

Foreword: All change



It's not just change but speed of change that's rapidly impacting the business landscape. How companies respond could dictate their very survival

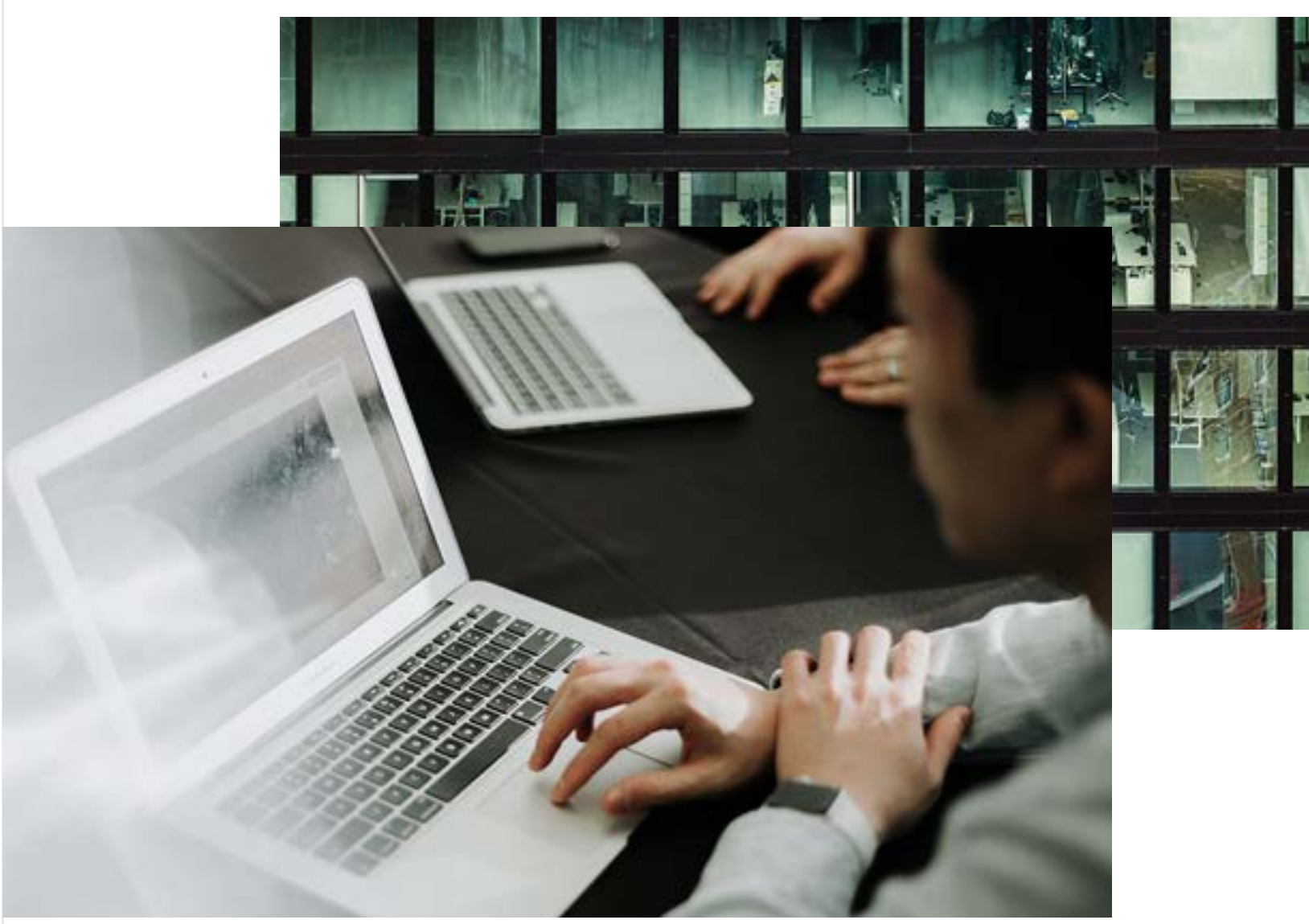
If there's one thing business leaders can probably all agree on it's that now is not the time for metathesiophobia: a fear of change or the unknown.

Changes to workplace organisation largely brought about by the Covid-19 pandemic are rippling through business, and doing so at an extraordinary rate.

From a standing start of virtually zero, globally around 38% of employees now work in a hybrid work arrangement. Careers site Ladders predicts a quarter of all professional jobs in North America will be remote by the end of this year, while 52% of staff want a predominantly non-office-based working model.

But added to this are the enervating forces of geopolitical tension, as well as a post-pandemic cost of living crisis, when globally inflation is now reaching levels not seen since the 1980s. Pressure on businesses to attract, engage and retain staff, all evermore urgent amid a so-called "great resignation", is only intensifying.

All the while, and continuing in the background, are new pressures resulting from digital transformation, analytics and AI, as well as the impact social change, with the likes of Black Lives Matter, and environmentalism are having on businesses.



51%

of those polled for the Ius Laboris survey said that HR's role had considerably changed in the last three years



That all business functions need to address these issues is clear. But of particular significance right now is the role HR decides to play in how it deals with, and leads, this multifaceted agenda of change.

How HR sees itself as a huge change-maker is one of the key findings of this year's Ius Laboris *The Word* research: a poll of legal and HR professionals' opinion of the extent to which HR practitioners now have sufficient voice and visibility to set the strategic people direction of their business.

It finds 51% of those polled felt HR's role had changed significantly in the last three years. But our research and interviewees also suggest that now is the time for HR to take ownership of the change and really take this agenda to the boardroom.

In the following pages, supported by interviews with commentators and HR practitioners, our report looks in more detail at the key issues emerging this year, including talent and attraction, the uncertain economic outlook, HR technology, and HR's increasing role in engaging with and recognising ethical issues that are important to employees.

With findings from the Ius Laboris research, we'll see how far along businesses, and HR, are in their journeys to strategically enable change rather than merely see it and support it.

We hope you find the following articles stimulating and engaging.

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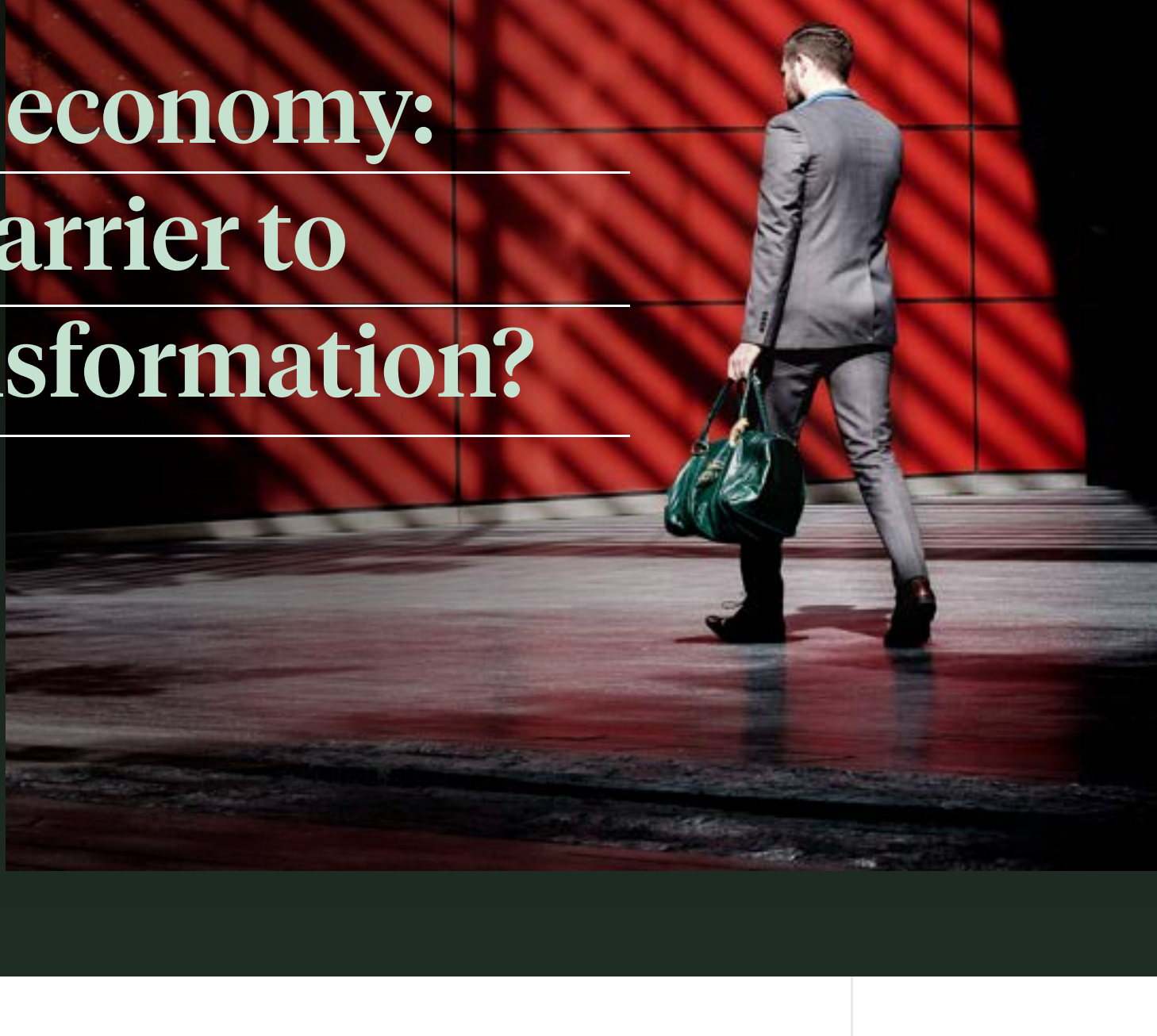
Change is the law of life. And those who look only to the past or to the present are certain to miss the future

JOHN F KENNEDY

NEXT ARTICLE
CHANGES IN THE ECONOMY:
THE ENABLER OR BARRIER TO HR TRANSFORMATION?



Changes in the economy: an enabler or barrier to workplace transformation?



Could global economic problems be a catalyst for change or will they bog businesses down and put more on their plates?

Necessity, so the saying goes, is the mother of invention. But while Covid-19 is rightly heralded as speeding up transformations to the workplace, such as hybrid working and automation, by decades rather than just a few years, the jury seems to be out over Covid's other long-tail effect that is starting to play out: huge economic strife.

Instead of having a transformative impact, could parlous economic conditions instead be a barrier to further workplace transformation, often because the problems it is causing eat up so much leadership time?

It's a question Argentinian Eduardo Juan Viñales, at the international labour and employment practice of Ius Laboris Argentina, answers with an air of resignation. As a primarily importing continent, Latin America is experiencing rampant inflation, the highest it's been for more than two decades.

The Russia-Ukraine conflict means its inflation is different from the hyper-inflation of the 1980s. "How can we [employers] make long-term strategies, when inflation is 70% and we're dealing with strikes and collective bargaining?" Viñales says.

Pernod Ricard HR director for Latin America, Dolores Castelli, adds: "Inflation is likely to close out this year at 80%."

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Uncertainty is part of daily administration of the business. We don't know what will be in the near future

EDUARDO JUAN VIÑALES, IUS LABORIS ARGENTINA

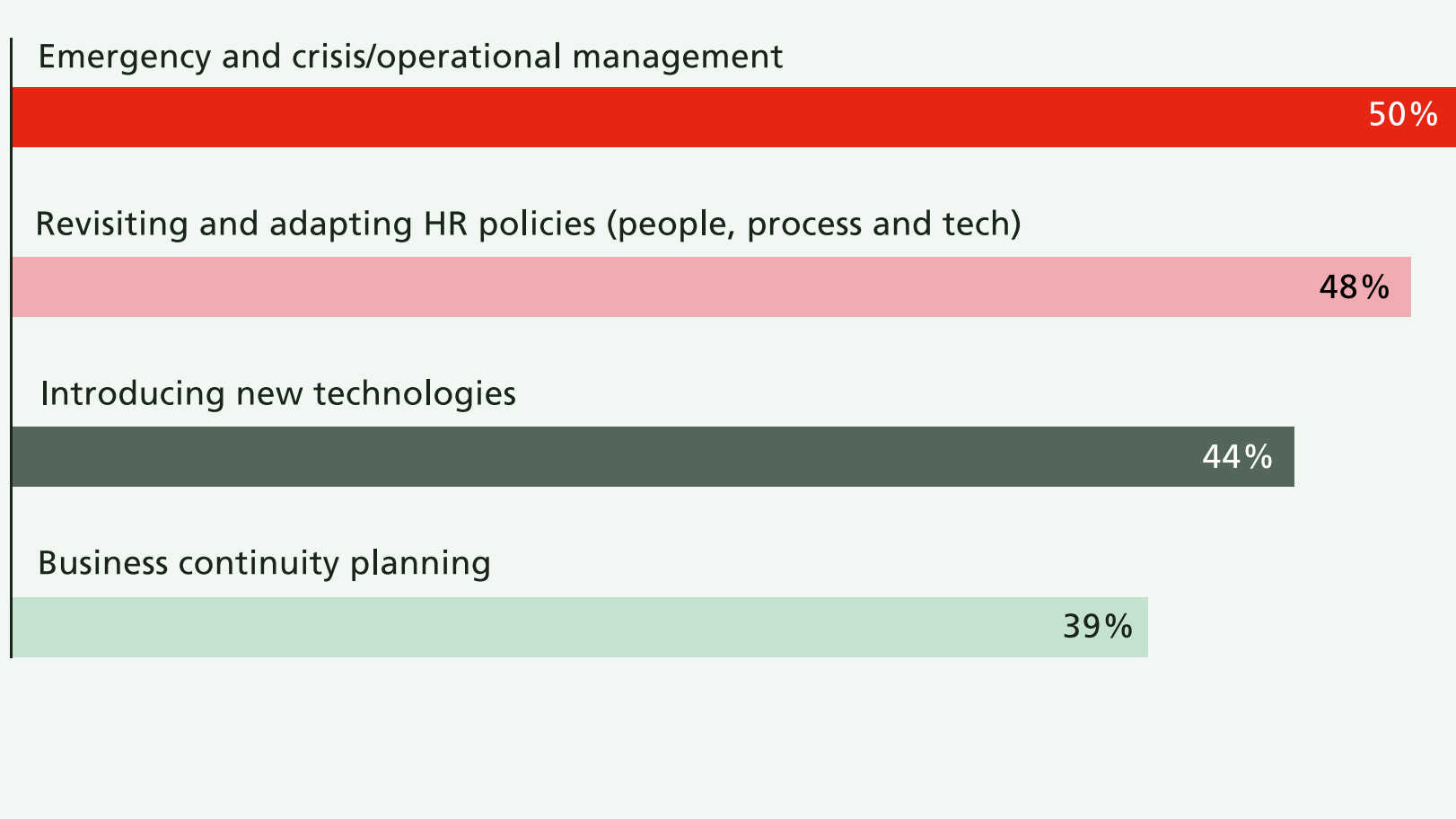
All around the world it seems the economy is forcing its hand. The cost of living is up 9% in the United States, similar to the increase in the EU, and inflation is now threatening to spread to the usually more contained Asia-Pacific region.

The Pew Research Center says US workers who stay at their organisation are experiencing a 1.7% drop in real wages, compared to those who leave and are getting an average 9.7% increase for jumping ship.

Across Europe the spectre of mass strikes has once again reared its head – Greece has already had a general strike – as individual countries face basic food item rises – of 30% in Spain – and increased union assertiveness – unions in the Czech Republic are demanding pay rises of at least 10%.

HR ARE READY TO MAKE CHANGES FOR THE NEXT BIG CRISIS

Most important processes for HR to adopt to manage the next big crisis



"There is definitely a feeling that you are lurching from one thing to another," says Rider Levett Bucknall's head of people and culture, Sarah Draper.

And results from Ius Laboris's research confirm 50% claim HR practitioners simply return to tried-and-tested emergency or crisis-mode policies.

In other words, rather than confront this challenge head-on, practised HR policies are reactively revisited. These include boosting wages, something that will only worsen inflation – selected by 66% of respondents as a solution for rising inflation – rather than taking more difficult offsetting steps, such as investing more in company cultures (30% globally) and in health and wellbeing (9% globally), things that might quell people's immediate demands for more money.

But is there also an issue of lack of confidence? Castelli certainly thinks you can either view the current economic situation as a glass half full or glass half empty. "We're all facing the same change, so we have a choice about seeing it as either paradigms being disrupted or deconstructed," she says. "The challenge really is people's mindsets."

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If you keep increasing salaries, we're just compounding the inflation problem

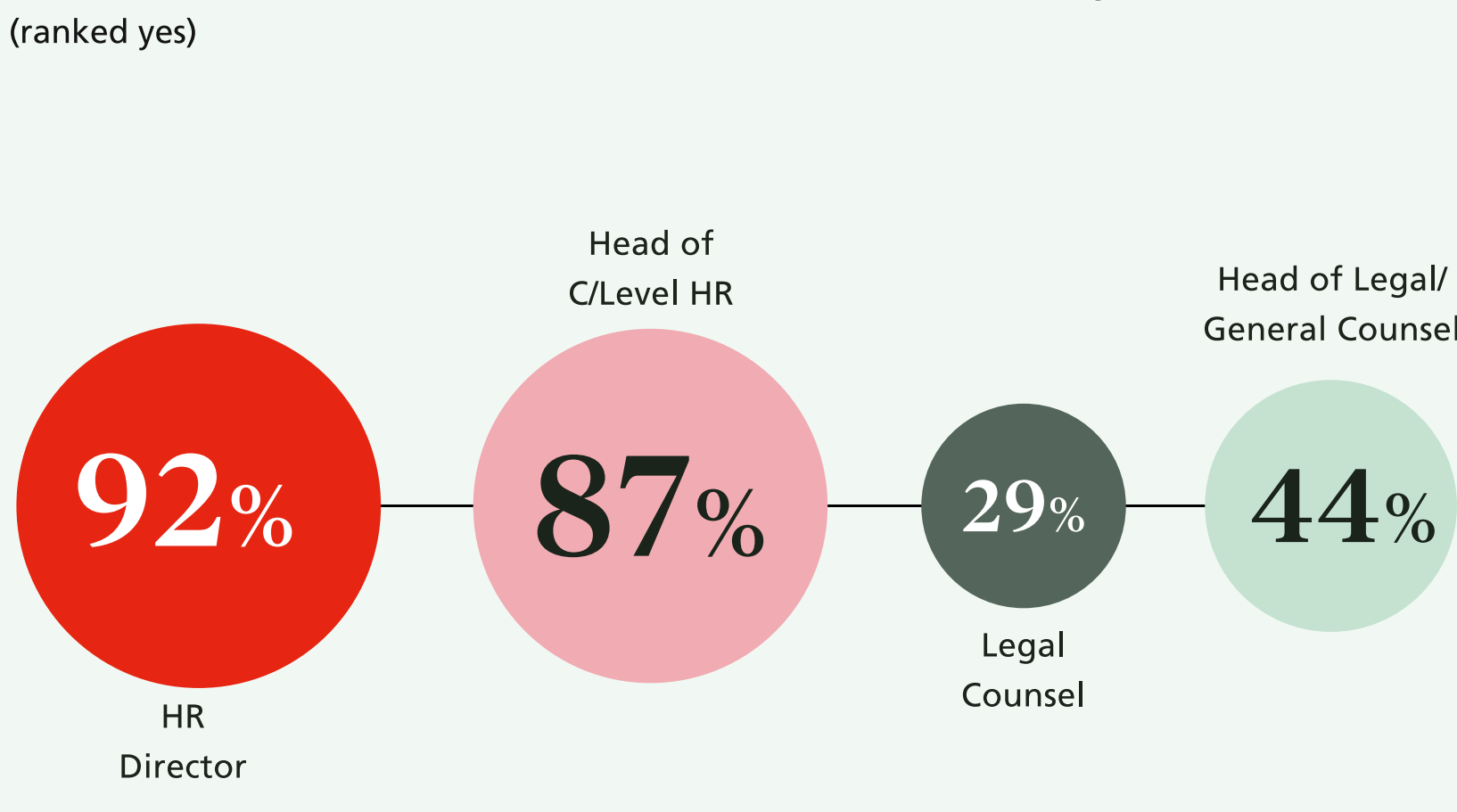
SARAH DRAPER

For Castelli, economic problems have (more positively) been instrumental in creating flatter internal hierarchies and brought about changes to the way she is crafting employees' jobs.

"Disruption has a way of accelerating change," she says. "[Economic] change is enabling us to focus on purpose – it has seen us create a compensation and a self-service benefits app – and I think globally it creates new conversations about how we approach reward." She even cites this as contributing to the speed of decision-making in the business, purely because it has had to.

INCREASING SALARY IS A CONTENTIOUS RESPONSE TO INFLATION AMONGST HEAD OF HR AND HEAD OF LEGAL

The extent to which salaries should be increased as a response to rising inflation (ranked yes)



Considering employees the world over are threatening to exit in droves if their cost of living concerns are not met – Randstad finds 20% of workers worldwide expect to change jobs in 2022, up from the 12% who quit in 2021 – the fact businesses can still see economic gloom as creating opportunity should be a positive.

"In our own business, it has meant we've looked at pay rates, but we've also looked at travel rates and tools to help people budget, including providing debt advice," says Draper. "We've also introduced rental deposit loans. But ultimately I think we all just have to be more thoughtful about what staff need."

And moves like this do, argue some, have a transformative impact on business because they help inculcate a more supportive employee culture.

"In a crisis, human capital begins to get properly recognised," says Kathryn Weaver, partner at Ius Laboris Hong Kong. "It then creates conversations about fair pay, which introduces the topic of gender pay gaps."

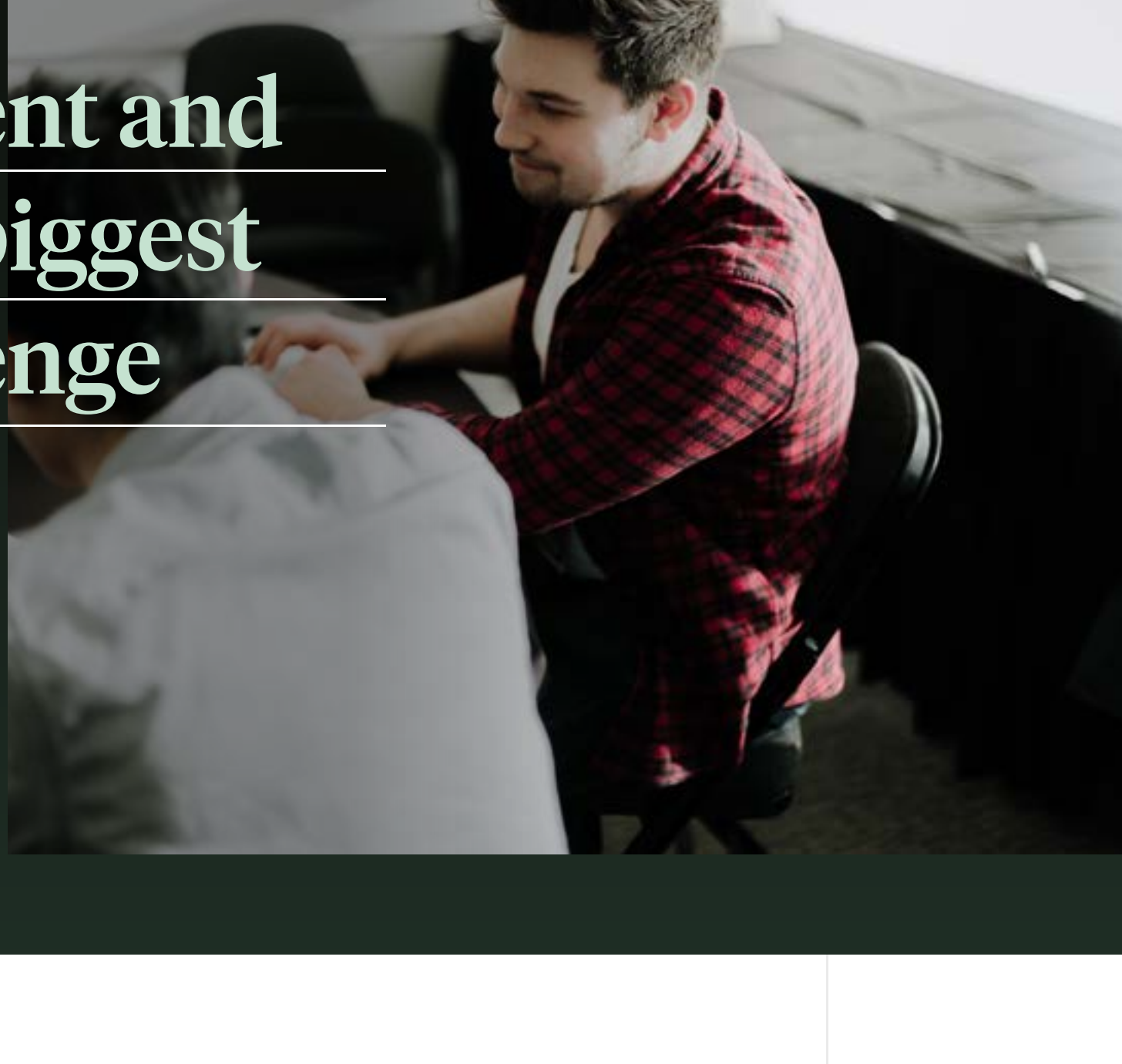
"Pay gap reporting, something which in the current context can be uncomfortable, at least forces companies to think about these issues," she says.

As even Viñales concedes: "The next key issue will be how companies think about recognising labour and the value of capital. Inflation will only be a momentary thing; next year it will be something different. The key is learning what the next global concern might be, especially as the world seems to be slightly more anti-globalisation in nature."

NEXT ARTICLE
CHANGES IN TALENT AND RETENTION:
HR'S BIGGEST CHALLENGE



Changes in talent and retention: the biggest business challenge



The war for talent is back, pushing attraction and retention right to the top of the corporate agenda. But what options are businesses left with?

Just a few years ago, complex workplace concepts such as holacracy, a system of self-organisation where hierarchy is non-existent and people are paired with projects based on their skills rather than job titles, was the preserve of academic debate.

Few businesses like Zappos demonstrated it fully; fewer still were able to fully proselytise about its benefits. Fast forward to today and, while CEOs might not use the specific term, it's what many organisations are naturally starting to do.

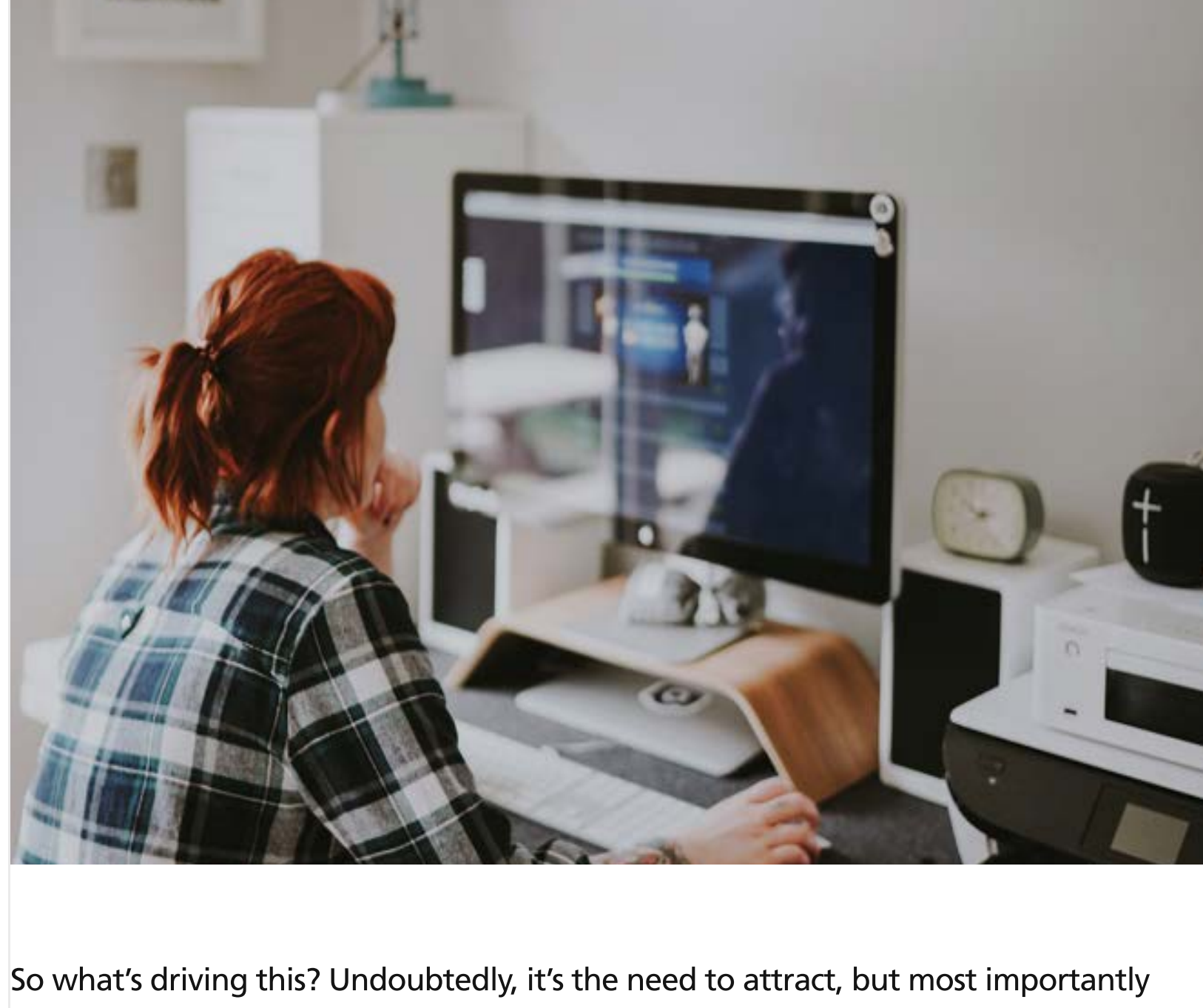
“We call it ‘job-crafting’,” says Dolores Castelli, HR director Southern Latin America, at drinks giant Pernod Ricard. “We work with staff to find out what their interests are and then match them to projects and opportunities that come up.”

It's the same story at UK mutual The Co-op, whose head of people Sarah Eglin is now embarking on what she calls “igniting people's inner dynamos”, where work is rearranged around “problem statements rather than job titles” and staff donate their skills to certain projects, later to disband and rejoin other ones.

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The whole setup of the organisation needs to be built on the fact that people will be there only for three, four years, and then they move on, that's the future

BURKARD GÖPFERT, IUS LABORIS GERMANY



So what's driving this? Undoubtedly, it's the need to attract, but most importantly retain, increasingly scarce talent. “We are all chasing the same people as our competitors, and our competitors are not just in the industry, but sometimes in different industries,” says Orly Gerbi, founding partner, Ius Laboris Israel.

And don't leaders know it. As a business issue, attraction and retention is fast dominating the world's boardrooms, with 79% of CEOs, according to a recent CEO Confidence Index survey, now saying it's the top management challenge.

Retention has become a battleground. In America alone, where there are twice as many vacancies as unemployed people, 47 million quit their jobs in 2021. Data like this substantiates the view Americans would rather not work at all than work for a business that doesn't chime with their values.

And so work, increasingly an activity rather than a place people go to, has to be made more engaging.

TALENT AND RETENTION LOOKS TO BE A SIGNIFICANT 2022 HR CHALLENGE

% of job titles that agreed that ‘Talent attraction and retention’ is a primary challenge

Head of / C-Level HR professionals

53%

Corporate Lawyers

50%

“The immediate future of work will be a constant quest for talent,” says Dr Burkard Göpfert, partner at Ius Laboris Germany. As a result, says Sarah Draper, head of people and culture with Rider Levett Bucknall, companies must now relentlessly focus on creating, and verbalising, a proper “growth journey” for staff.

Data from Ius Laboris shows HRDs are uniquely aware of this. Some 54% of those polled ranked establishing a culture around reskilling and upskilling a top-three strategy for attraction and retention. The leading macro priority for now and the future – among 60% of respondents – is seen to be creating a more flexible workforce, closely followed by evolving organisational structures to create better agility.

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The next wave of hiring is hiring for potential rather than lengthy CVs

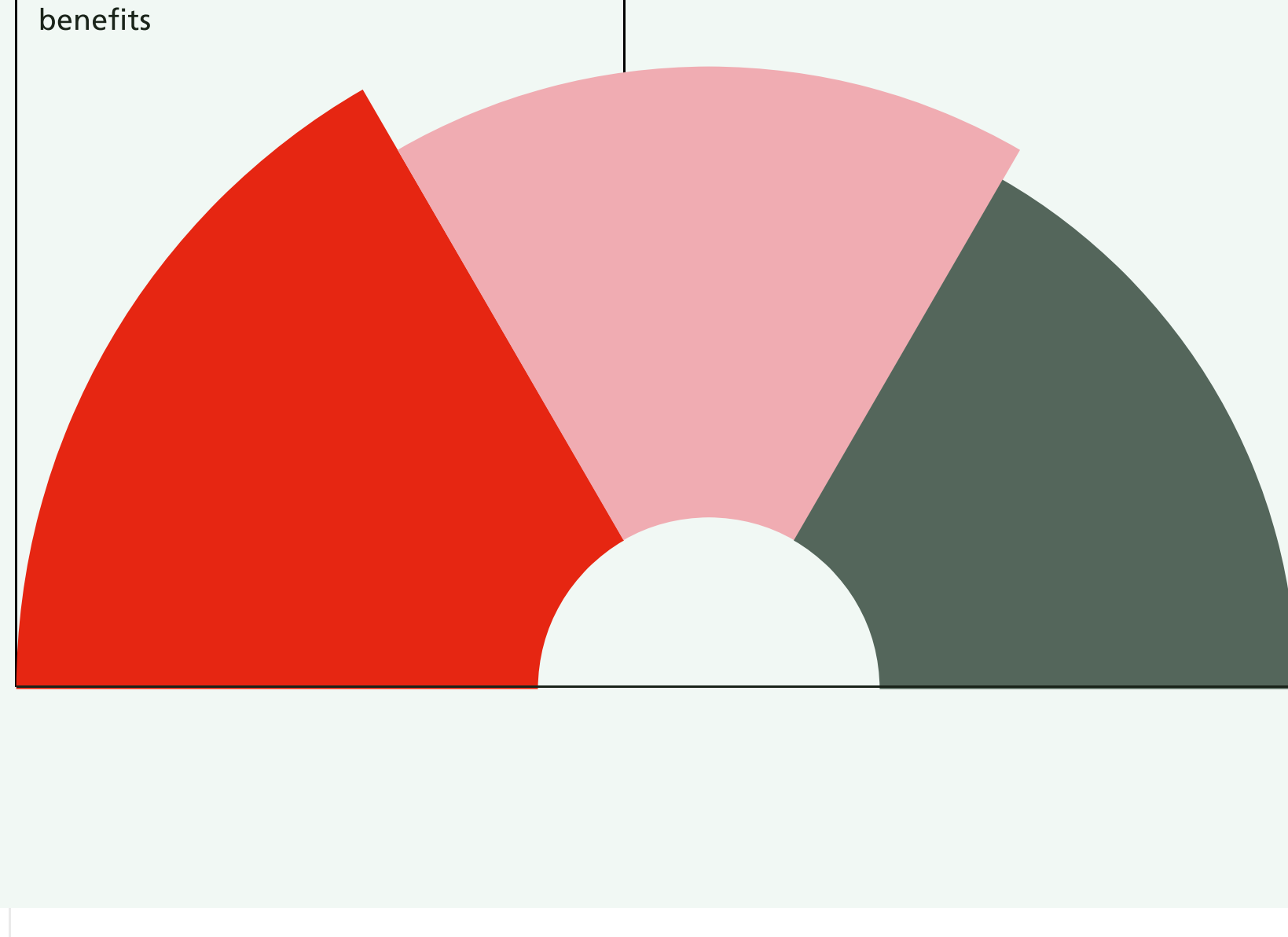
SARAH DRAPER

Organisations clearly have choices about what they deem important. For some, attraction and retention might still be about prioritising pay, cited by 55% of those polled in the Ius Laboris research.

But significantly, more respondents value improving the employee experience, with such an attraction strategy polling top, among 58%. Microsoft vice president of HR Stijn Nauwelaerts says he is now actively trying to identify the point at which people should be promoted. Cultural alignment is key.

SALARIES AND FLEXIBILITY LOOK TO BE THE MOST IMPORTANT COMPONENTS TO STAFF RETENTION

Ranked highest as a top component to staff retention



“As business leaders, we must all have a very good idea about what is happening around us, so we can communicate this and so employees can connect with the purpose of the company,” he says.

Firms leading on this include Coca-Cola which, according to Véronique Vuillod, chief people and culture officer at Coca-Cola Europacific Partners, has recently adopted the view “everyone has talent” and “must be seen, and supported, as someone who can grow”.

Ultimately it means companies will need to take a much more humanistic approach to talent and talent acquisition, which prioritises hiring for potential – Nauwelaerts calls this “screening-in rather than screening out” – and where leaders also adopt a much more authentic relationship with staff. Amazon, for instance, has just announced bolstering its prepaid college tuition perk for hourly staff.

According to Göpfert, thinking differently might mean accessing hitherto untapped talent pools, such as the disabled, veterans and neuro-diverse. For instance, in 2021, Google partnered with the Stanford Neurodiversity Project to prioritise hiring more people on the autistic spectrum.

Where companies are responding they are getting results. Castelli says she now sees people from finance working on projects to do with diversity, something that would never have happened until the company changed its strategy around talent.

“Not only do people feel more motivated, we're already seeing our staff turnover falling,” she says. “We're also mapping for critical skills and making sure people with these are targeted with bonuses.”

With attraction and retention only expected to become even more acute in the coming years, it will be those organisations taking decisive decisions that will benefit the most.

“When uncertainty is part of daily life now, the business has to be flexible,” says Eduardo Juan Viñales of Ius Laboris Argentina. “It's no more business as usual. Any interventions now need to be creative and innovative.”

NEXT ARTICLE
CHANGES IN ETHICAL PRACTICE AND MANAGEMENT



Changes in ethical practice and management



Employees aren't just bringing themselves to work but their political, environmental and social concerns too. And they expect their employers to be on their side

In a perfect world, high ethical standards should be the norm. But working out what those standards should be is not a simple matter. We live in complex ethical times and watertight definitions, for example around gender and gender identity, are hard to come by.

What is more, employees are increasingly rejecting the expectation that their personal views should stay at home. Black Lives Matter, Pride and #MeToo have become movements that staff rally around and companies are struggling to keep up.

Just remaining silent on an issue is to risk being seen as complicit in it. For example, when Disney CEO Bob Chapek failed to openly oppose California state's decision to ban gender identity discussions in primary schools, this led to a staff protest.

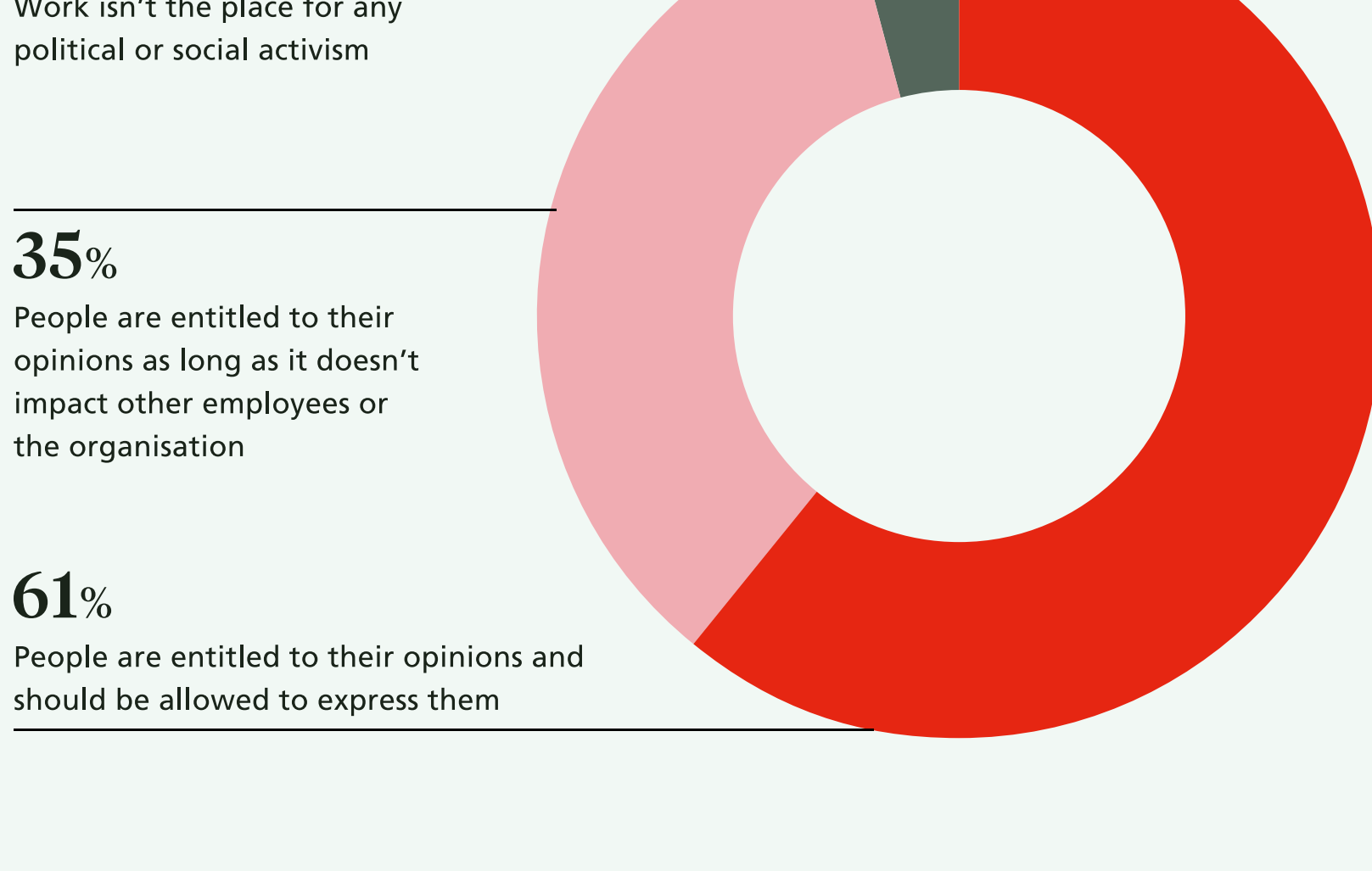
Taking a political position on an issue, such as Google, Amazon, Microsoft and a host of others recently saying they would pay staff travel costs to get an abortion in the aftermath of Roe vs Wade, risks the ire of opponents who take the opposing view.

There is a palpable sense that organisations, particularly global ones, encountering different cultural norms in different places, are struggling with how to apply their world view consistently across their operations.

"The challenge of what motivates employees, from environmental social governance to the position companies take on Ukraine, is key," argues Orly Gerbi at Ius Laboris Israel.

MOST ORGANISATIONS ARE CAUTIOUS BUT TOLERANT TOWARD PEOPLE'S OPINIONS

The extent to which organisations believe it's acceptable for employees to publicly share opinions on controversial topics, be it on social media or in work-related contexts



Kathryn Weaver, Ius Laboris Hong Kong, adds: "#MeToo, Black Lives Matter, Extinction Rebellion, they're all issues that have profound impact and cannot be ignored. The issue for businesses is how to accommodate these ideas, not just having policies about this sort of stuff, but needing to actually do something about it."

It's a difficult topic though. On the one hand, organisations face rising employee activism, up 40% since the start of the pandemic, according to new book *Reversing The Great Resignation: Shifting Employee Values and How Leaders Can Close The Gap*.

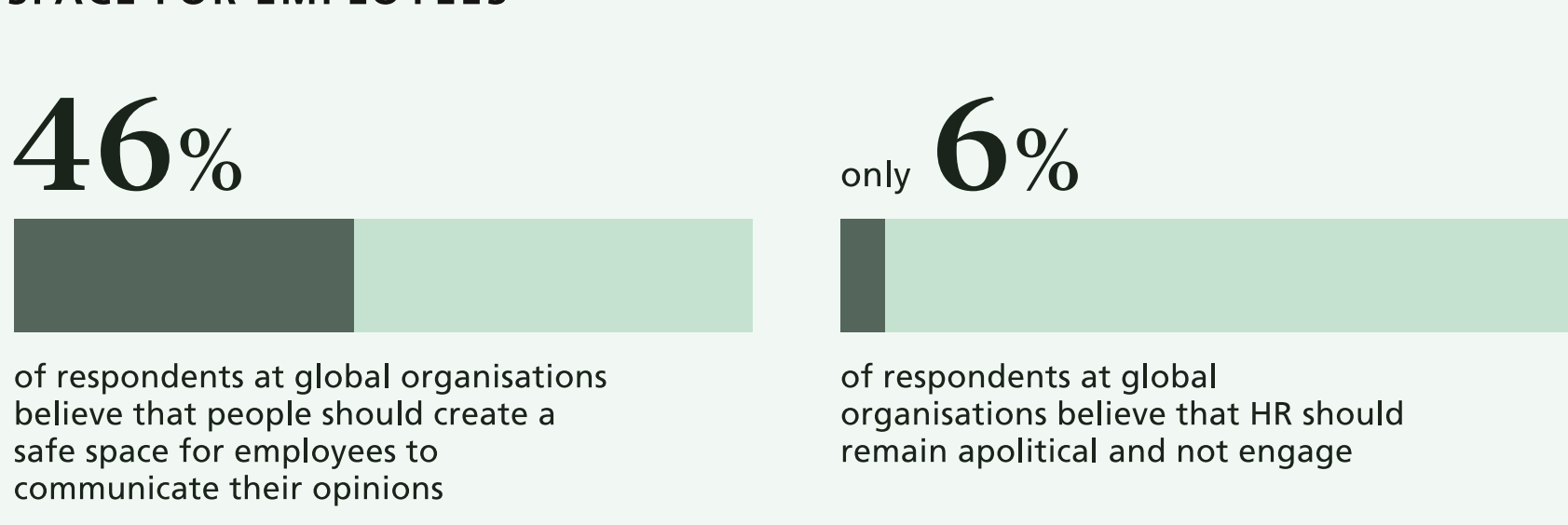
Research shows 44% of millennials and 49% of Gen Zs also say they're actively making choices about the type of work they'd do and the organisations they're willing to work for based on their values.

Modern companies cannot survive if they don't take a view on moral issues

BURKARD GÖPFERT, IUS LABORIS GERMANY

But, on the other hand, businesses desperate to recover and adapt are seemingly pushing staff into increasingly non-ethical behaviour. According to the *Harvard Business Review*, 25% of US employees say they feel compelled to engage in unethical behaviour. This could be tolerating bullying or creating toxic cultures to get sales or Google, for example, being fined billions by the EU on anti-trust issues.

HR HAVE TO TAKE A STAND IF THEY WANT TO CREATE A SAFE SPACE FOR EMPLOYEES



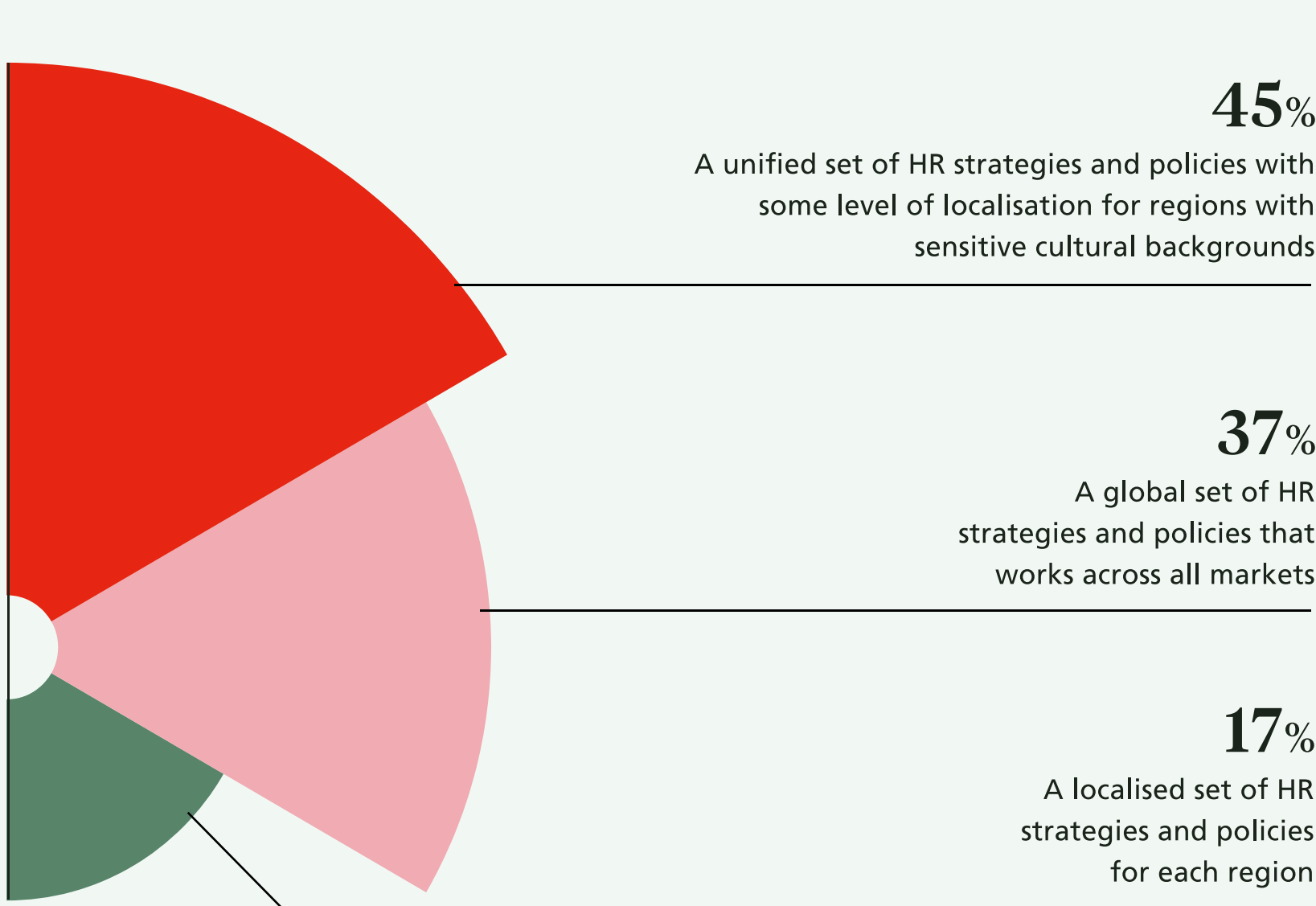
And businesses risk getting the balance wrong in other ways. In the UK, a recent employment tribunal upheld the right of an employee to express "gender critical beliefs" in the workplace, in other words, that the gender you are born with overrides a differing gender identity. The employee who expressed those beliefs on social media had lost her job, but the tribunal ruled her beliefs were protected by law.

Data from Ius Laboris found 45% of respondents globally preferred unified HR strategies, but with some level of localisation to allow national and cultural interpretation.

However, there is by no means a consensus that being a guardian of ethics should be another extension of HR's role. While a majority (61%) argue staff should be allowed to bring their opinions to work and be able to express them, a sizeable minority (35%) still believe that if staff have an opinion on something controversial, they should avoid letting it impact colleagues or their company.

HR SHOULD ADOPT GLOBAL POLICIES WITH LOCALISATION WHEN MANAGING CONFLICTS ACROSS DIFFERENT CULTURES

What approach organisations believe HR should have when managing conflicting cultures and values across different markets



So is a consensus possible? "There is absolutely the requirement for a deeper examination around what can we truly do to create a welcoming, developing, supportive work environment to a community of colleagues," says Theresa Palmer, head of diversity and inclusion at BAE Systems Digital Intelligence.

The Ius Laboris research finds respondents would prefer staff to speak up, but in a safe way. They broadly (31%) want employees to follow strict rules for bringing their activism forward to create a safe space for others (46%).

Some employers are being proactive in educating staff about how to do respectful postings of their views. "We have run some training for employees to actually help guide them around their views and ensure they are broadcasting them in an appropriate way," says Sarah Draper at Rider Levett Bucknall. "We've also talked about Black Lives Matter and put communications out to the business that actually shared people's experiences."

But whether activism, by its very fluid nature, can possibly follow such regulatory framing is a moot point.

"What's clear is that social media amplifies any suspicion companies are not being faithful to their promises. I don't think companies can really survive unless they do take a view on moral issues," says Burkard Göpfert at Ius Laboris Germany. "It's impossible to navigate a company in a neutral position. I think companies will now have to engage with activism, rather than see it as the enemy."

NEXT ARTICLE
CHANGES IN TECHNOLOGY





Changes in technology



Could changes in technology finally allow HRDs to make good on their promise of being more strategic?

To quote Nicola Millard, principal innovation partner at BT and until recently its resident futurologist: “The future of work is digital, but HR’s role is to have more of an experimental mindset.”

It’s a rallying call that respondents in our research agreed with, particularly in technology’s role helping transform the HR function. AI and collaborative tools rank second and third place (46% and 39% respectively), as the top tools for enabling HR transformation. But overwhelmingly it’s tech being able to take the toil out of day-to-day HR that most (50%) think has the greatest potential to position HR more strategically.

“Thanks to technology at our disposal, there has never been a better moment in time to be in HR,” says Stijn Nauwelaerts, corporate vice president of HR at Microsoft. But he accepts HRDs also need time and that for too long HR technology hasn’t taken the administrative burden or added analytical value to assist in strategic thinking.

“When technology can take 50 to 75% out of recruitment [53% of Ius Laboris research respondents believe recruitment will be more data and analytics-driven] it frees HR up. That’s when it has power,” says Nauwelaerts.

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The basis for the entire HR work will be data and how to manage data

BURKARD GÖPFERT, IUS LABORIS GERMANY

It’s little wonder better business technology is needed. Staff are increasingly digital first, wanting to log on when they want, at a time they want and, crucially, from where they want, which means once tight firewalls need relaxing to enable remote access and more employee self-service.

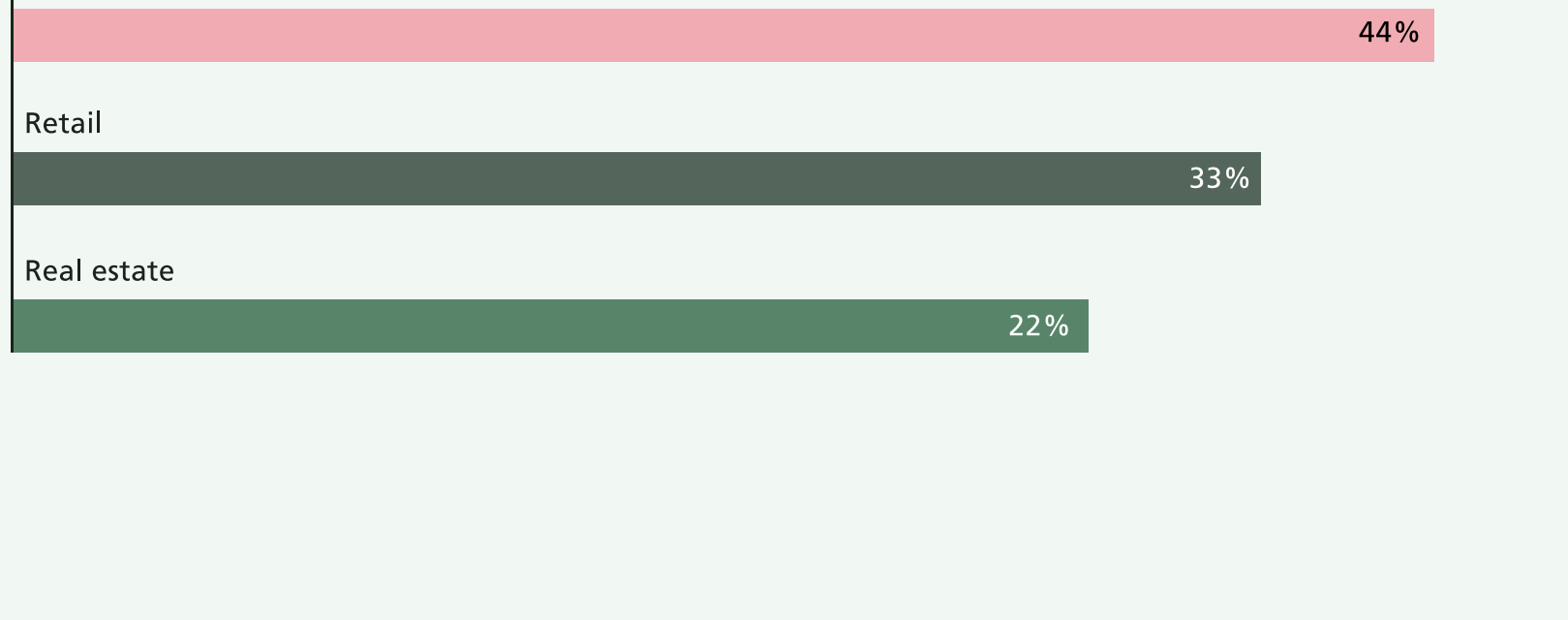
A recent study of the *State of the Digital Employee Experience* found just 13% of knowledge workers want to work exclusively from the office, with 30% wanting upgraded IT to enable this. Some 24% want more intuitive software and a further 24% would like tools to work across platforms.

Unsurprisingly, 25% want better employee self-service, to update personal information, review benefits and enrol in new ones, as respondents understand technology must be embraced more fully.

These trends shouldn’t scare companies, but rather ought to empower businesses to invest in people-centric, tech-driven organisations.

ORGANISATIONS THAT ARE ALREADY ‘TECH-FIRST’ ARE LESS CONVINCED BY TECHNOLOGY’S ABILITY TO DRIVE HR TRANSFORMATION

Industries that ranked technology as driving HR transformation to a large extent



“We don’t want to lose the ‘human’ part of HR, but tech has a huge role to play in skimming off the top stuff, freeing time up to design proper reward strategies,” says Rider Levett Bucknall’s Sarah Draper.

Nauwelaerts adds that tech could also provide the analytics to explore whether certain types of reward actually retain people and what could work harder.

In Europe 50% to 74% in Latin America of Ius Laboris-pollled respondents believe “very much” that tech allows HR to focus on strategic planning. And it is HR management platforms, dealing with HR admin such as payroll, holiday planning and performance, that most (50%) cite will be the most important tech enabler.

But some unknowns remain. Technology also brings about new business problems. Since more employees have begun working from home, cybersecurity threats have increased by 238%, according to new research.

Further research has found 25% of remote employees say they have noticed an increase in fraudulent emails, spam and phishing attempts in their corporate email since the beginning of the COVID-19 crisis. Meanwhile, 26% say they keep their own copies of sensitive data at home, increasing the risk of data leaks.

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I don't believe that technology can take over an entire recruitment process, but it can absolutely reduce the process by at least half, maybe even 75%

STIJN NAUWELAERTS

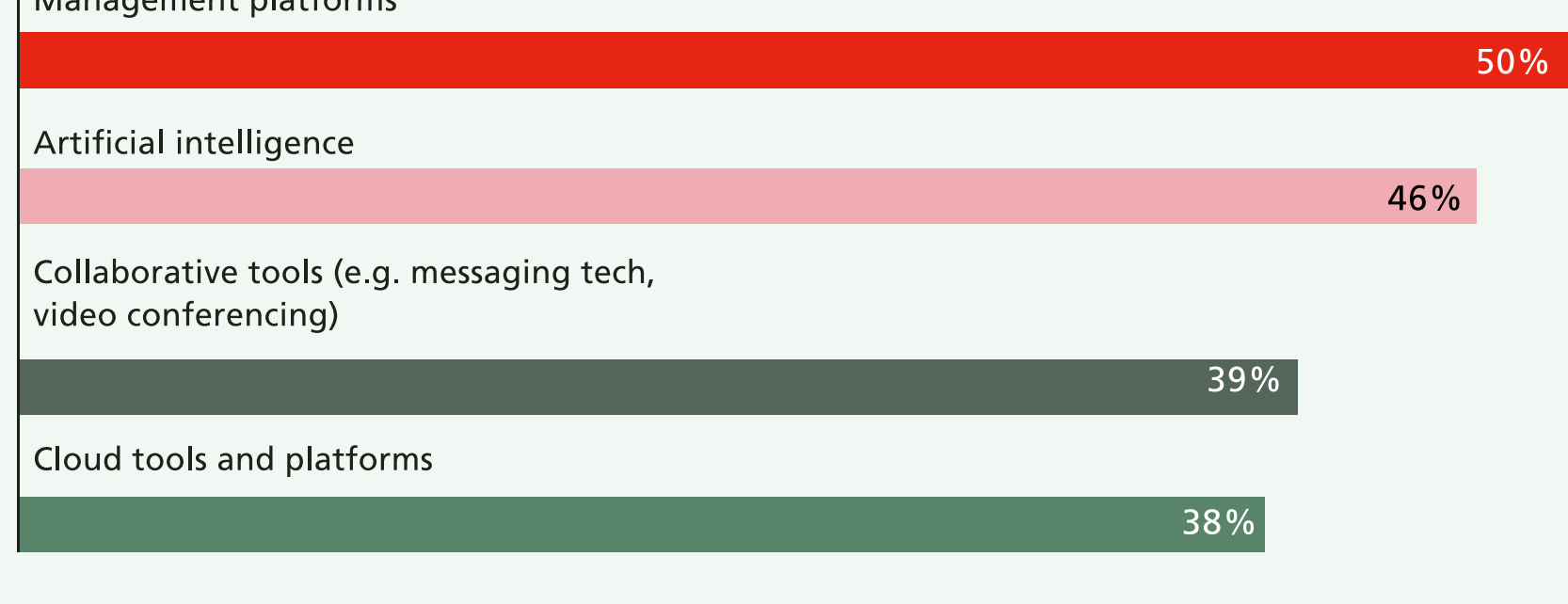
What HRDs certainly want is tech that creates innovation; it’s the top priority for choosing tech, according to our research. They also understand it’s an immediate short-term priority; 57% claim developing a more effective ecosystem is key, second only (60%) to building a more flexible workforce.

But are HRDs willing to evolve fast enough and do they have the skills in place to use and interpret data analytics?

“I’m surprised by how slowly HR technology and adoption is really developing,” says Ius Laboris Hong Kong’s Kathryn Weaver. “I don’t think the potential of technology is all hype. But the problem with tech is you can’t just dabble with it; you have to go full in and I wonder if that’s really happening.”

To really launch into it, some argue a whole new tech-enabled HR skillset is needed. “You’d never have had a data analyst role 20 years ago and that’s the opportunity tech offers,” says Draper. “But tech is only as good as the information you put in and the skill of the people interpreting it.”

TOOLS AND TECHNOLOGIES THAT ARE SEEN AS BEING THE BIGGEST ENABLERS OF HR TRANSFORMATION



Surprisingly perhaps, Nauwelaerts says he wonders if technology is actually the panacea some really believe it to be. “HR tech is an opportunity, but not the only opportunity,” he concedes. “I almost think the biggest opportunity is creating simplicity first.”

Others share this view. “We often think the challenge is digital, but the challenge is really about mindsets and tackling unpredictability,” says Pernod Ricard’s Dolores Castelli. “But I think you have to commit to both simplicity and leveraging technology together. Data management is a top skill for HR that we are not leveraging as much as we should.”

Nauwelaerts says: “Ultimately HR should possibly be asking ‘why do we have these processes?’ or ‘do they add any value?’ and then ‘which can be improved by technology?’.

“Microsoft has zillions of processes I still want to refine. The pandemic is an opportunity to reset the agenda, but it’s the readiness of HR leaders to respond to complexity that is really the question technology simply poses.”

NEXT ARTICLE
CHANGING STATUS:
FROM ADMINISTRATIVE TO TRANSFORMATIONAL



Changing status from administrative to transformational



HR has never been more visible in organisations, so is now the time for HRDs to press home this advantage and transition to be more strategic?

The post-pandemic world is undoubtedly characterised as “VUCA”, with volatility, uncertainty, complexity and ambiguity. It’s a reality that all departments of a business need to react, but if there’s one function at the epicentre of change more than most, it’s HR.

Changing enterprise priorities, hybrid working, employee resilience and wellbeing, and latterly the “great resignation”, coupled with new business-critical needs, have all reinforced the unambiguous conclusion of Hackett Group, in its *HR Issues 2022* study, that Covid-19 was “HR’s breakthrough moment”.

Long-held claims that HR was merely administrative and not strategic enough were cast aside. As Dr Christian Schmeichel, SAP’s chief future of work officer, has remarked, now HR has a “once-in-a-generation opportunity to shape the future of work”.

Certainly it is acknowledged HR’s visibility has never been better. Dolores Castelli, HRD of Southern Latin America at Pernod Ricard, says: “The pandemic has elevated HR; most of our board are focusing on core HR issues. HR is even more strategic now and meets with the executive board weekly rather than monthly.”

77%

of Heads of HR feel HR’s role has gained importance in the minds of the C-suite since the pandemic

Microsoft’s vice president of HR, Stijn Nauwelaerts, adds: “The pandemic has been an opportunity to reset the agenda. HR used to be about running the people agenda, but now the people agenda is the business agenda. No one in our organisation is talking about HR needing to fight to get its agenda to the boardroom; it’s already listening.”

But are these two HRDs the lucky ones and is HR at risk of losing its new-found heightened importance if it doesn’t press home its significance within the business?

For what’s also clear from Ius Laboris’s research is that globally a mixed picture emerges. Almost half (49%) of HRDs and legal experts polled find nothing has changed or HR’s role has not changed significantly, with the consensus being HR remains focused on the same things as pre-pandemic.

Even among the C-suite HR, more than a quarter (26%) regard their roles as “purely” administrative or operational in nature, while 29% of HRDs say their role is “mainly” administrative.

“In many ways HR emerged as kind of corporate heroes from Covid; they massively stepped up, pivoting businesses to working remotely,” says Ius Laboris Hong Kong’s Kathryn Weaver. “But there can be an attitudinal problem towards HR that they are still a bit ‘adminy’.”

Juan Viñales, partner and co-leader of the international labour and employment practice at Ius Laboris Argentina, points out an irony. “New post-pandemic priorities actually consume more of HR’s time, creating new administrative rather than transformation requirements. They dilute HR’s ability to deal with the business strategically,” he says.

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HR emerged as the kind of corporate heroes from covid

KATHRYN WEAVER, IUS LABORIS HONG KONG

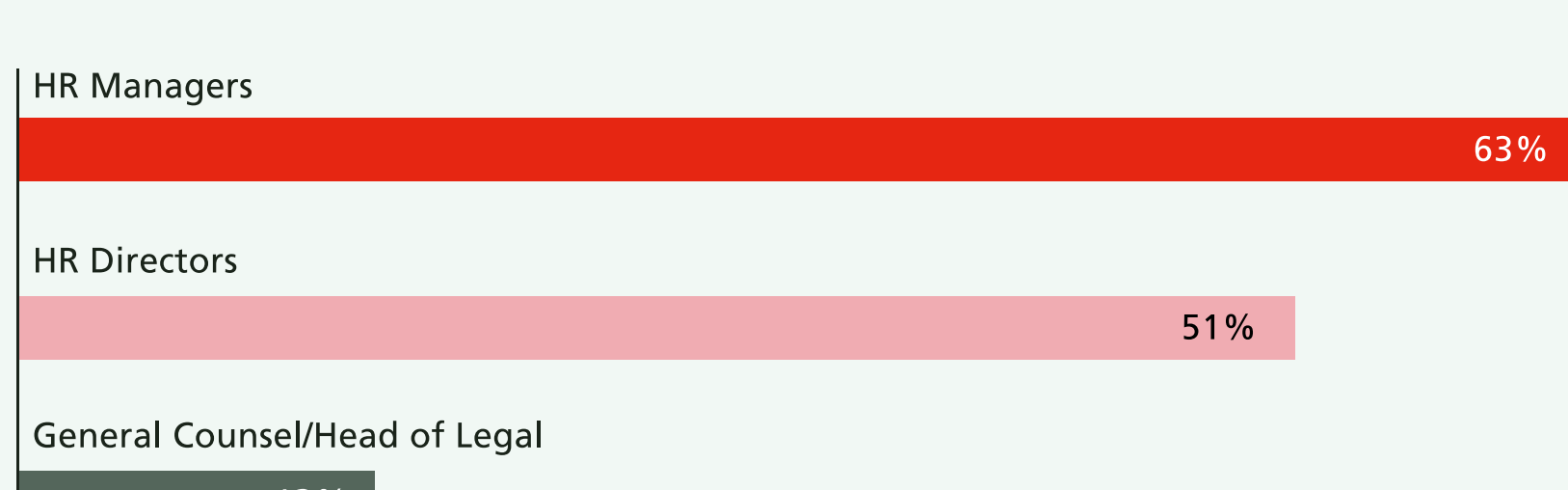
So what should HR’s priorities be to enable them to transition permanently into the change-makers they wish to be? Clues can be found within the Ius Laboris research.

The capabilities HR felt it needed to develop were better people analytics, which polled top among 44% of respondents, people management skills (42%), and process and systems streaming (36%).

“Broadly, HR needs to be much better at thinking ahead, telling the business what needs to be done,” argues Sarah Draper, head of people and culture, Rider Levett Bucknall.

THERE IS NO CLEAR CONSENSUS ON HR’S ROLE TODAY BETWEEN HR AND LEGAL STAFF

Percentages of job titles that feel HR is mainly strategic



This involves having a “solid idea about what’s happening in the business and getting away from always being on the flywheel”, says Nauwelaerts. It’s certainly the case that when HR is included in the boardroom, HRDs feel much better prepared to shape conversations about whatever the next crisis might be – 76% of the included group feel this way, while when excluded confidence plummets as only 45% of those excluded feel capable.

But experts also argue HRDs only have to look around them to know where the function is heading. “Environmental, social and governance issues, diversity, equity and inclusion are all shaping new conversations in business transformation,” says Burkard Göpfert, partner at Ius Laboris Germany.

“HR will be the gatekeepers around how people feel in organisations, including developing new moral guidelines,” he says. “Against this backdrop, HRDs will need to give their knowledge more readily, rather than being protective of it and it coming across as voodoo.”

Positioning themselves at the heart of the business is a strategy few disagree with. “When you’re in the business you can be ahead of problems,” says Draper, and things become more about coming up with solutions.

“HR works so hard to have the business trust us with all the functional side of things, but it’s then about using this as a platform to demonstrate the strategic side of things,” she says. “If other areas of the business only interact with HR in a transactional way, that’s how they’ll be perceived. HR needs more exposure.”

HR NEEDS TO BE AT THE C-SUITE TABLE TO HANDLE FUTURE CRISES

76% of respondents who said HR was included in business decisions felt very prepared to handle the next crisis

compared with

45% of respondents who felt HR was excluded from the discussions

There’s little doubt that in our changing world, all those involved in the HR function are working harder than ever at the coal-face. The challenge, as our research highlights, is to make the most of an emerging window for change.

The HR profession needs to show better evidence of its transformative, rather than administrative, impact and be prepared to upskill itself to become more comfortable talking the language of the boardroom.

“HR wants to be transformative, but maybe the function itself needs to go through the same transformation process as others in the business first,” Göpfert points out.

“

The most difficult thing for organisations to understand is the true value of HR to a company. They can’t always see the direct link between the HR strategy and profitability

ORLY GERBI, IUS LABORIS ISRAEL

Those who are in the thick of it certainly see the change their profession has had to embrace in the last few years. The task for the immediate future is for HR to really take ownership of the demonstrable change they are helping to push through. The more they interact with other disciplines in a strategic way, the more others will perceive them strategically.

As Draper says: “Transformation is about value perception, what HR can bring to the top table. What the business then needs to do is trust us with all the functional things, so we have a platform to demonstrate the next key things: future skills, technology, hiring for potential, representing the communities we work in and adding value.”

She concludes: “HR should never be about box-ticking, but adding value and exposing oneself to new concepts; HR can, and will, transform.”

NEXT ARTICLE
THE HR BAROMETER - ARE HR LEADERS GETTING THE RECOGNITION THEY DESERVE?

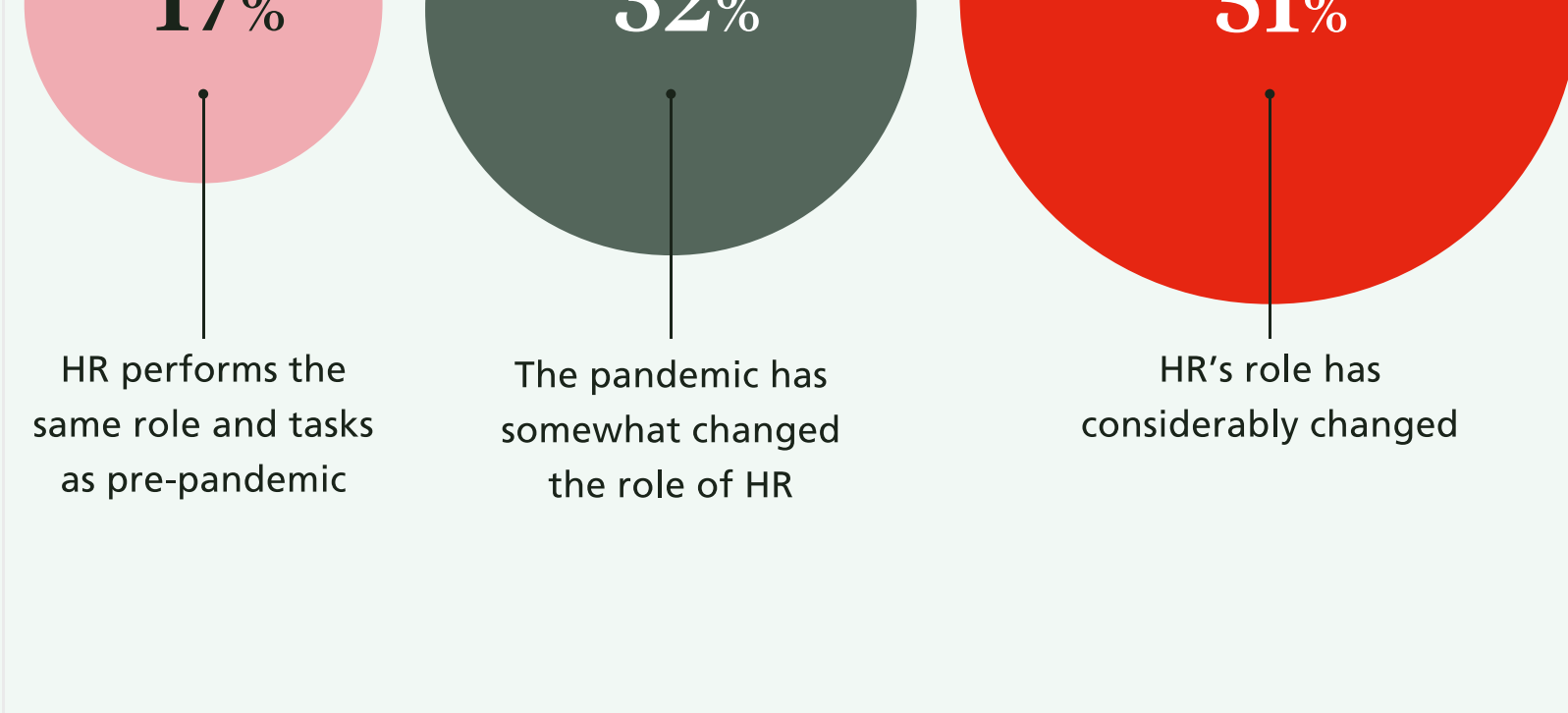


The HR Barometer - Are HR leaders getting the recognition they deserve?

The seismic changes of Covid, the great resignation and economic disruption have propelled HR into the spotlight. Shifting from the daily fire-fighting administrative work to making long-term business decisions, HR has never been more vital to organisations. But, here lies the conundrum. Despite HR's rapid position growth, perceptions remain largely the same - HR is still seen as mainly administrative. So what needs to change?

HR is in unprecedented flux

The extent to which HR's role has changed due to the pandemic

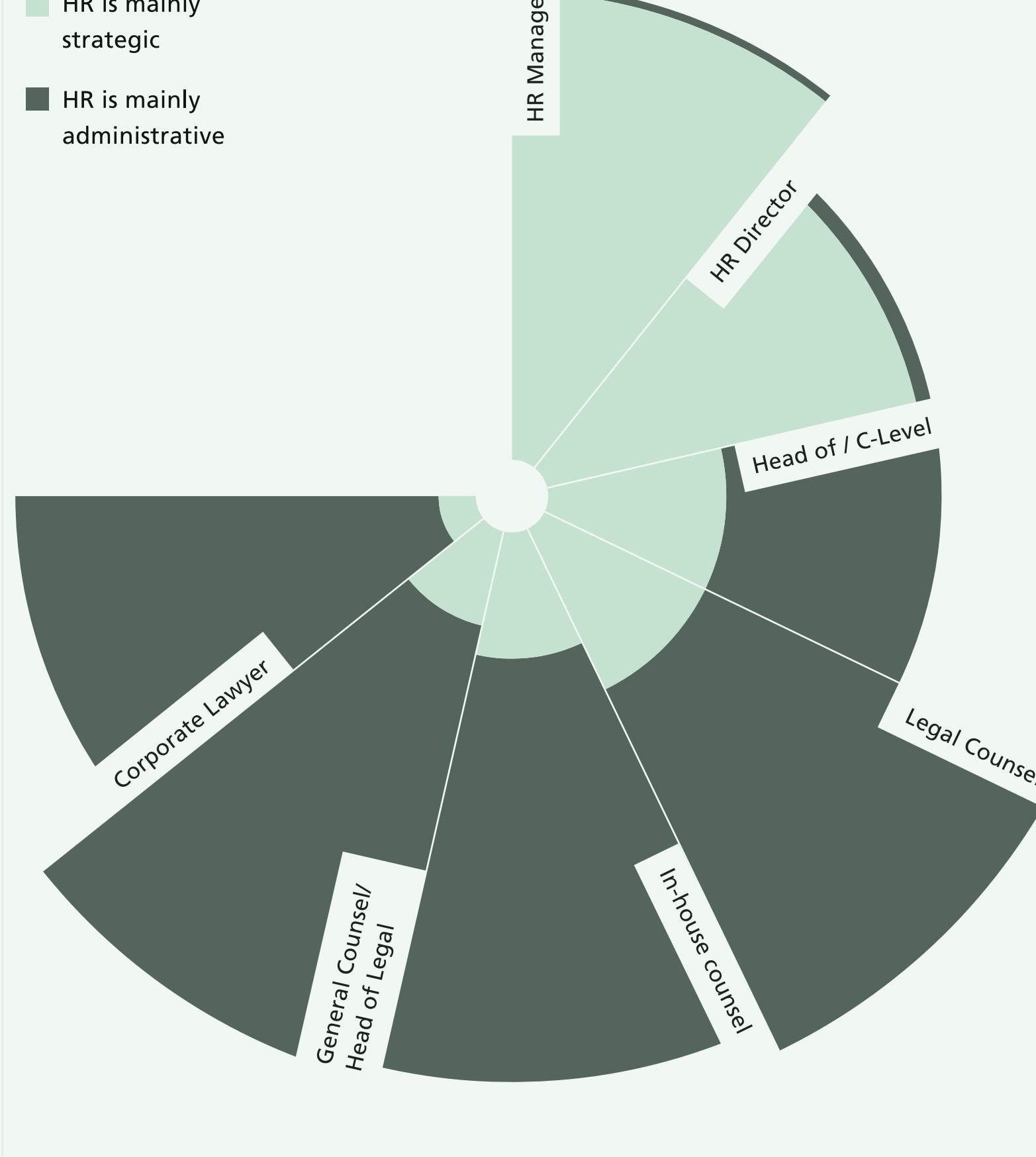


HR was elevated by the events of the pandemic

80%

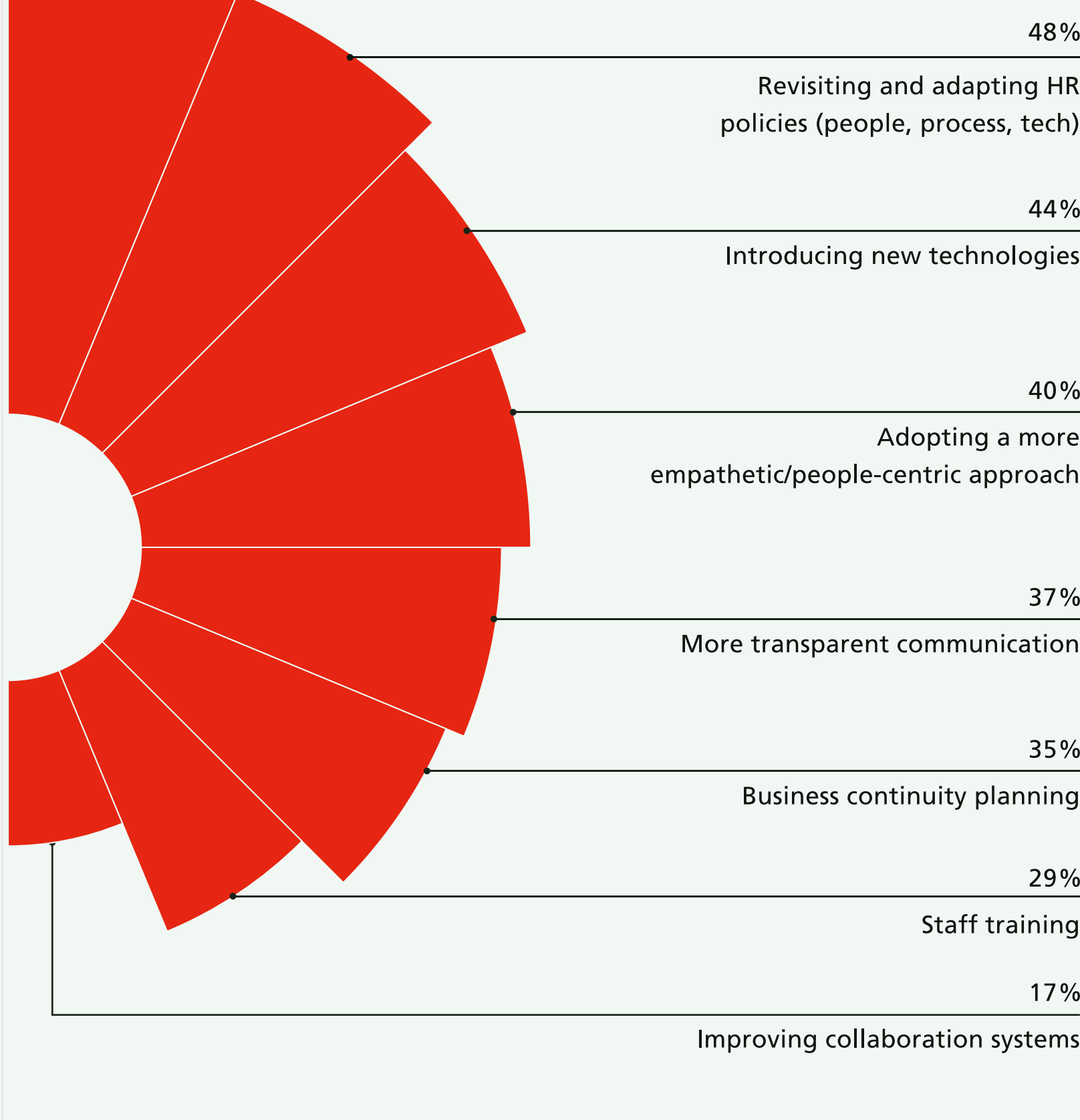
of HR Directors said that HR has gained importance since the pandemic in the minds of the C-Suite.

However, the 'strategic' nature of their role is still not universally recognised



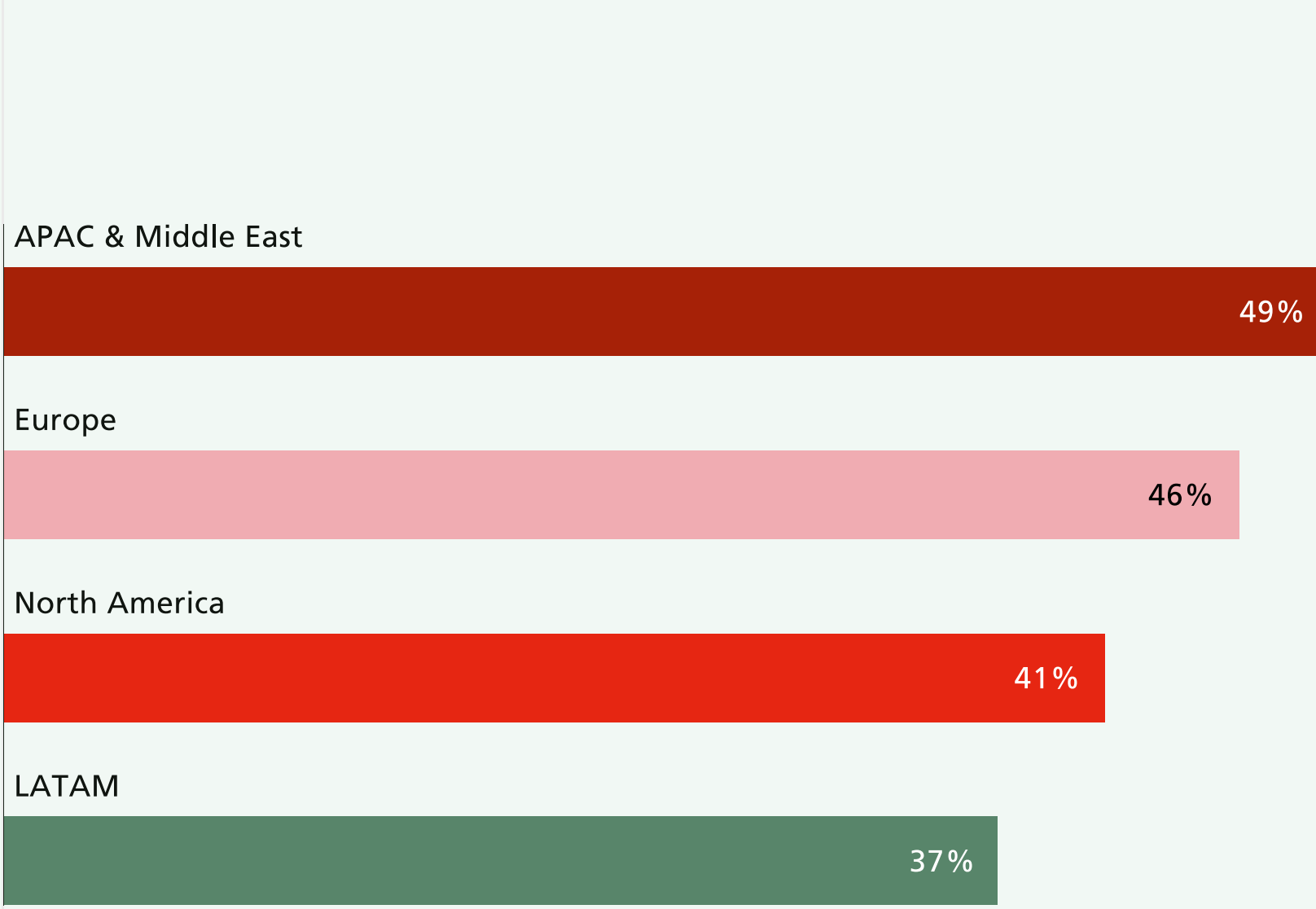
Even though HR is ready to adapt and manage the next big crisis

Strategies prioritised by HR



HR are making headway on adapting and revisiting 'people policies' to navigate social change

The extent to which countries believe HR should create a safe space for employees to communicate their opinions openly



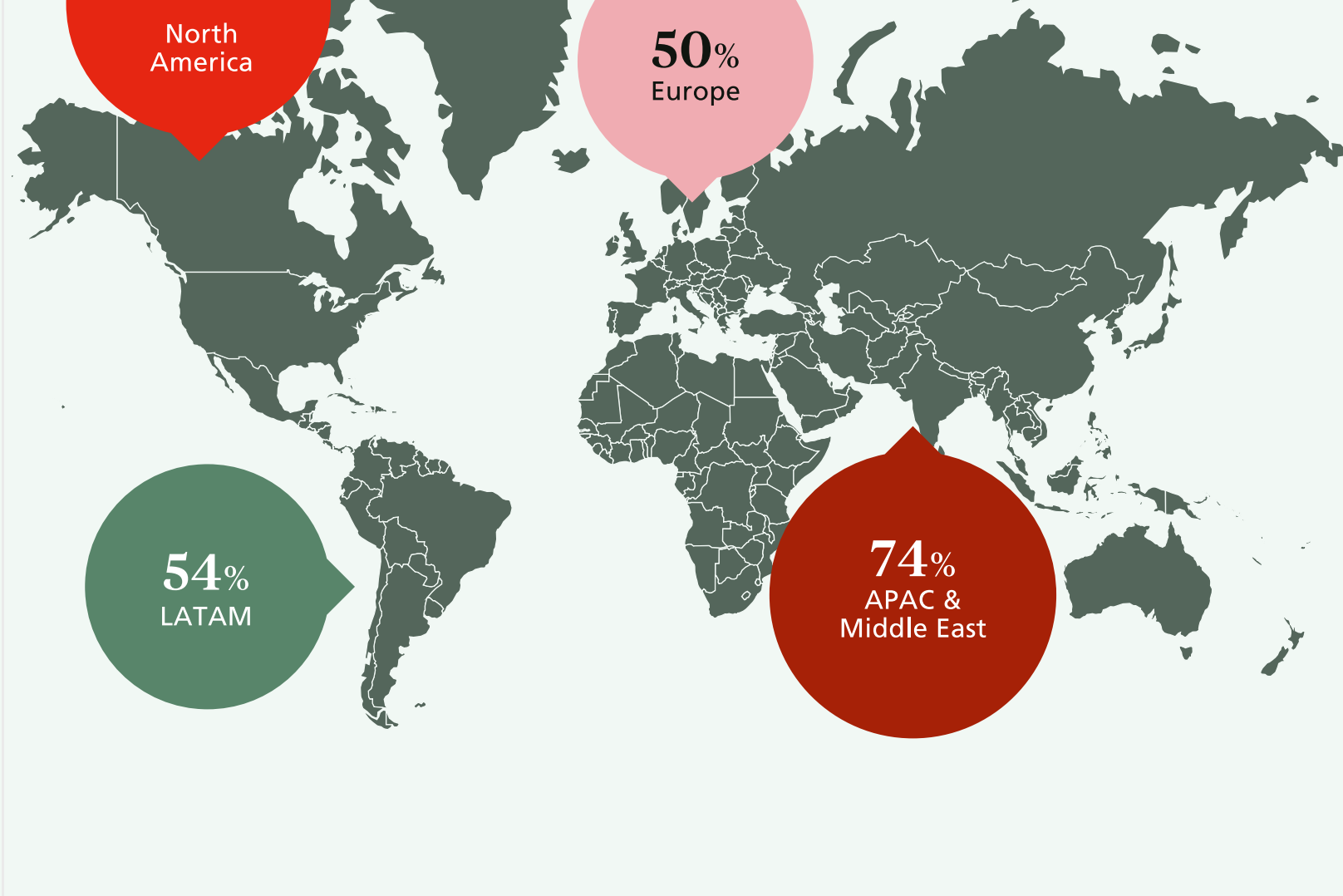
But there is still work to do, with core strategic skills now in development

Top capabilities ranked to increase HR value



These skills will be tech-enabled

The extent to which countries believe tech drives strategic work



Technology innovation is the key imperative

56%

said that innovation in tech was a top priority for HR transformation

56%

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But, what does "innovation" really look like?

The top technology to enable HR transformation



How best to empower HR to ready their business for change?

Give them a seat at the C-Suite table

76%

of respondents who said HR was included in business decisions felt very prepared to handle the next crisis



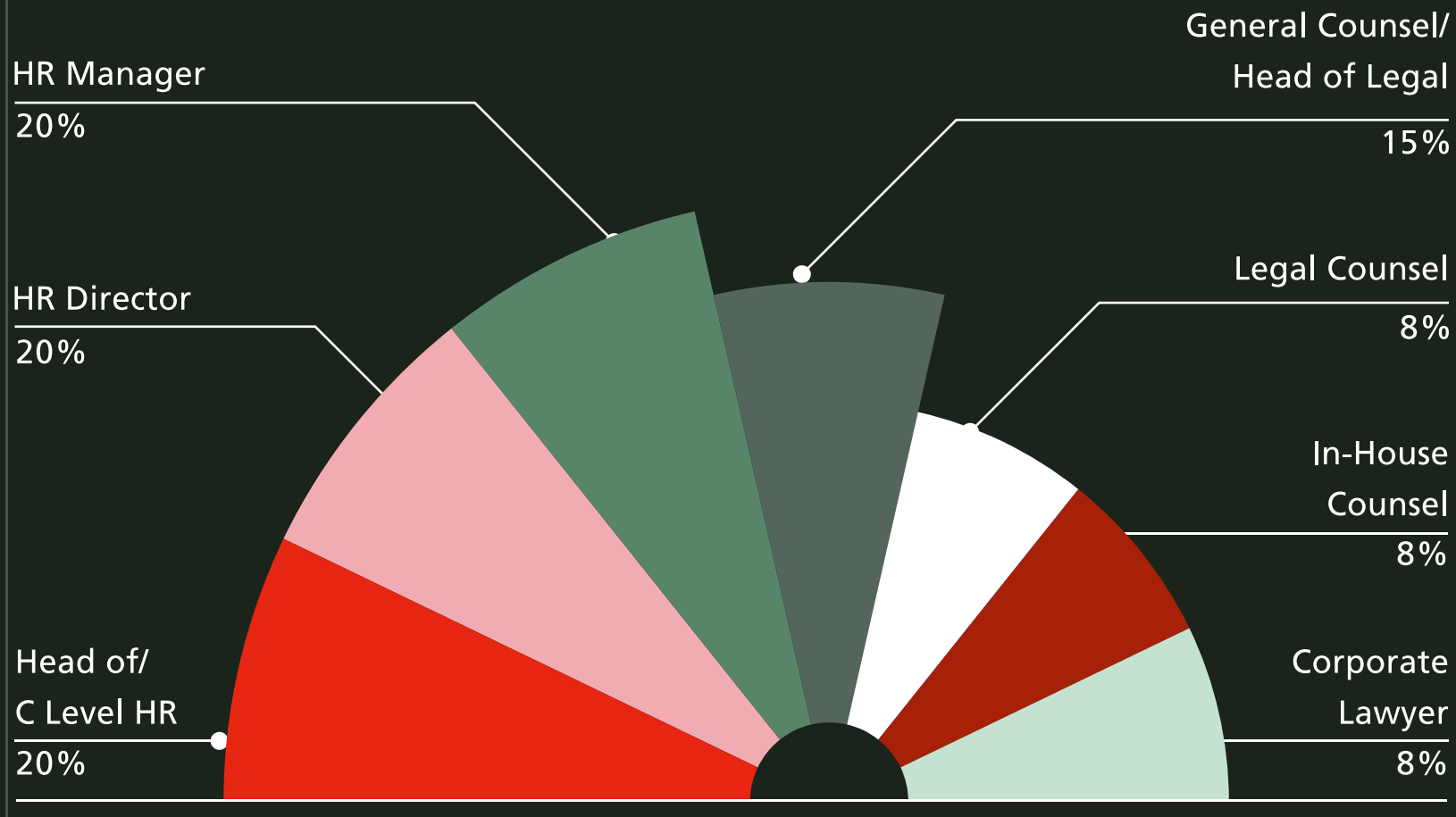
THE WORD
PROLIFERATION OF CHANGE

Demographics

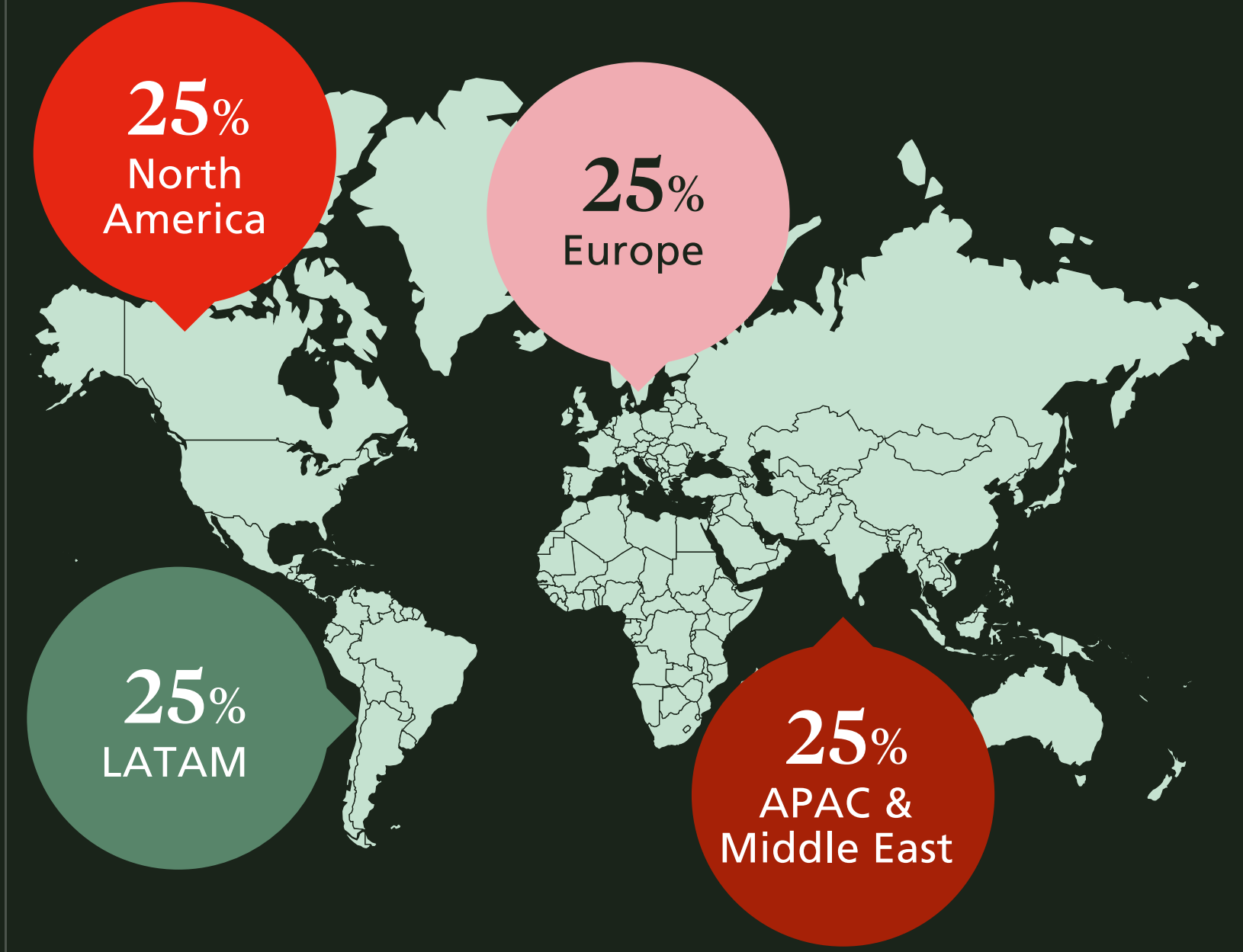
Ius Laboris conducted The Word's proprietary research in quarter 2 of 2022, surveying 500 professionals from around the globe



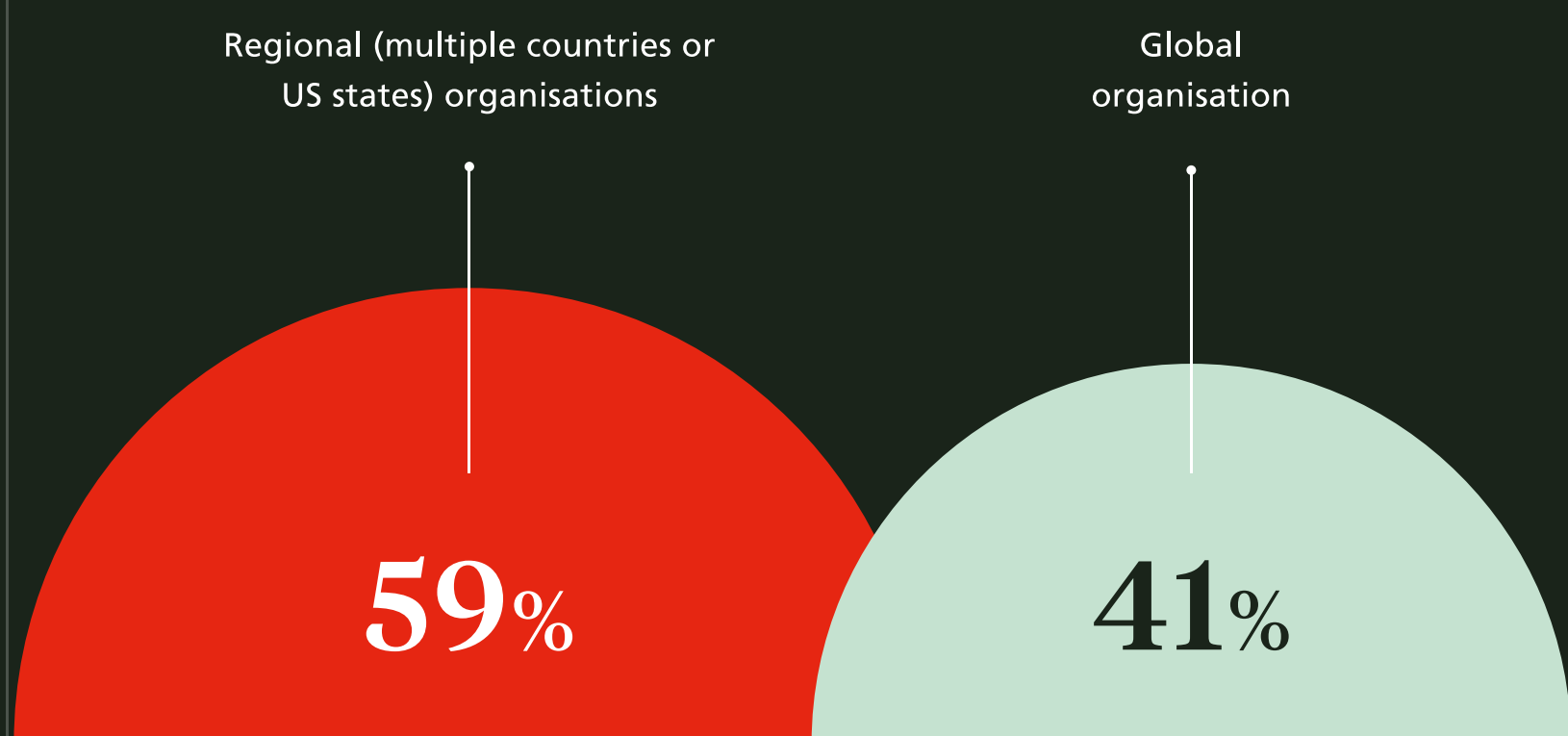
JOB TITLES



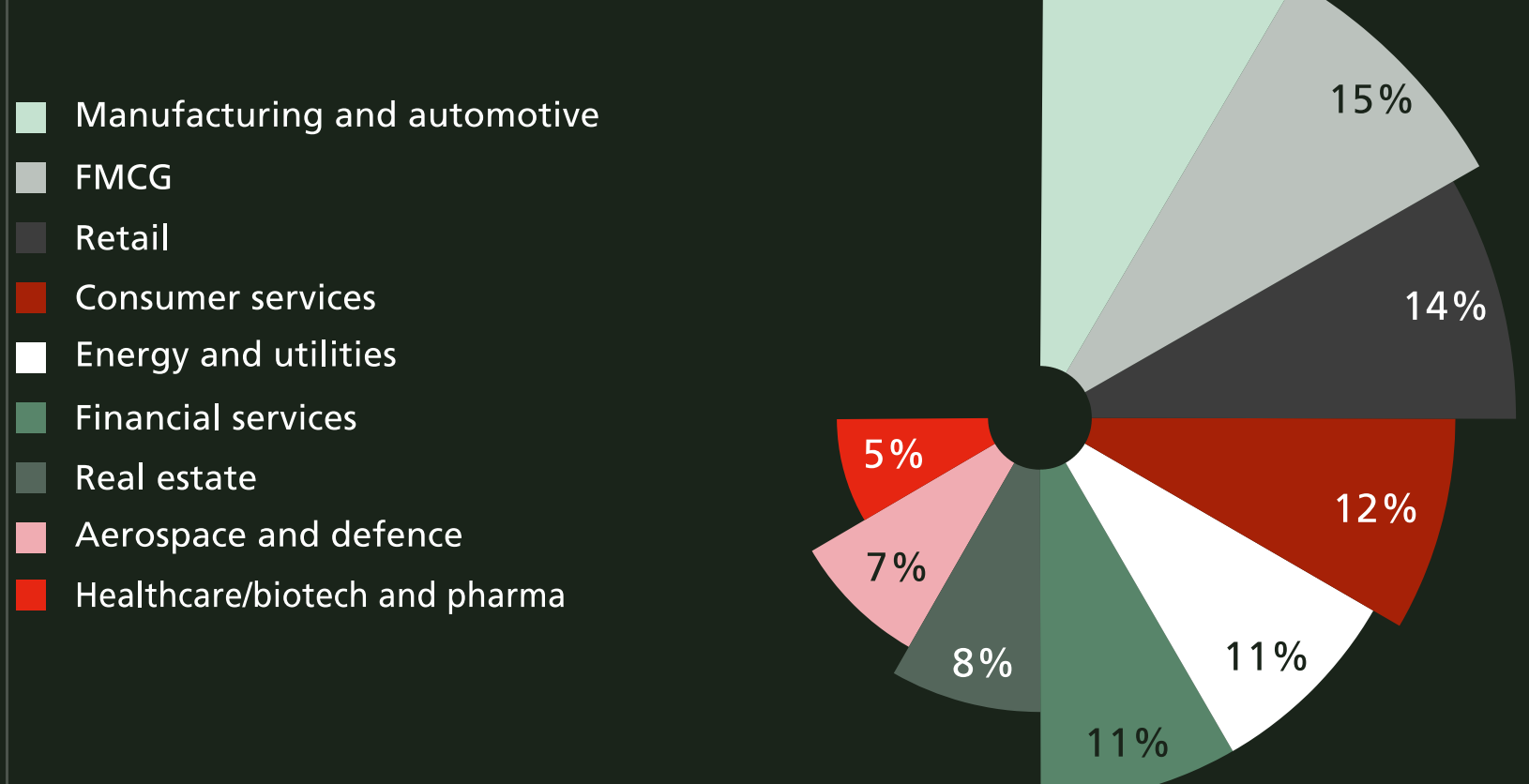
REGIONS



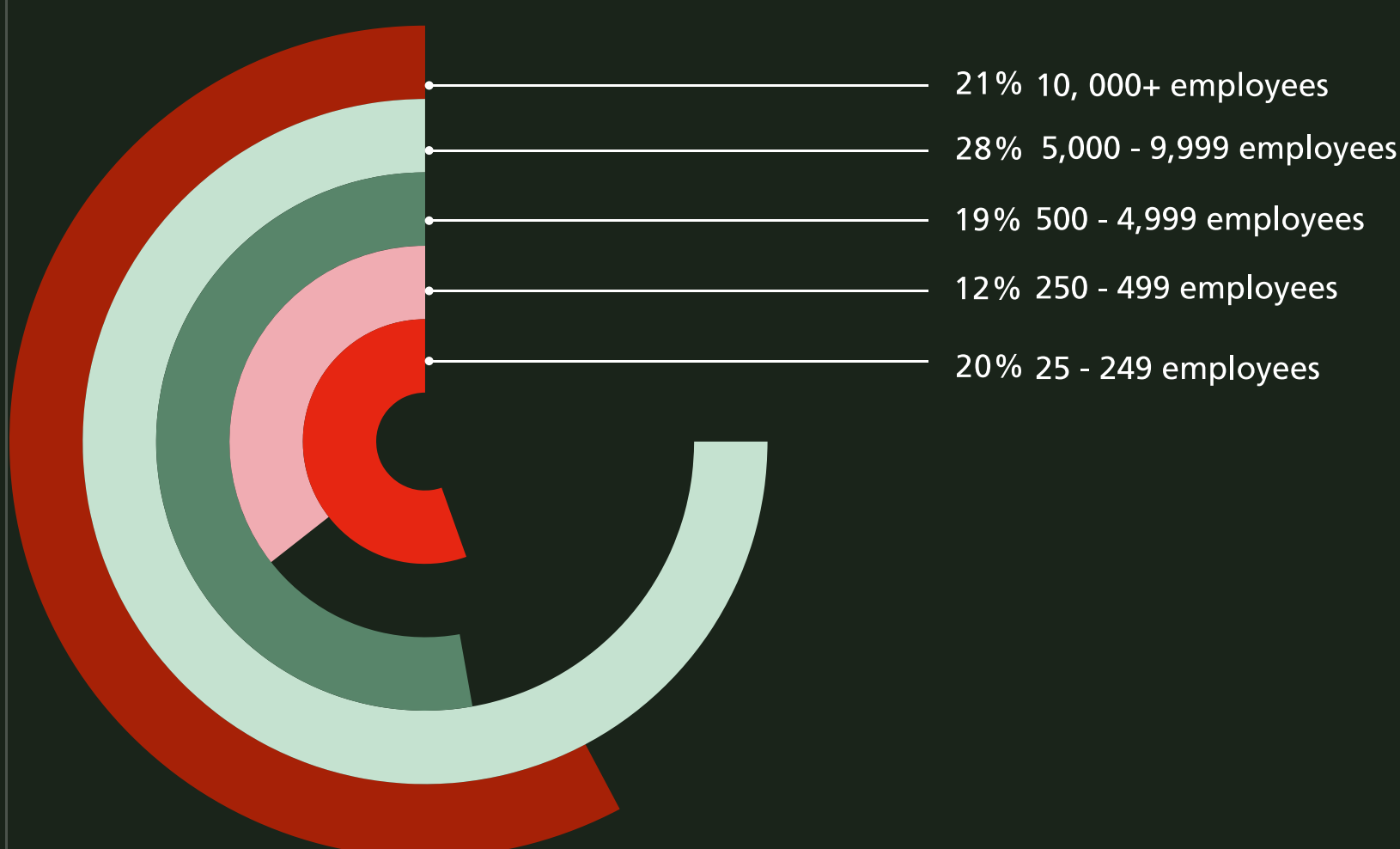
GEOGRAPHIC SCOPE



SECTORS



COMPANY SIZE



PREVIOUS ARTICLE
THE HR BAROMETER - ARE HR LEADERS GETTING THE RECOGNITION THEY DESERVE?

