

How to Stay Ahead in the Business World using Smart HR

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“We are at the beginning of a revolution that is fundamentally changing the way we live, work, and relate to one another. There has never been a time of greater promise or greater peril” Professor Klaus Schwab (2018). It’s fascinating how the industry has evolved: from the first *industrial revolution* in the late 18th century to the third one starting in the mid-20th century, powered by new information technology and automation. Currently, we are now in the *fourth industrial revolution (Industry 4.0)*, an era of artificial intelligence (AI) and the Internet of Things (IoT). Digitization is advancing at such a swift pace that organizations must be prepared for the various changes that technology poses. The human resources field is no exception and because of this human-resource professionals have an important role to play as they assist organizations in the new world of the fourth industrial revolution.

Before delving into *smart hr 4.0* it is important that explain what *industry 4.0* is all about. *Industry 4.0* refers to a new era in the industrial revolution that focuses immensely on interconnectivity, automation, machine learning, and real-time data. *Industry 4.0*, combines variables and processes such as internet of things (IoT) or smart manufacturing, combining physical production and operations with artificial intelligence (smart digital technology, machine learning, and big data) to create a more holistic and better-connected ecosystem for companies that specialize in manufacturing and supply chain management. In as many organizations are operate differently, they all face a common challenge which is the need for connectedness and access to real-time insights across processes, products, people, and partners. This is where *industry 4.0* comes into play. Therefore, *industry 4.0* is not just about investing in new technology and tools to improve manufacturing efficiency—it is also about revolutionizing the way your entire organization or company operates and grows.

At the same time, *industry 4.0* comes with a major challenge. In a detailed study by the WEF called “The Future of Jobs 2016”, covering 15 economies accounting for about 1.86 billion workers, or about 65 percent of the world’s workforce, a total of 7.1 million jobs will be lost between 2015 and 2020 along with a gain of 2 million jobs in new fields requiring new skills.

Thus in *industry 4.0*, organizations will require more “knowledge workers” and fewer skilled and unskilled workers. The knowledge worker will be the ones who will drive innovation and creativity. They make it possible to have the word smart as a prefix to almost anything. *Smart* farmers, *smart* small and medium-sized enterprises, *smart* medical care, *smart* buildings, and even *smart* electricity grids, to name just but a few. It becomes important that HR professionals assist organizations in creating “knowledge workers” or *smart talents*.

Previously, HR focused on personnel functions. With the advent of *industry 4.0* HR, people cannot depend only on the traditional approach. They have to transform and embrace *smart HR 4.0*. This transition to *smart HR4.0* means the following for HR professionals.

Firstly, HR professionals must be able to identify the skills needed for the industry in which their organization is operating. HR professionals must identify what skill sets the workforce and company they work for is currently lacking. Secondly, HR must become more digitally focused. To keep ahead of competitors, who are almost certainly making similar changes, HR professionals need to keep up with technological trends as well this includes adopting automated services such as balanced scorecards, HR toolkits, online driver fitness testing, and PayGenius. These are services offered by leading HR practitioners such as Industrial Psychology Consultants.

In an *industry 4.0* benchmarking exercise by D Gates (2007), they had expert interviews with leading manufacturers whereby they asked them about their capability, talent, and HR strategies concerning *industry 4.0*. It was found out that top management understood the significance of *industry 4.0* but few believed that their employees fully understood how their contributions helped drive the success of the organization. Thus better communication, education, and training will be needed in such instances and it is the role of HR to do so. Another study found out that the organization would require a successful *smart HR 4.0* strategy to cope up with the challenges of *Industry 4.0* transformation (Sivathanu & Pillai, 2018). Developing technologies such as Internet-of-Things, Big Data, and artificial intelligence will automate most of the HR processes, resulting in efficient and leaner HR teams. It was also seen that for efficient *Smart HR 4.0* implementation both organizational structure and leadership style changes would be required to allow HR departments to play a more strategic role in the overall growth of organizations.

Enter Coronavirus on the world stage

The Covid-19 coronavirus is becoming the accelerator for one of the greatest workplace transformations of our lifetime. How we work, exercise, shop, learn, communicate, and of course, where we work, will be changed forever!

The term VUCA (volatile, uncertain, complex, and ambiguous) first appeared in the media in 1987 by the Army War College (Meister, 2020). It has taken just a few weeks for the Covid-19 coronavirus to shut down most restaurants, bars, shops, and gyms, as well as a mandate or encourage 88% of workers to work from home, regardless of whether or not they are showing symptoms of coronavirus (according to Gartner), trigger hiring freezes, and, as of last week, a record of 3.3 million Americans have applied for unemployment benefits (Meister, 2020).

The coronavirus pandemic is fundamentally shifting how we live and do business and will accelerate the Fourth Industrial Revolution, fuelled by smart technologies such as Artificial Intelligence and mobile supercomputing. The Future Workplace Survey (2020) asked HR leaders, How could the Coronavirus be advantageous to your business? The findings revealed that most of the responses by HR leaders saw the coronavirus as an opportunity.

According to Meister (2020), some organizations like Amazon, SAP, Walmart, AT&T, PwC, and Guardian Life Insurance have already announced plans to re-skill large segments of their workforce, the challenge for more companies will be to go beyond designing one-off training programs. This challenge will be much bigger than anyone's program. Instead, companies will create an ecosystem devoted to creating an AI-powered skills inventory, reskilling and exploring new private partnerships with

traditional and non-traditional institutions of learning, as well as educational tech start-ups.

Welcome to the new normal of work. What is clear is none of the businesses can afford to operate as we have in the past. In the words of Shunryu Suzuki, author of Zen Mind, Beginners Mind, "In the beginner's mind, there are many possibilities, in the expert's mind, there are few." As business leaders there need to see all the possibilities, challenge perceptions, and lead this disruption of work. This is an opportunity to show how to lead in a crisis as leaders help navigate the unprecedented journey in the coming weeks and months which have come about as a result of the virus.

In conclusion, the key to succeeding today for most organizations lies in its people. Organizations will never be able to control the changes in the world but what they can control is how they can lead their people to stay ahead of these changes. Smart HR 4.0 adoption seems likely the best bet for most organizations if they want to stay ahead of the competition and beat the effects of the coronavirus on business operations.

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