

THE EVOLUTION OF



HUMAN RESOURCES

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Foreword from Managing Director, Chris Goulding:

Chris has worked locally within recruitment since the late 1990's. Having spent 18 years with a corporate recruiter, holding a number of Director roles, he made the move to Wade Macdonald 2 years ago to undertake the role of Managing Director.

During his 20 years' in the industry he has seen huge change in the way that head office functions are both perceived within business and the growing importance of those functions in the way that business decisions are made.



Human Resources is a function that he believes has seen some of the greatest change. Having spoken with a large number of HR professionals including members of the Thames Valley CIPD he thought it would be interesting to ask HR professionals themselves how they thought HR had changed and would evolve over the coming years.

INTRODUCTION

As a function, Human Resources has gone through some of the biggest changes of all over the past 5 years.

In October 2019 we sent out a survey to HR professionals to ask them how they felt that their roles had changed in the last five years, but also asked them to fast-forward 5 years in order to see what they envisaged their main priorities would be by 2025.

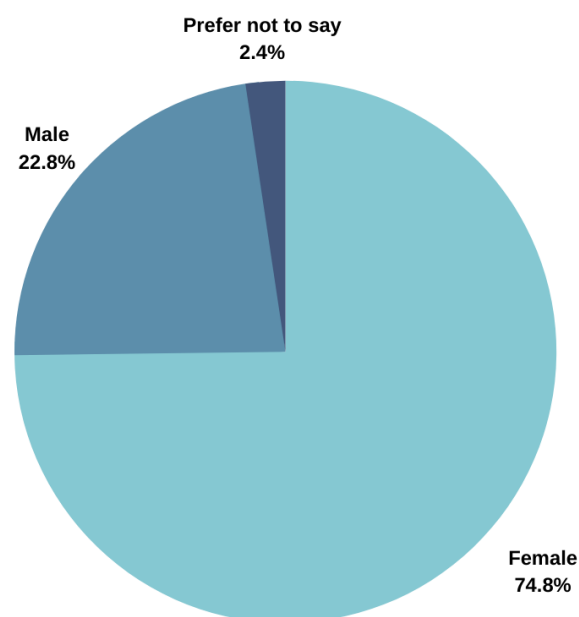
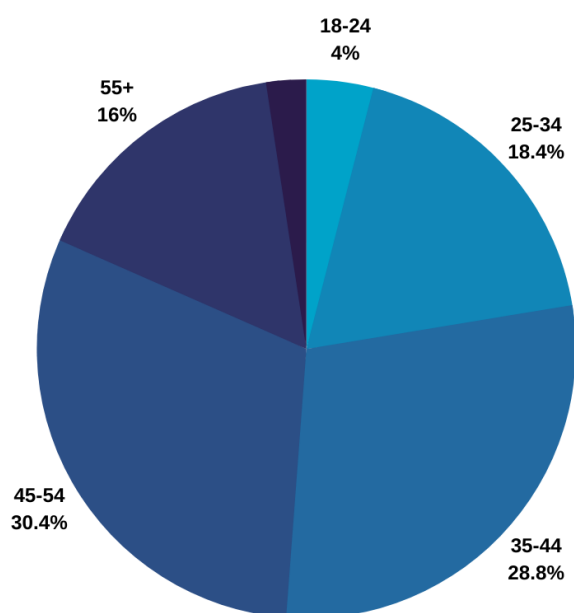
We also investigated the key skills that they believe will be needed to support business objectives going forwards as well as questioning how fulfilling they have found their career in HR and whether changes to their profession has increased their career satisfaction or reduced it.

We were delighted that nearly 150 local HR professionals took the time to contribute which has enabled us to produce our report into "The Evolution of Human Resources".

The Demographics

The vast majority of contributors to our research were based in the Thames Valley region. They were mainly experienced professionals with only 4% falling below 24 years of age. 18% were between 25 and 34 and 59% fell in the 35-54 age group. The remaining 16% were over 55.

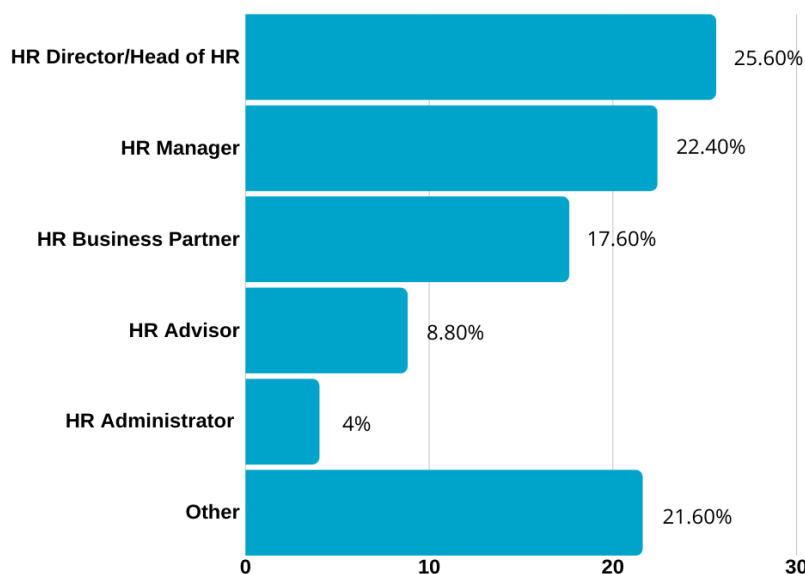
Our report overwhelmingly tells us that although Human Resources has seen major changes over the past 5 years, that it is still predominantly composed of female staff. 76% of those that responded to the survey were females. This is backed up by a CIPD report in 2017 which showed that only around 21% of their members were male.



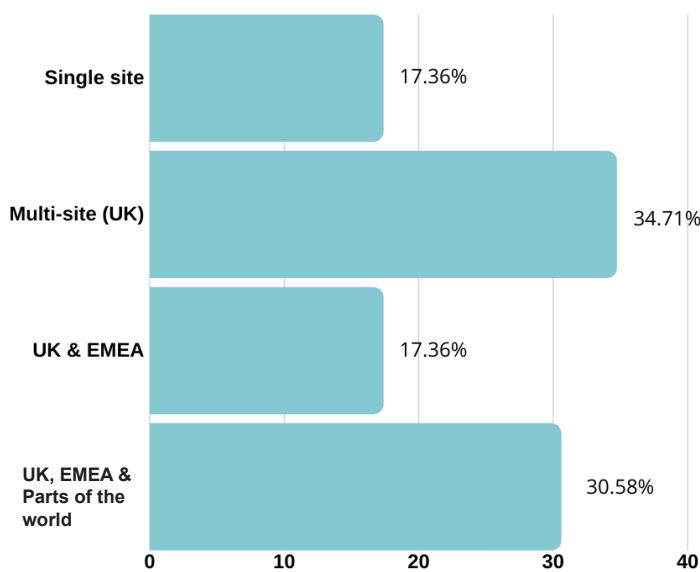
Jobs Of Respondents

Due to the experience levels of our respondents it is not surprising that a large majority held leadership positions within their organisation. 26% held HRD or Head of roles, 27% HR managers and 19% HR business partner roles.

Other senior respondents held HR consultant roles on a self-employed basis. 22% were either advisors or administrators with a further 2% working within talent acquisition.



The Growing Importance Of HR Within Business



Only 17% of those that responded hold HR roles that cover single sites. 35% were multi-site within the UK with 58% holding roles that cover parts of the EMEA region or worldwide. This suggests that an increasing amount of roles within HR require the ability to build strong relationships remotely, sensitivity to cultural differences, along with the challenges that could bring and the ability to understand employment law over various jurisdictions. It also means that HR roles could lead to international travel. It could be argued that this shows a major swing in the importance held of the 'people agenda' within business today.

Further evidence of the increased importance of HR within business is shown by the fact that according to our survey 77% of businesses have HR representation on the board of directors. Given that in 2011 Korn Ferry published a report stating that HR was not represented on any of the FTSE100 boards, this is a major evolution and again shows the increased importance of people and culture to forward thinking organisations.

10 Years Of Change

Respondents were given a list of 17 choices of which they could pick the 5 things they felt were the most important priorities 5 years ago, today and also what they thought would be their priorities in 5 years' time. You can find the tables of comparison on page 5.

The results were very interesting and highlight further that HR is a changing profession. Unsurprisingly, there are some core priorities that appear in the top 5 throughout time. These are Employee Engagement and Change Management. No matter how HR changes in the future, it will always be important that employees are engaged with the business and when change happens (which can be constant in many businesses!), it is important that HR are involved to ensure that employment regulations are adhered to. Change often leads to either redundancies, role changes or recruitment and so HR will always be central within this.

Organisational Culture is also a key priority across all the timelines. It moved from number 6 to number 1 and remains at number 2. Over the past 10 years, the realisation that values and vision are linked very closely to the retention of staff has meant that this has increased in priority. It is becoming more common to have a "Head of People and Culture" rather than the traditional "Head of HR" and the survey adds further validation to this thought process.

Learning and Development was the top priority 5 years ago, but we see this steadily decline in the priority stakes as time evolves. That's not to say that this shows the L&D

agenda has gone, just that it was a very hot topic 5 years ago as businesses were often re-investing in this area having cut back during the recession. Business Partnering is another that drops from a top 2 priority down to 14 in 5 years' time. Business Partnering is essential within HR, but is more 'business as usual' today and will continue to be, whereas 5 years ago this was part of the changing HR skill set.

D&I is a very hot topic within all business at the moment and we can see that this is very much reflected in our survey. 5 years ago people were just starting to talk about the subject, whereas it is now at number 3 in the list of priorities. We can clearly see that HR professionals believe it will still be a big priority in 5 years' time as it stays in the top 5.

The nature of HR also means that some things will rise to be a major priority and then fall back again. The best example of this from the charts below is Brexit Planning. Unsurprisingly (with no referendum scheduled), 5 years ago very few people were seriously considering the impact of leaving the EU. In October 2019 (when the survey was carried out), this was clearly a very hot topic, but HR professionals seem to be suggesting that in 5 years' time the effects of this on their roles will mostly have been dealt with.

The most interesting thing about the changing priorities, is that 2 of the largest expected priorities in 5 years' time did not figure highly (if at all) 5 years ago and one of them is still a minor priority today. The Utilisation of AI is expected to be the biggest change across business over the coming years with a large number of articles written around the subject. Clearly there will always be a need for people in HR, but the skill set of those required to fulfil HR roles is likely to change due to these advancements. In fact, 68% of those responding felt the role of HR professionals will fundamentally change.

When elaborating, it seems that professionals feel that AI presents an opportunity for HR to automate repetitive, perceived low value tasks and to increase focus on more strategic work. In general, HR services include a large amount of time spent on standard on-boarding processes for new employees, answering common questions, fielding employee requests and basic benefits management. Saving time in those areas can help HR teams do more creative and strategic work for the success of the company. As more technology solutions are appearing in the market, the utilisation of AI in HR is bound to become a higher agenda point but for smaller businesses the adaptation will almost certainly be cost dependent. Later in this report you will see the hard and soft skills that respondents feel will become the most important for the next generation of HR leaders.

A final priority to mention is the use of Data in decision making. As you will see this has already moved from number 13 to number 5, but will continue to grow as a priority. This suggests that being able to interpret and analyse data is becoming a key HR skill along with more traditional people skills.

PAST PRIORITIES

Learning & Development	56.67%	1
Business Partnering	47.50%	2
Employee Engagement	46.67%	3
Change Management	44.17%	4
HR & Talent Management Systems	40.83%	5
Organisational Culture	39.17%	6
Succession Planning	36.67%	7
Development Of Reward Systems	29.17%	8
Organisational Development	29.17%	8
Eligibility/Right To Work	22.50%	9
Defining & Driving Organisational Values	22.50%	9
Diversity & Inclusion	19.17%	10
Use Of Data In Decision Making	18.33%	11
Utilising Social Media Opportunities	15.00%	12
Global Mobility	8.33%	13
Brexit Planning	2.50%	14
Utilisation of Artificial Intelligence	0.00%	15

CURRENT PRIORITIES

Organisational Culture	58.68%	1
Employee Engagement	58.68%	1
Diversity & Inclusion	46.28%	2
Change Management	43.80%	3
Use Of Data In Decision Making	37.19%	4
Brexit Planning	32.23%	5
HR & Talent Management Systems	30.58%	6
Defining & Driving Organisational Values	30.58%	6
Learning & Development	29.75%	7
Business Partnering	27.27%	8
Succession Planning	24.79%	9
Organisational Development	23.14%	10
Utilising Social Media Opportunities	19.83%	11
Utilisation of Artificial Intelligence	14.88%	12
Development Of Reward Systems	12.40%	13
Eligibility/Right To Work	11.57%	14
Global Mobility	10.74%	15

FUTURE PRIORITIES

Utilisation of Artificial Intelligence	56.20%	1
Organisational Culture	44.63%	2
Use Of Data In Decision Making	43.80%	3
Employee Engagement	40.50%	4
Diversity & Inclusion	33.88%	5
Change Management	33.88%	5
Utilising Social Media Opportunities	32.23%	6
Defining & Driving Organisational Values	30.58%	7
Organisational Development	28.10%	8
Succession Planning	27.27%	9
Learning & Development	26.45%	10
Global Mobility	24.79%	11
HR & Talent Management Systems	19.01%	12
Business Partnering	18.18%	13
Development Of Reward Systems	14.88%	14
Eligibility/Right To Work	14.88%	14
Brexit Planning	12.40%	15

Key Skills To Reach The Top

As the priorities of HR professionals evolve so too will the skills needed to reach the top of the profession.

Unsurprisingly, Leadership was the top chosen skill required. Not only could you be leading your own department when reaching the top in HR but you will be an integral person in leading the culture of the organisation, along with most probably sitting on the company's board. Strategic orientation is just behind. Again, as HR holds such a key role in the future direction of the business these skills would be imperative. Just behind Leadership and Strategic orientation are Business Partnering and Communication.

As highlighted above the ability to analyse data was also seen as a key skill to develop. At number 5 was Employee Relations. This is not surprising since HR started to evolve as it is still a human department. The fact that soft skills exist alongside strategic leadership and data analysis shows the varied nature of the skills required to progress in Human Resources.

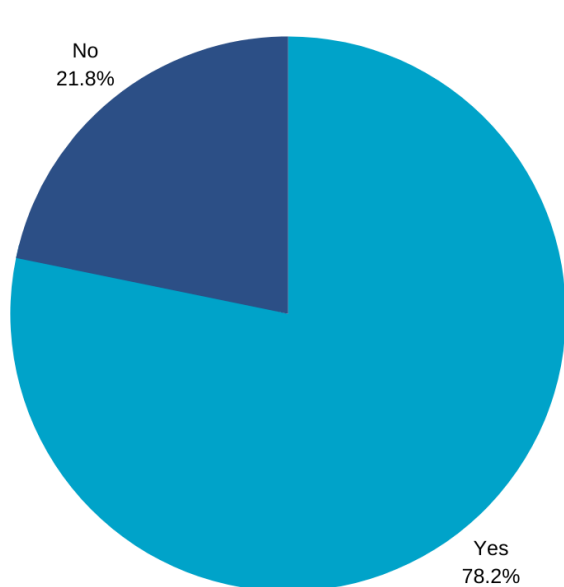


Human Resources – A Fulfilling Career?

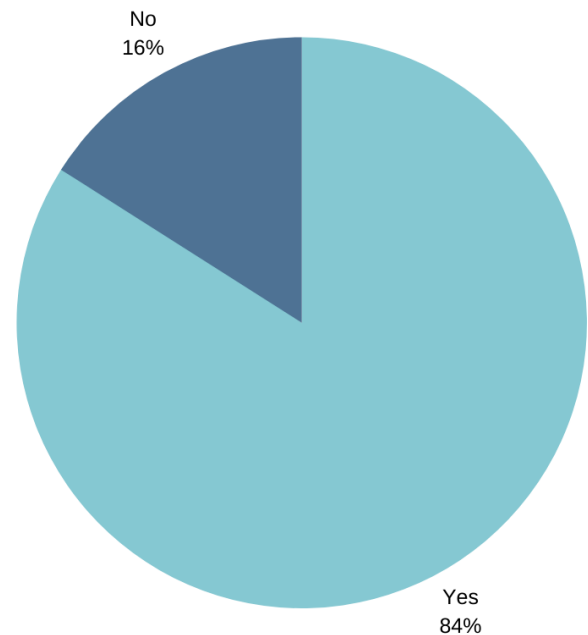
The final 3 questions in our survey were used to establish whether the respondents who took part in the survey had found HR a fulfilling career.

Of those who answered 78% of people said that if they started their career again they would still have worked in HR. This suggests that they have found their career fulfilling and that changes that have come within the function have been welcomed. A staggering 84% still believed they would work in HR or related roles in 5 years' time, which backs this theory up.

Of those that are looking to leave HR in the next 5 years, over 40% were heading for retirement. Of the others over 30% wanted to go into coaching roles with 15% suggesting they would start their own businesses. This shows that as HR has evolved it is offering professionals far more opportunity to gain the commercial, strategic and leadership skills which are relevant for those seeking more varied roles in the future.



If you could start your career again, would you still choose to work in HR?



Do you intend to still be in HR in 5 years time?

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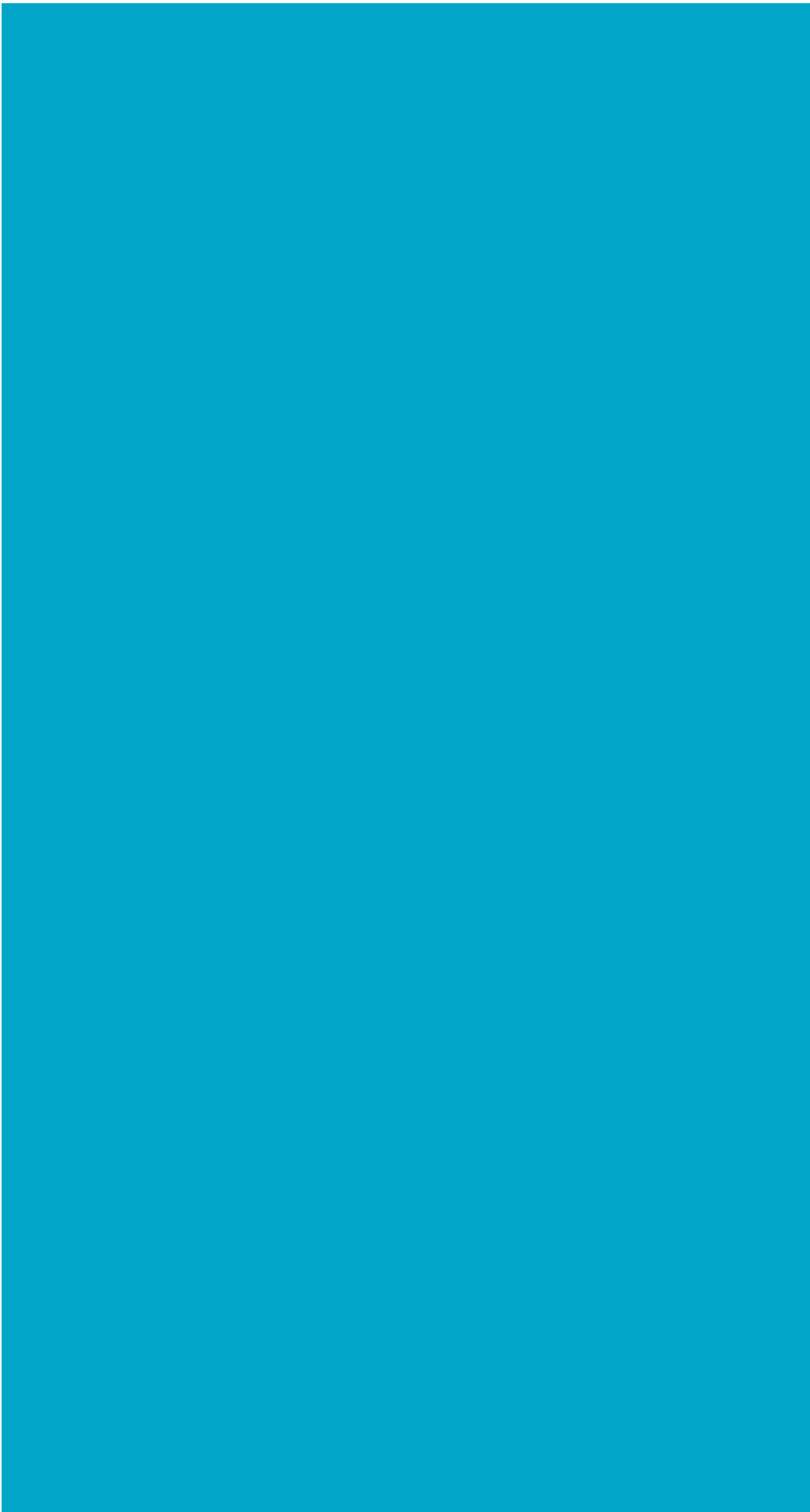
If you have any questions or comments regarding the HR Report, please get in touch with us using the details above, or direct to our Managing Director, Chris Goulding on either:

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