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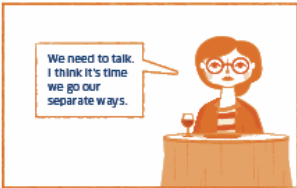
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# 5 Trends Affecting the Workplace

The Evolution of Work is happening faster than ever. We analysed the perceptions of employees and employers of different tenure and seniority across 13 countries, and found five key trends driving this evolution of the workplace.

## *Freedom*

96% believe they will be able to work from anywhere in the world

## *Knowledge*

99% say they will use technology to learn anything, anytime, anywhere

## *Stability*

66% believe companies will be searching globally for talent

## *Self-management*

92% of UK employees believe they will self-help to solve problems

## *Meaningful work*

88% of millennials want meaningful work that positively impacts society.

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# FUTURE OF HR

DISTRIBUTED IN  
THE  TIMES

PUBLISHED IN ASSOCIATION WITH  
  
Championing better  
work and working lives

RACONTEUR

PUBLISHING MANAGER  
**Rosie Baker-Williams**

PRODUCTION EDITOR  
**Benjamin Chiou**

MANAGING EDITOR  
**Peter Archer**

HEAD OF PRODUCTION  
**Natalia Rosek**

DIGITAL CONTENT MANAGER  
**Sarah Allidina**

DESIGN  
**Samuele Motta**  
**Grant Chapman**  
**Kellie Jerrard**

CONTRIBUTORS

**CLARE BETTELLEY**  
Associate editor of *Employee Benefits* magazine, she has held editorships at Financial Times Business and Centaur Media.

**HAZEL DAVIS**  
Freelance business writer, she contributes to *The Times*, *Financial Times*, *The Daily Telegraph* and *The Guardian*.

**KAREN HIGGINBOTTOM**  
Freelance journalist, she has written on a range of diversity issues, including disability, for national newspapers and Thomson Reuters.

**NICK MARTINDALE**  
Award-winning writer and editor, he contributes to national business and trade press on a wide range of issues.

**PETER CRUSH**  
Freelance business journalist, specialising in human resources and management issues, he was deputy editor of *HR* magazine.

**CLARE GASCOIGNE**  
Formerly on the staff of the *Financial Times*, she is now a freelance journalist specialising in City and financial features.

**KATIE JACOBS**  
Editor of *HR* magazine, her special interests include human resources analytics and metrics, workplace culture, and organisational values.

Although this publication is funded through advertising and sponsorship, all editorial is without bias and sponsored features are clearly labelled. For an upcoming schedule, partnership inquiries or feedback, please call +44 (0)20 8616 7400 or e-mail [info@raconteur.net](mailto:info@raconteur.net)

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# Getting the best from your people

Human resources departments are set to play a pivotal role in putting people first to deliver their best for the business

OVERVIEW  
CLARE GASCOIGNE

Every chief executive in the land trots out the phrase “people are our biggest asset”. It should mean that HR – human resources – is the most important function in a company, way before finance or operations, but that’s clearly not the case for many businesses. Will the future be any different?

“HR is changing in a very exciting way,” says Chantal Free, managing director, head of human capital and benefits at Willis Towers Watson, a global business consultancy. “Businesses are massively disrupted; whether you look at timescales, business models or people, the whole ecosystem of how work is done is changing. HR will rule in this new world.”

Change is happening on all sides. The makeup of the workforce is changing – not only an older workforce, but one with different expectations of what work means; 20 and 30-something millennials, for example, are looking for more than just a monthly pay cheque.

“It’s not something HR has got its head around yet,” says Jane Chesters, partner at Orion Partners, a talent, leadership and HR consultancy. “But there has been a shift in how people perceive work; they are not looking for a traditional career path.

“There also has to be a fundamental redesign of a lot of HR processes. Look around you when you step on a bus or a train in the morning; everyone is looking at their smartphone. That’s how peo-

ple communicate, that’s how they access services. Yet when they walk through the office doors, we communicate with them in an old-fashioned way.”

Understanding how people operate is key to HR success, but nowadays it takes more than a tired annual performance review to motivate talented staff, who are knowledgeable about competitor companies and looking for new challenges and roles.

Being able to help business transform and become more agile is key to the future of HR but, according to a just-published survey from Orion, few HR professionals feel it is happening. The survey found that 52 per cent of HR transformation programmes were still focusing on HR operations, with less emphasis on strategic capabilities.

“HR should not be sole owner of the challenges as they are business challenges,” the report concludes. “Creating and driving shared ownership of the people agenda is the trick that HR has still to pull off.”

Technology will change the delivery of HR, but it will also require a huge upskilling of the function. “It gives HR a lot more real-time data that can detect behaviour and provide insights very quickly,” says Ms Free. “The power of analytics is huge and can give incredible insights into the business impact of a

decision. But it’s about having the skills to look at data in aggregate, not just seeing turnover or salary data separately.”

Nor is this necessarily about spending more as many companies already have the information. According to an IBM report, *Building a Smarter Workforce*, the average HR department has 18 different HR applications that aren’t plugged in to anything central and aren’t communicating, making it impossible to use the data available.

Best-in-class companies are 3.7 times more likely to train for analytics skills, according to a 2014 Aberdeen/IBM study, and there are clear rewards for using them, says Duncan Brown, head of HR consultancy at the Institute for Employment Studies, an independent centre for HR research.

“Google’s HR department is very heavily analytical; they don’t do anything unless there is the evidence to back it up,” he says. “In a knowledge and service-based economy, people are where it’s at – look at what Microsoft was prepared to pay for LinkedIn [\$26.2 billion].”

But he warns against trying to cut and paste from one company to another. “One of the problems with HR is it has a concept of ‘best practice’. But being clear about the appropriate people management model depends on the phi-

losophy and values of the business,” he says.

So, for example, you can borrow the often-cited partnership model of department store John Lewis, but unless you replicate the culture of the business, it won’t work in the same way. HR should be playing a leading role fashioning corporate culture, but it has not always been willing to do so.

“In the immediate term, we are seeing corporate scandals attributable to culture or leadership,” says Laura Harrison, people and strategy director at the Chartered Institute for Personnel and Development, pointing to companies such as Sports Direct, which has been criticised for its treatment of staff.

“We are seeing the corporate costs of getting staffing wrong.”

She also believes HR is entering a new phase. “In order to get the voice it needed, HR historically sought to show its commerciality. But commerciality is not everything. There has been a re-engagement with the human side of HR, which is uniquely placed as the expert on human beings; it’s the ability to extract the best from people that unlocks value for a business,” says Ms Harrison.

“People have become shy about asserting the human agenda, but the best organisations refuse to commercialise their human beings. HR should be playing a challenging role, helping the business to define its principles. Our role as professionals is to stand up for ethical values.”



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## COMMERCIAL FEATURE

# FACING FUTURE CHALLENGES

*The pace of business change continues unabated, but should human resources professionals see this as an unwelcome disruption or an opportunity?*



Digitalisation, including robotics, cloud and analytics, socio-economic changes, globalisation, greater focus on organisational purpose, agility and workplace culture are factors that add up to major changes within business, the workforce and, consequently, the HR function.

As Stuart Steele, partner in the People Advisory Services practice at EY, points out, HR can trace its origins back to the late-1800s when it focused on welfare, productivity and labour relations. However, the demands have changed significantly over the years. A critical analysis of many HR functions today would reveal between 60 per cent and 80 per cent of activity and associated cost remains focused on what are primarily transactional or compliance-based activities, suggesting the function may not be that different to what it was 30-plus years ago.

So is this a case of HR professionals stepping up to the challenges or do they risk becoming irrelevant?

Mr Steele says: "Transactional and compliance-based activities – HR operations – are necessary and will remain. However, we now have the opportunity to replace many of the people who undertake transactional activities with robots, more specifically robotic software that can follow defined processes. For example, using systems, writing e-mails, cleaning and analysing data, making pre-defined decisions, we will see a significant reduction in the number of people in HR operations."

"Taking a conservative approach, we may look to one robot replacing the efforts of five people. However, there are already examples where this ratio is pushing closer to one robot replacing the efforts of 20 people. The use of robots and the scale of benefit realisation will only continue as technological capabilities increase over the next few years."

"When you look at the type of services typically delivered out of shared service centres, and factor in shift patterns and a 24/7 demand, the opportunity to further extend the robot/person ratio significantly increases the potential savings, even when considering lower-cost, off-shore centres. The adoption of robotic process automation by out-sourced business service providers will also facilitate further cost reductions."

"As robotics and artificial intelligence technologies continue to evolve and enhance their capabilities, today's cost-savings will soon look conservative. You may be forgiven for just thinking about reduced costs, however the benefits are broader and include improved speed, greater accuracy and auditability, and from a customer or colleague perspective, increases in the satisfaction with HR's services."

The impact of the robotics revolution on the workforce is not the only sobering thought for HR. The market has already seen the development in global business services (GBS), a model that combines all operations and functions within a business, such as finance, IT and HR, and drives synergies by combining them into one team.

Mr Steele says: "The subtlety here is that whereas GBS is about driving benefits through synergies, which in part includes reductions in full-time equivalents (FTEs), when coupled with the potential of robotics, the FTE required to deliver HR operational activities can be even smaller. It's important to appreciate that we are not talking about the HR operations activity going away, rather it is likely to be removed from the HR function and classed as a core operations activity."

This transformation leaves most HR functions with two key groups. The first is a centre of expertise, consisting of HR practitioners with deep technical expertise in specialist areas such as recruitment, reward and talent management. They create policy and processes, deal with exceptions and help provide solutions to organisational people challenges.

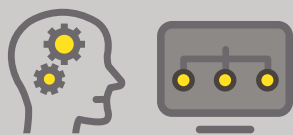
The second group, HR business partners, whose role is to team up with a division or business unit, understand their strategy and business plan, and design tailored people solutions that contribute to the successful execution of the plan.

"HR business-partnering is perhaps the area that business leaders often say they have been most disappointed with over last decade," says Mr Steele. "Business leaders have often assumed this is due to business partners having a lack of detailed knowledge about the division, business unit or sector they are operating in. Given this, we have seen a trend where business partners have been sourced from the business rather than HR. This allows for an

## HOW HR PROFESSIONALS ARE PERCEIVED

A Development Dimensions International study of 1,500 HR professionals showed a perception gap...

### REACTORS



Reactors comply with practices/policies and provide tools/systems for business needs

22% of HR professionals see themselves as reactors

43% of senior executives see HR in this way

### PARTNERS



Partners openly exchange information, collaborating on mutual goals with business

60% of HR professionals see themselves as business partners

37% of senior executives see HR in this way

### ANTICIPATORS



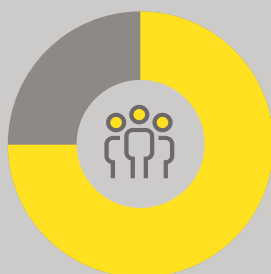
Anticipators use data to predict talent gaps, provide insights on talent and business goals

18% of HR professionals see themselves as anticipators

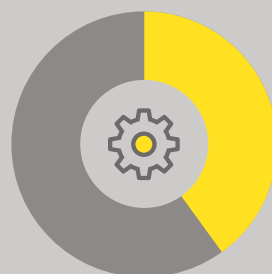
20% of senior executives see HR in this way

## WORKFORCE ECONOMICS

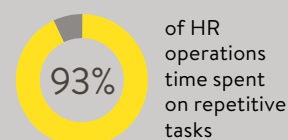
Automation and modern business practices are changing the face of HR



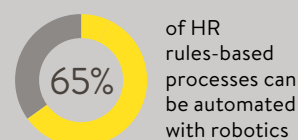
75% of an organisation's operating expenses typically consist of workforce costs



40% of today's workforce believes their current role will be fully automated before their normal retirement age



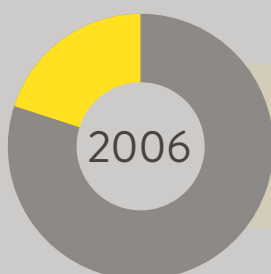
2h / 3m  
time to process  
(average) person/robot



50-70%  
cost reduction to process  
(average) person/robot



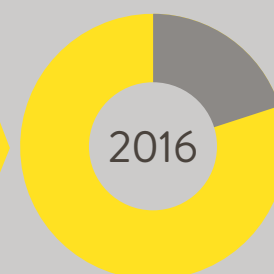
Robotics can facilitate a refocus from 7% strategic and 62% tactical to 80% strategic and 20% tactical



Source: EY



A decade ago, 80% of an organisation's value came from tangible assets with 20% intangible; now that has been turned on its head with 80% intangible and talent topping the list



interesting future scenario when, in ten years' time, HR operations could be robotised and transitioned into a GBS function.

"In parallel, business knowledge and context will be sourced directly from the business reducing the requirement for HR business partners. What remains in HR is a centre of expertise, with integrated teams of practitioners bringing deep technical expertise and consulting competence, teaming with the business in the development and execution of workforce strategies, directly connected to business needs and outcomes."

“HR may be significantly smaller in the future, but arguably more important

Independent forecasts predict that by 2030 up to half of the people in the workforce will be contingent workers, not employees; a group that many HR functions have traditionally not managed. The result is that the HR function may have fewer people in its purview; an outcome that reinforces the perspective that HR may be significantly smaller in the future, but arguably more important if the ownership of delivering against the people needs of an organisation remains vested in the function.

"Robotic process automation, global business services, HR business partners being sourced from the business are all real and happening today," says Mr Steele. "What we have not yet seen is many organisations adopting all these initiatives in an integrated manner, but it will happen."

"HR has spent the last 40 years primarily doing operational activity

and doing it well. There are exceptions, but in general the function still struggles to articulate in clear, business terms how its actions drive business value, and how it makes a material contribution to top or bottom line growth.

"HR functions may become significantly smaller, but there is an opportunity to be recognised as the best team to partner with the business to drive tangible business outcomes through its people. Ask most business leaders what the single most important contributor to business success is – the vast majority will tell you it's their people."

So is HR looking to the future through a lens of unwelcome disruption or opportunity?

**For further information please contact Stuart Steele, partner, People Advisory Services**  
SSteele1@uk.ey.com



PRODUCTIVITY

KATIE JACOBS

UK productivity languishes at the bottom of the G7 league table, 20 per cent lower than average, and falls behind many other Western countries.

“The gap has always been there, but it’s worse since the financial crisis,” says Anna Valero, research economist in growth at the London School of Economics. “We are about 30 percentage points behind France, Germany and the US.”

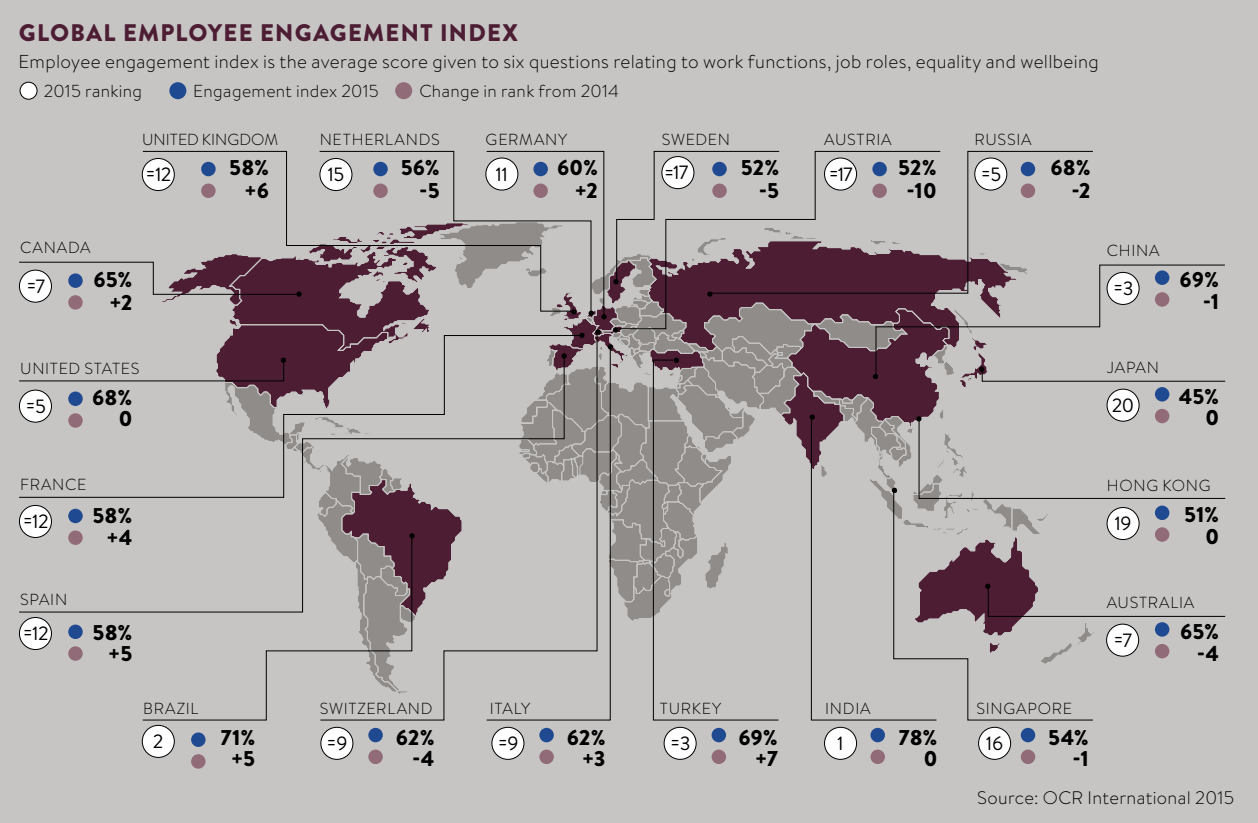
Labour productivity – output per hour worked – is critical to economic success. The government estimates if the UK could match the US’s productivity it would raise GDP by 31 per cent. But the UK’s productivity puzzle remains stubbornly unsolvable. Why? Several different pieces must be considered.

When chancellor George Osborne unveiled his Productivity Plan in 2015, it focused on tax systems, infrastructure and cutting red tape, as well as closing the skills gap via an apprenticeship levy. The plan addresses some of what Ms Valero calls long-standing problems, such as skills shortages and underinvestment in infrastructure, but doesn’t address other key areas, chiefly those related to people management.

Eugenio Pirri, vice president of people and organisational development at Dorchester Collection, feels Mr Osborne missed a critical point. “A fatal flaw is his lack of focus on engagement,” he says. “Businesses can never be productive if people are not productive; people can never be productive if they are not engaged.”

Nita Clarke, director of the Involvement and Participation Association and co-founder of Engage for Success, agrees. “High levels of engagement equal high levels of productivity,” she says. “If someone feels motivated, listened to and respected, they will be more agile, innovative and find ways around problems.” Autonomy and empowerment are key.

Research from HR consultancy Purple Cubed found 70 per cent of business leaders see a link between engagement and productivity. Yet the UK’s record on employee engagement is as bad as its productivity score. Only 58 per cent of the UK workforce is engaged, according to data from OCR International.



# How to solve UK’s productivity puzzle

From the NHS to the worldwide web, the UK has much to be proud of – but not our record on productivity

“The UK lags significantly behind,” says Sam Dawson, director and UK head at Hay Group Insight. “Where engagement is strong there is often a greater sense of company direction, leadership and employee buy-in. Companies with high engagement and enablement outperform others on productivity by 50 per cent.”

However, focusing on engagement alone as a panacea for our productivity ills would be a mistake, warns Professor Sir Cary Cooper of Manchester Business School, an expert in organisational psychology and health. “Engagement is only one piece of the puzzle,” he says. “We

need to look at how people are managed. Do we have socially and interpersonally skilled managers from shop floor to top floor?”

Evidence would suggest not, says Ben Willmott, head of public policy at the Chartered Institute for Personnel and Development. “The quality of management and leadership in the UK falls below our global competitors,” he says, citing a Federation of Small Businesses (FSB) report, *Leading the Way: Boosting Leadership and Management in Small Firms*.

The FSB paper finds that while the UK has a “good share of businesses in the top quartile” for management and

leadership, there is a long tail reaching well into the bottom quartile. In summary, the UK has a larger share of firms with poor quality management practices, resulting in lower productivity.

“Owner-managers often have little experience of leading and managing people, limited resources and limited time to think strategically about investing in people,” says Mr Willmott. “That leads to poor engagement and productivity.” He advises more government support for small businesses in this area, citing Germany’s *Mittelstand* as an exemplar.

Professor Cooper also advocates the importance of emotionally intelligent

“Sweden is considering legislating for a 30-hour week to increase productivity

managers. “We have fewer people doing more work, and we need managers not just with technical competencies, but people skills and high EQ [emotional quotient] levels,” he says.

Another way to raise productivity sounds counterintuitive – do less to get more. “We work longer hours than our Western counterparts, but we are less productive and less engaged,” says Claire Fox, global HR director at Save the Children.

Professor Cooper adds: “Germany has the highest levels of productivity [in the G7] and only works 35 hours a week. In the UK we work between 45 and 60 hours a week.”

Ms Fox says: “Our working culture of long hours and unmanageable workloads is not sustainable, and it’s contributing to our lack of competitiveness. [UK leaders] are focused on doing more with less, but they need to understand this is not the same as productivity. Halving the team and doubling the work does not mean productivity will increase.” Sweden seems to have realised this and is considering legislating for a 30-hour week to increase productivity.

Tackling technology overload is also critical, says Professor Cooper. In Germany, some corporates already do so, including Daimler and Volkswagen, which delete e-mails received during a holiday and shut down e-mail servers during out-of-office hours, respectively, while France has recently introduced guidance legislation around out-of-hours e-mailing.

There are many pieces to the UK’s productivity puzzle. Fitting them together will not be easy, but one thing is clear that good people management practices must be at the heart of the UK’s approach. In the words of Ingrid Eras-Magdalena, senior vice president of global HR at Belmond Hotels: “Without people, there is no productivity.”

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PRODUCTIVITY LESSONS FROM AROUND THE WORLD

**FRANCE**

According to Ingrid Eras-Magdalena, senior vice president of global HR at Belmond Hotels, France is characterised by “high job security and relatively fewer working hours per day”. “The bond between employee and employer is stronger and long lasting,” she adds. The French government is also tackling e-mail overload.



**GERMANY**

The Germans are productivity exemplars, thanks to their longer-term business view. Family and small and medium-sized businesses in the *Mittelstand* benefit from professional management and collaboration. The apprenticeship system is the world’s best, resulting in a highly skilled workforce. Employees work the shortest hours in the G7.



**UNITED STATES**

Ms Eras-Magdalena and Professor Sir Cary Cooper of Manchester Business School debate whether the US model of job insecurity and few workplace benefits is one to emulate, although it does lead to high outputs in the short term. However investment in digital innovation, particularly in Silicon Valley, has helped the US stay ahead.



**NORWAY**

According to data from the Conference Board and Eurostat, Norway is the most productive nation in the world. Much of this is thanks to the Nordic leadership style, which a Hay Group report on engagement in those countries described as one where “trust, consensus, collaboration and autonomy are the norm”.



**THE NETHERLANDS**

The Dutch have long holidays and shorter working hours, yet are more productive than the British, backing up Professor Cooper’s view that “getting rid of our long hours culture is the answer”. One technology company has even made it impossible for employees to work late, winning their desks to the ceiling at 6pm.





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# How women are still ge

Many factors may work against women receiving pay parity with unintentional institutional sexism

## GENDER GAP

PETER CRUSH

**F**orty-six years on since the Equal Pay Act of 1970 and employees could be forgiven for thinking little has changed when it comes to gender pay gaps.

Last November's *Annual Survey of Hours and Earnings* report from the Office for National Statistics (ONS) revealed women in full-time employment earn 9.4 per cent less than men (85.5p for every £1 men earn). If part-time work is included, the gap is closer to 20 per cent.

It may well be the lowest differential since the survey began in 1997, but it has barely changed in the last four years and despite prime minister David Cameron's 2015 pledge to end pay gaps within a generation, at current rates of improvement the World Economic Forum estimates it will take 118 years before global gender parity is reached.

"It's depressing to think it's taken this long to arrive at what is still such a large gap," says Tom Hellier, director of rewards at human resources consultancy Willis Towers Watson. But he and others believe future HR directors have a challenge on their hands when it comes to trying to reduce it for, contrary to what many people think, the gender gap is not actually about pay at all.

"These figures are not wrong, but they're primarily created by occupational segregation where women are simply not represented equally across all roles," says Cardiff University's Alison Parken, director of its Women Adding Value to the Economy (WAVE) programme.

Her analysis of the Welsh economy reveals only 86 of 353 professions show gender balance, and nearly one quarter of all women work in just one, single (lower-paid) sector – health and social care.

Because the ONS measures median hourly earnings, the simple fact more women work in low-paid sectors and more also work part time – six million women work part time compared with two million men, according to Business in the Community – means there is automatically a pay gap.

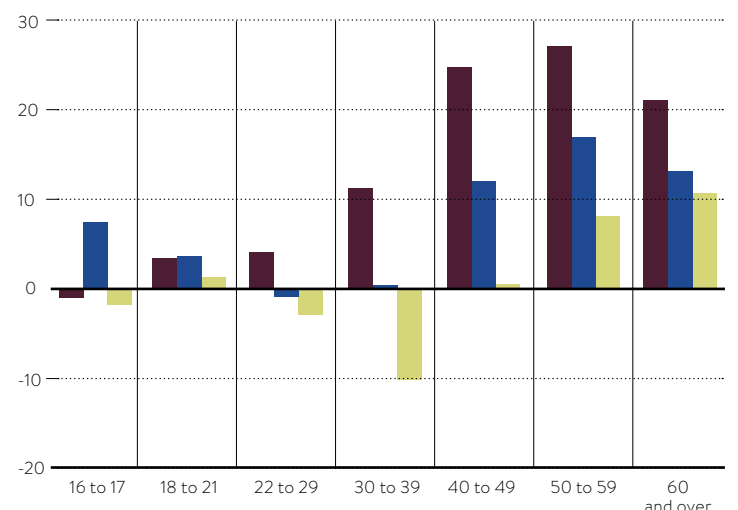
For HR chiefs, though, solving it means tackling much more complicated areas – deep-rooted social stereotyping, including tackling how women decide to enter sectors in the first place, what hinders progression, job design and, because women are still predominantly carers, how to accommodate family life.



## 2015 GENDER PAY GAP BY AGE GROUP (%)

For median gross hourly earnings, excluding overtime

● All employees ● Full time ● Part time



Source: Office for National Statistics 2015

"Society conditions women from a very early age to enter certain occupations," says Angela Wright, senior lecturer at the University of Westminster and former remuneration adviser to several public sector pay bodies. "This contributes to occupational segregation that employers didn't create."

Jemima Olchawski, head of policy and insight at equality group the Fawcett Society, adds: "We still think women are being paid less for the same work, but it's a fact that

in 2013 only 400 women started an engineering apprenticeship, while 13,000 men did. Society still dictates women display certain behavioural traits, so to be seen as go-getting or careerist is regarded as being outside these norms."

So do HR professionals have any real power to impact trends that appear to be out of their control? The good news is that commentators believe they do.

"Evidence suggests pay gaps widen with each dependent child



# Getting a raw deal

male colleagues, some of which could be



“

Until organisations have gender data, they can't begin to see where they might need change

exist. For instance, women taking two years out to have children will miss two rounds of typically 2 to 3 per cent pay rises.

This is why many firms are sceptical of new gender pay reporting requirements, expected this October. Reporting is the government's big idea to tackle pay gaps, and all firms with 250 staff will have to report mean and median pay differences, the numbers of men and women in each quartile of overall pay distribution, and differences between mean bonus payments.

“Gender reporting is controversial because it will expose gaps – some legitimate – that need further explanation,” says Dr Wright. “But this has to be positive because it will force firms to have conversations and it will reveal behaviour they might not have been aware of. For instance, a high street bank recently did its pay audit and found line managers tended to give higher pay rises to men.”

Some firms are already ahead of the curve. Maxus, the UK's fastest-growing media agency, has Lindsay Pattison as its high-profile chief executive, and in the last year she's personally developed initiatives encouraging women to rise up through the business and be paid the same as men.

She already publishes the agency's pay gap, which is 4 per cent globally but is actually 1 per cent in favour of women in the UK. A quarter of its board are female, double the UK average. “These figures prove our approach is working,” she says. “We now insist that for any senior hire, a female is at least on the shortlist. My view is this, until organisations have gender data, they can't begin to see where they might need change.”

With pay influenced by so many factors, the task facing HR is certainly a big one, but by forging relationships with talent earlier on, such as promoting historically male roles to school-aged girls, and supporting women at all stages of their career, they can certainly play a significant role.

women have and with part-time working,” says Dr Wright. “When people suggest women ‘choose’ to work flexibly after having children, HR has to challenge this by having better job design that asks whether they are condemning women to lower-flying careers once they return.”

Flexible working is often heralded as the answer to this, but she believes HR needs to tread carefully here too. “Flexi-working can actually entrench the notion that women's work is part time,” she says.

“Making paternity leave pay the same is another solution,” says Ms Olchawski. “This removes the tendency for women to automatically take time out and miss pay rises or promotions.”

Other experts argue HR can be instrumental in tackling Britain's long-hours culture, which they claim exacerbates differences between full-time and part-time work. “The very phrase ‘part time’ indicates these workers aren't interested in progression and career development,” says Dr Parken. “Job ads should remove this reference, so that work is couched more as tasks required rather than number of hours put in.”

One thing HR directors can't do overnight is raise pay in poorly valued occupations and businesses rightly worry there can be the impression of a discriminatory gender pay gap when one doesn't actually

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# INNOVATING TO OFFER A NEXT-GENERATION RECRUITMENT STRATEGY

*Facing a looming shortage of talent, human resources chiefs need to adapt their recruitment strategies in a predominantly digital age, according to Charles Hipps, chief executive and founder of e-recruitment leaders WCN*



Almost all human resources departments say the same thing – not only do they suffer from a deficit of talent, it's a problem getting worse not better. But as we look to the future and assess the impact this will have on businesses, what does this concern really mean? At WCN, we believe it means something so acute and serious that without effective coping strategies, the simple fact is not all organisations will survive.

One key number starkly illustrates this; McKinsey estimates that by 2020 there will be a global deficit of 40 million university-educated people. So pronounced is this, we're already seeing firms entering salary negotiations to ensure they get first-time job seekers. This is already the first sign firms are fighting for survival, but by making wages a larger proportion of costs, it's not a sustainable solution.

The only long-term option businesses have is to find answers as to why they can't find the talent they want. We believe this will increasingly involve getting to talent faster and earlier, for instance forming partnerships with schools to create internships and work experience or by diversifying where firms get their talent from in the first place.

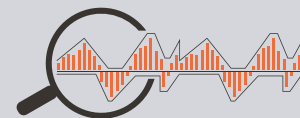
Between 2003 and 2013, Asia's university population grew by 54 million, representing 74 per cent of the growth of global student numbers. India alone will add another nine million undergraduates to its student population by 2020. As a result, we now have clients shifting two-thirds of their recruitment to the Far East. But are enough other organisations doing the same to tap into this vital talent pool? Possibly not.

We believe organisations do have the capacity to survive, but only if they adapt their strategies for finding talent. For some human resources directors (HRDs) this might mean not taking university graduates at all, but using big data to redefine what good looks like in different roles and understanding where the best people in those roles come from. This is a move away from academic matching and more towards making other correlations. It's only by understanding who succeeds and who is engaged that companies' HRDs can redefine exactly who they're looking for.

But there's another area we believe needs confronting too – the need for

## MAKING THE MOST OF PREDICTIVE TECHNOLOGIES IN HR

A consequence of behavioural and technological change is significantly higher volumes of applications, but notable gaps in applicants' skill mix. The need to react and utilise intelligent solutions that automatically process and drive insight and improvement has never been so pertinent. So, how can this happen?



Use big data to redefine what “good” looks like in different roles and understand where the best people in those roles come from.



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Ensure you have actionable reporting to enable informed decision-making.



Talent bank to create digital footprints, expand reach and diversity, and massively reduce the time-to-hire.



Engage early to start communication with the highest-achieving candidates as soon as possible and maintain this personalised approach throughout.

organisations to make much more of emerging talent recruitment. Today, individuals with the scarce skills companies need make new connections earlier and earlier. If HRDs fail to track and make their own connections with these good people, they'll lose the first bite of the recruitment cherry. It's our future leaders who will take decisions about how to adapt and change their businesses, so getting to the best people to make these important choices has to be the future focus of HR.

Any solution must involve technology. Today relationships are digital and the best firms will create digital value propositions that talk not only to those they're attracting to their talent pools, but to their existing staff too. HRDs must engage with talent at virtual events and even encourage existing staff to be brand advocates within their own networks.

Technology provides intelligence, hence it's vital technology helps HRDs understand what potential is. So when HRDs need to sift through the hundreds of candidates they'll get for each advertised role – more people will be chasing the same amount of jobs – they'll at least know who they should devote the most time to during the selection process. Virtualisation technology – using video or psychometrics – can also help this and should be among the solutions adopted.

While the future is hard to predict, it's fair to say that ultimately it will demand much more joined-up people-thinking. Firms that understand recruitment will know their success depends on creating relationships. Even when dealing with people they fail to hire, the best firms will realise they need to create some level of engagement, such as by giving feedback for next time. Why? Because who knows, one day, the candidate they once turned down could be just who they're looking for a few years down the line.

Speed, accuracy and relationships, all underpinned by technology – they're all needed now and they will all be needed even more in the future. If HRDs improve in all these areas, perhaps dire predictions of skills shortages ahead will not come to fruition. But the only way HRDs can avert this is by doing things differently – starting now.

For more information please visit [www.wcn.co.uk](http://www.wcn.co.uk)

# Changing age profile calls for

As more people work into old age and younger employees seek greater employment flexibility, employers must adopt

## SHIFTING DEMOGRAPHICS

CLARE BETTELLEY

Shifting workforce demographics are creating a challenging future for human resources directors.

According to the UK Commission for Employment and Skills, employers face around 13.5 million job vacancies in the next ten years, but only seven million young people will leave school and college during this period to fill them.

Older workers are an obvious untapped talent pool, with 36 per cent of the working population expected to be over 50 by 2020, according to the Government Actuary's Department.

And this pool is growing. The Department for Work and Pensions report, *Employment statistics for workers aged 50 and over, by five-year age bands and gender, from 1984 to 2015*, reveals that the employment rate for people aged 50 to 64 has increased from 55.4 per cent to 69.6 per cent, and doubled for people aged 65 and over, in the past 30 years.

Similarly, the proportion of people aged 70 to 74 in employment has almost doubled over the past ten years alone.

The removal of the default retirement age in 2011 has helped to drive this growth by enabling older workers to continue working either because they enjoy their job or, more likely, because of a shortfall in their retirement income. But many employers are failing to exploit this talent pool.

The Chartered Institute of Personnel and Development (CIPD) report, *Managing a healthy ageing workforce: a national business imperative*, published in 2012, claims that many employers are slow to change because of a preoccupation with day-to-day business issues, but also because of a tendency to value qualifications over experience.

But as well as experience, older workers can offer businesses loyalty and flexibility, providing they have access to appropriate workplace support. This may include comprehensive occupational healthcare, including critical illness and income protection, and workplace design adjustments such as access to ergonomic equipment.

Healthcare benefits may be offered as part of a wider health and wellbeing programme that incorporates financial wellbeing support in the form of pension modelling tools, retirement preparation courses and access to independent financial advice, which can help employees to tackle any shortfall in their retirement income.

Carer support should be a key consideration within this offering given

there are around seven million carers in the UK, with one in five aged 50 to 64, according to the charity, the Carers Trust. Further, 65 per cent of carers aged 60 to 94 have long-term health problems or a disability of their own to manage.

But Business in the Community (BITC) has found only a third of employers have a formal policy on supporting carers, which is a situation that may well take time to change.

Ksenia Zheltoukhova, research associate at the CIPD, says: "We talk about 'employers', but ultimately there's a person behind that decision-making, and [whether or not a policy is implemented] very often it comes down to the value system of that individual and where they see the benefits for the workforce and for the business."

However, training and development is perhaps the most important consideration for organisations striving to support older workers because of the value they place on job variety.

Reverse mentoring, whereby younger employees pass on their skillsets to older workers, is a growing trend within many organisations. The transfer of digital skills is a case in point.

But many HR chiefs are not prepared for such new skillsets and how to exploit them, often resulting in employees being placed in unsuitable job roles and being left to feel they are not fulfilling their potential.

This may explain why 31 per cent of employees believe they are overqualified for their current job, according to the 2010 CIPD report, *Employee outlook: employee views on working life*. This is particularly the case for graduates with a first-class degree, with 41 per cent believing they are overqualified for their current job.

Almost one third (27 per cent) of employees believe that moving to a new job will kick-start their career, which is perhaps why "job shopping" – frequently changing job – is a current labour market trend and why young employees have an appetite for developing transferrable skills.

Apprenticeships and tailored training courses may help to retain staff, so long as employers factor in the need for employees of all ages to work flexibly.

Peter Reilly, principal associate at the Institute for Employment Studies, says: "It's about flexibility that sees people coming and going more, and about people wanting to have time out to do particular things at particular times."

This may involve employees requesting to work and live between different countries. Flexible working has progressed from a conversational piece on HR directors' agendas to become a dominant feature of young

## TOP 5 AGE-FRIENDLY POLICIES SURVEY OF HR PROFESSIONALS



81%

FLEXIBLE WORKING  
FOR ALL AGE  
GROUPS



52%

PREPARING FOR  
RETIREMENT  
PROGRAMME



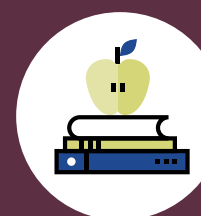
45%

ADVICE AND SUPPORT  
FOR THOSE CARING FOR  
AGEING RELATIVES



36%

HEALTH AND/OR  
ABSENCE ANALYTICS  
ACROSS VARIOUS AGES

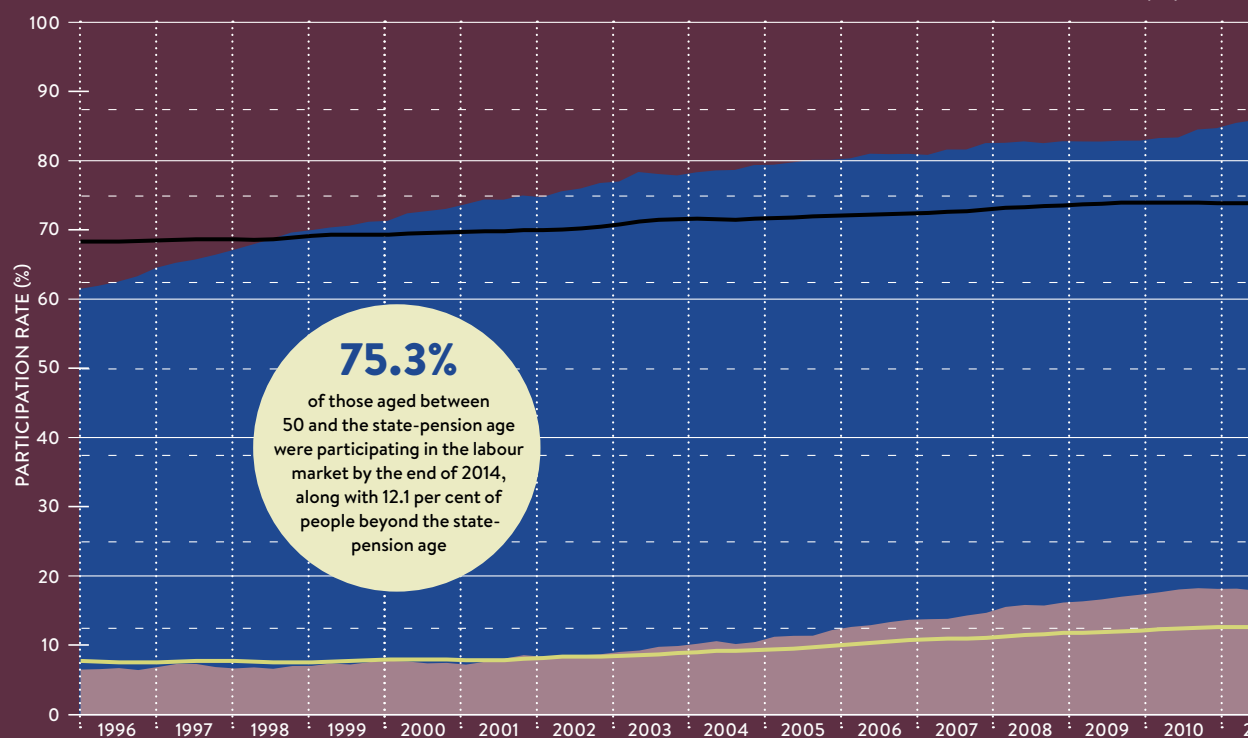


30%

AGE-SPECIFIC  
WELLNESS  
PROGRAMME



## UK PARTICIPATION RATES FOR THOSE AGED BETWEEN 50 AND STATE-PENSION AGE PARTICIPATION RATE, BASED ON YEARLY ROLLING AVERAGE



people's psychological contract with their employers. It is also essential for carers.

Rachael Saunders, age at work director for BITC, says: "We need a change in organisational culture. I think we're at the point where young people coming into work almost assume that [flexible working] is something they ought to be able to ask for."

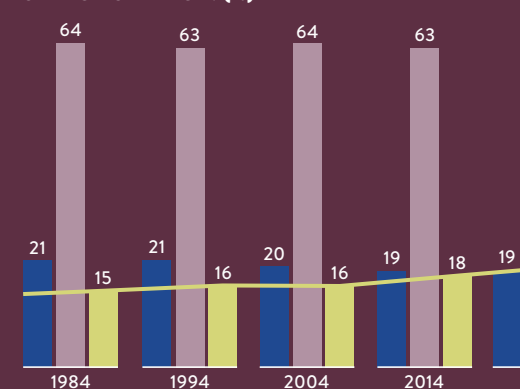
But Mr Reilly believes herein is a tension between employees' needs and traditional work patterns within many organisations, which favour standardisation rather than difference and divergence.

"[Many organisations] want con-

formity and don't want people to go off-piste too much. One of the drivers of that is efficiency and the second is employers want control," he says.

"But that just doesn't fit with employees' needs. Employers need a system that has more flexibility. It has to allow people to respond to their own circumstances and the organisation to have the ability to adjust, just as the organisation has to have people adjust to its changing circumstances."

## AGE DISTRIBUTION OF THE UK POPULATION (%)



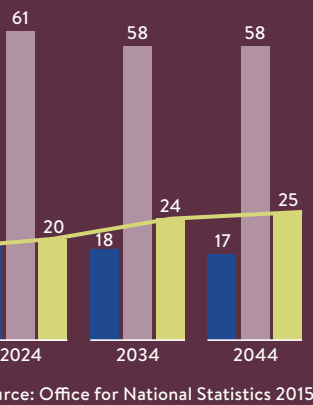
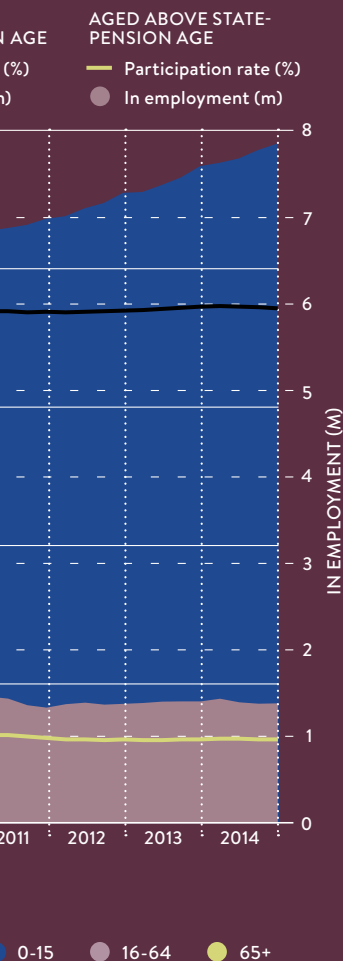
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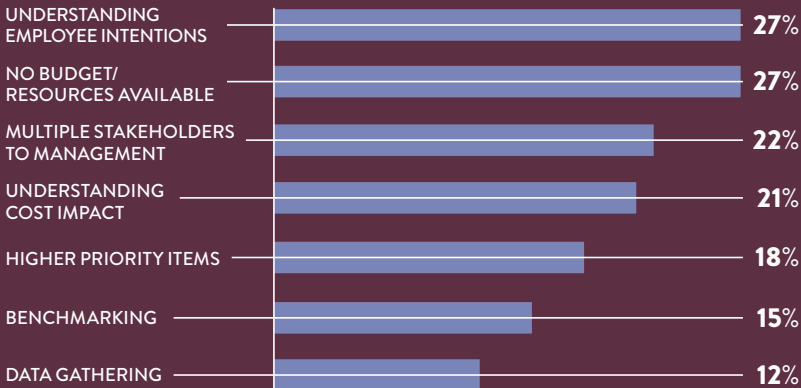
# a new approach

new work patterns and conditions for the changing demographics

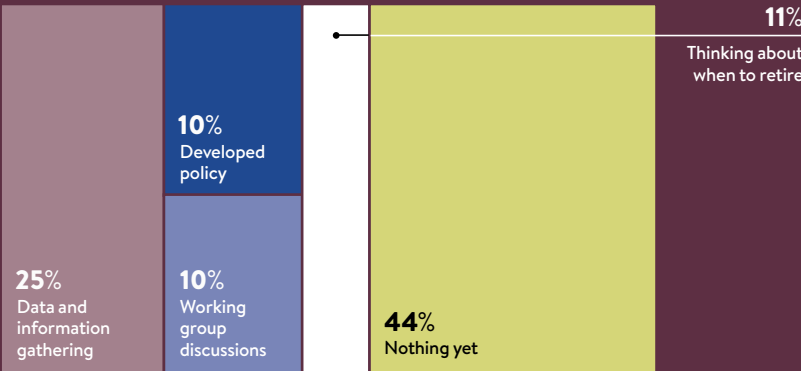
- OTHER AGE-FRIENDLY POLICIES AT WORK
- Review of pay levels across age bands (for the same jobs)
  - Regular age discrimination checks
  - Career guidance for older workers to help people make choices about future career development
  - Adaptation of workspaces for older workers
  - Reverse mentoring
  - Measurement of the distribution of training spending among the different age groups
- Source: Mercer 2015



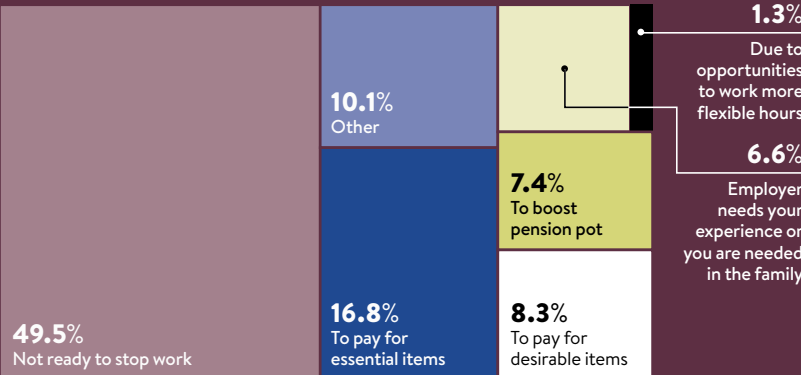
## MAIN OBSTACLES IN MANAGING AN AGEING WORKFORCE



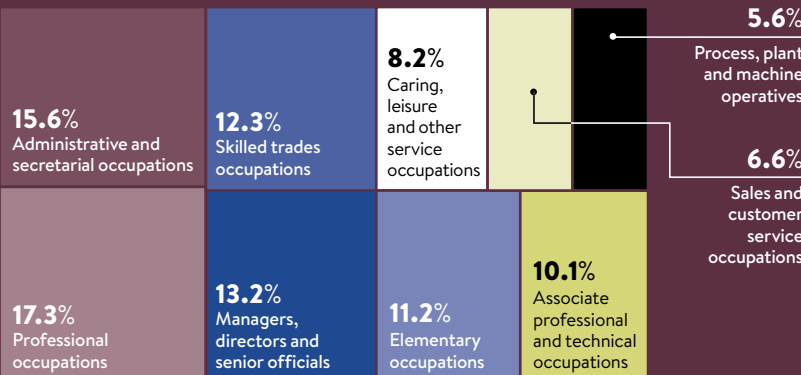
## WHAT COMPANIES ARE DOING TO MANAGE AN AGEING WORKFORCE



## REASONS WHY PEOPLE WORK PAST STATE-PENSION AGE



## OCCUPATIONS OF PEOPLE WORKING PAST STATE-PENSION AGE



OPINION COLUMN

# Humanising the world of work

Businesses must become human-centred, encouraging diversity, engagement, wellbeing, openness and fairness at work and in society

PETER CHEESE

Chief executive  
Chartered Institute of Personnel and Development



66 The world of business is facing more uncertainty driven by economic, societal and technological shifts. At the same time, trust in business continues to be eroded with every new corporate scandal.

accountability with all the attendant consequences, but it's also too often constrained innovation as well. The good news is there is a lot of new thinking happening around the future of work and in HR. After decades of entrenched processes, such as strict performance management practices and ranking regimes, many organisations are now ripping up the old manuals and going back to ask the question, what outcome are we trying to deliver? When we start by asking questions about purpose rather than process, we come up with different solutions.

It seems that many of the old paradigms of work, including control, hierarchy, structure, process and rules, are not driving the outcomes we want, from behaviours to productivity, but also agility and innovation, which are vital ingredients of sustainable business success in a fast-changing world.

The reality is the mindsets of the past have not created environments that get the best out of, and for, people. The growing trends of stress at work, levels of disengagement, and mismatch of skills and opportunity, fairness and equality cannot go on.

Our old models of work are also challenged by the many different ways we can now connect and work, the growth of the "gig" economy and flexi-working, how automation is impacting jobs, and a more and more diverse workforce with very different ideas about what work should be.

This, then, is the context into which human resources or HR as the people experts have an ever greater role to play, to challenge, innovate and to change. HR has often been part of a paradigm of work that was not so much human-centred, but process, control and rules-centred. HR should focus on helping the organisation, managers and the wider workforce to work together, to develop in the way which will achieve the best outcomes for all the organisation's stakeholders.

We've known for decades that you can't just write rules and expect these to determine the right behaviours. Those same rules put in place to stop things from going wrong have actually eroded a sense of personal

“The growing trends of stress at work, levels of disengagement, and mismatch of skills and opportunity, fairness and equality cannot go on

rather than outputs achieved. We need different definitions of value and a more consistent understanding of the people dynamics of business. This is as important for finance and business leaders as it is for HR and now is the time to define more of a common language. What gets measured gets done.

The future of HR and of management practice will be about helping organisations to build the right business model, strategy, workforce and culture that will help them to achieve their purpose.

By anchoring our thinking in purpose and values, understanding the needs of and our responsibilities towards all our stakeholders, we can create human-centred businesses where diversity, engagement, wellbeing, openness and fairness are all core to how we operate and grow for the future.

Visit [futureworkishuman.org](http://futureworkishuman.org) to join the debate on the future of work and be part of a diverse group of voices sparking fresh, exciting and radical ideas. Futureworkishuman.org is a CIPD-sponsored community.

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## COMMERCIAL FEATURE

# TOOLS FOR THE JOB

*For human resources leaders to help drive business growth, they need the technology to recruit and nurture a quality workforce*



The world of work is changing. Developments such as big data, cloud computing, the internet of things, the mobile internet and automation are causing disruption to established business norms. This means the core skillset that both employees and employers require is also changing.

In the coming years, entirely new job roles will be created as new markets emerge and firms need different types of skills, while many traditional posts will disappear. Other jobs, such as those in specialist technical positions or manufacturing, might become more automated or parts of the process robotised.

This is already leading to a skills gap in certain industries. According to research by NGA Human Resources, 88 per cent of business leaders believe there is a skills gap in the UK and 74 per cent admit they currently have one in their own organisation. Furthermore, 91 per cent say this is holding back their plans to grow.

Other trends in the workplace are also having an impact. The workforce itself is getting more diverse, with people working for longer, so it's now common to find four generations working alongside each other. There are more women in senior positions too, while flexible working is changing traditional workplace relationships.

HR, however, is not well prepared to cope with these challenges or to undertake a more strategic role that would enable it to influence the debate at board level. To operate effectively in the new environment, HR needs to have a detailed understanding of the business model and how this will change over time. This will include potential implications in terms of recruiting and managing a more diverse and dispersed workforce, taking into account new skills and the potential need to replace certain roles with automation.

Yet HR does not always have the required standing in the business to influence this debate. NGA Human

Resources research reveals that HR plays a role in the formulation and execution of strategy in 54 per cent of organisations, but this means there is still a sizeable minority where this is not the case.

To be able to take on a more strategic role in the business, HR needs to make better use of data, drawing on unified systems and simplified processes, to help it make the case for implementing changes that will help the business cope with the challenges of tomorrow.

Being able to access people-related data can help identify which skills are required and where, as well as how to develop people internally to address these. Such data can also be matched with other information. By combining data around people performance with sales, for instance, it is possible to see the impact a training programme can have on customer satisfaction and retention or sales figures.

There are a number of issues that need to be overcome before HR can take advantage of this, however. Sometimes that information does not exist at all, but even where it is available, it can be spread across multiple disparate systems which do not talk to each other. An organisation may have an HR administration system, a talent management package, a payroll system, and a learning and development platform, but nothing to link these up and no way of cross-examining the data that resides in them.

This means it's almost impossible to see wider trends or to identify



To be able to take on a more strategic role in the business, HR needs to make better use of data, drawing on unified systems and simplified processes

the end-result of people-based initiatives, which means it's harder to make the business case for investment with the board. In the long term, this can restrict the influence of the function to the detriment of the entire business.

What HR needs is to have all its people data in a single database or repository, with access to powerful analytics functionality built in. This should cover the entire employee life cycle, stretching from recruitment to on-boarding, talent development, employee reviews and exit interviews, allowing the business to see why people leave and put in place strategies that will help attract and retain talent in future. It's vital, too, that this is easy to use, providing clear information to HR in a format they are used to as consumers.

Getting more involved in such analysis and moving the HR function into a more strategic role will create additional time and demand pressures, especially in the wider context of adapting to new ways of working. As the function itself becomes more strategic, one option is to outsource the more

transactional parts of HR and payroll to an established provider, which is able to take away the hassle associated with time-consuming, but relatively low-value-added tasks, freeing professionals to concentrate on getting closer to the business and becoming a trusted confidante of the chief executive.

If HR is to remain relevant, influence the agenda, and help drive key decisions around people and broader business strategy, it simply cannot afford to ignore the need for effective business intelligence that can combine people-related data with that available in other parts of the business.

From a business perspective, organisations that are able to identify, recruit, on-board, engage, retain and develop the right talent will have a much better opportunity to execute their business strategy, and ultimately outperform competitors. HR needs to play its part.

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# Mental illness is too serious to be taboo

It inflicts torment on individuals and costs the economy dear, yet mental illness at work is often the elephant in the room that is not addressed or covered by company health insurance

MENTAL HEALTH  
KAREN HIGGINBOTTOM

Mental health in the workplace remains a taboo subject, but it's not going to go away. The World Health Organization predicts that more people will be affected by depression than any other health problem by 2030. One in six people in the UK workplace experience depression, anxiety or stress, according to government figures.

Such mental health concerns also matter in an economic sense as mental health problems cost the UK economy more than £26 billion a year through lost working days, staff turnover and lower productivity.

Mental health in the workplace is of increasing concern to human resources executives, according to research by Metlife employee benefits. It found that 67 per cent of HR leaders are concerned about mental health in the workplace. The Metlife survey also revealed that more than half of the HR executives have found themselves in the position of a mental health counsellor.

Rachel Suff, public policy adviser at the Chartered Institute of Personnel and Development, believes these findings underline the need for line managers to be trained to spot the signs of mental ill-health. "How many organisations train their line managers in mental health? Our own research reveals that only three in ten organisations provide mental health training to managers," she says.

One of HR's major challenges is tackling the prejudices that face employees with mental health conditions. More than half of UK employers wouldn't hire someone with depression, according to the Mental Health Foundation.

Ms Suff argues that HR must ensure an organisational framework is in place, which encompasses a wide spectrum of mental health conditions. "These policies need to be developed with occupational health," she says. "An effective approach to mental health will have to take on board that staff have a variety of conditions from anxiety to bipolar depression. It's also about education, awareness and training for line managers."

There is still a lot of work to be done to educate managers and co-workers about their fellow employees who may have mental health conditions. An Axa PPP Healthcare survey revealed that two-thirds of managers don't believe stress, anxiety or depression is a serious enough reason for employees to take time off work. "There is still a lack of understanding and education around mental health.



How people with mental health conditions are portrayed in the media doesn't help," adds Ms Suff.

HR professionals are integral to shaping the culture of an organisation and fostering openness about mental health, says Emma Mamo, head of workplace wellbeing at mental health charity Mind. "Raising awareness and promoting the available support channels show employees that wellbeing is valued and disclosure will lead to support. For managers, HR should provide training on how to spot the signs of

“  
One of HR's major challenges is tackling the prejudices that face employees with mental health conditions

mental health problems and offer ongoing advice for those supporting employees with mental health issues, reminding them that solutions can be straightforward," she says.

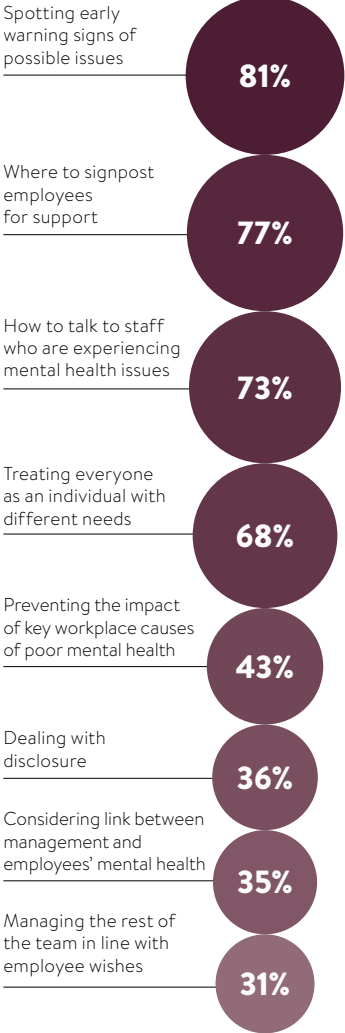
Attitudes towards mental health in the workplace are starting to change and some of the more progressive organisations have established role models who champion mental health issues, train line managers to spot the signs of mental illness in employees and offer counselling through employee assistance programmes.

The most innovative organisations adopt a holistic approach towards mental health, which embraces both prevention and intervention, says Poppy Jaman, programme director for City Mental Health Alliance, a coalition of City of London firms addressing the stigma of mental health in the workplace. "Many organisations look at what to do if someone is unwell, such as therapeutic counselling and signposting, but there is not a lot of work done in creating a culture of openness around mental health in the workplace," she says.

Role models can play a pivotal role in creating a culture of acceptance around mental health at work. Such people are often in senior roles in the organisation and either have experienced a mental health problem, or have immediate family or friends with mental health conditions.

"The more senior people come out and disclose, then the more supportive the work culture," says Ms Suff. "These role models often set the tone for middle management and they are in an influential position. It's usually a sign that mental health is being taken seriously at board

## MOST COMMON MANAGER TRAINING RELATED TO MENTAL HEALTH



Source: CIPD 2015

## CASE STUDY: BARCLAYS



Since 2013, Barclays has been working to raise awareness of mental health in the workplace through its This is Me campaign. "We started this campaign to address the social stigma around mental health and build awareness that our colleagues are successfully managing their mental health and wellness," says Mark McLane, global head of diversity and inclusion at Barclays.

The bank asked members of its diversity network if they wanted to be involved

in the campaign. "Colleagues stepped forward and they self-edited their videos and had control of how much they wanted to share," says Mr McLane.

Barclays has a This is Me intranet page for colleagues, who want to find out more about mental health, where they can find written and video case studies. "It's about sharing stories in a simple, personal way using a social media type of approach," he says.

There have been 60,000 visits to the website, more than 160 stories shared since 2013 and a 4 per cent increase in self-identification in just two years.

"It's about building an inclusive environment," says Mr McLane. "HR has a vital role in supporting the overall intent of our campaign. When employees come forward to talk about their mental health, then HR colleagues can signpost what is available and ensure we've the right guidance in place for line managers."

level and it has a big impact on the culture of the organisation as it makes talking about mental health acceptable. It's saying you can have a mental health condition and be an effective leader."

Organisations cannot afford to ignore the mental health of their workforce as the cost to both their business and the employee is too high, Ms Jaman concludes. "We know that mental ill-health is one of the leading causes of sickness absence and presenteeism in the workplace, and so it makes complete financial sense for employers to both foster good mental health and to better support employees who are experiencing a mental health issue," she says.

"The quicker an individual is supported, the more likely they are to make a positive and potentially speedier return to work or full productivity."

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# Taking care of

Overseas postings and assignments can  
managed by human resources experts

GLOBAL MOBILITY  
NICK MARTINDALE

In an increasingly global world, managing international assignments has become an important part of the human resources role.

“Some industries use mobility as a developmental tool, especially for early-career employees on a high-potential track,” says Lisa Johnson, global practice leader in consulting services at Crown World Mobility. “However, some organisations have business models that rely on meeting their client contracts and needs around the world.”

Such placements are particularly common in sectors including professional services, IT, engineering and financial services, says Gerwyn Davies, policy adviser at the Chartered Institute of Personnel and Development. “The EU and the US remain our biggest trading partners,” he says. “However, we have seen a sharp increase in the number of employees who are being sent to emerging markets, especially in the Middle East, Hong Kong and Singapore.”

But managing such assignments, whether temporary or longer term, presents a number of challenges for HR. An obvious consideration is safety. “Terrorist attacks, plane crashes, civil unrest, natural disasters, epidemics, kidnapping and identity theft are just some risks that companies must take very se-

riously,” says Matthew Judge, group managing director at Anvil, operational and travel risk management specialists. Organisations have a duty to warn employees of any potential dangers and to conduct appropriate risk assessments, he adds.

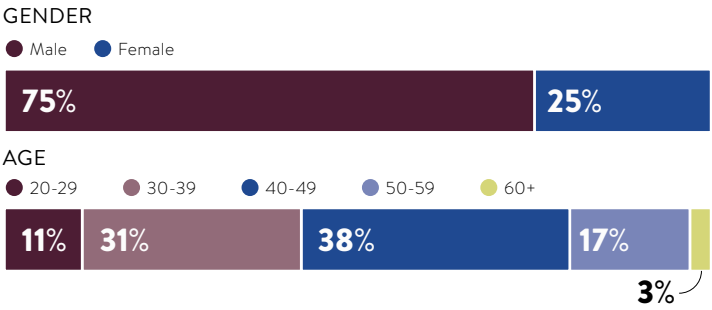
At a practical level, those heading overseas need support when they arrive in destinations and in helping to settle in. “The key is to have support in the office where someone is placed, not just back at their original office,” says Darren Minshall, UK group chief talent officer at Havas Media Group. “That way you can offer extra support when it is really needed, but the day to day is looked after from their current ‘house’.”

HR needs to pay particular attention to helping people settle into life outside work, says Carl Redondo, leader of Aon’s global benefits practice. “When moves are unsuccessful, it is typically due to an underestimate from the individual or employer about the change in overall environment,” he says. “There is a lot of focus on the role, but not enough on how the individual will spend their free time, how their family will cope, and the overall social and environmental aspects.”

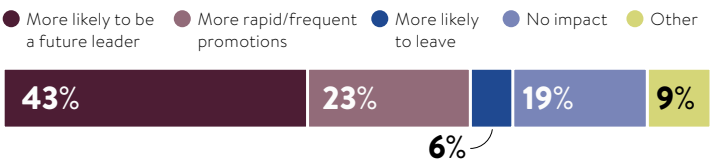
Stacie Groce, director of global mobility solutions at oil and gas recruiter Airswift, says the issue of education can be particularly important for those with families. “Those travelling with spouses and families will require additional support,” she says. “Ensuring the right education opportunities are available, being

“Organisations have a duty to warn employees of any potential dangers and to conduct appropriate risk assessments”

## GLOBAL EXPATRIATE DEMOGRAPHICS



## CAREER IMPACT ON EMPLOYEES FROM WORKING OVERSEAS



Source: Brookfield Global Relocation Services 2016



# staff travelling abroad

make or break a career, so moves abroad must be carefully

Steven Lewis/Unsplash



able to introduce people to schools, informing them about term times and even paying the fees can be incredibly important.”

At the same time, HR needs to ensure employees based overseas do not feel isolated from their home country. “When you are abroad, you are cut off from a lot of conversations and people at home think you know what is going on,” says Professor Marie-Therese Claes, leader of CEMS Global Leadership and Cross-Cultural Group. “It is the ex-pat’s role to keep their network active, but HR should keep in mind the people out there and provide them with extra information.”

Repatriating people after an assignment can be particularly problematic and can throw up a number of challenges. “In some cases, the home country management has failed to allocate the assignee to a big enough role on their return, regardless of their growth overseas,” says Louise Fisher, Xerox’s HR director for Europe, the Middle East and Africa. “I’ve also seen multiple cases of the assignee wanting to remain in the new country and limiting their opportunities for advancement as a result. Repatriation is as much a part of managing the assignee as the assignment itself.”

Some organisations are now moving away from longer-term assignments in favour of shorter projects designed to give employees specific international experience. Deloitte, for instance, has created three university-style campuses where top talent can be sent for up to two weeks, as well as undertaking projects from their home country.

“The advantage of this approach is that it facilitates global networking and relationship-building without long-term moves, and can limit cost, administration and compliance risks,” says Andy Robb, a partner in the firm’s global employer services practice.

There are a number of benefits for those organisations that are able to offer employees international exposure. Research by IDC European Software and Cornerstone OnDemand found nearly a fifth more people said they were happy in their job in organisations that allowed internal mobility, while allowing such freedom of movement had a positive impact on growth in 28 per cent of cases.

In the future, there’s likely to be more rather than less need for employees to gain experience of working overseas, says Gary Miles, director of international relations at Roffey Park leadership institute, with opportunities arising in South America, Asia and Africa. “Such assignments bring out all-round skills in employees as they develop cross-cultural insights and international contacts,” he says. “They can be the forerunners of greater things to come or even result in some organisations running more operations out of another part of the world.”

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## CASE STUDY: DEUTSCHE TELEKOM



Deutsche Telekom employs around 230,000 people around the world, and deploys talent in different countries both to meet customer demand and develop its employees. It has also recently developed a new framework for executives, which has international assignments of anything up to three years as a core requirement.

For human resources, this means having to get to grips with the practical issues. “HR needs to focus on the human side – is the employee taking family with them?” asks Sarah Sandbrook, HR director at T-Systems, the UK corporate customer arm of Deutsche Telekom. “How will the employer support and equip the employee for a different business culture and living in a different culture? What management and leadership skills are needed? Training and coaching may be required; what made an employee successful in one country may not be the same in another country,” she says. How much contact there is with the home country for

those abroad depends on the length of the assignment, says Ms Sandbrook. “If the contract is for three years, the aim will be less about keeping in touch and more about helping the individual to make the most of where they are, while not severing ties completely,” she says. “At the point of coming back, thoughts will turn to reintegration.” Ms Sandbrook believes the business gets a number of benefits from its approach to international assignments. “We can deploy our best talent where it is most needed, which helps us to grow more successfully, while employees are able to broaden their experience,” she says.



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## COMMERCIAL FEATURE

# EMPOWER AND ENGAGE: HOW HR CAN WIN THE TALENT WAR IN THE DIGITAL AGE

*Karen Minicozzi, vice president of human capital management product strategy in Europe, the Middle East and Africa, at Workday tells how to retain top talent*



**W**e've all read and heard a lot about millennials and digital natives, and how these generations are serial job hoppers who have come to represent the transitory nature of the workplace. And, while it may drive some interesting headlines, of course the truth is not quite as black and white.

If I were to ask you to take a guess at how engaged the global workforce actually is while at work, what would you think? Well, according to the Gallup polling firm, only 13 per cent of workers surveyed considered themselves "highly engaged". The same study found that upwards of half the workforce would not recommend their employer to their peers.

If you add to this the findings of a recent AMA study that discovered 52 per cent of managers "see their employees as less loyal than five years ago", then we can see a picture of general workplace apathy emerging which we cannot simply blame on the millennials.

We're entering an era where workers are thinking more about how they build a broader range of skills and create new experiences, rather than just climbing the career ladder and achieving an annual pay increase.

The connected world continually creates career opportunities via tools such as LinkedIn and other social channels. The challenge for human resources is attracting, developing and retaining talent in a market where the next opportunity is potentially just a click away. These issues lead HR to question how it is approaching areas such as people management and leadership development for all employees.

One possible solution is ensuring HR is fighting fire with fire. Citing research from Goldman Sachs, millennials are not prepared to work using the same systems and processes that previous generations have. They live and breathe technology, and expect their employers to provide digital and social tools that resemble the platforms they use in their private lives, such as Facebook and Instagram.

It could be argued that the same technology which leads them to social networks and the wealth of online recruiters can also be used as a tool of engagement within the business's four walls. Let's explore three key areas that can help HR leaders better engage, not just millennials and their digital cohorts, but the entire workforce.

## EMPOWERMENT

More than six in ten digital natives recently told Deloitte that their "leadership skills were not being fully developed by their employer". While you can't stop an employee from leaving if they want to, you can make them feel like they're in control of their own career trajectory, and give them the tools and information to understand their development areas.

Traditionally, data has been kept in the hands of the few rather than the many and getting access to it could be a long, painful process using tools which were not user friendly. HR and its business partners should be thinking about how they can open up and democratise data across their organisation, using tools based on the consumer web which push access to information to the front line where employees will be looking to use it.

By giving employees access to systems which look and feel like the tools they use outside the office, HR can reduce the time it takes to do simple administrative tasks and improve employee engagement with the HR function. Similarly, mobile is now something workers expect and it's important to make HR tools available to employees via the channels they expect to drive engagement.

## CULTURE

Employees are increasingly looking for new career opportunities that fit their own personal interests, and deliver fulfilment and purpose. For this reason HR should think about what we at Workday call a "culture of opportunity".

This means being less stringent about policies or rigidly structured career paths and being more transparent about new opportunities that exist within their organisation. Crucially, this means giving employees the tools that provide a personalised view of these opportunities, such as understanding which other employees held similar positions in the past and what trajectory their careers took.



Businesses need HR leaders who are capable of becoming change agents, creating working cultures which inspire collaboration, transparency and employee empowerment

**RIGHT**  
Karen Minicozzi  
Workday



## FEEDBACK

Promoting and acting with transparency is also crucial in engaging employees and stimulating the workforce. Employees want to be heard, and having the capability for HR to gauge the views of the workforce quickly via digital tools can be an easy way to understand the concerns of employees so that they can be addressed.

This is not always evident at some companies, particularly with the annual performance review, which is fast becoming redundant. Due to the speed at which employee roles change, having a single annual review can also be insufficient and demoralise employees, while restricting feedback sessions to only one or two sessions a year can be equally demotivating.

Measuring an employee's performance, whether stellar or pointing to areas for improvement, should not be carried out in isolation. The tools now exist that allow HR to capture, measure and aggregate information in real time, creating an environment which drives regular feedback and puts the process in the hands of the employee so they can actively participate in their development.

PwC believes that by 2020 millennials will account for almost half the global workforce, which gives today's HR leaders a narrow window to get this right for all employees. Businesses need HR leaders who are capable of becoming change agents, creating working cultures which inspire collaboration, transparency and employee empowerment. That means a shift in culture, and a greater understanding of how technology can enable the real-time feedback and access to information the workforce truly craves.

For more information please visit  
[www.workday.com/uk](http://www.workday.com/uk)







# Can a computer know who is the best fit?

Should a computer really be entrusted with selecting the best candidate for an important job?

PERSONALITY TESTING  
HAZEL DAVIS

Computer-based personality and competency tests are increasingly used as a method of recruitment, but how accurate can these tests be? Is it possible for a computer to analyse how individuals will fit into a company?

We're all familiar with the Myers-Briggs Type Indicator, which works on the assumption of four principal psychological functions by which humans experience the world – sensation, intuition, feeling and thinking, and its forerunner, the Five-Factor Model, which focuses on five key personality traits.

But the business world is increasingly moving towards a computerised approach. "In the last two years, more data has been generated than in the rest of the world's entire history. Naturally this has had a massive impact on human ability to produce and apply robust insights to improve a company's performance across almost all industries and sectors, not least HR," says Tom Marsden, chief executive of hiring analytics company Saberr.

These insights can be impressive. In a University of Cambridge study last year, researchers found that a

computer could more accurately predict a person's personality than a work colleague by analysing just ten Facebook likes. The researchers think this sort of artificial intelligence (AI) has the capacity to gain a better insight into our personality than close companions, not to mention potential bosses.

“  
Researchers think artificial intelligence has the capacity to gain a better insight into our personality than close companions, not to mention potential bosses

"At the moment, analysis of your average social media user can predict personality type to approximately 75 per cent accuracy but, though it's getting closer, someone's social footprint, for example, is not as accurate as an online test for understanding personality," says Mr Marsden.

Matt Roberts, chief executive of the Directors Online Network, is a big fan of psychometric testing. "We've used it for years and, although it doesn't tell you someone is going to be perfect for a job, it tells you if they'll be wrong for it, and where you're likely to get the most out of them," he says. "We look at someone who's doing a job well and try to understand their profile, then recruit similar people.

"It works for some roles better than others, but I've only gone against the profile for sales staff twice – and regretted it both times."

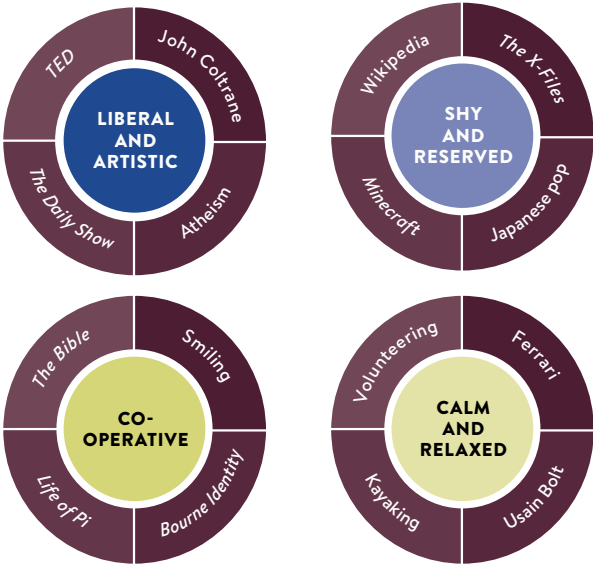
There is a school of thought that says algorithms will replace humans across a significant portion of the recruitment process in the future.

Mr Marsden says: "The role of the recruiter is likely to become more strategic to understand the basis of the algorithm, to check for bias and to review results. This isn't to say there is no future for the human element of recruitment, it's just that much like other industries, accounting for example, it will evolve. It's therefore increasingly important for organisations to frequently reflect upon how computer-generated analytics can strengthen their existing HR strategies."

As such, it should be treated as "another voice in the room" when

## EXAMPLE PERSONALITY TRAITS AND ASSOCIATED FACEBOOK LIKES

Based on the University of Cambridge study of social-media personalities



Source: University of Cambridge 2015

making a decision about a person's career. "But human judgment is required to understand how to combine that insight with other available perspectives and make a decision," he says.

Charles Hipps, chief executive and founder of recruitment tech company WCN, says: "There are now thousands of data points available that can help with profiling an applicant by keeping them engaged and enabling them to make decisions. Picked with job descriptions in mind, the examination of results can be analysed in more evolved ways than traditional psychometric tests."

The key to doing this well, says Mr Hipps, "is to focus on gathering high-quality intelligence and to become smarter and more immersive". To this end, more and more firms are utilising multimedia techniques, such as video interviews and gamification. "This helps to maintain momentum with candidates, allowing employers to sell brand values and letting candidates determine if they are a good fit for them and vice versa," he says.

AI is unlikely to ever be able to predict fully how a team of people can or will work together. "People also change over time," says Mr Marsden, "which is the wonderful thing about being human." However, we also know that we don't change radically or regularly. Even much of our irrational behaviour is consistent, and we are also hugely influenced by our social group and surroundings. "AI can already help us understand ourselves better, especially in the context of the people we work with and our work surroundings," says Mr Marsden.

There is a growing trend of organisations adopting the approach of hiring for "culture fit" and then training people to be successful in their roles.

Youyou Wu, a researcher on the University of Cambridge project, be-

lieves it's possible to use a computerised approach to company culture. "Companies could choose to characterise their current top performers for each job category and find candidates with a similar personality," she says. "They could also study existing teams to see what personality compositions tend to optimise the team dynamic and efficiency, and recruit and group potential employees accordingly."

David D'Souza, the Chartered Institute of Personnel and Development's London head, is sceptical. "The claims around the accuracy of computer-based personality tests vary significantly and market forces, understandably, drive a lot of the claims," he says.

"While most companies have their own 'values' that they put in the annual report, in reality the lived values of the organisation are normally very different. Understanding how people might fit in with the complexity of sub-cultures within an organisation, each with their own politics and social norms, is far harder than matching people to how the organisation might like to see itself."

Also most tests contain a margin of error that would surprise the people undergoing them. "Their usage as a supporting data point in a key hiring decision makes sense, but basing decisions on them alone would not be best practice," says Mr D'Souza.

"If you like the candidate, then you are likely to ignore or dismiss the results of a test saying they are a bad fit. If first impressions were poor, then the result of testing or profiling may well be ignored. From a candidate's point of view, it can be a very dehumanising experience, realising that the answers you give to a select group of questions will determine your likelihood to be selected for a role."

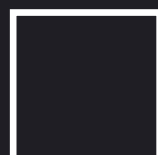
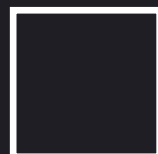
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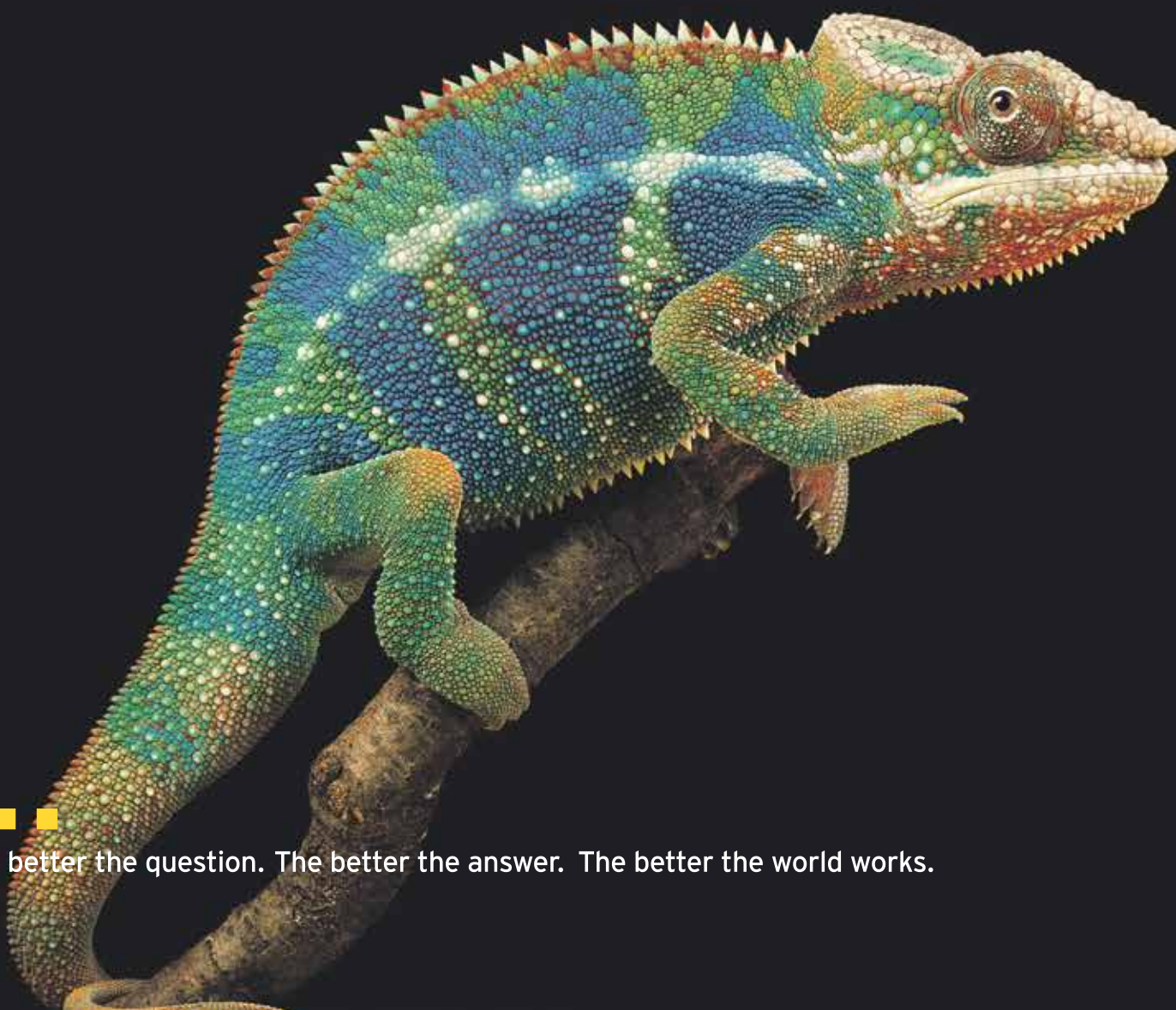
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