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## **IMPACT OF TECHNOLOGICAL CHANGES ON HRM COMPETENCY FRAMEWORKS**

### **Abstract:**

The IT industry is witnessing rapid change due to technological advancements that are being made and adapted in organisations every day. This research aims to study how these changes have affected the HR department at a multinational IT professional services firm in India, in terms of the changes in their HR roles and role-specific competencies.

Two global HRM Competency Models - SHRM Competency Model 2012 and the HRCS Model 2016 by Michigan-Ross - have been studied in detail and combined to form an exhaustive list of 18 core competencies for HR professionals. On analysing the HR roles at the organisation under study, it was found that there are 11 unique roles which leverage these 18 competencies. Interviews have been taken of senior and junior resources in the HR roles identified, to take their inputs on the impact of technological changes (in the organisation and industry) on their roles and how they see the core competency requirements for their role changing in the future.

It was found that across all roles, there is a need to understand business better and move away from just performing activities to adding thoughtful value in every contribution made. Competencies required for such a shift are different than those for today's nature of work, which is already seeing great transformation.

### **Keywords:**

HRM Competencies, Technological Change, Managing Change

**JEL Classification:** J24, J44, O39

## Introduction

We are in an age of digital, technological disruption. Automation, Robotics and Artificial Intelligence (AI) is not the future, but they breathe in the very present. The Internet of Things (IoT) has driven large amounts of data to be generated and Big Data Analytics is being leveraged increasingly to analyse large and diverse data sets to make better and faster decisions.<sup>1</sup> Numerous transactional activities - hitherto executed by humans, are moving to smart tools and technologies that are enabled by organisations willing to invest in them.

HR organisations need to reorient themselves and focus their people on the changing human capital issues their companies face<sup>2</sup>. Talent management, career progressions, change management and all other roles of HR that affect the employee experience are set to see a change with emerging technologies and the organisations' willingness to adopt them. Core HR competencies will play a major role in this transition to the future, as metrics and workplace boundaries will continue to be disrupted. Higher performance and its evaluation would be linked to the knowledge, skills and behaviours of HR rather than the key result areas as we know them today. Competencies are the underlying characteristics of an individual which enables them to deliver superior performance in a given job, role or situation.<sup>3</sup> With technology changing the way we define our key result areas (KRAs), HR role competencies and their proficiencies will become the causally related variables to higher performance.

Good competency models are grounded in solid research that demonstrates scientifically that specific behaviours contribute to better on-the-job performance and add efficiency to processes across the employee life cycle.<sup>4</sup> We have chosen two popular HR competency models (The HRM Competency Model 2012 and The HRCS Model 2016 by Michigan-Ross) with its subcomponents for ready reference and comparison of prevailing HR competencies.

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<sup>1</sup> IBM.com, 'What is Big Data Analytics?'

<sup>2</sup> Global Human Capital Trends Report 2017, *Bersin by Deloitte*

<sup>3</sup> David McClelland, DC (1973), 'Testing for Competence Rather Than for Intelligence', *American Psychologist*, 28, 1-14

<sup>4</sup> Alexis A. Fink (April 2017), 'Why Competencies Are the Future of HR', SHRM.org



Figure 1: 2012 Society for Human Resource Management

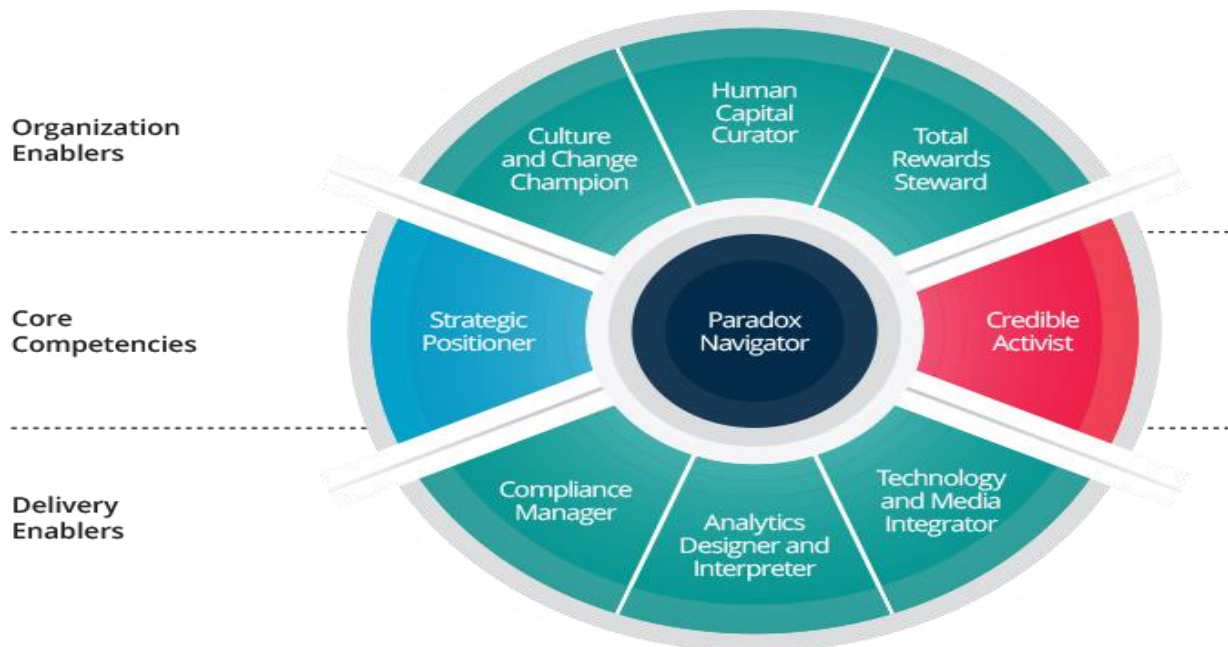


Figure 2, HRCS Model by Michigan-Ross

Together, both these models present us with a total of 18 HR competencies - the SHRM model defining the competencies as skills and the Ulrich model defining competencies as roles most required for achieving important outcomes.

While there may be a couple of competencies that may overlap with each other among the two models, the exhaustive list of 18 competencies can be used to study multiple HR roles within an organisation and how they are evolving with the changing technology in the internal and external environment.

## **Research Objective**

The research aims to study how HR roles and their competencies are evolving in ABC (name of the organisation studied has been kept confidential for data privacy purposes) due to the changes in technology within and outside the organisation.

ABC is a global management consulting and professional services company with more 4,00,000 individuals with 75% of the Fortune Global 500 as its clients. The Human Resources unit is a part of the Corporate Functions horizontal, providing support across the business verticals.

## **Research Methodology**

A qualitative, exploratory research methodology has been applied for this study. It consists of a narrative description and follows an inductive approach.

This research has been conducted in 4 distinct steps:

1. **Analysis of two leading HRM Competency Models** mentioned above
2. **Analysis of HR roles at ABC and mapping of the core competencies for each role**

This step involved examining the responsibilities and roles of individuals in multiple HR functions at ABC – their day-to-day work and skill requirements. Primary data was gathered through the method of informal, unstructured interviews of various HR staff, for gaining an insight on the roles and responsibilities of the person in the specific function. On analysing this data and comparing it with the 18 competencies and their expected behaviours, one or more competencies were mapped to ABC HR roles – these mappings indicate that for *x* role, *a*, *b*, *c* would be the most important competencies for an individual to perform his/ her best in the current form of their role. This mapping led to the identification of 11 unique HR roles as given in Table 1:

Combined Model Mapping		
No.	Competency	Role
1	Human Resource Expertise	People Advisor
2	Consultation	
3	Credible activist	
4	Relationship Management	Talent Fulfilment Specialist
5	Communication	
6	Leadership and Navigation	Talent Strategy and People Programs
7	Human Capital Curator	
8	Global and Cultural Effectiveness	Inclusion and Diversity team
9	Ethical Practice	Employee Relations and Policies
10	Paradox Navigator	
11	Compliance Manager	
12	Critical Evaluation	Learning Solutions
13	Business Acumen	Recruitment
14	Strategic Positioner	
15	Culture and Change champion	Central Change Management team
16	Total Rewards Steward	Total Rewards
17	Technology and Media Integrator	Shared Services
18	Analytics Design and Interpreter	Analytics and Modelling

Table 1: Identification of HR roles with appropriate competencies

### 3. HR Staff Interviews –

Primary data was collected through semi-structured interviews of the HR staff at ABC. From each of the 11 roles to be studied, a junior level resource and a senior leader has been interviewed to gather data on how their role and role-specific competencies are evolving due to changes in technology. Thus, a total of 22 interviews have been conducted over the course of 3 months. The list of questions for junior level resources and senior leaders were different. The method of ‘probing’ was used during the interview to gather additional data or clarifications whenever necessary. These interviews have been audio-recorded and subsequently, the recorded data was organized for further analysis.

### 4. Data Analysis, pattern identification –

The interview data has been arranged systematically to find commonalities and differences among the various inputs from the HR staff. Current role competencies and future competencies have been identified for each role. The shift from current role

requirements to the nature of work in the future has been discussed in detail towards the end of the dissertation.

## Observations and Analysis

### Change in HR roles at ABC

The current forms of the roles explained above are being constantly disrupted due to the increased use of tools and technology in all roles. Automation, AI and digitisation of networking platforms are changing HR as we know it. Furthermore, the IT industry is experiencing a shift in the kind of skills it services for its clients. Legacy skills are on their way out, while Robotics and other Next Gen skills are high in demand. Interviews taken of senior leaders as well as junior resources within each of the 11 unique HR functions has given insights on how this technology change is affecting their role and competencies and what needs to be done to be ready for dealing with the wave of change that comes with technology upgradation within and outside the organisation.

For example, People advisor role has shown a transition from being an HR knowledge expert to having strong **Business Acumen**. There is an expectation that PAs should be able to understand the business scenarios, use **Critical Evaluation** and creative thinking to solution for business. Their effectiveness would be determined basis their ability to untangle complex knots of change management, coaching to be future ready and supporting business outcomes on a more direct basis. Instead of having HR practice knowledge alone, which may only be used as a hygiene factor for sharing data, PAs would need to have **interdisciplinary knowledge** to remain relevant to business. This expertise would be a core skillset that would make them more indispensable for the company. They would need to develop an altruistic organisational mind set by trying to do good not just for themselves, but the society as a whole. This requires an ethical practice orientation, as they would be empowered to use the organisation's database for benefiting others. **Credible Activism** and **Consultation** would see heightened relevance as they continue to become more people-oriented on a personal level.

Talent Fulfilment Specialists role is on the cross roads of transforming into a business advisory role rather than a transaction processing role. With technical consulting becoming one of the core functions of TFS, **Business Acumen** is the major competency that will become relevant. Understanding the technology and digital landscape will become a major factor determining the performance of a TFS in business consulting. **Consultation** itself will gain more importance as TFS become business partners rather than staffing enablers. To gain the trust of their projects on the advice that they share, they need to start having a **planning** mind set to foresee future needs and build a roadmap to fulfil those needs. **Interpretation of analytics** to study trends and patterns in the business environment will become a useful mechanism to help plan

better. **Relationship management**, though may remain relevant, will see a change in the level of proficiency expected out of TFS, as they will now need to convince, influence projects to take strategic talent-related business decisions.

Similar analysis of above mentioned eleven roles based on interactions with employees at senior and junior levels led to following competency remapping indicated in Table 2:

Combined Model Mapping			
No.	Competency	Role	Future Competencies
1	Human Resource Expertise	People Advisor	Business Acumen, Critical Evaluation, Credible Activism, Consultation
2	Consultation		
3	Credible activist		
4	Relationship Management	Talent Fulfilment Specialist	Business Acumen, Consultation, Analytical Design and Interpreter, Relationship Management
5	Communication		
6	Leadership and Navigation	Talent Strategy and People Programs	Human Capital Curator, Leadership and Navigation, Relationship Management
7	Human Capital Curator		
8	Global and Cultural Effectiveness	Inclusion and Diversity team	Global and Cultural Effectiveness, Ethical Practice
9	Ethical Practice	Employee Relations and Policies	Compliance Management, Behavioural Threat Management
10	Paradox Navigator		
11	Compliance Manager		
12	Critical Evaluation	Learning Solutions	Business Acumen, Consultation, Relationship Management, Leadership and Navigation
13	Business Acumen	Recruitment	Strategic Positioning, Business Acumen
14	Strategic Positioner		
15	Culture and Change champion	Central Change Management team	Culture and Change Champion, Analytics Design and Interpreter
16	Total Rewards Steward	Total Rewards	Consultation, Business Acumen, Total Rewards Steward, Analytics Design and Interpreter
17	Technology and Media Integrator	Shared Services	Consultation, Human Resource Expertise
18	Analytics Design and Interpreter	Analytics and Modelling	Analytics Design and Interpreter, Business Acumen

Table 2: Remapping of HR competencies

## Conclusion and Recommendations

The key themes from the interviews conducted, point to the below recommendations for ABC's HR:

**Know your business:** Solutioning requires knowledge of the business you service. Understanding the changing landscape, the IT skills, the competition and innovation in the industry helps you give relevant advice to business.

**Interdisciplinary knowledge is a must:** HR professionals must have knowledge of the functions apart from the one you are currently a part of. This includes knowledge of other HR roles within your organisation.

**Tools are enablers, solutions are driven by humans:** Tools are here to help you make decisions, the final call still rests with you.

**Tools need to be stabilised completely before setting great expectations:** People on the lower levels of hierarchy, working on-the-ground need the organisation's support to stabilise the technologies completely before setting aggressive targets for them.

**HR jobs are not getting simplified, tasks are. There is a lot of complexity to be explored:** The activities in the scope of HR work will reduce and HR would be redeployed to more complex jobs of making themselves and the employees more future ready, by providing solutions for key business problems and personalising the smallest experiences.

**Learning without trainings:** There has to be a culture of learning by yourself and investing time to develop your knowledge base. Learning agility is key to transforming your competencies.

**But some trainings will still be necessary:** Business and IT knowledge specific trainings are viewed as critical to improve performance by the lower levels of hierarchy.

**Aim at changing mindsets to enable faster shift to the New:** The best way to learn is to remain open to change and accept the pace of transformation.

**Think, not just do:** Use deliberation and critical thinking to enhance the effectiveness of your work.

**Metrics will be based on quality rather than quantity of outcomes:** The value you create for your stakeholders need not be a number. Soon, there will be a shift to measure the innovation and quality of work you deliver.

**Analytics will help drive better decisions:** Use Analytics and not instincts to make decisions and design solutions.



Based on the study we can conclude that **Business Acumen** is going to be the most relevant competency of the future for ABC. While **Consultation** competency will become key to remaining indispensable, the credibility of HR professional will be determined by **Relationship Management** competency. Communication is going to become a generic requirement while, **Design Thinking** and **Innovation** are going to form the core to customized competency model for ABC's HR.

## References

Reference list is available from first author on demand.