Explore the Possibilities

2013 HR Service Delivery Forum

The HR Function of The Future: Perspectives from the Experts
Pre-Conference Workshop
Agenda

- Drivers for Change (75 mins)
- Break (15 mins)
- Breakouts (Participants go to two out of the three — 35 mins each)
  - Governance
  - Talent Delivery
  - Engagement Communities
- Group Debrief and Closing Remarks (20 mins)
Session outline

● As HR organizations make progress toward being more of a strategic partner for the business, they increase their ability to make meaningful change a foundational element of the HR service delivery model.

● We’ll focus on the five principles of evidence-based change as described in the book by John Boudreau and Ravin Jesuthasan, *Transformative HR: How Great Companies Use Evidence-Based Change for Sustainable Advantage*, and what these principles mean for the future of HR service delivery.

● We’ve extended our global research and collaboration with John Boudreau to define the HR function of the future.

● Learn about this unique and compelling future state model that includes governance, service delivery and engagement communities.
HR of the Future — Why Change?
Drivers for HR model changes

1. Business transformation demands new skills
2. Mobility from industrialized to emerging markets
3. Global talent mismatches
4. Changes in talent management strategies
What is driving the talent agenda?

Market shifts that will have the biggest impact on future talent requirements

- Technological and digital change
- Globalization of markets
- Labor markets shifts
- Changes in customer needs and behavior
- Increasing competition
- Industry consolidation and transformation
- Shift of market momentum to emerging markets
- Sustainability and the environment
- Regulatory changes
- Increasing focus on diversity
- Geopolitical trends
- Generational, social and cultural drivers

Demand for talent will rise strongly over next decade

Market for talent: Global

Talent friction points in ten years:
Where are your future talent needs?

Gaps Between Growth in Talent Demand vs. Supply, 2011 – 2021

Future essential skills: How will you prepare?

Global skills

- Foreign language skills
- Ability to manage diverse employees
- Ability to work in multiple overseas locations
- Cultural sensitivity
- Understanding international markets

Agile thinking

- Dealing with complexity and ambiguity
- Ability to consider and prepare for multiple scenarios
- Innovation
- Managing paradoxes, balancing opposing views
- Ability to see the “big picture”

Digital business skills

- Digital business skills
- Ability to work virtually
- Understanding of corporate IT software and systems
- Digital design skills
- Ability to use social media and “Web 2.0”

Relationship building

- Relationship building (with customers, partners, government, etc.)
- Teaming (including virtual teaming)
- Collaboration
- Co-creativity and brainstorming
- Oral and written communication

### The current status of the global workforce

<table>
<thead>
<tr>
<th>Status</th>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly engaged</td>
<td>35%</td>
<td>Employees who scored high on all three elements of sustainable engagement</td>
</tr>
<tr>
<td>Unsupported</td>
<td>22%</td>
<td>Employees who are traditionally engaged, but lack the enablement or energy for complete engagement</td>
</tr>
<tr>
<td>Detached</td>
<td>17%</td>
<td>Employees who feel supported and/or energized, but lack a sense of traditional engagement</td>
</tr>
<tr>
<td>Disengaged</td>
<td>26%</td>
<td>Employees with less favorable scores for all three aspects of sustainable engagement</td>
</tr>
</tbody>
</table>


towerswatson.com
Ready for what’s next...

- Shape work environment that engages, enables and energizes over time
- Think more broadly and creatively about where talent is sourced
- Embrace the virtual workplace and maximize mobility and flexibility
- Invest more heavily in retraining and reskilling (security in opportunity)
- Rethink and restructure how certain work is accomplished
What does this mean for how HR will operate in the future?

Leaders and employees use business frameworks to see the logical connections between investments in HR and vital business outcomes.

Managing investment dollars to make the biggest difference.

Taking a differentiated focus on talent segments.

Integrating views across programs, functions and organizations to realize promise of talent management and support business objectives.

Understanding full spectrum of HR risk; using leverage and not avoidance.
HR of the Future — Research: Changes in HR
In order to prepare themselves for new business realities, HR functions have begun to rebuild their operating models.

### Trends in HR Priorities

1. HR is in restructuring mode to be more efficient and cost-effective

2. Shared services is viewed as the key to success for HR organizations looking to meet efficiency and cost-saving objectives

3. HR technology spending remains steady with a mix of enhanced functionality, upgrades and new implementations, and the HRMS market continues to shift toward SaaS

Source: Towers Watson HR Service Delivery Survey.
What are the issues?

For the most part, the top issues for HR leaders haven’t changed much over the last six years:

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<thead>
<tr>
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<tbody>
<tr>
<td>1</td>
<td>Streamline processes/systems</td>
<td>Talent/performance management</td>
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</tr>
<tr>
<td>2</td>
<td>Recruiting/staffing services/systems</td>
<td>Streamline processes/systems</td>
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<tr>
<td>3</td>
<td>Talent/performance management</td>
<td>Cost reduction</td>
<td>More involvement in strategic business-driven issues</td>
</tr>
<tr>
<td>4</td>
<td>Upgrade HRMS</td>
<td>More involvement in strategic business-driven issues</td>
<td>Recruiting/staffing services/systems</td>
</tr>
<tr>
<td>5</td>
<td>Manager self-service</td>
<td>Upgrade HRMS</td>
<td>Training</td>
</tr>
<tr>
<td>6</td>
<td>Accuracy of data</td>
<td>Define human capital metrics and dashboards</td>
<td>Implement a new HRMS</td>
</tr>
<tr>
<td>7</td>
<td>Employee self-service</td>
<td>Manager self-service</td>
<td>Compensation/benefit services/systems</td>
</tr>
<tr>
<td>8</td>
<td>New HR system</td>
<td>New HR system</td>
<td>Improve line managers’ people management capabilities</td>
</tr>
<tr>
<td>9</td>
<td>Compensation/benefit services/systems</td>
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<td>Cost reduction</td>
</tr>
<tr>
<td>10</td>
<td>Cost reduction</td>
<td>Systems integration</td>
<td>Upgrade HRMS to a new version/system</td>
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</table>
A spotlight on the market: New technology capabilities

Software as a Service (SaaS) has grown significantly over the last six years
- Less than 1% in ’07
- More than 32% in ’12

SAP and Oracle are both moving to meet the growing demands of a SaaS market

New HRMS Chosen

- SAP: 24%
- Workday: 24%
- Oracle (Legacy PeopleSoft): 8%
- Ultimate Software/Ultipro: 4%
- Oracle Fusion: 3%
- ADP EmployEase: 2%
- Lawson: 2%
- Oracle (Legacy Oracle HRMS): 2%
- ADP Globalview/Streamline: 1%
- SuccessFactors Employee Central: 1%
- Custom, In-house solution: 2%
- Other: 19%
- Will be provided by an HRO vendor: 8%
What is working: Employee Self-Service

A leading driver of efficiency continues to be the adoption of self-service

- ESS has long been used and widely adopted, steadily increasing over the last six years from about 60% to almost 90% today
- Improved user experience is increasing the adoption of ESS
- ESS continues to have a positive impact on the HR function by reducing the administrative workload
What is working: Manager Self-Service

A leading driver of efficiency continues to be the adoption of self-service

- MSS has seen dramatic increases since 2009, moving from less than 40% to almost 70% utilization
- Much of this increase is attributable to improved technology, especially the user interface/experience
- Contrary to what many organizations feel, MSS does reduce the workload for both HR and managers
Structure and process: Reasons for changing current HR structure

Do You Anticipate Changing Your Current HR Structure in 2012 or 2013?

- No changes anticipated: 56%
- Yes: 44%

Reasons for Changing Current HR Structure:

- Realization of further efficiency potentials: 64%
- Realization of synergies: 54%
- Quality improvements: 51%
- Cost savings: 46%
- Globalization initiative: 28%
- Change of business strategy: 27%
- Business reorganization: 26%
- Other: 8%

n = 612
HR has been evolving to meet new business needs...

Traditional HR Model

- Administration: 60%
  - Policy/Planning: 10%
  - Business Partnering: 30%

Emerging HR Model

- Strategy & Planning: 20%
  - Process Transformation
  - People Transformation
  - Technology Transformation
- Business Partnering: 60%
  - Administration
  - Centralized Administration
  - Employee and Manager Self-Service

Traditional HR Model

- Administration: 60%
  - Policy/Planning: 10%
  - Business Partnering: 30%
...Shifting to more strategic services

Hierarchy of HR Services

Type of Work

Strategic

Transactional

Level of Complexity

Low

High

STRATEGIC SERVICES

TOTAL REWARDS STRATEGY

SUCCESSION PLANNING

WORKFORCE SKILLS ASSESSMENT AND DEVELOPMENT

PERFORMANCE MANAGEMENT

VALUE-ADDED SERVICES

MANAGEMENT REPORT GENERATION

CAREER COUNSELING

TRAINING COORDINATION

JOB POSTING & INTERVIEW ADMINISTRATION

BENEFITS SIGN-UP & ADMINISTRATION

EMPLOYEE RECORDKEEPING

STRATEGIC HUMAN CAPITAL MANAGEMENT

WORKFORCE PLANNING

WORKFORCE METRICS & ANALYSIS

WORKFORCE ENGAGEMENT
HR of the Future — What Does it Need to Get Right?
The future of HR

HR’s reason for being is to make people and organizations more effective

This will not change in the future

However, it’s clear that HR needs to find ways to do its work faster, with less bureaucracy and more business relevance

- The bar keeps getting raised
- HR is improving and developing its capabilities
- But the expectations about what HR can and should deliver are also getting bigger
- The consequences of not delivering are getting tougher — there is more at stake

In short, HR needs an evidence-based approach to keep up and ensure its ongoing relevance

Source: Organizational Dynamics, John Boudreau, Ian Ziskin.
towerswatson.com
Introduction and background

- The thinking behind evidence-based change:
  - Inspired by the evidence-based medicine movement
  - Calls for the application of mental models, rigor and logic when making HR decisions
- Five key principles of evidence-based change that leading-edge HR organizations are using to help achieve sustainable advantage
- **Transformative HR** showcases the principles in action
  - Profiled companies include:
    - Coca Cola, PNC Bank, IBM, Royal Bank of Scotland, Shanda, Ameriprise, Royal Bank of Canada, Khazanah Nasional, Deutsche Telekom and CME Group
Five principles of evidence-based change

### Logic-driven analytics
- Do you have information overload or persuasive analytics? Does HR data just “sit there” or is it sought out by the business?

### Segmentation
- Where are your pivotal talent segments? What investments will attract and engage them? What aspects of performance provide the highest return?

### Risk leverage
- Is R-I-S-K a four-letter word? Does your HR department have processes to assess risk and the confidence to distinguish between “good” and “bad” risks?

### Integration and synergy
- Is your HR Portfolio less than the sum of its parts? Create integration rather than adding new programs or enhancing existing ones

### Optimization
- Spreading “peanut butter” or optimizing investments? Does HR have the courage and analytical rigor to optimize investments in the workforce?
Logic-driven analytics

Ensure common frameworks and mental models for analyzing issues and defining success

- Are you measuring the impact of your HC programs relative to business objectives and results?
- Do you measure in single dimension or focus on the few critical linkage points?
- Do you measure program success through workforce analytics or the desired business outcome?

Getting the numbers right is just the beginning. The “magic” happens when measures and analysis are combined with the logic of knowing where to look for the important connections and the savvy of knowing when a story is better than a number (for example, framing a talent problem using the metaphor of a supply chain would likely motivate managers to think about it more critically)
Segmentation

- Analyzing the nature of the relationship between the performance and the value contributed to the organization

Everyone is different, and those differences can reveal how to strike the right compromise between mass customization and rigid standardization
Three Points on the Curve

Each point along the curve represents the best allocation of the corresponding total investment:

1) **To reduce total cost**, the curve identifies which programs should be reduced to reallocate investments in other areas and maintain current levels of retention.

2) **To maintain current investment levels**, the curve identifies how to reallocate investment across programs to increase retention without raising cost.

3) **To increase retention dramatically** and make the most of each reward dollar, the curve indicates the best ways to invest additional rewards funds.
As a result, HR’s role is changing

Parallels in other functions:
- Accounting -> Finance
- Advertising -> Marketing

Source: Extending the HR Paradigm, from Boudreau, “Beyond HR.”
towerswatson.com
HR Function of the Future —
What is the New Model?
The larger perspective: Multiple levels and constituents

HR’s future role and its effectiveness will span multiple constituents, more diverse issues and standards

The most significant and important issues will require that HR looks beyond the traditional boundaries of the function

Source: Organizational Dynamics John Boudreau, Ian Ziskin.
The future of HR

HR spans multiple boundaries to set its strategies

Dynamic Environments

Effective Organizations

Future HR

HR success will:

...incorporate other disciplines

...require accepting diverse definitions of the HR role

...rely on boundary-spanning

Source: Organizational Dynamics, John Boudreau, Ian Ziskin.
Future direction for HR

- We’re going to explore delivery, governance and how HR engages with various constituents

“Talent Delivery for efficient and effective offerings and operations”

“HR Governance to focus on the vital issues”

“HR facilitates engaged communities that yield better and more diverse results”
HR Governance

- Standing team that includes business unit representation
  - Includes dedicated specialist resources with logic-driven analytics capability
  - Logic models for HR issues are understood
- Charters new initiatives
  - To address exceptions in Talent Delivery and HR operating model
  - Spans multiple boundaries/functional areas/connections that aren’t normally made within and across HR
  - Understands end-to-end human capital implications of business needs
  - Approves business cases for new program initiatives
  - Provides evidence of HR value
- Leads change management and communications strategy for HR initiatives

Leaders bring business needs to HR Governance, which defines and outlines the human capital implications.
Talent Delivery

**HR Services**
- Ongoing HR operations execution in areas such as:
  - Hire to Retire HR administration
  - Employee Relations
  - Total Rewards Administration
  - HR Vendor Management
- Management of HR technologies
- Employee and Manager contact services
- HR Program execution
- Leadership support and coaching
- Virtual teams of HR Service Delivery experts

**HR Specialists**
- HR solutions and programs apply micro-segmentation and Total Reward Optimization
- Sustain programs based on changing business environment and legal needs
- Expert and analyst support for new HR initiatives and resources for engagement communities
- Broad end-to-end expertise in areas such as:
  - Workforce Planning
  - Engagement
  - Diversity and Inclusion
  - Hire to Retire Talent Management and Total Rewards
- Flexible pool of broad-based HR experts; select areas of technical domain excellence based on HR business priorities
Engagement communities

- Temporary teams consisting of the appropriate resources from external and internal environment
  - Inject “capacity” into HR to address an HR business priority
  - Review the challenge and opportunity at hand by “freedom within a framework”
  - Team is disbanded when initiative/project is complete
- Create and analyze business cases for approval by Governance (Phase 0)
  - Bring flexibility and decision-making as close to the business as possible
- Execute program design and implementation (Phases 1-2) and transition to Talent Delivery

Engagement Communities may include Talent Delivery resources, employees, managers, business leaders and/or external experts
Future direction for HR

HR spans multiple boundaries to set its strategies

Talent Delivery provides efficient and effective offerings and operations across the HR lifecycle

Talent Delivery

Effective Organizations

Future HR

Governance

Engagement Communities

Dynamic Environments

Business strategy and environment inform the role of HR. The role of HR is determined through a Governance Approach that applies data and decisions resulting in the focus on the vital issues for integrated execution

HR facilitates engaged communities that yield better and more diverse results
What’s different with the new model

- Centralized Governance group within HR
  - Sets priorities for HR based on business drivers and analytics
  - Composed of HR and other resources from organization/business environment
- Talent Delivery executed through a standardized (defined) services model with dedicated Talent Services and Talent Specialists
  - May be global and regional — will vary by company
- Engagement Communities form and disband based on HR business priorities
- No HR Business partners, generalist or local HR resources
  - Employee and manager services are executed through Talent Services
  - Talent Services provides higher-level consulting that replaces traditional generalist roles
- No HRLT level Centers of Expertise resources
  - Talent specialist team provides pool of resources with broad talent/HR capabilities
  - Specialists work on projects within Engagement Communities that include HR and business resources
    - Engagement Communities are temporary and disband when project is complete
HR Function of the Future — In Practice
## Model flex

<table>
<thead>
<tr>
<th>Potentially dynamic or changing market requiring new HR solutions</th>
<th>Potentially stable market and mature business model requiring ongoing defined services</th>
<th>Potentially new market with “small HR”</th>
</tr>
</thead>
<tbody>
<tr>
<td>A focus on change</td>
<td>A focus on delivery excellence and “steady state”</td>
<td>A focus on development</td>
</tr>
<tr>
<td>Likely changing talent segments, opportunities or challenges to be addressed with ongoing delivery</td>
<td>Likely moderate to high volumes for HR lifecycle, e.g., recruiting, training</td>
<td>Likely inconsistent or staged demands for HR, e.g., once-and-done high recruitment volumes</td>
</tr>
<tr>
<td>Active governance prioritizing engagement community focus areas</td>
<td>Limited governance beyond delivery management</td>
<td>Active governance prioritizing engagement community focus areas</td>
</tr>
<tr>
<td>High degree of technology-enabled HR</td>
<td>High degree of technology-enabled HR</td>
<td>High degree of technology-enabled HR and/or manager at center of HR delivery and accountability</td>
</tr>
</tbody>
</table>
Structural example: Global company with HR governance embedded regionally

- HR Leads embedded in the business (Key regions: NA, SA, EMEA, Asia Pacific)
- Analytics team centrally located in U.S.
- Talent Delivery — Operations based in Service Centers in U.S. and Philippines
- Talent specialists centrally located in U.S.
- Engagement communities formed around regional mandates

- EVP Global HR
  - NA HR Lead
  - Analytics Team

- EMEA HR Lead
  - EC1: New regulatory reporting
    - Members include: EMEA HR Lead, Analytics Representative, Company Risk & Compliance Representative

- Asia Pacific HR Lead
  - EC1: Talent Acquisition for Engineering
    - Members include: Regional Business Head, New Managers, Tenured Managers, OD Specialist
  - EC2: Onboarding for Engineering
  - EC3: Manager Development Program

- SA HR Lead
  - EC1: Talent Acquisition for Engineering
    - Members include: University President, Regional Business Head, Plant Management, U.S. Talent Specialist for Recruitment
  - EC2: Onboarding for Engineering

- Operations
  - Talent Specialists

- Engagement Communities
  - EC1: New Health & Wellness Program
  - EC1: New regulatory reporting
    - Members include: EMEA HR Lead, Analytics Representative, Company Risk & Compliance Representative
  - EC1: Talent Acquisition for Engineering
    - Members include: University President, Regional Business Head, Plant Management, U.S. Talent Specialist for Recruitment
  - EC2: Onboarding for Engineering
  - EC3: Manager Development Program
    - Members include: Regional Business Head, New Managers, Tenured Managers, OD Specialist
Structural example: Global company with HR governance embedded regionally

- HR Leadership embedded in business regions
- Dedicated analytics team leveraged globally

- Talent Delivery with Operations and Talent Specialist teams
- Engagement Communities form based on chartered teams (no resident Headcount)
Questions
HR Function of the Future — Breakout Sessions
Breakout sessions: Instructions

- You will have the opportunity to do a deeper-dive discussion on two areas of the model (35 minutes each):
  - Breakout Option 1: HR Governance
  - Breakout Option 2: Talent Delivery
  - Breakout Option 3: Engagement Communities

- Reconvene for Group Discussion and Closing Remarks

Pick two out of the three options
Breakout Session

James Millar — Governance
Future direction for HR: Governance group to ensure business rigor

Business strategy and environment inform the role of HR. The role of HR is determined through a Governance Approach that applies data and decisions to focus on the vital issues for integrated execution.
“How will HR pick its spots to engage on issues and opportunities from the dynamic environment?”

Source: Organizational Dynamics John Boudreau, Ian Ziskin.
HR Governance

- Standing team that includes business unit representation
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  - Logic models for HR issues are understood
- Charters new initiatives
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  - Approves business cases for new program initiatives
  - Provides evidence of HR value
- Leads change management and communications strategy for HR initiatives
Governance and analytics — combined capability

- Has linked pivotal business areas and talent segments
- Clearly articulates talent management goals aligned with business strategy
- Develops and tracks progress against a visible, goal-oriented talent scorecard
- Uses human capital data to drive decision-making and take calculated risk
- Analyzes ROI for talent management programs and uses analysis to drive programmatic decisions (e.g., charter an Engagement Community for a new solution)
- Takes action to reflect optimization of HR/talent investments
How the model works — Example

Scenario: A global incentive strategy for Senior Executives in place — and one business unit wants it different

1. **Governance**
   - Receives request for new Senior Executive incentive plan for business unit
   - Tests underlying logic (i.e., “template” assessment) and determines go-forward approach
   - Reviews evaluation/recommendation to approve (Y) or suggest changes (N)
   - Adjusts incentive design based on Governance review

2. **Engagement Communities**
   - Forms team to launch deeper analytic evaluation of incentive plan and develop recommendation (talent, reward and business unit represented)

3. **Talent Delivery**
   - Executes approved Senior Executive incentive plan for business unit
Stress-test your governance capability on a scale of 1 (strongly disagree) to 5 (strongly agree)

<table>
<thead>
<tr>
<th>My Organization…</th>
<th>Your Score out of 5?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data and analysis focused on the vital issues. HR data and evidence direct strategic change</td>
<td>?</td>
</tr>
<tr>
<td>We measure <strong>sustainable</strong> employee engagement and set priorities and action plans based on this employee feedback</td>
<td>?</td>
</tr>
<tr>
<td>Logic models for HR issues are common and understood (we find the right “story” vs. generating thousands of reports)</td>
<td>?</td>
</tr>
<tr>
<td>HR is part of the management team and includes business in its HR strategic direction</td>
<td>?</td>
</tr>
<tr>
<td>Focus is on HR investments with the largest strategic impact</td>
<td>?</td>
</tr>
<tr>
<td>HR investments routinely reduced in some areas and redeployed elsewhere</td>
<td>?</td>
</tr>
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Key questions

- Is Governance similar to or different than how your HR department operates today?
- If similar, is it working well? If different, would adopting these concepts prove valuable to your organization?
- Assuming you choose to adopt these concepts, what would need to change in your organization to deliver on these principles?
## Roadmap steps

<table>
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<tr>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Plan and Prepare</strong></td>
<td><strong>Current State Review</strong></td>
<td><strong>Design Governance Framework</strong></td>
<td><strong>Build and Establish Governance Mechanisms</strong></td>
</tr>
<tr>
<td>• Getting the right governance in place is critical to the success of HR, so we should apply the same rigor to setting the governance process up as we would to any other critical initiative.</td>
<td>• All organizations have governance in place — with a range of implicit and explicit models, behavior and effectiveness — both inside and outside HR.</td>
<td>• Analyze business strategy and issues/environment, to establish governance mandate and requisite roles.</td>
<td>• Apply logic frameworks to set HR business priorities.</td>
</tr>
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<td></td>
<td>• It is important to understand the current (formal and informal) processes, tools, behaviors and effectiveness to establish a baseline that can be built upon and improvements realized — and, potentially an enterprise-wide framework within which to build People Management governance.</td>
<td>• Build out the preferred model, including the decision-making rights, the tools and metrics that will be used to effect good governance.</td>
<td>• Establish real evidence and prioritize based on the quantitative assessment.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Define the desired behavioral expectations of the participants in the process.</td>
<td>• Identify any priorities for launch of Engagement Communities.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Critical to get commitment and buy-in from the business and key stakeholders before proceeding any further.</td>
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Future direction for HR: Talent Delivery group to provide HR offerings

Talent Delivery provides efficient and effective offerings and operations across the HR lifecycle.
Talent Delivery

**HR Services**
- Ongoing HR operations execution, in areas such as:
  - Hire to Retire HR administration
  - Employee Relations
  - Total Rewards Administration
  - HR Vendor Management
- Management of HR technologies
- Employee and Manager contact services
- HR Program execution
- Leadership support and coaching
- Virtual teams of HR Service Delivery experts

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- HR solutions and programs apply micro-segmentation and Total Reward Optimization
- Sustain programs based on changing business environment and legal needs
- Expert and analyst support for new HR initiatives and resources for engagement communities
- Broad end-to-end expertise in areas such as:
  - Workforce Planning
  - Engagement
  - Diversity and Inclusion
  - Hire to Retire Talent Management and Total Rewards
- Flexible pool of broad-based HR experts; select areas of technical domain excellence based on HR business priorities
How the model works — Example

Scenario: Business group wants to introduce a new recognition program for its engineers
Key questions

- Is Talent Delivery similar to or different from how your HR department operates today?
- If similar, is it working well? If different, would adopting these concepts prove valuable to your organization?
- Assuming you choose to adopt these concepts, what would need to change in your organization to deliver on these principles?
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<td>Current State Review</td>
<td>Design Future State Model</td>
<td>Prepare for Implementation</td>
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- The output from the “governance” conversations shape the objectives, scope and priority of the changes you need to make to the service delivery model.
- For the part(s) of the model that need to be changed, it’s important to understand the current model in quantitative terms: how people spend their time, what is in-/out-sourced, enabling technology, etc. as well as a quantitative assessment of current performance.
- Define the desired characteristics of the new model.
- Develop, evaluate straw models.
- Define future state for Operations and Talent specialist areas.
- Gain commitment and buy-in from the business and key stakeholders before proceeding any further.
- Set out, step by step, the transition plan to the new model, including the enabling process and technology, the organization and people changes (including how to build the required competencies and skills).
Breakout Session

Tracey Malcolm — Engagement Communities
Future direction for HR: Engagement Communities to design programs that drive results
Engagement Communities

- Temporary teams consisting of the appropriate resources from external and internal environment
  - Inject “capacity” into HR to address an HR business priority
  - Review the challenge and opportunity at hand by “freedom within a framework”
  - Team is disbanded when initiative/project is complete
- Create and analyze business cases for approval by Governance (Phase 0)
  - Bring flexibility and decision-making as close to the business as possible
- Execute program design and implementation (Phases 1 – 2) and transition to Talent Delivery

Engagement Communities may include Talent Delivery resources, employees, managers, business leaders and/or external experts
How the model works — Example

Scenario: U.S.-based company entering new international markets (e.g., South America, Asia) and “no HR” dedicated to these new markets

1. Receives request for HR support in new geographical markets

2. Forms team to develop HR blueprint/proposal for future-state Talent Services (business unit, talent services, specialists and external advisors representation)

3. Reviews HR blueprint and approach, sets priorities and allocates resources/investments

4. Executes HR blueprint implementation (design/build/recruit)

5. Council monitors implementation to approve (Y) or suggest modifications (N)

5A. Adjusts approach based on feedback

6. Runs execution of Talent Delivery in new geographical markets
Engagement Communities — Capability areas

- Ability to team from diverse backgrounds and perspective
- Ability to work virtually
- Can create solution — develop, frame, build in order to execute
- Represent business priorities (sees the big picture) in the development of new solutions
- Consider and apply multiple scenarios
- Deal with ambiguity and can balance opposing views
- Experience dealing with schedule, effort and resource constraints and objectives, e.g., projects!
- Collaborate and work with others to accomplish the EC goal
Key questions

- Are the Engagement Community concepts similar to or different than how your HR department operates today?
- If similar, are they working well? If different, would adopting these concepts prove valuable to your organization?
- Assuming you choose to adopt these concepts, what would need to change in your organization to deliver on these principles?
## Roadmap steps

<table>
<thead>
<tr>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
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<tbody>
<tr>
<td><strong>Define Charter</strong></td>
<td><strong>Address Solution</strong></td>
<td><strong>Update Governance</strong></td>
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<tr>
<td>• The output from the</td>
<td>• Based on charter, support decision-making</td>
<td>• With mandate addressed, present solution</td>
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<td>“governance” approach</td>
<td>and development of solution (may be the</td>
<td>and recommendations to Governance team.</td>
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<td>and insights/analytics</td>
<td>assessment, design, and/or development of</td>
<td>• Support decision-making and process on</td>
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<td>identify new priorities</td>
<td>a new solution).</td>
<td>next steps, e.g., transition to Talent</td>
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<td>for HR focus.</td>
<td>• Apply perspectives, varied disciplines</td>
<td>Delivery organization; shape new mandate</td>
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<td>in fulfilling mandate. Function with</td>
<td>for subsequent EC and/or additional</td>
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<td>project management discipline.</td>
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<td>• Collaborate as a multidisciplinary team.</td>
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- • Purpose, objective, scope, approach (schedule, effort estimating)
- • Define target output
- • Confirm team and roles
Group Debrief and Closing Remarks
Group debrief

- What were some of your group discussions related to?
  - Are the HR Function of the Future concepts similar to or different than how your HR department operates today?
  - If similar, are they working well? If different, would adopting these concepts prove valuable to your organization?
  - Assuming you choose to adopt these concepts, what would need to change in your organization to deliver on these principles?
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