E-book

Business resilience and agility: How HR leaders can empower change

How to build a stronger, more adaptable workforce

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Steering your organisation through the greatest disruption in a generation

You don't need us to tell you all the ways that COVID-19 has been an upheaval. Any HR and People leader who has stepped up to guide their organisation through one of the greatest periods of uncertainty in living memory knows that recent times have been extraordinary.

With profound disruptions and unprecedented challenges to navigate, organisations have been facing more pressure than ever to create a safe environment for their employees and to make sure they remain engaged, connected and productive, all while trying to keep costs down.

Recent changes have also acted as an unforeseen catalyst, accelerating digital transformation in many organisations, and catapulting priorities like flexible working, employee wellbeing and cloud technology to the top of the business agenda.

HR and People leaders are having to strive to find newer, more agile ways to manage their people whilst enabling the workforce to flex and align to shifting priorities, new ways of working, and adapt to today's very different world of work, with minimal disruption.

Now is the moment for HR and People leaders to embrace their newfound ownable space and drive long-awaited change, empowering agility and driving business resilience in organisations today.

This is a huge responsibility, but HR is more than equipped to rise to the challenge by discovering new and innovative ways to work, and creating a strong, resilient workforce that can overcome obstacles without being daunted.

Your challenge is to apply your learnings from times of crisis to safeguard your organisation moving forward – ensuring it's ready for whatever lies ahead.

In this eBook we'll set out how progressive and agile HR and People leaders can drive business resilience and agility across their organisations today. Are you ready to take your HR function into the post-COVID-19 era?

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Introduction

Resilience and agility: mission-critical in a post COVID-19 world
Here's a sobering thought: McKinsey & Company estimates the economic loss as a result of COVID-19 to be around $9,000 billion.

However, they also say that if businesses had collectively invested less than 0.5% of that over the last 10 years, they could have greatly minimised the impact of the pandemic.

If there's anything we've learned recently, it's that change can happen in an instant – whether it's a global pandemic, a movement for racial equality, a fast-changing political situation or even shifting market conditions in your organisation's sector – and HR leaders need to be prepared to pivot quickly.

The key is to have strategies in place that enable you to respond quickly to challenges and battle through times of hardship to emerge stronger, fitter and leaner. What's more, these strategies must always reflect the best interests of your people. As the world transitions to new ways of life and working, resilience and agility are the two key factors that will come to define the success of organisations in the future.

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Hitting reset
The global lockdown caused by the recent pandemic has, in fact, actually acted as an unforeseen catalyst, expediting some of the big changes that HR teams have sought to make for years to the top of the business agenda.

With workforces becoming increasingly remote, the priorities have shifted away from office culture towards a good work-life balance and a focus on health and wellbeing. Employees are finding themselves more empowered than ever to focus on matters that have been under the surface for many years, such as managing childcare responsibilities and dealing with the threat of burnout and exhaustion. Many of us, as HR leaders, knew this was going to happen as our organisations started to focus more on remote working — but this rate of change has accelerated dramatically.

Today's challenge, for us as HR leaders, is to continue to ensure a positive and secure future for employees, while also managing our own workloads to ensure we can continue to meet business objectives and drive success.

Building resilience and agility in organisations is integral to helping us achieve this, as it gives us the competitive edge when change happens, either internally or externally.

For proof, you need only look towards organisations that were quick to adapt to the need for remote and flexible working during lockdown. They were able to make an almost seamless transition from being office-based to home-based without it harming productivity or morale, or forcing them to realign their company values. Or you could look to those who adapted their business models entirely, such as restaurants that started operating a take-away service, retailers who shifted to an online-first model or even companies who started to manufacture their own hand sanitizers and face masks.

![Sage logo]

The changing face of HR

In 2019, Sage surveyed HR and People leaders in mid-sized organisations worldwide to gain a sense of how they were adapting to the pace of change in the digital world of work and what they were doing to keep ahead of the competition before the global pandemic. Even before COVID-19, the consensus among HR leaders was unanimous: HR is changing. Significantly. Here's what they told us.

94%
HR is transforming to People
94% of HR leaders anticipated change over the next few years but only **18%** felt they had made the transition from HR to 'People' as part of this shift already

43%
Technology used in HR is evolving
43% believed their organisation would fail to keep up with changes in technology over the next 10 years

33%
The way HR operates is evolving
Over a third (**33%**) had adopted new ways of operating, such as flexible working, and focusing on enhanced workforce experiences

86%
New HR skillsets are required
86% said they needed to address HR skills gaps in their teams

Resilience and agility explained

Every organisation needs to be agile and resilient in order to thrive and survive, but in Sage's report, The changing face of HR, just 29% of HR and People leaders said they were organised for agility one year before COVID-19 hit. Organisations and HR leaders may have been caught out by the pandemic, but they are now starting to recognise the value of resilience and agility in order to stop this happening again. So what is organisational agility, and how does it fit in with business continuity and resilience?

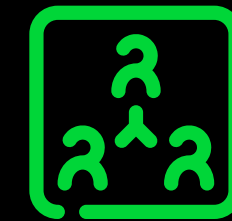**Business continuity**
Planning and preparedness

The advance planning and preparation to ensure that an organisation will have the capability to operate during emergency events. It's important for organisations to prepare not only for events that will stop functions completely, but for those that can also have the potential to adversely impact services or functions.

Agile HR
The application of Agile principles to HR

For example, working in small teams to design and deliver HR initiatives and to respond quickly to stakeholder and employee feedback in order to drive better ways of working, improve performance and deliver great employee experiences.

Business resilience
Responsiveness and flexibility

Essentially the next evolutionary phase of continuity. It not only focuses on maintaining operations in a crisis, but also on ways the business can protect themselves from threats in the first place.

HR agility
Responding quickly and nimbly to changes

Agility in HR is about being prepared to try something quickly, to learn from feedback and then adjust and iterate, including failing fast and moving on. While this can include Agile principles, it's a less formal approach that is more realistic.

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The role of HR in business resilience and agility

For HR, agility is about being quick, responsive, adaptive and able to flex through times of change, both internally and externally of the organisation. This means improving employee engagement through continuous feedback outside of annual reviews and offering agile and flexible workstyles in order to drive business resilience, while also changing policies and processes as needed, communicating changes and having accurate HR data to hand to know what and how to change.

Leaders who embrace agility create an environment where – both individually and collectively – teams will continue to move forward, regardless of what's thrown at them, meaning they can adapt and flex to changing organisational priorities as they evolve. What sets a successful, agile company apart from others is that every member of the organisation is well equipped to cope with changing business priorities.

"Success today requires the agility and drive to constantly rethink, reinvigorate, react and reinvent."

Bill Gates,
Microsoft founder

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8 essential ways HR leaders can lead business resilience and agility

Transforming your organisation to be more agile and resilient needn't be as challenging as it sounds. We've broken the process down into simple steps, each designed to tackle complexities, improve understanding throughout your organisation and, ultimately, pave the way for HR success. Discover the eight ways in more detail throughout this chapter.

Empower employees by putting them first
Put your employees at the centre of your business strategy. Invest in technology and schemes that support them and help them to feel confident in their work.

Use data to inform decision-making and horizon scanning
Take a data-first approach to help you learn more about your people. Follow the five steps (see p.11) to ensure your organisation is led by People Science.

Make sure your HR team has a clear remit and objectives to deliver on expectations
Make sure you understand what is and what is not the responsibility of HR in order to maximise the value of your HR team's time. Communicate this to your organisation.

Build close alignment to business objectives and communicate outcomes
Understand the organisation's goals and be able to demonstrate how HR aligns with these, including its impact on the bottom line.

Regularly review existing systems and processes
Know what you need to add, remove or overhaul to keep your organisation building forward. Make sure systems and processes are modern.

Create a culture of flexible working
Empower employees to work in a way that suits them. Offer as much flexibility as you can, with a view to improving work-life balance within your organisation.

Inspire employees to be their authentic selves through inclusivity
Build teams that exhibit diversity of thought and create a culture within your organisation that allows people to express themselves without reservation.

Tap into technology that empowers your HR team
Adopt leading technology that allows employees to work faster, communicate better and automate routine tasks.

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Placeholder

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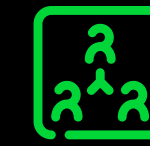
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1. Empower employees by putting them first

As an HR and People leader, you know better than anyone that employees are at the heart of everything in your organisation.

Organisations who put their people at the centre of what they do will find their workforce becomes their biggest asset for growth. That's because building amazing workforce experiences that really matter will enable people to thrive, which in turn will motivate your people to do the best they can and your organisation will benefit in return. However, building these experiences across your workforce requires a concerted effort. The right technology, buy-in across the organisation, support for managers and actionable insights are just some of the things that HR and People teams need, just as a basis.

We all know the impact of experiences which surprise and delight. Imagine the power of your workforce experiencing those moments that matter every day, and the impact on their wellbeing, and your organisations as a result. This matters because, ultimately, if more companies engage their people better by creating great employee experiences, more people will love going to work, and will be more effective and productive when they're there. Not only does this mean a happier workforce, but it makes good business sense too. It boosts a company's engagement and, in turn, adds to workplace productivity. So, get the experience right, and the rest will follow.

Ultimately, your workforce is worth its weight in gold when it comes to building business resilience. Employees who are healthy, valued and understand how they're contributing to the success of the business are more engaged, productive and content. Ultimately, this will make them, and your organisation, stronger in the face of adversity.

Put employees front and centre of your business strategy. Make sure they know their value. Invest in them with technology, support, wellbeing initiatives, recognition, and authentic and personalised communications. If your workforce feels valued at the times when it matters most to them, they'll be there for the organisation when it most needs it too, doing what they do best, and driving organisational success.

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2. Use data to inform decision-making and horizon-scanning

Without data to inform their decisions, HR and People leaders are flying blind. Actionable insights are vital.

Organisations that have access to information about their employees are much better equipped to make sound business decisions and future-proof themselves. HR and People leaders can be at the forefront of using data analytics to identify recurring patterns and quickly make decisions based on people's behaviour and motivations.

This means applying data-driven approaches to improve workforce visibility—and how you both manage and engage your people. It's about understanding people and their behaviour in your company, and generating more actionable insights to help you make better business decisions about your workforce. It's more than just people analytics. In practice, it means not just mining data and reporting it—but analysing it, and gaining actionable insights to test hypotheses and identify solutions.

A data-first approach can help your business to improve its decision-making in multiple ways. For instance, you will be able to easily identify trends from your data sets, and analyse the ROI of training programs and wellbeing initiatives.

This means you will eventually find it easier to improve your employee experience by, for instance, figuring out where your employees prefer to work – home, office or a mix of the two – to improve work-life balance, or discovering which employees are the least engaged and tackling the cause of their low morale.

The COVID-19 pandemic has highlighted the need for HR and People teams to use actionable insights to inform business decision-making. Those who were already using data at the start of the global lockdown were able to track their global teams in real-time, making key decisions to maximise productivity, stabilise talent retention and implement cost-saving measures at speed. These teams were also able to horizon-scan, and prepare for the future.

5 essential steps on the People Science journey

1. **People data collection**
   Ensuring your company is gathering as much data as possible about its workforce and storing it in one place – a single source of the truth.

2. **People reporting**
   Creating interactive, up-to-the-minute dashboards to share insights across the organisation.

3. **People analysis**
   Digging into these reports to look for trends and patterns – then asking yourself, why are you seeing these trends and what can be done about them?

4. **People insights**
   Testing hypotheses to identify solutions in order to help guide change in your organisation.

5. **People Science**
   Using these solutions to make smarter business decisions and design better ways of working continuously.

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3. Make sure your HR team has a clear remit and objectives to deliver on expectations

With every new pivot and priority, truly agile teams make quick decisions on what is dropped as a result. Business resilience and agility isn't just about taking on new initiatives and priorities as needed, however, but also about making shared decisions with speed and efficiency.

We're all familiar with the amount that can sit in HR's remit – something that became an even bigger issue during the pandemic. For example, should HR be responsible for office openings, or should that sit with facilities? Each HR team in every organisation will be different, but the important thing is to clearly define what your HR and People team is responsible for as well as what it isn't responsible for.

With CEOs increasingly relying on HR to do more, it's up to you to manage the business's expectations and make the case for what is achievable and what's not. If you take on too much, you could end up overwhelmed.

Once you have established these boundaries, you will find it much easier to achieve your objectives. Whether they include implementing cloud technology to facilitate flexible working, introducing new incentives to stabilise productivity or delivering a company culture that will maximise talent retention, you can only deliver success if your team is fully aligned and free from distractions.

Furthermore, while a clear remit is crucial, you also have to be prepared for it to evolve and adapt over time as you take on new responsibilities or shift tasks elsewhere. For example, advances in artificial intelligence will mean many processes and admin jobs will be streamlined, freeing up time for more strategic work.

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4. Build close alignment to business objectives and communicate outcomes

As HR and People leaders, it's vital for us to make sure we align our HR strategy with our organisation's business objectives. Understanding the overall business strategy – both short and long-term – will inform everything from how you develop a recruitment and retention plan to how you set budgets for personal development.

You should be able to demonstrate the impact of your People strategy on the bottom line,

communicate your findings from people analytics data, state your hypotheses based on these data and communicate your plan for the continued performance of your global workforce.

You must also be able to feed into discussions about the continued development of the business strategy from an HR and People perspective, for instance by pointing out areas of risk and opportunity. Then, you should

regularly demonstrate what you're doing to measure success through records of money spent against results achieved.

It is also important to understand what other parts of the organisation are doing, such as IT and finance. Only once you have achieved a clear understanding of the business strategy will you as an HR leader be positioned to lead change to ensure all departments are on the same page. If everyone knows what the

business's goals are, this makes the whole organisation more agile and resilient.

Remember, you're managing your organisation's greatest asset – its people – so there is no excuse for not having you at these discussions. Furthermore, as this asset has the greatest potential for delivering growth and organisational success, there's even an argument to be made that your People strategy is your business strategy.

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5. Regularly review existing systems and processes

Just because you've always done something a certain way doesn't mean it's right – especially in a post-COVID-19 world. If legacy systems or outdated processes are holding you back, be ruthless about getting rid of or overhauling them. The best HR and People leaders stay agile and flexible by regularly reviewing existing processes and ways of working.

Whether annually, bi-annually or quarterly, set aside time to ensure your systems and processes are delivering on your expectations and fulfilling the criteria set out in your strategy. Gather feedback from your users (both in HR and the wider company) and use it to improve the performance and experience of your systems and processes, and always do your research – for instance, are you

aware right now of which processes can be automated or removed from within your organisation?

Taking a step back often makes all the difference. It can help you to understand what you're trying to do, the impact of what you're doing on business objectives, and could make it easier for you to identify what's slowing you down or not working for your team, organisation and people.

These kinds of reviews will help you to decide what's vital, what needs to evolve and what's no longer needed. Using the information you collect from your employees and HR team, you can suggest new, agile ways of working across the organisation, and test new approaches

quickly and iteratively. Once your organisation has established a system for gathering and reviewing feedback continuously, you will be able to respond much faster to sudden changes in the future.

This will ensure optimum data collection, smooth communication and more cohesion across the whole organisation, ultimately increasing the entire business's ability to be agile and resilient.

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6. Create a culture of flexible working

First of all, let us be clear: remote working and flexible working are two different things. Remote working means allowing employees to work either from home or another suitable location. Flexible working means giving the employee greater autonomy over the hours they work. But the two often go hand-in-hand.

The many benefits of flexible and remote working include, among many other things, creating scope to attract and retain top talent (80% of US workers say they would turn down a job that didn't offer flexible working), improved productivity due to fewer office distractions and overly long meetings, better employee engagement due to less micro-management and reduction in stress and anxiety.

Creating a healthy work-life balance has long been a priority for employees and top of the HR agenda, and for many the ability to work from home during lockdown has had a positive impact on this. According to a survey by Deloitte, 55% of people feel they are just as, if not more productive than before lockdown. Home working has also improved their general wellbeing, while not having the daily commute means they can start work earlier and spend more time with their family in the evenings. Others are able to fit their work around childcare and home schooling, although you have to be mindful that some people are risking burnout and may need extra support.

With flexible working, you can empower employees to work in a way that best suits them, so long as they are still able to attend meetings and meet their deadlines and objectives. Giving employees the freedom to work on their own initiative shows them that they are a valued and trusted member of the team.

Before the COVID-19 pandemic, only 38% of HR and People leaders had implemented flexible and remote working (49% were still planning to introduce it). During lockdown 65% of British employees worked remotely, and we expect it to stay high once the pandemic is over.

In periods of disruption, flexible working is vital for progressive organisations so that they can adapt to change and respond quickly, as well as having more flexibility to bring in talent.

7. Inspire employees to be their authentic selves through inclusivity

Great organisations inspire people to express who they really are and not hide behind a persona they think their bosses want to see. Today, it's more important than ever employees feel they can bring their authentic selves to their work. HR has a leading role to play in creating a company culture that allows everyone to feel comfortable and included, helping them to unleash their full potential at work.

This approach has been proven to drive value to the organisation. A McKinsey report discovered racially diverse teams outperform less diverse competitors by 35%, while a

Deloitte study found that more diverse workforces are on average 20% more innovative and 30% more likely to spot mistakes.

Diversity of thought increases the range of perspectives that can help educate, inspire and motivate teams. Inclusive organisations are able to adapt more quickly and effectively, and have better and more efficient ways of tackling business challenges and identifying solutions. Differences in age, gender, race and sexuality, amongst others, mean a higher number of perspectives, different skills and enhanced problem solving.

In 2019, the World Economic Forum compiled a report titled 'the business case for diversity in the workplace is now overwhelming', which called upon a number of statistics and case studies to prove the point. They highlighted how Boston Consulting Group found that companies with more diverse management

teams had on average 19% higher revenues while, on a much more macro level, the productivity and prosperity of entire cities like London, New York, Dubai and Singapore could be connected to the fact they have greater diversity than other cities.

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8. Tap into technology that empowers your HR team

The final, yet arguably most important, step in achieving resilience and agility is to empower your HR team – and your whole organisation – with the technology they need.

Technology is now even more mission-critical than ever for organisations in this new, changing world of work. Cloud and mobile technology enable organisations to manage and engage their workforce remotely. Automation and self-service empower employees to own their data and eliminates admin for HR teams, freeing up their time for more strategic initiatives. Actionable insights from people analytics help HR and People leaders to make informed business decisions quickly, so they can react to changing circumstances as and when they need to.

With cloud-based HR technology powering your organisation, your HR and People team will be able to free up time usually spent performing routine and labour-intense tasks. This free time can then be used to focus on more creative and productive things, such as planning, data analysis and strategy.

According to our research report, The changing face of HR, technology adoption is one of the top priorities for HR teams worldwide. 50% of mid-sized companies are already increasing their spending on HR technology, with 43% and 36% adopting cloud and mobile technologies respectively. Our respondents told us they expected to see improved employee performance (56%) and having more time to let staff work on strategic projects (54%).

However, 43% told us they believe their organisation will not keep up with the change in technology during this decade, with 57% claiming they couldn't invest in new technology because of resourcing restrictions.

With 80% of HR leaders now saying that their organisation has become more focused on digital transformation since COVID-19, the focus on technology will continue to sharpen. The bottom line is clear and simple: only with the right technology powering your organisation will you be able to achieve your transformation to an agile and resilient business.

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Your next steps

Business resilience and agility are not only important in the wake of the recent disruptions – they will continue to define how organisations operate and ultimately perform long into the future.

Many of the changes we have discussed – increasing workforce visibility, building digital transformation, facilitating flexible working and so on – were already in motion before the COVID-19 pandemic. All that has changed is that our journey towards these objectives has accelerated.

Following the eight steps outlined in this guide will help your organisation to keep pace with this increased rate of change. However, it is vital (if you haven't already) that you start as soon as possible, as every day your business fails to build resilience and agility is another day you risk both the impact of unforeseen events, and the inability to coordinate talent efficiently. What are you waiting for?

If you're interested to learn more about how you can drive business resilience and agility in your organisation, explore our latest resources to start the journey to a more agile and resilient organisation.

Agility and business resilience: a toolkit for progressive HR and People leaders

Sage has a range of resources to support HR and People leaders in their agility journey.

Raise your game with HR automation
Automation is a gamechanger for HR and People teams. Say goodbye to admin, in these five ways.

Hello automation

Accelerate digital transformation
Get buy-in from the board with a business case for HR investment so compelling, it'll be impossible to say no to.

Download business case

Increase workforce visibility
Find out the four stages of People analytics maturity – and where you are in your journey.

Reveal the four stages

Equip yourself for the future
What skills will the HR and People leader of tomorrow need – and are you ready to get ahead?

See the top skills

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