Reimagine Your HR Department

The 4th Industrial Revolution is fundamentally changing our workplaces and the unrelenting pace at which they operate. The relentless introduction of new wave technologies such as Artificial Intelligence, nanotechnology, automation and robotics are creating huge shifts and disrupting business models across all sectors. According to a McKinsey report in 2017, up to 375 million workers may need to change their occupational category by 2030. Faced with this enormous upheaval, HR departments need to urgently address the opportunities and challenges that will be associated with this transformation.

Inter-generational workforce

Today's workforce – globally dispersed, multi-generational and multi-cultural - is also in a state of flux. By 2030, it is estimated that half of the adults in the UK will be over 50, and as people are retiring later, it won't be long before four generations of employees are working alongside one another. New strategies to enhance inter-generational working, such as reverse mentoring where younger members of staff coach older employees on latest technology, are becoming popular.

The number of digital-savvy Millennials within the workplace continues to grow, and it is predicted they will form 75 per cent of the workforce by 2025. This generation expects the same level of digital ease, innovation, personalisation and flexibility in the office that they have always seen in their personal lives. As the functionality and performance of mobile devices continues to improve, they also assume they can be connected to real-time business information, and communicate effectively, when they are on the move.

Generation Z are coming
Many also hope to create a better work / life balance by having the ability to work just as effectively from home. Flexible working and virtualised teams result in more distributed organisations needing to collaborate efficiently and at speed if they are to remain competitive. As Generation Z (those born from the mid 1990s to early 2000s) also start to enter the marketplace, HR teams need to ramp up their preparation further and be ready to engage with an influx of employees who want to work and interact in fresh new

A digital strategy for HR

HR professionals are now becoming the disruptors – experimenting with new tools, models, learning strategies and coaching techniques so they can continue to attract, develop, train and retain top talent. This is going to be vital for the long-term success and growth of an organisation. The increasing investment in HR technology provides an opportunity for HR transformation that will drive change throughout the whole organisation. HR leaders have increasing ownership of their technology platform. In the past, this technology was designed around the organisation rather than the employees. However, this is changing as HR professionals embrace a people-first approach – allowing employees to take greater control of their career management.

HR teams need to create and follow a defined digital strategy to address a number of key areas. These include improving recruitment success by creating an appealing digital brand, accompanied by online apps. It will also help with the important shift from employee engagement to employee experience platforms, providing staff with the ability to collaborate digitally and self-serve their HR information. A digital strategy also needs to incorporate processes for effective gathering and analysing of data in order to better understand and predict staff behaviours and requirements. The power of digital technology can only be fully leveraged when it is embedded in company culture from the top down, as well as in individual processes. In our 2018/19 Annual Trends Survey, 52 per cent of Generation Z said a strong digital skillset was an important attribute for leaders, and 35 per cent said a 'digital-first' vision was crucial.

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- Advanced Annual Trends Survey 2018/19

Digital initiatives to combat workplace stress

The adoption of a digital mind-set throughout the organisation is one of the biggest opportunities for business improvement today. For firms that were previously at a disadvantage, due to size, resource or location, going digital can be the perfect chance to get ahead of the competition. As well as increasing efficiency, simplifying processes and enhancing customer care, digital initiatives can also help address the fact there is often simply too much work to do in the time available. In our recent survey on workplace stress, one in five admitted to feeling under pressure all the time, and 65 per cent have said they either don't switch off, or really struggle to switch off. Almost half (48 per cent) blamed lack of time as a key source of their work pressure.

Technology to transform HR services

Technology can deliver the agility necessary for HR departments to adapt and respond to changing conditions and ensure their businesses remain competitive - while helping to develop and engage with their people. We take a look at some of the issues that are facing HR professionals today, and examine how many are leading the way by using technology to reimagine their services and support, helping to transform the face of British industry.
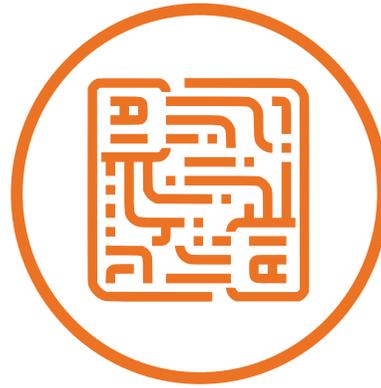
AI – threat or liberator?

Artificial Intelligence (AI) was a term first used in the 1950s to describe machines that mimic certain operations of the human mind and complete tasks that normally require human intelligence. At the core of AI today is Machine Learning, where computers use rules (algorithms) to analyse data, discern patterns and gather insight. AI is increasingly becoming part of our daily lives – whether it's translating a foreign language on a phone or using a virtual assistant to seek medical advice – it is fast becoming a disruptive force in our working environments as well.

One of the many workplace benefits to going digital is the ability to use AI to automate basic, mundane and repetitive process-driven services. AI is promising much in this area - it is predicted to be transformational in the next decade and is already benefitting early adopters. PwC thinks AI could add £232 billion to the UK's GDP by 2030 – equivalent to a 10 per cent boost. YouGov research, conducted by Microsoft and Goldsmiths University of London discovered companies that have started to use AI are already outperforming others by 5 per cent. Organisations deploying the technology were found to be more productive, have higher performance and experience better business outcomes.
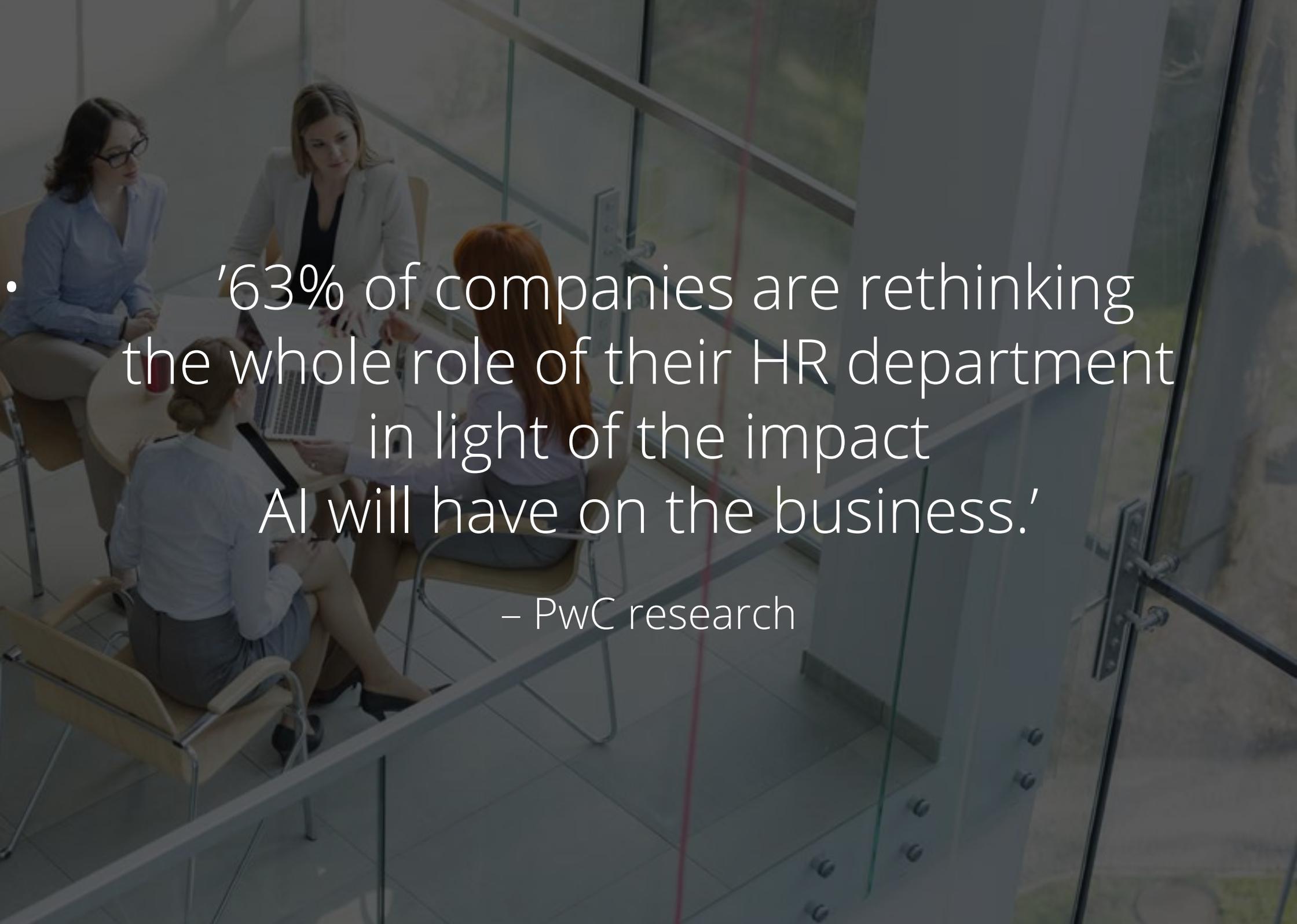
'63% of companies are rethinking the whole role of their HR department in light of the impact AI will have on the business.'

– PwC research

AI is seen by some as a threat, with its mechanisation of huge numbers of tasks and sometimes entire roles – but it is also an opportunity to rethink the organisation and take ownership for smarter ways of working.

Many worry AI will replace them, but human intervention and decision-making are still required in business. People with machines – rather than against them – can really accelerate business benefits. There are things that machines can do faster and with more accuracy, and there are things that humans excel at – the secret is to spot the difference and use resources insightfully to reboot productivity.

The HR robots are coming
Many HR professionals are also questioning whether AI will enhance or displace their own roles. Will it empower them with more interesting and manageable work, or eat away at their responsibilities? HR's dual role of strategy and empathy is not easily replicated by machines, but those whose functions are purely process-focused will need to become more relevant in order to survive in the future. It is important for HR professionals to develop skills and competencies that will be crucial in the digital world, such as critical thinking, emotional understanding, creativity and collaboration – as well as gaining more STEM skills. The key is to maximise the strengths of AI, while enhancing the contributions of HR professionals.

AI can enhance the human experience
AI can deliver rapid value in HR. It can be a force multiplier in automating processes, such as HR ticketing through a shared service function, or the development of insights / dashboards – freeing up HR professionals to spend more time with people. Time and physical presence are big challenges for HR teams and AI can actually help enhance the human experience, as increased efficiencies allow more time for highest-value interactions. It can also assist with more complex procedures such as pay reviews, being more fair and objective than an individual line manager. It can mine comments on social networks to gauge stresses, concerns or areas of good practice. HR Business Partners could become the 'front end' of HR, backed by a vast amount of AI doing the transactions. Alternatively, AI could be 'chatting' to staff while humans act on the intelligence.

HR has to be at the forefront of the AI roll out

The price point of AI and robotics is coming down, making it more affordable. HR has to be part of the debate about its application and introduction – ensuring they have enough technical understanding to make their case. HR teams need to be the ones making decisions about if and when to automate, whether to reskill or redeploy the human workforce – and the ethical / moral implications of such decisions. They will need to recommend how to get the best from technology and from people. HR expertise is vital when AI is rolled out, for example carefully constructing questions for chatbots so as not to alienate candidates or staff, monitoring to mitigate risk and providing a point of contact for any escalations. It is important that HR is equipped with a flexible Human Capital Management solution to ensure that they have processes that support this work now and into the future.

HR professionals can assume a key role as AI evangelists, promoting and supporting company-wide applications. HR must begin to anticipate the impact AI will have on the composition and skill redevelopment of the future workforce – and workforce planning models must be updated. With AI taking on roles that perform repetitive tasks, new skill sets will emerge which will affect the future needs of the organisation.

'While more than 80% of employees in the US and UK believe having AI skills will give competitive edge, 42% don't believe their HR department can execute on it.'

- Harris Insights global study in collaboration with IBM

The battle for talent

Recruitment is the largest marketplace in HR, and finding the right talent is more challenging than ever. A staggering 92 per cent of employers said they had experienced some form of skills shortages last year according to Hays 2019 Salary Guide. Organisations spend huge amounts each year recruiting, and it is increasingly difficult to differentiate your brand, source strategically and find the best candidates in a market where top talent can set the rules. Unemployment rates are low and there is a battle for the best candidates. A 2016 Society of Human Resources Management survey found that the average cost per hire was US$4,129.

Research indicates that 70 per cent of a recruiter's time is currently spent sifting candidates. However, AI can now identify a diverse range of top talent at speed, reducing the time spent from weeks to minutes. Volume recruiters are using AI to help them save costs and get the upper hand, with automated application tracking systems and enhanced assessments. It doesn't matter how many people apply for a role, AI can ensure each person receives timely communications and it reduces the number of calls or emails coming into the HR department. It can automate resume sourcing, schedule interviews and provide feedback. AI can assess responses to screening questions, with virtual interviewers concurrently interviewing hundreds of applicants over the internet. It can observe and assess on key criteria much faster, narrowing the pool before an in-person conversation. AI can decode video interviews to determine cognitive ability and identify future career options. This provides significant competitive edge when many organisations are competing for limited resources. HR managers are freed to focus on strategic work, such as connecting with top talent or providing a more personalised interview experience as required.

'Average cost per hire was US$4,129.'

- 2016 Society of Human Resources Management survey

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Technology is helping organisations get smarter about hiring candidates, just as candidates are getting more savvy about prospective employers. Tools are developing to help find people with the right capabilities and learning skills, not just relevant experience or technical abilities. Diversity is now a core part of recruiting, and AI can create an algorithm assessment platform with language that is bias-free, to help remove any prejudice from job descriptions and interviews. Using only data, AI is not influenced by writing style, names, photos or affiliations, so organisations receive a disparate shortlist.

AI + humans streamlines recruitment

AI can evaluate a workforce and help HR professionals make smarter decisions about who else might be is needed, and then source the talent – matching candidates to companies. AI also enables passive candidate sourcing, identifying candidates who are not actively job hunting but may be very desirable to an organisation and open to the right move. It can assist with identifying likely candidates from verified data sources such as social media, online job records or education information by using recruiter-defined parameters such as location or industry. AI can return a list of potential candidates in ranked order against acceptance criteria from the business, predict their readiness to move, develop and send communications and map resources. Employees who are most suitable for horizontal career moves will then be selected via assessment of different roles. It can also predict those most at flight risk.

AI isn't replacing the need for human involvement in the recruitment process. Even with a large-scale AI implementation, a human must still interview and select a successful candidate from a pool narrowed by AI, and confirm any reported sentiment, humour or sarcasm. But, data generated by AI can be used to inform decisions then made by a human HR professional.

An immersive recruitment strategy

Augmented Reality (AR), an interactive experience of the real-world including objects that are augmented with computer-generated perceptual information, is also providing opportunities for HR within recruitment and assessments for roles. Instead of an interview, candidates can put on goggles and go through an immersive workplace experience. HR teams and candidates can go that one step further with behavioural or situational interviews to provide a more thorough assessment.

'The power and potential of AI means that businesses need to be ahead of the curve in order to remain competitive.'

- Deloitte 2018

Employee Experience

The term 'employee experience' covers the entire experience an employee has at work — from the long commute to the office, time spent searching for a parking space, a crowded cafeteria without vegetarian options to knowing who to contact to resolve a query about benefits, issues with the work environment or a question about technology. It is an employee-centric and bottom-up approach where employers design their workflow and processes around their employees to better their day-to-day and overall experiences.

Employee experience is set to become one of the new competitive advantages. In today's dynamic HR technology environment, employee experience platforms are bringing case management, document management, employee communications and help-desk interactions into one integrated, self-serve architecture. They sit between employee apps and back-office systems and are the lifeblood of increasingly automated employee service centres. AI is now in the mix, with cognitive coaches, smart chatbots and games that make training fun and easy. Chatbots are already common online for retail and financial customer service, and HR-focused chatbots are also emerging. They can very quickly answer questions such as 'when is the next pay day' – working by accessing the HR self-service systems.
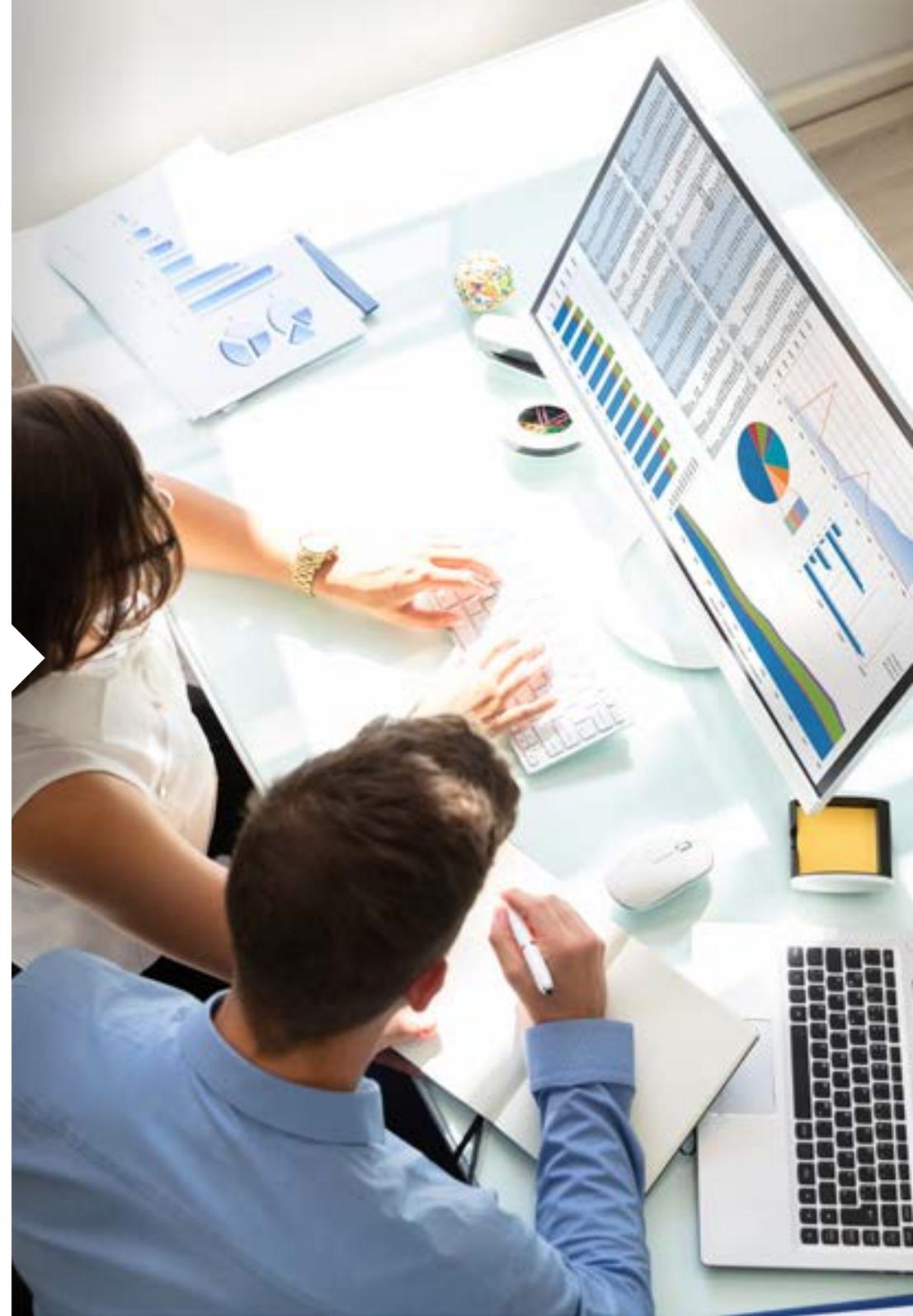
'Enterprises with a top-quartile employee experience achieve twice the innovation, double the customer satisfaction and 25% higher profits than organisations with a bottom-quartile employee experience.'

- MIT research

Taking Employee Engagement to the next level

AI goes beyond automation and collects vast amounts of data in order to improve the employee experience. It provides succinct analyses of large data sets to enable data-driven decision-making for managers. Historically HR professionals have lacked experience with data and analytics – unlike other parts of the organisation, they didn't possess data fluency. Data can help take employee engagement to the next level, create individual experiences, identify problems, offer insightful workplace initiatives and manage careers on a large scale – but the HR team need to understand and interpret the data. They need to improve their data literacy in order to recruit and retain the best talent. There needs to be a change in culture, so data is used to make decisions about people in the same way it currently informs and influences financial decisions. Employee data is just as vital as financial or customer data – it also offers crucial insights into how to manage a business better.

Only a few years ago, the engagement survey market was fairly quiet, but today it has turned into a dynamic world of real-time survey systems. The growth of Cloud platforms, presenting up-to-date information within manager-level dashboards, is helping HR teams to understand how they can constantly improve the work experience. Organisational Network Analytics (ONA) is a burgeoning field, looking at relationships (who you know, what team you a part of), as well as wellbeing data (providing 'nudges' to help staff exercise, eat well or sleep better) and sentiment data (for example, analysing a sense of belonging). Clearly, HR teams need to provide transparency around these and keep ethics and privacy at the forefronts of their minds. These tools also seek feedback, giving employees new places to comment on their workplace experience and offering them insights such as pay transparency.

'Nearly 80% of executives rated employee experience as either very important or important. But just 22% reported that their companies were excellent at building a differentiated employee experience.'

- 2017 study by Deloitte

Increasing mobility

Productivity has never been more important in business, and HR technology is increasingly helping to support teams in a variety of locations to deliver this - improving efficiency, encouraging people to work better together and ensuring data security and integrity. The Cloud is playing an important part in this, and the question for most companies is no longer 'if', but 'when', and 'how' they are going to the Cloud. A Human Capital Management (HCM) architecture needs to deliver a set of employee services that make people's lives easier, and ensure disparate teams and those working on the move can still operate effectively and collaboratively. Cloud-based apps, with seamless integration between HR and IT, provide flexibility and a platform for efficient HR processes, self-service and information.

Mobile-based tools, with access to servers containing real-time information, are a necessity for today's workers – and they are also acting as catalysts for the introduction of further exciting, disruptive technologies. Today, more than 36 per cent of the US workforce are freelancers, and it is predicted that by 2027 it will be more than half due to the desire for autonomy and flexibility. As a result, co-working spaces are exploding in popularity, as technology increasingly enables people to work anytime, anywhere.

'39% of employees now identify mobile working as the single most important factor in whether they are satisfied with their jobs.'

- HPE Aruba report

Next-level learning

A key responsibility of HR teams is to determine the skills that will help their organisation achieve business objectives and remain competitive and agile in a demanding business world. Workers may need to acquire skills 'on demand' to adapt to their fast-changing roles. Leading companies are increasingly hiring for competencies over credentials, then providing their employees with the necessary training to fill any skills gaps – supporting their workforce with upskilling and lifelong learning.

A new generation of learning tools has arrived to provide higher levels of performance support. These include micro learning, which can quickly close skill and knowledge gaps, experience platforms, AI-based systems and Virtual Reality (VR). VR training has been a big part of L&D for quite a while and has been changing the field for years – since 1966 when the first visual flight simulator was used to train US Air Force pilots. No other medium can give users the immersive feeling of 'being there' better than VR, which is what makes it such an exciting tool for workplace learning. It fully captures a learner's attention – you are not distracted by what's going on around you - and therefore boosts the retention of information. In order for training to be retained and for it to guide long-term behaviour, it needs to be stored in long-term memory.

According to the Cone of Experience theory, we remember 10 per cent of what we read, 20 per cent of what we hear and 90 per cent of what we do. VR can transport learners into another world and allow them to do something that may be too expensive or dangerous to create in real life. It offers first-hand skills training on demand while reducing costs and risk for companies and staff. VR can also challenge the world and make us more empathetic – by experiencing working with physical challenges, disabilities or encountering discrimination or bias it can provide a deeper understanding of the lives of others.

AI-powered tech can make traditional services such as executive coaching affordable, with an online coaching platform offering 1-on-1 coaching in a cost-effective and time saving way to gain valuable insight. It can also revolutionise team building traditionally done by external trainers, by asking team members questions about their communication style, work goals and team dynamics. Having built profiles of each employee, it begins to make suggestions about how to work smarter or handle conflict – linking to L&D content that may help. AI can also help managers deliver training the right way – asking pertinent questions, assisting with on boarding and monitoring progress.

These training platforms can also offer personalised training, so employees don't have to sift through the full list of courses. It can help identify skills gaps and see who is best suited to be upskilled for new roles – customising a development path for them. HR leaders will also need to upgrade their own skill sets while they are simultaneously upskilling the workforce and this will fundamentally alter how the whole business functions.

We remember

10% of what we read   20% of what we hear   90% of what we do

In conclusion

HR professionals have a weighty responsibility – for hiring, training, retaining and shaping the workforce of tomorrow. Digital technology is going to be key to their success. There is a need for speed – HR teams can't wait and see how things pan out – they risk getting left behind and their organisations will suffer. Success tomorrow requires action today.

HR teams need to use their expertise to create roadmaps for change, providing innovative and effective tools and training to support employees. Change is difficult, and some may struggle with digitisation and the associated cultural mind shift. Communicating the value of new initiatives, with a well-developed HR strategy and sound change management framework, is vital.

In an age of increasing technology in the workplace, the need for a human touch in order to build relationships and add value is perhaps more important than ever. Ironically, it is these same innovative technologies – the ones automating businesses, analysing vast amounts of data and providing connected real-time mobile services - that are allowing HR professionals to reimagine how they work, recoup lost hours and become more accessible to employees when it really matters.

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To talk to a HR expert on how we can help you reimagine your HR department, contact us on 03301 229 458. Alternatively leave us a message here and we will be in touch shortly.

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