



# Newsletter

December 2017



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**Rick Holden, EAPM newsletter editor**

## The Changing Role of HR

This final issue of EAPM News for 2017 has as its main theme the changing role of HR. I thank colleagues from HR Norge; DFIG, Germany; Telekom Romania and the CIPD, UK for their thoughtful and challenging contributions. Katharina Heuer and Christian Lorenz ask whether this is the best or worst of time for HR? This resonates with the Futures work I have done over the last 6 months exploring scenarios of possibility for HR. The 2025 and 2030 scenarios I have seen developed range from HR depicted as a seriously weakened profession whose members play an increasingly subservient role in organisations to ones of strategic influence as the complex relationship of work with technological developments unfolds. (See also 'Futures Thinking in HR and HRD' pp 18 - 20).

The underpinning theme to the recent EAPM Congress was similar; the challenges HR is facing but firmly based in the context of a changing Europe. I left Paris with a bundle of mixed emotions; energised and informed by many of the contributions both research based and practice informed but also somewhat embarrassed by my lack of understanding of some of the EU institutions and politics. I might add that I was further dismayed at my own country's Brexit decision! But allow me to develop one thought, one concern, that I have been turning over in mind ever since Congress.

In the morning, Pierre Moscovici (European Commissioner for Economic and Financial Affairs, Taxation and Customs), against a context of technological and digital

Europe, told Congress what keeps him awake at night – “those that are left behind”. We also heard from Agnès Parent-Thirion (Senior Research Manager – Eurofound) reporting on the latest Working Conditions Survey and highlighting the difficulties and very slow progress in enhancing job quality, with at least one-fifth of employees in the EU residing in 'poor quality' jobs. Post lunch, my attention was particularly drawn to the session which highlighted examples of what panel members argued was 'progressive' practice, and where we heard about the exciting new world of HR in some dynamic and leading company's around the world. Imagine working in HR where the operating model is 'one sits fit one', rather than 'one size fits all'. But, the concern I keep coming back to is a level of 'disconnect' between the enthusiasm and anticipation of the afternoon and the two 'messages' from the morning.

Much of the prevailing discourse around change in HR, and the challenges facing HR, seems to me to address the top half of the jobs in the hourglass economy; what I call 'High Road HR'. What are the challenges for HR working with the large numbers of employees in establishments where job quality is poor. What are the challenges for HR in the large number of organisations where work is menial, intense, lacking in discretion and autonomy – but is so precisely because this is the business model which ensures a profitable enterprise. Training and learning seemed to form the stock response at the Congress but how easily does this sit with the pressures facing many organisations to de-skill,

### The Hourglass Economy



High Road HR

Low Road HR

work with zero-hours contracts and where training and learning is simply a unnecessary luxury, adding nothing to the 'bottom line'.

I have no magic answers. But what I do feel we need is a much stronger and more informed empirical understanding of HR life in a wide range of different organisations and including those operating in the bottom half of the hourglass; 'Low Road HR'. Such insight needs to be detailed, day by day, week by week accounts of what is done, the challenges faced and the changes that are – or are not happening. Without such, there is too much rhetoric and ill-informed speculation and not enough solid data upon which to launch our Futures and Scenarios work and begin seriously to work as a professional community on shaping our future.

*Dr Rick Holden,  
Liverpool Business School*

## Welcome from EAPM President Bob Morton



**Bob Morton, EAPM President, at EAPM Congress 2017”**

Welcome to the final edition of the EAPM newsletter for 2017. October was a very busy time for EAPM with our last ExCom meeting before the election of our new Board; followed by the Delegates Assembly, and of course the EAPM Congress in Paris hosted by ANDRH.

The congress was truly a high-point of the year and I want to congratulate Bénédicte Ravache, Izy Béhar and the ANDRH team in organising and delivering a unique and excellent congress. There were many ‘firsts’ in this congress, not least it was run entirely in English! It provided the perfect backdrop against which to celebrate ANDRH’s 70th Anniversary. Rick Holden reports on the proceedings in this newsletter.

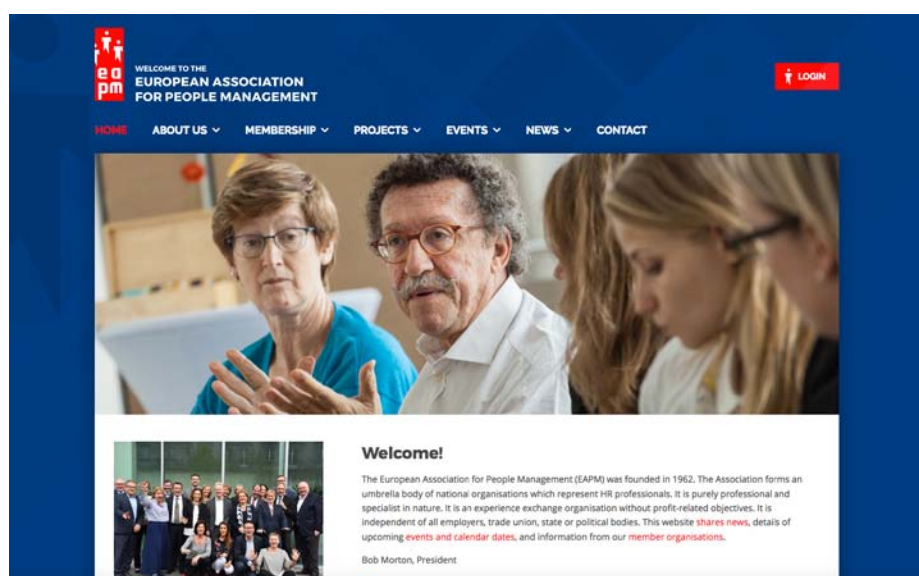
We are currently finalising arrangements for the date and venue for the 2019 EAPM Congress which I am pleased to announce will be hosted by Slovenia. I would also like to draw your attention to the new EAPM website [www.eapm.org](http://www.eapm.org) which was launched at the Delegates Assembly. Barbara Orlik will be contacting those members who have yet to contribute content for their dedicated country page. The website will only be as useful as the content we contribute.

The ExCom meeting and Delegates Assembly in Paris signalled some major milestones in our process of the modernisation of EAPM. The ExCom has now been replaced by an elected Board and details of the new Board are given in the newsletter. The format of the Delegates Assembly has been improved to incorporate opportunities to share issues and experiences of the member associations and also to collectively identify the key priorities for EAPM. I would like to express our appreciation to the outgoing

ExCom for all their contributions to EAPM and particularly for their hard work and commitment to bring the new committee and working group structure to life and we look forward to the benefits for our members.

On a personal note, this is my last ‘Welcome’ to the newsletter as President. I step down on 31st December and your new President, Lucas van Wees from the Dutch HR association NVP, will take up the role on 1st January. I wish to extend my congratulations to him and I wish him every success in his role. I also wish to extend my warm appreciation and thanks to the Officers, Secretariat, ExCom and members of EAPM for their support during my term as President. EAPM has a strong team taking us into the next phase of our development. I will continue to support this in the role of Vice President and look forward to a successful future with Lucas at the helm.

*Bob Morton*



**New EAPM website [www.eapm.org](http://www.eapm.org)**

# EAPM Congress Report

by Dr Rick Holden, Editor, EAPM News



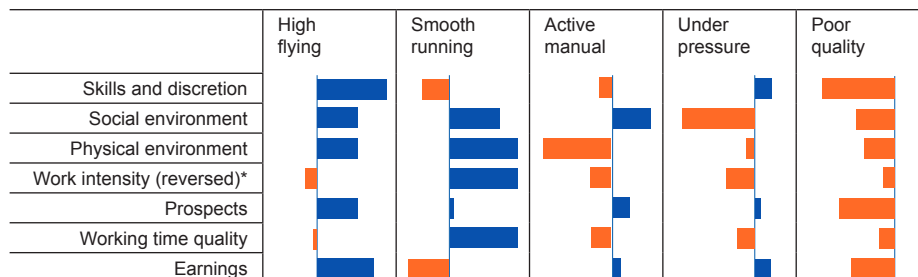
Delegates from 23 countries gathered in the Economic, Social and Environmental Council of France Building in Paris for the EAPM 28th Congress: “European HR New Landscapes”.

After opening welcomes Congress devoted itself to presentations and panel discussion with invited guests. Three themes are focussed upon in this report, beginning with job quality and working life in Europe.

## Jobs and Work

Agnès Parent-Thirion – Senior Research Manager at Eurofound – presented the main findings from the 6th European Working Conditions Survey. The focus of the report addresses job quality; the rationale being simple: there is clear link between job quality and productivity. Headline findings are twofold:

- progress in improvements in job quality remains limited
- structural inequalities and differences in terms of gender, employment status and occupation are still significant



\* Note: In contrast to other job quality indices, a higher level of work intensity lowers job quality. The bars in the figure show the z-scores of each cluster (columns) for each of the job quality indices (rows).

Mrs Parent-Thirion explained to Congress that the research had constructed seven job quality indices, representing different dimensions of job quality: Physical environment, Work intensity, Working time quality, Social environment, Skills and discretion and Prospects and Earnings, selected on the basis of their proven impact (positive or negative) on the health and well-being of workers.

Jobs that scored similarly in terms of the different dimensions of job quality were grouped together in five ‘job quality profiles’. The Figure shows the relative relationships between the five profiles of job quality and the

seven dimensions. So, for example, High flying jobs (accounting for 21% of workers) scored highly in most dimensions other than work intensity and working time quality. In contrast those in the poor-quality profile (20%) score poorly across the range of dimensions.

Mrs Parent-Thirion pointed out that workers in any particular job profile did not necessarily share the same characteristics. Striking differences are also evident in terms of the distribution of workers according to level of education. For instance, workers with only a primary level of education are very strongly overrepresented (53%) in the ‘poor

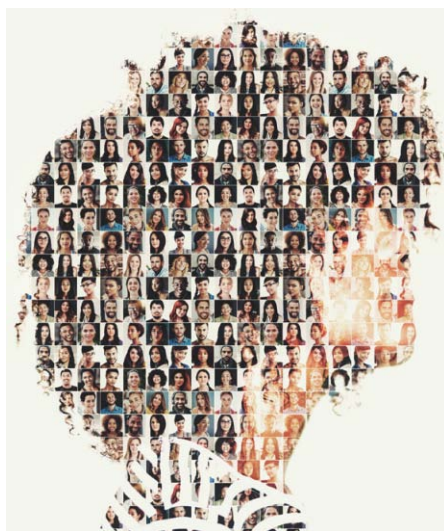
quality' profile; conversely, a similar proportion of workers (46%) in the 'high flying' profile have a tertiary level of education. One type of job quality profile predominates in certain sectors. More than half of all workers in the financial services have a 'high flying' job; and a similar proportion of those in the construction sector have an 'active manual' job.

Interestingly, a quarter of workers in health and nearly a quarter in public administration have 'under pressure' jobs – the highest shares of all sectors. Job quality is not equally distributed between each country. Workers in Denmark, Finland, Luxembourg, Sweden and the United Kingdom fare better in terms of job quality. However, Romania, Greece, Hungary and Latvia stand out with a high proportion of workers in 'poor quality' jobs.

Mrs Parent-Thirion repeated the assertion that the research provided a solid evidence base in relation to improvements in job quality bringing improvements in performance and productivity. For HR the message was clear: each job quality dimension can be improved through workplace policies and practices. These might be relatively simple changes such as enabling an employee to take an hour off during the working to attend to some aspect of domestic business or more medium to long term developments to advance the design of meaningful jobs. She added that to ensure that policies to improve job quality can work and be adapted to workplaces the involvement of workers in the decisions that affect their work and their representation needs to be supported.

Eurofound's European Working Conditions Survey interviewed nearly 44,000 workers in 35 countries. The report is available to download at: <https://www.eurofound.europa.eu/publications/report/2016/working-conditions/sixth-european-working-conditions-survey-overview-report>

### Diversity and Inclusion



'Towards the Inclusive Company' provided the focus for a Panel Discussion on Diversity and Inclusion led by Dr. Maria Giuseppina Bruna (IPAG Business School). She intro-

duced the session with reference to a number of challenges facing organisations including:

- properly understanding diversity
- exceeding the totems of immediacy
- utilising diversity policies as levers and opportunity for broader organisational change
- harnessing the power of shared leadership

**Standards:** Panel member, Laurence Breton-Kueny (HR Director AFNOR), reported on increasing momentum in the work taking place, internationally, towards standards in HRM and in which recognition of diversity and inclusion factors was central.

Specifically, within France AFNOR, who are at the hub of the French standardisation system, were mid-way through a three-year project to develop standards. Achieving agreement on key aspects of vocabulary had been important to resolve but Ms Breton-Kueny noted that attention was increasingly being paid to linking equitable treatment of people with business benefits. Outcomes and outputs from the project were anticipated late in 2018 / early 2019.



## Diversity Policy and Practice:

The contributions from the remaining panel members – Manon Poirier, General Manager of the 'Ordre des conseillers en ressources humaines agréés', and Benoît Serre, Deputy General Director of HR at MACIF, were significant in a number of respects.

Firstly, from a Canadian perspective, Mrs Poirier, made three telling points in relation to diversity and inclusion 'success factors':

- the value of CEO and senior management engagement with diversity and inclusion ...from a business perspective
- we continue to lack suitable measures to monitor improvements and progress
- the need to question the default perspective of 'training' as the main answer to issues of how best to promote diversity and inclusion within an organisation.

In the context of the latter point she referred delegates to a 2016 article in the Harvard Business Review "Why Diversity Programmes Fail". This is available at: <https://hbr.org/2016/07/why-diversity-programs-fail>

Secondly, Mr. Serre linked diversity and inclusion to culture. Often it was the culture of the company, she argued, and not that of the country, that presented the main barriers to advancing organisational diversity and inclusion. He questioned if changes at the top of an organisation necessarily changed the culture of company There was a need she advocated, to promote and implement policy and practice throughout out the organisation. By its very nature diversity and inclusion had to be 'inclusive'!

Two short videos were shown as part of the session. The first focused on networks and specifically women's networks as a proven means to help break the glass ceiling. The second video drew attention to the notion of a diversity charter.

## The EU Diversity Charter Platform:

Originally a French initiative in 2004 the idea of a diversity charter was recognised by the EU in 2009 with the creation of the EUs Diversity Charter Platform. A diversity charter outlines the measures to be undertaken to promote diversity and equal opportunities in the workplace.



The Charter Platform enables exchange between organisations promoting and implementing national diversity charters. Since 2009 national charters have been developed in 18 EU countries, involving over 8000 organisations and embracing over 50m employees. An impact assessment was shortly



to be published and which was expected to reveal over 80% of signatory organisations claiming the charter had had positive impact on organisational performance. A range of Charter Platform resources and information is available at [http://ec.europa.eu/justice/discrimination/diversity/facts/index\\_en.htm](http://ec.europa.eu/justice/discrimination/diversity/facts/index_en.htm)

General discussion, following the Panel member contributions, focused on implications for HR. Whilst there was a degree of consensus that the issue was a bigger management or



business problem, it was HR who needed to step up to the challenge to lead on the issue. It was also questioned whether quotas, in terms of the number of women on a company board, for example, possibly created other inequalities.

## Europe: Challenges and Change for HR

In many ways this was the overarching and integrative theme of Congress. At the start of the day a Panel Discussion addressed “A New Dynamic for a New Economic and Social Europe”. Critically, attention was drawn to slowing growth, weakening productivity and which was generating tensions in terms making the economic and social market work effectively. Pierre Moscovici (European Commissioner for Economic and Financial Affairs, Taxation and Customs) began his contribution by reminding the audience that Europe and the EU, in the main, was a success story. It was a force of stability in a turbulent world. But, he asked if it was a wholly unmitigated success then why were we seeing rise in populism, discontent with the EU (e.g. Brexit) and the resurgence of ‘far right’ movements. He regarded the biggest challenge facing the EU as what to do with those that are ‘left behind’.

“Inequalities are what keeps me awake at night”. Mr Moscovici argued Europe needed a new generation of structural reforms (Structural Reform 2.0) that paid less attention to labour market reforms and more to access to education and training and critically lifelong learning to facilitate re-training and easier switching of jobs throughout any one person’s career. It was here that there was clear implication for the role and responsibilities of those working in HR to help engender and support an active labour market that worked for all.



EAPM Congress 2017 in Paris (Photo: Daniel Osso)

### European Pillar of Social Rights:

Mr Moscovici also argued that Europe needed a comprehensive approach as regards a fairer society. An important development here was the European Pillar of Social Rights launched in April. He acknowledged some had hoped for more but the political realities of ensuring agreement across all member states had to be recognised. Mr Moscovici argued the Pillar “would change how we do things, it may even change what we do but it does not change who does what”.....the political commitment of member states at the highest level was so important if the Pillar was to have real impact.



### No rights without jobs

Luca Visentini, General Secretary of the ETUC, developed a much more critical analysis of the problems facing Europe. The social dimension was inextricably linked to the economic dimension. Europe, he argued was

not recovering economically as fast as desirable to help meet its social agenda. Social progress was being disrupted. He agreed that the Social Pillar was a good start in terms of revitalising Europe’s social model but the challenges were immense. Most important he suggested was the question of whether the new economies (carbon, digital) could create sufficient ‘new’ jobs to replace those that were disappearing and under threat.

### HR: Implications and Change?

Discussion which followed the panel contributions paid more attention to the HR agenda and the pressures and need for change in HR. So, for example, in the context of digitisation Unai Saez Prieto (HR Director IVECO/Fiat) provided some fascinating illustrations of how digitisation was changing salary reports, selection processes and how HR analytics were being used to link data on absence with workforce planning. Ultimately, though, such detailed insight was in short supply and as expressed by several audience contributions there

was an absence of the concrete and pragmatic that HR could take on board. A gap remained between the principles embodied, for example, in the Pillar of Rights, and the pathways and means to bring the rhetoric and principles into reality.

Peter Cheese, CEO CIPD, offered a compelling analysis of the UK in the context of Brexit. Whilst highly critical of the UK's ability to understand the supply and demand for skills and associated mismatches (and which he anticipated would worsen post Brexit), how exactly companies might respond to his plea for "good work" were somewhat lacking.

The Panel Discussion on 'What's a European Manager' (Ben Davies, ChapmanCG; Steve Krupp, Heidrick & Struggles' Leadership Consulting group; Malcom Sclanders, Heidrick Consulting) focussed delegates attention to examples across the

globe of "progressive HR". They provided interesting insights and illustration of HR practice at senior levels in highly dynamic 'winning' companies located in the likes of Silicon Valley. It was suggested that the HR tool box needed to change fundamentally changing in order to:

- be involved in futures scenario work
- manage global talent pools
- develop personalised HR -one size fits one
- fight the fear of change
- deal with complexity and
- move from the transactional to the transformational

However, developed insight into quite what this meant for the HR competence toolbox, for the vast majority of the HR profession in a European context and who do not work in 'leading edge' organisations in Silicon Valley, remained somewhat opaque.

### What should HR start doing tomorrow?

In an attempt to move the discussion towards the more practical and pragmatic the Moderator (Herve Borensztejn, Managing Partner, Heidrick & Steggles) asked the panel contributors 'What should HR start doing tomorrow?' Three main responses are noted:

- learn from other functions
- assess how HR is helping learn throughout the organisation and
- spend as much time outside one's own organisation or sector...what's out there?

A final thought on this question was provided by Izy Béhar, EAPM Past President, as he closed proceedings. In our discussions and deliberation on the changing role of HR "Don't forget the social...the contribution we can make to the wider community".

## New EAPM Board elected

The EAPM Delegates Assembly (October 2017) has elected four new Board members who will take up their roles as of January 2018.

The new EAPM President will be Lucas van Wees from the Dutch HR Association NVP. He will be supported in his role by Bob Morton from CIPD UK as EAPM Vice-President, Raffaele Credidio from the Italian HR Association AIDP, and Dana Cavaleru from the Romanian HR Club as Board members. In addition to the newly elected members, the Board consists of Katharina Heuer from the German DGFP as Secretary-



General, and Max Becker from HR Swiss as Treasurer. In his speech to the EAPM members, the newly elected EAPM President Lucas van Wees highlighted that "HR has the moral obligation to be optimistic" and has to build on the unique European humanistic traditions of our HR profession. More than ever People Management is at

the core of societal and organisational changes. HR needs to be credible, relevant and impactful. Cooperation, both at national and international level, is indispensable to move our HR agendas forward.

The newly elected Board is very much looking forward to working with all of you to move the HR agenda in Europe forward.

*Your new EAPM Board (from left to right): Max Becker, Katharina Heuer, Raffaele Credidio, Lucas van Wees, Bob Morton, Dana Cavaleru*





SVERIGES HR FÖRENING



# The impact of digitalization: The 2017 Nordic HR-study

by Henrik Øhrn, HR Norge

Digitalization is one of the major drivers for societal change. Most studies identify the Nordic countries as some of the most digitalized in the world. Although digital status is relatively good and speed is high, HR professionals are not satisfied with their own progress. However, according to a recent study, within the Nordic region itself, a majority indicate that they have not yet found their way to successfully bring their company into a more digital future.

The Nordic HR study - conducted by HR Norge, Flóra HR Iceland, HENRY and Sveriges HR Förening in cooperation with EY - examined trends that a pre-study had found to be particularly relevant for the Nordic region.

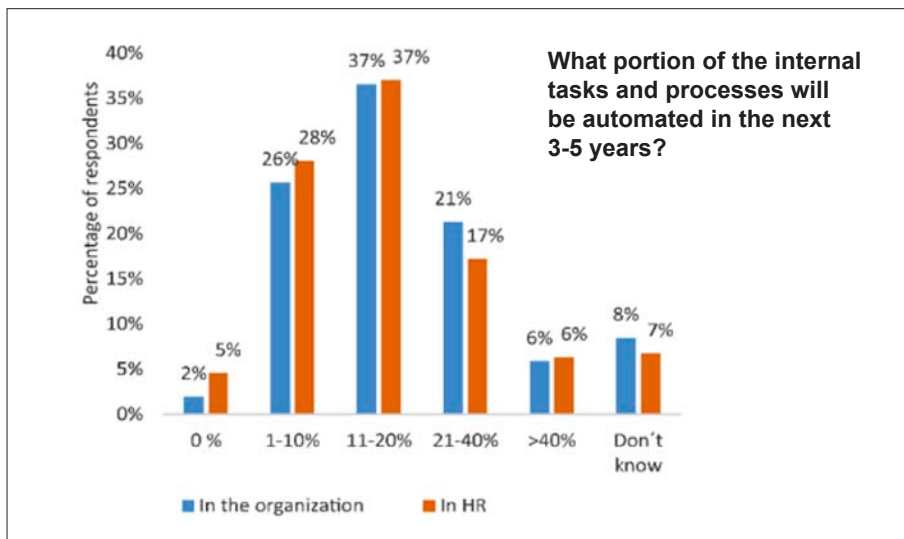
- Job and task automation
- Flexible and global workforce
- Changes in demographics
- Data analytics

The study looks at how far these four trends have come, and whether companies have integrated them into their business strategies. Do they have the competencies to exploit them? It found an uneven profile with evident differences between industries when it comes to how fast and how strong the impact is. There is some good news, and some less good news. The good news is that HR sees these trends as relevant now – meaning that this has not passed us by. The less good news is that many companies in the Nordic region do not really have their plans ready, and their ability to exploit and profit from these trends are somewhat lower than might have been hoped.

**Job and task automation** is obviously relevant within high-cost and well-educated countries such as the Nordics. The report indicates that more than 70% of respondents considered this trend very relevant now or within the next few years. But it is not just the companies who are automating jobs and tasks; HR also reports automating jobs and tasks within HR (see figure on next page). But what happens to the people who hold the jobs that are automated? 44% of HR respondents believe that their organisation is prepared to handle the consequences of automation for individuals. This relatively low number could indicate that those companies that have not yet automated do not know, or that those who have started this realize that the individual employees who were involved were unprepared,



# The impact of digitalization: The 2017 Nordic HR-study



pleased with their competency and ability to deliver better analytics. In the study, we asked about the company as a whole, not just HR analytics, so this should be considered a low competency area and probably an increasing problem for the companies. The good news is that data analytics is to a high degree integrated in strategic plans, and companies are building competencies to get better at analytics. Still, when it comes to HR-analytics, most organisations are stuck with reporting descriptive past data rather than using analytics for predictive purposes.

and that it will take a lot of effort and development of new competencies for the individuals to function in another role.

### Flexibility and the global workforce

includes the flow of competent people across borders as well as other flexible workforce issues such as the use of contingent workers. The results of the study show that companies in the Nordic region will be increasing their use of contingent workers, especially the use of consultants, independent contractors, outsourcing as well as alliances. Whilst over 60% of the companies see this coming only one-third of the companies have addressed this in their strategic plans.

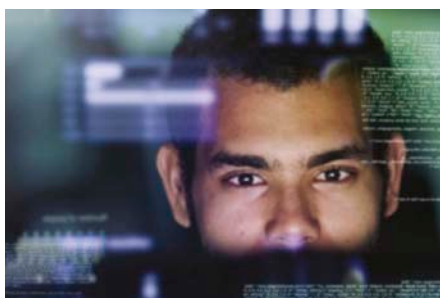
**Change in demographics** does not just apply to ageing or millennials, but also the changing expectations of the employees. Yes, the workplace is now multigenerational, but it really has been that for a while, and companies are trying to harvest the opportunities this brings. The

problem addressed in this study is that of increased expectations from employees. The biggest changes in the last few years relate to more flexible workhours, work/life balance, as well as building more meaning into work and giving employees more challenging tasks. The companies that felt this applied for their employees had integrated it into the strategic plans and taken steps to build competencies among the leaders to handle these changes in expectations.

**Data analytics** remains a significant challenge. Over 80% of the companies view this trend to be important, but only 37% report that they are

Looking at the results as a whole, the 644 respondents seem to have been surprisingly honest about the problems they see around them and their companies' ability to solve or make these trends work to their advantage. Although some are ahead on these issues and trends, most are still struggling to put the pieces together. Interestingly, respondents considered that they needed to improve 16 out of 20 HR-areas.

We might conclude that although awareness is high, prioritizing is a big problem and that "what really needs to be focused on" is unclear. The study has been presented in all participating Nordic countries through conferences, meetings, newsletters and press coverage. It can be accessed through the EAPM website. (Hyperlink: <https://www.eapm.org/studies-surveys>)





DGFP

# HR on the “Test Bench”

by Katharina Heuer and Christian Lorenz, DGFP, Germany

First the good news. The message that “People Management” as a success factor for companies in Germany has been received by business leaders and indeed in the political world more widely. However, whilst such acknowledgements are testimony to the growth in maturity of HR, they do not negate a new set of challenges that HR now faces. Like never before, we are extensively engaging with the question of how we want to, can or must work. Any assumption that HR, like the German economy, is somehow inviolable, risks loss of status and reduced impact and influence. Are these the best or worst times for HR management? Hopefully the former!

### HR and organizational strategy

Recent years have seen the HR discourse predominantly focused upon its relationship with organisational strategy. Is HR at eye level with business? And is the HR business partner model from Dave Ulrich, which has been implemented in most major corporation as well as in many medium-sized companies, actually the right fit? Without question, such discussions are appropriate and important. Nevertheless, it must be questioned if our profession has perhaps spent a little too much time on itself. In the future, we need an additional splash of pragmatism and a little bit less model building. Above all, we must recognize that HRs ‘bottom line’ is that it must implement what is really important for the business and for the employees.



### Algorithms beat organization models

The biggest change for human resource management is coming from an external source. Despite all the theoretical and organizational models, it is digitisation that will most likely revolutionize HR work. Importantly, this doesn't mean the introduction of electronic personnel files. Rather it involves the extensive automatization of processes that today in parts still run manually or half-automated. For tasks like recruiting, personnel selection, performance management and personnel planning, not only will we be provided with supporting tools, the algorithms will take over the dominant portion of work. Human resource management will go through a similar change process like other industries and divisions.

### HR: Weakened? Expendable?

Sophisticated algorithms, together with supporting IT based tools, will potentially ‘take over’ much of HRs current work; for example, routine tasks like the drafting



of job references, the review of applications and similar tasks. Of course, this potentially leaves more time for important strategic tasks. Indeed, it might be argued that HR management will lack a reason for existence in function and character if it cannot position itself as strategic partner. We are being worn down between, on the one hand, clever algorithms and, on the other, strategic business leaders. Let's be honest, rationalization also entails sacrifices. No boilerman accompanies an e-locomotive these days and there is no switchboard girl transferring calls. Technology has taken the helm; the algorithms and accumulated amounts of data



will change HR management from the ground up. A new phase of HR competing for status and legitimacy is about to begin.

### **Marketing specifies the path**

If we acknowledge this and accept the changes, or even better, we actively shape them, there is enormous opportunity for us. To seize this opportunity, we must become more technological and personal, which is only an apparent contradiction. If we want to know how this works, a view to our colleagues from marketing and advertising is worthwhile. There is hardly another industry or function that has been as technologically recharged in past years as this one. Data, networks, and algorithms determine where, when and to whom a message will be shown. Marketers – at least those who do their jobs well – know the exact consumer behavior of each person and can accurately serve his or her individual preferences and, in the future, even before the consumer knows what he or she wants. Of course, employees are not consumers and marketing is not personnel management. But nonetheless such developments indicate how this function is adapting to and shaping its future.

### **HR Professionals as Technical Human Relations Managers**

If we, as HR professionals, are successful in utilizing the tools that are given to us today and in the future to enable the greatest possible fit between the expectations of the company and the individual employee's desires, then we are doing our work well. Then we will be successful in not only finding the right employees, but also retaining them – regardless of the kind of contractual circumstances. For that,

a pronounced understanding of technology in HR management is necessary that helps us select and deploy the correct tools. A stronger focus on individual employees is needed once again to understand what their individual desires and needs are. And it requires a distinctively good sense of what the permanently changing requirements from business and employees mean. Technology in the future will be even more of a link than it is today that intertwines both sides – employee and employer. The HR professional must understand the system and be able to lay the foundation for the collection of data and interpret and convey the results. That also means that the profession must change. The HR professional must become a Technical Human Relations Manager with a strong business reference.

### **HR Management must become more audible in political debate**

A connection to the political stage must be nurtured and enhanced. While management and CEOs, chambers and employers' associations are up in arms against the plans of the Grand Coalition between the two largest German parties CDU and SPD, HR management has remained largely silent. HR directors from major corporations have sporadically dealt out criticism, but in the public debate, such criticism has been hardly perceptible. It is HR management that has to deal with the consequences of minimum wage, retirement at 63 or the women's quota in day-to-day business operations. Here, we – in HR at DGFP and in Germany more widely – must become more audible.

### **The Framework for 'Working World 4.0' is now being shaped**



The opportunity is here. The design of the legal and organizational framework of Working World 4.0 has just begun. Bringing the desire for more individualized flexibility with the established and legitimate protection of the employer in a balance that works for both sides is a Herculean task. HR management and its organizations must prove their expertise and actively participate. In this context, it also makes sense to rethink the relationship to the labor unions and works councils. They are and remain a relevant player when it comes to re-visiting a framework for more flexibility for each person.

### **A strong HR Management – in function and person**

If we take these issues and challenges seriously, the question should never arise as to whether HR needs a seat at the 'top table'. It is indispensable. Only a strong HR management can assume the challenge of becoming both technical and personal at the same time. People management is not a task that could be taken over by management or the board as a "management issue", or indeed by a robot. HR management must be represented in a company through its own function and character. Not for itself, rather because of the importance and extent of the 'people' challenges and changes we face.



# Human Resources in a world of change

by Carmen Dumitrache, CHRO, Telekom Romania

Addressing a question to, and getting a tailored answer from, a robot, and not from a human being, is not a topic for science fiction movies anymore. It is today's reality. The world is talking about highly controversial topics such as should Sophia, the robot, get citizenship. Looking at the economic environment, the war for resources has implications in all related areas; in the way in which companies are enlarging or decreasing their operations, in politics, in the quality of life. And, even if it had been always like that, what is new is the speed of change and the disruptive impact of innovation on everyone, individuals and companies.

We may now have a better understanding on how Millennials - as a generation - impact the workplace. We have analyzed the coexistence of four generations in the workplace,



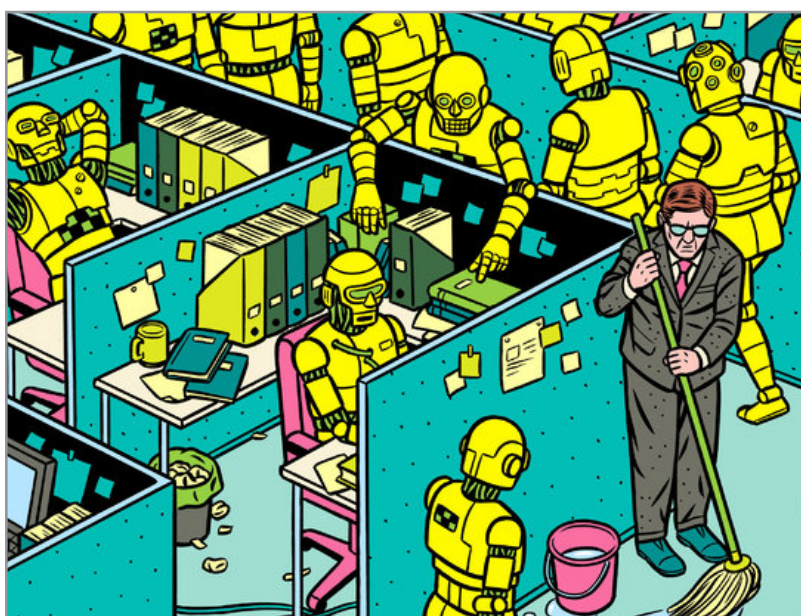
we understand the implication on the systems and relations in a company. But then along comes generation "Z". The "Linksters", technological savvy even since early childhood, able to use internet and devices since the very first years of life are entering the market as our employees and as our customers. Looking around, it is not unusual to see a three-year-old child surfing the internet for favourite movies, carried by a parent that got

their first mobile phone probably only when he/she was a teenager and a grandparent that might be hesitant to use the internet on the same phone. Over time, the technological, economic, political, social and legislative changes have had significant impact on the workforce. There are professions that have developed – like programmers - and professions that decreased in importance, being replaced almost completely by others. In a city like New York, it took only around a decade to replace the coachman's jobs with the car driver's one; and the life of this job is itself threatened by the driverless car.

Human resources appeared as a profession around 18-th Century in Europe concerning welfare and productivity mainly in factories – welfare workers. It has developed since that time, by supporting business on the employee's life cycle – from recruitment to talent development and performance management. However, it is only around 1970 that the strategic component of HR started to become more visible. Competencies in human resources have developed from transactional and operational ones to more strategic elements. However, this has not necessarily happened in all areas of the world. Certainly for countries in Eastern Europe, human resources, as a function that has a say in the company strategy, is part of very recent history.

### What is the future for HR

So, knowing that disruptive innovation has such an impact

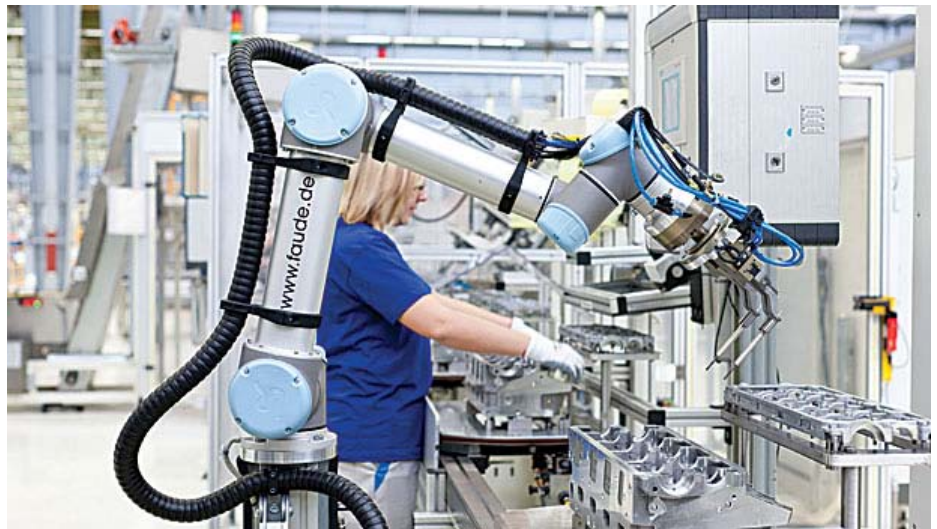




on workforce, and having human resources as the function directly supporting the workforce management and development – in all aspects, from administrative to strategic planning - what will be the future of HR? In an article of in the Harvard Business Review (November 2016), the authors -Christoph Knoess, Ron Harbour and Steve Scemama argued “We estimate that robotization, digitization, digital self-services, distributed digital advice and sales, and robo-advisors could result in a 60-70% reduction in the workforces of service providers, from financial services to telecom”. One of the questions that HR professionals must turn immediate attention to is ‘what is needed to get prepared for such change?’

There are many “voices” mentioning that HR as a function should be re-thought in the near future. Under such disruptive impact coming from digitalization, maybe part of current HR should be moving into a company’s digitization unit. Other thoughts suggest a split between the administrative and operational areas (the more routine HR functions) and the strategic one. The pressure to empower managers to do their own HRM, for their teams, with only “guidance and frames” coming from HR, lends support to this notion. There is also an idea that suggests the “cost related activities”- e.g compensation and benefit department - should go under finance with HR positioned as a strategic partner, contributing to the business on how it should operate in the future markets from human (and digital) resources point of views.

A common element in such considerations is the fundamental relationship of HR with the business.



Business leaders are sending clear messages that something needs to change and that they see HR losing “rhythm” in the new business context. Several studies are indicating as few as 5% of CEO’s are highly satisfied with the HR function This is clearly a concern. An understandable reaction of HR leaders and specialists is to be defensive blaming lack of strategical positioning in the organization. HR in some companies has tried to redefine the name of the function, which can represent a good starting point, provided that inside the function can also a change to support the new concept.

So what to do as HR leaders? Maybe we should start by first accepting, in full, the need to change and to detach from the image of what we commonly understand the HR function/ department to be. HR has to understand what business will become and recreate the function with a fully ambidextrous mindset. We also have to ensure the proper development of the next generation of specialists by concentrating on developing other “HR competencies” like digitalization, process management, and business

management knowledge even from early stages – and make them mandatory. Get the business mindset and knowledge into HR by a significant instillation of employees from other functions into HR and by boosting the business knowledge of HR employees.

We have to speed-up the identification and removal of the work that can be automated and move from traditional structures into digital ones. At the end of the day, HR likes to be seen and called “a role model”, so it should act like one. Ultimately, it is simple: listen to the customer! We should embrace the changes in the market even if this means a mixed workforce made up of AI and HB (artificial intelligence and human beings).

In such a profile perhaps HR can fully realise its essential attribute and aspiration – the ‘human’ in HRM. If HR professionals can play a leading role in understanding and managing the relationship between technology and work, they can continue to add value to organizational effectiveness.



CIPD, UK

# A future for HR?

by Dr Wilson Wong, Head of Insight & Futures, CIPD

As CIPD's Head of Futures, I'm often asked where I think HR is heading. Is it towards a golden era of human capital specialists deploying talent to solve intractable problems, generating value and ushering a better experience of work, or is it to oblivion, as compliance and HR services go the way of automation and smart algorithms, and the vital human capital agenda moves to the CFO?

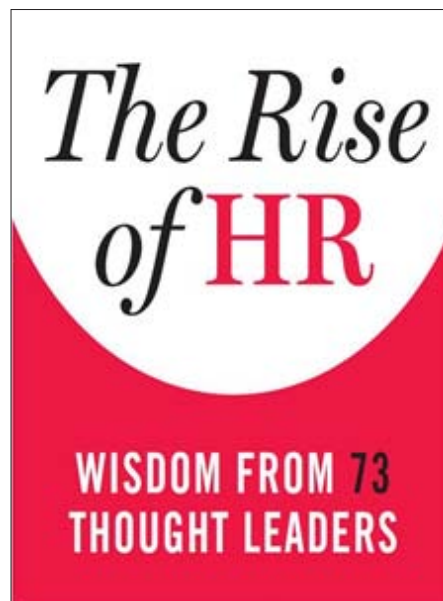


Part of my role is to scan the horizon, assemble and synthesise data and develop alternate futures. The trick is filtering so you are able to locate the key drivers affecting a particular issue under investigation and understanding how these drivers interact. Industry thought leaders are one potential source of intelligence and I'm dipping into two books - *The Rise of HR* (eds. Ulrich, Schiemann and Sartain, 2015) and *Transformational HR* (Timms, 2017) - and sharing some of my thoughts and reactions.

### The Rise of HR

*The Rise of HR* is an edited tome with 73 chapters from HR thought-leaders. The chapters range in their focus from specific models of change applied to specific contexts to broader questions about the value HR brings to organisations and society. The key determinant is 'value' and there are as many shades and interpretations of that as there are chapters.

The book, appropriately in my opinion, starts with externalities that are shaping society, identity and consequently business models, the nature of work and management. Several contributors emphasise the need to scan the horizon. Some of



the examples raised include social drivers like the changing lifestyles and life choices people are making due to the availability of choice; changes to the nature and definition of the family unit/ relationships; urbanisation; personal ethics; the role of faith and faith groups and societal expectations of their employer/ government/ leaders etc. And these are necessarily affected by economic conditions (access to jobs; fairness of pay and rewards; progression; security) and the macro drivers that concentrate

wealth in the hands of those with capital. Although, objectively, statisticians can point to increasingly decent material conditions for those in work, the visible and wide inequalities are eroding the trust in the decades-old compact between state and citizen, especially visible in Western democracies, and the implications of fracture to employers and to society more widely.

We also see the effects of adversarial politics and lobbying. For example, the way regulation adapts awkwardly to the world of digital platforms. Uber drivers and other labour in the 'cloud' expect minimum standards and protections while desiring flexibility. How does HR respond to a world where the majority of the workforce aren't directly employed by the organisation? And what about the various interests of age; gender; ethnicity; disability and other differences (e.g. having an environmentalist in an energy firm's HR team)? How does compliance and people governance work in this loose configuration?

And of course, all of these interactions are facilitated and transformed by



CIPD, UK

information and communications technology (ICT). Technology – both as a means of altering the way we work and live but also the masses of data that can be collected and collated for a variety of agendas will have profound implications for the way people see themselves and work. And let's not forget all the trend data flooding in: demographics; migration; education attainment; health and healthcare; economic activity/ participation etc.

A lovely suggestion for building an appetite for horizon scanning is to sponsor an Environmental Scanning Network (Cascio, pp.35-40). Getting together stakeholders to look into what is new in the political, economic, social, technological, legal/ regulatory, and environmental realms so that you can all work out the implication to your human capital ('talent') and consequently make adjustments or alter your long and medium-term strategic objectives.

And once you've done the horizon scanning and are keeping an eye on those drivers that are important to your organisation, the test is whether the HR mindset has been transformed. What is it that HR leaders are there to do? Lynda Gratton (pp. 111-116) suggests that HR's role is as "guardian of the future". Their primary role is to build "collaborative insight" by ensuring all the hygiene factors for optimal team working and individual flourishing is in place so that thorny, long-term issues like climate change can also be part of the deliberations for decisions.

### Transformational HR



It is here that the link with Transformational HR by Timms is strongest. His thesis is that HR is most transformative when it understands its distinct and privileged role in delivering value not just to the organisation but to society at large. It is this generosity of vision that enables HR to bring together all the levers to encourage, cajole and deploy the firm's human capital to best effect; not the pursuit of profit for shareholders (or executive bonuses). Then there are those who talk about HR's organisational mandate. There are those who wheel out the rhetoric (e.g. Kwan pp.47-54): "Comfort with discomfort; Judicious relationship building; Authentic adaptation." Enough said. And then there are those who are tactical in trying to maintain HR's relevance:

"HR aligns talent, data and strategy in a profitable manner while balancing the interests of relevant stakeholders" (Ployhart, p. 62).

And all this by HR being even better at managing the changing ways of working; overseeing worker well-being; leadership development; "being facile (sic) with technology, data and research"; marketing/ mass customisation; ethics; HR governance; organisational design; design principles; building a collaborative culture; culture management; diversity and inclusion (for some, as a guard against the dangers of group think), measurement, and/or strategic workforce planning.

I'm being a little cheeky of course. It is after all a compilation of 73 separate voices. All of these abilities listed in the paragraph above can and do make a significant contribution to the successful transformation of an organisation but not if the leadership has no clear and compelling purpose to which the majority its workforce can identify with as meaningful. So, HR is a trusted advisor. But the question is trusted advisor to whom, and for which/whose agenda?

### Purpose

In many of the essays, it is likely that clarity of organisational purpose is already presumed. However, as Carrig and Onozuka (pp.103-110), McFarland (pp.117-122), others, and of course, Timms point out, a clear and compelling purpose for the organisation cannot be presumed. It is something that has to be worked at,



## A future for HR?

revisited and rejuvenated. The World Economic Forum\* listed 10 skills to survive the fourth industrial revolution:

1. Complex problem solving
2. Critical thinking
3. Creativity
4. People management
5. Coordinating with others
6. Emotional intelligence
7. Judgment and decision making
8. Service orientation
9. Negotiation
10. Cognitive flexibility

The list above is quite instrumental - skills in service of the organisation's goals, perhaps. The motivation, direction and purpose is presumed. Compare this with the crowdsourced HR practitioner outputs from the CIPD/Management Innovation Exchange from the HR Hackathon, 2013. (see Figure below, reproduced from Timms, 2017, p. 128).

**A paucity of purpose?** For all the fascinating detail offered up in both books about the ingredients for a future for HR, this appears to be a nagging and critical question.

Much has been offered in the service of more efficiency, greater customer-centricity, scanning of the environment for clues and cues, smarter use of technology to gain data-driven insight and so on.

There seems to be a clarity of direction but maybe less clarity of the value HR delivers because the value the organisation brings to wider societal stakeholders is not considered or clear. In my futures work I frequently encounter HRDs who say it's all very nice to take the long view and to reflect on the value they bring, but keeping the present show on the road is quite enough. I think both books in their own way

highlight the possibility that for all that HR does, the point of the activity is missed. What is the value of the organisation to society and where does HR make its contribution? It seems to me that without purpose, sooner or later, the killer question will be asked – what's this all for? Ed Note: The rise of HR: wisdom from 73 thought leaders can be downloaded from the CIPD web site.

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\* Source: *The Future of Jobs: Employment, skills and workforce strategy for the Fourth Industrial Revolution*, World Economic Forum 2016. (Accessed 20.11.2017 from <https://www.weforum.org/reports/the-future-of-jobs>).

### Enemies of adaptability

Hierarchy	Fear	Decision bias	Habit
Centralization	Inflexible business practices	Rigid structures	Skills deficit
Short-term thinking	Insufficient experimentation	Lack of diversity	A paucity of purpose

# Futures Thinking in HR and HRD: Scenario Planning and Scenarios of Possibility

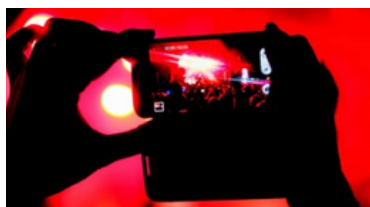
by Dr Rick Holden, Editor, EAPM News

*“The only way to predict the future is to have the power to shape the future” (Hoffer)*

The need for HR and HRD professionals to bring the future into their conversations and thinking today in order help shape and create the future is seeing increasing attention to scenario planning and futures thinking. The following research reports provide the thinking HR professional with some useful starting points and the article noted at the end of the piece illustrates HR/HRD Futures and Scenarios work in action.

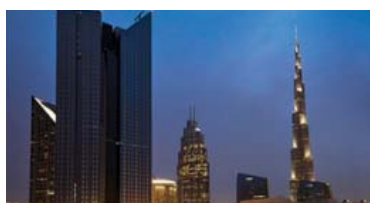
## **Workforce of the Future; PWC**

This report provides an excellent resource for futures thinking. It develops ‘Four Worlds of Work’ for 2030 to “kickstart your thinking about the many possible scenarios that could develop, and how to best prepare for the future”. According to PWC research “we are living through a fundamental transformation in the way we work. Automation and ‘thinking machines’ are replacing human tasks, changing the skills that organisations are looking for in their people”. They ask what will the future look like? The Four Worlds of Work are markedly different, but through each runs the vein of automation and the implications of robotics and AI. For more details and to download report go to: <https://www.pwc.com/gx/en/services/people-organisation/publications/workforce-of-the-future.html>



### **The Red World: Innovation rules**

Organisations and individuals race to give consumers what they want



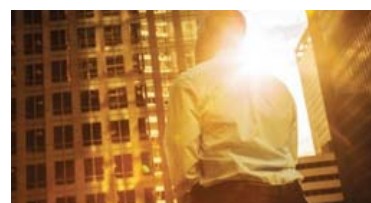
### **The Blue World: Corporate is king**

Big company capitalism rules, global corporates take centre stage



### **The Green World: Companies care**

Social responsibility and trust dominate the corporate agenda



### **The Yellow World: Humans come first**

Social-first and community business prosper

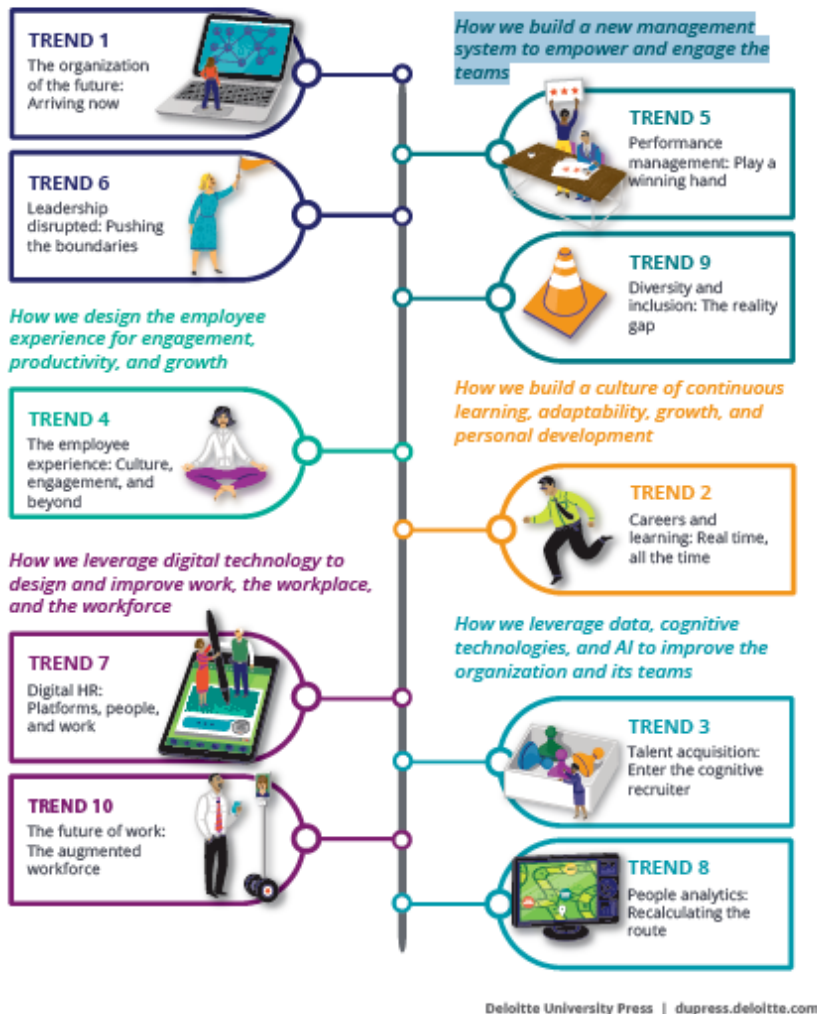
## **Human Capital Trends, 2017, Deloitte Universit **

The 2017 Deloitte Global Human Capital Trends report reflects what it calls the “seismic changes” in the world of business. The report is titled ‘Rewriting the rules for the digital age’ because a principal characteristic of the new era is not merely change, but change at an accelerating rate, which creates new rules for business and for HR. Based on its research Deloitte suggests the key problem is the ever-increasing gap between technological sophistication and the amount of work actually performed. The result is income inequality, wage stagnation, and social and political

unrest around the world. They believe the problem comes down to human capital strategies—how businesses organize, manage, develop, and align people at work. “HR’s opportunity is to help close the gaps among technology, individuals, businesses, and society and governments.”

The trends in this year’s report identify 10 areas in which organizations will need to close the gap between the pace of change and the challenges of work and talent management. Six key questions are discussed in the report vis the 10 key trends (Figure). The full report

## How we redesign the organization and its leadership for the future



learning access and flexibility (97%) and Increase self-directed learning (96%). In order to achieve these priority areas L&D professionals need to look at what is stopping them achieve this and work towards creating a learning culture that can be maintained and developed. Once they do these they will be on the road to becoming a high performing organisation. The top 5 barriers in 2017 are identified as:

- Cost of set-up, development and maintenance (66%)
- Lack of skills amongst employees to manage their own learning (65%)
- Reluctance by line managers to encourage new ways of learning (58%)
- Lack of skills amongst L&D staff to implement and manage technology enabled learning (53%)
- Unreliable ICT infrastructure (52%)

The Figure identifies the top L&D skills that the research suggests organisations have now and those that increasingly they wish to see developed in 2018 and beyond. See also Towards Maturity 'Driving the New Learning Organisation' at [www.towardsmaturity.org/](http://www.towardsmaturity.org/)

discusses each trend and offers an interesting 'old rules' v 'new rules' summary for each. The full report can be downloaded at: <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/central-europe/ce-global-human-capital-trends.pdf>

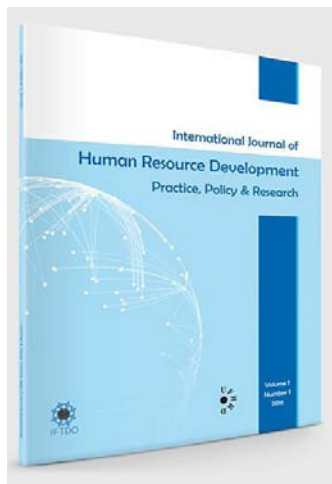
## L&D: The Skills Needed in the Future; Towards Maturity

Towards Maturity, the UK based L&D research consultancy have produced a recent research report in which they identify the top priorities for companies as being Improving organisational performance (98%); Increase productivity (97%); Increase



### **The Future of HRD: Scenarios of Possibility; Gold, J, IJHRDPP&R, Vol 2, No 2**

Across Europe and beyond, there is a sense that we are in the midst of a fundamental shift or change unlike anything we have experienced before and we did not see enough of it coming. As a consequence, HR and HRD professionals risk joining the growing ranks of those who have been left behind. There is no escaping the challenges facing HRD and HRD professionals. Is HRD's status increasingly that of a weakened profession? With these questions in mind a recent HRD Conference in Lisbon, Portugal, sought to actively consider the future



of HRD. The article in IJHRDPP&R captures the joint work of the HRD professionals involved (both at the conference and subsequently).

The scenarios illustrated and discussed in the article seek to portray a future in 10 years. They are not predictions but rather stories of possibility, even probability in some cases.

The article offers ideas and insights for Futures Work and Scenario; to help HR facilitate conversations and thinking today in order help shape and create the future.

See: [www.ijhrdppr.com](http://www.ijhrdppr.com)

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### **Imprint**

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