

BC HRMA HR Trends Survey 2012: Key Results Briefing

Organizational Change & Re-structuring

This Research Briefing is a service from BC HRMA's research group. Our aim is to make it easier and quicker for HR professionals to find and apply the latest and best people management insight to their challenges and projects.

Summary

The results of the 2012 HR Trends Survey indicate that most organizations are continuing to operate in an environment characterized by organizational change and / or reorganization, and that HR is continuing to play a key role.

Organizational re-structuring was the top new addition to the HR function's scope. Results indicate that HR will be focused on making changes and having an impact on areas that will facilitate the organization to effectively understand, lead, and navigate change, and to respond to the changing role requirements and realities that will emerge through core areas such as: learning and development / leadership development, performance management, engagement, and recruitment / selection and succession.

Background

In February 2012 the BC Human Resources Management Association (BC HRMA) conducted its fifth annual survey of HR Trends. The survey received over 1,000 individual responses from organizations of various sizes and industries from across the province.

BC HRMA's Trends Survey provides a focused picture of the key trends and developments that will impact the HR functions and individual practitioners across the province in the year to come, providing local organizations with insight into potential economic and labour market shifts that will impact and shape their people practices.

Survey Results: Organizational Change & Re-structuring Focus

For those HR departments that had areas of responsibility added within the 12 months prior to our 2011 survey, 28% had organizational re-structuring added to their scope. For those HR departments that have had areas of responsibility added within the last 12 months, organizational re-structuring was again the most commonly reported area with 26% of organizations adding it to their scope.

| Areas Added to the HR Function's Scope: 2012 Survey Responses <i>(answers of 15% or more)</i> | |
|--|-----|
| Answer | % |
| Use of technology | 17% |
| Measurement and metrics | 17% |
| Employer branding | 19% |
| Social networking / web 2.0 | 21% |
| Strategic workforce planning | 24% |
| Organizational re-structuring | 26% |

Areas HR is Focused on & Seeking to Change

Primary areas of concern for HR departments in the next 12 months include organizational growth or contraction and economic uncertainty, as well as a focus on skill gaps and staffing. This has significant implications in terms of organizational change and re-organization which requires advanced leadership skills to be envisioned, planned and executed successfully.

| Challenges Having the Biggest Impact on HR in 2012 <i>(answers of 20% or more)</i> | |
|---|-----|
| Answer | % |
| Filling vacancies | 20% |
| Reduced operating budget | 20% |
| Organizational growth or contraction | 25% |
| Economic uncertainty / volatility | 27% |
| Gap between required skills and existing skills | 28% |
| Leadership capacity / capability | 39% |

The greatest time and / or financial investments that HR anticipates in the next 12 months focus on staffing, training and development, performance and engagement. In addition, labour relations for those organizations which are unionized.

| Largest Increase in Time or Spending in 2012 <i>(answers of over 5%)</i> | |
|---|-----|
| Answer | % |
| Succession planning | 6% |
| Engagement | 7% |
| Learning and development (excluding leadership development) | 8% |
| Performance management | 9% |
| Labour relations | 10% |
| Leadership development | 11% |
| Recruitment and selection | 16% |

Similarly, in written responses the feedback of survey participants reflects that:

- There is a need to build a better understanding of the business and the strategic direction of the organization;
- There is a need to understand and be able to facilitate change processes in the organization;
- There is a need to increase the engagement, performance and productivity of the organization;
- There is a need to build HR's training skills (e.g., facilitation, coaching, mentoring, etc.).

Implications for HR Professionals

The areas in which HR is focused and is seeking to make improvements are areas that will support the organization to understand the need for change, facilitate the change process and increase change leadership capability, enable people to respond to their new reality / requirements (performance management / training / development) and increase the ability of the organization to be well situated from a staffing perspective (present and future).

At the same time as the opportunities and challenges of organizational change and restructuring are on the agendas of HR departments, HR budgets are increasing in 30% of responding organizations, remaining stable in 40% and declining in 17%. This is important as it is critical for HR to be resourced to deal with the associated people challenges of growing or changing the organization.

To allocate time and financial resources appropriately within their current constraints, HR departments will have to:

- Have a clear understanding of the strategic direction of the organization in order to determine change requirements and facilitate change to take place effectively.
- Understand current and potential skills related to change leadership and management, and take steps to close gaps where necessary, to support the management of current and future changes in a work environment that keeps on changing.
- Continue to understand the organization's current and future workforce / leadership needs, and take action to build and acquire the skills and abilities needed to move the organization forward in a consistent direction.

Has your HR Function been through any kind of change or re-organization in the last 12 months?

- 35% - No
- 9% - No - but we do plan to change in the next 12 months
- 25% - Yes - and we plan to change again in the next 12 months
- 31% - Yes

65% of HR functions have changed in the last 12 months and / or are preparing to change in the next 12 months. While this may seem a daunting piece of data at initial glance, HR departments must take this opportunity to model effective change practices within their own function and pass on what they learn to their organizations.

We'd like to hear from you!

Tell us how the insights from this study could affect change in your organization. What practices in your organization are most in need of attention when looked at through the lens of collective felt trust? Contact us at research@bchrma.org.