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What Is The Competency Model For HR Professionals To Prepare Them to Accept Digital Change in the HR Function?

Abstract

[Excerpt] With changes in the workforce demographics, global economy, and emerging technology, the role of the HR professional has already changed drastically and will continue to do so. The future of work in the digital age is upon us and work environments include an increasing plurality of means to get work done. This entails transformation and reskilling for HR professionals as they partner with business leaders to orchestrate effective human capital solutions. This also presents an opportunity for HR leadership to closely examine the competencies of their workforce and determine the what and the how of upskilling or reskilling to ensure the HR professionals at their company are equipped to contribute in this ever-evolving business environment. HR professionals will increasingly need to be agile, strategic contributors to the businesses they serve, thoughtfully engaged with employees throughout their lifecycle, and be well-versed in data analytics and technologies. With this in mind, it is essential for organizations to prepare now and create action plans for job displacement and reskilling of their workforce.

Keywords

HR, human resources, digital change, competencies, future of work, workforce demographics, business acumen, data, analysis, reskill

Comments

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Executive Summary

Question: What is the competency model for HR professionals to prepare them to accept digital change in the HR function? What are the competencies they need to develop to be strong and successful HR professionals in the future?

Backdrop

With changes in the workforce demographics, global economy, and emerging technology, the role of the HR professional has already changed drastically and will continue to do so. The future of work in the digital age is upon us and work environments include an increasing plurality of means to get work done. This entails transformation and reskilling for HR professionals as they partner with business leaders to orchestrate effective human capital solutions¹⁵. This also presents an opportunity for HR leadership to closely examine the competencies of their workforce and determine the what and the how of upskilling or reskilling to ensure the HR professionals at their company are equipped to contribute in this ever-evolving business environment. HR professionals will increasingly need to be agile, strategic contributors to the businesses they serve, thoughtfully engaged with employees throughout their lifecycle, and be well-versed in data analytics and technologies¹¹. With this in mind, it is essential for organizations to prepare now and create action plans for job displacement and reskilling of their workforce.

Defining Competencies

There are various competency models for companies to consider, including the personal attribute and behavioral models with universally applicable competencies, and the situationalist model with competencies defined as interdependent constructs for the particular business and role⁹. A blended competency approach seems to be the best way to incorporate core and differentiator competencies, combined with experiences to solidify employee proficiency. It is important to define the competencies that will guide HR practitioners through digital change and into effective engagement with technology. Although there are differences between the competencies required for HR functional roles vs. strategic roles, there are also synergies between the two¹⁴. Notably, there are competencies that will enable HR professionals to more easily develop other competencies which can lead from functional to strategic roles⁹. With a focus on early to mid-plus career level HR professionals, as distinct from Division HRBPs or Sr. Leadership, there are competencies that will be especially relevant in the digital realm, whether directly or indirectly tied to digital literacy. Extensive research has been conducted on the HRBP role in particular, with a distinct set of core competencies and differentiator competencies for success in the strategic role clearly defined according to future of work trends⁶ (Appendix A).

Many organizations are establishing HR competencies involving data literacy; by far the most thorough resource, with data woven throughout many different competencies, was the SHRM Competency Model¹³. The first two competencies listed below were found in an extensive study to be the most important two competency clusters with the highest correlation to job success, regardless of an individual's role⁹. Some of the most prevalent competencies that emerged from various sources as integral for HR professionals to adapt to an ever-evolving business environment were (Appendix B):

1. Leadership and Relationship Building^{7,9,13}
2. Self-Belief and Social Factors^{7,9,13}
3. Technology Proponent^{7,9,13}
4. Data and Analytics^{6,9,13}
5. Business Acumen/Awareness^{6,9,13}
6. Curiosity and Learning/Creative Problem Solving^{4,13}

Focus on Data and Analytics

Among the competencies essential for HR professionals in the future, data analytics will remain at the top of the list. Currently, HR professionals largely lack these skills, with only 5% of companies reporting their HR teams are “very good” in basic data literacy skills⁵. Knowing that this area of expertise is a crucial component of HR’s contribution to a company’s business strategy means that companies must seek practical steps to upskill HR professionals in this area in particular. A first step is to ensure that data and analytical skills are included in all HR job descriptions to set the stage for employees. As far as upskilling or reskilling is concerned, there are key strategies that a company can employ to get their employees the training and experience they need to build their proficiency in this area. Companies should:

1. **Provide people analytics training that is engaging** – Curate training for your employees, link it to actual business challenges they face, and use gamification techniques to make it fun.
2. **Encourage HR employees to participate in knowledge-exchange events** – ensure ample internal or external engagement opportunities to enhance the data and analytics skill set of HR professionals (this could mean conferences, professional organization events, etc.).
3. **Engrain analytics expertise within HR teams** – avoid complete “silos” of specialists, rather include those with strong analytics backgrounds on functional HR teams, allowing for broader business contributions and cross-training of others⁵ (Appendix E).

Engaging with Competencies

Competency models are only valuable if they are up-to-date, linked to training and development initiatives, and referred to regularly. To ensure that your company’s competency model is a useful guide, you are encouraged to supplement the tool with “experience maps,” which bring together competencies and experiences to more concretely foster employee development. This process of assisting HR professionals in developing competencies includes three areas of focus, around which you evaluate and measure progress to ensure effectiveness:

1. **Core competencies** to act as a strategic partner in a diverse range of industries.
2. **Differentiator competencies** that involve distinct skills necessary to manage future workplaces.
3. **Experiences** to more effectively prepare HR professionals to execute the work⁶ (Appendix C).

Understanding how your employee population prefers to learn new material in order to increase their proficiency levels in identified competencies is key in implementing your model, especially as new technologies have shifted learning preferences⁸ (Appendix D). Additionally, given the knowledge that HR practitioners desire to move from the functional to the strategic, it is important for HRM curriculum be designed to contain a mixture of the two⁹.

Conclusion

HR leaders are overwhelmingly aware of the need to for increased competencies within their HR workforce, however many of them lack confidence in the ability of their current workforce to reskill. HR leaders do not feel as confident that they will be able to effectively reskill their current workforce (55% feel prepared to do so) as they would if they hired from outside of their company (65% feel they can do this well)¹⁰, which underscores the importance of establishing a plan now to upskill their teams.

HR is increasingly being looked upon for strategic engagement with the business, and can add tremendous value to business decision-making when HR practitioners are literate in evolving competencies, especially those that foster or are directly related to technology and data and analytics². There is currently a significant skill-gap in the market for technology engagement and data analytics¹. Companies who are judiciously identifying areas of competency development for their HR employees and developing plans to upskill or reskill them in competencies related to technology and data analytics will have a competitive advantage if they successfully implement such solutions. When competency models become outdated, or if they aren’t calibrated to your business – change them, and ensure your focus remains on the problem, without locking in to any particular solution to it³.

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Appendix A

CORE COMPETENCIES		
<i>Competency</i>	<i>Description</i>	<i>Relevance</i>
Business Acumen	Ability to understand business drivers and how organizational strategy relates to human capital strategy	Highlighted by 30% of interviewed companies
Data & Analytics	Ability to identify and leverage data to make informed human capital decisions as well as influence the business	Highlighted by 40% of companies
Talent Translator	Ability to translate business needs into “talent profiles,” given how work is expected to be done. For example, determining whether a role is best filled by internal talent, external talent, part time workers, contractors, etc.	Highlighted by 15% of companies
DIFFERENTIATOR COMPETENCY		
<i>Competency</i>	<i>Description</i>	<i>Example</i>
Business Contributor	Ability to contribute to business discussions by asking questions and sharing insights that drive business decisions forward	Consistently providing reliable ROI estimates on human capital initiatives before they are implemented that carry through to the end of the initiative
Technology Champion	Ability to recognize emerging technological trends that will impact business performance, and to champion technology usage throughout the company to drive adoption	Using emerging forms of social media to communicate with millennial workers inside the workplace, similar to how they already communicate outside of the workplace
Internal Boundary Spanner	Ability to work and influence decision making across corporate boundaries (i.e., outside of the HRBP’s specific role)	Connecting business partner colleagues to COE experts to accelerate the delivery of HR initiatives to the businesses which further drives performance
External Stakeholder Relationships	Ability to foster and maintain relevant and important relationships outside the company	Developing partnerships with nonprofit organizations that align with the company’s mission

Source: Kelly, C., & Rapp, K. (2018)

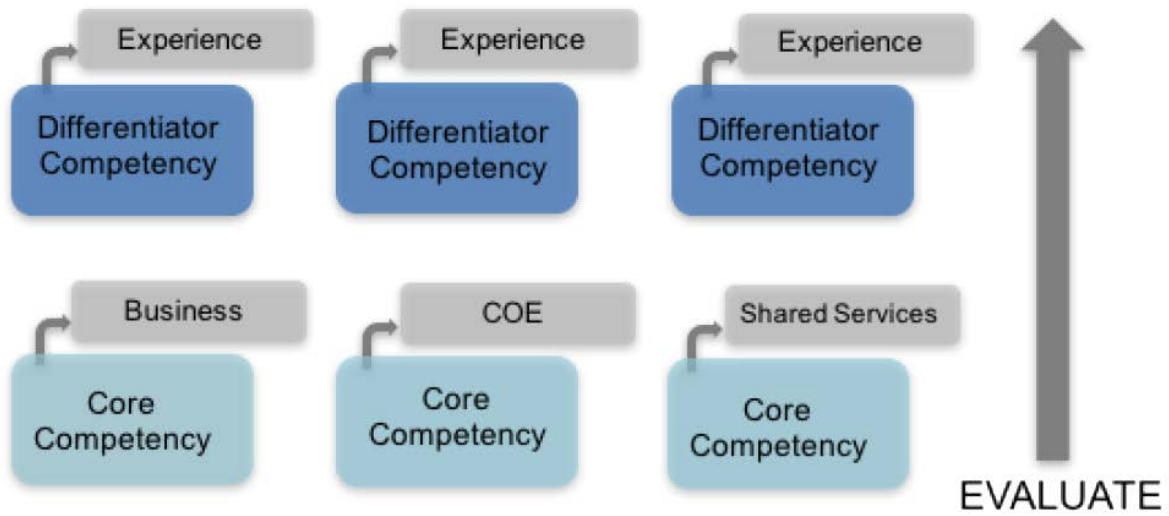
Appendix B

Future HR Competencies for Entry to Mid-Plus Level HR Professional

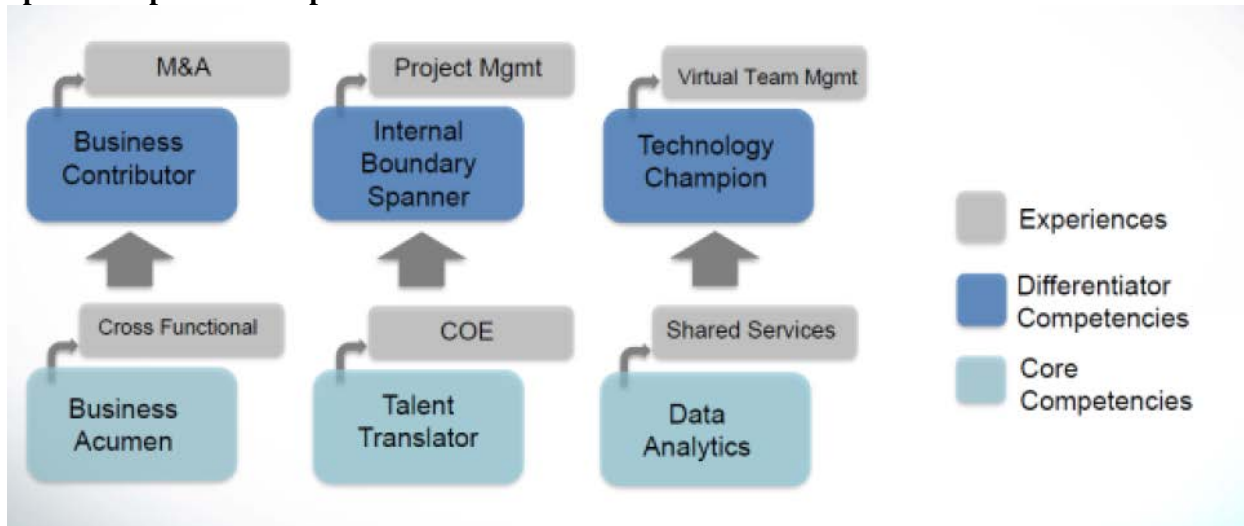
Competency	Definition	Proficiency	
		Early Level	Mid – Mid-Plus Level
Leadership and Relationship Building ^{7,9,13}	Relationship building skills, collaboration, able to influence and negotiate ⁹ . Integrates core values, integrity and accountability throughout ¹³ .	Consistently represents org culture; “Builds credibility with stakeholders”; Resolves basic conflict ¹³ .	Develops leadership presence; Commitment to org values; Mediates nuanced business relationships; Positively influences team ¹³ .
Self-Belief & Social Factors ^{7,9,13}	Includes self-confidence, resilience; impacts ability to effectively manage change and ambiguity ⁹ ; Acts as a change champion ⁷ .	Willing to learn and change; “Demonstrates flexibility, adaptability and initiative”; Believes in one’s abilities; Engages with resiliency ¹³ .	Drives change processes within organization; “Demonstrates flexibility, adaptability and initiative”; Leads with resiliency ¹³ .
Technology Proponent ^{7,9,13}	Engages with business and HR technologies, utilizes project management skills, applies technology to create HR efficiencies and increase HR effectiveness, connects people through technology ⁷ .	Uses relevant HR technology for service and administrative needs; engaging with prospective and current employees. Effectively learns and engages with new technologies ¹³ .	Implements HR technology plans; leverages technology in business planning and decision-making ^{7,13} .
Data & Analytics ^{6,9,13}	Familiarity with the essence of data and analytics to make business decisions; leverages for strategic partnership ⁶ .	Able to gather relevant data for others, synthesize data and make general hypotheses.	Analyze data and leverage it in human capital decisions; roll out data-driven initiatives ^{9,13} .
Business Acumen / Awareness ^{6,9,13}	Understanding of internal and external business environment, financial savvy, underlying political dynamics, strategic thinking ⁹ ; applies information to strategic business plan ¹³ .	Basic understanding of HR metrics (including development), key performance indicators, market trends; makes process improvement recommendations ¹³ .	Uses HR metrics, performance indicators and market trends along with business insights to drive business decisions forward ⁶ ; drives process improvement initiatives ¹³ .
Curiosity & Learning ⁴ / Creative Problem Solving ¹³	Exercises curiosity by asking questions and exploring options linked to business outcomes; Is a lifelong learner ⁴ ; Applies creative problem solving to address business needs ¹³ .	Is committed to learning new concepts and systems; Raises questions, issues and identifies patterns to consider HR solutions ¹³ .	“Participates in creation of HR interventions”; Is inquisitive and flexible in approach to problem solving ¹³ .

Source: Becky Hill compiled from sources cited within (not meant to be exhaustive, but a demonstration of convergence of various resources on this topic).

Appendix C
General Experience Map

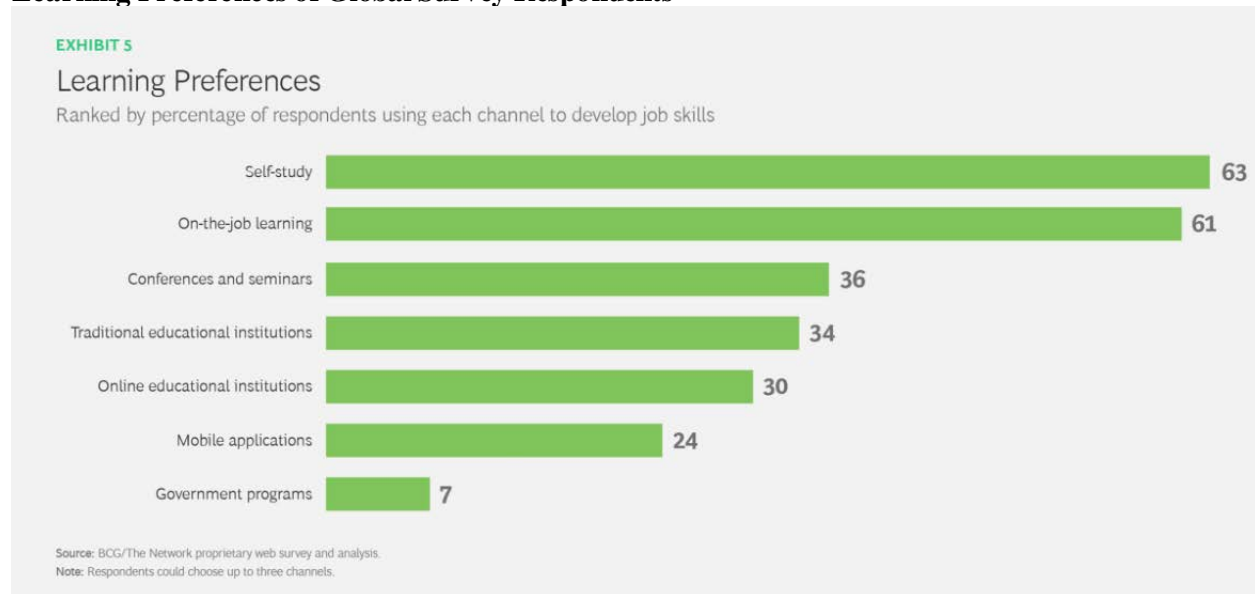


Specific Experience Map



Source: Kelly, C., & Rapp, K. (2018)

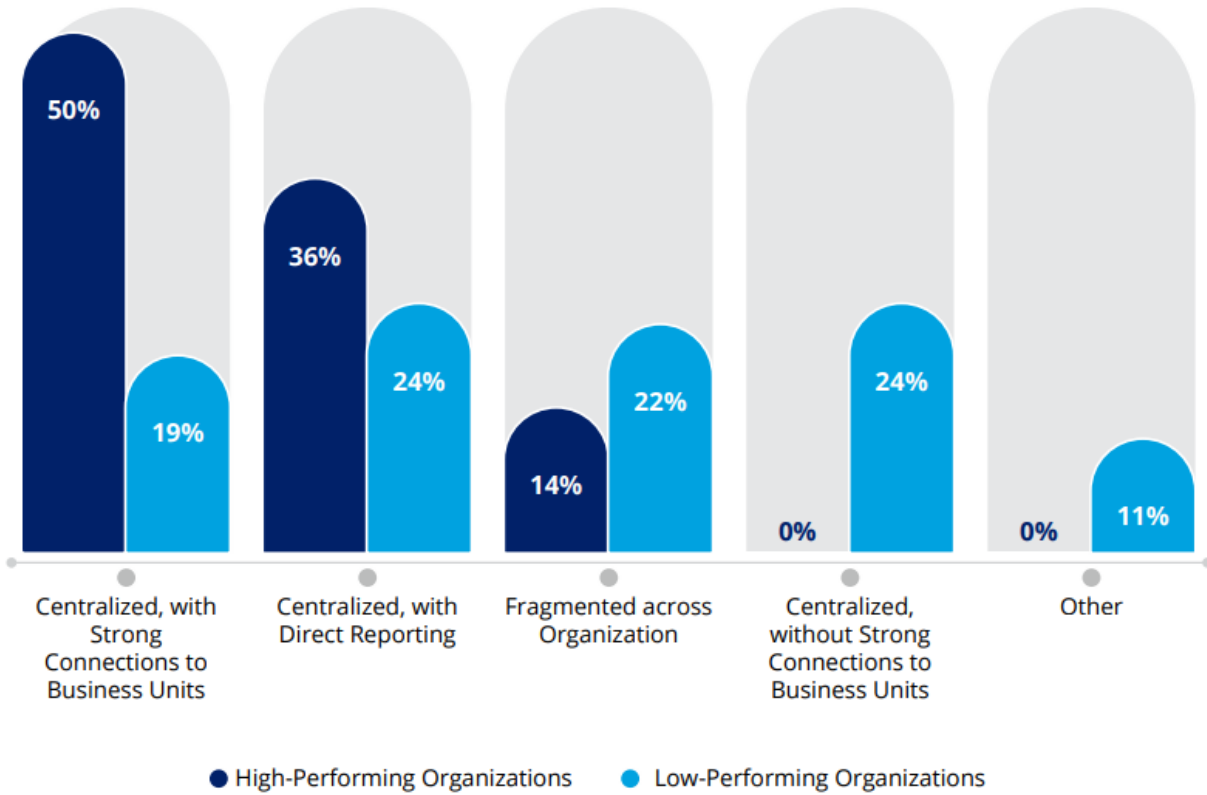
Appendix D Learning Preferences of Global Survey Respondents



Source: Kovács-Ondrejko, O., Strack, R., Antebi, P., López Gobernado, A., & Lyle, E. (2019, November 5).

Appendix E

Structure of the People Analytics Function—High- versus Low-Performing Organizations



Source: Bersin, Deloitte Consulting LLP, 2017.

Source: Deloitte Consulting, LLC (2018)