



THE FUTURE FIT MINDSET

The Future of Work and the Role of HR

Kevin Empey, IMI Senior Executive Programme and Panel Discussion | Talent Forum | 11th February, 2019

The 'Future of Work' is a popular subject in the business world. It acts as an easy-to-grasp end point to the uncertainty we're feeling. It promises a future where new technologies and old methods have been married successfully, leading to happy and productive employees around the world.

It's often pure prediction. How many jobs will be replaced by automation? Will we move to a four-day week? Will companies be largely composed of workers taken from the gig economy?

These are crucial questions, but for the HR director in an organisation the question inevitably becomes, 'so what?' What can they do about it? Can they do anything other than try to navigate challenges as they arise?

'We can't control the tides and we can't control the weather' said Kevin Empey at the outset of the second IMI Talent Forum of the year. 'But we can perhaps navigate what's around us if we have the right equipment and the right skills. And that's why

we're here today – what do we actually need to do to future-proof our organisation?'

The reasons for this particular debate are clear, but worth reiterating. The rapidly expanding capabilities of technology, globalisation, shifting customer expectations, changing demographics... these forces are converging to create the requirement of doing things differently.

Even organisations themselves are changing. Retail companies can now see their real asset as the data they have on their customers, medical companies are moving into predictive and genome medicine – nearly every organisation is either subtly or dramatically changing its business model to adapt to this changing world.

Challenging Employees

One aspect that employers, and employees, must acknowledge in their planning is that preparing for the future of work is not a top-down challenge only. Employees must take ownership over the skills and



The CEO of Guardian Life on talent in an age of digital disruption (click image to play)

characteristics they need to develop to become valuable contributors to the future economy.

During the Talent Forum, attendees watched an interview with Deanna M. Mulligan, CEO of Guardian Life (insurance company), and two points of hers were picked up by the group. Specifically;

- 1) Guardian Life now have regular senior management meetings where they talk about the talent they require. In other words, talent acquisition is becoming an inherent part of senior management's role.
- 2) They ran workshops where they got employees to experiment with the kind of robots they might work with in the future. Demystifying the technology both reduces fear but also gives a clear view of what employees need to do in the future, and prepare themselves for it.

Analysing the Future of Work

With so many complex plates spinning, it can be overwhelming for any individual (or even organisation) to define a strategy that is both proactive in planning for this

uncertain future, but also agile enough to work consistently over time.

Kevin proposed a simple framework (see next page) to begin analysing how these forces might be applied to their work and organisation. The Future of Work Organisational Impact Analysis allows leaders to begin categorizing future challenges, breaking them down into still macro, but not unsolvable, issues.

The Digital Organisation

Digital technologies are driving these changes, as they empower so many new possibilities in doing things differently than in the past. Even when we take a step back and look at the structure of a typical organisation, we see how digital has fundamentally changed everything (and added a layer of complexity).

Previously, people, technology and processes were largely separate. There was crossover, of course, but for example the HR and IT departments were very distinguishable from each other. Now, HR employees are becoming IT experts, and the capabilities of IT is affecting what and how they do their jobs.

Future of Work Forces	Description	Opportunities & Challenges for us	Issues arising for our Organisation
Enabling Technology	Increased application and capability, digitalisation, connectivity, productivity, virtual working and learning etc.		
Business Model Trends	Changing nature of 'value' and competency in our sector and related sectors		
Globalisation	Access to global market-place for talent, connectivity, emerging economies etc.		
Changing society and workforce	Changing expectations of customers. Changing expectations of employees - flexibility, work-life balance, choice, diversity,		
Changing demographics	Aging and changing workforce, increased longevity, 5 generations at work etc.		
Resources	Depleting resources and economic growth decline – sustainability, cost, environment		
Other ?			

The Future of Work Organisational Impact Analysis

'I was at a conference recently about Digital and HR and the stories coming out were nothing to do with the technology, they were to do with the change it was bringing and how it would affect the people in the organisation' said Kevin. 'It wasn't the technology agenda; it was the people agenda.'

So, what will those people look like in the Workforce of the Future?

The Workforce of the Future

Just as organisation structures have changed, so will the people. Companies have always decided what to keep in-house and what to outsource within their business model, but digital has changed what is possible.

The decision on what to outsource and where was largely based on maximising efficiencies and lowering costs, and we can expect the same principles to be applied to the acquisition and application of talent in the future.

One key principle is that jobs will be deconstructed into the functions they serve, and companies will hire for these functions, not necessarily a single person who performs multiple functions.

Kevin gave the example of a company that loses ten software engineers. The immediate reaction in HR might be to put out advertisements to hire ten more software engineers, but this might not be the case in the future economy.

'One of the things HR have been challenged to do is to stop and start to break down those jobs and see how they could be done differently' said Kevin. 'Could some of those functions be outsourced? Could we hire three software engineers who could outsource some of the basic programming functions that are time consuming but don't necessarily require highly skilled, experienced and well paid engineers?'

In this specific example, Willis Towers Watson (advisory, broking and solutions company) worked through the costs and found that a company that could efficiently outsource the functions would reduce their cost of hiring a software engineer (or rather, the functions a software engineer fulfills) from \$250,000 to \$85,000.

While this doesn't account for institutional knowledge, purpose of employees etc., it does illustrate the potential for companies to tap into the gig economy.

'The future of work will be about accessing talent, not owning it' concluded Kevin.

We need to talk about Agility

'Agility is probably one of the biggest 'turn-off' words in the business world today' said Kevin. 'But we have to solve it, and the HR community in particular can't afford to let it go and dismiss it. If we can solve for agility, we can be pretty sure we can adapt to the future.'

As the pace of change increases, alongside an increase in the choices we have because of new technologies, our ability to plan and control decreases in the opposite direction.

This loss of planning and control cannot be solved by planning more and taking more control though micro-management, but rather by changing company structures and behaviours to take advantage of this new world.

'One company I was working with saw that the employees themselves were innovating brilliantly, problem solving and delivering brilliant solutions the local level, but they found that the innovations were bumping up against the organisational structure, which was still very much in the plan and control world' said Kevin. 'Leadership behaviours hadn't changed – they had introduced policies to make the company more agile but didn't adopt them themselves.'

Kevin showed the **SCOPE** model for leaders to identify how agile their organisation currently is:

Organizational Agility Category	Organizational Agility Statement	Current State Score	Importance to our business	Notes
S trategy	▪ Agility is explicitly contextualized and understood for own sector and our strategy			
	▪ Our business strategy emphasizes organization appropriate agile principles & approaches			
C ulture	▪ There is a culture of setting up, executing and learning from experimentation			
	▪ Agile values in a safe environment are evident for innovation, learning and disruption			
	▪ Leaders encourage agile practices and behaviours, role model agile mindset			
O rganisation	▪ Our structures, systems and technology enable agile practices and outcomes			
	▪ Our operational processes have the capacity to implement changes (both incremental and discontinuous) and to convert these changes and resources to performance			
	▪ We have agile team structures and processes . Team and people leaders encourage agile mindset, practices and behaviours			
	▪ Our decision making processes and practices are effective			
P eople	▪ Our talent strategy and practices support the development of an agile organization (e.g. do we hire and develop people with agile skills and competencies in mind ?)			
	▪ We have an Agile HR structures and processes (e.g. do our reward, performance and recognition processes support agility, does the HR function and model support org. agility ?)			
E xternal Focus	▪ We encourage external partnerships and relationships in our operating model			
	▪ We have the capacity in place for scanning the external environment to identify opportunities and risks for our business and how we operate			

The 'SCOPE' model for measuring organisational agility

For individuals in the organisation, to be agile they also need to be comfortable within it. It can be developed, can also be hired for. WorkMatters research in 2017 identified 6 qualities associated with personal agility:

- 1) Purposefulness
- 2) Learning Mindset
- 3) Change Orientation
- 4) Autonomy & Empowerment
- 5) Relationship Management
- 6) Collaborative



What are the qualities most associated with personal agility?

‘The future-fit HR leader will have to change their role’ said Kevin at the end of the Talent Forum session. ‘We need to become work architects and figure out the functions the organisation needs to fulfil, we need to be agile and enable digital practices, we need to shape the culture and employee experience, and become talent planners and people strategists.’

HR sits at the very centre of the Future of Work and the complex digital changes we are seeing across organisations. HR has the holistic view of an organisation and can act as a bridge between today's practices and tomorrow's solutions.

It will be a challenge.

PANEL HIGHLIGHTS

HIGHLIGHTS FROM THE TALENT FORUM PANEL DISCUSSION



▼ **Liz Joyce, HR Director, Central Bank of Ireland**

"Context is huge when it comes to change. The speed of change, and its disruptive nature, has certainly picked up, and our ability to see what is coming next has correspondingly decreased. We regulate 10,000 entities in Ireland and their business models are changing, their technologies are changing, and the skills and people we need are changing.

In many cases there are no solutions, only trade-offs.'

▼ **Ger Mitchell, Chief HR Officer, Permanent TSB**

"Ten years ago, 90% of our transactions were done by people walking into our branches and physically completing them. Today, 90% of transactions are done on a smartphone.'



▼ **Mia Kutner, Koru Consultancy**

"With digital transformation, we don't know the future - but we can grasp it. We can re-skill, we can redeploy, we can engage, we can communicate, and we can bring people along that journey with us.

For it all to work, we have to include the people in the process itself.'





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