



## A New Mandate

### The Evolution of Human Resources in Building the Workplace of Tomorrow

#### INTRODUCTION

Digital disruption is the new order of the day, introducing new realities, new challenges and new opportunities. Companies of all sizes, across all industries, are grappling with the implications of this large-scale digital transformation. For some, it is a change that threatens the foundations of their businesses; for others, it is a cornerstone for reinvention, helping them look beyond traditional business models or markets and embrace fresh ways to work in this new reality.

New technologies continue to dramatically impact the way employees operate, respond, communicate and collaborate within organizations. Advancements enable a global workforce, making workers more productive and providing the platform to interact almost anywhere, anytime. However, the new normal is also leading to environmental changes that we've never experienced before. For example, today's employees coexist with at least three other generations (millennials, generation X, baby boomers), have various social platforms outside of their organizations to air their feelings and have more diversity of choices than ever before. This is the reality of the workplace of tomorrow.

For human resource leaders, equipping their organizations to not only survive but thrive in this new business environment is the need of the day. To achieve this, it is time for HR to step out of its traditional mindset of being a human resources business partner (HRBP). Instead, HR must present itself as a function that will lead the building of the workplace of tomorrow and drive dynamic transformational change within an organization, rather than just try to keep up with the rest of the company. Indeed, the opportunity for HR to play the role of innovator, mentor and the otherwise hackneyed role of a business adviser has never been stronger.

To discuss building the workplace of tomorrow, Spencer Stuart brought together 20 prominent HR leaders from diverse industries to share their journeys and discuss the evolution of HR. The topic spurred an engaging discussion among the leaders, with the following emerging as key themes:

- » The need for curated and personalized HR
- » Technology that's a "means" but not the "end"
- » Balancing the heart and the mind
- » The imperative for HR leaders to evolve



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## CURATED AND PERSONALIZED HR

The last decade has seen a significant transformation in the workplace itself as it has become more fluid, informal, multicultural and multi-generational than ever before. Organizations are observing various changes that are altering the fundamental organizational culture of the workplace. These changes include:

- » Organizations are increasingly getting “Uberized” — i.e., over the next decade, many organizations expect that permanent employees will only account for a smaller and smaller portion of the workforce, and people with specialized skills required for specific projects will form the largest portion. Since they will be with the organization for a shorter duration, integrating them and building relationships will require a different approach.
- » For the first time in history, multiple generations are working alongside each other — baby boomers, gen X and millennials — and all come to the workplace with a distinct set of values, attitudes and behaviors. In addition, each has its own expectations, priorities, and work and communication styles. For example, millennials, who make up the largest portion of the workforce, are driven more by passion than a paycheck. Unlike older generations who value job stability, millennials have repeatedly said they have no qualms leaving if they are not happy at their jobs.
- » Employees today are connected 24/7 and are expected to respond — and receive responses — to their issues 24/7. Gone are the days of the 9–5 workplace.

Given this fluidity and diversity, it is evident that a one-size-fits-all approach to HR practices, hiring practices, managing styles, rewards and retention will no longer suffice. To put it simply, HR leaders need to be able to offer a curated and personalized experience to employees. They can do this by empowering individual interests, skills and aspirations. More than ever, HR teams need to shape this effort.

In India, some of the early-stage companies are driving this changed thinking. An HR leader from an Indian hyper-growth startup shared that, “We are offering our employees a choice in the type of bonus they want to receive. Our employees can choose from a cash reward, or opt to receive it in the form of extra holiday time or working in the not-for-profit sector for a cause they are passionate about. By letting them choose for themselves, we are appealing to everyone.”

The complexity that comes with the workforce of tomorrow is certainly challenging. But like anything else, the rewards can be well worth the effort.

## TECHNOLOGY IS THE MEANS, NOT THE END

We live and work in a world where literally everything we do is being impacted and driven by technology. Within the HR function itself, there are various new and exciting technologies and tools that offer various benefits — but they also come with some downsides: in many cases, HR leaders are often distracted by the “coolness” quotient of new technology. So technology is being added without really addressing the core process-related issues within HR. One of the HR leaders from the pharmaceutical sector shared that many HR organizations are adding technology without really thinking about the genuine impact on the organization or the employees. He shared that we must start thinking beyond technology for technology’s sake.

As in all other business functions, technology has great potential to become a key enabler for the HR function. However, it is important to realize that it is not the end but just the means. One of the HR leaders shared that millennials spend more time on Facebook, Instagram, Snapchat or Twitter than they do checking email. Organizations can leverage the collaborative nature of social media to engage in an active and real-time dialogue with employees, receive real-time feedback, involve each person in decision-making, and encourage a sense of community and empowerment. One of the HR leaders from the retail sector shared that “close to 85 percent of my organization is below the age of 25, and given their preference and comfort with social media, we are now experimenting with using ‘Likes’ as part of their performance appraisal.”

One of the leaders also opined that the era of drawn-out technology projects is over. “We can no longer take two years to implement a new performance management system,” he said. “It is important to be in beta and agile mode all the time.”

For HR leaders, the challenge lies in questioning and evaluating how effective and impactful new technology will be. The key to success lies in asking questions such as: What specific outcomes will it deliver? Is it sustainable? What effect will it have on the workforce? Is it worth adopting?

Clearly, technology is not the key differentiator, but simply an enabler. HR leaders who realize this and react with agility, experimenting and learning along the way, will have an unprecedented opportunity to help organizations and people become leaders in the new world of work.

## HEART VERSUS MIND

Over the past few years, many HR teams have focused on streamlining HR processes, automation, self-service, HR analytics, data harmonization and tools. A great deal of this effort has been at the cost of replacing the good old “human touch” approach of empathy and caring that’s traditionally been at the center of the organization. In many ways, this had led to a “dehumanized” HR approach, and as one of the HR leaders in the pharmaceutical industry said, “In India, we are moving away from empathy and moving to business efficiency.”

While technology is clearly indispensable, the need for a humane and caring approach is also crucial. “It is about figuring out how to help our people use technology to do their jobs better, but not get stuck with that itself being the core,” pointed out the HR head of a multinational retail chain. Company cultural ambassadors will have to play a large role in articulating a humane digital culture, and also ensure the organization is moving in the right direction.

However, it does not have to be an either-or situation, advised an HR leader from a multinational company. “The question to keep in mind is: how do we balance the heart and the mind?” He said. “In other words, in what areas should we leverage technology, and where is it important to have high touch?”

As a result, today’s HR leaders must discern which processes should be automated compared to when a human face is the better choice. And ultimately, they must ensure the focus of the technology they adopt inspires, enables, and empowers employees to learn, adapt, create, and drive change.

## IMPERATIVE FOR HR LEADERS

As an avalanche of change comes to the workplace, the fate of future business, regardless of industry, rests partially on how quickly HR leaders can step up and become true transformation partners. To thrive in their new world and not just survive, HR leaders will need to demonstrate a different set of characteristics, such as:

**Authenticity:** The HR leader is one of the few leaders (other than the CEO and CFO) who has a 360-degree view of the company. HR leaders are also “cultural ambassadors” of the company. Given this context and the increasing real-time nature of business, the HR leader of today needs to be authentic. This can mean multiple things, but for starters, HR leaders need to show empathy, be open to hearing diverse perspectives yet have a strong point of view, and be willing to challenge the other business leaders. As they say, with great power comes great responsibility.

**Agility:** Not just organizations, but the world itself has become a place where real-time feedback is the order of the day. Given this backdrop, today’s HR leader needs to have a flexible yet outcome-driven approach. At the same time, the leader should be able to anticipate and drive change by continually adapting, innovating and staying ahead of the game. These qualities are necessary not just from an HR perspective, but also from a business perspective.

**The ability to learn:** We live in a generation where our children likely know a lot more about technology than we do. The HR leaders of tomorrow need to be humble and open to learning from all levels of their organization — irrespective of age, gender, nationality and so on. As one HR leader stated: “We are a half-step generation that is avaricious about apps but we don’t know when to use them.”

**The ability to balance the heart and mind:** Today’s HR leaders need to maintain a fine balance between the heart and the mind when it comes to leading the HR function. One CHRO shared that, “Technology may be becoming the leading driving force, but at the end of the day, it is people who will make or break the future of business.” HR leaders who are able to incorporate leading-edge technology while maintaining the human touch will be able to

create market-defining HR practices and position themselves as the co-pilot to the CEO, navigating businesses in a complex and uncertain world.

## CONCLUSION

The workplace of tomorrow is already here, yet it continues to evolve in ways that we have never imagined. This is a great opportunity for HR leaders to position themselves separately from their traditional roles and become the true leaders of responding to the digital transformation. There is no time to lose, however, as the future isn’t in some far-off time — it’s here now.

The onus of leading this transformation will lie on today’s HR leaders. As a result, HR leaders need to adopt certain traits, such as being authentic, agile, low ego and open to learning. Forward-looking HR leaders are already planning ahead for a range of different scenarios — businesses without borders, a virtual talent marketplace and a majority-millennial workforce, to name a few — but the need of the hour for the HR leaders is to be faster, authentic, more agile and more courageous.

The focus of the HR organization needs to be on building a curated and personalized HR approach, as a one-size fits all approach no longer drives business value. A diverse, fluid, and multi-generational workforce wants new ways of learning, creating, and working across organizational and geographical boundaries. New paradigms of work built on fluidity and adaptability need to emerge. There’s much to be done.

The key to success lies in using technology to engage and empower employees on a higher level, whether it’s the ability to provide personalized learning and feedback, or facilitate collaboration more easily and efficiently. At the same time, HR needs to build a strong balance between the heart and the mind.

Acting as a strategic business partner, it is up to HR to embrace the challenge and drive this transformation agenda. It is time for HR to lead the way.

## ABOUT THE AUTHORS

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