

TOMORROW'S  
PEOPLE

RESEARCH REPORT · 2024

# HR Technology Trends in New Zealand.

A research report into how Kiwi organisations are choosing, using, and planning their HR technology. Findings from organisations across Aotearoa, sized from micro to very large enterprises.

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# 91% of NZ organisations run multiple HR systems. Integration is the problem nobody has solved.

This report is drawn from a survey of New Zealand organisations across nine industries and five size bands. The picture it paints is consistent: most organisations are carrying more HR technology than they can manage well, and the cost of that fragmentation is significant.

The market is competitive and dynamic. There is no dominant HRIS vendor in New Zealand; 21% of organisations still have no HRIS at all. Vendor satisfaction is broadly positive, but implementation and ongoing support score considerably lower than technical capability. AI adoption is low right now, but appetite is growing fast.

## KEY FINDINGS

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- 01 91% use a best-of-breed mix of HR systems. Only 9% run a single platform for everything. The result: integration challenges, data inconsistencies, and teams spending 15 to 60 hours per week on system administration.

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- 02 74% cite integration as their biggest challenge, followed by user adoption (68%), resource constraints (62%), and data quality (58%). These four problems compound each other.

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- 03 Over half of organisations would recommend their current vendor. But satisfaction with implementation and ongoing support trails well behind satisfaction with technical capability, which points to a delivery gap.

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- 04 Only 33% currently use AI in their HR tools, but 50% plan to introduce AI in the next 12 to 18 months. The shift in attitude is striking, even if the timeline is ambitious.

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## ABOUT THIS RESEARCH

# The first dedicated survey of HR technology in Aotearoa.

Global HR tech research rarely captures what is actually happening on the ground in New Zealand. This report was built from scratch to address that gap.

Respondent organisations range from micro enterprises (0 to 100 FTE) through to very large organisations (5,000 to 10,000 FTE). The largest group is small enterprises (100 to 499 FTE) at 29.6%, followed by large enterprises (26%) and micro organisations (18.5%). Medium and very large enterprises make up the remainder.

Industries represented include Financial Services, Professional and Technical Services, Information, Media and Telecoms, Transport, Postal and Warehousing, Healthcare and Social Assistance, Manufacturing, Retail, Construction, and Education and Training.

**"This report is born out of a genuine desire to delve deep into the unique environment we have here in Aotearoa. Unlike the broad strokes painted by global studies, our focus is on providing insights that are specifically relevant to Kiwi organisations."**

**JANE WARD · CEO, TOMORROW'S PEOPLE**

This report covers the current state of HR technology adoption, primary systems in use, benefits and challenges experienced, vendor satisfaction levels, and intentions around switching and AI adoption. It is intended as an annual benchmark for HR leaders and technology decision-makers in New Zealand.



SECTION ONE

# The Current HR Tech Landscape.

What NZ organisations are actually running, and the real cost of the fragmented approach most have adopted.

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# Best of breed or all-in-one? 91% have already decided.

New Zealand organisations are overwhelmingly running a mix of specialist HR systems. 91% are piecing together best-of-breed tools for core HR, engagement, recruitment, and payroll. Only 9% run a single integrated platform. This is a deliberate choice in most cases, driven by a desire for top-tier functionality in each area, but it comes at a cost.

Survey participants consistently flagged integration and data consistency as the inevitable consequence of this approach. Some teams are spending between 15 and 60 hours per week managing system administration alone. When you add the overhead of multiple vendor relationships, the true cost of the best-of-breed model becomes apparent.

**"Our data is full of errors and none of our systems talk to each other so the problem keeps getting worse."**

HR MANAGER · NZ ORGANISATION

## Benefits and challenges: what the data shows

When HR systems work well, the benefits are clear. 82% of organisations cite a single source of truth as the biggest benefit of their HR systems, followed by process automation (76%), better analytics (68%), and improved employee experience (58%).

**74%**

CITE INTEGRATION AS THEIR BIGGEST SYSTEM CHALLENGE

**68%**

STRUGGLE WITH USER ADOPTION

**62%**

REPORT RESOURCE CONSTRAINTS AS A KEY BARRIER

**58%**

CITE DATA QUALITY AS AN ONGOING ISSUE

Tomorrow's People, HR Technology Trends in NZ, 2024. Respondents could select multiple options.



# Vendor Satisfaction

Vendors are technically capable. The gap is in how they deliver.

Overall vendor sentiment is encouraging. Over half of respondents say they would recommend their current HR vendor to others, with around 40% strongly agreeing and 15% strongly agreeing. Roughly 25% are neutral, and only about 17% would not recommend their vendor.

But the nuance matters. When satisfaction is broken down by dimension, Technical Expertise scores considerably higher than Implementation Process and Ongoing Support. Vendors are strong at building the technology but less consistent at deploying it and supporting it over time. This points to a clear service delivery gap.

## VENDOR SATISFACTION BY DIMENSION



Tomorrow's People, HR Technology Trends in NZ, 2024.

Resourcing also plays a significant role in satisfaction outcomes. Organisations that invest adequately in dedicated HR system resources report 42% higher overall satisfaction. System integration satisfaction increases by 37% with proper resourcing, and vendor satisfaction scores improve by 33%. The implication: the quality of your vendor relationship is partly a function of how much internal capacity you bring to it.



# Future Thinking: switching, AI, and what comes next.

33% of organisations are actively planning to switch their primary HR system in the next 12 months. 19% are unsure. The drivers are consistent: integration failures, missing functionality, poor data management, and a user experience that no longer meets employee expectations.

## What is driving the desire to change

- Integration. "We just want a one stop shop." "Nothing is integrated." This is the most common theme by a clear margin.
- Functionality. "We lack core functionality." Current systems are not meeting basic needs, not just advanced ones.
- Data management. "Better management of people data and access to information." The demand for data-driven decision-making is real.
- User experience. Employees expect HR technology to work like the consumer apps they use outside work. Many current platforms do not.

## AI in HR tools

63% of organisations are not currently using AI in their HR technology. But 50% plan to introduce AI in the next 12 to 18 months. This is a dramatic shift in intent compared to current adoption. Business priorities and cost are the leading barriers to investment, followed by lack of integration capability and poor underlying data quality.

**"Our team suffers from lack of dedicated system resource. I feel that we aren't getting the most from our platform."**

HR LEADER · NZ ORGANISATION



# Our recommendations.

The data points clearly in one direction. Here is what we would prioritise if we were sitting in your chair.

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## 01 Audit your current stack before adding to it.

Document every HR system in use, its cost, its users, and what problem it was meant to solve. You cannot fix integration until you know what you are integrating.

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## 02 Invest in dedicated system resource.

The 42% satisfaction uplift from proper resourcing is not a coincidence. Someone needs to own the system, maintain data quality, and manage vendor relationships. This is rarely a part-time task.

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## 03 Make integration a hard requirement, not a nice-to-have.

74% cite integration as their top challenge. If you are selecting a new system, put integration capability first on your requirements list. Get IT involved early. Payroll integration is non-negotiable.

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## 04 Start the AI conversation now, even if adoption is 12 months away.

50% plan to introduce AI within 18 months. AI requires clean, centralised data to work. If your data quality is poor today, your AI ambitions will stall at the starting line.

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# TOMORROW'S PEOPLE

## ABOUT TOMORROW'S PEOPLE

New Zealand's first specialist HR technology consultancy. Founded 2017. Vendor-neutral, human-centric, and a little done with the nonsense.

We help mid-market HR and operations leaders choose and implement the right HR technology. Vendor-neutral advice, partner-level delivery, and strategic advisory through to implementation and optimisation. We have been in this industry long enough to know that the best technology decisions are not really about technology.

[tomorrowspeople.co.nz](https://tomorrowspeople.co.nz) →

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## ABOUT THE AUTHOR

Jane Ward is the founder and CEO of Tomorrow's People. Her early career in HR, combined with a passion for technology, led her to establish New Zealand's first specialist HR technology consultancy. Jane has extensive experience across the full HR technology lifecycle: selection, implementation, and ongoing optimisation.

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