



Machine Generated Transcript of Vlog Summary by Cindy Lu on
The Future CPO Research Report by Willis Towers Watson

- Speaker 1: [00:00](#) Hey there, it's Cindy Lu here. So today we are doing a summary of a 44 page report called the future chief people officer. Why empowered HR leaders are the key to growth in the new world of work by Willis towers Watson. So in this summary we're going to share with you some surprising discrepancies between how chief people officers and CEOs view some of the most important critical areas for growth and then what you can do, right? So then they give five pivot points or calls to action and what you can do to ensure your organization's survival in the future. All right, so without further ado, let's jump in. Actually, one last thing. We have the audio version. In case you're driving and you want to listen to it, you can download the audio version with the link below. All right, see you inside. Well, let's towers Watson surveyed 500 plus C suite executives ranging from chief people officers to CEOs and board members to help guide senior leaders to better understand how the rapid changes in tech and tech, democratization of work is expanding the chief people officer's role.
- Speaker 1: [01:09](#) And what steps they can take. As we all know, the speed of change is exponential and according to the world economic forum, 75 million jobs will be displaced by year 2020 which is now and 133 million new jobs will be created due to advances in technology. 94% of all senior HR leaders agree that CPOs need different skills and development primarily in three different areas. Number one, digital business acumen to learning and re-skilling and three data science. Yet only 35% survey. Believe that chief people officers are prepared to respond to this future complexity. The authors recommended five pivot points or calls to action for the CPO and senior executive. All right, so I'm going to run through all five of them real quickly and then we're going to go back through and deep dive into each one a little bit more with stories as well as more data.
- Speaker 1: [02:09](#) So the first one is to push boundaries in order to power organizational agility. Number two is around developing digital acumen to understand how tech skills fit into the workplace.



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Number three is focused on embracing perpetual work. Re-Invention four is to rethink culture and leadership. And finally five is on elevating HR decision science to move from anecdotal to evidence-based thinking. All right, so back again to the first one, which is to push boundaries in order to power organizational Agility. And what they mean by this is HR has an important role to enable agility throughout the organization as well as the HR function. And to do this, HR executives will need to drive new while continuing to support HR'S core activities. As an example, they shared the case of a multinational company that organizes their HR team in three groups. A third of the group focuses on traditional HR activities such as payroll benefits and ER type issues.

Speaker 1: [03:17](#)

Another third, of their time between operational work and agile business teams. And the last is solely focused on solving high priority business issues or looking at new opportunities. I'm sure this is easier said than done and many of you are probably thinking there's no way I'm getting budget for that many people to do non-core HR work. We understand this is the reality of HR functions today. And so recently we actually brought in an instructor to talk to our HR circle group. And Billy Parsons is the chief HR officer of U S dermatology partners and he recorded a great session on how to streamline the HR function really so that you can work on these strategic business issues and,,e able to respond to some of the opportunities to come up to help advance the business. So back to the survey, mn their survey there was some interesting findings about how there's a huge gap between business leaders, how business leaders view the progress being made in certain key development areas versus HR.

Speaker 1: [04:29](#)

And in all three of these examples, the chief people officer rated the progress much lower than the CEO. So the three areas are, number one, embracing technology that builds consumer like experiences for employees. And now we're talking about you know, an Amazon type experience for our employees to moving from episodic training to perpetual re-skilling. So going from you know, classroom or you know, long webinars to ubasically perpetual, reskilling and training and ,ust in type type of training, three, ading with data-driven analytics. The other interesting finding and their survey is where the chief people officers will



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come from in the future. So you know, are they going to come up through HR, will they come from the business side? And in the survey, 91% of HR leaders said that the future chief people officer would come from HR. And um, nversely, only 75% of board members said that the future chief people officer would come from HR.

Speaker 1: [05:38](#) So we've got a little work to do here from a branding perspective with the board, I'm in the same section. They talked about making performance management more about collaborative performance and that companies that value and promote collaboration are five times more likely to be high performing than those who don't. And how organizations need to adapt the reward systems to promote the behavior needed. For example, if team collaboration is essential to success, an organization might eliminate individual bonuses and instead deliver rewards based on team achievements. Another finding was that only 49% of chief people officers thought that their organization's progress in keeping with the pace of change was favorable. And uthe root cause of it they found is that there's,ua problem with support from senior leadership and organizational support as well as really a lack of appetite for change. The author's recommendation is that CPOs have the courage to act with speed and prioritize rapid experimentation over promise of certainty.

Speaker 1: [06:51](#) In order to have courage, you need support of the C suite and board. And to get that support, you need business acumen to influence. In fact, 50% said that this is a very important skill for future chief people officers onto the second pivot and that one is around developing digital acumen to understand how tech skills fit into the workplace. They stated that 85% of the jobs that will exist in 2030 haven't even been invented yet. And that chief people, officers don't need to be technology experts, but must understand how tech skills fit into organizations and how changing technology can impact the workforce. Understanding how to apply digital technology and automation in the workforce is critical. But only 35% of the CPO surveyed said that they were prepared to think about how technology can be used to execute work in the future. They had four recommendations around acquiring digital acumen, one digital rotation, so embed digital talent into HR or giving HR leaders the opportunity to



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work in other digitally led functions, build external partnerships with thought leaders.

Speaker 1: [08:08](#) Experiential learning meaning embed that digital innovation into everyday problem solving. Identify where to augment processes with digital solutions to reduce costs or increase productivity and satisfaction. And you know, there's a couple of others that come to mind. First one is I like getting notifications about, from tech Republic. It's a, u,site that has a lot of different information about tax. Sometimes it gets really techie, but they have some good information for non HR or non technology leaders, ,a a fairly high level. And just reading, u,me of their articles helps you kind of stay up to speed on what's the latest and greatest, greatest in tech. In addition, in a recent HR mastermind, we had the CIO of Texas instruments come in and speak to us about human capital challenges from a CIO, his perspective. And you know, the unique thing about, Ellen Barker who was the CIO at TEI, is that her background is not from technology.

Speaker 1: [09:13](#) She can't actually came up through finance. So she talked about having lunch and learns when she was first starting and the lunch and learns were where she invited her direct reports in to help her better understand technology. So I think taking some of the tech folks out to lunch would be a great investment of your time. All right, onto the third pivot point, which is to embrace perpetual work invention. They said that by 2022, which is two years away, no less than 54% of all employees will require significant re and up-skilling. The chief people officer will orchestrate how to get work done with that best combination of people and automation. And make continuous learning and re-skilling a core component of the new employee value proposition that talks about how in this new skill economy we need to shift from matching talent to jobs to matching skills to tasks.

Speaker 1: [10:15](#) So repeat that. We need to shift from matching talent to jobs to matching skills to tasks. It's really interesting because as a reflect back on a professional services firm I used to work for, we were very efficient at matching skills to client projects. This was a huge key in our really amazing gross profit margins. And that business being able to and results right in the quality of the



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results for the client. It was be able to match the right skills. And we would have, we had a actually a dedicated resource who would determine who would go on what project for how many hours and what kind of results they needed to deliver for that client or that team. Sometimes it was a person matched up to the job really just for maybe five or 10 hours for their specific skillset. And those combination of skills really produced amazing results for our clients.

Speaker 1: [11:14](#) I think that the consulting firms have been really doing this for a long time. Or even if you look at advertising agencies, they have traffic managers who are pulling people on and off projects for different clients. And, but this is not necessarily a role I've seen in traditional HR departments ,for, more,ul guess non consulting related businesses. All right. So they also recommended embedded embedding, learning into daily work. A lot of just in time or micro learning for example, or maybe peer to peer training or having some extended rotations into other functions versus episodic type of training. There's been such a big focus on AI and robotics replacing entire jobs, but there's a bigger issue when the nature of work changes and requires continuous reinvention. They gave an example for the legal profession where AI plays a role in identifying risks and issues in contract reviews and helping to eliminate human error.

Speaker 1: [12:20](#) And what this means is it reduces the time spent on the contract work and, and frees the attorney up to take on work that requires more human touch, such as negotiations or advising the clients. So you may find that some of the attorneys who really like sitting behind their desk and doing contract negotiations may not like the new world where most of that is taken care of with AI and their job is getting in front of customers or clients. They shared that 94% surveyed believe that it would be a priority to move from episodic training to perpetual reskilling. Yet only 18, 18% were prepared to rescale the workforce. They stated some of the barriers to re-skilling were number one time constraints and how to fit the training in on top of their day to day workload. when I think of this example, I think of how well the consulting firms do this.

Speaker 1: [13:17](#) In the past, a firm that I worked at, we built this time right into the hours of the consultants to make sure that they had



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dedicated training hours or non billable hours each week. It and you know, it becomes a self fulfilling prophecy because when your employees or consultants are better trained, they can accommodate better, they'll rates and as a result you can support more training. It can also go the other way when you don't continue to rescale your employees and their skills are reduced or no longer relevant. The clients don't need it or they are not willing to pay right for the higher level skills. And then it's a race to the bottom. The second area is not having financial and leadership support to focus on re-skilling investments. And you know, this point is really amazing to me and how many millions of dollars companies are willing to pay for executive search firms versus making the investment into their employees and keeping turnover down.

Speaker 1: [14:18](#)

It just seems like so many companies are in a hurry and they're behind the eight ball when it comes to succession planning and career pathing. The third point they made as it related to challenges with re-skilling is the lack of adaptability within the organization to make re-skilling your priority, including accountability measures among employees and managers. Once again, in their survey, they found a big discrepancy in the organization's progress on moving from episodic training to perpetual re-skilling. the difference between the viewpoint of the CPO versus the viewpoint of a CEO. So in this example, they share that 31% of the CPOs, felt that they had a favorable rating on how the organization was doing, moving from episodic training to perpetual re-skilling versus the CEO at 51%. So it's clear CEOs don't appreciate the extent of the challenge. They recommend the following levers to prepare the chief people officer to meet urgent needs for continuous learning.

Speaker 1: [15:33](#)

Number one, stop thinking about head count and start thinking about skill pools and revisit your build versus buy strategy related to talent to continuous learning must be built into the business plan and integrated into every day activity. So as an example, I heard that there's a large Coca Cola bottling plant that or bottler that embeds their training right into Salesforce where their people spend all of their time during the day. Three, they'll talent pools for future the future, whether it's starting in high school, and college to gig workers or partnering with other organizations with special knowledge. Either way, the chief



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people officer needs to have a diverse and wide network. Number four, ensure continuous learning is part of the employee value proposition. For example, they're seeing more and more startups hiring directors of talent. And this is traditionally not a role that you've seen in a startup.

Speaker 1: [16:32](#)

However, many are seeing ROI from these types of investments. They also talked about creating learning paths by leveraging outside resources. And I recently watched an udemy course that showed how Cisco's L and D function transformed and how they really become more of a procurement function,,or the courses versus, developing all the coursework in house because they're finding that they can get this information, ,much faster or better. With special experts who are putting this together. Of course, there's some of the information that has to be developed internally when it related to culture and, and whatnot. But for the most part, they're finding that, there's transitioning their staff who are procuring great content. All right. So the fourth pivot point is to rethink culture and leadership. You know, with this , global multigenerational environment where there's free agents and Alliance partners, we need to lead in a nonhierarchical way that empowers frontline talent to drive innovation and solve problems.

Speaker 1: [17:42](#)

They talked a lot about culture and how one in five employees actually left their job due to poor workplace culture in the U S this costs us companies \$223 billion and leaders need to really think about how to prioritize culture with the thought of inclusivity. They talked about how HR leaders are rethinking culture and a more expansive view of inclusion and leadership. 97% agreed that it's important for HR to use culture to enable the organization. This hierarchical command and control top down leadership from the industrial revolution has lost its relevance because the world we work in is distributed globally and includes not just employees but free agents and gig workers and Alliance partners and the demand to automate, innovate and make decisions quickly coupled with the talent, wanting less structure or less directive communication and flexible work environments with personal development and to work for an organization with purpose to meet the need to continuously innovate with speed.



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- Speaker 1: [18:56](#) Organizations are adopting flatter organizations and pushing decision making to the front lines. So having talent on the front lines who are empowered to act as leaders is so critical today that a great quote from the CHR of Unilever, Lenna Nair, and she stated in a fluid organization what binds people together is culture. In other words, culture is the new structure. I thought this was awesome. Once again, 96% of the C suite and Katie indicated that culture work is a critical component of chief people officer's role. However, when asked about their company's progress and using culture to enable the organization, 79% of the CEOs had a favorable view versus only 49% of CPOs had a favorable view. So clearly this is a gap that needs to be addressed. Not an easy task, sort of like calling the CEO's baby ugly, especially when it comes to culture. It certainly will take some courage to have this conversation and that reminds me that we recently had a another guest instructor in our HR circle group, the chief people officer of Jack Henry and associates Tiffany Haynes come and record a session on how to build that corporate courage muscle.
- Speaker 1: [20:17](#) In addition, in our mastermind group, Tony Bridwell, chief people officer of Ryan LLC also addressed our group on the topic of corporate courage. We all know there's a huge risk of not getting culture and leadership right. You just won't be able to attract and retain top talent in order to accelerate innovation. Here are some of the authors suggestions. Number one, chief people officer must make it a business imperative to create an culture. In fact, they had a really cool statistic around inclusivity as it relates to gender equality and how organizations that prioritize gender equality innovate six times higher than their peers that don't. Their second suggestion was senior leaders must live their values and role model their own behaviors. Third, organizations need to address bias. If bias is left unaddressed, there's a ripple effect on decisions related to recruitment, performance management, promotion succession planning, innovation and team structures forth empower leaders on the front line and make it safe to take risks and test new ideas.
- Speaker 1: [21:31](#) This is the only way to have an innovative workforce to solve problems and create value in a new way. They talked about assessing your employee value proposition and how companies



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with a formal EVP program are three times as likely to say employees are engaged versus those who don't. All right, so we're on to the fifth and final pivot. All right, so before we jump into our final pivot, I wanted to let you know that this summary is being sponsored by our HR mastermind peer boards. So if you haven't heard about our HR mastermind pure boards and you'd like to learn more about how to connect and drive results for your organization by leveraging a group of a major amazing thought leaders, feel free to shoot me a note back and contact me and we'll get some time on a calendar or check out our website: www.chropartners.com all right, so the final pivot point is about elevating HR decision science to move from more anecdotal to evidence-based thinking.

Speaker 1: [22:36](#)

There's surveys show that only about 20% of the organizations have the capability to apply predictive analytics to important people issues. Without decisions science, HR will have no visibility into financial or strategic impact of people investments. They shared how McKinsey estimates organization using HR analytics could realize an increase of 275 basis points in profit margin by 2025 they showed financial impact of turnover as a percent of annual compensation ranging from 48% to 74% at the senior executive levels. This number actually strikes me as kind of low compared to historical numbers of three times salary. Either way, it's a lot of money. They gave examples of how to use predictive analytics to rank employees based on flight risk. As well as using personalization with AI algorithms to serve up training. Like Netflix might recommend a movie to you. We all know how important it is to be able to have data to support our business cases.

Speaker 1: [23:46](#)

Yet they said only 8% of companies surveyed stated they have a complete strategically relevant global data-set to use and only 31% have people who can translate data into meaningful insights. They shared some valuable insights from us focus group on the most important data insights and it started with understanding and preventing turnover. That makes a lot of sense. Given that in today's environment, the CEO's top internal challenge or issues are around attraction and retention. Secondly, data that will help HR collaborate with P and L leaders to really understand and drive results and growth. They talked about providing insight as to where and how to personalize



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employee experience such as, you know, crafting benefit packages or serving up, you know, training suggestions. You know, I recently heard the head of Google people analytics speak about how they get no additional useful information after about four interviews with candidates.

Speaker 1: [24:55](#)

And so they've been able to leverage this data to create a better candidate experience and use it to drive change within the organization. Instead of the candidate going through 16 interviews, they have found that they really don't get any additional useful information to make a good hiring decision. After four interviews, the authors recommended the following steps to help guide the way to embrace an evidence based approach to decision making. One align with business objectives to build data science capabilities. Three, focused on human element to understand why people think and feel and act the way they do. Because data alone can misguide decisions for focus on outcomes and experiences with integrated platforms, for example, leveraging finance, it and HR, and finally deliver personalization. All right. So in addition to this summary, we also have coming up a summary about people analytics by Josh Berson, which we'll dive a little bit deeper into this topic and what HR leaders need to know about people analytics.

Speaker 1: [26:08](#)

And just as a side note the big HR event, this year's topic will be around people analytics. All right, so there you have it. I hope you found this to be a good use of your time and saved you some time. but if you're interested in the, full 44 page report, I have a link to the wills towers, web op Willis towers Watson website, below. In addition, a quick reminder of our sponsor, the HR mastermind peer advisory boards. So if you haven't signed up or talk to me about this, feel free to give me a call. This is by invitation only. You can reach me at two, six, two, six, one seven, one three, five, three. Or feel free to shoot me a note back and we'll get some time on the calendar. All right, make it a great day.