



The Future of HR

A Three-Part Series



TABLE OF CONTENTS

THE EVOLVING ROLE OF HUMAN RESOURCES	4
THE PATH TO HR AGILITY	6
DEMYSTIFYING PEOPLE ANALYTICS	7

01

THE EVOLVING ROLE OF HUMAN RESOURCES

In this information age, we are constantly reminded of disruption, the rate of exponential change, the future of work, customer experience, digital transformation...and the list goes on. However, these discussions often fail to

recognize that human resources (HR) can and should play a central role in navigating the uncertainty and ambiguity that lies ahead. As organizations adapt to the shifting landscape, HR can play a critical role in four key areas:



Hire for new capabilities

The skill sets that have made organizations successful to this point are not the same skill sets that will make them successful in the future. HR partners with business leaders to identify required capabilities and taps into new sources for talent.



Drive new digital culture

While certain elements are core to an organization's identity, digital culture is continually shifting. HR is uniquely positioned to drive and influence digital culture, and the most effective HR teams are committed stewards and champions.



Enhance employee experience

Employee experience starts before hire and continues after an employee leaves the organization. HR focuses on providing supportive, seamless experiences across all interactions throughout the employee lifecycle.



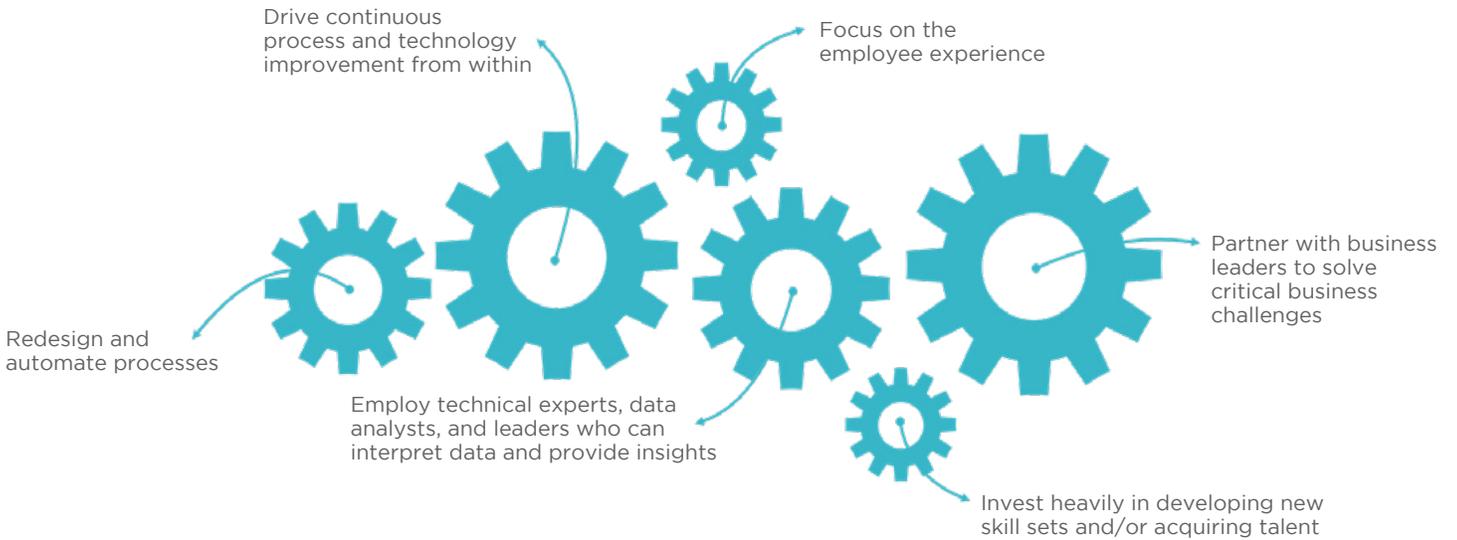
Deliver data-driven insights

HR leverages vast amounts of data (e.g., employee engagement scores, talent metrics, retention levers, etc.) to provide valuable insights to solve business challenges and drive favorable business results. HR is a valued advisor to business leadership.

In order to assume these roles, the focus of HR must change. Many HR teams spend their time and energy on transactions, administrative tasks, and programs designed and/or developed through an HR-focused lens. Not surprisingly, the competencies and organizational structure of HR teams do not typically translate to the competencies or organizational structure required to create a value-based role in HR. An internal transformation to realign work and upskill staff is necessary before HR can effectively help

leadership transform the organization. High-performing HR teams have shifted their focus to help solve the most challenging business problems by sharpening their business acumen, leveraging data to make informed decisions, and maintaining a customer-centric mindset. Characteristics of leading practices organizations feed off one another, generating a flywheel effect of accelerated change, heightened employee engagement, and superior business outcomes.

Figure 1: The Role of HR in Digital Transformation: Impact on HR Teams



HOW SCOTTMADDEN CAN HELP

The transition to the new role of HR is a complex and time-consuming process, but the outcomes of the transition can significantly elevate the role of HR in the organization. ScottMadden has helped countless HR organizations undertake and succeed in every phase of their journey. For more information, please contact us at info@scottmadden.com.

02

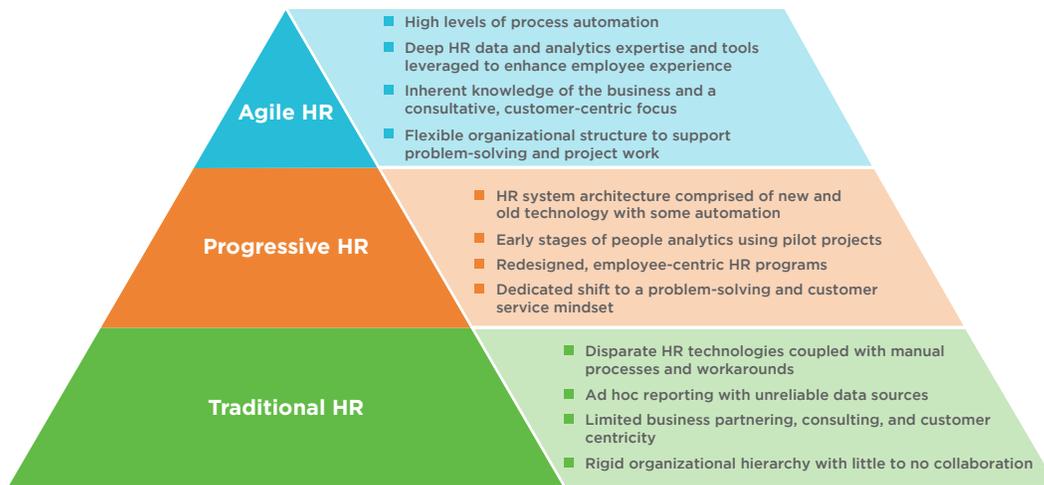
THE PATH TO HR AGILITY

Organizations are looking for ways to cope with, manage, and thrive in an ever-shifting landscape. Many are starting to leverage “agile” principles—collaboration, flexibility, responsiveness, iteration—to transform their enterprises from top to bottom. In fact, an industry study¹ found that 75% of business leaders list leveraging agile methods as a top priority, while a significant number of them feel their teams should be working in more agile ways. These statistics are not surprising, considering that agile organizations are shown to have greater customer centricity, higher revenue growth, lower costs, and a more engaged workforce than their peers.

Hallmarks of organizational agility include a common purpose or mission, flexible organizational structures and networks, rapid learning cycles, and market-leading technologies. These components impact the employee experience and are ultimately the responsibility of HR. The path to organizational agility is long and winding, and HR cannot lead or support from behind. As we outlined in “[The Evolving Role of Human Resources](#),” HR needs to transform itself before it can lead the organization.

But what does an agile HR organization look like? Several key attributes distinguish leading HR organizations as they move up the agility pyramid (shown below).

Figure 1: The Path to HR Agility



In order to start the journey and move away from traditional HR practices and structures, HR teams must:

- Leverage untapped functionality of existing technology to enhance automation, drive standardization, and capture relevant HR data and metrics
- Get closer to customers and stakeholders to identify their biggest challenges and determine pilot projects to provide HR data-driven insights and solutions
- Track and communicate successes to demonstrate capabilities, open doors for future projects, and grow continued support

- Redesign key HR programs to support the employee experience and drive bottom-line results. High-value areas include learning and development, performance management, compensation, and recruiting

HOW SCOTTMADDEN CAN HELP

Shifting from traditional to agile ways of working is critical if HR wants to remain relevant or grow into a valued transformation partner and leader. The time and attention required to make this shift should not be underestimated. Consider ScottMadden to help you succeed in this dynamic and evolving marketplace. Together, capitalizing on our decades of experience developing customized approaches, we can define your best path forward.

03

DEMYSTIFYING PEOPLE ANALYTICS

People analytics has been a popular topic within HR over the last several years and for good reason. This emerging discipline, also referred to as *talent intelligence* or *HR analytics*, informs and enables better hiring practices, higher retention of talent, more effective performance management, and better employee engagement.

One industry [study](#) from LinkedIn reports that companies leveraging people analytics to support business decisions see an *82% higher three-year-average profit* than their counterparts. Given such considerable results, it's no surprise that *71% of companies* see people analytics as a high priority.²

People analytics literature often focuses on what is possible with advanced tools and organizational capabilities. However, many organizations are still in the early stages of their people analytics journey. With that in mind, let's start with the fundamentals.

WHAT IS PEOPLE ANALYTICS?

Simply put, people analytics is the practice of turning disparate employee data into insights that drive business decisions. The same LinkedIn study reports that only 9% of leaders have a strong idea of which talent dimension(s) drive organizational performance, leaving many organizations guessing as they struggle to attract and retain talent. People analytics can help organizations understand talent trends and drivers, including which hiring criteria lead to high performers or why retention in certain job roles is so challenging.

WHY HR IS IN A POSITION TO LEAD

In many ways, HR holds the “keys to the kingdom” when it comes to organizational information. As the owners of the organization's people data—hiring trends, turnover, performance, etc.—HR is uniquely positioned to inform and drive key business decisions. As mentioned in “[The Path to HR Agility](#),” high-performing HR organizations proactively collect and analyze their people data, develop meaningful insights, and leverage a problem-solving mindset to consult and partner with business leaders.

GETTING STARTED

Of course, implementing people analytics is not as simple as flipping a switch. There can be challenges with underlying HR data, existing skill sets within HR, and leadership and organizational buy-in. However, there are small but meaningful steps you can take to develop your people analytics roadmap and strategic plan:

- **Understand your data.** Which data are truly relevant to your objectives? Are your data sources reliable? Do they integrate with one another?
- **Identify a target.** Armed with your understanding of the data—along with knowledge of key business challenges and existing HR skill sets—identify a single, manageable issue to investigate.
- **Partner with others.** In addition to business leaders, HR needs to partner with other areas of the organization—such as IT and legal—especially when sensitive employee data is being gathered, analyzed, and used to make decisions.
- **Start your journey.** Investigate your initial target issue and provide meaningful insights and recommendations to leadership. Start building your roadmap and leverage your early successes to build momentum and gain organizational support.

People analytics can have a significant impact on your organization's bottom line. To efficiently design and implement your best path forward, be sure to partner with someone who knows how to harness the data found within your own organization without having to buy new tools. Starting small and demonstrating success is an effective way to gain valuable buy-in from your organization.

HOW SCOTTMADDEN CAN HELP

With more than 25 years of experience in HR operations and shared services consulting, ScottMadden has helped build people analytics practices for countless organizations. Contact us to discuss if applying people analytics is a good fit for your business goals.

1. The Rise of Analytics in HR: An Era of Talent Intelligence,” LinkedIn Talent Solutions. 2019.
2. Ibid.

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