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HR Transformation

How can we accelerate Transformation through Digital

October 2021

MAKING AN IMPACT THAT MATTERS since 1845

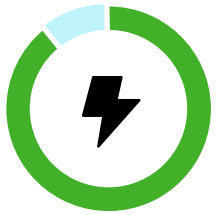
Deloitte.

Agenda

1. Not **IF** Digital but **HOW**?
2. What do we mean by Digital Maturity?
3. How to approach transformation in HR?
4. Polpharma Case Study with Katarzyna Bieńkowska, group CHRO.

MAKING AN IMPACT THAT MATTERS since 1845

Organizations must become Digital to Operate Effectively in this New Workplace

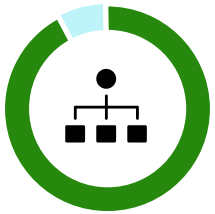


87%

believe digital will disrupt their industry

11%

believe their current talent pool can compete

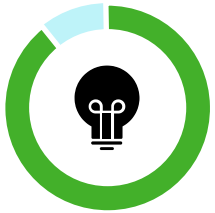


92%

of organizations are not correctly structured to operate in this new environment

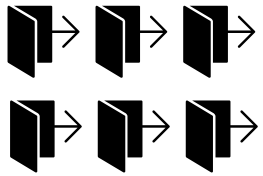
70%

need a whole new talent base to compete



87%

don't have the right leaders



6x

Leaders not getting new digital skills are more likely to leave their org within the next year

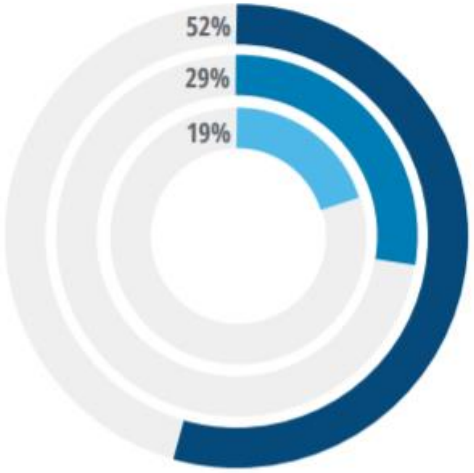
Source: MIT SMR and Deloitte Digital business research

Digital Transformation is **essential**

Companies expect to face new digitally mature competitors (commercial respondents only)

In the next five years, who do you expect will be your company's main competitor?

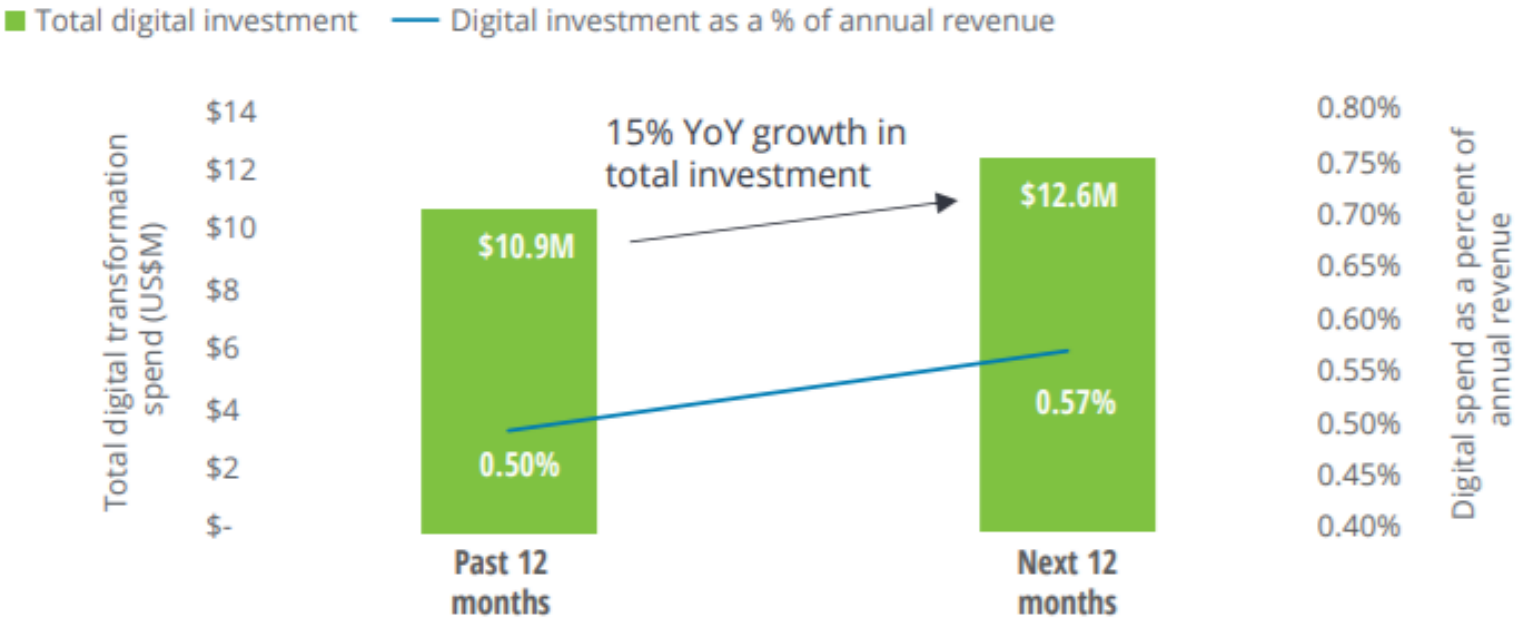
- An emerging startup or existing "digital native" company
- A current competitor
- An existing nondigital company



Source: Deloitte Digital Transformation Executive Survey 2021.

Digital transformation budgets continue to grow vigorously

Respondents' spending on digital transformation



Note: Government responses excluded from the analysis.

Source: Deloitte Digital Transformation Executive Survey 2021.

Greater digital maturity is associated with **better financial performance**

Higher-maturity companies reported industry-leading revenue growth and profit margins

Percentage of respondents reporting metrics significantly above industry average, by level of digital maturity

Note: Comparisons to industry averages were self-reported by the respondents.

Source: Deloitte analysis 2020.

The digital higher-maturity companies in the 2020's sample were **about 3 times more likely** than lower-maturity companies to report annual net revenue growth and net profit margins significantly above their industry average.

It’s critical to move beyond just ‘doing’ digital

Don’t get stuck here

Many organizations swirl in an endless loop of ‘doing’ digital things – **an illusion of being digital** – rather than making changes to their digital mindset and their business, operating, and customer models

Exploring

Leverage traditional technologies to automate existing capabilities. Dabbling with digital**. *No real change* to the organization**

Doing

Leverage digital technologies to extend capabilities, but **still *largely the same* business, operating, and customer models**

Becoming

Leverage digital technologies—becoming more synchronized and less siloed—with ***more advanced changes* to current business, operating, and customer models**

Being

Business, operating, and customer models are optimized for digital and ***profoundly different* from prior business, operating, and customer models**

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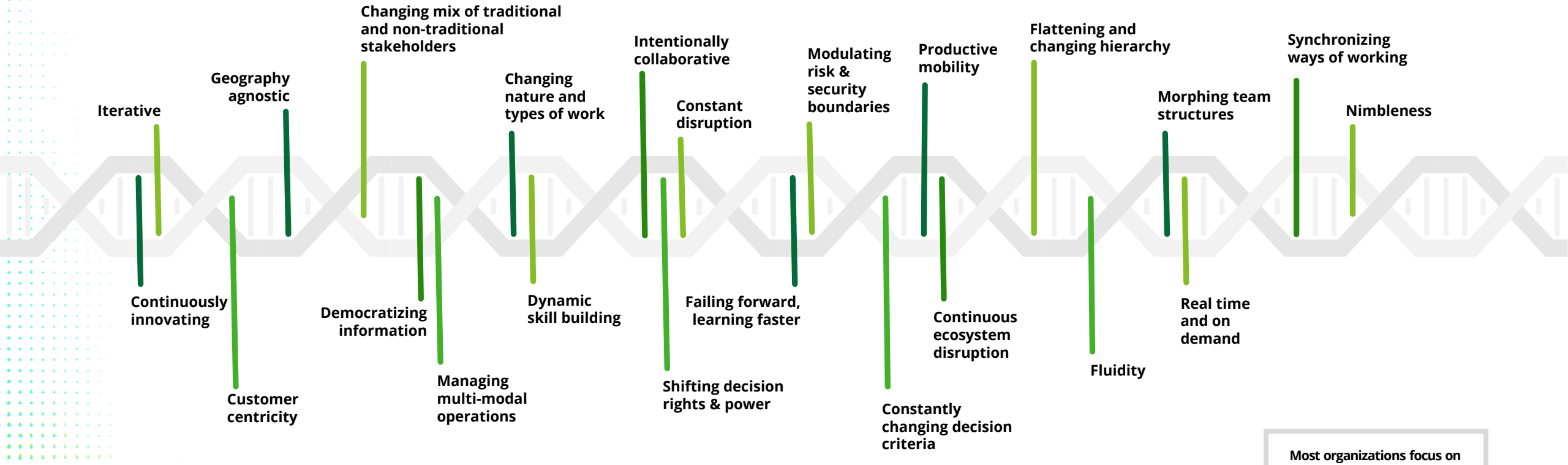
Help our clients to see the value of Agile from a Digital Culture Perspective

Which digital traits will be most important to your organization over the next 12-18 months?

Digital Maturity Assessment is a set of **23 traits,** identified through research**,** that your organization can adopt or mature to **organize, operate** and **behave** in **digital ways.**



Most organizations focus on 3-4 Digital Traits at a time

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Unlock Human Potential with HR Digital

HR Digital

- E-sign and self-service applications
- Automation in recruitment
- Virtual and remote interviews and training
- Gamification of training and learning
- Artificial Intelligence

Digital transformation is there to **unlock Human Potential** and accelerate new and better ways of working

Potential uses of advanced data analysis

Enhancing strategic role and business impact of HR through leverage of advanced analytics and evidence-based interventions for enhancing three core HR processes and through HR dashboarding.

1) HIRING

getting higher-quality employees by data-driven selection of candidates with qualities that are predictive of future job performance and retention.

2) PERFORMANCE ACTIVATION

activating employees' potential by acting on data-based insights about aspects of employee experience and behavior that drive high performance and key business outcomes

3) RETENTION

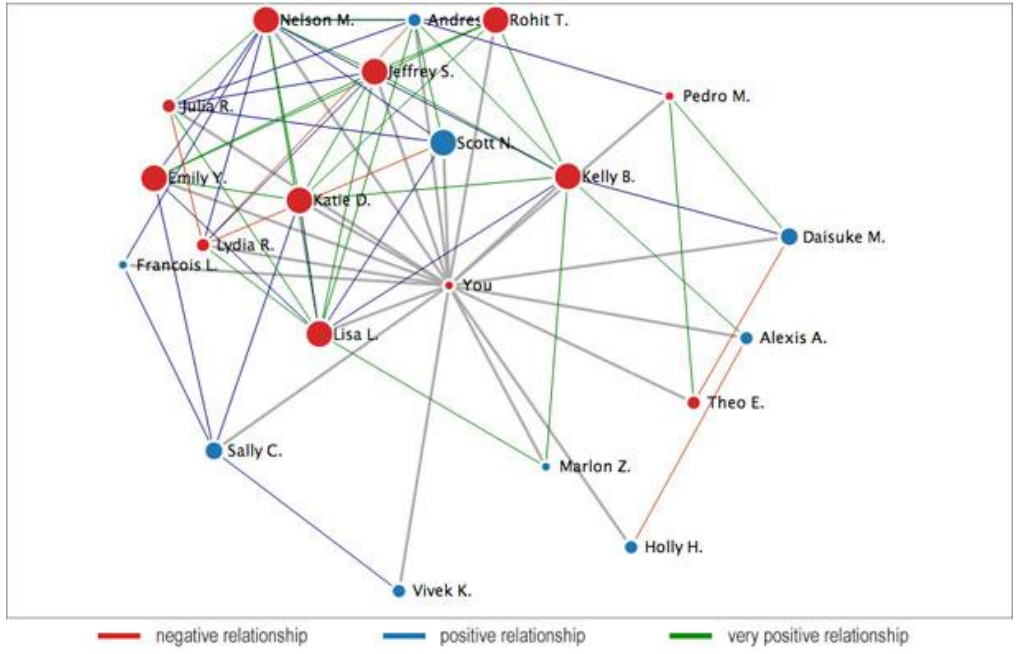
keeping high-quality employees within the company by acting on data-based insights about the factors that keep/push employees inside/outside the company

4) HR DASHBOARDING

managing employees' information efficiently through strategic and actionable dashboards based on the one source-of-truth in order to deliver business values through people

Invest in AI = **BOOST** the recruitment process

- Visual & Voice Recognition
- Organizational Network Analysis (ONA)
- Natural Language Processing (NLP)
  - Recruit Faster,
  - Transform Candidate Experience,
  - Reduce Hiring Costs.



Firstjob's chatbot Mya can **eliminate up to 75 % of the questions** people have during the recruiting process.

L'Oreal Paris **saved 45 days over 6 months** for UK recruiting team.

Key areas of use for **Machine Learning** in the HR

1 Study Employee Attrition

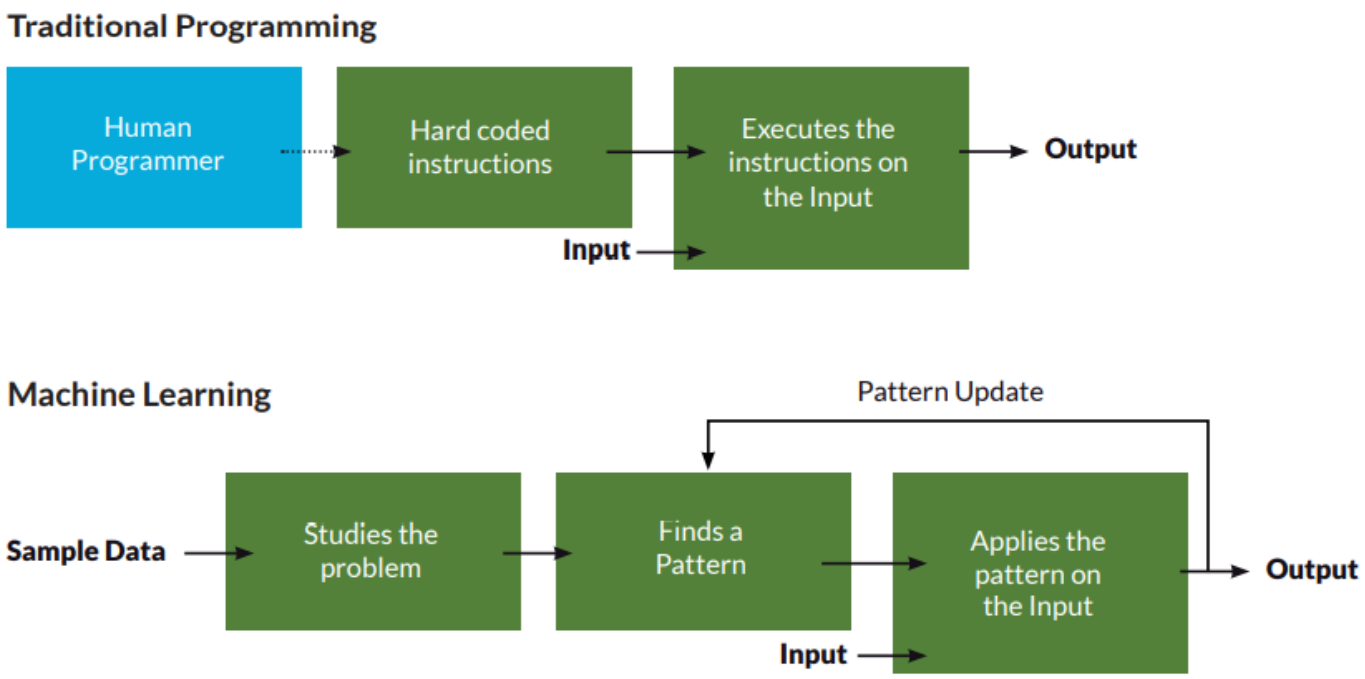
Find employees at high risk of attrition thereby enabling HR with predictions to engage in conversations and retain them

2 Personalized Feeds

Provide a personalized user experience through predictive analysis in recommending career paths and training programs.

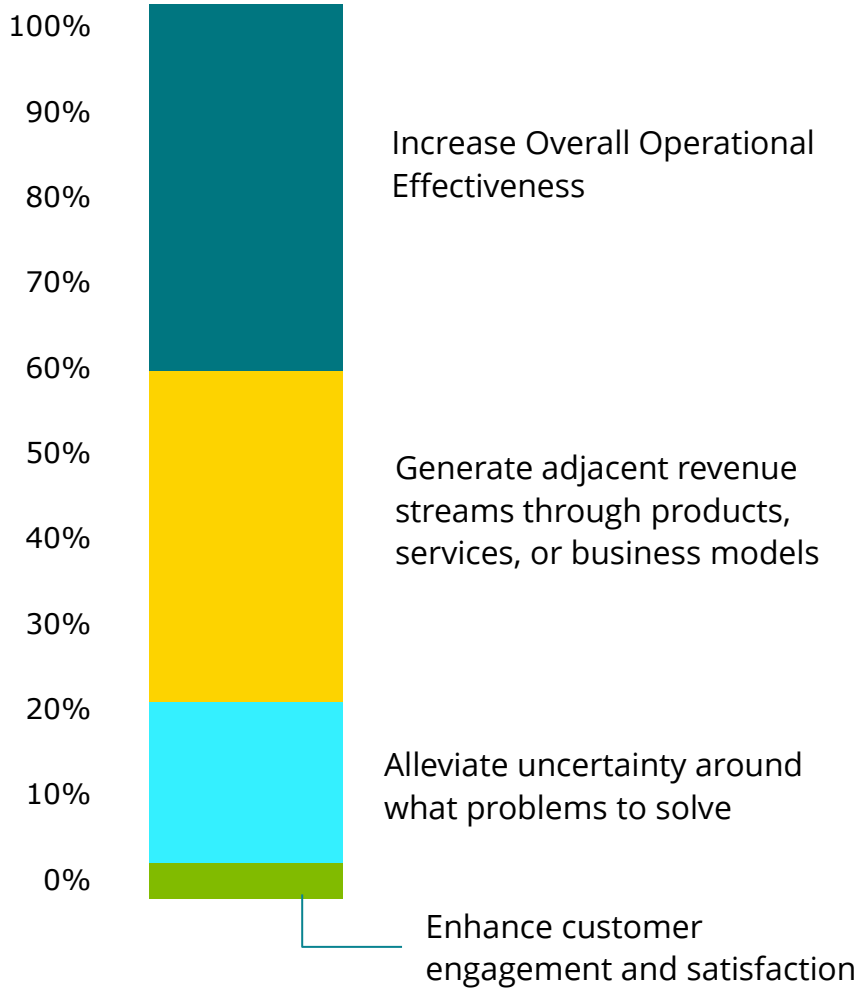
3 Detecting anomaly in data

Identify events and observations that do not conform to a certain pattern in the database.



Digital Disruption Presents New Opportunities & Challenges

Industry leaders are using digital to…



…but are constrained in capturing value by

35%
Technology and capabilities

"Our systems restrict significant value capture"

27%
Talent

"We do not have the right people with the right skills"

20%
Centralized Investment

"Their investment is fragmented and dilutive"

18% Decision Making

"Overburdened with the "Art of the possible"

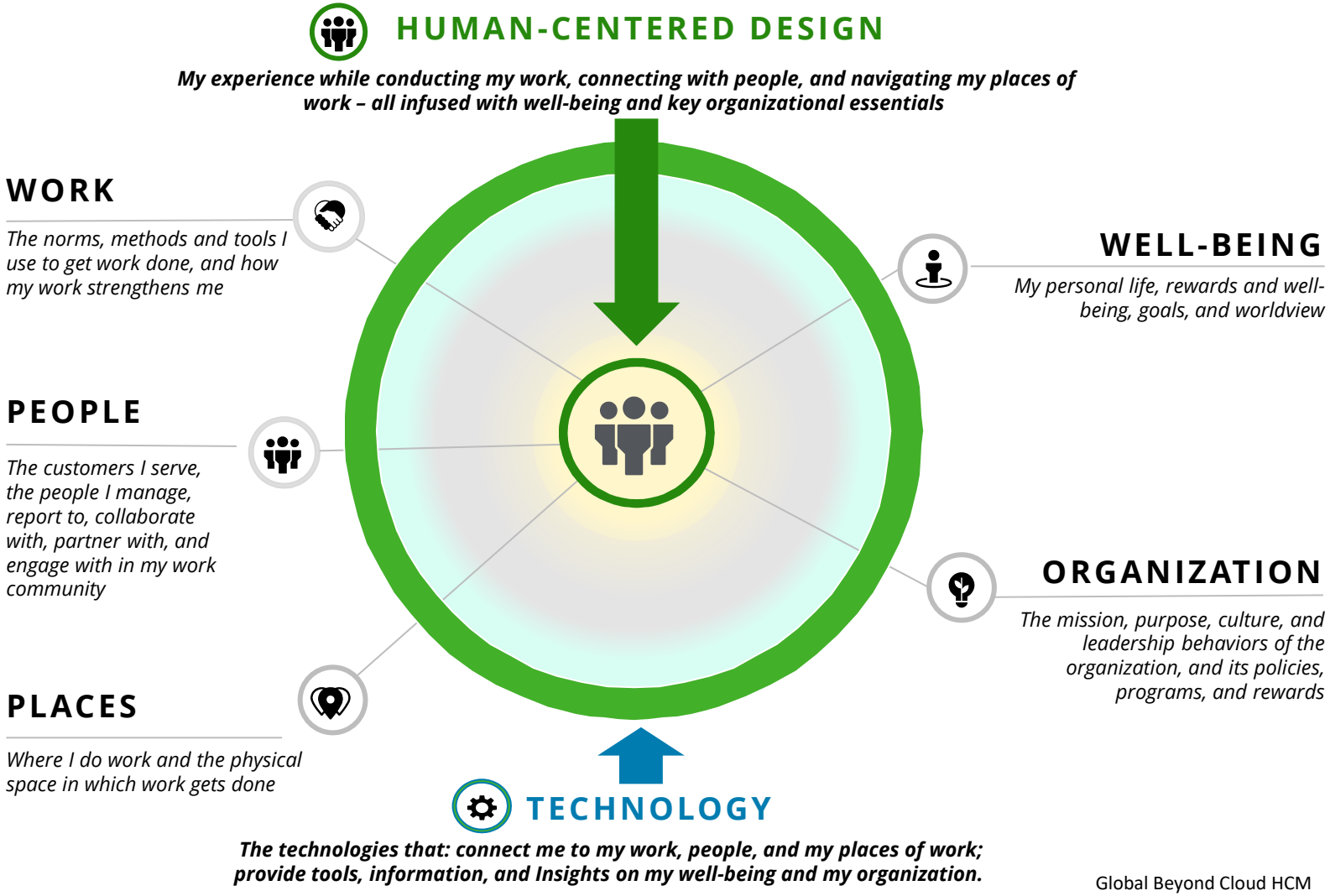
Technology Alone Won't Drive Business Outcomes

Without focusing on other dimensions across work, workforce, and workplace, organizations will come up short to meet their business outcomes – it requires a comprehensive view beyond technology to design and sustain HR. By itself, technology won't drive progress, but without it – HR can't either.

Enable

Business Outcomes

through designing and iteratively implementing technology around desired workforce experiences



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polpharma

How we became friends with Workday

Katarzyna Bieńkowska

HR Director ZF Polpharma

Polpharma Journey with Workday

2016-2017	2018		01/2019	2020-2021
Decision making	Implementation	Change Management	Go Live	Development
• Support company transformation • Change from 14 applications to ONE HR system • ability to manage all HR processes across PPH Group • system in the cloud, available on all devices (mobile app) • organizational structure in the system – possibility to configure & report • reporting possibilities: dashboard configuration • history of employee in one place (from hire to retire)	• 30 employees in project team • 150 employees involved from HR, IT, Legal Teams) • work in project on top of daily duties • 3 languages in scope	• about 100 training sessions for Managers. • HR transition: from data delivery to advisory		• absence • performance • talent management • reporting – dashboards for managers, HR users, • **workday adaptive planning**

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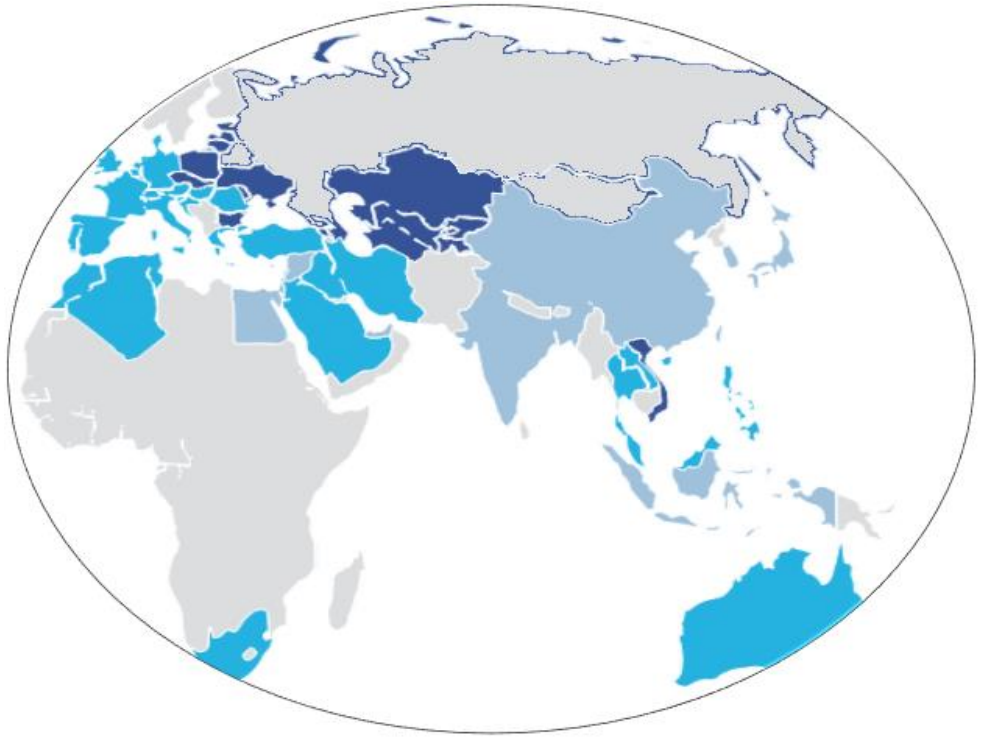
Workday Summary

- **1st GLOBAL System at POLPHARMA GROUP Level**
- **All** Polpharma Group **Countries** covered
  - RepOffices

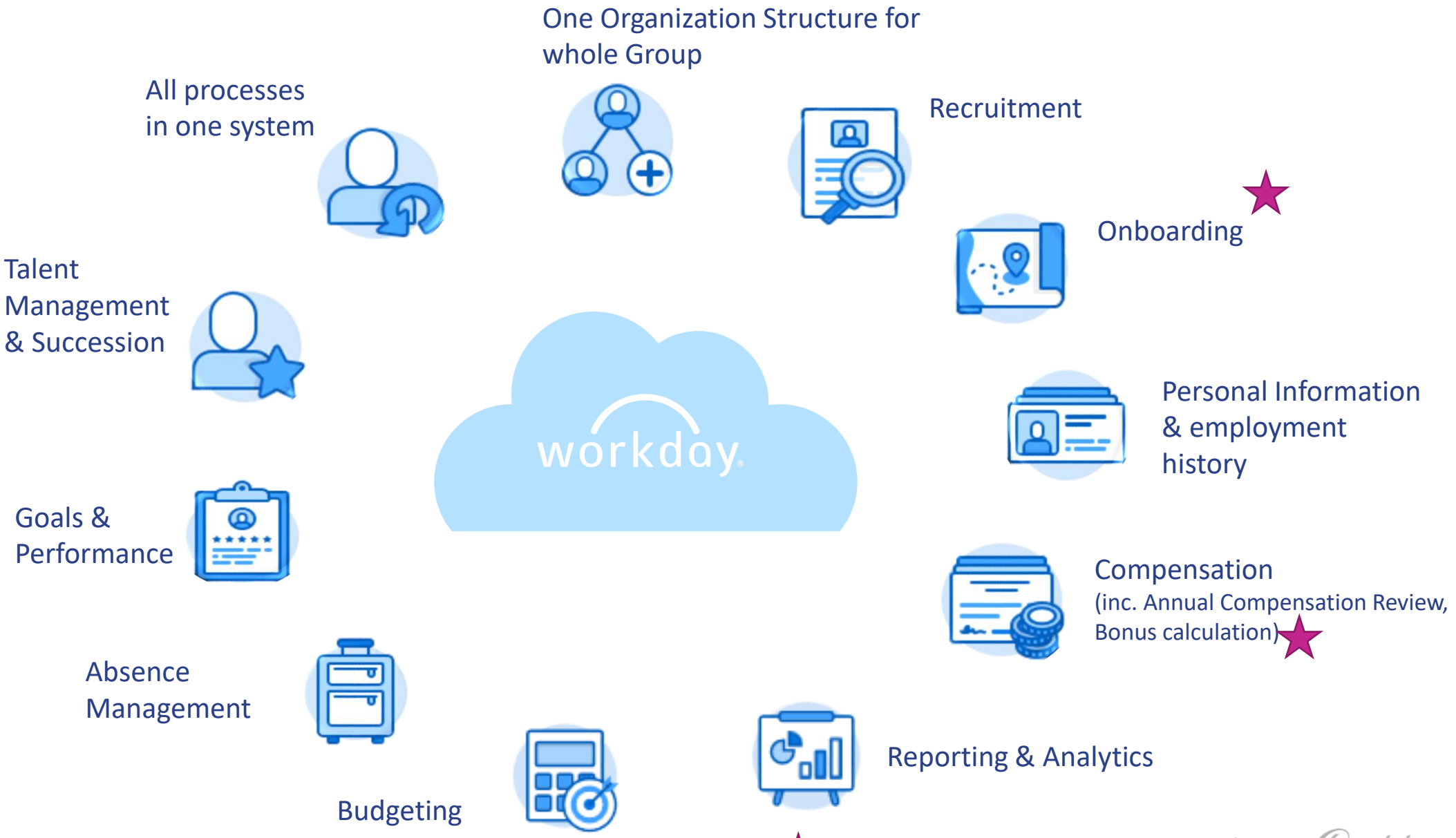
  - Poland, Kazakhstan



- **Same** Workday **HR Processes** everywhere
- **Workday Governance** at Group Level
- **One source of data**
- All data **available 24/7** everywhere (incl. mobile devices)

HR Processes in workday

From Hire To Retire



★ Present in Poland/ INT to be roll out for Kazakhstan only

Key High Level Changes by Impacted Groups

Managers / People Leaders

- Active role in all HR business processes **(Initiate / Approve)**
- Workday Workflow to replace e-mails & xls supporting information
- Reporting on all teams in Managers' hands

Employees

- Personal Information access & employment history
- Time-off Requests
- Goals & Performence management

HR

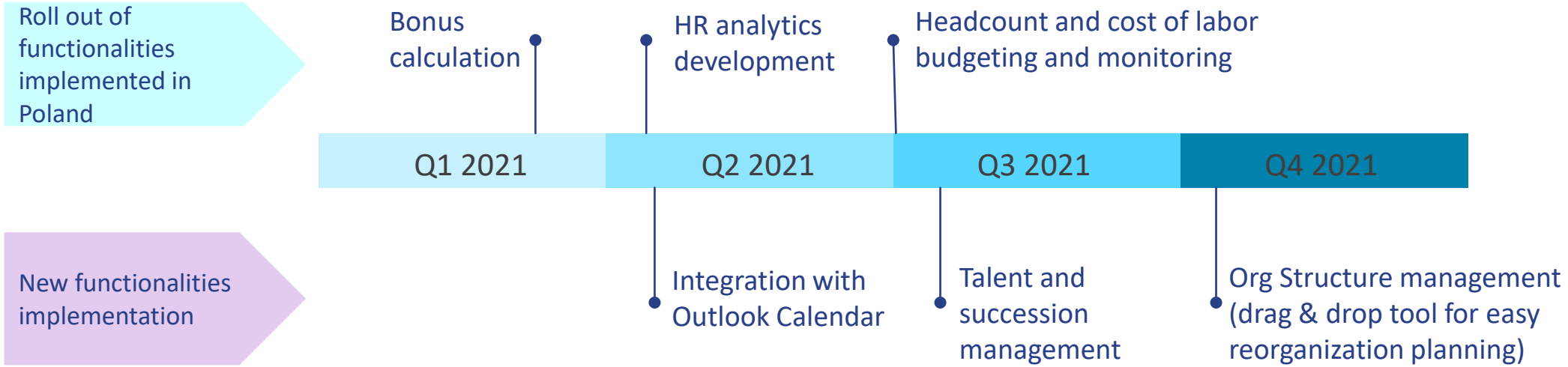
- Unified structures, position management & all job changes model
- Unified recruiting processes
- Unified career planning & development/talent &succesion

Added value and development plans

Benefits of workday implementation

- Processes standarization
- Employee data standarization
- Better control over headcount management, recruitments, compensation
- Data based driven decisions
- More self-service, quick and easy access to all employment related data
- Time saving processes, digitalization, transparency
- Security – all data in one secured place

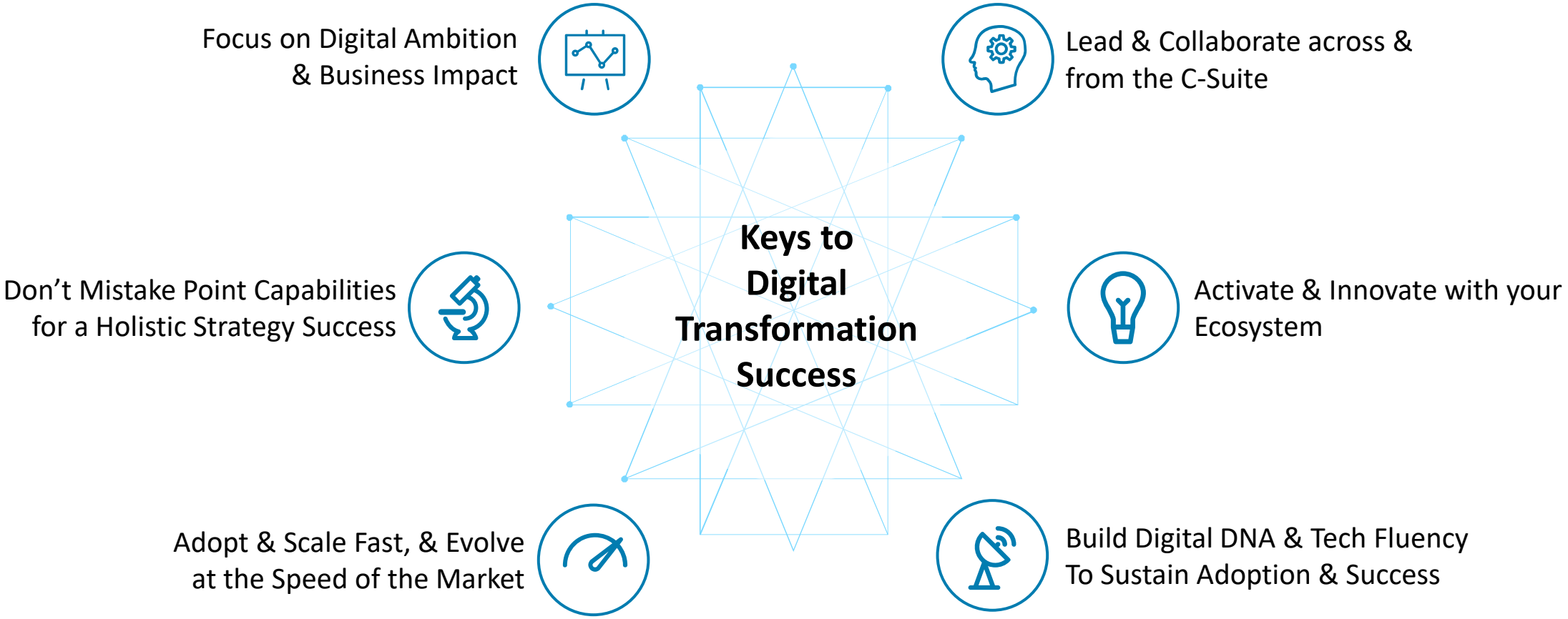
Further development plans 2021



AMBER GALEN

Project team was awarded with the most important award in Polpharma

Six keys to Digital Transformation success for CEOs and their leadership teams



Questions from the audience

How to arrange co-responsibility between HR and IT?

What is the one „make or break" moment during digital transformation?

How to transform HR while the company itself goes through significant changes?

HR data driven academy

Deloitte's workshop designed to enable AI and analytics for HR at your organization.

Become familiar with the HR analytics concepts.

Get hands-on experience on solving HR problems by using data-driven approach.

Obtain know-how from the real-world projects.

Learn how to build your HR analytics project.

1 full day workshop

HR analytics 101

We go through the fundamentals of analytics and data-driven approach in HR.

Use case

We look at the sample of real-world problem at HR, we provide the data and formulate a basic hypothesis.

HR Analytics capabilities

We try to solve the use case using with the most basic forms of analytics. Progressively, we introduce more advanced methods, demonstrate why and when you should consider them, and share our experiences from similar projects.

Methodology

We explain the building blocks of a typical HR analytics project. For each block, we demonstrate good practices.

Resources

We provide literature resources, recommendations to online courses, people to follow and so forth.

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Board Member Workshop in the topic of 4 possible futures

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