Consumerized, Personalized and individualized

Tomorrow's Re-humanized HR

Introduction

It was only 5 to 6 years back when we at KennedyFitch started to notice that "something is looming around the corner" in HR. And we were certainly not alone at that point in time. When we published in 2016 the first edition of this whitepaper, we predicted that classic HR transformation was an end-of-lifecycle product. We repeated our view at the end of 2018, stating that we were at the beginning of a disruptive change in the world of Human Resources. Now, in early 2020 (with and without coronavirus), we continue to be even more convinced about the direction we have been speaking about.

This article will report on how we see the world of HR in the future and is based on extensive research and conversations with academics, consultants, HR and business leaders and the report describes what it takes for you to be prepared and thrive in the world of tomorrow. It is less of a recipe book and more of a co-created manifesto.

What is our point of view?

We need to stop refining concepts for HR that were designed for the world of today and yesterday. The world of work of tomorrow is going to be very different. It is a world where current concepts (which are very often not even effective today) will be misaligned in the world of tomorrow and where human beings no longer want and expect to be measured and assessed predominantly on the basis of cost and productivity. We do not need an evolution; but we will need a disruptive revolution or re-imagination of our profession in order to stay relevant for the years to come. Every organization will inevitably be impacted, and the current coronavirus crisis only accelerates some of these developments.

The speed and magnitude of this impact will largely be driven by "an appetite for change": do you want to be "ahead of the curve", do you want to "go with the flow" or would you rather be "late in the game" and learn from others or, possibly the least attractive option, do you want change to be done to you.
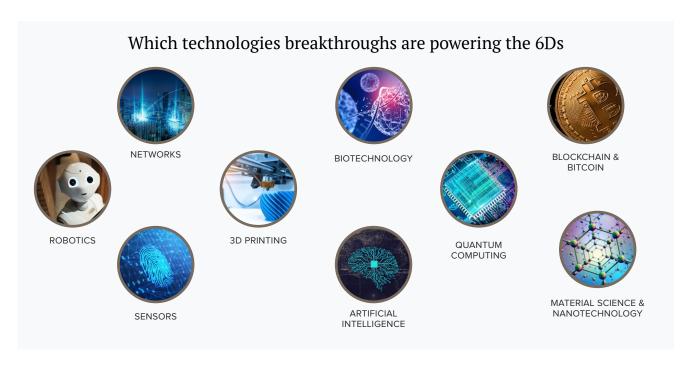
1. Technology, technology, technology

Let's start with technology. Thomas Friedman, in his book "Thank you for being late", summarized in a compelling manner how several digital ventures had their breakthrough in 2007; it is only about 13 years ago that the likes of iPhone, YouTube, LinkedIn, GitHub, Hadoop, Twitter, Airbnb, Facebook, IBM Watson, Android and Kindle had their breakthrough and started to penetrate markets with an unprecedented speed. Today LinkedIn has more than 500 million users, Facebook more than 2.5 billion, Twitter has more than 2 billion users. There are more than 25 million software engineers on GitHub. Instagram and YouTube are exploding.

The book "Exponential Organizations" by Salim Ismail and Yuri van Geest (back in 2014!) summarized how technology is shifting and in the following years, organizations like Singularity University and Abundance 360 have been spearheading the dialogue around technological disruption. The 2020 publication by Peter Diamandis and Steven Kotler "The Future is Faster than you think" only reinforced this. All these though leaders speak of accelerated accelerations and to them, the key to understand where reality is going, is shaped by the concept of "convergence". They introduced the concept of the 6 Ds: from digitized to deceptive (it suddenly seems as if it has disappeared), to disruptive, to demonetize, to dematerialize and, in an end state, to democratize. A good example of this is the development of the smartphone, which is now coming close to democratization. There are now, in 2020, some 3.5 billion people with a smartphone, so we are approaching a 50% penetration rate. This is up from 33% in 2016 and this is just one indication of how the digital divide is getting narrower and narrower.

The dominant technologies that are driving the 6Ds are all connected and intertwined and we see them expressed in developments that range from robotics, to sensors, to networks, to VR and AR, to 3D printing, AI, biotechnology, quantum computing, blockchain and virtual currencies, like bitcoin, as well as material science , synthetic biology and nanotechnology. In all these areas we are seeing exponential growth curves.

Which technologies breakthroughs are powering the 6Ds

NETWORKS

BIOTECHNOLOGY

BLOCKCHAIN & BITCOIN

ROBOTICS

3D PRINTING

QUANTUM COMPUTING

SENSORS
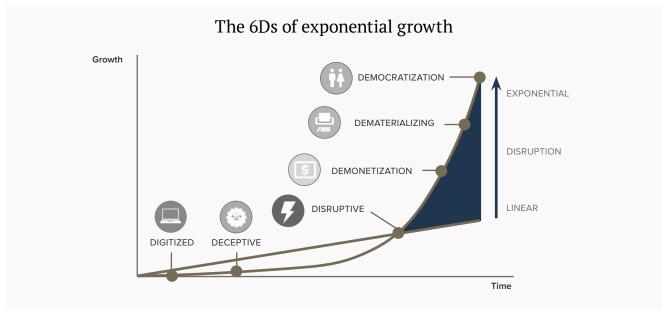
ARTIFICIAL INTELLIGENCE

MATERIAL SCIENCE & NANOTECHNOLOGY

All these exponential growth curves are expressions of dramatic increases in productivity, accompanied by dramatic drops in price. Sequencing a DNA was prohibitively expensive 15 years ago; it is now available for dollars or cents. Solar energy is going through a similar spiraling development and in some years from now, it is likely to replace most of our fossil fuel sources. These new technologies, like drones, robots, sensors, nanotechnology, were all already with us many years ago, but they were in an early stage of development. Only now do we start seeing the impact, AND……..we are only at the beginning of this technology revolution. Everybody speaks these days about Artificial Intelligence and Machine Learning, what we can see today seems to already be very impressive, but we need to accept that we are only at the very, very early beginning of this journey. And there is much more to come.

These technology trends favor digital companies who hold an increasingly commanding handle on the markets. Never before had we seen companies achieving multi-billion-dollar valuations at the speed of light. It took Google 8 years to get to 1 billion market cap. Facebook took 5 years, Tesla 4 years, Uber 3 years, Snapchat less than 2 years. Epic Games, the company behind Fortnite saw its valuation skyrocket to 15 BUSD in just one year. Who had heard of Bytedance (the company behind TikTok with a 65 BUSD valuation)? We are already getting used to the dominance of Google, Amazon, Apple, Facebook,

The 6Ds of exponential growth

Growth

DEMOCRATIZATION

EXPONENTIAL

DEMATERIALIZING

DISRUPTION

DEMONETIZATION

LINEAR

DISRUPTIVE

DIGITIZED   DECEPTIVE
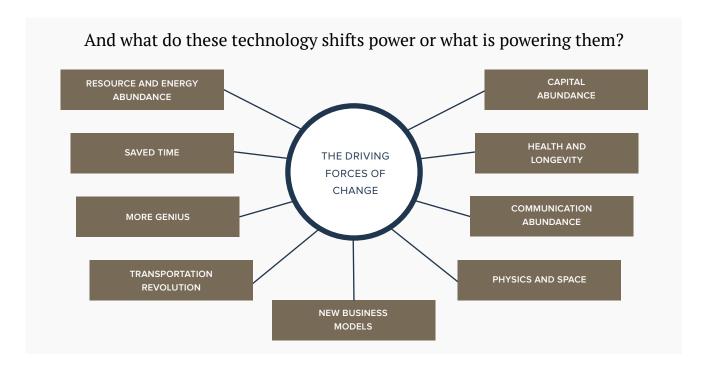
Time

Source: Abundance 360

Microsoft, Tencent, Alibaba and Baidu. Does anyone remember that Google is only 20 years young? Their revenue will be about 150 BUSD in 2020, they may be close to 200 BUSD in 2021. Does anybody dare to predict how big Google will be in 2030? Established industries struggle to keep pace with these accelerating valuations, leaving them behind to allocate funds for transformative investments.

The accelerating advances in tech, the accelerating appreciation of company value; it all leads to massive and disruptive changes and every industry will be impacted. Technology is eating every industry; technology adoption is quicker than ever, and the pace keeps accelerating. The average half-life of a business competency has dropped from 30 years in 1985 to 5 years today and in the last 15 years, 50+% of the S&P companies have disappeared. In the next 10 years, 40% of the S&P companies will disappear.

10 years ago, who could ever imagine that e-sports was going to become so big? With more than 2 billion (yes, billion) young people involved, this kind of computer gaming with Dota 2, League of Legends and Fortnite has completely taken off. The e-sport world has already applied to become Olympic, big sports brands are setting up e-leagues, the best players are multi-million-dollar earners. 80% of this gaming happens on Twitch (and we bet that most of us have not even heard of it). Twitch was acquired by Amazon in 2014 for more than 1 BUSD and right now, most e-sports players spend on average 40 minutes on Twitch in a session (and compare this with the average time they spend on Facebook or Instagram).

Just look at how Airbnb and Booking.com through disintermediation have completely transformed the hospitality and travel industry. In 2008, the number of "things" being connected to the Internet exceeded the number of people on this planet, in 2 years from now there will be 50 billion sensors connecting everything with everything. Already now, one can buy multiple wearables on Amazon that have sensor technology incorporated. And this is just a snapshot of what is happening out there. Whether we like it or not, technology is going to be with us and impacting us on a scale and magnitude that most of us never imagined possible. And yes, we will have to answer very big questions. Will we become an extension of technology or will we be able to turn technology into an extension of ourselves? What about data privacy? What about cybercrime and security? How will democracy work? Can we sustain net neutrality?

Whether we like it or not, technology is going to be with us and impacting us on a scale and magnitude that most of us never thought possible. And yes, we will have to answer some very big questions, sometimes challenging our principles of ethics and morality. How can we ensure that technology empowers and not hampers democracy, ow can we preserve civil rights in times of data privacy and cybercrime, who has ownership over data etc.

And what do these technology shifts power or what is powering them?

2. How technology impacts the world of work

The accelerating pace of change in technology has a huge impact on work. John Boudreau, Ravin Jesuthesan and David Creelman already described this in their 2015 publication and we all grew up in a world where most employees are on the payroll. We now see the progressive signs of a disintegration of the classic workforce models with the emergence of the extended workforce (or gig workers). With the advances in technology, we now also need to respond faster and can no longer wait for months in hiring processes. It will be less and less necessary to go and work onsite and no longer will we need to be in an office at certain times to get work done(the coronavirus crisis has significantly accelerated this awareness). What's more, individuals can now offer various parts of their capabilities to different companies in different geographies; you can call this "packetization" or "unbundling". And we can now gradually start to unbundle jobs into pieces of work and human beings into skills or capabilities. What we will witness over the years to come is a shift from "managing people" to the

How work is changing

Yesterday	Today	Tomorrow
80 - 90% **Fulltime employees**	TECH — 50 - 70% **Fulltime**	CONTINGENT — TECH — < 30% **Fulltime**

Over the next 2 decades the costs of distance will decline sharply and the COVID-19 crisis will significantly accelerate that development

The future of work: from managing employees to distributing work

EXTERNALIZATION OF
THE WORKFORCE

PACKETIZATION
OF ME

UNBUNDLING OF
JOBS

VIRTUALIZATION
OF WORK

"distribution of work".

We have all learned that work is bundled in jobs, that human beings work in jobs and that many jobs together form a company or an organization. And in order to make the company function, we have created "vertically distributed" power and information distribution systems; there is a manager who ultimately calls the shots, there are people reporting into the manager, information is shared along these lines, managers "own" employees, give work orders, control it, performance is managed , training is provided. Competency profiles complement this, including competency-based interview guidelines. To manage succession, systems were designed to "control" the supply of talent through high potential identification, succession planning, 9-boxes, and leadership development programs.

This "old way" of doing things dates back to the beginning of the industrial era and is built on the notion that a group of leaders at the top of the organization devises a strategy. That strategy is then translated into supporting processes, systems and programs to secure implementation. And in this concept employees are a cost factor that needs to be optimized for productivity.

In HR, these processes are typically Performance Management, Talent Acquisition, Workforce Planning, Leadership Development, Succession Planning, all underpinned by an enterprise resource system such as Workday, SAP, etc. Then they begin the cascade. These processes or systems are then 'rolled out' to the countries and business units, with instructions to 'operate as instructed'. The measurement of success is based on implementation – how many enrolled, how many with goals, achievements against budgets, targets and benchmarks. Processes and systems in this world tend to be feature driven: 'We've thought of everything you might need.'

This is the world of linear thinking in HR, because that is what work used to be…like a production line….Work is no longer linear, yet our HR processes still are (for instance, how we see a career path and therefore development, up or out).

However, many of these processes don't deliver what they are supposed to and our organizations are littered with performance management approaches that don't lift performance, with learning programs that have close to zero impact or relevance and numerous other "management and people practices" that fail to increase value or competitive advantage, let alone excite a workforce.

But, … look at our current people practices

What we have been trying to do for so many years is to manage human beings as "production assets". Human beings work and in exchange they get value (mostly money). We, the companies, have done and are still doing everything possible to make people, processes and systems work in the most effective and most efficient manner.

We have created a world where consultants have designed all kinds of interventions to make this system work better, drive productivity up, create cost efficiencies, shorten lifecycles, redesign processes and so on.

And all the time, we have attempted to motivate and engage those who are working in these jobs. We ask people in a company to be the best version of "who we want them to be" and almost all of this comes out of the underlying assumption that "we know better and decide for you".

In this "model", employees are an asset class that needs to be managed through systems and processes, and where line managers hold a monopoly on information, praise, punishment etc. This model is the world of HR today and yesterday, but this is no longer the world of business.

What have we done in all these years?

- Organizations are constructs to get work done, we have translated work into jobs, we hired human being into these jobs and asked them to come to the company
- We have built a myriad of "interventions" around jobs: competency models, job evaluation systems, management by objective, objectives cascading, job description, broadbands
- Employees as "asset-class" have managemed through processes: performance management, career progression models, competency-based learning. Multiple interventions have been developed to manage the workforce "as a whole"; classic example is engagement, performance management
- Flurry of interventions around efficiency and effectiveness, a consultant's dream.

Let's take a walk into the world of tomorrow.

- What happens if this model to organize work is no longer sustainable and if platform companies become the norm?
- What if most of the workers in a company are no longer on a payroll?
- What if they don't see a corporate career any longer as the holy grail?
- What if work is being sourced through platforms and online talent markets, where a worker is working bits and pieces on different kinds of work for different companies at the same time?
- And where we can unbundle jobs into pieces of work and unbundle human beings into capabilities?
- What if we move from "vertically managed people" to "horizontally distributed work"?
- What if crowdsourcing becomes routine?
- What if "access to capabilities" is more important than "having an employee" on the payroll?
- What if we can move pockets of work all over the globe, breaking company and country boundaries?
- What if "cloudwages" replace geography-based compensation?
- What if we start to compensate for capabilities instead of jobs?
- What if we pay for value as opposed to seniority or hierarchy?

All these developments are in the making as we speak and, with the accelerated pace of development in technology, this will become reality sooner than most of us think. This model is emerging, and the current coronavirus crisis will only accelerate it. On top of all this, robotics and AI will complement this development. If a robot had a 95% accuracy rate and it took only 26 seconds to review a non-disclosure agreement, why would you need lawyers who needed 2 hours with a 90% accuracy rate?

What if Samsung, Amazon and SpaceX are successful with nanosatellites? In 10 years from now when most countries are on 5G, really everybody on this planet will have access to the Internet, really everybody will have a smartphone, and really almost any piece of work and information can move anywhere at any point in time.

Let's look at SpaceX, Project Kuiper, Samsung (and Oneweb)

- Connect the whole world with low orbit mini satellites
- SpaceX, Elon Musk's company (7000 satellites approved in November 2018) already have 240 satellites in space, Samsung (4600 satellites) and since April 2019 Amazon's Project Kuiper with (3,200 satellites) are also in the race. Oneweb started the race and filed for bankruptcy in March 2020.
- Purpose is to bridge the digital divide; get everybody on the planet connected
- Total review of regulatory requirements; laws were made for one big rocket at a time, not 100's per year.
- New solutions required for space debris

4 billion people will come online with 5G in the next 10 years; this is double the number of users with an exponentially growing bandwidth.
And many of them will enter the global market

These developments will drive the growth of the online freelance economy and this represents a significant shift in how labor markets operate. We believe that we are still in the early stages of the online freelance economy, with a multi-industry and multi-decade global shift affecting how businesses find talent and how people want to work.

The World Economic Forum believes that the global economy is now undergoing the fourth industrial revolution, fueled by rapid technological advances. One of the defining features of the fourth industrial revolution is the transformation of how and where work gets done, as work is increasingly no longer constrained by location. In the fourth industrial revolution, instead of the worker moving to the workplace, we are seeing that work is moving to the worker - collaboration is less constrained than ever before by physical proximity and geographic borders, particularly for highly skilled professionals. Rapid technological advancement and innovation in connectivity, communication, and collaboration solutions continue to enhance remote work capabilities and increase trust. Additionally, the global workforce is now able to access technologies and tools such as email, enterprise resource planning, and customer relationship management from anywhere with a laptop or mobile phone. With continued innovation in remote work capabilities, businesses are increasingly able to effectively connect and work with non-local talent, and the benefits of geographic proximity are diminishing. Since 2004, 95% of the new jobs/work that has been generated, happened off payroll and online.

Already now we can virtualize and externalize work through platforms like Upwork or Toptal or Gigwalk. If we can virtualize and externalize work now, just imagine what we can do in 10 years from now and what does this mean for the concept of a company?

We predict that "the company" as a vehicle to organize work is an end-of-lifecycle product and that we will see the emergence of a flurry of platforms and networks where work and capabilities will be matched. And this model leads to a situation where everything will become a network of networks and that the company as the dominant form to organize work will be replaced. Start thinking "horizontally distributed work" versus "vertically managed people".

This essentially means that almost all the concepts in Human Resources that were designed for the world of yesterday are going to become obsolete over time because work will be distributed differently. In other words, if we don't need jobs any longer, why do we still need companies? And.....if jobs and organizations are disappearing, what will they be replaced with? When people who work for us are no longer on our payroll, how will we get work done? What happens in this world where opportunities are democratized?

3. How technology is going to impact Human Resources; individualization and consumerization

The HR software market is now worth some 15 BUSD and expected to grow to some 25 BUSD beyond 2020. Today, still more than 30% of large multinationals are working with an old-style, on-premise technology. And all of them are a prime target for the explosively growing cloud and SAAS market. They are lured into the comfort that "the other 70% is already moving into the cloud" and that they should be doing this too. If we can give any company one recommendation on technology: please do critically ask what your needs are. Do you need globally aligned processes, or do you need an employee-centric technology design?

Over the last 10 years, SAP's SuccessFactors and Workday have captured the markets for cloud-based HR systems and technology. They all work on the assumption that HR processes from company to company, from industry to industry, and from country to country are substantially similar, not substantially different. All of these systems have been designed to serve companies' needs. This allows them to "discipline" a company and provide the feeling that customization of processes is no longer needed. Indeed, a company can only configure and no longer adjust it to their liking. These systems were originally designed with the world of yesterday in mind. They were built using this vertically distributed model. And this had companies locked in with massive investment of both time and money to come up with a system nobody really likes, but the perception is that they cannot throw it out because of the investment made. So, they are stuck with it for at least 5 years or until they have someone who is willing to rip off the band aid and consider having a variety of tech solutions instead of just 1 bulk one. These systems were never designed for a world of work where everything is a platform, where most workers are no longer on payroll. The underlying architecture of these systems is a fairly stable and predictable org design with relatively clear lines of reporting. Yes, they do work hard to make their current technology landscape more up-to-date; they work with analytics, they make them more customer and employee-centric, they can now include the extended workforce (to some extent), but....none of this addresses the underlying system design. These systems (and their often very expensive and complex implementation) will make companies less agile, and this is just about at the time where they need to become more agile. These systems were designed with "managers" in control and these days we are gradually moving towards "workers" in control.

As we are moving toward an employee-centric world, we need a technology environment that is designed starting with the individual worker's needs in mind. Companies have a long history of the "bring your own device" approach for your smartphone. In the world of employee centricity, it will become necessary to transition towards a technology environment, where "I can bring my own HR". This is also exemplified by the gradual transition from company-owned desktop solutions towards user-centric smartphone solutions.

The world of HR Technology has changed. Forever.

INTERNET
"How do I manage you"

GLOBAL STANDARDIZED PROCESSES

Most of us are (still) here. This is the world of process, shared services, CoEs, efficiency, productivity

DIGITAL
"How do I engage you"

MOBILE, SOCIAL, CLOUD

Most of our employees are expecting this. This is the world of consumerization engagement and employee experience

INCREDIBLY DIGITAL
"How do I make you feel"

BIG DATA, AI

Only a happy few are scratching the surface. This is the world of predictive analytics and hyper individualization

Source: IBM

In recent years, the software development market for Human Resources has exploded and more and more venture capital was injected into a market that promised interesting returns. We see cool HR tech start-ups mushrooming and blossoming everywhere and most of them do take an enterprise point of view, but they typically focus on one processor, one step in the process only. Several of these "cool technologies" will struggle to survive in the current coronavirus crisis.

Let's take a look at Talent Acquisition as just one example. Until a few years ago, there were essentially two options to streamline the process: Taleo and Brassring were the dominant forces in the market. A look behind the user interface shows that these systems were designed to manage a process once a job needs to be posted and a candidate expresses interest by submitting a CV. By slicing and dicing the process, every step has been meticulously designed and programmed to build efficiency and predictability in the process. While this may be intended to help a company, neither Taleo or Brassring were ever designed with the candidate experience in mind.

Two developments are now disrupting these "process tools". First, there is more and more technology available to assist candidates and companies in the "CV"-submission and candidate selection process. From video-CVs to video-interviewing, to gamification and so on, all these new technologies disrupt one element of the process and through APIs, every attempt is made to integrate these new tools into a classic process.

Example of the exploding Talent Acquisition Technology Ecosystem

Source: Talent Tech Labs

Secondly, there is a need to move away from process control towards candidate engagement. Candidates have zero interest in the system behind the walls, they have however every interest to be convinced and seduced that a company has an attractive proposition: they want to learn and see how life is at the company, they want to be contacted on social media via their social profiles. Remember Twitch, the streaming channel for e-sports? This is where the digital natives hang out. They live in a digital world and expect an equally digital experience when they get in touch with a company. There is a diminishing patience for companies that do not provide an attractive digital experience. As previously mentioned, already now, with an intelligent use of technology, the ownership of the candidate experience and the selection process can be handed over to candidates. With the worker at the center, we can design segmented, well researched and increasingly individualized experiences for potential prospects. Talent Tech Labs, a New York-based incubator and research firm in Talent Acquisition and technology, has reviewed more than 1,500 start-ups in this space, with each of them claiming to offer solutions that will dramatically transform the talent acquisition process.

Let's look at one more example and consider the learning space. These days, most companies are working on the implementation of simple to complex learning management systems, all designed on the assumption that there is a role, with clear requirements, competencies that have been agreed, a progressive structure of seniority with accompanying (leadership) capabilities. All these systems aim to record the learning journey and ensure that companies, people leaders and individual employees have a complete overview of what has been learned, they show capability gaps and have an offering that can be matched to these gaps. The most progressive ones have in the meantime an intelligent, AI-driven learning experience platform or environment with nano-courses, MOOCs and anytime, anywhere solutions. These solutions are designed from a company's point of view; they may increasingly be user-friendly and have an employee-centric design model, but they are built on a job architecture that is a product of the world of today and yesterday. When we talk today about a Netflix of learning in a corporate context, it is still based on the architecture of work in the world of yesterday. And new jobs are constantly emerging meaning we don't know what we need for the future. The WEF states for example: "In the next two years – by 2022 – 42% of core skills required to perform existing jobs are expected to change."

We predict a gradual shift towards an individualized and worker-controlled learning management repository. Like a kind of Shutterstock or GitHub, everybody will record their learning portfolio in a publicly accessible repository and make this available to the employer they choose to work with. LinkedIn started doing this some time ago with their skills portfolio; it did not really take off, but it will be this kind of approach that will emerge.

There is an endless list of new entrants in the HR software market, some of them coming from areas that historically had nothing to do with HR. Many of these vendors are addressing a small portion of the market only or they just take one topic in their hands (culture, AI, team dynamics, pulse surveys, video interviewing to name but a few) and, over the years to come, we will witness a highly fragmented HR software market where the dominance of the large cloud-based systems will continue (as there is still a large unmet need to move away from on-premise systems), but this will be complemented by a myriad of plug-in tools. A one-vendor approach is obsolete, and companies increasingly will need to ask themselves the question "what works here", rather than "what's out there".

Other HR software markets that are emerging and developing are related to wellbeing, to the datafication of assessments, to sensor technology and video will be ubiquitous .

4. How technology allows us to bring the human back into human resources

The previous chapters described the changes in technology, how this impacts work and companies, and how HR technologies are already creating an impact disrupting. Mercer, already in their 2018 report, describe a "thrive contract", where the deal with a worker is around growth, purpose and impact, where people are seen as value creators that need to be given the opportunity to grow and be leveraged, where the value proposition is exchanged with individual rewards in exchange for a wide range of contributions, and where the main concern is stagnation. This "thrive contract" fits well in the world of tomorrow. In our dictionary, this is "consumerized HR".

This new world of work contrasts with the world of yesterday where employees have a loyalty contract and their needs are covered by pay, benefits and security, where employees need to be retained as an asset and pay is connected to time and output, and where the main concern is turnover. This is what we call the world of yesterday, or in other words, the "de-humanized workplace".

Today, it has become clear that "thriving employees" are 3 times more likely to work for a company with a clear and compelling purpose, they feel 10 times more career empowered, they are 3 times more likely to say that their company focuses on health and wellbeing, and are 5 times more likely to say that their pay is fair and equitable. These numbers contrast significantly with how most of the companies today are structured and organized. Most HR departments still live in the "loyalty" world, that has its origins in the industrial age.

In 2018, 59% of hiring managers indicated they were leveraging flexible talent, which includes temporary, freelance, and agency workers (up 24% from January 2017), according to the 2018 Future Workforce Report, a study Upwork commissioned. According to the same report, hiring managers anticipated work performed by flexible talent will increase multifold in the next 10 years. Organizations are trending toward a greater reliance on the gig economy. According to The Conference Board's "C-Suite ChallengeTM" of CHROs surveyed worldwide, only 41% agreed that their workforce would be "predominantly comprised of traditional, full-time employees" and close to 80% agreed that the "percentage of directly hired contingent workers and freelancers will increase."

Simultaneously, knowledge workers are increasingly demanding flexible and independent work arrangements. According to economists Lawrence Katz of Harvard University and Alan Krueger of Princeton University, 94% of net job growth in the past decade was in the alternative work category, which they define as temporary help agency workers, on-call workers, contract company workers, and independent contractors or freelancers, and over 60% was due to the rise of independent contractors, freelancers, and contract company workers. The freelance workforce is one of the fastest-growing segments of the U.S. labor market. From millennials to retiring baby boomers, the number of people choosing to freelance is growing.

Today, according to research from Work.co, 50% of workers demand more and more flexibility. They increasingly want companies to provide them with a work context that they can wrap around their personal lives, rather than the other way around. They want a say in when, how much and where they work. And they don't want a situation where they must ask permission from a manager; they like to be in control about their own life, rather than having someone else calling the shots. The biggest impediment to flexible work practices is in the heads of managers or in company policies that were written for times where work could not be virtualized and externalized. The current coronavirus crisis, however, has shown what "neuroplasticity" can do. While working from home for many leaders was an unacceptable ask, this has changed overnight when they themselves were forced to work from home.

However, we need to look deeper. Take a look at https://werk.co/, a New York-based start-up that has made a business from measuring flexibility in the workplace. According to their research, there is a significant gap between the supply and demand for workplace flexibility. 96% of employees in the U.S. workforce need some form of flexibility at work, yet only 42% have access to the type of flexibility they need, and only 19% have access to a range of flexible options. This gap is even more pronounced for women, where only 34% have access to the flexibility they need. Werk have developed a tool that allows you to measure flexibility and design interventions that increase flexibility, and as a result boost engagement and retention.

Talent markets will become increasingly fluid, where the workers on a given project can be on-payroll, off payroll, where work can be crowdsourced and developed in partnership with the competition. This requires a completely different approach to HR; it requires a thorough understanding of the internal and external market in terms of capability and availability. It also requires a thorough understanding of talent and capability needs against business demands. And the ability to measure output instead of presence.

And in addition, demand and supply need to be able to find each other through a "matching process" in a diverse talent ecosystem. And the blend of these workforces needs to be managed. Jon Younger was one of the first to develop a framework for this in his book "Agile Talent" back in 2015. Research carried out by Oxford University and recent research by Upwork, both on the corporate side and from an individual worker's perspective, underpin the rapid development and penetration of online talent markets that will complement the "on-payroll" talent markets.

The future of the marketplace for work will become one, where work and capabilities will be matched, and no longer will we look to bring humans into jobs inside companies. This fundamental transition will force us (again) to completely rethink how work can be done. But…. this also allows us to become much more targeted in the work that we assign. If a job is now a combination of "pieces of work", we may have quite some elements that are either unattractive or less suitable for me.
In other words, to get to my favorite piece of work, I need to accept working 50% of my time on stuff that I don't like, doing it with people with whom I don't feel aligned, in a location that does not serve my needs and at times that do not fit with my family life.

And we accepted all of this at a time when other options were not possible. But now that technology starts to unravel these paradigms, we can start giving back the control over work, at locations where it suits and at times that are a good fit with family life. This is going to be the future of work. It will take some time before we really get there, but technology will allow us to go along that route. This is what we mean when we argue that technology allows us to bring the human back into work and human resources.

We now want to introduce one more element to our thinking and this has to do with consumerization, individualization, and personalization. It boils down to the notion that work is going to become the next element in the marketing mix. When we market work, just like we market products, we are essentially going to apply the same principles as the ones we use in marketing: we segment, we differentiate, we research, we target, in other words, just like we are building for customers a "customer journey", we are going to do the same for the people working for us; we are going to design an "employee experience"-centric context where we deeply engage with the people working for us.

In the "old" concept, we want people to become the best version of what we want them to be, in this "new" concept, we will want them to be the best version of themselves.

Which, if you believe in transparent market principles, will ultimately balance each other out. If I want to be the best version of myself and I also see what the market is demanding, then I make sure I meet those requirements in order to find work. Many companies have already started to replace the classic performance management systems, which were designed on dehumanized "vertical thinking" and objectives cascading, replacing them with more frequent check-in and coaching discussions. This is only the beginning. We predict that all the interventions that we use in HR will need to be redesigned. And this redesign will be based on an employee-centric point of view. Why does onboarding need to be designed by HR, if you can also ask your new employees? LearnVest did this and within 3 months they had everything on video and sitting in Slack….AND…onboarding was managed by the crowd: it was no longer HR having ownership, but the employees themselves managed onboarding.

We need to move from "vertical people management" in the company to "horizontal distribution of work" on the platform

I WANT YOU TO BE THE BEST VERSION OF "WHAT I WANT YOU TO BE"

- I know what is best for you
- I decide who gets what information
- I manage people
- I decide what you need to learn
- Controlled internet and data access
- Competition and zero-sum games;
- Knowing is power
- Firewall
- A job is given and I am managed by a boss
- I own property, cars; "ownership"

I WANT YOU TO BE THE BEST VERSION OF "YOURSELF"

- I decide what's best for me
- We make information available to everybody
- We all distribute work
- I decide what I want to learn
- Internet neutrality, ubiquitous information access
- Sharing economy, zero marginal costs
- Sharing through platforms brings empowerment
- Internet of Things
- Work is made available, distributed on platforms and managed by teams
- Property and cars are shared; "sharing economy"

Try to imagine a candidate-driven talent acquisition process, where candidates decide whether they want to proceed to a next round, as opposed to a recruiter. Where recruiters are becoming experience designers for potential prospects and use technology with gamification, video and the like. Where candidates get immediate feedback from smart machines, as opposed to having to wait for ages. Still, at the end of the process, there will be human interaction, but already now, all the technology is there to make this possible today.

Why do we need succession planning if we know that in most cases it does not even work, why do we use 9-boxes if we know that the assessments of many line managers are flawed, personalized and biased? Maybe it is better to design marketing campaigns for interesting work and positions and let interested candidates self-select with extensive use of personalized feedback, assessment, and technology. Or how would it be to hire 4 gig-workers for 1 month for a talent strategy redesign project as opposed to bringing one person onboard on payroll? After all, what is more important: having a top talent on the payroll (=managing employees), or having access to top talent to get work done (=distributing work)? How would it be if you could abandon your Learning Management System and replace it with a Learning Experience Platform, where each worker (on and off payroll) manages his or her own learning portfolio, where all kinds of learning are available inside and outside the company, on and offline, anytime, on any device?

We believe that an agile workforce will open a window of opportunities in terms of flexing costs, getting access to capabilities, scaling up and down and also providing more flexibility with unexpected demand swings, like during the coronavirus crisis.

We will constantly ask our workforce how they feel and what we can do to make them happy. This is essentially the same as we do for customers. We've already known for a long time that people will give their best when they feel listened to and cared for. It is still early days, but now, for the first time since the industrial revolution, we no longer need to think of employees as "collective assets" that need to be managed, but as individuals who can be listened to. And with this paradigm shift, we will be able to abandon the notion of talent ownership where "we decide for you".

5. Now that we know this, what does this mean for the world of Human Resources?

Most of us in HR have grown up in the world where we designed corporate HR programs; we all know the employee lifecycle and for every stage of this cycle, we have solutions on the shelf. They have all been designed with the underlying assumption that an employee is a corporate asset and that we need to "manage this human asset" through interventions that make them more aligned, productive, engaged, high performing, flexible etc. Instead of this archaic approach, we see Employee Experience as the new paradigm to organize work.

Employee Experience as the new paradigm to organize work

Why EX matters

CURRENT APPROACHES TO HR DON'T DELIVER
Performance Management, engagement falling, wrong tools for potential identification, focus on process & compliance, little ROI on learning, people managed as assets

Business becomes a digital platform
Externalization of work, virtualization of work, gig economy, exponential organizations

Millennials and Gen Y/Z
Gamification, frequent job change, work with purpose, flexibility about when, where and how much to work, more frequent feedback, totally digital, instant gratification

EX, like CX builds engine for growth
Convergence of cognitive and predictive analytics, design thinking, behavior science: trends towards hyper-individualization

Financial advantage of CX & EX
Customer insights leaders outperform laggards by 80% and S&P by 35%; EX leaders outperform non-EX in 8 categories

Businesses are increasingly using more sophisticated, technology-based, feedback tools to understand customer drivers. Marketing uses sensors, point-of-sale surveys, online pop-ups and a variety of other means of ascertaining what makes people buy, what makes them come back, what makes them buy products or services with higher margins, etc. To create competitive advantage, companies have sought to understand and improve the total Customer Experience (CX), with the rationale that people will attach greater value and loyalty to an 'experience' over an isolated product.

It is in the meantime well-researched and established that experience-driven companies outperform non-CX-driven companies. Given the enormous financial opportunity, CX has become the focus of many companies across industries. And on the back of this, if we want to provide a better overall experience for external customers, shouldn't we also focus on how we improve the Employee Experience? Should we not be doing everything we can to understand the drivers of our workforce – what attracts people to us, what makes them outperform, under which circumstances are teams most productive, what makes the people working for our brand happy?

Companies have been trying to crack this nut for decades with some success and impact on performance, but often these results were purely economic ratios, like EPS, EBITDA, number of employees per cost center, costs per hire, and so on. Partly driven by consulting, we all know so well the world of "benchmarking". Looking out for who is best in the market, learning how they operate and then trying to mimic this as much as we can to "reach that benchmark".

Employee Experience, like Customer Experience, is not about mimicking the competition, it is about figuring out "what works best for our customers" or "what works best for our employees" or even better "what do I need to do to make you happy". This is all based on the assumption that happy and satisfied customers and employees have a higher productivity, higher retention rates, among others.

In order to build this competitive advantage, we need to understand how things work best for people in a particular organizational and cultural context. To do that, we need to unlearn current management practices and transition from top-down to bottom-up thinking and from inside-out to outside-in . We need to leave behind the notion that 'we want you to be the best version of what we want you to be'.

CX starts with understanding the customer and works its way up to the strategy. EX is the same in theory, method, and implementation. The focus is on the employee and what he or she needs rather than a company deciding what employees need through programs and policies. The foundation of CX is Design Thinking and specifically human-centered design.

Applying Design Thinking Principles

1.
Start with the 'user' in mind: how do we enable the organization to create optimal value?

2.
Deep listening: listen to different voices inside/ outside the organization

3.
Ensure to spend time on defining the problem, don't jump to the solution

4.
Co create & collaborate: involve the organization

5.
Create a safe space for failure: start small

6.
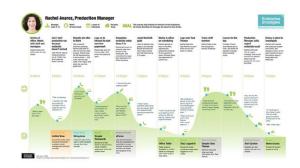Iterate: experiment, learn, experiment, learn

Design Thinking starts with **Empathy** – understanding and 'seeing' the customer's (or employee's) perspective. There are myriad ways to do this. Design Thinking experts will observe and interview people in the context of the experience they want to study. To study shoppers, they go to retail stores. To understand travelers, they go to observe people in hotels, airports, rail terminals, etc. Some use sensors to track patterns of where people go and who/ what they interact with. The best studies are longitudinal (tracking the same people over time) and seek to understand how it feels to use a product or service, or 'how it feels to work here.' Emotion is a particularly powerful window into decision drivers. EX and CX companies have developed Personas to map how different 'personas' not only feel, but what they are saying, thinking, doing, what are their key drivers. These personas in turn drive program design: 'Which persona is this learning program designed for?'

A second emerging discipline that supports Design Thinking, is the method of **Journey Mapping**. It is important to first understand the current, as-is journey people experience, and then there is a growing psychology around Journey Mapping. Again, it is not to force-fit the journey to the current paradigm, like the Employee Life Cycle, but rather what is the holistic experience people have, with the intention of understanding it and work with it, not correct it and amend it, but adapt our practices to welcome and create with our employees the type of experience they would like to have.

Companies who are successful in EX build cross-functional teams to serve and support the employee experience. In EX pioneers like Airbnb, GE, Cisco, Adobe, BMC Software and others, HR teams up with Marketing, IT, Facilities and everyone who touches EX. CX and EX become linked when the EX focus is on the parts of EX that drive optimal CX. Analytics is another way to discover and leverage 'What works here'. IBM has developed 30+ personas using cognitive (patterns) and predictive (algorithms) analytics that can indicate which people are at risk of leaving and what kinds of recognition and development would best engage them, sent as 'Push' notices to their managers worldwide.

EX and CX are the foundation for your HR of the future in which cross-functional teams rapidly prototype ideas originating from Design Thinking that form the backbone of strategy and in turn determine new roles and capabilities. HR in the future will not be led by HR, but by a coalition of functions that impact both CX and EX, because the best HR is not experienced through interacting with the HR department, but through the employee experience as a whole. Successful EX companies have Agile/Sprint teams that are led mostly by digital experts, in coordination with analytics, marketing and HR. And new HR roles are emerging with a large set of new capabilities like Journey Mapping, Agile Coaches, Scrum and Sprint team leaders. Learning roles, where they may exist to buy outside learning modules, are instead turning to YouTube Production Managers who help internal SMEs design short YouTube videos that are measured for success by view count and how long they are viewed. The goal of all of this is to create organizations that are more human-centered, "to bring the human back into HR" and where we understand and work on principles of where and how people do their best work, what works here vs. what works everywhere.

Many companies today are currently revising the HR practices that were designed for the world of yesterday and today. They are revisiting the employee lifecycle, rebalancing the on and off-payroll workforce and, they are reconsidering their structures. In other words, they are looking to move away from "de-humanized" HR and transition towards a "re-humanized" world of HR where agile, EX, gig, Design Thinking, Journey Mapping and personas are becoming part of the regular vocabulary. We believe that this transition is an important step towards an increasingly consumerized, personalized and individualized HR of the Future.

So let's see how this transition looks

"DE"HUMANIZED HR	"RE"HUMANIZED HR	"CONSUMERIZED" HR
• Human Capital as asset category • Hierarchy and job • Employee lifecycle • Individual office • Engagement • Corporate brand; EVP • On payroll • HR • Corporate learning • Corporatism • Company owns data • Application	• Personas • Hierarchy, team, gig, agile • Employee experience • Open office • Employee Experience • EVP; part of the marketing mix • On and off payroll • HR/IT/Marketing • Blend of corporate and individual • Employee-ism • Blend public data/personal data • Talent acquisition	• Individualized HR • Network of networks, • Human lifecycle; "Momentism" • Co-working space • Customer Experience • Tailored marketing • No payroll • Marketing/Sales and residual HR • Individual and personalized • Consumerism • Company buys access to data • Candidate driven recruitment
END OF LIFECYCLE	**NEWISH, EVOLUTIONARY**	**EMERGING, DISRUPTIVE**
YESTERDAY AND TODAY	**TODAY AND TOMORROW**	**DAY AFTER TOMORROW**

Most companies are sitting here

EX also allows us to move beyond from engagement. Engagement as a measurement was invented at a time when leaders wanted to understand whether "their" workforce understood their (top-down designed) strategy and how motivated they were to deliver against this strategy. Most employee survey tools are all built on this top-down logic of employees as a corporate asset. Engagement metrics, however, tell us about the result of good or poor experience (long) after they took place; not which specific touchpoints and journeys caused the poor experience and need redesign. Engagement measurements and interventions are typically designed on an inside-out and top-down approach as opposed to bottom-up and outside-in thinking.

Let's look at this for Engagement

ENGAGEMENT 1.0	ENGAGEMENT 2.0	EXPERIENCE
• Top down annual engagement survey • Once per year • Focus on Management • Benchmarked annually • Rigid questions asked year after year • Inflexible survey technology • Long reporting cycles • Focus on benchmarking • "How do I manage you" • Example: Gallup , WTW	• Pulse survey • Agile surveys as needed • Focus on topics, issues, employees • No external benchmark • Flexible questions • Pulse on a regular basis • Feedback on mobile or apps • Immediate feedback • Focus on feedback • "How do I engage you" • Examples: Culture Amp, Qualtrics, Reflektive, Higher Ground, Impraise	• Intelligent nudges • Multiple data sources • Realtime • Individualized questions/nudges • Blend of technologies and AI and inclusion of sensor technology • Organizational Network Analysis • Individualized recommendations combined with learning • Focus on behavioral change • "How do I make you feel" • Example: Zugata (p2p feedback), HUMU.
END OF LIFECYCLE	**NEWISH, EVOLUTIONARY**	**EMERGING, DISRUPTIVE**
"DE"HUMANIZED HR	**"RE"HUMANIZED HR**	**"CONSUMERIZED" HR**

Source: based on the original of Josh Bersin

6. How will HR for the Future look, how to organize HR and what kind of capabilities are required?

Human Resources in the context of the Future of Work is centered around:

- Operational and strategic workforce and capability planning
- Deep market research, it is the marketing and sales of work as a new element in the marketing mix
- The build-up of an agile workforce in a combination of on- and off-payroll workers, both virtual and onsite and heavily "datafied"
- Agile teams, the design of EX-centered interventions that facilitate how this work gets done

In the new world of work, we will need to develop a methodology for skill, capability and capacity planning. We need to find a way that allows us to predict the sort of capabilities we need in order to get business plans successfully implemented. This kind of planning needs to happen in close harmony with R&D, production and supply, finance and sales and marketing leaders.   And we need to understand which of those are core to our USP/business (and for how long) and which are perfunctory.

HR will need to develop a keen understanding of which work can and will be robotized, so capability predictions are aligned with technological advances. Once we know the kind of capabilities we need and technology adoption rates, it will be upon HR to research and identify where these skills can be sourced and help businesses understand whether plans can successfully be executed, considering the availability and access to the capabilities required. And it may very well be that HR leaders consult business leaders to move work outside the boundaries of the organization or into alternative geographies or to online marketplaces. HR may also consult them to build a blended workforce with capabilities accessed from multiple sources.

Once the plans are set, it will be upon HR to "market and sell" this work on the labor market. Based on research, HR will need to segment the market, identify the right channels to get connected with prospective workers, and design marketing and sales strategies that convince these workers to make their capabilities available (rather than convincing them to join a company). And HR will need to understand through which platforms these capabilities can be accessed. HR will need to understand at a micro-level what the drivers are of their prospective workers, so strategies can be designed to win (part of) their capabilities for their brand. The big differentiator compared to today is that HR will need to search for capabilities as opposed to human beings. Sometimes these capabilities come with a "whole" human being and also to the company premises. But often, this may only be a "part" of a human being and the differentiator is no longer to win the whole human being, but it will shift to get access to the capabilities of that human being at the time and the location where the worker is, not where the company wants the worker to be.

These labor markets will increasingly be "datafied" and HR will need to design and deploy methods and approaches that allow them to "read" these markets through a data-lens and apply sophisticated approaches to identify and access these capabilities. These capabilities are still "sitting" inside a human being, so it will be essential to develop sales and marketing approaches that appeal to an individual worker, so he or she is interested in making his or her capabilities available. Today we call this "employer branding" or "employee value proposition". These are company driven, rather generic initiatives to position a brand, but they do not start where the individual worker is. The Future of HR marketing is not to have a next version of an EVP, but to position the brand of the company, get under the skin and understand the psychological DNA of an individual worker. We expect that workers will increasingly be willing to give companies access to their data, with the expectation that this data availability will improve the matching between worker, work and teams. The recent emergence and continued importance of analytics will endure as we are continuously building these capabilities.

HR will also need to lead the dialogue around the externalization and virtualization of work. How much work will need to be done on-premise, what can be done online and offshore? A core element of this capability planning is to fine-tune the level of agility. How much flex is required, how much stability is needed, which kind of capabilities are core or scare and may require a different approach compared to abundant capabilities? The Coronavirus has given HR leaders the opportunity to lead this dialogue.

And as soon as people work for the brand, it all circles around building EX-centered interventions that allow people to be the best version of themselves. With a mix of on- and off-payroll workers, possibly distributed over multiple time-zones and geographies, it will be necessary to understand each worker's style, preferences, possibilities and limitations as well

as availability, and design an individualized, consumerized and personalized onboarding. It essentially requires HR to understand at an individual level what needs to be done to quickly integrate a worker and facilitate a steep learning curve towards optimum productivity. This includes access to information, the provision of a technology platform and infrastructure that facilitates exchange, as well as a smart design of security access.

As organizations seek to become more flexible and adapt to a world of unpredictability, they are often held back by their own modus operandi – hierarchy, bureaucracy, functional silos are just a few examples of how companies and HR departments were systematically organized. Agile has emerged as a new avenue for companies thinking about how they can structure teams and work to adapt to this new world of work. Agile is not a method to be followed, but rather a mindset that ultimately leads to a new working culture. The implications of agile on people, processes and culture go beyond the re-design of organizational structures, systems and procedures.

To take full advantage of agile benefits, HR organizations need a shift of thinking about how work should be organized and led. Four main requirements are essential:
• An organization's most important goal is to satisfy the customer
• Work should be broken down into smaller tasks and performed in short cycles by a cross-disciplinary group of empowered people
• The organization as a network
• Attitude beats capability

These characteristics have a profound impact on management and HR and open the opportunity to address HR's evolving role, particularly in areas where it can focus on value creation for the organization and on sustaining a great work experience. Companies who are already undertaking an agile transformation count on their HR teams to modernize their people practices, building new workforce behaviors that enable the flow of agile values and ultimately impact business performance.

An organization's most important goal is to satisfy the customer. In the HR world, this translates into co-creating experiences with employees. Using an employee-experience approach, HR teams aim to build seamless solutions driven by the users, their needs and feedback. The role of the HR (CoE) leaders transitions with this from "I know what is good for you" to "how can I help you create an environment where you can be the best version of yourself". In essence, it is a transition from a "deep expert" to an "experience design facilitator".

A good example is how IBM transformed its performance management system. The company engaged their entire 370,000 workforce in 170 countries through online and face-to-face "innovation jams". For 90 days, two-way communication channels (polls, videos, prototypes etc) were opened up for honest discussions and crowdsourcing of ideas. Artificial intelligence also played an important role in running text analytics. The result was the checkpoint system in which employees set shorter-term goals, and managers give at least quarterly feedback on their progress. Goals are set for 5 dimensions: business results, impact on client success, innovation, collaboration, and skills. When talking about the shift, IBM's CEO Diane Gherson mentioned that IBM employees are "iterating and experimenting", which means often they're not necessarily working towards what they originally listed as an annual objective, making any longer planning obsolete.

Johnson & Johnson also took an agile approach to their performance management process. They invited employees to test an app meant to increase frequent feedback dialogs and replace their old manager-employee conversations framework. In the beginning, most pilot testers didn't actively use the app. The company then iteratively introduced modules about successful feedback exchange into their training sessions. They also nominated some employees as "change champions" and after 3 months started to see a growing number of feedback exchanges through the application. The examples of IBM and Johnson & Johnson demonstrate how HR is applying agile principles internally to generate solutions that enable organizational agility. Iterations and feedback exchanges become strategical levers for how to tackle the behavioral challenges ahead.
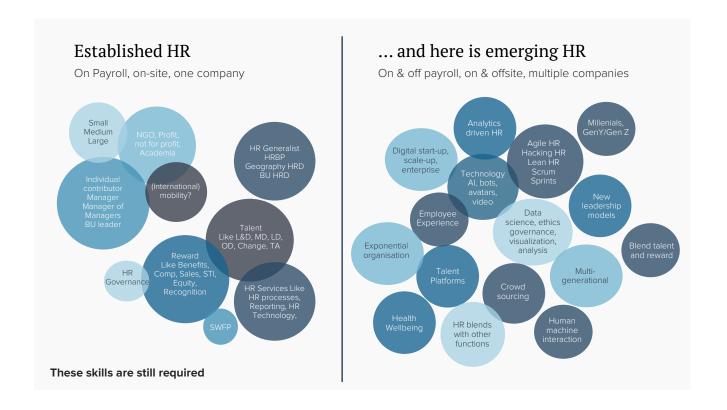
Agile teams tend to be small, autonomous and cross-functional. They organize work in short cycles and relatively small tasks, gather feedback, iterate, and re-start the cycle. In brief, the team's outcomes are more important than the individual contribution, ensuring teams are empowered to act and can fully collaborate becomes a business priority. As mentioned earlier in this article, organizations are moving towards a network community composed of employees, gig workers, customers, suppliers etc. Agile organizations are a web of fluid and transparent relationships that can drive growth, innovation and overall organizational performance. The rapid assembling and disassembling of people who carry expertise, influence and decision-making power allows for communications to flow, strategies to quickly change and for ideas to spread.

This concept substantially changes the roles of leaders; agile leaders are "servants". They motivate people at an emotional level rather than control, nurture the system instead of managing the work. They create a common sense of purpose, share a vision of what needs to be accomplished, empower individuals, protect teams from distractions and help to remove roadblocks. They unleash networks, champion diversity, and encourage innovation.

Altogether, HR is already helping companies gain organizational agility by articulating strategies that allow for flexibility, speed, and collaboration. As shown above (and in the spirit of agile), such goals cannot be achieved through an "HR recipe" or by benchmarking similar companies. HR itself needs to open source, experiment and invite feedback from employees to build a truly employee-centric organization.

In closing, this new world of HR requires new capabilities and new approaches; a new language will emerge in the function along Design Thinking, agile, digital strategy, data visualization, behavioral science, neuro leadership, virtual culture management and agile workforce management, digital learning design, lean, scrum, sprint, employee experience, personas, Journey Mapping, empathy, organizational listening. Established HR capabilities will still be required in the transition phase, but they will gradually move to the background. HR will learn to think in platforms, the function will naturally start to blend with other functions that touch the employee experience, it will slowly start feeling comfortable with grassroots movements, step-by-step the talent and reward functions will blend with each other (as both of them deal with motivational psychology and

Established HR
On Payroll, on-site, one company

- Small Medium Large
- NGO, Profit, not for profit, Academia
- HR Generalist HRBP Geography HRD BU HRD
- Individual contributor Manager Manager of Managers BU leader
- (International) mobility?
- Talent Like L&D, MD, LD, OD, Change, TA
- Reward Like Benefits, Comp, Sales, STI, Equity, Recognition
- HR Governance
- HR Services Like HR processes, Reporting, HR Technology,
- SWFP

These skills are still required

… and here is emerging HR
On & off payroll, on & offsite, multiple companies

- Analytics driven HR
- Millenials, GenY/Gen Z
- Digital start-up, scale-up, enterprise
- Agile HR Hacking HR Lean HR Scrum Sprints
- Technology AI, bots, avatars, video
- New leadership models
- Employee Experience
- Data science, ethics governance, visualization, analysis
- Exponential organisation
- Blend talent and reward
- Talent Platforms
- Crowd sourcing
- Multi-generational
- Health Wellbeing
- HR blends with other functions
- Human machine interaction

behavioral economics). The talent acquisition function will have more in common with marketing than with HR. Technological advances will facilitate the entry of more and more technology into the function, with smartphones and sensors playing an increasingly important role. All these new approaches and capabilities will gradually replace tried and tested approaches to HR and as "soft matters more than ever", capabilities in organizational development, culture, and change management will increasingly be used to drive business model changes.

The future leaders in HR will need to bring a blend of knowledge, experiences and capabilities in the following areas:

- Data savviness, data science, data visualization, people analytics
- Strategic workforce and capability planning
- Deep understanding of how "digital" transforms businesses, how platform economies work, what growth hacking is and how to drive digital scaling
- Knowledge of virtualization, externalization, packetization, unbundling, blended workforces
- Behavioral economics (= the psychology of economics)
- How social media work
- Agile, Employee Experience, Journey Mapping, personas, organizational empathy
- Horizontal distribution of work versus a vertical management of people
- Shape-shifting organizational models
- Virtual culture building.

New capabilities

Invest

- Design Thinking
- Digital Strategy
- Gamification
- YouTube production
- Data Analytics, Visualization
- Strategic Capability Planning
- Capability sourcing
- Social media management
- Horizontal leadership
- Data governance and ethics
- People analytics

- Behavior Science and economics
- Neuro-leadership
- App development
- Virtual Culture Architect
- Talent Broker
- Agile Workforce Management
- Community management
- Digital learning design
- Lean, scrum, sprints
- Health, wellbeing

Now more than ever

Improve

- Organization Development
- Organization Design
- Managing disruptive change
- Cultural change
- Transformational leadership coaching
- Diversity
- Reskilling
- Connecting with leaders and employees at a "human level". Soft skills matter
- Blend talent and rewards (=motivational theory)

Where can you start in HR on this journey?

It is all about employee experience. Move from "process-thinking" to "experience thinking". This requires an outside-in multi-disciplinary approach where HR, IT and marketing will converge. Think of all your talent interventions in terms of EX journeys vs. employee lifecycle; pick a problem and crowdsource mobile, employee centric design solutions; involve your employees in your design. Build Design Thinking and "agile HR" capabilities.

Technology will disrupt everything; think of it as the "consumerization" of HR; significant investments are required in capability building and it takes a multidisciplinary team - this is no longer classic HR. Start experimenting with the future of work inside the HR function: virtualize, externalize, unbundle jobs, start networking, live the gig economy by example, partner up with multiple providers, crowdsource.

The "blended workforce" will grow exponentially; we will need to rethink how we manage this blended workforce. This will disrupt our thinking about company, job, career and turn HR upside down and inside out. Organizational models will shift and drift.

Translate everything through Design Thinking into NPS, contribution, scores, outcomes, so make your results traceable and measurable. Move from KPI to OKR.

Do your own 'Deep Listening': ask the same 2-3 questions e.g. 'Why did you first choose to work here?', 'What key experiences and moments have you had?' 'Which ones were most motivating/de-motivating?' Listen for and acknowledge feelings/emotions, take notes, ask follow up questions.

Spend time with other functions that could touch EX: Marketing, Analytics, Facilities, Communications, IT — ask what questions they most frequently receive from the business, get a sense of who can partner with you on EX. Spend some time each week learning about Analytics, Design Thinking, Digitalization. Deep-dive into technology: appification, employee experience, gamification, consumerization; dive into YouTube, podcasts.

In closing

We need to stop refining concepts for HR that were designed for the world of today and yesterday.

The world of tomorrow is going to be so different, that current concepts (which are very often not effective today) will be misaligned in the world of tomorrow.

We do not need an evolution, we will need a disruptive revolution or re-imagination of our profession to stay relevant for the years to come. Every organization will inevitably be impacted and the current coronavirus crisis only accelerates some of these developments.

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Ruud Rikhof is co-founder and Managing Partner of KennedyFitch, and a Human Resources executive with 30+ years of experience with IBM, Novartis, Bristol-Myers Squibb, The Nuance Group, UBS and SHV (one of the largest family-owned companies in the Netherlands). At KennedyFitch he focuses predominantly on executive search for the Human Resources function. He is also the co-founder of the Beyond HR Forum

Elliott Nelson and Stefane Guercia-Bin
contributed to the original version of this article.

Selected Reading

DYING FOR A PAYCHECK — How Modern Management Harms Employee Health and Company Performance—and What We Can Do About It — JEFFREY PFEFFER, STANFORD GRADUATE SCHOOL OF BUSINESS

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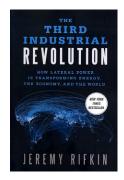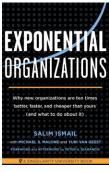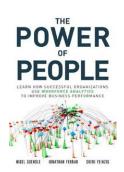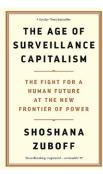
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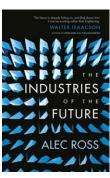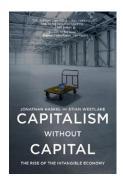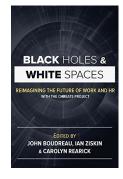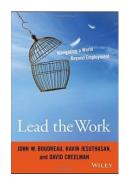
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