

How Will the Metaverse Transform HR?

THOUGHT PAPER

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Introduction

The Metaverse is one of many transformative digital developments to come out of the pandemic. The word has been thrown around often in recent times, fast becoming one of the key focus areas for businesses, especially in the tech industry. In a 2021 report, [Bloomberg](#) reported that the metaverse market is expected to grow 13.1% annually and is expected to be worth \$800 billion by 2024. [According to Gartner](#), 30% of companies will enable services and products for the metaverse by 2026. This means at least 25% of people will spend an hour on average in the metaverse for work, shopping, entertainment, and social activities.

In the last few years, the world of work has shifted, and technologies that were once seen as passing '*fads*,' no longer seem impossible. As the buzz around metaverse gains momentum, many industries have set out to explore its potential and the impact it promises to deliver, with some of the bigger companies already investing in this new virtual space. The HR function is no different.

However, it is also true that the metaverse is still evolving, and its practical implementation and actual benefits are yet to be fully understood. Through this thought paper, let us unpack what the metaverse actually is and how it could revolutionize the way we do things in the context of Human Resources.

Understanding the Metaverse

The Metaverse can be described as a realm of computer-generated, networked Extended Reality (XR). It combines all aspects of Augmented Reality, Mixed Reality, and Virtual Reality (AR, MR, and VR) allowing for an immersive virtual interaction between users—people, brands, and businesses, in real-time. Users of the Metaverse can create avatars or digital identities to explore these virtual spaces, socialize, attend events, and engage in multiple activities with fellow users.

As the metaverse evolves, companies are exploring ways to leverage it to transform their processes. Looking at its potential in Human Resources, it is no surprise that multiple organizations have begun exploring the benefits of recruiting, training, and managing employees in virtual environments. Big tech companies, such as Meta, Microsoft, Google, and Apple, [are investing heavily in metaverse technology](#)—with some of those investments specifically focused on collaboration at work. With so many companies jumping on this bandwagon, it becomes even more important to examine and understand how this affects the world of HR. Broadly speaking, the metaverse can impact HR and organizations by creating new

opportunities for employee engagement, improving the efficiency of HR processes, and enhancing employee experiences in virtual environments.

Talent Acquisition and The Metaverse Impact

Organizations today are looking beyond traditional acquiring and retaining talent. Virtual recruitment fairs are becoming major game-changers for the industry. Candidates now have the opportunity to connect with potential employers and experience what the company is really like even before they join it. For companies, the metaverse makes it simpler for them to attract talent from a wider, more global pool. Employers can now evaluate candidates in a more thorough way. They can set up virtual tasks and see how well they can perform.

Take Deloitte, for instance. The company has launched virtual tools to give potential candidates a tour of the workplace. Big names like Samsung and India's Reliance Industries have also launched virtual recruitment fairs for their candidates. PwC in the UK is stepping up its recruitment with Virtual Park to interview its candidates. Companies like Accenture, Amazon, HCL Technologies, and Hyundai have adopted virtual reality to take their onboarding to the next level. Almost every step of the talent acquisition process can be altered due to the metaverse.

With virtual onboarding, new employees can dive into immersive environments and learn hands-on. They can work with virtual whiteboards and other tools to collaborate with the new team, all in real-time. Such virtual environments can foster a unique but effective culture of collaboration across geographies.

Performance Management in the Metaverse

The Metaverse promises to help HR reshape employee experiences. By integrating HR into the Metaverse, organizations will witness an increase in change management training. Leveraging VR to create immersive learning experiences for employees, helping them prepare for the new, dynamic world of work. [VR training can boost employee performance by 70%](#). Employers can train and educate their employees by immersing them in real-life scenarios through VR, reducing the training time by 96%. Recreating real-life scenarios in virtual environments, allows employees to practice their skills and receive feedback in a safe and controlled space. This is especially valuable for jobs

that require hands-on experience, like medical or engineering roles.

Companies like TCS, Wipro, Microsoft, Cognizant, and IBM have launched VR training programs for their employees. VR training can be really effective for employees working in high-risk or complex environments. Real-world training may be difficult or even dangerous in such cases but with VR, they can get the training they need without putting themselves at risk.

Improving Employee Engagement in the Metaverse

In the metaverse, teamwork takes on a new meaning. One will be able to enter a virtual environment where they can work together, discuss ideas, and stay in touch with teams rather than simply speaking across screens. This virtual experience allows team members sitting miles apart, possibly in different continents, to engage in an immersive 'office' experience.

HR can use all sorts of tools and features like 3D spatial audio, video chat, and voice commands to bring everyone together and give you a sense of community. It's like a virtual hub where you can connect with your colleagues. Teams can collaborate on tasks and projects in a private and secure environment.

Meta (previously known as Facebook) has also launched Horizon Workrooms. **It has also recently unveiled its next-generation Ray-Ban Meta smart glasses. It has been integrated with Meta AI, allowing for live streaming hands-free. Just by saying "Hey Meta!" you can engage, get information, and control features.**

With all these tools and gadgets, it's all about reimagining how we work together, no matter where we are. It is similar to a virtual conference room where co-workers can gather and work together. You can join the meeting as an avatar and bring your computer and keyboard into the virtual world. It's like taking your workstation with you. They even have virtual keyboards for sketching ideas together. You can have casual chats, share funny stories, and connect with your colleagues on a more personal level. It's like bringing back the social aspect of work, without physically going to work.

HR Analytics in Metaverse

In the metaverse, HR managers can track data about how employees are doing in their virtual workspaces. They can examine things, like how much time employees spend on tasks, the quality of their work,

and even their engagement levels. This data can help identify the top performers and problem areas. Machine learning algorithms can analyze employee data and predict their behavior. Using this, HR managers can take proactive measures to retain their talented employees. The metaverse can provide valuable data on the demographics of the virtual workforce, thereby allowing HR managers to see how effective their diversity and inclusion efforts are.

Understanding the Challenges

While HR in Metaverse is new and exciting, it is still in its development stage. There is a lot of uncertainty around its adoption and impact. At the same time, it also is a high-cost investment. Companies may need to spend around \$600 to \$1,000 per employee just to get a VR headset. They might also have to upgrade their internet packages and provide training too. Does the cost justify the results? That is yet to be seen.

Adopting and thriving in the metaverse, if not implemented correctly, can lead to unconscious age-related discrimination and exclusion in the workplace. Younger generations, who are more tech-savvy, might have an advantage over older employees. HR leaders and teams will need to navigate this tricky change in a balanced, inclusive, and unbiased way to avoid any negative impact on the work environment. Efforts must be made to protect employees from cyberbullying, crime, and the potential dangers of harassment in a virtual environment.

Building a virtual culture that reflects the organization's values and fosters employee engagement is not easy. HR managers should figure out how to develop a sense of belonging and community in the virtual workplace. It may be possible to achieve this goal through virtual events, mentorship programs, and employee resource groups.

The metaverse also brings up all sorts of legal challenges, from intellectual property issues to liability concerns. HR professionals need to stay on top of the legal implications and make sure their organizations abide by the rules.

Conclusion

Indeed, the metaverse workspace opens up a whole new dimension of possibilities. Given the dynamic nature of the business environment today, there is a growing need for creating immersive and personalized experiences for everyone involved and impacted by a business. The metaverse is full of opportunities to do

exactly that. For employees, it translates into a centralized digital work environment that removes the complexities accompanying remote collaboration and virtual work. It will also prove to be revolutionary for scouting talent – expanding the scope of potential candidates to anywhere in the world while also bridging the innovation, interpersonal relationships, and practical gaps created by remote work.

HR needs to consider how organizational culture might be impacted in the metaverse. It remains to be seen how workplace boundaries will be affected, or how our digital identities shape workplace interactions and what effect will they have on offline engagements. To best leverage the metaverse, it is necessary to examine an organization's needs and priorities before implementing it.

About the Author



Mainak brings over 24 years of experience spanning business and HR roles across geographies. This has given him a unique understanding of the link between HR and business strategy. He also holds a patent for HR capability development.

Mainak's experience includes human capital strategy, culture, talent development (performance, leadership development, career pathing, competency, learning, engagement, diversity) and talent acquisition (including on-boarding and background check). He has also implemented HRIS platform and HR metrics to improve performance.

Recently he has been helping start-ups set up efficient and effective HR teams and processes. In addition, Mainak is a recognized Executive Coach and Leadership Development expert.

Mainak's previous work experience includes stints/projects with Accenture (Consulting and HR), Hewitt Associates, AbsolutData, Heidrick & Struggles, Evalueserve, Sterlite Technologies and Upstox.

Mainak holds an MBA from the Indian Institute of Management, Calcutta, and is a certified executive coach.



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Zenith was a part of PeopleAsset during her summer internship, and this thought paper is inspired by one of her projects at the time. Her academic journey and her time at PeopleAsset drove her keen interest in human resources. She is excited to delve into the endless possibilities and potential changes in the realm of human resources.

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