

MFBreport

Issue 25 - Autumn 2017

Das MFB-Kundenmagazin - www.mfbresultants.com

Managing People in a Digital Age: The New Role of Employees in Driving Business Success

MFB

Manage Future Business



TOPICS IN THIS ISSUE

Human and social capital: What makes employees a company's most valuable asset

Performance management and cultural fit: Candidates must fit into the business model and corporate culture

The need to engage and develop employees: The new world of work

How to make talent management a leadership priority

Editorial

Welcome and GutenTag,

The Fourth Industrial Revolution is transforming entire systems of production, management, and governance. According to the World Economic Council, by 2020, more than a third of the desired core skill sets of most occupations will be comprised of skills that are not yet considered crucial to the job today. To survive, business leaders need to focus on innovative and sustainable human resources policies, as well as motivate employees, inspire their loyalty and promote their skills development.

In the new MFB Report we take a fresh look at HR approaches and discuss strategies and tools companies can use to attract the right talent and retain them within the organization.

Yours,



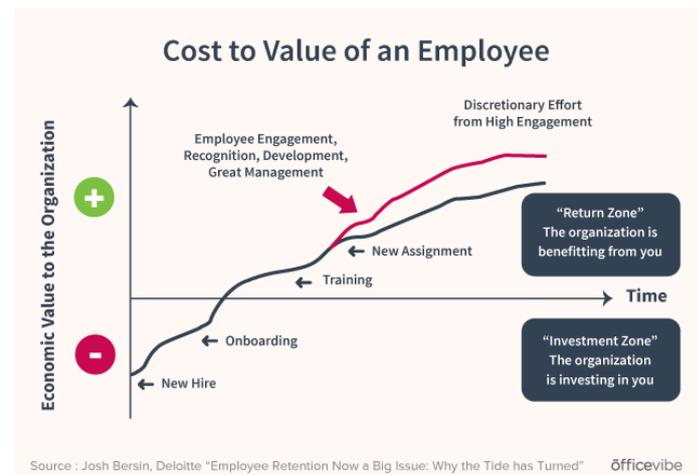
The speed of current technological breakthroughs has no historical precedent. After automation, electrification, and digitalization of industry, the introduction of the Internet of Things in the factory marks the advent of a fourth industrial revolution. Technologies such as connected sensors, cloud and virtual and remote software offer vast new potential to transform everything from the factory floor to logistics.

Across all industries, there is clear evidence that the new technologies are having a major impact on businesses. They allow companies to give their customers the best experience ever. For tech giants like Amazon, Google and Facebook, the basic idea behind their success has always been the intense focus on customers.

A world of customer experiences, data-based services, and asset performance through analytics requires new forms of collaboration. Talent, culture, and organizational forms will have to be rethought. In the future, the biggest challenge for business leaders isn't technology - it's the people. Talent, more than capital, will represent the critical factor of business success. Creativity, problem-solving and critical thinking are exactly what computer algorithms so far can't do as well as humans.

Organizations must be able to implement well-planned and well-thought out strategic human resources ideas that will be implemented to coordinate and channel the human capital into increased productivity. Executing

excellence in HR services cannot be overemphasized. HR is now responsible for facilitating productivity and growth, allowing an organization to meet business goals and get a greater return on investment.



Human and social capital: What makes employees a company's most valuable asset

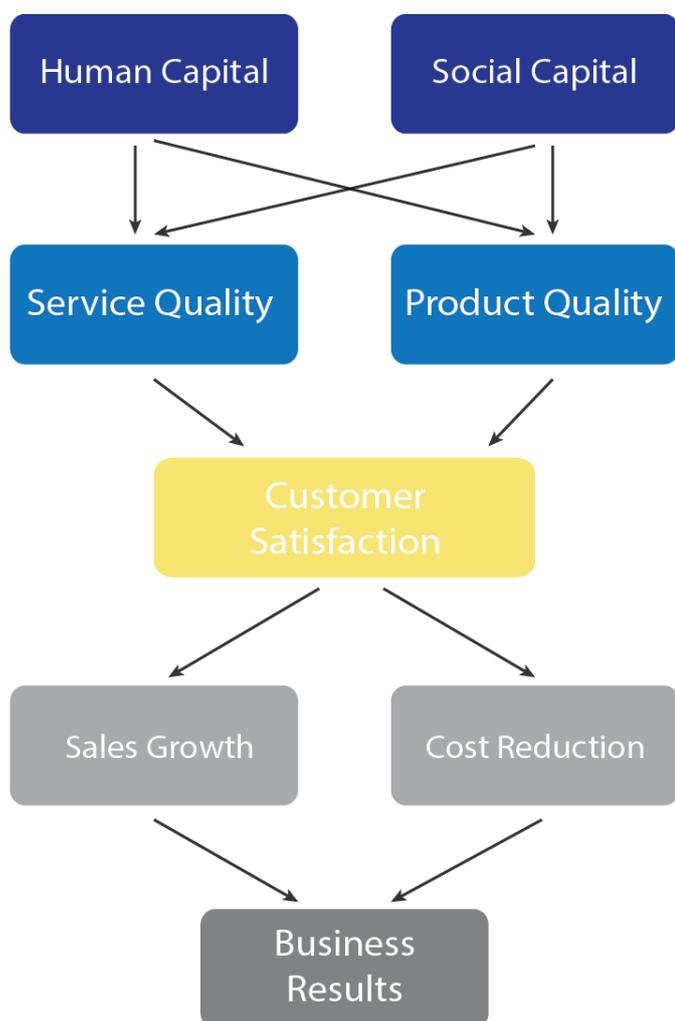
Today, talent, especially people with the most desired and in-demand skills, is scarce. The stakes of this skills mismatch are high. Executives say their inability to fill jobs with these skills has reduced their ability to serve clients and to raise their competitiveness and productivity - factors with inherent bottom-line implications. Without critical talent and skills, companies cannot grow their businesses.

Hiring and retaining top talent is an ongoing process that should focus on both filling current job vacancies

as well attracting the best candidates to fulfill a company's long-term business goals. A primary objective of an HR professional is to balance the needs and goals of both the company and the workforce.

In today's new workplace, human capital and business growth must represent two sides of the same coin. The rise of new technologies like cloud computing and artificial intelligence increases the need for specialized skills. All of these skills, plus the ability to clearly align technology to business value, will dictate how successful people, teams, and organizations can be. Along with the understanding of the need to hire, develop, and retain talented people, organizations should be aware that they must manage talent as a critical resource to achieve the best possible results.

An important factor that separates the highly successful companies from the rest is social capital. The real value of a company lies in the way the company goes about doing business, i.e. the culture of the organization. Social capital is the way the talent, the product and the physical assets can be utilized. It is the way employees work together, share information, engage with customers and superiors, and make decisions.



Studies have shown that strong social capital is linked to higher value for the firm. It will allow organizations to have good relationships with employees, customers and stakeholders.

Performance management and cultural fit: Candidates must fit into the business model and corporate culture

Digitization and automation will transform the way we live, and the way we work. Some jobs will disappear, others will grow and jobs that don't even exist today will become commonplace. What is certain is that the demand for highly skilled workers will increase while the demand for employees with less education and lower skills will decrease. Top skills are not easy to find, either internally or in the marketplace, since they take a long time to develop. The right skills, plus the ability to clearly align technology to business value, will dictate how successful organizations can be.

Performance management allows employers to identify the skills most in need of development, to alert management to talent deficiencies in specific departments, to target areas where low-performing employees need improvement, and to strengthen overall skill-sets to prepare top performers for advancement. To get the best results, align your business plan and HR strategy and make sure every aspect of your talent strategy directly contributes to your overall business plan and to creating value.

Hiring good employees can be challenging. While prospective recruits may have the right skills to match the job, there are multiple characteristics beyond what's outlined on paper that will determine if an employee is right for the job. Just because a candidate has the talent to be a top performer in a role doesn't mean he or she is a good fit for a company's organizational culture. Using communications that enable potential applicants to understand what to expect from the workplace helps companies appeal to people who not only possess top talent but also are more likely to be engaged with the organization and a good fit with other workers and the company mission.

Good interpersonal skills are a prerequisite for many positions in an organization. Employees with those skills are likely to be more productive than those with poor interpersonal skills because of their propensity to project a positive attitude and look for solutions to problems. Organizational cultures that encourage collaboration and information sharing help to grease

the wheels which improves productivity. Including in your comprehensive people strategy a well-structured recruiting and selection program helps you find and match the right people to the right jobs.

Talented employees stay because they are...



The need to engage and develop employees: The new world of work

The demographic challenge means that businesses need to ensure they understand the millennial generation (Generation Y) and are acting to attract and inspire the best of them. The unique characteristics of millennials demand a different strategic approach to the recruitment and retention of employees. The capacity to attract, retain and manage talent does no longer depend on the compensation package, but rather on the ability to share values and create a sense of belonging to an organization that offers a long-term professional development opportunity, and that has a clear conception of itself, of what it wants to be, and of how to achieve it.

According to the Embrace study, 78 percent of millennials questioned want the companies they work for to have a higher sense of purpose than just making money. They care about the environment and want their employers too as well. 86 percent believe businesses are too fixated on their own agendas and not focused enough on helping to improve society. On the other hand, working for a market leader (40 percent) or a well-established brand (33 percent) is of minor importance to them.

The hunt for talent is putting top candidates in a strong position. They will be drawn to organizations that offer an engaging, comfortable, and stimulating atmosphere that creatively blends work and life. SMEs have a significant edge over larger employers in being able to offer this kind of environment. A small company can be great for flexibility because there are much fewer rules and regulations to work around.

Attracting and motivating employees with limited resources can be accomplished by making changes in a number of areas, including payment structure, methods of showing appreciation, work schedules, career opportunities, and mentoring. The types of methods chosen depend on the circumstances of the individual company, but many options cost SMEs nothing and yield effective results.

How to make talent management a leadership priority

Organizations need to make talent management and employee development a top priority. Business leaders must actively engage in the employee development process and hold themselves accountable for attracting and developing talent beyond the leadership levels. The way we work, and the skills needed to manage our teams are changing. Effective coaching and leadership training can make managers aware of:

- the importance of talent management as a key to business success
- their role as talent scout
- the skills and competencies their employees need to succeed
- how to select the best candidates
- the importance of training and development in the workplace

Great teams are about personalities and skills. The experts at MFB Resultants develop and implement innovative and sustainable HR strategies for businesses. The focus is on increasing the effectiveness and operational efficiency of the HR function so that it delivers real value in achieving company goals.