Three Steps to Navigate the Rise of the Social Enterprise—a Guide for Growing Organizations

Every year since 2013, Deloitte has assessed the state of the human capital landscape by polling thousands of organizations worldwide on their current practices and goals in the areas of human capital and workforce planning. For the “2018 Global Human Capital Trends” report¹, more than 11,000 business and HR leaders were surveyed on issues ranging from culture and diversity/inclusion to artificial intelligence and emerging technologies. From those findings, Deloitte reported on the top trends that these executives were prioritizing and what that means for the future of work.

At a macro level, the report also highlights the transformation they are seeing as a result of these new priorities, which they refer to as the Rise of the Social Enterprise. This reflects a profound shift in the growing importance of social capital in shaping an organization’s purpose, guiding its relationships with employees and stakeholders, and influencing its ultimate success or failure. At Workday, we are engaging in conversations about this critical and refreshing shift with our customers and industry partners, and know that this marks an incredibly exciting time in the history of HR. The underlying premise is that organizations need to take a more thoughtful, measured approach when it comes to how they treat their people and their communities in order to succeed in this more enlightened business landscape. While many socially conscious organizations already adhere to this philosophy, businesses are being forced to examine their policies and culture to determine whether they measure up and how they can adapt to avoid a detrimental impact on their brand—and their bottom line.

Regardless of whether your organization has programs in place today and feels prepared to take on whatever this cultural shift has in store, or if you are in the beginning stages of planning and charting your course, we have identified three actions that all complex, growing organizations should be prioritizing to successfully navigate this change.

1. Enable “experiences” versus career paths.

Careers are no longer narrowly defined by jobs and skills but through experience and learning agility. Employees know that the jobs of tomorrow will not likely be the same as those today and are looking to continually grow—personally and professionally—to flex along with the times. Organizations that recognize this change in both skill set and mind-set and are able to offer a transformational work environment with opportunities to learn, develop, and pivot may find that they are not only better positioned for shifts in their industry due to their agile nature but are also able to engage and retain their top talent much longer. In the “2018 Global Human Capital Trends” report, Deloitte found that roughly 85 percent of medium-size organizations (which Deloitte defines as 1,000 to 10,000 employees) ranked “building the 21st century career” as important or very important, taking second place overall in terms of priorities, yet only 9 percent of the respondents indicated that they are “very ready” to address it.

Webinar

To hear Deloitte and Workday drill further into the idea of the twenty-first-century career, watch this on-demand webinar.
A key area of focus for organizations looking to offer a more growth-oriented environment will be learning and development. Even though nearly three-quarters of the respondents indicated that career paths in their organization are not based on traditional organizational hierarchy, almost half still base their development programs on the skills needed for these defined paths. This disconnect between development programs and today’s career paths leaves many employees frustrated and powerless. Nearly 60 percent of the respondents in the Deloitte survey felt that their organization was “not effective” or only “somewhat effective” at empowering people to manage their own careers.

The cultivation of a learning culture—one that not only empowers but also encourages employees to look beyond their current role or function and provides a foundation for them to reinvent themselves—will be key to a successful ongoing retention policy in this new era of career experiences. Gathering information from employees on their interests outside of their current job function, whether from machine learning recommendations or manual input from employees or managers, can provide organizations with the data needed to develop more tailored learning opportunities. The major differentiator will be leveraging those interests and recommendations and serving up relevant and helpful content to keep employees engaged.

Moving to a nontraditional approach to career progression may seem daunting. This nontraditional approach can also influence how organizations think about talent at the time of recruiting—looking beyond tactical skill sets to attributes, such as work ethic, values, and potential, to find those employees who can grow and adapt with the organization.

As competition for talent continues to become steeper, it will be more important than ever for organizations with limited resources to have a technology solution that addresses these problems in order to attract the best new talent. And since retaining existing employees has a significant impact on the bottom line, organizations will need to keep their workforce engaged and deliver robust learning and development opportunities. Personalization, mobile access, a robust talent management system—these are all essential to keeping employees engaged and boosting productivity. Having a solid HR technology foundation gives organizations visibility into their people and processes so they can take action and plan for what’s next, all while retaining the agility needed to adjust organizational hierarchies and business processes.

2. Revamp rewards and performance enablement processes to make them personalized and timely.

Many employees are looking for organizations to recognize them as individuals in the areas of compensation and performance, and hoping to ditch the one-size-fits-all and once-per-year models.

The days of simply offering a rewards package consisting of base pay and a mix of traditional benefits, such as health insurance and PTO, are over. Companies on the cutting edge are creating programs that are delivered more continuously, aligned more closely with individual preference, and based more fully on an employee’s whole contribution. While many organizations recognize the demand for this new structure, only 8 percent reported that their current rewards program is “very effective” at achieving this level of personalization. Because the personalization of rewards has seen a surprisingly slow adoption rate, companies that offer more agile and tailored programs can seize a distinct advantage in the talent market. For companies with limited resources, this can seem like a challenging task.
Employee expectations around rewards are shifting as they gain more insight into the rewards landscape through sites such as Glassdoor and LinkedIn. Regardless of size, companies must now compete with larger, resource-rich counterparts because of this increased transparency. Putting an HR technology foundation in place can help bridge this gap. Having a complete view of your workforce enables organizations to allocate resources efficiently by identifying and rewarding top performers and meeting the needs of potential retention risks. A cloud-based technology foundation simultaneously allows you to adapt HR processes to meet changing compensation expectations quickly and seamlessly.

3. **Develop a strategy to keep pace with advancements in technology and the influx of data.**

The domain of people analytics is growing rapidly, offering new opportunities to better hire, manage, retain, and optimize the workforce. With over 88 percent of the large enterprises surveyed indicating that people analytics is important or very important, this trend is the top priority for enterprise organizations. Among the respondents, 69 percent reported that their businesses are building integrated systems to analyze worker-related data. But what can and should be done with this information seems to be less clear, as only 17 percent have dashboards to crunch the avalanche of numbers in useful ways.

So what can organizations like yours do to leverage the growing power of people analytics, even without endless funding and resources? Establishing a solid HR technology platform helps organizations stay laser-focused on exactly what is and isn’t working. This allows HR practitioners to remain strategic while setting the organization up for success by putting processes in place that will continue to drive value as the business scales.

Developing a strategy and process for leveraging the vast amounts of data collected can enable companies to draw insights related to employee productivity and engagement as well as monitor trends related to key issues, such as diversity and gender pay equality. However, increased scrutiny and regulation related to privacy, such as GDPR, require organizations to take a thoughtful and careful approach to the use of employee data. While many organizations are feverishly working to ensure that customer and consumer data is in compliance, the need for companies to be able to provide a complete record of all information on file for an employee upon their request—and being able to purge that data from the system if instructed to do so—are scenarios for which HR departments also need to plan. By keeping people data housed in one foundational technology platform, organizations can mitigate potential risks while still getting the value of people analytics. The complexity of employee data is only going to increase as more regulations about personal privacy emerge, making the need for a robust, secure, and flexible solution for storing and analyzing this data imperative.
Conclusion

Organizations that anticipate and embrace the changes in this evolving business climate and that continue to focus on the individual needs of their workers can be successful in attracting, engaging, and retaining top talent. HCM technology will play a key role in helping organizations navigate this rise of the social enterprise, providing the ability to manage the full worker lifecycle from recruitment to retention and delivering the analytics and insights needed to drive key business decisions related to human capital. Technology can also bridge the gaps among employees, management, and HR by enabling and encouraging employee engagement in the areas of learning and development as well as in performance assessments and feedback.

Workday was founded with the mission to continually place people at the center of the enterprise. To learn more about HCM solutions from Workday, visit workday.com/en-us/pages/medium-enterprise/human-capital-management.html.

Endnotes