CAHRS Working Group—Emerging Technologies and the Future of Work

September 24, 2015 — Palo Alto, CA

Opening Comments

Tracy Keogh, who is senior vice president (SVP) of human resources (HR) at HP, kicked off the session with a brief presentation on the change management process that facilitated the company's very successful transition to Workday. Following an active discussion of that topic, Jo Dennis (SVP of HR Personal and Printing Systems at HP) did a segment on the "New Style of Work" study that was conducted at HP under her leadership. These two presentations

On September 24th, 2015, Cornell Professor of HR and Chair of the same department Lee Dyer and CAHRS Managing Director Steve Miranda facilitated a day-long Working Group (WG) on the topic of "Emerging Technologies and the Future of Work." The session focused on what various CAHRS organizations are doing to improve the quality of their own internal HR teams. The WG was held in Palo Alto, CA and attended by 19 individuals from 11 CAHRS partner and guest companies. These included Citi, Ericsson, Flextronics, General Electric, HP, LinkedIn, Mastercard, Microsoft, Protective Life, Visa, and the ILR School of Cornell University.

obviously got the creative juices flowing, and subsequently the day morphed into an extended give-and-take session that touched on a number of issues pertaining to the future of work. What follows is an attempt to capture the essence of the day's discussions. Although no attempt was made to reach conclusions or decisions on the various matters that were discussed, in some cases general agreements did seem to emerge and these are emphasized below. (It should be noted that, as is the custom, this Working Group was conducted under the "modified Las Vegas rule" – everyone is encouraged to speak freely and no one is to be quoted or cited outside the room.)

What Sorts of Factors Are Expected to Shape the World of Work For the Foreseeable Future?

Generally, the group coalesced around a number of factors that will affect human resources in the foreseeable future: globalization and especially global competition, consumerization (the drive for low prices coupled with expectations of mass customization in the marketplace), new technological developments, and changing demographics (leading to company workforces consisting of as many as four or even five generations of employees). While to some extent each organization will respond to these precipitating factors in its own way depending on its extant business imperatives and culture, some patterns of responses seem more likely than others. For example:

- Organizational structures probably will become even flatter and less hierarchical over time, but it is unlikely that hierarchies will disappear any time soon. More likely there will be an increasing number of organizations adopting "soft hierarchies" in which managers exert a minimum of command and control and rather put much more emphasis on connecting with, guiding, and coaching their direct reports. In these settings, line managers will be held increasingly responsible for managing their workforces, while HR will stop doing the job for them and instead morph more into a background role focused on providing essential information and support.

- Organizations increasingly will find it necessary and indeed wise to import the notion of mass customization from the marketplace to the workplace. That is, as consumers, employees will become more and more used to living in an on-demand world, getting what they want when and where they want it. Naturally, they will begin to bring this expectation to work. One-size-fits-all solutions necessarily will give way to more individualized work experiences ranging all the way from choices about where, when and how to work, through customized career paths, to individualized packages of pay, benefits, and perks.

- Despite the forces favoring greater flexibility and choice with respect to where and when to work, the take-up here has been and may well continue to be slow. To a large extent this seems to be because of managements' concerns about security and privacy especially when it comes to the use of social and mobile technologies. The conflict between employee desires or even demands to be able to use familiar technologies at work and the reluctance of employers to take on the risks involved seems to be one that will take some time to resolve.

- Similarly, virtually all organizations face continuing challenges with respect to work-life integration (work-life balance). On the one hand, emerging technologies make it easier to flex work in a way that makes it possible to intermingle personal and work-related tasks (e.g., attend a child's school play during the afternoon, but make the work up at home during the evening). On the other hand, these same technologies make it increasingly likely that employees are expected to be "always on," which is especially challenging for those working on virtual teams that span the globe. At this point, it isn't clear that many, if any, companies have cracked the code on this conundrum either.

- The rapid emergence of new and increasingly sophisticated technologies will create a need for competencies that many of today's employees lack. Given the general reluctance of companies to invest in retooling their workforces on a large scale (perhaps because of concerns about the poaching of talent), the natural tendency is to rely on blended workforces while slowly "switching out" skill sets by laying off those who cannot or will not adapt and hiring in those who possess essential knowledge and skills. The question, however, is whether this is a sustainable strategy if many companies head down this road and labor shortages begin to develop (especially in the United States, where schools and even universities are failing to develop essential competencies for a 21st century workforce).

- Some firms have turned to "HR hackathons" (also known as "innovation sandboxes" and "innovation challenges") to find qualified talent, while also reaping some helpful hints on how to deal with difficult issues. While such hackathons are commonly used by high tech firms to find programmers and the like and to generate creative solutions, it is unclear whether the idea will spread beyond high tech or catch on

in HR circles.

- To the extent companies feel the need to do more to develop their employees it is unlikely that they will resort to force feeding via formal training programs. Rather they will continue to turn almost entirely in the direction of creating opportunities for employees to get the development experiences they need, while leaving it up to them to take the initiative. Nearly all such opportunities for training and development will be offered either on the job, often peer-to-peer, or online frequently on a just-in-time basis.

- The issue of performance management has vexed many companies for a long time and promises to continue doing so for a long time to come. Since it is difficult to find organizations or employees who are satisfied with the status quo, many companies are experimenting with alternative approaches. The general trend surely is away from annual appraisals by bosses using formal rating scales and/or 360-degree evaluations and toward more frequent conversations between superiors and subordinates aimed more at development than evaluation. Still, organizations must make tough decisions about pay, promotions, and terminations and it remains unclear how best to do these things if the dreaded 9-box tool and its ilk are relegated to the trash heap.

- In many firms, HR is under the gun with respect to data management in part to keep pace with development in workforce analytics and in part to assure that their systems are accessible, seamless, and effortless in the eyes of managers, as well as employees. The goal is to foster a "self-service" environment that requires a minimum of involvement by HS staff. It appears that Workday is becoming the Enterprise Resource Planning (ERP) tool of choice. One challenging issue for firms is whether to adopt Workday (or other systems) pretty much "as is" or to move toward customization. In general, the trend seems to be in the direction of the former approach, while developing separate applications to provide the customization required. Increasingly, algorithms based on workforce analytics are being used to handle a host of routine cases, although care must be exercised to avoid losing the personalized experience in the process.

- There is concern in some circles that HR's new fascination with data, workforce analytics, and ERP systems is causing the function to lose sight of its employee-relations responsibilities. This has led at least a few firms to separate their business partner roles, with some focusing solely on supporting the business and others focusing solely on employee-relations activities. Obviously, this puts a premium on the maintenance of good communications and collaboration between the two roles.

- Taken together, the preceding trends assure that organizations will continue to need world-class HR in the years to come. To take full advantage of this opportunity, HR managers and professionals must persist in

developing their expertise not only in delivering operational excellence in all they do (the "table stakes," as they say) but also in developing the capacity to assist line managers in developing the world-class workforces that will be required if their organizations are to succeed in attaining sustainable competitive advantages in an increasingly challenging world.

This Summary Report was prepared by Lee Dyer and Steve Miranda for use by participants of Emerging Technologies and the Future of Work Working Group.

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