



CHRO 3.0

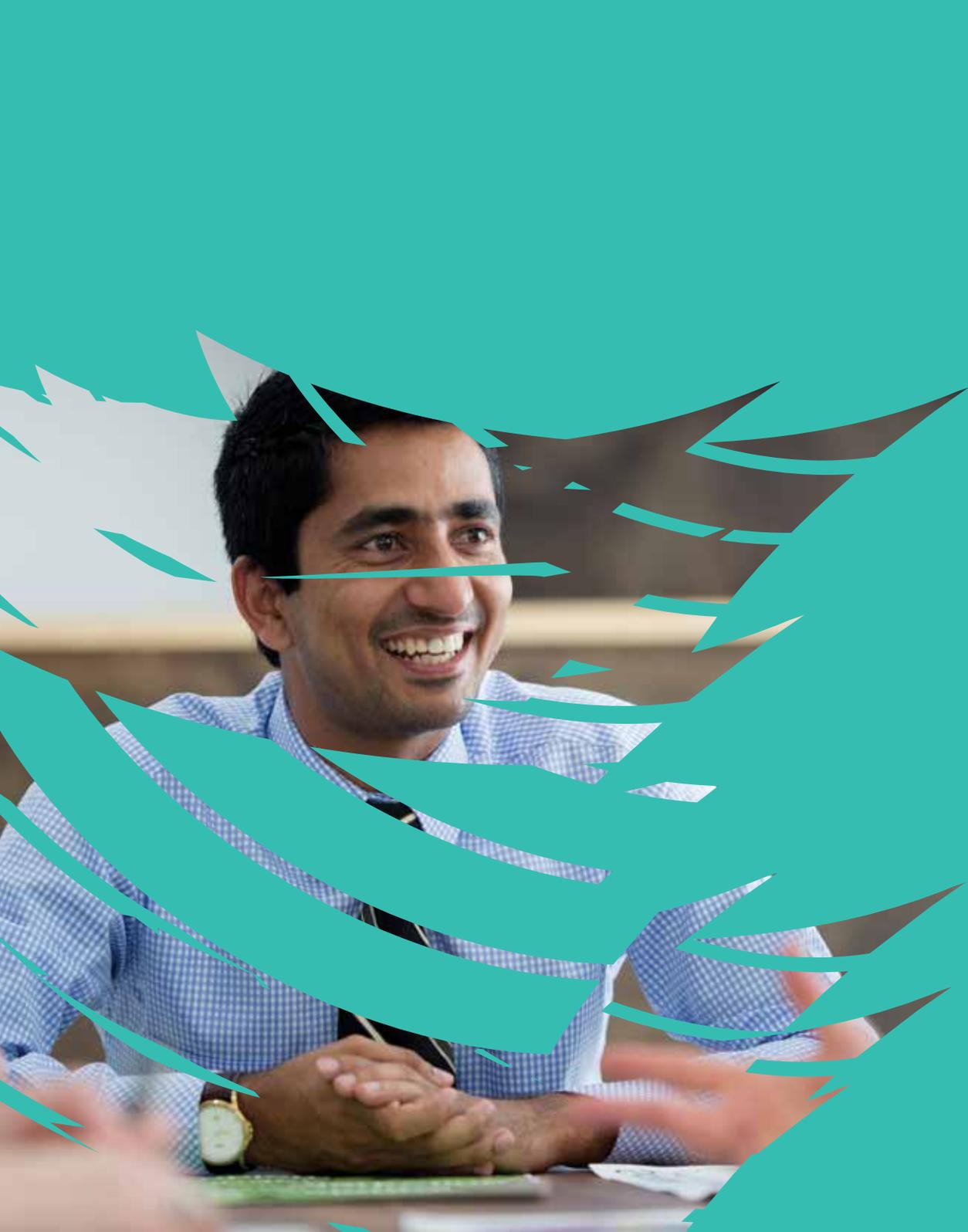
*Preparing to Lead the
Future HR Function in Asia*



Center for
Creative
Leadership®

SHRI
Powering Human Capital





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EXECUTIVE SUMMARY

CHRO 3.0: Preparing to Lead the Future HR Function in Asia

The HR function in Asia is unable to keep up with the rapidly changing business environment. Only one in five leaders claim that their HR function in Asia is future-ready!

The challenges that the function will encounter in the next decade are mainly due to increasing workforce diversity, increasingly fluid talent, changing expectations from business, and new organization structures at play.

HR leaders are unanimous in their view that the function will evolve into a very different 'avatar' 10 years from now, especially around the broad role HR will play, deliverables HR leaders will be held accountable for, and the delivery model. HR's responsibility set in the future may become more multidisciplinary as hard lines between different functions will diminish. The delivery model of the much leaner future HR function will depend heavily on technology and outsourcing/shared services.

HR leaders opined that the career path of future CHROs will be similar to that of current CEOs. There will be a premium on key skills and capabilities such as understanding of technology and analytics, familiarity with multiple disciplines, ability to manage change, and commercial acumen. To build such skills, incumbent HR leaders or their managers will have to give themselves the benefit of and learn from crucible experiences like global assignments, cross-functional rotations, process redesign, and digital transformation.

On the basis of experiences, career paths, and disciplinary background that incumbent HR leaders will have over the next few years, we are likely to see three profiles of Asian CHROs over the next decade

- **Global business partners:** leaders with deep HR expertise and a career spent in multinationals
- **Business consiglieres:** HR leaders who have spent the bulk of their career in business and made a midcareer switch to HR, and
- **New-age avatars:** HR leaders in new age enterprises and startups who also wear a business and technology hat.

How do incumbent leaders prepare for the future? In preparation for the future, we recommend that Asian HR leaders make seven mind shifts. These are

- From Technology-shy to Technology-savvy
- From Metrics to Insights
- From Chief HR(Process)Officers to Chief Employee Experience Officers
- From Doing-all to Doing-what-matters-most
- From Inside-out to Outside-in
- From Rule enforcers to Equal partners
- From 'Helpers' to 'Doctors'

RESEARCH METHODOLOGY

CHRO 3.0: Preparing to Lead the Future HR Function in Asia study findings are based on interviews with heads of HR in Singapore (referred to as incumbents, CHROs, heads of HR); and a collection of datasets to supplement the interviews.

We use the term Asian HR leader / Asian CHRO to refer to leaders who have responsibility for human relations function in the Asian and Asia-Pacific geographies. The term should not be in any way read as being indicative of nationality, residence, or ethnicity.

Qualitative Research Interviews

The Center for Creative Leadership (CCL) research team interviewed 21 heads of Human Resources (HR) working for Western and Asian multinational corporations (MNCs) and local enterprises in Singapore. The leaders belonged to a mix of industries such as financial services, fast-moving consumer goods (FMCG), technology, retail, infrastructure, and professional services companies. In addition to senior HR leaders, the research team also interviewed a subset of senior executive search leaders to understand key competencies that organizations are demanding as they develop and/or recruit their next generation of regional CHROs.

Our goal was to understand

- the key challenges that the HR function faces in the next decade,
- the impact of changing business environments on HR,
- shifts in key responsibilities and design of the HR function, and
- actions that senior leaders were taking to prepare themselves and their teams for the anticipated changes.

These conversations shaped the direction and key findings of this report.

Collection of Datasets on Future of the HR Function

The Singapore Human Resources Institute (SHRI) and CCL research team administered a survey to 75 HR leaders working in Western and Asian MNCs in Singapore to identify their

- biggest challenges – now and in the future
- key skills to become future-ready, and
- experiences that HR leaders are looking for to develop their skills to be future-ready.

The survey respondents belonged to a mix of industries such as financial services and banks, FMCG, technology, retail, infrastructure, and professional services companies.





Chapter I

Asian HR Function

SHIFTING CONTEXT

BUSINESS IS CHANGING

Technology Innovations and VUCA Environment are Key Threats to Business

The business world is changing rapidly. While the business context gets ever-more complicated, thanks to the Volatile-Uncertain-Complex-Ambiguous (VUCA) world, and the geo-political changes across the globe, organizations continue to innovate around technology and business models. Research points to four big shifts impacting the business world in Asia.

VUCA is the new normal

Businesses in Asia are not only expected to survive, but also thrive in the increasingly VUCA world. Erratic currency movements, stock price volatility, increasing role of non-state actors in global dynamics, terrorism, and sudden policy shifts by national governments are some examples of changing contexts. Doing business is much harder in this scenario, and leaders at the helm need to be much more agile. Also, business leaders have very little visibility into the future, and therefore it is increasingly harder to prepare business strategies for sustained success.

Asia becomes the center of the world

Newer power centers such as China have emerged in Asia; the country is ranked second in terms of GDP (current prices, 2016 estimates), second only to the US, and bigger than Germany, Japan and UK.¹ The rise of ASEAN, especially Singapore, Indonesia, Malaysia, Philippines, Thailand, and Vietnam is the other

big trend in the region. The establishment of the ASEAN Economic Community (AEC) in 2015 is a major milestone in the regional economic integration agenda in ASEAN, offering opportunities in the form of a huge market of US\$2.6 trillion and over 622 million people². In 2014, AEC was collectively the third largest economy in Asia, and the seventh largest in the world.

Newer business models emerge

Enterprises, especially start-ups, are experimenting with newer business models and presenting a threat to traditional players. As against traditional models centered around assets (e.g., a hotel), services (e.g. an executive search firm), or a technology product company (e.g., an ERP provider), many new age enterprises work on the “network orchestrator” model. They develop platforms to bring various partners together to enable them to transact business. Examples include Uber, AirBnB, Expedia, Amazon, Alibaba, etc.

Technology is changing the rules of the game

Advances in technology are fundamentally changing the business-environment, with media, information technology, banking, telecom, and retail sectors leading the way, thanks to leaps in big data analytics, mobile technology, and robotics. Regardless of industry, organizations are impacted by these changes, especially as it pertains to making investments and managing risk. Incumbent leaders we interviewed highlighted that rapidly changing technology posed the biggest threat to traditional enterprises.

1. www.knoema.com/nwnfkne/world-gdp-ranking-2016-data-and-charts-forecast

2. www.asean.org/asean-economic-community/

BUSINESS IS CHANGING

Technology Innovations and VUCA Environment are Key Threats to Business

Key Drivers of Change in the Business World

VUCA IS THE NEW NORMAL IN ASIA

CHINA'S SLOWDOWN: THE FIRST STAGE OF THE BULLWHIP EFFECT
 BANK OF JAPAN WORRIED ABOUT A STOCK MARKET CRASH
 HOW NON-STATE ACTORS COULD CAUSE WAR IN SOUTH ASIA
 YOUR MONEY'S NO GOOD: RUPEE NOTE CANCELLATION PLUNGES INDIA INTO PANIC

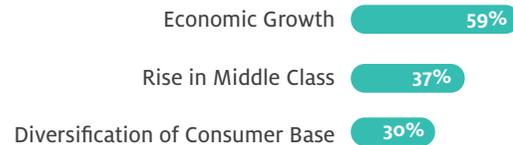
NEWER BUSINESS MODELS EMERGE

In addition to three traditional business models—asset builders, service providers, and technology creators, new age enterprises are choosing to operate as network orchestrators. Examples include Airbnb, Uber, Alibaba.

Source: "What Airbnb, Uber, and Alibaba Have in Common", Harvard Business Review, 2014

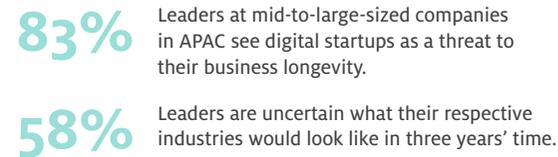
ASIA BECOMES THE CENTER OF THE WORLD

Top Reasons Companies are Expanding in ASEAN



Source: 2017 ASEAN Business Outlook Survey, AmCham

TECHNOLOGY IS CHANGING THE RULES OF THE GAME



Source: <http://www.cnbc.com> "Here's what's keeping Asian company bosses up at night"

LEADER SPEAK

"Most people tend to overestimate the rate of change that will occur on a 2 year basis, and underestimate the rate of change that will occur over 10 years."

Bill Gates
 Board Member, Microsoft Corporation

ASIAN HR FUNCTION'S READINESS FOR THE FUTURE

Four out of Five Leaders are Unsure of their HR Function's Future Readiness

The business world is changing fast, and most leaders underestimate how different the world will look within another decade, say, by 2025. How will all these changes impact the world of HR?

"I think the business itself is grappling with the changing trends around globalization, technology disruption, global power dynamics, and this is one of the reasons why the expectation from the HR team have become sky-high." said a regional HR leader in a global MNC. She added, "Business leaders are asking us [HR leaders] to help them decode the uncertain environment to enable them to get ahead of the competition."

Interviewees highlighted that the HR function in general, and senior HR leaders in particular, are not ready for the future! Only one in five leaders claimed that their HR function (in Asia) is future ready.

Key reasons for this state of non-readiness include the lack of nuanced business understanding, inability to deal with technology changes, lack of understanding of analytics, having a process-driven mindset, HR leaders taking a reactive approach to business partnership, and unwillingness to change. "HR needs to be in the front, along with business, developing the strategy," claimed an ASEAN HR head. She added, "but my own team can not see the need to do so, or the need to change." HR in most companies is still considered an 'operational gate-keeper' function.

Another interviewee, an APAC HR head pointed out, "The demand on the HR function is quite heavy but I think the piece that has changed a lot in the last few years is that the HR people are expected to be very embedded in what happens in their day to day operations at an organization level." He added, "there are serious differences in the degree to which [HR] people understand the expectation and how they translate it into their day to day work."

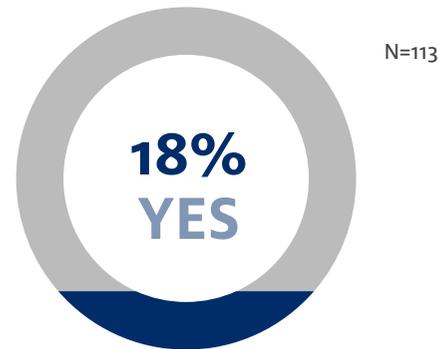
The HR leaders whom we spoke to, warned that the non-readiness of the HR function for the future, will inhibit growth of organizations as they expand their footprint in the region.



ASIAN HR FUNCTION'S READINESS FOR THE FUTURE

Four out of Five Leaders are Unsure of their HR Function's Future Readiness

Future Readiness of the HR Function in Asia Is HR function in your organization future-ready?



Source: CCL Research 2016.

LEADER SPEAK

“Business is a lot more uncertain about future owing to VUCA environment, and mega trends such as convergence of technology, globalization, urbanisation. Lack of clarity on the business front means unclear guidance to HR, and less time for HR to react to what it must do to be future ready.”

Regional Head of Talent
Global Consumer Electronics Company

KEY CHALLENGES THE ASIAN HR FUNCTION FACES

Attracting, Retaining Talent and Developing Future Leaders Remain Key Priorities

CCL-SHRI research suggests that key challenges the HR function will face five years from now will evolve from the challenges the function faces today. They will however, largely revolve around attracting talent, retaining talent, and developing a robust leadership pipeline.

Key challenges the function currently faces include an inability to attract and retain the best talent; developing a robust pipeline of leaders who can not only navigate the complexity but also feed the global succession pipeline of the organization; and developing the workforce to be future ready through an optimal mix of on-the-job training, coaching/mentoring, and classroom-based interventions.

While future leader development, attracting and retaining talent, and driving workforce capability remain in the list of top five challenges for the future (five years from now), survey data suggests that there may be nuanced, critical incremental challenges that the HR function will have to navigate.

The future may witness critical challenges around driving creativity and innovation. This is especially relevant as businesses learn to deal with the increasingly VUCA environment.

The other key challenge that the HR function may face is around technology. Thanks to the onset of plug-and-play applications available in HR, cloud computing, mobile technologies and robotics, technology-friendliness of the HR function will not remain an option any more. Big-data, analytics, and focus on data-based decision making on talent in the future is another push in this direction.

Finally, designing flexible work arrangements will also be a key challenge. Increasing trends around mobile workforce, tele-commuting, and dependence on free-agents or independent consultants will fuel the need for HR to think through flexibility. In fact, one of the incumbent heads of HR highlighted that future organizations may look very different – a small core of generalist full-time employees surrounded by a large pool of freelancer specialists or subject-matter-experts.

Survey responses suggest that though the broad themes of challenges the HR function faces/may face in the future remain similar, there will be incremental challenges around technology-friendliness, flexible work arrangements, innovation and creativity, that will define the overall success of the function.



KEY CHALLENGES THE ASIAN HR FUNCTION FACES

Attracting, Retaining Talent and Developing Future Leaders Remain Key Priorities

Top Five Challenges

	CHALLENGES NOW	CHALLENGES IN FIVE YEARS
1	Attracting & retaining top talent	Developing future leaders
2	Developing future leaders	Driving creativity and innovation
3	Driving workforce capability	Attracting & retaining talent
4	Aligning HR and business	Leveraging new technology
5	Creating a positive organization culture	Designing flexible work arrangements; and, driving workforce capability

Source: CCL Research 2016.

LEADER SPEAK

"It is very challenging for HR leaders to think about what will we need 5 to 10 years from now. There is too much short term focus on operations, mergers, restructuring, etc."

Senior Partner
Global Executive Search Firm

FOUR BLIND SPOTS FOR HR

Diversity, Talent Fluidity, New Org Structures and Changing Business Expectations

HR clearly needs to play catch-up with business trends that directly or indirectly impact talent and organization structures. There are four trends that are 'around the corner' but may 'sneak up' on HR over the next few years.

More talent diversity

The workforce of the future will be more gender-balanced, multi-cultural, multi-national, and multi-generational. These groups have different work styles, preferred work flows, aspirations from work, engagement drivers, and flexibility requirements. The HR function needs to be ready for such varying demands from different segments of the workforce of the future.

Increasingly 'fluid' talent

There is a global trend towards freelance workforce. Next generation of employees may prefer to remain 'free agents,' selectively associating with different organizations. Several web platforms such as UpWork, Amazon's Mechanical Turk, and Witmart, are already catering to this segment. The benefits for companies using these sites are obvious - instant access to a pool of willing (and cheaper) talent, without having to go through lengthy recruitment processes. And there is also no need to worry about associated benefits such as bonuses, overheads, vacations, and medical. The HR function needs to learn to deal with this imminent reality.

Changing business expectations

Business is not expecting HR to just 'assist' them with talent management. Increasingly, more and more business functions are looking at HR to 'add value' to what they are doing; not only to advise business about talent strategies, but to execute strategic projects; not only to manage fixed annual talent processes, but also to innovate to elevate overall employee experience.

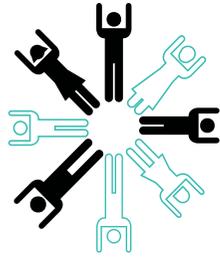
New organization structures

Thanks to new age enterprises, there is a strong trend towards flat organization structures. "The corporate ladder is collapsing," commented one of the HR thought leaders. She added, "the ladder model dates back to the industrial revolution when businesses were built on economies of scale; we now however live in a digital age which is more collaborative."



FOUR BLIND SPOTS FOR HR

Diversity, Talent Fluidity, New Org Structures and Changing Business Expectations



MORE TALENT DIVERSITY

“More than ever before, we have a more diverse workforce in Asia – multi cultural, multi generation, and multi gender. They all have different aspirations from their careers and very diverse engagement drivers.”

**Asia Head of HR
European Consumer Electronics Co.**

INCREASINGLY FLUID TALENT

There are a broad range of channels connecting independent talent with employers, including twago, Gigwalk, TaskRabbit, Upwork, Freelancer.com, Etsy, HomeAway and many more. Many of these offerings provide a suite of services that minimize the administrative hassles for employers and workers to connect and exchange payment for services.

Source: www.randstad.com



CHANGING BUSINESS EXPECTATIONS

“Business expects HR to stand by it and unravel what future looks like. Running annual talent processes and advising business on talent issues from the sidelines is a passé”

**Global Head of Talent
European Chemicals Company.**

NEW ORGANIZATION STRUCTURES

“The corporate ladder is collapsing as the world today is not about hierarchy and economies of scale. Digital age is about collaboration.”

HR Thought Leader/Author







Chapter II

Asian HR Leader
**FUTURE-READY
PROFILE**

HR FUNCTION OF THE FUTURE

Role, Responsibilities and Delivery Model of HR Function is Likely to Shift in the Future

HR leaders were unanimous in their view that the HR function will evolve into a very different 'avatar' 10 years from now, especially around the broad role the function will play, the deliverables it will be held accountable for, and the delivery model.

Role of the future HR function

HR leaders opined that while at the fundamental level, HR will still be responsible for people related processes, the role will become much broader. The lines between the HR function and other business functions will blur further. "I think the fundamental role of the HR function should remain the same, which is how do we get the best out of human assets in our company, and in order to do that understand talent, culture and organizational competitiveness," commented an APAC head of HR. She added, "While I don't think the essence is going to change, how to do that is going to change." Another leader, ASEAN head of HR at an engineering company pointed, "either it will be machines doing most of HR or there will be shared service centers doing it or a combination of both; the role of HR will be partnering with businesses and helping them further business strategy."

Key responsibilities

HR's responsibility set in the future will broaden, and become more multidisciplinary, as hard lines between different functions will diminish. "HR has to come together with finance, sales and marketing, and other functions to find talent and related solutions; HR heads cannot sit within HR and find solutions anymore," commented an ASEAN head of HR. As talent becomes more fluid, and organizations lean on external freelance resources, HR will also evolve into a guardian role for external contractors. "HR will be like a guardian of internal talent and agent pools, keeping those pools agile; leaders will have to think about repeatable fixations and collaborative learnings," said an APAC CHRO. Future leader development will be the mainstay of HR responsibilities. An HR leader explained, "one of things I see changing is how HR needs to help the organization to build future leaders. I see that business is really looking at HR on how they can help them equip leaders with skills to manage disruption."

Delivery model

The delivery model of the much leaner future HR function will depend heavily on technology and outsourcing/shared services. "Rather than having a team of salaried employees or big contractors, companies will automate HR, and employees will own most of their HR operations," explained one of the interviewee heads of HR. "I think the HR operation can be outsourced, but not all of it; I am doubtful HR will be a purely strategic role," reiterated another HR leader. Yet another leader, an APAC head of HR at a technology company cautioned however, "I think that there will still be room for deep expertise, especially in areas where we need to make judgement calls." She added, "I see the role of traditional centers-of-expertise becoming less of running the courses but more of designing programs and policies."

HR FUNCTION OF THE FUTURE

Role, Responsibilities and Delivery Model of HR Function is Likely to Shift in the Future

Future HR Function



Representative Inputs

“HR function will cease to exist as we know it. Robots and digitization will eat into the process related world. It will be replaced with an employee experience function”

“HR will still exist, but it may become one of the business functions. We may call ourselves business leaders with people skills.”

“Either it will be machines doing most of HR or there will be shared service centers doing it or a combination of both; role of HR will be partnering with businesses and helping them further business strategy.”

“HR has to come together with finance, sales and marketing , and other functions to find optimal solutions. HR will be a multi-disciplinary function.”

“Employees will mostly do their own thing with little interaction with HR managers for most things. “

“I think that there will still be a narrow room for expertise. COEs will be few but deep deep subject matter experts. Human interface will be most needed where there are judgment calls to be made. “

Source: CCL Research 2016.

PROFILE OF A FUTURE HEAD OF HR

Future Asian HR Leaders Need Critical Capabilities and Experiences

HR leaders opined that the career path of future CHROs will be similar to that of current CEOs. There will be a premium on key skills and capabilities such as understanding of technology and analytics, familiarity with multiple disciplines, ability to manage change, and commercial acumen. To build such skills, incumbent HR leaders or their managers will have to give themselves the benefit of and learn from crucible experiences like global assignments, cross-functional rotations, process redesign, and digital transformation.

An ASEAN head of HR explained the need for HR leaders to be ready for imminent paradigm shift in the next few years. She explained, “the first step is towards acceptance that we are heading towards a very fluid, digitally connected world which will not have any form and shape; it will be more like an amoeba; once we accept that, we will be less controlling in our attitude and more open to newer experiences and building new capabilities.”

Key capabilities

Leaders pointed that owing to an increasingly digital environment and the availability of extensive talent data, capabilities around technology and analytics are non-negotiable. “Future CHROs will need to keep up with digital space and the data space; they should not just articulate technology needs, but demonstrate an active involvement in technology decisions,” highlighted a senior executive search professionals.

The other capability that HR leaders unanimously pointed is the ability to understand different functions and disciplines. “The future is moving towards collapsing geographies and conventional disciplines because [HR] solutions are sitting at the cusp of these multi-disciplines,” conveyed an ASEAN head of HR.

The future-ready HR leader must also have a strong commercial acumen, an ability to partner effectively with businesses, and skills to execute enterprise-wide strategy initiatives. A regional HR head explained, “the future CHRO will be a business leader who happens to have an HR capability.”

Must-have experiences

Interviewees pointed the need for diversity of experience to be future ready. “Companies value leaders who have experience of working in two or three different markets,” commented a regional CHRO. She added, “I believe folks need to have multi-geographical lenses because unless you are working for a single country local organization, inevitably most of your dealings from a human relations standpoint are across borders, and it is terribly difficult to deal with this if you have been ensconced in just one town or city for the most of your life.”

A senior partner in a global executive search firm also commented on the value of cross-functional experience. She pointed, “for someone aspiring for a big regional group or CRHO role, breadth of thought is necessary, and that breadth I believe comes through multiple experiences and exposures.”

HR leaders must also get some stretch experiences under their belt. For instance, leading certain strategic programs in their businesses such as culture transformation, or looking at technology implementation. “HR leader of tomorrow must accept the new uber-normal of the business landscape and be ever ready to face disruption on all fronts and able to devise appropriate remedial measures in time to respond to such unseen disruptions,” summed up an HR leader.

PROFILE OF A FUTURE HEAD OF HR

Future Asian HR Leaders Need Critical Capabilities and Experiences



LEADER SPEAK

“He [future HR leader] would look much like a Marvel/DC Comics superhero or the entire Avengers assemble, that’s how much businesses would expect from their HR leader.”

CHRO
Asian Hospitality Company

LEADER SPEAK

“The future CHRO must have business experience, perspective to look beyond the organization, process redesign or transformation experience, and mid-career training in the HR space.”

Asia Head of HR
European Consumer Electronics Company

FLAVORS OF FUTURE-READY HR LEADERS

Global Business Partners, Business Consiglieris, and New-Age Avatars

Three key profiles of heads of HR in Asia are likely to bubble up over the next decade, on the basis of career paths, back ground, and experience the incumbent leaders have over the next few years – Global business partner, business consiglieri, and new-age avatar.

Global business partner

Incumbent and career HR leaders with related qualifications; experience in global multi-nationals; stints/rotations outside of Asia, mostly in European or American head quarters.

Global business partners spend majority of their careers in HR generalist or business partner roles. The one big strength of these leaders is that they have a deep understanding of HR best practices and competency models. These leaders however may lack in their understanding of business, technology, and cross-functional operations.

Business consiglieri

HR heads who have been business leaders in the past, or had a strong exposure to business, not in an HR business partners role, but in a frontline business role. These also include HR leaders who made a move to business, worked for a few years, and then went back to HR.

Business congliaris made a switch to HR, either out of their own choice or were asked to make the switch. They are deeply respected by business because they understand their challenges, having played a business role in their careers. Executive search leaders confirm that the population of this category is on the rise in the region.

“Ideally, they have cross functional expertise, and firms value that,” explained an executive search firm leader. She added, “we recently placed an ex-marketing director into a CHRO role.”

New-age avatar

The third category, and also the most in demand, according to executive search firm leaders, is the new age avatar.

She is a young, new age leader who is a hybrid business-HR-technologist all in one. A leader from an executive search firm explained, “such leaders, much in demand, come from new age technology companies and startups.” She added “such leaders understand business since they would normally wear multiple hats, understand technology, and know the pulse of new age talent.”



FLAVORS OF FUTURE-READY HR LEADERS

Global Business Partners, Business Consiglieris, and New-Age Avatars



Note: Completeness of dark-colored circle indicates level of experience in each area.



Rich experience



Moderate experience



Low experience

Source: CCL Research 2016.

FOCUSSING ON FUNDAMENTALS

Five Must Have Skills for Future Asian HR Leaders

Since we are considering the scenario of an uncertain future, HR leaders opined that incumbent leaders can best prepare for the future by firming up their fundamental competencies such as **self awareness, learning agility, influencing ability, collaboration and communication skills.**

Self awareness and ability to reflect will be most critical as leaders prepare themselves for the future. Incumbent HR leaders first need to accept the fact that they are not prepared for the future, reflect upon their development needs, and it is only then they will be in a position to brace themselves up for leading the future HR function.

HR leaders opined that rather than spending time learning new skills, incumbents should invest energy in learning the 'art of learning.' "As we [HR leaders] prepare for the future, the key competency we must have is agility to learn, and a curious mind," said an ASEAN head of HR at a European multinational. She added, "if you are curious and you ask the right questions, you know you are moving in the right direction."

Another HR leader mentioned, "we are talking about 10 years on, and we don't know what the world will look like then, so we need to polish our learning skills, not functional competence or technology skills." She added, "we need to be like 'sponges' to quickly absorb and learn from changes around us."

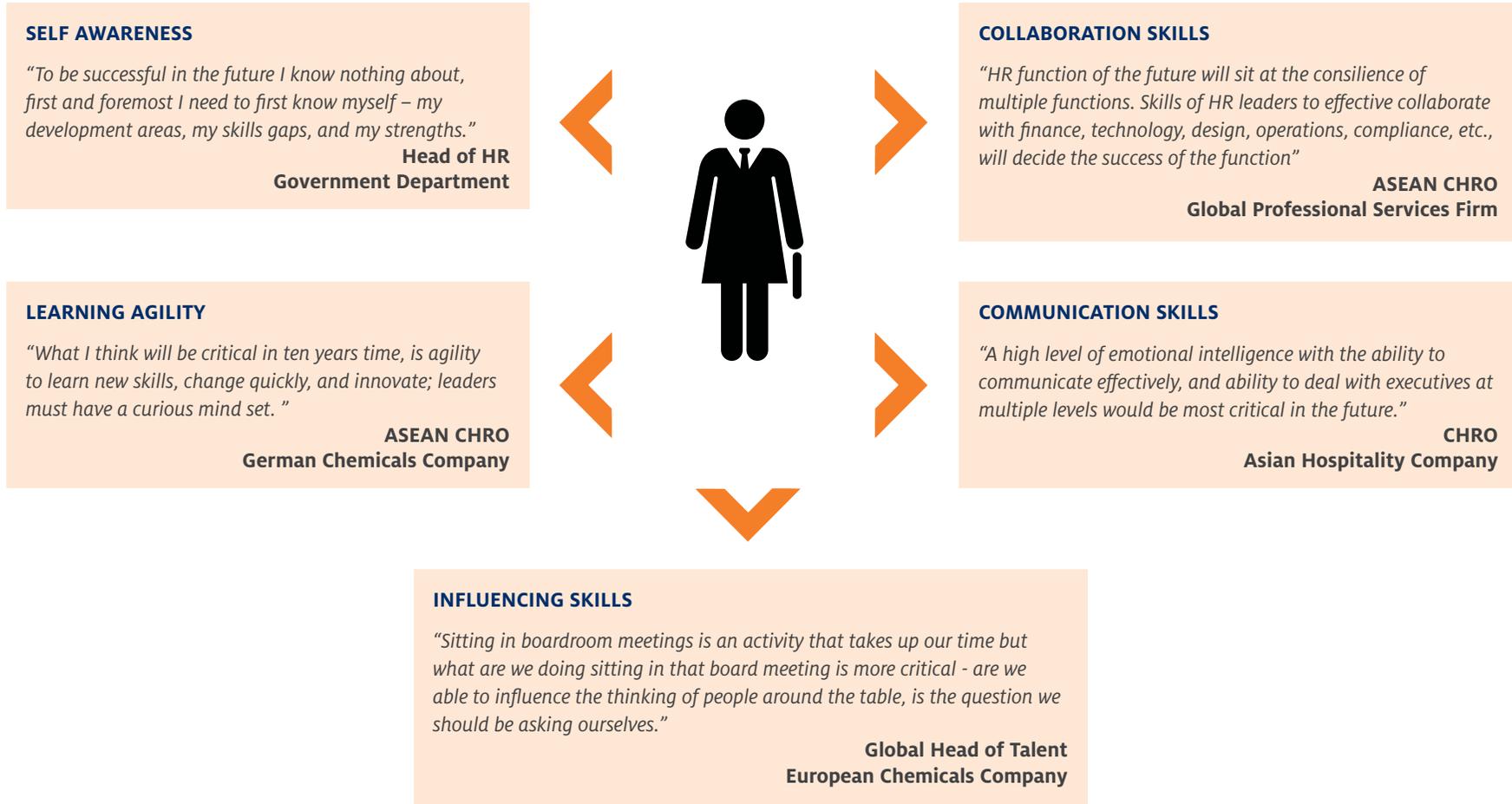
Working through the matrixed organization structures, complex reporting lines, global operations, HR leaders must have influencing skills to play a more impactful role in the future. They need to influence down, sideways, and up. "Sitting in boardroom meetings is an activity that takes up our time but what are we doing sitting in that board meeting is more critical - are we able to influence the thinking of people around the table, is the question we should be asking ourselves," commented a regional HR leader.

Finally, as the HR function of the future will be sitting at the cusp of different functions stringing together insights from different disciplines, they need to collaborate effectively and communicate clearly.



FOCUSSING ON FUNDAMENTALS

Five Must Have Skills for Future Asian HR Leaders



Source: CCL Research 2016.

EXPERIENCES TO ENGINEER IN THE SHORT TERM

Mix of Stakeholder Engagement, Managing New Initiatives, and Coursework

What can incumbent leaders do in the next two to five years to prepare for the future. Joint CCL-SHRI research survey indicated three experiences that survey respondents pointed they would like to have in the next few years.

One, stakeholder experience.

Leaders must experience high-level interactions, typically with people outside of their organizations.

Interactions, especially with external partners, vendors, peers, executives, consultants, etc., may benefit leaders get a better outside-in perspective, and develop diverse networks. Such interactions may also help incumbent leaders understand different points of view. One of the interviewees, an APAC HR leader, talked about the learnings she had when she moved from her home country in Europe to China for a few years in a different function. She highlighted unparalleled experiences including dealing with the authorities, the company leadership team, external consultants and vendors, R&D teams, and the expatriate community in China.

Two, manage new initiatives.

Leaders must get experiences around developing or launching a new product or service, setting up a plant or unit, entering a new market, or embarking on a new line of business.

Newer initiatives may provide the much-needed experience around innovation, dealing with uncertainties, change management, and commercialization, to next generation HR leaders. One HR leader with a large multinational, cited that he had his best career experience while heading up company operations in a small market. He explained that as the company was entering a new market, it wanted a tenured company leader to lead a small offsite office in Vietnam, and he leaned forward and grabbed that responsibility.

Three, traditional coursework and training.

In the short term, incumbents may also benefit from development/training classes that advance their learning, growth, or career progress. Specialized courses, especially interventions mapped with key development needs, may be best suited for senior HR leaders as they prepare for the future.



EXPERIENCES TO ENGINEER IN THE SHORT TERM

Mix of Stakeholder Engagement, Managing New Initiatives, and Coursework

THREE MUST-HAVE EXPERIENCES

What are the three experiences you wish to have in the next 5 years?



LEADER SPEAK

“Three pieces of advice for CHRO potentials – get endorsement from CEOs; lead sizeable teams; and display stakeholder alignment, diversity of experience, and general leadership abilities.”

Senior Partner
Global Executive Search Firm

Source: CCL Research 2016.





Chapter III

Asian HR Leader

CURRENT STATE

FLAVORS OF ASIAN HR LEADERS

Most Leaders Play a Process Champion or Global Business Partner Roles

The HR leaders we interviewed pointed that based on education, career trajectory, experience, and expertise, there are two distinct flavors of leaders at the helm of the HR function – ‘process champions’ and ‘global business partners.’ One of the incumbent HR leaders explained, “We have two groups of leaders - one, coming from very progressive multinational global organisations; and the other, leaders from SMEs and predominantly local enterprises, who are more general administrators than HR professionals.”

Process champions

A process champion is an HR leader who has risen through the ranks, mostly from an administrative function (into the HR leadership role). She has mainly worked for SMEs and/or local companies/government linked companies, and has spent considerable time in one company or one industry. The process champion completely understands systems, processes, compliance requirements around the HR function. She has little or no experience outside of her home country in Asia. One of the incumbent leaders elaborated, “the challenge for Asian HR leaders is to take on that strategic role; many of them do not have the basic education in humanities or social sciences, and have worked their way up through administration delivery. So when it comes to reinventing HR or creating new strategies they will have to go back to school or they will need incremental training.”

Global business partners

A global business partner is a function head with HR or related qualification who has worked mainly in Asian or Western MNCs as a business partner or in one of their centers of excellence. Global business partners have necessarily done a stint or two outside of Asia, mostly in the company headquarters in Europe or the US. She is well networked in the community, has a grasp over HR competencies, and understands best practices within the function.

A senior partner at a global executive search firm explained, “One flavor is a career HR generalist and this comprises the older generation of HR leaders, while another emerging flavor comprises of CHRO candidates who actually don’t bring a lot of HR experience but have deep understanding of the organization and broad cross-functional or business exposure.” She added, “as organizations are looking for strategic understanding of business, skills to have an equal-eye dialogue with executive committee level leaders, and ability to anticipate and look around the corner for the CEOs; the second flavor of HR leaders is what clients are asking for.”

FLAVORS OF ASIAN HR LEADERS

Most Leaders Play a Process Champion or Global Business Partner Roles



PROCESS CHAMPION



GLOBAL BUSINESS PARTNER

Qualification	<ul style="list-style-type: none"> ■ No HR/related qualifications 	<ul style="list-style-type: none"> ■ HR/related qualifications
Career	<ul style="list-style-type: none"> ■ Risen through the ranks often from the administration function ■ Worked in SMEs or local large enterprises ■ Long tenure in one company 	<ul style="list-style-type: none"> ■ Worked in large local firms or MNCs ■ Mainly worked in HR business partner or COE roles
Global Experience	<ul style="list-style-type: none"> ■ Little/no global experience 	<ul style="list-style-type: none"> ■ May have done tenures within Asia/US/Europe
Expertise	<ul style="list-style-type: none"> ■ Process experts 	<ul style="list-style-type: none"> ■ Understanding of competencies and best practices

LEADER SPEAK

“In most organizations, HR function [in Asia] was never set up for a strategic role; they were always set up for an operational and administrative role, but now suddenly we are asking them to do strategic stuff”

APAC CHRO
Global Medical Technology Company

Source: CCL Research 2016.

CURRENT HR LEADER SKILL LEVELS

Split Verdict on Key HR Leader Skill Gaps

A *survey of regional HR leaders point to wide gaps in five critical skill areas – self awareness, leveraging diversity, building relationships, coaching ability, and driving innovation.*

Self awareness defines the ability of HR leaders to understand their current strengths and development areas. This is a critical skill considering that future path of the HR function is unknown, and in such a scenario, it is critical that the leader has a realistic and honest understanding of her capabilities.

Even though most organizations have diversity programs in place, leveraging diversity still shows as one of the key skill gap areas. This is probably because most of such initiatives have a myopic view on diversity issues, limiting the initiatives to gender diversity. HR leaders however need to think through multi-generation, multi-cultural, and multi-national diversity to create truly global enterprises.

More than ever before, HR leaders need to transcend functional boundaries to be successful. The HR head needs to collaborate with the technology team, the regulatory compliance team, and even the finance team. This cross functional expertise will be in even greater demand in years to come. Hence it is critical to plug the skill gap of the HR leader around building and mending relationships.

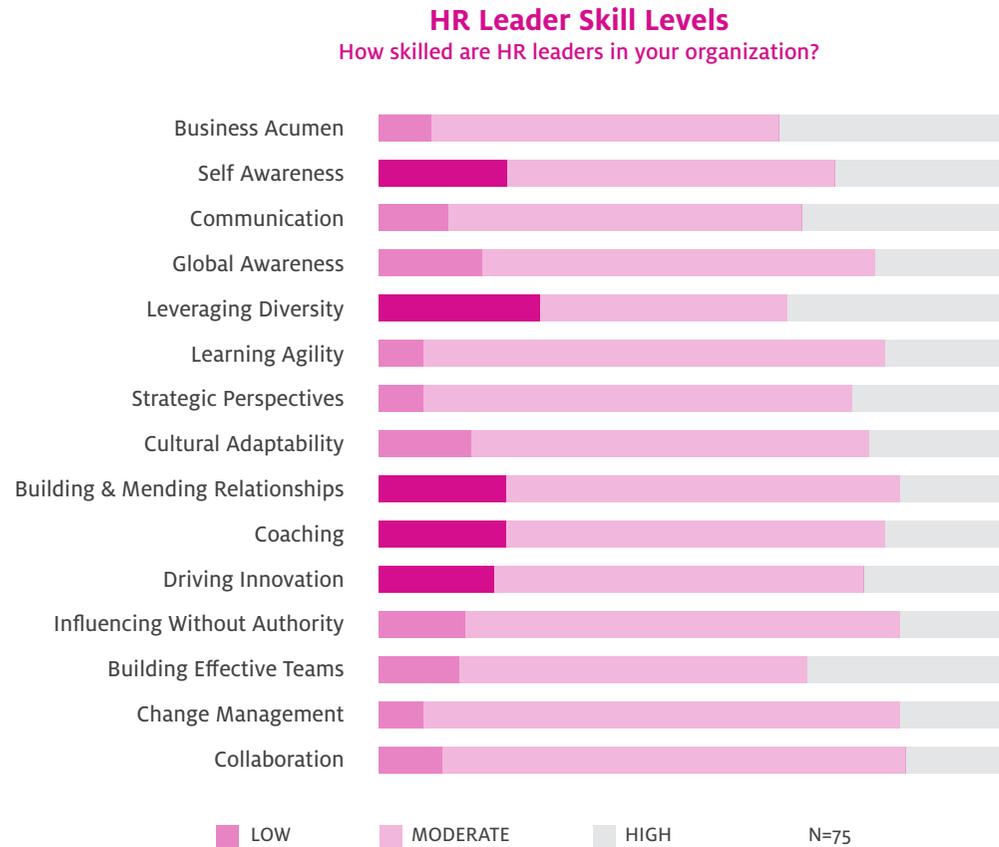
One of the skills that stood out as a key gap area for current HR leaders is their ability to coach effectively. While a business coach usually works with high potential managers, the HR coach may work with every manager and supervisor at every level in the organization. This is what makes the HR coaching role critical yet challenging.

Finally, as organizations deal with the VUCA environment, it is critical that HR function leaders think about innovation, not only within the function on how HR can get the best from the talent assets, but also developing an innovation culture within the enterprise.



CURRENT HR LEADER SKILL LEVELS

Split Verdict on Key HR Leader Skill Gaps



Note: LOW denotes % of respondents who marked options 1 or 2 on a scale of 7; MODERATE denotes % of respondents who selected 3,4,5; HIGH denotes % of respondents who selected option 6 or 7.

Source: CCL Research 2016.

KEY DEVELOPMENT AREAS FOR HR LEADERS

Must-have Capabilities Around Technology, Understanding Business, and Anticipating Change

Depth research interviews pointed several development areas that current HR leaders need to work on as they progress their careers within the function. One of the interviewees reflected, “If I continue to work like I do today, I will no longer be an HR leader in a few years; the competencies that are applicable now, will not be applicable in the future.”

Interviewees pointed out development requirements in 3 key areas –technology and analytic skills; partnering with business; and, multidisciplinary experiences.

Technology and Analytic Skills

HR is rapidly evolving from a pure-play people orientation to a function with a strong technology and analytics backbone. According to interviewees, these remain development needs for most HR professionals. One APAC CHRO explained, “I would just say fundamentally and historically HR people are not what I call the ‘analytic types’ and not necessarily the strongest in analytical /mathematical capability that I would say our business leaders are yearning for.” Another HR leader we interviewed was more optimistic. “I think we have the hardware if you like, we just don’t have whatever it takes to transform that into insights from which you can make decisions,” she said.

Partnering with business

Interviewees pointed that just understand the organization balance sheet and profit-and-loss accounts is not enough for HR leaders any more. They need to understand the organizational dynamics, the business environment, critical drivers/levers of business, and key stakeholders. “HR has evolved from a very admin gate-keeper type of function and I think as we stare down the next five to ten years we are looking at the capabilities to play an equal-partner role to business,” pointed a senior HR leader. “I think the ability to translate HR into expertise and business outcomes is critical,” she added.

Multi-disciplinary experiences

Senior HR leaders highlighted that the HR landscape has changed over the past few years, and that the lines between different functions have blurred. “Future HR leaders will need to program manage, identify the problem and architect a solution, and bring the multi-discipline bits together. He will need to merge the knowledge of multiple disciplines and get the ideal solution that is effective,” shares an ASEAN head of HR. She added, “the solutions do not sit in one bucket anymore. Somebody who can see that clearly, will be successful.”

HR heads need to plug these gaps, and that it is no more a matter of choice. One of the interviewee HR heads summed up, “if they [next generation HR leaders] are not willing to leap frog on key skills, they will realize that they will never get there [CHRO roles] because their colleagues from business might get CHRO jobs.”

KEY DEVELOPMENT AREAS FOR HR LEADERS

Must-have Capabilities Around Technology, Understanding Business, and Anticipating Change

DEVELOPING MULTI-DISCIPLINARY SKILLS

“One area I feel we [HR leaders] lack is knowledge of multiple disciplines, and using that knowledge to craft the ideal solution that is effective.”

ASEAN CHRO
Global Professional Services Firm

DEMONSTRATING BUSINESS IMPACT

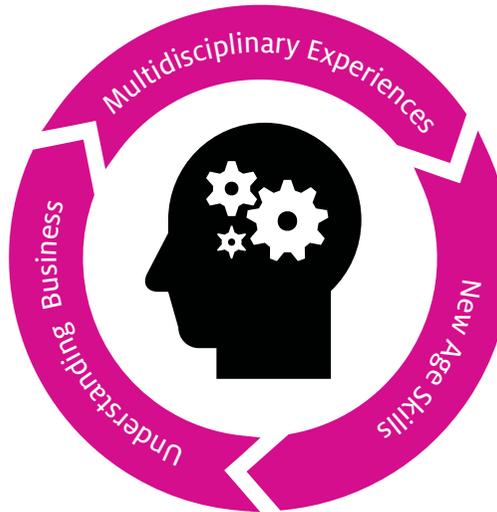
“One skill that is very crucial for success is the ability to translate HR into expertise and strategic business outcomes.”

APAC CHRO
Global Consumer Goods Company

UNDERSTANDING BUSINESS CONTEXT

“HR needs to understand the business world, the economic climate and the customer and his needs.”

ASEAN CHRO
German Chemicals Company



STRATEGISING WITH BUSINESS

“HR executives are consumed by tasks at hand. They often do not have interest to understand business challenges at the right elevation for instance.”

Asia Head of HR
European Consumer Electronics Company

ANTICIPATING CHANGE

“As we stare down the next five to ten years we must have the ability to anticipate change.”

HR Practice Head
Global Executive Search Firm

BEFRIENDING TECHNOLOGY

“We need to be open to talking technology. Even if we don’t completely understand it, we must have a point-of-view on ‘why’ and ‘how’ technology can help, and ‘what’ the options are.”

Head of HR
Government Department

FOCUSING ON INSIGHTS

“One thing I see us [HR] not doing particularly well is translation of data into meaningful insights. A lot of people shy away from what I’d call the science and data part of HR.”

APAC CHRO
Global Medical Technology Company

Source: CCL Research 2016.





Chapter IV

Getting Future Ready

SEVEN SHIFTS

GETTING FUTURE READY

Asian HR Leaders Must Make Seven Shifts to Stay Relevant in the Future

To prepare themselves for the future, Asian HR leaders will need to make serious efforts to upgrade their capabilities and/or change their perspectives across seven key areas under three broad themes – learning new-age skills, owning key tasks and responsibilities, and high impact business engagement.

New age skills

To be even relevant in a decade from now, HR leaders need to get better at their understanding of technology. While they may not need to master the technology terrain, they need to appreciate technology, understand how it can help improve HR processes, and have a point-of-view on available technology options as well as vendors.

In the data-driven future world, HR leaders will also need to understand how to use data effectively for decision making. A head of HR opined that though incumbent leaders understand the data, they are not well versed with combining different streams of data to make decisions.

Tasks and responsibilities

Future-ready HR leaders need to tweak their responsibilities and roles to suit future business environment. In particular, they will need to view themselves as less of 'process champions' and more of 'guardians of employee experience, in the enterprise.'

Leaders also suggested that the HR heads need to be more protective of their and their departments' time. They need to focus their energy on activities that add most value to the enterprise. For the rest, they need to either push back, or find third party owners.

HR-Business Interplay

As lines between HR and business functions blur over the next decade, CHROs will be expected to play equal partners to business leaders to grow top lines.

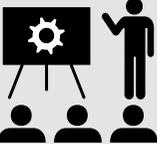
One skill that will be extremely valuable in this transformation will be to take an outside-in perspective on business environment and economy. HR leaders will need to understand broader economic context, business shifts, macro-economic changes, and competitor strategies, and translate those into talent implications for businesses.

Finally, future heads of HR will need to play a more proactive role in supporting businesses on talent strategies.

GETTING FUTURE READY

Asian HR Leaders Must Make Seven Shifts to Stay Relevant in the Future

SEVEN SHIFTS ASIAN HR LEADERS NEED TO MAKE

PRIORITY		CURRENT STATE		FUTURE STATE
<p>New Age Skills Adopt technology tools for more efficient processes and data-driven insights for better decision-making.</p>		<p>I. Technology-shy II. Metrics</p>		<p>Technology-savvy Insights</p>
<p>Tasks & Responsibilities Tweak roles and responsibilities to suit changing business requirements.</p>		<p>III. Chief HR (Process) Officers IV. Doing-all</p>		<p>Chief Employee Experience Officers Doing-only-what-matters-most</p>
<p>HR-Business Interplay Engage with business to add maximum value.</p>		<p>V. Inside-out VI. Rule enforcers VII. 'Helpers'</p>		<p>Outside-in Equal partners 'Doctors'</p>

Source: CCL Research 2016.

SHIFT 1

From Technology Shy to Technology Savvy

According to Interviewees, the HR function is not very well versed with technology. But technology is the one driver that is rewriting how HR is done, thanks to the introduction of HR applications for talent attraction, development and retention; cloud-based storage at a fraction of the cost; and the use of specialized tools.

While HR leaders were unanimous that CHROs don't need to be or act like technologists, they also added that future-ready leaders need to understand how technology can help HR and the key technology and vendor options available in the market.

Incumbent leaders highlighted that HR function will always be under pressure as far as technology is concerned. Future leaders therefore should be well versed with technology to respond to employee technology needs. An HR leader in a technology company explained, "I think HR is the one domain where if you implement technology solutions, they touch everyone in the company irrespective of their levels, so managing user expectations will always be a challenge."

When the research team probed deeper on the key drivers for adoption of technology in the HR function, several reasons surfaced. Technology pervasiveness in general was the biggest driver, especially in countries such as Singapore, Indonesia, China, and India. With over 6 billion global smartphone users by 2020³ and about half a billion internet users in ASEAN alone, technology will be a backbone of any function, including HR.

Interviewees also emphasized on the increasing corporate acceptance towards new age work trends such as tele commuting/remote workforce, which elevates the need for technology. Also, millennials, who account for a major chunk of the existing workforce, have a strong preference towards better technology at the work place. "Workplace technology is a key engagement and talent attraction driver with the younger workforce," commented an APAC HR leader at a technology company.

Incremental usage of technology also makes sense from a cost standpoint. HR leaders highlighted that plug and play HR applications and cloud-based storage are cheaper and is easy to implement as compared to legacy HR systems. Besides, as HR teams become leaner, there is a strong trend towards self service HR delivery models.

An APAC HR leader summed up, "we must understand that technology is an enabler, not a cure all, and not an add on." She added, "for instance, if you want to get from point A to point B, a cycle will get you there but a bus will get you faster, and perhaps a car will get you there the fastest with a certain degree of comfort; that is how technology matters – for us [HR leaders], awareness about what technology can do is critical, and HR leaders must know their 'A' and 'B;' we don't need to act like technologists."

3. www.temasek.com; baidu.com

SHIFT 1

From Technology Shy to Technology Savvy

DISTRIBUTED WORKFORCE

1

As I think about the future where free-elements [freelancers] may comprise almost 50% to 60% of my workforce, HR will have to lean on technology even for the most basic workflows.

ASEAN CHRO
Global Professional Services Firm

TECHNOLOGY PERVASIVENESS

2

- By 2020, there will be 6.1 billion smartphone users worldwide. Southeast Asia will have 480 million internet users.
- By 2025, internet speeds in Southeast Asia are expected to increase from 3.5 megabits per second (mbps) to more than 10 mbps, with penetration to reach 70%.
- Internet economy in Southeast Asia will grow 6.5 times to US\$197 billion by 2025 from its current evaluation of \$31 billion.

Source: www.Temasek.com.sg; Baidu,inc.

COST PRESSURES

6

"Owing to cost pressures, we are beginning to think of affordable plug-and-play HR apps and cloud-based infrastructure. Traditional, complex HR software will be phased out."

AVP HR
Global FS Firm

TRENDS IMPACTING HR'S TECHNOLOGY ADOPTION



SELF SERVICE HR DELIVERY MODEL

3

"In my view, anything that has a logic, is rule-based, and has a process flow within HR, is going to be automated..."

ASEAN CHRO
Global Professional Services Firm

MILLENNIALS' PREFERENCE

5

Millennials are one of the key drivers in the introduction and adoption of new technology. In a recent survey, 42 percent millennials stated they would leave a company due to "substandard technology." 82 percent of those under age 35 said that workplace tech would influence their choice when taking a new job.

Source: www.cio-asia.com

FLAT ORGANIZATION STRUCTURES

4

"We are in the process of getting rid of a lot of bureaucratic stuff that we don't need – forms, approval processes, layers within the organization because we want to reduce complexity and drive faster decision making."

Global Head of Talent
European Chemicals Company

Source: CCL Research 2016.

SHIFT 1

From Technology Shy to Technology Savvy

HR leaders are seldom considered close friends of technology. HR is traditionally also not known for early technology adoption. Case in point: slow adoption of social media. While social media has been talked about for many years, it is only recently that companies have begun to make a big push for talent initiatives on social media, mainly for recruiting, engaging, retention, and training.

HR leaders highlighted two reasons that cause delay in technology adoption, in addition to general inertia – budget constraints, and user adoption being an afterthought.

Asian HR leaders pointed that the function is a slow adopter of technology because as a cost center, businesses seldom want to spend money on something which will be hard to definitively quantify in terms of financial benefits. “HR leaders, especially those who are not able to create convincing business cases internally, will keep getting push backs from CEOs and Boards when they ask for funds to implement HR technology,” commented a leader.

Senior HR practitioners also reflected that while introducing new technology for HR functions, professionals in the field must think first of the non-HR people who will be using it. “HR leaders must avoid the mentality of lets-build-it-and-they-will-come,” commented an APAC head of HR. He added, “no technology in the world

will convince a leader to write a performance review if he or she doesn’t want to; technology can only make these tasks more efficient, but there must be desire to do.”

Another HR leader commented, “HR leaders must understand the propensity to consume technology in their organization, and be realistic around how little is too little and how much is too much.” She added, “there are options around mobile, cloud, social media, that they must consider.”

Interviewees confirmed that HR leaders need to be open to talking about technology. “Even if we don’t completely understand it, we need to have a point-of-view on ‘how’ and ‘why’ technology can help, and ‘what’ are the options available around us.” In addition to being an agile learner to understand new technology trends, HR leaders of the future have to be smooth collaborators to implement successful IT interventions internally. The leader also must be commercially astute to identify and negotiate best deals with vendors and make successful business cases for internal approvals.

HR leaders were unanimous in their view that anything that is rule-based, and any process that has a logic will eventually be digitized and automated. But, they also had a word of caution. “Good technology for a bad process is worse than implementing no technology at all,” commented a leader.

SHIFT 1

From Technology Shy to Technology Savvy

Current Situation in HR Functions

BEHIND THE TECHNOLOGY CURVE

“HR was never best friends with technology, and head of the function is rarely viewed as the most technology savvy executive.”

SLOW TECHNOLOGY ADOPTION

“HR has often been the slowest function to adopt technology; social media is a case-in-point. We HR leaders have been talking about it for the longest time, but it is only now we have started viewing it as a practical tool.”

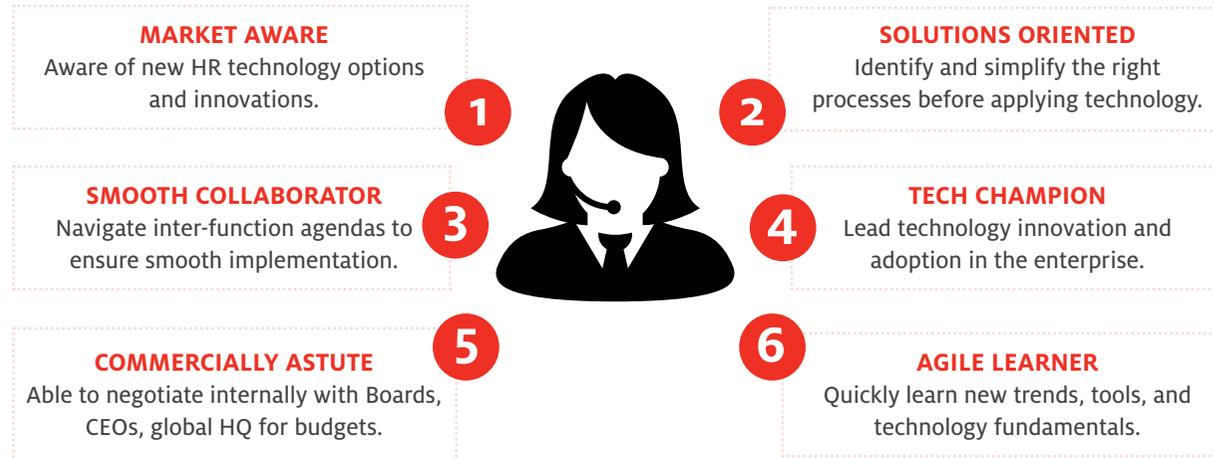
INABILITY TO CREATE A BUSINESS CASE

“Budget for HR technology has always been a staller, mainly because of the inability of Asian HR executives to negotiate budgets or make compelling business cases to global HQ, Boards, or regional presidents.”

USER ADOPTION OFTEN AN AFTER-THOUGHT

“The approach most of my peers [senior HR leaders] often have is – lets build the HR platform and people will come.”

Reimagining Future Asian ‘Tech Savvy’ CHRO



LEADER SPEAK

“...technology piece needs to be integrated with the foundational way we do HR, but we need our HR people to sort of fly above that technology and retain the humanness of the function.”

APAC CHRO
Global Consumer Goods Company

Source: CCL Research 2016.

SHIFT 2

From Metrics to Insights

HR functions generate a lot of talent data – engagement scores, performance reviews, career moves, employees joining and exiting, promotions data, pay hikes, leave details, to mention a few. “With the onset of big data and data-based decision making, talent functions can completely transform, however we are not the best friends with data,” commented a leader.

Data suggests that only 5 percent of heads of HR feel they are effective in using talent analytics. Key reasons for the low uptake include un-clean data, lack of in-depth understanding of analytics, and non-availability of analysts within HR.

One of the leaders mentioned that HR has a “weather report” approach to data. While HR leaders are good at being on top of talent numbers in the organizations – they know their engagement scores, attrition rates, etc., they often lack the ability to build a coherent story around these numbers. Hence the shift for the next decade is to stop thinking data, and start thinking how to use that data to generate insights.

In terms of analytics-friendly mindset, HR leaders need to graduate from having a ‘reporting’ mindset to a strategic mindset. For instance, from reporting retention numbers, they need to evaluate how they can retain the right set of people.

“I think over the next decade, these ‘pipes’ of data will increase manifold, but there is no point in spending hundreds of hours in learning analytics,” commented a leader. She added, “we need to get better at understanding how these ‘pipes’ of data can generate insights that can aid decision-making.”

Leaders also cautioned that HR needs to get over this mentality to send staff to analytics workshops and events in a hope they will learn this capability. They were of the view that HR may be better-off extensively training a select few, or hiring analysts and experts from outside.

“We don’t need to become analysts,” clarified an HR leader. “Instead, we need to understand the insights our data can give, and perhaps learn to ask the right questions of data analysts,” she added.



SHIFT 2

From Metrics to Insights

Journey from Now to the Future

SIMPLE METRICS

Standalone, descriptive indicators

e.g., engagement scores, employee retention rates.

Single source of data

e.g., L&D training hours, employee performance (salesmen meeting quarterly goals).

Reporting mindset

provide information to CXOs on key indices, ratios, or simple process-specific analysis.



INSIGHTS

Predictive indicators

e.g., information around which sales persons are likely to succeed, which HIPO pool is most at retention risk.

Linking multiple sources of data

e.g., engagement scores with sales numbers.

Strategic mindset

e.g., how to hire the right salespeople; retain the right talent.

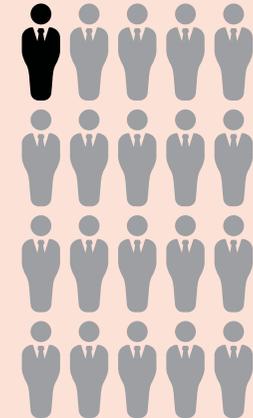
LEADER SPEAK

“...we certified a large number of HR people in analytics. Despite the knowledge acquired, putting it in to practice was a different ball game altogether. Statistics and mathematics are not natural to most HR professionals.”

**Ex-CHRO
Asian Headquartered Bank**

Source: www.forbes.com

HR ANALYTICS CAPABILITY



% of CHROs that feel they are effective at using talent analytics

Source: CEB 2016 Agenda Poll.

SHIFT 2

From Metrics to Insights

HR leaders conveyed that the reason incumbent leaders lack capability in analytics is because it is still seen as alien to the field of HR. “The prevailing view of many entering the HR profession as their career of choice is still their impression of HR having no need for competence in subjects they disliked in school, such as mathematics, statistics and finance. It’s also perceived to be a relational job where you limit your interaction with only people you know internally, unlike dealing with many unknown customers in the context of customer relations in business,” said an HR leader at a Singapore-based organization. He added, “these factors made many individuals with their own perception of the role coming into the profession on the wrong premise.”

HR leaders at organizations who are further down the analytics journey had four pieces of advice.

One, start thinking about data more holistically.

HR leaders seem to know their number, but often lack the skill of combining piecemeal data to build broader strategic perspective. E.g., rather than thinking about retention numbers, combining that data with performance to evaluate how to retain top performers.

Two, think about outcomes rather than tools and processes.

HR leaders pointed that there is a lot of unnecessary chatter about big data and other analytics tools for instance. HR leaders often do not realize that these are either just approaches to analyze data or just ‘levers’ to arrive at outcomes. HR often does not need to worry about tools and methodologies.

Three, don’t worry about training incumbent teams on analytics.

HR leaders opined that it may be best to either select a few executives in HR teams and put them through rigorous programs and certifications, or just borrow analysts from other functions or recruit from outside the organization. An APAC head of HR at a global MNC explained, “a few years ago we kind of had this idea that we could just teach people analytics; I remember going on a bi-yearly HR conference on analytics and we thought it is going to solve our problems.” She added, “it was such an under-estimation of the gap; getting people up to required capability level takes too long, so we had to go and buy talent from outside.”

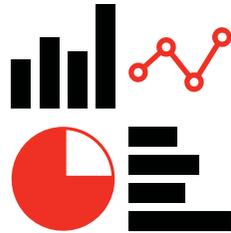
Four, ask the right questions.

Incumbent leaders suggested that future-ready leaders need to cut through the analytics/tools/technology hype and just focus on the basics - understand their information needs, be aware of talent data they are generating, and ask the right questions to use available data to find appropriate answers.

SHIFT 2

From Metrics to Insights

Journey from Now to the Future



STOP THINKING PIECEMEAL DATA, START THINKING HOLISTICALLY

"It is nice if someone brings a weather report to me that tells the temperature, wind speed, humidity, etc. But what is really useful to me is someone being able to combine these data sets and predict likelihood of floods in a particular region. It is that translation of 3 pieces of data into something that is meaningful to me..."

APAC CHRO
Global Medical Technology Co.

STOP WORRYING ABOUT TOOLS, START FOCUSING ON OUTCOMES

"There is currently a lot of chatter around analytics/big data tools. While they are important, it is equally or more critical to focus on data management, data sanitization, inter-departmental collaboration, and going after the right business problem."

ASEAN CHRO
Global Professional Services Firm



STOP SPENDING RESOURCES ON BUILDING COMPETENCIES, START BUILDING CAPABILITY

"I am not so sure, sending my HR team for analytics courses is the best approach to get smarter on HR analytics. I'd much rather work with external consultants, or acquire talent from outside. For instance, thanks to the slowdown in the financial services industry, there is analytics talent available in the market..."

Senior Partner
Global Executive Search Firm

STOP TRYING TO MASTER THE PROCESS, START ASKING THE RIGHT QUESTIONS

"It is most critical for the HR leaders to know the pipes of data they are generating, and critical business questions that they should seek answers to using that data."

APAC CHRO
Global Consumer Goods Co.



Source: CCL Research 2016.

SHIFT 3

From Chief HR (Process) Officers to Chief Employee Experience Officers

HR executives often take great pride in claiming to completely understand policies, systems, rules and compliance requirements around manpower management. HR leaders told us that this is especially true of HR executives who started their careers in the administration function, and graduated to an HR leadership role in their mid to late career period. Because of the process-centric view of the function, HR executives may tend to show business leaders the rule-book when they seek non-conventional talent related support.

In a decade, most of the HR processes that are rule-based or hard wired will invariably be automated and pushed to the self-service domain.

HR leaders informed that their CEOs are increasingly expecting the function to own the employee lifecycle, both from better efficiency and superior experience standpoint. “My role is people experience director; we call ‘people experience’ because that’s our job in HR – deliver superior employee or internal customer experiences,” explained an HR leader in an APAC-based MNC that has made a switch to their HR being called an “employee experience” function.

To make the switch from process-champions to employee-experience-officers successfully, HR leaders may want to take a lesson or two from customer experience teams in their organizations. Just as customer experience teams manage the internal coordination to give customers superior experience without having them to deal with different internal departments, HR teams will also have to become a one-stop point-of-contact for employees for all and any employment-related experience.

To be effective employee experience officers, HR leaders will need to be closer to the employee lifecycle journey in their enterprises, and go beyond their comfort zone and reach out/collaborate/learn other functions such as technology, operations, finance, design, knowledge management, and even facilities management and legal. In a way, HR leaders of the future will need to work at the intersection of different functions to architect superior employee experience.

Incumbent leaders pointed that it will be a hard journey. HR leaders will first need to be self aware of their capabilities and development areas, be collaborative with other functions, and have the agility to learn new disciplines.



SHIFT 3

From Chief HR (Process) Officers to Chief Employee Experience Officers

CHROs' Role Transformation

KEY DRIVERS

EVOLVING EMPLOYEE EXPECTATIONS

"Millennials are the most likely to quit a job over technology; 42 percent stated they would leave a company due to substandard technology."

Source: www.cio-asia.com

CHANGING BUSINESS EXPECTATIONS

"My CEO not only expects me to drive annual talent-related processes, but also wants me to own the end-to-end employee lifecycle from the day they [employees] join the organization."

Senior HRBP
Global Technology Company

RAPID DIGITALIZATION OF HR

"In my view, anything that has a logic, is rule-based, and has a process flow within HR is going to be automated..."

ASEAN CHRO
Global Professional Services Firm

EVOLUTION OF THE HR ROLE



CHIEF HR [PROCESS] OFFICER

- Process champion
- Rule-book driven
- Tech shy
- Operates in an HR silo
- Tactical
- Operationally focused



CHIEF EMPLOYEE EXPERIENCE OFFICER

- Owns employee lifecycle
- User experience centric
- Digitally savvy
- Intersects multiple functions
- Futurist/strategist
- Differentiation focused

Source: CCL Research 2016.

SHIFT 3

From Chief HR (Process) Officers to Chief Employee Experience Officers

In order to make a successful transition to the chief employee experience officers (CEEEO), future heads of HR in Asia will need to wear multiple 'hats.' These 'hats' or capabilities cut across the need to connect better with employees, collaborate with different functions, understand multiple disciplines, become friendly with technology, and navigate through change.

Heads of HR will need to get better at the people-advocate role as they step into the employee experience domain. This is especially critical since the future talent mix in Asia will be more gender-balanced, multi-generational, multi-national, multi-cultural, and all of these segments may have divergent set of expectations from their careers. It is critical therefore that HR leaders understand the pulse of what talent wants and represent that appropriately to executive leadership teams.

Thanks to an increasingly VUCA world that is transforming at a considerable pace, organizations may have to rediscover themselves in terms of their business models, product/service positioning, organizations structures, hierarchy, etc., to remain relevant in the future. This may generate anxiety among the talent base, since functions and roles may get redefined and/or modified. Retaining superior employee experience therefore may require massive cultural transformation, and HR leaders will have to lead this initiative as culture-change agents.

The HR function of the future will have a very strong technology backbone. Technology alone will be the biggest factor defining the quality of employee experience in future enterprises. CHROs of the future therefore cannot remain mere spectators as organizations firm up their technology strategy; they need to understand the technology terrain and make their voices heard, therefore the need to wear the digital-futurist hat.

Since the HR function of the future will sit at the intersection of various functions and disciplines, the leader of the function needs to play an active-collaborator role, effectively partnering with different function heads, across different geographies, and across different hierarchy levels.

Over the past decade, HR has gained in importance as organizations realize that talent is central to success of enterprises. As HR function gets even more central to the organizational success in the future, the head of the function will need to play the trusted-advisor role to the CEO. She will have to make sure all matters related to employee experience get escalated to, and acted upon, by the CEO herself and the executive leadership team.

SHIFT 3

From Chief HR (Process) Officers to Chief Employee Experience Officers

Hats Chief Employee Experience Officer (CEEO) Must Wear



LEADER SPEAK

“...if I crystal gaze, I see the CHRO role in the future transforming into a Chief of Employee Experience role that operates at the intersection of different functions, and integrates the knowledge of multiple disciplines to craft a superlative employee experience.”

ASEAN CHRO
Global Professional Services Firm

JOB DESCRIPTION - Chief Employee Experience Officer (CEEO)

Company A is looking for a CEEO to manage and develop people assets. Reporting into the CEO, this role will provide team leadership and oversight ensuring a unified approach to delivering high quality experience to employees. This role will also partner with other CXOs functional leaders to drive talent strategy for the organization.

Job Details:

- Develop, propose and implement policies, workflows, processes, systems, organizational structure, roles & accountabilities to develop and scale employee experience function.
- Drive thought leadership on employee needs and experience, and opportunities to address them at the individual and institutional level by leveraging people, process and technical solutions
- Drive the “Employee Journey” experience in close coordination with internal teams. Work collaboratively with internal CXOs, technology, operations, engineering, design, legal, finance and facilities teams to execute employee-related solutions and initiatives.
- Identify opportunities to improve efficiency in the development and execution of employee related solutions.

Job Requirements:

- Bachelor’s degree from an accredited university; MBA preferred.
- At least 15 years’ experience in a digitally driven people/talent function, with direct management of large, cross-functional, or matrix reporting teams.
- Must be a proactive leader, with ability to work with a high degree of autonomy and collaboration, in a fast-paced environment.
- Ability to develop consultative relationships with external partners and strong relationships with internal cross-functional teams.
- Excellent relationship management skills, including strong ability to consult, influence, and build credible relationships while communicating effectively at all levels across the company.

SHIFT 4

From Doing-All to Doing-What-Matters-Most

In a decade, as lines blur between different functions, businesses will expect HR to play an equal role in driving the top line. The refined role will require HR leaders to do a lot more than what they are currently responsible for. HR leaders therefore opined that the function should be more selective in activities or responsibilities it takes up.

There are activities that fall in the HR terrain currently where the function is not adding much value. HR has taken up such activities either because businesses do not want to own those, or because they are loosely connected to people priorities (but often not central to the talent agenda).

Here are a few examples of such activities, termed by some thought leaders, as 'time wasters,' as they are a drain on HR's efforts, time and energy.

One, pursuing the millennials agenda.

Some thought leaders questioned the extra-obsession with activities, priorities, drivers around millennials. "We were different from our managers when we started our careers, and so were our managers," commented a leader. "Gen-Y is perhaps a little more different as compared to us when we started our careers, but why are we kicking up a fuss about that," she added.

Another leader, an APAC CHRO in a Western MNC, said, "one of the areas where we waste a lot of time is around the new workforce and what that will look and feel like and how that will change the workplace; I think the whole millennium thing is being a bit hyped."

Two, being over active on the diversity front.

Many organizations define their diversity agenda very narrowly, only in terms of gender diversity. Thought leaders questioned if HR has a big role to play on who gets promoted or hired, as it is broadly a hiring business managers' responsibility.

A subset of incumbent leaders claimed that in both cases – millennials and diversity – we want managers to behave differently to a section of employees, which is not the right thing to do from a meritocracy standpoint, and is perhaps not completely within HR's control.

Some leaders also cited an example of HR managing wellness programs. "Why are we taking ownership of making employees fitter? It is a noble agenda, but is that our job?" questioned an HR leader.

Examples cited point that HR may be taking up too many activities where there are no takers, or where HR has somewhat responsibility but little authority to make any tangible difference.

Some leaders opined that HR may be instead better off focusing on building a culture where a diverse workforce can work well together, and leave the rest to businesses.



SHIFT 4

From Doing-All to Doing-What-Matters-Most



Is HR the Right Owner For...

PAYROLL

“Payroll belongs under Finance with maybe a dotted-line reporting structure to HR because of the nature of their work. Why should HR in many organizations remain responsible for this function?”

DIVERSITY AGENDA

“Employment law prohibits diversity mandates in hiring and promotion practices, so companies try to change line managers’ attitudes and priorities instead. But such efforts are effective only if top executives lead them, transforming the culture. Otherwise HR is just a cheerleader for an initiative it can neither enforce nor measure.”

MILLENNIALS STRATEGY

“Many HR departments spend a lot of energy worrying about how Millennials want to work. Given all the other things to worry about, it shouldn’t be a priority to learn how to manage one subset of subordinates differently.”

Source: Why We Love to Hate HR... and What HR Can Do About It, HBR, 2015; Letting Go: Three Functions HR May Want To Delegate Responsibility For, www.thearistocracyofhr.com.

LEADER SPEAK

“Here in the region [Asia], especially in local companies, there is thin line between administration and HR. For instance, why should HR plan the company picnic? I understand it is to engage people, but that way anything and everything can be related to people, and therefore an HR responsibility. My team should not be getting pulled into unnecessary administrative duties.”

**Head of HR
Asian Hospitality Company**

SHIFT 4

From Doing-All to Doing-What-Matters-Most

As heads of HR try to balance increasing asks from businesses to take on incremental responsibilities, and the need to do more initiatives that add maximum value, there are 3 areas they may need to work on. One, view their work portfolio with the responsibility-authority lens, develop an ability to have an equal-eye dialogue with business, and get into the mindset of measuring impact of key HR interventions.

HR must gradually, over the next decade, tweak its portfolio such that its key tasks reflect the right authority-responsibility balance. HR leaders should structure their tasks in such a way that if businesses want it to own responsibility and accountability for key tasks, they should also be positioned to make definitive changes, if required.

What does this mean? For instance, if millennials is an agenda HR needs to pursue, then it should have the authority to make (business) managers accountable for their behaviors towards this segment of talent. Otherwise, HR is, at best, just hoping that managers will comply.

Research points that the one development area that is consistent across Asia is self-confidence. Lack of confidence may often manifest as inability to have tough conversations or an equal-eye dialogue with CXOs and leaderships teams.

HR leaders felt that the function heads will need to get better at having 'uncomfortable' conversations with business leaders in order to push back taking on responsibilities that may not add a lot of value, or that may be best housed elsewhere in the organization, or even outsourced.

Finally, since return on talent investments is always a concern business leaders have, HR leaders need to get better at identifying and measuring value created through talent interventions. This ability will enable heads of HR to negotiate better with business as they prioritize interventions and initiatives to go after from a talent standpoint.

HR leaders pointed that these three capabilities are a must-have for heads of HR to play a significant role in future enterprises.



SHIFT 4

From Doing-All to Doing-What-Matters-Most

Three Tips For Asian CHROs

1

USE THE RESPONSIBILITY-AUTHORITY FILTER

“A lot of things where there are no owners end up with the HR function. While often HR has the responsibility and accountability for such initiatives, there is no or very little authority to make changes.”

ASEAN HR Lead
Global Products Company

2

DEVELOP THE ABILITY TO HAVE AN EQUAL-EYE DIALOGUE

“Asian HR leaders need to work on their ability to influence, especially courage to challenge in the ‘right’ manner.”

Senior Partner
Global Executive Search Firm



3

TRY AND LINK KEY TASKS TO MEASURABLE IMPACT

“I use a 60-40 principle – at least 60 percent of tasks I or my team takes up should have measurable, direct impact. The question I ask my team is – will our CFO understand the value of the initiative?”

ASEAN CHRO
German Chemicals Company

Source: CCL Research 2016.

SHIFT 5

From Inside-Out to Outside-In

HR leaders pointed that incumbents who have been in one function within HR, or one organization for a long time, may have a closed mind towards experimenting and risk taking. “We know our organization well, we run HR function basis what we know; in the process we are not looking out.” pointed an HR leader.

With the VUCA world we live in, the world where newer business models are emerging, newer technologies are emerging, taking an inside-out view is not likely to take us in HR too far.

HR leaders of the future need to be aware of what is happening in the world, the latest trends, what is working, what is not. Especially so because HR leaders need to prepare for the future world we don't know about.

HR leaders of tomorrow not only need to know their organization and the drivers that are impacting their organization, they also need to be aware of the latest practices that are working in other enterprises, tactics their competitors are deploying on talent as well as business front, and mega trends across the globe, especially in Asia.

This is especially critical because CEOs will increasingly look at HR as not only a guardian of talent in the organization, but also as drivers of key strategic changes in the enterprise.

HR leaders claimed that the stance of HR needs to change from “why it will not work in my organization,” to “how can I adapt it to make it work in my organization.” “HR needs to be like an ostrich looking over the fence to see the outside world, and bringing in the best from external environment, competitors, consultants, and vendors.” mentioned an HR leader.

“Having a closed mind will not work, we [HR leaders] need to have an agile, open, collaborative mind, and always be on a look out for how to improve our HR processes,” summed up an HR leader.

So, shift number five for HR leaders to be successful ten years down, is to have an outside-in view of their organization.



SHIFT 5

From Inside-Out to Outside-In

Shift from Inside-Out to Outside-In

APPROACH	Inside-Out	Outside-In
		
		
PROFILE	Long tenure in one company/industry/country	Multi-country/multi-industry experience
INTERACTION	Mainly internal stakeholders	Internal and external stakeholders
RESPONSIBILITIES	Mainly HR Processes, compliance and systems	Strategic HR; best practices identification and implementation
NETWORK	Internal; closed	External; open
POSTURE	“Why it will not work in my company?”	“How can I adapt it to make it work in my company?”

LEADER SPEAK

“We need to think through what is the world looking like on the outside. It is critical to create awareness around what the external world is doing, and understanding the gap between your organization and the world outside.”

ASEAN CHRO
German Chemicals Company

Source: CCL Research 2016.

SHIFT 5

From Inside-Out to Outside-In

So how do HR leaders develop an outside-in approach? What can they do on a day to day basis in terms of their career-moves to develop that mindset. We heard three tactics or pieces of advice from senior leaders.

One, HR leaders need to get international experience under their belt to develop a better understanding of the world outside of their home country. Asian CHROs suggested that it may be best to have a developed and developing country experience within the first 10 to 15 years of HR career. Leaders clarified that 'managing' another country was not good enough, leaders needed to physically relocate to another country for two or more years.

Senior executive search partners mentioned that they would not even consider an HR candidate for the top job – CHRO for APAC/ASEAN – if she does not have a developed and an emerging economy experience in her career.

Two, HR leaders need to 'build connections' or networks with executives outside of their organization, in addition to having deep trust with stakeholders within. Also, leaders of tomorrow need to have 'open' networks. Open networks are those where the people you know are not all connected to each other. This creates positive structural diversity in a leader's network.

Several HR leaders told us that this was less about going to conferences, 'shaking hands' with a lot of people at events, or maintaining a 'hefty' contact-list. It is more about the posture or willingness to connect with diverse executives and having the authenticity to understand and appreciate their points of view. "It is more about collaborating with partners, vendors, educational institutes, stakeholders, peers, industry groups, to understand the general direction of the world," said an HR leader.

Three, HR executives need to diversify their experiences, both within and outside of the HR function. Opting for business rotations may be seen as a career-risk by some, but is an invaluable experience as HR leaders attempt to understand business operations. Several organizations we spoke to, encourage cross-functional moves – short duration projects, and longer two-to-three year rotations.

Even within the HR function, HR leaders should aspire to get diverse experiences, across learning and development, talent management, compensation and benefits, organizational design, business partnering, HR technology, etc.



SHIFT 5

From Inside-Out to Outside-In

Career Advice for Asian HR Leaders



IGNITE GLOBAL ASPIRATIONS

"I'd prescribe all aspiring CHROs to get a combination of emerging and developed market experience under their belt."

Senior Partner
Global Executive Search Firm



BUILD OPEN NETWORKS

"I am fortunate that in my current role I not only interact with peers in other countries, I also get an opportunity to interact with vendors, consultants, expat community, academics, and business leaders."

APAC CHRO
Global Medical Technology Co.



DIVERSIFY EXPERIENCES

"Diversity of experience is very critical – different roles, different markets, different sectors, leading different agendas such as M&A and growth, and having worked in developed and emerging markets..."

Senior Partner
Global Executive Search Firm

Source: CCL Research 2016.

SHIFT 6

From Rule Enforcers to Equal Partners

Traditional HR leaders in Asia tend to 'live by the rule-book.' According to business leaders, when they approach HR leaders with an unconventional talent request, they are often shown the rule-book and their request is turned down.

HR also comes under a lot of criticism because they are often the bearers of bad news, and they are always 'telling' people what they can and cannot do. "If it is good news, CEO delivers it – 'we have met 140 percent of our target,' but if there is bad news, often HR becomes the news bearer – e.g., lower bonuses," explained an APAC HR leader at a European MNC.

"We [HR] may want to believe otherwise, but HR is not a very popular function," pointed an ASEAN HR leader.

Traditionally, HR has been the guardian of all rules and policies in the organization. For e.g., "you cannot take more than 20 days off;" "you cannot delay performance reviews," "you cannot not put the annual goals in the system," "you cannot hire your relatives."

Since people don't like to be told what they can or cannot do, HR becomes the 'bad cop.'

In a decade's time, when most of HR processes may become self service through mobile applications and user-friendly platforms, there will be a lesser need to lean on rules around what employees can or cannot do. It may be taken care of by setting up appropriate permissions in the system.

What CEOs may expect from HR is to play an equal-partner role with businesses as they try and unravel the future to take the organizations forward. HR business partners will need to graduate from advisors or 'order takers,' to critical resources who could execute strategy projects and help shape business.

HR leaders themselves therefore need to take the posture of putting aside hardwired processes, understanding business requirements, and partnering on equal-terms with business heads.

So shift number six is that HR leaders need to step out of the "tell" mentality and get into "own" mentality!

Even within the HR function, HR leaders should aspire to get diverse experiences, across learning and development, talent management, compensation and benefits, organizational design, business partnering, HR technology, etc.

SHIFT 6

From Rule Enforcers to Equal Partners



“RULE-BOOK RULES”

“You cannot delay performance reviews”

“You cannot pay more than the compensation bands”

“You cannot hire relatives into the organization”

“You cannot tell ‘insensitive’ jokes in the office”

Career Advice for Asian HR Leaders



“LET ME PARTNER TO GROW BUSINESS”

“Let me execute strategic interventions to help grow business”

*“Let me co-own some business initiatives with you;
it will help me understand what business does”*

“I will look out for what our competitors are doing on the talent front, understand economic changes, and design/tweak our talent strategy accordingly”

LEADER SPEAK

“Why business does not like us is because we are always sticking the rule-book in their face and telling them what they cannot do...”

**ASEAN HR Head
Global Products Company**

Source: CCL Research 2016.

SHIFT 6

From Rule Enforcers to Equal Partners

What is causing this urgency for heads of HR in Asia to step away from the traditional 'process champion' posture to a more strategic equal-partner role? HR leaders pointed three key drivers – blurring lines between various functions, digitization of HR, and changing expectations from HR.

Heads of HR pointed that this shift from rule-enforcers to equal-partners may be very tough, and that a lot of heads of HR in Asia may not be equipped to make this move. A senior regional HR leader highlighted his hypothesis that the HR function in Asia was not set up to play a strategic role, which is the key reason why most CHROs are grappling with the future readiness issue.

"I may be generalizing here, but HR in Asia was never set up for a strategic role; most MNCs, when they were setting up their operations in the region, had the expectation that HR will play a purely execution role, often bordering on administration," said an APAC CHRO. She added, "now suddenly, as the region becomes more critical in the overall topline equation, and as most countries graduate from developing to emerging to even developed economies, the function is expected to smarten up and play a strategic role almost overnight; most of us HR leaders are not ready for this change."

Other drivers include HR increasingly cutting across its traditional silo to execute talent initiatives. For instance, an initiative to redesign workplace to make it more engaging for staff will need to be planned closely with the facilities team, or a wellness initiative will need to be planned with the finance team, or an internal employee reference initiative, executed through the social media platform, will need coordination with the technology team.

Automation of HR is one trend that is ending the process or rule-book 'regime' in Asian HR functions. As processes get automated, and the self-service delivery model becomes the norm, rules enforcement will happen online, and HR will not need to play the 'bad cop.' Also, this automation drive will save HR a lot of time, and it can instead focus its energy on other value-adding activities.

Also, businesses are expecting HR to play a strategic execution role; not only advise talent strategy direction, but also own execution of strategic interventions, for both talent and business domains.



SHIFT 6

From Rule Enforcers to Equal Partners

Key Change Drivers for CHROs



BLURRING LINES BETWEEN BUSINESS AND HR

“Since the lines between business and HR are blurring quickly, to stay relevant in the future, I think that the first action CHROs should take is to forget about HR! Stop talking about HR and start talking about business. Understand the dynamics of business - I do it by spending more time in business, and wearing a business hat in addition to HR hat.”

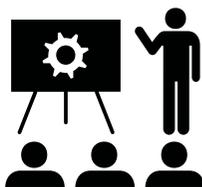
**Global Head of Talent
European Chemicals Company**



DIGITIZATION AND AUTOMATION OF THE HR FUNCTION

“In the future HR function will be a small group of advisors or experts. Bots and digitization will eat into HR’s process related world.”

**ASEAN CHRO
Global Professional Services Firm**



STRATEGIC EXECUTION ROLE FOR CHROs

“I think the expectation of businesses is that HR is a ‘part of business’ not in the sense of sitting at the table and discussing with them but being an active member in shaping the businesses. It is accountable for delivering strategic outcomes.”

**Global Head of Talent
European Chemicals Company**

Source: CCL Research 2016.

SHIFT 7

From 'Helpers' to 'Doctors'

HR leaders conveyed that they must play a more proactive role as they take a more central posture within the organization. Just owning annual talent interventions will not be enough. One of the HR leaders explained that leaders of the future will play a proactive or 'doctor' role in enterprise as against the current 'helper' role.

In most organizations in Asia – both multinationals and local enterprises – HR plays an 'order taker' role. The mentality most HR leads have is that the raison d'être for their existence is to support businesses achieve their objectives. HR leaders pointed that this may be a 'reactive' stance.

"We do our annual responsibilities, rolling out employee satisfaction surveys, performance evaluations, salary benchmarking exercises, but for the most part, we wait for business to reach out to us for our support on talent interventions, and once they do, we help them with all our might," explained an HR leader.

In some organizations however, HR actually plays a proactive role in true spirit. It looks out, senses trends, evaluates internal health, and proactively advises businesses on what they should be doing to get maximum returns from their talent interventions.

The head of HR role is more of a generalist role in such organizations, and the leader 'intimately' partners with businesses on talent initiatives. This is akin to playing a 'doctor' role for the business.

While the reactive role of HR is more around managing operational responsibilities such as payroll, compliance, training, recruiting, the proactive role will enable HR to adopt a more strategic posture. This will entail HR owning critical initiatives such as internal consultant, leadership developer, change agent, and even part business leader role in some cases.

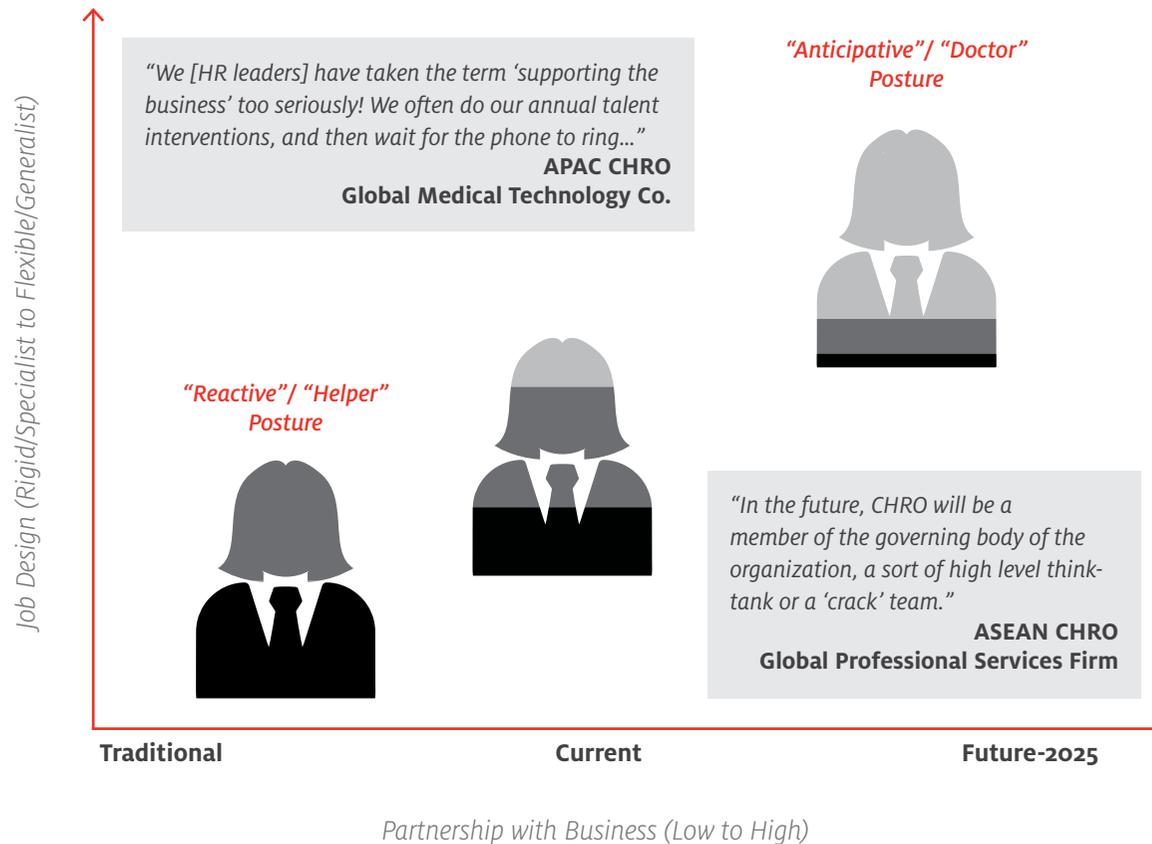
The seventh shift HR leaders need to make to get future-ready is from a 'helper' to a 'doctor' role within the organization.



SHIFT 7

From 'Helpers' to 'Doctors'

Evolution of the Head of HR Role in Asia



- Strategic Role**
 - Part-business owner
 - External environment sensor
 - Internal consultant
 - Strategy executor
 - Leadership developer
 - Change driver
- Operational Role**
 - Trainer
 - Recruiter
 - Employee mediator
 - HR compliance officer
 - Policy implementer
- Administrative Role**
 - Payroll executor
 - Policy maker
 - Technical expert
 - Welfare officer

SHIFT 7

From 'Helpers' to 'Doctors'

A *re there tangible steps HR leaders can take to prepare themselves to play a more proactive role, and adopt a more strategic posture over the next few years? We heard three tactics from senior HR leaders.*

One, start playing a trusted business advisor or a trusted consiglieri role. Consiglieri is a word adopted from the 'mafia' world – he is the one person closest to the mafia boss; the boss could depend on the consiglieri with his life. HR leaders need to get a similar trust equation with the executive leadership team in the organization.

This perhaps will be the most critical role HR leader of the future will play. Thought leaders caution however that there is a fine line between being trusted by the CEO and being the 'yes person' to the CEO. Incremental trust should enable HR leaders to also question CEO's decisions around talent, and offer advice on critical initiatives such as identifying the executive team.

They need to be in the 'inner core' of the CEO, advising him on anything related to people. This relationship will hopefully also inform the HR leader of current priorities of the business leadership team, and CEOs' long term strategic thinking.

Two, take on strategic execution responsibilities. Senior HR leaders pointed that the function has been asking for a 'seat at the table' for a very long time, and now that the function seems to have a 'seat at the table,' most leaders are not using the opportunity to its fullest.

HR leaders need to not only 'be present' at the table, but also influence thinking of people around the table. They must lean forward and take a lead in not only advising the leadership team on talent issues, but also executing strategic priorities.

Three, take responsibilities outside of the HR function. As HR leaders play a proactive equal-partner role with business, they also must step forward and own some responsibilities outside of the HR function, initiatives that may or may not have a direct linkage with people responsibilities. Examples include:

- Design/update rules for corporate governance
- Own and drive the corporate social responsibility agenda
- Own business responsibilities for a new country/new operations
- Drive association with partner enterprises

SHIFT 7

From 'Helpers' to 'Doctors'

Key Change Drivers for CHROs



PLAY THE 'TRUSTED CONSIGLIERY' ROLE

The most critical role for HR is that of trusted adviser to the CEO – not to the point where they are the 'yes person' to the CEO, but if necessary they should question the CEO's decisions around hiring and firing and provide well-balanced advice on the makeup of the executive team and strategies that will give the best chance of success.

Source: www.insidehr.com



OWN EXECUTION RESPONSIBILITIES FOR STRATEGIC INITIATIVES

"I think the expectation of businesses is that HR is a 'part of business' not in the sense of sitting at the table and discussing with them but being an active member in shaping the businesses. It is accountable for delivering strategic outcomes."

**Global Head of Talent
European Chemicals Company**



CARVE OUT TIME FOR/SEEK NON-TALENT RESPONSIBILITIES

Key examples...

- Design/update rules for corporate governance
- Own and drive the corporate social responsibility agenda
- Own business responsibilities for a new country/new operations
- Drive association with partner enterprises

Source: CCL Research 2016.





Chapter V

Action Steps

**LEARNING FROM
PEER EXPERIENCES**

CASE STUDY 1

Engineering Must-have Global Experiences

Organization:

Global Products Company

Leader:

ASEAN HR Head

Challenge:

To lead the HR function at a global multinational, diversity of experience – different challenges, jobs, markets, geographies, is a must-have.

Approach:

The leader deliberately opted for diversity of experiences and global rotations throughout her mid career.

The leader realized early in her career that she needed diversity of experiences to understand global operations and challenges. This was a must-have to lead the HR function in a global multinational.

She started her career in China in a functional specialist role understanding and appreciating the nuts and bolts of the HR function. Basis her performance in the recruitment function, she was selected as a high-potential.

After spending 9 years in China, she opted to move to the global head quarters in Europe. “Though I was initially apprehensive because my family was based in China, I took it upon myself as a challenge.”

The leader said, “I’d really encourage HR leaders to open up, look and expose themselves to larger and smaller markets - a stint in South East Asia or a stint in Europe is a must do.” She added, “diversity of experience is also critical ; if they are in the

business-partner function then a role in L&D or a role in talent analytics for instance at the corporate HQ may help them get exposed to different areas within HR.”

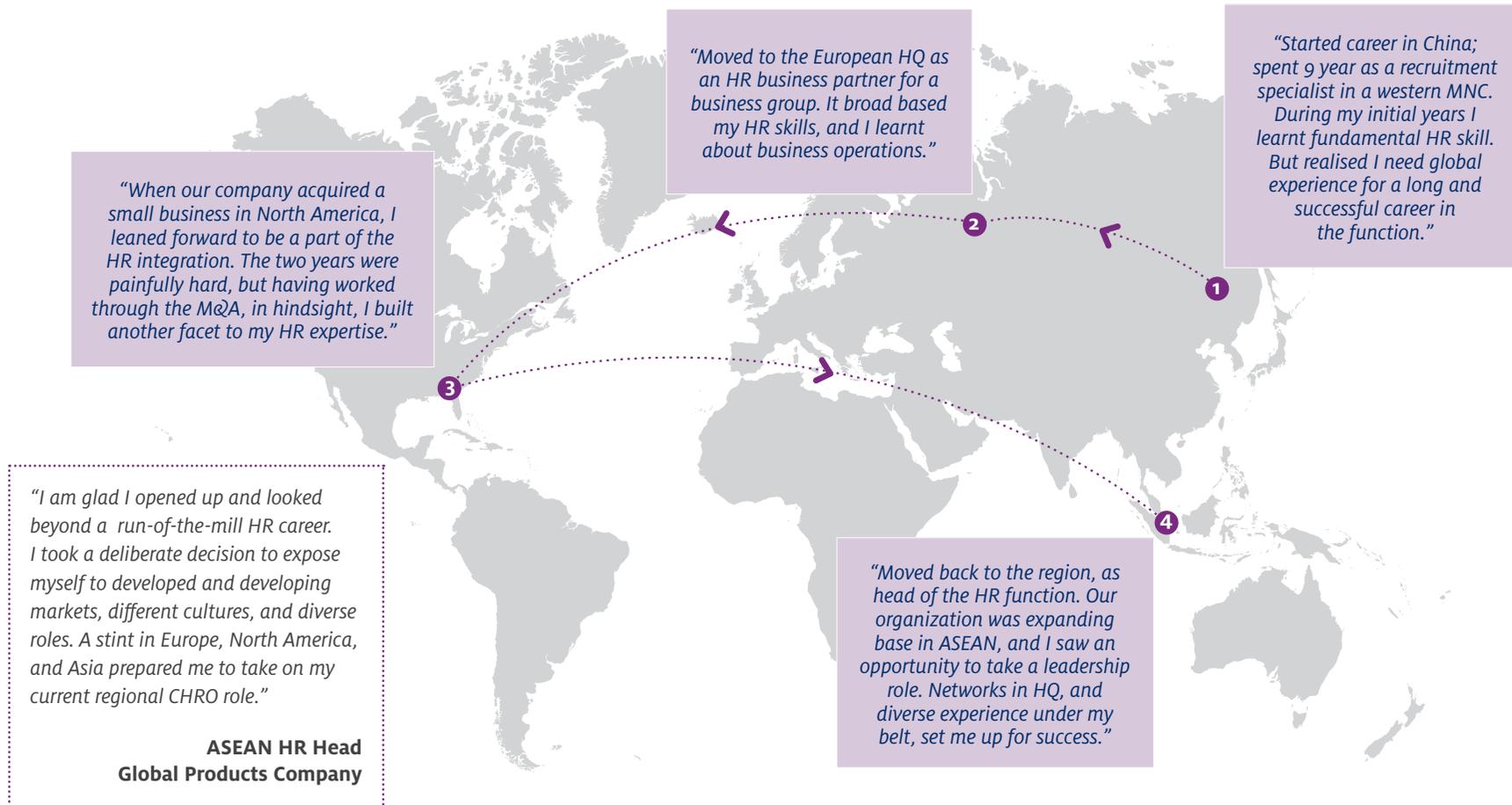
After spending two years at the HQ, the leader leaned forward to accept an opportunity in the US, when the company acquired another small organization there, and wanted someone to lead the integration.

“My mentor at the HQ, a tenured CXO in the organization, pointed the value leading a certain strategic initiative can add to CV and credibility within the enterprise,” she said.

She moved back to the region, as an ASEAN head of HR, after spending 2 years in the US. “The organization was expanding ASEAN business, and they were looking for someone who had rich experience in Asia, understood the enterprise culture, and was truly a global leader.” She saw the opportunity to leverage her rich global experience, and be closer to her family, hence the career move to be based out of Singapore.

CASE STUDY 1

Engineering Must-have Global Experiences



CASE STUDY 2

Three Step Approach to Self Development

Organization:

Global Technology Company

Leader:

APAC CHRO

Challenge:

To lead the HR function in the future, HR leaders need to have a strong connect with talent, especially millennials. They also need to use reflection approach to self development.

Approach:

The leader deploys a three step approach to self development – engage-develop-reflect, to identify with talent issues and constraints, and to get a better connect with next generation leaders.

When the leader at a global technology company realised she needed to self develop, understand talent challenges better, and craft solutions that will work for the next generation talent, she adopted a three-step engage-develop-reflect approach.

The leader said that the first thing HR incumbents needed to do is to step out of their traditional boundaries made by their often hard-wired job description and role expectations. “I realised that leaders need to be physically present to interact with talent and stakeholders,” she pointed. She cited, “I have physically gone to campuses and been part of scholarship retreats that our university team is conducting; I have attended events, and actively interacted with students to get that in-person contact.”

In order to up the ante on engagement, the leader deliberately started putting more one-on-one conversations on her calendar each time she travelled to other regions. She also put time slots on her calendar to interact with peers, leaders, extended teams, and external stakeholders, whom otherwise she did not

necessarily needed to have one-on-one meetings with. “The engagement has to be both ways and it has to be 360 degrees, and you have to find those opportunities to engage,” she added.

The leader pointed that development and reflection – step two and three in her approach – are deeply connected to engagement. “It is a virtual cycle because the more you engage the more you see opportunities to develop and reflect,” she said. The leader also has taken upon herself the responsibility to mentor at least two upcoming leaders outside of her own team at any point in time. “It gives me an opportunity to learn from them, and sense what is happening in other departments,” she added.

The third step in this self development cycle is to find time to reflect after such engagements and development experiences, and then share takeaways and lessons learned with key stakeholders, owners of function or teams.

The leader has deployed this three-step self development cycle in her career, and claims it has helped her get more focused and solutions oriented.

CASE STUDY 2

Three Step Approach to Self Development

Three Step Engage-Develop-Reflect Approach to Self Development



*“The first tactic I use to prepare myself for future is **‘engage.’** To me it is a constant assessment, interest and awareness of what’s happening and what are the general trends. I think for me it is imperative as an HR professional to engage at multiple levels with the stakeholder community to get the pulse of the context.”*

*“The second piece is to **‘develop.’** Given some complex scenarios around us, if you had to determine what is best way to respond to a problem, it is a must to develop principles to use and guidelines to adopt to socialize, stress test, and validate assumptions.”*

*“The third and the most critical piece I think is to **‘reflect.’** Any action towards improving self had to center around self. It has to be very intentional and deliberate.”*

**APAC CHRO
Global Technology Company**

CASE STUDY 3

Attempting to Wear The Business Hat

Organization:

European Chemicals Company

Leader:

Global Head of Talent

Challenge:

HR leaders need to get more credibility with business to successfully execute the business agenda.

Approach:

The leader takes steps to 'take off' his HR hat, and wear a business hat to appreciate business challenges.

The leader realized that to be successful future-ready HR leader, he needed to take on accountability for delivering strategic outcomes, not just advising business on talent interventions.

"HR leaders role is not just creating power points and looking at diversity ratios; those are indicators, not outcomes," he said. He added, "to be successful, HR leaders needed to influence outcomes."

"I think that the first action that the person can take is, to forget about HR and get to know the business."

The leader pointed several lessons he learnt in this journey.

"Stop talking about HR and talk about business, is the first thing the person do," he said. He advised HR leaders to spend more time on business issues, and wear a 'business hat' in addition to 'HR hat.'

The leader often goes and works in the 'field' with business executives. He ensures that when he travels, almost two to three weeks in a months, he spends time with clients and on the shop floor.

"So what do you go and do in a country, and how much can you go and stand in front of people and talk about talent strategies," he questioned. He pointed, "I actually spend my time walking the shop floors in the plant and talking to people about what they do and about how they work."

Such interactions give the leader a better understanding of operating models, competitor intelligence, and market dynamics.

Such moves have helped the leader improve credibility with business heads as he can speak their language, understand their challenges, and contribute towards solving problems that are high priority for them.

CASE STUDY 3

Attempting to Wear The Business Hat

“So realistically I think the HR leader must deliver strategic outcomes, not just create power points and look at diversity ratios and so on. What will make us future ready is certainly not presenting some talent strategies.....”

**Global Head of Talent
European Chemicals Company**

ADVICE



“We need to think differently about our role as HR leaders.”



“Forget about HR, think business.”



“Wear a business hat in addition to HR hat, and go and work in the 'field' for some time.”



EXECUTION

“I believe as HR leader I must be held accountable for delivering strategic outcomes.”

“Stop talking about HR and talk about business.”

“I spend three weeks every month walking the shop floors in the plant and talking to people about what they do and about how they work, understand what their work model is, and what is the competition doing?”

CASE STUDY 4

Operating at 'Consilience'

Organization:

Professional Services Firm

Leader:

ASEAN Head of HR

Challenge:

To be future ready, HR function needs to be employee-experience centric, and the leader needs to be adept at multiple disciplines.

Approach:

The ASEAN head of HR took multiple steps to develop an employee-centric approach to HR within the enterprise.

When the ASEAN head of HR was given the mandate to make the function in the region more employee experience centric in order to give talent better experience, and to upgrade productivity, she adopted a three-step approach.

First, the leader began to make efforts to upgrade her (and her team's) knowledge about different disciplines. The HR leadership team started multiple initiatives – got involved in multiple cross-functional projects, enrolled in functional skills upgradation projects, and also hired mid-level HR talent with non-HR backgrounds.

The HR department also made a rather bold move to hire a leader with a customer experience background into the HR team. The expectation was to provide cross-discipline skills and

customer-centricity regimen into the employee experience offered by the HR function in the organization.

Second, the HR function initiated cross functional projects – mainly in partnerships with the technology, branding/communications, and design teams at the organization. HR leaned on consulting expertise in the enterprise to steer cross functional projects.

Third step was to rebrand the internal HR function. One of the key takeaways from the branding project initiated by the HR team was to rename the HR function to 'employee experience function.' The title of the head of the function was also changed from the head-of-HR to the chief-employee-experience-executive.

The leader claimed that this rebranding of the function changed the perspective that the broader organization had towards the HR function.



CASE STUDY 4

Operating at 'Consilience'

Operating at 'Consilience!'

"I am of the opinion that future CHRO role will merge the knowledge of multiple disciplines such as marketing, IT, operations, etc. I don't think we are ready for that."

ASEAN CHRO
Global Professional Services Firm

3 STEP APPROACH



"Hire a consumer experience person within HR, and perhaps technologists"



"Take on cross functional transformation projects around employee life cycle"



"Keep employee experience at the center and core of all processes and systems"

Source: CCL Research 2016.

CASE STUDY 5

Hacking The Way To Better HR

Organization:

Global IT Products Company

Leader:

Chief People Officer

Challenge:

To be future ready, HR function, and leaders need to have a change-centric innovation mindset.

Approach:

The chief people officer initiated a global 'HR hackathon' in the organization, generating several innovative HR solutions in the process.

The Chief People Office employed design thinking to 'break' and then re-imagine HR solutions for its over 70,000 staff. The company conducted HR Hackathon, called the 'Breakathon,' comprising four steps.

1. Creating a new mind set by having everyone in the organization believe they are empowered to make change.
2. Creating design thinking mind-set to develop an employee experience that is intuitive, engaging, and mirrors the consumer experience.
3. Developing hacks to break HR through a guided HR breakathon to identify problems and work in small teams to create solutions. Breakathon provided guidance on how to identify a problem and come up with engaging solutions.
4. Recognizing winners, and implementing solutions.

HR employees joined with colleagues in the services and engineering organizations to come together virtually to participate in the breakathon.

The process was 24 hours long, spanning 16 time zones, 39 countries, and 116 cities.

The global breakathon resulted in 105 new HR solutions covering talent acquisition, new hire on-boarding, learning and development, team development, and leadership.

The winning ideas were recognized in several categories.



CASE STUDY 5

Hacking The Way To Better HR

Hacking the Way to Better HR

SITUATION

"Aim is to create a nimbler, more responsive, HR department, where silos, time zones, and cultural barriers are broken down so that we can create innovative new HR solutions."

**Chief People Officer
Global IT company**



ACTION

CREATE A NEW MINDSET

Make employees believe they are empowered to make change.

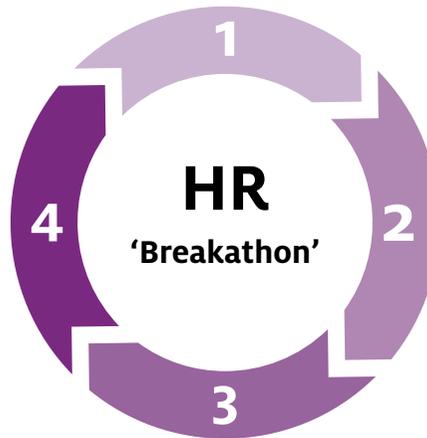


RESULTS



BEGIN IMPLEMENTATION

Democratically identify best ideas, and work on their implementation.



USE DESIGN THINKING

Create employee experience that is intuitive, engaging, and mirrors consumer experience.

CREATE HACKS TO BREAK HR

Provide guidance on how to identify a problem, and work in small teams to create a solution.

Source: "Cisco HR Breakathon: Reimagining The Employee Experience," Forbes, Oct 2016.

CASE STUDY 6

Elevating Self Awareness

Organization:

Global Financial Services Firm

Leader:

AVP-HR

Challenge:

Lack of understanding of self development needs and strengths can derail HR leaders' journey to the top.

Approach:

The talent leader leaned on 360 assessment, reflection, informal feedback and journaling to heighten her level of self awareness.

In order to prepare for the future, which may look very different, the talent leader realised that she needed to take her self-awareness to the next level.

The APAC leader adopted four tactics to heighten her self awareness – understanding her strengths, development needs, and aspirations.

She participated in a 360 degree assessment to understand her strengths and development areas. In addition to rolling the assessment out to her manager, peers and team, she also included key external stakeholders – vendors and partners – to get a more holistic view of her critical development needs.

The leader also went ahead and solicited feedback from her peers in real time around key gaps that she should plug to move ahead in life. "I did not want to limit the dialogues to just

professional career; I wanted to learn what I needed to do to be generally happier."

As she searched for tools to become more self aware, she came across two tools that resonated well with her – journaling and reflecting.

Journaling, or simply putting her thoughts on paper end of the day around what went well, what could have gone better during the day, helped her focus on positive experiences she was having. "I also routinely wrote my toughest concerns in the 'journal,' that helped me focus more objectively on solving the challenge."

She also got into a practice of finding time each day morning, as soon as she came in to work, to reflect on past day, past week, current day, and the present week. The leader claimed that it helped her focus her energy on what was critical and needed her attention the most.

CASE STUDY 6

Elevating Self Awareness

SITUATION

“As I gazed at the crystal ball of the future I realized that I don’t know what I don’t know, and I wondered how to become more self aware to prepare for what I don’t know...”

**AVP - HR
Global Financial Services Firm**



ACTION

1

PARTICIPATE IN A 360-DEGREE ASSESSMENT
GET FORMAL FEEDBACK FROM BOSS,
PEERS, SUBORDINATES, AND EVEN FAMILY
AND FRIENDS.

2

SEEK INFORMAL FEEDBACK
FROM COLLEAGUES AND PEERS OUTSIDE
OF MY DEPARTMENT MOSTLY IN
STAKEHOLDER GROUPS.

3

MAINTAIN A JOURNAL
FIND TIME TO PUT DOWN MY THOUGHTS
ON THE DAY BEFORE GOING TO BED.

4

FIND TIME TO REFLECT
SET ASIDE TIME IN THE MORNING – FIRST
THING WHEN I COME INTO THE OFFICE
(OFTEN EARLY).



RESULTS

“The more I listen to my inner voice, the more self aware I feel, and the more confident I am of dealing with the future...”

**AVP-HR
Global Financial Services Firm**

Source: CCL Research 2016.

CONCLUSION

From A to B: Getting Future Ready



BUILDING BLOCKS

AUTHORS

Sunil Puri

APAC Head of Research, Innovation and Product Development
puris@ccl.org

N. Anand Chandrasekar

Senior Research Faculty
chandrasekara@ccl.org

Sunil and Anand are a part of Center for Creative Leadership's Asia-Pacific operations.

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CCL – AMERICAS

www.ccl.org
+1 800 780 1031 (US or Canada)
+1 336 545 2810 (Worldwide)
info@ccl.org

Greensboro, North Carolina
+1 336 545 2810

Colorado Springs, Colorado
+1 719 633 3891

San Diego, California
+1 858 638 8000

CCL – Europe, Middle East, Africa

www.ccl.org/emea

Brussels, Belgium
+32 (0) 2 679 09 10
ccl.emea@ccl.org

Addis Ababa, Ethiopia
+251 118 957086
LMM.Africa@ccl.org

Johannesburg, South Africa
+27 (11) 783 4963
southafrica.office@ccl.org

Moscow, Russia
+7 495 662 31 39
ccl.cis@ccl.org

CCL – Asia Pacific

www.ccl.org/apac

Singapore
+65 6854 6000
ccl.apac@ccl.org

Gurgaon, India
+91 124 676 9200
cclindia@ccl.org

Shanghai, China
+86 21 6881 6683
ccl.china@ccl.org

Affiliate Locations

*Seattle, Washington,
Seoul, Korea
College Park, Maryland
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