Sustainable HR in an age of disruption

How HR can harness a next-generation digital workplace to create capacity, grow capability, empower community, and boost credibility
Executive summary

Much has been written about “digital HR” and the challenge for HR to reinvent itself for the digital age. Deloitte’s vision of digital HR is of a sustainable HR function that maintains a dynamic tension between operating efficiency and creative disruption. In an age of disruption, HR will need to continue to evolve its operating model, service delivery model, and enabling technology platform—the “digital workplace”—to continuously hack the disruptions and deliver solutions designed around the HR customer experience.

In our model, the digital workplace is the connective tissue that powers digital HR. It is the always-on coaching assistant for the HR customer, continuously sensing what is required to achieve desired outcomes. It serves as a just-in-time support bot that delivers contextually aware assistance on any device and in any language, while brokering, in HR customer-centric fashion, the engagement of other components of the High-Impact HR Operating Model as required.

Normally, in a thought-leadership perspective of this kind, we would not discuss specific Deloitte products or services. However, these are not normal times and even the human capital professional services industry is in the throes of digital disruption. This has led to the decision to build this perspective around use-case examples and research hypotheses that continue to point the way forward for our own digital workplace journey. We trust that you will find our experience enlightening and discover ways to leverage our hard-earned insights into your own vision for a digital workplace-powered future.
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Introduction

The relentless march of digital technology is transforming your competitive landscape and redefining both the work and your workforce. New digital business designs demand new talent strategies, yet it feels as though HR is always behind, always in reactive mode, always fighting the last battle. How can you create sustainable HR in an age of disruption?

This is the most pressing issue we see in the human capital marketplace today. And regardless of company industry or geographic footprint, an adaptive response to disruption, one that positions HR for high impact, always seems to come down to the ability to create capacity, grow capability, empower community and boost credibility a conceptual model for desired HR outcomes we have codified as the “4Cs”. 
Ironically, while much of the economic and workforce disruption is a result of digital technology-induced change to enterprise business models, customer models, and operating models, the answer to HR sustainability is often not about technology at all. Many times we have come into client accounts where end user adaption of “digital HR” solutions—even those leveraging state-of-the-art social, mobile, analytics, and cloud-enabled technologies—is less than expected, and the promised business value has failed to materialize. Frequently, we hear this is due to:

- poor HR customer experience that often results from the deployment of siloed solutions, and
- an organizational culture that was not ready for, or capable of, the needed change.

In the early days, digital workplace platforms were focused on integrating disparate HR technologies and weaving them into a seamless, and even enjoyable, experience for HR customers. Gradually solution providers added service delivery capabilities that powered an always-on service delivery model, and collaboration tools that enabled HR customers to share lessons learned and leading practices with HR and each other. But it is not until product teams become multidisciplinary, combining design thinking with robotic process automation (RPA) and social network analysis, that they can achieve the next level of breakthroughs.

We are currently launching a research initiative with our Bersin by Deloitte colleagues to quantify the potential business impact of next-generation digital workplace platforms. What follows here are four preliminary hypotheses, illustrated by a hypothetical use case, derived primarily from our own experience with clients, as well as our product development journey. Early in 2017, Bersin by Deloitte will release a detailed report on the findings of this ongoing research.

**The HR customer use case story we will track along the digital workplace 4Cs journey is as follows:**

**HR customer use case:** Emily is married with one small child. She hears via her informal grapevine that her company is looking for professionals in her area of expertise to help with a new market development initiative in China. Pursuing the opportunity would involve a one-year global mobility assignment in Shenzhen, China. While concerned about the implications for her young family, she is intrigued by the opportunity and wants to know more.
Create capacity

Research hypothesis
There is significant potential for creating capacity, both for HR and HR customers, through elimination or simplification of many HR activities via digital workplace macro-based applets, screen-scraping data collection, and workflow.

In November, 2015 McKinsey & Company published research (and caused a stir) by suggesting that as many as 45 percent of the activities individuals are paid to perform can be automated by adapting currently demonstrated technologies. The study’s authors went on to say that “while we often think of automation primarily affecting low-skill, low-wage roles, their research revealed that even the highest-paid occupations in the economy, such as financial managers, physicians, and senior executives, including CEOs, have a significant amount of activity that can be automated.”

Could this also be true for HR-related activities? Applying the study’s approach to the decomposition of occupations, activities, and capabilities to the roles in our High-Impact HR Operating Model, we came to the somewhat startling conclusion that McKinsey’s estimate of 45 percent might even be a bit low when applied to the activities associated with our model’s HR operational services, business HR, and communities of expertise (COEs) occupations, to say nothing of the HR customers (applicants, employees, managers, contingent workers, etc.) also typically engaged in these activities.

The initial focus in the development of digital workplace solutions had been on integrating fragmented HR processes and disparate systems and service providers in order to guide relevant work through contextualized end-to-end interactions in a way that facilitated intelligent choices. It now became clear that solution providers needed to head back to the drawing board to evaluate each associated HR activity.

How many HR activities lend themselves to the basic level of RPA, eliminating mundane repetitive tasks and enabling HR workers and customers alike to focus on more value-added activities? Wouldn’t that lead to more significant business impact and higher job satisfaction as well as savings associated with process automation?
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Emily quickly checks her mobile digital workplace for the global assignment listing and is presented with an overview of the opportunity, candidate requirements automatically reconciled to her own experience and educational profile, and a pre-filled application template sourcing information from multiple back-end systems, including global mobility, recruitment, performance management, and core human resource information system (HRIS).

Should she choose to proceed to the next step, the smart form will be routed via the HR operational services team that supports global assignments. Emily will automatically be assigned a case worker whose bot will reach out to her to schedule a preliminary informational interview.
Grow capability

Research hypothesis
A learning-rich digital workplace environment, including peer generated and curated content, can greatly increase HR customer satisfaction with the life and work event workflow.

In this context, “growing capability” has so far meant providing just-in-time contextual information and insight related to the HR customer’s life event or desired outcome. But we understand that digital-age learners expect to be able to quickly query YouTube on any topic of interest and instantly be rewarded with instructional videos developed by users and curated by experts. This needs to be the objective for digital workplace platforms as well.

Do you need to quickly understand an HR process or policy in the context of a significant life or work event? The digital workplace should provide a wealth of searchable rich-media content that immerses the user in relevant peer-generated and curated stories, tips and tricks, and lessons learned. Of course these peer contributions should also be curated by global mobility COE professionals to achieve messaging accuracy and policy compliance.
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**HR customer use case**

As Emily navigates through the global mobility workflow, she is guided at each step of the way by just-in-time bite-sized nuggets of information that assist with each stage of the application process. There is also peer-generated content that provides personal stories and advice about how to think through the critical decision points of working abroad.

She is delighted to find that another couple has just returned from an assignment in nearby Shanghai and has kept a blog on their experience, including photos and videos, capturing their experience highlights. Finally, she is grateful that her employer has included research-based statistics and insights on the challenges and opportunities of China-based work assignments for westerners like herself.
Empower community

Research hypothesis
Information obtained through trusted social relationships is of significantly greater value than generic user-generated stories and anecdotes. The digital workplace should always map potential information sources against the HR customer’s qualified and trusted social network members.

As consultants who have invested significant resources in various knowledge-management initiatives over the years, it can be disconcerting to realize that by far the most popular method of tracking down relevant expertise continues to be sending an email to a small group of trusted colleagues. Why is this, and how can we scale what is happening in these transactions to a broader community?

A key feature of our High-Impact HR Operating Model is the External Networks and Partners component. This is an acknowledgment that the path to high-impact HR leads beyond the skills and resources available within the organization to the wider community of expertise. One goal of the digital workplace is to facilitate the identification and brokering of these types of relationships.

How can you tap into this network of available expertise, and how can the digital workplace help accelerate the path to trust that benefiting from this expertise requires?

Many digital workplace platforms already include an enterprise social network and collaboration capability. But our ongoing investigations in this area are focused around using social network analysis techniques to discover patterns in this collaboration data that will better assist the user in identifying expertise already validated by the user’s own network of trusted relationships.
How can you tap into this network of available expertise, and how can the digital workplace help accelerate the path to trust that benefiting from this expertise requires?

**HR customer use case**

Emily notices that she shares a close professional contact with a couple already in Shanghai who write a Shanghai global assignment blog. She clicks on the chat indicator for the mutual acquaintance and requests an introduction to the couple. A brief online conversation with the contact reveals that the couple in question did have some interaction with local Shanghai health care facilities for their young child, and the contact gladly provides the introduction that leads to the couples getting together for coffee to discuss their experience.
Boost credibility

Research hypothesis

HR credibility is enhanced when HR does what it says it will do, in a way that demonstrates real empathy with the HR customer’s situation and desired outcomes. A digital workplace, designed from the ground up around the HR customer experience, can go a long way to freeing HR professionals to truly listen to their customers and respond appropriately to their needs.

If we think about our earlier stated vision for digital HR, the focus is on an HR function that “maintains a dynamic tension between operating efficiency and creative disruption.” This is easier said than done, of course, but the digital workplace, which enables an adaptive and evolving HR operating model and service delivery model built around the HR customer experience, plays an important role in boosting HR credibility.

Let’s break down Emily’s experience with HR in the pursuit of her global mobility opportunity.

1. Relevant information on the process and policy itself, as well as its applicability to Emily’s background and qualifications, was handled automatically, with no wasted effort on the part of Emily or HR.

2. Emily was able to learn about aspects of the opportunity as they were relevant for her decision making from a variety of credentialed sources.

3. Emily and her spouse tapped into their extended social network to better understand the lifestyle implications of the potential assignment. Assuming HR operational services continue to support Emily as she makes her final decision and begins planning for her work assignment abroad, her word-of-mouth to others on the experience of dealing with HR would likely be very positive.
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**HR customer use case**

Emily and her husband decide to formally apply for the Shenzhen global mobility opportunity and are accepted into the program. Each stage of the assignment workflow, from travel plan arrangements to packing and relocation, establishing local child care arrangements, and even researching work opportunities for Emily’s husband, are all coordinated and tracked via the digital workplace.

Through each stage of the workflow, Emily is in constant contact with both her assigned HR operational services representative and her new friends, the Shanghai-based global assignee couple, and she is grateful for the role both play in assisting with a complex decision-making process.
ConnectMe™:
Design thinking in action

At Deloitte, we began to integrate these insights into our thought leadership and problem-solving approaches some time ago, but it gradually became clear that we could, and should, do more. While assisting our clients in deploying technology-enabled service delivery models and redesigning HR around the customer experience, we seized the opportunity to build out the framework for a platform of technologies and services—a digital workplace, if you will—that could address the current HR customer experience deficits and greatly accelerate the path to the 4Cs outcomes our clients are seeking to achieve.

By applying design thinking to reimagine and architect the digital workplace, we discovered that we could deliver an experience that feels more like a world-class retail experience—one in which HR customers are able to perform activities digitally, both at their computer and on the go, yielding higher engagement and satisfaction.

Our multidisciplinary development team applied design thinking to our own mobile digital workplace in several ways.

- **Vision and set HR customer experience principles**
- **Understand & synthesize HR customer needs**
- **Look and listen to defined HR customer personas**
- **Generate and prioritize ideas**
- **Create a plan and execution roadmap**
- **Prototype, test, refine**
Look & listen to defined HR customer personas
With the vision of the 4Cs in place, the design team turned to defining the HR Customer Personas associated with the global mobility vision.

Understand & synthesize HR customer needs
By conducting voice-of-the-customer interviews and listening to HR customer stories, desired emotional responses for the relevant personas began to emerge. With the prioritized personas in place, the team translated the interviews and customer stories into HR journey maps.

Generate and prioritize ideas
The team then identified HR service domains and ranked problem areas that HR customers face across the global mobility experience, with the biggest issues at the top of the list.

Prototype, test, and refine
The team reviewed process flows, wireframes, and a prototype of the solution. Our collective response, “this is really cool, can we get it now?”

Create a plan and execution roadmap
Publishing this perspective is part of the team’s planning and execution roadmap.
Laborwise / A powerful lens for analyzing labor spending

ConnectMe / Employee experience reinvented for the digital workplace
Looking ahead

We began by discussing how HR can harness a next-generation digital workplace to create sustainability in an age of disruption. We hope that our 4Cs lens, along with the use cases and research hypotheses from own experience, have provoked your thinking and provided insight into your own path forward.

Getting out of our comfort zone and partnering with a number of other disciplines—design thinking, RPA, and social network analysis—has provided fresh insights and completely changed the way we think about the digital workplace.

We hope you will find similar ways to disrupt your own thinking as you seek to build an HR capability that will prove adaptive and sustainable in this age of disruption.

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Meet the team

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As the leader of Deloitte Consulting LLP's HR Transformation practice, Erica is responsible for the overall strategy, financial performance, and delivery of HR Transformation services across the US. She firmly believes that HR should be at the helm of helping businesses optimize their performance. Throughout her career, Erica has worked with organizations to determine how best to deliver HR service, which enable global growth and drive enhanced profitability. She is a frequent speaker on how market trends are impacting the HR organization and has recently published the 4Cs framework, which helps create sustainability in today's world of disruption. Erica has expanded Deloitte's portfolio to include product offerings and has released three digital HR-related products in the past year. Within Deloitte, she serves as a member of the Deloitte Consulting Board of Directors and the Human Capital Management Committee and is an active leader in the acquisition of talent on campus.

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Michael has more than 16 years of experience in business transformation and focuses on leading global, multi-function initiatives for Fortune 100 companies. Michael has experience consulting on business strategy, cost reduction, service delivery and operating model transformation, shared services, and outsourcing. His consulting experience includes helping clients develop enabling strategies, develop new operating models, redesign processes, design and integrate enabling technologies, reduce operating costs, and improve the effectiveness of business operations. He also helps clients manage the change, communications, and training implications of business transformations.

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Marc is a director in Deloitte Consulting LLP and responsible for leading Deloitte's HR Shared Services market offering in the United States. He has nearly 25 years of experience as a consultant and HR practitioner. Marc has led the consulting services in support of several global HR transformation, shared services, and outsourcing projects for large and complex clients in a variety of industries, including insurance, health care, life sciences, consumer and industrial products, and energy.
Endnote
