FUTURE PROOFING PUBLIC SECTOR HUMAN CAPITAL

The reality of the public sector today is that it is assessed by the efficiency of its service delivery. No longer is the effectiveness of the public sector measured by the revenue it generates or the employment it provides...'
R Chandrashekhar, Additional Secretary, eGovernance, Government of India

Content

- **The new business landscape**
- **Challengers & Expectation on Public Sector Managers**
- **Future Proofing Public Sector Managers**

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The New Business Realities....

Welcome to the VUCA World

V

Volatility

Events of unexpected occurrence and duration that disrupts systems and norms

U

Uncertainty

Events with unclear short-term and medium-term consequences

C

Complexity

Events and issues which features and interrelations are hard to understand

A

Ambiguity

Events and issues marked by contested, hidden, and inconsistent information

The First Industrial Age

STEAM POWER

STEEL

ELECTRICITY

Provide platform for Industrial Corporate Model

The Next Industrial Age

SOCIAL, MOBILE, CLOUD, ANALYTICS

AI, COGNITIVE, ROBOTICS

BIG DATA, AUTOMATION

Laying Foundations for the Knowledge Corporate Model

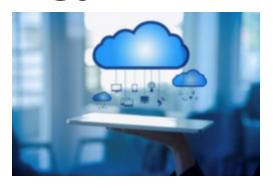# Proliferation of Technology

Social, Mobile, Analytics & Cloud

Creating new standards of engagement, collaboration and networking

Artificial Intelligence, Cognitive and Robotics

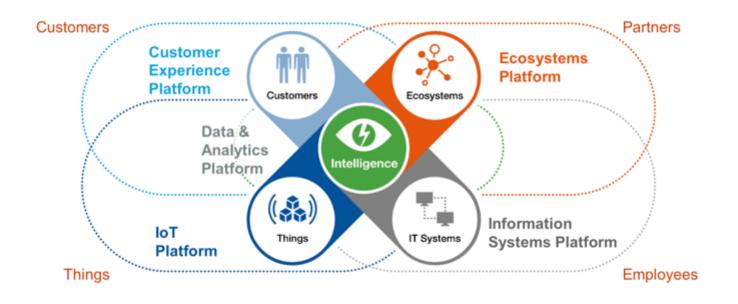Massive impact on workflow, automation and mass personalization

Big Data & Automation

Ability to process multivariable algorithms resulting in accurate predictability, forecasting and scenario analysis

Learning to scale, reason with purpose and interact with citizens naturally!

Government-As-A-Platform

Source: Gartner

Goodbye Old Friend

And thanks for the fading memories

The New York Times
New York Thursday April 20th 2017
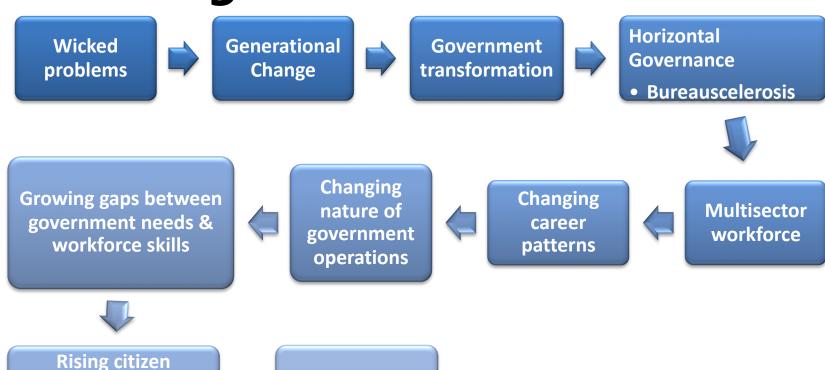
WE'RE SOR

TRUMP

BORDERS
GOING OUT OF BUSINESS

Checkpoint

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Challenges in the Public Sector

```
Wicked problems  →  Generational Change  →  Government transformation  →  Horizontal Governance
                                                                            • Bureausclerosis
                                                                                    ↓
Growing gaps between government needs & workforce skills  ←  Changing nature of government operations  ←  Changing career patterns  ←  Multisector workforce
        ↓
Rising citizen expectations and declining trust in government  →  Fiscal uncertainties
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Public Sector Challenges

Wicked Problems

More of society's problems are increasingly complex and interconnected, and many citizens increasingly look to government to solve them. Several decades ago, cybersecurity was a non-issue. Today, in a globally networked world, an intrusion can appear in an instant from any direction and demand an instantaneous response. Financial regulation is increasingly a global puzzle, in a world where financial markets are always open somewhere. Domestic issues such as poverty, inequality, and health care increasingly stretch across multiple sectors. Any problem anywhere can quickly become a wicked problem everywhere. The government needs employees capable of addressing such wicked problems. Most of these problems have no easy solutions—and all effective solutions are complex, reaching across boundaries among federal & local agencies, levels of government, sectors of society and, indeed, a globalized world.

Generational Challenge

The nation faces an unprecedented generational shift in the labour force, which has profound implications for the government and its public service. Millennials already comprise the largest segment of that labour force, but the government has challenges in attracting them to its ranks. Without careful management of turnover and the hiring of new employees, agencies can find themselves without the skilled workers they need to do the people's work. The government is mostly behind the curve in adopting succession planning—ensuring talent is available to fulfil important positions when incumbents leave.

Public Sector Challenges

Government Transformation

The government is on the transition to new data-driven technologies and other changes that are revolutionizing the way government's work should be performed and managed.

Horizontal governance

Many of government's most important programs require effective horizontal communication and management, yet too much of government still operates within vertical silos that hinder horizontal collaboration. The government increasingly suffers from what we call an advanced case of bureausclerosis, caused by increasing administrative layers and walls between policymakers and the administrators charged with carrying out policy.

Public Sector Challenges

Multi-sector workforce

To accomplish its various missions, the government must manage human capital that is increasingly multi-sectoral in nature, stretched across multiple levels of government as well as the private and non-profit sectors. This broader conceptualization of human capital is essential to the success of government programs, but melding it into an effective system presents enormous challenges.

Changing career patterns.

The current civil service was created to foster the selection of skilled employees who would rise through the ranks and spend their entire careers in government service. Expected career paths have fundamentally changed since then. A recent survey found that one-third of millennials in the federal workforce intended to leave government to look for another job, and almost half of those anticipated leaving within one to three years.

Public Sector Challenges

Changing nature of government occupations

Over time, as the nature of government has changed, so too has the nature of those who do its work and the work they have to do. Since the mid-1970s, blue-collar and clerical positions in the government have dramatically declined; in part because of more contracting out of front-line work and in part because of changing technology . In contrast, administrative and professional positions have dramatically increased, because of technology and because more federal employees are managing programs through the multi-sector workforce.

Growing gap between government's needs and its workforce.

Some jobs in government agencies are so important that failing to fill them—and ensuring they are filled by employees with effective skills and strong motivation—risks undermining government performance.

Serious gaps between the skills agencies needed and the skills they had on board.

Public Sector Challenges

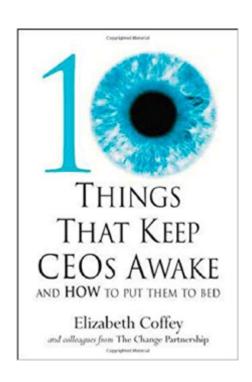## Rising citizens' expectations and declining trust in government.

As citizens encounter the digital age in their everyday lives, from instantaneous electronic delivery of new books to front-door delivery of ready-to-cook meals, their expectations of government have risen as well. Government cannot hope to maintain the support of its citizens if there is a gap between its service technologies and what citizens experience elsewhere. While citizen's expectations are rising, their trust in government is low and declining.
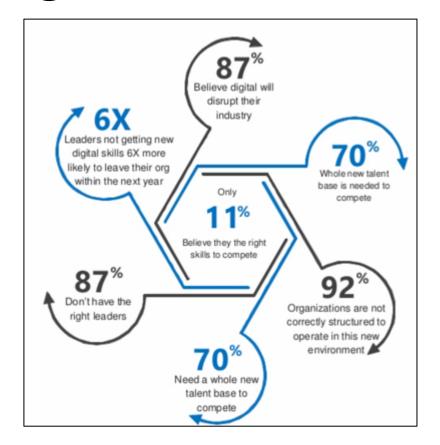
Fiscal Uncertainty

The nation faces an ongoing fiscal crisis. With a growing deficit and national debt overhanging the economy indefinitely, commitments for future entitlement programs will make it very hard to shrink spending. Tight budgets are likely to shape the federal government's future for a very long time and there is little appetite for increasing taxes. Managing these financial constraints will continue to be an important element of the job of federal leaders.

Oxford Research Institute
predicts that
Up to 53 % of today's job are predicted to be gone by the next
10 years!

True?
No! They Simply Change!

What is Worrying The Business Leader

The Impact on Jobs

- Expect the role of AI, Robotics, and Automation to "increase significantly" over the next 2 years.
- Shift in jobs to services and not labours
- 47% of today's jobs will be gone in 10 years
- 41% of the workforce participates in crowd/gig economy
- Essentially all the "new jobs" created since 2008 fall into the category of "alternative work."
- Low Unemployment rates

Welcome the New Workforce

Multigenerational

Always on the move & Mobile !

Millennials

Multicultural

Robotics

The New Workforce = Man (women) + Machine. Collaborating

Impact On Workforce

Millennials make more than 50% of the workforce

Germany, Japan, and even China and the USA will soon have negative population growth

41% of the workforce in the USA is contingent workers, growing @1% annually

Millennial Expectations

Long term is less than 2 years. Normal is 7 months

Job Hopping & Career Shift is new normal

Learning is the new key for retention

Their "Teammates" are the most important people at work.

Expect feedback weekly and progression annually

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The 21st Century Public Sector

Manager and Roles

Public Sector Manager
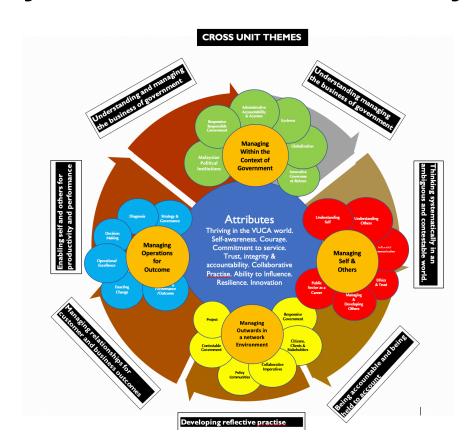
- Rule-oriented bureaucrat
- Becoming public servant by chance or through nepotism, cronyism or patronage
- Loyal to political mandates, neutral on views on policies and programmes,
- impartial in executing and administering programmes, efficient and lawful in organizing and operating her agencies.
- Derived authority from in-depth domain knowledge and legal expertise

- Story-teller – author & communicate stories of envisioned new worlds
- Resource weaver – creative usage of existing resources
- System architect – Able to continuously describe & compile coherent local systems
- Navigator- guiding citizens & services around a range of possibilities
- Commissioner – commission services and support system
- Broker – able to work closely with and on behalf of service users
- Reticulist – focuses on the development & use of collaborative networking skills
- Regulator – assesses performance against standards
- Protector – intervenes to prevent harm
- Adjudicator – makes decision on the balance of evidence
- Expert – exercise judgement in decision making

Key Skills for the 21st Century Public Sector Managers

The New Skillsets

TOP 10 SKILLS

2020	2015	
1	1	Complex problem solving
2	4	Critical thinking
3	10	Creativity
4	3	People management
5	2	Coordinating with others
6	-	Emotional intelligence
7	8	Judgement/decision making
8	7	Services orientation
9	5	Negotiation
10	-	Cognitive flexibility

Source : Future of Jobs, World Economic Forum, 2016

HIGH-SKILL WORKERS
% of total employed workers in OECD

1995		2010
22	Tertiary	32
41	Upper Secondary	44
36	Lower secondary	24

Source : The Future of Work McKinsey 2015

FUTURE OF WORK

REMAIN UNTOUCHED
Unable to be replaced by machine

COMPETELY NEW
Run faster than the machine

COLLABORATE WITH MACHINE
Run with the machine

ALL DISAPPEAR
Lost the race against the machine

Source : Digital Transformation of Industries, World Economic Forum in collaboration with Accenture, 2016

21ST CENTURY SKILLS

WAY OF THINKING

Creativity/Innovation	Decision making
Critical Thinking	Learning to learn
Problem solving	Metacognition

WAY OF WORKING
Communication
Collaboration (teamwork)

TOOL OF WOKRING
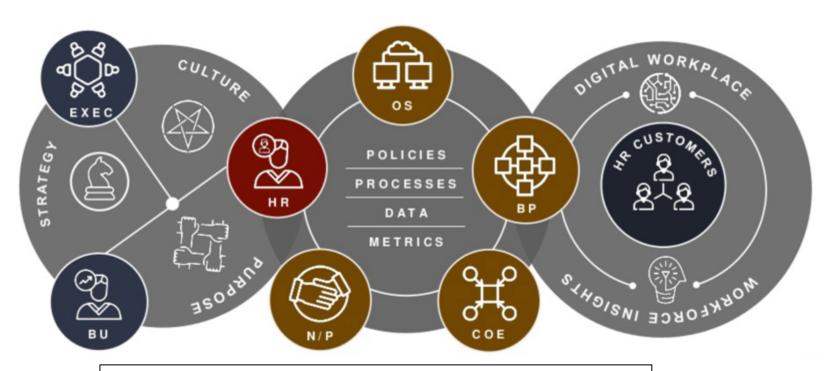Information Literacy
Information, Communication
Technology Literacy

LIVING IN THE WORLD
Citizenship (local/global)
Life and career
Personal responsibility
Social responsibility
Cultural awareness

ATC21S aim to provide clear operational definition of 21st century skill for design of innovation assessment tasks to be used in the classroom. Member of ATC21s include Australia, Finland, Singapore, UK etc.

How Can We Address the Human Capital Challenges?

Mainstream HR 2.0 Operating Model

EXEC- Executive Leadership Team.   OS – Operational Services
BU – Business Leaders   N/P – External Network & Partner
HR – HR Leadership Team
BP- Buisness Partner
COE – Center of Excellence/Expertise

Evolution of HR Core Practises

	Today	**Tomorrow**
PLAN Trend Forecast Change Leadership	Business Acumen Data Analytics & Decision Making Change Management	Strategic Business Leadership Sense Making Agile Leadership
ATTRACT Talent Sourcing Community Building	Sourcing & Recruiting Employment Job Description	Talent Leadership Building Communities of Talent Diverse Array of Personal Experiences
ALIGN Organisation & Performance Architecture	Rewards Management Managing Performance Organisation Design Leadership & Development	Rewards Personalisation Dialogue That Aligns & Drives Performance Work Driven Network Management Communities Development Boundaryless career
ENGAGE Culture & Community Activism	Employment Brand Organisation Development Employee Engagement Team Collaboration Corporate Social Responsibility	Employee Experience Culture Orchestration Communities Engagement Purpose Meaning
BASE Operational Excellence	Fiduciary Governance HR Technology Management Employee Relation Contact Centre	Fiduciary Leadership Employee Technology Experience Employee Matters & Legal Compliance Employee Services

HR Transformation 1.0

HR Business Partner

- Establish relationship with customers=line/business units
- Contribute to business unit plans
- Develop organizational capabilities
- Implement HR practices
- Represent centre HR
- Log needs and coordinate HR services
- Front Office

HR Shared Services Centre

- Deliver HR services
- Manage routine processes effectively and efficiently
- Often use a single HRIS, intranet to provide basic information and call centers for specific queries
- May be outsourced
- Back-office

HR Centres of Excellence

- Create HR frameworks
- Develop & introduce strategic initiatives
- Specialised areas such as compensation & benefits, learning & Development, talent management, OD, staffing, diversity, and workforce planning
- Often depends on the business partners to roll out programs to the business

HR Transformation 2.0

Business Alignment & Outcomes

Integrated Solutions Provider

Managing Millennial Generation Workforce

New Innovative Practises & HR Infrastructure

The HR 2.0 Transformation Principles

HR must be adaptive... & Responding to Business Problems — 1

From Silo Working to Supply Chain Model — 2

Must Become Data Driven & Forward Looking" — 3

Speed, Agility & Responsiveness must match other parts of the business environment — 4

The HR 2.0 Transformation Principles

One Size Fits All is Dead, Mass Personalization is the key to success **5**

It is all about "Experience, Personal learning , Reinvention & Fun" **6**

Embrace Technology as a enabler and partner **7**

HR 2.0 as Transformation Enabler & Strategic Partner

SERVICES PROVIDER

Focus on reliable and efficient execution of core HR services including

- Payroll
- Employee data
- Record keeping
- Training administration
- Time management

Administrative Utility

FUNCTIONAL EXPERT

Focus on providing expertise in and advice on core HR disciplines

- Recruiting
- Compensation & benefit
- Learning and development
- Performance management
- Labour relation
- Mobility

Functional Expertise

TRANSFORMATION ENABLER

Understand the business transformation requirement and how they will affect people and the organization

Assess HR's capability and capacity to response in each HR disciplines and address any gap

Mobilize HR resources and operate in an agile mode to support the transformation

HR Strategy

STRATEGIC PARTNER

Be "at the table" for senior leadership discussion and help shape transformation strategy

Frame and raise strategic people and organization issue and priorities

Share perspectives on how to set up transformation initiatives for success

Adapt the HR operating model to enable HR to engage with the business transformation as a strategic partner

HR Outside/In

HR 2.0 Roles Redefined

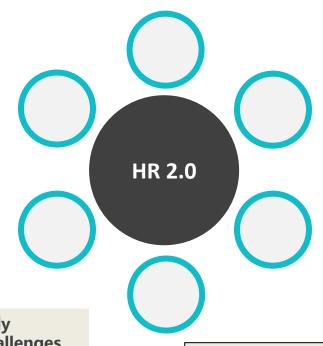|	Traditional	Current
ORGANIZATIONAL PERFORMANCE ENGINEER	Organisational Design Total Rewards Management Performance Management Organisational Training & Development	Expert at new way of working including virtual teams effectiveness Work driven network manager & optimizer of work across a diverse pool of talent Social network analyzer & expert Deal-maker including mass customization of incentives and reward and ongoing dialogue that drive performance Developer of team & workforce capability
CULTURE ARCHITECT & COMMUNITY ACTIVIST	Employment brand Employment Engagement Culture Steward Corporate Social Responsibility	Culture advocate & brand builder, unlocking employee as brand ambassadors Connector of employee purpose to company purpose Orchestrator of shared values across company and community boundaries Social responsibility champion and activist – influencer for shaping or adding policies and laws supporting a new world of work
GLOBAL TALENT SCOUT, CONVENER & COACH	Sourcing & Recruitment Career Paths F/time employees Vs Contractor	Talent scout & relationship builder Developer of communities of talent/boundaryless careers Nurturer of diverse personal experiences, trusted talent advisor and whole life coach Talent platform and contract manager Advocate for diversity & inclusion as a key driver of success diverse
TREND FORECASTER & TECHNOLOGY INTEGRATOR	Business Acumen Data Analysis HR Technology Management	Organisational Design Total Rewards Management Performance Management Organisational Training & Development

HR 2.0: Innovative Practices

Personalised management of employees based on their motivation profiles will increase

Talent acquisition platform manages employee referrals, internal mobility and empower branding in one solution power with predictive intelligence, process automation & real-time dashboard.

Performance assessment, feedback & coaching will become real-time, resolving issues quickly

HR 2.0

Workforce planning will become continuous, collaborative, analytics driven instead of annual exercise.

Data will proactively forecast people challenges, issues and trends so damage control can be done before event for effective talent management

Simulation & Gamification for assessing the "best fit"

HR 2.0: Innovative Practices
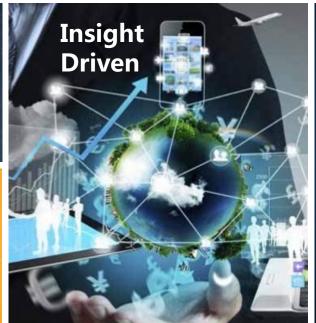
Compensation adjustment decisions will be based on maximum impact-maximum pay

Recognition will become data driven. Metrics for recognition will emerge based on company value and behavioural drivers

HR 2.0

Learning will be more of anytime & anywhere. Massive Open Online Courses (MOOC), Simulation, Gamification Driven Embedded and Intelligent Learning

Career mobility will assume "network" shape rather than vertical growth

Leadership assessment and development will be more real time data based than core psychological model based

Transactional HR activities will be outsourced to service providers or driven by self service platforms

AGILE

Digital HR

HR

Insight Driven

New World of Work

Global Scale

The New HR to Navigate through Disruptive Environment

Opportunities

Partnership

Partnerships can also increase opportunities for employees to gain and learn from new experiences. The need to increase opportunities for government employees to work outside the federal government; gain experience, knowledge, and skills; and then return to apply their new knowledge and skills to their government work

Performance Management

Organizations have shifted from focusing on a formal, annual rating or ranking process to an iterative coaching and feedback process that is more informal and frequent

Technology & Data

The value of harnessing available data to inform decision-making around strategic investments and talent management solutions that address workforce needs, trends, and gaps

Learning & Development

Employees' perceptions of learning and career growth opportunities (or lack thereof) have emerged as a major retention factor, along with the conventional wisdom of satisfaction

Engagement

Employee engagement is essential to any change effort that impacts the workforce Organizations cannot merely inform employees of impending changes; leaders and managers should communicate early and often, listen to the people who do the work, and invite employees o be actively involved in designing the solution

Thank You!