



HR & The Digital Age

June 2015

Executive Summary

In today's world two of the biggest investments a company has to make are in its people and its technology. With ever increasing globalisation of business and technological advancements becoming more and more integral into the life blood of an organisation, how companies adapt and utilise technology is increasingly important and can have a massive impact on the success of a business.

Technology is now integral to people's everyday lives, from the rise of social media to on-line shopping; those organisations that are able to rapidly adapt to take advantage of these technology trends are blossoming within the market.

With this in mind, we wanted to get a feel for how HR professionals feel technology is currently being used by their organisation, understand the impact (if any) it is having on their roles and whether or not it is easier or harder.

Is a digital strategy a key component to help form the human capital strategy of a business in the 21st century, or does it not feature at all on the HR agenda?

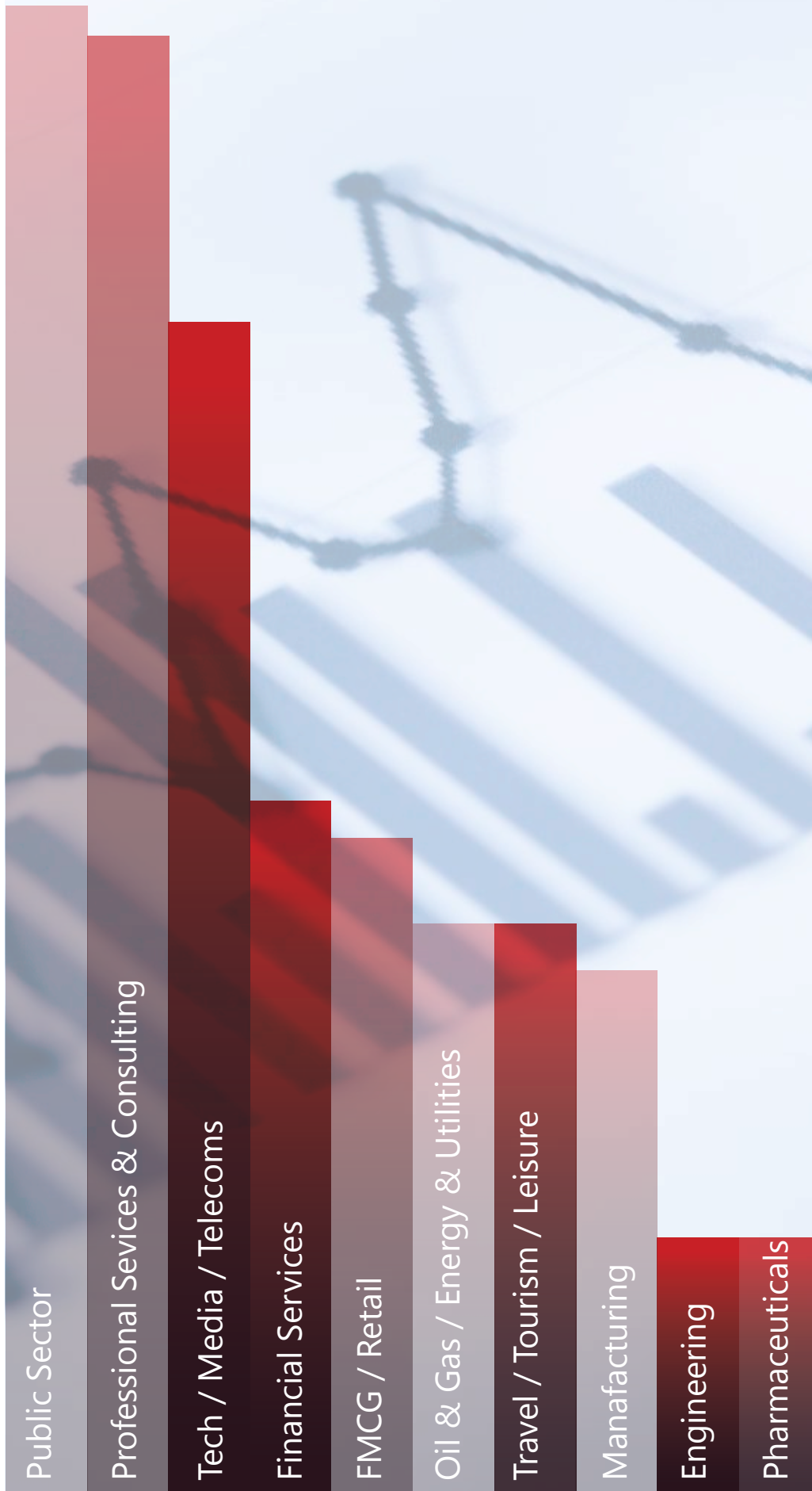
Our survey and resulting report aims to provide an answer to this question, and to look at what impact this information will have on the HR strategies of the future.

Breakdown of Respondents by Company Size



Breakdown of Respondents by Industry Sector

23% 22% 16% 9% 8% 6% 6% 5% 2% 2%



Digital HR Strategy

A startling 73% of respondents admitted to not having a digital HR Strategy, yet 72% ranked the importance of having a digital strategy to the success of their business as a 7 out of 10 or higher.

For those who considered having a digital strategy as vital to the success of their future business, it's all about the new generation of employees. They have grown up in the digital age and companies need to make sure they move with the times to ensure they are seen as an attractive employer to this new generation of talent.

72% of respondents felt that having a digital HR strategy was important to the success of their business, yet 73% of respondents admitted to not having one.

Streamlining processes, increasing efficiencies and reducing costs were also highlighted as an important reason to have a digital strategy, to provide visibility and connectivity to current employees and future potential hires.

6% of respondents ranked the importance of having a digital strategy as 4 out of 10 or less with some feeling that there is now too much emphasis on social media and technology which will never be a replacement for face to face human interaction.

Opportunities and Fears

- > In addition to the advantages listed below respondents felt that digital technology helped raise awareness and supported the development of their employer brand.
- > One respondent commented that the rise of digital technology meant exciting times for HR Teams who are in a prime position to help businesses to change and develop their new digital products and services.
- > Concerns around loss of data and issues around security and regulation of HR data were raised by a number of respondents. Concerns were also raised around the speed at which change can be implemented to keep up with the technology revolution and ensuring that both legislation and organisations can keep up with these changes to protect their businesses.
- > Other key disadvantages cited were the lack of engagement from employees and resistance to change, both of which can impact the integrity of data and technology.
- > Additionally, respondents felt a blended approach was best to ensure technology is not the sole method of measurement and communication, to make certain the human element is not lost all together.

What advantages does digital technology bring to the HR function?

80%

Helps us be more efficient

73%

Visibility / accuracy of data

66%

Ability to manage remote desperate workforce

61%

Helps us link HR activities together

53%

Positions HR as more to the business

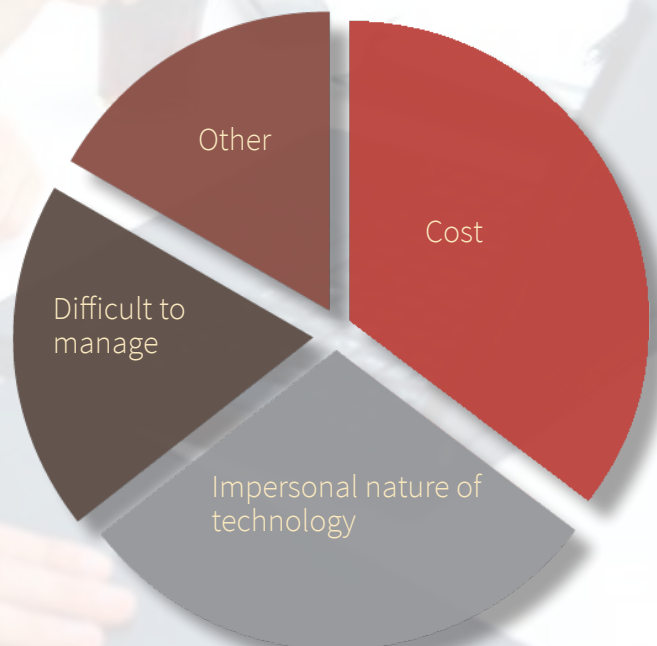
11%

Other

Where does digital sit in relation to other HR Priorities?



What are the disadvantages - What is your biggest fear in the digital age?



The most important things employees are looking for?



> Flexible working opportunities and structured career development opportunities both came out at the highest level with 60% or more of the respondents highlighting these as the most important things they are looking for from an employer. Both of which have been massively improved and made possible with the use of technology to support them.

> Interestingly one respondent felt that employees are now looking for different relationships with their employers. Rather than a hierarchical career progression employees want to be given opportunities to learn and gather capabilities and skills in a less formal environment.

“ Employees are now looking for a different type of relationship with their employer. ”

When asked how confident they were about meeting the needs of the work force in the digital age, the majority of respondents were quite unsure.

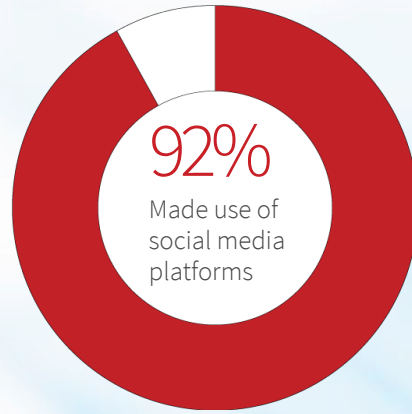
> Many felt the cost of investing in technology was a barrier to implementing the right systems to meet the needs of the workforce in the digital age, so ranked their confidence as medium to low.

> The overwhelming theme however, for those who ranked their confidence as between 4-6 out of 10, was that it is very much a work in progress. Systems and procedures are in the process of being implemented but many feel they are still at the beginning of this journey.

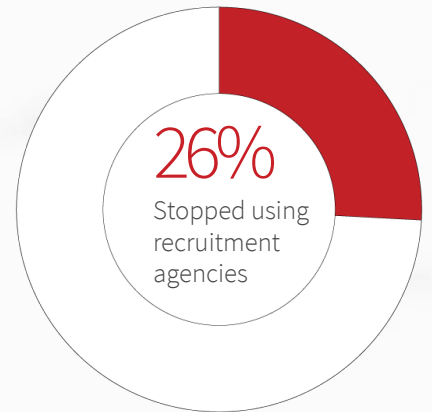
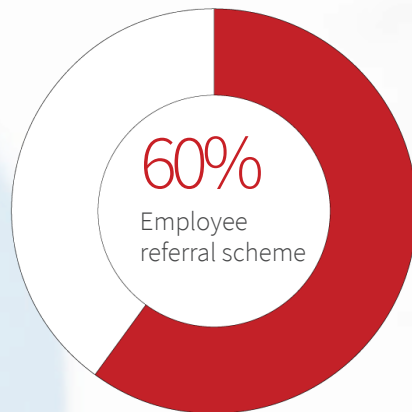
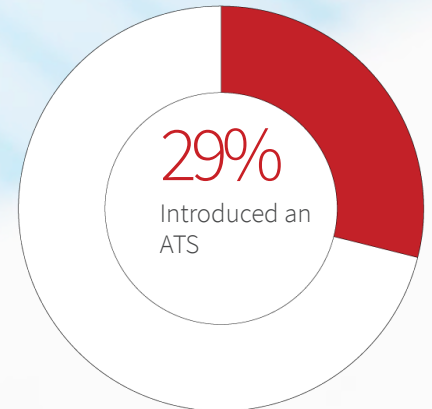
“ Flexible working and structured career development are what employees want most from their employers in the digital age. ”

HR & Technology

- > 59% of respondents said their managers had access to digital tools to help them manage their workforce remotely, meaning almost half do not.
- > 51% admitted that their employees did not have access to digital tools to give feedback, suggesting this is something that is often over looked in many organisations.
- > 49% said there was no alignment between their HR and Technology Budgets; however 34% did admit that this is something they would like to do.
- > 54% admitted they were planning on deploying tools for their employees / managers over the next 12 months.



How Talent Aquisition has changed



Talent Aquisition & Retention

It was a pretty even split when it came to who had adapted their talent acquisition policies in recent years to be fit for the digital age, with 49% stating they had change the way they acquired talent:

> However, despite 51% saying they had not adapted, 89% of respondents believe that the digital age has impacted the way organisations attract talent

> The majority of respondents felt that social media had had the biggest impact on talent acquisition stating that organisations need to utilise those channels more to reach the passive candidates.

> The wealth of information available to potential candidates and the ability to reach a wider audience were also cited as having an impact.

> Other changes made included introducing virtual meetings, defining a social media policy and encouraging staff to make use of social media, not only for talent acquisition, but for learning and development and information sharing.

> 64% of respondents felt the digital age had had an impact on the way organisations attract and retain talent, with the growth of social media being cited as having the biggest impact.

Everyone is more accessible because of digital channels, meaning other employers have an easier route to passive candidates.

> Increased connectivity means that social media can have a massive impact on brand, which is great if the message is positive, but bad if the message is negative as the impact is also huge. HR are therefore focused on building the brand in a positive way through media channels and trying to ensure technology touch points for candidates leave them with a positive experience.

> 64% of respondents feel the digital age has impacted the way that organisations retain talent. Ways in which they have seen this happen include:

- o Technology and systems have allowed access to information around performance to be more visible and quicker to obtain, allowing for clearer snapshots of high performing talent.
- o Clearly defined career paths and structures mean that it is easier for employees to identify career and development opportunities leaving.
- o Technology has given employees a vast array of tools to enable them to do their roles more efficiently and effectively leaving them more engaged.
- o Easier oversight of the market means employees are more aware of external opportunities and accessible to competitors, so investment has had to be made to ensure employees remain engaged.
- o Technology has allowed organisations to offer more flexible working opportunities as remote working has become more accessible and cost effective.

> 72% admitted they would like to improve retention levels in their organisation, but a number of respondents felt they had take positive steps towards improving retention though initiatives such as:

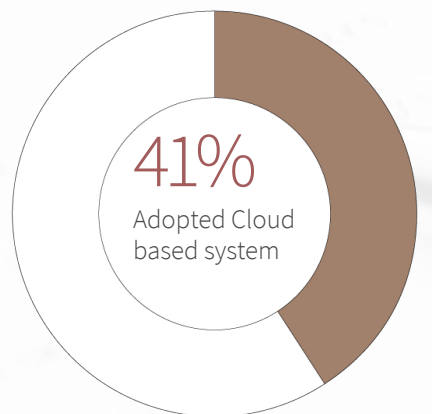
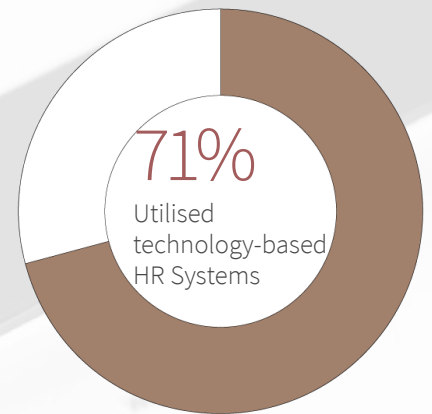
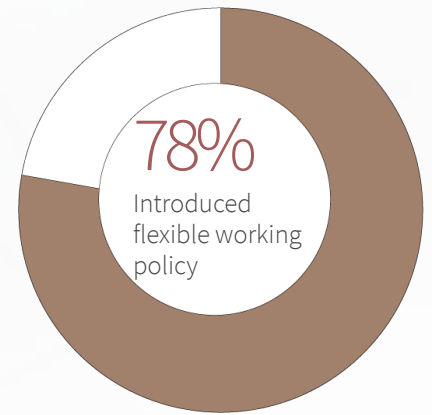
- o Appraisal and bonus schemes
- o Flexible working and employee incentive schemes
- o International jobs swap opportunities
- o Training, coaching and mentoring programmes
- o Employee engagement groups

“72% admitted they would like to improve retention levels in their organisation”

> When asked what initiatives respondents would like to implement to help improve retention many cited better line management practices and improved career path mapping as key points.

> Other initiatives include flexible working and improved rewards and benefits packages as well as training and team building activities.

59% admitted to adapting their traditional HR talent acquisition strategies to respond to the digital age, making changes such as:



Reporting

We asked what kind of HR reporting is available within your organisation:

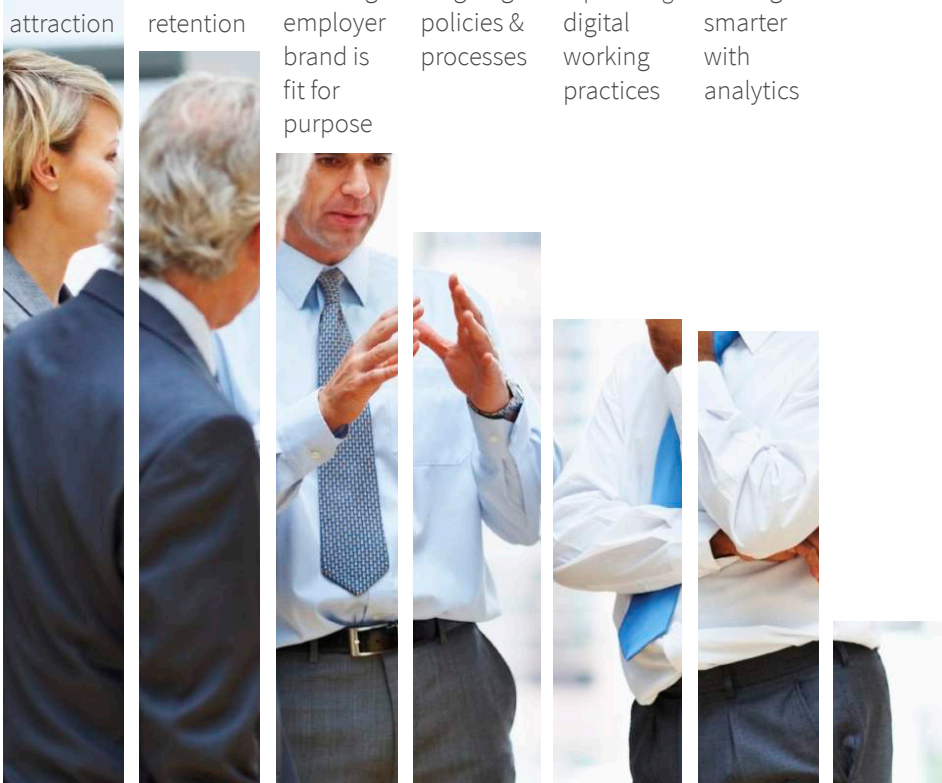


- > Interestingly only 12% of respondents had access to advanced analytics with the vast majority (87%) only having access to basic reporting.
- > 43% of respondents said they didn't trust the accuracy of their management information.
- > A surprisingly 61% said they didn't measure the ROI of their recruitment activities. Of those that did measure their ROI only 31% said they used technology to help them do so. 37% said they didn't currently but would like to in the future.
- > Whilst the majority of respondents said they didn't measure their ROI on recruitment activities 79% said they did measure employee retention, with 51% stating they used technology to help them do this. Given that 72% of organisations wished to increase retention levels it is unsurprising that this measurement takes priority.

Looking to the future

Top priorities from an HR perspective in 2015

73	70	61	55	42	41	13
Talent attraction	Talent retention	Ensuring employer brand is fit for purpose	Aligning policies & processes	Implementing digital working practices	Getting smarter with analytics	Other



- > When asked if they felt the human element of HR has been lost in the digital age 76% of respondents said no.
- > However, 51% of respondents felt there was a danger of the human element being lost in the future.
- > When considering how the world of work might change over the next few years many respondents felt that remote and flexible working would become more and more common.
- > Technology such as virtual meetings and going paperless were also mentioned.
- > Globalisation and having a multi generational workforce was also cited as having an impact in the future.

Finally, we ask what would be the one piece of advice you would give to others when it comes to ensuring your organisation is fit for the digital age.



Engage and Listen

- > Engage with your employees, ask them what they need and what they would like to enable them to work better and smarter. And most importantly listen to what they have to say, and take action.

Invest in Technology

- > Consider your core business and how technology can make its delivery more effective, and then invest it, wholeheartedly.
- > Empower your employees with the right digital tools, trust them to use them wisely and measure them on real results.
- > Invest in technology that is adaptable and future proofed to keep up with continuous advancements.



Conclusion

In summary, it is clear that the majority of HR professionals understand the importance of having a digital strategy and the appropriate systems in place to maximise efficiencies and save on costs where appropriate. The increasing focus on attraction and retention of the next generation in the digital age is also seen as a key driver for this, but in reality most organisations are not really where they want or need to be from a systems or technology perspective, and a clearly defined strategy is definitely a work in progress for many.

Cost is a key factor to implementing new technology solutions, particularly for smaller organisations where the need is reduced due to size and scale of the business. However, even within larger organisations, there is a key balance between the cost of the system, and how it is embedded to ensure that the efficiencies and clarity in data are correct and they are able to utilise this in the best way to ultimately save costs. For all organisations the implementation of various technology systems is still very much a work in progress and will be an ongoing trend as technology continues to evolve.

In the increasingly connected and global world information on organisations and employees is increasingly accessible. This means that HR professionals have been forced to make changes to both talent acquisition and retention strategies to keep pace with the evolving markets. Technology has given them the means to build more effective direct sourcing strategies, through Applicant Tracking Systems and social media, which provides easier access to passive candidates and allows organisations to build on their employer brand to mark themselves as an attractive proposition.

It has already given high cost savings to a number of the respondents, thereby reducing their recruitment budgets. It also allows more effective measurements on performance and the ability to be able to track high performers and non-performers, as well as giving employees tools to complete their roles more efficiently.

Technology has also allowed organisations to drive engagement strategies through clearly identified career paths and succession planning, access to on-line training and development initiatives and the ability to be more flexible with regard to remote working.

On the flip side, it has meant that their employees are more easily targeted, so they have to work increasingly hard on retention strategies. People are struggling with information overload as they are bombarded with too much information and conflicting messages. Negative messages on brands can very quickly go viral and have a huge impact on organisations, including a risk that individuals working remotely will feel increasingly disconnected.

HR professionals have to be incredibly agile to keep this balancing act between the positive and negative impacts and quickly adapt policies and regulations to both embrace new technology and protect the organisation.

When looking at the current HR reporting organisations have in place, the vast majority only have access to basic reporting around headcount etc with only a few having access to the advanced analytics. But as previously stated, this is still a work in progress and as organisations continue to embrace technology, high visibility and the ability to target more complex trends impacting the employee population will

become increasingly attainable, enabling the ability to drive high performance.

Looking to the future key priorities for HR continue to be around talent attraction and retention, but will still involve digital technology to support these practices. As one individual cited “digital is like air, absolutely everything: communication, ways of working and expectations of a brand is now infused with people’s experience of what digital technology can do.”

This highlights the fact that technology touches all parts of our lives and in order to survive businesses must ensure they have a strategy that is suitable for their business size, scale and scope to both function as an organisation, measure performance and attract and retain employees.

“The role of HR is key to utilising digital technology whilst ensuring the human element is retained”

The role of HR is key to utilising digital technology, whilst ensuring the human element is retained to ensure people do not feel like a commodity. This is a fine balancing act, and as technology continues to evolve, so must the strategy for the business.

Whatever the future holds it will be a constantly changing environment and HR must ensure employees are primed and ready for change to take advantage of the technological advances!

About Us

McGregor Boyall is a global recruitment consultancy with over twenty-seven years experience and offices in London, Manchester, Edinburgh, Reading, Dubai and Singapore.

Established in 1987, we have built an unrivalled reputation for helping organisations recruit the very best talent to ensure that they realise their business and operational objectives. We have been successful due to the professionalism, sector knowledge and experience of our consultants. It is their commitment to high levels of service and effective delivery that has allowed us to develop a deep pool of candidates who consistently turn to McGregor Boyall when searching for a new position.

Clients are seeking a strategic delivery capability which they can trust. The delivery capability needs to work at the highest levels within organisations, develop the strategies and also deliver the key changes required at pace. Our specialists can provide this capability.

Whether you are looking to hire or seeking a new position yourself, McGregor Boyall is a natural and effective first point of call.

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