

ר randstad

### five forces shaping the world of HR

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The world of work is being transformed at a meteoric pace. It is historic, it is disruptive, it is fast-paced and we are still a few ways off from discovering what the end product will look like. Change has come rapidly in many forms. In the globalization of business. In technology. In organization structures and business models. In people demographics. And, most importantly, in the way they perceive work and want to work.

At Randstad, we believe that conversations are vital tools of discovery – not just for solutions, but for challenges and problems that are inevitable as we move into the future. One of the biggest advantages in leading a people centric business is that I have the privilege of interacting with an amazing number of diverse leaders from different industries. Especially with HR leaders who have seen the growth and evolution of the HR function into a strategic force today. They carry visions for the future as much as they do insights from the past.

Tapping into their mind space would provide tremendous learning and education, we felt. We are convinced that this collective wealth of their experiences is far more extensive and incisive than any other manual one can hope to find. We have therefore created this 'light bulb factory' – as we would like to call this book. It is an authentic attempt to confront today's brutal realities and facts of people management. How does the HR fraternity – both individually and collectively – view the upside and downside of their function? How do

the cogs in their experienced minds turn to view and respond to the pressing challenges? How does their perceptive vision foresee future changes?

What an enjoying journey it has been to produce this study. This book is a tremendous convergence of the collective experiences and insights of 100 HR leaders from diverse industries. Through their lenses, the past and present converge to provide thought leadership guidelines for the future world of people at work. We are deeply grateful to them for so freely and candidly sharing their perspectives that will serve as tenets and guideposts for many HR professionals.

From our conversations have emerged five powerful forces that impact the HR universe. Four of them are causal and a fifth consequential force of a re-imagined HR function.

The future is much closer than we would like to believe. Yet, it does not mean that the time honored practices of the past are obsolete, rather are at a beginning towards transformation and continuous rejuvenation. We invite you to explore your path to the day after tomorrow through the wealth of perspective.

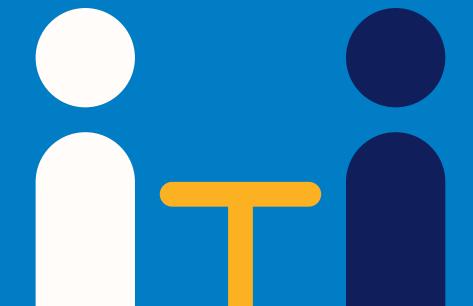
So join us in this explorative journey of the five forces that will shape HR and work in the coming years.

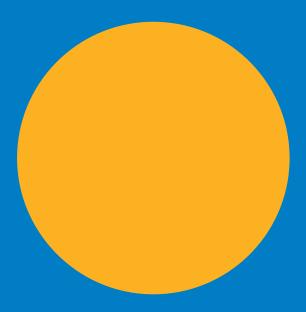
This 'light bulb factory' is all yours!

# preface

What was day-to-day life like in the Human Resources department 35 years back? What was the experience as it moved from pay and rations to 'labor' to 'personnel' and finally the 'people' department? Paper employee files. Maybe, if progressive enough, basic spreadsheets of employee data. Hand-written reports, manual tables of statistics to manage recruitment, performance and rewards.

If any organizational function has transformed the most in the last three decades, it is what we call HR today. More than the radical disruptions in technology, we are talking about the huge shift in knowledge and attitudes of what people management means relative to business growth and development. It has been a tremendous paradigm shift. From the supporting and welfare role of 'Mr. Fixer' HR has moved a long way to deliver strategic directions on how to run the business.





#### HR in the 21st Century

- Significant changes in the economic conditions
- HR starts active participation in business decision-making
- Responsibilities include talent recruitment, cost of employee benefits, documenting policy, employee-related litigation and compliance
- Start focusing on building organizational capabilities

## HR's journey over the last 30 years

#### Information Age HR

- New technologies enable cross-geography business processes
- New challenges and opportunities for HR in managing dispersed employees, unifying new cultures
- HR adapts to the information age

#### Industrial Era HR

- 'Severe labor unrest, labor unions become prevalent
- Personnel departments for employee-related administrative activities
- Responsibilities include employee attendance, labor-dispute management, general compliances, and safety requirements.

#### no single magic HR bullet in today's **VUCA** world

Globalization of markets. Changing balances in the global economy. Technology disruptions. Shifting demographics. Re-invented business models. Radical changes in customer expectations. This is the VUCA (Volatile, Uncertain, Complex and Ambiguous) universe of business today. It is a chaotic 'new normal' that promises exciting changes in the HR functions of tomorrow.

Getting a seat at the table? That is a redundant challenge for HR today.

Are we a business function or a people function? No more of that identity crisis today. Is talent the prime agenda of HR? That is a question of yesteryears.

Today, HR is a prime mover of organizational capability. It entails spreading the net far wider than the 'right person for the right job at the right time'. It calls for architecting organizational strengths, capabilities and cultures of speed, agility, innovation and collaboration.

Actually, there is no single-template solution for HR to be prepared for the future workplace. Move over, HR -the administrative and welfare function. Step in, HR - the agile and strategic business arm, and the beating heart of an organization.

#### methodology and insights

This re-invented HR does not lie in theories or textbook manuals. It is embedded in the rich experience of its practitioners today. In the future, HR specialists with a strong business concept will become redundant. In their place will emerge business experts who will design people solutions.

And so we adopted a different methodology to arrive at what we call the five forces that will drive future HR. We delved into the thoughts, perspectives and views of business leaders drawn from their rich experience - and have encapsulated them into nuggets of wisdom that will serve as a practical manual for HR professionals. Drawn across various industries. they will also give a cross-pollination of best practices spanning four causal forcesshaping the world of HR that lead to the consequential fifth force.



#### takeaways for the future

Coming as they do from successful leaders, the scenarios and possibilities are totally plausible. We have provided these insights in easy to comprehend guidelines, infographics and quotes – which should enable HR leaders to navigate diverse scenarios.

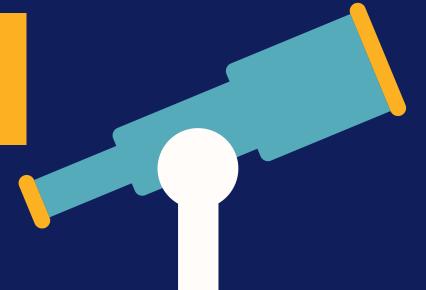
Based on our findings, our re-imagined model for HR will be agile with redefined structure, competencies, technology and governance. Specific groups with relevant stakeholders comprising business leaders and external experts will be supported by Centers of Excellence to design need-based programs. HR Business Partners will demonstrate highly strategic business-enabling capabilities and focus less energy and effort on operations.

HR professionals will re-invent competencies to add business expertise and work hand-in-hand with enterprise leaders to co-create people solutions. Design-led thinking, advanced analytics and change management capabilities will feature as 'must-have' skills. HR Technology will provide consumer-quality experiences to organizations and people. This will call for knowledge-based systems and 'software-as-a-service' platforms to simplify and enhance efficiency for all stakeholders.

We hope that this 'idea bulb factory' widens the latitude of HR professionals in planning for different future scenarios.

"The greatest danger in times of turbulence is not the turbulence; it is to act with yesterday's logic."

Peter Drucker



# force 1 mind the gap

needs to be and what it looks like that their functions need to transform themselves from being transactional partners, however excellent, to brilliant

problems and impact business. It calls for to address VUCA scenarios.



#### future expectations of HR

Speak the CEO talk

Coach like a CFO

Add credible value

Break the HR silo

Drive organization culture

#### skills & capabilities required

- Business dynamics
- Engagement economics
- Analytics
- Strategy
- Return on investment
- Technology

- Have Rol-based discussions
- Talk and interpret numbers
- Speak data
- Enable disruption free operations
- Enhance organization capability
- Understand evolving business needs

- Knowledge of all business lines
- Mesh HR with all functions
- Proactive leveraging of technology

Systems thinking approach to building culture, organization capabilities to drive business outcomes

And here is the good news. Clearly, it is not a problem of jobs. HR needs to bring the right skills and capabilities – both to its function and to the enterprise as a whole.

#### the new-age avatar of future HR leaders

Hybrid business-HR-technologist.

Highly business savvy.

Strong awareness of the pulse of

This is the profile of the future HR professionals who will stay ahead of business trends that impact the organization. This mandates three areas where gaps need to be critically filled

- Technology and analytical skills
- In-depth understanding of business levers and organizational dynamics for true business partnering and 'equal eye' discussions with stakeholders
- · Multi-disciplinary skills, to manage seamlessness between different **functions**

Knowledge of multiple disciplines to design effective solutions

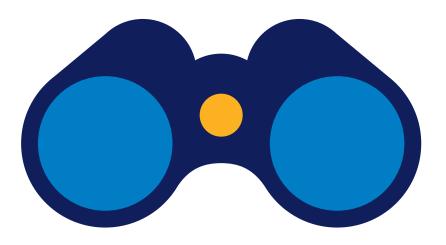
Translate HR expertise to strategic business outcomes

Line of sight between the business, economic and customer environments

Anticipate business change and challenges at all

Alive to why and how technology can be leveraged for better organization performance

Translation of data into meaningful insights for effective decision making



What then are the shifts in focus that HR executives of today need to make to reach the altitude of their new identity?

#### skills

From 'tech-reluctance' to 'tech-advocacy'

Adopt technology tools

Develop capabilities for data-driven insights and better decision-making

#### responsibilities

From specialists to strategists

Guardians of employee experience aligned to business outcomes

Prioritize responsibilities to doing what matters most

#### roles

From supporting partner to business driver

Proactively engage with business for maximum value-add

Take an 'outside in' view rather than an 'inside out' one

#### the 'skills' shift to a tech-savvy thought process

Technology is rewriting HR as a verb. Be it in talent attraction, development and retention. Be it in how data is gathered, stored or analyzed for insights. HR technology with platforms, applications and specialized tools are here to stay - and the sooner (and more willingly) HR professionals make them their close friends, the higher will the function soar in effectiveness.

No, we are not asserting that HR leaders must be technologists. But what we maintain is that they must demonstrate awareness and understand of how technology can help. They must take care to know the key technology options that are available in the market - and those under development. For if the HR function is uncomfortable with technology, how can they be agile drivers of employee technology needs?

HR in the future must have the big picture vision of digital, technology and analytics. Its leaders will need to think automation, analytics and emerging technologies. They must be able to take ownership of being architects of HR systems in a consultative manner that places their thinking a step ahead in the direction of their CEO's mind.





# the 'responsibility' shift – to a continuously learning culture

The mature tech-savvy HR function will not be subsumed by technology. Rather, it will leverage technology to play a better role in

- · Fostering people-centricity with greater vigor
- Championing employee experience that is relevant to business outcomes.

Designing an enterprise learning culture is pivotal to fulfilling this responsibility - especially in a VUCA world. HR should prepare their organizations to adapt and innovate with an eye on the future.



#### challenge. learn. develop.

#### from...

Rote skills
Outmoded training techniques

#### to...

Experiment Learn from experience Refresh

The trick is to differentiate between training for skills and coaching for capabilities.

Moving as much as possible of training to motivating self-serve digital and social learning systems (that houses a wide array of relevant skill building courses and certifications) may not be the perfect silver bullet – but it is a promising start, nevertheless.

It takes out the monotony of passive learning of mass pre-packaged content that is formally presented to an at-will, on-demand and liberating exploration of exciting knowledge.

a digitally transformed learning

experience

free-form online knowledge repositories

mass collaboration and online communities MOOCs; e-learning; Community-based and peer-produced learning content

#### micro-learning

Experiential short clips shared in learning communities

> Coaching for skills is a different ball-game altogether. Rather than go for generalized training programs HR needs to devise inspiring coaching and learning programs that are close to the organization's vision, goals and outcomes.

experimentation	<ul> <li>Prototyping</li> <li>Fail-fast innovations</li> <li>Cross-functional collaboration</li> <li>Agile thinking</li> <li>Rapid response to market demand</li> <li>Acelerated change management</li> </ul>
learning from experience	<ul> <li>After-action reviews</li> <li>Customized change management</li> <li>Architecting of aligned organizational systems</li> <li>Accountability &amp; empowerment</li> <li>Industry expertise</li> </ul>
refresh	<ul><li>Peer learning</li><li>Job learning strategies</li><li>Case studies and use cases</li></ul>

# inspired learning programs

Leveraging technologies such as Automation, Artificial Intelligence (AI) and cognitive analytics will further add value to learning programs to close the skill gaps.

#### leveraging technology to augment learning artificial intelligence cognitive analytics **Decision-making** withour bias automation Autonomous execution Improved forecasting Accuracy Self serve activities Cost savings Human-BOT interactions Improved user interface High quality

#### so, what does the digital learner look like?

The digital first and self-directed learner is a multifaceted talent powerhouse who enjoys the benefits of

- Co-created learning environment
- Active, on-demand and adaptive nuggets of expertise and experience
- The best distilled learning from peers, communities and expert coaches
- Applied usage and peer evaluation

# tackling the competency gap for tomorrow's leaders

Where are our future leaders? How can tomorrow's HR identify the leadership gaps for tomorrow's workplace, and devise learning and development strategies to close the leadership capability gaps?



Tomorrow's HR must be strategically deliberative in defining their ownership to develop future leaders.
They will need to

- Draw up future
  leadership capabilities
  based on forward-looking
  business trends and
  organization goals
- Develop leadership development programs, talent management strategies, and leadership pipelines



Relevant is for today - being ready is for tomorrow. If you are not relevant today you can never be ready for tomorrow. All of us have to engage ourselves in something, something to learn and share, something to do differently, something to participate, which is more transformational."

Cyrus Jalnawala, Dow Chemicals

Up skilling is one of the biggest challenges for HR. I think we need to be sensitive and prepared for providing the platform to upskill talent.

Priya Cherian, Alibaba



When we say capability, it rests on different levels - the individual, group unit or at the company levels. Capabilities are going to be a huge part of HR priorities. And HR should understand the science, the systems and processes that are involved in the area of capability building...

...We need to get people to appreciate the importance of up-skilling...We also need to contribute in the company to upskill, to skilling activities in our communities...

...We need to probably bring in people who are not fully ready and invest in their training and development, in their growth and make them feel part of the journey. That is where we have to focus on. We are looking at multiple sources of recruitment, and what we need to do internally to ensure that the gap is filled...

...We tell them (our employees and recruits) that it is important to be a lifelong learner. To not stop learning when leaving college or the institute because we don't know what the future is going to be. And that the only thing that will help me is if I am willing and have the capability to learn...

Sridhar R, ITC

We are looking reverse mentoring where we will have the younger workforce assigned to senior leaders for sharing their knowledge on technology, automation, and on what they are strong at.

Lakshmi Nadkarni. BASF



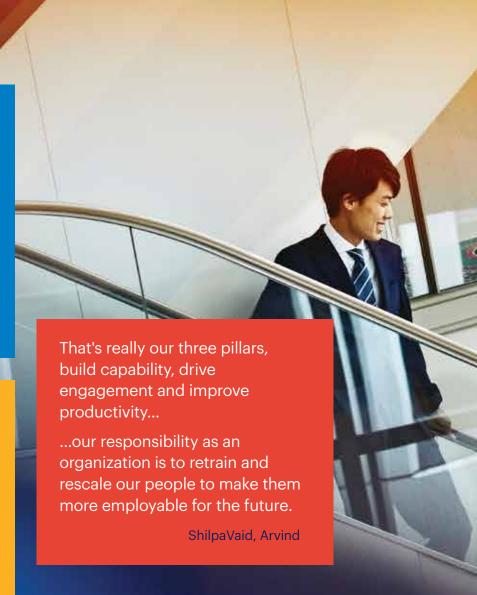
Competency building in a fast changing world is more challenging than in a stable world. The competencies that you build need to be a relevant to what you want to do as business in the future. I think it needs to be also relevant to the people we bring on board as employees, their career aspirations, and what they want to do with their life

Raian Sethuraman, Latent View

The key priority for us in HR is to see how we can ensure that the focused on what they would deliver The second aspect is that you have to prepare them with the skills and abilities for the future...

... Gone are those days where you could think vertically and say okay

Sunil Chetri, Airbus





# force 2 a millennial-first workforce

They form the age demographic of 22 to 37 years. Estimated at over 60 million, they are the largest generation in the current workforce, and constitute more than 20 percent of leadership positions. And the reality points to these numbers increasing in the coming years.

They are the millennials. And they carry a bunch of myths and facts, and misconceptions and truths. They evoke respect and admiration in equal measure as they confound talent specialists, HR professionals - and even CEOs.

#### myths

Job hoppers

Technology & social media experts

Lazy & entitled

Fearless in risk-taking

millennials myth vs reality

#### facts

Job content trumps money

Company values trump money

Innovation and sustainability excites

Want to make a social impact through work

# strong leadership to leverage the confidence and reassure the vulnerability

Beneath the audacious confidence, the millennial generation is uneasy and vulnerable. Remember they have grown in an era of uncertainty and volatility - both socially and in business. New-gen technologies excite them - but they also see that they have radically changed the face of work.

It is therefore no surprise that they look for strong and proactive leadership in making a positive impact in society and guiding their careers.

#### millennials more focused than we think

What they believe	What they see	Result
Companies must deliver both financial performance and make positive contribution to society	Employers prioritize bottom line over employees, society and environment	Depleted loyalty
Diversity, inclusion and flexibility are important	Business not truly committed to creating inclusive cultures; inadequate flexibility of work arrangements	Search for gig economy becomes an attractive alternative
Industry 4.0 is good for developing skills to succeed	Organizations and leaders need to help them succeed	Look to businesses to help them develop the necessary business and soft skills

For HR, this is a golden opportunity to establish themselves as agents of positive change. Millennials have made their priorities clear – the strategic HR of tomorrow needs to align them authentically with business priorities.

#### where purpose makes a difference

Unilever's focus on sustainability and values has boosted both the company performance and reputation. All Unilever brands have a social purposes. Unilever is the third most searched company on LinkedIn.



#### finding the Gen X millennial workplace balance

Today's workforce is dominated by Gen X and Millennials. This diversity comes with a big advantage They can share with and teach each other the collaborative power of their individual and collective strengths.

Despite differences, GenX professionals share a fair commonality with the millennials.

- Their flexibility arises from how they have adapted over time - through upskilling, lateral movements to add meaning to their work. In spirit, this is what the millennials too look for.
- They appreciate open communication
- They have willingly taken to technology and social media
- They have struck a workable balance between individual achievement and team success

With 62 percent of Gen X are inclined to become mentors they can guide millennials to learn important skills and capabilities

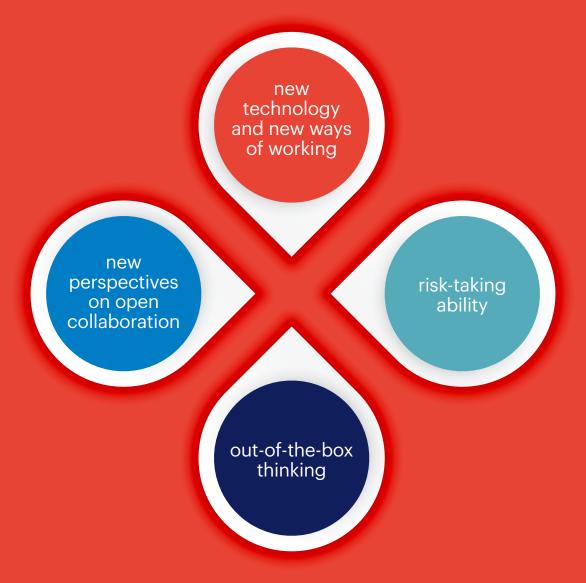
## what Gen X can mentor the millennials in



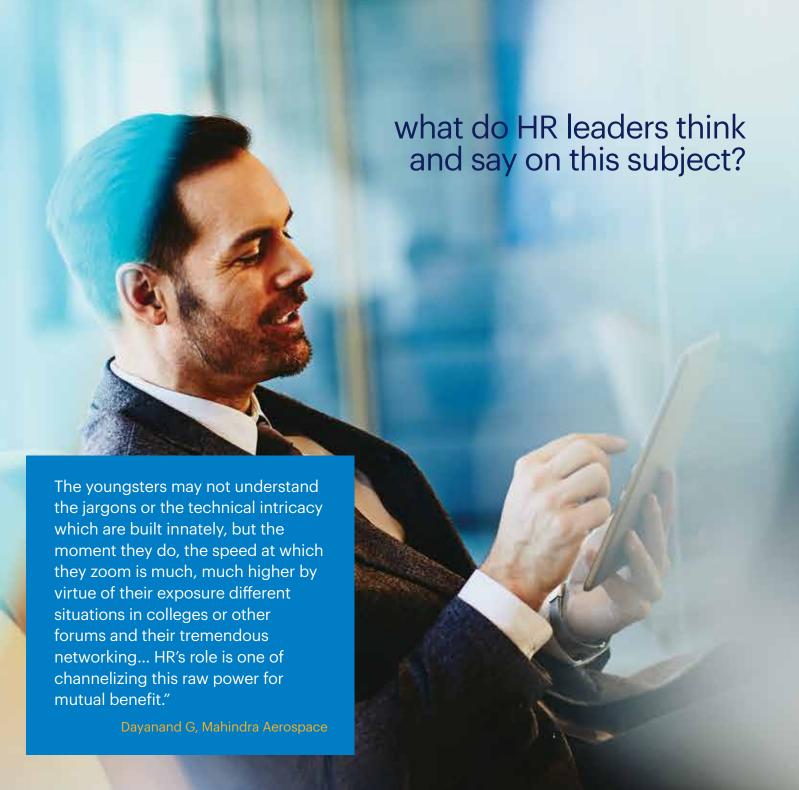
Millennials are digital natives driven by a passion for learning, and open to collaboration. They are unafraid of failure and bring a refreshing risk-taking trait to succeed.

The result? They can infuse Gen Xers a renewed passion for work learning and a willingness to take risks

#### what millennials can share with Gen-X



The Gen-X - millennial partnering of strengths and ideas is just the culture that organizations critically need in the VUCA environment.

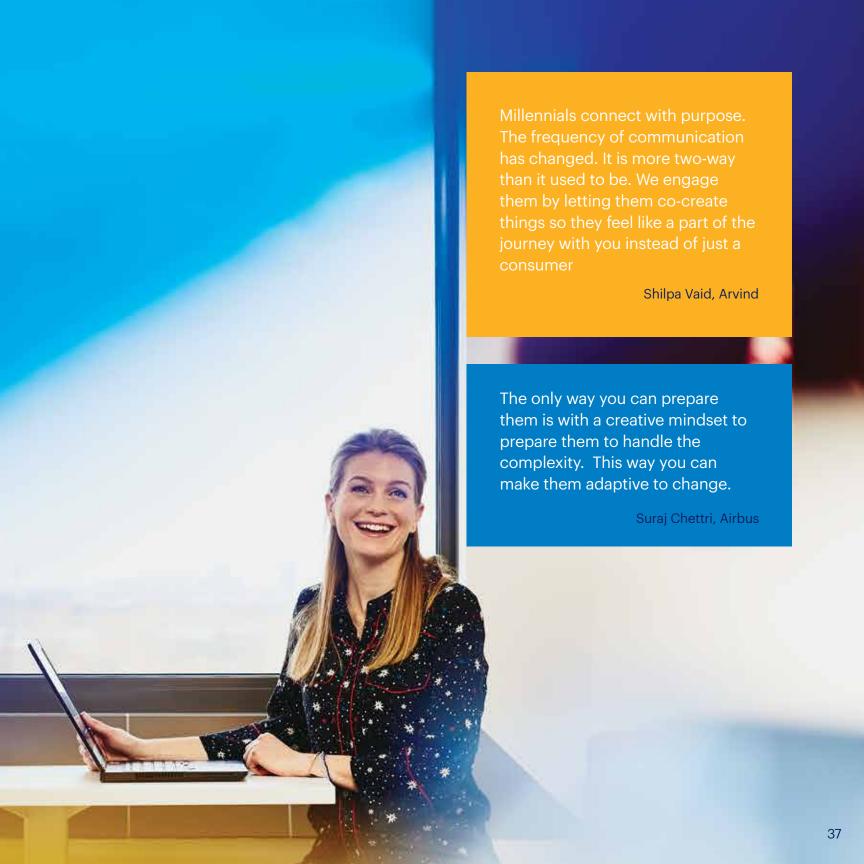


Millennials want to talk, they want guidance. They don't want formal coaching or mentoring —according to them it is too much of a process. They are looking for somebody to understand them, somebody to listen to them. I think if you provide that channel and allow them to take risks, make mistakes, that keeps them continuously engaged and challenged... Let them experiment as long as it does not transgress in the areas of safety or ethics. Let them experiment, let them fail, let them learn."

Cyrus Jalnawala. Dow Chemicals

Give employees freedom. Give them the responsibility, the framework, and the choice. Educate them about the choices. help them understand it better so that they can make good decisions on their own. Often times we under estimate their capability and tend to spoon fed them far too longer than they need to be

Rajan Sethuraman, Latent View



## force 3 the 'day after tomorrow' workplace

We are riding an exciting inflection point at work today.

Into the future, work will play a central role in people's lives as a powerful means of social identity. It will be a prime tool for economic independence, personal fulfilment and social inclusion. Yet there will be exciting and transformational shifts - people expectations, technology, demographics, globalization - all in a rapidly changing on-demand economy.

In a way, it is the end of work as we know it today. But it is also the beginning of new realities of work and the workplace.

#### new realities of work

Rise of new forms of work - outside the workplace

End of unified workplaces, times and activities; diverse working conditions

Multi-faceted and discontinuous career paths

Inter-connected work-life

Blurred boundaries in global labor markets

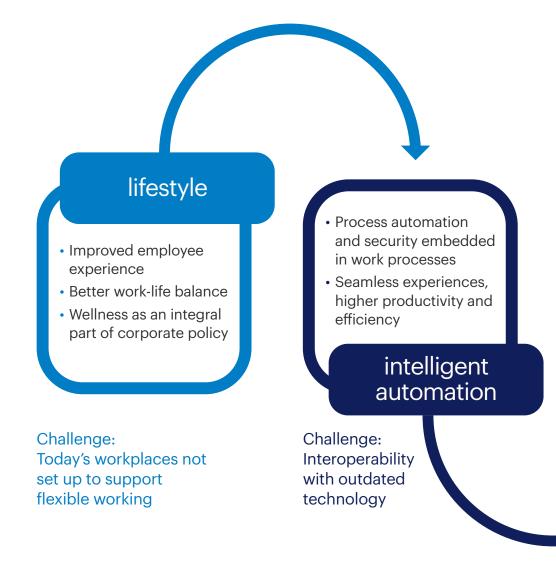
#### Here are some interesting 2025 scenarios.

- The'nine-to-five', full-time job will become redundant
- Millennials will redefine corporate culture around
  - Flexible working models
  - More open approach to collaboration
  - Data as the prime mover of business.
- Freelance and remote working will become the norm
- Technology will play a vital role in enabling this change
- New models of collaboration and co-creation will be designed
- Secure, intelligent and highly personalized user experiences will be the norm.

This is no work of fiction or imagination. HR will need to prepare themselves to adapt to these realities of 'the workplace of the day after tomorrow'



#### five key changes of the future workplace



## digital connectedness

- Traditional office transformed with digitally- connected environments
- Tools and platforms to collaborate and innovate

Challenge: Security concerns

- Design co-creation ecosystems - open innovation, crowdsourcing and hackathons
- Freelance and gig working to become the dominant models

#### boundary-less

Challenge:
Current IT
infrastructure
not conducive
to engaging and
innovating with
external
businesses

### cross-generational workforce

- Create personalized work experiences
- Newer approaches to knowledge management

Challenge:
Big gap
between
knowledge
management
and
knowledge
transfer

#### a re-defined employer-employee contract

Straddling the four quadrants of individualism and collaboration on the one hand and standalone and integrated on the other, organizations will need to clearly define their identity in the market - only then can they put out a clear and compelling talent proposition and contracts.

#### innovation rules capitalism rules Digital influences Consumer choice influences Specialists and niche Individual and pivotal hi-performers dominate skills dominate the four faces of future work

#### corporate responsibility rules

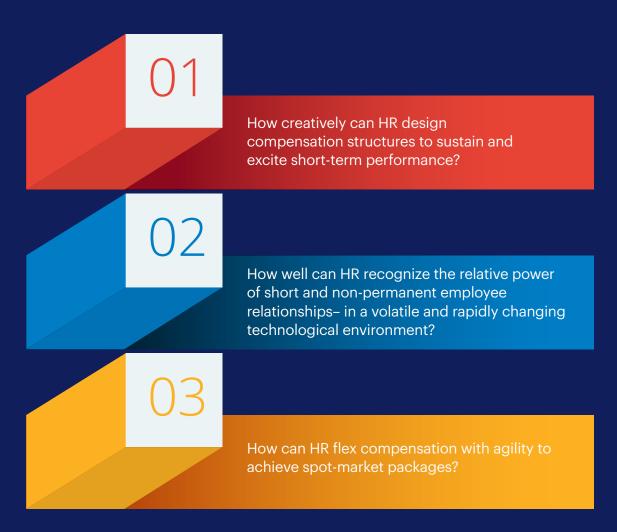
- Social relevance influences
- Best talent dominates: behavioral skills and cultural fit are critival

#### social and corporate ethics dominate

- Technology and automation balanced with human redundancy
- Workers find flexibility. autonomy and fulfilment

Investing in employees for a future VUCA world will bring in reimagined contracts of employment. HR will need to prepare for shorter employee tenures in a dynamic work landscape.

#### questions for HR in the future workplace



And then there is the area of employee learning and development. Remember the classic meme of the CFO asking the CEO. "What happens if we invest in people and they leave?" The CEO's response of "What if we don't invest in them and they stay?" says it all about the re-defined contract between the future organization and its people.

Automation, artificial intelligence, analytics, virtual and augmented reality, and cognitive intelligence will continue to impact job roles and requirements. In the future workplace, companies have a choice - acquire qualified candidates externally, or upskill existing employees with foresight and vision to provide them avenues of growth through learning.

The HR of the future will need to move into overdrive in the art of forecasting skill requirements, providing continuous and 'in-the-moment' learning - and ensuring it is a win-all situation for the people and their organizations.

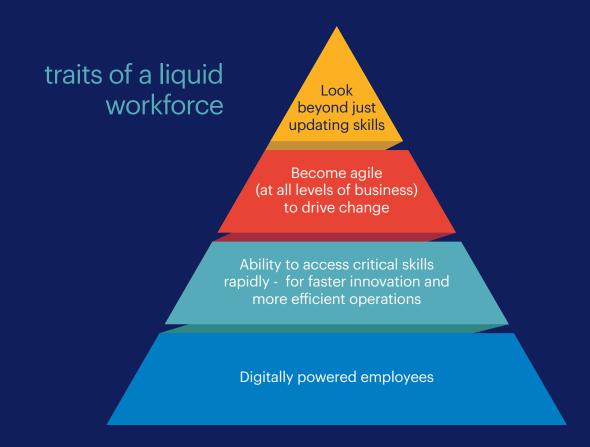
For the employee too, there is now an unsaid contractual obligation for their organization's investment in them.





#### the liquid workforce building the competitive edge amidst emerging workplace demands

A more liquid workforce is a huge competitive advantage for organizations. The future HR will reinvent themselves to rapidly adapt to disruption by creating a 'liquid workforce'.





changing not what, but how business is done

GE's new approach FastWorks, embeds lean startup practices into the workforce, for faster and smarter decisions.

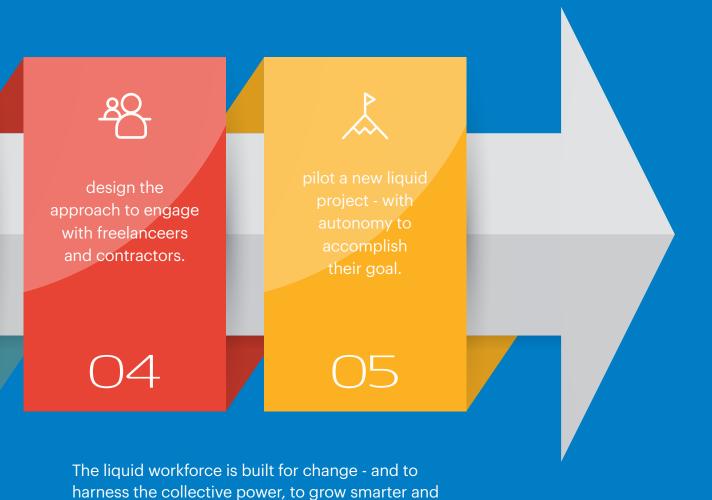
- Out rigid approval processes. In empowered employees for project changes quick changes
- Constant training to give employees the skills to adapt and thrive

GE's FastWorks methodology has enabled them to

- Build a new regulation-compliant diesel engine for ships two years ahead of competitors
- Design and deliver a high-end refrigerator

#### a roadmap to building a liquid workforce





faster. It is the new normal for the future workforce of

the digital age. Without a doubt, it is a workforce strategy that has the potential to become a major

competitive advantage.

#### the 'gig' economy smart powering of a future workforce

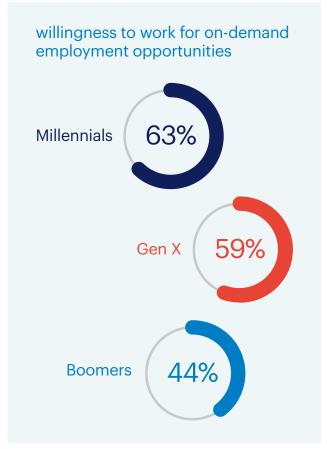
The modern economy is removing the shackles of traditional work models to wrest the freedom of flexible work environments.

The gig economy has burst on the scene at the right time to be an integral part of the workforce revolution to imprint deep social change.

McKinsey Global Institute estimates that close to 162 million people in the United States and Europe are gig workers.

#### freelance workers hired by different types of companies





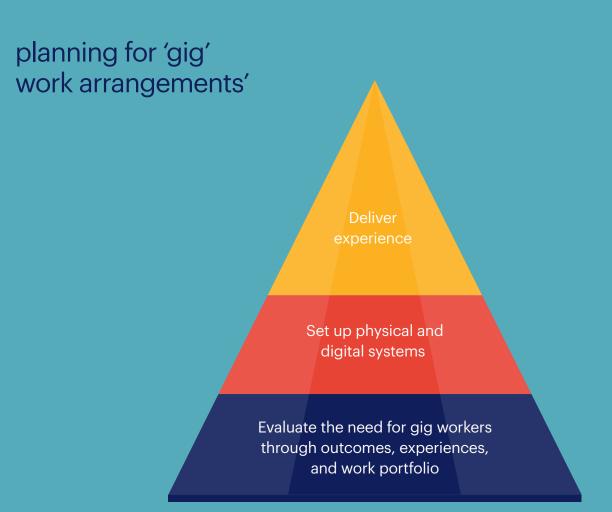
#### value exchange in a 'gig' work arrangement



The 'future-forward' HR will bring into play long- and short-term strategic workforce planning, They will

- Coordinate with stakeholders across the company, to arrive at the ideal mix
- Make strategic decisions on the mix of full-time employees, contractors and gig workers
- Build the vital consistency between organizational goals, delivery capabilities and talent repository
- Create blueprints of scenarios for an ideal workforce mix
- Architect customer experience, marketing campaigns, product design

Gig workers deliver refreshing ideas to creative work — positioned as they are at the summits of their fields.



Planning right is key to an organization's ability to build an agile talent pipeline and deliver the right experience to the gig workers. This will ensure a consistent flow of quality workers who are willing to work again with the organization.

Exclusivity in the workplace could soon become redundant. Organizations who crack the code to capture the value of such agile workers and weave it into their operations will thrive in the future era of work.

## the millennial driven future workplace

With a significant number of baby boomer generation employees retiring in the next few years, the mantle of leadership will fall on the millennial employees. It is therefore critical for HR to understand the widely different work perspectives of the millennials and architect the right people approach - to attract and retain this talent.

Herein lies the irony of the millennials. While they seem inadequately prepared for today's workforce, they are much more prepared for the future workplace. It is therefore up to HR to adopt a mission-driven culture and team-inspired structure. Both appeal highly to the millennials.



#### the millennial impact on the future workplace

'can-do' · Less hierarchical approach Greater autonomy mindset Attention, approval and constant feedback • Desires ownership and autonomy entrepreneurial • Dislikes work without understanding the end purpose approach • Gig economy is attractive to them · Requires intense coaching constant Looks for immediate performance development feedback • Seeks variety in assignments greater • A sense of purpose is why they choose organizations to work for. purpose

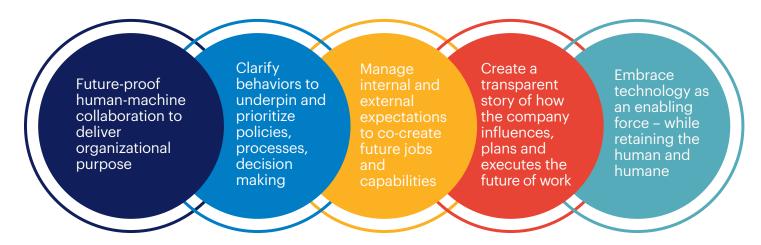
## what does the future workplace mean for future jobs?

As all the above transformations course through the future workplace, and as the impact of automation and AI make their presence felt, what is the new work world we create? How will people and machines work alongside each other?

Clearly, a reclassification and rebalancing of work is needed. But HR needs to go beyond mere re-jigging to achieve this. Even as machines give a perception of taking away certain jobs, they provide a superb tool to create fresh and elevated people skill benchmarks in critical areas of business success and growth – problem-solving, adaptability, collaboration, innovation, EQ and creativity.

Overall, future jobs will irretrievably shift the focus to enhanced 'employee value propositions' – the very core of why extraordinary people choose to work for the organizations they belong to.

#### HR decisions based on purpose and values



## what do HR leaders think and say on this subject?

Is the liquid workforce relevant for India? Absolutely. It is a challenge which every business leader should be thinking about. And, I think it's almost become a norm now to have a mix of all the three buckets (fulltime, contingent and gig workers). It's a smart way of doing business because things fluctuate, things move around, and longevity is not what it used to before.

Priya Cherian, Alibaba

When technology explodes it just goes to create more opportunities. The role of the HR people at least has helped drive that wave. I feel really confident that the next generations are always more confident of change because they see change much more than any previous tech generations would have seen.

Rajan Sethuraman, Latent View

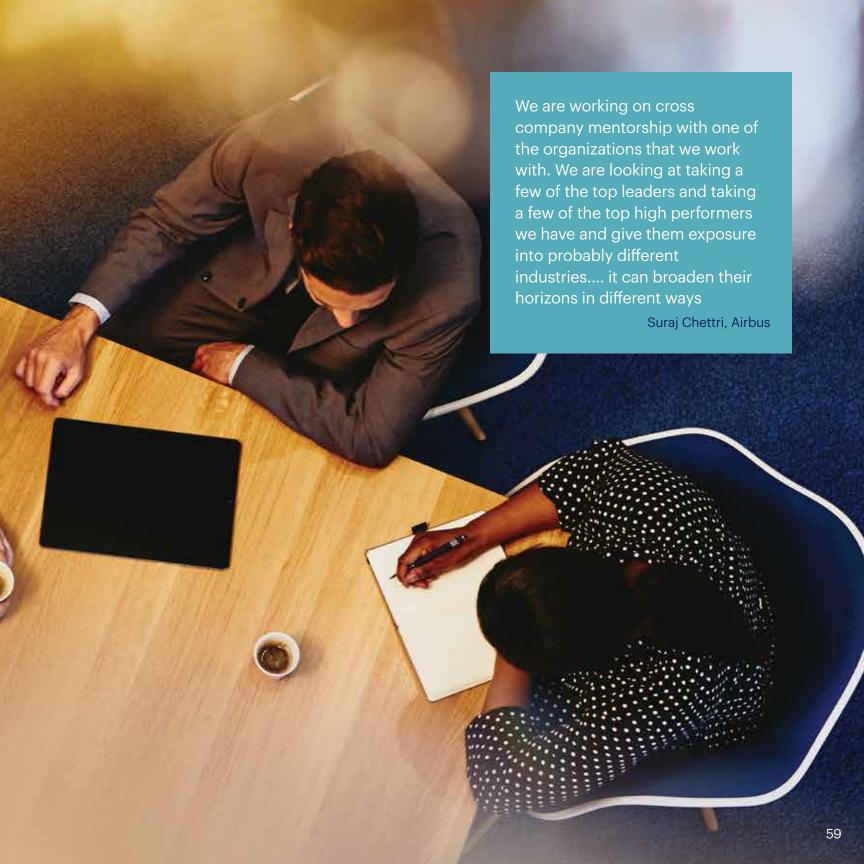


Another part that is old but still very relevant and important is motivation. People today call it engagement, alignment or commitment, but I want to use the simple word motivation. If you look at the science that underpins HR management and HR development, it is solution science.

HR must focus on capability building and motivation and help the company create opportunities by the way we design tasks, workplaces and assignments where opportunities present themselves for people to put their skills and motivation to work.

We should look at employment not necessarily as only fixed time employment and part-time employment or contract employment. I think uniqueness and value is something that we have to understand for our company and then tailor HR policies and frameworks to suit different combinations of uniqueness and value.

Sridhar R, ITC



# force 4 the impact of industry 4.0

#### "change is constant"

There is something about this truth that increases the impact of apprehension as much as it sounds more cliched. We have seen a new way of technology overtake our business worlds every few decades to transform our lives and the way we work. The steam-powered first industrial revolution, the electricity-driven second, the automation push of the third - we would think that by now anticipating change should be unsurprising, right?

Wrong is the right answer to this! And this is totally vindicated as we stand at the thick of Industry 4.0, and face the inescapable churn as we think of its impact on our professional world.

True, Industry 4.0 (or the fourth industrial revolution) has many daunting aspects. It combines the aspects of cyber-physical systems, the Internet of Things (IoT), and

the Internet of Systems (IoS). New and emerging technologies will integrate the physical, digital and biological worlds to impact all economies and industries, even as it will push the boundaries of human capabilities.

In looking at HR of the future, the impact of the fourth industrial revolution cannot be underestimated. Driverless cars, bots, augmented and virtual reality have set in motion unimaginable facets of robotization that directly and impact people and work. So much so that an estimated 65 percent of



today's school children will work in roles that have not even been invented or envisaged.

Without a doubt, Industry 4.0 is set to radically change the way we live and work - in scale, scope and complexity. Its transformational impact will be significant, as will its gains – and it will need to be responded to in an integrated manner involving multiple stakeholders.



#### impact of industry 4.0 on the future workforce

- The time we devote to work and leisure
- How we develop our careers
- How we cultivate our skills, meet people and nurture relationships
- Our health and well-being
- Privacy



## cognitive readiness skills required for business professionals

Mental cognition	Recognise and regulate thoughts and emotions
Attention Control Manage and focus your attention	Manage and focus attention
Sensemaking	Connect the dots and see the bigger picture
Intuition	Check gut without letting it rule the mind
Problem solving	Analytical and creative methods to resolve challenges
Adaptability	Ability to change with changing conditions
Communication	Inspire others to action

Algorithms. Automation. Artificial intelligence. How will these stars of Industry 4.0 affect the workforce?

The truth is, rather than taking jobs, they will work in unison with people.

#### how industry 4.0 technologies will transform the workplace

Enhance Eliminate Increase biases in employee learning people and skill sets decisions development

While most occupations will be impacted by automation, very few occupations will actually be replaced. A Mckinsey survey reports that only about 30 percent of the activities in 60 percent of all occupations could be automated.

This is good news. It indicates that man and machines will be working alongside each other, complementing each other. It also means that the nature of these occupations will undergo changes. Strike two for good news - we can now see possibilities of newer opportunities in learning and progressing in capabilities. For example, in healthcare, AI algorithms will read diagnostic scans to facilitate medical professionals accurately diagnose and prescribe the right treatment. At Amazon, employees who earlier manually stacked merchandise are now becoming robot operators to monitor automated operations.

Professionals, however, will need to smartly adapt to reap the benefits of this change. There will be adequate work, but people will need to undergo transitions, acquire new skills and align themselves to the machines accompanying them at work. From redundant occupations to emerging ones, adaptive change is demanded.

Yet, constant learning and upskilling alone will not be the ultimate differentiators. Staying relevant in rapidly changing landscapes in unpredictable directions will be. The need will not just be for higher skills – they will also be for wider and different skills.

Will some roles disappear? Undoubtedly yes.
But many others will emerge and evolve.
Human capital will re-balance and re-adjust.
Consequences of such adjustments is what HR will need to prepare for-and they will have to counter this through a fundamental rethink of the function itself.

Life and social skills will come to the fore – communication, relationship building, information processing and innovative problem solving are some of them.

Organizations and HR functions that will deftly walk the tight rope in balancing technology and automation to elevate their workforce's life-skills will differentiate themselves in tomorrow's disruptive landscape.

"The human spirit must prevail over technology."

Albert Einstein

#### re-designed work in the industry 4.0 era

Different skills to thrive

- Automation
- Social, emotional, and complex information processing
- Within companies, domains and geographies
- · Shift to difficult-to-automate roles
- · Calls for committed upskilling

Changes in roles and occupations

Changes in workflows, workspaces and workplaces

- Need to to enable humans and machines to work together
- System-level solutions will alter workflow and workspace

## sustaining the benefits of AI and automation-led industry 4.0

Industry 4.0 has the powerful potential of transforming organizations into real-time enterprises. Connecting the dots in real time becomes a reality and this enables speed and agility for faster 'go-to-market' innovation.

In addressing the challenges of digitization to move ahead, neither status quo nor a roll-back is an option. Continue to leverage automation and AI for sustained performance and productivity enhancements. Over a period of time, these technologies create economic pluses to enhance Rol.

Why should HR of the future be intertwined with the effects of Industry 4.0? In its re-invented form, HR needs to be the prime mover of such collaboration to shape a future that puts people first and empowers them. The Fourth Industrial Revolution may seem like a dehumanizing development that could robotize people out of jobs. It is here that HR will act as an influencer to assert that there is, and there will be work for everyone despite automation.

However, the work will be different and will require newer skills and adaptability to master those skills. HR's strategic capabilities will establish the right learning programs – both for training and re-training

Training and retraining both mid-career workers and new generations for the coming challenges will be an imperative for HR. This requires the joint efforts of governments, private-sector leaders, and innovators – they need to efficiently coordinate public and private initiatives, create the right incentives and enable higher investments in human capital.

The future with automation and AI will be challenging, but a much richer one if we harness the technologies with aplomb - and mitigate the negative effects.

## re-invented purpose of HR in the industry 4.0 era

#### Strategize People First for brand and Aggregator of communication Develop ability to adapt organizational Craft experiences needs and Skills & behavior employee development • Embrace Design learning innovation Focus on people as drivers of innovation

#### what do HR leaders think and say on this subject?

For the next three years the strategy for HR will be to align the scalability of resources to Al and to decide what percentage of your entire operation is going to be managed by AI. Not to replace resources with AI. That is going to be the biggest requirement for HR as a strategy.

Dayanand G, Mahindra Aerospace

Technology will make life easy for HR. But they have to add that value, by moving to the other side of business, taking a little bit of risk, and even perhaps getting beaten up.

Cyrus Jalnawala, Dow Chemicals





We have to make sure that the introduction of technology or automation is done in such a way that it gives people a chance to adjust...

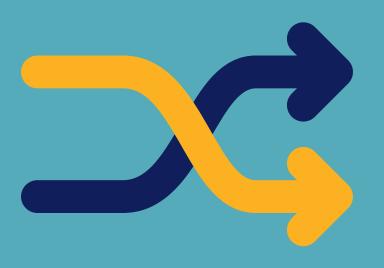
...One of the good things that has happened is that HR has become more numeric, more analytical, more impactful and more relevant in the business context.

Sridhar R, ITC

Jobs may not become redundant but jobs will change, the nature of jobs will change

Suhas Kadlaskar, Mercedes Benz

# force 5 the re-imagination of HR



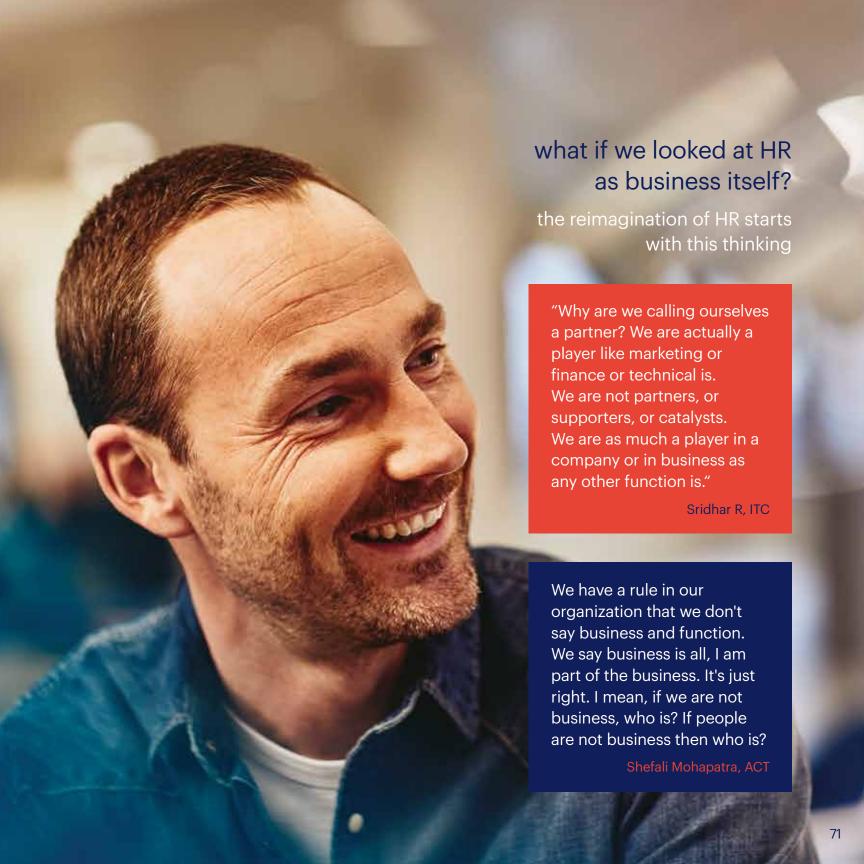
As HR rethinks its future purpose and models to reimagine itself for the future workplace, business is doing the same too. A powerful and fundamental common priority running through both the transformations is people.

HR needs a seat at the business table, we say. HR needs to strategically align with business outcomes, we assert.

Business is all about people, talent eats other priorities for breakfast, lunch and dinner, we agree.

And so the billion dollar question.

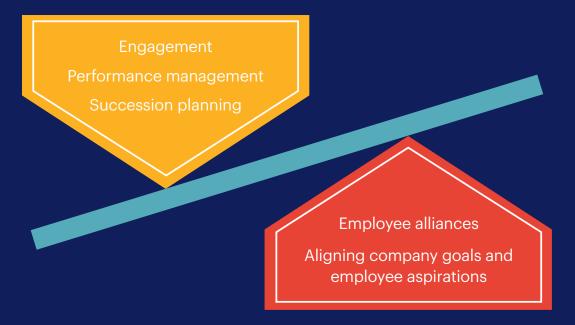
Why are we looking at HR as an individual function orbiting the business?



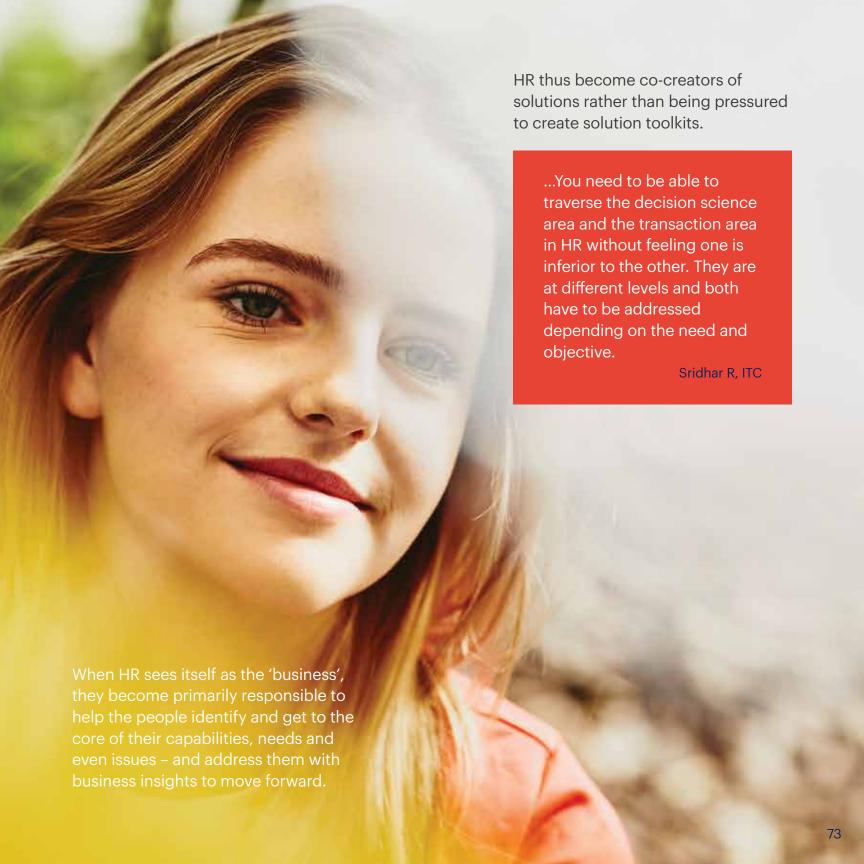
# co-creators of people and business capabilities

As HR traversed the journey from being the 'personnel' department to human capital managers the core of business strategy, they have struggled to find their balance between the science and art of their 'raison d'etre'.

## balancing the art and science of people management



In our quest to reimagine HR amidst the four forces discussed in the previous pages, is it a good idea to see if we can weave the art into the data and science that surrounds us today?



# time for a perspective shift

When managers are perceived to be responsible more for financial results and less for people results - and HR moves in to balance this need, we create a 'business vs people' situation. This is unhealthy for all concerned and alienates HR from the business.

What if HR empowers managers to manage people, and people to manage their careers?

# a subtle shifting of HR responsibilities

#### managers manage people

- Recruitment
- Training & Learning
- Performance
- Rewards & Recognition
- Career development.

#### employees manage up

- Individual
- Individual learning and development
- Aspiration

# HR empowers managers with standards; develops company-wide leaders

HR now truly becomes business as their role moves into the realm of people and organization development. Traditional HR backgrounds become non-mandatory, smart and competent 'design thinkers' can be drawn from business and non-HR backgrounds.

It also sets the ball rolling for meaningful and purposeful job rotation of HR professionals, managers and leaders in imbibing organization development capabilities.

HR is bringing in non-HR people into the fold and I think this is a welcome change. It helps the function elevate itself to a very new and different level...

.. HR team members need to first move out of the function that they have been traditionally in, and go out and work somewhere in another area of the organization. That is taking them out of their comfort zone to understand the business. HR needs to be willing to take that risk or leap of faith.

Cyrus Jalnawala, Dow Chemicals

This makes HR, managers and employees 'owners' of a part of their business - an ownership they can choose to scale up.

## reimagined HR empowered business ownership

#### Data & Insights

- Provide leaders and managers with actionable data,
- Coaching for empowerment and building responsibility

#### Conflict management

- Move away from 'mediator' role
- Empower managers and employees with skills, knowledge and information for problem resolution

#### Leadership development

- From 'HR knows best' to co-created leadership development
- Collaborate with other corporate support functions



# re-imagined HR as an organization developer

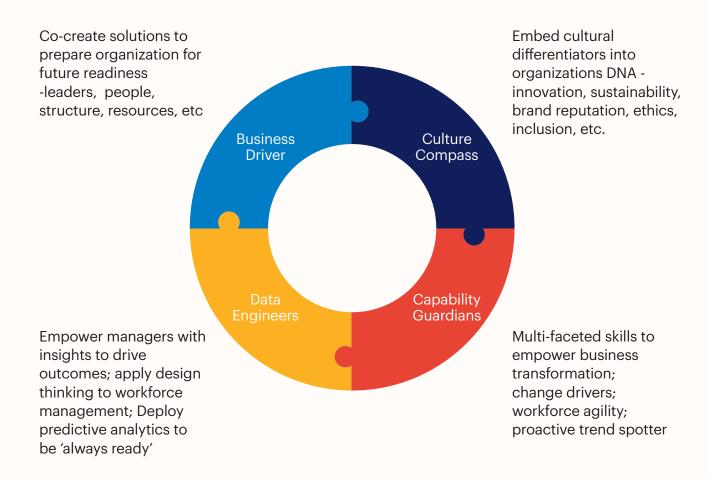
As an organization developer, HR does not have to ask for a seat at the table they become the table. They step up to own strategic responsibilities as the organization's business driver, culture compass, capability guardians and data engineers.

As HR, we should know business. We should know what the drivers of these because we are in the world of business first. That is fundamental...

Sridhar R, ITC



# reimagined HR organization architect





# It is essential for HR to re-structure themselves for this seamless flow and filter of work. and volumes.

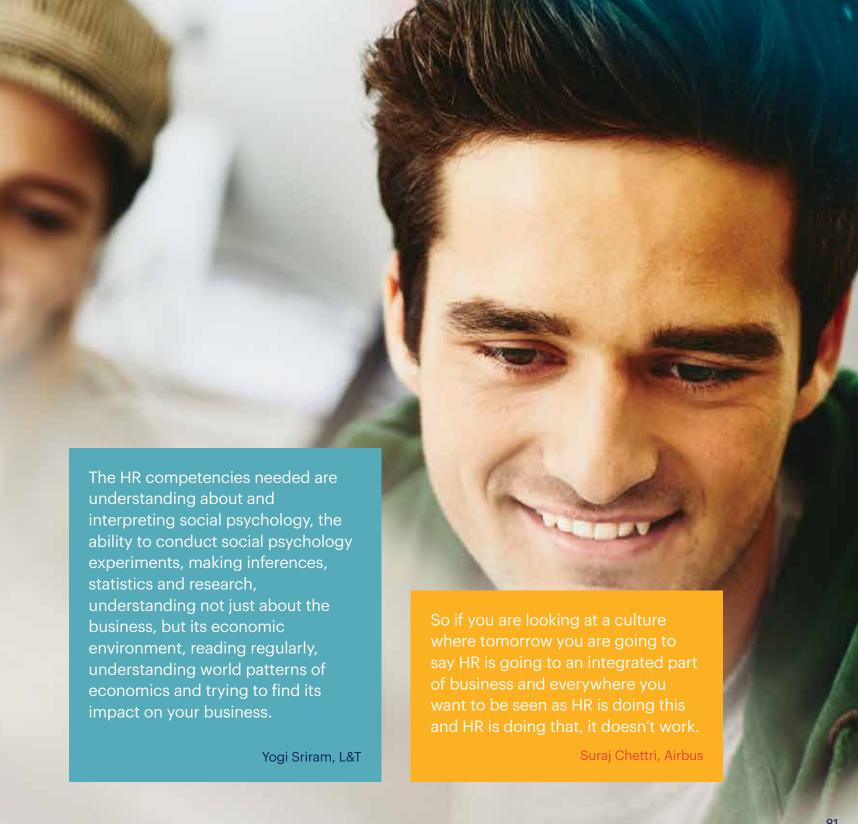
As HR emerges as a re-invented business there are five capabilities they will need to focus on to build a robust internal organization

- 2. Process expertise for organization culture
- 3. Knowledge to understand macro-economic trends for capability building
- 4. Tech- and analytic-savviness to segment

### re-imagined HR - as a capability builder

We are seen as implementers, we are not seen as people who can provide insights. Behavioral economics and talent economics are big topics today. How much of analytics are we using to provide insight to business? And to the leaders to say that we are not just a client serving provider, but are providing you certain insights which can actually determine how you want to position yourself in the business?

Lakshmi Nadkarni, BASF



With new-gen technologies (AI, automation, robotics, edge analytics, etc.) disrupting the business ecosystem, organizations need highly skilled people to extract maximum benefits of the inevitable digital transformation. Skill and capability are key for organizations to stay ahead of the outperformance curve. As the guardian of organization capability, HR will need to inspire employees to be continuous learners of new skills and technologies - and grow with the enterprise.

With the advent of the millennial workforce, ongoing professional evolution has assumed newer dimensions of purpose, flexibility and innovation. They expect technology, by way of modern platforms, to keep them connected, facilitate collaboration and innovation.

### reimagined HR - realities of capability building

Ability to Purpose-Agility and Fostering rapidly filled value support for a digital diverse talent change proposition digital future culture

#### Each reality calls specific competencies in the redefined HR professional

Reality of capability building	Competencies required
Ability to rapidly change	<ul> <li>Agile organization design – automation, efficiency, reduced costs, innovation, digitization, customer experience, speed-to-market</li> <li>Creating a lab mindset – experimentation, continuous learning</li> </ul>
Purpose-filled value proposition	<ul> <li>Growth</li> <li>Meaning</li> <li>Impact</li> <li>Man-machine collaboration</li> <li>Individualized rewards</li> </ul>
Agility and support for a digital future	<ul> <li>Stable policies on flexible work options</li> <li>Adaptive working culture – when, where, how, what and who of work</li> <li>Leverage technology for a culture of trust, support and remote working</li> </ul>
Smart platforms for a diverse talent ecosystem	<ul> <li>Moving jobs to people and people to jobs</li> <li>Employee experience</li> <li>Accelerated productivity</li> <li>Liquid talent partnership</li> <li>Think 'talent value proposition', not employee value proposition</li> </ul>
Fostering a digital culture	<ul> <li>Develop change agility</li> <li>Create a compelling and technology-driven value proposition</li> <li>Transform to a human capital risk advisor</li> <li>Design efficient distributed teams</li> <li>Establish a culture where people feel comfortable with the digital aspects of transparency, insights-driven decisions, curiosity about emerging technology and self-serve efficiency</li> </ul>

"Three things will require HR attention. The first are the HR processes, with automation and the Cloud based approach. The second is the shifting of transactional work to shared services

Which then goes to the question as to what is going to be the HR's priority? And, here is where we come with our skill sets and our trade in terms of talent both in the form of acquisition and in the form of development. And, finally the last piece is the engagement, particularly where we talk about multi-generational workforce where people are not going to be attached to the organization like before. People are now going to be more passionate about what they do and how they do their job. And this makes engagement different from before."

I can actually create a mechanism where employees have visibility of where the organization is headed for so that they automatically gravitate towards that skill set and competency. That's where analytics and set of transparent mechanism can be really helpful...

When people from business come to the corporate function and corporate functions get back to business it brings a good blend of skills for each side

Rajan Sethuraman, Latent View



The focus today is how we can make our workforce more agile, more focused on complex systemic thinking, more focused upon looking at ambiguous elements that you cannot forecast and so that they can be prepared for the future which is uncertain...

...I think first and foremost you have to educate and bring about the change management that is required. Once you have got that can you have to encourage them to do it themselves. That's where you have to look at how different generations work, and to which style of learning they adapt to. If you are talking about the millennial they would like to do it at their own pace, and when and where they want to do it. The third aspect is that you will have to bring about an ecosystem where they are encouraged to do stuff on their own.

Suraj Chettri, Airbus

The secret sauce, at least in my opinion, is adaptability. The first thing which I focus on when I bring in a leader is whether he or she is adaptable to the different types of people because that is the reality that you are looking at.

Priya Cherian, Ali Baba

Talent development is one of the most critical areas for HR. I also think culture change is very important. Employees need to have a culture of agility, innovation and design thinking. The third one is innovation - to really come out with some different ideas, not the traditional way of doing something.

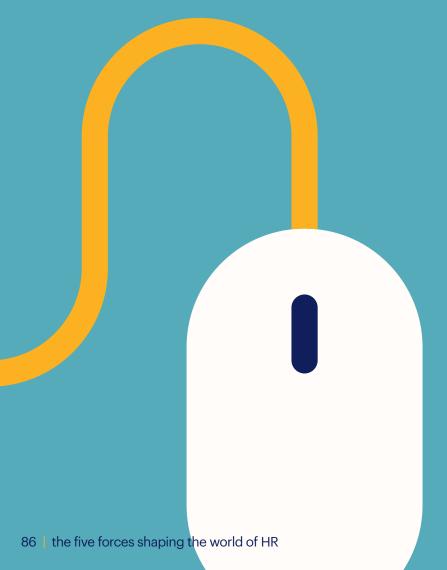
Suhas Kadlaskar, Mercedes Benz

# re-imagined HR as a technology adaptor

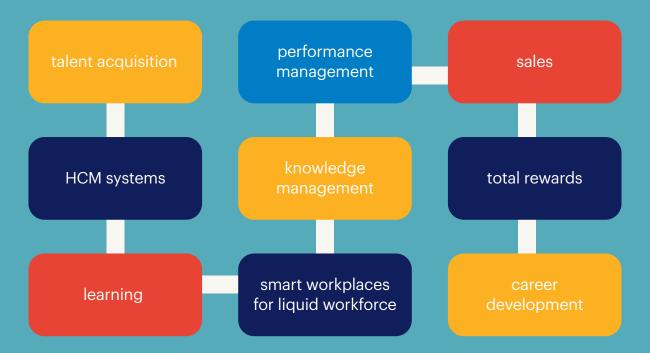
Technology will continue its relentless and rapids print across HR's activities and transactions. Automation, Al and analytics will become an integral part of HR. CHROs and their teams must step up to take on consultative roles and responsibilities.

More than anyone else, HR needs to be aware of the truth that technology can have maximum impact only when collaborating with the best human skills and judgment. Even as Al and robotics are re-defining the future of work, it needs strong and unique human competencies of innovation and continuous learning to set free the value of technology investments.

HR must know to leverage the power of digitization to usher in a connected age of working - build diverse and nimble workforces, architect flexible working policies and models, and analyze performance.



### reimagined HR – digital empowerment



Data and technology enhance the human skill of contextual intelligence in any organization. Integrating the power of machine with human judgment drives informed decisions based on work patterns personalized to employee capabilities.

Such a human-driven and technology-enabled model requires HR to be agile, innovative and totally synchronized to the pace of business opportunities. They should pivot to the fluctuating market opportunities – but more important, they should skill, enable and empower their people to be part of this disruptive journey.

# reimagined HR thriving with a man-machine balance

#### enhance 'human touch'

- Lead with empathy
- Enable creativity
- Mentor to fuel their passion
- Create learning opportunities for growth.

#### grow and change

- Mastering new technology
- Continuously reinvent careers

HR for the Future Workplace

#### redesign talent strategies

Translate data to engaging

#### build organization for a technologydriven future

 Innovative thinking for a culture of change, regeneration, business growth and innovation.



There are no decisions made without HR involved in it to be honest, I mean, and that's what I really, really appreciate and value about this organization. We cannot go away from the business priorities, we absolutely have to be in-sync with what the business needs.

My manager would expect me to know exactly what my India strategy is, not from people standpoint, but from a business standpoint. Only then I can translate that into organization support for business...

...At end of the day it is that human touch which makes the difference.



Our growth is going to be supported by automation. Some people will probably be re-scaled and they will do more with the help of automation...

...You will have to always imagine that disruption is always around the corner. So how do organizations establish the kind of culture that constantly challenges the way we are currently doing business? I think HR plays a big role here - whether in terms of building departments that constantly work on innovation and newer ways of doing things or creating a culture where you keep on challenging yourself internally.

Shefali Mohapatra, ACT



Our conversation-led discoveries and insights clearly show that business today has crossed the critical inflection point between human and technology. What does this mean in a landscape that is riddled with VUCA realities, and places people as a top priority?

The leaders we talked to intimately are very clear. The days of talking broadly about multi-generational and multi-work type workforce and talent, skills, capabilities, technology and future-readiness is siloed models will not take organizations any further than they stand today. The HR function needs to be a few steps ahead of business with an incisive capacity to understand their industries into the future, strategize & innovate to stay future proof, and even partner to execute with expertise. They need to proactively be ready, at all times, with strategies, plans and actions to address the following questions

- How can incremental organizational value be created?
- How can workforce transformation always remain ahead of the curve?
- How can HR act and enable people to act as part of business?

The four causal forces leading to the fifth consequential force of a reimagined HR bring to the following five transformational aspects.

Transformation with speed and agility that will enable people to scale with purpose and alacrity, and managers to lead in a liquid workforce environment with exponential learning curves and lab mindsets.

Transformation of work purpose that will move the employment value proposition from loyalty and engagement to thriving purpose-driven missions, and personalized people experiences.

Transformation of workforce flexibility that creates sustainable options to empower people and leaders to manage digital professional lives.

Transformation of technology perspectives that involves synchronizing the human mind with a digital-first culture and technology platform mindset in creating compelling people and business experiences.

It is a staggering pace of change for business dynamics. And HR leaders probably may not have the luxury or bandwidth of time to learn, immerse and act. We hope that the perspectives and insights we have culled out from senior leaders (who have traversed the path of disruption) will act as an effective guide for this and next-gen HR leaders to address the ambiguities in a VUCA world.

All the very best!





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For more information: www.randstad.in

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