



A Deep Dive into Digital HR Transformation

A Fireside Chat With
HR Expert Jon Ingham



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Earlier this week, we sat down with Jon Ingham, a people and organisation strategy consultant, over a cup of coffee to talk about **Digital HR Transformation** and why it is making such big waves in the region.

Jon Ingham helps companies innovate their management and development approaches responding to changes in the world of work and also to tie more closely to their own strategic needs.

Much of his work is informed by a strong belief in the potential offered from a smarter investment in people and the consequent opportunity to create new value for a business.

He is based in the UK but has worked with companies in the US, Europe, the Middle East, South Africa, Asia and Australia.

How are HR functions evolving in 2019 and beyond?

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HR is changing very dramatically. A lot of this, though certainly not all, is about digital technology. And the great thing about digitalisation is that HR is firmly connected to the agenda. We may not be doing very much - a number of surveys show that we are behind the curve on this compared to other functions. But we are certainly paying attention and looking for practical and impactful opportunities to move forward. That's a change from recent times.

For example, I'd suggest the first wave of digital change was around social media. I got involved in blogs and wikis maybe 15 years ago but it took another 5 to 10 years before most HR functions started to take it seriously. And most of what we do in many areas, including recruitment, learning and communication has totally transformed as a result. But it's not that long ago when I used to speak at conferences where the main theme seemed to be that there was nothing new going on in HR. I remember one event in particular where the chairman suggested that HR was very straight forward and not really changing, it is just about doing simple things well. Most people applauded politely but I fell off my chair I was so shocked to hear such insular and limited thinking. But I don't hear that sort of statement now.

The other thing that has changed in business investment in HR and people technology. Up to about 5 years ago it seemed to be Finance, Procure, Supply Chain and other areas which was getting all the investment and most new innovation was taking place in these areas too. Today, money is piling into HR technology, including our ability to handle data and perform analytics, and this means we're much better able to take advantage of the digitalisation agenda.

What is HR Digitalisation?

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Yes, sorry, I should have explained what I mean, although that's harder to do than it might appear. The simple answer is that it is the impact of digital technology on HR. Going deeper than that depends on how you look at it and especially on whether you take a high level of more specific viewpoint, as there is no one single definition.

From a very specific perspective, it is about how we deal with data in HR, and that we are using systems rather than paper plus manual entry of and updates to the data. But for me, digitalisation has to be more than just using an HR system as we've been doing that for decades but haven't traditionally called it digital HR. So it is more about use of other, newer, disruptive technologies that enable us to do things in a very different way.

From a higher level perspective, I think it is also about how we respond to business (and workforce) digitalisation. Aligning with the business as it changes will always inform more change within HR than simply planning changes looking inwards. So I think digitalisation needs to include these effects as well. For example, digital often means working in less hierarchical, more collaborative sorts of ways. Part of this is using a digital workplace and HR's contribution to this. But a much bigger challenge usually is changing mindsets and behaviours to become more collaborative.

Lastly, it is about using the innovative opportunities provided by digital technology to approach HR in a different way and to be more ambitious about how we can support and also drive the transformation of our businesses within the new digital world of work as we continue into the fourth industrial revolution.

What are the key drivers that enable digital HR transformation?

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Because digital HR has to align with digital business, one important enabler in the extent of digitalisation in the rest of the business. If the rest of the organisation is already using digital technology then it's going to be very natural to extend this approach into HR. In addition, the workforce is likely to be more digital savvy then as well. Plus another common impact of digital is to weaken the boundaries between silos, so again, if the business is using digital, then it just makes it very natural, and pretty much a requirement, for HR to follow the same approach.

Despite the fact that digital does encourage collaborative, non-hierarchical behaviours, the hierarchy is and will probably always remain very important. This means that senior leaders' sponsorship and role modelling of digital transformation is incredibly important too.

The workforce needs to be digitally savvy, but so does HR. I've already suggested that HR is much more interested in digital technology now. But we need to keep abreast of what is available, follow the case studies, and be aware its potential. And most importantly, have the creativity and insight to understand what could be different within our own organisations.

What else? Well, going back to my comments about digital needing collaborative behaviours, we need a connected workforce. One which uses the technologies effectively to collaborate and cooperate to do work, but avoids collaborative overload. And one which is transparent and empathic, which works together because people know it's the right thing to do, rather than being lots of individuals jockeying for advancement, playing petty politics and engaging in turf warfare.

What steps are organisations taking to digitise their HR functions?

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Going back to one of my previous answers, HR is paying attention to the businesses they are part of, and are getting closer to our workforces in order to understand how to better align with both of these. I'm particularly pleased to see more focus on approaches like design thinking and employee experience as I think this helps a lot in managing digital transformation as well as just being more broadly effective.

HR is already starting to digitally people management processes and organisation designs and development activities.

And it's looking at how we can be more effective within the function itself. I think robotic process automation has caught on well, to reduce the manual side of HR's operations. Analytics is becoming huge in the way and extent to which it is being used. And I think we understand that artificial intelligence is due to add significant benefits to our decision making, though it's still early days for this in most companies.

But by the way, we've both used the term HR function a couple of times. I think one of the most interesting shifts is that we're getting close to not needing functions. Digital helps us co-ordinate activities without needing to standardise absolutely everything or pull people together. And I've already said that it tends to push back against silos. So I think groups like functions, service centres and centres of excellence are coming to an end, and we're going to be able to organise people much more smartly, or perhaps let them organise themselves, into teams, communities and networks. This is early days again, but there are examples of HR organisations moving in this direction and finding considerable benefits from doing so.

I hope you can see this 'evolution' you referred to earlier is starting to feel a bit more like a revolution now.

What new skills will HR professionals be expected to demonstrate in this new business landscape of Industry 4.0?

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From the more specific perspective, HR needs to understand the new digital technologies which are available, how they can be used and the benefits they can provide, and what data they produce and what analytical insight can be triggered with this. HR needs good analytical skills itself so it can interpret and require the appropriate analytics from the various technologies it uses.

But from the higher level perspective, you're right that the whole landscape is changing too. That changes everything we need to know about and everything we do. For a start, HR can only use digital technologies effectively when we understand the business we are operating in, and can therefore contextualise our work. We also need to understand people. This has always been important but digitalisation makes business more human as well as more technologically enabled. So we need to be on top of key insights from psychology, sociology and anthropology. And also cognitive neuroscience, behavioural economics, design thinking and other areas.

And as I noted earlier, digitalisation also brings previously siloed functions together, and HR benefits from developing a good understanding of other closely related areas. This includes areas which are often already seen as part of HR, including organisation design, organisation development, and culture change etc. But it also includes IT, finance, marketing, procurement, property and facilities management.

But all of this, demanding as it is, is still only a start. Digitalisation also increases the speed of change. The half life of knowledge is already only about three years, ie every three years half of what we need to know becomes out of date. That's regardless of any desire to progress in our careers. So in all of these multiple fields, there is going to be an ever increasing amount of new insight to learn. So I'd better add the abilities to learn and unlearn, both quickly and effectively, to our list!

Liked what Jon had to say?

Are you looking to leverage Digital Technology to transform the way HR leads and organises people, processes and operations?



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3. Consider the likely impact on your own organisation, including innovation in your HR processes
4. Discover opportunities for modern organisations using Jon Ingham's Orientation Motivation Matrix, and the likely consequences on your own HR group using Jon Ingham's 'Beyond Ulrich' model
5. Understand the digital readiness of your HR operations and roll out a digital roadmap to successfully manage your digital HR transformation

29 – 31 October 2019

The Address Hotel, Dubai Marina, Dubai, UAE