

# Future-Ready HR Skills: Essential skills of the future

## WHAT future HR skills will be in high demand?

1. Managing Change and Transformation
2. Harnessing Data and Analytics
3. Knowing and Growing the Business

Essential to be developed in 2023 & beyond:

- Developing organization capability
- Data-enabled decision making
- Managing change and transformations
- Identifying, assessing, shaping culture
- Optimizing technological impacts to people
- Business-specific considerations

## Key Points:

1. PwCs' CEO Surveys, LinkedIn's Pulse Article, and Harvard Business Review reported the top things that CEOs expect from HR: **Talent retention remains #1 concern, preparedness for the dynamic future challenges, greater need to upskill talent, automate administrative tasks, speak the language of business, and improve performance management systems.**
2. To respond to current market challenges, HR can immediately focus on developing their capability in three key areas: **Managing Change and Transformation, Harnessing Data and Analytics, Knowing and Growing the Business.**



## The Next Evolution of HR Professionals

Transformation, risk & rewards, artificial intelligence, managing change, digital - are words that have long been in our business vocabulary. Even the concept of VUCA (Volatility, Uncertainty, Complexity, Ambiguity) believe it or not - is already over 30 years old. As a society we've reached the point where technological advancements that used to unfold over 100 to 500 years are taking place in one generation - and it's not going to stop nor slow down.

The future will increasingly change at an accelerating rate, and these changes will affect many facets of both our professional and personal lives, to varying degrees, leading to a lack of prolonged stability. In other words, it's high time for us to learn to be comfortable with being uncomfortable.

## So, what could these trends mean for us - as Human Resource (HR) Professionals?

### THE EVOLVING ROLE OF HR

The role of HR has evolved significantly over the years. From primarily being responsible for personnel concerns such as payroll and recruitment - we are now expected to not just be strategic partners, but also act as business drivers who enable the organization to achieve results.

You can see this expressed in most "Future of Work" or "Future-ready skills" reports, which will tell you that to keep its relevance - HR must keep evolving at the same pace as the rapidly changing technology, and business models of the organizations it supports.

Though there are many skills that are likely to become increasingly important in the future, most future-skills studies recommend HR professionals to increase their capability in several key areas: **Digital Literacy and Fluency, Problem Solving, Data Analytics, Communications and Change, Project Management, and the ability to Execute Strategy.**

These diverse range of skills will allow HR Professionals to complement their already deep expertise of HR and organizational development.

## MODERN-DAY HR CHALLENGES

As early as 20 years ago, Dubois and Rothwell (2004), already predicted the evolving modern-day HR challenges. This was around the same time that the concept of VUCA was similarly emerging. In their study, they identified several compelling HR challenges for the future:

- **Constant Technological disruptions**, where technology keeps upgrading and changing; therefore, affecting the skills that workers must be able to perform, and the tools/systems they must be able to operate.
- **The Increasing rate and magnitude of change**, challenges HR's ability to move employees from a fixed skillset to becoming flexible and adaptable. This also demands HR professionals to continuously learn and update their knowledge, skills, and mindset.
- **The growing importance of data, information, and knowledge capital** challenges HR to know what functional competencies must be acquired and developed by the firm to increase its performance – and contribute to long-term viability. This challenges HR professionals to find ways to gather, analyze, protect, and create insight from increasingly large sets of employee-related data.
- **Increasing globalization** that includes new markets, new products, new competitors, new cultures and mindsets, new competencies, and new ways of working; and

- **More business pressure to enhance the organization's capability to deliver quality products and services at the lowest possible cost.** Therefore, it is more important than ever that HR is able to be a business driver by aligning its people strategies and initiatives with the wider business objectives.

## NOW WHAT?

**Despite all the changes happening in the market, HR as a profession will remain necessary and important. The value of HR lies in its continuing ability to harness individual knowledge and skills - and turn these into organizational capabilities and collective successes.**

To more effectively respond to rapid changes, technological disruptions, and increasing complexity brought about by data and globalization, NRI believes that HR can immediately focus on developing more capability in three key areas:

1. Managing Change and Transformation
2. Harnessing Data and Analytics
3. Knowing and Growing the Business

## 1. MANAGING CHANGE & TRANSFORMATION

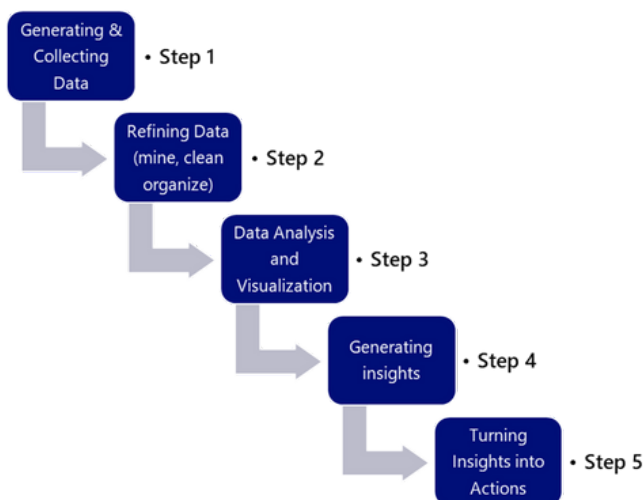
- HR professionals are often key agents in the organization who are tapped to drive organizational change initiatives.
- Change management is defined as "an organized, systematic application of the knowledge, tools, and resources of change that provides organizations with a key process to achieve their business strategy." (Project Management Institute/PMI).
- Though each organization should have their own tailored approach to managing change, which suits their vision, culture and unique capabilities, **Change Management in general has three phases with corresponding steps to be done in each phase:**
  - a) Planning for Change,
  - b) Implementing the Change,
  - c) Sustaining the Changes

- **US FAA:** The US Federal Aviation Administration wanted the agency to become more effective at managing complex changes. For this, they turned to the company Prosci (founded by Jeff Hiatt of ADKAR fame). Prosci assisted the FAA in running a "foundational change management program". This consisted of employees attending a Change Management Bootcamp and conducting a train-the-trainer for Change Management advisors within the agency.

(Source: <https://www.prosci.com/resources/success-stories/faa>)

## 2. HARNESSING DATA AND ANALYTICS

- Leaders are becoming more comfortable and reliant on dashboards, business intelligence, and data visualization technology - to help them cope and deal with the vast amounts of information they receive daily. There is corresponding pressure on HR professionals to collect, analyze, and interpret data to inform their decisions and demonstrate the impact of HR initiatives.
- Though Data Analytics has been a buzzword in HR circles for the last 10-15 years, there are still many HR professionals today who have not maximized the use of data to improve their HR operations.
- Data Analytics may sound complex - but at its core, you will find many familiar processes like: **Data Gathering, Data Cleaning and Organization, Hypothesis Building, Analysis of Data to Derive Insights, and Data Visualization.**
- **Typical Data Value Chain**



(Source: Adapted from McKinsey's Achieving Business Impact with Data, 2018)

- **Amazon:** In 2021, Amazon launched their "Upskilling 2025 Pledge", where they committed USD 1.2B for the education and skills training of 300,000+ employees. Its aim is to provide long-term future-ready career growth opportunities for their employees, by equipping non-technical Amazon employees with essential skills required to thrive in careers in software development, data analytics, statistics, mechanics, design, and other highly-technical disciplines.

(Source: <https://www.aboutamazon.com/news/workplace/its-not-magic-its-math>)

## 3. KNOWING AND GROWING THE BUSINESS

- Strategic thinking, financial literacy, marketing and branding, and project management are just some of the areas that HR professionals can further expand to and add to their repertoire of skills - to perform their role as business drivers more effectively.
- **Financial Literacy** refers to HR's ability to understand and analyze key financial data to appreciate the financial standing and operations of their organization better. This also allows them to be more strategic in deciding on which HR investments align with the broader business objectives.
- **Business Acumen**, according to consulting firm Aon Hewitt, is the ability to see: the big picture of the organization, understand the key drivers of the business and how these work together to produce profit and growth, and how your job as an HR Professional relates to these.



- **Marketing a strong employer brand** is increasingly becoming relevant in today's hyper-connected world and will be essential to continually attract and retain talent. All these HR initiatives must be organized, implemented, governed, and communicated widely. Additionally, HR will need strong project management skills which can help them plan projects, manage risks, and control resources to achieve intended benefits.
- **Mariott International:** Has several learning development programs designed to increase knowledge and skills fundamental to its business. Mariott has a range of programs offered to new hires up to aspiring managers - covering a range of topics from finance, revenue management, culinary arts, food and beverage, human resources, and hotel operations. These are blended learning programs that allow employees the ability to drive the direction of their career.

(Source: <https://goi.mit.edu/2022/04/21/five-companies-investing-in-upskilling-the-workforce/>)

When we think of the introduction of the ATM, or Automated Teller Machine – we assumed these would displace the jobs of many bank workers. Instead, the savings generated by having ATM's allowed companies to open more bank branches – and therefore hire more bank workers. And now, we cannot imagine a world without ATMs.

Similarly, we can look at these changes – as either a challenge/risk or an opportunity to work better with technology as HR professionals. We cannot compete with AI, bots, and technology in terms of their efficiency in accomplishing routinary tasks – therefore it would be in our best interests to focus on learning valuable skills that can increase our business acumen, harness our ability to make data-driven decisions, and manage change more effectively.



## NOW WHAT?

With the recent launch of Chat GPT, Dall-E, Bard, Jasper, and other cutting-edge AI tools – there is growing talk in the market about how these can start replacing certain routinary jobs or tasks. Our view on this is that the march of technology has always created widespread disruption – which in time we've come to learn, accept, work with, and even leverage.

## References

- Brown, M., Haselsteiner, E., Apró, D., Kopeva, D., Luca, E., Pulkkinen, K., Vula Rizvanolli, B., (Eds.), (2018). Sustainability, Restorative to Regenerative. COST Action CA16114 RESTORE, Working Group One Report: Restorative Sustainability
- CIPD | Health and wellbeing at work. (n.d.). CIPD. <https://www.cipd.org/uk/knowledge/reports/health-well-being-work/>
- Doherty, L. (2023, January 20). Leading in a hybrid world. Harvard Business Publishing. <https://www.harvardbusiness.org/leading-in-a-hybrid-world/>
- Dubois, D. D., Stern, D. J. K., Kemp, L. K., & Rothwell, W. J. (2004). Competency-Based Human Resource Management: Discover a New System for Unleashing the Productive Power of Exemplary Performers. Hachette UK.
- Forum For the Future. (2021). A Compass for Just and Regenerative Business. World Business Council for Sustainable Development. <https://www.wbcsd.org/Overview/About-us/Vision-2050-Time-to-Transform/Resources/A-Compass-for-Just-and-Regenerative-Business>
- Gartner predicts 25% of people will spend at least one hour per day in the metaverse by 2026. Gartner. (n.d.). <https://www.gartner.com/en/newsroom/press-releases/2022-02-07-gartner-predicts-25-percent-of-people-will-spend-at-least-one-hour-per-day-in-the-metaverse-by-2026>
- Goi\_press. (2022, September 8). Five companies investing in upskilling the workforce - Global Opportunity Initiative. Global Opportunity Initiative. Brown, M., Haselsteiner, E., Apró, D., Kopeva, D., Luca, E., Pulkkinen, K., Vula Rizvanolli, B., (Eds.), (2018). Sustainability, Restorative to Regenerative. COST Action CA16114 RESTORE, Working Group One Report: Restorative Sustainability
- Harvard Business Review. (2022, April 25). Tsedal Neeley on why we need to think of the office as a tool, with very specific uses. <https://hbr.org/2022/01/tsedal-neeley-on-why-we-need-to-think-of-the-office-as-a-tool-with-very-specific-uses>
- Harvard Business Review. (2023, March 24). 15 questions about remote work, answered. <https://hbr.org/2020/03/15-questions-about-remote-work-answered>
- Harvard Business School. (n.d.). Want hybrid work to succeed? trust, don't track, employees. Want Hybrid Work to Succeed? Trust, Don't Track, Employees. <https://www.hbs.edu/recruiting/insights-and-advice/blog/post/want-hybrid-work-to-succeed-trust-dont-track-employees>
- Indeed & Glassdoor. (2023). Indeed and Glassdoor's Hiring and Workplace Trends Report 2023. Glassdoor. <https://www.glassdoor.com/research/app/uploads/sites/2/2022/11/Indeed-Glassdoor-2023-Hiring-Workplace-Trends-Report-Glassdoor-Blog.pdf>
- Join the REFLOW community to become a circular and regenerative city, business or citizen. (2020, November 19). European Circular Economy Stakeholder Platform. <https://circulareconomy.europa.eu/platform/en/dialogue/existing-eu-platforms/join-reflow-community-become-circular-and-regenerative-city-business-or-citizen>
- Kenton, W. (2023). Triple Bottom Line. Investopedia. <https://www.investopedia.com/terms/t/triple-bottom-line.asp>
- League. (2023, April 28). The Definitive Guide to Wellbeing: The Healthy Organization | League. <https://league.com/resource/josh-bersin-report-healthy-organizations/>
- Marr, B. (2022, November 29). Future of work: The 4 biggest workplace trends in 2023. Forbes. <https://www.forbes.com/sites/bernardmarr/2022/11/28/future-of-work-the-4-biggest-workplace-trends-in-2023/?sh=3a6d7ee12e2f>
- McRae, et. al., 2023. 9 trends that will shape work in 2023 and beyond. Harvard Business Review. (2023, January 20). Retrieved March 3, 2023, from <https://hbr.org/2023/01/9-trends-that-will-shape-work-in-2023-and-beyond>.
- Prosci. (n.d.). FAA Transforms How Government Changes. <https://www.prosci.com/resources/success-stories/faa>
- Quigg, D. (2020). "It's not magic. It's math." US About Amazon. <https://www.aboutamazon.com/news/workplace/its-not-magic-its-math>
- Radjou, N. (2020, October 24). Beyond Sustainability: The Regenerative Business. Forbes. <https://www.forbes.com/sites/naviradjou/2020/10/24/beyond-sustainability-the-regenerative-business/?sh=7e3077fe1ab3>
- Ravenscraft, E. (2022, April 25). What is the metaverse, exactly? Wired. <https://www.wired.com/story/what-is-the-metaverse/>
- Shockley, et. al., 2021. Research: Cameras on or off? Harvard Business Review. (2021, October 26). <https://hbr.org/2021/10/research-cameras-on-or-off>
- Shockley, et. al., 2021. Want hybrid work to succeed? trust, don't track, employees. HBS Working Knowledge. (2021, October 22). <https://hbswk.hbs.edu/item/want-hybrid-work-to-succeed-trust-dont-track-employees>
- Team, U. (2016). PayPal invests in workplace skills development with rollout of Udemy for Business. About Udemy. <https://about.udemy.com/udemy-business/paypal-invests-in-workplace-skills-development-with-rollout-of-udemy-for-business/>
- Technews, M. B. (2022, October 24). Globe first to bring Filipinos to the metaverse. Manila Bulletin. <https://old.mb.com.ph/2022/10/24/globe-first-to-bring-filipinos-to-the-metaverse/>
- The fatiguing effects of camera use in virtual meetings: A within ... (n.d.). <https://psycnet.apa.org/fulltext/2021-77825-003.pdf>
- These 11 companies are leading the way to a circular economy. (2022, May 20). World Economic Forum. <https://www.weforum.org/agenda/2019/02/companies-leading-way-to-circular-economy/>

## About the Contributor



**Iris Hamada**  
Senior Consultant  
iris.hamada@nrisg.com



Iris is a Senior Consultant under the Human Resources Sector of Nomura Research Institute (NRI) Singapore - Manila Branch. Iris's expertise is in Organizational Development, Change Management, Human Resource Management, Learning and Development, and Business Process Improvement.

Prior to NRI, Iris has worked at PwC Southeast Asia Consulting as a Senior Consultant for People & Organization. She was also a Senior Consultant and Team Lead for Talent, Rewards & Performance at Aon Hewitt Philippines.

A Board Topnotcher in Psychometrician Licensure Exams, Iris graduated with a degree in BS Psychology (Magna Cum Laude), at Saint Louis University.

Interested to talk about the article or any of NRI's services?



[nrimanila-inquiry@nrisg.com](mailto:nrimanila-inquiry@nrisg.com)



26/F Yuchengco Tower, RCBC Plaza,  
6819 Ayala Avenue, Makati City  
Philippines