

# THE STRATEGIC ROLE OF HR PROFESSIONALS

## HOW HUMAN RESOURCES CAN USE ITS SEAT AT THE EXECUTIVE TABLE

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Once upon a time, human resources (HR) professionals would take care of employee administration and keep track of payroll for their organisation. HR professionals had what we might politely term "office jobs", and were seen to be very much separate from the decision-making process of senior management. Now, decades later, HR professionals are urged to become strategic partners in advising leadership teams, and are being steered towards sitting at the executive table as a crucial part of decision-making. This is largely due to the increasingly global nature of today's workforce, which requires

engagement, innovation, and diversity to manage effectively – qualities that HR professionals need to possess, in order to bring human resources to the next level. As South-East Asia faces a number of challenges in harnessing top talent to bolster the region's economic performance, there has never been a greater need for investment in HR, nor a more urgent need to recognise not only the vital role HR plays in the success of organisations, but also in the diverse ways in which it plays that role. Of course, as HR professionals continue to develop and excel in areas such as training and development, its main challenge lies in helping leaders understand the strategic value those areas add to business success, considering business needs when developing their solutions and framing them as such.

## HR AS STRATEGISTS

HR plays a pivotal role in significantly contributing, shaping and influencing the long-term plans of organisations. Key contributions include:

- Conducting strategic workforce planning such as application of supply chain framework to understand longer term workforce needs and supply, sustaining the talent pipeline, and effectively managing costs, compliance, regulatory and risks considerations
- Minimising any human capital related risks as part of an organisation's enterprise risk management and to ensure HR practices are sustainable
- Serving as strategic advisers in mergers and acquisitions or organisational restructuring efforts to ensure exercises are value-accretive from a talent perspective

- Optimising human capital spend and understanding where to invest to yield the highest business and financial returns
- Shaping and reinforcing a high performing organisational culture
- Apply understanding of the business operating model to develop an agile HR strategy and operations
- Develop robust understanding of complex workforce wants, needs and preferences and balance key stakeholders' interests

## HR AS DATA SCIENTISTS

One of the key enablers for HR to play a strategic role is harnessing technology to mine data that may not be accessible previously, and using this data to draw uncommon insights.



No longer is data analytics solely focused on analysing employee data for lagging indicators like headcount reports and staff attrition rates. Now, they also focus on generating predictive and leading indicators to inform future workforce trends



Using similar customer data analytic concepts, leading organisations are now hiring data scientists to ensure they can place the right people in the right place, at the right time, and at the right cost



HR decision-making will increasingly be backed by data insights, introducing an element of science to the art of people management

## HR AS BRAND AMBASSADORS

Employer branding by organisations can no longer be distinguished from its consumer brand. A well-aligned consumer and employer brand can deliver exponential benefits to the organisation. A strong employer brand allows an organisation to be a talent magnet to hire the best, which will in turn benefit the business as well as to reinforce the brand.



The consumer experience of an organisation's brand promise is very often shaped by interactions with its employees



The 2014 Towers Watson Global Workforce Study also found that increasingly employees expect a consumer-like experience from their employers. No longer do they have the same workforce expectations as the generations before – the HR function will be expected to apply consumer marketing and branding approaches to meet employee needs



Social media has transformed how companies manage their employer branding, and HR will increasingly leverage on this new channel to access untapped talent segments. In tandem with this, HR will also be expected to raise its digital quotient

## HR AS VALUE CREATORS

HR plays a pivotal role in enhancing the value of its human capital assets through strategic talent management efforts and aligned performance management and reward programmes.



Often, companies' share price and valuation can be impacted by unexpected talent movement and merger deals called off due to talent-related concerns – this clearly demonstrates that an organisation's workforce can no longer be simply viewed as a cost item but can be a strategic asset that needs constant investment



Well designed talent management interventions can ensure the firm has a sustainable talent bench strength to deliver on its longer term strategy



Effective performance management and reward programmes which are aligned with shareholders' interests can result in value creation, for instance growth in share price, increased market capitalisation, etc



The value creation would in turn increase the visibility of the company to other potential investors and talent as well



## THE EVOLUTION OF HEAD OF HUMAN RESOURCES

HR plays a critical role in looking to the future to ensure the sustainability of the organisation's human capital, as well as taking care of the employee experience and engagement within the organisation, while simultaneously being a trusted adviser to the Board and senior management. Such is the diverse nature of HR in today's business community, HR professionals are key to ensuring that all aspects of business are able to grow, develop and thrive. This is seen through providing a range of services and performing a number of functions in roles such as strategists, data scientists, and brand ambassadors, to name just a few.

### CHIEF EMPLOYEE EXPERIENCE OFFICER

- Futurist/ Strategist
- Differentiation-focused
- Employee as value
- Transcend programmes
- Borderless
- Board adviser

### CHIEF HUMAN RESOURCE OFFICER

- Strategic
- Business-focused
- Employee as resource
- Direct programmes
- International
- C-suite level

### VICE PRESIDENT, HR

- Broader
- Organisation-focused
- Employee as resource
- Design programmes
- National
- Vice president level

### PERSONNEL DIRECTOR

- Tactical
- Operationally focused
- Employee as cost
- Implement programmes
- Local
- Manager/director level

## THE FUTURE OF HR

**"One key HR competency of the future will be agility – responding to the changing demands and expectations of businesses and employees; changes in how and where work gets done and what employees want from their employers. Successful HR leaders of tomorrow will be shifting their focus from consistency and control to providing frameworks that allow organisations to categorise employees in terms of their needs, and will customise the employment deal accordingly".**

– Clare Muhiudeen, managing director, Talent & Rewards, Asia Pacific, Towers Watson



## REINVENTING HR: AN EXTREME MAKEOVER

ACCORDING to the "Southeast Asia Human Capital Trends 2015: Leading in the New World of Work" report by Deloitte, talent is in high demand and many organisations struggle to attract or retain the right people with the right skills in the right roles. In this growth environment, human capital issues are critical to ensure organisations have the talent and capabilities to achieve business sustainability, competitiveness and success. Traditional HR practices such as performance management and leadership and development are undergoing radical changes. Imagine an organisation where business leaders look to HR for advice as they develop business strategies to drive growth, where HR is considered the developer of talent and leadership across the business and where business leaders

respect and admire the HR professionals as co-leaders of the business. In Southeast Asia, financial services have led by example, making significant progress in relation to investing in HR talent and development through designing HR functions that deliver business integrated solutions. As Deloitte's report suggests, for many organisations, it's time to "redesign HR with a focus on delivering high-impact business driven solutions, not just efficient HR administration. HR business partners must become trusted advisors to business leaders on people matters with the requisite skills to analyse, consult, and resolve critical business issues." The research carried out by Deloitte also suggests that there have been pockets of progress seen across industries, with telecommunications and technology companies being the early adopters in imple-

menting new HR delivery models, helping to align HR professionals with business leaders in helping to achieve business goals and objectives. Indeed, HR must partner with business leaders to understand and better define the talent supply and demand specific to their organisation's critical roles. This will allow for the creation and implementation of a clear workforce strategy to determine which skills are better suited to be developed within the existing workforce versus those recruited externally. In summary, the most proactive organisations are "prioritising their critical talent management challenges and are reinventing their HR functions to better support these areas. HR and business leaders must be bold and innovative to tailor solutions that are effective for their own business objectives and needs."

Source: SEA Human Capital Trends 2015, Deloitte Consulting Southeast Asia. For enquiries, please contact Daniel Russell, Director, Deloitte Consulting (SEA) at danrussell@deloitte.com | www.deloitte.com. For the full report, please visit: www2.deloitte.com/us/en/pages/human-capital/articles/introduction-human-capital-trends.html

## HR IN THE FUTURE: EMERGING COMPETENCIES HR PROFESSIONALS NEED TO HAVE IN PERFORMING THEIR ROLES



### ENGAGING

**Performance management: The secret ingredients**  
Organisations are replacing traditional performance management with innovative performance solutions.



### REINVENTING

**People data everywhere: Bringing the outside in**  
HR and talent organisations are expanding their HR data strategies by harnessing and integrating third party data about their people from social media platforms.



### REIMAGINING

**Simplification of work: The coming revolution**  
Organisations are simplifying work environments and practices in response to increasing organisation and system complexity, and information overload.



### LEADING

**Leadership: Why a perennial issue?**  
Companies are struggling to develop leaders at all levels and are investing in new and accelerated leadership models.

