

Next Generation HR

Research and insights

Nick Kemsley

Henley Business School Centre for HR Excellence

Outline of today's talk

- First public discussion of latest Henley HR Centre research

Next Generation HR – into a new economic climate

- How this, and other recent research and experience helps us understand...

The 4 key operating challenges for HR going forward

- And then finally a brief word on...

The skills challenge for HR

The Henley Centre for HR Excellence



Research

Next Generation HR – moving forwards into a new economic climate

Nick Kemsley, Co-Director

Additional content provided by Nick Holley and Rudi Kindts



Key findings
from our
latest research

About the research

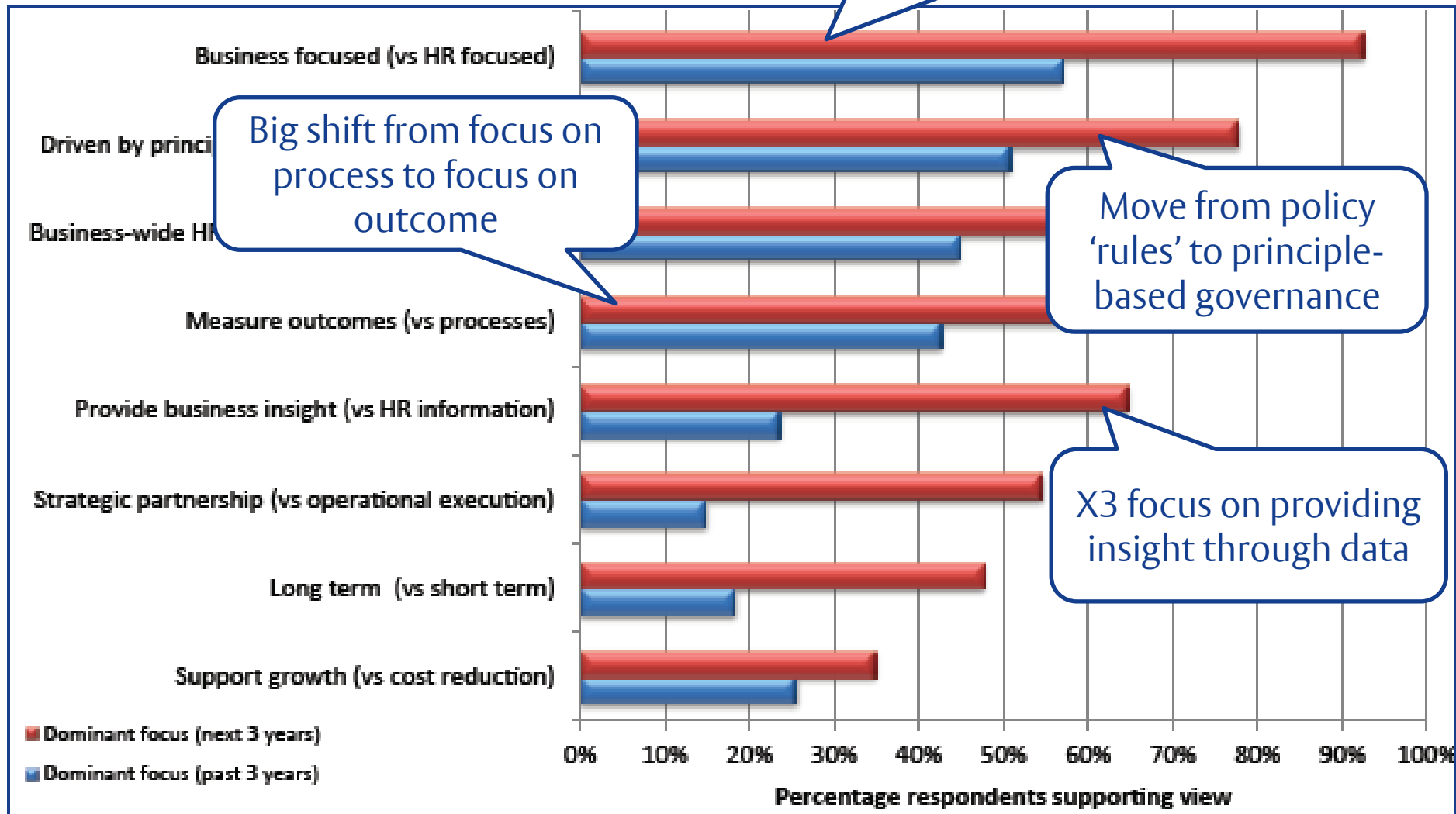
- HR Centre research talks to senior HR leaders about their views and experiences, and includes a current literature review
- Mix of in-depth interviews and a survey of HR leaders covering 26 industry sectors. 60% work for multi-national organisations
- **5 questions:**
 - How is the role of HR seen to be changing going into the next 3 years versus last 3 years?
 - What challenges is this throwing up for HR?
 - How will HR be measuring success in the next 3 years?
 - What is HR doing to react to these challenges and what is working?
 - What kind of external support is going to be most valuable?

Top level findings

- Next Gen HR is about a *commercial hardening* of HR
- **Shift in emphasis** - productivity, metrics, ROI, strategically-aligned capability development
- **Evolution not revolution** - making structural model work better, more flexibly and in a more aligned way
- **Common themes** - data & metrics, OD, simplification of HR processes, strategic workforce planning
- **Skills gaps** - questions about whether HR's approach to career development is delivering the goods

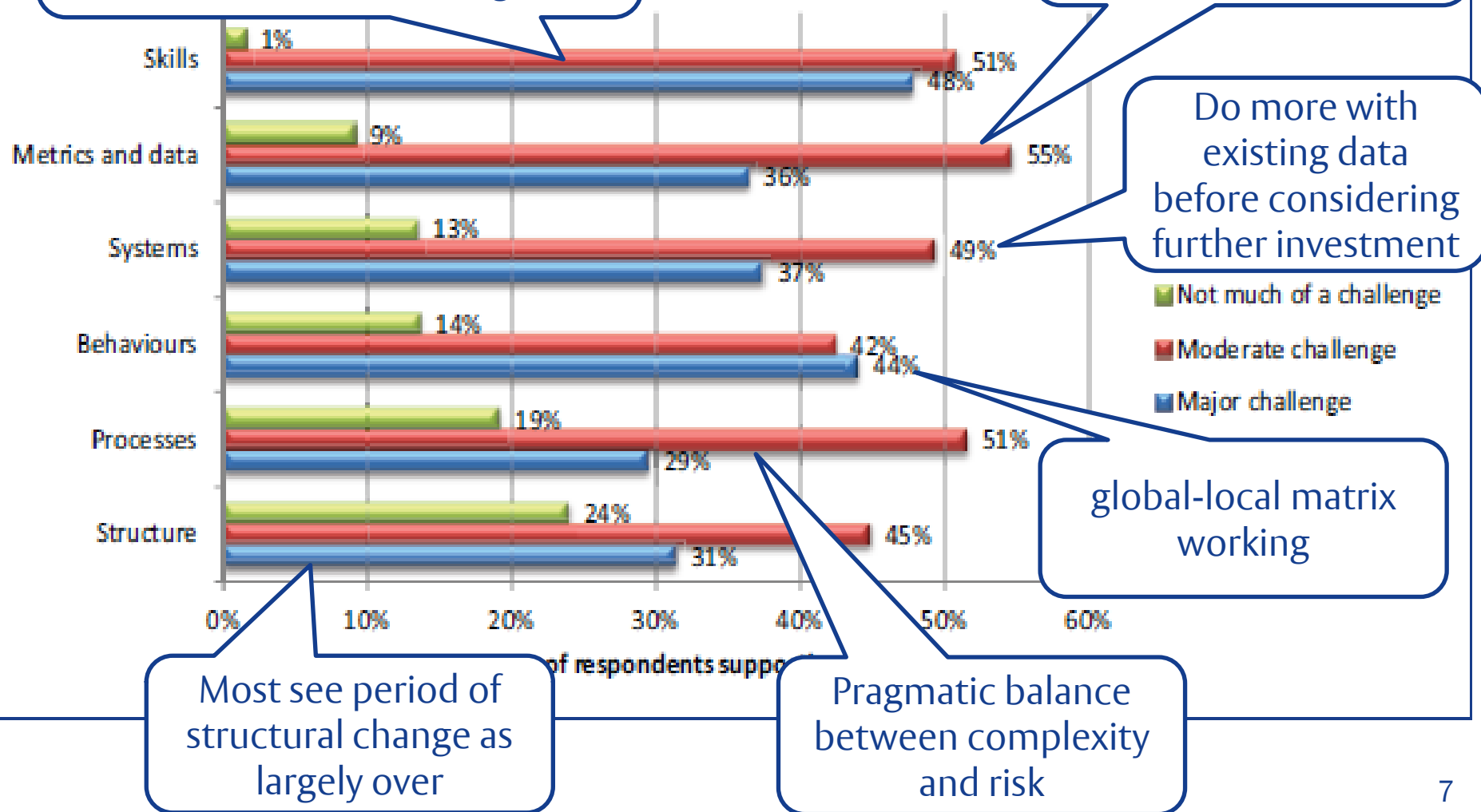
The next 3 years?

Figure 2 Predicted shift in emphasis on various elements of HR's role over the next 3 years



The challenges?

Fig. 1. Challenges to business success in the next 3 years

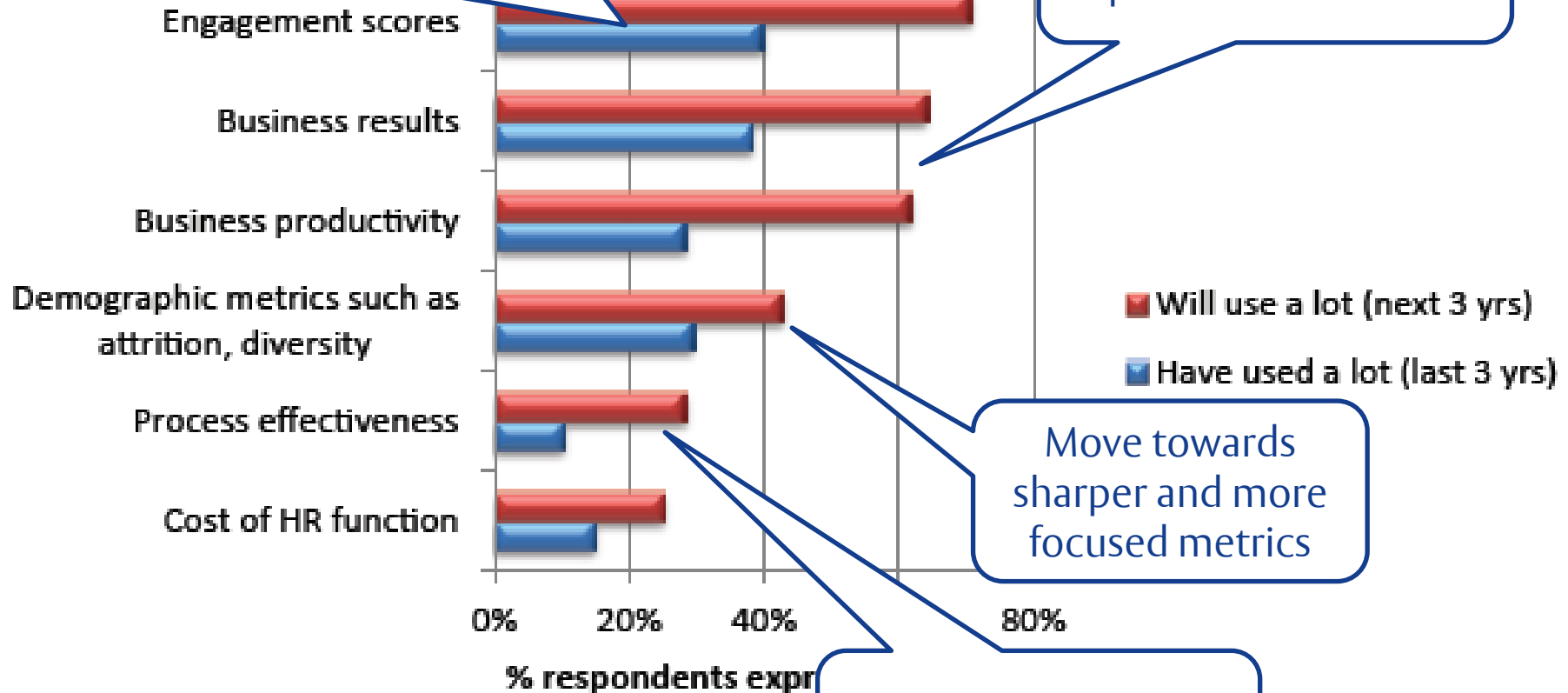


Success measures?

Linking engagement to business outcomes, and broadening its scope beyond 'satisfaction'

the success of HR functions

Big shift in performance focus



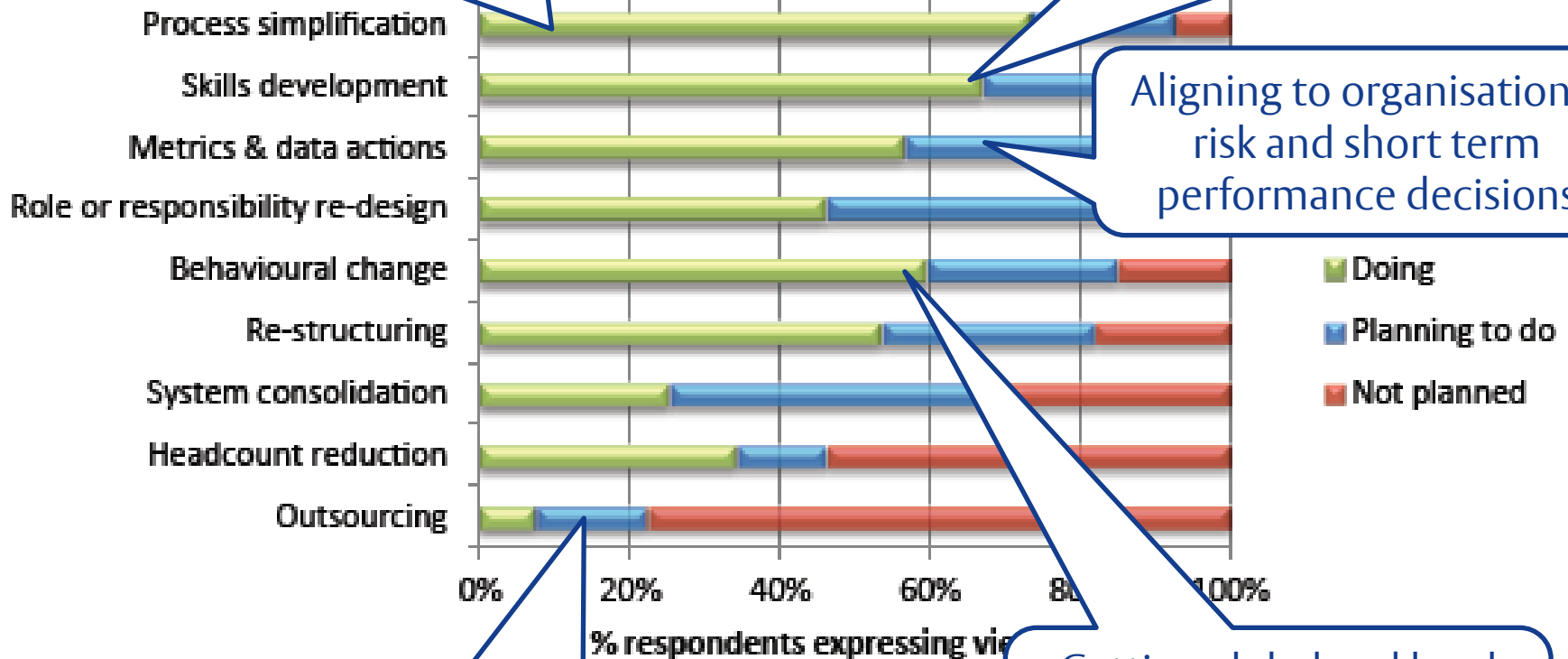
What is HR doing?

More pragmatic process design,
L&D catalogue rationalisation,
and migration to shared services

in its own evolution

Bringing people in from wider
business seen as key. Struggling
with finding OD skills

Aligning to organisational
risk and short term
performance decisions



78% not planning any
outsourcing – looking to
get 'own house in order'

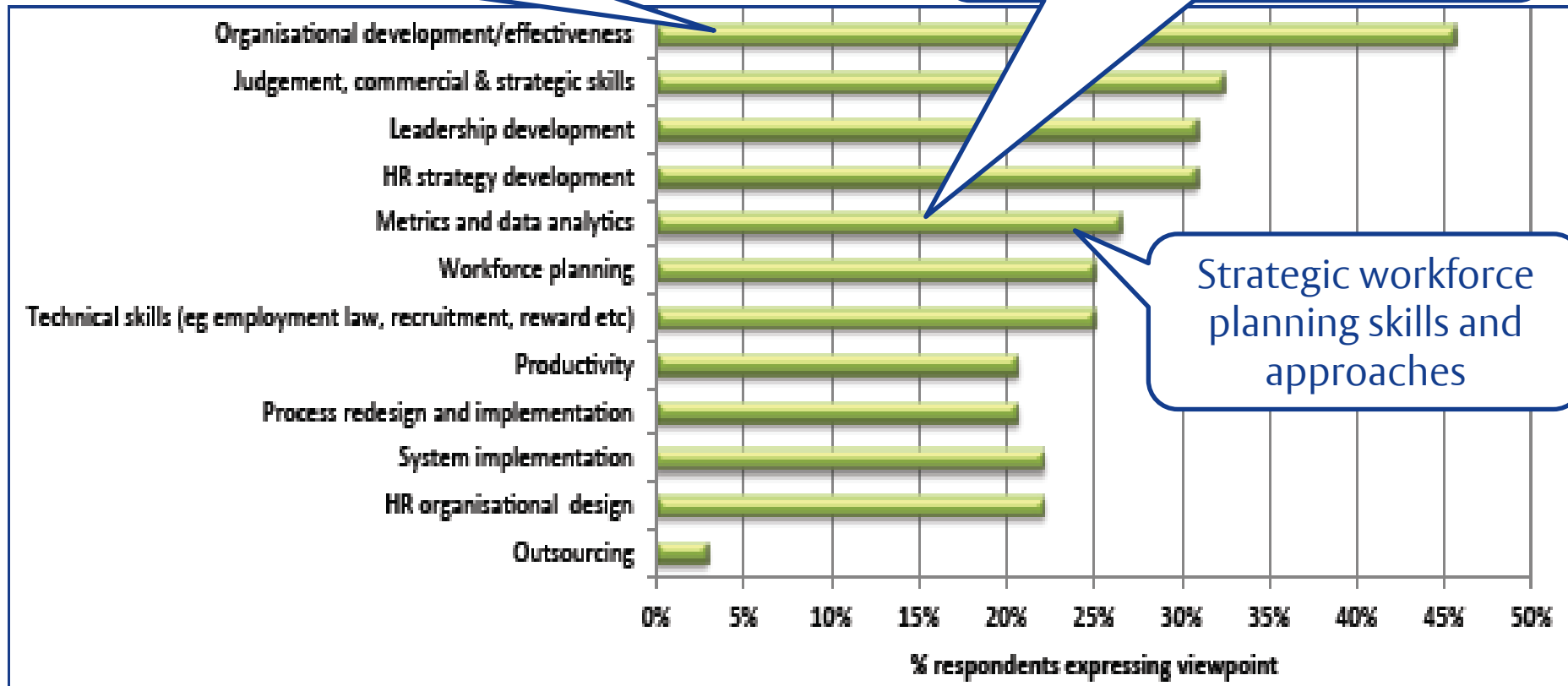
Getting global and local
HR to work more
constructively together

External support?

Identifying organisational risks to the business plan and developing an integrated organisational strategy

support would be be

Data manipulation and insight generation training. Ways of linking to business agenda



Strategic workforce planning skills and approaches

This, and other research and experience, reveals 4 key challenges to HR's effectiveness in the new economic world...

4 challenges for the “How of HR”

Based on 2010, 2011 & 2012 research by Henley and other organisations across HR & non-HR

1. Creating a more joined up, organisational capability offer
2. Delivering more relevant impact in shorter timescales
3. Re-focusing on the importance of the ‘vital basics’
4. Having a more commercial & pragmatic approach

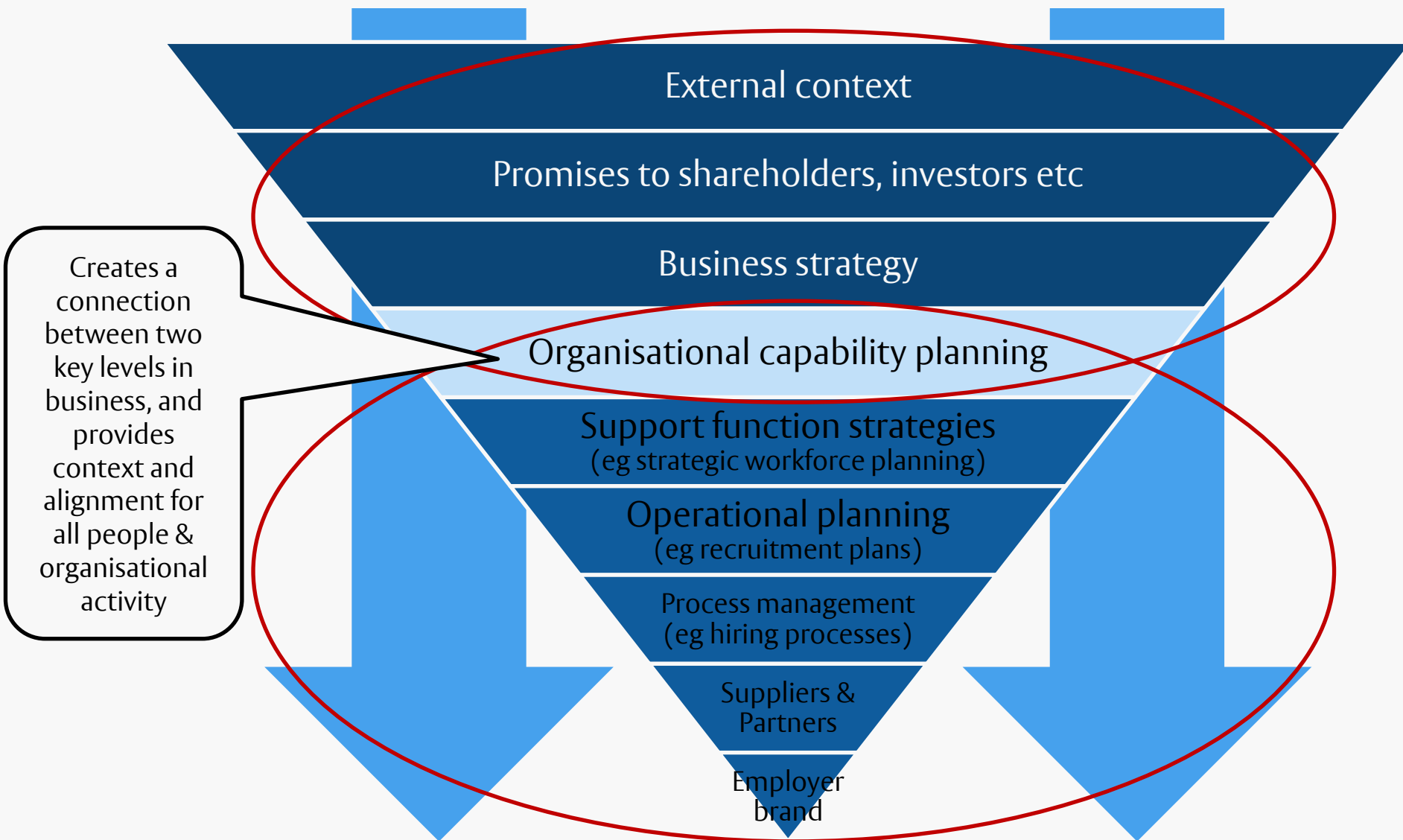


Joined up org capability offer

- Identifying the organisational risks to the business strategy
- Developing integrated people and organisational strategies to address, which look across processes, not in silos
- Aligning activities around the risk agenda
- HR structure makes sense and is easy to do business with



Aligning the strategic value chain



4 challenges for the “How of HR”

1. Creating a more joined up, organisational capability offer
2. **Delivering more relevant impact in shorter timescales**
3. Re-focusing on the importance of the ‘vital basics’
4. Having a more commercial & pragmatic approach

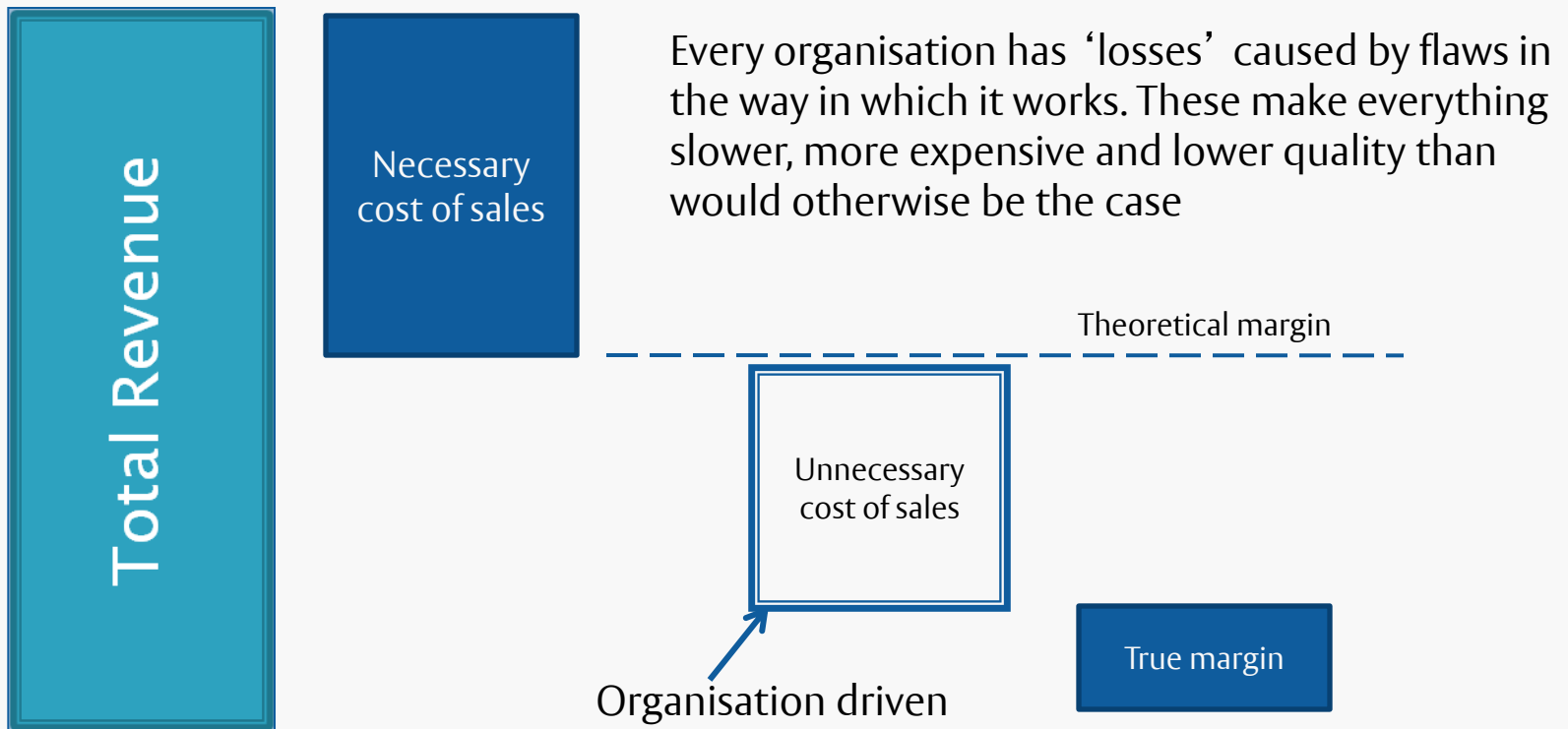


Quicker, more relevant impact

- The 0-12 month, productivity & efficiency gap
- Balancing short & long term in the same space
- Doing fewer, more relevant things, less perfectly
- Engaging with data earlier and more insightfully



How HR creates short term value



HR's function here is to tackle sources of inefficiency in organisations to create 'capital for reinvestment'

4 challenges for the “How of HR”

1. Creating a more joined up, organisational capability offer
2. Delivering more relevant impact in shorter timescales
3. **Re-focusing on the importance of the ‘vital basics’**
4. Having a more commercial & pragmatic approach

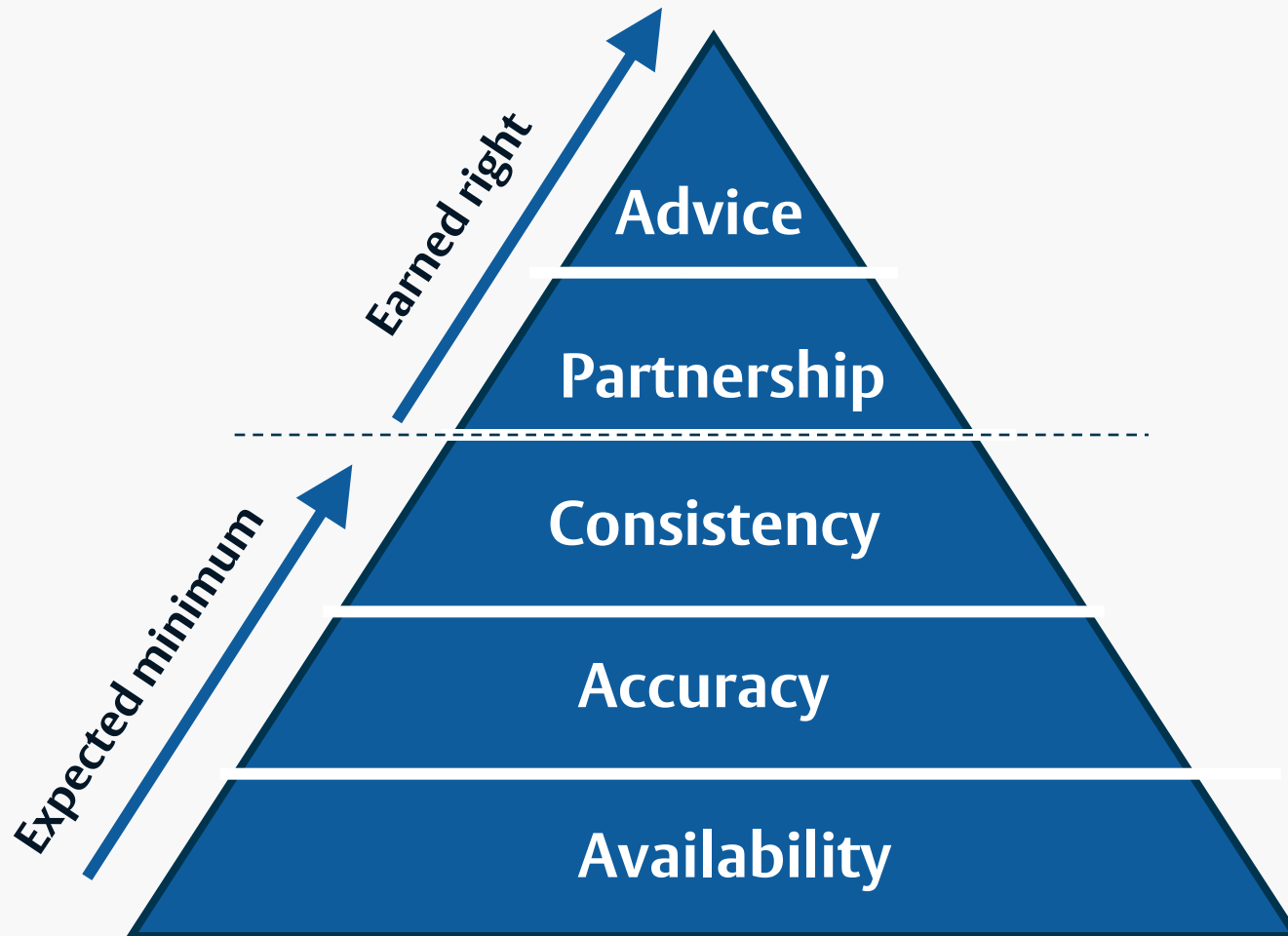


Re-focusing on the vital basics

- If you can't pay people on time, don't talk about strategy
- Seeing connection between money and action
- Can't keep saying we are "still embedding" the basics
- Simple processes and focusing on application

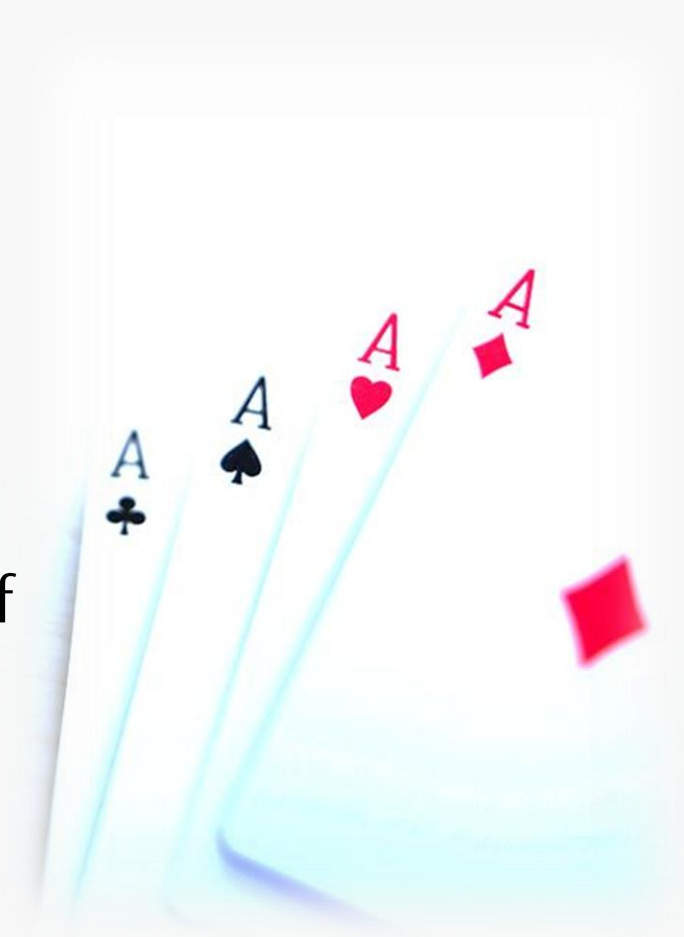


The credibility pyramid



4 challenges for the “How of HR”

1. Creating a more joined up, organisational capability offer
2. Delivering more relevant impact in shorter timescales
3. Re-focusing on the importance of the ‘vital basics’
4. **Having a more commercial & pragmatic approach**



More commercial & pragmatic,

- Knowing how business works
- Flexible, pragmatic design and implementation
 - It does not have to be perfect to work
 - Balance impact with effort – minimum control to get the job done
 - Inappropriate governance creates risk and dilutes outcomes
- Impact vs process metrics
 - Performance management – measure behaviour change or number of forms back on time?



Looking at process simplicity

Too high:
Not managing risk

?



Where to draw the governance line?

?



Too low:
Process itself creates
complexity, bureaucracy
and non-compliance

Organisation

A word on capability...

Capability

Must balance...

- Long vs short term
- Strategy vs tactics
- Central vs local
- Big picture vs detail
- Process perfection vs implementation ease
- Specific expertise vs overall capability
- HR vs wider business knowledge
- More complex, more matrixed business
- Fewer HR people & roles
- Cost constraints



Requires...

Pragmatism

Tolerance of ambiguity

Judgement

Flexibility

But often...

- Divided structure model
- Transactional career path
- Strong need for certainty
- Lack of strategic ability
- Lack of business acumen
- Perfectionistic culture
- Hobbies
- Process mindset
- Inflexible processes, policies & tools

Overall summary

