In the Age of Technology, will HR still matter?

The 4th industrial revolution will be far swifter, sharper and more ruthless than previous ones. So, what then will this mean for the HR function? Will it still be relevant? As technology takes over from humans, what HR roles (if any) will stay with humans? And what will be the skills of tomorrows HR?

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Today we are at the threshold of the next industrial revolution. The World Economic Forum has termed this the "Fourth Industrial Revolution", and it is likely to be every bit as disruptive as the previous ones. In fact, many experts suggest that given the pace of disruptive technology innovations, the emergence of millennials and globalization, the impact of this industrial revolution will be far swifter, sharper and more ruthless than the others.

So, what then will this mean for the HR function? Will it still be relevant? As technology takes over from humans, what HR roles (if any) will stay with humans? And what will be the skills of tomorrows HR? To find this out, we interviewed HR leaders, HR technology companies, digital technology consultants and futurists. And everything we heard, points in one direction — *The old ways of HR are crumbling; the new ways of HR are yet to be invented.*

Transformative Abilities of Digital Technologies

What makes this moment unique in the human history is the convergence of the maturing of several technologies that had so far developed independently. While the general reader has been hearing of "artificial intelligence", "robotics" or "machine learning" for several decades, this has for many been the stuff of science fiction. In fact till recently, we were often reassured by experts that the time when humans needed to be concerned was far in the future.

All this is set to change now. Largely unseen to the wider world, each of these technologies has developed exponentially over the past few years. In fact, the pace of progress in several of these has astonished experts within these fields.

And this is just the start. Many of the news articles you read on the web may have been written by technology. For instance, Quill uses a combination of AI and natural language processing to write stories, no different from those written by humans. It even adds anecdotes and engaging human interest stories.

And for those who think technology is just for the routine and simple — did you know that an AI developed at an Australian university last year recreated the experi-

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An Artificial Intelligence (AI) developed by Google DeepMind, has taught itself to play the complex Chinese game "Go" (far harder than chess) from scratch, and has been able to defeat the reigning world champion in a game that tests human intuition

ment that won the 2001 Nobel Prize in Physics in just 1 hour!!

The advances in technology have been so rapid that those outside these specialized fields may just be waking up to their implications.

Today's commercially available HR Tech solutions however, are still in their infancy. This could however change very fast. The recent entry of Google into HR Tech through Google Hire, might be the start of a new era of high tech in HR.

Organization Reinvention and HR Reinvention

Perhaps unsurprisingly, the C-suites of many organizations are concerned about the impact of new technologies on how they connect with their customers or organize their business. Uber and Airbnb serve as ready examples of just how disruptive technology can be to industries.

But this disruption is not limited to business alone. Each function has begun to consider what will stay and what will go. And HR is no exception. In fact, the HR leaders we spoke to were very aware of this challenge.

There are at least two ways in which technology in HR will intensify existing trends.

The first is that more and more work in HR will move to technology. What began with the adoption of HR ERPs, and has steadily expanded to include performance management systems, learning management systems etc. should next be able to replace the work of several of the COEs.

And the second is that much of HR will be available to employees and managers through a technology interface. We have already seen this in access to attendance, leave, payroll information or increasingly learning & development and career pathing. We will increasingly see this being used for employee engagement, culture building, on the one hand and talent acquisition, team development or meeting organizational goals on the other.

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Automation, Aggregation and Artificial Intelligence

We see at least three ways in which work in HR will move from humans to technology.

HR Automation 2.0 driven by Social, Mobile, Cloud & Analytics

In the early 90s, companies began by installing core HR systems, such as payroll in-house. In the late 90s, as the war for talent increased, companies started adopting HR-ERP solutions, and focused on these for recording and managing a wide variety of work. Job applications, attendance systems, and performance appraisal systems began leaning on technology. Later, we saw several specialized technology platforms emerge such as Taleo for talent management; SuccessFactors in performance management; and Cornerstone OnDemand, Saba and SumTotal in learning.

This trend towards automation will only intensify as more and more work that is being done by HR can be managed more efficiently by technology. Just as one day the attendance register vanished, and on another travel claims became digital (sometimes GPS enabled), more and more processes are moving to technology, often seamlessly.

Already managed through well-defined processes and decision trees, HR Operations is an obvious choice for automation. "There are significant efficiencies with automation. The HR operations or more conventionally known as HR Administration, of one of our clients came down from 30 people to just 6", mentions Harsh Vardhan, Chief Marketing & Ecosystem Officer, Ramco Systems. Meanwhile, a smoother technology interface is defining the user experience. The newest addition to this is the chatbot for responding to employee queries.

Beyond HR Operations, automation is likely to impact the routine in almost every other function of HR — interview tracking, logistics management for training, or even statutory compliance checks. The possibilities are endless, and many in HR will be thankful for not spending their time on rather tedious yet essential processes.

But that is not all — the opportunity to leverage social HR in organizations is huge. A strong social HR strategy supports talent attraction and retention, and amplifies an organizations brand to the outside world. Solutions such as "Yammer or Juraa (hSenid) are assisting companies improve employee collaboration.

Aggregation

By bringing all players on one platform, aggregators take away the role of the intermediary, and remarkably improve efficiencies. Within HR, we are most familiar with platforms such as Naukri.com or LinkedIn, which act as aggregators for applicants and recruiters.

Old-timers in HR may recall a time when in fact HR spent much time playing the role of an intermediary. This could have been as an intermediary between a hiring manager and a recruiting company or between a training vendor and a business manager. All this should change soon.

We are already seeing a start with Stratboard.com. Good aggregator platforms give business the choice — either to use the services of HR or go direct. Look at how travel aggregator technologies have disrupted traditional travel agents. And just like travel agents, HR might then be called in only in special cases.

Artificial Intelligence

While the first two are easier to predict, eventually it is AI that will bring the most disruptive change. Anything that emphasizes data, logic and cognition, will eventu-

ally be done far better by technology than humans. This is a rather bitter pill to swallow for roles that have prided themselves on their cognitive prowess.

Take for example the compensation function. A well-run compensation function relies on good data sets, a compensation strategy and well-designed algorithms that enable the application of this strategy. All of this is exactly the kind of function that is done far more efficiently by technology than by humans. Further, there are undeniable increasing returns to scale when an AI in this area takes over. Instead of periodic compensation surveys, using a subscription model, it will one day be possible to get data on any kind of role by industry, geography, skill-set etc. Payscale has made a start, but there are far greater possibilities.

Or take for example the task of crafting a people strategy. By asking business leaders a series of well-crafted questions, why will it not be possible for an intelligent technology to translate an annual business plan into its implications for talent acquisition or skill development? After all, isn't that what humans do in any case. "Having been in several board rooms, intuition

can only take you so far. Data will give HR people wings to support their intuition and influence business", says Rajan Kalia, Co-founder, Salto Dee Fe.

And there are increasing returns to scale here. As technologies mature and acquire large number of clients, they will not only be able to study patterns but in fact propose solutions far better than humans. Just as increasing returns to scale made the Google search engine better with each user, we may find HR Technology solutions coalesce around a few big platforms.

And then are the areas where humans have traditionally struggled, such as the recruitment interviews. Many within HR will be familiar with the low predictive ability of interviews by untrained interviewers. And yet in most organizations, the bulk of interviews are in fact done by untrained interviewers.

Would it then be a surprise if organizations used trained robots to help shortlist candidates? If this sounds fanciful, you may be surprised to learn that early trials with interviewing robots have been remarkably successful at Australia's La Trobe University.

Early trials show that while some candidates were unnerved by the idea of being interviewed by a robot, many others found it rather pleasant to chat with and felt they were able to open up far more than if there had been a human interviewer.

The possibilities are several, and many of these don't necessarily need humans in HR. For instance, Qilo assists business leaders to accomplish their vision by aligning their organizations goals. What's more is that the platform allows you to anticipate how culture and leadership will impact your outcomes.

Or take Amber, an AI that monitors engagement through the employee lifecycle. You can understand where there are causes for employee disenchantment and intervene appropriately. "Interestingly, we see

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people open up and share more candid feedback with technology than say a person", comments Biplob Banerjee, EVP-Human Resources, Administration & CSR, Jubilant Foods.

These rather unexpected applications are the curved balls that may surprise HR as skills that have been honed over years may simply move to technology seamlessly.

What will this mean for the HR Function?

What will this mean for the HR function of tomorrow? What will stay and what will change?

One thing is clear — the HR function of tomorrow is a combination of human and non-human technology

Designing the function would mean judiciously selecting deciding how work would be shared between the two. There are likely to be far fewer humans and far more technology. In fact, in private, some HR leaders admitted to new manpower targets that incorporate this emerging reality. In some organizations, this may mean an almost skeletal HR function, as business leaders may choose to directly interact with technology for most HR services. If this is a surprise, look at how many small, medium companies already work with an HR outsourcing model. When much of what the outsourcing partner offers can be done by technology, HR may not have many (or even any) humans.

There are on the other hand, larger organizations where humans in HR would still be needed.

The COEs are likely to be strongly impacted through a combination of technology and outsourcing. "I see the COEs being the most impacted (along with HR Ops), as this work will either get outsourced or automated. On the other hand the HRBPs will continue because the understanding of business is very important" says Kinjal Choudhary, SVP and Group CHRO, Volvo-Eicher. With technology at their fingertips, HRBPs would have to bring far greater business judgment to their role. The advice they give will need to be over

If you look at the role of HR as cognitive and emotional, a lot of the cognitive work will move to technology, the work that needs emotional intelligence will remain with HR
- B Srikanth, Airtel

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and above what an intelligent system could provide, so they will need to upskill.

Roles that can offer high touch interventions such as facilitation, coaching or counseling will survive. In fact, given the amount of organizational change we are likely to see in the next few years, these may even thrive. Not everyone values these skills equally though, and many may prefer to employ consultants.

Some new roles may emerge. For instance, the increasing use of technology will throw up a host of questions around ethics and privacy. As HR sub-systems get more and more linked, and we generate vast amounts of data, privacy and moral use of this data becomes critical. This is a far bigger issue than many realize today.

For instance, if a chatbot collects data on employee engagement, and an employee is unhappy, who should have this information? How should this be used? What about comments shared on internal online communities — should these be monitored, or will that disrupt the free flow of ideas?

Or who should have access to interview data once the employee has been selected? Will this information bias a manager's future interactions with the employee?

Similarly, when using machine learning to recognize patterns and teach technology "How we do things here?" "How do we prevent the reinforcement of existing biases?" Experience with recent AI technologies has shown that as it learns it can incorporate the same biases as the people around them. How does one then use technology to consciously strengthen core values, while ensuring that current unwanted cultural features are not propagated?

All these need new ways of thinking and new models that bring together insights from how technology impacts people and human behavior; a workable model of ethics and privacy in the new workplace; and how each of these impact an organizations culture.

While in the past having good HR systems could set you apart, this is no longer true. Good HR systems are now freely available and a necessary part of an organizations infrastructure. What will set HR apart is judgment and business skills
- Krish Shankar, Infosys

The Evolution of HR

We are therefore looking at an HR function with very different solutions. When HR began almost a hundred years ago, it was tasked with finding answers to a question: How should organizations be built to maximize their human resources? The question still stands — in search of new answers. ⊘●

ABOUT THE AUTHORS

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