

HR'S ROLE IN THE NEW WORLD OF WORK

A Robert Walters Group Company

ROBERT WALTERS

Introduction

In recent months, HR professionals have been on the frontline when it has come to managing the impact of COVID-19 on business continuity. During the next phase, in which organisations need to decide how their new normal will look, HR leaders will be afforded the opportunity to take on an active role and leave a lasting impression on strategy within their organisations. In this guide we provide HR leaders with a framework of considerations for how they can make an impact, from monitoring mental health in a partially remote workforce, to fostering togetherness in a new style of workplace.

Framework of HR priorities

HR's role in the workplace has changed forever, over the next 12 months and beyond HR leaders' success will be defined by their ability to deliver the projects listed below.

Whilst not professing to give all the answers, this guide is designed to provide HR leaders with the context and knowledge to make informed decisions on which HR challenges they should prioritise.

01 Understanding the new world of work

05 Managing your employer brand in a new talent landscape

02 The evolution of HR's role in the workplace

06 Adjusting performance measurement and rewards

03 Building company culture in the new world of work

07 Preparing leaders for the workplace of the future

04 Monitoring mental health in a hybrid working environment



Understanding the new world of work

The COVID-19 pandemic turned work life as we know it upside down. The pandemic forced companies to rapidly re-think the way they work, with many of them actually welcoming the wave of change that the crisis forced upon them.

HR leaders need to constantly reexamine workforce planning, emerging skills, the impact of artificial intelligence, the employee experience and so much more as business disruptions reset key work trends - many irreversibly. These trends are radically changing work and employment expectations.

Remote working

While many employers were formerly apprehensive about allowing employees to work from home other than occasionally, the realities of remote working during the outbreak have changed their minds. 86% of employers are now ready to build regular working from home into their HR policies. 69% of managers saw equal or increased productivity during the lockdown. Now that it has become clear to business leaders that remote work doesn't impact productivity for most workers, they are more open to the benefits that working from home can bring.

In fact, 88% of employees want to continue working from home more regularly, an important consideration for employers. 45% of employees have said that they feel more productive when working from home, while 54% feel that their mental health has improved as a result.

Many tech companies such as Twitter, Facebook and Google, plan to make full-time remote working possible. However, despite all of the positive feedback, the majority of employers and employees would not want full-time working from home to be permanent. Only 21% of employees said that they would be interested in working from home on a full-time basis.

Whilst some tech companies have already made public their plans to move to a completely remote working environment, other tech leaders, including Microsoft CEO Satya Nadella, do not believe in an office-less businesses. Although productivity of Microsoft employees has increased whilst working remotely, Nadella doubts that remote teams can build a sense of community without any physical contact. He has also stated concerns about the wellbeing of remote workers, and wonders how mental health issues such as burnout can be monitored from a distance.



86%

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Surviving the post-COVID economic downturn

The effect of COVID-19 on the economy has been immense. To survive, many companies will have to lower costs. In addition to traditional cost-cutting measures such as temporary hiring freezes, restructuring, and the termination of contracts, the new world of work has introduced a new type of saving – the cost of physical office space.

COVID-19 has made clear that an office does not need workspaces or desks for every staff member simultaneously. It's clear that virtual meetings can work well, some arguing that they can be more efficient than in-person meetings. Giving workers the freedom to work from home, at least part-time, offers employers the opportunity to downsize their office space, resulting in sizeable cost-savings. Employee travel expenses or travel expense claims are also reduced.

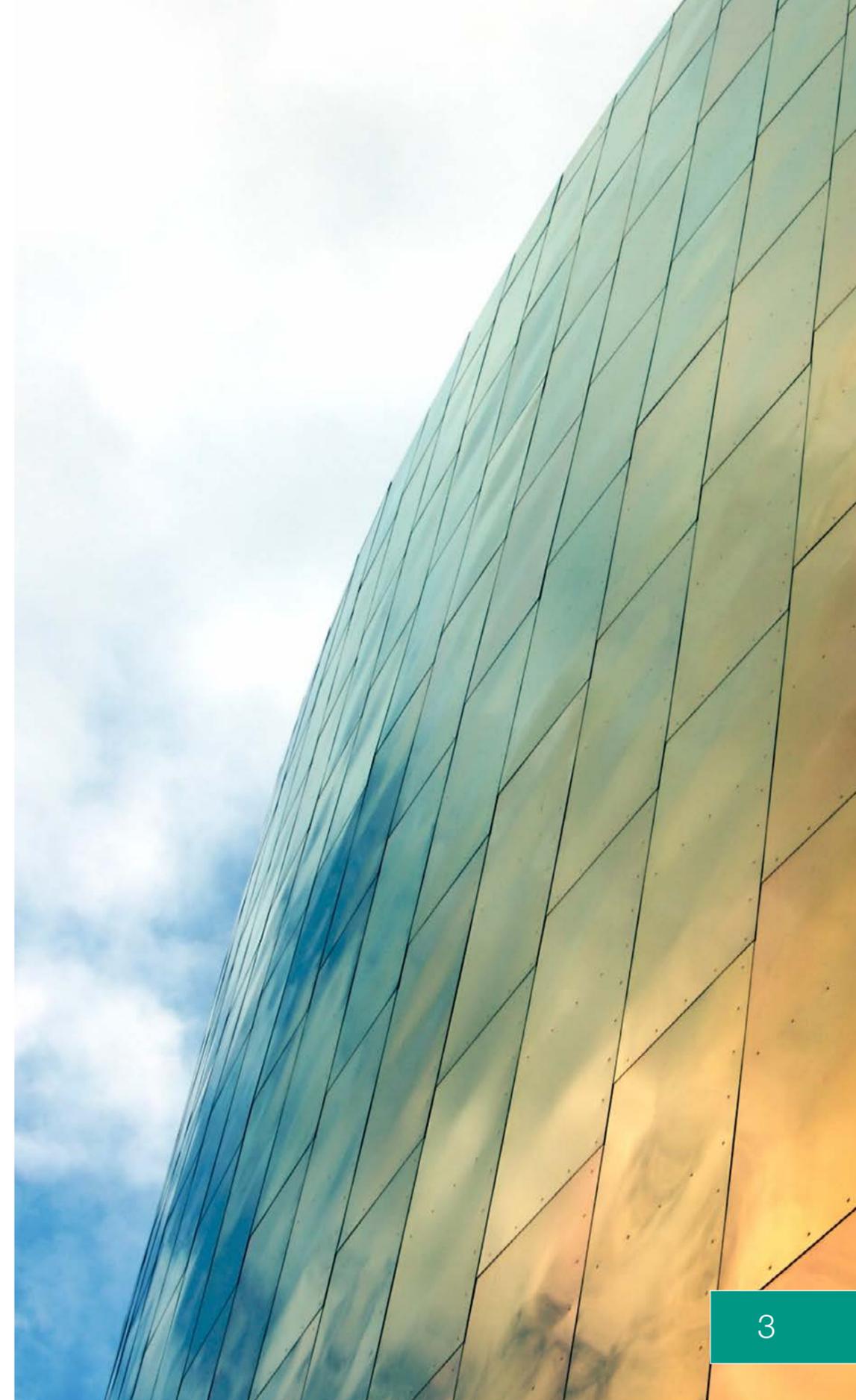
Finally, flexible working models make it possible to recruit from a wider location, or even from out of country, making for a much broader talent pool. This is especially welcome in industries where local talent is scarce.

Automation and the new world of work

An ongoing and increasing focus on automation means that the remaining jobs are often highly skilled or complex in nature. Employees must continuously upskill and train throughout their career, and must stay engaged with these evolving demands.

Having said this, COVID-19 has given new meaning and importance to employees' place within their organisation, and put increased pressure on employers to keep staff engaged from a distance. Without the flexibility and resilience of their employees, more businesses would have failed during this period. HR has been, and will remain, crucial in these endeavours.

HR will need to adapt to new technologies, as many professionals will, as digitisation, automation, AI and technology that enhance personalisation become more prevalent.



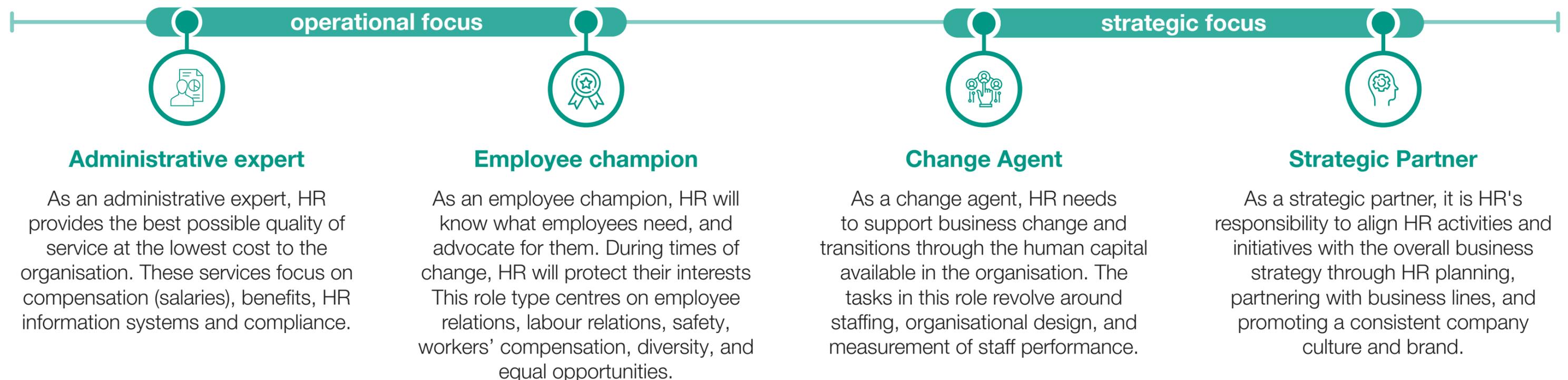
The evolution of HR's role in the workplace

In many organisations, HR professionals comment that they don't necessarily feel best-positioned to help their businesses thrive. In some businesses, HR is viewed as a back-office role; one that concentrates on the creation and maintenance of policies, contracts, and benefits.

For some time, HR has advocated for a more visible seat at the leadership table, but this has not always been granted. However, the pandemic forced companies to extend more influence to HR departments, in order to keep businesses afloat.

The four roles of HR

[The David Ulrich HR model](#) defines the four main roles carried out by HR departments. It is seen as the start of the movement from the functional HR orientation to HR's role as a business partner. Whilst the model has been in existence for a long period of time, it does illustrate how far the influence of HR departments has come. COVID-19 has now expedited the move along this spectrum, creating an opportunity for HR departments, no matter how big or small, to move into a strategic advisory role.



In the new world of work, HR must defend this new strategic position. Instead of reverting to the old support tasks, HR needs to involve itself more in developing strategies that will help companies achieve their competitive goals. Even post-COVID, HR business partners should ensure to be included in conversations about the future, goals, and the overall mission of the company.

This will require HR business partners to demonstrate a greater understanding of revenue generation, how business goals are achieved, and the company's strengths and weaknesses. HR is uniquely positioned to see how changes in one part of the organisation can have a downstream impact on another. This will help the business to flourish during tighter and increasingly competitive markets.

Economically challenging times

An economic downturn as a direct impact of COVID-19 is already underway. The common response of companies is inevitably to save costs, which often translates to job cuts. But there is an important task for the HR business partner to speak to leadership about retaining top staff for a post-crisis world. During a downturn, employees often hold onto the security of a current role, but how employees are treated during times of crisis often affects retention once the labour market picks up again.

HR can help business leaders to understand the ongoing importance of being a good employer, so as not to lose crucial skills in an effort to cut spending, only to damage the future prospects of the business. Focus here will also include HR strategies for company culture, mental health, employer branding, performance management, and learning & development.



Building company culture in the new world of work

Wherever people come together, a common culture emerges. This culture may not be the one consciously intended by leadership, but if a culture is actively shaped it gives employees direction on their behaviour and on their decision-making. It will tell employees not only what to do, but also how to do it.

This is where the HR department can play a pivotal role. HR professionals can shape a workplace culture that brings together a multi-generational workforce, made up of employees with different drivers and purpose in life, who want to work in different ways.

Company culture in times of crisis

With senior management turning their focus to the organisation's financial situation, company culture efforts can easily fall away. Leaders should be aware of the dangers of an unengaged workforce once the labour market recovers.

However, there are more reasons than just employee retention, to keep your employees happy and united. Company-culture consciousness has a positive impact on the company's bottom line, which should be a compelling reason to get senior leaders on board.

[Research carried out during the previous economic downturn](#), shows that companies with a strong company culture remain more successful in difficult times. Organisations with highly engaged, enabled and energised employees had operating results that were two to three times higher than lower scoring companies.

A strong company culture is one that empowers employees. They will have the confidence to properly respond to any situation. It also influences the way employees interact with each other and with clients, which improves service levels and customer satisfaction.



"The secret ingredient to corporate culture is the concept of ownership. Since the onset of the pandemic, employees have been given trust, felt empowered and in most cases have had ownership. The dilemma that organisations will face will be whether or not they take back control or leave trust and ownership with their employees. Do not talk about culture fit, it is not inclusive, but rather culture add. Ask yourself what will this person add to the team and to the organisation?"

Berry Lumpkins – Global Director of Leadership & Talent Development at DP World



How HR can help to build excellent company culture

How do you promote cohesiveness when employees are impacted by forces such as job uncertainty, restructuring, and physical distance?

There are seven concrete steps that have been tried and tested in improving and creating a robust company culture.



What's next?

As HR continue to be vocal in promoting company culture, how can their jobs be made easier, and how can we ensure that the idea of culture and values does not disappear from plain sight again?

- 1 **Reward and recognise** staff who are demonstrating the most “desirable” behaviours and performance, in order to promote those qualities in others
- 2 Encourage staff to **build in-house connections**, even if it is only remotely. New starters should have a chance to meet all staff online, in small groups, and eventually to meet them in person. Formal and informal mentorship can also be useful here
- 3 HR need to **believe in the vision** too, lip service is not enough, and as crucial members of staff themselves, it’s important that HR and leaders appear positive about the culture at all times, in order to help with morale

- 4 Keep the **“office door open”**. Make sure the opportunity always exists for employees to speak about concerns, their well-being, and their anxieties, and try to listen rather than shutting down any flags
- 5 **Look outside**. Instead of an always inward-looking approach, make sure the way your employees are treated extends to their personal life, and that there are visible efforts to contribute to the local community which also helps to reinforce company culture and brand awareness.

A focus on company culture has never been so important. As we have shown, even with restrictions and limited resources, there remain many ways to identify key talent, to develop upcoming leaders, and to always put employees first.

Shaping company culture requires leaders to be role models. HR business partners can provide the tools needed to influence the culture, through training and performance management programs that reinforce the company’s values. Another way to help strengthen the company culture, is by recruiting the right employees; people whose beliefs and values fit with the brand.

In an economic downturn, it is more important than ever to keep the company culture alive. In fact, organisational culture has a tremendous impact on the mental health and wellbeing of employees in a remote workforce, a topic we will discuss in the following chapter.



Monitoring mental health in a hybrid working environment

More than one third of the world's population suffers from a [mental health](#) condition. Depression and anxiety alone are the cause of \$1 trillion of lost economic productivity.

The world we are entering, rife as it may be with ongoing job insecurity, feelings of isolation in a remote workforce, and changes to the nature of jobs due to reorganisation, are likely to lead to mental health problems.

It can be difficult for staff to address mental health issues because of the stigma that surrounds the subject. Still, the implications for employers are huge, as these issues can decrease productivity, diminish quality of work, and increase absenteeism.

Promoting mental health

There are different ways in which companies can positively impact mental health in the workplace. The COVID-19 remote working experience has demonstrated that greater flexibility, less commuting and a better work-life balance, have positively impacted workers' wellbeing.

However, it also demonstrated the need for people to feel connected. Recent [Robert Walters research](#) shows that lessened physical closeness or contact with co-workers had a negative impact on employees' mental health. Other factors that can harm mental health when working from home, are the inability to separate private and work life, distractions, a lack of structure, and working unintended overtime through not "logging off", putting employees at [risk of burnout](#).

[A study by Businessolver](#) shows a big discrepancy in what managers believe they are offering to promote mental health, versus what employees think their employers are offering.

76% of CEOs vs only 51% of employees believe that mental health benefits are being widely offered. And 86% of CEO vs 58% of employees believe that the importance of mental health is being widely discussed within a company. Alarming, 64% of employees are afraid that revealing a mental health issue would have an impact on their job security.

It can be [difficult for managers](#) to deal with employees suffering from mental health issues, sometimes merely because they don't know the "do's and don'ts". This is another way in which HR partners can provide support; in incorporating elements that are uplifting to your employees' mental health into the new way of working, and to set guidelines that help employees to manage their boundaries between work and down-time.

Download a copy of Robert Walters eguide for practical tips on how to manage your employees [mental health](#).



A framework, such as the one outlined below, can be useful to cover all areas in which HR can support mental wellbeing:



Leadership - Help leaders to act as a role model in a mental-health-friendly workplace, by providing them with education and tools



Engagement - Invite employees at all levels to take part in decision-making about mental health in the workplace through surveys and workgroups



Organisational and environmental support - Create and implement an accessible mental health plan



Community partnerships - Involve community stakeholders in executing the mental health plan



Communication - Regularly share information about policies, programs, benefits, resources and training



Reporting outcomes - Improve the mental health plan by continuously evaluating results.



Programs and benefits - Offer benefits around mental health such as access to yoga, mindfulness classes or online tools. Offer training on improving work-life balance, and support life coaching for staff.

By using an active approach towards fostering employee mental health, you show employees that it is okay to 'open up'. When employees feel safe and understood, they are likely to address their issues earlier which could prevent long-term absence. And when your business is perceived to be empathic towards mental health, you could not only save costs, but also elevate your employer brand.

Managing your employer brand in a new talent landscape

When talent is scarce, a strong employer brand can make a big difference when looking to recruit and retain employees. But does employer branding also matter in an employer-driven job market? Multiple findings say yes. Employees remember how they were treated in tough times. If you want to ensure employee loyalty when the bad times turn back into good, now is the moment to act.

According to a [survey](#) carried out by LinkedIn, a good employer brand decreases employee turnover by 28% and reduces recruitment costs by 50%.

These statistics illustrate why [53% of companies say](#) that they would invest most of their money in employer branding, if they had an unlimited budget. Unfortunately, in the real world there are limits to budget and in an economic downturn, employer branding may be one of the first areas to fall victim to cost cutting.

Can't fake it until you make it

Employer branding significantly affects the volume and quality of applicants a company attracts, and it makes a difference to employee productivity, job satisfaction and retention.

Regardless of what your EVP (employer value proposition) states on paper, how your company is treating its employees, customers and community during this critical time defines what your employer brand really represents.

Employer brand messaging has mostly promoted themes of community, support and care, according to a [LinkedIn analysis](#) published on April 21 2020. The LinkedIn posts that have resonated the most are about how companies are stepping up to help relief efforts and offer messages that put people first, as well as posts about working from home and promoting public health.

HR professionals can play a valuable role documenting what happens in the company when times get tough, and in explaining how the company is supporting employees during this crisis. Look for powerful moments, both big and small. Share the stories that are helpful, informative and inspiring.

One note of caution: share information to inform, not to self-promote.

By working with recruitment agencies to identify the qualities a professional will need in order to be a good cultural fit for the role, employers can ensure that they receive a shortlist of candidates who will thrive in their workplace.



53%

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Employer brand game plan

The internet has made it easier to market yourself, even for smaller companies and for those companies on a budget. To get your message out, you can team up with your company's marketing team. They may not be specialists in employer branding, but they do know how to spread a positive message to the world. To make your company visible as a good place to work, you need a game plan. These are the basics to get started on.



28%

less employee turnover when organisations have a good employer brand

Employee value proposition

Who should want to work for your company? What do potential employees get out of working for you? Make sure that your EVP is closely aligned to your business goals. The more targeted you are, the closer your applicants will fit, which reduces the overall cost of the recruitment process, and reduces the time to hire.

Content is king

Online marketing teaches us that content is the most important asset in attracting leads, or in this case job applicants. Through your content - in the form of articles, videos and social media posts - you can show prospective talent what it really feels like to work for your company. The best ambassadors to convey this message are your current employees. Ask them to talk about what they like about the company, and why it fits them. Make sure your benefits and company culture are also reflected throughout your job adverts.

Reaching out to the right candidates

Once you have your content in place, make sure it reaches the right people. Online marketing campaigns make it easy to target people based on specific characteristics.

In the new talent landscape the number of job applicants is expected to rise. This may raise the need for new technology. Recruitment tools can help your organisation to effectively manage the talent pipeline, saving hiring managers valuable time, and at the same time they ensure a candidate friendly recruitment process for all applicants, whether they are invited for an interview or not.

Adjusting performance measurement and rewards

A recent [Robert Walters'](#) survey shows that most employees felt happier whilst working from home during COVID-19 because of the new levels of autonomy and trust they were given by management. Most employers agreed that productivity did not suffer from the lack of supervision and 25% of employers even saw their team's productivity increase.

By creating an environment where employees are happy, treated fairly, and have a clear purpose, loyalty is fostered, and these employees in turn are likely to overachieve through being more motivated to succeed and perform well for their employer.

Hours worked and availability

How do you make sure your employees stay on top of their game if you do not expect them to be at their desk and available during office hours? The traditional approach to performance management, where time spent at the desk is the way to gauge performance, followed by effort, is not suitable for organisations who are no longer based at the office. However, our research shows that 49% of managers still used this measure as a key performance indicator during the lockdown.

In the new world of work, companies need to consider whether it makes sense to hold onto the traditional "9 – 5". While working from home, many employees can focus better without the background noise and other office distractions. While one may think that automation makes work easier, the remaining tasks in a job are by virtue, more challenging. They require a lot of cognitive effort such as critical thinking, problem solving and creativity.

For activities requiring full immersion, individual's activity levels peak at different times. When staff have the freedom to perform these tasks during their own personal peak hours, they get more done in less time and deliver a better quality of work. These intense bursts of concentration ('flow') can last for a few hours each day, but most workplaces make it difficult for people to get fully immersed by demanding that workers be constantly available for quick queries, and by setting expectations on meeting attendance.

[Tech company Filimundus](#), among many other Swedish companies, has shifted to a 6-hour workday, which supports the idea of an effective 'flow'. They have seen clear benefits of introducing a 6-hour workday, including higher morale, better health, and improved focus.

Filimundus does have some rules for the six-hour workday to succeed. Employees can't go on social media and aren't allowed to run personal errands when they're working. Meetings and distractions are kept to a minimum. The idea is that during those six hours, employees focus 100% on work. People choose their own working hours based on their individual energy peaks.



25%

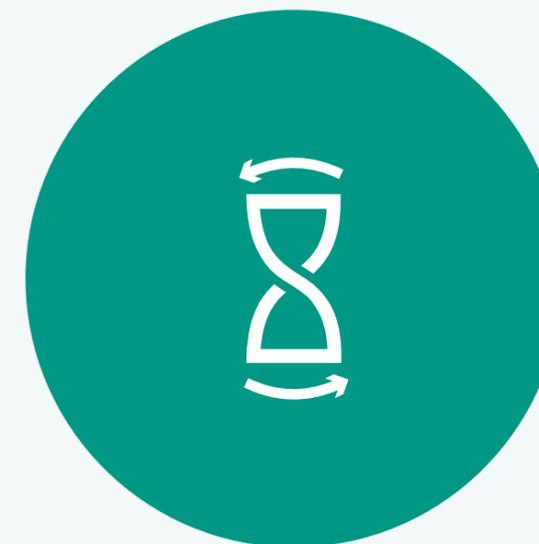
of employers saw their team's productivity increase when employees were given more autonomy and trust by management

Continuous feedback

Not only is time spent at work an outdated approach to measuring performance, so is the antiquated idea of end of year evaluations based on rigid KPIs. The exact results of some types of jobs can be hard to quantify. In many cases, the end of year review may not do much to improve the performance of employees. It may even sabotage their performance when employees worry about their ratings, bonuses, or the feedback they receive. Research and advisory firm Gartner recognised that 81% of employees rely on regular and real-time feedback to improve their performance. Most people learn best from their mistakes when it is fresh in their memory.

It is now increasingly recognised that humans will never be able to provide the continuous feedback needed. Therefore, modern technology will have a part to play, but the level of complexity for each business will be very different. Applications can be customised to meet the organisation's specific needs.

Europe's leading online retailer, Zalando, has adopted a real-time tool that crowd sources structured performance feedback from meetings, problem-solving sessions, completed projects, launches, and campaigns. Employees can request feedback on their behaviour from any of their stakeholders in the company. The system then provides a list of questions to be answered by the selected stakeholders.



“The eight-hour workday is not as effective as one would think. To stay focused on a specific work task for eight hours is a huge challenge. In order to cope, traditional companies mix in things and pauses to make the workday more endurable. At the same time, we are having a hard time managing our private life outside of work.”

Linus Feldt, CEO, Filimundus



Rewarding top performers

In most companies, 80% of employees will be average performers who just get the job done. Rating these average employees is a time-consuming and arbitrary task. A 2013 [article](#) in research journal Personell Psychology explains that in most companies, the top 5% of employees produce 26% of the output; four times more than the average employee. However, their surplus of output is in most cases not reflected in top performers' salaries.

Contrary to popular belief that all employees should be treated equally, Google has made it a priority to focus on identifying and nurturing their top performers. This has also shaped their reward system, compensating these star employees for the disproportionate impact they have on the organisation. Smart feedback technology helps to identify who the top performers in a company are, and who is falling behind. It does this in a fact-based and objective manner.

Another element that HR leaders can look at when redesigning their rewards structures, are customised benefits packages based on the individual employee's preference. While some workers will greatly appreciate a free gym membership, others may see more value in a monthly massage to release stress.

In the workplace of the future, performance measurement and rewards need to be agile. The world changes rapidly, and business goals must adapt constantly to those changes. This calls for HR leaders that can anticipate those changes.



Preparing leaders for the workplace of the future

Leaders will face a unique set of challenges as they navigate towards a new normal. [Robert Walters' research](#) shows that employees would like to see a change in management style.

**33%**

ask for more trust and autonomy

**28%**

would like more understanding for mental health and work-life balance

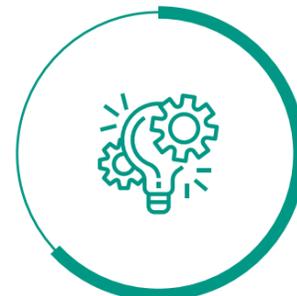
**17%**

feel that performance measurement should change

The same research shows that managers also see the need for change, but 60% of business leaders believe that their senior management prefer to hold on to the traditional way of management. What would managers like senior leadership to change?

**68%**

see a need for more freedom with regards to work-life balance

**65%**

would like more focus on outcomes rather than time spent

**58%**

think senior management should have a better understanding of the technical capabilities for virtual collaboration

How can HR business partners support managers in their business to become more confident in their ability to lead the workforce of the future?

[Deloitte](#) identifies three key areas to consider: capability gaps and development, leadership effectiveness and succession planning.

Capability gaps and development

Identify which problems have arisen with regards to remote leadership, and what skills are needed at all levels of management to solve these issues. Make sure your board of directors is in agreement with your findings and planned actions for upskilling.

Leadership effectiveness

It is important to know how you can monitor the effectiveness of your leaders in the future and how you can help underperforming leaders. Do your leaders feel comfortable managing staff remotely, and have they implemented the required adaptations into their management style? Is there sufficient trust and autonomy within the teams?

Succession planning

Many companies have gone through rounds of job cuts, and remote work can affect the division of tasks as well. Do your succession plans still work in the new world of work? Are changes needed at management level, or are there managers whose role can be extended to meet the leadership requirements of the new way of work?



60%

of business leaders believe that their senior management prefer to hold on to the traditional way of management



Learning and development for leaders

As we have seen, HR business partners have their work cut out for them. Even with a clear game plan, it is no easy task to prepare your leaders for the workplace of the future, especially when there may not be sufficient budget for expensive training.

Therefore, the best but also most cost-effective way to prepare leaders for the future is by peer-to-peer learning. HR should make an inventory of the skills their managers have, and team up leaders who have complementary skills.

'Modelling' is a form of learning through copying other people's behavior. By teaming up a leader who is great at strategy with a leader whose strengths lie in connecting with people, they can learn from each other. People naturally model each other, and it is usually a subconscious process. HR leaders can adopt this methodology in assisting with leader-to-peer skills transfer.

There are three steps towards more consciously modelling:

- 1) Pick the right role model: determine what skill a specific individual needs to learn and find out which people in your organisation have mastered that skill
- 2) Ask the chosen role model to act as a mentor
- 3) Create a concrete plan with both employees involved that will help them to transfer the desired skill

About the research

In April 2020, Robert Walters surveyed 5220 professionals across 31 countries worldwide on their experience with regards to working from home during COVID-19 and their expectations for the workplace after the pandemic. Respondents work in accounting & finance (23%), IT & technology (18%), banking & financial services (10%), administration & business support (8%), marketing & advertising (6%), HR (5%), sales (5%), legal, engineering (3%) and other fields (22%). 82% of those who responded were working from home at the time of taking the survey.

In research among organisational leaders, conducted in May 2020, Robert Walters surveyed 2177 C-suite professionals, directors, hiring managers, HR managers and business owners on their experiences with regards to business continuity during COVID-19, and their outlook on the near future of work. Respondents work in 31 countries worldwide, in banking & financial services (18%), manufacturing (10%), technology (9%), HR (8%), retail and FMCG (8%), health (4%), services (4%), legal (3%), engineering (3%) and other (33%). 23% of respondents work in multinational corporations, 21% in large corporations (+1000 employees), 10% in medium-sized companies (500+ employees), 44% in small companies (>500 employees) and 2% in micro-businesses and startups.



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