

Human Capital Transformation to drive the Strategy agenda

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Human Capital Transformation to drive the Strategy agenda, a roundtable discussion with industry experts:

- SY** Sara Yik, Chief Human Capital Officer, Singapore Institute of Management
- DS** Denise Shillito, Head of People Advisory - Global Functions & GVD, VISTRA
- RY** Richard Yan, VP - People & Talent, Airwallex
- LM** Larissa Murmann, Digital Chief HR Officer, Unilever

The discussion highlighted:

- The importance of aligning human capital with business strategy
- The critical role of fostering innovation and growth through psychological safety and talent acquisition
- Empathy, growth mindsets, and self-awareness in leadership
- The evolving significance of data literacy, metric prioritisation and leveraging technology in measuring human capital
- How to effectively retain and develop using a purpose-driven culture and a strong employee value proposition

Q. A report in 2023 by McKinsey looked at how organisations that had married financial performance with human capital development outperformed their peers in their sector. How can organisations ensure that human capital strategies align with their business objectives to drive similar success?

DS It's important to define what we mean by "human capital strategies." At Vistra, it means hiring great people for the right roles, having a sustainable focus on them, their development, progression, and well-being, and building a great culture. We have focused on understanding the value of every role in the organisation from the top down and how they align with our strategy.

Another critical element is leadership. We are going through a constant transformation as an organisation, and we'll continue to do that over the next five years, so we need leaders who can drive that. We believe that once you have all these elements in place, financial success will follow, and we will have a great workforce that is engaged, able to thrive and build a vibrant culture within the business.

LM When I joined Unilever International, we created a clear strategy on what culture was needed to reach the 5 billion revenue goal. What are the behaviours a leader or any employee actually needs to express on a daily basis? We focused on the culture we needed to build to drive the growth strategy and ensure people have a good experience at the company. Because it's not ideal if you're constantly losing talent, that's not a sustainable environment.

RY At Airwallex, we focus on defining our core values, improving the employee experience, and building trust to ensure we attract and retain the right talent to support our growth plans. We introduced KPIs for our recruitment teams, bringing data, transparency and accountability into the process and have grown our overall headcount by 20%

SY The situation is slightly different for the Singapore Institute of Management. We have a mature business to preserve alongside what is essentially a start-up. So, the business challenges and talent requirements are very different. I take a data-driven approach by sitting down with all the Business Leaders, looking at what they are trying to achieve, their growth objectives, and the people challenges

they are facing. For the start-up side, it's all about hiring people with a DNA different from the core business, which presents new challenges around company culture. We engaged everyone in the organisation on a core values refresh. It's an ongoing journey; leadership is critical in driving everything.

Q. What are the key considerations for fostering a culture that drives continuous innovation and growth, particularly in an environment of constant change and technological advancement?

SY The obvious consideration is psychological safety. And being able to tolerate failure because if people are afraid to speak up, you'll never get new ideas. If you don't let people try new ideas, make mistakes, and learn from them, innovation will never happen.

Education is a very complex ecosystem, so we have embraced the systems thinking from The Fifth Discipline by Senge. They need to demonstrate the proper sense of self-awareness and understand the mental models behind our actions and those of others so that they react from a space of openness. It isn't easy to succeed as an individual leader. You need to succeed as a team and bring the rest along, see



things from a system perspective, see how your business unit might affect another, and then bring that all together. So, we put our whole organisation through that training. At the individual contributor level, it's systems thinking, but as you get more senior, it's how you lead in a complex ecosystem.

RY At Airwallex, it's different. We are in a space where we need to move quickly, so we need to find the best talent with the right skills to deliver what we need as quickly as possible. We source talent globally but do ensure they buy into our culture and operating principles and that they are in it for the journey and believe in what we are building. So even though we are spread across 20 different offices, we still have the same way of operating.

DS Psychological safety for us is key, especially as a newly integrated business with an increased focus on nurturing and collaboration. We created a global listening program using AI tools, which brought together our global community to develop our values, which really helped to build trust with everyone. We also run quarterly surveys to ensure continuous feedback and accountability to help us progress as an organisation. We want to co-create solutions and foster a safe environment where we can have tough conversations and remove friction from our clients and internally. We created a report on "friction busters," which has helped us celebrate and reward innovation and enabled a shift towards a more innovative and growth culture.

LM Feedback is really important. I asked simple questions – "Tell me in three words – what is it like working here? What's working? What's not?" I gathered and presented all the data to the 50-person strong leadership team. I then did a similar exercise, getting them to think about their ideal workplace: what would that look like? Where would you enjoy working that would, in turn, drive high performance and support the growth of the company?

Q. **What does the panel consider to be the most critical leadership qualities required to navigate human capital transformation successfully? And how can organisations develop leaders who can inspire, develop, and deliver on transformation goals?**

SY The successful leader of the future is going to be the orchestrator, who is able to bring their team together, let them figure out the answers, and then communicate that to all the stakeholders because we have so many more stake-holders to deal with now, the staff, the customers, the regulators, communities and so forth. Soft skills are becoming even more critical, which is interesting in such a technology-driven world. Research has also highlighted that leaders now need a broader breadth of experience – more industries, functions, and job roles. Leaders now also need to understand that they work in a multi-generational workforce. We have five generations in the workplace, creating a very complex situation.

Today's leaders need to know how to get the best out of each generation while also identifying and developing future leaders.

DS Having undergone a significant transformation, we have seen the importance of empathy in our leadership. Empathising with our people as we take them through change and solving problems together. Collaboration has been vital when building a global organisation and developing leaders who inspire others and have a strong self-awareness of their impact on individuals and teams.

LM A growth mindset and a positive approach are essential - leaders who see any business challenge as an opportunity rather than a problem. Being open to 360 feedback is also an important quality, as well as being open to coaching to identify any blind spots.

Q. **What metrics should organisations focus on to measure the success of their human capital transformation initiatives, and how can they ensure these initiatives are delivering both immediate and sustained? Have you adopted or seen any technology in the market that's added value?**

RS Data sets like engagement surveys and attrition and promotion metrics can be helpful, but it's worth considering the proper framework for the problem you are trying to solve. If your recruitment team is not producing, then they may need KPIs. Think about how you build their funnel and look through that. But as a business, it's really about aligning around engagement. That's the North Star. Then, we can connect it with our business growth, which we've been doing.

In terms of technology, I don't think it matters which platform or HR system you use – it all comes down to identifying the problem you are trying to solve and finding the right solution to address that.

Q. **How can businesses adapt their talent retention and development strategies to maintain a competitive edge? What have you seen to be the best approaches to ensure long-term employee engagement and career development?**

SY There are different levers, but this is your Employee Value Proposition. You have hygiene factors like compensation, benefits, and well-being. Then there are the differentiators. What kind of career do you offer, and what type of support is provided to employees to achieve their aspirations? One of the most significant factors we have found is purpose. We have people who have been in the business for 20-30 years because they believe in what we do. We have had to upskill our workforce, so we focus on supporting our employees to continue promising, successful careers and remain employable. That's our purpose, which attracts people to us, along with the benefits and flexible working hours. We also listen, run regular employee engagement surveys, and monitor the metrics to ensure continuous improvement.

DS At Vistra, we put our clients and our people at the heart of what we do. We are in our next phase of evolution and are focusing on understanding the workforce we will need for the future and how we will attract, retain and develop them. It's also about educating our leaders to prepare for the future and developing our EVP to reflect our culture.

LM Being willing to take chances on people and giving them opportunities in different locations or areas of the business can be beneficial for retention. Having good retention is positive, but you also want to bring in people who have worked in different environments and can bring new perspectives. Introducing additional financial incentives like share schemes can also support retention strategies along with having a clearly defined purpose and set of values.

RY Authenticity is essential, especially from leaders, when navigating challenging situations, like restructuring or redundancies. Supporting those who are retained and helping them navigate the challenges will help the business maintain a competitive edge.

Q. **Could you share an example of a time when you introduced a new value or principle that directly influenced the business strategy? Was there a value you championed that had a noticeable impact on moving the business closer to overcoming a significant challenge?**

SY The one that stands out for me is respect for the individual, and different people interpret it differently. But I bring it into all situations; for example, if you're letting someone go, have respect for them. You need to tell them the truth, empathise with them, and help them through the process. That's going to be hard. Another way to respect the individual is to put your views across and listen to their point of view if you're having a tough conversation. Just be open to them as well. And if you disagree, you can say it but say it respectfully.

DS One of our values is "us, not me" which has really helped foster collaboration and drive business growth by breaking down silos and better enabling cross-selling in a global organisation.

LM Consumer and customer focus is key for us to drive innovation and business success.

RY For us, it's "build for the long term", which matters when growing quickly. For the Commercial Team, it's about the quality of revenue. For the Tech Team, it's about building scalable solutions for the long term.

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