

New HR for the new normal

How HR management now needs to be organized

By Joyce Gesing, Elke Hofmann and Dirk Mundorf

The pandemic has clearly shown that HR management is systemically important to organizations. In this exceptional situation, HR departments have led and coordinated all kinds of response measures and reacted to fast-changing situations. As one CHRO observed: “For us, the crisis was an opportunity to evolve from a fusty, admin-focused HR function into an advisory, strategic and proactive partner.” This role will develop further going forward.

How HR departments responded to the crisis varied widely, depending on how their missions were previously defined and understood. Organizations where HR management fulfilled the traditional transactional role came to see their HR department as an advisory body. Companies that already regarded their HR management function as a strategic partner went a step further and expanded this role. In all organizations, the connectedness and significance of HR management increased.

New HR roles in the new normal

Modern HR departments are now responsible for much more than just identifying and retaining specialist staff and managers; their brief also includes developing

corporate culture, talent and leadership. In parallel, the new working environments which HR teams are helping to develop are expected to meet exacting standards in terms of effectiveness, efficiency and individuality. The new HR profile covers a wider range of areas than ever – including issues that are becoming increasingly crucial to an organization’s success. For too long, HR focused solely on resolving specialist personnel needs. Today, issues surrounding corporate culture, internal communication, and the design and ongoing development of hybrid working practices are critically important to companies hoping to emerge successfully from the pandemic.

Individualization is another key issue for future-ready HR management. One CHRO told us: “Strictly defined and standardized HR systems and processes can’t fulfil business units’ diverse and changing needs. Rather than imposing rigid, one-size-fits-all solutions, departments should be empowered to adapt HR processes and tools to their individual needs.”

Ideally, an HR management function should actively exemplify the culture and change it wishes to inspire across the organization as a whole. This means that HR departments should be trailblazers in digitalization while also being there for employees as facilitators and coaches, ready to listen and offer support. This should never mean glossing over or simply avoiding difficult issues. But it does mean communicating these difficult issues together with their positive aspects, supported by clearly reasoned explanations. There is no reason for transparent, authentic leadership of this kind to end in conflict. The pandemic also shows that most organizations’ workforces are ready to implement even challenging measures if they can see why they make sense. It is certainly true, however, that this form of HR work calls for a very different background in (occupational) psychology than was previously required. The HR roles of the future will increasingly call for coaching skills and psychological methods.

In the new normal, job security and stable employment involve more than just a regular income and staying with the same organization over the long term. They also encompass physical and mental health. The pandemic has made the vital importance of both these things absolutely clear, whilst also highlighting how complex health management is. The new HR is still about supporting employees and the whole organization in identifying and unlocking the workforce’s full potential. But anyone who considers this remit more closely soon realizes that

simply organizing standardized online courses is not enough. Personalized training is needed, tailored to individual strengths and weaknesses. The same applies to internal communications: Where employees' preferred communication channels used to be primarily age-dependent, now their working arrangements will determine whether they source information in the break room, on the intranet or from an instant messenger group.

HR as “seismograph” and key driver of transformation

Communicating on a wide range of issues and sensing the mood of the workforce have always been core components of HR work, representing a constant challenge for many HR departments. Hybrid working models and the normalization of home working have made this challenge even more acute. At present, the role of “seismograph” – taking accurate readings of the working atmosphere, employee sentiment and emerging issues – is difficult to perform. One head of HR told us that by no means all employees reveal how they are feeling or what's on their minds, no matter how many regular virtual team meetings or check-ins they attend.

Another CHRO's experience shows that the mood within an organization is critical – both generally, but especially in crisis situations: “Employees don't forget. Fair treatment and a healthy organizational culture will be rewarded after the crisis.” A culture based on fairness, as well as fair decisions like continuing to run programs and ruling out redundancies, also sends positive signals to the labor market. As far as new talents are concerned, the same CHRO is observing changes in the labor market and in skilled workers' priorities: “It's easier to recruit talents now, even in the data and high-tech spheres. Many of them have rediscovered the value of stability and job security. Job hopping and lifestyle optimization are losing some of their significance.”

The majority of organizations are in the throes of transformation. Most drivers of this change process, including digitalization, have been intensified by COVID-19. HR management has a vital role to play here. At the same time, HR departments must also transform themselves so they can then help their organizations shape this transformation in a positive way.

Roland Hehn, Chief Human Resources Officer at Heraeus, on HR's positioning:

“It was essential for HR and specialist departments to coordinate perfectly with each other and focus on the essentials. This meant that in many companies, HR became much more closely enmeshed with other parts of the organization. In the process, we discovered that when collaborating closely like this, HR can very quickly make decisions on issues of key relevance to the business.”

Kerstin Artenberg, Chief Human Resources Officer and Member of the Group Executive Board at Bekaert, on the value of exchange and dialog:

“HR managers’ curiosity, brainstorming with experts, and learning from each other, could become standard practice – and for me that’s a hugely positive and motivating prospect”

Julia Bangerth, Chief Operating Officer & Chief Human Resources Officer at DATEV, on individualized HR solutions:

“Strictly defined and standardized HR systems and processes can’t fulfil business units’ diverse and changing needs. Rather than prescribing rigid, one-size-fits-all solutions, it’s essential that HR should empower departments to adapt HR processes and tools to their individual needs.”

This article is part of our “What next, now that everything’s changed? HR and New Work” series, which reports core insights from our regular Zoom calls with HR leaders.

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