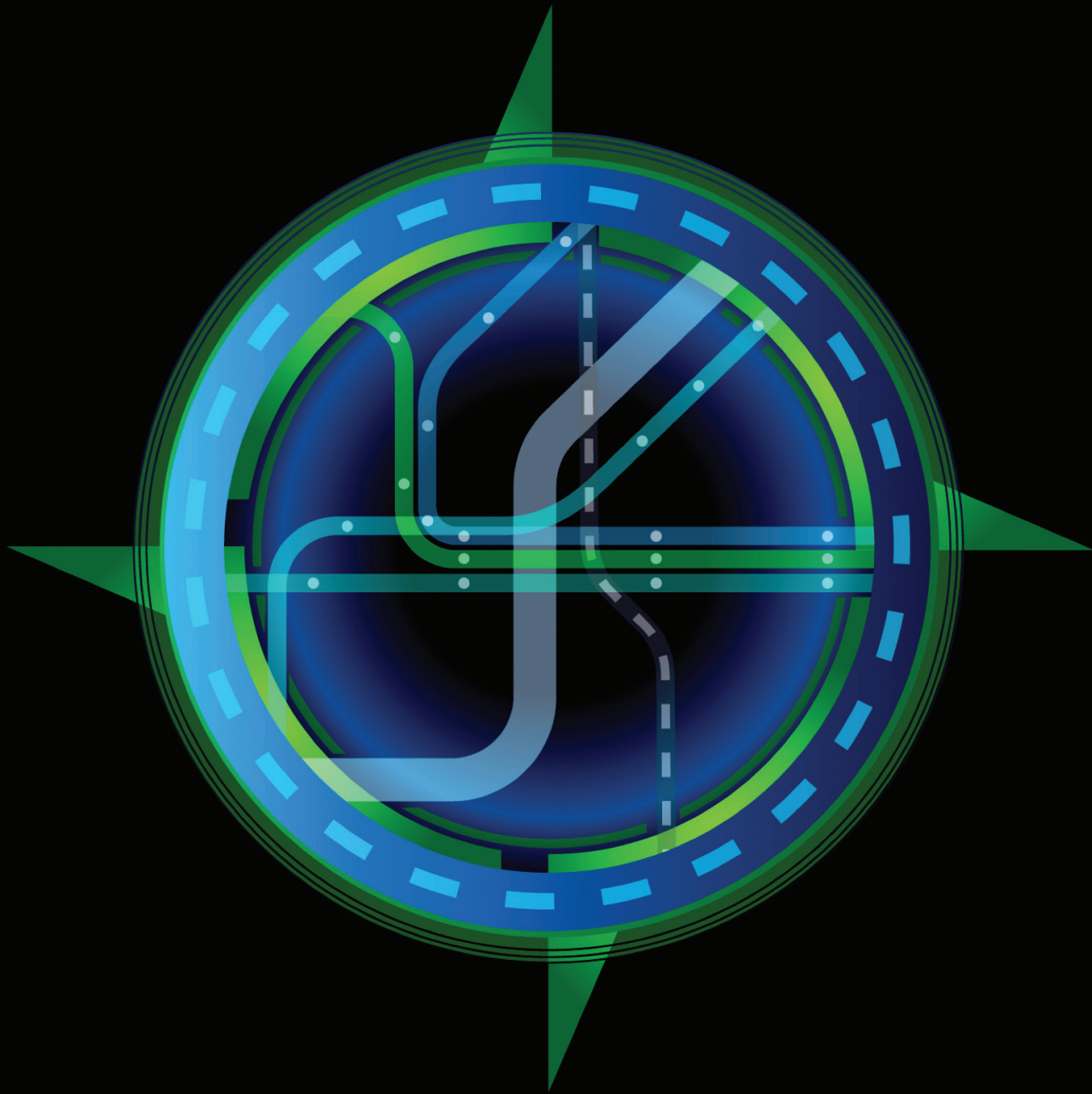


Deloitte.



**Reimagining
Human Resources**

The future of the enterprise
demands a new future of HR

Disruptive forces are sharply changing how we live and work, creating an imperative for enterprises to rapidly adapt.

The expectations from the workforce and society at large about the way enterprises should operate in business and the world are vastly different than ever before. And, advanced digital technologies are embedded in everyday experiences, from web-based ride-sharing to robotics and artificial intelligence, changing everything from how we commute, the way we work, and even the work that we perform. Yet for all of the obvious signs of disruption we see in and around the modern workplace, there remain several areas where the pace of change has not yet caught up with the new realities of how business is conducted.

Three futures are happening now. Chief HR Officers and their teams must take the lead with agility and sustain exponential value.

So, the questions we must ask —
and answer are —

How will all of this change influence the future of enterprises and the workforce, and how can HR take the lead in helping their enterprises accelerate sustained performance?

Efficiency and effectiveness are simply expected. The future of the enterprise demands new outcomes, and HR has a critical role to play.

The changing enterprise

While enterprises are fundamentally shifting with new business models, technologies, and changing expectations of—and by—the workforce, HR teams are often straddling the needs of the legacy organization while planning to address the needs of the future. This creates unprecedented opportunity for HR to play a new and vital role in shaping the way enterprises compete, access talent, and show up in the communities where they operate.

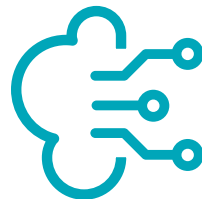
Enterprises are learning that simply incorporating emerging technologies and methods into traditional ways of doing business is not going to be enough to move the needle toward the future. Instead, enterprises can compete—and succeed—by changing entire business models in the field, in product and services development, sales, production, leadership teams, back office—and critically in the HR suite.

Three key futures are creating change that HR must address:



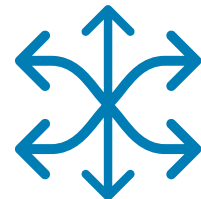
The future of the enterprise,

accelerated by a tsunami of data that has increased by more than nine times over the past two years,¹ the shortening life-span of S&P 500 companies now a mere average of 15 years,² and the expectations of businesses that are trusted more than governments by people around the world.³



The future of the workforce,

which sees the length of careers increasing to as much as 50 years⁴ at the same time that the half-life of skills has diminished to between 2 and 5.5 years,⁵ and the rapid rise of the open talent economy with more than 40 percent of the workforce estimated to be contingent by 2020.⁶



The future of how work gets done,

enabled by digitalization that fundamentally changes how humans work together as networked and adaptable teams and with their emerging machine coworkers to create massive value for customers, the enterprise—and create new roles for workers we have yet to even imagine.⁷

Shifting to the future

Many HR leaders have renamed their functions, using terms such as "Employee Experience," "People," and others to signal a shift in brand. Words matter, and this isn't the first time rebranding of the function many call "HR" has happened at major inflection points in the history of the function. Of course, a fresh brand can easily backfire without fundamental changes to the business outcomes that HR drives, whatever it may be called. The challenges that come with the three futures described above are plentiful, yet with challenge comes opportunity, and HR has the chance to drive tangible impact as their enterprises face the future of the enterprise, workforce, and how work gets done:

Figure 1. Opportunities for HR to take the lead, helping enterprises to reimagine the future—today.



HR must step into a new future by shifting in four areas:

Mind-set

Transitioning toward the future by adopting new traits and behaviors to thrive in the digital age.

Focus

Driving value through customer-centricity and human-centered solutions.

Lens

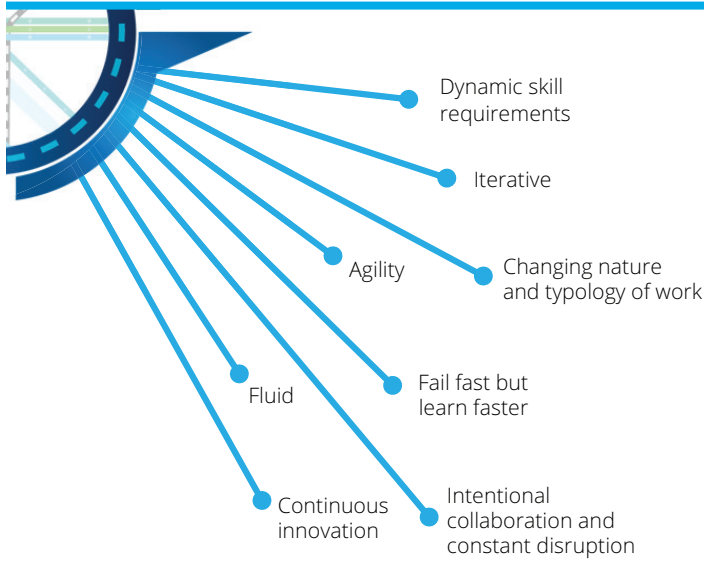
Adopting a High-Impact HR Operating Model that is fit-for-purpose to accomplish business priorities inside an enterprise's values and culture that flexes to dynamic business needs.

Enablers

Deploying advanced technologies focused on creating productivity and simplicity of experience through a unified engagement platform.

HR's shifts in each of these categories require continuing to embrace practices well known along the evolution of HR and new solutions to drive enterprises forward. For example:

Mind-set



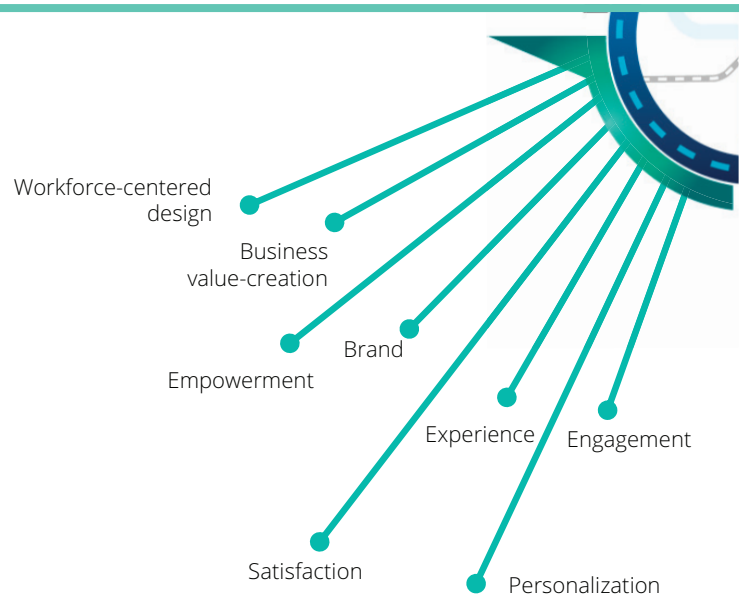
The future is calling for new capabilities

HR teams across organizations of all sizes and industries have been steadily growing capabilities as Deloitte's Global Human Capital Trends has shown over the last few years. As with so many leaders across businesses have discovered, HR leaders recognize the importance of operating with agility and fluidity across organizations, breaking down silos and fostering intentional collaboration with a spirit of disrupting old solutions. The digital age demands even further capability growth for sustained success in the future. Gaining the capabilities and the cultural readiness to fail fast but learn faster and continuously innovate new solutions are among the most critical to mastering a new mind-set for the future of HR to drive the value that enterprises require. As artificial intelligence, robotics, and cognitive solutions grow in sophistication, the changing nature and typology of work will continue to change. Organizations must reconsider how they design jobs, organize work, and plan for future growth.

Focus

Workforce engagement and satisfaction are table stakes

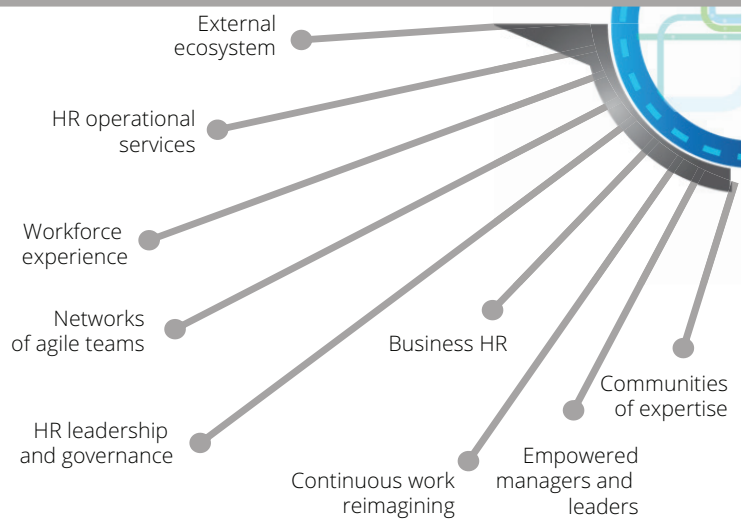
Continued, proactive efforts in employee engagement and satisfaction remain important. Yet, success in the future demands broadening the scope to consider engagement and satisfaction of an enterprise's full workforce in a world where nontraditional employment constructs are exploding. A customer-centric focus in the future of HR requires workforce-centered solutions that apply personalization wisely in a scalable way as part of creating a *Simply Irresistible Organization*™. The future of HR moves beyond quantitative value, and instead focuses on driving tangible, measurable value that is both qualitative and quantitative across the enterprise.



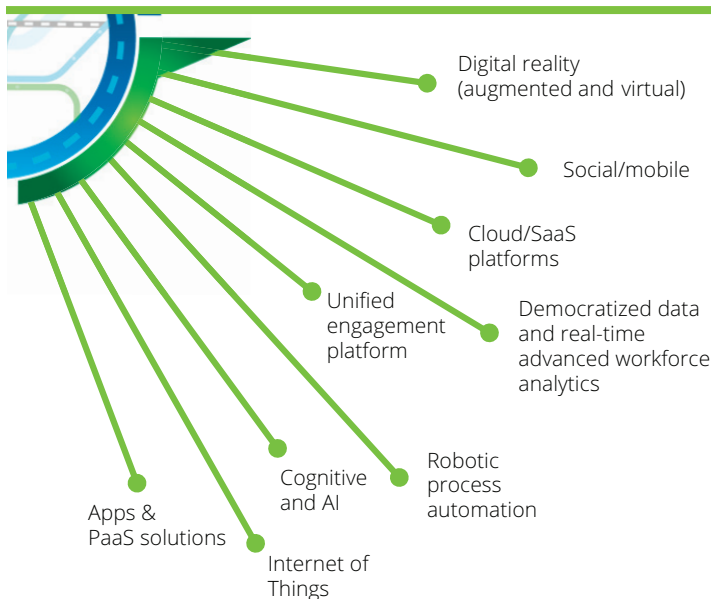
Lens

High-Impact HR Operating Model at the core

Many leading organizations implemented a High-Impact HR Operating Model through moves toward *communities of expertise*, *business HR*, *HR operational services*, & *governance with joint HR & Business Leaders*. These moves are foundational to the future of HR. Yet, the future demands reimagining work, advancing beyond organizational structure shifts, and moving toward continuous improvements in how work gets done to meet the constant disruptions to the enterprise. In this new world, the pace of change demands a strong ecosystem of partners to build upon and enable internal capabilities with speed, while creating new channels for talent and innovation. Networks of agile teams within HR can advance *Communities of Expertise* by driving collaboration across all parts of the HR function. The HR Operating Model of the future increases empowerment of managers and leaders to engage with the workforce and participate in curating a workforce experience that grows skills that leaders anticipate as important to the future of the enterprise. The external ecosystem of customers, suppliers, and the society where enterprises operate are important stakeholders and collaborators in the future of HR.



Enablers

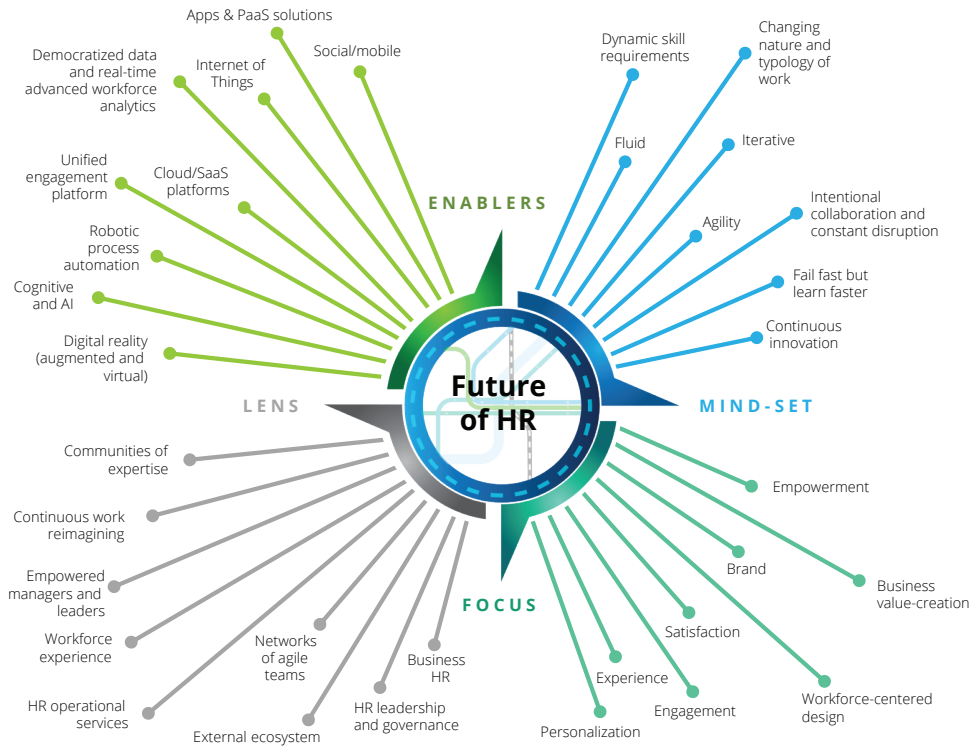


Cloud/SaaS platforms by themselves are not enough

While HR has blazed new trails through its early adoption of cloud platform solutions, automating and enhancing with advanced digital solutions that reshape how work gets done is imperative. Many have begun to apply robotic process automation and even artificial intelligence technologies into traditional HR activities. The introduction of virtual reality, machine learning, and social collaboration can make it possible to truly reinvent rather than only automate. Achieving this is only valuable if it is easy and intuitive for the customers of HR and brought together through a unified engagement platform, avoiding a patchwork quilt of solutions that is an all-too-easy trap to create with the temptation to implement individually innovative solutions without a thoughtful, yet iterative, roadmap.

Shifts across all four areas of Mind-set, Focus, Lens, and Enablers shape the Future of HR. Every HR team will prioritize the shifts, influenced by their enterprise's priorities, competitive landscape, workforce needs, and culture. The distance between an HR organization's current and desired future states will help guide the sequencing and pace to set a path that brings together all four areas in navigating the route to the future of HR.

Figure 2. Future of Human Resources



The future is happening now

Mind-set

A global retailer closely evaluated its Digital DNA in HR and discovered their behaviors and capabilities across most of the 23 Digital DNA traits were at low maturity. Agility and intentional collaboration stood out as two significantly challenged traits in need of rapid advancement to accomplish the enterprise's strategic objectives—and enable HR teams to drive innovative solutions at a nimble pace. HR has reshaped its way of operating by adopting a product management model to drive policy, process, and solution development and sustainment in an agile and iterative way that promotes value and collaboration.

Focus

A global pharmaceutical company is driving and reinforcing workforce centrality by implementing an omni-channel platform to sense HR customer insights, embedding automated analytics and providing access to feedback mechanisms. Adopting approaches well proven by leading customer marketing organizations, this HR function is gaining insights about workforce preferences and needs that can influence the shaping and reshaping of solutions with real data that brings a human-centered view.

Lens

Leading global enterprises across industries, including airline, automotive, consumer products, financial services, and retail have invested in targeted HR professional academy programs, elevating HR capabilities to enable their new HR operating models to stick. While each enterprise's HR operating model is tailored to unique business and culture priorities, they all recognized the imperative to grow HR professional capability to redefine how HR shows up to drive outcomes valued by the business and its workforce.

Enablers

A global enterprise with ~\$50B in revenue reimagined the complex activities related to inquiries from managers to its HR operational services group. By implementing a cognitive agent as the first point of contact to handle common inquiries around complex topics, such as position management, they achieved a 50 percent reduction in the average time to answer queries and can now provide 24x7 coverage.

Professionals in the future of HR are exponential HR professionals, who bring new capabilities with a constant attention to growing and stretching their skills. Exponential HR professionals know how to apply advanced techniques and technologies to reimagine the solutions they develop and how they deliver services to elevate the business impact they create.

The future of HR requires exponential HR professionals who drive:



Value creation with agility

Actively measuring the business impact of people programs, practices, and processes—and adjusting nimbly as tangible measures guide



Workforce solutions

Deploying solutions that enable enterprises to access talent from across the wide array of open talent economy workforce sources—from traditional employment, to contingent, to crowd-sourced



Optimized rewards

Abandoning aged practices around rewards in favor of creating relationships with and well-being of the workforce based on what workers value most



Diversity and inclusion

Embedding diversity and inclusion into the fabric of an enterprise



Adaptable organizations

Guiding enterprises to create organizational models that enable teaming and innovation



Change

Fostering symphonic collaboration among leaders to move into the future

Bringing it all together...

Shifting to the future of HR is all about achieving **business outcomes** in the context of the three futures happening now: Future of Enterprise, Future of Workforce, and Future of How Work Gets Done.

Mind-set
Digital traits & behaviors

Focus
HR customer centricity

Lens
High-impact
HR operating model

Enablers
Advanced technology

Win in the market and community...

...reshaping culture and behavior to act with agility and collaboration

Delight the enterprise's customers...

...accessing, curating, and engaging an innovative workforce

Empower leaders and workgroups...

...reimagining work across roles in and outside HR

Maximize the workforce's potential...

...gaining advantage through cognitive and digital automation

Navigating your route to the future of HR—now

Change is messy and there is rarely, if ever, a straight line to follow from the present to the future. Each HR organization will have a different starting point on its route to the future of HR—and there will be varied definitions of a successful “future.” Roadblocks will appear that will force you to take unexpected turns, require pivoting, and it may even feel as though your progress is slower than desired at certain spots along the way.

While each evolution to the future of HR will differ, classic transformational approaches need not apply.



See

Sense

Understand trends and disruptors; uncover opportunities informed by where the enterprise and workforce are going into the future

Engage

Explore the possibilities for your organization and generate the case to launch the adventure



Think

Aspire

Envision the future that solves for the needs, motivations, and drivers of the workforce and enterprise

Decide

Make strategic choices to refine the capabilities and enablers you want to infuse into the organization—set the route for success



Do

Create

Apply human-centered design and product mind-set to deliver solutions that enable your future enterprise and access the workforce

Realize

Embrace disruption to achieve value beyond efficiency and effectiveness to realize and sustain business outcomes

From the most senior to the newest team members, everyone in HR has a role in shifting to the future.

The future demands:



Navigating your route requires an approach as innovative as the future itself. The future of HR is happening now.

Are you ready to See — Think — Do?

For more information on how Deloitte can help you navigate your route to the future of HR, please connect with your Deloitte contact, send a note to one of the authors in your region of the world, or visit www.deloitte.com/us/humancapital.

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