

Workday HCM Services 2025 Market Insights™ Excerpt

Experimenting with agentic
innovations to transform HR function

September 2025

Table of contents

About the report (Page 3-5)

- About the Workday HCM Services 2025 Market Insights report
- Key reports of Avasant's Workday HCM Services Research
- Defining Workday HCM services

Executive summary (Pages 6-8)

- Key enterprise Workday HCM services trends shaping the market
- In this report's companion study, *Workday HCM Services 2025 RadarView*, the following service providers were recognized

State of the market (Pages 9-13)

- Workday has nearly tripled its service partners over the past five years, scaling up innovation across enterprise AI deployments and industry-specific solutions
- TME, banking, manufacturing, and government lead Workday adoption for large-scale HR modernization and workforce transformation
- Enterprises are piloting Workday's AI agents to accelerate hiring cycles, enhance skill matching, and reduce contingent talent acquisition costs
- Enterprises need to proactively manage AI governance, system integration, data quality, and workforce readiness to maximize the value from Workday AI agents

Future outlook (Pages 14-15)

- Workday HCM is shifting from transactional efficiency to a platform that powers enterprise growth, adaptability, and data-driven talent strategies

Key contacts (Page 16)

Key enterprise Workday HCM services trends shaping the market

Workday partner ecosystem has tripled since 2021, enabling enterprise agility and sector innovation

- Workday has nearly tripled its partner network since 2021, enabling enterprises to adopt AI-driven automation, payroll compliance tools, and prebuilt integrations that speed deployments and address whitespaces in Workday's solutions.
- The partner ecosystem is now delivering targeted solutions for industries such as healthcare, retail, and financial services, where workforce scheduling and planning, and compliance requirements are highly distinct. This evolution reinforces Workday HCM's role as a foundation for sector-specific innovation at scale.

Organizations with large workforces in media, banking, manufacturing, and government sectors accelerate the adoption

- Industries with complex operations and large workforces, such as media, banking, manufacturing, and government, are accelerating Workday HCM adoption to standardize HR and payroll, automate reporting, and improve workforce visibility across large, distributed employee bases.
- Enterprises in these sectors are leveraging Workday HCM for workforce transformation at scale. Use cases include enabling employee self-service in banking and government, agile workforce planning in manufacturing, and workforce productivity improvement in global media organizations.

Workday's AI agents have become a launchpad to automate complex HR processes with agentic innovation

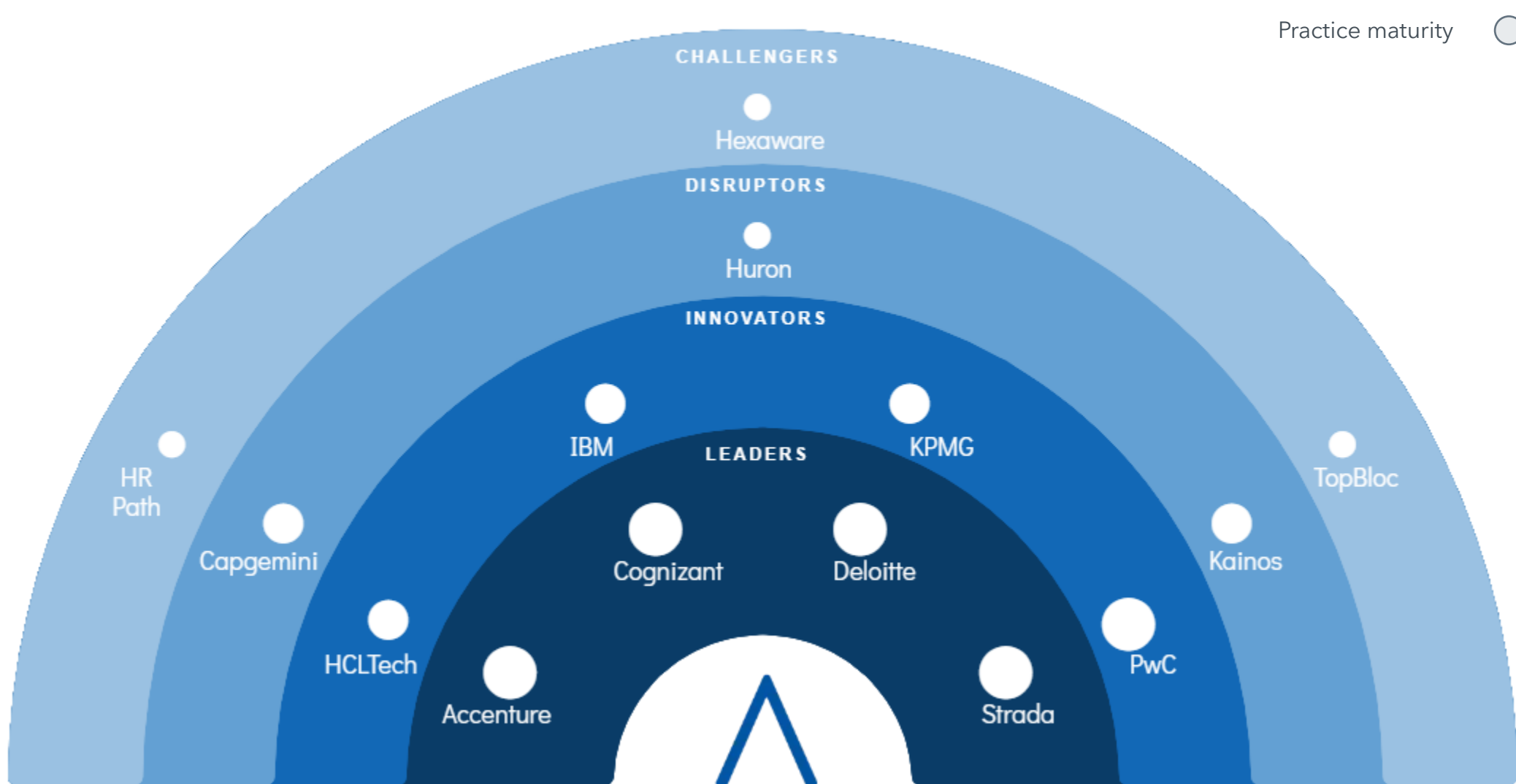
- Enterprises are piloting Workday's agentic AI solutions to accelerate candidate discovery, optimize workforce scheduling, and enable career mobility, reflecting early interest in improving hiring quality, employee agility, and long-term retention.
- At the same time, organizations are testing AI tools that automate compliance, streamline HR service delivery, and reduce contingent labor costs, highlighting the potential of AI agents to drive workforce efficiency and transparency.

Successful AI adoption requires balancing rapid innovation with transparency and governance

- Avasant's playbook for Workday AI adoption, shaped by our engagements with market leaders, emphasizes piloting high-value use cases, establishing governance guardrails, and ensuring interoperability with enterprise systems to accelerate innovation while maintaining accountability and compliance.
- To complement this, enterprises must also strengthen data foundations and co-train employees with AI agents to ensure accuracy, drive user adoption, and sustain long-term business value from AI-enabled transformation.

In this report's companion study, *Workday HCM Services 2025 RadarView*, the following service providers were recognized

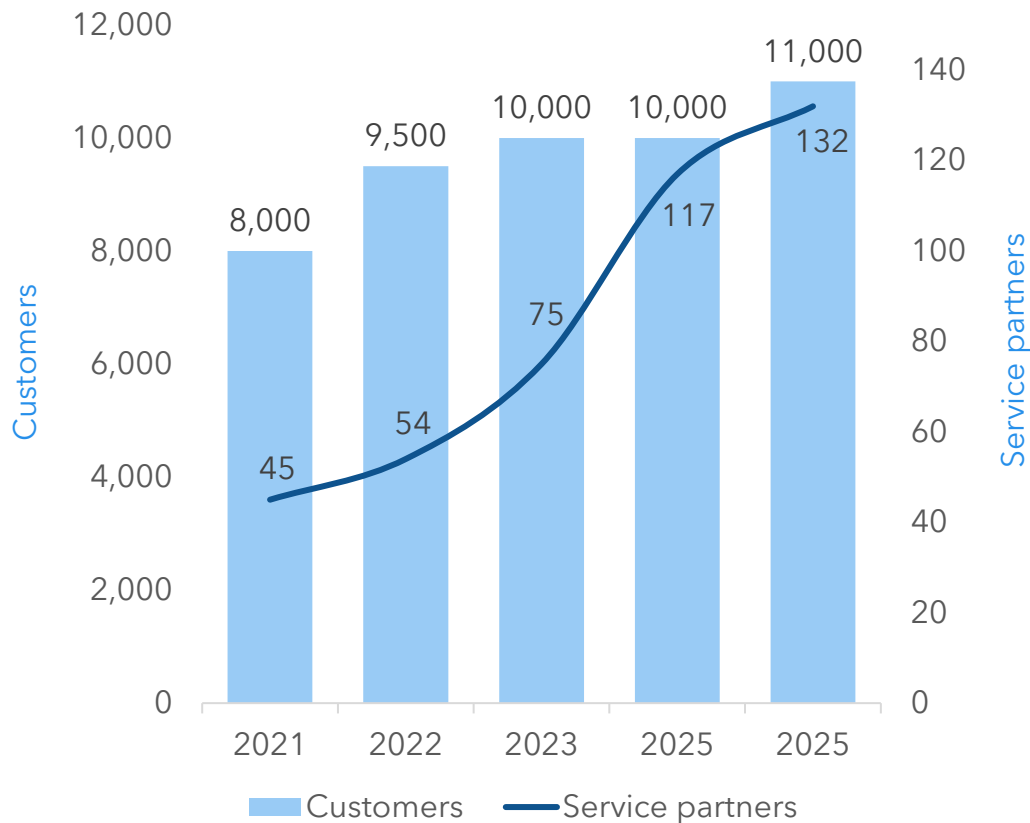
Practice maturity ○ ○ ○



Workday has nearly tripled its service partners over the past five years, scaling up innovation across enterprise AI deployments and industry-specific solutions

A broadened ecosystem of Workday service providers gives enterprises faster deployment timelines, access to specialized industry expertise, and a broader range of AI-powered accelerators and extension apps.

Growth in Workday customers and service partners



Areas of innovation by Workday partners

AI-enabled automation tools

These tools help enterprises streamline operations by automating data migration, detecting anomalies in payroll or expenses, and deploying conversational assistants to handle routine HR and finance queries.

Horizontal extensions for addressing whitespaces

These solutions help enterprises address gaps in multicountry payroll, fragmented third-party integrations, and siloed employee touchpoints with prebuilt connectors and unified experience portals layered on top of Workday.

Industry-specific solutions

These solutions help enterprises address sector-specific challenges such as patient-staff scheduling in healthcare, demand-driven workforce planning in retail, and regulatory compliance reporting in financial services.

Enterprises need to proactively manage AI governance, system integration, data quality, and workforce readiness to maximize the value from Workday AI agents

Enterprise playbook for successful adoption of Workday's AI agents



Prioritize high-value, low-risk pilots

- Use Workday's native agents to pilot complex workflows with minimal cost and faster ROI validation.
- Once proven, engage partners to customize and scale agent deployments for sustained enterprise-wide value.



Establish governance and guardrails

- Establish human checkpoints at critical AI decision points to ensure accountability, transparency, and compliance.
- Continuously evolve governance as AI matures and penetrates deeper into critical enterprise processes.



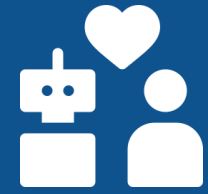
Enable interoperability with enterprise systems

- Embed AI agents into cross-functional workflows to enable orchestration across business processes.
- Integrate third-party HR systems to enable agents to deliver insights across the full application landscape.



Strengthen data foundations

- Strengthen the data foundation by consolidating sources and resolving inconsistencies before deploying AI.
- Validate AI solutions with actual employee and payroll data to ensure accuracy and consistency.



Co-train AI models and employees

- Monitor employee interactions with agents to track adoption and identify friction points.
- Use these insights to refine human-AI collaboration, improving both model performance and user practices.

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