktop Access?

A much larger percentage of registered mobile users actually use mobile to access information – 37% versus 23% for traditional Web access.

With widespread access to computers in the workplace, this trend has enabled employees to access their earnings information using stationary Web access connections (desktops and laptops). More recently, however, many employers have also provided employees with the option to access their earnings information using their smartphone or tablet device, via mobile access. For both stationary Web access and mobile applications, employees typically must register before they can use either functionality.

To determine if there were any differences in usage levels between stationary Web access and mobile access, the ADP Research Institute compared employee usage patterns between the well-established stationary Web application for viewing pay information and the mobile HR application.

During this period, 23% of registered stationary Web users accessed their pay statements, while 37% of registered mobile users accessed their pay information – a rate 60% greater than traditional Web access.*

Clearly, once employees are registered for either Web or mobile access, a higher percentage of active mobile users appear to actually access their pay information. Although the number of stationary Web users outnumber mobile users, the higher engagement rate for mobile users may reflect the convenience of using mobile devices instead of using the desktop or laptop. Further, it may also reflect a more limited access in the workplace to desktop or laptop computers for some employees.

Does the frequency of how often an employee is paid explain part of the difference in engagement rates between the two access methods? Since it is the number of active users being measured, payroll frequency would not be a factor. Whether an employee views their pay information on a weekly basis versus monthly, they are only counted once for this comparison. Different industry concentrations of employees between the two access methods could potentially explain the difference; however when examined, industry distributions (not shown) for mobile and stationary Web access are similar, suggesting that differences in the composition of users do not appear to explain the higher engagement rate for mobile users. Again, convenience may be a key factor in explaining the difference.

* The dataset used for assessing Web user rates also contained a very small percentage of mobile users. Had these mobile users been excluded from the dataset, the percent of registered Web users who accessed their pay statements may have been even lower than the 23%.

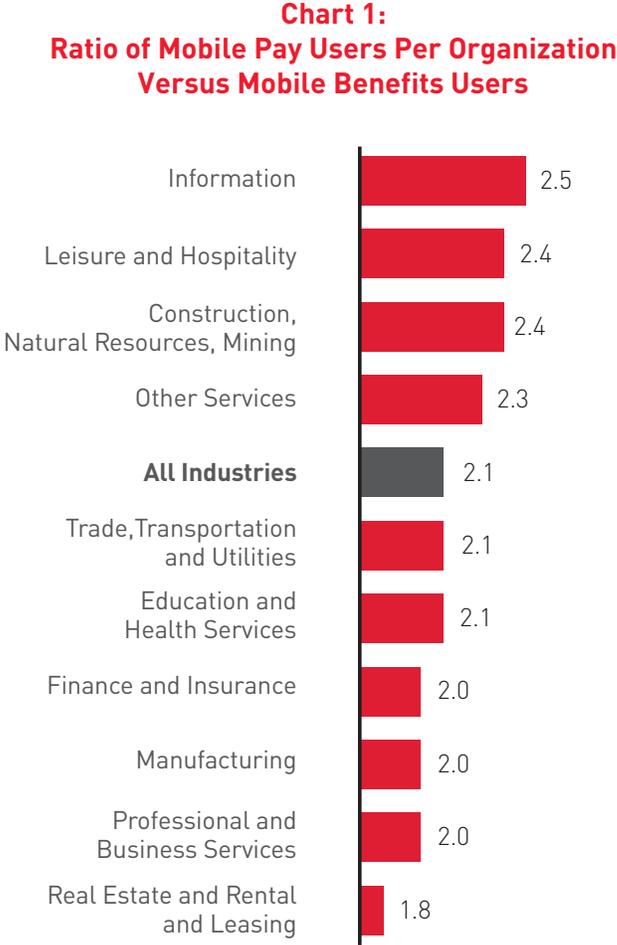
How Do Mobile Adoption and Usage Rates Vary by Industry/Organization?

The dataset of mid-sized organizations studied all offer at least the mobile functions of viewing Pay and Benefits information. Two metrics measuring mobile adoption and usage were constructed which gauge mobile activity characteristics by industry: Mobile Users Per Organization and Mobile Page Views Per (active) User.

MOBILE USERS PER ORGANIZATION

The first metric examined the average number of active mobile users per organization for both the Pay and Benefits functions. These employees are registered to use the mobile HR applications – and actually used them. This metric counts the number of unique users per organization who accessed (at least) either of the mobile functions one or more times during the month of May 2013.

Chart 1 shows the ratio of Mobile Pay Users Per Organization to Mobile Benefits Users for each industry.



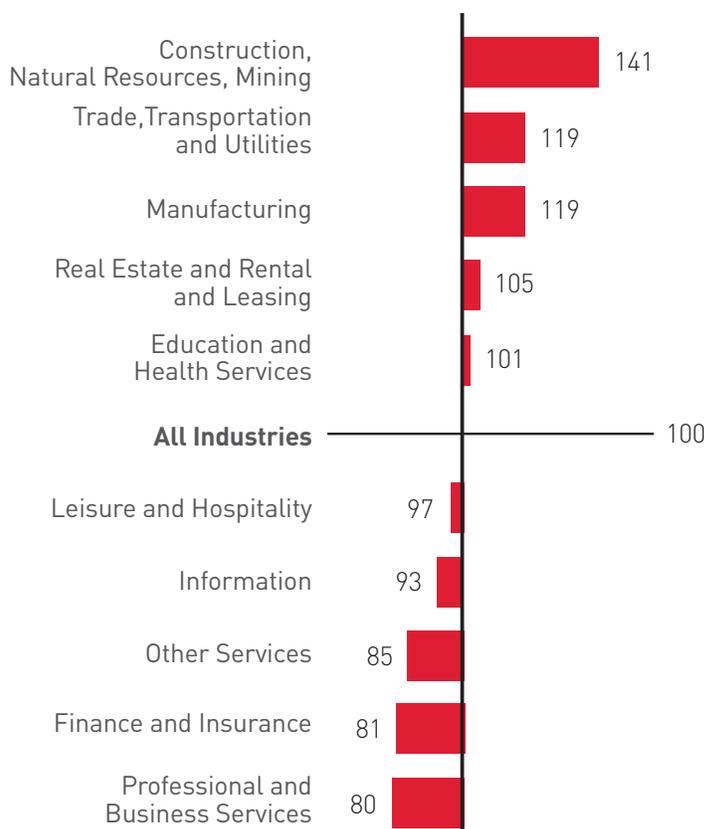
On a per-organization basis, far more people are checking Pay information than Benefits information via a mobile application, although there are differences across industry lines.

The average number of mobile Pay users per organization is roughly double that of mobile Benefits users across every industry – ranging from a ratio of 2.5 Pay users to 1.0 Benefits user in the Information industry to a ratio of 1.8 in Real Estate, Rental and Leasing.

Note that while this finding is evident for the sample month of May, during months of open enrollment, commonly October and November, the number of mobile Benefits users for those months may be greater than a May number.

Charts 2 and 3 provide an index to compare each industry and function relative to a base index value of 100, which is the average of all industries. The index value of 100 reflects the average number of mobile users per organization across all industries.

**Chart 2:
Index of Mobile Pay Users Per Organization
by Industry Versus All Industries**



The index values for the mobile Pay users per organization vary widely, from 141 in the Construction, Natural Resources, Mining industry to 80 in Professional and Business Services, approaching a twofold difference. On average, the number of mobile Pay users per organization in Construction, Natural Resources, Mining is 41% greater than the average number of mobile users shown in “All Industries (100)” while Professional and Business Services mobile use is 20% below the average.

While the number of mobile Pay users per organization in Construction, Natural Resources, Mining exceeds those of all other industries, mobile application usage in Manufacturing; Trade, Transportation and Utilities follow closely behind.

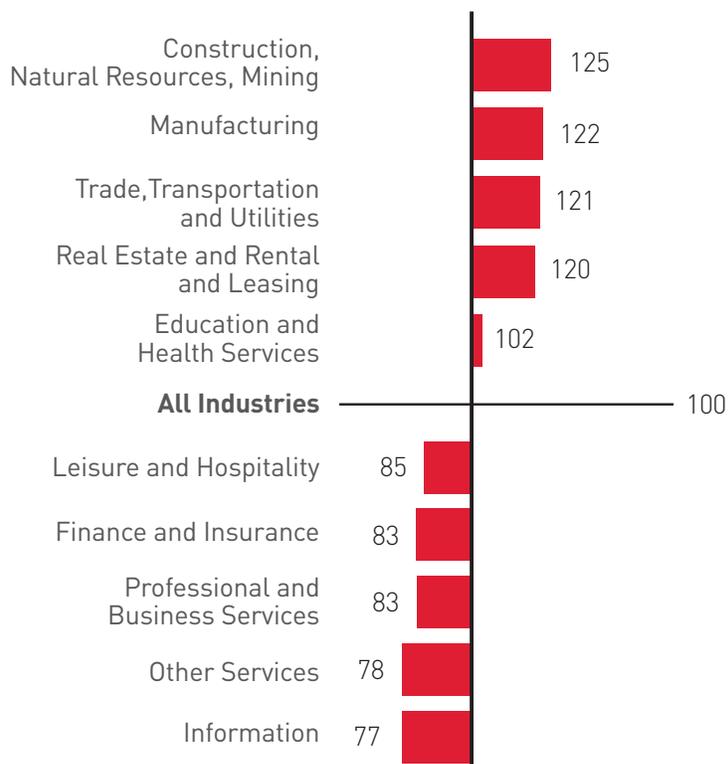
Every industry near or below the “All Industries” level are in the services sector while two of the three industries with the highest number of mobile Pay users per organization (Construction and Manufacturing) are in the goods sector. This phenomenon may be due to the nature of the work environments across the two sectors and prominence of “off-site” work and lack of access to desktop/laptop computers in the workplace.

The two industries with the fewest overall active mobile users are both primarily “white-collar” businesses: Finance and Insurance; and Professional and Business Services. Again, greater access to desktop and laptop computers in the workplace may help explain this disparity as these employees would have less need to leverage Mobile access. Those in Construction, on the other hand, would have less access to office computers and, likewise, utilize mobile access to a greater degree.

Significant variations in usage across industry lines may be explained, in part, by differences in the nature of the work environment.



**Chart 3:
Index of Mobile Benefits Users Per Organization
by Industry Versus All Industries**



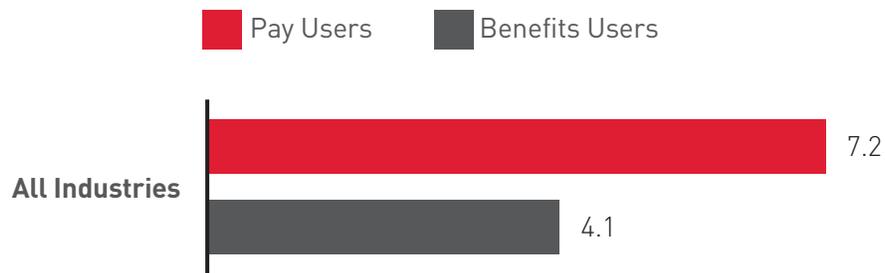
The top four industries are clustered in a tight range (120-125), meaning that these industries have between 20%-25% more mobile users per organization than the average across “All Industries.” Similar to the Pay function, mobile Benefits users per organization appear to be greater in the following industries: Construction, Natural Resources and Mining; Manufacturing; Trade, Transportation and Utilities; in addition to Real Estate, Rental and Leasing.

This phenomenon may be a reflection of employees in these industries that have limited access to desktop and laptop computers in the workplace. As a result, they may be more inclined to leverage mobile access.

MOBILE PAGE VIEWS PER USER

Similar patterns emerge when total Mobile Page Views Per User are examined. This metric more closely measures what individual mobile users (versus organizations) are viewing. In effect, it normalizes the page views, adjusting for the total number of mobile users.

**Chart 4:
Monthly Mobile Page Views Per User**

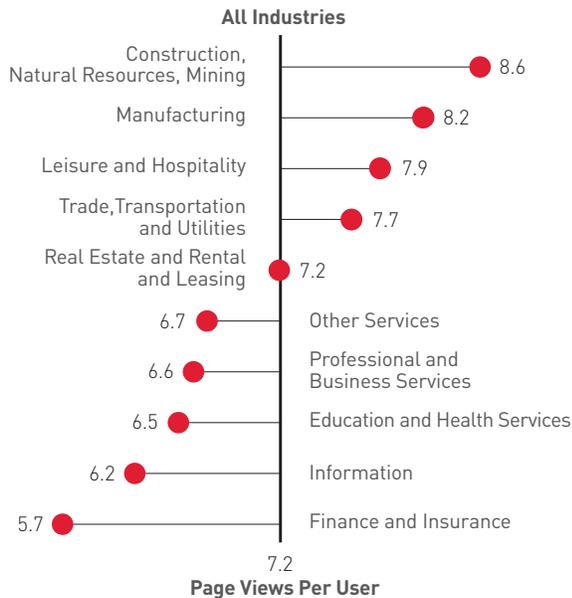


Individual mobile users are viewing nearly double the pages per month using the Pay function in comparison to the Benefits function.

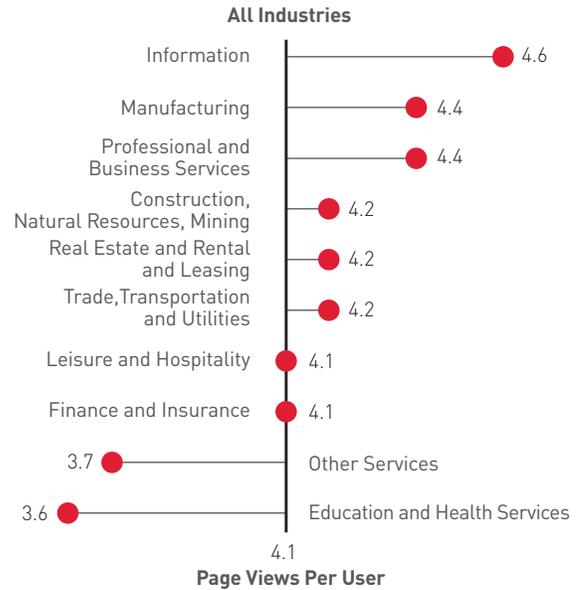
As shown in Chart 4, individual mobile users are viewing nearly double the pages per month in the Pay function relative to the Benefits function. However, overall monthly Mobile Page Views Per User are low, reflecting the very nature of using mobile usage – i.e., getting in, quickly accessing the desired information, and then exiting the application.

The differences between Mobile Page Views Per User for the Pay function and the mobile Benefits function may be explained, in part, by the frequency of regularity of paychecks (not shown). The more often an employee is paid, the more frequently one may want to view pay information using a mobile device. In comparison, the interest in viewing Benefits-related information may be less frequent because one may not need to look at Benefits information except when the occasion arises or during the enrollment period.

**Chart 5:
Pay Users: Mobile Page Views
Per User – by Industry**



**Chart 6:
Benefits Users: Mobile Page Views
Per User – by Industry**



Mobile Page Views Per User indicates similar usage patterns across industries.

Mobile Page Views Per User – for both the Pay function (Chart 5) and Benefits function (Chart 6) – are close to the All Industries number, as there is not much variation across industry lines. This is especially apparent in mobile Benefits usage. The average number of Page Views Per User for Pay Users across All Industries is 7.2, while the similar measure for Benefits Page Views across All Industries is 4.1.

For the Pay function, differences across industries in Mobile Page Views Per User may be partially due to the prevalence of weekly paychecks in several industries. The vast majority of pay systems in every industry is bimonthly. However, weekly paychecks are still issued in relatively high percentages by some industries – in particular Manufacturing; Construction, Natural Resources and Mining; Trade, Transportation and Utilities; and Leisure and Hospitality. Employees within these industries may likely view their Pay information more frequently than those employed by other industries.

Mobile page view differences among the industries for both functions are relatively small. For Pay, it ranges from 5.7 Mobile Page Views Per User in the Finance and Insurance industry to 8.6 mobile page views in the Construction, Natural Resources and Mining industry – a difference of approximately 3 page views. Mobile Page Views Per User for the Benefits function are more evenly distributed across all industries – ranging between 3.6 average page views for Education and Health Services and 4.6 page views for Information – a difference of just 1.0 Page View Per User per industry. This phenomenon may reflect the similar importance and purpose of viewing Benefits information by employees across industry lines.

Conclusion

The impact of mobile technology on organizations across all industries has been profound, particularly regarding applications that target business-to-business customers. As organizations continue to adopt mobile technology to communicate with their internal stakeholders over the next few years, the adoption of mobile HR applications is expected to accelerate considerably. The advantages of mobile HR applications include convenience, greater accuracy, an aid to real-time decision-making, increased productivity, and the intangible benefits of improved employee engagement and satisfaction.

The convenience and appreciation of mobile HR applications is clearly demonstrated by the higher engagement rate of mobile HR users versus traditional stationary Web users – 37% compared with 23% for viewing earnings information. Once employees are registered for mobile access, a higher percentage appears to embrace and use mobile applications compared with traditional stationary Web users.

Every industry studied has active mobile users for both Pay and Benefits functions (although relatively small compared to traditional Web users). To date, mobile users are most heavily concentrated in three industries: Construction, Natural Resources and Mining; Manufacturing; and Trade, Transportation and Utilities.

Interestingly, the two industries with the fewest active mobile HR users per organization are Finance and Insurance; and Professional and Business Services – both of which are primarily white-collar occupations. This may be due to easier access to desktop and laptop computers in the workplace.

While Pay usage exceeds Benefits usage by nearly a twofold margin based upon average number of Mobile Page Views Per User, interest in both Pay and Benefits does not substantially vary across industry lines. This may suggest that, regardless of industry, most employees have similar interests and concerns. The big difference resides in how they access their data, as reflected by the differences in Mobile Users Per Organization across industry lines.

Research presented in this paper indicates, with great clarity, the strength of mobile usage for Pay and Benefits HR applications – in both popularity and practice – within mid-sized organizations.

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ABOUT THE ADP RESEARCH INSTITUTE®

The ADP Research Institute provides insights to leaders in both the private and public sectors regarding issues in human capital management, employment trends, and workforce strategy.

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