HR TRANSFORMATION

Putting ‘human’ back into Human Resources

OPINION PIECE
Where next for the modern HR function in today’s rapidly changing world? The demands of the business change almost daily and the workforce is going places we hadn’t dreamed of 20 years ago. We are more customer centric, service-led and highly connected; where, through digitisation, the customer now drives much of how we interact with them.

Workforces are changing too: ageing populations, higher expectations at entry level, the consumerisation of IT. Employees are as demanding as an organisation’s customers, if not more so. All of this means that businesses are leaning more heavily on HR, looking for progressive thinking to help change operating models or structures. Traditional playbooks full of tried and tested ideas from the past no longer deliver; modern businesses need a much more agile and tailored approach. They need HR to redefine the user experience, where each employee is viewed as a ‘customer’ and HR is a ‘business’ providing services in a B2C model in which processes begin and end with the employee.

If HR1.0 was marked by the advent of Employee and Industrial Relations, helping businesses operate smoothly, and HR2.0 saw the evolution to the Ulrich model, with Business Partners providing strategic focus and Centres of Expertise, now HR is on the verge of an HR3.0, where HR functions embrace new, flexible ways of working and enable employees and the wider business by leveraging digital, social and mobile technologies.

Within this HR3.0 landscape, data – or rather the ability to capture, analyse, interpret and use it to drive a better employee experience – is the ‘new black gold’. The Internet of Things for employees will increase the volume of new data sources, such as the data coming from gestures, habits, or feelings. HR departments need to take on board this data to fulfil objectives, such as guiding career progression, identifying skills gaps, preventing risk exposure and promoting well-being at work.

This presents HR with the opportunity to transform into a function highly focused on analysis, by capitalising on this wealth of employee / user data, and using new tools and analytical engines, notably predictive analysis, to better support the business at every level. Indeed, HR departments are aware that their influence and weight in strategic and operational decisions are increasingly based on their mastery of data.
The Technology Challenge

These are exciting times for today’s HR professional. There are challenges too. The HR operations that underpin organisations and their use of this wealth of data are built on ageing technology platforms. This can be a problem. Whilst they may still run, these platforms do not easily enable organisation’s new, more user-centric focus; mobility and employee channel of choice weren’t priorities 20 years ago. The advancement in technology has enabled businesses to transform and now HR must take the same evolutionary journey to the future. Further, enabled by Cloud technology, meeting the demands of the millennial generation as they move through organisations to senior leadership roles, HR is now at an inflection point: one where the evolution is not just about technology, it is a process transformation too.

In our future vision, both HR and employees are freed-up to better serve the needs of their customers. How? By placing the employee experience at the heart of re-designed, best-in-class processes, HR is able to drive superior employee engagement, making organisations ‘sticky’, leading to lower attrition rates and higher employee engagement. The journey to HR3.0 allows organisations to realise the benefits of a highly engaged and motivated workforce. Research suggests a 22% increase to the bottom line from increased employee engagement and 21% greater productivity. Employee engagement investments can open the floodgates to productivity, profits, and personal fulfilment.

Willis Towers Watson reports that companies with high and sustainable levels of engagement have operating margins up to three times higher than companies with low or unsustainable levels of engagement. In a Gallup study of nearly 200 organisations, companies with the highest levels of employee engagement were 22% more profitable and 21% more productive than those with low levels of engagement.

Sopra Steria’s own 30+ years of experience supporting the customisation of standardised best practice processes for HR has shown us the huge value of keeping the end service user (the employee) front and centre of mind – and of using the latest technology to make this happen. We deploy robotics, artificial intelligence and automation to minimise effort and accelerate responsiveness, making processes quick and easy to use through the employees’ channel of choice: Any Time, Any Where, Any Device (ATAWAD).

We are crafting a completely new employee experience, allowing employees to decide how and when they want to engage with the HR function and beyond. This is facilitated through the deployment of ‘Sam’, our virtual HR assistant.
Taking a closer look at this transformation, we can see that HR has historically been viewed by employees as a function that is complex and difficult to interact with at times. By redesigning processes with the employee in mind, processes can be automated, governance and legal checks can be integrated and an employee’s interaction with HR can be simplified and speeded up. The outcome? The end-to-end experience becomes both seamless and simple.

It’s how we approach HR for our clients. This allows us to look at the HR teams themselves, redeploying team members to new roles ensuring employee wellbeing, using their skills to resolve complex problems, and supporting managers to coach and develop employees. HR will move further up the value chain, providing actionable insights so that the organisation remains an employer of choice, retaining key talent and ensuring its future success.

The deployment of robotics and use of automation mentioned earlier frees-up much of the current HR Operations function, allowing people to be re-deployed to more value-add roles within the wider HR function, such as talent, learning & development or as business partners. By empowering employees to own their data and ensure that it is correct, compliance with the forthcoming GDPR (General Data Protection Regulation) can be managed, with regular automated auditing of employee data ensuring problems can be resolved before they become issues for the business.

Our own Time and Attendance system has been transformed with a fully mobile solution, reducing the number of clicks and time to complete by 70%, and automating authorisation in the majority of cases.

The Transformation Journey
Actionable insight is a term in data analytics and 'Big Data' for information that can be acted upon, or information that gives decision makers insight into the future actions that should be taken. We have seen the use of analytics to add value in so many other walks of life, so why not in HR too?

HR has historically provided quantitative data to managers relating to employees in areas such as attendance, headcount and, in some cases, people-related financial information (salary, bonus, etc.). By making data more accurate, up to the minute and accessible to managers via built-in analytics managers can tap into the power of the data.

Through the use of modelling tools, such as compensation planning tools, it’s possible for managers to take people decisions and implement actions in order to support behaviour change. This, in turn, allows managers to understand how, by making small changes, they are able to affect the performance of their team and how this will impact the organisation’s overall performance. Here we see HR as a truly strategic enabler and not simply a manager of headcount.

New skillsets driving an experience-led HR service

HR as a business entity, using data to provide strategic resourcing insight and effective employee engagement. That’s the ideal, to achieve this demands new competencies in the HR function. Specifically, ‘HR data scientists’ will emerge as champions of data-centric employee engagement. From transactional data (payroll, declarative issues, core HR, etc.) to metadata on employee behaviour and actions, the vast array of unstructured raw data held in enterprise data lakes needs to be understood, formatted and translated into business meaning and value. That’s the task of the HR data scientist. Additionally, people in this role will look for interesting associations, they will manipulate data, calculate and build models, detect weak signals, and more. They will need to combine an awareness of technical and statistical expertise, and strong knowledge of the functional HR and payroll domain, together with communication skills, data visualisation and ‘story-telling’ abilities. This is a whole new ball game for the modern HR function.
HR analytics can be applied to virtually any aspect of HR activity. It should capitalise on the power of the data by analysing a wide range of information on employee expectations, behaviours and prospects stemming from data entries and browser history. Today’s HR solutions are smart and responsive, offering employees a specific and targeted way of engaging, perhaps even an individualised approach, throughout their career in the company via a personalisation rules’ engine. As such, they offer employees information and/or the most relevant suggested actions, at the right time and according to the context.

The benefits of using analytics in today’s user-centric, personalised and contextual HR environment are compelling. They include the following:

**Improving retention:** an organisation suffering from high turnover of key employee groups can use HR analytics to anticipate areas with specific issues and can tailor their incentives to curb attrition accordingly. Better measuring the impact of HR activity on turnover can illustrate the specific needs of certain employee groups, for example adapting incentives for senior leaders to meet their needs if they have specific requirements to keep them from leaving.

So what’s the catch? Not the cost! In most cases, we can achieve all of this by using the assets and infrastructure you have today, overlaying our technology platforms and interfaces.

**Enhancing employee morale:** instead of absorbing the costs of losing key employees, organisations can mitigate against increased attrition rates by measuring the happiness and well-being of their employees and adapting their offer to employees accordingly. At Sopra Steria, we see the use of our virtual assistant Sam to suggest and push learning and development opportunities to employees, enabling us to predict which employees are more or less ‘at risk’ of flight. We are also able to ensure that succession plans are in place across the entire organisation, rather than focusing solely on management or critical roles within an organisation.

**Driving business performance:** HR analytics can help to address performance issues by identifying employees with strong leadership skills and flagging those that do not mix with the culture of the team or organisation. By better matching job applicants or future successors to the right positions, organisations can improve their overall performance.
Our future vision for the HR function is fast becoming a reality. As HR emerges to be a strategic partner to the business, data analytics, increased automation, including robotics, and process transformation will be key to putting the customer (employees) at the heart of everything HR does. Whilst it’s true that ‘humans’ have always been what HR is all about, HR3.0 is built on a true understanding of what today’s human being really wants in the modern workplace. Ironically, it uses robotics and other digital technologies to free up HR professionals to ‘put humans back into Human Resources’.

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About Sopra Steria

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