HR Transformation
How can we accelerate Transformation through Digital

October 2021
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.
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 52%
- A current competitor 29%
- An existing nondigital company 19%


Digital transformation budgets continue to grow vigorously

Respondents' spending on digital transformation

- Total digital investment
- Digital investment as a % of annual revenue

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<th>Total digital transformation spend (US$M)</th>
<th>Past 12 months</th>
<th>Next 12 months</th>
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15% YoY growth in total investment

0.50% Digital spend as a percent of annual revenue

0.57%

Note: Government responses excluded from the analysis.

Greater digital maturity is associated with better financial performance.

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.
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.

Don’t get stuck here.

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.*

Being

Business, operating, and customer models are optimized for digital and *profoundly different from prior 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.*
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.
Unlock Human Potential with 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...

- 100% Increase Overall Operational Effectiveness
- 90% Generate adjacent revenue streams through products, services, or business models
- 80% Alleviate uncertainty around what problems to solve
- 70% Enhance customer engagement and satisfaction

...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

HUMAN-CENTERED DESIGN
My experience while conducting my work, connecting with people, and navigating my places of work – all infused with well-being and key organizational essentials

WORK
The norms, methods and tools I use to get work done, and how my work strengthens me

PEOPLE
The customers I serve, the people I manage, report to, collaborate with, partner with, and engage with in my work community

PLACES
Where I do work and the physical space in which work gets done

TECHNOLOGY
The technologies that: connect me to my work, people, and my places of work; provide tools, information, and insights on my well-being and my organization.

WELL-BEING
My personal life, rewards and well-being, goals, and worldview

ORGANIZATION
The mission, purpose, culture, and leadership behaviors of the organization, and its policies, programs, and rewards
How we became friends with Workday

Katarzyna Bieńkowska
HR Director ZF Polpharma
# Polpharma Journey with Workday

## 2016-2017
- 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)

## 2018
- 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

## 01/2019
- About 100 training sessions for Managers.
- HR transition: from data delivery to advisory

## 2020-2021
- Absence
- Performance
- Talent management
- Reporting – dashboards for managers, HR users,
  - Workday adaptive planning

## Decision making

## Implementation

## Change Management

## Go Live

## Development
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

All processes in one system

One Organization Structure for whole Group

Recruitment

Onboarding

Personal Information & employment history

Compensation (inc. Annual Compensation Review, Bonus calculation)

Goals & Performance

Talent Management & Succession

Absence Management

Budgeting

Reporting & Analytics

Present in Poland/INT to be roll out for Kazakhstan
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 & Performance management

**HR**
- Unified structures, position management & all job changes model
- Unified recruiting processes
- Unified career planning & development/talent & succession
Added value and development plans

Benefits of workday implementation

- Processes standardization
- Employee data standardization
- 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

- Q1 2021: Bonus calculation
- Q2 2021: HR analytics development
- Q3 2021: Headcount and cost of labor budgeting and monitoring
- Q4 2021: Integration with Outlook Calendar, Talent and succession management, Org Structure management (drag & drop tool for easy reorganization planning)
Project team was awarded with the most important award in Polpharma
Six keys to Digital Transformation success for CEOs and their leadership teams

- Focus on Digital Ambition & Business Impact
- Don’t Mistake Point Capabilities for a Holistic Strategy Success
- Adopt & Scale Fast, & Evolve at the Speed of the Market
- Build Digital DNA & Tech Fluency To Sustain Adoption & Success
- Lead & Collaborate across & from the C-Suite
- Activate & Innovate with your Ecosystem

Keys to Digital Transformation Success
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.
Board Member Workshop in the topic of 4 possible futures

- Work is work
- Purpose unleashed
- Work as fashion
- War between talent
THANK YOU!

Please spare a moment for a post webinar survey.