We’re in the midst of a major transformation for our global workplace – from the industrial era to the information era to today, the human era. Today, the real measure of a valuable worker isn’t just their hands or brains, but also their heart – their commitment to a company and its values. The top-down hierarchical approach is a dying legacy of the industrial era. As such, the shift away from the industrial age of HR to the human era necessitates more human-centric approaches at work that take advantage of the way people work today, around peer-to-peer connections, organizational communities, and teams.

Forward-leaning organizations have long foreseen the human revolution in HR – the perfect storm of fundamental changes in our workforce combined with technologies and data analytics to empower our HR leaders and our people. At the forefront of these seismic changes is the dismantling of old HR processes. The pillars of Human Capital Management are truly crumbling.

From performance reviews to performance ratings to pay to managerial styles, forward-thinking organizations are looking past the old way of thinking and building new ways to empower and inspire the modern workforce to achieve its fullest potential. And it starts with a workplace where it is not just about tracking what gets done but also how it gets done. It’s not about asking how to get more from employees. Rather, how to give more – to provide a more human employee experience that strengthens connections between people and teams, and, ultimately, drives stronger employee and company performance.

As we look ahead to the future of HR, these six trends are catalysts toward the new way of thinking – and the opportunity for HR leaders to become the leaders and champions of change that will optimize the employee experience and catapult organizations toward long-term, sustained growth and more human workplaces.

1) CONTINUOUS CONVERSATIONS AND FEEDBACK

Performance management needs a revolution, not an evolution. Annual performance reviews are an outdated model – a relic of old HR processes. HR is moving toward continuous conversations. These ongoing “check-ins” align employees behind organization priorities – and the strengths each employee exhibits to meet those goals. Built within the conversations is employee feedback. Today’s feedback is becoming multidimensional – with a three-part scale from consider to continue to celebrate. There will always be the need for constructive feedback to help guide employees. But the heavier concentration for feedback should veer toward the positive, celebratory side of the spectrum, which is the proven way to elevate performance and meet employees’ higher-level needs.

Crowdsourced recognition is a critical component of that positive feedback – empowering the entire company to recognize great achievements and behaviors. Positive feedback also builds trust between people, and opens the door for peers and managers to have those honest, developmental conversations. The end result is managers now have values-based data points throughout the year to reinforce the type of performance the company seeks. It turns performance management into a more frequent, ongoing, and more natural, human exercise – building trust with organizational leaders and optimizing performance.
2) CROWDSOURCED REWARD AND PAY

HR is heading toward re-architecting of pay, a practice long grounded in archaic practices not aligned to a company’s structure and power centers. The future is variable pay. If you take the distribution of performance in a forward-leaning company and link it to incentives, variable pay and bonuses are migrating toward high-performance, high-potential people.

The new model is a power curve. If you think of variable pay as 10 percent of compensation, 8 percent is going to the top 20 percent of employees via bonuses and incentive programs (with some of this bleeding in “the mighty middle”).

3) TEAM ENGAGEMENT

When people are part of a winning, performance-driven team, stronger results and connections within a company occur. Team engagement is a critical component of the employee experience, higher in importance than company engagement. Today’s companies are a series of teams – where the work happens on a daily basis and where the strongest employee connections are built. The working team is the focus (not the hierarchal chart). By uncovering and recognizing individual strengths, the team is more empowered and efficient as people are able to thrive with their personal skills, abilities, and social connection with each other. This allows the crowd to illustrate how and where work is done – and where managers and leaders should focus to maximize productivity and performance.

4) INDIVIDUALIZATION

Each employee is at the center of their journey with the company. New technologies are enabling HR processes and functions to be centered around each individual employee. These personalized apps can create an experience that focuses on an employee’s own cycles, projects, and milestones/service anniversaries with the company. This brings an employee’s uniqueness and needs to the forefront, using technology to create a better human connection and relevance to the employee experience. And research shows that driving a positive employee experience results in stronger business results. According to the Employee Experience Index from IBM Smarter Workforce Institute, a positive employee experience is linked to better performance, greater discretionary effort, and intent to stay at a company.

5) THE NEW ROLE OF A COACH

The role of the manager is fundamentally changing from command and control to inspire and empower. Decades of research have long proven the need for managers and leaders to provide higher levels of empathy toward employees – with the aim to develop and grow their skills and strengths. Forward-thinking companies around the world are driving this shift toward contemporary management. It’s moving toward a more human approach where managers become mentors to their people and teams – to coach, teach, and guide. It empowers people to become less dependent on their manager and aspire to develop new skills. It’s also the underlying foundation to make continuous conversations and feedback possible – the human element and interaction that gives meaning to words and meaning to work.

6) HR AS CULTURE FACILITATOR

The megatrends re-shaping business and management puts HR in the position as coach to the entire organization. HR as the facilitator of the culture becomes the enabler to drive a more human workplace and positive employee experience, breaking down past bureaucracies. These shifts can only be successful with widespread adoption and a philosophical shift within an organization.

Progress is only possible with a new mindset. To lead with empathy, not fear. To move ahead and allow employees to explore new game-changing ideas. Many companies are shifting to a “fail fast” approach – a lean organization that drives continual, incremental wins. This approach gives employees more empowerment and autonomy to align their work endeavors toward ideas and projects that can fundamentally change a company’s upward trajectory. Crowdsourced recognition provides employees with the right level of ongoing positive feedback and reward to drive a new culture of innovation.

As HR forges ahead, there is a great opportunity to measure and enrich workplaces with a more positive employee experience. Today’s global organizations are a diverse mix of gender, ethnicities, age, thinking, and personality types. The need to build a positive, inclusive, and more human workplace where people feel a sense of belonging has never been more important. It’s critical for companies to value that each person has an individual identity. By empowering and recognizing the richness of people’s backgrounds and diversity of thought, companies can benefit from their individual strengths. When a person brings their whole self to work, they feel more respected, empowered, and inspired. And that in turn, will drive companies to new heights.