

DISRUPTING HR: A DIGITAL UPGRADE

Antonis Christidis, Partner for Career in the US, and Sarah Charlesworth, a Partner for Technology Solutions, share insights into how HR can boost its impact in a digital world.

Q: WHAT ROLE DOES DIGITIZATION PLAY IN HR?

Antonis Christidis: Digitization is a means for organizations to compete more effectively. Many current discussions focus on technology-led efficiencies. As the technology — and our understanding of it — progresses, we will shift to digitizing and upgrading the employee experience. For years, companies honed in on EVP, working conditions or communication. It is only recently that HR has embraced the concept that employees are also consumers, and they seek high-quality experiences at work.

Today, we are in a transition period of exploring what technology can do for our customers and

employees. There are a lot of promising early stage technologies available; the goal is to link them into one integrated ecosystem. The future of work will certainly be exciting if we embrace technology as an amplifier of productivity rather than a FTE-reduction mechanism.

Q: HOW DOES TECHNOLOGY SHIFT HR'S POSITION IN THE BUSINESS?

AC: Technology in itself is not changing the role of HR. To experience a real shift, we need HR leaders who can contribute to the digital transformation of their business and its people, which means unleashing HR from its silo to help business leaders navigate the complexities of the new era.

WHAT'S NEW ON THE AGENDA?

VIRTUAL ASSISTANTS



Employees have a concierge to manage their HR experience. The virtual assistant responds to voice commands to answer questions, send notifications and connect workers to a network of support. More than a chatbot, the AI-powered assistant anticipates needs and makes personalized suggestions.

AUGMENTED REALITY



Simulations bring the workplace to life, before employees have even gone to work. Augmented reality tools give greater accuracy to assessments and provide a real-world view of new jobs, difficult leadership situations and what it will feel like to upskill and re-skill for a role.



For more information, please see Mercer's recent paper, "Engaging the Workforce in Digital Transformation."¹⁶

an employee receives a salary increase, for example. Deploying "just in time" technology to shape employee behaviors can benefit HR in all aspects, including pay, healthcare, retirement and much more.

AC: The consequences of automation will be to make premium services standard. Regardless of seniority, a large percentage of jobs today are transactional rather than focused on relationships or expertise. Now, consider when technology will allow us to work in "touchless" departments; for example, when a C&B department no longer needs a person to do pay benchmarking or edit job offers. Gradually we'll start to see HR professionals liberated from standard tasks and redeployed to more creative and relationship-focused roles. You may see premium services offered to more managers that were previously the preserve of the C-suite, for instance.

For example, there is a lot of activity around robotic process automation (RPA). We're seeing businesses identify areas to automate and develop proofs of concept. Yet HR is typically brought in as an afterthought, when organizations realize the implications for jobs. Instead, we've been discussing with clients a playbook for launching RPA technology, and how to develop an A-team from the outset that includes HR to manage the change.

Q: WHERE CAN AUTOMATION ADD VALUE TO HR?

Sarah Charlesworth: Where automation can help right now is in "nudge technology" — in pushing and pulling employee communications. The travel industry routinely sends pertinent reminders at the right time, such as information on flight delays. Automated communications can send out information on increasing retirement contributions if

Q: HOW DO WE ENABLE NEW WORKFORCE MODELS?

AC: We are shifting to a talent demand economy, in which HR relies on access to skills. Total workforce strategies will encompass contractors as well as employees. Technology is an enabler in this ecosystem. Smart companies engage with contractors regularly and proactively, not just when they need them for a project. For the past year, a US cosmetics company has used an app to engage with freelance makeup artists, sending messages and event invitations to make them feel part of their tribe, rather than that of a competitor. The company has found it easier to recruit the best freelancers as a result.

SC: Digital tools enable organizations to staff a diverse work model, but only if there is a commitment to invest. Today's tools are often too awkward to be effective. Slow VPNs, poor bandwidth, security issues — even the small size of screens is not conducive to collaboration within global teams. And we need to go further. Interactions such as brainstorming require a virtual space in which to gather.

Q: WHAT NEW SKILLS DOES HR NEED IN THE DIGITAL AGE?

AC: The most important attribute for HR is a new mindset. Understanding the business, its direction, and the competitive landscape is crucial to designing a new people strategy oriented to growth. As the business changes, organizations will need new types of talent to service that business. This requires skills grounded in curiosity and creativity, overlaid by an appreciation of data. The curiosity to understand the external environment; the creativity to imagine smart solutions and the technology it demands; and the ability to present a compelling case to the C-suite to make data-driven decisions. ■

TECH UNTETHERED



HR processes are freed from the desktop, or even a mobile. There is no single app for everything; rather, online and offline systems integrate seamlessly. Without the need for passwords, employees apply for annual leave or view career paths on the go, with minimal disruption.

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Elevate your workforce with improved management, compensation, and communication strategies. Draw from rigorous analytics and data-driven insights to increase the efficacy of your workforce systems. Mercer can help you to design value propositions that appropriately recognize your talent and inspire engagement.

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