

2019

# HR Skills of the Future

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# Executive Summary

The Human Resources profession needs to change. It must become more digital and analytical to deliver greater business value. This report unveils the skills that HR professionals believe are the most important and how they prefer to learn in today's world.

The digital age has brought with it sweeping changes to the workforce, to the Human Resources (HR) function more generally and specifically to the experience that employees expect. As a consequence, there is an increasing need for HR professionals to become digitally and numerically literate – to acquire the skills necessary to process, produce and leverage digital information to create business value.

A recent report by Accenture Strategy<sup>1</sup> outlined that some business are leaving value on the table. They calculated that for large publicly listed companies there is a collective US\$3.1 trillion of revenue opportunity from new sources of digitally available workplace data but only if they manage the trust of their people when exploring and analysing this data.

As such, when HR professionals, as core Business Partners, are digitally-literate and analytically-savvy, they will possess skills that will put their organisations in the best possible position to compete and create more value. While doing this,

they can also continue to use their more “human” skills to manage the interfaces between the digital and the behavioural aspects of the workforce.

In short, HR as a function, and HR professionals themselves, can build tremendous incremental business value when effectively applying digital and analytical skills, alongside their existing skills.

“HR is being pushed to take on a larger role in **helping organisations to be digital**, not just do digital<sup>2</sup>.”

While topics such as People Analytics and digital HR are discussed at length in academia and the business press, we know little about the knowledge and skills needs of today's HR professionals themselves. Therefore, we undertook this research to understand these needs and to understand how people currently learn.

The survey methodology is outlined at the end, but in short, HR practitioners and other business professionals from over 60 countries globally responded to a November 2018 crowd-sourced survey via LinkedIn. The survey asked them which skills or knowledge HR professionals need to develop in order to prepare for the future.

Naturally, given the topic, most of the crowd-sourced respondents were from HR or HR-related roles. Respondents were involved in a range of business roles at organisations of varying sizes. Due to the nature of the survey, most of the respondents (95%) were in various HR roles either

within organisations (e.g. HR Business Partner, HR Centre of Excellence, HR Consultant) or in organisations that support HR as a function.

Additionally, the results of the research revealed that the most important source of acquiring knowledge and skills is 'blogs, social media, conferences and free video content'. Interestingly though, although the Internet ostensibly offers a wealth of training resources, relatively few of the respondents are regularly using online training to upskill.

However, most surprisingly, only around half of respondents are using training content provided by their company as a source of learning. Clearly, organisations are not doing enough to provide HR practitioners with access to the type of content that they need to develop the skills necessary for the future.

## The results of the research revealed the following three insights about skills:



**People Analytics** is the most in-demand skill among survey respondents.



**Managing stakeholders and influencing others** are considered critical skills for HR professionals to succeed in a digital world.



Learning about **new HR technologies** and using techniques like **design thinking** to drive adoption are priorities for respondents

# Skill Needs

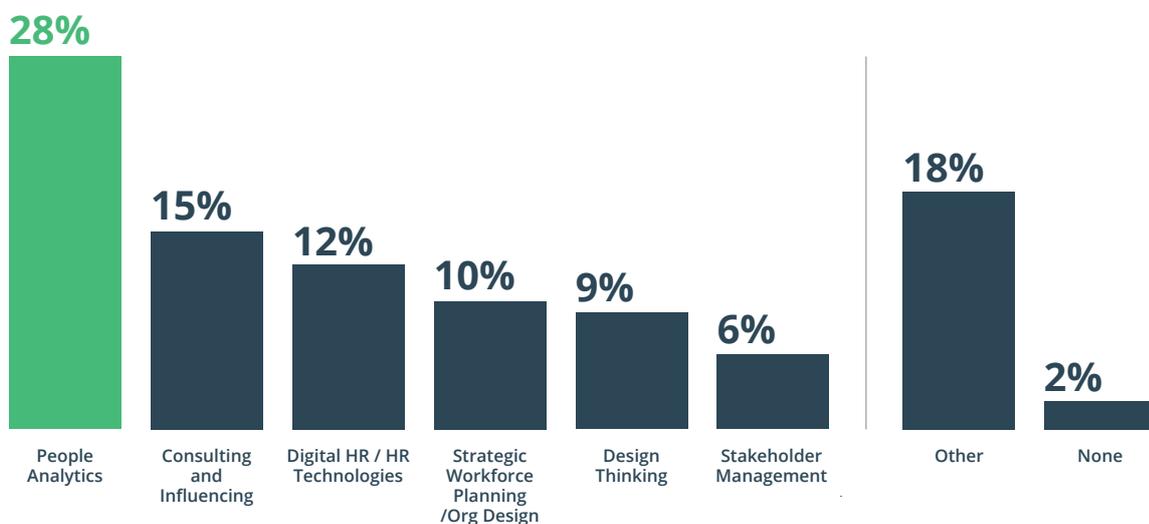
When asked to state the one skill they would like to develop in 2019, given the ability to write anything, over a quarter (28%) of respondents stated that People Analytics was the most needed skill.

## People Analytics

According to Deloitte<sup>3</sup>, People Analytics is now becoming much more mainstream, with 69% of companies reporting that they now have a dedicated People Analytics function. Cloud-based HR systems enable organisations to transform stored data about recruitment, employee engagement, performance, and mobility into actionable insights areas such

as workforce planning, talent management and organisational design.

Organisational leaders are now looking to HR functions and its people analytics teams to leverage people data to provide insights that drive business value and action. Do HR professionals feel they need to develop skills in people analytics to help their organisations?



**FIGURE 1:** The relative number of survey responses when asked the question: “If I could develop one skill in 2019, it would be...” People analytics is the number one skill that HR professionals want to develop.

In short – yes. Our survey revealed that HR professionals want to learn people analytics skills more than any other skill. When given a “free-text” question and asked to describe the “one skill” they most want to develop in 2019, the biggest skill requirement requested, by 28% of respondents, was People Analytics (see Figure 1).

## Understanding HR Technology

People Analytics is not the only skill HR professionals are seeking. The HR technology market has exploded with a dramatic increase in new tools and vendors in recent years, many with machine learning capabilities, that are presenting new challenges for the HR function to evaluate and implement. The expectations of the workforce are also changing. As new consumer technologies have advanced rapidly, employees now expect an intuitive and engaging user experience from the technology they use at work, which is prompting a rise in the need for more skills in user-centred design and Design Thinking principles.

As shown in Figure 1, developing skills in Digital HR / HR Technologies and Design Thinking represent 12% of the responses from survey respondents.

## Creating Agile Organisations

According to a recent Mercer study on Global Talent Trends<sup>4</sup>, 99% of companies are taking action to prepare for The Future of Work.

As Human Resources teams craft people strategies that are fit for the digital age, it is critical that the function can build a workforce that can adapt to ever-changing business requirements in a VUCA<sup>5</sup> world and support the future talent needs of the business. HR must build capability in understanding diverse talent pools, predicting skills shortages and future needs, and preparing their organisations and

workforce for the impact of automation and the increasing need for job redesign.

With these changes, it is not surprising that Strategic Workforce Planning / Organisational Design was also one of the six highest priority skill areas outlined. Of the survey respondents, 10% highlighted this as their most required skill to develop (see Figure 1).

HR professionals will also need to consider the impact of the gig economy and a workforce that is likely to be increasingly made up of freelance and contingent workers in the future. All of these factors result in a need for HR to become more adept at using technology and analytics to assess the internal and external talent market and provide a strategy for managing talent development and skill management.

“The big question is, have you built a workforce that is adaptive and operationally nimble enough to capitalize on unpredictable market trends<sup>6</sup>?”



## Influencing in a Complex World

Our survey outlined that as well as becoming skilled in analytics and digital technologies and design thinking, HR professionals also highlight other, traditionally, “softer” skills. Of the respondents, 15% indicate their most important skill to develop in 2019 is Consulting / Influencing (see Figure 1) indicating the need to develop skills across the spectrum of problem solving, problem analysis, change management and negotiation. Additionally a further 6% of respondents indicated specifically that managing stakeholders is the most important skill.

In summary, the results of this particular aspect of the survey revealed that 80% of respondents want to learn either analytical, technological or some type of influencing skill. This shows that it is a discreet and specific combination of skills that will enable HR to add most value in the future.

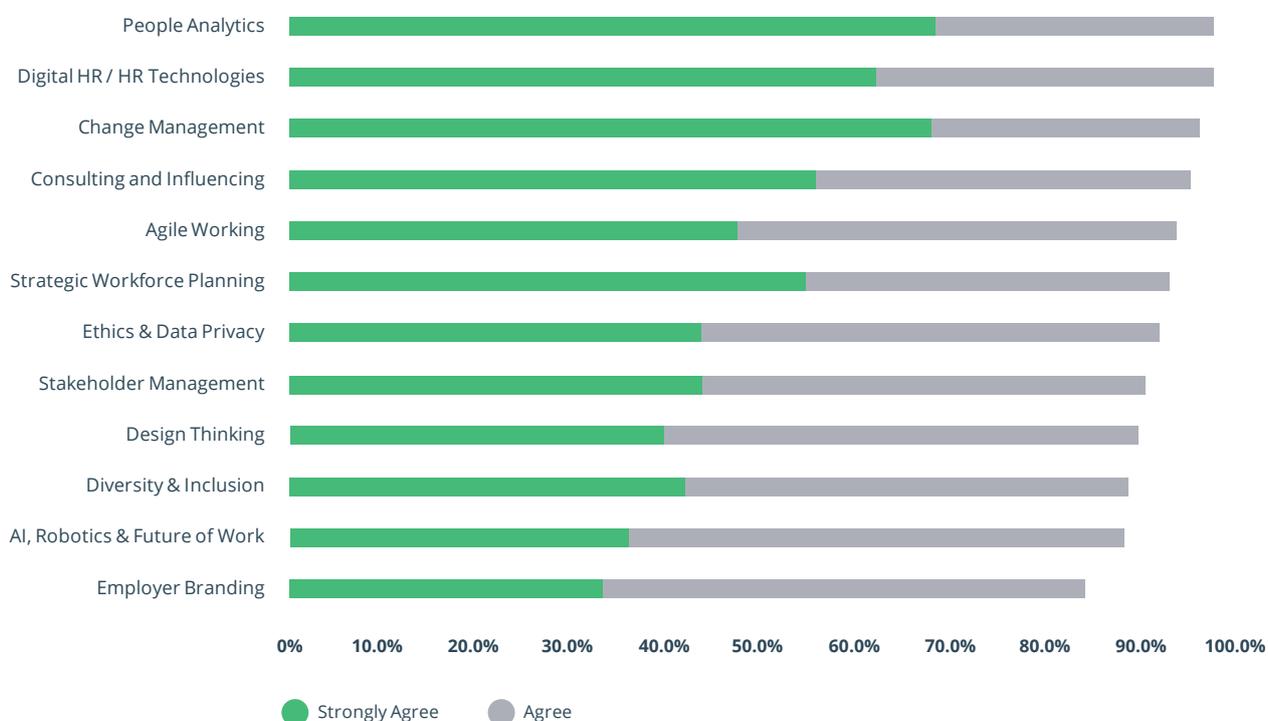
## The Revolution is Here

It is expected that Artificial Intelligence, automation and other advanced digital technologies will impact common conventional processes and systems in virtually all workplaces by 2022<sup>7</sup>.

The critical question is therefore: “Are organisations sufficiently prepared to exploit this transformation efficiently and effectively?”

The best people to answer this question are HR professionals who are situated in a position to both respond to and facilitate the transition.

In summary, for this part of our research, we found that HR professionals believe they need to develop skills relevant to the entire portfolio of HR activity across a broad range of skill areas (see Figure 2). It is clear that HR as a function and HR professionals as individuals want to develop an entire new skillset and learn deeply in all these areas.



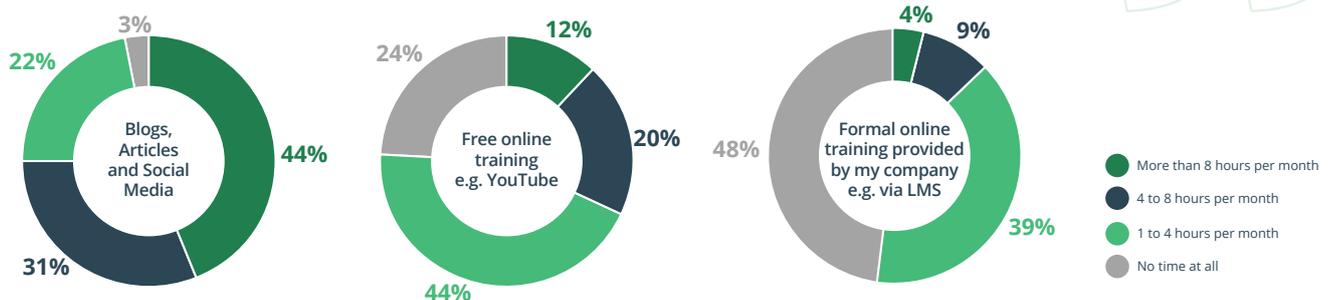
**FIGURE 2:** The percentage of respondents that say that they strongly agree or agree with the statement “In order to prepare for the future, HR professionals need to develop skills or knowledge in the following areas.”

# The Future of Learning

## Learning Platforms

We asked respondents about the strategies they use for learning and the amount of time they spend learning on various platforms every month. The research did show that HR professionals are seeking out learning in line with our earlier observations about their recognition of their own skill needs. However, the learning sources and formats used by our respondents might not be appropriate given the level of upskilling they need.

75% of survey respondents said that they spend at least four hours a month learning from blogs, online articles and social media (see Figure 3A). Around one third (32%) said that they spend at least four hours per month using free sources of online training provided by platforms such as YouTube (see Figure 3B).



**FIGURE 3A, 3B, 3C:** The percentage of survey responses when asked “How much time do you spend with the following learning formats?”

## Organisation-driven learning

Only around half of respondents are using training content provided by their company as a source of learning. In fact, 48% of survey respondents spend no time at all using formal online training provided by their company (see Figure 3C). In fact only 13% use online training provided by their company for more than four hours a month.

This finding mirrors earlier research that shows that even in the context of the digital transformation, many firms do not offer their employees any training at all.<sup>8</sup>

“Learners are desperate for access to training at the point of need and for learning to be available when they need it<sup>9</sup>.”

Our research shows the skills HR professionals want and how they want to learn. In short, they want to learn digitally and socially rather than through formal company-based training.

In order to be able to compete effectively, organisations need to lay the foundations for digital-readiness. Organisations must learn how to harness technology and advanced analytics as resources for enhanced performance and productivity. Sustainable competitive advantage will be driven by diffusing knowledge about how to capitalise on the digital transformation throughout the organisation. That knowledge begins with the HR function.

There is therefore an urgent need for firms to supply their HR professionals with targeted, data-driven and digital learning opportunities that will support the transformation of the HR function in line with current and future changes to the organisational landscape. At the same time, the way that workers learn and want to learn is changing dramatically.

According to LinkedIn Learning<sup>10</sup>, “58% of employees prefer opportunities to learn at their own pace, 49% prefer to learn at the point of need. Talent developers know that they need to rely on digital learning solutions to cater to varied learning needs.” But, organisations are failing to meet the training needs of HR professionals. Learning needs to be offered in bite-sized and informal ways in line with HR professionals’ needs, and the demands of their work.

“Transformation is underpinned by a digital mindset that is a unique interplay of technology, people, and process, and technology can also be used to vastly improve HR processes for employees and managers, resulting in a snowball effect of positivity and paving the way for even greater digital transformation within a business<sup>11</sup>.”



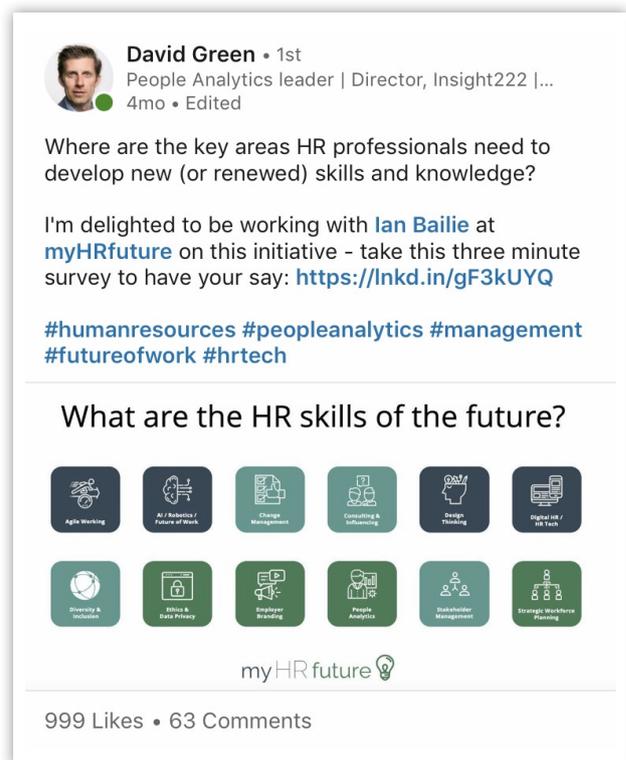
# Methodology

Our survey<sup>12</sup> was sent to at least 100,000 people on LinkedIn and Twitter in late 2018.

This survey was designed to better understand the skills and knowledge areas that are considered critical to the HR function's ability to adapt to a digital age. In addition it was designed to understand what skills HR professionals themselves feel they need to succeed in the future.

The survey consisted of three core questions, one of which had multiple sub-questions in a multi-choice style and one was an open comment question with the option for free text. There were five additional questions of a demographic nature to allow for analysis and therefore allowing for anonymity and confidentiality.

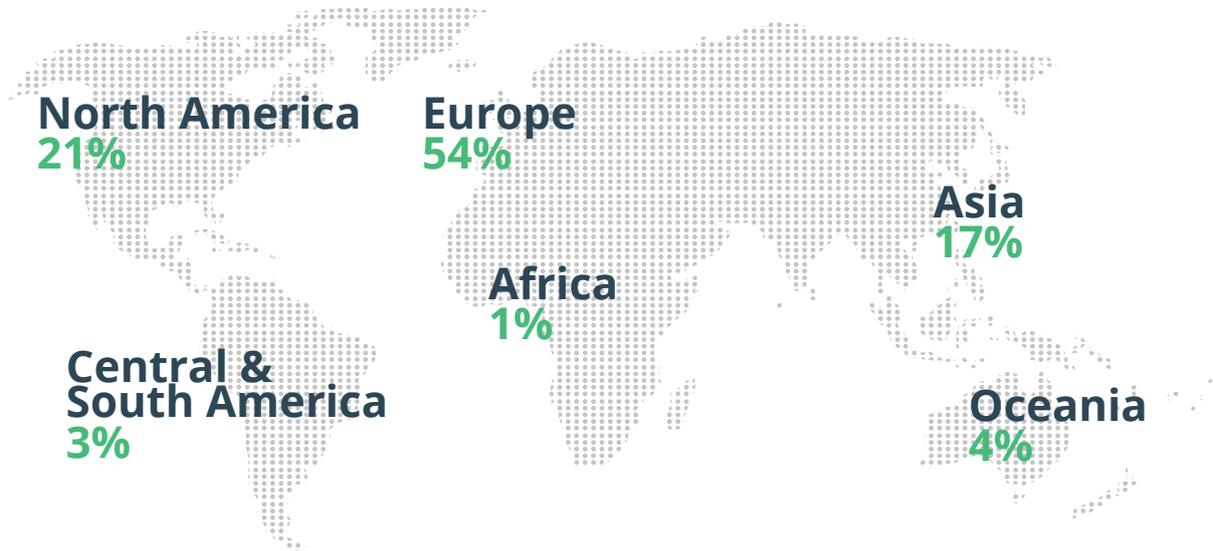
The survey was sent in a post by David Green, Director, Insight222 Limited on 6th November 2018 from his LinkedIn profile<sup>13</sup> (see Figure 4). The weblink was also sent via Twitter and then re-shared, retweeted, liked and commented upon 999 times. Given the size of David's own network, it is estimated that this survey post reached well over one hundred thousand people.



**FIGURE 4:** LinkedIn post published by David Green on 6th November 2018.

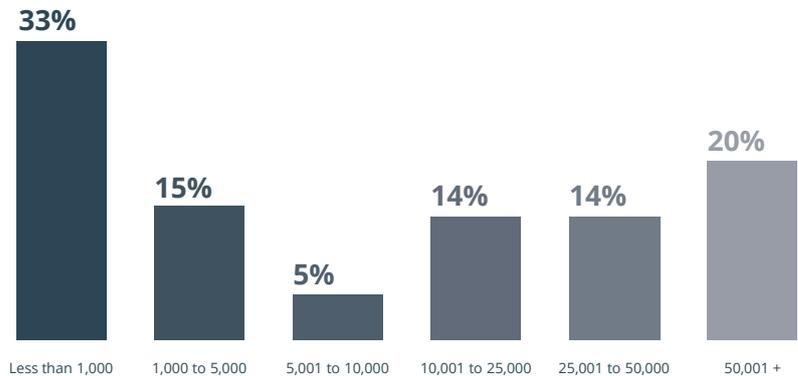
By the end of November over 400 respondents had completed the survey. The data from the survey was analysed based on a 30th November 2018 survey end date.

Taking out incomplete responses, the final analysis was based on 407 professionals from 61 countries. Three quarters of all respondents came from Europe and North America (see Figure 5).

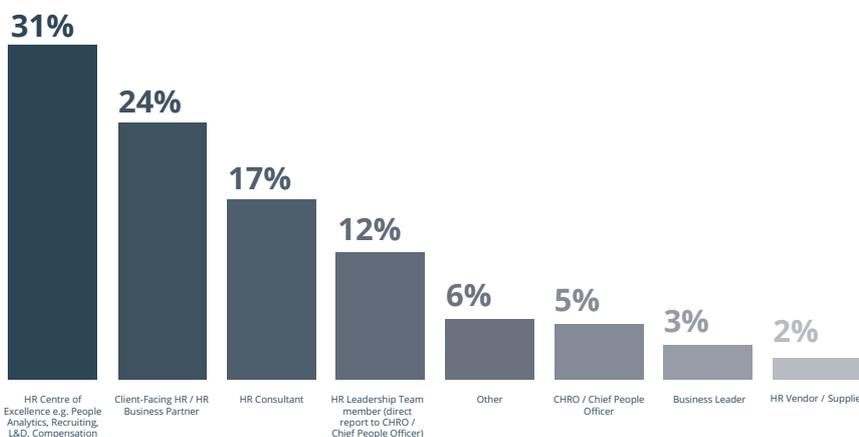


**FIGURE 5:** Regional split of survey respondents

Respondents came from organisations of various sizes with one third of respondents coming from organisations of less than 1000 employees and one third from organisations of over 25,000 employees (see Figure 6).



**FIGURE 6:** Company size of survey respondents



Finally, 72% of respondents consider themselves to have HR as their core role and 19% consider themselves to be a HR consultant or have a role in another HR vendor/supplier company (see Figure 7).

**FIGURE 7:** The role of survey respondents

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13. David Green is a well-known influencer on LinkedIn and Twitter. He has in total 46,967 followers on LinkedIn and 17.5K followers on Twitter as at the 6th March 2019.

# About the Authors

The research and report was completed by:



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## About myHRfuture

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