

10 HR Trends 2019

What HR managers should prepare for –

Fields of action for the German Federal Association of Human Resources Managers

Berlin, 7 January 2019 - AI in the application process, networks instead of hierarchies, freedom as a new currency in the struggle for talent - human resources work in 2019 navigates between the possibilities of digital tools and a stricter shortage of skilled workers. The German Federal Association of Human Resources Managers (BPM) has outlined the ten trends in human resources, which will shape our view of HR in 2019. The top ten trends were also chosen to mark the BPM's tenth anniversary in 2019. As the largest association for HR managers in Germany, we give 4,600 members from companies and organizations a voice.

1. Digital HR – exploring the ethical dimension of intelligent technologies

Digital HR is becoming mainstream. It's no longer about blindly relying on efficiency, but exploring the ethical framework of intelligent technologies.

What used to seem like a vision of the future for many HR managers will become more mainstream in the new year. HR processes are being automated, bots are answering common questions, artificial intelligence is helping to get applicants in the right position or identifying development potential. The use of AI promises an efficiency increase that benefit both employees and companies alike. "AI can bring speed and flexibility, improve quality, reduce costs and significantly optimize the match between applicants and companies, as well as HR development," commented Thomas Belker, BPM vice president and board member of Talanx Service AG.

How and at which stage of the human resources processes artificial intelligence can be used for targeted personnel decisions will be the focus of BPM's work this year. The stronger AI is involved in HR processes, the more important it becomes to deal with ethical issues surrounding this technology. How can we ensure that the algorithm does not discriminate? How much is a company allowed to know about its employees?

To provide initial answers to these questions, BPM has partnered with hkp/// group to launch a new "Ethics Advisory Committee HR Tech" at the beginning of the year. Experts from science and industry develop ethical guidelines for the responsible use of AI and tech tools in human resources work in a participatory process. BPM members are encouraged to share their own input in the process, which aims to provide human resource managers with guidance on the use of digital HR tools. In 2019 we will publish the "Golden Rules for Digital HR Ethics"!

2. Digital education - a new educational canon for the digital workplace

We need a new educational canon for the digital world of work, which, apart from specialist knowledge and IT skills, also conveys social and personal skills. We call upon politicians to strengthen the IT infrastructure at schools as well as the corresponding competence development of the teachers. In companies, the importance of blended learning is increasing.

The digital transformation places new demands on jobs and qualifications. In order to support employees' ability to work until retirement age, companies and training institutions need a new learning and educational culture. This requires a reorientation of existing training courses, which are not adequately provided at the majority of companies. On the contrary, employees no longer feel existing training courses efficiently equip them to do a successful job in the future.

"Expertise, IT knowledge as well as social and personal competencies form the new educational canon for the digital work environment. To be successful tomorrow, we must systematically align our school system and the institutions of vocational education and training with these three areas of qualification and competence", said Dr. Elke Eller, President of the BPM. As the BPM's current study "Demands of the digital world of work: Competencies and digital education in a working world 4.0" in cooperation with the German Economic Institute (IW Consult) shows, HR experts are mostly satisfied with the quality of specialist knowledge. What is new is that social and personal skills such as willingness to change and orientation knowledge are becoming increasingly important competencies for the future. In the area of willingness to change and employee flexibility, only 6.8 percent see the current demand in the workforce as "fully and completely" covered; in terms of self-employment, planning and organizational ability, this figure is only 10.3 percent. The challenge for HR is to provide up-to-date learning opportunities that appropriately enhance these social and personal skills.

As a result, blended learning, which is a combination of face-to-face and digital self-learning, is becoming increasingly important to business. According to IW Köln, 53 percent of German companies now combine classic classroom seminars with digital learning technologies. Among the digital affine HR managers of the BPM survey, as many as eight out of ten companies rely on the combination of digital training courses and classroom modules.

The advantage is that employees can integrate digital learning 'snacks' more flexibly into their daily lives and the content can be tailored to the respective learning progress and interests. From a HR point of view, blended learning increases efficiency as cost-effective digital units can reach more employees, as well as the effectiveness, since the combination is expected to increase the quality of the learning progress. As the BPM study shows, HR managers who have already gained experience with certain digital training courses in their company value them a lot more positively than other respondents do. In our view, there is still a lot of potential for the use of AI for training recommendations as well as in cross-company training courses! The BPM will present exciting practical examples at the Human Resources Management Congress (in German: Personalmanagementkongress), Germany's largest HR Congress. In 2019, the BPM will also offer a combination of in-person events, digital content in our self-service portal and live webinars.

Furthermore, politics will play a crucial role. Last year, BPM called for a "pact for digital education", and the German Federal Government has been working intensively on the design of the digital pact in the past few months. From our point of view, it is important to strengthen not only the IT infrastructure at schools but also the corresponding competence development of teachers through existing education programs and the further development of curricula so that they can develop students' digital skills with a future career in mind.

If you would like to find out more, the "Requirements of the Digital Workplace" study is available at <https://www.bpm.de/meldungen/studie-digitale-arbeitswelt>

3. Future of Work: A balance of personal responsibility and collaboration

Mobile devices are making it increasingly possible to work independently outside the workplace. In 2019, employees' expectations regarding mobile work will continue to rise. HR must create the framework conditions for this and examine the possibilities of flexibilisation for commercial employees. Flexible work places and times are only a symptom of the profound change of forms of organization and working methods: promotion of self-responsibility, team collaboration and new leadership are the keywords.

Agile work and project-based work are increasingly replacing the classic 9-to-5 working model. Tasks and topics are becoming more complex and can only be solved in interdisciplinary teams. Co-working concepts and new collaborative methods of team collaboration will be the standard requirement for the workplace of the future.

Depending on the task, the ideal work environment can be in the office, at home or on the go. More and more employees want to pick up their children in the afternoons and process their emails in the evening at home. According to a recent Stepstone study, 9 out of 10 surveyed specialists and managers want to work flexibly. This represents a challenge for the current working time regime. The BPM will be involved in the German political debate on labour flexibility in 2019. An important need in our view is to create transparent and future-oriented regulations for mobile work.

The increasing flexibility comes with a growing demand for employees' personal responsibility. Employees will take on more responsibility for achieving personal and performance goals, for their own development, and for the choice of their role in a project. In order to be able to take on this self-responsibility, the right framework is needed in the organization: It is up to personnel managers to establish a changed understanding of leadership, to create opportunities for participation, to change working methods, and to strengthen the sentiments of "purpose" and "belonging".

We looked at how start-ups are shaping the new world of work. Under the motto "Future of Work: Available Now", BPM's series of events across Germany with start-up Tandemploy creates the opportunity for HR professionals to experience first-hand the core elements of the "Future of Work" and agile work to see how they could organise their own company's workplace in the future. We will also create room for testing at this year's Human Resources Management congress, which will be held from 25 - 26 June in Berlin under the motto "MAKE" (see www.personalmanagementkongress.de).

4. Employee recruitment as a core challenge in the candidate-driven market

The recruitment of skilled workers will be a core challenge in 2019 as HR contends with a candidate-driven market in Germany. This places a heightened focus on attracting foreign skilled workers.

The job market is setting new benchmarks. Specialists and executives are increasingly willing to change. According to a recent Stepstone study, only 17 percent of specialists and executives currently rule out changing jobs. They remain loyal to their profession, and less so to their employer. Previous recruiting mechanisms will soon be replaced and previous job opportunities are no longer sufficient to attract specialists and executives. This requires a change in attitude towards applicants, as talented candidates expect to be personally selected and approached. Companies increasingly rely on active sourcing to convince talented candidates to join them. Parallel to the classic approach channels, recruiting will be further digitalized. Martina Niemann, member of the BPM board and Vice President Lufthansa HR Management, gave an example: "Young applicants in particular like to use video interviews or upload a mobile video in addition to their application documents." To ensure awareness about current recruiting software, in 2019 the BPM will organise pitches with suitable suppliers including Q+A opportunities for members.

A national skills shortage was the key impetus for the German government to pass a new immigration law at the end of December 2018. Immigration offers a great opportunity to find skilled workers or provide immigrants with further qualifications. We therefore welcome the bill for the Law on Specialist Immigration and the Employment Tolerance Act. From our point of view, it is important to accelerate the recognition of foreign educational qualifications and to provide further qualifications to immigrants who already live in Germany. The challenge of providing refugees with professional qualifications and language skills will occupy political and social debate as well as the HR function in 2019. BPM will continue its cooperation with the "NETWORK Companies Integrate Refugees" to promote business integration.

5. Co-determination 4.0: The works council as a partner for flexible working

The debate on employee participation will enter full swing in 2019. We think the German Works Constitution Act is in need of modernization concerning the introduction or change of IT systems. Agility will also become increasingly important in the cooperation between HR and works councils.

How can organisations reach collective agreements even in times of digital individualization? How can we collectively arrange individually suitable solutions? How agile can the works council work? BPM expects works councils to focus more on these kinds of issues in the coming months. In the spirit of a future-oriented social partnership, works councils have an important role to play in designing flexible working models and agreements. HR, on the other hand, has an important intermediary role in the mediation of interests between management, employees and their advocates. However, future-oriented partnership also means that the company constitution adapts to the changes and effective new rules are created. Proposals of the governing parties in the German coalition agreement for vocational education are so far unclear.

It is clear that the rules for participation must be adapted. Existing regulations can no longer process important issues such as the definition of "work", the change in corporate structures and working methods, or co-determination, especially when introducing or changing IT systems. The Works Constitution Act requires a revision as the written law no longer corresponds with the operational reality. "We need simpler regulations that are easier to handle for all involved parties," said Christian Vetter, Head of the BPM Labor Law working group.

"It is also in the interest of co-determination to reach future-proof solutions and more modern approaches," commented Dr. Thymian Bussemer, BPM board member. "First of all, works councils are also seeing more and more clearly that there is no longer one form of work organization, but rather highly heterogeneous employee interests, which have to be compensated by clever operational policies. Secondly, co-determination itself needs a refresher in many places. More agile approaches offer an opportunity to focus more on trust and understanding, rather than only on formalized negotiation processes of social partnership".

In order to think ahead about co-determination 4.0, we will bring together professors from all over Germany at the Academy of Labor in Frankfurt with trade unionists and human resource managers.

6. Diversity as a decisive competitive factor

When it comes to diversity and inclusion, the trend is moving from general declarations of intent to clear measurability and business orientation.

If you want to survive the competition, you have to build teams where people with different characteristics, backgrounds and cultures come together. You have to establish a corporate culture which encourages every employee to open up their entire personality to the company.

After a period of initially voluntary self-commitment, Germany introduced a statutory quota system for women in management positions. As a result, reporting on diversity will be reinforced and professionalized in 2019. BPM, together with the Federal Ministry of Family Affairs and the DIHK, will launch a new instrument: the "Progress index on family friendly companies". The aim is to create measurable indicators for a family-friendly corporate culture and enable interested companies to benchmark their progress.

In addition, BPM makes offers that promote diversity as a natural part of the corporate culture. Diversity in Germany has until now revolved around gender diversity, i.e. with the focus on equality of women in management positions. Now, companies are increasingly gaining a broader understanding of diversity. In addition to gender, factors such as internationality and ethnicity, age, disability, sexual identity or religion as well as multiple affiliations are receiving increasing attention. There is interest in neuroscientific approaches, which sensitize managers towards their unconscious biases. For example, behavioral incentives ("nudges") can be built into organizational structures to avoid unconscious bias.

The BPM will continue to offer practical support in this area. Design Thinking Workshops together with the "NETWORK Companies Integrate Refugees" will analyze the recruiting and onboarding process from the point of view of refugees. One step on the way to a diverse mindset in your organisation!

7. HR as a potential developer

Even in times of robo-recruiting, developing employees' potential remains at the core of HR work.

Digital tools are of course important, but human resources work in 2019 also means working with people, and developing people for the work environments of tomorrow and beyond. The BPM is the association that looks into the future of working with people. Under the motto "Proud2bHR", we shed light on the many facets of HR at the Human Resources Management Congress 2018: We set the pace, pioneer, unlock potential, shape the future, and so much more! This is clearly illustrated by the opening film of the Human Resources Management Congress: <https://www.youtube.com/watch?v=FQSm6QtWTmA>

HR as a potential developer and as an architect of design spaces for employees in the company were aspects addressed in neurobiologist Dr. Gerald Hüther's keynote at the congress and remembered by many participants. That is why BPM, with the "Academy for the Development of Potential" by Dr. Gerald Hüther, has continued to consider HR work in the sense of empowerment. Under the motto "HR in Motion", best-practice events will take place in the regional groups throughout Germany this year, demonstrating the framework conditions for successful development of a company's potential. "We put people first", as Dr. Katharina Herrmann, BPM board member and HR director at Burda, put it.

In order for young HR managers to be able to develop their potential with us, BPM offers young professionals in 2019 the opportunity to become a BPM member for one year without a fee.

8. Executives are in demand as role models and coaches

Leadership must change! With the growing complexity of business and advancing digitization, it is crucial to be even more agile. Managers have to use their resources even more for selected value-creating priorities.

A clear vision makes it possible to create a common language and goal orientation for employees. An extra focus will be placed on performance management processes as well as the clear communication of the expectations and measurement criteria. Managers also create the conditions for high performance and the involvement of their employees. Coaching, feedback and ongoing dialogue between executives and employees are the key to better leadership.

HR managers should actively support their executives this year to work on their own role understanding. This means that managers really care about the topics and development opportunities for their employees. They must be able to communicate openly about critical issues with the employees, to act in an exemplary manner, to grant them more personal responsibility and to promote their self-organization and network capability. "How the leadership culture evolves with a clear vision and performance orientation will form the discussion at various BPM workshops in the new year and initial results will be presented at the 2019 HR Management Congress," announced Dr. Bernd Blessin, member of the BPM board and HR director VPV insurance.

9. Would you recommend your employer? Strengthen employee experience and engagement

True customer orientation and a marketing focus will also be incorporated into HR in 2019 - enabling direct testing of new training in the field.

The employee experience approach helps human resource managers put the employee at the heart of their actions. Too often, HR managers see themselves as part of a process, not a broker between the needs of the employee and the company. The BPM is convinced that the approach will continue to gain importance in 2019 and will change the attitude of HR towards employees in the long term. "That's a paradigm shift in a sense. As a HR manager, we tend to come from a process-thinking perspective, but as a human resources association, we can help an organization or the people in it have positive experiences," explained Felicitas von Kyaw, BPM board member and VP HR Business Area Customers & Solutions, Vattenfall Group. This will be more important in 2019, as employees increasingly expect individualized solutions when deciding on an employer.

HR is currently learning from marketing. The first lesson is the shift from process orientation to customer orientation. Secondly, technology allows us to directly check what employees prefer with comparison groups in A / B Testing.

Friderike Schröder, Director HR & Organization at Ratepay and BPM board member, commented: "I'm a fan of feedback at all levels. No company should shy away from employee surveys. Satisfied employees have a similarly critical impact on companies and customers alike." HR software provides us with exciting new tools for strengthening employee engagement: Regular employee surveys with the option of anonymous queries between the supervisor and the critical commentator create a transparent approach to the communication flow.

In order to find out what the employees of tomorrow really expect from their HR department, we launched our "Employee Experience Design Challenge" in 2018. Due to great interest, we will continue the series of events in 2019 for our members and publish a "playbook" as a work guide.

10. Occupational health management as a strategy against blurring boundaries

Personnel managers will be increasingly confronted with the effects of the delimitation of work and private life in the new year. In view of the increase in stress-related sick days, occupational health management must find new answers.

A few years ago, we discussed how work and life can interact in terms of work-life balance. The discussion has now moved to the term "work-life-blending", meaning that working with mobile devices in many areas separates work from the workplace and thus merges private life and work into a shared window of time.

For all the opportunities offered by flexible work arrangements for knowledge workers, the delimitation of work and personal life should not become a health risk. The number of sick days due to stress and exhaustion in Germany is increasing sharply: According to the Federal Ministry of Health, absenteeism increased by more than one third to more than 30 million within four years.

In view of the increasing average age of employees in the commercial sector, occupational health management is an important future topic. Digitalisation, on the other hand, creates exciting opportunities to support the physical relief of employees with longer working hours. One example of this is an exoskeleton, a type of wearable machine.

Under the new leadership of Anke Brinkmann, Head of Health and Safety at BSR, the BPM Occupational Health working group has launched innovative topics. A series of events will discuss the future of mental health, health-promoting leadership, demographic change, and digitization/new worlds of work. This is because a holistic approach, in which occupational health management participates in strategies and projects, is an essential key to the health of the employees and thus to the success of the company.

Authors: the board members of the BPM Dr. Elke Eller (President), Christa Stienen (Vice President), Thomas Belker (Vice President), Dr. Immanuel Hermreck (Vice President), Dr. Bernd Blessin, Dr. Thymian Bussemer, Malte Hansen, Dr. Katharina Herrmann, Felicitas von Kyaw, Dr. Martina Niemann, Torsten Schneider, Friderike Schröder, and Christian Vetter.

About us:

The German Federal Association of Human Resources Managers (in German: **Bundesverband der Personalmanager** BPM) is the professional association for personnel managers from companies, organizations and associations. The association promotes the exchange of knowledge among HR officers and represents the interests of its 4,600 members vis-à-vis politics and business. The members of the association are HR professionals from all HR functions and management levels, from the HR generalist in a start-up to the Chief Human Resources Officer of a Dax Group: www.bpm.de

Contact:

Dr. Katharina Schiederig, Managing Director
Bundesverband der Personalmanager e.V.
Oberwallstraße 24
D-10117 Berlin

katharina.schiederig@bpm.de
www.bpm.de

Tel 030/84 85 93 00

Press inquiries may be directed to Silvia Hänig, iKOM, Tel 089/44 84 127 or email: haenig@i-kom.org