Transforming HR Under the New Normal

HR 60mins+

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➢ Diversified interests and hobbies

Life-time changes in Organisations

Crisis: financial crisis, political crisis, health crisis etc…

Performance gaps: achievement of corporate objectives and commitment etc…

New technology: efficient and economical methods to perform work, AI, etc...

Identification of opportunities/risks: business opportunities are identified to increase its competitiveness, Global Competition, etc...

Reaction to internal and external pressure: internal pressures between Management and employees, and external pressures come from many areas, including customers, competition, changing government regulations, shareholders and financial markets in the organization's external environment, employee relations, etc...

Mergers and acquisitions: creation of change in a number of areas impacting to the stakeholders, changes of business partnership, etc…

Change for the sake of change: make changes just for their own sake from new CEO, change of management for short term success, etc…

Planned abandonment: Changes as a result of abandoning declining markets, or subsidiaries and allocating resources to innovation and new opportunities, internal competition and conflict, etc...
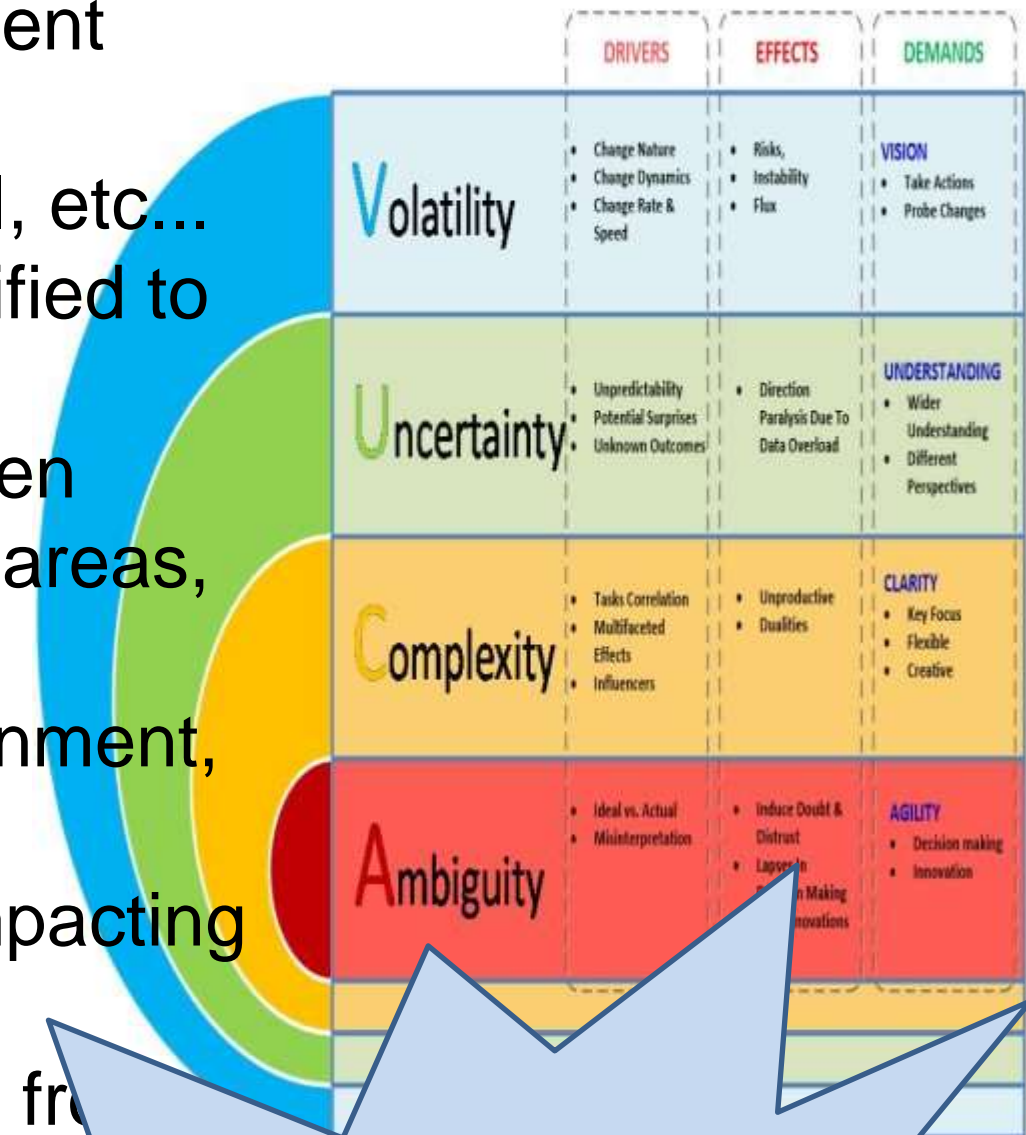
Short-Term Survival & Long-Term Sustainability!

What are the New Working Normal?

Working in the New Norm

1. Greatly reduced office working

2. More use of technology for communication

3. Organisational Culture impacts

4. Wide-scale remote working as the norm

(Fatania, 2020)

Further more………

- Changing technology

- Continuing cost containment

- Increasing speed in market change

- Growing importance of knowledge capital

- Increasing rate and magnitude of change

- *Political Impact* etc…………

Focusing on Future Trends

- What are the key future workplace trends?
- What are the trends on employment relationship?
- What themes underlie the trends?
- What causes the trends?
- What are the likely impacts of the trends?
- How should the impacts of the trends be managed?
- What do the trends mean for HR transformation?

How much do you know about Human Resources Transformation?

Dave Ulrich Model of HR Roles

Dave Ulrich Model of HR Roles

HR Leadership

Human Resources Transformation

Human Resources Transformation

Reinventing what HR is

Reconceptualizing what HR is

Rechartering what HR is

Sustainability

Business

Professional/Functional

Individual
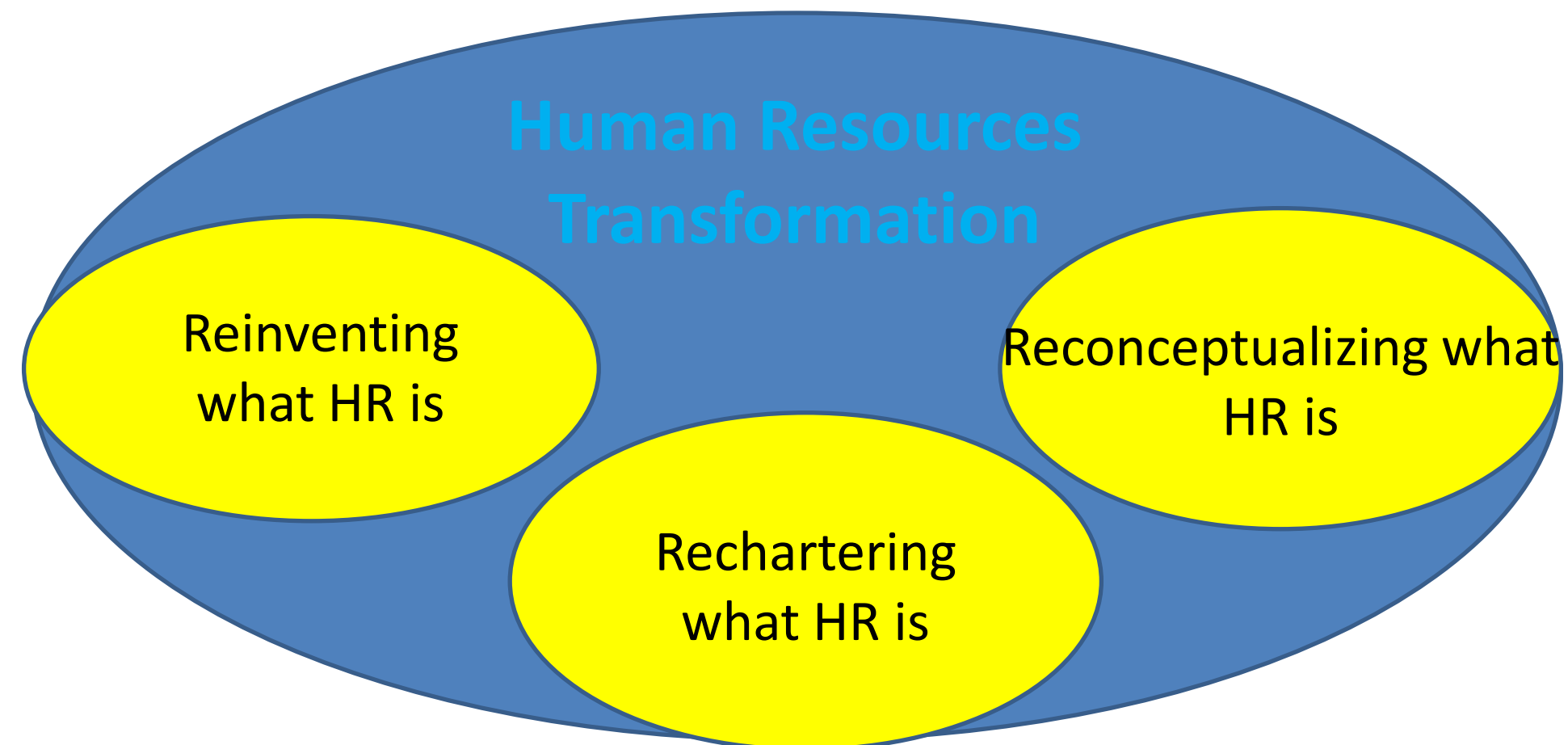
What trends are influencing the way businesses organise?

- **Reengineering**
  - **Redesign** business structures and processes to achieve improvements in cost control, product quality, customer service, and speed.
- **Virtual Corporation**
  - **Establish** networks for independent companies (suppliers, customers, even competitors) linked by information technology to share skills, costs, and access to one another's markets to exploit rapidly changing opportunities quickly.
- **Virtual teams**
  - Travel time and expenses are **eliminated** and the best people can be placed on the team regardless of where they live. Sometimes, however, it may be difficult to keep virtual team members focused and motivated.

What trends are influencing the way businesses organise (Cont.)?

- **Outsourcing business functions—both globally and domestically**
  - ○ **Regular** business practice for companies large and small. Companies choose to outsource either as a **cost-saving** measure or as a way to gain access to needed human resource talent and innovation. Managers must use outsourcing providers that fit their company's actual needs and strive to engage these providers as strategic partners for the long term with the recent phenomenon of gig economy.
- **Global mergers raise important issues in organizational structure and culture**
  - ○ **Challenges** for management to create a single, successful, cohesive organization.

What skills are needed for the future masters of the business?

- **_Emotional thinking_**, not just rational thinking;

- **_Career contingency capacity_** and **_creativity_**, more than planning capacity.

- **_Ability_** to **_make their own happiness_**, so that their success, not successful time, but also can be happy, to cultivate a lot of beautiful people.

Evolution of the HR Function

Current state of Human Resources

Three key HR focus areas, however the level of success in these areas varies considerably:

HR Services

– Providing the *traditional* "Hire-to-retire" HR services to line management and employees. The level of "HR maturity" influences the effectiveness of these services

Transactional execution

– HR will always be *transactional* in nature.

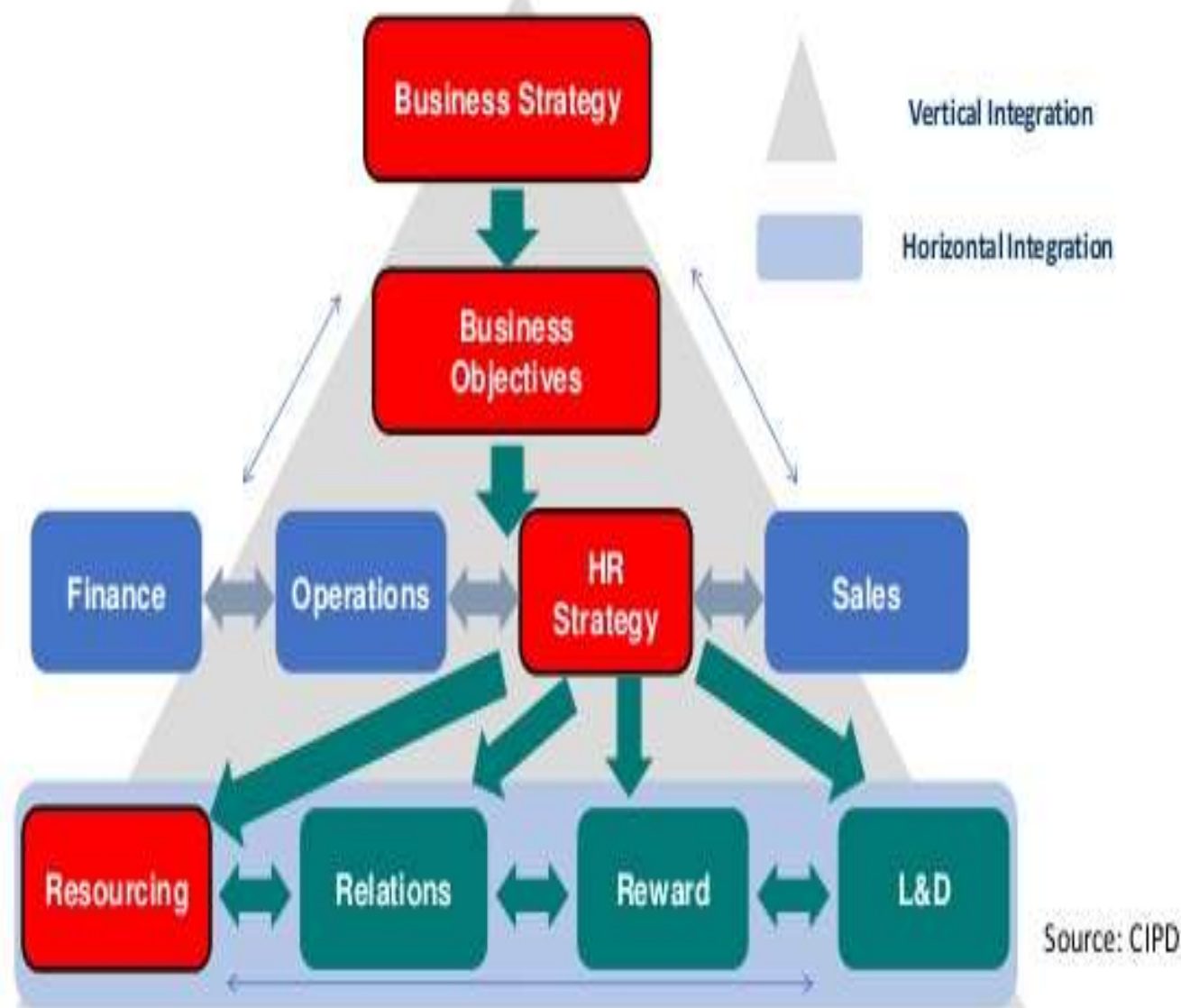– Record keeping is generally good, but reporting and analysis is generally

Partnering

– Line partnering and strategic partnering has been on the cards for a HR tends to rate *poorly* in this area.

Are they be improved or enhanced for what you have been experiencing?

HR Integration to Business

Strategic Integration – Vertical + Horizontal

Business Strategy

Vertical Integration

Horizontal Integration

Business Objectives

Finance — Operations — HR Strategy — Sales

Resourcing — Relations — Reward — L&D

Source: CIPD

Strategic Fit

- Vertical integration
  - Integration of HR strategies with business strategies
- Horizontal integration
  - Ensuring that different elements of HR strategy fit together and are mutually supportive

Vision
(Visualizing the future)

Mission
(Goals & values)

Business Strategy
(plan & objectives that integrate vision and mission)

Vertical Integration

Horizontal Integration

HRM Strategy
(including objectives)

HRD Strategy
(including objectives)

HRM policies, plans & practices

HRD policies, plans & practices

Where does the HR Focus need to be?

Building the strategic Human Capital function requires a broader focus of attention.

- HR strategy
- Talent management
- Leadership development
- Change management
- Strategic Workforce planning
- Merger & acquisition
- New market penetration
- Regulatory & governance
- Global mobility & security
- Programme management
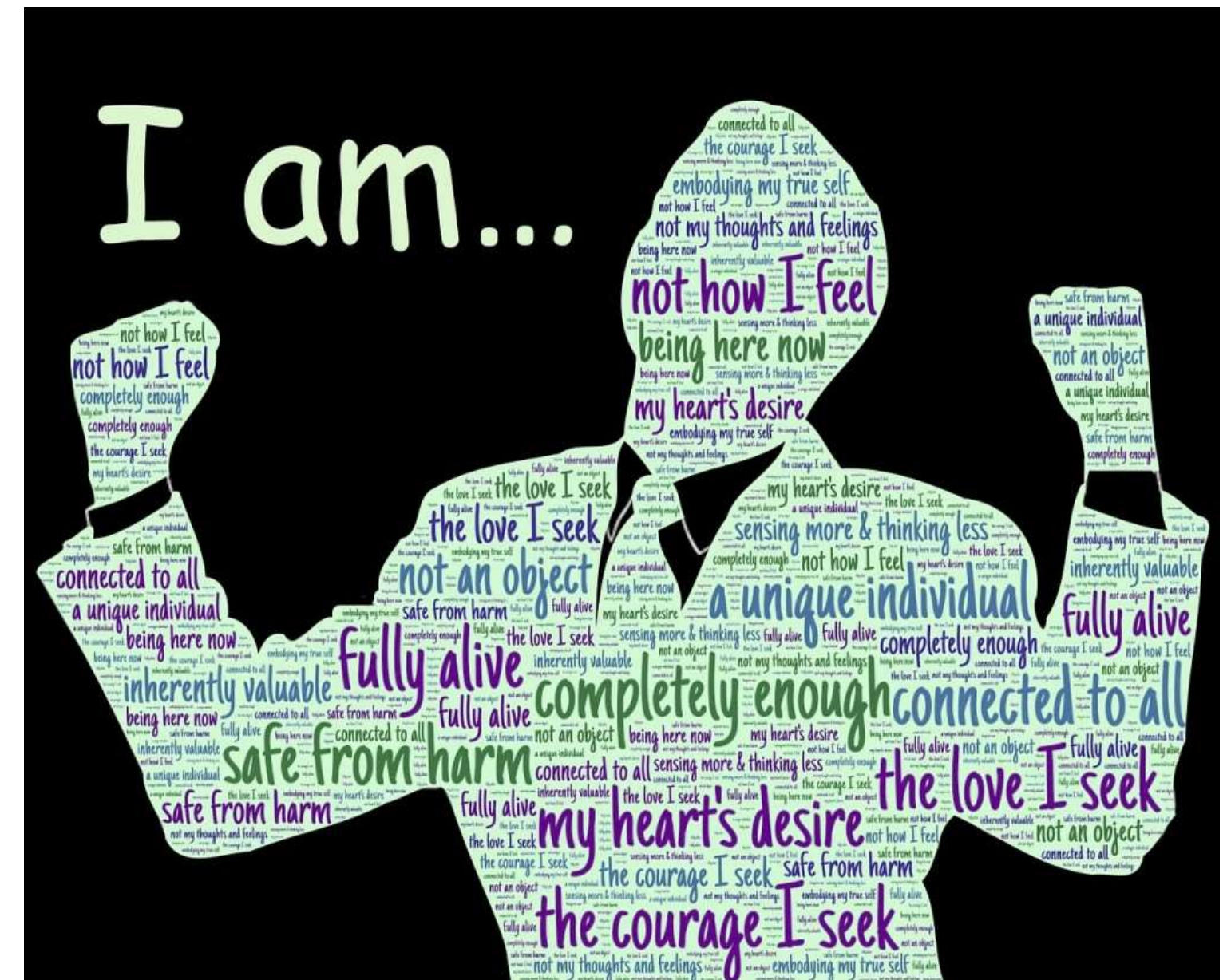
Building Human Resources from the Outside In Approach
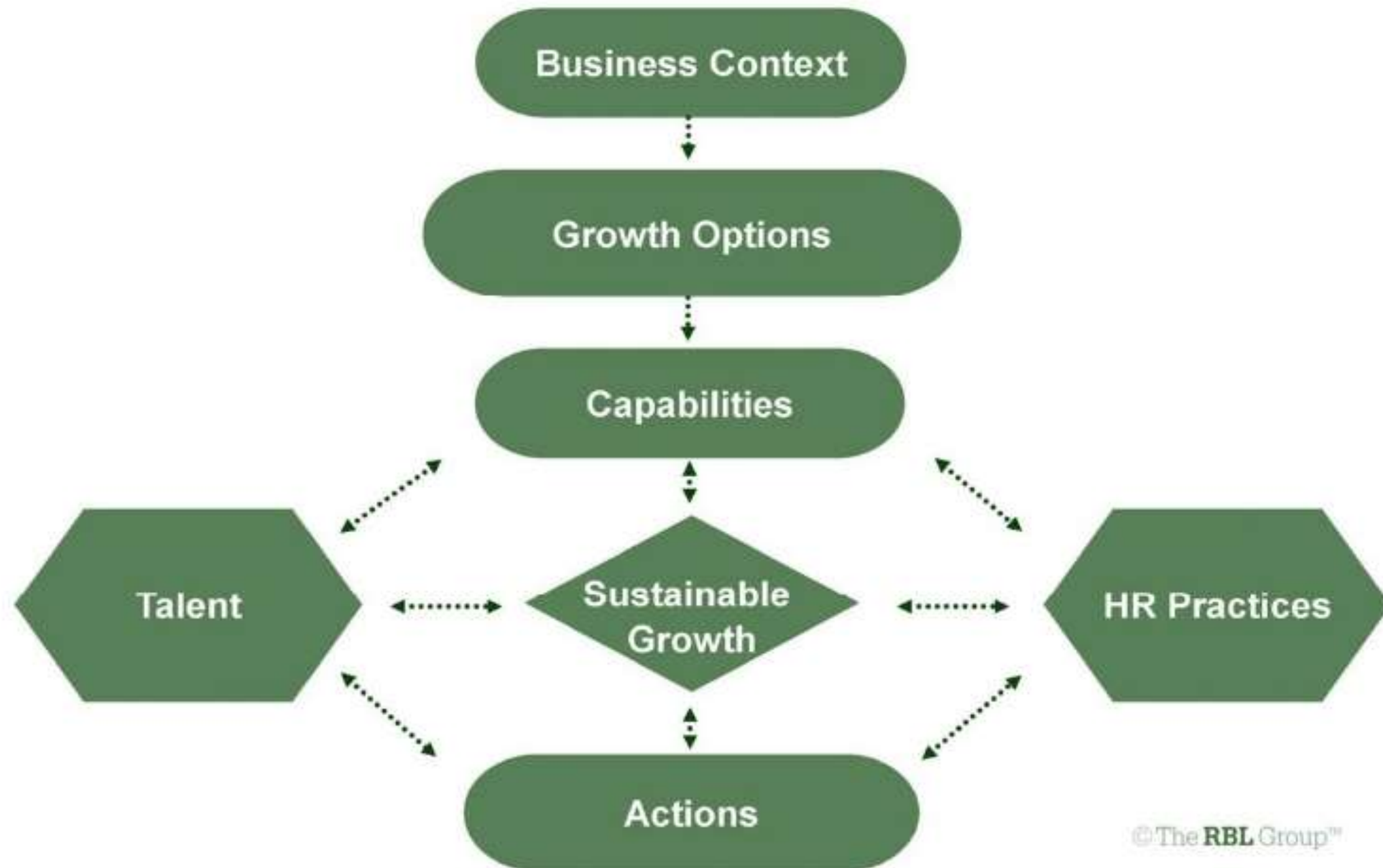
What's driving change in Human Resources

"Wake up call" for HR to building or strengthening the strategic partnership role:

- Overall business is transforming – HR is an important cogwheel (tooth-like parts around the edge of a wheel)
- Pressure to gain the " People Competitiveness" advantage
- Questionable HR service delivery
- HR's return on investment
- Leadership changes in HR
- Lack of perceived HR value to the organization
- Regulatory changes
- Global demands

Critical HR Strengths

An analysis of the strengths of HR departments shows alignment with the current focus areas.

- **People skills**
  - HR is still regarded as the **custodian** of people matters in organisations, and are regarded as competent in dealing with employee relationship matters
- **Interviewing and assessment**
  - HR is skilled in assessing applicants and conducting applicable assessments – the typical "psychology" profile of HR is still very **prevalent**
- **Functional services**
  - HR provides **reasonable** services in the Hire-to-retire group of activities
- **Record keeping**
  - Generally **good** manual recording systems

Pillars of Strength

The new transformed HR model has different pillars that support the organization:

Customers
- Customer services is core to HR, but the target is changing to include line customers and vendors

Process
- Research indicates that <55% of HR departments that have redesigned processes are seeing the benefits –Why?

Technology
- Technologies greatest use in HR still remains access to policies & procedures. Less that 35% of organizations leverage employee and management self service or use technology strategically

Structure
- What model best suites the objectives of the business – 60% of HR departments are using SS and COE's, but lower desire to grow programme specialist and separation of CHRO and HR controller positions

The Emerging Challenges of HRM

1. Managing Workforce Diversity

2. Meeting Aspirations of Employees

3. Empowerment of Employees

4. Management of Human Relations

5. Dynamic HR Policies and Programmes

6. Building Responsive Organisation

7. Creating Dynamic Work-Culture

8. Building Core Competence and creating Competitive Advantage

9. Outsourcing HRM Functions

The Expended Roles of HR in the New Normal

- Cultivating the wellbeing of employees
- Facilitating effective remote work
- Engaging employees through effective communication
- Acting on existing commitments to diversity, equity, and inclusion
- Cultivate and nurture company culture
- Staying on top of new legal responsibilities
- Building relationships with front-line employees

Talent Forms in the New World

Organisations will now have to organise their talents instead of managing them to meet the demands of a rapidly changing world. How will they look like in the future?

Organisation Employees:
- They will still be your traditional permanent employees for core functions

Contract Employees:
- Employees on contract for a task or project that is needed for a period of several months to a year

Crowd sourced talents:
- Specific skill sets that are niche and only needed for a one-time project. These talents can be found through online platforms

Outsourced Talents:
- Long term expertise that are needed and outsourced to specialist provider with the core skills to perform the work

Partnership Talents:
- Talents from partnerships with other organisations that are needed to meet skills shortages

Freelance Talents:
- Contingent workforce that form part of the organization's talent pool

How the new normal is shaping the future of HR

01. Redefining the organisation
- Human-centric culture
- Agile & nimble organisational structures
- Health & safety the new priority

02. Driving people transformation
- Personalised rewards schemes
- Performance & productivity interlinked
- Skills for the future

03. Enabling change
- Data-driven decision making
- Tech-enabled sourcing & recruitment
- Digital now, not tomorrow
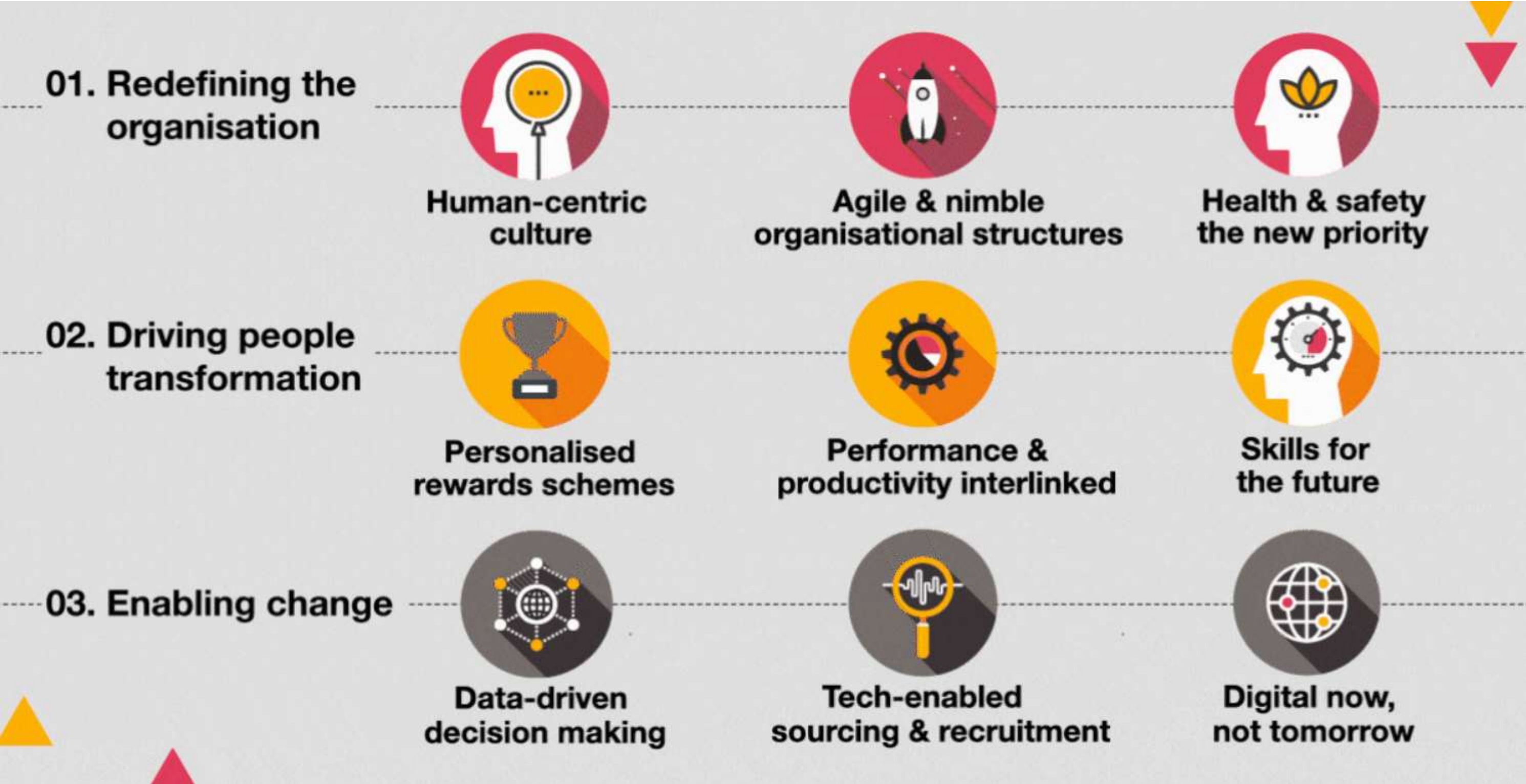
How the new normal is shaping the future of HR

1. **Human-centric culture:**
   Redefining organisational culture by shifting towards a people-centric workplace
2. **Agile & nimble organisational structures:**
   Introducing new structures to enhance workforce flexibility and productivity
3. **Health & safety the new priority:**
   Maximising occupational health and safety by focusing on physical and mental well-being
4. **Personalised rewards schemes:**
   Realigning rewards to market realities through adaptive and personalised compensation structures
5. **Performance & productivity interlinked:**
   Reassessing performance and succession management to complement an agile and dynamic workforce

How the new normal is shaping the future of HR (Cont.)

6. Skills for the future:

Reinforcing the learning and development agenda through digital upskilling

7. Data-driven decision making:

Leveraging workforce analytics to promote data-driven decision making
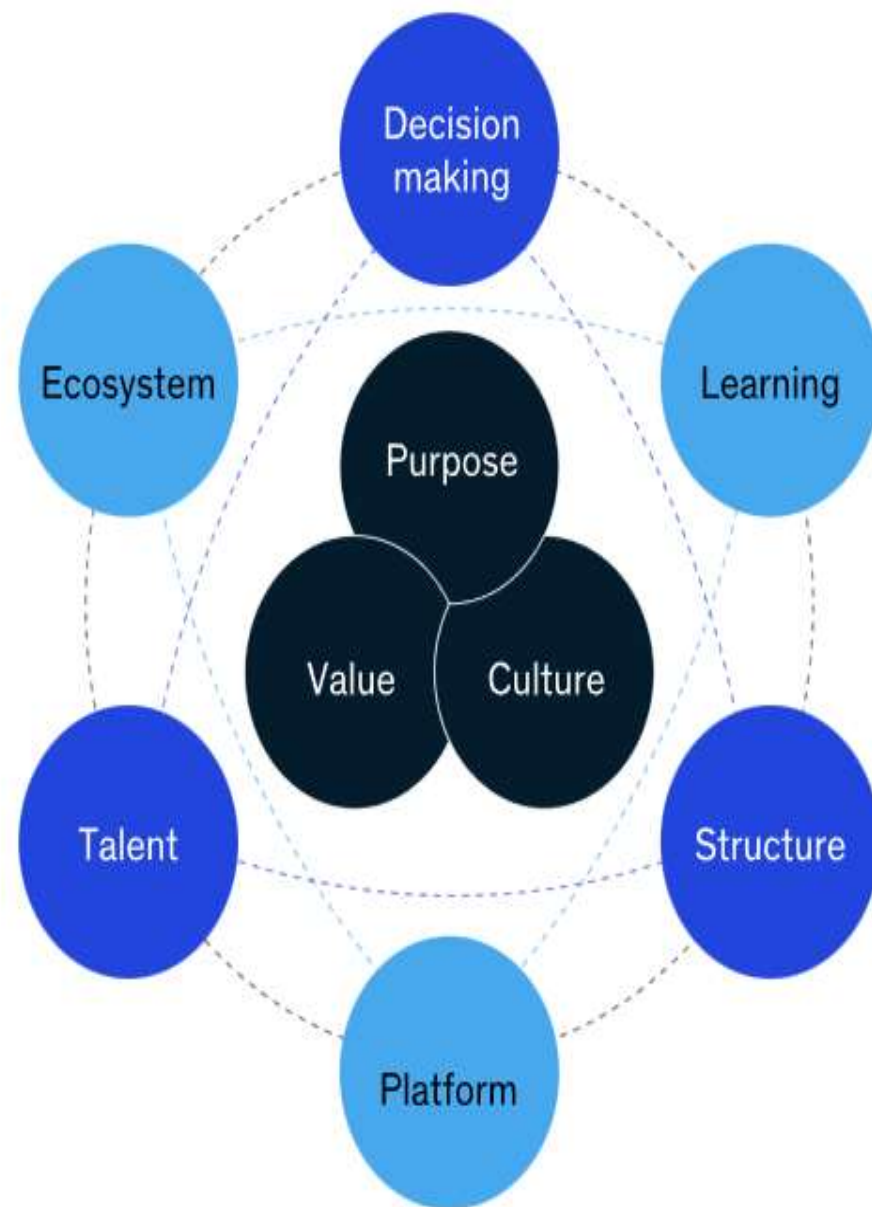
8. Tech-enabled sourcing & recruitment:

Rethinking talent sourcing and recruitment by embracing emerging technologies and diverse skill sets

9. Digital now, not tomorrow:

Accelerating the digital transformation agenda through the integration of disruptive technologies

Nine imperatives to help HR Leaders ready their organizations for the future

(McKinsey, 2020)

Who we are
Being clear about organization's "why," "what," and "how": why it exists, what it does, and how it runs

How we operate
Flattening the organization with teams that make fast decisions and treat people as the scarcer capital

How we grow
Get ahead and stay there by outlearning others, reaping value from data, and utilizing the ecosystem to drive value creation

○ HR driving   ○ HR facilitating

- **Purpose:**
  - Establishing and radiating the organization's purpose
- **Culture:**
  - Taking employee experience (including their workspaces) to the next level; driving leadership and culture
- **Value:**
  - Rebalancing talent resources; mapping talent to value
- **Decision making:**
  - Capturing speed in decision making from crisis operations (e.g. COVID-19 era)
- **Structure:**
  - Adopting new models; simplifying the organization; making the workforce more flexible; reducing employee cost
- **Talent:**
  - Driving strategic workforce planning and talent magnetism; introducing next-generation performance management
- **Learning:**
  - Reskilling and upskilling talent; creating a learning culture
- **Platform:**
  - Building an agile, digital HR platform
- **Ecosystem:**
  - Collaborating with HR-tach players and others in the wider HR ecosystem

Initiative Selected by HR Leaders as a top 3 priority for the next 18-24 months

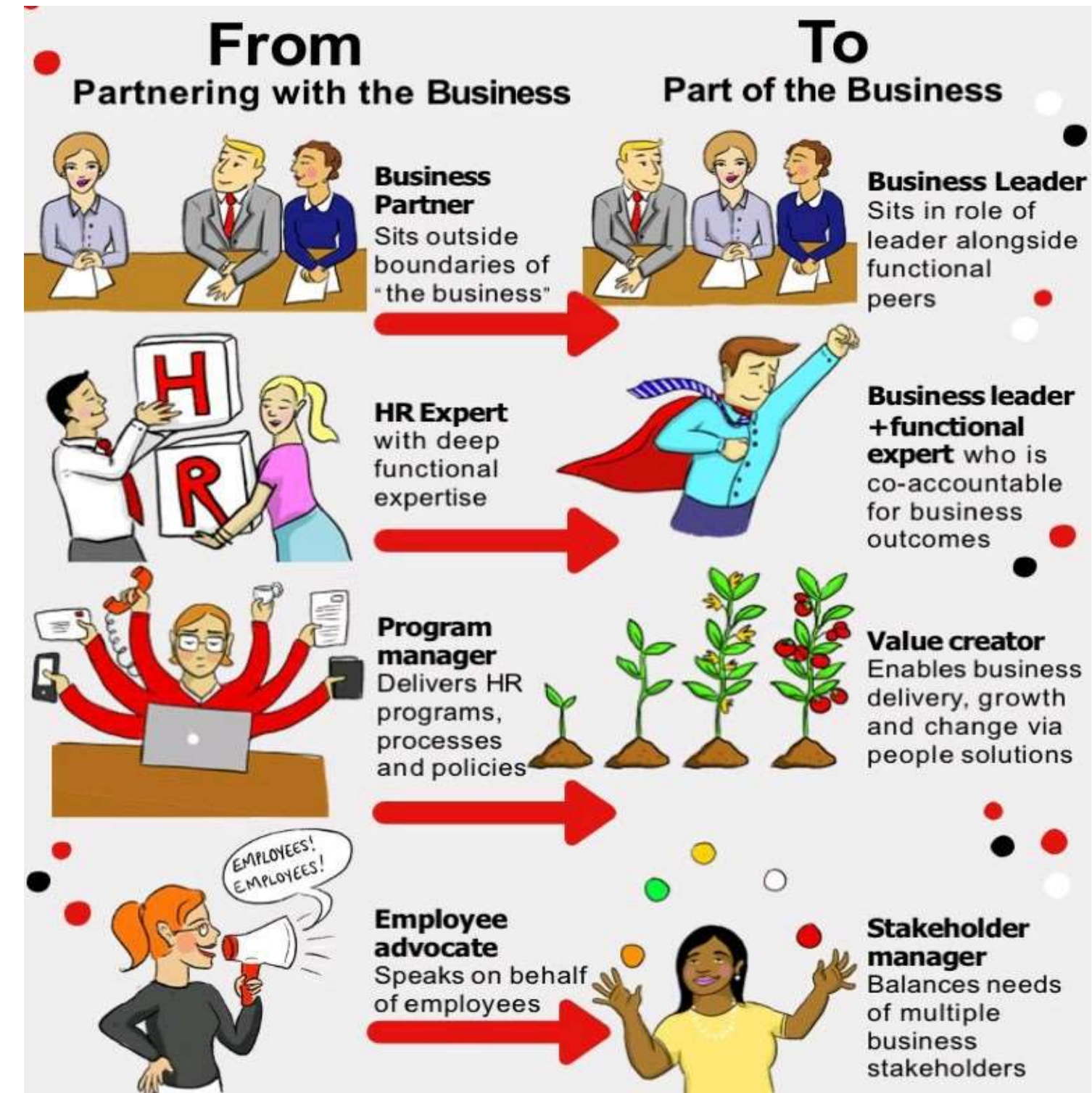| Responding with agility	Driving leadership, culture, and employee experience	Mapping talent to value	Establishing and radiating purpose	Virtualizing work and its implications	Simplifying the organization	Other
27	25	13	13	9	5	8

100%

(McKinsey, 2020)

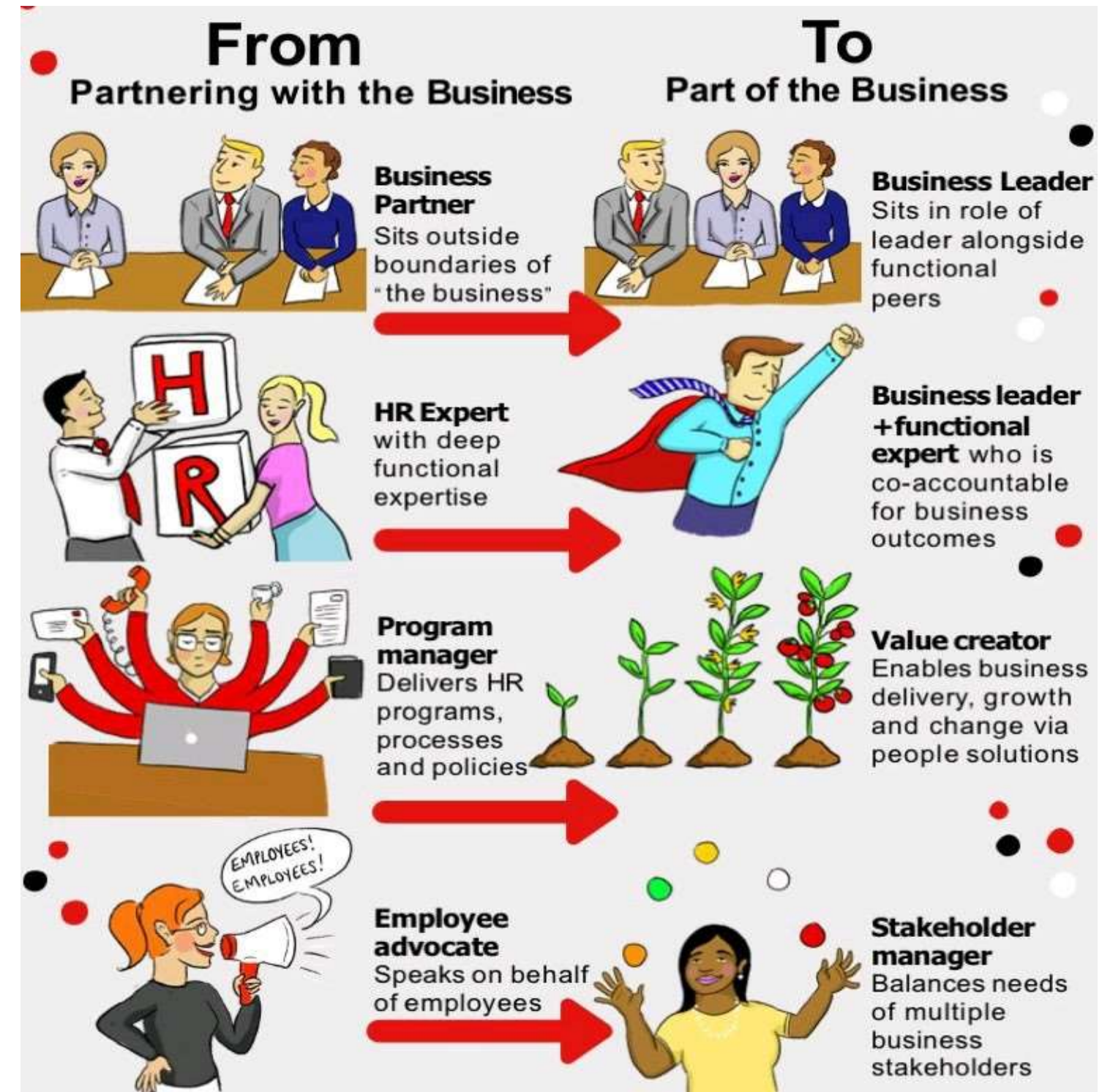# Redefinition of Future HR Roles

1. The Architect

– **plans**, **designs** and **builds** the right context in which the workplace can be successful

– a **brand** builder, building awareness and creating acceptance to its company brand to new talents

– builds a **connecting** bridge between the purpose of the company and the expectations of the workforce.

From **Partnering with the Business** To **Part of the Business**

Business Partner — Sits outside boundaries of "the business" → **Business Leader** — Sits in role of leader alongside functional peers

HR Expert with deep functional expertise → **Business leader +functional expert** who is co-accountable for business outcomes

Program manager — Delivers HR programs, processes and policies → **Value creator** — Enables business delivery, growth and change via people solutions

Employee advocate — Speaks on behalf of employees → **Stakeholder manager** — Balances needs of multiple business stakeholders

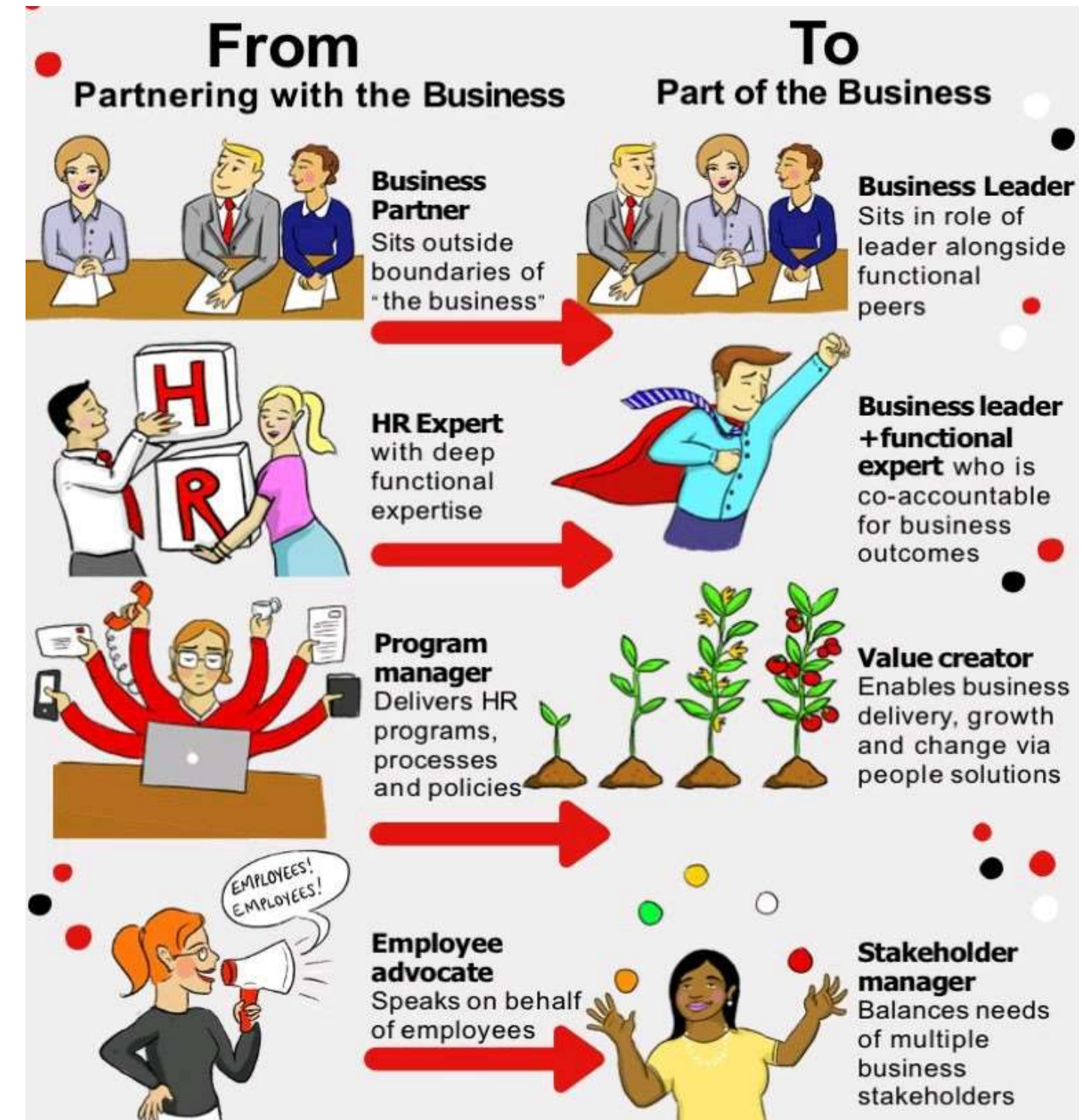# Redefinition of Future HR Roles (Cont.)

2. The Digital Expert

– **leverage** on technology to recruit, manage and grow people. They are the masters of digital know-how, from mobile to crowdsourcing recruitment,

– constantly **aware** of the latest tech methods to source for new talents.

– **utilize** technology to streamline its HR processes, compete for talents, reduce costs and manage the workforce more effectively.

Redefinition of Future HR Roles (Cont.)

3. The Coach

- **keep** employees happy, healthy and focused

- **able** to listen, understand and to have empathy towards his or her colleagues and co-workers

- **cultivate** good habits and works as an optimizer of relationships among employees, work and the company and create awareness on the importance of well-balanced work life and promote stress prevention.


From
Partnering with the Business

To
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EMPLOYEES! EMPLOYEES! **Employee advocate** Speaks on behalf of employees → **Stakeholder manager** Balances needs of multiple business stakeholders

Redefinition of Future HR Roles (Cont.)

4. The Data Strategist

- an **expert** in collecting and analyzing data to make sensible business decisions based on the given information

- **able** to articulate and solve both complex and simple problems by applying logical thinking

- **understand** the business side of the company yet knows the language of technology and analytics well enough to conclude a sound judgement.
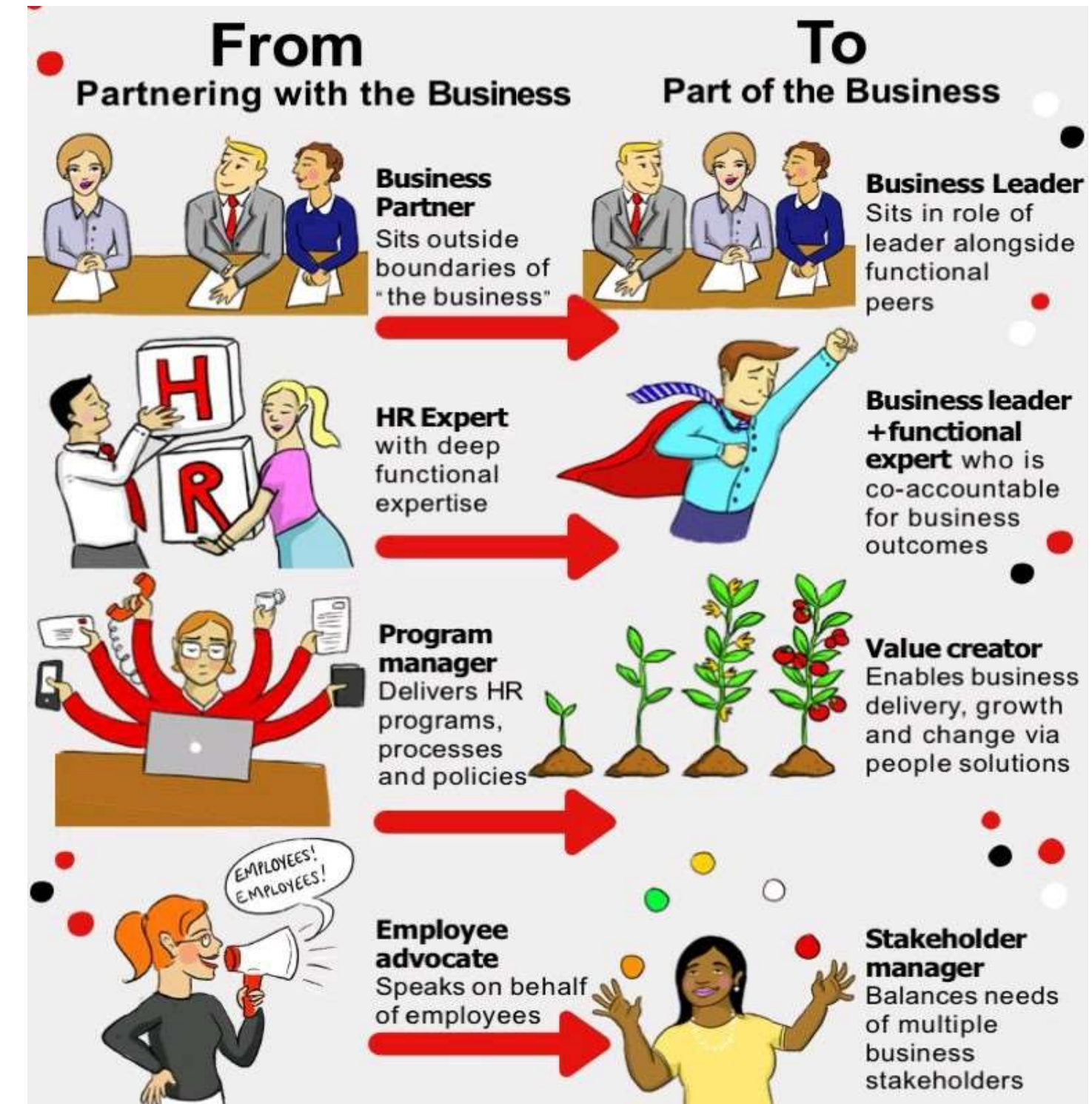
Measuring HR – Direct Contributions needed

- Traditionally the measure of HR's direct contribution were not strategically focus or aligned
- Non Strategic measures typically used by HR departments
  - HR Cost
  - HR/ Staff ratio
  - Customer Satisfaction
  - HR programme effectiveness
  - Line effectiveness in dealing with HR matters

What are the things HR should enhance

Cleaning up the HR house will require focus in the following areas.

- HR functional leadership
- Skills in HR
- Value of HR to business
- Business leadership
- Technology
- Radical process redesign
- Measurement
- Accountability

Transformation Actions and self belief

Actions steps for HR to start their real transformation journey.

- Understand your HR maturity level
- Assessment of customer needs
- Audit of HR data
- Assessment of functional activity
- Design new strategy for delivery
- Evaluate and implement technology
- Develop appropriate HR models
- Radically redesign processes/measures
- Skills development of HR talent
- Outsourcing
- Reward strategy for HR

Digital HR: Old rules vs. New Rules

Old rules	New rules
HR departments focus on process design and harmonization to create standard HR practices	HR departments focus on optimizing employee productivity, engagement, teamwork, and career growth
HR selects a cloud vendor and implements out-of-the-box practices to create scale	HR builds innovative, company-specific programs, develops apps, and leverages the platform for scale
HR technology teams focus on ERP implementation and integrated analytics, with a focus on "ease of use"	HR technology team moves beyond ERP to develop digital capabilities and mobile apps with a focus on "productivity at work"
HR centers of excellence focus on process design and process excellence	HR centers of excellence leverage AI, chat, apps, and other advanced technologies to scale and empower employees
HR programs are designed for scale and consistency around the world	HR programs target employee segments, personae, and specific groups, providing them with journey maps relevant to their jobs and careers
HR focuses on "self-service" as a way to scale services and support	HR focuses on "enablement" to help people get work done in more effective and productive ways
HR builds an employee "self-service portal" as a technology platform that makes it easy to find transactional needs and programs	HR builds an integrated "employee experience platform" using digital apps, case management, AI, and bots to support ongoing employee needs

Deloitte University Press | dupress.deloitte.com

Getting Start With HR Digital Transformation

1. Establish a clear goal

- **Establish** a clearly defined goal that makes sense from a business perspective.
- Employee **focus** as they are end-users.

2. Get everyone on board

- This means all stakeholders, from employees to the C-suite and everyone in – between as it . will **affect** the entire organization

3. Don't overcomplicate things

- Always **start** simple and small.
- Look at the areas of the HR **processes** that could do with a digital makeover
- **Talk** about this with your employees and the members of the C-suite seeking advice from them what they think should be a priority.

Getting Start With HR Digital Transformation (Cont.)

4. Prioritize ideas

– **Prioritize** ideas based on business impact, time and resources.

– Start with the ideas that are **high** impact and low effort for building a business case for digital HR and get you going quickly.

5. Assess performance

– **Make** much business sense when looking at the results with critical assessment.

– **Solve** actual problems with technological solutions that truly solve these problems.

6. Culture is important

– Let **Digital technology** combine with the corporate culture and the mindset of everyone involved.

– **Cultivate** a digital mindset from the new people you hire, via your current workforce all the way up to the C-level.

(Sources: Verlinden, 2017)

Digital Transformation in HR

Digital workforce:

– *How can organizations **drive** new management practices (digital DNA), a **culture** of innovation and sharing, and a set of talent practices that **facilitate** a new network-based organization?*

Digital workplace:

– *How can organizations **design** a working environment that enables productivity; **uses** modern communication tools (e.g. Facebook etc.); and **promotes** engagement, wellness, and a sense of purpose?*

Digital HR:

– *How can organizations **change** the HR function itself to operate in a digital way and continuously **experiment** and **innovate**?*

HR Transformation: Why are we doing it?

➤ **Understand** a company's overall business.

➤ **Establish** and **comprehend** the interests of key stakeholders, we mean customers, shareholders, but also the competitors, suppliers, governmental regulators and the communities that are involved.

➤ **Solicit** the management support in pursuing HR transformation.

➤ **Build** a business case first whereby progress must be measured against defined milestones and outcomes.

➤ **Implement** task force groups, which have full senior management and employee support working with a clear statement and articulation of the HR transformation.

➤ **Communicate** widely and targeted at the same time so that all stakeholders are on board.

HR Transformation: What Do We Get If We Do It Well?

➢ **Define** clear outcomes when victory can be claimed?

➢ **Understand** the rationale for HR transformation, HR needs to identify how the relevant key stakeholders will be impacted both positively and negatively by this change.

➢ **Positive** indicators are a great way to measure successful outcomes, e.g. an example would be how much back-up talent is available for critical roles in a company, the ability to export talent to other parts of the company as well as the ability to help make strategy happen through flawless execution.

➢ **Establish** clear measure of success, e.g. measuring employee competence and readiness for present and future jobs, higher employee engagement, higher productivity or an increased retention of key talent.

HR Transformation: How Do We Do It?

➤ **Selecting** appropriate target groups/departments to be involved.

➤ After HR leaders have outlined the why and the what of their HR transformation, they need to **focus** on the how by auditing their HR setup and professional people. This typically begins with three questions, the first one being:

➤ **Who** are we in the HR organization? HR vision and vital roles of HR needs to play?

➤ What do we **deliver**? HR mission statement? Cultivating organizational capabilities?

➤ **Why** do we do it? Appropriate HR activities to the overall business objectives?

➤ **Review** or **refine** the "HR Strategy Statement".

➤ The success of HR transformation will go along with **upgrading** HR professionals' skill-sets.

HR Transformation: Who Does It?

➤ **Redefine** the role of all stakeholders, e.g. line managers, employees etc., in the organization.

➤ No HR transformation will ever be successful if critical **stakeholders**, i.e. HR leaders, line managers, clients, shareholders, and outside experts, as appropriate, to acknowledge their valuable points of view.

➤ **Select** appropriate task force team members to shape and implement a HR transformation that delivers the expected results with proper milestones.

Major Obstacles to Transforming HR

- **Capability** of line management
- **Skills** within HR departments
- Business **perception** of HR's "value"
- **Attitude** of line management
- **HR** structures and reporting lines
- Business **leadership**
- Business **desire** for HR strategic activity
- **Effective** use of technology
- Understanding **difference** between 'HR Best Practice' and 'HR Maturity'

HR Skills of the Future

People Analytics

– Number 1 skill would need to be developed (28%)

Soft skills

– problem-solving, problem analysis, change management, project management and negotiation abilities. (15%)

Digital HR

– enhancement of competencies regarding Digital HR and HR technologies (12%)

Strategic workforce planning

– strategic workforce planning skill (10%)

Design thinking & stakeholder management

– design thinking (9%) and stakeholder management (6%) are essential skills to be further developed

In addition to skills on learning agility, creativity, business and data acumen and storytelling

What you need to prepare as an individual HR practitioner?

- Be **competent** and **assertive**

- Be **connected** and **reachable**

- Be **thoughtful** and **knowledgeable**

- Be **open-minded** and **end-result/target** oriented

- Be **corporate** and **socially** responsive

"Change does not roll in on the wheels of inevitability, but comes through continuous struggle."

Martin Luther King

Thank You