

# Transformational HR Outsourcing Services (HRO)

Assessing provider capabilities to transform HR,  
and its business impact, through outsourcing



Introduction	3	Advisor Involvement	
		Advisor Involvement - Program	
		Description	11
		Advisory Team	11
About the Study		Invited Companies	12
Quadrants Research	4		
Definition	5		
Quadrants by Region	7		
Schedule	8		
		About our Company & Research	13
Client Feedback Nominations	9		
Contacts for this Study	10		



Organizations are experiencing evolving HR needs, rapid changes in the technology landscape, and significant shifts in workforce demographics, values and expectations. As they seek to meet business goals and achieve improved workforce outcomes, enterprises across sectors are planning investments in new digitally enabled HR service delivery models that are agile, flexible, resilient and efficient, and also engaging and relevant to a modern workforce.

Transformational HR outsourcing (HRO) goes beyond HR process standardization, efficiency and cost reduction — it delivers enhanced value from the HR function and the wider organization and its workforce. HRO can accelerate the adoption of digital technologies, expand service offerings through access to provider partner networks, enhance access to HR thought leadership, deliver actionable data-driven insights and increase employee engagement.

Establishing enduring, valuable relationships with HRO service providers will play an important part in delivering value from investments in HR-related services. Therefore, selecting the right providers, specific to organizational needs and circumstances, has never been more important.

This ISG Provider Lens™ Transformational HR Outsourcing Services study — being introduced for the first time in 2024 — focuses on two areas to help U.S.-based organizations evaluate the offerings of current and prospective service providers:

- Multi-process HR Outsourcing (MPHRO) Services: Assessing providers that offer a range of integrated HR services.
- Health and Welfare (H&W) Benefits Administration Services: Assessing providers that offer a separate H&W benefits solution that can integrate with a customer's existing HR services.



This study will help U.S.-based organizations evaluate **current and prospective HRO service providers** in two service categories.

**Multi-process HRO (MPHRO) Services**

**Health and Welfare (H&W) Benefits Administration Services**

Simplified Illustration Source: ISG 2023

**The ISG Provider Lens™ Transformational HR Outsourcing Services 2024 study offers business and HR leaders and decision-makers with the following:**

- Transparency on the offerings, strengths and weaknesses of relevant HRO service providers.
- A differentiated positioning of providers based on their competitive strengths and portfolio attractiveness.
- A view of the target market, the U.S.

Our study serves as an important decision-making basis for positioning key relationships, service development strategies and go-to-market considerations. ISG advisors and enterprise clients also use information from these reports to evaluate current service-provider relationships and potential engagements.

This study will assess HRO service providers along two quadrants that are important to a wide range of organizations.

1. **Multi-process HRO (MPHRO) Services:** This quadrant includes providers that support organizations seeking a single service provider to deliver a range of integrated HR services. The services typically included here are workforce data administration, HR contact center services, and other services that could include payroll, compensation, rewards and benefits administration, recruitment, learning and development, and performance management.
2. **Health and Welfare (H&W) Benefits Administration Services:** This quadrant includes providers that address the current trending topic of improving benefits provision and take-up to attract, engage and retain employees. This is an area where organizations often focus on new solutions that can be integrated with their overall HR service delivery model.



## Multi-process HRO (MPHRO) Services

### Definition

This quadrant assesses HRO providers offering a range of integrated services — delivered through a consult-to-operate model — to U.S.-based organizations (including subsidiaries of global businesses that make their own sourcing decisions) for the benefit of their local workforce.

MPHRO services usually include the core offerings of workforce data administration and HR contact center, in addition to other HR services such as payroll, compensation, rewards and benefits administration; recruitment and onboarding; learning and development; performance management; relocation services; workforce planning; and succession planning. Providers may offer complementary services such as time and attendance administration; travel and expense management; severance administration; and HR and legal advice and compliance.

Delivery may involve outsourced roles (full time employees [FTEs]). It may also include transformation and enablement through process simplification, standardization and automation; client and/or provider HR technology; self-service and contact center technology; reporting and analytics; and emerging technologies such as AI.

Service providers deliver value through several benefits. These include cost reduction; service quality improvement; organizational agility, flexibility and resilience; improved adoption of HR services and programs; increased workforce engagement, productivity and performance; and overall governance and management of the services.

Given the scale, complexity and impact of MPHRO, providers usually focus on large enterprises with over 5,000 employees — unlikely to offer services to organizations with less than 100 employees.

### Eligibility Criteria

1. Offer a range of simultaneous and integrated HR services for U.S.-based organizations and their employees (excludes providers that only offer payroll, professional employer organization (PEO) or employer of record (EOR) services)
2. Offer HR services, including workforce data administration, HR contact center, and other HR services
3. Use leading methods, tools, delivery approaches and technologies to improve, streamline and add value to the HR function and the overall organization and its workforce
4. Offer transition, transformation and ongoing delivery of HR services through a consult-to-operate model (excludes HR technology vendors or consulting and implementation firms that do not have HR service delivery capabilities)



## Health and Welfare (H&W) Benefits Administration Services

### Definition

This quadrant assesses providers of health and welfare benefits administration services — delivered through a consult-to-operate model — to small, midsize and large U.S.-based organizations (including subsidiaries of global businesses that make their own sourcing decisions), employing local workers.

These providers manage benefits for employees and other eligible dependents such as employee family members and retirees. The services typically include eligibility checking, plan enrollment, ongoing administration of a range of health and welfare benefits, and integration with third-party providers and carriers to provide a seamless EX. Some providers also offer benefits including contact center services and adjacent administration services such as financial planning for retirement.

Benefit plans may be sourced by the provider and/or the customer organization. These may include, but are not limited to, medical, dental and vision plans; Consolidated Omnibus Budget Reconciliation Act (COBRA) administration;

and other mandated and voluntary programs and plans such as spending accounts, insurance (for example, for legal services, properties or pets) and mental and physical well-being subscriptions and services.

Delivery may involve outsourced roles (full-time employees [FTEs]). It may also include transformation and enablement through technology platforms that offer automation, self-service, reporting and analytics, single sign-on and API integration with third-party providers, and emerging technologies such as AI.

Service providers deliver value through cost reduction, service quality improvement, enhanced adoption of benefit programs, increased workforce engagement, and improved and personalized EX.

### Eligibility Criteria

1. Offer **benefit administration services across a range of health and welfare plans for U.S.-based organizations and employees** (excludes providers that only administer financial plans for retirees, or only offer professional employer organization (PEO) or employer of record (EOR) services).
2. Offer services that **integrate with a customer's other HR services and solutions**.
3. Manage **integrations with third-party providers and carriers**.
4. Use **leading methods, tools, delivery approaches and technologies** to improve, streamline and add value to both the HR/benefits function and the overall organization and its workforce.
5. Offer **transition and ongoing delivery of services** through a **consult-to-operate model** (excludes benefits technology vendors or consulting and implementation firms that do not have service delivery capabilities.)



## Quadrants by Region

As a part of this ISG Provider Lens™ quadrant study, we are introducing the following two quadrants on Transformational HR Outsourcing Services (HRO) 2024.

Quadrant	U.S.
Multi-process HRO (MPHRO) Services	✓
Health and Welfare (H&W) Benefits Administration Services	✓



The research phase falls in the period between November and January 2023, during which survey, evaluation, analysis and validation will take place. The results will be presented to the media in May 2023.

**Milestones**

**Beginning**

**End**

Survey Launch	December 7, 2023	
Survey Phase	December 7, 2023	January 26, 2024
Sneak Previews	March 2024	April 2024
Press Release & Publication	April 2024	

**Research Production Disclaimer:**

ISG collects data for the purposes of writing research and creating provider/vendor profiles. The profiles and supporting data are used by ISG advisors to make recommendations and inform their clients of the experience and qualifications of any applicable provider/vendor for outsourcing the work identified by clients. This data is collected as part of the ISG FutureSource™ process and the Candidate Provider Qualification (CPQ) process. ISG may choose to only utilize this collected data pertaining to certain countries or regions for the education and purposes of its advisors and not produce ISG Provider Lens™ reports. These decisions will be made based on the level and completeness of the information received directly from providers/vendors and the availability of experienced analysts for those countries or regions. Submitted information may also be used for individual research projects or for briefing notes that will be written by the lead analysts.

Please refer to the [link](#) to view/download the ISG Provider Lens™ 2024 research agenda.

**Access to Online Portal**

You can view/download the questionnaire from [here](#) using the credentials you have already created or refer to instructions provided in the invitation email to generate a new password. We look forward to your participation!





### ISG Star of Excellence™ – Call for nominations

The Star of Excellence™ is an independent recognition of excellent service delivery based on the concept of “Voice of the Customer.”

The Star of Excellence™ is a program, designed by ISG, to collect client feedback about service providers’ success in demonstrating the highest standards of client service excellence and customer centricity.

The global survey is all about services that are associated with IPL studies. In consequence, all ISG Analysts will be continuously provided with information on the customer experience of all relevant service providers. This information comes on top of existing first-hand advisor feedback that IPL leverages in context of its practitioner-led consulting approach.

Providers are invited to [nominate](#) their clients to participate. Once the nomination has been submitted, ISG sends out a mail confirmation to both sides. It is self-evident that ISG anonymizes all customer data and does not share it with third parties.

It is our vision that the Star of Excellence™ will be recognized as the leading industry recognition for client service excellence and serve as the benchmark for measuring client sentiments.

To ensure your selected clients complete the feedback for your nominated engagement please use the Client nomination section on the Star of Excellence™ [website](#).

We have set up an email where you can direct any questions or provide comments. This email will be checked daily, please allow up to 24 hours for a reply.

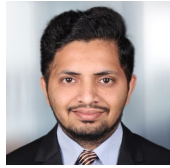
Here is the email address:  
[ISG.star@isg-one.com](mailto:ISG.star@isg-one.com)



Contacts For This Study



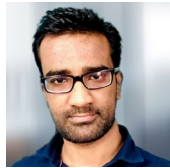
Colin  
Whalen  
**Lead Analyst**



Akshay S  
Hiremath  
**Research Analyst**



Pragathi  
Thimmaiya  
**Lead Project  
Manager**



Sumit  
Kumar  
**Data Analyst**



### ISG Provider Lens Advisors Involvement Program

ISG Provider Lens offers market assessments incorporating practitioner insights, reflecting regional focus and independent research. ISG ensures advisor involvement in each study to cover the appropriate market details aligned to the respective service lines/technology trends, service provider presence and enterprise context.

In each region, ISG has expert thought leaders and respected advisors who know the provider portfolios and offerings as well as enterprise requirements and market trends. On average, three advisors participate as part of each study's quality and consistency review team (QCRT). The QCRT ensures each study reflects ISG advisors' experience in the field, which complements the primary and secondary research the analysts conduct. ISG advisors participate in each study as part of the QCRT group and contribute at different levels depending on their availability and expertise.

The QCRT advisors:

- Help define and validate quadrants and questionnaires,
- Advise on service provider inclusion, participate in briefing calls,
- Give their perspectives on service provider ratings and review report drafts.

## ISG Advisors to this study



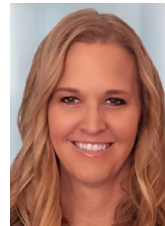
Stacey  
Cadigan

**Partner, Human Capital  
Management**



Saskia  
Goods

**Director, Human Capital  
Management**



Nicole Dubs

**Principal Consultant,  
Human Capital  
Management**



## Invited Companies

**If your company is listed on this page or you feel your company should be listed, please contact ISG to ensure we have the correct contact person(s) to actively participate in this research**

Accenture	Excela HR Solutions	WEX
ADP	Fidelity	Wipro
Alight	Flatworld Solutions	WNS
Aptia	IBM	WTW
Ascent HR	Infosys	Zalaris
BenefitFocus	Insperity	
Bswift	OneSource Virtual	
Businessolver	Paychex	
Capgemini	PlanSource	
Ceridian	SD Worx	
CGI	Sopra HR	
Cognizant	TCS	
Conduent	TELUS Health	
Empyrean	Trinet	



### iSG Provider Lens™

The ISG Provider Lens™ Quadrant research series is the only service provider evaluation of its kind to combine empirical, data-driven research and market analysis with the real-world experience and observations of ISG's global advisory team. Enterprises will find a wealth of detailed data and market analysis to help guide their selection of appropriate sourcing partners, while ISG advisors use the reports to validate their own market knowledge and make recommendations to ISG's enterprise clients. The research currently covers providers offering their services across multiple geographies globally.

For more information about ISG Provider Lens™ research, please visit this [webpage](#).

### iSG Research™

ISG Research™ provides subscription research, advisory consulting and executive event services focused on market trends and disruptive technologies driving change in business computing. ISG Research™ delivers guidance that helps businesses accelerate growth and create more value.

ISG offers research specifically about providers to state and local governments (including counties, cities) as well as higher education institutions. Visit: [Public Sector](#).

For more information about ISG Research™ subscriptions, please email [contact@isg-one.com](mailto:contact@isg-one.com), call +1.203.454.3900, or visit [research.isg-one.com](http://research.isg-one.com).

### iSG

ISG (Information Services Group) (Nasdaq: III) is a leading global technology research and advisory firm. A trusted business partner to more than 900 clients, including more than 75 of the world's top 100 enterprises, ISG is committed to helping corporations, public sector organizations, and service and technology providers achieve operational excellence and faster growth. The firm specializes in digital transformation services, including automation, cloud and data analytics; sourcing advisory; managed governance and risk services; network carrier services; strategy and operations design; change management; market intelligence and technology research and analysis.

Founded in 2006, and based in Stamford, Conn., ISG employs more than 1,600 digital-ready professionals operating in more than 20 countries—a global team known for its innovative thinking, market influence, deep industry and technology expertise, and world-class research and analytical capabilities based on the industry's most comprehensive marketplace data.

For more information, visit [isg-one.com](http://isg-one.com).





**DECEMBER, 2023**

---

**REPORT: TRANSFORMATIONAL HR OUTSOURCING SERVICES (HRO)**