HR DIGITAL TRANSFORMATION

THE PRACTICAL GUIDE

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INTRODUCTION
EMBRACING TRANSFORMATION

We're not here to tell you why you should embrace digital HR transformation. We're here to tell you how.

Digital HR transformation isn't optional.

Organizations that ignore digital transformation risk falling prey to disruption, and recent years have shown us that no one is too big to be disrupted . And it was only a matter of time before digital transformation reached HR.

But how do you approach such a project of this size and importance?

That's the question we answer in this practical guide. We have used our expertise in Digital HR to draw up a clear and practical roadmap to help you on your path to digital HR transformation.

HOW TO
USE THIS GUIDE

Every organization engaging in Digital Transformation will go through 6 stages of transformation.

At each stage, there are 6 key components of Digital HR for you to consider and address.

In this guide we take you through each transformation stage and describe concrete action points to improve on every component of Digital HR, until you have successfully transformed your organization. Good luck!

STAGES OF DIGITAL TRANSFORMATION

1. Business as Usual
2. Present and Active
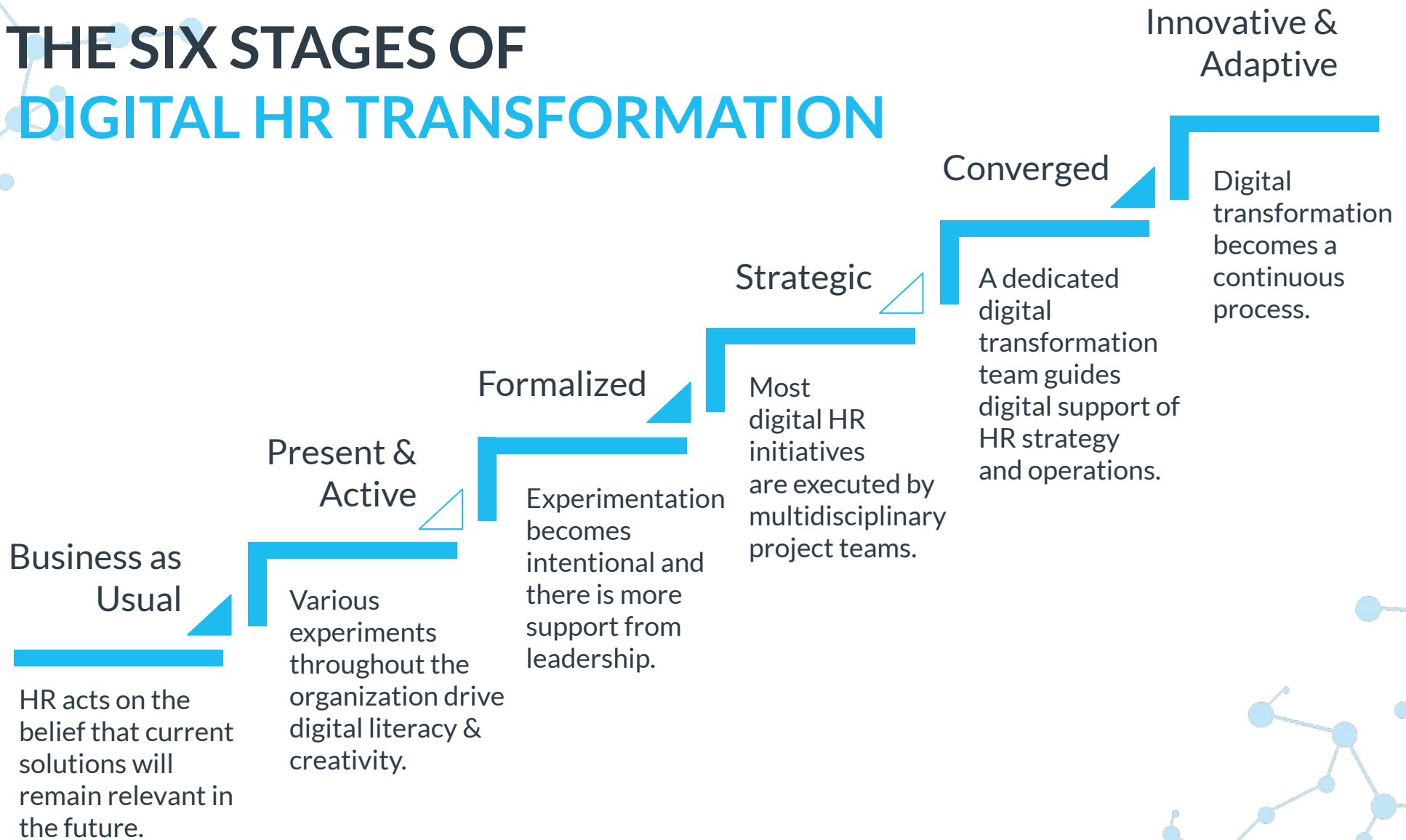3. Formalized
4. Strategic
5. Converged
6. Innovative and Adaptive

COMPONENTS OF DIGITAL HR

1. Strategy and Leadership
2. HR Technology
3. Innovation
4. HR Processes
5. People
6. Data and Analytics

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THE SIX STAGES OF
DIGITAL HR TRANSFORMATION

Innovative & Adaptive

Digital transformation becomes a continuous process.

Converged

A dedicated digital transformation team guides digital support of HR strategy and operations.

Strategic

Most digital HR initiatives are executed by multidisciplinary project teams.

Formalized

Experimentation becomes intentional and there is more support from leadership.

Present & Active

Various experiments throughout the organization drive digital literacy & creativity.

Business as Usual

HR acts on the belief that current solutions will remain relevant in the future.

THE SIX COMPONENTS OF
DIGITAL HR

These six components together form the foundation for your successful digital HR transformation.

Strategy and Leadership

Having a strategy in place helps to streamline all digital HR activities under one umbrella with an integral vision. HR leadership should lead by example and stimulate experimentation.

HR Technology

Technology isn't an end in itself. What is important is that your selected HR technology supports your main business priorities, both within HR and beyond.

Innovation

A culture of (digital) innovation is essential. You will need an agile HR function, a thought-out plan for acquiring and developing digital solutions, and a culture that fosters innovation.

HR Processes

During the transformation, you will use technology to automate HR processes. This will save time, while also reducing complexity and errors and improving EX.

People

People can make or break your digital transformation. You need people with specific skills, guided by strong leadership, who can collaborate effectively for the project to be successful.

Data and Analytics

Data will be a cornerstone of your digital transformation. Having access to (real-time) HR data is essential for making informed decisions about the organization and its people.

STAGE 1

BUSINESS AS USUAL

At this stage, HR is operating with a familiar legacy perspective of internal customers, processes, metrics, operating models, services, and technology. There is a widespread belief that the current solutions will remain relevant for the coming years.

Less than
30%
of transformations
succeed
McKinsey, Unlocking success in digital
transformations, 2018

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STAGE 1 - BUSINESS AS USUAL

STRATEGY AND LEADERSHIP

Start creating awareness with leadership and other key stakeholders on the need for change and a shift towards digital. Use inspiration to get them on board, but also create a sense of urgency.

How to improve

- Invite an inspirational outside speaker (e.g. from another organization or a consultant)
- Organize a brainstorm on digital HR (is it something we need to be aware of?)

STAGE 1 - BUSINESS AS USUAL

HR TECHNOLOGY

At this stage, the HR technology landscape is most likely scattered. Point solutions are not connected to the HRIS. Business and HR processes are minimally supported by technology, and the impact of technology is low.

HR technology is most valuable when it connects to business needs. The technical infrastructure should support employees in their journey through your organization and reduce workforce challenges.

How to improve

- Make a high-level assessment of the current HR technology landscape on the ability to support business on people challenges.
- Encourage incremental improvements where possible and pilot new innovative solutions.
- Interview key users of HR technology to gather information on the current match of HR technology to business needs.
- Hire an external expert to assess and benchmark current business needs and determine HR technology fit-gap.

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STAGE 1 - BUSINESS AS USUAL

INNOVATION

There is no one-size-fits-all solution for digitizing an HR department. To find what works best for your organization, you'll need to adopt an experimentation mindset and learn to test different solutions.

Start talking to co-workers from other departments or people from other organizations who are already experimenting with innovative methods (agile working, lean, design thinking) and technology (blockchain, robotic process automation). Learn from them and start experimenting with these methods in the HR department.

How to improve

- Network inside and outside the organization. People are usually happy to share experiences and provide tips & tricks.
- Be specific on your quest for knowledge and advice.
- Identify why innovation is important within your organizational context.

STAGE 1 - BUSINESS AS USUAL

HR
PROCESSES

HR processes are there to facilitate, streamline and standardize key employee-related functions in an organization. Ideally, they work flawlessly and create a positive employee experience.

At the first stage of digital transformation HR processes are typically not streamlined, nor standardized. To get a clear view of where you stand, create an overview of the HR processes and assess their level of formalization and standardization. Next, determine the potential to digitize standard process steps and improve the employee experience. Discuss with (HR)IT.

How to improve

- Start by writing down the HR processes present in your organization. Then go through the steps needed to complete the HR process.
- You will need domain experts in your organization for this and an HRIT expert (internal or external).
- Discuss the results with IT and brainstorm on possible (digital) improvements.

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STAGE 1 - BUSINESS AS USUAL

PEOPLE

Change doesn't happen in a vacuum - so it's important to get the buy-in of key people within your organization.

Start discussing digital HR as a topic with a small group of potential change agents to create enthusiasm about the matter. At the same time, focus on attracting people with digital capabilities for innovative experimentation.

How to improve

- Organize a meeting with people inside your team with 'digital appetite'.
- Discuss and note any first ideas on integrating new digital HR elements in HR strategy and operations.
- These ideas will serve as talking points in the session with leadership (see component "Strategy & Leadership").
- Talk to people in your network who might join your cause or know people who might be interested to join the team.

STAGE 1 - BUSINESS AS USUAL

DATA AND ANALYTICS

To make accurate decisions about which HR processes to improve you'll need reliable data.

Start by assessing the current HR data availability and quality. Then gather reporting and analytics requirements from the business, and discuss with (HR)IT and HR analysts what is necessary to improve on data and reporting.

How to improve

- Team up with an HRIT expert (or system administrator) to go through data fields and perform a high-level assessment on data availability and quality (high-medium-low). This can also be outsourced to IT or an external data analytics expert.

- Interview business stakeholders to identify current reporting and analysis needs. What kind of people data and analytics do they need to run their business?

- Identify data and analytics that would improve people processes and business impact by brainstorming with domain experts (what can we provide to surprise business managers with key insights?).

PRESENT AND ACTIVE

This stage is characterized by the presence of pockets of experimentation that drive digital literacy and creativity (albeit disparately) throughout the HR organization. Some people connect over their shared passion for innovation and try to experiment together.

56%
of companies surveyed are
redesigning
their HR programs to leverage
digital and mobile tools
Deloitte Global Human Capital Trends, 2017

STAGE 2 - PRESENT AND ACTIVE

STRATEGY AND LEADERSHIP

Now that you've created awareness among the leadership, it's time to develop a shared vision on digital HR. Find more leaders with whom to cooperate on experimenting with various digital solutions for key people challenges. Create enough 'buzz' so executives take notice.

A high-impact business case is an excellent way to do this. Identify a critical business area with clear value for the organization as a whole, and propose a digital solution. Work with business management to test the case and work out the details.

How to improve

- Identify a business need or focus digital transformation on a critical business area that needs to change.
- Find an urgent people issue in a business unit or department (e.g. a dramatic increase in absenteeism, a dramatic decrease in employee satisfaction, or very low customer satisfaction/NPS somewhere in the business).
- Partner with corresponding business management to experiment and shape the business case.

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STAGE 2 - PRESENT AND ACTIVE

HR TECHNOLOGY

Start building a roadmap of HR technology for the future. This includes (integrated) support of standard HR processes by technology, data management, data integration, service delivery models, and cooperation on reporting and analytics.
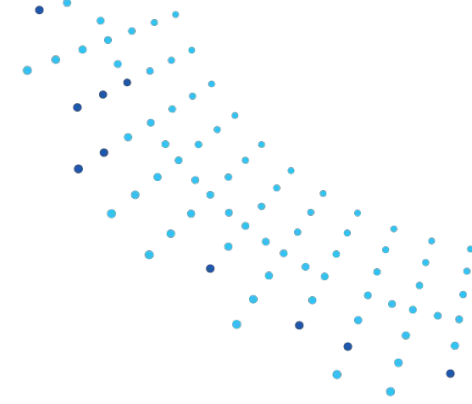
With a document like this, it is important to look beyond the HR department. It's best to involve IT and business stakeholders to provide additional insight and information.

How to

- Create a document for discussion on the business needs and the current fit and needed HR technology.
- Discuss the possibilities for replacing HR technology that doesn't meet the current (and future) needs.
- Make sure to involve at least business and IT stakeholders when designing the roadmap.

STAGE 2 - PRESENT AND ACTIVE

INNOVATION

Find out which methods could benefit the HR department and find the best ways to train the department on these methods. Discuss with leadership the best possible new way-of-working and ally with L&D to create an offering for everyone. And don't just discuss matters: set up pilot projects to that you can experience and evaluate changes, and start building a culture of experimentation within HR.

How to

- The best way to learn is to experience. Pilot methods in project teams to learn what works and what doesn't.
- Don't oversell new methods but gradually introduce them and give people room to adjust.
- Introduce a culture of experimentation and failing forward.

STAGE 2 - PRESENT AND ACTIVE

HR
PROCESSES

Redesign HR processes by taking excellent employee experience, process integration and business impact as key objectives. Find out which technology is best suited to meet the technical and functional needs of the designs. Plan incremental improvements and connect with your vendors to discuss how to realize these improvements.

How to

- Create high-level employee journey maps.
- Decide on the preferred employee experience, level of integration of processes and potential improvements in business impact. Do this with domain experts, IT and possibly an external consultant. Write these down ambition statements.
- Use these ambition statements to plan incremental steps for improvement, e.g.: reducing the number of steps in onboarding process from X to Y (employee experience) or reducing the time-to-hire for key roles from X to Y (business impact).
- Check with current vendors how these improvements can be achieved. Discuss with potential new vendors if the current HRIT landscape cannot provide what you need.

STAGE 2 - PRESENT AND ACTIVE

PEOPLE

Train and/or attract people with digital capabilities (such as HRIT specialists, HR analysts, technical consultants, software developers) in order to execute the desired improvements properly. Build alliances with other departments to stimulate integral approaches where possible (such as a data warehouse, a KPI dashboard or collaboration tools).

Don't be afraid to act: form multidisciplinary teams and learn by doing. Create an impact-effort matrix and focus on making a big impact with small changes.

How to improve

- Hire 1 or 2 digital talents for short-term success (might be interim), train selected few for future skills.
- Identify business issues and create an impact-effort matrix. Focus on the high-impact, low-effort issues.
- Learn by doing and form a few multidisciplinary project teams to achieve small changes with big impact.

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STAGE 2 - PRESENT AND ACTIVE

DATA AND ANALYTICS

Create some customized reports with key insights and/or perform an advanced analysis on people data with a data scientist from another department. Focus on actionable insights and data that is crucial for decision-making. Demonstrate the value of data analysis by presenting results that are relevant to the business.
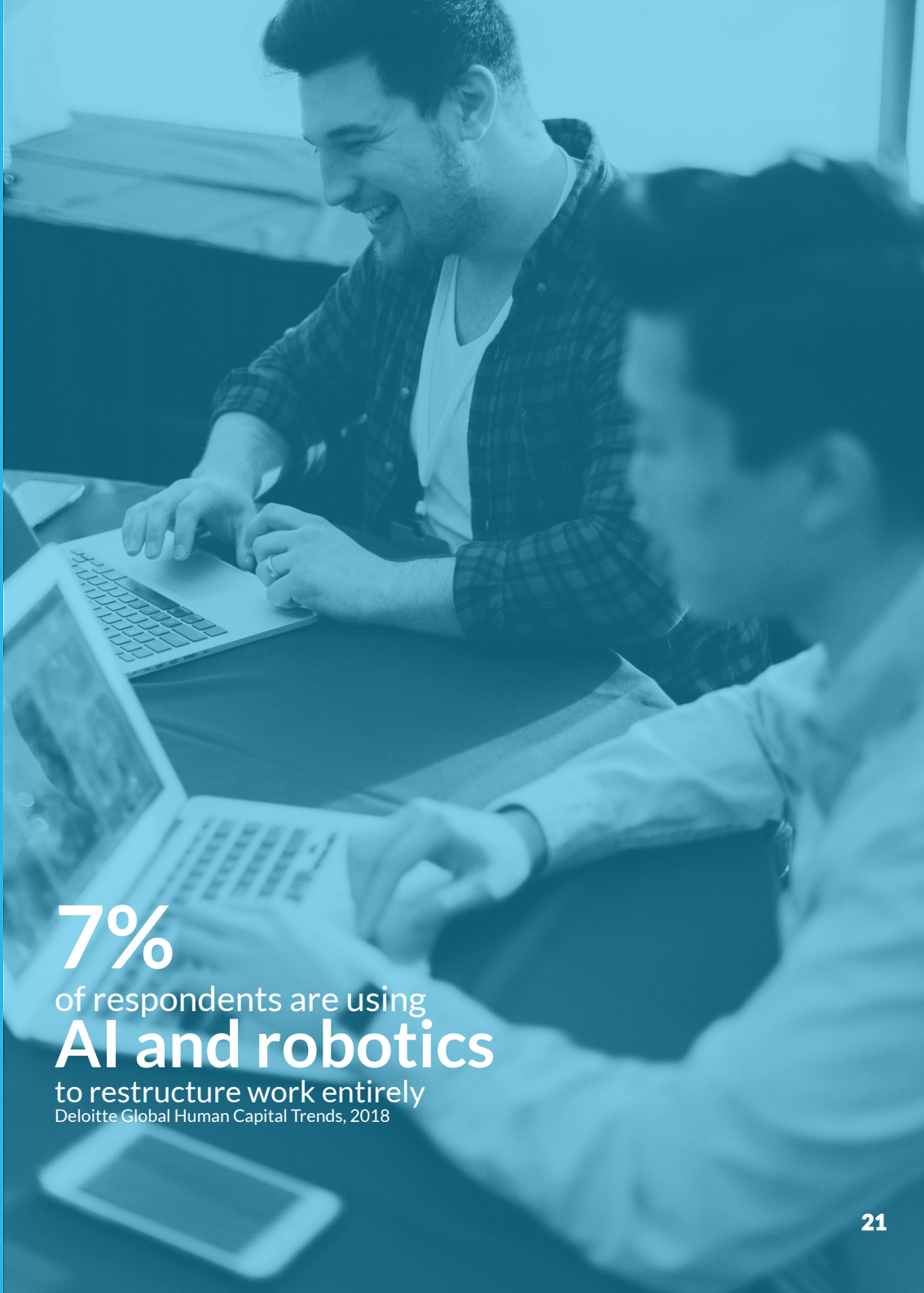
How to improve

- Team up with a business manager and data analyst and decide on a specific and current challenge they are facing.
- Collect relevant insights from a people perspective and build a report with actionable insights.
- Identify what data is missing but is crucial for decision-making and achieving business results.

FORMALIZED

As you move into the third stage, experimentation becomes intentional while executing at more promising and capable levels. Initiatives become bolder and, as a result, change agents seek executive support for new resources and technology.

7%
of respondents are using
AI and robotics
to restructure work entirely
Deloitte Global Human Capital Trends, 2018

STAGE 3 - FORMALIZED

STRATEGY AND LEADERSHIP

Find sponsorship from executive leadership to gain access to resources and optimize efforts and start building a formal digital HR strategy. Convince them to free up the resources you need with internal and external examples (make sure to be clear about what you need, and be specific about why you need it). Reshape the HR operating model to the desired new situation. For added clarity, create a rough timeline.

How to improve

- Use examples (internal and external) to make a compelling case for the allocation of resources.
- Identify relevant stakeholders and sponsors.
- Be specific in what is needed and why.
- Create a rough timeline.

STAGE 3 - FORMALIZED

HR TECHNOLOGY

Start buying and/or building new technological solutions to replace legacy systems. When selecting replacements (or additions), make sure to be specific about business and user requirements before you decide on your exact strategy. Implement these solutions with proper change and implementation management. When replacing key technology, consider working with an implementation partner.

Keep experimenting with new tools to improve collaboration, dashboarding, employee experience and project management.

How to improve

- For every technology replacement or addition, be specific about business and user requirements and decide on a build, buy or ally strategy.

- In large key technology replacements, choose a capable expert implementation partner.

- With every technology replacement or addition, collect and be precise about the data requirements and data collection protocols as this will be crucial for future functionalities.

STAGE 3 - FORMALIZED

INNOVATION

Target specific teams with the best training material on a selection of innovation methods so they can act as change agents and introduce new ways of working gradually.

How to improve

- Formalize methods that seem to work for the department and start training selected teams.
- Explain to all trainees why it is useful to learn this new method (e.g., we want to use design thinking in executing our recruitment strategy because we want to be more creative in our market approach).

- Plan change, build a powerful coalition, keep communicating your message, and plan short and long-term wins.

STAGE 3 - FORMALIZED

HR PROCESSES

Start **systematically** 'cleaning up' HR processes by eliminating non-essential time-consuming steps and/or automating essential time-consuming steps (if technologically possible and permitted by privacy laws). Continuously gauge the employee experience and implement potential improvements.

How to improve

- Continuously measure process efficiency and employee experience by analyzing system data and time necessary to complete for each (system) step.

- Regularly discuss process efficiency and impact with domain experts and managers. Where do they think improvements can be made, and how can automation help?

- Implement system improvements by requesting technical and/or functional changes with the vendor and/or internal IT team.

- Communicate and train people involved in the process to execute the new and improved process properly.

PEOPLE

Once you have a clear understanding of the (digital) skill gap in your organization, it's time for action. Integrate new L&D offerings to stimulate digital literacy, and make sure your colleagues understand the necessity of cultivating these new skills. If there are certain skills that you can't train for in your organization, and identify what digital expertise exists internally and what must be hired for the future (employee or agency).

How to improve

- Identify the skill gap.
- Train for digital expertise, design thinking, and customer-orientation to enable people to get the most out of tech and innovation.
- Explain and communicate clearly the added value of these digital skills, for the organization and also the employees themselves.
- Actively build data-driven skills among your strategic HR (business) partners.
- Implement data practices and awareness to promote consistent high-quality data (entry).

STAGE 3 - FORMALIZED

DATA AND ANALYTICS

Create a service delivery model specifically for the delivery of HR information, insights and advanced analyses. Collaborate with IT and other departments to systematically enrich and improve data. Finally, build a prototype dashboard (e.g. Tableau, PowerBI) for a key strategic theme.

When working on your data and analytics projects, focus on business needs: your goal is (structurally) deliver people insights that support the business. Keep this in mind when creating a plan for dashboards, processes and roles.

How to improve

- Collect business needs for structural delivery of people insights.
- Decide with your team what needs to happen on the following topics to meet these business needs:
  - Dashboards and reporting
  - Data
  - Skills
  - Processes and governance
  - Roles and responsibilities
- Align with HR services (or a similar department) as they might already have a service delivery model.

STAGE 4

STRATEGIC

In this stage, HR teams recognize the strength in collaboration as their research, work, and shared insights contribute to digital transformation, ownership, efforts, and investments. Most digital HR initiatives are executed by multidisciplinary project teams.

85%

of business service executives said that digital transformation strategies are

critical or high

priorities

Hackett Group, 2019 Key Issues Study

STAGE 4 - STRATEGIC

STRATEGY AND LEADERSHIP

It's time to take the lead and propose a digital HR roadmap. With executive leadership, agree upon a solid digital HR strategy and transformation roadmap. Define short and long-term goals and allocate resources accordingly. Ensure you secure the resources you need by clearly communicating how this will benefit the business in the long term.

In this strategic phase, HR leadership should visibly and actively support the digital HR vision, strategy and roadmap. But don't forget about IT: a strong relationship with IT executives will be crucial.

How to improve

- Take the lead in proposing a digital HR roadmap and be bold in doing so.
- Invest in mapping employee journeys and touch points for HR.
- Create a set of compelling reasons to invest in digital HR and specify how it can enable future growth and competitiveness.
- Make sure you get proper buy-in from IT executives and build a solid relationship with them as you will need them. A lot.

STAGE 4 - STRATEGIC

HR TECHNOLOGY

Align the HR technology roadmap with the organization's overall digital roadmap. Work with IT to integrate with other organization programs, knowledge bases, and data platforms (e.g. a data warehouse). This is essential for successfully creating value with HR tools such as dashboards and collaboration tools.

How to improve

- Work with IT to build connections from HR technology solutions to an existing business data warehouse or data lake (e.g., Microsoft Azure, Oracle Autonomous Data Warehouse, SAP S/4HANA, Snowflake).
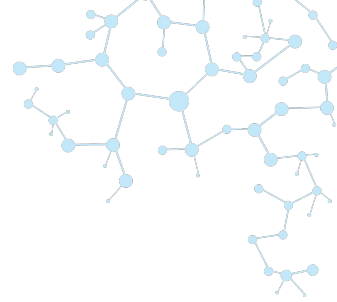- Develop a process to combine and extract data from the data warehouse or data lake in a uniform way.

STAGE 4 - STRATEGIC
INNOVATION

Methods such as design thinking and the lean startup experimentation methodology should now be mandatory in the HR curriculum, at least for specific groups. Work with L&D and selected colleagues on a continuous learning program that stimulates continuous learning.

In the meantime, challenge HR leadership to set the right example by leading programs using innovative methods.

How to improve

- Work with L&D and a selection of 'early adopters' to create an inspiring continuous learning program for HR for innovation.
- Challenge and feed HR leadership to set the right example through suggestions and quick sparring sessions.
- Move away from classical Excel and language learning into relevant fields that have the potential to cross-pollinate each other and spur innovation.

HR PROCESSES

An integral approach to HR processes is key. Optimize business impact, the employee journey and employee experience by continuously looking for ways to have HR processes 'communicate' with each other. To this end, create in-depth employee journey maps.

Work with domain experts and business stakeholders to determine how to best add value by linking HR processes. For example, performance management goals are directly linked to L&D offerings and strategic workforce planning goals feed into talent acquisition requisitions.

How to improve

- Create highly detailed employee journey maps.
- Discuss this integral approach with domain experts and business stakeholders. Determine the best way to add value by linking HR processes together.
- Involve vendors and IT to plan for a first experiment where 2 HR processes are linked and add value.

STAGE 4 - STRATEGIC

PEOPLE

By this point, digital literacy should be a mandate across all groups working within HR including executives. Integrate digital skills within all roles in HR and plan for the future by attracting key digital talent.

Help new digital HR initiatives flourish with regular follow-ups and inspiration. Make sure to celebrate successes, and discuss lessons learned. It is also important to provide access to on-demand online learning.

How to improve

- Provide regular inspiration and follow-up on new initiatives (weekly live updates, newsletters, posters/infographics), implement on-demand e-learning, celebrate successes and discuss lessons learned from failures.
- Integrate a digital skill set in all HR recruitment profiles.

DATA AND ANALYTICS

Communicate clearly to all stakeholders how any information request should be handled. Implement proper tools so any information request (from simple list to advanced analysis) can be processed, either by self-service dashboards or a dedicated team of analysts who can provide the right HR insights quickly based on a solid dataset.

How to improve

- Build and pilot report(s) or dashboard(s) and/or hire/train people to address gaps in information/insight delivery

- Create communications materials that are simple and to-the-point. They should contain at least:
  - Which channel to use for which information request (e.g. list of successors -> Employee Dashboard X or analysis on turnover trends -> People Insights mailbox).
  - The process of information delivery and what is expected from the requestor.

- Train your people to be consistent in showing requestors the right ways to request an HR insight.

STAGE 5

CONVERGED

Now is when a dedicated digital transformation team forms to guide digital support of HR strategy and operations based on business and customer-centric goals. The new infrastructure of the department takes shape as roles, expertise, models, processes, and systems are shaped to support digital transformation.

Digital transformation success is more likely at companies with **enterprise-wide workforce planning** and **talent-development** practices

McKinsey, Unlocking success in digital transformations, 2018

STAGE 5 - CONVERGED

STRATEGY AND LEADERSHIP

Boost the digital HR transformation by regularly aligning business developments and needs with the new HR operating model. Integrate digital components in the people strategy. Collaborate with IT leaders on new plans for the future. Stimulate 'pop-up' teams that experiment with new ways of working and innovative ideas.

How to improve

- Stay in touch with internal and external customers through HR business partners and/or HR advisors. They need to gain input on business developments and align people challenges and solutions accordingly.

- Once business developments require a new approach to the organization of people, a nimble team might be created to tackle that challenge with a custom solution (e.g., developing a leadership assessment for operational management in order to improve team cooperation and customer satisfaction).

- Consciously work towards enabling individual customization to achieve the workforce of one.

HR TECHNOLOGY

Work towards an integrated set of platforms and tools to suit every need on people issues. For employees, management and executives, all relevant HR tools should be easily accessible, fed by one single data source, and provide real-time information. Work with IT and vendors to ensure this is possible.

How to improve

- Exchange of data is crucial to deliver value for the organization and employees, so work with IT and vendors to create a situation where any data can (safely) be accessed by any HR-related app or solution.
- Develop smart algorithms (with data scientists and vendors) that combine information from different apps and platforms to deliver suggestions and custom HR services to both employees and teams.
- Estimate the value of data and the cost of gathering data for both existing and non-existing data sources.

STAGE 5 - CONVERGED

INNOVATION

Although innovation might be more streamlined and formalized at this stage, pockets of experimentation are still important and crucial to keep it new and fresh.

Stimulate working in hybrid teams for specific people issues. Use Organizational Network Analysis to identify collaboration and networking opportunities. It is also a good idea to form teams around HR thought leaders to stimulate their ideas. Finally, make sure that there is time for innovative projects, end encourage people to use this to focus on ideas.
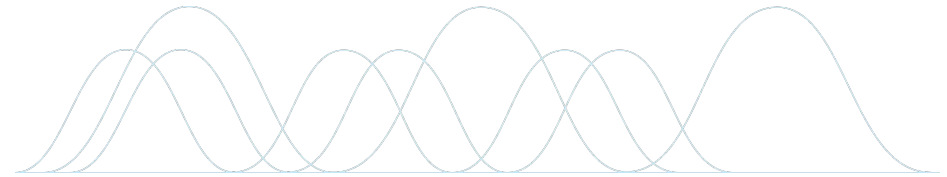
How to improve

- Leverage Organizational Network Analysis as a tool to spot opportunities for collaboration and networking.
- Stimulate internal communication between departments through events and liaison roles.
- Identify innovative thought leaders within the department and stimulate their ideas by forming nimble and diverse teams with them to pilot ideas.
- Carve out time for innovative projects and stimulate people to make good use of their time to be creative, develop and pilot ideas.

HR
PROCESSES

Gather feedback from employees and business stakeholders on process effectiveness with quick pulse surveys, and use this input to continuously optimize HR processes, HR effectiveness, and measure employee experience and business impact. Make sure to also look to HR systems for relevant information: data analytics and process mining can be invaluable.

How to improve

- Use quick pulse surveys to gain input on process effectiveness (e.g. quality of hire feedback from managers after 6 months).

- Capture information from HR systems that fuel algorithms designed to optimize HR processes (e.g. L&D suggestions for courses and resources, continuously optimize suggest algorithms using a rating/Netflix approach).

PEOPLE

As data analytics becomes increasingly important and complex, more data-savvy people should be trained and hired. Make a business case for hiring specialists, such as data scientists with HR affinity to work on advanced analyses, or developers to build in-house software solutions. But be aware: talent is in high demand, so it's important to make your organization more attractive to the right profiles, such as by emphasizing your digital ambitions.

How to improve

- Identify a clear business case for bringing data-savvy people and developers in – or cooperate with other business lines for this expertise.
- Make yourself attractive to outside talent by emphasizing digital ambitions for the future. Developers and generally technically-minded individuals like a tough challenge and forward-looking vision.
- Explore the added benefits of Centers of Excellence to foster unique and hard to come by skills.

STAGE 5 - CONGERGED

DATA AND ANALYTICS

Work with other departments to determine data definitions and formats for the entire business. Start building integrated dashboards and reports across multiple departments, starting with Finance. Deliver rich analyses with business impact by combining business (customer) data with employee data. Encourage HR business partners to provide research questions, and proactively provide the business with advanced analyses based on these.
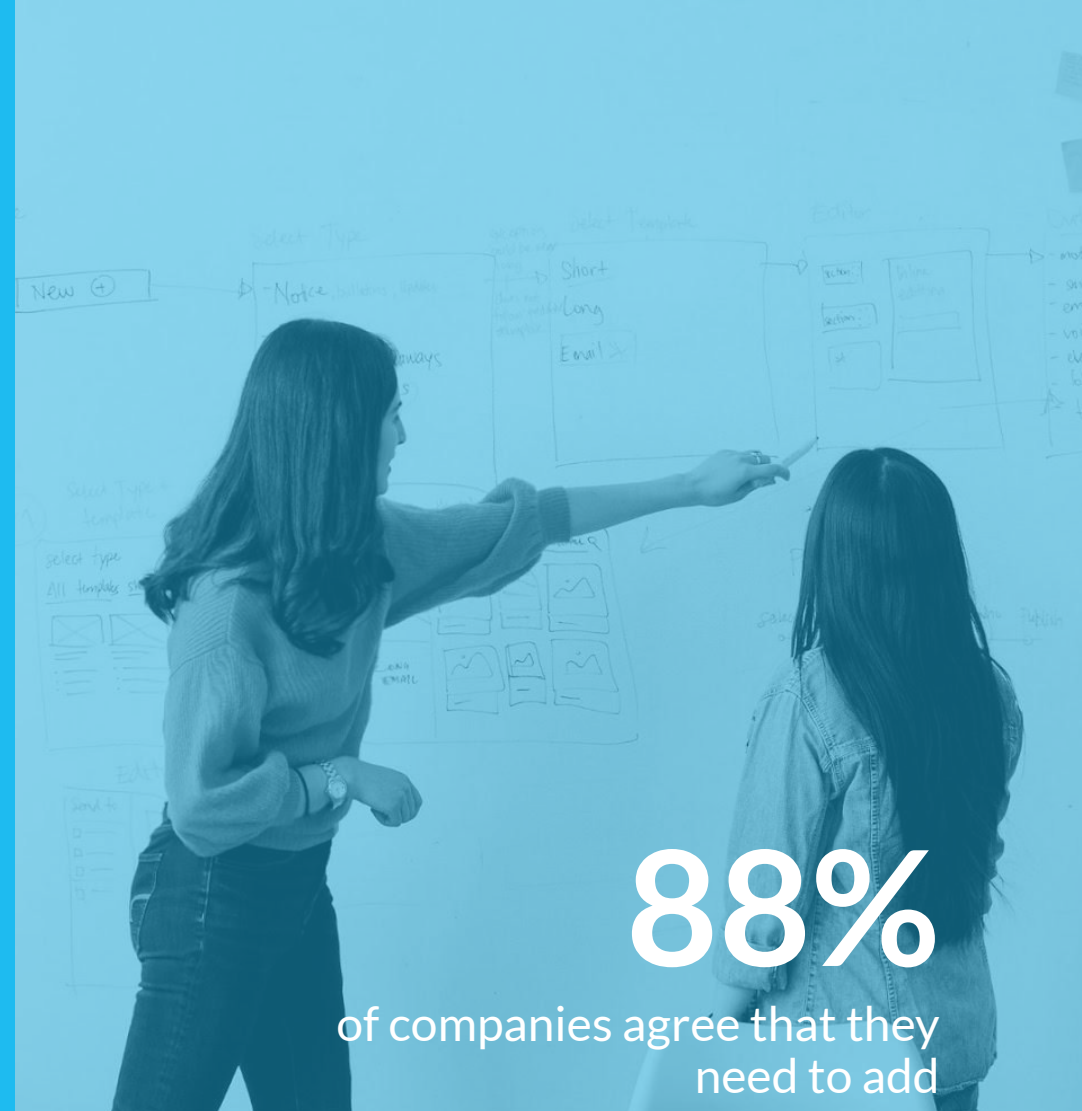
How to improve

- First and foremost, align on data definitions and formats with IT, Finance, Control and Business before you start building integrated dashboards.
- Challenge your HR business partners to be creative and come up with research questions that address pressing business issues.
- Ensure you have the capability to analyze data and answer these research questions.

INNOVATIVE & ADAPTIVE

In this final stage, digital transformation becomes a continuous process. A new ecosystem is established to identify and act upon technology and market trends in pilots and, eventually, at scale. This way of working is ingrained in the HR department and business relies on HR to provide the best digital solutions for their challenges.

88%

of companies agree that they need to add **innovation** To their business systems to enable agility and continuous **improvement**

Avanade, Future Ready Now, 2019

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STAGE 6 - INNOVATIVE AND ADAPTIVE

STRATEGY
AND LEADERSHIP

Use feedback from data and analytics to finetune the digital components in the people strategy that seem to work and impact business success. Allocate significant budget and resources for experimentation and pilot programs that might bring business impact.

How to improve

- Build methods for continuous listening in HR and business processes.
- Map critical points in the employee journey and align them with your continuous listening/data capturing capabilities to capture critical data points.
- Connect these data in a data warehouse.
- Build KPIs that provide the necessary feedback on the added value of digital component (e.g., frequency of use and effectiveness of a serious recruitment game on the website).
- Track key business outcomes and relate the input data to the output data through analytics.
- Structurally optimize the HR input that impacts business outcomes.
- Fully implement the workforce of one.

STAGE 6 - INNOVATIVE AND ADAPTIVE

HR
TECHNOLOGY

In the final phase of your digital transformation, it's best to have your HR technology set up in such a way that a continuous feedback loop is created for employee experience and business impact. Work with IT and vendors to achieve this, and continue to finetune your configuration over time. What works now might not be enough in the (near) future. For that reason, also be mindful of whether your current solutions are enough, or need to be replaced to achieve your desired results.
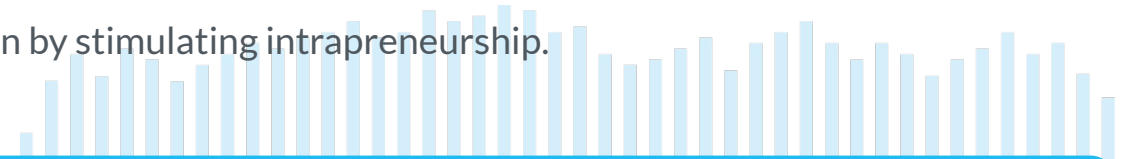
How to improve

- Train algorithms with behavioral data to continuously learn from the organization of people and their actions, preferences and other input.
- Link these data to business performance measures and identify patterns that work in your specific business contexts.
- Set up the frontend of HR technology solutions in an intuitive way, so that employees can always query for the best next action to boost their development, happiness, and/or effectivity.

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STAGE 6 - INNOVATIVE AND ADAPTIVE

INNOVATION

In the final stage of digital transformation, it's time to make HR innovation more than a program or a siloed process: it should be a continuous process. To achieve, this, stimulate an innovative mindset in every team by creating time and resources for new approaches and collaboration. Keep everyone focused on the right goal by identifying value-adding innovation KPIs, and encourage continued innovation by stimulating intrapreneurship.

How to improve

- Carve out extra free roles for people tasked with the continuous delivery of outside-in inspiration, connection, innovation and ideation. Networking is key as they will gain access to promising startups and frontrunners in the HR innovation field.

- Identify relevant innovation KPIs that add long-term value to the business. Commercialize your innovative capacity.

- Stimulate intrapreneurship and tolerate failures (to a certain extent).

HR PROCESSES

Optimize the employee experience in such a way that HR processes are practically invisible. Users of digital solutions should enjoy their interactions and employees are happy to share data if they can benefit from it. Analyze data to reveal organizational patterns and profiles.

Customize your HR processes for departments, teams, and individuals. Make sure to continuously measure how tweaks and customization of HR processes impact business outcomes. What works for one department might not work for another.

How to improve

- Analyze system data and business data to discover distinguishing patterns and profiles in the organization.

- Find out how to customize HR processes in such a way that departments, teams and individuals receive (slightly) customized HR services (e.g. online career coaching works best to develop group A but peer-to-peer coaching works best to develop group B).

STAGE 6 - INNOVATIVE AND ADAPTIVE

PEOPLE

Make a person or small team responsible for the continuous delivery and boost of innovation within HR. You can do this by networking with interesting third parties, suggesting innovative ideas for people challenges, and challenging current solutions.

Regularly ask your innovators for input on skills that will be needed within HR in the future. Review the talent gap for digital skills within HR continuously.

How to improve

- Ask your innovators to regularly identify skills needed within HR in the future (e.g. blockchain developer to manage exchange of personal HR data).
- Select business-savvy innovators to implement solutions and commercialize new ideas that are generated in the organization.

STAGE 6 - INNOVATIVE AND ADAPTIVE

DATA
AND ANALYTICS

Set up architecture and processes in such a way that real-time data analysis is made possible. Ensure your analytical tools are lean and actionable (design thinking is ideal for this). Create self-service dashboards for all HR employees and provide quick and actionable custom advanced analytics for more complex people challenges. It's also vital to keep asking HR business partners and domain experts about what analytical insights they need to add value.

How to improve

- Regularly ask for input from HR business partners and HR domain experts in their needs for analytical insights to deliver value to the business.
- Use design thinking to make analytical tools as lean and actionable as possible (e.g. signal deviating or highlighted results from a KPI dashboard instead of a flat list of KPI results).
- The analytics unit should be able to handle multiple projects and initiatives effortlessly and deliver constant business value.

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