

Digital HR

# Drive purpose and build trust

Qatar Edition – March 2022



# About the Authors

**David Suarez** is a People & Organisation partner in the consulting practice at PwC Middle East. He is an expert on leadership, culture, strategy, organisational design, and large-scale transformation.

**Mayank Saxena** is a Director with PwC Middle East, Qatar office. He works with clients in public and private sector on people strategy, innovation, and change. His areas of expertise include labour market analytics and strategic workforce planning.

## Contacts

### **Bassam Hajhamad**

Country Senior Partner and Consulting Leader, Qatar

+974 4419 2771

[bassam.hajhamad@pwc.com](mailto:bassam.hajhamad@pwc.com)

### **David Suarez**

Partner, Consulting, Middle East

+974 5044 0199

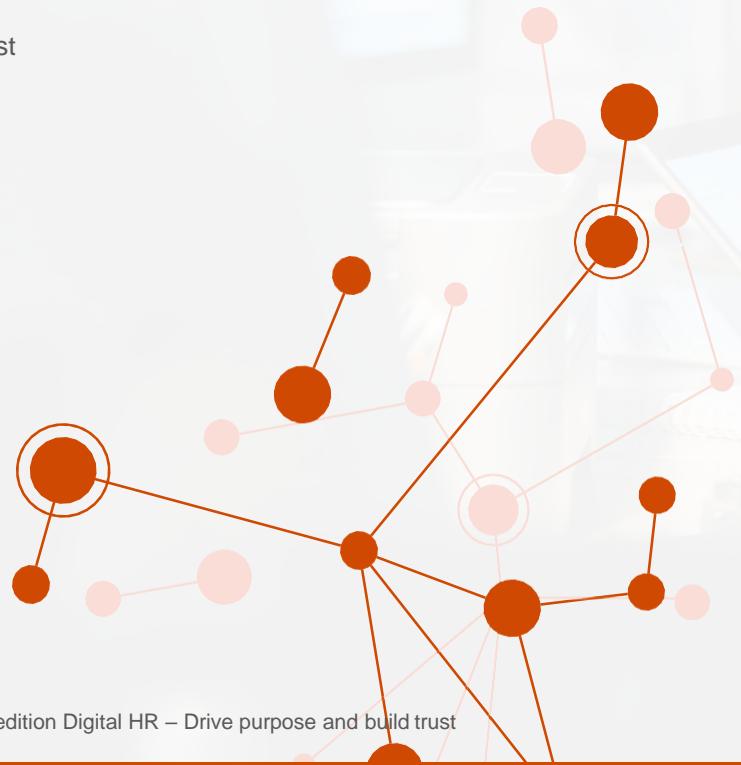
[david.suarez@pwc.com](mailto:david.suarez@pwc.com)

### **Mayank Saxena**

Director, Consulting, Qatar

+974 5030 3244

[mayank.saxena@pwc.com](mailto:mayank.saxena@pwc.com)



1

Digitalisation is transforming how companies work in ways that were previously unimaginable



# Digitalisation is transforming how companies work in ways that were previously unimaginable

## The HR function certainly deserves some credit that the corporates today are optimistic and see a path forward

Well before the COVID-19 pandemic struck, large scale shifts in demographics, climate, urbanisation, and economic power, to mention a few, had caused a massive change in our world. But by far, the fastest changes are being brought about by advances in science and technology in general, and more recently, by the pervasiveness of digital products, services and ways of working.

The pandemic itself only accelerated and accentuated these shifts, undermining long-held ideals about the role of corporates in mitigating economic disparities, social imbalances, and digital divides.

Being at the forefront of addressing the human dimension of the pandemic's disruptions, HR functions were subjected to unforeseen stress and were forced to try entirely new approaches to engage employees productively and inclusively, while ensuring employees trust their employers with their careers, growth, wellbeing, and data – two themes that run throughout our Digital HR Survey <sup>(1)</sup> and this report.

The role of HR is itself changing as a result of this disruption. From being a custodian of policies and provider of services to a talent champion and a change catalyst. Not surprisingly, when posed the question on the role of HR in the post pandemic world, the highest response among the Qatar respondents was that the HR function should be a talent developer and a coach (see Exhibit 1a).

As we are at the two-year mark of the pandemic, the global economy has rebounded from the depths of mid-2020. The global CEOs who responded to our 25th Annual Global CEO Survey <sup>(2)</sup> display optimism about continued economic resilience and 77% said they expect global economic growth to improve during the year ahead. CEOs see a path forward – for the global economy, and for their own organisation. This optimism would not be possible without the role the HR function has played during the pandemic.

1

## Exhibit 1a

Foremost, the respondents in Qatar believe that the HR should be a talent developer and a coach <sup>(1)</sup>

### Question

In what direction do you believe the HR function should change in the future?

**50%**

(17% more than the GCC average)

HR has earned this recognition. It is not the function that has traditionally commanded a significant pie of an organisation's technology, a view consistently reflected during our interviews.

The paradigm shift of remote work and learning, while far from perfect, has been a remarkably effective feature of the pandemic response <sup>(3)</sup>. In one of the pandemic's positive surprises, people who were given a chance, proved they could transition quickly to remote work while keeping productivity high. While we are not out of the woods yet, we have fared better than expected in ensuring business continuity, keeping employees meaningfully engaged and productive.

Sheikh Jassim Saud Al Thani, Chief Human Capital Officer, Commercial Bank, Qatar, reflects, "Customer experience and profitability has driven technology investment; employee experience, while important, has traditionally been considered less urgent." Sheikh Mohamed Fahad Al Thani, Chief Human Resources Officer, Doha Bank, shares a similar view, "Revenue generation is a priority, and HR is not considered revenue generating; there have been instances where a specific technology, for example, robotics process automation, was rolled out to business while HR had to wait." However, both are pleased to point out that, when the pandemic struck, HR stepped up and played a mission critical role, Sheikh Jassim emphasizes, "Even when a large number of employees were working from home, we helped our business deliver on their performance metrics. For the employees who needed office space, we applied a lot of physical changes in the environment such as isolating air-condition silo systems, unobtrusive thermal detection, and of course, a lot of sanitisation."

Sheikh Mohamad is equally contented with the efforts, "We worked at 20% capacity but managed to keep the productivity high."

So far, so good.

## We are witnessing a tipping point of the digital transformation; HR will influence its pace, and in turn, be shaped by it

One highly visible consequence of the pandemic has been a significant rise in the use of digital channels – to work remotely, to sell and to shop. Riding on the back of this surge is an increased adoption of advanced analytics and artificial intelligence by businesses, as leaders made decisions amid deep uncertainty, and often without normal operating data or reliable experience <sup>(6)</sup>.

Meanwhile, Fourth Industrial Revolution (4IR) technologies – particularly those supporting automation, cloud computing and the internet of things have become more mainstream, to provide protection against economic downturn, and to leverage as a competitive advantage <sup>(9)</sup>.

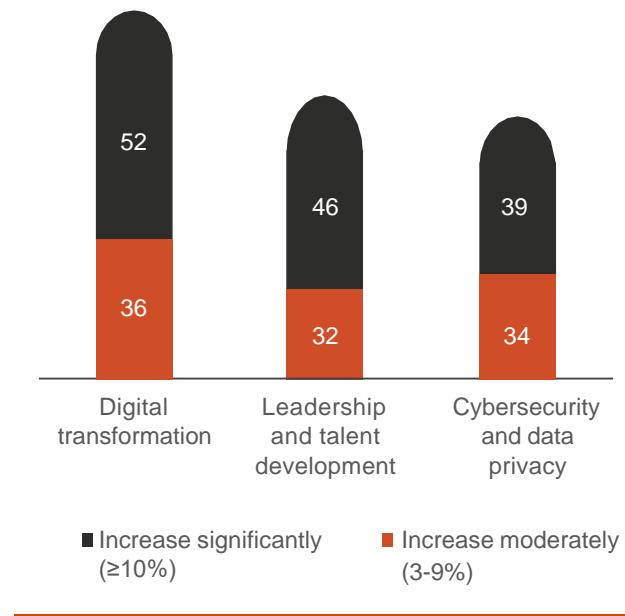
The rapid acceleration of companies' digital transformation during the pandemic is not slowing down. Over the next three years, 52% of Middle East CEOs who participated in PwC 25th Annual Global CEO Survey plan to increase investments in digital transformation by 10% or more (see Exhibit 1b).

### Exhibit 1b

52% of Middle East CEOs plan to increase their rate of digital investment by 10% or more <sup>(2)</sup>

#### Question

How do you plan to change your long-term investments in the following areas over the next three years?

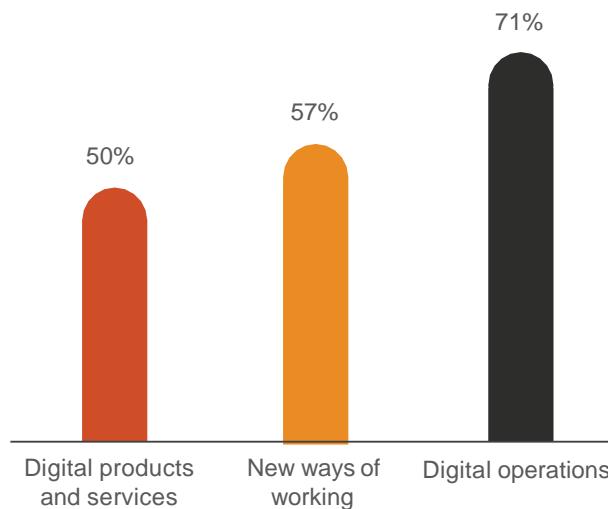


## Exhibit 1c

### Digital disruption is transformative, successfully addressing it requires navigating through multiple technologies <sup>(1)</sup>

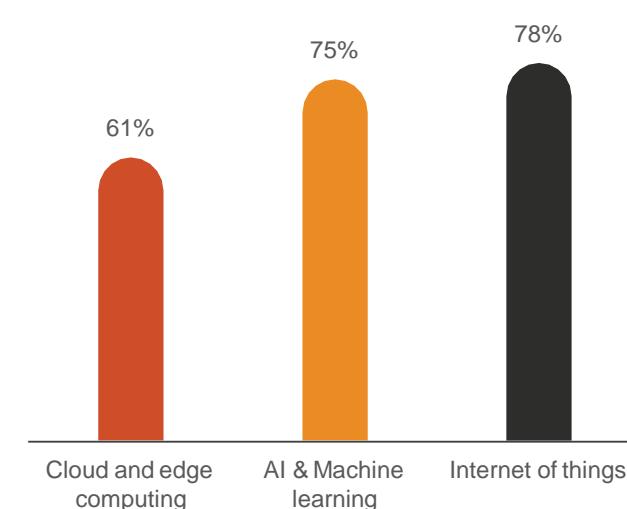
#### Question

What is digital transformation in your organisation? (top 3 responses, Qatar)



#### Question

Select the technologies that are most disruptive for your organisation (top 3 responses, Qatar).



The respondents to the HR survey in Qatar agree that the digital agenda is now a 'whole of business' agenda. It is more than digital products and services, and impacts work, workforce, and the workplace (See Exhibit 1c).

As factories become increasingly connected, robots more independent, and machines talk to one another and to humans, how we recruit, engage, and enable our people needs a fundamental relook.

Dr Abdulaziz Al-Horr, Director of the Diplomatic Institute, Ministry of Foreign Affairs, Qatar agrees with the alacrity with which a new digital world has presented itself. **"We are integrating digital in what we do and how we do it; our embassies are going digital, digital diplomacy is taking prominence"**, he affirms while highlighting the extraordinary opportunity that has been presented before the HR professionals, **"At our Diplomatic Institute, the capability programs on digital platforms have witnessed a massive interest and acceptance,**

it has enabled us to be boundaryless and cater across time zones and across the needs of our diplomats. Digital transformation of our training function has been a success beyond our expectations, this change is for here to stay."

So, what is the role of HR function in this new, exciting, and sometimes daunting digital world? What people practices can help companies step up the pace of innovation and set the stage for better performance in a post-pandemic world? What does this mean for the HR function itself?

These are some of the questions we explore further in the next sections.



2



For a successful Digital world, the HR function needs to be at the core of sustaining productivity, managing risks, and building trust in the workplace

# For a successful Digital world, the HR function needs to be at the core of sustaining productivity, managing risks, and building trust in the workplace

2



## Accelerate the digital transformation of people practices

The mandate for the HR function is shifting from the urgency of maintaining business continuity during the pandemic to addressing the priorities of the post pandemic digital world. The shift is gradual but certain (see Exhibit 2a).

In the state of Qatar, HR functions have been traditionally transactional service providers, conducting recruitment and arranging visas for the overseas workers, among a range of tasks. However, over the past few years, we have noticed a desire among both private companies and public-sector organisations to transform the role of HR and make it a value-adding function that shapes talent, develops leaders and enhances the overall employee experience. Some HR teams have been exploring digital technologies, from artificial intelligence enabled resume screeners to HR chatbots and digital capability platforms.

This pace was accelerated during the pandemic, partly because this coincided with an increasing acceptance of Digital HR technologies among the executives and decision makers, and an appreciation that these technologies are secure. For instance, cloud computing and related applications that were caught in the crosshair of multiple debates in Qatar's public sector gradually found an increased acceptance.

"Today, the mindset of the government executives in Qatar has changed significantly about cloud applications," notes Farha Al Kuwari, Director, Human Resources Information Systems Centre, Civil Service and Government Development Bureau, Qatar, "Two years back, employee data being on

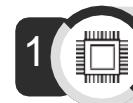
the cloud was faced with resistance. Now there is an appreciation that we have a greater security, authentication framework, and better understanding of the cloud environment. Hence, the Qatar government is more open to discussions on adopting cloud-based technologies for HR applications."

### Exhibit 2a

#### Digitalising people practices has been an urgency, changing culture and mindset the priority for the HR function <sup>(1)</sup>

##### Question

What is the contribution of HR to the digital transformation of your organisation (Top 4 responses, Qatar)?

1  Digital people practices

2  Digital talent and upskilling

3  Technology adoption

4  Digital workplace

##### Question

What changes will the CXO's and line managers request from HR as a result of digital transformation (Top 4 responses, Qatar)?

1  Culture and mindset

2  Digital talent and upskilling

3  Digital people practices

4  New ways of working

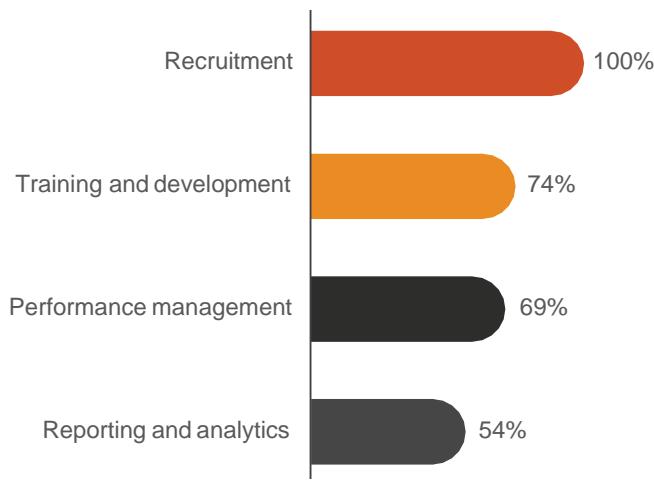
Qatar respondents believe the key HR processes that have been associated with the digital agenda include recruiting and employer branding, training and development, performance management, and reporting and analytics (see Exhibit 2b).

## Exhibit 2b

### People practices are being redefined in a digital world <sup>(1)</sup>

#### Question

Processes and HR activities in your organisation impacted by digital disruption in terms of approach and technology (Qatar respondents)



Moving forward, HR is expected to build on the momentum and accelerate the digital journey across the entire talent lifecycle. The digital roadmap should be aligned to the experience of a digital workforce, operating requirements of a digital workplace and to a fit-for-digital employee value proposition.



### Create an agile, boundaryless, hybrid workplace

The success of remote work has reimagined how and where the corporate work gets done. PwC's survey into attitudes about remote work <sup>(3)</sup> finds that executives and employees agree on a post-pandemic future with a lot more flexibility, yet few are prepared to completely abandon the office space.

As a result, by design or default, most companies are heading toward a hybrid workplace where a large number of office employees rotate in and out of offices configured for shared spaces. This has a bearing on the company's culture, employee engagement, and well-being.

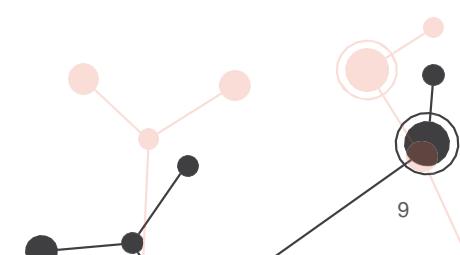
To help support this the HR function needs to enable the right technologies and provide everyone with the collaboration tools and access to data they need to work remotely effectively (see Exhibit 2c).

## Exhibit 2c

### Enable the right technologies for the digital world <sup>(1)</sup>

#### Question

What digital tools are helping ensure business continuity of your organisation during the COVID-19 outbreak and prolonged period of remote working (Qatar respondents)?



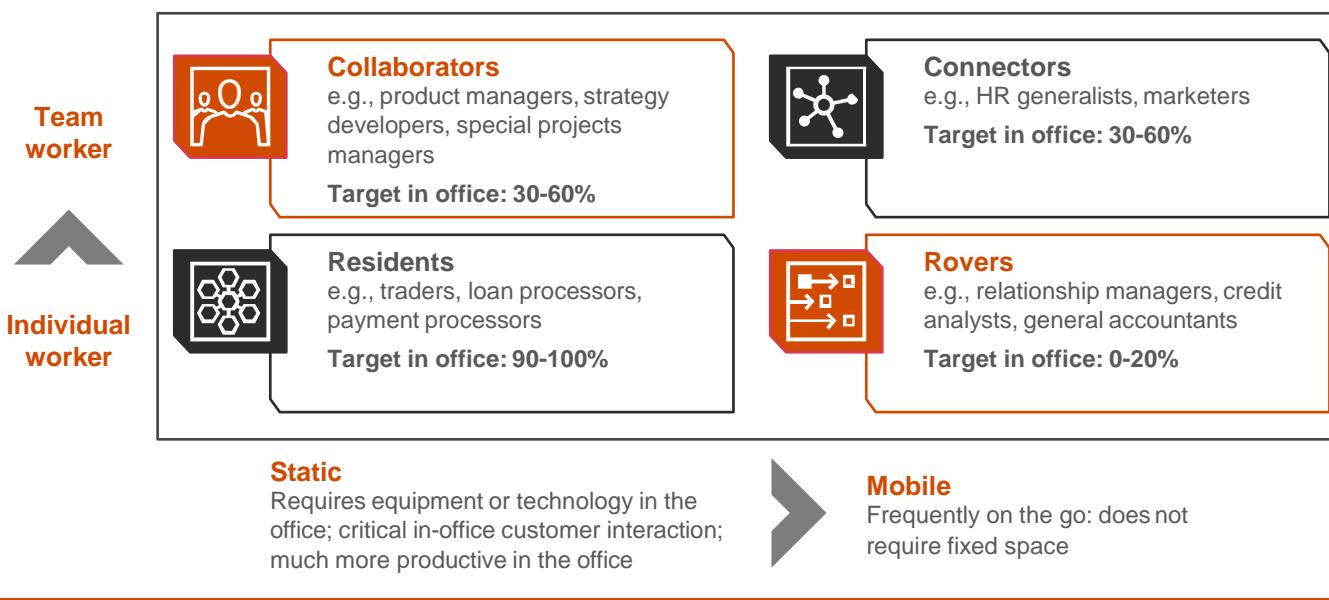
Secondly, define the new ways of working around collaboration, coaching, community and culture. A key recipe for success is to implement tailored approaches for employees' 'footprint requirements at work' differently depending on their specific roles.

When planning your digital workplace, recognise specific employee personas and map their activities, requirements, and propensities for home or office working (Exhibit 2d).

#### Exhibit 2d

#### Implement tailored approaches for your employees <sup>(10)</sup>

How much time will these employees spend at office?



#### Define a Fit-for-digital employee value proposition

Emergence of a hybrid workplace means that traditional rewards structures are no longer fit for purpose.

Employee attitudes toward work are evolving, and employee preferences for financial and non-financial benefits have changed considerably over the past

decade <sup>(5)</sup> (see Exhibit 2e, next page), and the speed of that change is only accelerating in the post-COVID-19 world. The importance of other types of benefits – medical, dental, vision, and life insurance; wellness and supplemental health benefits; and childcare – has doubled. Work-life balance options and training and career development have tripled in importance.



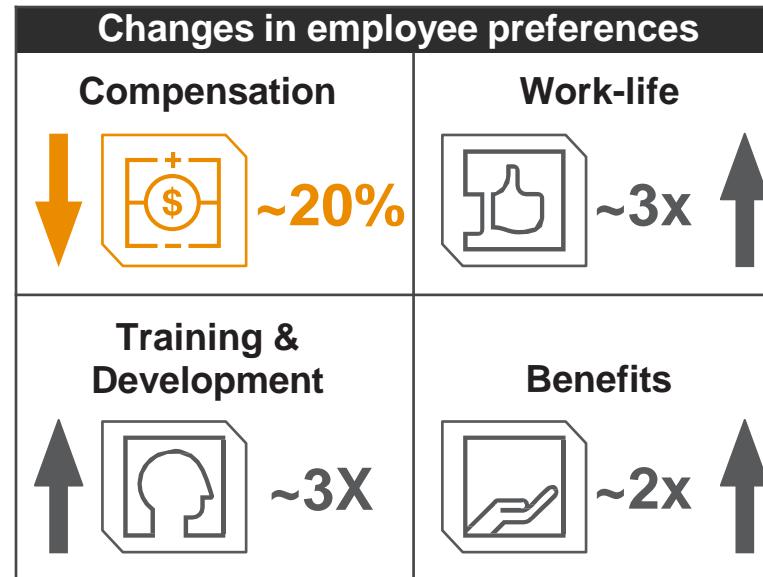
## Exhibit 2e

Importance of work-life, wellness, and learning opportunities has increased considerably compared to financial compensation over the past decade <sup>(5)</sup>

 Data collected from 2009 to 2021

 10 Million + Surveys

 50 Million + Data Points



There is a clear gap in the perception between the employers and employees on the success of a company's efforts to support remote work through benefits such as childcare or initiatives such as manager training (see Exhibit 2f) <sup>(3)</sup>.

Increased stress and anxiety during the pandemic, and other challenges took their toll on the workforce. Employees who reported lower productivity were more likely to cite difficulties in balancing work with home duties, in addition to challenges collaborating with colleagues or accessing information.

For the Qatar HR leaders, this poses important questions – Is your employee value proposition fit for the post pandemic world – the compensation, benefits, wellness and well-being? Are you doing enough to train employees to future-proof skills? Are you doing enough for women and employee groups who need well-being support?

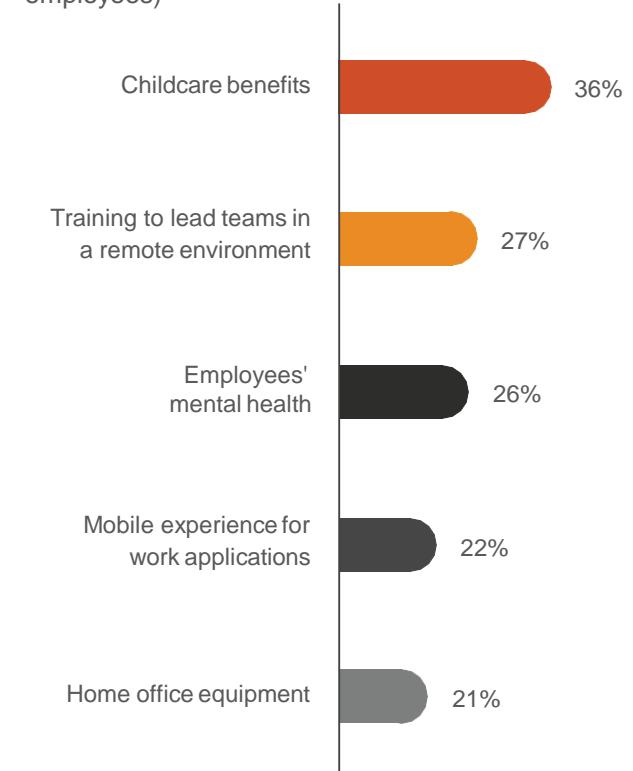
## Exhibit 2f

The perception gap between the employers and employees on the success of a company's benefits <sup>(3)</sup>

### Question

How would you describe how effective your company has been at performing the following activities with employees working remotely?

Gap between employers and employees' favourable response (employers minus employees)



## Identify and invest in Digital talent

In a recent PwC study on upskilling workforce for a digital world, we observed that the employers who make good-faith efforts to upskill their people build trust - and that in turn can enhance the organisation's reputation in a world where trust is an increasingly valuable commodity <sup>(11)</sup>.

One of the challenges in investing in digital talent is the ability to identify the roles and skills that fall within this category. Qatari organisations view this as skill sets ranging across technology, experience, analytics, and change management (see Exhibit 2g), which in our view is a good balance.

Sheikh Jassim confirms, **"We don't need coders; much more than that we need process designers with a focus on customer experience.**

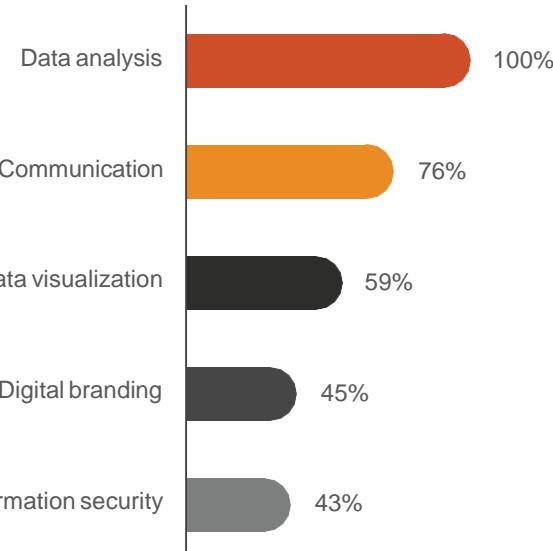
**The emphasis is on scalability and simplicity of processes"**, he further emphasises that HR needs to accept the new identity, **"HR managers should consider themselves to be 'talent managers', who can find innovative ways to cater to organisations' talent needs, rather than being process controllers, which has been their traditional identity."**

## Exhibit 2g

**Qatar entities are seeking digital talent across technology, experience, analytics, and change management <sup>(1)</sup>**

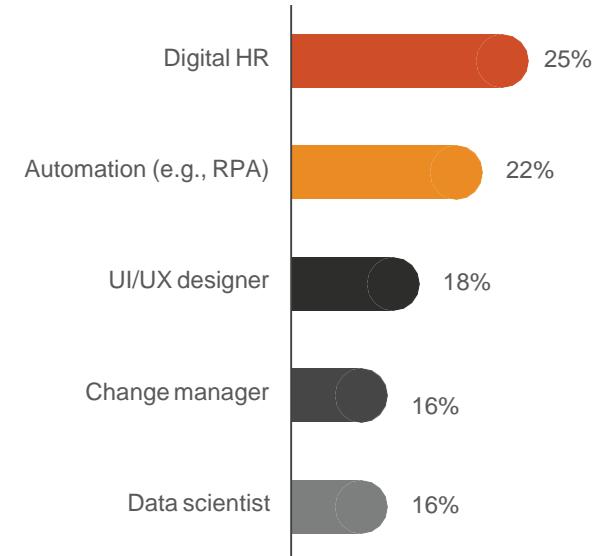
### Question

What new skills is your organisation prioritising in the digital era?  
(Qatar respondents)



### Question

What are the new roles that your organisation is creating and/or recruiting for? (Qatar respondents)



## Build trust in a virtual world

First, the good news.

A recently conducted survey in Qatar as a part of one of the largest global surveys of workers <sup>(4)</sup> revealed a mostly optimistic story. Workers in Qatar said they believe that technology provides more opportunities than risks, they can meet the challenges of automation – and they proved it during the pandemic: by learning new digital skills and by quickly adapting to remote work (See exhibit 2h).

However, there were some concerning undercurrents.

Many people think their job is at risk, there is a concern related to digital performance monitoring and data privacy.

Globally, as companies gain momentum in deploying machine learning and artificial intelligence models for people related decisions, we have seen a skepticism with respect to how these models impact employees' careers and if there are any potential biases.

HR needs to recognise its role as the custodian of employee trust. Playing this role effectively requires investing in the employees' skills of tomorrow, creating agile career pathways that help employees remain productive and relevant, and ensure security of employee data and systems.

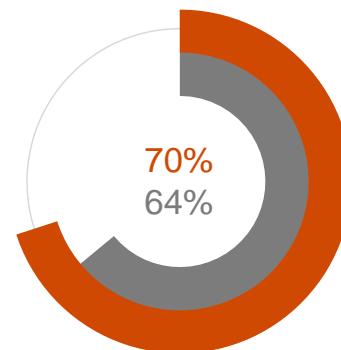
This also requires the HR function to develop its own capabilities in identifying and mitigating risks in 'intelligent' models and being able to explain the same to the employees<sup>(6)</sup>.

### Exhibit 2h

**Qatar workers have a positive sentiment about the future, however they are concerned about job security and data privacy <sup>(4)</sup>**

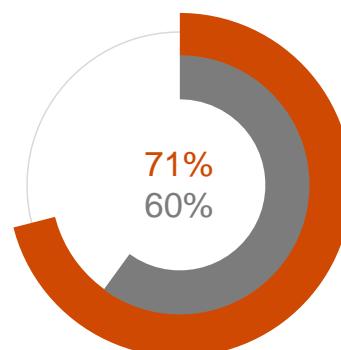
#### Question

People who agree that technology provides more opportunities than risks



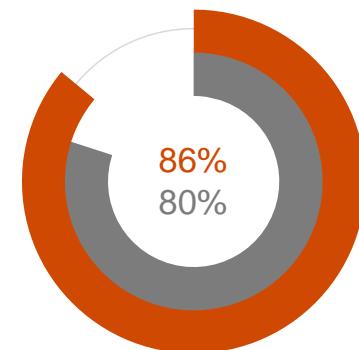
#### Question

People who are worried that automation is putting many people's jobs at risk



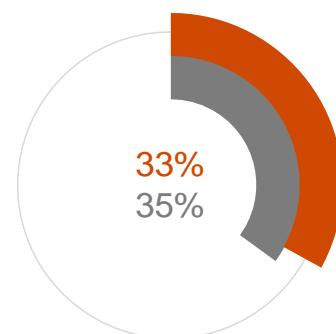
#### Question

People who are confident they can adapt to new technology entering their workplace



#### Question

People who are willing to give their employer access to personal data, including social media profiles



Qatar

Global

3

This is a pivotal moment for the HR function.  
Start with strategy, be led by purpose



# This is a pivotal moment for the HR function. Start with strategy, be led by purpose

3



## Define your Digital HR vision, technology strategy and roadmap

83% of the participating organisations in Qatar stated that they are currently in their Digital HR journey, while 17% don't seem to have initiated the process, and only 3% believe they have achieved a leading position (see Exhibit 3a).

Reflecting on this information, Dr Abdulaziz shares his mantra for a successful Digital HR transformation, "In my opinion, there are 3 factors that impact the success of an organisation in Digital HR transformation – culture, people, and vision. If we have the right organisational culture, right quality of people, and the right vision, we have set a solid foundation." When considering the maturity statistics of the Qatari entities he believes that "Digitalisation is a vehicle, not an end in itself, the drivers need to be clear and the environment positive – the 3% of the participants who have achieved their Digital HR goals have got their culture, people, and vision properly articulated and aligned."

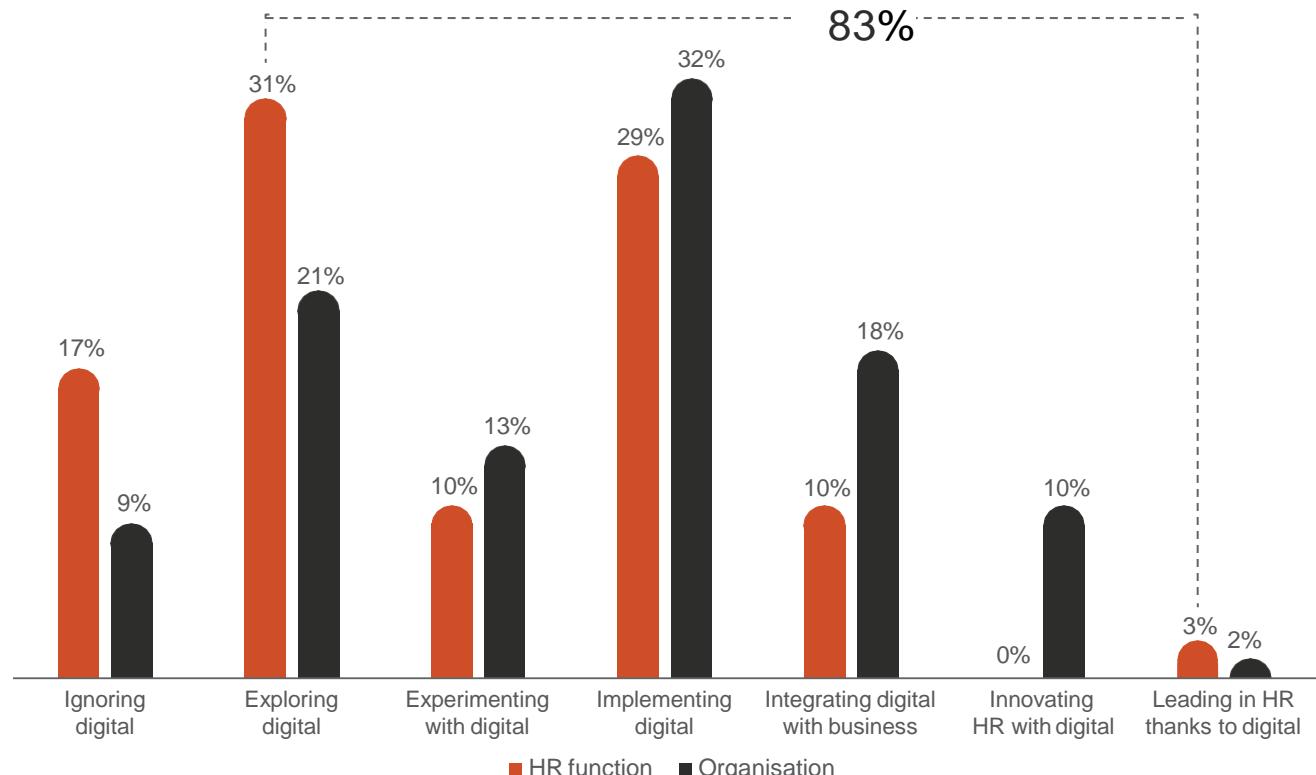
Farha Al Kuwari emphasises the need for balancing a well-defined HR technology roadmap with an agile approach to execution. "We are currently focusing on tools for facilitating collaboration and measuring engagement, as well as dynamic scenario analytics for the higher management, such as through digital boardrooms. We want to gradually rollout these analytics platforms across multiple sectors, with education and healthcare next in line."

### Exhibit 3a

**Qatar organisations are progressing on their Digital HR transformation journey, though challenges remain <sup>(1)</sup>**

#### Question

What is your organisation's vs your HR function's maturity level?



“An HR technology road-map is only as good as the plan to take the stakeholders along the journey”, Sheikh Mohamed believes, “Digital HR creates empowerment, and for that, it is necessary that the executives let go of control. But often they don’t fully realise what letting go of control really means and need to be guided. Keep an eye on the regulators too; whether for your employees or for your customers, they will draw the boundaries to your digital engagement.”

## Build a purpose-led digital organisation

Work from work, work from home, work from a society and a community.

The COVID-19 pandemic has been a period of stark realisation that success of our employees is intricately linked to productivity of the communities they live in, and whenever an HR function contributes to a digital workplace, skills and platforms, they help bridge the digital divide and recouple social and economic progress <sup>(7,8)</sup>.

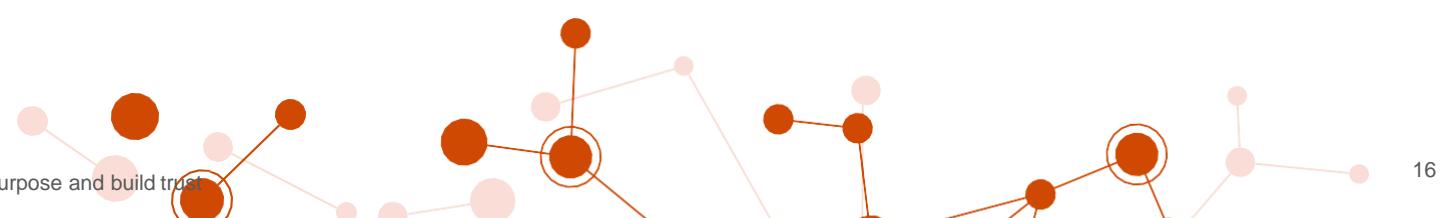
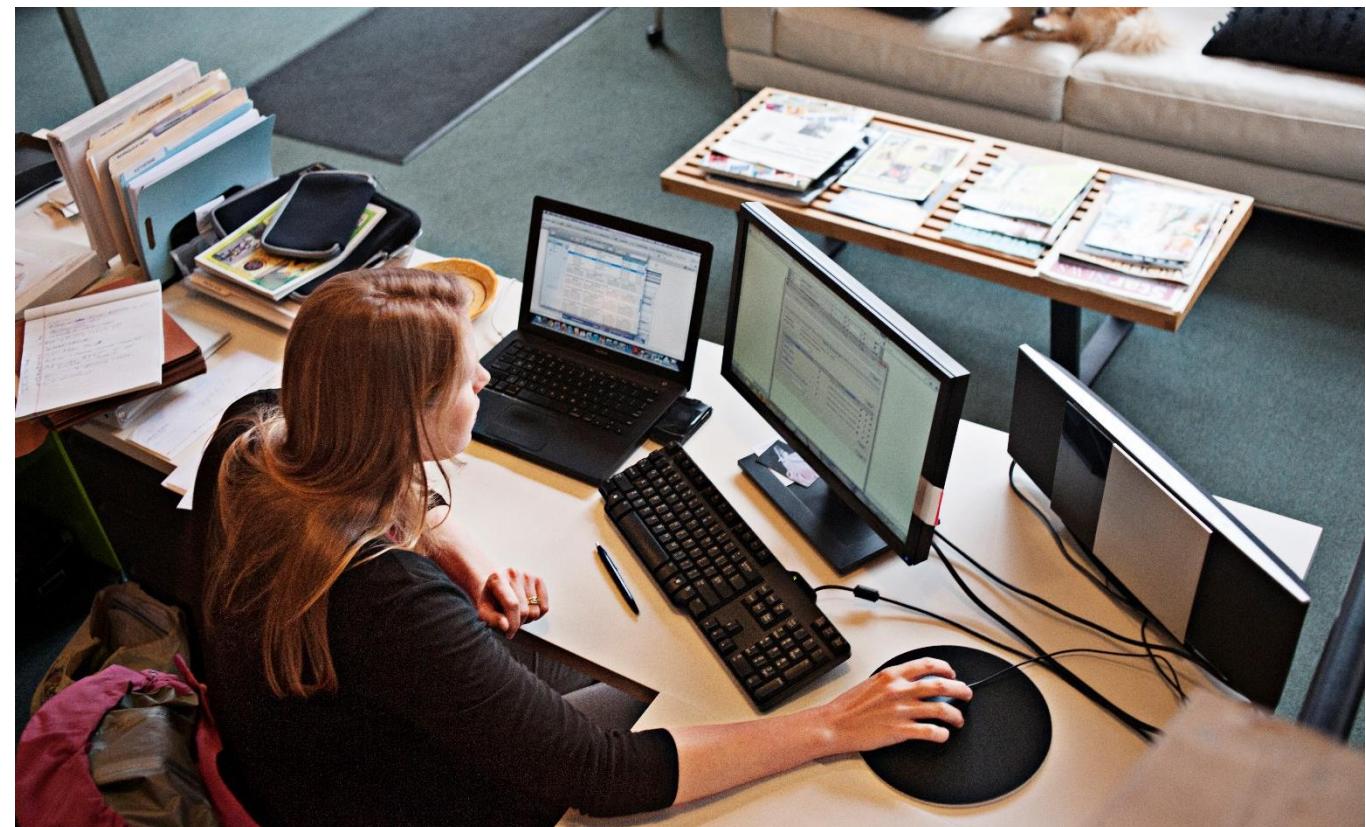
Qatari entities that focus on digital talent and upskilling will find themselves better placed at leading initiatives on digital inclusion, community education, and upskilling, and fostering a culture of innovation within and beyond their increasingly blurring organisation walls.

Furthermore, these entities investing in talent upskilling for a fit for the future workforce, will be looked at as a trusted partner supporting the government achieve its 2030 vision.

It is time to reflect on your organisational responsibility to the planet and society and acknowledge that success is no longer measured by financials alone.

Purpose is monetizable as well; focusing on societal impact and maximising profit are not mutually exclusive <sup>(4)</sup>. Being a purpose-led business helps boost the bottom line. If a company is perceived by employees to live its “sense of purpose,” people consider that to be worth as much as 20% of the total reward in comparison with companies in the same industry that do not <sup>(5)</sup>. Finally, a digital organisation is a learning organisation;

it adapts to the vagaries of the world we live in and is resilient to the economic cycles; Dr Abdulaziz sums it up quite well for the aspiring digital organisations, “**Most important thing that will sustain a successful transformation is a life-long learning attitude. If you can facilitate ‘any place any time learning’, then do not worry about resistance or the perceived skill-gaps. A learning organisation is agile in meeting its purpose and it is my recommendation for all entities in Qatar.”**



# Acknowledgements

PwC would like to thank the following for contributing their views to this report and participating in the panel discussion (July 2021) on Digital HR – the steps organisations should take to transform the role of HR into a more strategic, value adding function.

## **Dr. Abdulaziz AlHorr**

Director of the Diplomatic Institute,  
Ministry of Foreign Affairs, Qatar

## **Sheikh Jassim Saud Al Thani**

Chief Human Capital Officer  
The Commercial Bank (P.S.Q.C), Qatar

## **Sheikh Mohamed Fahad Al Thani**

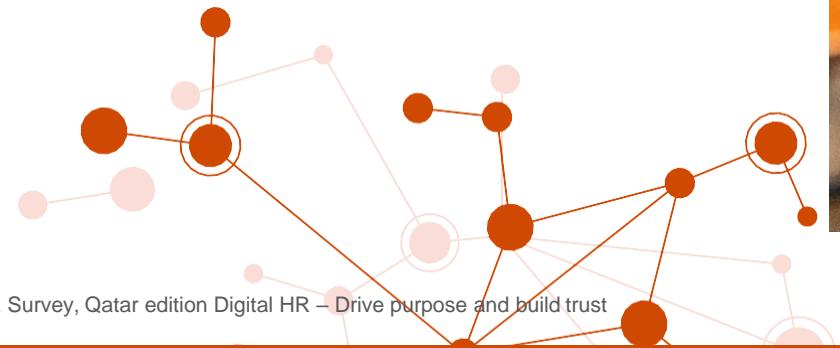
Chief Human Resources Officer,  
Doha Bank

## **Farha Al Kuwari**

Director, Human Resources Information Systems Centre  
Civil Service and Government Development Bureau, Qatar

## **Jan Duthoo**

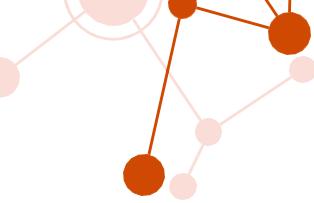
Head of SAP SuccessFactors in the Middle East



Middle East Digital HR Survey, Qatar edition Digital HR – Drive purpose and build trust



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While the numbers tell a story, we know there's more to most stories than numbers. That's why we combined the findings of Digital HR Survey (600 responses) with qualitative insights from interviews and a panel discussion with the Qatar HR leaders (acknowledged at the end of this report) during June-July 2021, along with the recent PwC research on CEO sentiments, employee attitudes, remote work, and the digital divide.

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