NEAT EVALUATION FOR CAPGEMINI:

HR Transformation Services

Market Segment: Overall

Introduction

This is a custom report for Capgemini presenting the findings of the 2026 NelsonHall NEAT vendor evaluation for *HR Transformation Services* in the *Overall* market segment. It contains the NEAT chart of vendor performance, a summary vendor analysis of Capgemini for HR transformation, and the latest market analysis summary.

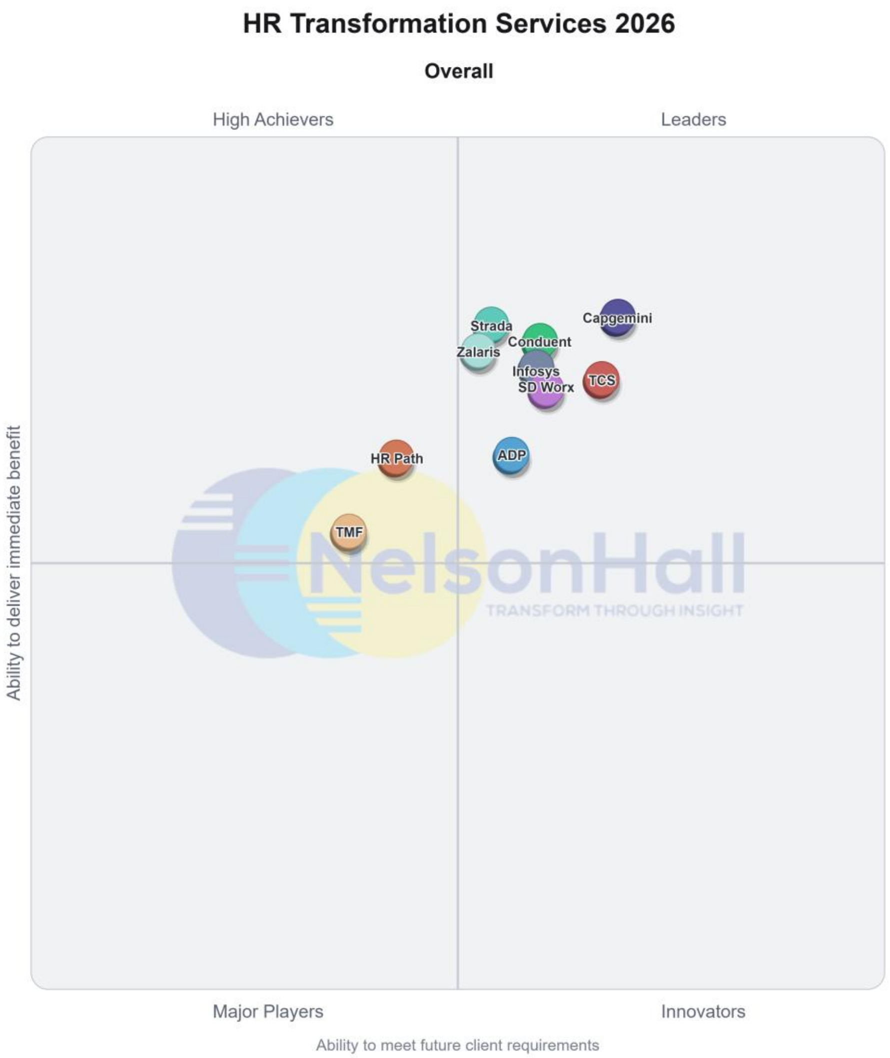
This NelsonHall Vendor Evaluation & Assessment Tool (NEAT) analyzes the performance of vendors offering HR transformation services. The NEAT tool allows strategic sourcing managers to assess the capability of vendors across a range of criteria and business situations and identify the best performing vendors overall, with specific areas of capability (experience and engagement, transformation journey), and geographic coverage (Americas, EMEA, and multi-country).

Evaluating vendors on both their 'ability to deliver immediate benefit' and their 'ability to meet client future requirements', vendors are identified in one of four categories: Leaders, High Achievers, Innovators, and Major Players.

Vendors evaluated for this NEAT are: ADP, Capgemini, Conduent, HR Path, Infosys, SD Worx, Strada, TCS, TMF Group, and Zalaris.

Further explanation of the NEAT methodology is included at the end of the report.

NEAT Evaluation: Overall



NelsonHall has identified Capgemini as a Leader in the *Overall* market segment, as shown in the NEAT chart. This market segment reflects Capgemini's overall ability to meet future client requirements as well as delivering immediate benefits to its HR transformation clients.

Leaders are vendors that exhibit both a high capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet future client requirements.

Buy-side organizations can access the *HR Transformation Services* NEAT tool here.

Vendor Analysis Summary for Capgemini

Overview

Capgemini’s HR transformation services operate under the People Experience business within its BPS practice. The Capgemini People Experience business has capabilities across:

- HR strategy and culture
- IT services, platform implementation, app development, application support. Capgemini has capability across HCM platforms such as SAP SuccessFactors, Workday, Oracle, ServiceNow, Zendesk, Salesforce, and Microsoft
- Operations, known as Intelligent People Operations.

Capgemini’s July 2025 acquisition of WNS has nearly tripled the size of its BPS business (from €700m to €1.9bn). Following this, integration activities are underway and are expected to be completed by July 2026.

Excluding the WNS acquisition, Capgemini has ~32 HR transformation services clients and serves ~820k employees, primarily in the large market (clients with more than 15k employees) across ~50 countries. The WNS acquisition adds around 25 clients and 1k HR experts across ~30 countries, primarily the U.S., U.K, ANZ, and India. The scope of the WNS HR service offering closely aligns with Capgemini’s services. Capgemini’s HR services are supported by ~4k HCM practitioners and ~350 training practitioners and cover:

- *Recruit-to-Hire*: recruitment and staffing services
- *Administer-to-Work*: workforce administration services
- *Reward-to-Pay*: payroll, pensions, compensation, and benefits
- *Learn-to-Perform*: learning and development, performance management, and succession planning
- *Helpdesk*: omnichannel digital contact centers
- *Analytics*: operational dashboards and workforce analytics to drive insightful decisions.

Capgemini targets HR transformation services for organizations with over 15k employees, and the scope typically includes HR service redesign alongside contact center solutions, and supporting clients with building internal shared services or via outsourced models. A strategic CRM partner is ServiceNow, supported by Capgemini's ServiceNow consulting capability. Proprietary IP includes its ESOAR methodology and DGEM assets.

Financials

Within its BPS services, NelsonHall estimates Capgemini’s 2025 revenue for HR transformation services was $380m (including WNS business), of which ~50% relates to project activity ($190m).

Over 2025, Capgemini saw a significant uptick in HR transformation services momentum that will support growth in 2026. It signed some significant new wins in 2025, some of which it has yet to announce: one will add 300 HR FTEs to its HR business.

Strengths

- Broad offerings include supporting SSC captive set-up, as well as outsourcing HR services with digital HR transformation capability that includes strategic location sourcing, AI, robotics, contact center services, as well as ERP integrations, supported by tools such as Orgvue and Cielo
- Strength across large-market HR geographies, including the U.S., France, the U.K., Germany, the Netherlands, and Australia. It has significant breadth in service to include HCM deployment, as well as HR operations that include HR master data management and payroll services in ~40 countries
- Commitment to continuous improvements, pricing, and metrics to meet HR operational outcomes with clear results, as demonstrated by a large number of case studies; it supports transformations with its Digital Command Center for reporting
- Digital design-thinking, with a robust methodology and assets, including DGEM and ESOAR methodology to support design principles
- Digital helpdesk services and digital learning operations to support adoption
- Capability to support multi-tower BPS scope, and benefits from cross-functional, wider technology investments
- Deep SAP SuccessFactors capability, having recently implemented SAP SuccessFactors internally for its 340k employees, including a smart HR query resolution experience solution. In addition, it can support all three major HCM technologies: Workday, SAP SuccessFactors, and Oracle HCM.

Challenges

- Despite having benchmarking capability within its data-driven models, it cannot easily leverage benchmarks across its client base due to client customizations and limited evidence of delivering market benchmarks. Its analytics offering is not built into the Capgemini Digital Command Center
- Given the size of the WNS acquisition, its business integration is likely to absorb management attention in the short term as it aligns and restructures its digital assets and operations
- Limited references given the nature of its business mix
- A significant portion (~50% of revenues) of Capgemini's HR transformation services revenue is based on project activity, which is one-off in nature. Managing business fluctuations across demand and supply is more challenging than in organizations where a higher portion of revenues is recurring with longer-term contracts.

Strategic Direction

With its HR services offerings, Capgemini has the following strategic priorities:

- Integrating the WNS HR services business, with expected completion by July 2026
- Expanding the Capgemini workflow library of 15 DGEM AI agents to incorporate additional roles and support the adoption of these AI agents into existing and new HR transformation clients
- Developing pilot programs to deliver AI-augmented workforces that incorporate:
  - Role frameworks and skills articulation
  - Readiness of skills assessments to support knowledge gaps by personas
  - Strategic workforce planning, including location strategy evaluations
  - Updated HR processes to support AI-competency skills development, hiring, and development
  - Change management support, including key messages, awareness, education, and learning journeys
- Continued investments to embed learning and adoption across HR processes to support faster content development, learner engagement, and scalability, including AI copilots for role-based enablement
- Developing deeper integrations between ServiceNow, ERP, and digital platforms to support the rollout of additional DGEM AI agents.

Outlook

During 2026, Capgemini's HR transformation services business will experience most growth from buyers looking for:

- AI-driven solutions, where Capgemini is heavily investing through its redesigned DGEM processes
- Experience with a broad range of advanced technologies to design holistic digital experiences with AI and automations, and target operating models, including location design tools
- Greater value from existing HCM platform investments where only the minimal viable products have been implemented with little focus on business outcomes and continuous improvement.

As Capgemini's digital delivery further matures and the WNS organization is integrated, NelsonHall estimates that Capgemini's HR transformation services revenues will increase in high single digits over 2026.

HR Transformation Services Market Summary

Overview

With the advance of AI, the HR transformation services market is attracting significant executive attention and investments to not only support organizational change across the whole workforce, but also inherently change HR operations.

HR service developments are increasingly outcome- and performance-focused. The ability to drive continuous improvement of HR functions, measure effectiveness and efficiencies, alongside optimizing a blend of investments in technology, organizational design and knowledge, skills and people are key attributes of the HR transformation services market.

Key capabilities include blending knowledge, skills and redesigned processes to support business needs such as agility and flexibility whilst increasing HR value. The HR transformation market includes HR consulting, change management, implementation, roll-out, maintenance & support, HCM platform deployment, and operational services. The market includes services that look to transform the HR operation holistically, often across multiple process areas: HR administration, recruitment, learning, benefits administration, and payroll and employee engagement processes. HR transformation services bundled with payroll services make up ~50% of the market, the majority of these representing mid-market sized organizations. (*Note that point solutions addressing just a single HR process are excluded from NelsonHall's definition of HR transformation services*).

Energy and retail sector growth has been pronounced in the last year. To remain competitive, these industries have a heavy reliance on workforce restructuring and the need for streamlined HR processes. The retail sector has a high proportion of overall company spend represented by workforce spending. This can fluctuate significantly in the light of overtime, absenteeism, and employee turnover. These sectors are underpinning growth in the HR transformation services market and despite some wider geo-political and economic uncertainty, demand is expected to continue in 2026 as industry competitiveness is a key factor driving HR transformation investments.

Buy-Side Dynamics

The most important vendor selection criteria buyers look for are knowledgeable HR service delivery teams, integration expertise, and innovation to drive greater productivity. More than half the buyer market has adopted or is adopting GenAI tools to support HR transformation services; however, delivering GenAI offerings is not considered as important as delivering process improvements and improving employee experiences. Key drivers of HR transformation services adoption are:

- Limitations of using multiple vendors and multiple systems, and the inability to scale to support growth effectively in light of technology developments
- Standardization, digitalization, and data quality improvement to help drive efficiencies
- Enhancing the overall employee and business experience
- Legacy technologies no longer being supported

Buyers are most satisfied with learning and change management. Vendors with conversational GenAI capability are sometimes perceived as less suitable to support future needs. Capability across vendors also varies significantly.

Market Size & Growth

The HR transformation services market is expected to grow ~8.6% CAGR over the next five years. The market will reach $16.8bn by 2030, with the largest market being North America (a $5.9bn market in 2025, expected to grow to $8.7bn by 2030).

Success Factors

Successful HR transformation service vendors collaborate with clients to support tailored needs and build client relationship management and governance structures to proactively serve and manage client relationships.

With a focus on productivity-integrated and holistic service design, digital-first design thinking is needed to support organizational, process, and technology change. Deep domain expertise is key and ideally supplemented with strategic consulting capability, nuanced to an industry, region, and technology architecture background.

To be a successful transformation, operational delivery needs to be up to date with ongoing technological developments. Modern technologies that leverage GenAI, APIs, workflows, advanced analytics with AI, workplace collaboration tools, and marketplaces will support broad-based HR services and service delivery.

Successful vendors also are expected to offer integration services, tools, and technologies to enable buyers to best leverage existing technologies and offer flexibility to add solutions.

Vendors' success depends on their ability to build and demonstrate safeguards and to explain and be transparent with AI solutions, alongside clearly articulating where human intervention is expected or recommended on the client or vendor side. This is to assure buyers that the use of AI is measured and executed with quality to improve outcomes without adding undue risk or compliance issues in the process, and without creating additional noise and distractions at the expense of diminishing the focus on business-critical functions.

Outlook

While markets are experiencing ongoing business instability and inflationary and cost concerns, offerings that support highly-tuned employee experiences and engagements alongside agility, automation, and rich integrated digital delivery are expected to attract buyers and spur demand for HR transformation services.

Expectations of the future market are:

- As SaaS models become commoditized, buyers will look for greater value by adopting AI-enabled managed outcomes delivered through managed services. Offerings that drive measured outcomes, with a deep service focus that leverages expertise will support advanced AI-enhanced delivery models. Local or regional knowledge workers will be increasingly preferred to global offshore centers to support local compliance needs and where services in scope are of a complex nature
- Managed outcomes and process performance will be increasingly important to buyers, delivered through dashboards and benchmarks that increasingly feature continuous improvement metrics and opportunities
- Investments in integrations and implementation assistants will continue and are expected to bring significant improvements to the service experience, the visibility of information, as well as the speed to value

- Security, compliance, and risk management are increasingly areas of focus in light of cyber threats. As the pace of change accelerates across software offerings, developing deep partnerships is becoming more critical to support innovation and changing needs
- HR experience orchestration offerings including growing collaboration and workflows will increasingly support more finely-tuned handoffs between parties (including partner offerings)
- AI safeguards and transparency of source information will be key features of products and services
- Warm handoffs, voice activation and explainability will mature and be increasingly applied to HR offerings
- Digital platforms will increasingly incorporate conversational experiences with contextual searches where knowledge and chat capability digests multiple sources of information from transactional information as well as policy documents. It will also perform transactions on the user's behalf, from which they can validate and approve (rather than enter)
- Sentiment analysis will divert queries to appropriate contact points. Where applicable, AI will be used to propose answers to these queries. AI will also be used to classify these and increase response rates
- Further consolidation of the market is expected.

NEAT Methodology for HR Transformation Services

NelsonHall's (vendor) Evaluation & Assessment Tool (NEAT) is a method by which strategic sourcing managers can evaluate outsourcing vendors and is part of NelsonHall's *Speed-to-Source* initiative. The NEAT tool sits at the front-end of the vendor screening process and consists of a two-axis model: assessing vendors against their 'ability to deliver immediate benefit' to buy-side organizations and their 'ability to meet future client requirements'. The latter axis is a pragmatic assessment of the vendor's ability to take clients on an innovation journey over the lifetime of their next contract.

The 'ability to deliver immediate benefit' assessment is based on the criteria shown in Exhibit 1, typically reflecting the current maturity of the vendor's offerings, delivery capability, benefits achievement on behalf of clients, and customer presence.

The 'ability to meet future client requirements' assessment is based on the criteria shown in Exhibit 2, and provides a measure of the extent to which the supplier is well-positioned to support the customer journey over the life of a contract. This includes criteria such as the level of partnership established with clients, the mechanisms in place to drive innovation, the level of investment in the service, and the financial stability of the vendor.

The vendors covered in NelsonHall NEAT projects are typically the leaders in their fields. However, within this context, the categorization of vendors within NelsonHall NEAT projects is as follows:

- Leaders: vendors that exhibit both a high capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet future client requirements
- High Achievers: vendors that exhibit a high capability relative to their peers to deliver immediate benefit but have scope to enhance their ability to meet future client requirements
- Innovators: vendors that exhibit a high capability relative to their peers to meet future client requirements but have scope to enhance their ability to deliver immediate benefit
- Major Players: other significant vendors for this service type.

The scoring of the vendors is based on a combination of analyst assessment, principally around measurements of the ability to deliver immediate benefit; and feedback from interviewing of vendor clients, principally in support of measurements of levels of partnership and ability to meet future client requirements.

Note that, to ensure maximum value to buy-side users (typically strategic sourcing managers), vendor participation in NelsonHall NEAT evaluations is free of charge and all key vendors are invited to participate at the outset of the project.

Exhibit 1

'Ability to deliver immediate benefit': Assessment criteria

Assessment Category	Assessment Criteria
Breadth of Offerings	Consulting & Advisory Services Transformation Deployment Services HR Admin & Time Digital Services Talent Digital Services Benefits & Payroll Digital Services Support Services
Delivery Capability	Technology capability Application of analytics & benchmarks Application of AI & automation North America U.K. Continental Europe Asia Pacific Latin America SME-Mid Market Large Market
Client Presence	Overall HR client presence Americas client presence EMEA client presence Asia Pacific client presence Multi-country client presence
Benefits Achieved	Business outcomes Process improvement Improved employee experience Technology Agility

Exhibit 2

'Ability to meet client future requirements': Assessment criteria

Assessment Category	Assessment Criteria
Capability to Meet Future Needs	Suitability to achieve transformation Suitability to achieve talent transformation Suitability to achieve efficiency Suitability to drive mid-market innovation Suitability to drive large enterprise innovation
Roadmap Initiatives and Developments	HR services roadmap AI roadmap Employee engagement roadmap Analytics and benchmarking roadmap Multi-country roadmap
Ability to Deliver Innovation	Americas focused innovations EMEA focused innovations APAC focused innovations Perception of HR innovation Perception of delivering business outcomes Perception of speed of transformation

For more information on other NelsonHall NEAT evaluations, please contact the NelsonHall relationship manager listed below.