



10-point mandate for HR in the new decade

Reflections for organizational transformation

A new decade brings with it the opportunity to reflect on the dynamic world in which we live and work. In being accountable for the people agenda, HR plays a significant role in enabling organizations to meet the demands of transformation initiatives. HR needs to reinvent itself to become an agile, strategic function in supporting and sustaining successful transformation and adaptation, whilst continuing to achieve business growth and operational excellence. This 10-point mandate serves as a guide to consultants and organizations alike to critically consider what requires focus and change from an HR perspective in this new decade.

By: Beverly Fuller

Introduction

A new decade brings with it the opportunity to reflect on the dynamic, competitive, innovative, and exciting world in which we live and work. Organizations are characterized by a proliferation of automation and digitization. Themes including but not limited to efficiency, leanness, productivity, and agility abound. Innovation and disruption surround us. Within this mass of themes and agendas, there are three critical business goals that remain in force: grow the business; improve operational excellence; execute business transformation.ⁱ The latter is perpetual. Transformation is no longer a one-time change initiative. Jobs and structures are being redesigned for more agility and scalability. Any strategic change that requires people to do things differently has implications for the company culture, and if the culture is not managed, strategy execution cannot succeed.ⁱⁱ The human resources (HR) function is accountable for the people agenda and plays a significant role in enabling the organization to embrace new ways of working that accompany these transformation initiatives. This places high demand on the HR competencies of an organization, and with this in mind, the message is clear: HR needs to reinvent itself to become an agile, strategic function in supporting and sustaining successful transformation and adaptation, whilst continuing to achieve business growth and operational excellence. This 10-point mandate serves as a guide to consultants and organizations alike to critically consider what requires focus and change from an HR perspective in this new decade.

1. The employee is the new customer

People who are intrinsically motivated are the driving force behind the success of organizational transformations. It is this drive and desire to make a difference that forms the foundation for the new talent contract. People now have a voice when it comes to the way their organization, leaders, and HR interacts with them. Simply put, the employee is the new customer. This brings with it a focus on the employee experience, and includes broader criteria like employee engagement, investment in skill-building, and futureproofing from a skill and competency perspective. To help enhance employee capabilities and increase retention, formalised, ongoing hard-skills (such as technical skills) and soft-skills (such as agility trainings) are becoming the norm. And this isn't just about tech workers: everyone from sales to HR needs to be trained to meet the demands of tomorrow.ⁱⁱⁱ

Intrinsically motivated knowledge workers (defined by Drucker as people who know more about the work that they perform than their bosses) seek challenging, meaningful work that affords them appreciation and respect. It is essential to promote a style of leadership and a culture that facilitate

out-the-box thinking, resourcefulness, experimentation, autonomy, and empowerment – the very ingredients that are required for innovation. This means a move from micro-management and command and control structures to inspiring and engaging leadership and open, flatter structures. In dynamic, agile environments, marrying efficiency with a learning culture that celebrates creativity and adaptability is vital for success.^{iv}

The world of business has become more focused on the impact of people, motivation, and engagement, as a critical differentiating factor in the race for success and sustainability.

2. A tale of two strategies

Research has shown that firms that engage in strategy formulation that systematically and reciprocally considers HR strategy and business strategy will perform better in the long-term than firms that manage HR strategy and business strategy independently of each other.^v In transformation initiatives, the need for such alignment has never been more compelling. This requires structures and systems that foster an internal climate of cooperation and communication in the strategy formulation process. Too often, HR is omitted from this upfront involvement, and lags behind in being able to support the business to achieve true competitive advantage.^{vi}

3. “There’s no team without trust”

The famous words of Paul Santagata, Head of Industry at Google, after a two-year-long study, found that trust, in the form of psychological safety, is the greatest indicator of team performance. Psychological safety can be defined as the belief that one is free to be oneself without repercussions and to not be punished after making an honest mistake.^{vii} Amy Edmondson, professor at Harvard Business School, first identified the concept of psychological safety in work teams in 1999.^{viii} Two decades later, the concept takes centre stage under the scope of continuous transformation and innovation. To successfully embrace, implement, and sustain change, organizations require a culture where employees are encouraged to engage in unstructured, candid feedback, to experiment and make mistakes, and to learn from each other. Employees also need to be given permission to be authentic. In Agile methodologies, the concept of psychological safety is critical; it is part of the underlying mindset shift. Without it, team members cannot grow, improve, or effectively change

together. The core values and principles that define methodologies like *Scrum* and *Kanban* cultivate the foundation of trust that provides psychological safety for team members.^{ix}

4. Performance management: out with the old, in with the new

Organizations that are taking innovation and transformation efforts seriously have set aside traditional approaches to performance management to make way for an approach that is aligned with working in a fast-paced, flexible and agile manner. This consists of fostering a dialogue- and feedback-rich culture that focuses on continuous learning and improvement, condonation of experimentation and curiosity, and a strong team level of responsibility and accountability. Performance feedback has become iterative, moving from annual appraisals dogged by the recency effect and confirmation bias, to continuous, team-based feedback and real-time feedback and analysis. The concept of 'accountability' as opposed to 'performance', is taking the stage.^x

5. Talent management through a new lens

Talent management - the act of hiring, managing, developing, and retaining talented employees, remains a central theme in any HR strategy and function, but it is time to consider it through a new lens. Taking into account factors like the gig economy, emergent skills, workforce ageing, multigenerational workforces, diversity and inclusion, disruptive innovation, artificial intelligence, and data analytics, the world of work is changing rapidly in terms of the skills and competencies required to sustain competitiveness. Jobs are changing, roles are changing, and the concept of 'climbing the corporate ladder' is almost extinct, as employees aim to move around, rather than upward. Careers are now about finding people important development opportunities in the context of what the company wants to do.^{xi} This has huge implications for job architecture, career paths, and 'flow' through the organization. HR must partner with the business continually to maintain the proper balance of emerging, existing and legacy skill sets needed to drive the business as it transforms.^{xii} With limited talent pools in a highly competitive market, companies need an accurate understanding of their employees' capabilities at all levels within the organization. It is essential to design talent selection and development initiatives that align with the strategic needs of the business. Solutions lie in taking a market-driven, predictive approach to identifying skill needs, developing in-demand skills in employees, and connecting employees to skill-building opportunities beyond their roles.

6. Leadership: it can make or break you

Surprisingly, or perhaps not surprisingly, many leaders lack true confidence in their ability to lead their organizations into the future. Leadership roles are also continuing to change – significantly – as organizations continue to transform. With this in mind, leaders must create an agile and adaptable culture where teams trust each other and understand the purpose of the work: “why” we exist, who we are as an organisation, and what we stand for.^{xiii} It is vital to equip leaders to understand their strengths and weaknesses in context, to develop customized leadership development programs,^{xiv} and to coach leaders to success, particularly in agile contexts. The Gartner 2020 Future of HR Survey boldly stated that leaders aren’t always adequately equipped to lead large-scale enterprise change, and lack the know-how to design the organization to be faster and more responsive to changes.^{xv} Critical in all of this is an ‘Agile mindset’. This comprises of more than just the terms and practices of ‘Agile’ on an execution level, but is applicable in any transformation initiative or context, and is essentially a culture that must be adopted by every individual across the organization to truly succeed in a transformation. Embedding this mindset in leaders in particular, and removing barriers to adopting the mindset, often requires intensive coaching and self-awareness exercises and assessments that produce remarkable attitudinal and behavioural turnarounds.

7. What does your brand say about you?

A competitive pay package is not enough to attract the best and the brightest. HR needs to respond to the changing nature of work and employee expectations by creating an Employee Value Proposition (EVP) that aligns with the philosophy of the employee as the new customer. This means positioning the organization as a place that will attract the right type of talent specific to the culture and values of the organization, and then meeting the expectations of such talent during onboarding. It is about delivering benefits to employees in return for the skills, capabilities, and experience they bring to a company. When integrated into all aspects of a business, a strong EVP will help retain top performers and attract the best external talent.^{xvi} Organizations are creating multi-channel initiatives, such as apps, events, videos and chatbots, to entice a wide range of candidates with their unique EVP. Once they have an applicant interested, many organizations are revamping their hiring process to be more candidate-centric^{xvii}, virtual, and efficient, in line with the culture they wish to portray.

8. Be tech-fit or be left behind

If digitization was a major theme in the last decade, then artificial intelligence (AI) and machine learning (ML) are the themes in the new decade. Automation is moving at an unprecedented pace, substituting labor in a wide range of non-routine cognitive tasks. With this in mind, HR will need to

work closely with business to strategically predict future organization and job design needs. Jobs and business processes will need to be redefined to ensure that businesses can take advantage of automation potential, whilst at the same time not overlooking the benefits of the human element. This heralds a whole new mindset and approach, and therefore the ability to lead, staff, and manage in automated organizations will become a competitive differentiator. The fact that machines and robots do not bring inherent biases and emotions into the workplace also changes the dynamics of the playing field. HR must play a pivotal role in building a workplace of transparency, communication, and collaboration that will integrate the human element with AI and machines in enhancing productivity and performance.

How can HR evolve in its responsibilities to strengthen its role as a driver of company transformation in a way that reconciles the digital and the human?

From a data analysis perspective, HR has always offered a data service, mostly in the form of descriptive analytics such as benchmarks, surveys, and metrics. Whilst such data is undeniably of value, in line with technological advances, HR needs to move towards predictive analytics to really provide future-focused value to the business. This requires sophisticated statistical techniques and predictive modelling. To be able to add real strategic value, HR needs to lead the way with technology and analytics.

9. What's in a name?

No mandate regarding HR's focus in the next decade would be complete without due consideration being given to the term 'Human Resources'. As corporate functions go, HR has been the most unsettled when it comes to describing itself. Finance is finance. Marketing is marketing. While Human Resources left behind the bureaucratic sounding 'Personnel Management' label, along with hanging metal filing cabinets, many years ago, it has never seemed at ease with the various alternatives that have replaced it. More appropriate terms have included 'People' as in Google's 'People Operations', or 'Talent', or 'Employee Experience', but nothing quite seems to surface as the 'eureka' moment in seeking a new name. Undoubtedly, the digital revolution has elevated the value of people in organizations. Technology companies, at their core, are intellectual enterprises, whose greatest assets are their people. Progressive companies have moved away from traditional HR departments,

fostering People Teams instead, where the focus moves from compliance and liability issues, to true talent management in its broadest and most innovative sense. One thing is clear, the term 'HR' does not befit the expectations of this vital corporate function in the new decade and it remains to be seen who is going to get the credit for coining a new term.

10. It's virtually a virtual world

Over the last decade, remote working and the increasing demand for flexible working arrangements has gained momentum. Flexible work has been offered as an employee benefit and has even served to close the gender gap in senior positions.^{xviii} To a large extent, remote working enables flexible working, but remote working has become the norm in many industries and roles, supported by rapid developments in the world of software development, where a variety of applications and integrations are being put together to respond to the needs of remote teams. Through remote working, organizations can ensure continued productivity across multiple locations and time zones, consistent with the global village in which we live and work. As company cultures are becoming more holistic with flatter structures, more and more companies are turning towards virtual office and remote working arrangements. From an HR perspective, this has implications for clarity and alignment for team members, as teams still need to be working towards the same objectives and key results. Remote working also has implications for value and recognition mechanisms, as it can be easy to lose track of the impact of individual employees. Leaders need to adapt mindsets and instill a culture of trust and accountability. Therefore, in order to increase employee engagement, growth, and productivity, organizations need to consider the supporting mechanisms for remote working arrangements.^{xix} HR serves a vital role in managing remote working arrangements and the implications for all aspects of talent management, and the playing field to lead the way in this domain is open for the taking.

BlinkLane offers consulting services on Reinventing HR and Agile leadership programs to develop a new generation of leaders excited and well equipped to lead in the digital economy. Feel free to get in contact with me to discuss how we can bring value to your organizational transformation from a people perspective.

ABOUT BLINKLANE CONSULTING

BlinkLane Consulting is an advisory firm founded in 2007. In our 12-year lifespan, we have evolved together with our clients. We continuously innovate our services to keep delivering the value our clients need in order to deal with today's challenges. We help our clients increase business value from IT investments, achieve higher enterprise agility, be innovative, and transform their organizations for the future. We currently focus on the following themes:

- Reinventing HR
- Strategic Flow
- Scaling Agile
- Continuous Innovation

www.blinklane.com

ABOUT THE AUTHOR



Beverly Fuller is a senior consultant at BlinkLane Consulting. An Organizational/Industrial Psychologist by profession, her passion lies in the people element of organizational transformations, and this is where she offers customized solutions across a broad range of HR perspectives, to ensure a successful transition to new ways of working.

Sources

- ⁱ Gartner for HR Top 5 Priorities for HR Leaders in 2020
<https://emtemp.gcom.cloud/ngw/globalassets/en/human-resources/documents/trends/top-5-priorities-for-hr-leaders-in-2020.pdf>
- ⁱⁱ Global Talent Trends for 2020 <https://www.thehrdirector.com/features/talent-management/global-talent-trends-2020/>
- ⁱⁱⁱ Global Talent Trends for 2020 <https://www.thehrdirector.com/features/talent-management/global-talent-trends-2020/>
- ^{iv} Agile HR with SAFe Bringing People Operations into the 21st Century with Lean-Agile Values and Principles
<https://www.scaledagileframework.com/agile-hr/>
- ^v Christiansen, L. C. & Higgs, M. (2008). How the alignment of business strategy and HR strategy can impact performance. *Journal of General Management*, 33(4), 13-33.
- ^{vi} Perpetual HR transformation. <https://www.hrexchangenetwork.com/hr-talent-management/articles/perpetual-hr-transformation>
- ^{vii} High-Performing Teams Need Psychological Safety. Here's How to Create It
<https://hbr.org/2017/08/high-performing-teams-need-psychological-safety-heres-how-to-create-it?fbclid=IwAR2HkobB4eNe93iWuiLJae0tfBpdqb9l8fupaQmy1C3LvdWvEiKMW1LXyW0#>
- ^{viii} Creating Psychological Safety in the Workplace
<https://hbr.org/podcast/2019/01/creating-psychological-safety-in-the-workplace>
- ^{ix} How do Scrum and Kanban create psychological safety? <https://www.excella.com/insights/how-do-scrum-kanban-create-psychological-safety>
- ^x Agile HR with SAFe Bringing People Operations into the 21st Century with Lean-Agile Values and Principles
<https://www.scaledagileframework.com/agile-hr/>
- ^{xi} How to reinvent HR for a changing world <https://hrmasia.com/how-to-reinvent-hr-for-a-changing-world/>
- ^{xii} Gartner for HR Top 5 Priorities for HR Leaders in 2020
<https://emtemp.gcom.cloud/ngw/globalassets/en/human-resources/documents/trends/top-5-priorities-for-hr-leaders-in-2020.pdf>
- ^{xiii} Global Talent Trends for 2020 <https://www.thehrdirector.com/features/talent-management/global-talent-trends-2020/>
- ^{xiv} Gartner for HR Top 5 Priorities for HR Leaders in 2020
<https://emtemp.gcom.cloud/ngw/globalassets/en/human-resources/documents/trends/top-5-priorities-for-hr-leaders-in-2020.pdf>

^{xv} Gartner for HR Top 5 Priorities for HR Leaders in 2020

<https://emtemp.gcom.cloud/ngw/globalassets/en/human-resources/documents/trends/top-5-priorities-for-hr-leaders-in-2020.pdf>

^{xvi} Create a great employee value proposition

<https://www.michaelpage.co.uk/advice/management-advice/attraction-and-recruitment/create-great-employee-value-proposition>

^{xvii} Global Talent Trends for 2020 <https://www.thehrdirector.com/features/talent-management/global-talent-trends-2020/>

^{xviii} Is Flexible working the new employee benefit? <https://www.recruitmymom.co.za/blog/flexible-working-new-employee-benefit>

^{xix} Remote working trends 2020 <https://vacationtracker.io/blog/remote-working-trends-2020/amp/>