# Adopting the digital workplace

Why HR teams need to flip the switch







### Contents

Foreword	3
A world of complexity	4
'Being' digital, not just 'doing' digital	7
How to get started on digital HR	11
How to work effectively with your technology partner	14
The benefits of adopting digital HR	.16
About the author	.18
References	18
About Advanced	.19
About HRZone	.20

## Foreword

In a world of increasing complexity and competing demands, it is vital that HR teams simplify and evolve their processes and systems. The multi-generational workforce has arrived, and with this arrival employee digital competency and fluency has increased, with Generation Z employees expecting the same technologies used at home to be available in the workplace.

As Group HR Director of a company that is scaling through having a large entry-level population, I can testify that demonstrating ourselves as a forward-thinking business is instrumental to our effective recruitment. Exploring how HR teams can adopt the digital workplace and evolve their response to modern expectations and challenges is key to success.

Flipping the digital switch by automating time-consuming processes has helped our own HR department emphasise autonomy and ownership, with each member of our growing team enabled to make a difference across the business.

Being a digital HR team, not just doing digital HR, has empowered us to transform from an upside-down organisation to one that can scale and evolve. HR professionals need to work effectively with technology partners to ensure they stay externally competitive and internally effective. Our HR team are lucky in that we have a great opportunity to work with technology and product owners closely, but other people practitioners must exploit this opportunity as well to maximise their own effectiveness and potential.

Through this whitepaper we hope to inspire HR professionals across the UK to reimagine the way they work. HR leaders should identify with the common problems outlined, and be encouraged to redefine their role and mission within the business.

Take the chance to get a headstart on digital HR. Identify areas where adjustments are needed and transform your workforce and workplace to one that is digital and forward-thinking.

Flip the switch, and pioneer your own change.



Alex Arundale, <u>Group</u> HR Director, Advanced



Since the late 1970s we have been operating in a world of increasing complexity. Markets have become more unpredictable. Digital platforms have continuously disrupted the notion of the organisation inside traditional industries. The workforce rules of Frederick Taylor's command and control and thinkers and doers (Frederick Taylor, 1911) have become obsolete.

The prevailing social deal (namely the job for life), promotions that occur inside the formal hierarchical structure, and the gold-plated pension have all now evaporated. This has left employers searching for both new channels to use (such as gig, contractor and atypical work) and new propositions for permanent employees (such as health and wellbeing initiatives, sophisticated reward packages and leisure perks) to attract and retain those in demand, in an ever-tightening talent market.

#### The change imperative

At an individual level, we've also seen equally enormous shifts in society that have massively impacted the world of work. People are living longer, and so need funding much further into their lives. Alongside this, the multigenerational workforce has arrived, with the youngest (characterised as digital natives) beginning to dominate the workplace.

We've also seen the global spread of internet access and the rapid adoption of mobile phones, which has left us with more mobile devices than humans on the planet (Mike Murphy, 2019). As a result, there has been increasing sophistication of outsourcing opportunities to a worldwide audience.

#### The exponential rise of technology

The powering up of technology has fuelled a change in market complexity. We now have more computing power in our handheld devices than we did in our office computers of the 1990s and over the last two years alone, 90% of the data in the world has been generated (Bernard Marr, 2018).

Our habits and interactions have also been markedly changed by the onset and development of social technologies from corporate superpowers Facebook and Google, since they burst onto our scene in the early noughties.

#### The evolving digital HR response

Unsurprisingly, the HR function's role and importance has shifted as a result of these transformed circumstances. The analogue version of 20th century HR was judged on legal compliance, data extraction, employee policing and recordkeeping. The role also required holding together the old employer-employee social contract by managing outward conflict through codes of conduct and HR policies that legislated for every eventuality.

"Digital HR represents a sea change in both the approach and execution, although it takes place on a continuum as organisations progress"

Erica Volini, Pascal Occean, Michael Stephan & Brett Walsh, 2017

In recent years, it has become clear that HR has a renewed opportunity to re-imagine the profession's proposition for the better. We've come to understand that both humans and the external market are complex and unpredictable. People, of course, continue to be the source for ideas and innovation, with human-centric skills being paramount to ongoing success (Niels Pflaegling, 2014).

In contrast, machines can be categorised as complicated but predictable (precise, rules-based and controllable). Take the examples of the mechanics of the watch or the computer itself – these comprise a series of rules that look hard to understand but can be broken down. The automation we have today, from data pattern recognition, to algorithms and machine learning reads these rules and interprets the data for us. Whilst impressive, they don't have complex human-like qualities and are predictable.

Both people and machines working in tandem are at the heart of what digital HR now means. It requires HR teams to focus on true value creation, with digital the domain of the administrative and repetitive.

## In this whitepaper, we will seek to answer the following questions:

- What do we really mean by 'being digital' in today's workplace?
- What are the new capabilities it reflects and the opportunities it presents for HR and the wider business?
- How might you get started as an HR team?
- What is the role of your technology partner in helping HR 'be' digital?

## 2 'Being' digital, not just 'doing' digital

Moving from the analogue world to the digital one is more than just a technology play, as important as that dimension is. It's a converging world that introduces a new way to organise and innovate against market complexity.

It's about making objectives easier to achieve by tapping into people's ability to create value, innovation and ideas.

Businesses today need to encourage collaboration, dial up the importance of experience as a virtue and provide a greater focus on the exponential growth and ability of technology to bring ideas digitally to life.

Let's break this all down by looking at the various characteristics of a digital workforce, a digital workplace and digital HR... "The new digital HR toolkit focuses on creating experiences that combine the right balance of human interaction with consumer-grade digital touches."



#### What is a digital workforce?

In the analogue era, work was often pushed from the top down in an environment where mass production, efficiency, consistency and control were the order of the day.

The digital age drives a different imperative for a different time. This is often referred to as the 'digital DNA' and consists of:

- Management practices and workflows that foster greater autonomy and decentralised decision-making, inside loose frameworks of culture codes that define what 'good' looks like (Karen Schellenback, Mercer, 2017).
- Recognition that the team, network and interdependencies are where value is created, ideas are generated and innovation sparks.
- People practices that are free of 20th century analogue baggage and instead are helping to make the flow of work easier to navigate while also putting employee experience at the heart of our thinking (Lucy Adams, 2018).
- The realisation that with both the unbundling of work (Laetitia Vitaud, 2018) and the increase in supply chain resources (enabled by a plethora of digital platforms) we now have better ways to organise work.

#### What is the digital workplace?

The digital workplace has a greater appreciation of workplace design and aims to get the best out of internal and external teams, who are interacting and collaborating for the greater organisational good.

This involves an increase in frequency of workplace collaboration and productivity tools, the ability to work 'any time, any place' and a greater understanding of what we need to succeed in a digital organisational environment.



#### What is digital HR?

With the digital workforce and digital workplace outlined, we can now see that digital HR is about delivering on this sea change in both approach and execution. This needs to be done in a manner that helps prepare for everything that market complexity throws at the organisation.

Digital HR requires a renewed focus, away from the one-sizefits-all approach of the analogue age, which aims to improve the employee experience. This involves putting the employee at the heart of the thinking – understanding and empathising with what is needed and what is important for them.

The next step is to design and build human-centric experiences and workflows across the employee life cycle that tap into the right emotions and behaviours, ultimately producing the right organisational outcomes.

A major part of the new digital HR toolkit focuses on creating experiences that combine the right balance of human interaction with consumer-grade digital touches. This requires tapping into the technology that forms part of the individuals' wider accessible ecosystem, such as mobile-enablement, apps, nudges, prompts and instant review capabilities.

By harnessing technology for repeatable and rules-based tasks, HR professionals are able to free up time to focus on more value-adding activities that reflect the complexity of human beings and the external market. The era in which digital HR professionals are working effectively alongside CoBots has already become a reality (Chris Pope, 2019).

### What are the emerging digital capabilities?

These are many and are rooted in both the digital DNA focus and the digital technology areas combined. The transformation cannot be additive for fear of overwhelming ourselves. Space has to be created by cleansing old outdated rituals and handing over the data gathering and analysis role to the machine.

## As digital HR professionals, re-imagining HR, new capabilities consist of:

- Learning to ask newly reframed questions, based on achieving business and performance outcomes, not just HR outcomes.
- Moving to more evidence-based thinking outcomes, drawing data from a variety of sources and leaving the gut-feel legacy behind.
- Utilising data and storytelling to power analytics and performance.
- Using design theory interventions, such as employee journey maps (Tom Haak, 2018) and hackathons, to focus solutions on the employee as the user.
- Creating ownership of digital HR by developing a technology strategy and subsequent roadmap to allow the business to make full use of digital investments.





## How to get started on digital HR

### You will know it's time to adopt digital HR if you identify with any of these traits within your current operating model:

- The business is highly dependent, from an operational perspective, on the centre or the board to get things done, and decision-making is prone to bottlenecks.
- The HR role is primarily focused on administrative tasks, reactive employee relations, form filling, or delivering on processes that nobody enjoys doing.
- The digital technology strategy, if there is one, is owned by IT. Any HR technology capabilities are often limited to the wider enterprise resource planning (ERP) demands of the business, leaving a problem of low adoption and a poor product fit.

In response to the above limiting factors, how can HR adopt a new digital way of working?

### A five-step plan to start adopting digital HR

Step	Action
1. Re-imagine HR and then redefine its mission in the business	Move away from the analogue legacy and seek to embrace new areas such as employee experience, analytics, agility, asking the right questions, liquid workforces, digital thinking, networked organisation structures, organisational network analysis and digital leadership models.
	Be prepared to cleanse old analogue ways of working to create space.
	Have an honest debate internally about what it all means and what suits your organisation, and get experimenting.
2. Upgrade your core HR technology	Create a sensible starting point from a digital perspective. Disparate sources of truth or dirty data may be a reality.
	Replace or modernise legacy systems and <b>create a tailored</b> integrated Cloud platform and a sound digital infrastructure.
	Upgrade old tools, interventions for learning (digital content and point of need apps) and recruiting sophistication. Replace performance management, while seeking to <b>bring in systems</b> <b>that are easy for employees to use, engage with and adopt.</b>
3. Develop a multi-year HR technology strategy	In today's rapidly changing HR technology world, <b>it's important</b> <b>to build a multi-year strategy</b> that includes Cloud ERP platforms, apps and analytics. Consider how a range of tools can meet the changing needs of the business or skillfully adapt functionality to change direction within the business (Gartner, 2019).
4. Build digital HR capability	Get people on point to explore new vendor solutions, productivity app savings and employee participation interventions such as design days and hackathons.
	<b>Put innovation at the centre of the HR proposition</b> and task everyone involved with challenges to disrupt their own workplace productivity in a positive manner.
5. Experiment and scale	With confidence mounting, and the system flipping to a positive endorsement, respond to wider business-related questions and <b>partner with vendors to drive pilots, proofs of concept and other</b> <b>parts of the business.</b>
	Learn, iterate and scale on meaningful feedback. The ultimate direction of travel is the use of multiple connected sources (big data) to drive insight, preparation and differentiation that beats the industry and past performance.
	Remain restless with your progress. This goal will take time.

### The digital deficit

Be honest with your starting point on the digital journey, as many organisations will be coming at this from a dysfunctional place. For example, focusing on cleansing dirty data and building real digital capability inside an HR team focused historically on the softer side of the business will be challenging. Jumping in at a point that is misaligned will lead to broken processes being codified and low adoption of digital investment.

It's worth noting here that we have been blessed with incredible vendor vision over the past few years, as digital HR has powered up to improve the way we run our businesses, so use the expertise that the market has to offer. Some vendors can train your HR function to become self-dependent when it comes to technology.

With this in mind, let's consider how to maximise the relationship with your chosen digital HR vendor when developing your strategy, roadmap and deployment.





## How to work effectively with your technology partner

The importance of technology deployment in helping to bring alive the HR digital reality is key. Let's look at five key priorities you should focus on to work effectively with your technology partner:

❑ - Decide what your priorities are and look to avoid scope creep in the features set.

If you're at scale, ensure that your ERP deals with data flow to maximise the entire employee life cycle. When adding features, ensure they underpin the key focus of the business in the coming period. You can always revisit.

### **2** • Do your homework.

Don't compromise on core deliverables around the employee experience, data accessibility and ownership, scalability, mobile functionality and high levels of configurability.

### **3** • Maximise the Cloud for agility and cost.

There is a prevailing view that days of on-premise are gone, however your technology partner will be focused on the best solution for your business rather than any sacred cows. On-premise has its place in certain circumstances.

### 4 • Examine the vendor's list for partners and explore their open APIs.

Ensure 'best-in-breed' point solutions can be integrated if needed further into the journey, especially where there is an emerging pain point.

## 5 • Ultimately, make sure you aren't dazzled by features or overinflated views of artificial intelligence (AI).

Think of the platform requiring an onboarding period where historic data bias needs to be cleansed and challenged. Don't expect immediate 100% results the day you turn it on. Finally, assure yourself that the vendor can solve or enable you to solve your own business problems – the very objective that lies at the heart of digital HR thinking.

"We must embrace new skills, new ways of thinking and increase our curiosity and adoption in the rapidly growing field of digital technology."

## 5 The benefits of adopting digital HR

Digital HR can confer a number of advantages to organisations depending on context and timing. Here are just a few:

- Duplicate systems, for example HR and learning systems, can be streamlined into one portal.
- A mobile-first strategy can deliver a better candidate and employee experience by making HR and the business easier to engage with, avoiding old analogue frustrations.
- An agile approach and system, cornerstones of digital HR, can lower the risk of widespread failures of strategies and technologies that can't be easily changed (Steve Denning, 2018).
- Design thinking can ensure that employees actively adopt tools. Where these aren't working, design thinking can help digital HR leaders quickly change course and evolve (Josh Bersin, 2019).
- Cloud HR and talent management systems can streamline processes across the employee life cycle, lower costs and enable integration of modern tools and technologies.

Digital HR is a combination of maximising technology interventions and re-imagining the HR role to meet the demands of increased complexity.

We must embrace new skills, new ways of thinking and increase our curiosity and adoption in the rapidly growing field of digital technology. We must also abandon the analogue HR rituals and mindsets that we have become used to but which add no value in this new era.

By doing this we will have a much more interesting and rewarding role to play, creating the time, space and capability to help tackle the problems that matter most to the business.

With all this in mind, isn't it time you flipped the switch to digital HR?



## About the author



**Barry Flack** has been involved in business change for 25 years, working in senior HR and talent roles with such organisations as BT, O2, Barclays, UBS, Lebara Mobile and Primark to name a few. More recently, through his own consultancy and various partnerships with VC and PE houses, he is on a mission to help large and small organisations grow, transform and adapt to the changing world of work. His experience ranges from scaling successful start-ups in hyper growth, to reinventing the way we attract and retain talent across the globe. A long-term advocate in the positive impact of HR technology, Barry has worked with a variety of HR technology start-up vendors in order to help them gain relevance and traction in their market.

A prolific speaker and writer on the changing world of work, he was recently recognised as one of the Top 30 Global Influencers in HR Tech.

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## About Advanced



Advanced help HR teams across the UK adopt the digital workplace, helping them flip the switch on their productivity. We help HR professionals make sense of a world of complexity every day. By training the HR teams we work with to become self-sufficient, we empower them to drive change within their business without incurring huge consultancy costs. This allows HR teams to see the benefits of adopting digital HR consistently, giving them time to engage in more rewarding and strategic activities that demonstrate the value of HR to the board and across the wider business.

Advanced is the third largest British software and services company in the UK. We help HR departments create the right digital foundations that drive productivity, insight and innovation – all while remaining safe, secure and compliant.

Our solutions simplify business and HR challenges and deliver immediate value, positively impacting millions of people and employees' lives. We enable UK HR teams to make a difference by enabling them to increase productivity, engage your people and recruit and retain top talent. Every day, we help HR teams who focus too much on repetitive and manual tasks, freeing time and energy up to gain insight into their people and deliver effective change across the business.We have a strong track record in helping our customers' journey to the Cloud, and are certified partners with Amazon Web Services (AWS) and Microsoft, and have achieved the highest levels of accreditations.

Our HR solutions are used by organisations of all shapes and sizes including Superdry, Bibby and Kwik fit.

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