

2017-2018 HCMS Scholarship

Question:

How HR enables organization to adapt in an era of disruption?

Champion

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Introduction

Speaking of disruption, many people will connect to **globalization**, which refers to the process of world shrinkage, of distances getting closer shorter, things moving closer (Larrson, 2002). The most typical example is the cross-border restaurant and product introduction. Expect for the internationalization, there are different kinds of disturbances affecting us in this era. The first disruption is the **demographic change**. A report written by the United Nations (2017) showed that the global population aged 60 years or over numbered more than 960 million in 2017, and some countries would have a declining population in the future. With an aging population, an increase in the life expectancy and a rise in Generation Z, a profound structural change in the composition of the workforce will be observed in the near future. Second, **transforming work practice** influences the operation of an organization. While people are advocating for flexibility, several companies allow employees to have flexible working hours, changing the operations of the business. And therefore, strategies to help organizations adapt to the change should be implemented. Third, an emphasis has put on **diversity and inclusion (D&I)**. According to the survey conducted by PwC, around 90% of the respondents indicated that D&I is a stated value for their organization. Organizations should take this into account for developing the future direction. Last but not least, in an era flooded with disruptions, **technological advancement** has been the most outstanding one and its radical breakthrough in Human Resources Management (HRM) is of unspeakable prominence. According to the 2018 Global Digital Report, nearly half of the world

population is now online. Meanwhile, more than 3 billion and 5 billion people are the active social media users and mobile phone users respectively. With the development of different technological tools, like artificial intelligence (AI), robotic processes and cloud computing, it brings an enormous change to the mission and even the business model of the company.

Globalization and advancement in technology accelerates the impact of the disruption and brings new opportunities to organizations, shifting the administrative and compliance role of HR (Beer, 1997) to a strategic and crucial position.

In this article, we shall scrutinize how HR takes the initiative to enable organization to adapt in this era regarding the following five aspects: Talent acquisition, Performance management, Training and development, Talent engagement and retention and Mobility.

HR solutions

1. Talent acquisition

With the changes in the workforce structure and the existence of talent gap, importing talents from other locations, rehiring retirees, and implementing diverse recruiting channel can help organizations recruit the best talents. At the same time, in order to be diverse and inclusive, having a huge talent pool is a prerequisite for HR to start to the selection process.

The number of imported talents is accelerated by the internationalization as well as the digital disruption. With regard to the International Migration Report, the number of global migrants has kept growing rapidly from 173 million in 2000 to 258 million in 2017. In Hong Kong, the government has introduced eight admission schemes to attract talents and investors to work in HK. With the support from the government, in order to source and recruit the best-fit candidate, HR should consider to import talents from other locations if it is hard to find local candidates. Numerous multinational companies launch an international graduate trainee program which welcomes talents all over the world to apply for it, leading to a larger talent pool.

Apart from the labor migration, rehiring retirees for advisory roles can help organization adapt to the problem of changing workforce structure. For example, consultant roles are set in hospitals and professional services organizations. These organizations usually hire retirees back as consultants to perform the same functions they did before. Since retirees are experienced in the company's operation, it saves time for doing a new batch of recruitment and trainings. Hiring retirees in the organization allows the flow of business-critical knowledge, leading to an all-round development for the juniors and accelerating their learning progress.

In addition, HR can also adopt different kinds of recruitment channel so as to enlarge the talent pool. Using traditional recruitment method, like posting advertisement in newspaper, is insufficient to attract the best talent. Social media is the new platform for organizations to fight for a talent. According to the Statista's report, LinkedIn now has more than 465 million members and Facebook has around 2.2 billion active users. Also, most of the companies are now targeting Millennials and Gen Z, who relies strongly on technologies as new forms of communication. Moreover, Incorporating AI technologies into the recruitment process can provide exceptional experience to candidates. For example, applicants may have questions when they are applying for a position. Instead of sending email to ask only a question, having a chatbot can answer those common questions. Since a chatbot can be run 24/7, candidates can receive answer immediately. Harnessing big data can also help HR locate a pool of best-fit talents. While the recruiter is looking for an ideal candidate, he/ she can access to the online resume platform such as LinkedIn and JobsDB to obtain a large group of talent pool. After the preliminary screening, the recruiter can narrow down the talent pool by searching the profile of the candidates through social media platforms, and therefore it helps improve the quality of new hires, leading to higher productivity of the company. As a result, following the digital trend and embracing the efficiency of technological advancement by implementing social media as a vital mechanism for recruitment allows recruiters to reach a large talent pool and leave an optimistic impression for the applicants.

2. Performance management

In order to help organizations adapt to the era of disruption, there must be some changes in the company culture. Altering the culture requires a huge effort as HR has to enable the employees to be aware to the new shift, leading to a successful change in the culture. Adjusting the weighting in the performance management is one of the tactics to raise the employees' concern. For instance, when being innovative and creative becomes the new direction of the company, higher weighting will be placed on whether employees can embody creativity into their job. After the employees realize the importance of being innovative, they will perform accordingly, allowing the company to make the alteration and reach the latest market trend.

In addition, promoting a culture of real-time and continuous feedback helps improve employees' performance as they are able to change for the better instantly. If most of the staff are open-minded and allow the free flow of feedbacks, the company can implement a 360 degree performance management system. With constructive feedback and recognition across managers, peers, subordinates, employees can have the greatest improvement and development, leading to better organizational

performance development.

Apart from changing the performance management system, incorporating the use of big data as a predictive analysis can ensure the quality of the new hires. For example, comparing the aptitude test result with the current performance record, the company can explore whether there is any correlation in between and if the answer is positive, this can be used as one of the selection tools and to predict the future performance of the new hires, and thus lowering the risk of hiring unsuitable candidate.

Executing HR functions with the use of technological tools can help improve the efficiency and effectiveness of the HR, enabling the organization to remain a competitive position in the market.

3. Training and development

Training is another way to help employees adapt to new company cultures and learn the future direction of the company. Apart from offering related training content, the format of the training programs allows employees to experience the difference of the company. While the organization is advocating creative and innovative business solutions, traditional classroom training is outdated and training manuals and powerpoint slides should be avoided. Instead, virtual training with the use of interactive slideshows and videos should be adopted. With diverse training styles, employees could learn various topics in several formats, so they would not be bored by mono training approach. At the same time, in order to get rid of classroom tutorial training and increase the flexibility of the training program, with the use of Internet of Things (IoT), since more devices are able to connect to networks, employees are able to attend the training anywhere 24/7.

4. Talent engagement and retention

Since Millennials and Generation Z start to engage in the workforce and there is still a large group of baby boomers, HR should help close the generation gap so as to minimize the conflicts in between. Good communication is the bridge between the young and elderly. Sometimes, the young would like to make contact with the baby boomers but they are lacking chances to communicate, so creating an opportunity for them to get in touch with each other will definitely improve their relationship. Launching a mentoring program may be an alternative. Pairing up an experienced baby boomer that is good at leadership and equipped with lots of business knowledge with a junior staff who is good at technology might bring up a new combination, leading to better cooperation with each other. Mentoring will not only benefit the mentees, but also the mentors as well. Through mentoring, mentors can get more insight about the current practice and the latest development of the business world

from the mentees, and therefore, they can enjoy more career success outcomes (Allen et al., 2006).

In relation to employee retention, implementing big data in reviewing performance and compensation process can ensure employees are well treated and therefore increase employees' job satisfaction and improve the efficiency of the business. The performance record is not only used for salary review, but also for the future development of employees. The organization can keep tracking the performance of each employee and analyze their performance data with the training record. When the organization discovers the existence of skill gaps, trainings should be provided correspondingly, allowing employees to become fully-competent. Leveraging big data, meanwhile, can provide insights about the driving force for the stay of the employees. Sometimes, it is not related to the compensation package, but correlated to other external factors. For example, in the era of disruption, with the alteration of the living focus, some people are now concerning their personal life over the monetary reward. HR should understand employees' needs and implement corresponding work practices such as adopting flexible working hours, leading to higher employees' job satisfaction. Acknowledging certain factors would affect employees' satisfaction, the company can put more effort in developing that particular competitive edge, and therefore it can retain the best talents within the company.

5. Mobility

Due to the globalization, there will be many cases of the relocations of talents and imported employees. Regarding different regulations across borders, HR is responsible for handling these compliance issues in a smart way with the help from technological advancement. After sourcing and selecting the best candidate, documents should be sent from the talent to the HR. Then, HR will help the talent to apply a working visa. There are lots of administrative tasks in the visa application process, which can be automated and digitalized with the application of artificial intelligence. For example, a system can be established through the whole employment life cycle. When the best talent is identified, an email will be sent to him/ her automatically to collect the required documents, following by the submission of those forms and documents to the immigration department simultaneously. It enhances the efficiency and effectiveness of the HR functions.

Conclusion

The impact brought by the disruption is profound, elevating the role of HR from a back office supporting function to a strategic business role and enabling organizations to adapt in this era. Penetrated with disruption, companies no longer focus on the survival of the business only but also the long-term sustainability. With the lead from HR, it enables the swift growth and development of the organization, remaining its competitiveness in the market.

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