

4 trends driving the evolution of HR into a people function

By [Pieter Bensch](#)

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Two major forces are shaping the future of work: increasing automation in the workplace, and a global, flexible workforce that can work whenever, wherever, for whomever.



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People's expectations of employers are changing, and highly skilled resources are spoilt for choice in an intensifying global skills war.

The role of the human resources departments has never been more important. It's also never been this different.

As artificial intelligence (AI) increasingly automates a once admin-heavy function, HR leaders have more time to revive the human touch. That's a good thing, because it's the only way they'll win the skills battle.

These are the trends I see shaping the HR function right now:

1. **Employee engagement will take centre stage**

Businesses have become obsessed with creating positive experiences for their customers. That same vigour should be applied to employee experiences – they are the ones delivering the service to your customers, after all.

Positive feelings towards a business manifest in:

- Feeling valued, appreciated, and acknowledged,
- Flexible and remote working,
- Skills development opportunities,
- An open performance feedback and communication loop that keeps teams in touch with management, and
- A strong employer brand, whose values align with the workforce.

So, how do businesses become '[People Companies](#)' that treat their people as their most valuable asset? The answer is in their data.

2. Data will continue to transform the HR function

Nearly half (42%) of HR leaders [already use data](#) to make people decisions, and 51% plan to access data in real-time within the next year.

Data is becoming more and more critical in HR for two reasons:

First, the more data a business has, the more tasks it can automate through AI applications. This saves hours that would have been wasted on admin, like onboarding, payroll, and attendance management.

Second, the more data HR has about its people and what motivates them to stay (or leave), the better personal experiences it can create. This not only reduces churn but organically attracts top talent.

Businesses are increasingly seeing the importance of integrating their business management systems. With a complete view of their relationships with their people, HR is better able to react to the needs of the workforce, in real-time.

But having all this knowledge comes with a massive responsibility.

3. Data ethics will come into play

AI is growing rapidly in HR. While only 24% of businesses currently [use AI in recruitment](#), another 56% plan to start in the next year.

The more data a business collects, the bigger the responsibility to protect it. HR is a trove of personally identifiable information, which makes compliance with the Protection of Personal Information Act (POPIA) and the UK's General Data Protection Regulation (GDPR) crucial.

As more decisions are left up to AI, businesses must not only protect the data but also ensure its ethical and moral use. HR will need to decide what data is appropriate to collect when trying to improve the employee experience and [building ethical AI](#) will be essential if we want interactions with technology to help people and improve work.

But there's one other challenge: The democratisation of data must lead to the democratisation of data skills.

4. Data skills shortage is shaping training models

The data skills shortage extends beyond technical skills. Every business user in every department – finance, sales, marketing, operations and, indeed, HR – needs data skills to make data-based decision.

By 2020, demand for [professionals with general data skills](#) will increase by 110,000 positions, and [75% of organisations](#) will experience visible business disruption due to skills gaps, up from less than 20% in 2016.

HR has an opportunity to proactively nurture the skills and knowledge it needs to thrive in the data economy. And since we don't know what jobs will exist in future, HR needs to nurture a multidisciplinary workforce and encourage people to learn new things and take on new responsibilities. Traditional training and learning approaches will have to change if HR wants to develop the workforce it needs today and in future.

As HR continues to evolve into a people function, supported and driven by data and analytics, focus will shift to not just finding the right people but keeping them engaged, motivated, and productive.

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