

## **Back to the Future**

HR has been at the proverbial crossroads for far too long. Walking the fine line between demonstrating strategic value and providing traditional HR services, the industry remains stuck, as the business environment around it grows increasingly global and complex.

While there is no silver bullet, Hewitt believes HR's survival and success depends on four "bold bets" that not only provide a solid foundation and add organizational value, but also work to expand the influence of HR leaders. While HR's soft side is still important in today's post-Enron business world, in order to thrive in tomorrow's HR environment, companies need to take bold steps to provide holistic, business-focused, data-driven human capital solutions.

## **Four Bold Bets on Where HR Is Headed**

Based on Hewitt research, HR must place their bets on four key areas: performing predictive analysis on human capital processes, delivering a steady talent supply, driving organizational performance, and building integrity and trust in the workplace. What makes these bets particularly bold is not so much the focus itself, but the fact that the HR of the future will drive and be held accountable for these areas in their entirety. Rather than reduce the role of HR, these four bets broaden the scope and impact of the role, pushing HR to operate more like a business unto itself—a business focused on driving organizational capability. All four areas bring a holistic approach to addressing human capital challenges with a clear tie to fact-based results and metrics, and produce a more strategic, business-focused HR organization.

## **Human Capital Research and Development**

HR of the future is taking the lead in advanced data mining and predictive modeling of human capital processes to identify new business insights. Moving beyond traditional scorecards or dashboards that provide a static snapshot of progress, these HR functions are taking a true R&D approach using systematic, fact-based, and scientific methods, to uncover new relationships and opportunities for human capital to drive organizational performance.

### **Talent Engine**

HR of the future is also redefining and expanding its focus in the area of talent by managing a seamless “human capital supply chain” to ensure the organization’s talent engine is always humming with a ready supply of top talent. This includes the challenge of harnessing the capabilities of a more diverse, global, and virtual workforce. Leading HR organizations are breaking down barriers and taking a holistic approach to managing the sourcing, development, and mobility of their top talent and inventing new approaches to accessing required skills for both today and tomorrow.

### **High Performance**

HR of the future is taking accountability for driving performance at the organization, team, and individual levels. By managing performance as an end-to-end process and focusing on business outcomes, HR has an opportunity to integrate the various components that impact performance into one framework. This means a much more rigorous approach to establishing performance expectations, tying opportunity to potential, and ensuring rewards are tailored by population. This includes newer HR areas such as space management and organizational design that impact employee engagement and productivity.

### **Organizational Steward**

HR of the future is also assuming a renewed role in building a sense of community, trust, integrity, and even spiritual meaning for the organization. In response to the anxieties of a post-9/11 and Enron world and the growing awareness that people want more meaning out of their work life, more and more companies are striving to build a stronger connection with employees and their communities. What HR brings to the table is not merely employee advocacy experience, but a unique ability to weave together the various components of stewardship, build a stronger bond between employer and employee, and prove the long-term benefits of investing in employees.

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