The changing nature of work
or how mobile, social, analytics and cloud have
c残忍d the way we look at work

Maria-Paz Barrientos
IBM, Global Business Services
@mpbarrientos
CEOs consider technology the single most important external force shaping their organization’s future.

### Technology factors
- Market factors
- Macro-economic factors
- People skills
- Regulatory concerns
- Socio-economic factors
- Globalization
- Environmental issues
- Geopolitical factors

### CEO Studies 2004–2013

<table>
<thead>
<tr>
<th>Year</th>
<th>Technology factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>•</td>
</tr>
<tr>
<td>2006</td>
<td>•</td>
</tr>
<tr>
<td>2008</td>
<td>•</td>
</tr>
<tr>
<td>2010</td>
<td>•</td>
</tr>
<tr>
<td>2012</td>
<td>•</td>
</tr>
<tr>
<td>2013</td>
<td>•</td>
</tr>
</tbody>
</table>
Top technology trends are impacting how organizations compete, yet approximately 75 percent are underprepared.

### Technology Trends Most Impacting Competitiveness
- Mobile device proliferation: 42%
- Collaboration across the ecosystem: 42%
- Explosion of unstructured data: 40%
- Cloud platforms and solutions: 36%
- Intelligent–connected systems: 34%

### Organizations Underprepared for Technology Trends
- Mobile device proliferation: 82%
- Collaboration across the ecosystem: 73%
- Explosion of unstructured data: 78%
- Cloud platforms and solutions: 82%
- Intelligent–connected systems: 79%

Note: Survey respondents were allowed up to three selections.
A New Era of HR Transformation Driven by

This shift is forcing organizations to rethink the role of HR
We see the following as the highest priorities of HR Leaders... transforming the HR Function is a very relevant topic.

HR is a function in transition, with the potential to add significant value to the organization.

NEW CHRO IMPERATIVES

- Lead HR Function transformation to create competitive advantage through HR strategy
- Leverage information to align talent management with business priorities
- Capitalize on Collective Intelligence to build Smarter Workforce

BUSINESS OUTCOMES

- **HR Transformation**: Lean strategic HR organization | Standard end to end HR Process | Self-service and technology support
- **Talent Management**: Talent as a competitive advantage | Empowering employees through values | Cultural intelligence and adaptability
- **Smarter Workforce**: Enable collaboration | Workforce measurement framework | Align people metrics with business goals
Social, mobile, cloud and big data require companies to think about a number of fundamental questions:

How are these technologies changing the nature of work?

How are they affecting the way we think about managing talent?

What can HR help the organization make the best use of these technologies?
Employee Engagement Journey Map

Oliver | Fields
Operations
30 year veteran/Chief operation officer
LOCATIONS
Primary role: Finance. Works full time in a Finance department
CHARACTERISTICS
Oliver enjoys using the HR app to pay his bills and plan his travel. Oliver likes a lot of new apps that make his life easier. In his free time, he likes to talk about what he is up to and how he is doing.
SKILLS
Operations management, industry subject matter expert

Collette | Fields
Finance
LOCATIONS
Primary role: Finance. Works full time in a Finance department
CHARACTERISTICS
Collette enjoys using the app to track her mobile device. Collette likes to see what the apps are available to her and how they can help her.
SKILLS
Financial analysis, industry subject matter expert

Milo | Fields
HR Business Partner
LOCATIONS
Primary role: HR Business partner. Works full time in an HR department
CHARACTERISTICS
Milo enjoys using the HR app to help business leaders understand their employees. Milo finds this app makes his job easier.
SKILLS
Employee relations, industry subject matter expert
Going Mobile
Each day, the world creates 2.5 quintillion bytes of data

- facebook: 4 billion pieces of content shared daily
- 30 million smart meters in Italy
- 200mb of data per cow per year
- Pinterest: 13 billion ad impressions per day
- 2.5 billion monthly page views
- PayPal: 9 Million payments daily

By 2020

- There will be over 200 billion connected devices
- There will be over 12 billion machine-to-machine devices
- Machine generated data will be 42% of all data
- 4x more digital data than all the grains of sand on earth
Mobile devices have fundamentally changed daily life

- **Smartphones**
- **Tablets**
- **Wearables**

- Portable
- Easily carried anywhere
- Personal
- Attached to a real person
- Connected
- Connected to a network
- Intelligent
- Real time information processed
Mobility is becoming a major business priority, with numerous applications across the enterprise.

84% of CIOs rate mobility solutions as a critical area for investment to get closer to customers.

94% of CMOs rank mobility apps as a critical part of their digital marketing plans.
Mobile has shortened the time between an individual’s need and its fulfillment.

Pre-web era
- 100% awareness
- At a store
- Days

Web era
- 100% awareness
- At a desk
- Hours

Mobile Era
- 90% awareness
- Anywhere
- Seconds

Of mobile users keep their device within arm’s reach 100% of the time.
Mobile is impacting how organizations will deliver HR services

- More companies are adopting BYOD strategies
- Mobile offers methods of extending HR services to non-desk-based employees:
  - Mobile roles
  - Shop floor roles
- Mobile solutions offer access anywhere, anytime in line with modern working practices
- Employees are expecting more choices in the ways they can access services
Mobile technologies also provide the opportunity to rethink training design and delivery

- Learning materials no longer tethered to a desktop
- Easier to deliver insights directly to the point of need
- Greater opportunity to incorporate multimedia
- Ability to identify and collaborate with others learners and subject matter experts
The Shift Sync and Shift Track Apps allows employees and managers to spend less time arranging schedules and more time performing the job they were hired to do.

**Shift Sync** automates the scheduling process for shift workers, making it quick and easy for employees to swap shifts with co-workers, while keeping managers informed of the changes.

**Shift Track** gives managers an at-a-glance view of daily schedule exceptions and coverage gaps. They can easily send schedule requests to staff, with alerts when employees have accepted or declined. The result? Fewer scheduling errors and no more cumbersome paper schedules.
Taking Advantage of Big Data and Analytics
Most companies still find themselves challenged in using data to make evidence-based workforce decisions – with just over half of organizations are truly tackling workforce analytics.

<table>
<thead>
<tr>
<th>Human Capital Area</th>
<th>Do not use</th>
<th>Produce reports</th>
<th>Historical trends</th>
<th>Predict future outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee engagement and commitment</td>
<td>13%</td>
<td>29%</td>
<td>50%</td>
<td>9%</td>
</tr>
<tr>
<td>Performance management evaluation</td>
<td>9%</td>
<td>36%</td>
<td>48%</td>
<td>8%</td>
</tr>
<tr>
<td>Talent retention</td>
<td>12%</td>
<td>35%</td>
<td>40%</td>
<td>13%</td>
</tr>
<tr>
<td>Workforce productivity</td>
<td>16%</td>
<td>34%</td>
<td>35%</td>
<td>16%</td>
</tr>
<tr>
<td>Sourcing and recruiting</td>
<td>16%</td>
<td>39%</td>
<td>38%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: Question CHRO3–Which statement best describes your enterprise’s use of analytics within each of these human capital areas?; n=321 [CHRO only], numbers may not sum to 100 percent due to rounding.
For workforce decisions, analytics remains in its early stages

Over **40%** of organizations are limited to basic HR reporting capabilities

Less than **16%** of companies report the ability to use data to make predictions and take action on future workforce issues

Less than **20%** of organizations are able to apply predictive analytics to address important people issues

Source: “Unlocking the People Equation”, IBM Institute for Business Value, 2014
Implementation challenges in HR

- Lack of understanding of how to use analytics: 38%
- Lack of management bandwidth due to competing priorities: 34%
- Lack of skills in line of business: 28%
- Ability to get the data: 24%
- Culture does not encourage information sharing: 23%
- Ownership issues or unclear governance: 23%
- Lack of executive sponsorship: 22%
- Concerns with data: 21%
- Perceived costs outweigh perceived benefits: 21%
- No case for change: 15%

Use Data to Get Started - Success Blue Print

1. Critical Roles
2. Use Analytics
   - Performance research to identify attributes of your best people that matter the most
3. Success KPI’s
   - Customer Focus
   - Retention
   - Productivity
4. Recommendations
   - Experience
   - Selection
   - Engagement

Sales & Service
- Identify the right talent and key metrics

Use Analytics
- Performance research to identify attributes of your best people that matter the most

Success KPI’s
- Define success for your future – creating a high performance success profile

Recommendations
- Recommendations to optimise your talent strategy and execute to achieve competitive – technology, services, and science
HR analytics value and maturity

Occasional operational HR reports

Correlation
What happened and relationships?

Predictive
What is likely to happen?

Prescription
What decisions mitigate risk?

Cognitive
What actions improve chances of success?
Success Blue Print – Selection Outcomes

Predictive Assessments by IBM

- Work Harder: 19% Improvement in Performance Ratings
- Stay Longer: 56% Reduction in Turnover
- Produce More: 3X Higher Revenue Production
- Perform Better: 34% Hit Rate Improvement
Retention Analytics provide a data driven approach to understand attrition patterns, identify drivers of attrition and assist design of initiatives to retain critical talent.

Which employees are most likely to leave? What kind of actions, programs and investments will reduce attrition in most effective way?

ATTRITION HOT SPOTS
- Identify high-attrition clusters
- Derive attrition “rules”
- Estimate FUTURE attrition
- Understand response to incentives

RETENTION CASES SELECTION
- Action Optimization—Identify retention cases and targeted actions to retain them

Leverages predictive analytics on enterprise, social and behavioral data.
Talent Insights
Powered by Watson Analytics

Visit our booth to see a demo of Talent Insights
The Power of Social in the Workplace
What is Social Business

- A *Social Business* uses collaborative tools, social media platforms and supporting practices to engage *employees, customers, business partners and other stakeholders* in an ongoing dialogue.

- This enables organizations to more effectively share *resources, skills and insights* within and across work processes and organizational boundaries.
Effect of Social in the Workplace

Organizations with an enterprise social collaboration policy saw a 96% improvement in the time it takes to respond to customers.

Improved communication and collaboration through social technologies could raise productivity levels as much as by 20-25%.

96% of executives cite ineffective communication as the reason for workplace failures.

74% of businesses report faster access to knowledge using social software.

Feeling connected makes 63% of people more likely to stay with their existing employer.

Source: InsightUK
While organizations are increasing their social business investment, they remain underprepared and uncertain.

<table>
<thead>
<tr>
<th>Overall investments</th>
<th>Percentage underprepared</th>
</tr>
</thead>
<tbody>
<tr>
<td>Likely to increase in the next three years</td>
<td>62%</td>
</tr>
<tr>
<td>Investment has increased in 2012</td>
<td>46%</td>
</tr>
<tr>
<td>Underprepared for the necessary cultural changes</td>
<td>74%</td>
</tr>
<tr>
<td>Unsure about impact of social business over next three years</td>
<td>67%</td>
</tr>
<tr>
<td>Limited understanding of the business value we intend to obtain</td>
<td>62%</td>
</tr>
</tbody>
</table>

Source: Institute for Business Value, Business of Social Business Study, Q3. How well do the following statements describe your organization’s social business strategy? Global (n = 1112)
Analyzing the “data exhaust” created by internal social interactions can help transform individual knowledge into organizational insight.

Dynamic Recommendations

Social Network Building

Community Metrics

Sentiment Analysis

Social Influence Analysis

Source: IBM Global Business Services
Cool Place to Work = Competitive Advantage

- Interactive store communication
- Regional Sales people not needed to relay information to/from stores
- Better merchandizing
- Surveys for structured feedback
- Better project focus & communication
The Surge of Cloud in HR
You would be hard pressed to buy a leading HR, Learning, Recruitment, or Talent solution that is not primarily in the Cloud.

70% of CIOs will have a Cloud Strategy by 2015.

75% of IT spend will be on Cloud or Hybrid within 2 years.

80% of execs believe that Cloud solutions will help transform their business.

The HR Cloud is Here and Now!
The move to ‘the Cloud’ for HR has now reached mainstream acceptance

- Many organizations now understand and accept the benefits of moving HR IT to Cloud-based solutions
- The focus has moved onto replacing On-Premise Core HRMS with a full suite Cloud HCM best in class solution
- But there are still open questions
  - What is the Business Case for moving to Cloud?
  - Do I need to change my HR Delivery Model or Does this give me an opportunity to optimise it?
  - How do I ensure the implementation is a success?
Retain strategic investments

Adopt new innovations

Choose the best-fit solutions

Easily analyze data driving new insights to achieve competitive advantage
Thank YOU!