Aligning Organization Performance In VUCA Times

Dr. Aruna Deshpande
Associate Professor ADMIFMS University of Mumbai

Abstract: Businesses are facing dynamic business changes due to various changes happening in today's evolving economic landscape, the power of data and insights can transform businesses, build a winning talent strategy and help managers make smarter decisions. HR needs to rethink how with technology, applications, and an endless flow of information and communication from diverse sources, they can help in attracting, developing and retaining talent.

In a VUCA world, organizations are facing regular and frequent changes that impact the business performance. Hence, change management skills are a key ingredient in any HR Business processes. In fact, in a continuously shifting business environment, business leaders are seeking professionals with special skills and not specialists in Talent, Employee Relations or Engagement. Also with the multi-generational consumers and workforce is changing who is consuming what and where. From baby boomers to the ‘newly-minted’ Gen Z, understanding customer and employee expectations is becoming a key business driver.

This Research paper conceptually studies the need of Human Resource processes of the organizations to adopt to the VUCA time.

Keywords: Economy, HR processes, change management, generational workforce, Technology.

I. Introduction

Working in VUCA times – What do organizations need to do differently.

The VUCA world is all about anticipating, learning, adapting and delivering in evolving new context. For example, the evolution of the Internet and the Financial Crisis of 2008 were events that have shaken up the existing business eco-system and also changed the way companies now look at talent. Adversity leads to developing stronger talent and this is where VUCA comes in. If a leader in VUCA times has no thought of what is in the future, then he/she will find sorrow near at hand. While the organization needs to anticipate risks, it also shouldn’t make very long-term plans that are too rigid. Plans have to be flexible as uncertain times sometimes can throw up good opportunities. So, if the organization is agile enough, it must be able to capture the chance to innovate. HR must lead that change. HR will need to reinvent and realign many of the policies and practices so that it can be in a better position to respond to talent challenges that rock the organization from time to time.

In a VUCA world no company consistently beats the market. Trends such as demographics, digitization, connectivity, trade liberalization, global competition and business model innovation are leading to the emergence of new competitors and driving new ways of doing business. Organizations are also experiencing unpredictable consumer sentiment, increasing complexity, rising uncertainty, an overload of information and a lack of resources. The impacts of many of these trends are uncertain, but there are some common themes and multiple interdependences between the drivers, which suggest that their effects will be complex and enduring. This combination of factors is forcing many companies to rethink where future business success will come from since previous success is no guarantee of future prosperity.

It is time to take a leap of faith. Resist the temptation to stick to the past processes and plans. Create new ones, ones that are more agile and more in tune with your surroundings. Be curious. Be innovative. That is the only way you can beat VUCA. HR responsibility in VUCA times is to defines the skills, knowledge and attitudes of the individuals. From the customer to the organization to its employees, businesses are looking for professionals who understand and deliver for success in the continuum from customers to employees.

Rapid changes in technology have affected businesses in more ways, from globalization and organizational adjustments to a workforce structuring for remote and mobile job opportunities and human resources has had to adapt swiftly. Organizations HR will have to help businesses anticipate and manage organizational change, with the help of technology.

Most Indian employment laws were drafted primarily for traditional models of workforce engagement; however, these laws are failing to keep pace with the needs of new and emerging sectors that are driven by cutting edge technology, including gig/on-call and lot more.
II. Research Methodology

This exploratory study is based on a qualitative analysis of articles published. The study emphasizes the Human resource situations in organisations which have a different culture. Analyzing the situations faced in VUCA times and strategies which can be used to overcome are highlighted and emphasize how they factor in the organizations impact in business strategy. Data was collected from articles regarding the VUCA published in newspapers or on news sites e.g. People Matter, online journals.

III. Findings

HR Strategies for Organisations to adapt in VUCA times:

Workforce Diversity Issues

Managing diversity is an on-going process that unleashes the various talents and capabilities which a diverse population bring to an organization, community or society, so as to create a wholesome, inclusive environment, that is “safe for differences,” enables people to “reject rejection,” maximizes the full potential of all, in a cultural context where everyone benefits. Multiculturalism, as the art of managing diversity, is an inclusive process where no one is left out. Diversity, in its essence, then is a, the making of one group as the norm for all groups.

Organisations that employ diverse workforce have to:

• Better able to understand the demographics of the marketplace.
• Thus better equipped to thrive in that marketplace than a company that has a more limited range of employee demographics.
• Improve employee satisfaction, productivity and retention.
• Employers can take the best of the advantage of the diverse workforce and there multi talented workforce.
• More innovative ideas and better cohesion comes in the workforce.
• Better control over staff and more conducive environment to bring about any change.
• Works wonders when many people coordinate and form a unit for a particular job.
• It make automatic tool for organizations advertising and Employer branding.
• Make the structure free from biases and remove errors from the system.

Dealing with Generational workforce in a VUCA environment

Going forward, the mantra for many CEOs would be to do more with less. While companies will need leaders who are multipliers of energy, engagement, ownership and passion, they will also need people who will listen, focus on asking the right questions, have no desire to command and control but infact co-create solutions and get genuine joy out of seeing a thousand flowers bloom. VUCA is here to stay and India is the best laboratory to develop talent.

Following are the few business skills which play a important role in volatile times for businesses;

• Heightened awareness of cultural nuances, appreciating and leveraging diversity, navigating through political dynamics and a global mind-set.
• Translating the business leaders’ vision to the employee constituents and telling a compelling story about the company’s current business and future direction.
• External and internal media savviness to communicate the people narrative of the business.
• In-sighting from business and people data and analytics to draw-out solutions for business problems.
• Enable success for others by being a trainer of people mangers, mentor for budding talent and coach to senior managers.

In short, build ‘networks of expertise’, not become ‘centers of expertise’.
Organizations were to be cognizant of ever-changing needs of Gen Y employees, then it might be in a better position to retain the growing numbers that leave in order to pursue opportunities out of their own domain. For example, many executives are making their way to e-commerce companies as they present a whole gamut of experiences for them as,

1. they get to own a business role, which normally does not happen in a traditional organization.
2. Working in an e-commerce company requires one to be socially agile. For a generation that is dependent on social media for communication, this works out fine.
3. The flexibility and the experiences that the role offers is priceless. While most companies today are offering part-time or flex-time working options, GenY still feel constrained that they have to work within a certain set of hours. GenY wants more ‘Life’ in work-life balance.

In VUCA times companies would do well if they remember that its workforce not only comprises of GenY but also is multi-generational. Companies need to have a strategic plan to transfer knowledge from the Baby Boomers, who are probably waiting to retire in the next few years, to GenY for whom time is not an essence. GenY does not believe in waiting long either for promotions, or raise, or for taking up leadership roles. While companies are happy to rope in the young, they realized that they will need the critical skills that only the more experienced will be able to impart. Today’s organizations need to let employees express dissent and be loyal at the same time. At the same time, the employees should also know what they want and should ask for the same. They shouldn’t wait for someone to reach out to them.

**Relationship of equals vs. Hierarchies**

Partnerships in any context are successful if the relationship is of equals. The base of building a relationship is about knowing each other well. And sometimes share mutual vulnerabilities! HR leaders must have the emotional intelligence to know when the relationship is ready and then make a “contract” of expectations and deliverables with the partner. It’s important to play back the partners needs and ask how one can help.

**Person-Job vs. Person-Organization Fit:**

If we accept the idea that job fit is critical and that culture-fit also plays a role in an individual’s potential success, then how are these two ideas related? Person-job fit can be determined using skills tests, competency analysis, behavioral interviewing and even resume/application review. Person-organization fit requires asking and getting answers to different questions mostly about what is most important to an individual both in terms of their engagement as well as their priorities and core values.

![Diagram of Fit](image)

However, in the present market conditions, it is no longer enough to just hire the best talent available, and hope everything works out. Individuals who look like ace candidates during an interview might turn out to be a liability even within a few weeks of starting to work. Therefore, companies need to reevaluate and modify their hiring policies and screening process in order to find the right people for the job.

**Communication:**

Organizations need to ensure that messages that are communicated down the leadership chain are aligned to the overall vision and are consistent. In a world where priorities constantly shift, communication
needs to be direct and clear. This would not only keep the communication channels clear, but also reassure talent that nothing is amiss.

**Employer Branding:**

Their reputation as an employer is everything. If they have a good one, top candidates want to work for them and employees want to stay. If they have a bad one, it could cost them.

Be known as a great place to work with Employer Branding Essentials. Organisations need to participate in Branding activities conducted by largely view sites like Linkedin for them to learn key strategies and tactics from some of the best employer brands around the world to:

- Expand their reach with an under-utilized secret weapon: your employees
- Attract and engage the right candidates for the company
- Boost interest in jobs with descriptions that stand out
- Empower new hires to promote their company culture and thrive in their new roles

A well-loved employer brand doesn’t happen overnight, but these strategies will help the company to stay on course towards an outstanding employer brand strategy.

**Technology, AI and Digitization** is changing the workplace like never before. If earlier companies were hesitant to let people check emails in the office, now those very same companies swear by social media and have sought to engage employees through several other mediums like Yammer and other gamification models. Internet of Things is no longer a concept and we are at a stage where it is distinctly possible to make that a reality. Technology is changing workplaces, but also the way organizations look at talent. Today, this is the driving force behind VUCA.

With Millennials making up more than half of the current workforce and predicted to make up 75 percent by 2020, HR is going to have to embrace and build on technological advancements to meet both employee expectations and business requirements. Talent analytics and workplace analysis will become more commonplace, and companies using the data available to them will be far more competitive.

With the evolution of technology, the emergence of a globally mobile workforce and shifting societal, political and regulatory paradigms are further impacting businesses fundamentally and thus HR partnering as its essential. HR’s success is getting defined by its ability to operate as an integral part of the business, bringing to focus the concept of being a partner in designing HR for adapting the technology and using data analytics for strategic decision making.

On a more tactical timeframe, AI will accelerate automation of residual manual processes will make those processes to be more accurate and faster, and learn on its own to reduce human intervention for exception handling, etc.

**Compliance amendments**

Most organizational employment laws which were drafted primarily for traditional models of workforce engagement; but however, these laws are failing to keep pace with the needs of new and emerging sectors that are driven by cutting edge technology, including gig/on-call and lot more.

While the reforms are much needed, standing at the threshold of the artificial intelligence revolution, organizations needs to relook at its employment laws to ensure that businesses are not constrained, innovation and entrepreneurship are encouraged and employee rights are not compromised.

**IV. Conclusion**

In a VUCA world, organizations are living through phases of regular and frequent changes that range from small and immediate, to large and long term in scale and impact. Hence, managers should be agile for managing change. In fact, in a continuously shifting business environment, business leaders are seeking professionals with special skills for sustaining in the competition with the right type of internal talent, upgradation with technology, use of digital and AI for managing data and taking effective business decisions to sustain in the markets. Conscious efforts need to be taken by the HR managers to maintain the corporate brand to attract performing employees. Companies have to adapt to the legal compliances to maintain employees and giving them statutory benefits to maintain proper work life balance.
Aligning Organization Performance In VUCA Times

References


[2] https://www.peoplematters.in/site/interstitial