



SHEFFIELDHAWORTH

FOR HR, THE FUTURE IS QUANTITATIVE

HR professionals aspire to a seat at the strategy table. The ticket of admission is credibility, and in 2022 credibility means having the data to defend ideas.

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Warren Buffet famously observed that when the tide goes out we see who's been swimming naked.^[1] Certainly that was true of HR offices in the worst days of the recent pandemic, especially in financial services. Firms that did not have a 21st Century human-resources function—especially in respect to the exploitation of people data—could no longer disguise the gap. They found themselves exposed.

For some time HR leaders have aspired to reconceive themselves as commercially focused business partners, professionals with an essential seat at the strategy table. They find allies in this ambition among the leadership of other functions who recognize that criticality of talent to their own success.

But in financial services, the sector with which I am most familiar, the immediate—and I mean immediate—problem to bridge is the gap between the ambition for a reimagined HR profession and the reality of inadequately developed data skills.

For HR, the future is quantitative and dramatically more analytical than it has ever been.

Becoming dramatically more analytical

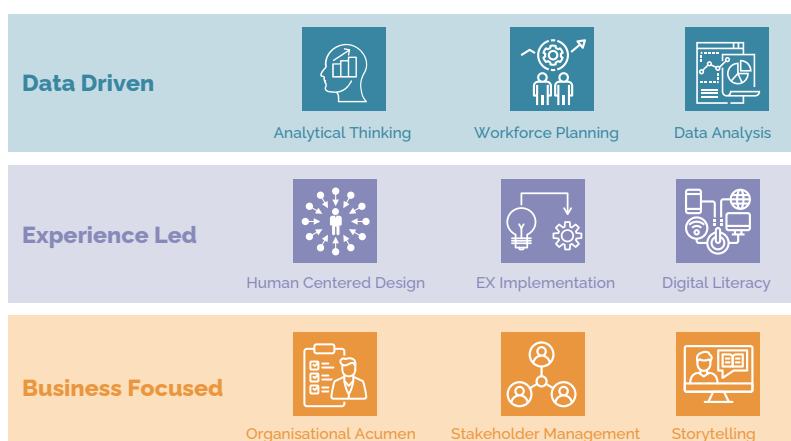
It is not news that financial services is going through tectonic change. The pace of that change means that firms are necessarily asking something new from HR directors—a viewpoint on where the world is going, one that will empower a firm to blow its competitors out of the water.

It is painful when I hear senior leaders refer to their HR business partners as “bottlenecks”. Most often the nature of the bottleneck refers to an inadequate ability to leverage data in support of business initiatives.

An HR leader in 2022 needs more and different skills than the role required even ten years ago. I refer specifically to deliberative thinking, people analytics and data science. For many experienced HR teams this is a big ask. It is such a new way of working, such a new way of imagining their roles.

It is also a large opportunity to tee up a broad conversation about the HR function's untapped capacity to contribute to strategic formation. Data drives commercial outcomes. That puts HR at the strategy table in a way it was not able to be before now, becoming the last piece of the puzzle in strategy development and execution.

The Insight222 Nine Skills of the Future HR Professional



But what has become apparent in my work with these past several years is that too many HR professionals have critical gaps in leadership competencies, in personal competencies, in technical skills. Weirdly, they often seem to know it but are not sure how to name it.

Source: Insight 222

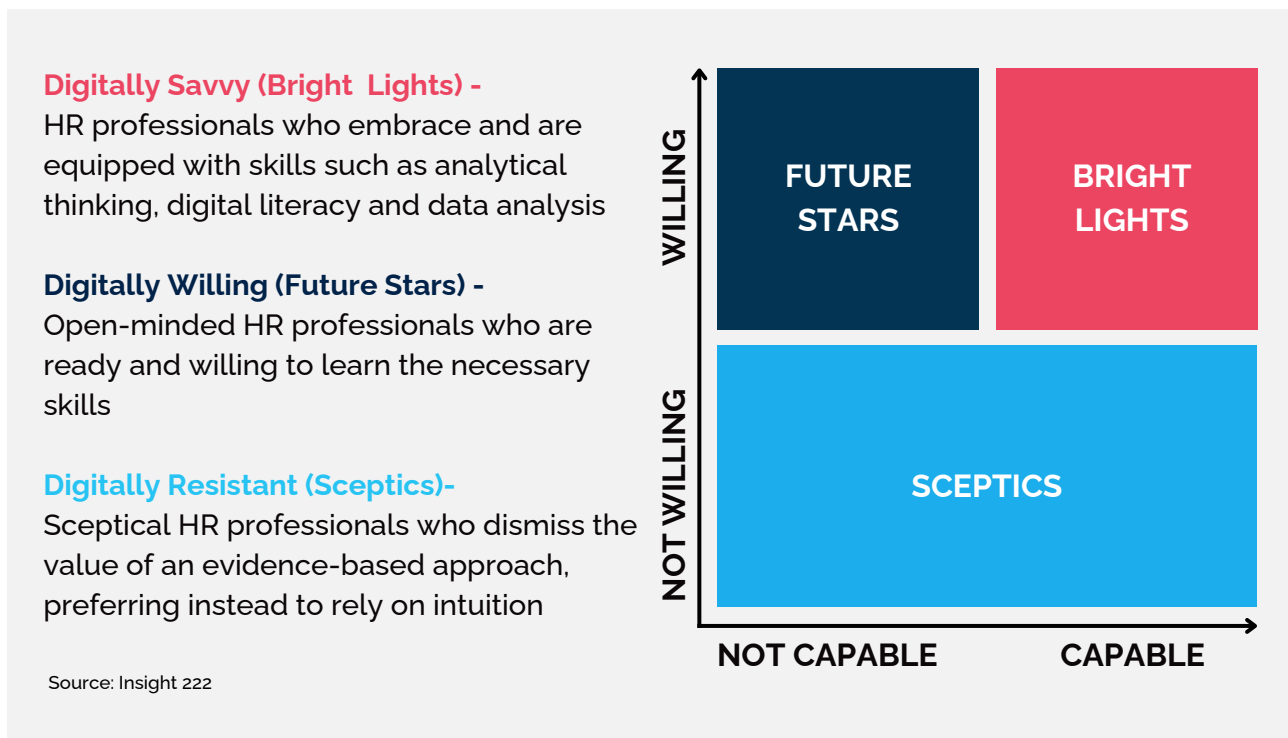
^[1]Buffett's coined his famous aphorism at the Berkshire Hathaway annual meeting in 1994.

Data-based agility

Consider the abundance of new techniques that have come to characterize the HR profession in the past 20 years. Then consider the abundance of data these techniques generate that might be profitably harvested by an organization.

The concept of an organization as a talent marketplace, for example, is becoming well rooted in large companies. The idea of a marketplace is to look within the organization as a collection of skills, not as a mass of individuals doing jobs. It is a perspective that allows an organization to run itself almost like a management consultancy, in theory deploying skills as needed to maximize value for customers.

Comparing digital willingness and digital capability



Employee-listening tools, including surveys, hold tremendous potential to create a nearly daily stream of data in support of talent strategy. Similarly, learning-experience platforms create data about the capacity of individual to learn new skills. Among other things, these tools offer enormous promise for rebuilding trust and employee engagement so badly damaged in the pandemic years.

The application of predictive analytics to the data generated by these increasingly commonplace tools holds potential to transform the character of organizations, bringing agility to even the largest companies. Data analytics will allow a new precision for investments in people, in businesses, in technologies. Recently, for instance, I helped one client use people data to retune its DEI initiative to make it a crucial tool of succession planning.

From that perspective, the data-driven transformation of the HR role holds more opportunities than threats for veterans of the function. But HR cannot be part of commercially focused conversations unless it is in the war room, as it were. The ticket to admission is credibility, and in 2022 credibility means having the data to defend ideas.

Sufficient for transformation

Access to data is prerequisite but not sufficient for transformation. As I have argued elsewhere, coming out^[2] on the winning side of the data revolution will not be painless, especially for veteran professionals who earned their stripes in a wholly different kind of HR culture.

HR functions have a long list of skills in need of sharpening before they can make a plausible claim to interpreting and presenting data in a meaningful—which is to say, convincing—way to their business partners in the C-suite. HR can no longer afford to see the acquisition of these skills as aspirational, if it ever could.

In the near term, acquiring data-based capabilities can be jumpstarted by outsourcing talent intelligence in the same ways firms have learned to rely on HROs to buy search and coaching. Best-in-class HROs with a bespoke approach to talent-strategy consulting can help firms begin at the beginning, helping them identify and frame a problem many may not yet know how to name.

[2] Data revolution is inevitable, but it won't be painless. Tom Forrest. HR Director. 11 May, 2022. [1] Data revolution is inevitable, but it won't be painless. Tom Forrest. HR Director. 11 May, 2022.



Tom Forrest is Managing Director within the Global Functions practice at Sheffield Haworth

Tom Forrest is a Managing Director in the Global Functions practice based in London. Within the global functions practice, he focuses on all aspects of talent acquisition, development and retention across financial services and non-financial services. Tom's focus has been primarily on but not limited to corporations, insurance companies, banks, and asset Managers. Tom has been instrumental in helping clients better position themselves against the threats and challenges facing the industry and helping to capitalise on structural changes in the overall marketplace. The profitability and positioning of firms is under pressure on many fronts, not least of which now include rapidly advancing technology trends, and new and evolving customer behaviors. This is where Tom has also been heavily involved driving change and reengineering efforts.

Tom has also been leading the growth agenda on how talent within the industry must be developed in a rapidly changing world and how productivity metrics are developed and applied. How financial and non-financial services companies address the challenges of talent acquisition, development, and retention is critical. As the industry becomes more even more digitized and data-driven, talent, workforce and culture has become even more important, and this is where Sheffield Haworth maintains a leadership position within the industry.

Prior to Tom joining Sheffield Haworth, he worked with a leading executive interim provider delivering assignments across functional areas including HR and Finance. His earlier career saw him join a boutique banking recruiter, ultimately being promoted to Managing Director with responsibility for leading the group's HR recruitment business as it became part of a renowned global organisation.

Tom holds an LLb and an LLm in International Criminal Law from the University of Sussex.

For more information about how the role of HR is transforming, please contact Tom Forrest - t.forrest@sheffieldhaworth.com