



# THE MODERN WORKFORCE

The global, social & technological forces  
reshaping the future of work

ramco

**THE NEXT WAVE - HR 3.0**

This whitepaper is an outcome post a roundtable discussion with  
senior HR experts on the topic 'Workforce 2020: Effective Strategies to manage a future-ready workforce'

# CONTENTS



02 Senior HR Professional Profile

03 Executive Summary

04 Globalization

05 The Opportunity

06 Multi-Generational Workforce

07 The Opportunity

08 The Agile Workforce

09 The Opportunity

10 Advancing Technology

11 The Opportunity

12 Conclusion



## Cara Reil

### Senior HR Professional & Thought Leader

Cara joined SAI Global in 2015 as the Group Director Human Resources. In her role she leads the HR Function with a team of HR professionals providing strategic leadership and support to a business with 2500 employees in 29 locations across the globe.

Cara has 20 years of broad-based and specialist HR experience with various MNCs. She spent a large part of her HR career working outside of the US, especially in Asia where she has lived in both Singapore and Australia. Cara started her career with United Technologies Corporation (UTC) in the US and spent eleven years managing regional and global HR functions in various businesses in the UTC Group. She then moved to RBS as the Regional Head of Organizational Effectiveness for Asia and was the

Director of Talent and Leadership at AMP in Australia. Prior to joining SAI Global, Cara was the Vice President for Talent and Management Development for the Singtel Group based in Singapore. During her four years at Singtel, the HR team won numerous local, regional and global awards for their work in Talent Management, Training and Development, and Engagement.

Cara holds a Master of Science (Major in Human Resource Management) from the Krannert Graduate School of Management, Purdue University and a Bachelor of Arts (Major in Psychology) from the University of Denver.



## Executive Summary

Businesses today are operating in a period of stunning change and development. From technological advancement to the effects of globalisation and societal trends, several powerful forces are currently redefining the way we work.

This shift has resulted in a profound impact being felt across the field of human resources (HR), with traditional policy and talent management-based HR models being challenged by an ever more connected and diverse global workforce.

Modern technology lies at the heart of this transformation, and has already been the catalyst for much change. A raft of digital platforms and tools are now on hand to help transform employee engagement practices, while performance management and recruitment strategies are being shaped by an abundance of analytics and data. In the not-too-distant future, the rise of robotic automation (bots) and machine learning is also set to further absorb a diverse range of roles, resulting in the need for creative upskilling and role reassignment.

The employee of today is expressing their desire for freedom and fluidity in the workplace, as evidenced by the dramatic rise in contingent workers around the globe, and the number of full-time employees seeking flexible working conditions. However, the needs and expectations of

these workers also varies greatly across the most generationally-diverse workforce in history – an unprecedented situation that is being fuelled by a range of economic and social factors.

The implications of these complex issues are being felt in businesses around the world in many different ways, and to varying degrees. However, for HR professionals, it is important to gain a clear understanding of the forces at play and the potential impacts to the businesses you support, to ensure you are well placed to evolve and keep pace with the changes that lie ahead.





## Globalization

One of the foremost challenges effecting HR roles and responsibilities today is the rise of globalization, which has had a profound effect on the way talent is procured and managed.

In days gone by, it was widely-accepted that only the upper echelons of leadership would venture out into emerging markets or developing countries. Nowadays, advancements in technology and communications support the existence of connected virtual teams, which allows HR to source the best available talent globally, instead of being restricted to locally available candidates.

In addition, the idea of global citizenship has been embraced by post-Baby Boomer generations, and the opportunity to work internationally has become highly sought after by employees of every age and rank.

In fact, a PricewaterhouseCoopers study of university graduates in 2012 revealed that as many as 76 per cent of Australian respondents hoped to work outside their home country during their career, with similar numbers reflected across the US, Europe and the rest of the world.

In the modern era, managing geographically dispersed teams is a complex and ever-changing equation, with some of the foremost implications across culture, leadership and logistics.

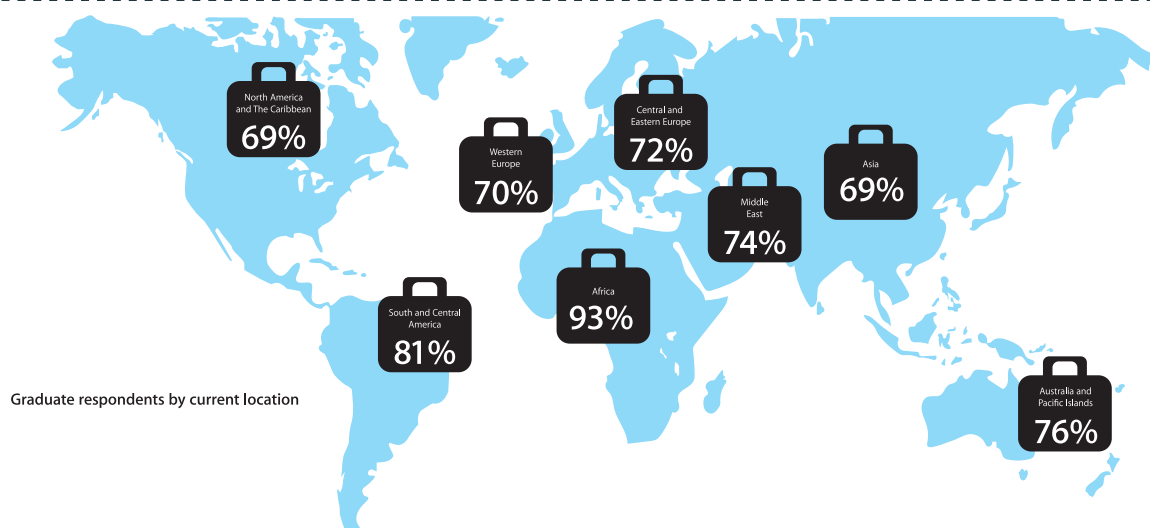
From a leadership standpoint, the advent of the global workforce calls for a change to traditional

leadership structures. With teams now being assembled as more agile, project-based global units, current and future leaders require greater support and training to help them become effective “virtual leaders,” armed with the tools to manage and engage employees with diverse backgrounds and work styles.

In a global company, there are also a range of logistical complexities for HR professionals to contend with. Beyond the obvious impact of juggling multiple markets and time zones are the conditions imposed by local and national authorities. Issues like visa control are often subject to change, and can be heavily affected by a country's political climate — such as the recent “BREXIT” vote in the United Kingdom. Some countries are also renowned for having very stringent, firm timelines for visa applications, which can result in lengthy delays to plans for employee relocation.

Driving culture and engagement without first person access to a large percentage of employees also presents a raft of unique challenges for HR teams. As well as being influenced by the working conditions and cultural norms of their region, remote employees are often not given the opportunity to meet their direct manager or colleagues in person, meaning parties on both sides must become adept at building virtual relationships.

I would like to work outside my home country in my career



Source: PWC. Talent Mobility 2020 and Beyond

Figure 1 – Graduate respondents by region

## The Opportunity

One of the key challenges with globalisation is that a business case which looks strong on paper — such as the commercial benefits of moving into a new market — can be challenging to execute from a human standpoint. Gaining a deep knowledge of the myriad implications of globalisation is therefore key to developing more robust engagement tactics and employee-friendly practices.

To start with, if you are looking to build a pool of global talent for your organisation, encourage employees to take the opportunity to work abroad early in their career. There are many benefits associated with exposing junior employees to different working environments, such as increased engagement and loyalty, and, from a practical standpoint, they generally have fewer obstacles than more senior colleagues, who can face challenges managing dual careers, schooling issues or other family responsibilities.

Developing an organisational structure that underpins your global activities is also another vital step, along with providing the necessary training to ensure employees understand how to operate within the global model. As the need to manage high-performing virtual teams becomes increasingly important, current and future leaders also need to be upskilled on how to become effective enterprise leaders who are able to build and manage global teams and build strong networks.

When it comes to creating a robust global culture, a creative approach to online engagement is required to promote virtual comradery and inclusiveness. Such engagement can be supported by modern technology infrastructure that is easy to access, and offers the same degree of intuition and convenience that employees enjoy in their real-world technology interactions. Practical activities like putting a team of regional engagement champions in place, can also be an excellent way to encourage ground-level participation, as well as providing a valuable HR touchpoint in each region.



## Multi-Generational Workforce

An aging population and increases in retirement age have resulted in one of the broadest multi-generational workforces that has ever existed. With employee demographics now extending across five generations including Veterans, Baby Boomers, and generations X, Y and Z, it's not uncommon for the age of employees to range between 18 and 75.

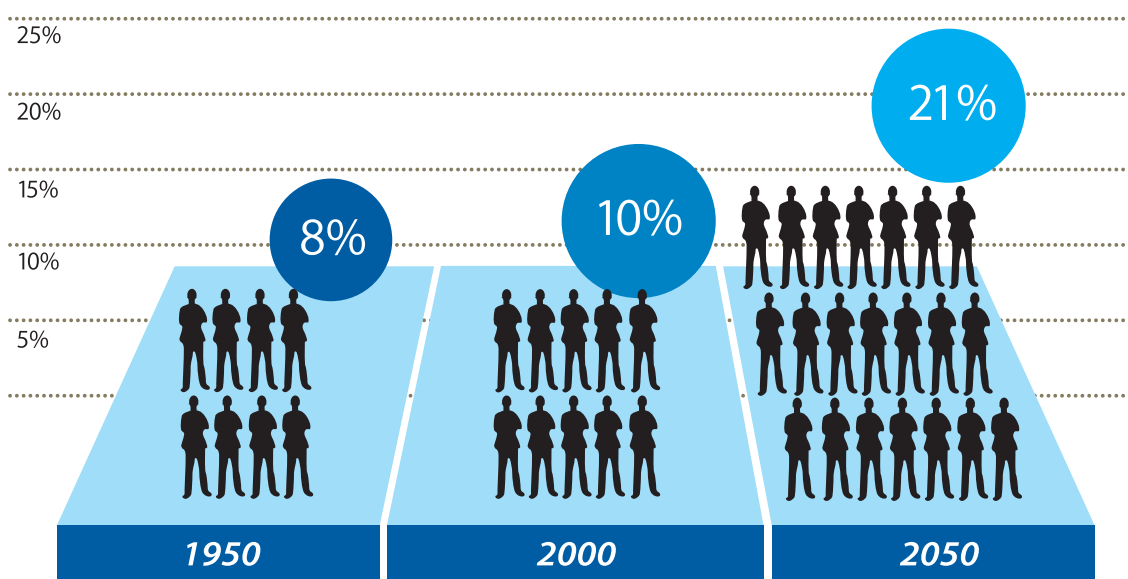
In many developed economies, building a pipeline of talent in specialist areas, when people are retiring faster than they can be replaced, has become a very real challenge. Workforces are not only becoming older and younger concurrently, but the needs and expectations of each demographic are also very unique.

Senior workforce members, who came of age in a vastly different economic and social landscape, naturally have a different work view than their younger counterparts, which includes how they like to be managed. Many have a wealth of legacy experience and knowledge to pass on, but are left lagging behind the pace of modern technology. Others struggle to stay motivated, having been forced to remain in employment longer than expected by financial factors like their children

staying at home longer, and increased cost of retirement coupled with superannuation accounts which were impacted by the Global Financial Crisis (GFC).

Towards the opposite end of the spectrum, Gen Y are characterised by a desire for flexibility and freedom, which is supported by the significant increase in the number of contingent workers today. However, recent investigation indicates that this desire for freedom may not extend to the Gen Z demographic who have grown up in an environment marked by instability, with events like September 11 and the GFC. A 2016 presentation by HR Consulting firm, Randstad, reported that the top three job requirements for these groups were in fact salary, a pleasant working environment and stability. Significantly, such findings point to an inconsistency in the sentiments expressed in recent best practice literature, which have asserted that environmental and social practices are of prime importance to younger audiences.

Proportion of the world population aged 60 years or more



Source: UN report World Population Ageing 1950-2050

Figure 2 – Proportion of world population over 60 years, from 1950 – 2050



## The Opportunity

At a day-to-day HR management level, targeted engagement strategies should be developed for each of the five generations of employees. More senior employees, may require upskilling or cross-skilling to enable a move to a different role. Organisations can also provide programs to help employees understand the possible career options and shift mindsets as they transition to retirement. It takes a collaborative approach, with both organisations and employees being more flexible about how work can be done, as well as the types of benefits provided by employers. Organisations and managers may need to be more flexible about organisational structures and job design, and employees need to understand that reduced hours, or consulting roles, may not provide the same level of employee benefits they had as full time employees.

There are a number of ways to support employees across the generations. Traditional mentoring relationships pair more experienced employees providing advice and guidance to those starting out, while other programs pair senior employees with younger employees in the same or a similar role, to support the transfer of knowledge. On the flip side, “reverse mentoring” is another effective engagement technique that sees younger generations train up their more senior colleagues on workplace technology.

While technological savvy is one of many assets of the “digital native” generation, they also bring a number of unique challenges. In particular, education is often required to ensure younger employees and graduates are equipped with the interpersonal skills required to navigate a professional organisation. Providing guidance on issues like personal branding, networking and the appropriate use of corporate social media networks can be proved to be valuable in this regard.

A targeted approach is required, including talking to employees directly and gauging what is important to them. As with many industries, in the field of HR there is often a lot of hype created about certain topics or populist theories. However, it's important to be gleaning insights directly from your workforce, and not making assumptions

based on external opinions.

Traditional employee engagement surveys are still a valuable way to understand the needs of employees, but typically these full census surveys are done every one to two years. Given the pace of change, there is much to be gained from taking regular “pulse checks” on employee engagement and satisfaction, with creative technology solutions now making it possible to do this in real-time. As an example, Empsense by Ramco is a smart phone-based app which collects employee insights that give businesses a sense of how their employees are feeling at any given time.



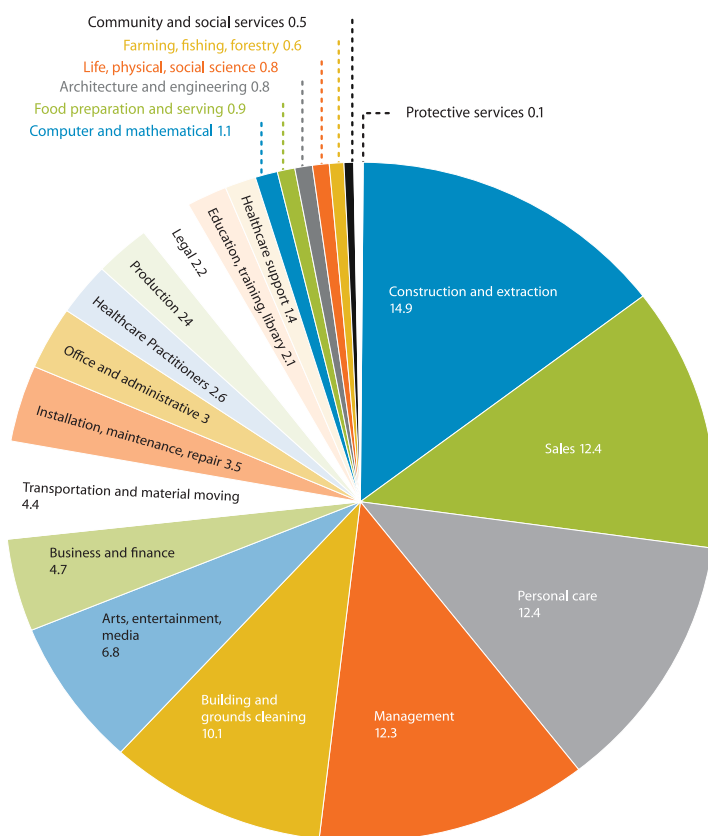


## The Agile Workforce

Another major change being felt in workplaces around the world is the rise of the contingent workforce. This growing band of flexible, transient workers—also classified as freelancers, consultants or contractors—share a desire for employment diversity and career freedom.

A clear picture of contingent workforce numbers in Australia is yet to be determined. However, in the United States, it is estimated that up to 40 per cent of workers are employed on a contract basis. While recent research out of Europe points to an average growth rate of around 60 per cent in the contingent workforce.

### TOTAL US INDEPENDENT CONTRACTORS BY OCCUPATION (% OF TOTAL)



Source: CEDA. Australia's Future workforce? June 2015

Figure 3. Total US Independent Contractors by Occupation (percentage of total)

As the balance of power swings towards the contractor population, the talent management equation also changes. With the conversation

having evolved from how to train and retain HIPOs (high-potential employees) to now include IPROs (independent professionals), it becomes increasingly important for HR professionals to rethink the way they attract, manage and compensate this important workforce.

Alongside this increase in contingent workers, is the growing impact of increased “work from home” days for full-time employees. A 2014/15 report published by the Australian Bureau of Statistics indicated that 17 per cent of employed persons completed home-based work for an employer on an occasional basis, with a further 16 per cent doing so on a regular basis. In the United States, census data gathered between 2005 and 2014 indicates that 3.7 million people now work from home at least half the time, with regular home-based work among the non-self-employed population having grown by 103 per cent over the past decade.

### % Growth since 2004 GROWTH IN IPROS BY SELECTED REGIONS

Region	%
EU	45
Belgium	53
Finland	56
France	85
Germany	43
Italy	12
Netherlands	93
Poland	88
Spain	51
UK	63

Source: CEDA. Australia's Future workforce? June 2015

Figure 4. Percentage growth since 2004 in IPROs by selected region

## The Opportunity

As many workplaces shift to more a flexible employment model, the question of retention becomes ever more important. Many businesses are not currently set up to cater to the needs of contingent workers, particularly when it comes to offering favourable contracts and ongoing work. As an example, greater foresight and collaboration with business departments is required to present valuable workers with options for future work, before the expiration of existing contract periods.

However, there are a range of legal issues HR professionals should seek advice on, in regards to designing contracts for contingent workers. A recent case against Uber in the United States, which saw drivers in California and Massachusetts awarded a USD \$100 million settlement, highlighted the need for clarity when it comes to the contractor/employee divide. A similar case

against food delivery services Foodora and Deliveroo in Australia is currently seeking to determine whether either company is in breach of the Fair Work Act, due to the low rates their contractors are paid.

Increases in the number of employees working from home on a regular basis also gives rise to the need for policies and practices that make flexible working fair and equitable for all employees. In addition, the deliverables and expectations of every role should be clearly communicated, with any flexible working conditions reviewed on a regular basis, to see that they are still meeting the needs of the business and individuals concerned. It also requires to give and take from both the employer and the employee, with mutual respect and communication underpinning all flexible working practices.



## Advancing Technology

The explosive pace of technology today has resulted in the most intense period of change and innovation the world has ever seen. Traditional business models and engagement practices have struggled to find relevance in an era defined by ubiquitous computing, smart machines and digital and social media.

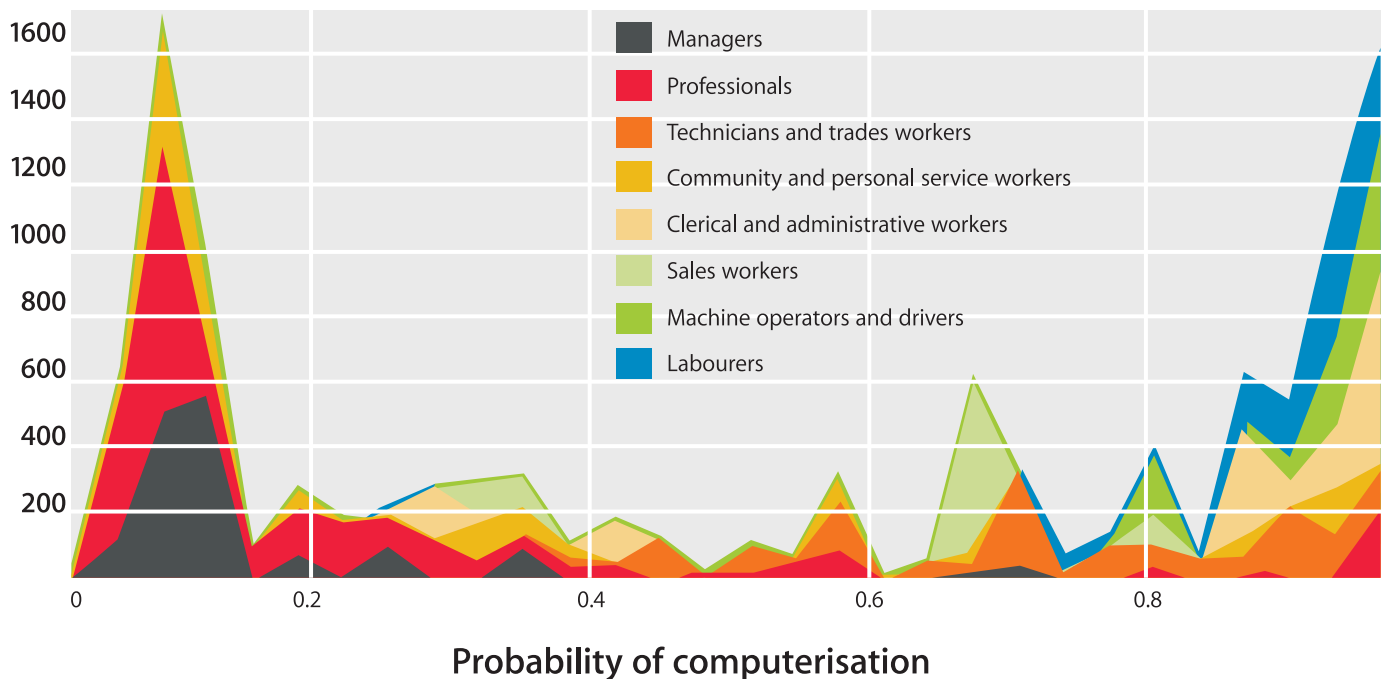
The Internet of Things (IoT) is also now taking hold and will soon become commonplace in the business world. According to a recent prediction by Gartner, IoT will support total services spending of an estimated \$235 billion in 2016, up 22 percent from 2015. The global research giant also forecasts that 6.4 billion connected things will be in use worldwide in 2016, up 30 percent from 2015, and will reach 20.8 billion by 2020.

Also for consideration is the looming impact of increased workplace robotics and machine learning, which have the potential to edge human workers out of repetitive, manual tasks. A modelling projection published by the Committee for Economic Development of Australia suggests that up to 40 per cent of the local workforce—some five million jobs—face a high probability of being replaced by computers in the next 10 to 15 years.

These developments open up a world of opportunity when it comes to the way businesses engage with their employees, and fuel their productivity. However, there are also a range of human implications that must be considered, such as the need to upskill or reassign employees whose roles are absorbed by technology.

### DISTRIBUTION OF JOB CATEGORIES AGAINST PROBABILITY OF COMPUTERISATION

Employment (\*000)



Source: CEDA. Australia's Future workforce? June 2015

Figure 5 – Distribution of job categories against probability of computerisation

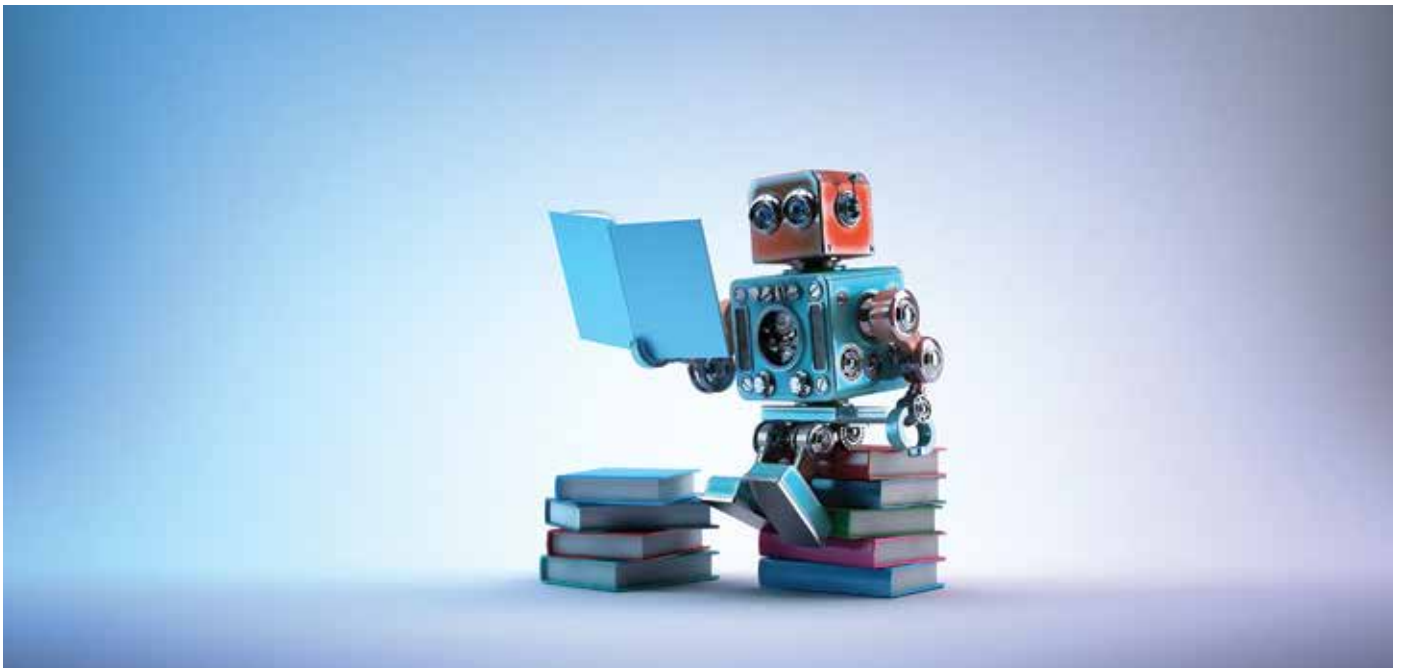
## The Opportunity

From a business lobbying standpoint, HR leaders have a key role to play in making the case for upgrades to technology infrastructure. This includes helping business leaders to understand how digital technologies can be used to connect people and create a valuable two-way dialogue. Such technologies have the potential to completely transform the way businesses interact with their employees, and how HR is delivered.

With the likelihood that some administrative and technical roles will be replaced by machines or bots over the next decade, it is also vital that HR professionals start thinking about, and planning for, the jobs of the future. As well as collaborating with

schools and educational institutions to ensure students are being prepared for the jobs of the future, HR also has a key role to play in educating today's workforce about the importance of continuous learning.

With the pace of change moving at such a rapid rate, there is currently no role or industry that can expect to remain untouched. Hence the need for cost effective, creative strategies, such as peer to peer learning, become a core element of business education and training programs, to ensure no employee is left behind.

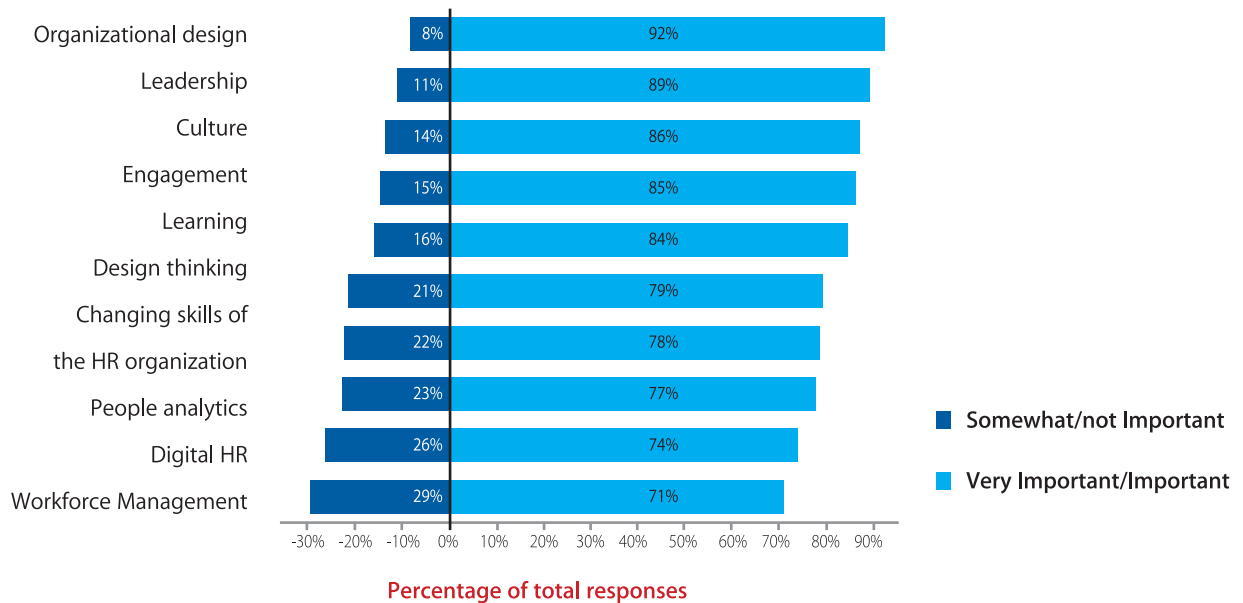


## The Next Wave - HR 3.0

The practice of human resources management has undergone a number of key transformations over the past fifty years, moving from the Industrial Revolution into the Personnel Era, before embracing the strategic approach propagated by thought-leaders like Dave Ulrich. Now, HR is transitioning into a new model, one that requires a deep understanding of global labour markets, technology and an increasingly agile and generationally-diverse workforce.

It is a shift that is becoming increasingly recognised across the industry, with Deloitte's Human Capital Trends 2016 report suggesting modern topics like design thinking, analytics and digital HR are higher on the priority list of HR leaders worldwide, than traditional workforce management.





Source: Deloitte University Press. Global Human Capital Trends 2016

Figure 6 - 10 HR trends ranked in order of importance

Certainly the power of data appears to be coming to the fore, with access to predictive analytics making it possible to execute activities like data-driven recruiting. Businesses who become adept at gathering this data, and using it to solve business challenges, will be putting themselves in a strong position to win the war for talent.

useful in this regard, as it encourages businesses to reduce complexity for employees and create meaningful experiences for them via easy to use, engaging tools and technology. Design thinking also changes the role of HR from one of policies and procedure to the chief custodians and architects of the employee experience.

However, with advancements in technology comes the need for HR managers to help balance business expectations with the needs of employees. A modern idea like design thinking can be extremely

## Conclusion

In an era of breathtaking technological development, the role of HR is being redefined by a range of powerful forces. From globalisation to meeting the demands of the most connected and diverse workforce in history, HR today is a complex and ever-changing equation.

As we move forward into this brave new era, HR teams who take can successfully develop and deploy creative engagement strategies, while embracing data analytics and digital technologies, will be putting their organisations in a commanding position.

Beyond the war for talent, there currently exists an opportunity for forward-looking HR professionals to develop new ways to lead employees into the workplace of the future, and to help redesign the organisations that employ them. Far from being a one-size-fits-all game, navigating the HR landscape in 2016 calls for a flexible, agile approach and a global outlook.



## ramco

Ramco Systems is part of the USD 1 Billion diversified conglomerate, the Ramco Group of companies and has 1600+ employees with 21 offices spread across India, USA, Canada, Europe, Australia, Middle East, South Africa and APAC. Ramco is a fast growing enterprise software player disrupting the market with its multi-tenanted cloud and mobile-based enterprise software for HCM and Global Payroll, ERP and M&E MRO for Aviation.

Ramco HCM is complete, yet refreshingly simple HR Software. Trusted by 400+ global customers, it is comprehensive in its offering from hire to retire – Core HR, Time & Attendance, Global Payroll, Talent Management, Recruitment, Planning & Analytics. With Global Payroll compliance across 35+ countries on Ramco platform and 70+ countries through payroll partner network, most of the world's working population can now run on Ramco's unified payroll platform. With Innovative features to enable HR to create business value and drive outcomes, Ramco HCM has been evolving at a rapid pace recording growth of 109% YoY.

Ramco Systems – Winner of the ISG (Information Services Group) Award for Innovation 2015 | Recognized as a leader in Global Payroll by NelsonHall and Everest Group | Winner of HR Vendor of the Year Award – APAC 2015.

To know how Ramco can help you create business value for your organization, mail us at [contact@ramco.com](mailto:contact@ramco.com)