

The Next Phase of HR Transformation

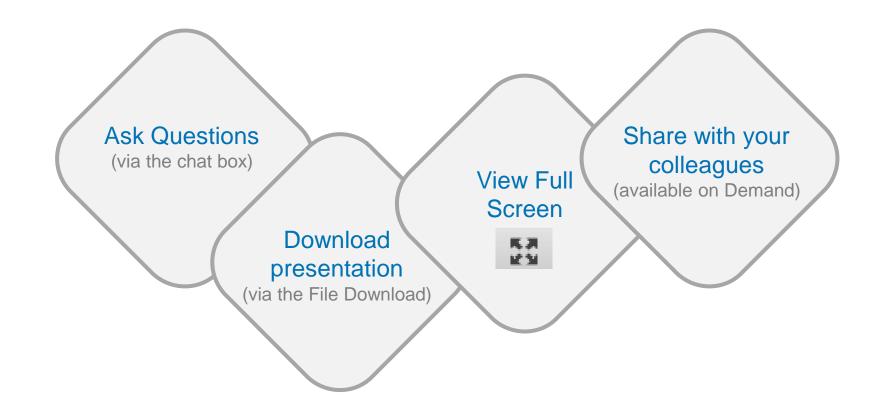
Adaptive & Fluid HR

November 12, 2020 03:00 PM CET





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Panelists:



Marion Devine
Senior Human Capital Researcher, Europe
The Conference Board

Marion Devine is Senior Researcher in Human Capital for Europe, based in TCB's Brussels office. Marion brings a European perspective to TCB's HC work and contributes across a broad spectrum of HC topics in support of the various HC Centers.

Marion brings a wealth of expe...Full Bio



Sanja M. Haas, M.A. (Moderator)
Senior Fellow, Human Capital; Council Director, Leadership, Talent & Learning
The Conference Board

Sanja Haas is a Senior Fellow, Human Capital at The Conference Board. In this role, Sanja supports the Human Capital Practice which includes *The Human Capital Exchange*TM, research, conferences, webcasts and programs in a broad spectrum of human capital areas. In addition to se...<u>Full Bio</u>



Next Phase of HR: Fluid & Adaptive

- ✓ Supporting business change & transformation
- ✓ Deeply customer-centric
- ✓ Adaptive & fluid







Fluid HR: "Tight-Loose" Dynamic

- A "tight" <u>strategic alignment</u> between the business and people strategy
- And a <u>"loose" deployment</u>: a flexible HR structure to ensure the right combination of skills and resources "flow" to wherever they are needed







Tight strategic Alignment

- ✓ Strategic Prioritization
- ✓ Portfolio Project Management
- ✓ Customer Segmentation

Strategic Priorities (before Covid-19)	Percent (%)	Ranking
Growth	55.0%	1
Innovation	42.1%	2
Strategic agility	39.1%	3
Digital transformation	36.7%	4
Cost efficiency	33.1%	5

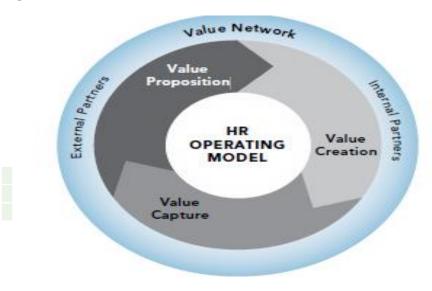


Most critical priority when deciding on HR redesign or transformation	Percent %	
Enhancing HR's ability to be a		
strategic partner to the business	55.2%	
Impact on business performance	51.0%	
What the CEO thinks and wants	45.5%	
Degree of alignment with the business model	42 F9/	
HIUUGI	43.5%	



Also "Tight": Clear Sense of HR's Value Proposition & Purpose

- Vision for important people-based values, while a clear value proposition (VP) anchors the strategy and plan to a set of clear business outcomes.
- HR must manage a tension between business goals and HR values.



Which statement most closely reflects your view?	
The strategic goals of the business should be the strongest driver in decisions about the most appropriate HR operating model	47.0%
The strategic goals of the business and HR values/principles should equally drive decisions about the most appropriate HR operating model	46.6%



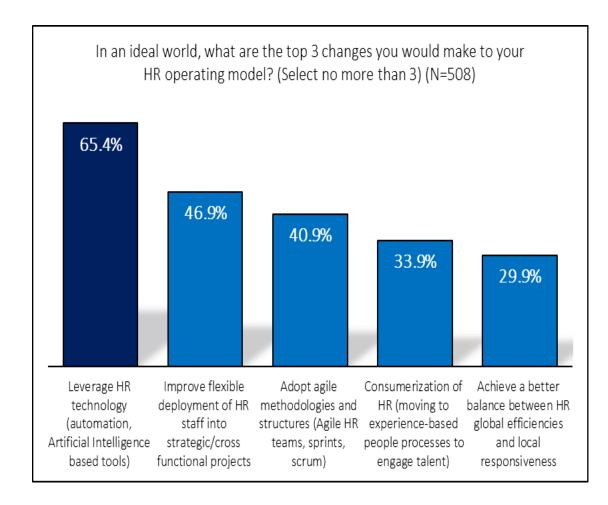
"Loose" Deployment: HR skills & resources flow to where they are most needed

How would you describe the effectiveness of your current HR operating model in delivering your strategic people priorities?	% n=700
Effective	44.7%
Somewhat effective	39.3%
Slightly effective	7.7%
Highly effective	6.4%
Not at all effective	1.9%

- √ 94% say it is highly important (62%) or important (32%) for the HR organization to be able to reconfigure HR capabilities and resources rapidly when needed
- Respondents prefer a basic blueprint for HR transformation, with room for flexing and adapting



"Loose" Deployment Through Projects & Teams



- Horizontal team structures help HR to move closer to the business: clipping on fluid structures:
- Agile teams rapid improvement/innovation, fast change in external context or customers
- EX teams design HR processes around experience to improve talent engagement.
- Cross functional teams deliver end-to-end solutions or tackle enterprise-wide issues.
- HR consultancy teams to partner, challenge & coach leadership teams.



4. HR Capabilities: new demands on HR for both broad & deep skills

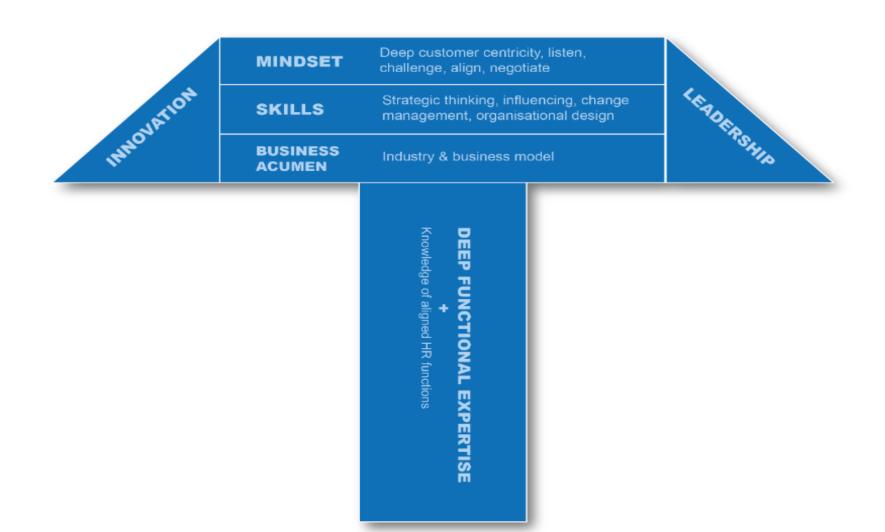
- The CSF for deploying HR across the business is a new mindset. We're moving our experts into hybrid roles where they're expected to build on their expertise via continuous learning." EMEA Head of HR Operations
- Leading transformation:
 - ✓ Strategic thinking
 - ✓ Influencing stakeholders
 - ✓ Driving execution
 - ✓ Change management
 - ✓ Adaptability & resilience



In your experience, what are the three biggest barriers that prevent companies from embarking on HR redesign or transformation? (Select no more than 3)	Percent	Ranking
HR professionals impeded by day-to-day pressure	51.7%	1
Lack of buy-in from business units	31.9%	2
Insufficient change management skills	28.6%	3
Cost of implementing operational changes	27.4%	4
Change fatigue	22.1%	5



HR Capability for the Future is T-Shaped Profile





Evaluating the Impact of Fluid, adaptive HR

KPIs such as productivity & impact on financial performance are still vital But...

As HR works more flexibly for strategic impact, additional outcomes could be considered; e.g. strategic agility, speed of solution, innovation.

HR needs more sophistication in gathering high quality data & feedback about various customer relationships.





