

2020s, the Coming of Age of HR. No, Really!

The 2020s mark the beginning of a new era for Human Resources. Cognician's Chief Strategy Officer, Colin Sloman, examines the future 'Decade of HR' and the transition from administration to talent management, recruitment, and retention. What does today's workforce need and how will HR fare moving forward in addressing these needs?

Despite what my children tell me, I'm not quite old enough to remember the days of the personnel department! Efficient administrators of employee records, the forerunner to today's HR function, were born out of necessity during WWI. While the world had managed just fine, thank you very much, without personnel during the Industrial Revolution, it was the influx of women to factories during WWI that needed to be properly managed. This was completely different to the slow and predictable recruitment and dismissal of workers which had characterized centuries of working life up until that point.

Up popped personnel to deliver on that need, along with organizing and training workers in a more disciplined manner as the apprenticeship model had disappeared when experienced workers were conscripted into military service. Following WWII, the need to rebuild Europe led to full employment and continued the strong demand for labor for several decades. And along with this growing and changing workforce, the demands on personnel changed as the role expanded from one of record keeping to managing issues around employment law, discrimination, health and safety, training, discipline and so on.

While there was an emerging acceptance in the 1960s and 1970s that treating staff fairly would ultimately benefit employers, it was not until the 1980s that the term "human resources" came into popular use, and with it, an acknowledgement of the humanity of employees and their value to organizations as a pool of talent. Since then, the role of HR has continued to expand into all aspects of organizational life – workforce strategy, human resource management, industrial relations, executive compensation, succession

planning, well-being, and diversity and inclusion. You name it and HR probably has a finger in the pie. And with such a wide remit, it's no wonder that these responsibilities are accompanied by impressive titles such as Chief Human Resource Officer, Chief People Officer or Executive Vice President of Human Resources. Even HR managers have got in on the act and rebranded to become Human Resources Business Partners. Over the past 25 years, I have watched this evolution from the sidelines – in Accenture where I consulted to clients on all things HR – and on the playing field – in Saudi Aramco where I was HR Director, Talent, and Leadership Development. When reflecting on these experiences, what strikes me is that the challenges facing HR have never been so great as they are today. Navigating the pandemic was no walk in the park, both from a logistics and employee well-being point of view. The subsequent "Great Resignation" has piled on the pressure. And the cost of living crisis and likely recessions in western economies are the very definition of a perfect storm. And that's why I think we are entering the age of HR.

So, if this is the decade of HR, what should be its focus going forward? My own view is that a large proportion of employees are actually looking for purpose and meaning in their working lives, and without addressing this need, organizations will struggle to achieve their other goals and priorities. Forget the "Great Resignation", one of my former colleagues has coined a far better phrase – the "Great Reflection". I don't believe this is just a moment in time, but rather a genuinely new "way of the workforce". So how can you give employees purpose and meaning? This is where I believe HR needs to focus. By reflecting on our understanding of human psychology, they can advise leaders on how best to attract, engage, and retain employees.

HR in this decade also needs to embrace the concept of data science and evidence-based decision-making. HR practices, like all business programs, should be tested and validated. Google is one of the leaders in this field and, happily, shares much of its experimentation publicly. As a result of analyzing its own recruitment data, Google has moved from nearly a dozen job interviews per vacancy to four after establishing that the marginal utility of more than four interviews is virtually nil. It has also banned brainteaser interview questions such as "How many tennis balls would fit into a jumbo jet?", after determining that they had no predictive value. It has also stopped placing great weight on degrees from elite universities, realizing that excellent candidates from less prominent institutions were being overlooked.

The need for HR to better understand behavioral science and embrace data is reflected in a recent Gartner study which, as you might expect, is based on an impressive dataset collected from a cross-sectoral, global survey of more than 800 HR leaders. Its findings identify these key priorities for 2023 and beyond:

- 1. Leader and management effectiveness
- 2. Organizational design and change management
- 3. Employee experience
- 4. Recruiting
- 5. Future of work

All of these priorities can benefit from more rigorous, evidence-based decision-making involving behavioral science, with "leader and management effectiveness", "employee experience", and "future of work" particularly benefiting from improved understanding of human psychology.

Taken together, the "Great Reflection", compounded by ongoing global economic challenges, the need to understand behavioral science, and a clamoring among business leaders for data-backed decision-making, all convince me that this is indeed the HR decade. And at Cognician, we can help HR professionals take on this leadership position as custodians of people, human performance, and behavioral science in your organization.

At Cognician, we're happy to practice what we preach, basing our Activation catalysts on an extensive body of behavioral science research, built-up over the past 30 years. One of our Activation catalysts is reflection – providing the opportunity for self-reflection in diverse, targeted groups across organizations which allows a meaningful and insightful deep-dive into a wide range of employment issues. We also advocate A/B testing in support of evidence-based decision-making, and all our offerings are supported by comprehensive analytics and reporting tools, based on our Activation and Commitment indices. These enable clients to track engagement and buy-in to the change agenda in real time, allowing course corrections to deliver maximum impact.

For more information, check out <u>info.cognician.com</u> to learn more about how we can help.