

Changing the human capital landscape

NEW YORK, US: New Deloitte report looks at emerging markets, workforce analytics, and the cloud are revolutionary trends expected to change the human capital landscape.



Recognising that companies worldwide are struggling to focus on post-recession and global growth agendas, Deloitte has prepared a new report which identifies 12 revolutionary and evolutionary trends that will transform and dominate the agenda for human capital leaders and professionals in the coming years.

In the report, Deloitte identifies critical 'game changing' trends along with some more familiar to human resources (HR) and business leaders. Topping the list are HR and talent in emerging markets, workforce analytics and HR technology in the cloud, particularly software as a solution (SaaS).

"One thing is for certain, we anticipate a series of HR trends will sweep through the field at an accelerated pace," said Barbara Adachi, principal, Deloitte Consulting LLP and national managing director of the human capital practice. "These trends are emerging against the backdrop of profound demographic changes and globalisation.

Acknowledging and understanding these trends in human resources and adjusting your HR and talent priorities accordingly, are critical first steps in determining how to drive more value to businesses."

Deloitte's report, "Human Capital Trends 2011: Revolution/Evolution" explores, in detail, the following HR trends and their expected impact on business, employees and their communities:

Revolution

- [Workforce analytics](#): With workforce analytics, organisations are increasingly moving toward HR and talent approaches based on more data, more information and more modelling to drive their most important HR decisions. The shift involves the transition to new analytic-driven processes and tools and a focus on building the capabilities, in HR and across the company, to operate in a data and analytics rich environment.
- [HR in the cloud](#): Software-as-a-Service (SaaS) can create the possibility of rapid business model innovation, improved service levels and new ways of controlling costs - vital for organisations responding to the after-effects of the economic downturn and pent-up business demand of HR.
- [Emerging markets](#): For many HR organisations, emerging markets are now ranked as a top priority-accelerating in

their emphasis and importance throughout and after the global recession. The growth in importance of emerging markets can have profound implications for HR services at many levels, from overall strategy, frontline delivery and dramatically changing talent priorities.

- [From ladder to lattice](#): Today's workplace isn't what it used to be. Work is more virtual, collaborative and project-based. The workforce isn't what it used to be either. Workers' needs, expectations and definitions of success now vary widely, rendering obsolete a one-size-fits-all approach to talent management. The corporate ladder is folding. The Corporate Lattice is emerging.
- [Next generation leadership](#): Meeting emerging business challenges can require new skills and different qualities - and fresh models for finding, developing and engaging the next generation leaders. Given the demands of convergence, globalisation, technology and the pace of change, organisations are rethinking their approaches to developing next generation leaders.
- [Diversity & inclusion](#): Innovation in today's environment depends on bringing diverse thinking to the table. The roles people play in an organisation and the expectations they can have for influence and advancement, are just as important in unlocking their potential contributions. Diversity is both table stakes and a game changer.

Evolution

- [Talent in the upturn](#): Companies are struggling to move beyond recession based talent approaches and turn their attention to retention and develop. High unemployment may likely continue to coexist with critical shortages in specific talent areas, such as research and development and leadership. The challenge could be even greater when rates of voluntary turnover return to normal post recession levels.
- [Chief Operating Officers for HR](#): The creation of a chief operating officer (COO) role for HR is an emerging approach given the scale and complexity of HR operations and programs. The HR COO is the leader who focuses on how HR services are delivered, as well as the design, development and implementation of those HR services globally.
- [Leading in a regulated world](#): Managing risk requires critical involvement across the entire executive suite - and HR can play a central role orchestrating these activities. For many industries risk and regulatory issues are at the top of the c-suite agenda and this requires ensuring that the training, skills, knowledge, processes, controls, capabilities and tools come together in meaningful ways for employees across the enterprise.
- [Collective leadership](#): Given the coming challenges, senior executives recognise the need for new and expanding approaches to collective leadership: i.e. what can happen when a large group of people come together and commit to help make big things happen. HR leaders can take a lead in introducing and championing new approaches to leadership, followership and transformation.
- [Contingent workforce](#): As workforce boundaries continue to expand, companies that understand the issues associated with contractors and manage them well, can benefit from improved operational performance, lower labour costs, smarter staffing decisions and stronger HR alignment with business objectives.
- [Employer health care reform](#): With its far-reaching effects, health reform continues to compel employers to treat health benefits as a strategic and workforce planning issue and the decisions they make may cascade more deeply into other parts of the business.

Jason Geller, principal, Deloitte Consulting LLP said, "Many of the revolutionary and evolutionary trends in HR are interdependent. Understanding the connections and how the actions in one area may trigger shifts in another is critical for realising the potential impact to your business."

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