Feature

Forecast 2020: The End of HR Systems as We Know Them

By Leighanne Levensaler, Workday, Inc.

The past several years have been all about making human resources systems more useful and useable. The core HR system can now incorporate talent management, analytics, workforce planning, and new ways to organize and view global workforces. The user experience has become simpler and smarter, like the consumer Web. We can perform HR functions on our mobile devices while on the go, whether it’s uploading a photo of a meal receipt to an expense report while still at a restaurant or working on performance views on the iPad after the kids are in bed. And, new technology approaches, including cloud computing, make this all possible.

While these are big advancements from where HR systems were 10 years ago, they are also steps that show us how interesting things will be at the end of this decade. In the year 2020, the HR system as we know it – and how we interact with it – will be very different.

The primary difference is that even with the latest innovations of today, we still think of the HR system as a specific application to “manage HR,” and something you log into to complete HR-specific tasks. But, in 2020, the HR system will be more like a business optimization tool that’s more deeply ingrained into operations, transferring people information into business practices, policies and goals, and empowering people with information relevant to their jobs and teams. Rather than a place to go to complete HR transactions, the system of 2020 will be predictive and responsive, delivering alerts and calls to action in context with whatever you’re doing at that time.

Thinking of it in another way, the HR system of 2020 will fully reflect the transition the world has undergone in the past 50 years from a goods-based economy to a talent economy. It will mirror the reality that “humans” aren’t just another resource, but without question the foundation of what makes or breaks the business. In fact, I question whether we’ll even be calling it an “HR system” in 2020.

Focus on the Individual

Perhaps the most distinct characteristic of the HR system of 2020 will be a focus on the individual. That’s because the main charter of HR organizations will be an extraordinary focus on how each person relates and contributes to the overall organization, and how individuals communicate with HR and their work teams. This will require HR systems to be highly personalized and finely tuned to the individual, whether that’s how a business leader manages a team, the stewardship of a person’s goals, or the intersection of personal information with business data. Systems also will be contextually aware and ubiquitously available through whatever mobile “wearables” we’ll be using at that time, whether they wrap around our wrists, are worn like eye glasses, or take on some other physical form that we don’t yet know about.

This growing focus on the individual has become very apparent following conversations I’ve had in recent months with forward-thinking companies about their workforce priorities. The discussions that keep coming up have moved away from some of the familiar themes of benefits management and regulation. Instead, what’s emerged from these conversations is clarity around the next realm of business optimization: the merger between talent, science and the individual.

If we go back in time about five years or so, businesses were focused on optimizing all sorts of things, including equipment, marketing spends, facilities, even customers. Businesses put data and analytics behind it all – in other words, they applied science and facts to make informed decisions about how to optimize their assets and expenditures. Unfortunately, retention and reward of their most valuable assets – their people – were left up to gut instinct and processes that were built before workforce analytics was possible.

But, that’s changing now, as more companies are struggling to understand who their best people are – from those working at corporate headquarters to those in the stores, satellite offices, and the field – and how to keep them engaged. They don’t have enough to go on to determine what an individual’s ideal total compensation package looks like over time, and how they can balance that person’s compensation expectations against the reality of its business. They want to know star employees well enough to be able to predict if they plan to leave, and then create packages to change their minds. Yet, it goes deeper than compensation – it’s about keeping the individual engaged, whether...
Harnessing of People Data – Finally

that’s through personal needs (time off, flexible schedules, fun perks), professional development (training, feedback), and their experiences with their employers (management of careers and devices of choice).

This focus falls under the realm of business optimization, because it ties directly to costs and efficiency. There will never be a day when cost containment and constraints cease to be top-of-mind, regardless of the state of the economy. Companies are increasingly practicing what I think of as “talent science,” because it’s the right optimization move – it’s too expensive not to. When your best people are lost, it impacts the brand, culture and the bottom line.

The technology expectations of tomorrow’s business leaders will also drive this requirement for systems to be personalized and deliver information in context with the needs of individuals. For years, we’ve talked a lot as an industry about the “consumerization of IT,” and nothing is going to slow that train down. Today’s young workforce, comprised of people who’ve grown up with the Web and social technology, will be 2020’s decision-makers, and their expectations are only going to increase. Intuitive, easy-to-use analytics, collaboration, and visualization will be paramount to satisfy generations that grew up making decisions based on quick access to data they can understand and share with peers.

Consumer-oriented companies will continue to innovate in ways we can’t yet imagine, inspiring us in the enterprise technology world to keep innovating too. And, I believe we’re progressing to a place where there will be opportunities for developers of enterprise technology to inspire consumer companies with our people-focused innovations.

Engagement through Mobility

Wristbands, glasses, smartphones crafted into even more ergonomic designs – no one knows exactly what the roster of mobile technologies will look like in six years, but chances are it’ll be markedly different than today. And, whatever is in style at the time, the mobile devices of 2020 will be the primary engagement points for all of this important people data, both in the entry and in the delivery of it.

While some might argue that the desktop computer may not be dead in 2020, it’ll certainly matter even less than it does today, as individuals will engage with their HR system in whatever happens to be their natural workspace. A large percentage of the world’s workforce is on the shop floor, in retail stores, behind the service desk, and working in restaurants and hotels, and their people system needs to be right where they are.

Get ready, because that’s the future; an extreme focus on the individual, the consistent use and proactive delivery of contextual data, and engaging with workers and business leaders in their natural workspaces, wherever they happen to be. That’s the “HR system” – or whatever we’ll be calling it – in the year 2020.

About the Author

Leighanne Levensaler is the vice president of Human Capital Management products at Workday, where she leads product direction and strategy for the company’s leading HR application suite in the cloud.

Prior to joining Workday in 2009, she was principal analyst and director of Talent Management Research at Bersin & Associates. Before that, she spent more than a decade working with large companies to develop HR strategies and integrated talent development solutions. She led the Learning Consulting practice at SystemLink Enterprise Solutions, and has held positions at SmartForce, Edu Trek International/AIU and Deloitte Consulting. Levensaler holds a master’s degree in Human Resource Development from Georgia State University and a bachelor’s degree in Education from Clemson University. She is a member of the 2012 Class of Henry Crown Fellows at the Aspen Institute. She can be reached at leighanne.levensaler@workday.com.