

### HR METRICS

# Looking ahead to the future of HR

*With analytics and long-term planning, the nature of the role is shifting dramatically*

By Jo Ann Miele

**I**n the business of the future, the HR function will still be going strong because managing people will always be a critical component of any successful business — that's a given. But the nature of the role is shifting dramatically. The combination of a rapid growth in analytics, the increasing importance of HR in long-term business planning, and the evolving needs of employees and potential employees will have a considerable impact on the role of future HR departments.

The HR department of the future hasn't truly been built yet, but the focus needs to be on data collection. Data collection is relatively new. Collection systems are in place and interesting models are being developed. As that happens, the tools at an HR expert's disposal will be built and remade. Technological improvement is a never-ending process of reinterpretation and reinvention, and we are at the very beginning of an exciting new cycle.

#### Not your grandmother's HR department

In exploring the current trends in the industry and extrapolating forward, one thing is clear: HR is about to get a lot more interesting — and a lot more challenging. The era of HR professionals as paper-pushers or data-entry resources is now historical detritus.

Documents are available online

and on-demand. New hires and updates are increasingly handled by self-serve portals that follow standardized onboarding techniques. The exit process is becoming equally simplified and managed with applications and automated processes. In general, many of the day-to-day tasks formerly assigned to HR professionals are or will soon be automated. In their stead will be business-critical strategic management of human resources.

As part of this new era, HR professionals are participating in the broader business planning conversation at most companies. The new HR shifts away from being viewed as a cost centre and becomes a partner in helping a business to generate value and drive productivity.

This is how that will happen:

**By attracting and retaining the right talent:** Not all employees are created equal. The focus on talent is a top three item on today's executive agenda. Engaging and retaining top talent is a differentiator for sustainable business performance. Being able to quickly identify and manage low performers improves productivity and, ultimately, results. A strategically minded HR department will be able to distinguish between the two and build programs that keep the wheat and chuck the chaff.

**By developing employees' skills to meet future needs:** After identifying the top performers, HR departments will need to arm them

with the skills they need to succeed for next year — and five years down the road. HR leaders need to work with the CEO and CFO to identify the direction of the industry and the labour market, then build development and recruiting programs that will meet those needs.

**By introducing new technologies to improve employee productivity:** As the workplace becomes increasingly data-driven, it will be important to supply employees with the technological tools they require to do their jobs. Conversely, it will also be important to help them manage information overload. We all know of the challenges presented by the daily email deluge, employees being eternally on call and other problems associated with a connected society. HR departments, armed with data and analytics, will need to ensure employees are not overwhelmed, and that the work they do is productive, not churn.

#### The data miner's daughter

It's really difficult to overstate the impact people analytics is having on the modern workplace. The current environment is akin to physics in the early 20th century, when the collection of more and more sophisticated experimental data forced a revolution in our understanding of the universe (quantum physics and relativity).

The type of data being collected now in the HR field has never been collected before — new models

are challenging old concepts and data-driven people management is the new normal for most HR practitioners.

People analytics can help a business understand: what attracts candidates; what drives them to perform well and stay with an organization; who will likely be successful; who will make the best leaders; and what is required to deliver the highest quality customer service and innovation.

In 2016, 51 per cent of companies are correlating business impact to HR programs, up from 38 per cent in 2015, according to Deloitte's Global Human Capital Trends 2016 report, based on a survey of more than 7,000 HR and business leaders in 130 countries. That means a greater strategic role, but also greater responsibility and accountability. HR departments must be able to demonstrate their value to the business — and that means using hard data.

But the revolution is not quite here yet. Just 46 per cent of CEOs say their companies use data analytics to provide better insight into how effectively skills are deployed at their organizations, according to PwC's 18th Annual Global CEO Survey in 2015, based on a poll of nearly 2,000 CEOs. While that number is respectable, it doesn't dig into the quality of the analytics programs or the ability to use data to effect change in organizations.

To unlock the true potential of

people analytics, HR leaders must become data champions and push their CEOs to push for greater integration of systems and to invest in the skills needed to analyze all of that information.

#### The road ahead

In the immediate future, as employers begin wading through the data they collect, HR will need to become more experimental, testing out the models they develop and adjusting approaches when predictions don't match results.

To prepare for this transition, HR leaders will need to assemble teams that are comfortable with or, better yet, embrace change and revel in building something new. In hiring, HR departments will need to seek out strategic thinkers, people with

analytics experience and entrepreneurial spirit, looking at replicating IT and finance skill sets and applying those skills to HR, including data analysts, data visualization specialists, statisticians, financial analysts and data modellers.

Though the evolution of the industry will require massive changes within HR departments, those who embrace the change will be poised for future success. Those who fall behind will see their talent pool dry up and other companies emerging with a competitive advantage by securing the best of the best. This has happened across industries in the past — those who adapt, win. For HR to adapt, it will need to bring in new thinking in data visualization, financial analysis, data architecture, coding, user experi-

ence, statistics, anthropology and psychology.

As HR becomes more strategic and analytical, and less transactional, what happens to all of the functions that used to make up the bulk of day-to-day work in the department? After all, payroll still needs to go out, benefits packages need to be pulled together and employees still need to read and sign policy documents. The answer is simple: Someone (or something) else will handle it. As noted earlier, a lot of tasks can be handled by the use of systems and online portals.

Outsourcing allows HR to focus on doing the core of what it's meant to do — managing people. It also allows HR to better weather periods of expansion and contraction, providing resources when they are

needed and limiting costs when they are not.

Change of any magnitude can be a challenge. Change of the magnitude HR professionals face right now is a challenge of the highest order, but it's an exciting one. HR is about to play a more critical role in business and forge a completely redesigned industry. It's up to HR to look to the future to ensure it's ready to meet the evolving needs of businesses next year, five years from now and beyond. The sooner HR recognizes change is coming and it's inevitable, the sooner it can reap the fruits of its labour.

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