11 Feb 2022

Redefining the role of people professionals in the digital era

Now is the time for people professionals to explore how they can drive digital transformation for the future

Digital transformation is an ongoing effort of aligning people, culture, structure, tasks and technology so that an organisation can thrive. In their books Technology Fallacy and Transformation Myth, Kane et al. describes this continual realignment as becoming more digitally mature as an organisation. Notice that technology is only one of the five elements to align. All the other elements are about people – what they do, how they behave and how they work together.

Changing role of people professionals

This ongoing effort of adapting to change means that jobs – including those of people professionals – are changing. For example:

- Employer branding became the remit of some recruiters at TechCo, after the automation of repetitive recruitment tasks like posting multiple job adverts and scheduling interviews.
- Lincolnshire Co-op's people function took on building a digital community to engage with employees dispersed in time and place. They created a shared space for employees with a social intranet mobile app.
- The people teams at City & Guilds and Etisalat use digital learning platforms to cultivate digital maturity by creating a safe space to experiment and democratise learning. The platforms became more than just a way for employees to access courses more efficiently.
- Recruitment and L&D were more tightly linked at Injazat, blurring the boundaries between specialist people functions. Its internal talent marketplace enables employees to create targeted development plans and makes the organisation's

supply of internal candidates more visible to hiring managers.

- People professionals are using analytics to inform a range of actions as data become more accessible in ways that are easily understood. Examples include using analytics to design a programme for employees to recharge or improve the quality of conversations around performance assessments.

And what does Kane think about the changing role of people professionals?

'*It's a mindset shift. You have to think of HR as a strategic function, not just an operational function,*' said Kane.

'*There's never been a better time to be a great HR leader. And there's never been a worse time to be an average one… the average ones will do the job the way it always has been done; the great ones are going to step forward and say, "How can HR be a strategic asset to this company?"*'

Kane raised an example from his research involving hotel group Hilton. '*They experienced a 90% drop in demand during the pandemic… they reversed their recruiting system to create partnerships with employers that were experiencing a huge uptick in demand… to get preferred application status [for their employees] at these companies.*'

'*Despite having laid off 50,000 people, Hilton was still voted the number three place to work in America because they treated employees with dignity in the midst of this catastrophic experience [and] because they had the digital platform in place. It just took a little bit of creative thinking to show real concern for their employees and turn that into a competitive advantage. What could have been catastrophic for the firm really turned out into a strategic win.*'

Change management at speed requiring new strategies

On digital transformation, the people professionals we spoke to talked about change management, and shared insights on maximising opportunities and mitigating risks.

What they said remind us about the importance of balancing the goal of improving operational efficiency with what matters to the people who will be using the technology. Sometimes this means focusing more on making the technology useful and simple for people than making back-end activities more efficient. At other times, this means amplifying the benefits of technology for the people using them. For example, RetailCo not only made it simpler for people to apply for store-based roles and easier for managers to identify strong candidates, it also used AI to give applicants tailored feedback.

Meanwhile, given the amount of personal data being handled by the people function, it will also be important to control access to identifiable as well as anonymised data.

For Kane, when asked whether digital transformation, in other words dealing with digital disruption, is really about change management, he said it was absolutely the case.

'*It's not new. We lose sight of the fact that because it's digital we think it's different. Sticking to the basics is really important. [What's different is that] change is happening at a much more rapid pace and is widespread... Thanks in part to COVID, it's accelerating changes that are already happening,*' he said.

The implication is that the old ways of managing change won't necessarily work anymore, and new strategies are needed, Kane added.

'*There's a great quote from the [chief IT officer] of CarMax who said, "I don't know how the world is going to be in three or four years. What I am trying to do as CITO is position our company so that we are ready to take those changes and be nimble, agile and responsive: an organisation that can move quickly." That's what he was preparing his organisation for.*'

'*Building organisation processes to be able to deal with a period of ongoing and unexpected change is the new normal that we will all find ourselves in.*'

And Kane warns that a '*more disruptive time is yet to come*' and that COVID has simply set these changes in motion. '*We're not going back to the old ways... as companies learn these new ways, that competitive environment in the disruption is just going to accelerate,*' he said.

Kane was quick to home in on remote and hybrid working as an example:

'*Every company is going to solve that in a different way. How you solve it is going to have profound implications on talent, on how you work on what you do well... I think it's going to take three to five years for companies to figure out what they want to look like.*'

For HR to be strategic, Kane says they need to be part of that process of '*thinking through what you want your organisation to be because the decisions you make in the next 12 to 18 months as a company will define your future. We know there are lots of different ways to answer these questions and I just don't see that many organisations that are engaging in the type of critical reflection that I think is necessary given the magnitude of change in front of us.*'

He named the example of KLM airlines which had to deal with flight cancellations during the Icelandic volcano disruption. '*We know they survived, navigated the disruption, went back to normal. It wasn't until six months later they said, "What were we thinking? We developed great new capabilities in this time [like using social media to interact with customers]. Let's make sure we implement them going forward",*' said Kane.

People function not regularly seen to lead on digital transformation

While developing this series, we found many examples where people professionals led digital transformation within their functions. But few examples were found where they played a leading role in organisation wide digital transformation like at Axiom Telecom. (If you have another great example of people professionals leading their organisation's digital transformation, please contact research@cipd.co.uk.)

Perhaps the responsibility was delegated to another department. For example, at the Royal Free London NHS Foundation Trust, the innovation department oversees the solutions to deliver better services and to clear the backlog of tasks due to COVID. The people function was one of the innovation department's internal customers. Together, they developed solutions to automate repetitive tasks such as sending conditional offer letters, processing new starter forms and managing variation of employment contracts. But it was the innovation department that was seen to lead the activity.

Another possible reason that people functions are not leading on the agenda may be due to lack of skills or time to contribute to the decisions to invest or implement technology. Or perhaps there really wasn't a reason for the people function to be involved. That might be the case if the technology didn't need a significant realignment with the organisation's people, culture, structure or tasks.

But might there be another explanation? Kane said his research asked a question about who might be a bigger barrier to digital maturity – leaders or employees. Leaders were surprisingly named as the bigger barrier. '*As you are asked to step up and take a more strategic role, certain middle management positions are reluctant to do that because you're not going to get fired doing the job that you're required to do*,' Kane explained.

'*It definitely takes a different mindset to make these more strategic decisions. Employees that don't have the experience may be reluctant to do so. It may be that HR employees have not viewed their role that way and are reluctant to step into making it that way because it has some risk*,' he added.

'*So they [HR] might not be involved because they don't want to be involved… "That's not my job. I don't want to be a part of it."*'

Kane's view was well-supported by unpublished survey data from our *People and Machines* research. To the question of why the people function was not involved in technology decisions, the top reason by far was that senior leaders didn't see it as a matter for the people function. '*It was an issue for the IT department*' and '*This was an issue for a different department*' were among the common responses. The second top reason, as expected, was that senior leaders believed their people functions lacked the

skills.

How can practitioners break through to become more strategic?

As we conclude this series, we would encourage every people professional to pause and think of one (additional) way you could help your role and the organisation(s) you work with or for. For example, how can you use technology to help create the desired culture, processes or tasks that will enable your organisation to thrive?

Supposing what you decide on is to ensure that critical roles are filled with people who are productive and happy to work for the organisation:

1. The first thing you could do tomorrow is to identify which roles are critical to the organisation. Do the people in these roles have the skills and tools (including technology) they need to do their work? How does the organisation's processes support or hinder their work? How well does the organisation's culture support them to perform their best and make them feel happy to stay?

   Your ability to fill critical roles with the best people and retain them depends on how tightly aligned people are to the organisation's culture, structure, tasks and technology.

2. The above questions may not be ones you can answer immediately. Over the next few months, speak with employees, look at staff surveys, performance reviews and exit interviews to gather the data you need to answer those questions. Doing this will help you understand what else can be done to help employees in critical roles be productive and happy. To make it more manageable, you might focus on just one critical role to begin with.

3. Within the next year you should be able to identify, plan and implement one or more key actions that would help the organisation fill and retain the best people in these critical roles. Remember, this process is iterative so do revisit steps one to three periodically. Get this right and people in the organisation should hopefully start seeing the value of your targeted efforts.

If you are in the early stages of considering what being more strategic means for your role, you may feel that it's risky to exceed your remit (and rightly so). If this is the case, see how you can reframe the barriers that might be holding you back:

Barrier 1: It's not relevant to me. Instead, think of it as an opportunity to shape how you want your role to be and to <u>make working lives better for other employees</u>. Start with solving critical but less risky problems that would most benefit you and your

organisation(s).

Barrier 2: I don't have the skills. You don't need to know everything, but you do need to be a great people professional. Look at the CIPD Profession Map to see how well your knowledge and behaviours measure up. If there are gaps, choose one area to work on that would help your career and organisation(s) you serve.

Barrier 3: I don't have the time. Are there any tasks in your role that you could simplify, stop doing or delegate (to someone else or a machine)? If so, make time to address some of these. Repetitive tasks are candidates for automation. Freeing up time would give you the headspace to update your skills and find opportunities to increase your value as a people professional.

Jobs are changing – how do you want to redefine your role as a people professional? We hope the insights shared in this series provide some inspiration.

Explore related articles from our partner Personio:

- Three change management models to help transform your business
- The three key phases of change management processes
- Change management guidelines for HR
- HR trends 2022: The 5 items you need on your agenda