Give your HR function a FACELIFT

The face of HR is changing in the era of the Fourth Industrial Revolution.



BY PROF. DR M AMR SADIK Chairman and CEO of Quodrat Egypt

he Fourth Industrial Revolution is distorting the lines between people and technology, fusing the physical, digital and biological worlds. The impact of those changes on the way people work and businesses produce value will span all industries, economies and societies and redefine the future of work. Businesses will need to adapt to these changes and support the workforce transition at the same time. If managed well, the future of work may be one where many more people are able to fulfil their full potential.

"The fourth industrial revolution will generate great benefits and big challenges in equal measure."

The Human Resources field is in great danger, requiring a time of great self-reflection, evolution and format change as we enter the new era of the Fourth Industrial Revolution, with burgeoning new hardware and software technologies.

The American futurist, Martin Ford, in his book, Rise of The Robots, suggests we are entering the age of robots that will threaten some jobs.

That is why we ought to restructure our way of thinking in order to stay alive and, consequently, we have to ask ourselves tough questions, analyze thoroughly and seek some answers.

WHY HAS HR MANAGEMENT FAILED?

This is always a tricky question, but we need to dig into the underlying causes of HRM failure to deliver strategic worth and adopt new models.

HRM is a recent phenomenon that has grown primarily from the needs of organizations over the last three decades, and it is interdisciplinary in nature that is influenced by various fields such as economics, psychology, organizational behavior, education and finance.

As a veteran, as well as a practical-academic for more than a quarter of a century, I can assure you that there are few legitimate reasons in your hand, and some other reasons beyond your control for the failure of HRM. Thus, while we cannot control these things, we can certainly discuss them.

Some of the main contributory factors for the failure include:

- 1. ignoring self-learning and development;
- 2. micro management;
- 3. prioritizing systems over people;
- 4. laxity to measure employee satisfaction;
- 5. the confusion between Personnel Management (Administrative role) and HRM roles:
- 6. overlooking measuring what matters most; and
- 7. being overwhelmed with new HR themes.

HR leaders must keep up with constant changes every day, from juggling stakeholder demands to managing the needs of the company. On top of this, they must diligently support their

company's biggest assets, their people. People are more important than any other component of an organization.

Fundamental changes are also afoot in workplaces and how people work. No sector is feeling this more right now than HR.

HR leaders are also constantly trying to raise their profiles, as the function moves from the backroom (basement) to the boardroom, by elevating the importance of effective peoplefocused HR strategies in business growth.

This is a tremendous amount to deal with and, with these rapidly shifting dynamics, HR teams and companies find themselves at a crossroad.

Finally, think about that general definition of HRM and use the Wikipedia definition, "HRM or HR is the strategic approach to the effective and efficient management of people in a company or organization such that they help their business gain a competitive advantage. It is designed to maximize employee performance in service of an employer's strategic objectives".

Now ask yourself: Am I delivering that?

ARE WE CORRUPT?

Do not get surprised, upset or even raise your eyebrows. Yes, HRM, to a certain extent, has been corrupted. Corruption, particularly in the form of favoritism, nepotism, political loyalty and abuse of authority can affect all HR Management processes, including the management of recruitment and promotions, compensation, conditions of services and personal records as well as training and development.

This is rendered possible by unchecked discretionary power, lack of integrity, accountability, checks and balances and transparency in the overall administration of HR services. Corruption is as pervasive and persistent as corruption in other walks of life.

Now please ask yourself again and be sincere: if I were to be replaced by a robot, will the corruption still be in place or will it be avoided and eliminated?

WHAT IS GOING ON?

The winds of change are continuously accelerating, and the transformation is an

MAY 2022 18

endless journey - from the first signs of HRM in China and Ancient Greece towards the 1st Industrial Revolution in the 18th century, to Personnel Management in the 1920s that evolved to HRM and Strategic HRM in the 1980s, ending up with Talent Management today.

This significant transformation has been spurred on by external pressures such as globalization, technology and overall changes in society, including legislation and changes in values and beliefs.

Now, traditional work environments have given way to hybrid, remote or in-person only arrangements. The current drivers of change that force us to reshape ourselves are:

EXTERNAL FORCES

• Digital transformation & Al: Rising of the Gig Economy; The War for Talent; and Competitive advantage.

INTERNAL FORCES

 Employee Experience; Operational excellence; and Employee expectations.

The world of business generally has become more focused on the impact of people, motivation and engagement as a critical differentiating factor in the race for success and sustainability. This is why the pressure on HR - the people function - to optimize its impact and contribution to the bottom line has also increased.

CHANGING FACE

Can accelerating technology disrupt our system to the point where radical restructuring may be required if prosperity is to continue?

Change is here to stay. You cannot run away from it; you cannot make it go away; you cannot return to the "good old days"; you cannot continue to do your job as you have always done it. Technology is changing every aspect of work.

Unfortunately, we are assuming that technological innovation leads to worker productivity that leads to rising wages, which leads to increased worker spending power that leads to an increase in demand for goods, which leads to more technological innovation to supply those goods.

We've also assumed that this cycle is infinite, but the bad news is we are quickly realizing that technological innovation is cutting this cycle short by replacing workers altogether as machines replace labor.

The current industry revolution brings endless and limitless opportunities in the form of technological advancements through which organizations can adopt to work more quickly and efficiently.

Despite the potential positive impact of technology on economic growth, it is nonetheless essential to address its possible negative impact, at least in the short term, on the labor market.

Innovative technologies like Internet of Things, Artificial Intelligence and Big Data are serving to atomize most of the HR processes. They are transforming traditional HR into HR AI. AI systems in organizations are ready to inform the prevailing performance and day-to-day functions.

The 4th Technological Revolution has redefined the world of work. A new set of skills needs to be defined and made available to organisations of the future and this challenges the HR function to operate in a significantly more complex, interconnected, unpredictable and evolving environment.

We can conclude that, in order for companies to be able to cope with the transformational challenges of the current revolution, it is essential, that they develop a successful Smart HR AI strategy. New technologies such as Big Data and Artificial Intelligence will automate most processes in the Human Resources Department, leading to more efficient and leaner HR teams.

Changes in organizational structures and leadership styles will be necessary for the effective implementation of Smart HR AI, which will allow it to play a more strategic role in the overall growth of the company.

The following facts should be taken into account:

HR specialists must be able to identify the skills needed for the sector in which their organization is active. At the same time,

they must define the new skills that the 4.0 era can brina;

- HR needs to be more digitally focused;
- HR specialists need to keep up with technology trends to stay ahead of the competition;
- Greater interconnection and integration must be utilised. HR should actively reform communication with internal and external clients.
- Focus on new, modern and efficient communication tools.
- Retraining must be prioritised. In addition to managing their own changes, the Human Resources Department will also have to cope with the challenge of retraining other areas within the organization.

HR needs to be involved in identifying what roles can be automated or robotized and what roles should be done by humans. In identifying what skills are required, HR teams can develop staff internally and recruit accurately externally. At the same time, HR departments will need to help their people adjust and stay relevant in the new world of work.

CONCLUSION

The 4th Industry Revolution has already started. More and more industries and work processes are being digitized and automated over time. It is important to adapt to this trend in order to maintain productivity growth and to enable organizations to respond quickly to environmental demands.

Many organizations are already implementing new strategies and strengthening the capacity to accept change is essential throughout the organization. In terms of personnel, it affects all processes, from recruitment and daily operations to communication and remuneration systems.

In this context, many questions arise as to how these changes will affect our work and life. The answers may be different, but the position and tasks of the personnel areas in organizations will certainly be different from the present.

PROF. DR M AMR SADIK is Chairman and CEO of Quodrat Egypt. He is an HBR Advisory Council Member, Adjunct Professor at Victoria University, Middle East Programs, Switzerland, and Adjunct HR and Strategy Management Professor at IPE Management School Paris.

BOLD SOLUTIONS FOR HEALTHIER COMMUN LANGUAGE THAT WORKS **TO IMPROVE VACCINE ACCEPTANCE Communications Cheat Sheet**

TIPS



H

TAILOR YOUR MESSAGE FOR YOUR AUDIENCE. Americans' perceptions about vaccines and their safety differ by political party, race, age, and geography.

EXPLAIN THE BENEFITS OF **GETTING VACCINATED. NOT IUST** THE CONSEQUENCES OF NOT

DOING IT. Say, "Getting the vaccine will keep you and your family safe," rather than calling it "the right thing to do." Focus on the need to return to normal and reopen the economy.

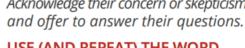


TALK ABOUT THE PEOPLE **BEHIND THE VACCINE.** *Refer to the* scientists, the health and medical

experts, and the researchers - not the science, health, and pharmaceutical companies.



AVOID JUDGMENTAL LANGUAGE WHEN TALKING ABOUT OR TO PEOPLE WHO ARE CONCERNED. Acknowledge their concern or skepticism





USE (AND REPEAT) THE WORD "EVERY" TO EXPLAIN THE VACCINE **DEVELOPMENT PROCESS.** For

example: "Every study, every phase, and every trial was reviewed by the FDA and a safety board."







MAY 2022 20



Use These Words MORE:

Use These Words LESS:

The benefits of taking it

Getting the vaccine will keep you safe

A return to normal

Your family

Medical experts

Research

Medical researchers

Damage from lockdowns

A transparent, rigorou's process

Safety

Pharmaceutical companies

Advanced/ groundbreaking

Vaccination

America's leading experts

Skeptical/concerned about the vaccine

The consequences of not taking it

Getting the vaccine is the right thing to do

Predictability/ certainty

Your community

Scientists/health experts

Discover/create/ invent

Drug companies

Inability to travel easily and safely

The dollars spent; number of participants

Security

Drug companies

Historic

Injection/ inoculation

The world's leading experts

Misled/confused about the vaccine