

HR Transformation: Cost or investment?

24 February 2011

HR and the Transformation Agenda

Ciara Fallon Senior Manager, PwC Ireland



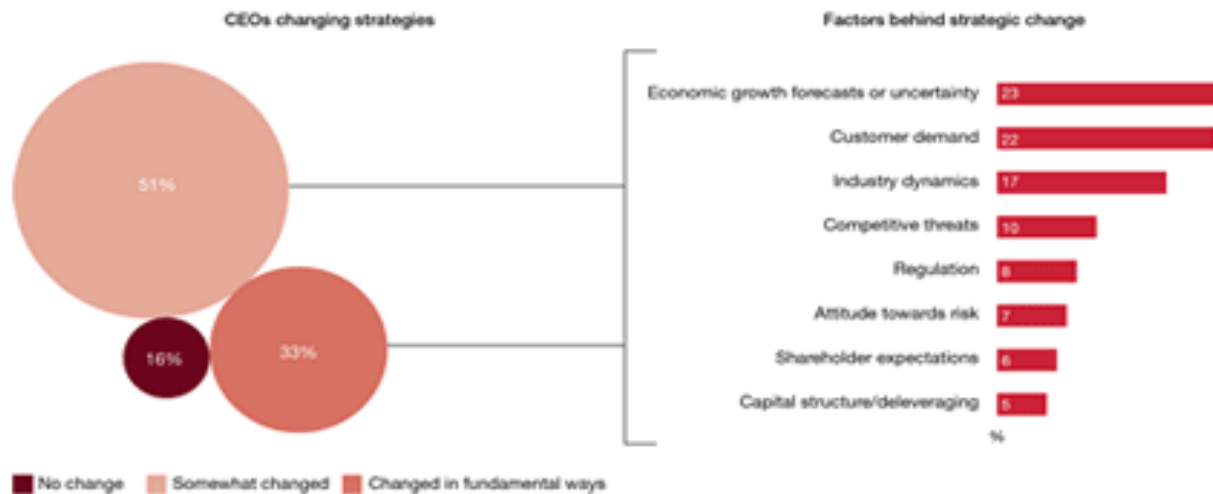
Key Themes

- What and who is driving the business transformation agenda?
- Where does HR fit in?
- What is the opportunity for HR?

What's keeping CEOs awake at night?

Strategies are responding to changes in demand

Q. To what degree has your company's strategy changed over the past two years?
Which factor had the biggest impact on your need to change your strategy?



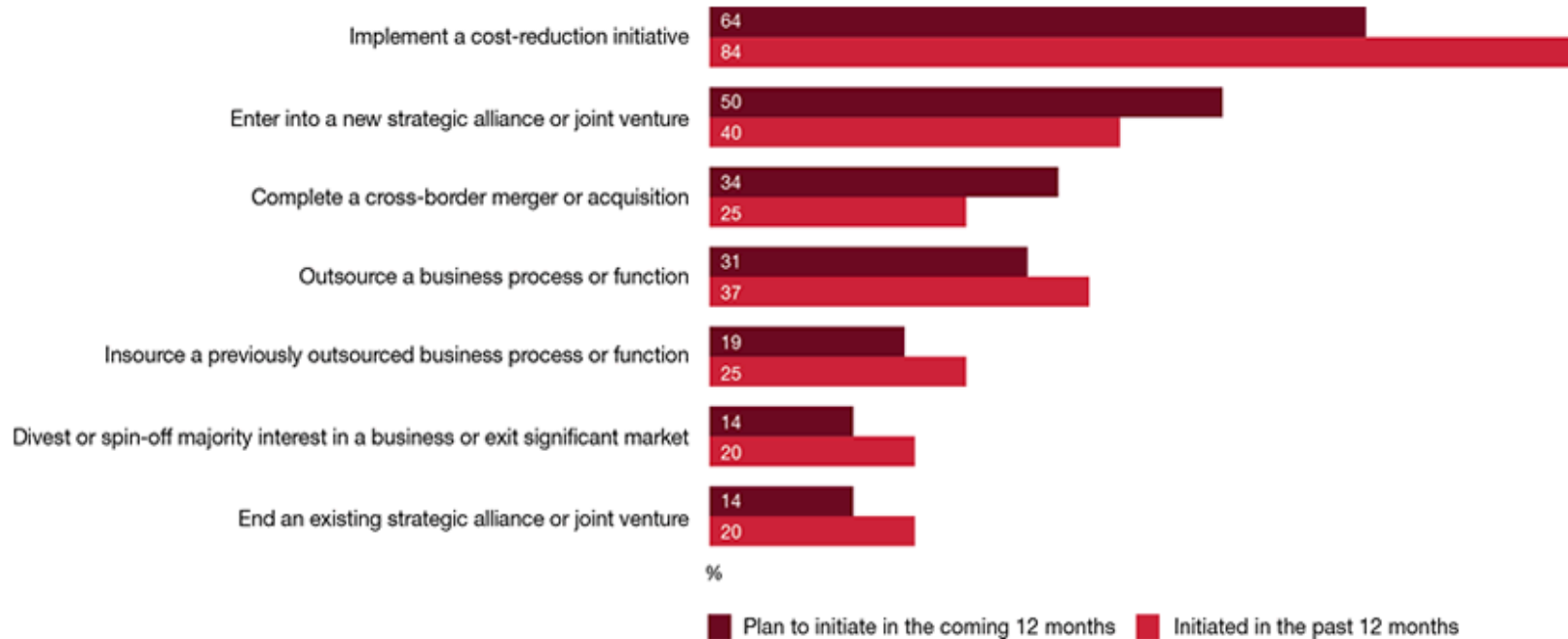
Base: All respondents (1,201)

PwC 14th Annual Global CEO Survey

What's keeping CEOs awake at night?

Restructuring initiatives are high on the agenda

Q. Which, if any, of the following restructuring activities have you initiated in the past 12 months, or plan to initiate in the coming 12 months?

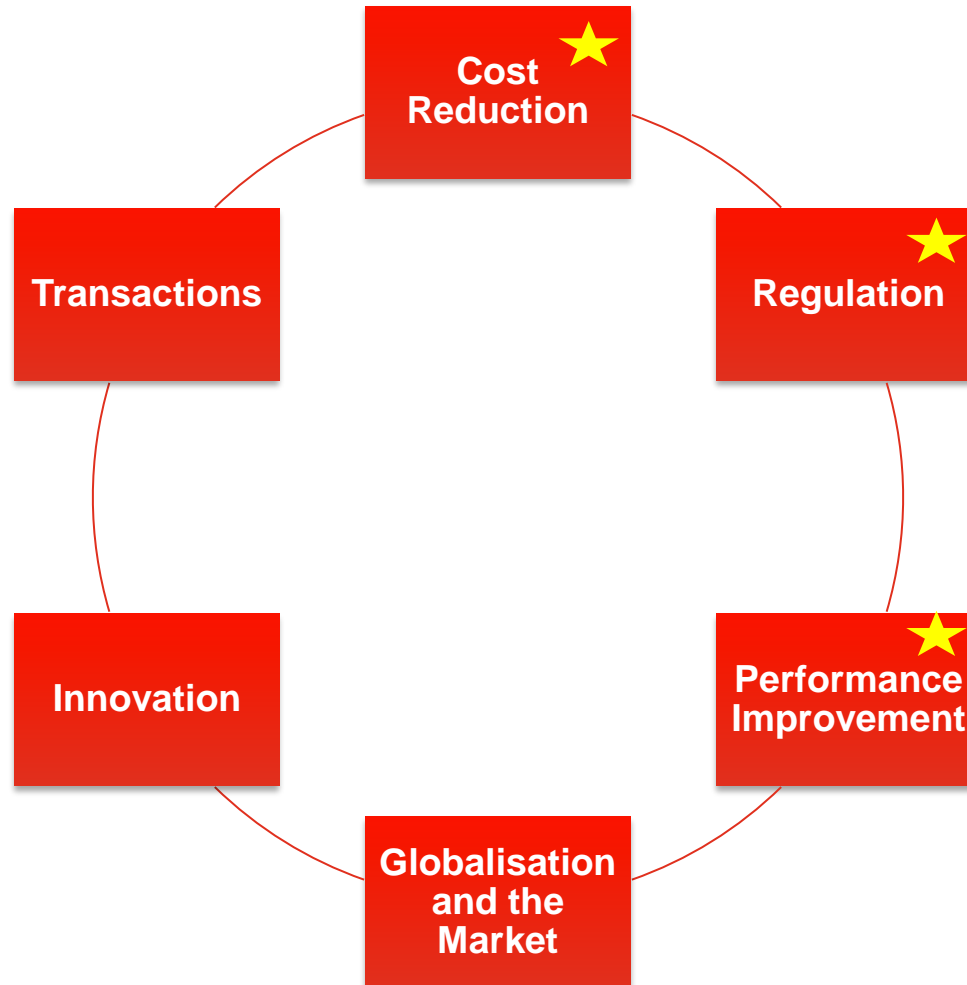


Base: All respondents (1,201)

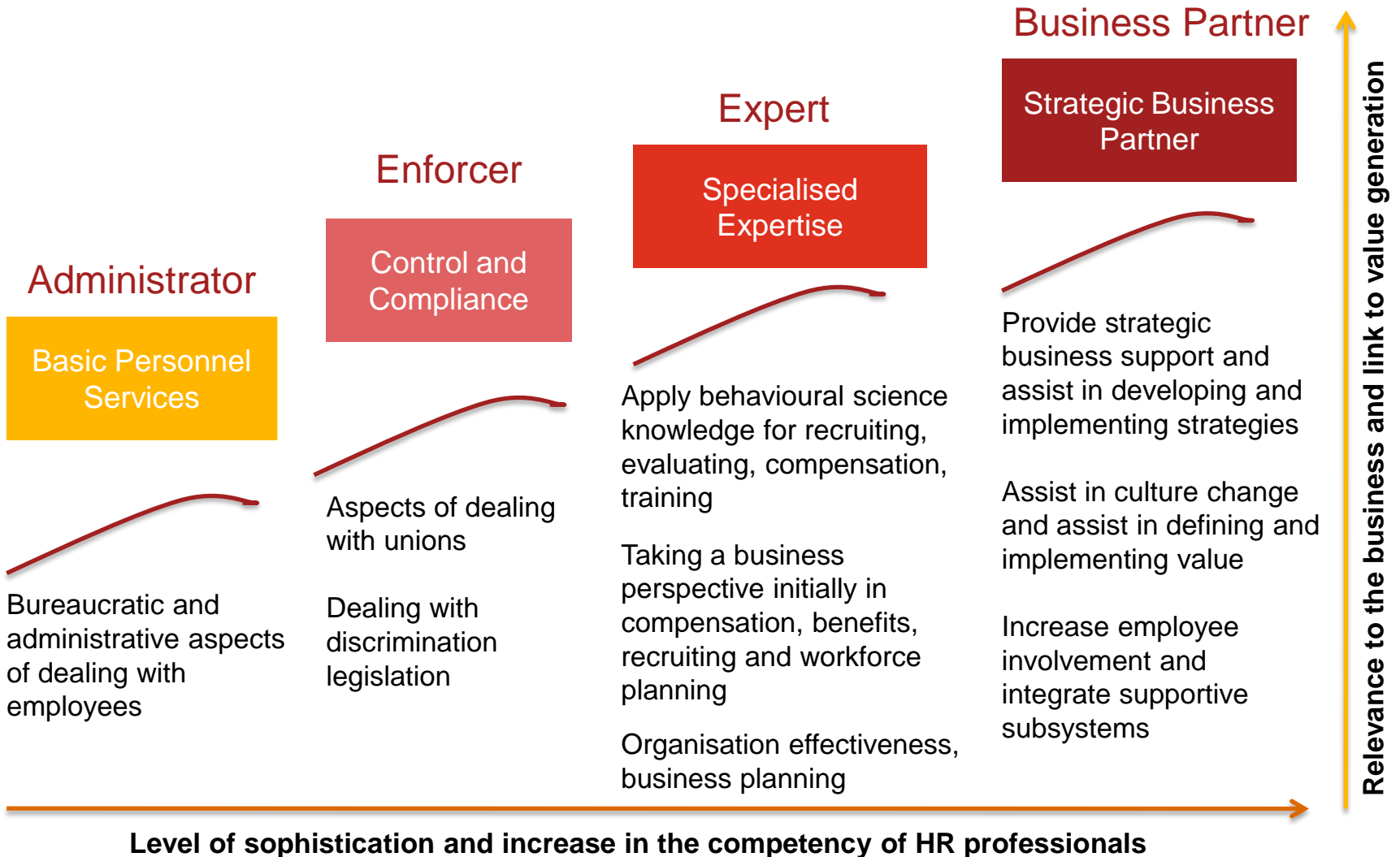
PwC 14th Annual Global CEO Survey

What's driving the transformation agenda?

Push and Pull factors at play

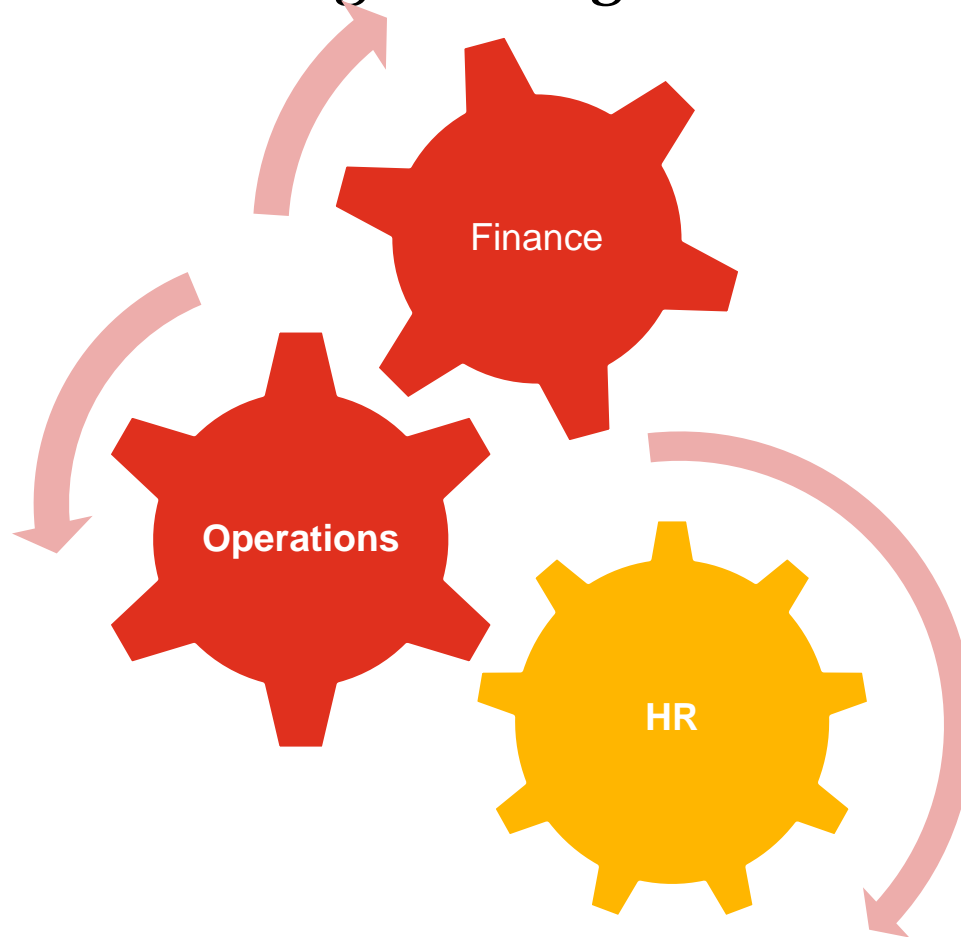


The Story behind the Evolution of HRM



Who's driving the transformation agenda?

The players are starting to change



Influencing Factors for Successful Change

Recognition of the 'People Factor'

Critical Success Factors *

Sponsorship from senior management	88%
Sponsorship from the CEO	87%
Employee involvement	79%
Good internal communications	78%
Clarity about priorities	75%
Programme management	52%
Training programs	49%
Team building	46%
Financial and other incentives	44%
Help from outside change-management experts	21%

* Answers: Important and extremely important success factors

Source: PricewaterhouseCoopers' Management Barometer 2006;
Based on interviews with 133 top executives of large, multinational businesses

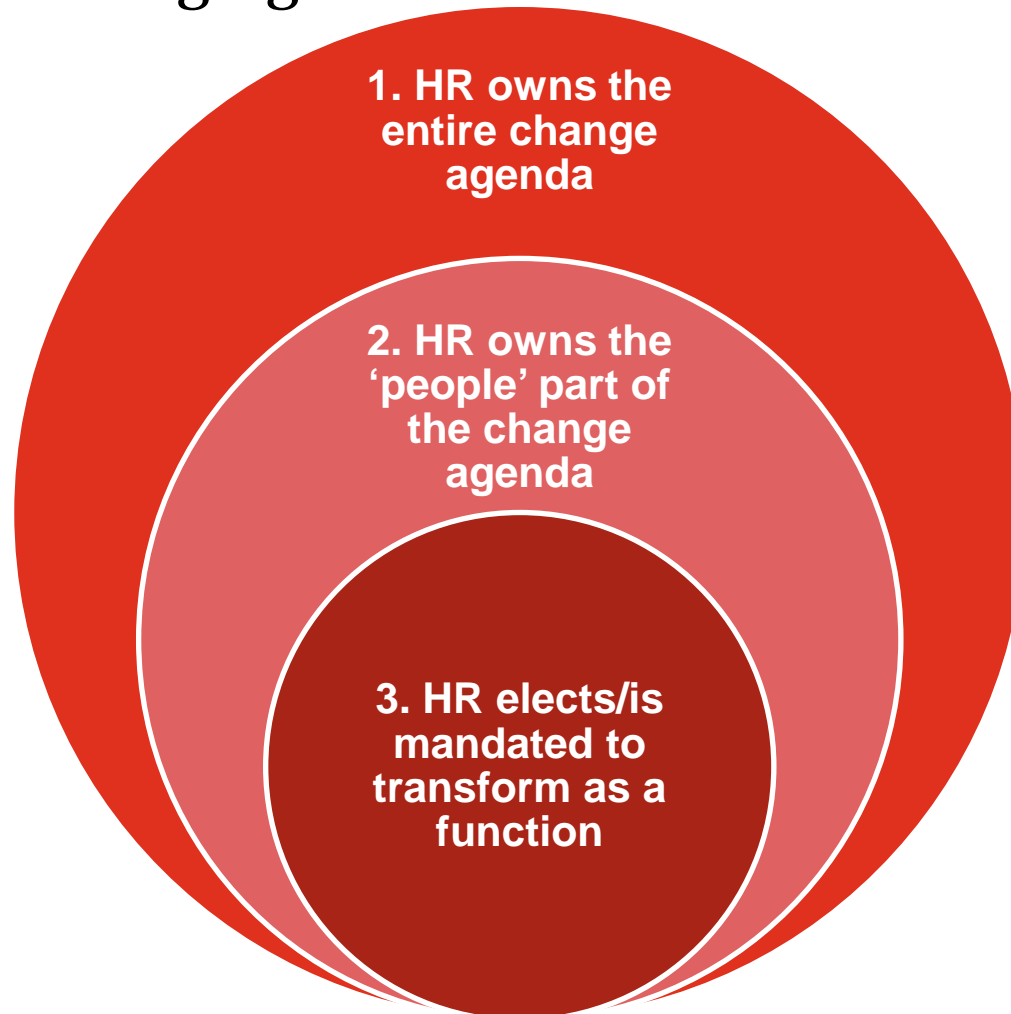
Potential Barriers for change*

Competing priorities	59%
Organizational inertia	47%
Lack of change-management skills in middle management	42%
Insufficient cross-functional collaboration	37%
Resource constraints	36%
Inability of workers to adapt to change	35%
Lack of change-management skills in senior management	34%
Lack of acceptance of reasons for change	32%
Insufficient training and coaching	31%
Lack of clarity about reasons for change	31%

* Answers: Difficult and extremely difficult barriers for change

Where does HR fit in?

3 scenarios emerging...



***“If you don't like change,
you're going to like
irrelevance even less”***

General Eric Shinseki

Thank you

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PricewaterhouseCoopers, its Partner, employees and agents do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

© 2011 PricewaterhouseCoopers. All rights reserved. "PricewaterhouseCoopers" and "PwC" refer to the Irish firm, PricewaterhouseCoopers, One Spencer Dock, North Wall Quay, Dublin 1 (which is authorised by the Institute of Chartered Accountants in Ireland to carry on investment business). As the context requires, "PricewaterhouseCoopers" and "PwC" may also refer to one or more member firms of the network of member firms of PricewaterhouseCoopers International Limited (PwCIL), each of which is a separate legal entity.

PricewaterhouseCoopers does not act as agent of PwCIL or any other member firm nor can it control the exercise of another member firm's professional judgement or bind another firm or PwCIL in any way. 03210