

WHITE PAPER · 2024

Optimising Your HR Tech Stack: A Guide for HR.

How to streamline and optimise your HR technology tools, ensure integration, enable automation, and build a system that supports data-driven decision-making and elevates the employee experience.

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Your HR tech stack should improve the employee experience. If it doesn't, something has gone wrong.

Many New Zealand organisations are still working in siloed, manual environments despite the availability of far better tools. The HR tech landscape has transformed in the past decade, but the benefits are only available to organisations that build their stack deliberately, not reactively.

This guide covers the key decisions involved in building an optimised HR tech stack: the all-in-one vs. best-of-breed question, how to assess your current state honestly, what seamless integration actually requires, and how to use your stack to enable data-driven decision-making.

KEY FINDINGS

- 01 The average desk worker now uses 11 applications to complete their daily work. Nearly half say they still struggle to find the information they need. A fragmented HR stack compounds this problem rather than solving it.

- 02 Neither all-in-one nor best-of-breed is universally the right answer. The right approach depends on your functional depth requirements, integration capability, and the resources you have to manage multiple vendor relationships.

- 03 Integration is not a technical afterthought. It is a strategic requirement. The move from operational HR to strategic HR depends on having clean, connected data across systems.

- 04 Data-driven HR decision-making requires a culture shift as well as a technology one. The tools enable it; leadership buy-in sustains it.



Understanding the HR tech stack.

An HR tech stack is the collection of software and tools that HR professionals deploy to support the employee journey. This encompasses everything from recruitment and onboarding through to payroll and performance management.

The right composition varies significantly by organisation type. A fast-growing technology company might need payroll, HRIS, an applicant tracking system, and a performance management platform. An organisation with a waged workforce and high compliance requirements might need payroll, HRIS, workforce management, and a learning management system. The stack should reflect the actual complexity and priorities of your business, not the features available in a vendor's pricing tier.

The past decade has seen a rapid shift toward cloud-based solutions and real-time data access. Remote and hybrid work accelerated this further. Most organisations now rely on tools like Microsoft Teams or Slack that didn't exist in their current form a decade ago. But the speed of technology change brings its own challenges: data inconsistencies, multiple logins, and fragmented user experiences.

"The average desk worker uses 11 applications to complete their tasks, up from just six in 2019. Nearly half say they still struggle to find the information they need to complete their work."

GARTNER RESEARCH CITED IN TOMORROW'S PEOPLE, 2024

These challenges underscore the importance of a well-integrated, optimised HR tech stack that aligns with your HR strategy. The goal is not a comprehensive set of tools. The goal is a coherent system that improves the experience of every person who touches it.



SECTION ONE

All-in-one vs. best of breed.

The most common question we get asked. Here is our honest answer.

01



Neither model is universally better. The right answer depends on your functional requirements, your integration capabilities, and the resources you have available to manage multiple vendor relationships.

All-in-one

A consolidated platform simplifies HR operations, reduces integration complexity, and cuts time spent switching between tools. Data management is more uniform.

Watch for: all-in-one systems often have strong modules in some areas and weaker ones in others. If you have deep functional requirements in a specific area, you may need to accept limitations.

Best of breed

Selecting top-tier tools for each function gives you the best capability in the areas that matter most. Better functionality and flexibility.

Watch for: integration complexity, data consistency challenges, multiple logins creating confusion for employees, and the overhead of managing multiple vendor relationships.

The decision ultimately depends on your priorities. The streamlined simplicity of an integrated system or the performance of a handpicked stack. What is rarely discussed is the full cost of the best-of-breed model: not just licences, but the hours spent on system administration, data reconciliation, and vendor management.

"91% of New Zealand organisations run a mix of systems. The integration challenge is the number one barrier to getting value from HR technology."

TOMORROW'S PEOPLE, HR TECHNOLOGY TRENDS IN NZ, 2024



Assessing your current HR tech landscape.

You cannot optimise what you have not first understood. Start with an honest assessment of every tool in your current stack.

Consider the impact of each tool on productivity, its features, and how user-friendly it is. Are employees using it willingly, or working around it? Gather feedback from both HR staff and the broader employee base. Then identify gaps: are there tools that overlap in functionality? Are there redundancies that can be eliminated?

User-centred evaluation

Human-centred design techniques change what you find in an assessment. User interviews, usability tests, and journey mapping reveal pain points that surveys do not capture. By prioritising user experience in your evaluation, you ensure that any new addition to the stack is not just technically capable but genuinely usable.

When you need a new system

If your assessment leads you to the conclusion that a new system is needed, the structured approach to selection is:

- Understand the specific challenge at hand, not just the surface-level symptom.
- Assess potential solutions against written requirements, not demos alone.
- Ensure integration capabilities are verified, not assumed.
- Prioritise user experience across all employee groups, not just HR staff.
- Conduct a cost-benefit analysis that includes the total cost of ownership, not just the licence fee.



Integration, data, and scalability.

The real value of an optimised HR tech stack is not in any single system. It is in how the systems work together.

A seamlessly integrated HR tech stack simplifies complex workflows, guarantees data consistency across platforms, and enables the kind of data-driven decision-making that moves HR from operational to strategic. Modern HR platforms should be API compatible. Some legacy systems in New Zealand are not, which means flat file integration remains a necessity for many organisations.

APIs enable real-time, two-way data exchange. Flat file integration moves data using standard files, often manually, and is inherently slower and more error-prone. Wherever possible, prioritise API connectivity when selecting new systems.

<p>API</p> <p>REAL-TIME, TWO-WAY, ACCURATE. THE STANDARD FOR MODERN PLATFORMS.</p>	<p>Flat file</p> <p>MANUAL, ONE-WAY, ERROR-PRONE. STILL COMMON WITH LEGACY NZ SYSTEMS.</p>
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Data-driven decision-making

An optimised HR tech stack aggregates data across systems and enables intelligent analysis: patterns in employee engagement, future staffing requirements, the impact of HR initiatives. But having the tools is the starting point. A culture that values and acts on data insights is what makes the difference. That culture needs leadership buy-in to sustain it.

Your HR tech stack also needs to scale with your organisation. Choose systems that can adjust to changing needs without requiring a complete rebuild. Staying current with platform releases and new functionality is part of the ongoing work of stack management.



Our recommendations.

Improving your HR technology stack is not a project with an end date. It is an ongoing commitment. Here is where to start.

01 Audit before you add.

Document every system in use, its cost, and what it was bought to solve. You cannot optimise a stack you don't fully understand, and you cannot justify new investment without a clear picture of the current state.

02 Make integration a first-order requirement.

How a new system integrates with your existing stack, particularly payroll, should be a hard requirement, not a question for after you have selected a vendor. Get IT involved early.

03 Prioritise the employee experience in your evaluation.

HR technology is not just for the HR team. It affects every employee. User experience should be a scored evaluation criterion, not an afterthought.

04 Build a culture of data use alongside the technology.

The tools enable data-driven HR. Leadership buy-in is what ensures insights are actually acted on. Both are necessary. Neither is sufficient on its own.

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.

tomorrowspeople.co.nz →

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