

Office of CHRO

In an era characterised by rapid transformation and an ever-evolving business environment, the role of Chief Human Resources Officers (CHROs) is more critical than ever. CHROs are exploring the transformative impact of the 3Cs of growth—capacity, capability and culture—on organisational success. This requires HR leaders to adapt to a dynamic landscape defined by shifting workforce values, technological advancements and changing business models.

As organisations face unprecedented speed in their operations, the imperative for HR to keep pace becomes clear. Key insights emerged from the discussions, emphasizing the importance of strategic direction, performance navigation, people enablement and operational excellence in the HR function. Moreover, the evolving landscape demands CHROs to possess a unique blend of skills, including business acumen and leadership capabilities, to effectively guide their organisations through this complexity.



The business world at warp speed: Is HR equipped to keep pace?

The business world is changing at an unprecedented rate. While it took 38 years for radio to reach 50 million users, a social media platform for sharing photos and an augmented reality game achieved this feat in a mere 8 months and 19 days, respectively. This raises a critical question: are HR professionals and CHROs (who are at the centre of this) equipped to match this breakneck speed and lead their organisations into a new era of work and organisational models?

The following **four key factors** are redefining the business landscape today:



- Shifts in workforce values and culture, including the growing emphasis on diversity and inclusion, individualisation and entrepreneurship, purpose and well-being.



- Shifts in ways of generating business value, characterised by simplicity in complexity, agility and innovation, and demanding consumer expectations.



- Shifts in technology and digital productivity, encompassing automation, analytics and access.



- Shifts in resource distribution, marked by geo-eco-political dispersion, skill imbalances and a new demographic mix.

Implications for the HR function

These disruptions have profound implications for the HR function, which must adapt to:



- Digitalisation, automation, analytics and big data require HR to reassess operational processes and employee skills.



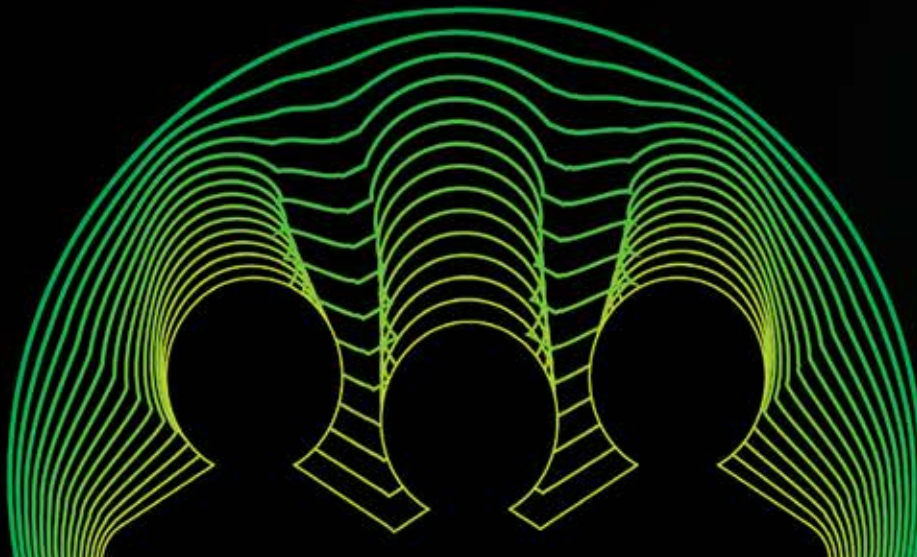
- Guiding talent through business model transformations and ensuring the organisation's ability to adapt.



- Empowering teams to achieve results through innovative work arrangements, such as agile methodologies and intrapreneurship.



- Fostering purpose and well-being, as employees increasingly seek non-financial motivation and are more sceptical than ever.



Four focus areas for the success of the HR function

As the business landscape evolves at an unprecedented pace, the HR function must adapt and transform to meet the changing needs of the organisation. To achieve this, HR leaders must focus on four critical areas:



- **Strategic direction and transformation architecture**

HR should co-create business strategies that align with ambitious people strategies. This requires:

- Adapting organisational structures to support strategic direction
- Accessing and organising knowledge to drive innovation
- Learning from past experiences and embracing new approaches
- Organising HR to support business needs



- **Performance navigation**

HR must optimise team structures, internally and with external collaborators. This involves:

- Exploring new organisational designs, such as agile and virtual teams
- Developing innovative approaches to performance management and evaluation
- Creating ongoing dialogues between managers and employees
- Implementing best-in-class workforce planning strategies



- **People enablement**

HR should develop talent capabilities and agility across the organisation. This requires:

- Structuring work around skills-based architectures
- Enabling teams to work effectively with external partners and freelancers
- Fostering a culture of continuous learning and development



- **HR solutions and operations**

It uses analytics to drive strategic workforce planning and operational excellence. This involves:

- Using HR analytics to solve critical business problems
- Driving operational excellence across talent and HR processes
- Designing and implementing efficient and effective HR operating models

The evolving role of the CHRO

In the evolving business landscape, CHROs must possess a unique blend of functional expertise, business acumen and leadership skills to drive success in their organisations.



- **Strong functional capabilities**
CHROs must demonstrate achievement and success in a variety of operational business contexts. They must be conversant with leading-edge concepts across the HR spectrum and have expertise in talent building, leadership development and transformation. CHROs must deliver results that add value to strategic priorities and collaborate with both the executive committee and the board on human capital issues.



- **Proactive executive coach and counsellor**
CHROs must also possess strong coaching and counselling skills, able to counsel peers on people issues and organisational efforts. They must contribute to the senior management team, generating value outside of the HR function. CHROs must develop bench strength in anticipation of business needs, demonstrate strong listening skills and effective collaboration, establish dialogue and influence others to support key initiatives.



- **Business and commercial judgement**

CHROs must possess robust business and commercial acumen and a clear understanding of business strategy and management. They must articulate the current competitive situation and evaluate HR options and plans against anticipated trends and business strategy. CHROs must also demonstrate strong financial skills, using fact-based analysis to drive decision-making.



- **Leadership edge**

CHROs must possess a strong leadership edge, driving purpose and culture within their organisations. They must lead by example, contributing to a dynamic, collaborative and performance-driven environment. CHROs must motivate around growth and profit objectives, always considering the individual impact and wider consequences for HR. With a tough mindset and the ability to secure internal and external resources, CHROs must quickly gain credibility and build consensus through open and free-flowing communication.

CHRO pain points

In today's business landscape, CHROs face a multitude of challenges that require strategic foresight and innovative solutions. As organisations adapt to the ever-changing demands of the workforce and technological advancements, CHROs must navigate complex dynamics to foster an environment conducive to growth and efficiency. Below are some of the key CHRO pain points:

- Technology implementation and AI adaptability
- The impact of new workforce generations on organisational culture and dynamics
- Talent acquisition and retention in a competitive market
- Building and sustaining a high-performance organisational culture
- Managing change initiatives and mitigating the risk of failure
- Addressing skill redundancies and upskilling/cross-skilling employees
- Fostering leadership in a complex era, including securing senior leader buy-in for learning interventions

Key takeaways



- **Custodian of values and culture**
CHROs must safeguard the organisation's values and culture in a rapidly changing business environment, ensuring that they remain relevant and aligned with the company's mission.



- **Managing employee relations**
With the resurgence of employee relations and industrial relations, CHROs must develop strategies to address these issues, using their expertise to foster positive relationships between employees, management and the organisation.

- **Intergenerational tensions**



CHROs must navigate the complexities of intergenerational tensions, understand the diverse perspectives on the meaning of work and develop initiatives that cater to the needs of a multigenerational workforce.



- **Capability development**

Solving the “capability” question is critical for organisational success. CHROs must design and implement strategies that enhance employee capabilities, driving growth, innovation and competitiveness.



- **Technological innovation**

CHROs are expected to use technologies such as AI and ML to drive business outcomes, moving beyond operational efficiencies to create strategic value. This requires a deep understanding of technological trends and their applications in the HR function..



- **Commercial acumen**

CHROs must demonstrate commercial acumen by translating business strategy into organisational and system design. This involves developing a deep understanding of the business, identifying opportunities for growth and designing HR initiatives that drive commercial success.

"The buzz at the CHRO session was around the potential of AI-driven point solutions which can revolutionise HR operating models. CHROs are eager to explore how these technologies can unlock new levels of efficiency and insight."

**– Nikhil Kolur,
Partner, Technology &
Transformation, Deloitte India**

The way forward

There is an urgent need for CHROs to adapt and evolve in response to the rapidly changing business landscape. As organisations face unprecedented challenges and opportunities, HR leaders must embrace innovative approaches, harness technology and focus on fostering a resilient and agile workforce. By prioritising strategic direction, performance navigation, people enablement and operational excellence, CHROs can position their organisations for sustainable success. The following are some critical transformations that can empower HR to keep pace with the shifting environment and lead the way in shaping the future of work:

- **Adapting to change**
To remain effective HR leaders, CHROs must recognise and respond to the rapid shifts in workforce values, technology and business models.
- **Strategic alignment**
HR strategies must be co-created with business strategies, ensuring alignment between organisational goals and people initiatives.

- **Innovative performance management**
Emphasizing agile structures and innovative performance evaluation methods will help optimise team dynamics and accountability.
- **Empowerment and development**
Continuous learning and skill-based architectures are essential to enable teams and individuals to thrive in an evolving work environment.
- **Data-driven decisions**
Using HR analytics will enhance workforce planning and improve overall operational efficiency, allowing HR functions to address critical business challenges effectively.

CMO

