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Top five trends driving the HR agenda in 2018

By Ronnie Toerien

The relationship between employees and employers is strained. People want to feel a sense of purpose and belonging at work, but many companies are still struggling to deliver. Instead, they cling to the illusion that their heritage carries enough weight on the job market and stick to old ways of working that make staff feel like an afterthought.



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People have responded by flocking to businesses that make their people a priority and offer an engaging employee experience, or by taking on contract and gig work to gain more control over their career path.

HR leaders, in 2018, will continue to face a major challenge in helping their organisation attract, retain and inspire the best people in 2018. Five major trends will shape talent in the year ahead, and the way businesses respond to these will make or break their fortunes.

Trend 1: HR enters the post-engagement age

Employee engagement has been the HR buzzword of the past five years, but while some companies have put a greater focus on their talent and are rethinking their work culture, few are seeing major improvements. Productivity levels around the world continue to stagnate, suggesting more must be done to engage employees.

The issue is that businesses still focus most of their efforts on serving the individual, when in reality 'engagement' is just one element of the wider employee experience. They must also focus on equally important factors like team dynamics and the

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emotional climate across their organisation.

This will be the focus for managers next year, who will need HR's support in developing a complete view of their people and offering them a more rounded employee experience that makes them feel valued. Their aim will be to provide employees with an environment that is mentally and emotionally beneficial, while also enabling them to perform at their best.

In South Africa, we have not experienced the same level of focus on Employee Engagement due to the fact that the employment market appears relatively stable. This is mainly due to the declining economic environment, resulting in the fact that it is difficult getting a job and the priority for most is to hold onto their job rather than exploring new opportunities.

And it's not just employees who have grown complacent; it's businesses too. HR practices in the region still tend to be very transactional and traditional. Talent management as a concept isn't really seen as essential yet, and a large number of businesses in South Africa still aren't really making the most of the full strategic value that can be delivered by a modern, talent-focused approach to HR.

Trend 2: Hiring for competence over confidence

With a skills gap that shows no signs of narrowing and companies still starved for skilled workers, the time has come to rethink recruitment.

This begins with the way companies source candidates, which often reflects unconscious biases that must be uncovered and rooted out.

The interview process itself is also flawed. Too often, it results in people being hired for their confidence instead of their competence. Consider how pointless it is to ask someone apply for an accounts clerk position to do a presentation as part of their evaluation, or to judge them on their interview skills considering the relative autonomy of their role.

HR teams are seeing the cracks in their recruitment processes and will increasingly use a wider pool of data and insight to inform their hiring decisions. This will help them develop new recruitment approaches and strategies so they can ultimately find the right people for the job.

Trend 3: Balancing man and machine

Software and robots are taking on a growing number of repetitive tasks, allowing people to apply their brainpower to more cerebral challenges. For instance, auto manufacturers have automated their production lines, and have now turned their employees' attention to developing the electronic "brain" behind new self-driving vehicles.

In South Africa, the Financial Services industry seems to be leading the way with chatbot technology increasing to provide both customers and employees with more effective and efficient service delivery.

Companies must prepare for change that is coming faster than ever by mapping out a path to automation that not only serves the business' financial goals but also allows workers to thrive alongside new technologies.

As the voice of employees in the boardroom, HR leaders will play an integral role in balancing human skills with machinebased efficiency.

The role of ethics cannot be ignored either. Businesses will ensure the way they use new technologies reflects their values as an organisation, rather than just automating processes because they can.



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Trend 4: Gigging hard

Contract work and the gig economy are only gaining steam, even if the latter has run into some regulatory speedbumps. As of February 2017, 43% of adult Americans spent at least some of their time working remotely.

Whilst the gig economy is starting to gain traction in South Africa, many are looking at entrepreneurship as an alternative work option with the scarcity of jobs.

The more fluid their workforce, the more important it will be for companies to have robust processes in place to support this level of agility. Greater flexibility for people results in greater strain on HR systems and a higher likelihood of things falling through the cracks. Even today, it is not uncommon to hear of contractors with a 13-week deal staying on the payroll for months after the fact.

The underlying HR systems themselves must also be more dynamic and integrated. Managing contractors affects everything from core HR, to payroll, expenses, and labour, to financials and procurement. The list goes on, and sclerotic legacy HR systems simply cannot keep up.

Trend 5: Rethinking reward

Pay will always be important, but above a certain threshold people now place less value on financial reward and put more stock in an employee experience that combines emotional and mental satisfaction with a fair salary.

Job hunters view a company's approach to reward as a reflection of its values. They want to work collaboratively, be surrounded by motivating people and inspirational managers, and they want to feel the company is personally invested in their well-being. All of these factors directly affect their productivity and performance.

Unlike pay, which is purely transactional, these less tangible forms of reward require continuous curation and tailoring to employees' needs. This has always been HR's domain, but never before has getting this right been so crucial to hiring and retaining the best people.

It will take the combined efforts of business leaders and managers to drive these cultural and technological changes in the

business, but HR teams will play a major role in facilitating their progress. By complementing their unique insight into human behaviours with a growing range of employee data, HR leaders can help their organisation to develop new programmes and management approaches that genuinely put people first and make 2018 the year of the employee.

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