



How Should HR Lead Digital Transformation Initiatives?

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The human resources profession is undergoing rapid change. While HR used to be seen as an administrative function similar to finance, it now plays an increasingly strategic role within the digital transformation of global business.

Boards today want HR teams to do more than keep staffing costs down, they want them to help create the organisation of tomorrow. Digital technology is changing the workforce and the experience of being 'at work', from how the work is organized, to the types of work people do, and the profile of the workforce itself. CEOs and COOs want a fundamentally different human resources strategy that addresses and leverages these changes.

That puts HR departments in the spotlight to re-design core practices like talent acquisition to performance management. As digital technology makes life more networked and quantifiable; the new digital organisation must also be built around teams, with a focus on diversity, culture, learning, and analytics that can measure team effectiveness.

As organisational structures evolve and the workforce becomes dominated by digital natives, new approaches are needed in almost every HR domain. HR departments need to innovate, experiment, and become fully digital in approach to, and delivery of, HR 'services' – both to executives and to employees.

Data and data-driven decision making are both essential to this process. Here are five ways HR teams can embrace digital transformation – first for themselves and then to lead the broader organisation:

1. Embrace analytics:

Before re-designing processes HR teams need to analyse employee needs by key categories: contract workers, salaried employees, managers, and executives. The analytics available in Human Capital Management (HCM) solutions can help answer questions like: what skill sets do we have by geography or business unit? Where are the gaps and what options do we have to close them? How can we improve reward systems to increase engagement and retention?

2. Move to the cloud:

While cloud-based HR systems have been in-use by organisations for some time, digital transformation in HR means leveraging the cloud as a platform and building company-specific applications. With cloud vendors responsible for developing and hosting technology, new tools and functions can be adopted as soon as they are implemented.

3. Optimise HR operations:

Integrated HR systems delivered via the cloud can help optimise HR operations across geographies and business units. This simplifies the roll-out of new initiatives and applications, while lowering operating and maintenance costs. Employee engagement with new initiatives can also be increased by delivering HR processes through mobile apps or other digital tools.

4. Consumerise the approach to HR services:

It's important to understand how your workforce wants to interact with HR and utilise HR services, then determining what kind of services to provide. This is part of the parallel trend in HR to offer consumerised employee services that can help drive greater productivity and engagement. Digital delivery can also help move processes closer to the business unit and departmental levels, empowering managers and employees to perform processes like performance reviews, learning and personal career pathing themselves – with less involvement from HR.

5. Find the right vendor and implementation partner:

The number of software solutions available to HR is increasing, with many built around mobile apps, AI, and mimicking consumer digital experiences. Understanding how these solutions fit your organisation's goals, company culture and existing systems can be daunting. The right implementation partner can help you sift through vendor marketing claims to find solutions that meet objectives and budgets. They can also help you migrate processes to the new systems, or design entirely new ones.

Digital is redefining the expectations placed on HR professionals. For many, the days of handling payroll and annual leave requests have already been replaced by analytics dashboards and strategy sessions around change management.

Digital transformation however means more than simply doing HR tasks digitally. It's about changing every approach to hiring, learning, career development, and performance. With such profound implications for company culture and employee satisfaction, HR needs to be in the lead.

HR can help hire people with the skills and attitudes to actualise digital change. It can provide counsel on how to implement practices, tools and metrics consistently in areas like benefits management. HR can also manage the people who resist technology adoption.

The time for HR to assume a leadership role in digital transformation has arrived. Human capital is arguably a company's core asset. Managing people and processes to maximise their potential is what HR does best,

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