

# Why HR Professionals are Pivotal in the Transformation of the Workplace

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## Summary

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### Issue

As a relatively young economy, Australia has focused heavily on workplace flexibility and diversity over many years; however, as we face a series of hard-hitting megatrends, radical changes to the workplace will become an imperative. Big shifts in macro-economic forces (such as advances in technology, urbanisation, and demographic changes), are shaping Australian industries in dramatic ways with huge implications for those organisations that are unprepared for them. The consequences for human resources (HR) managers will be profound and fundamental transformation will be needed to survive. The most successful companies will be those that can adapt quickly and HR professionals have the opportunity to add significant strategic value in planning

for these changes by suggesting ways to lessen the impact to business. The demands created by megatrends requires HR to provide the necessary insight that will help companies adapt their workforce, workplace, and workstyles to maximise the opportunities available. However, this requires both an appreciation of the potential impact these changes will have specifically on businesses and an understanding of the role technology can play in addressing these impending issues.

### Key Takeways

The shortage of skilled labour coupled with the pace of change in business, expectations of a multi-generational workforce and urbanisation will have wide-reaching implications for HR professionals.

Recruitment relies on finding employees that not only have the right qualifications and skills, but also are the most likely to stay with your organisation over the long-term.

HR professionals should be included in technology buying decisions as those tools can be instrumental in recruitment and retention, talent management, and employee engagement strategies.

## Perspective

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### Current Perspective

The unprecedented pace of change in business presents a vital need to ensure our workforce, workplace, and workstyle is best suited for today and continues to be ready to address the needs of the future. A recent report from Australia's Department of Employment found that more jobs are going unfilled with the majority of those being technicians and trades workers. This gap leads to a highly competitive and

volatile job market with companies vying for suitable candidates. This shortage of skills and pace of change in the business environment is further complicated by two specific megatrends that will impact HR:

### Demographic Shifts

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Despite skills shortage, Australia has a workforce comprising of four generations. Each of which have different work styles and expectations.

### Urbanisation

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The vast majority of working age Australians are within the central business districts (CBDs) of Sydney, Brisbane and Melbourne, which is narrowing the talent of four generations to a relatively small geographic footprint.

### Demographic Shifts and the Australian Workforce

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HR's importance in the future success of organisations cannot be overstated. As the demographic changes to the Australian workforce are widespread (e.g., supporting an aging workforce, immigration, reducing the gender gap in the workforce etc.), securing and retaining talent is a

business imperative. Given this importance it is worth briefly highlighting that the current workforce spans a number of generations, each of which have differing needs, expectations, and requirements from their employers.

### Generation X and Y

Many will be balancing their career aspirations with the needs of supporting and raising a family; consequently, they are more likely, willing and able to work anywhere, anytime. This segment of the workforce was raised alongside technology and more open to and/or accepting of workforce change compared to other generations.

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### The iGeneration and Digital Natives

This segment has spent their formative years during the introduction and growth of the Internet. As this generation has just recently entered the workforce there is less known about their working style. However, this generation are natives to the Internet and connected digital devices and have never known a world any different. Indeed, because of this strong affinity to technology, this group tends to adopt IT tools more quickly compared to previous generations. There is growing evidence of this generation having a strong technological prowess with an ability to create new ideas or workflows that can be shared with the older generations. The iGeneration is often the source of 'new talent' sought after to change corporate culture.

## Baby Boomers

Australia's baby boomers provide a wealth of skills, knowledge, and mentorship. However, there are some challenges associated with an aging population and demographic trends. Employees are more likely to want to continue working for years to come and will continue to re-shape the workplace. This segment of the working population may look for a more flexible approach to traditional employment terms (e.g. opting for part-time, consultative roles or working from home arrangements), and this may present some challenges when looking at technology that can support them in their employment.

## Urbanisation

Australia's cities have created a vast majority of the country's wealth and therefore the vast majority of employment lies within a small radius of Australia's largest CBDs. There are over 16 million people of working age in Australia, with the highest proportions of people resident in the Sydney, Melbourne and Brisbane. The reality is as time goes on, Australia will become more urbanised and housing close to major urban centres is increasingly out of reach for many younger employees. The Australian Government's focus on increasing productivity through efficient commuting, integrated land use and transport infrastructure planning have some bearing on the choices of location for

households and businesses. However, demand for affordable housing in the suburbs remains very high and incorporates a painful daily commute for many - costing families time and Australia productivity. The UN forecasts Australia's urbanisation rate will increase to 93 per cent by 2050, well above the rate in other developed nations. And by 2055, Sydney, Melbourne, Perth and Brisbane will all have doubled in size. Consequently, this will put increasing strain on existing infrastructure and present challenges for transportation, real-estate (both commercial and residential), and sustainability.

## The Effects of Demographic Shift and Urbanisation to Businesses

### 1. The Recruitment and Retention of Talent

Recruitment is no longer simply about finding an employee to fill a position. Recruitment relies on finding staff that not only have the right qualifications and skills, but also are the most likely to stay with your organisation over the long-term, helping HR to reduce turnover and cultivate future leaders. Urbanisation and demographic changes are redrawing the skills map for global businesses. The demand

for talent is outstripping supply; consequently, a top challenge for HR professionals today is the recruitment and retention of employees. The willingness of organisations to embrace flexibility in the way they source and manage talent has already become a differentiating factor for employers and important benefit to employees.

### 2. Talent Management and Development

As the pace of change continues to accelerate, ensuring the skills of your workforce are up to date will be more important than ever. While many organisations will contract an external supplier for training support, companies do need to consider the expertise and experience employees have from within and look at ways and means to tap into this talent pool for the benefit of all employees. iGeneration

employees, for example, may well be able to pass on the knowledge of how to use social media which baby boomers might struggle with adopting. Harnessing this peer to peer learning can be an efficient and cost effective way of increasing skills, and imparting knowledge. There are many ways in which collaborative technology can assist in knowledge-sharing, training and development.

### 3. Employee Engagement

One of the biggest opportunities that collaboration technology offers is the ability to provide an open environment where an employee's contributions can be recognised. By making activity visible and allowing communications to develop and flow naturally outside of formal hierarchies, staff are more likely to gain recognition for their work and skills across the organisation. This collaborative environment also enables employees to

receive the latest news from around the business, respond to them, and assist where needed. Harnessing the collective knowledge of contributors (without creating another communications silo or causing information overload), collaboration tools also provides the capability for people to filter through the traditional overwhelming sources of communication, turning information into meaningful insight and action.

### HR's Role in Transforming the Workplace

The technology made available to us today allows us to work very differently than we did but a decade ago and the generations joining the workforce today are not the only ones that are calling for a new way to work. Unfortunately far too many organisations adopt a 'top-down' approach to technology implementations (i.e. adopt the technology before considering how it impacts the organisation), or failed to benefit from a positive return on investment (ROI) because there is resistance from employees as they try to embrace new strategies and technologies at work. A knowledge of the requirements of the business and the needs of employees coupled with an understanding of

demographic and social trends all underline the importance of HR in the IT decision-making process. From an HR perspective that are significant tangible and intangible benefits: improved productivity, reduced staff churn, higher staff morale and loyalty, better work/life integration, lower staff sickness and absenteeism, retention of knowledge and skills, and access to a broader source of corporate talent and skills. Consequently, HR will be pivotal in facilitating the necessary changes needed to successfully transform the workplace as the building blocks of organisation change needs to focus on the people side of the business as much as it does the technology.

Examples of important areas to highlight include:

#### 1. Instilling a Culture of Collaboration

This requires focusing on the people and building a foundation of common values across the workplace. Company culture plays an important role in the modern workplace and while HR may not always find itself defining

it, HR professionals will often find themselves supporting it, maintaining it, and acting as advocates for change where required. A good company culture drives or impedes the success of an organisation, attracts and helps retain talent, drives productivity, and increases employee engagement.

#### 2. Governance and Guidelines

As with most successful technology implementations understanding the goals of the organisation, the individual departments within it, and the concerns of employees are of primary importance—areas where HR departments can provide significant leadership, advice and guidance. While

unified communication technology provides the underlying infrastructure to support flexible and remote working, this will often need HR involvement as it requires the managing of organisational cultural change, regulatory compliance, and well-defined employee policies.

#### 3. Technology and Tools

There are a dazzling array of collaboration and communications solutions available from a multitude of vendors. The challenge for organisations is to understand which ones should be considered to match their unique needs. Open

cross-departmental discussion, education, and research are critical to ensuring the successful adoption of the technology within the business, else the return of investment on which the business case was made will fail to be realised.

## Recommended Actions

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HR professionals also need to consider the ways in which specific generations communicate when it comes to recruitment. For example, companies with a strong social media presence will find they have an advantage when it comes to recruiting employees within the Generation Y and iGeneration segments.

Social media savvy organisations can leverage a wide range of platforms (e.g., Facebook, LinkedIn, and Twitter) as a recruitment tool. Indeed, some organisations may find themselves recruiting from a community of brand-loyal customers who are eager to join companies they 'follow'.

Talent management and employee engagement have both a practical and financial impact to businesses. Many companies are looking towards collaborative tools to measure the effectiveness of employee on-boarding, training programs, and employee contribution. Utilising analytics and tools such as gamification (motivating participation through the reward of points or badges), and social graphs (mapping people and their relationships with others), organisations can measure progress, take corrective actions to drive greater engagements.

HR needs to assess the potential impact megatrends may have on businesses and develop an understanding of the role technology can play in addressing these impending issues. This will allow them to provide the necessary insight to help companies adapt their workforce, workplace, and workstyles to support business challenges today and in the future.

The building blocks for surviving and thriving in Australia's modern business environment are a combination of adopting the right culture; anticipating the effects of the changing workforce; recruiting, retaining and developing the right people, and selecting the appropriate technology for the business. As HR professionals are responsible for many of those key areas, it is vital that they are included in technology procurement processes as the organisation's success requires multi-disciplinary involvement and support.

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