

How Covid-19 accelerated one of the greatest workplace transformations of our time

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There's never been a more interesting time to be in human resources. This was true a few months ago, before Covid-19, when Sage released the Changing Face of HR research report.



Image: Supplied

The HR profession was changing rapidly back then. Today, it's barely recognisable.

Before Covid-19, there was a notable shift in HR as it started becoming more employee-focused and developed into a "people" function. Coronavirus has accelerated this shift. In fact, a separate study found that companies are treating their people better than ever, and there's been a marked increase in engagement.

Sage's research found that more than nine in 10 (94%) HR leaders anticipate changes in the next three to five years. But while our research also found that less than one in five (18%) organisations had begun the journey to change from HR to People, and nearly nine in 10 (86%) expected the change to take up to 10 years to complete, Covid-19 has undoubtedly inflated these numbers.

The rise of People Companies

A people team is often found in fast-growth organisations where business leaders know the critical importance of investing in their people in order to drive company growth.

We call these businesses “People Companies”. Typically, they’ve embraced new technologies and ways of working, and many have a chief people officer leading the change.

With the coronavirus creating a new level of trust and transparency in organisations, businesses are also focusing more on people’s financial security, personal productivity, well-being, and resilience. It also accelerated digital transformation, while challenging managers to balance trust, control, structure, flexibility, empathy, and results.

A lot more businesses have transformed into People Companies in the last few months. Here are five areas where we see the biggest changes in HR in 2020.

HR teams will become employee-centric

People Companies and progressive “people” teams have shifted from being largely focused on low-value, manual processes and policies, to a team generating more business value. They not only undertake the day-to-day table-stakes tasks required of HR but now proactively build great experiences for their people that keep them motivated, engaged and productive, so employees and the business can thrive.

A staggering 69% of HR leaders anticipate that employees’ expectations of HR will completely change in the next three years. Around four in 10 are adopting cloud (43%) and mobile technologies (36%), followed by people analytics (26%) and self-service (24%).

Organisations that have made significant progress in their HR-to-people journey know that becoming a people organisation isn’t just a nice thing to do; it’s vital in creating a successful business in the digital economy.

HR and people teams are showing a willingness to ride waves of digital transformation, although 43% of respondents believe their organisations will not keep up with changes in technology in the next 10 years. However, we expect more companies to start their transition to people organisations after Covid-19.

With many South African businesses forced to adopt remote working models, there could be more people-focused companies at the end of this.

HR will become more data-informed

Imagine the impact on company performance if you knew your employees as well as you know your customers.

The HR and people leaders we surveyed have made as many advances in people analytics and data as they have in people-focused approaches to recruitment: over 40% make people decisions based on data, and in 2020, another 51% of HR leaders plan to access data in real-time.

The data conundrum brings other challenges as data privacy and security becomes ever more important. PoPIA and Europe’s GDPR are creating new rules around data privacy. HR leaders will have to pay more attention to evolving legislation while managing and being accountable for employee data.

AI comes to the fore

Our research shows that HR and people teams are in the early stages of learning the value of emerging technologies such as artificial intelligence (AI).

In South Africa, over 40% of companies already use AI. From chatbots to advanced analytics, local businesses are experimenting with a number of different technologies, and 67% believe that machine learning is the most valuable AI technology available.

What's more, a staggering 96% of businesses expect to gain an advantage from AI in future, with more than 70% citing automation and predictive analytics as the biggest benefits.

While AI offers significant potential, there is also a need to avoid further confusion and understand the consequences of introducing these technologies. As AI becomes increasingly sophisticated, its decision-making processes become more opaque to all but a few. There are also ethical considerations to overcome — employers need to find the balance between productivity and ethics when thinking about how machines and humans can partner to get the job done.

HR will attract new skills

Our research found that 86% of HR leaders identified skills gaps and the need for new skillsets.

Covid-19 will accelerate many future-of-work initiatives in 2020 after it triggered one of the greatest workplace transformations. As companies outsource repetitive tasks to machines, there'll be an increase in skills-based hiring around creativity and critical thinking.

Businesses will likely reskill large segments of their workforce and move away from once-off learning towards an AI-powered skills inventory and non-traditional learning. After Covid-19, online learning skyrocketed and we started seeing a shift in focus from individual performance to team performance.

HR teams in Sage's research noted that they need to be more tech-savvy, creative, and proficient in managing data and analytics. But they also saw a need for better communication and marketing skills and the ability to provide stronger vision and leadership.

In people organisations, HR leaders and teams are embracing new skillsets and responsibilities, such as data science, communications, employer branding and people marketing, wellbeing, and employee experience managers. A stunning 90% of companies that did this during Covid-19 said their culture improved, 83% say their employee experience is better, and 84% say employee engagement has increased.

Tips to ease your transition to a People Company

If there's one thing Covid-19 has shown us, it's that people are more productive and engaged when their employers take care of them. Most businesses are still figuring out this new way of work but there's a good chance that remote working is here to stay.

Here are a few parting tips to help you get it right:

- Update your remote work policy. It's guaranteed to be out of date if you drafted it before Covid-19.
- Guide your younger team members. Your senior employee's will have a good idea about how to manage their time and how to balance work and home life. Your younger employee's might need some guidance and playbooks to enable this new way of work. Tell them what they need to achieve every day and measure them on task completion, not hours worked.
- Communicate more than ever. Employees are worried about their jobs and the stability of your business. Keep them up to date, reassure them, build trust, offer coaching, and make sure management is easily accessible and available.
- Be empathetic. Some of your team members may really be struggling with social isolation, stress and time management, and mental health issues. Run surveys and forums and listen. Empower them, care for them, and give them the tools they need to succeed.

The need for these platforms will rapidly ramp up your leaders by knowing and understanding the engagement pulse of your organisation. Trust them and they'll do amazing things.

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