Learning outcomes

After attending this course session you should be able to:

- define the concept of digital transformation
- describe the design of a digital transformation strategy
- define the concept of digital HR
- distinguish between the different levels of HR intranets
- identify the advantages and disadvantages of digital HR
- discuss the effects of technology on several key HR functions
- Examples from real businesses digitally transformed
- Predictions for the future

Course content and some questions

- Over the last ten years, we've seen a lot of digital business disruption. Amazon disrupted Wal-Mart. PayPal disrupted Visa. Tesla disrupted GM and Ford. And Facebook and Google disrupted just about everyone.

- Introduction: Four powerful worldwide changes have altered the business environment:

  (1) Globalization,

  (2) Rise of the Information Economy: free, abundant and universal

  (3) Transformation of the Business Enterprise: cloud computing and storage

  (4) Emergence of the Digital Firm and the widening scope of Information Systems: mobile devices and continuous connectivity widely available

- Today: Digital information webs extend beyond the enterprise.
  - the role that digital technology plays within an organisation
  - how this technology can be implemented within a company
  - the impact on the human resource management function
  - HR digital functions: recruitment, selection, training, performance management and compensation

- **Audience Attending**: Age/generation composition, adversity attitude, knowledge about eHR and its applications, knowledge about work team experience

Organizational Motivation – the basic orientation of the organization toward innovation: Policy Framework and Policy priorities (Pillars for Public Sector)

'…more can be done to modernise public administration, achieve cross-border interoperability and facilitate easy interaction with citizens….' (EC Communication)

eGovernment Action Plan 2016-2020

Modernising public administration with ICT, using key digital enablers

**Enabling cross-border mobility with interoperable digital public services**

Facilitating digital interaction between administrations and citizens / businesses for high-quality public services

Public services in Europe have embraced new technologies to varying degrees but more can be done to modernise public administration, achieve cross-border interoperability and facilitate easy interaction with citizens.
Seven in ten citizens feel that public agencies could provide a better customer experience by using the latest technologies

Understanding the transformation of European Public Administrations

- Transformation of public administrations and their role in society.

- It requires reflecting upon:

  1. people's expectations about their relationships with governments

  2. government's role and ability to deliver public value

  3. governance approaches and strategies: open platforms and standards

  4. legal, political and cultural aspects of this transformation

  5. necessary organisational, administrative, technical human resource and legal changes: trading control fc
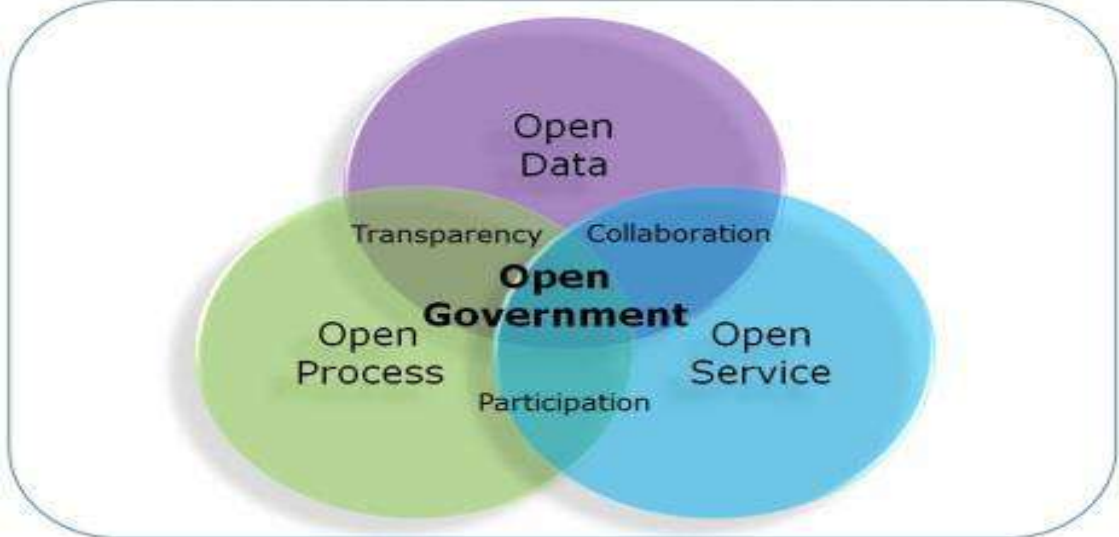
Evolution in the impact of ICT-adoption and in the complexity of the enabling infrastructures:

- Increased dynamicity and complexity in business networking
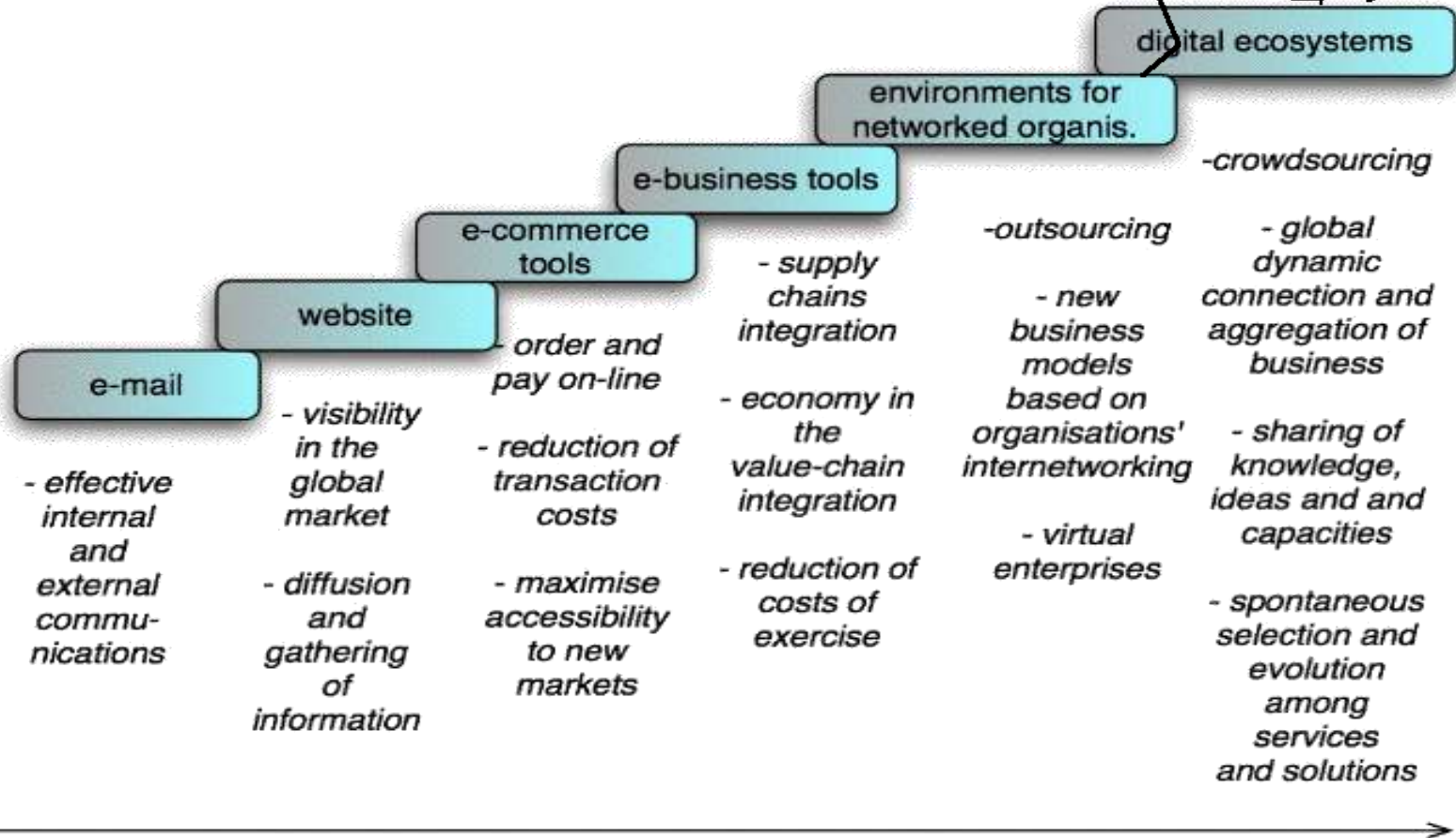- Key role of knowledge (knowledge on business/social/economic aspects)
- Increased sophistication of ICT infrastructure

SMEs
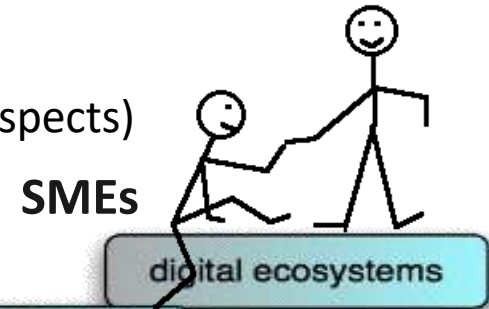
opportunities and economic benefits

digital ecosystems

environments for networked organis.

e-business tools

e-commerce tools

website

e-mail

-crowdsourcing

-outsourcing

- order and pay on-line

- supply chains integration

- global dynamic connection and aggregation of business

- effective internal and external commu-nications

- visibility in the global market

- diffusion and gathering of information

- reduction of transaction costs

- maximise accessibility to new markets

- economy in the value-chain integration

- reduction of costs of exercise

- new business models based on organisations' internetworking

- virtual enterprises

- sharing of knowledge, ideas and and capacities

- spontaneous selection and evolution among services and solutions

extent of economic impact, organisational change and sophistication

Adapted from Cisco led Information Age Partnership study on e-commerce in small business
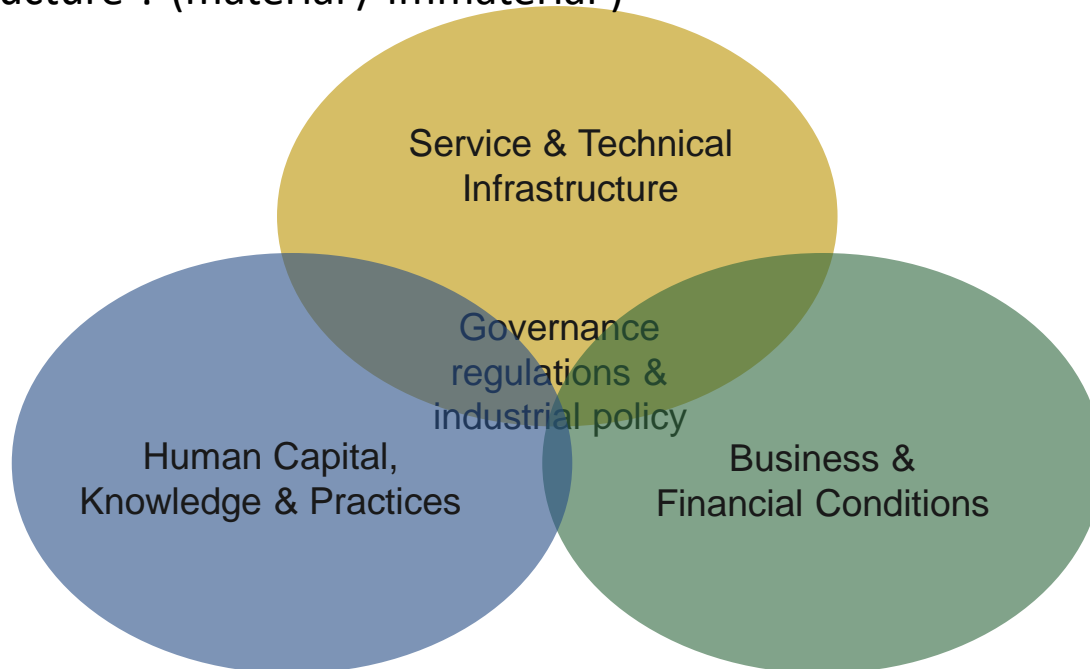
The Business Ecosystem

Create a climate conductive to innovation and development: the conditions for

- Developing new economic activities

- Attracting / developing new ideas and business/organization models: "it is the quality of the idea that matters, not who suggests it"

- Attracting / developing capital and **human capital (smart creatives)**

How to create a favorable environment for business and people: a socio - economic eco - system

- Which industrial policy ?
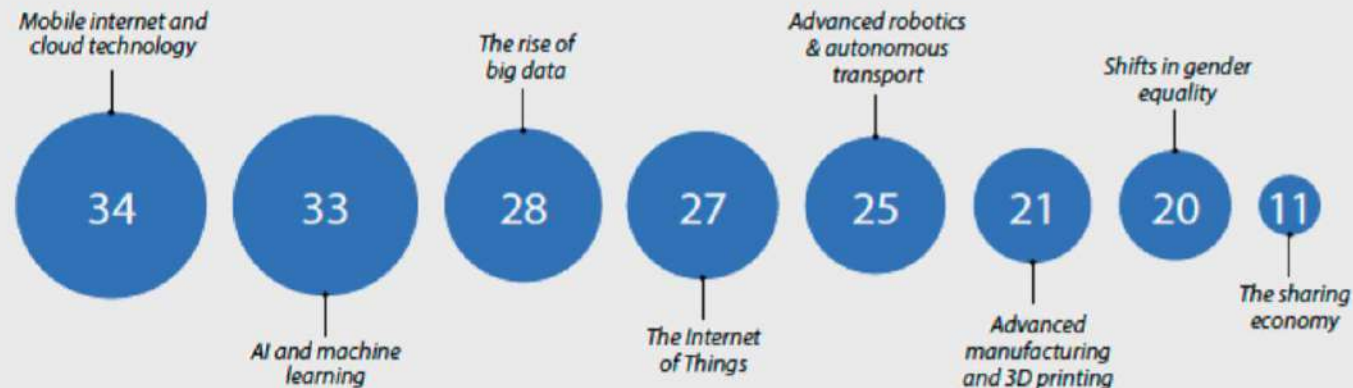- Which infrastructure ? (material / immaterial)

Service & Technical Infrastructure

Governance regulations & industrial policy

Human Capital, Knowledge & Practices
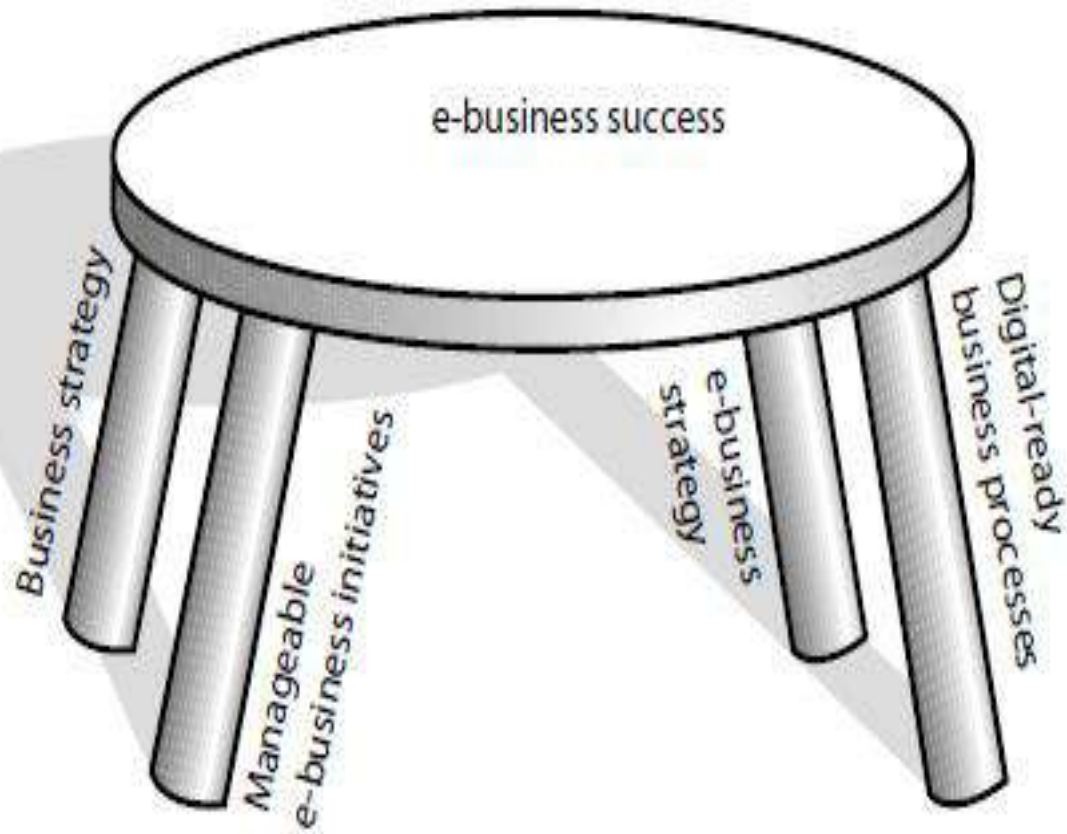
Business & Financial Conditions

Forces Shaping the Future HR

- A worldwide shift in demographics ♠
- The knowledge economy
- Globalization and cultural diversity
- The digital workplace
- The ubiquity and omnipresence of mobile technology ♠
- A culture of connectivity ♠
- Corporate social responsibility ♠

■ **The ongoing shift towards more specialized and technology-led economies will increase demand for a highly tech-enabled and digitally skilled workforce.**

"What do you see as the three most significant drivers of change that will impact your future working life up to the year 2020?" | % who ranked the driver in their top three

Mobile internet and cloud technology — 34

AI and machine learning — 33

The rise of big data — 28

The Internet of Things — 27

Advanced robotics & autonomous transport — 25

Advanced manufacturing and 3D printing — 21

Shifts in gender equality — 20

The sharing economy — 11

# The four elements of digital transformation success
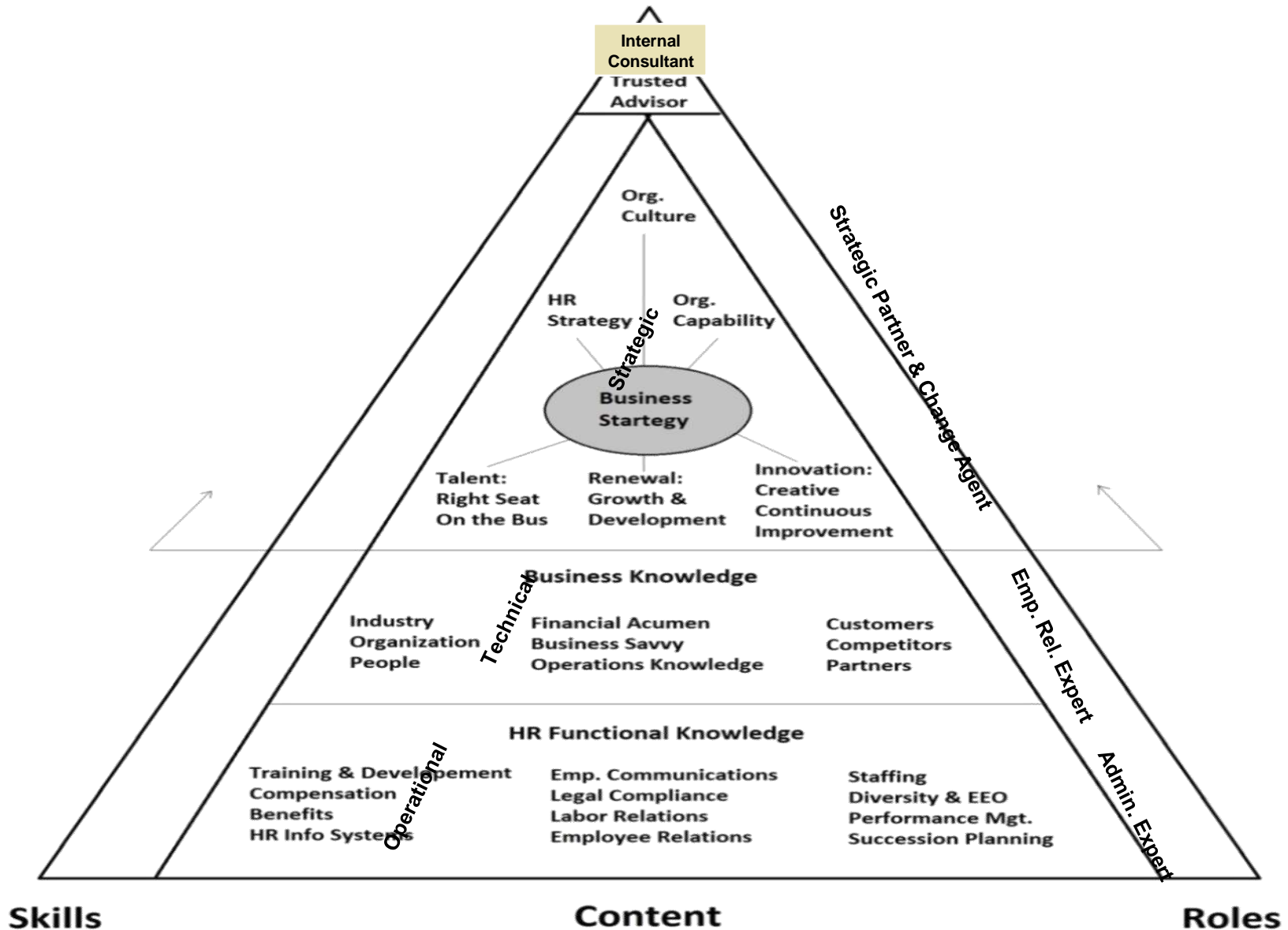
The impact of the digital era on HRM

- Web-technology is changing every aspect of the way a company conducts its business
- also transforming the way in which companies manage their employees
- changing the way HR professionals do their job, and as a result, human resources has become the latest partner in the Web development known as digital HR
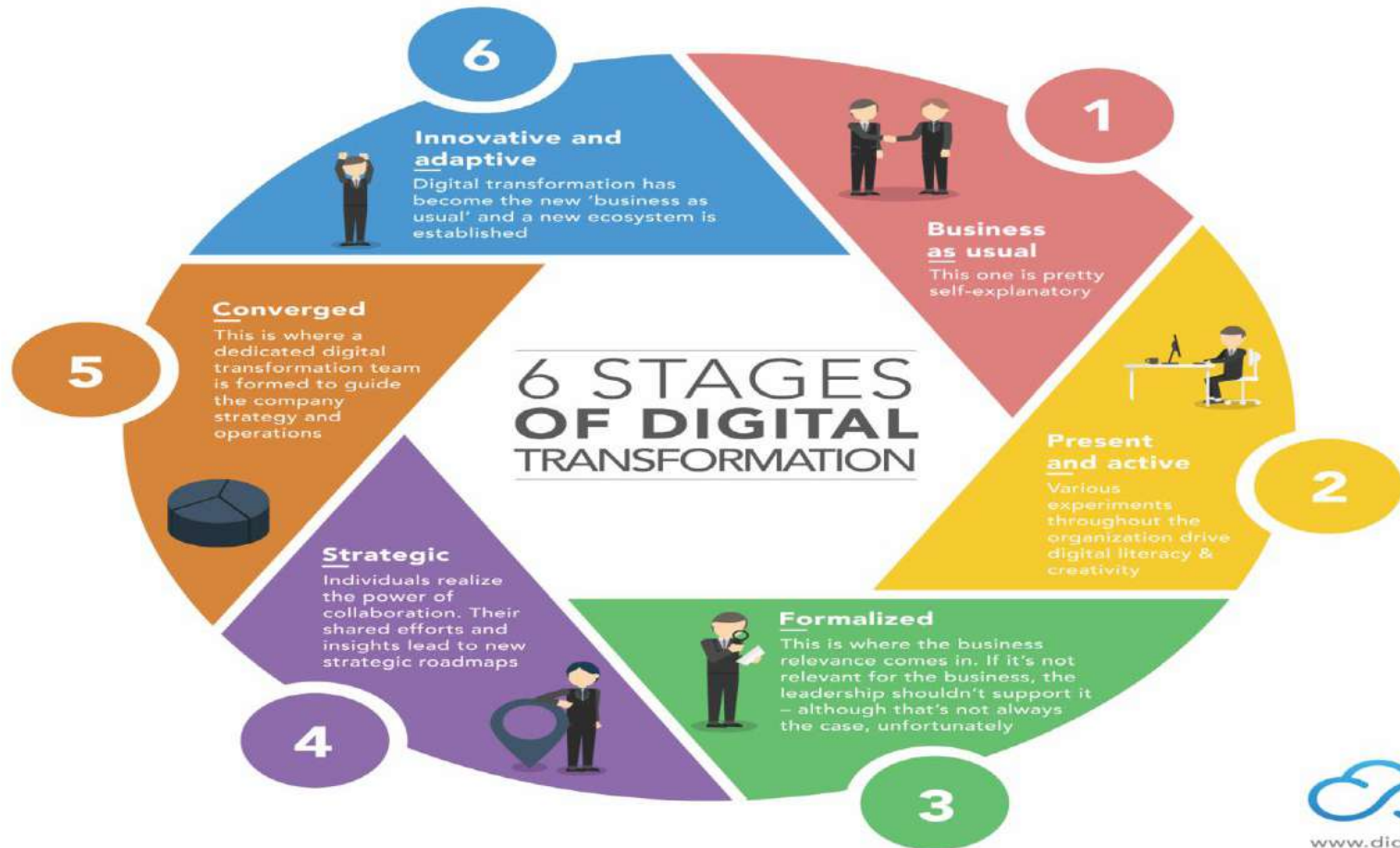
Advances in Human Resource Management

1. A new philosophy of action
2. A rapid transformation from staff services to internal consultation ♠
3. A gradual transfer of functions and decision-making to middle managers
4. A close connection with the company's Vision Mission Values ♠
5. A strong concern with knowledge management and generating intellectual capital
6. An overriding concern with preparing the organization and its employees for the future ♠
7. A strong concern for adding value within the organization
8. A clear and accelerating tendency toward rightsizing
9. Emphasis on a participative & democratic culture ♠
10. Strong use of motivational tools and personal achievement ♠
11. Flexibility of HR policies and practices across cultures
12. Literacy in mobile technology ♠

Developing HR as Internal Consulting Organization

Internal Consultant — Trusted Advisor

Strategic Partner & Change Agent

Strategic
- Org. Culture
- HR Strategy
- Org. Capability

Business Startegy

- Talent: Right Seat On the Bus
- Renewal: Growth & Development
- Innovation: Creative Continuous Improvement

Technical

Business Knowledge

| Industry Organization People | Financial Acumen Business Savvy Operations Knowledge | Customers Competitors Partners |

Emp. Rel. Expert

Operational

HR Functional Knowledge

| Training & Developement Compensation Benefits HR Info Systems | Emp. Communications Legal Compliance Labor Relations Employee Relations | Staffing Diversity & EEO Performance Mgt. Succession Planning |

Admin. Expert

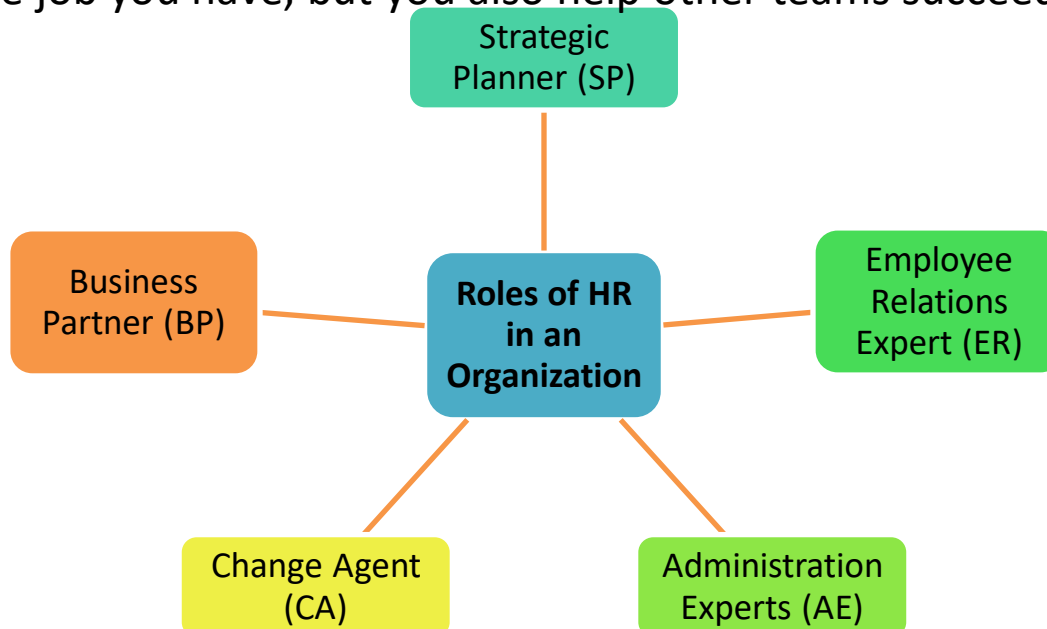**Skills**   **Content**   **Roles**
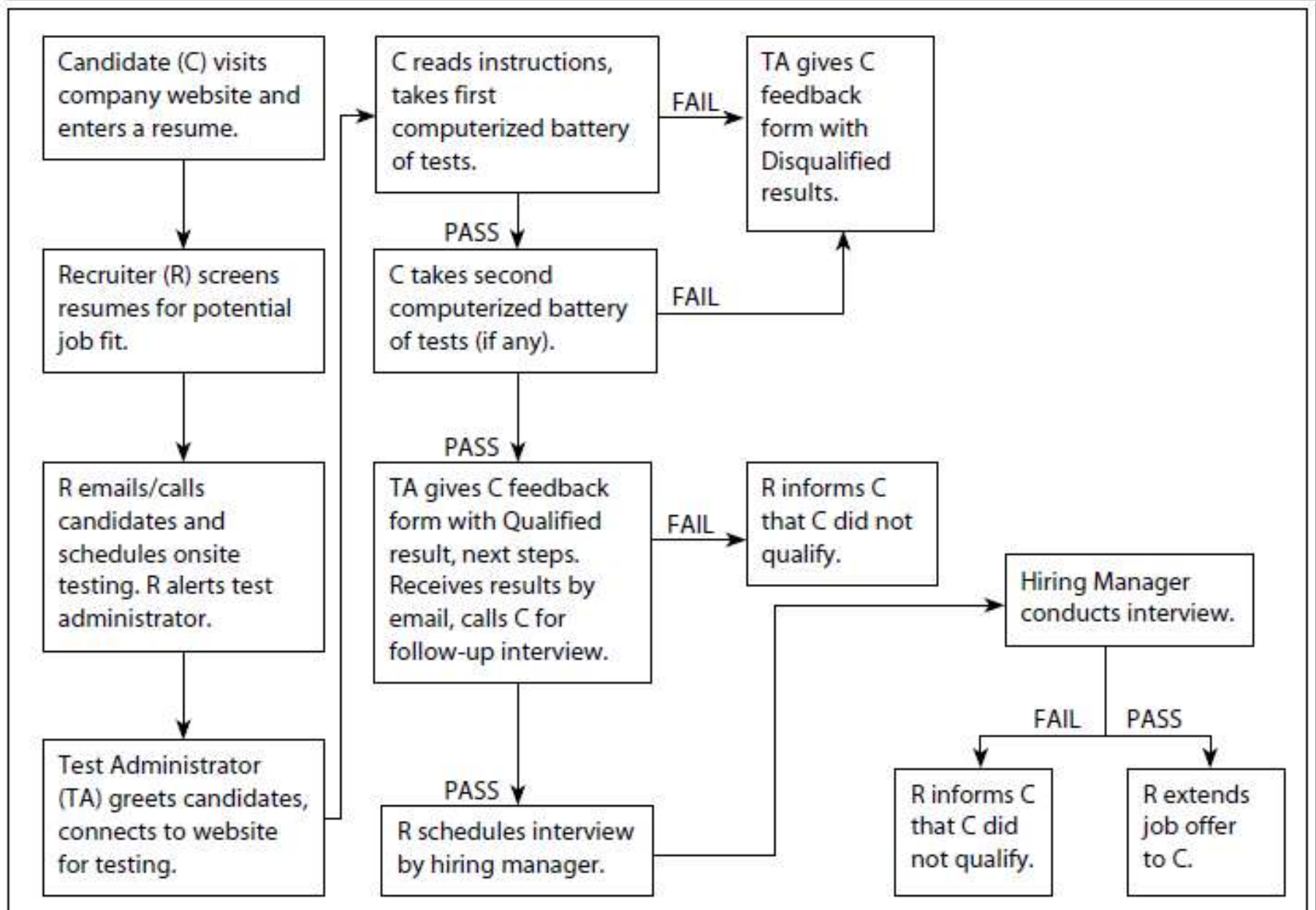
11

The New Idea: Company As A Talent Network

In the old model of work, everyone had a job and a level, and each job reported to another. Managers were put in place to take responsibility for these hierarchies, and the managers are paid to make things happen.

As an employee, you have a job in this hierarchy – and over time you progress through execution, growth, and relationships. You may work on cross-functional teams, but often these are "side jobs" and it's your success in your main role that drives your promotion.

In a highly innovative company, however, we need things to happen faster. Google, for example, told everyone to take "20% time" so people could invent, create, and team on new ideas. So ten years ago or so we started the idea that *companies are not really hierarchies, they're networks*. You do the job you have, but you also help other teams succeed as you go.

Strategic Planner (SP)

Business Partner (BP)

Roles of HR in an Organization

Employee Relations Expert (ER)

Change Agent (CA)

Administration Experts (AE)

A typical e-recruitment/e-selection process

Candidate (C) visits company website and enters a resume.

Recruiter (R) screens resumes for potential job fit.

R emails/calls candidates and schedules onsite testing. R alerts test administrator.

Test Administrator (TA) greets candidates, connects to website for testing.

C reads instructions, takes first computerized battery of tests.

FAIL → TA gives C feedback form with Disqualified results.

PASS ↓

C takes second computerized battery of tests (if any).

FAIL →

PASS ↓

TA gives C feedback form with Qualified result, next steps. Receives results by email, calls C for follow-up interview.

FAIL → R informs C that C did not qualify.

PASS ↓

R schedules interview by hiring manager.

Hiring Manager conducts interview.

FAIL → R informs C that C did not qualify.

PASS ↓ R extends job offer to C.

Strategy: Transform HR

Strategic | Consultative and Developmental | Execution-oriented & Administration

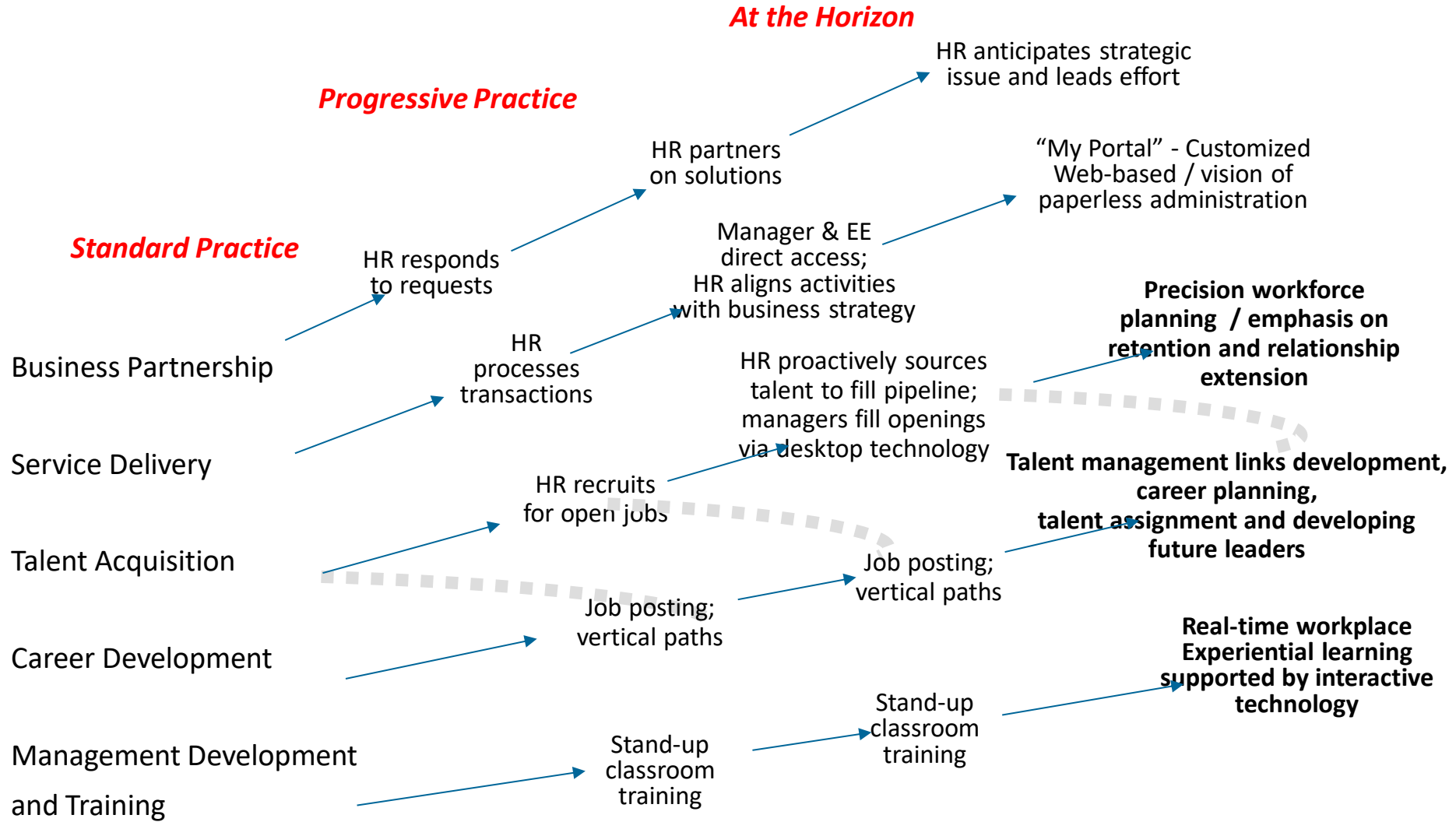| Percentage of Time Spent	Today	Future
Strategic HR Planning	10%	25%
Consultative/Developmental	25%	50%
Execution-Oriented & Administration	65%	25%

The best practices are:
1. Providing security to employees
2. Selective hiring: Hiring the right people
3. Self-managed and effective teams: the Bezos two-pizza rule
4. Fair and performance-based compensation
5. Training in relevant skills
6. Creating a flat and egalitarian organization: Google's rule of seven
7. Making information easily accessible to those who need it

What Does This Strategic Transformation Look Like?
Leveraging Human Capital

Old HR
- Non-Strategic
- Administrator
- Distributor
- Enforcer
- Translator

Process Reengineering

Drivers

New HR
- Business advisor/consultant
- Workforce strategist
- HR Process Expert
- HR Measurement Analyst

- Services
- Customer Service
- HR Program Admin
- Operational Excellence
- Technology Application

- Technology
- Process Integration
- Technology roadmap
- E-HR Strategy
- Measurement & Analysis

- Manager/Employee
- Information Access
- Learning
- Decision-making
- Action Taking

- Digital Dashboard
- High Potential Tracking
- Career Development
- Hot Skills Database
- Human Resources Planning

The Horizon of Practice 1/2 : Planning and Talent Management

At the Horizon

Progressive Practice

Standard Practice

HR anticipates strategic issue and leads effort

HR partners on solutions

"My Portal" - Customized Web-based / vision of paperless administration

HR responds to requests

Manager & EE direct access; HR aligns activities with business strategy

Business Partnership

HR processes transactions

HR proactively sources talent to fill pipeline; managers fill openings via desktop technology

Precision workforce planning / emphasis on retention and relationship extension

Service Delivery

HR recruits for open jobs

Job posting; vertical paths

Talent management links development, career planning, talent assignment and developing future leaders

Talent Acquisition

Job posting; vertical paths

Career Development

Real-time workplace Experiential learning supported by interactive technology

Stand-up classroom training

Management Development and Training

Stand-up classroom training

The Horizon of Practice 2/2 : Retention of Criticals and Rate of Learning

Lepak & Snell (2002) offer a good model to assess how important individual employees are. As an organization, you want to specifically retain your "Criticals". They are people with unique skills (i.e. hard to replace) who are very valuable to the business. That's why senior managers, most of which fit this category, are often offered more compensation benefits.
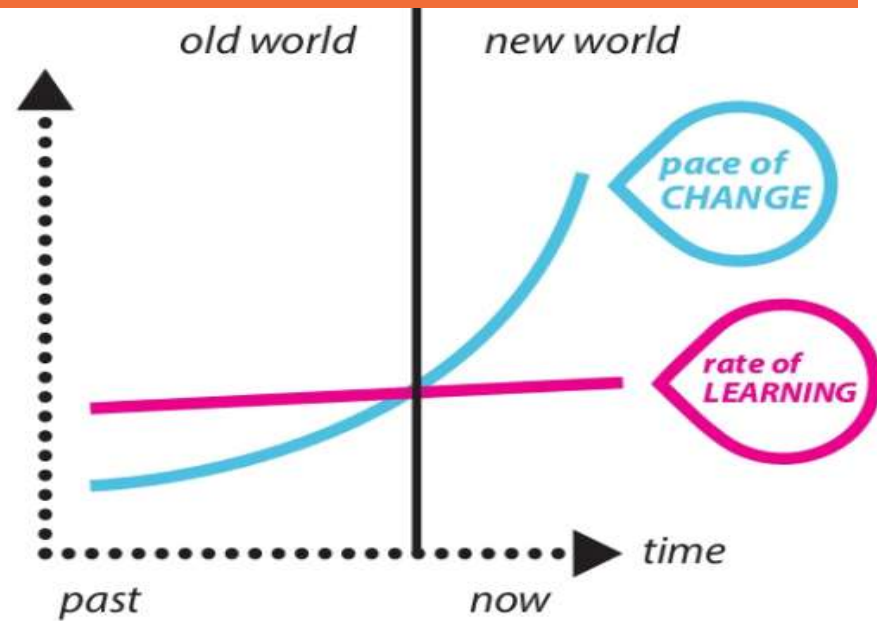
After recruiting the best people, you need to ensure that they remain the frontrunners in the field. As the rate at which technology is developing is growing exponentially, how do we create an organization in which the rate of learning matches the pace of change? Learning has become a way to stay innovative, grow faster, and sustain a competitive advantage.
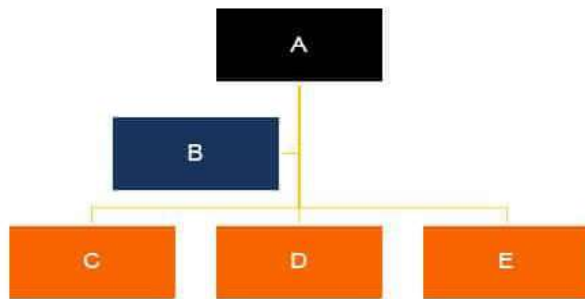
Predictions for the 2020 Workplace

1. Career advancement based on reputational capital
2. Mobile device become office, classroom, concierge
3. Global talent shortage will be acute ♠
4. Recruiting through social networking sites ♠
5. Web commuters force companies to reinvent
6. CEOs must know blogging ♠
7. Corporate curriculum uses video game & simulation♠
8. Move from outsourcing to crowdsourcing ♠
9. **Leaders are elected**
10. Lifelong learning will be a business requirement
11. Work-life flexibility replace work-life balance ♠
12. Use CSR to attract and retain talents ♠
13. Cultural diversity is a business issue not HR issue
14. The lines among marketing, communication, and learning will blur
15. Social media literacy is required for everyone♠
16. Permanent full-time employment fades out ♠
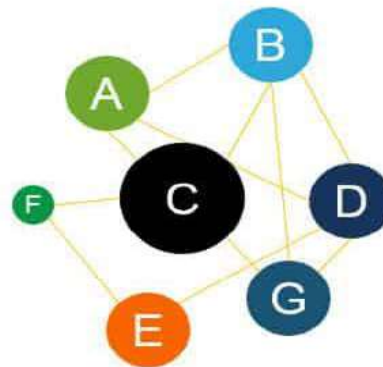
Predictions for the 2020 Workplace

In 2017, around 6% of companies defined themselves as the picture on the right. Today it's almost 35% of companies, and nearly everywhere people talk about **"team-centric leadership," "empowerment," "network-based leadership,"** and the need to build **followership, agility, and project-based teams.**

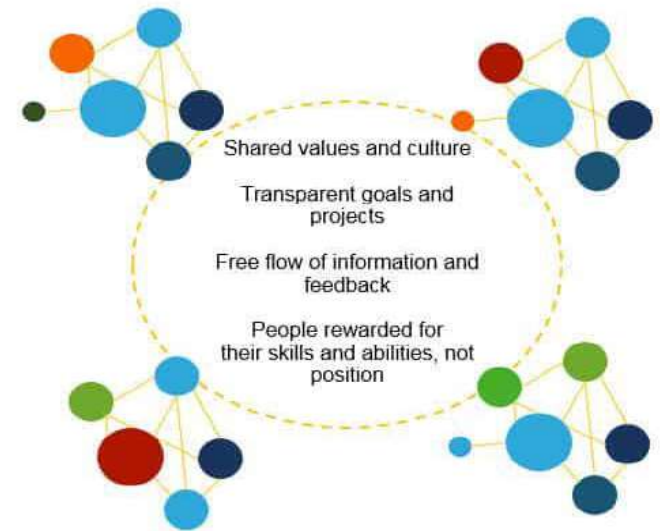## And organizations must redesign themselves

A network of teams

Shared values and culture

Transparent goals and projects

Free flow of information and feedback

People rewarded for their skills and abilities, not position

How things were

How things "are"

How things work

Source: Rewriting the rules for the digital age. 2017 Deloitte Global Human Capital Trends

Predictions for the 2020 Workplace : Jobs created by AI will outpace jobs eliminated (starting 2020)

Key Findings:

■ AI-enabled decision support is the greatest contributor to business value creation, overshadowing AI process automation throughout the entire forecast period of 2015 through 2025, globally.

■ 2020 will be the pivotal year in AI jobs dynamics: AI will eliminate more jobs than it created through 2019 (mostly in manufacturing). Starting in 2020, AI-related job creation will cross into the positive territory, reaching 2 million net-new jobs in 2025.

■ The number of jobs affected by AI varies by industry: healthcare, public sector and education will see continuously growing job demand; manufacturing will be hit the hardest.

Near-Term Flags:

■ Healthcare providers, public sector, banking and securities, communications, media and services, retail, and wholesale trade will benefit from AI without ever suffering annual net job loss.

■ Manufacturing and transportation are disproportionally big contributors to job losses: 938,000 manufacturing jobs will be eliminated due to AI by year-end 2019. The transportation industry will see net job growth from AI for the first time in 2020.