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Talent executives to double their efforts in the next two years to skill their HR teams in new capabilities: Reveals IBM HR 3.0 Study

Nearly 75% of global CHRO's reported that cloud and analytics (50%) will be a priority for their business in 2022

60% of India organisations report that data-driven decision making powered by AI is critical to the future of HR, and 71% share the same about agile

Bangalore, November 12, 2020 –A new [IBM Institute for Business Value \(IBV\) study](#), “Accelerating the Journey to HR 3.0,” reveals that 7 out of 10 human resources (HR) executives report the global HR function is ripe for disruption. CHROs overwhelmingly agree that HR must be radically redefined. Guiding principles of personalization, skills at the core, data-driven decision-making, transparency and agility are all central to the journey to HR 3.0.

HR 3.0, which only 10 percent of companies have achieved globally, turns HR into an agile consulting organization; one that not only delivers efficient services, but also practices design thinking to push innovative solutions, cognitive tools, and transparency into the organization. Right now amid global disruption, employee skill development is key for organizations looking to stay competitive.

Skills have emerged as the new currency across businesses. 41% of companies in India make skills growth a key part of their performance management approach and close to 30% of Indian organizations have skills and capabilities in AI within the HR function.

Organizations are embedding AI and digital technology throughout the entire employee lifecycle. According to IBM, 25% of organizations in India are leveraging AI and analytics to make better decisions about their talent – such as skilling programs and compensation decisions.

“Human Resources has evolved greatly over the past decades to meet the needs of a changing business environment. To bring forth the new era of HR and drive transformation inside organizations - HR itself must be radically redefined. The world's best companies are taking bold steps to accelerate their HR transformation with speed and purpose. We believe that HR 3.0 is the next evolutionary step, representing a major paradigm shift for CHROs and their teams”, **said Mr. Chaitanya N Sreenivas, Vice President & HR Head, IBM, India and South Asia.**

The new IBV study, “Accelerating the journey to HR 3.0,” conducted in partnership with global independent analyst Josh Bersin of the [Josh Bersin Academy](#), includes insights from more than 1,500 global HR executives surveyed in 20 countries and 15 industries. Based on those insights, the study provides a roadmap for the journey to the next era of HR, with practical examples of how HR leaders at surveyed “high-performing companies” -meaning those that outpace all others in profitability, revenue growth and innovation -can reinvent their function to build a more sustainable workforce.

Additional highlights from the study include:

- 35% of Indian companies, believe that leaders empower teams to innovate by creating a strong sense of purpose
- 29% organizations in India are using AI to identify behavioral skills like growth mindset and creativity for building diverse adaptable teams and are reinventing their own HR function and technology architecture to make more real-time data-driven decisions
- 25% of Indian companies' HR unit apply principles in design thinking and agile practices when building employee processes, journeys and solutions.
- 28% of organizations in India said data-driven decision making powered by AI is critical to the future of HR
- 25% of companies are actively investing to upskill HR in new skills and capabilities
- 41% of outperforming companies in India make skills growth a key part of their performance management approach.
- 60% of HR executives in India agree leveraging data from new sources like financial data, social media data, etc. assist in making better decisions about talent
- 71% of companies in India believe a consistent HR architecture plays a critical role in adopting agile practices to optimize for speed and to respond quickly to change
- In two years' time, 53% of organizations in India, plan to adopt a continuous approach to assessing employee performance through regular, transparent career conversations

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