Lim-Loges & Masters recently gathered insights on HR's role in propelling the Fourth Industrial Revolution (4IR) from a panel of senior leaders within Asia Pacific. The group, which participated in a roundtable in Singapore in late 2018, included representatives from major enterprises including Dole Asia Holdings, Hehsed Consulting, Intel Wise Group, Kimberly-Clark, SABIC Asia Pacific, Sanofi Group and Volvo SEA. This white paper summarises their views.
Across nearly all industries, rapidly advancing technology is driving fundamental change in what is fast becoming known as the Fourth Industrial Revolution (4IR). As businesses start to embrace the capabilities unleashed by technologies such as AI and machine learning - from predicting consumer behaviour to making personalised recommendations in real time and at scale - they are creating innovative new business models built on connectivity and joining entirely new ecosystems.

These changes are creating the need for workforces with new skill sets, with an emphasis on creativity and data analysis and more evident customer orientation, among others. At the same time, they're generating a need for new kinds of workplaces and platforms that can allow workers to be more flexible, agile and customer-centred than ever before. And with different generations entering and exiting the world of work, a business must also ensure that all its people can keep pace in a future where their capabilities will be further augmented by technology.

So how are these deep shifts affecting the role of the human resources (HR) function? More specifically, what does building a future workforce mean in an Asia Pacific context, and what should HR professionals be doing now to prepare?

Managing new talent, new skills and constant change
As the technologies of the 4IR automate more manual processes and free workers from functional tasks, business leaders will need to create a new range of specialised job roles involving more intensive work with AI-based tools. Here, human ingenuity will intersect with intelligent technology to drive swifter and more compelling innovation, with each enabling the other to do more complex analytical and productive work.

The round table participants agreed that HR has a pivotal role to play in shaping this workforce of the future. By attracting and retaining the best talent with the skill sets required to thrive in the 4IR, HR professionals can help their organisation leapfrog the competition.

“It’s up to us to ensure the right people are in the right place, and that they’ve been engaged at the right price tag,” said Lynette Ng, Head of Talent Management, Asia Pacific and Japan, Sanofi Group. “On top of that, it’s HR that has the competencies and understanding to manage that talent and ignite them to find solutions for tomorrow.”
At the same time, organisations are starting to rethink work architecture at the broadest level to transform the way business is done. A work culture primed for innovation demands more flexible, collaborative ways of working, with agile networks of teams replacing more traditional hierarchies.

“HR is well positioned to help organisations develop the critical mindset changes needed to succeed in such an interconnected, unpredictable and evolving environment,” said Francis Goh, CEO & Founder, Hehsed Consulting. “That means helping to define and foster a culture where continuous change is seen as normal and embraced, rather than resisted.”

As research shows, the cost of employee disengagement is considerable. Influencing engagement levels is a further area where HR can continue to play a vital role in the 4IR. “HR’s understanding of performance management means we are uniquely qualified to act as a sounding board during times of disruption,” said one attendee, a Senior Vice President, Asia. “As companies transform, HR’s expertise in changing cultures and behaviour will become more and more important, helping to ensure employee engagement with minimal dissatisfaction and resistance to change.”
Embracing an increasingly strategic role

Participants agreed that to help organisations address these kinds of challenges, HR must expand its purview well beyond the more traditional delivery of transactional services such as payroll, benefits and leave administration.

“Increasingly, I’m seeing business leaders ask HR questions like, ‘How would you articulate a future CEO profile for our organisation?’ or ‘How can you help us bring leaders on board more quickly?’” said Eugene Lam, HR Director, Asia Pacific, Kimberly-Clark (currently with Danaher Group). “Another common request is: ‘I’d like you to conduct a culture workshop as part of our change initiative.’ And those things aren’t traditional HR territory.”

In response, HR leaders have the opportunity to play a much greater role in operational decision-making and strategic planning. As Lynette Ng said: “We need to level up. We need to raise our game.”

She described how, with a corporate mandate to build global talent pools, she was taking the conversation out of HR and into the business environment. “With any kind of strategic planning around where the business is heading, we need to ask what are the capabilities we’ll need in the future, and what does success look like? HR has to be a vital part of the dialogue,” she said.

Becoming more centrally involved in the strategic decision-making of a business is also common sense against a backdrop of structural changes within the HR function.

“Tasks like payroll administration may remain a pillar of HR, but increasingly, these can be outsourced or digitised,” said Lee Min Yin, Director, HR, Asia Pacific, SABIC Asia Pacific. “It’s not the same with talent management expertise. HR professionals are best placed to understand the operational and financial risks inherent in having the wrong talent and bring that perspective to bear on a company’s strategic needs. Business partnering in these kinds of ways is where we can really add value, and we need to take advantage of it.”
Driving change in a diverse region

In responding to these kinds of shifts, the HR function in leading organisations is fast evolving to have more influence and business clout than ever before. However, participants were quick to point out that this is not a universal experience across Asia Pacific, where skills levels and talent pipelines vary widely across industry sectors and areas.

As Eugene Lam said: “When you lead an Asia Pacific team – and that’s across up to 14 disparate markets with varying standards of growth, language, cultural and regulatory frameworks – there are typically such wide differences in capability that it can be quite a complex task to make it all cohere. It can also make it more challenging for the HR function to drive an effective change agenda.”

Despite such complexities, it still falls to HR to reskill workers – across generations – to ensure their organisations can fill all the positions needed for the workforce of the 4IR. “Solutions will lie with HR proactively designing and implementing rapid, flexible and tailored upskilling and retraining processes that can be quickly scaled up. They will also involve putting in place agile lifelong learning environments, so workers – both long-serving and temporary – can upskill throughout their careers,” said Tay Kay Luan, author and Vice-Chancellor, University of Malaya-Wales.

And as the war for talent heats up in the 4IR’s fiercely competitive environments, it will also be up to HR to create a seamless, consumer-style employee experience. In the view of Eric Wong, Chief Human Resources Officer, Intel Wise Group, the most successful HR leaders are already leveraging functions outside their own (such as IT and marketing) to do just that.
“The technologies of 4IR are all about empowering organisations to deliver more personalised customer experiences,” he said. “To recruit and retain the best talent in this new era, companies must translate their relentless focus on delivering personalised, compelling and people-centric customer experiences to the way they interact with their employees.”

Shaping a workforce fit for the future

*In conclusion, participants agreed that organisations will look to HR to lead them to the forefront of change. More specifically, it will be up to HR:*

- equip the teams and platforms of tomorrow with the right talent and skills
- redefine workplace cultures, and
- enhance workplace flexibility to ensure that employees can deliver winning customer-focused solutions.

“I’m excited about the opportunities the 4IR brings to help all our people achieve their potential more effectively,” said Eric Wong. “And even as technology modernises our function, at its heart it will still be about delivering ‘the human touch.’ We must ensure that the workforce understands the ethics of the company and how to embrace that – to walk its values. That is an aspect of our role that cannot be digitalised, and it’s one we must harness and protect.”