Dynamic Workforce Planning

Masterclass Report

FUTURE OF WORK

Contents

Introduction
For ten years, the Future of Work Research Consortium (FoW) has explored the trends shaping industries, organisations and careers. Our people-centric approach inspired our research into workforce planning to explore how organisations can access the right people with the right skills in the right jobs.

This FoW report reflects the insights of our multidimensional research approach, including focus groups, an in-depth literature review and the identification of case studies to provide practical examples of future-proofed practices. This is augmented with the insights shared by our Research Consortium members and expert guest speakers at our Dynamic Workforce Planning Masterclass, which took place in London on 8th October 2019.

Introduction

Key messages

#1

Rethink your workforce planning strategy to adapt to the new world

Workforce planning has been continuously evolving. In the face of changing business landscapes, automation, and skill shortages, does your workforce planning strategy sufficiently address the future of work?

#2

The skills we need are changing

Due to the rise in technology at work, demand for technological and digital skills will experience a sharp rise. As machines take on more routine processing work, the workforce will also require uniquely human skills necessitated by higher-level cognitive or social work.

#3

Know your workforce's skills

Organisations must identify their workforce's current skills taxonomy and future skills. If you were to map out your workforce's present skillset, what would it look like? Similarly, if you were to map out the future skills needed in your workforce, would it look different from the current skills taxonomy? Use identified skill gaps to inform your workforce planning strategy.

#4

Move beyond assumptions to unleash the full potential of your workforce

Access talent by expanding your perspective of potential talent pools. Candidates with diverse abilities, ages, culture, and neurodiversity can offer hard-to-find critical skills.

#5

Plan by tasks, not titles

Leaders must shift their perspective of roles from rigid job titles to a fluid bundles of tasks. Planning by tasks allows mixed teams of full-time employees of varying skill levels, freelancers, and bots to take on each other's tasks, leading to more adaptive and fluid teams.

#6

Automate to augment your people

Augment your workforce's capacity to take on higher level work through automation. As automation becomes increasingly prevalent in the workforce, augmenting employees with technology is no longer restricted to low-skilled work. 6 out of 10 current occupations have more than 30% of tasks that are automatable. Employees earning more than 200,000 USD spend 31% of their time on automatable tasks.

#7

Buy beyond technical skills

When buying external talent, look beyond technical skills. Research indicates that even in digital industries, soft skills are indicative of high performers.

#8

Build your workforce from unexpected talent

There are three types of employees that will be impacted by the rapidly changing business landscape. 1. Employees who require upskilling to remain in the same job; 2. Employees who require reskilling to laterally move to a different job in the same industry; 3. Employees who will require reskilling into different industries. Organisations can tap into employees in the third group from other industries by reskilling them in needed skills.

#9

Borrow skills of the future

Contrary to popular belief, the most common use of freelancers is not to fill skills gaps, but to quickly scale up for projects. Organisations are shifting away from relying solely on freelancers to fill skill gaps instead opting to equip their internal talent with in-demand skills.

#10

Bridge networks of talent

Often, employees' networks can contribute to high performance. It is critical to ensure that employees' natural networks are preserved when conducting workforce planning. Employees' interactions are the focus of knowledge transfer and cultural change. By incorporating bridging into workforce planning, organisations can better identify employees who can facilitate skill shifts.

Evolution of Workforce Planning

Workforce planning's deceptively simple roots of accessing the 'right people with the right skills in the right jobs' can be traced back to the 1960s. In the mid-1960s, 95% of US corporations had a dedicated workforce planning function, or "manpower plans"[1], as they were known.

Lifetime employment and consistent organisational growth meant that workforce planning in this period relied heavily on upskilling and reskilling. This was often personalised, flexible and heavily reliant on internal talent. Surprisingly, workforce planning strategies of the past heavily relied on development plans for employees[2]. For example, career advancement was not limited to upward movement, but incorporated lateral moves and stretch assignments. 90% of vacancies in organisations in the 1960s and 1970s[3] were filled through promotions and lateral assignments, compared to only a third today[4]. In addition, due to the stable rate of growth, organisations also heavily invested in sophisticated data analytics to forecast internal moves. Statistical models were developed to forecast employees' career trajectories based on individual behaviour, motivations, and managers' practices.

High-growth workforce plans of the 60s began to fall out of use as demand in the economy slowed down in the 70s. As a result, most organisations reduced their workforce planning functions, and the use of sophisticated statistical models to forecast talent needs fell dramatically[5].

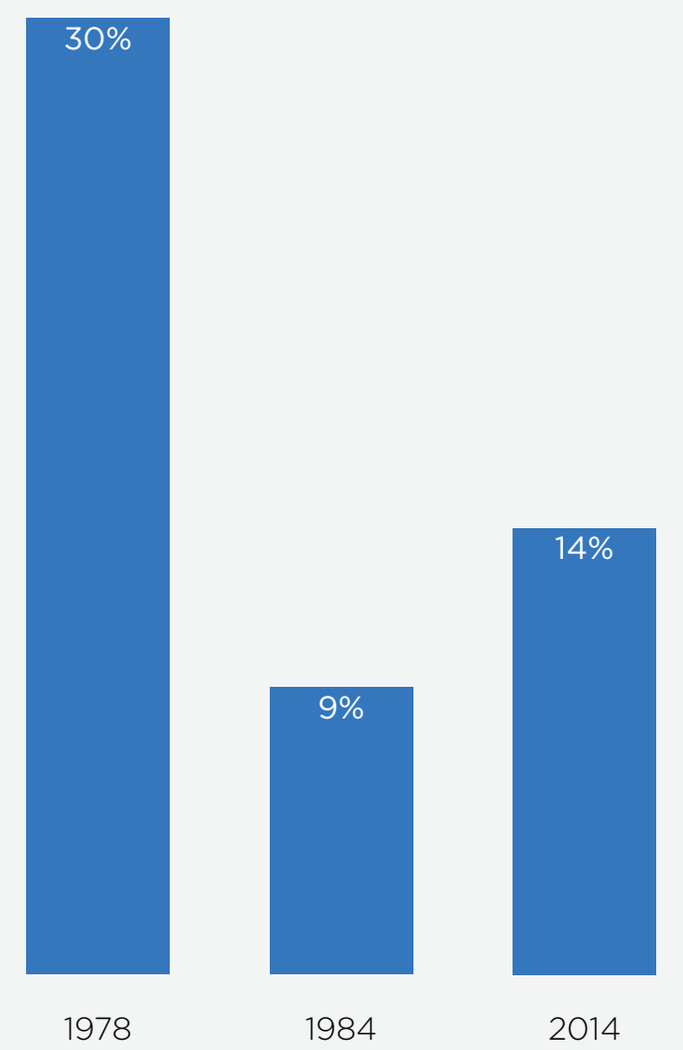
Today, a shortfall of talent and critical skills is at the forefront of all workforce planning strategies. In 2019, skills shortages have led to the struggle to find employees with the right skills for more than two thirds of UK employers. In response to this issue, organisations are collectively spending more than £6.3 billion per year on increasing salaries, training for those hired at a lower level, temporary staffing, and further recruitment costs[6].

A static view of workforce planning can no longer meet organisations' needs for rapidly shifting and hard-to-source skills within the talent market. Organisations' workforce planning strategies must now further evolve to embrace Dynamism into the equation through three key themes:

_Align with Shifting Skills
_Expand Your View of People
_Transform Your Supply Chain

Usage of predictive models to forecast talent needs

Source: Capelli, Peter. 'A Supply Chain Approach to Workforce Planning' (2009). Organisational Dynamics



Align with Shifting Skills

Business landscape is shifting

In contrast to the past, the external context in which organisations are working is rapidly changing, leading to shifting skill demands.

New Competitors

In 1964, the average tenure of organisations was 33 years. In 2016, this forecast more than halved to 12 years. By 2027, organisations are predicted to have an average tenure of 12 years[7]. This can be partially attributed to faster growing competitors, causing organisations to fall below the S&P 500 market cap size threshold. Organisations are now facing more emerging competitors than ever before, from both tech-start-ups and incumbents. Indeed, 72% of C-suite executives report that it is industry incumbents that lead to the disruption in their industry[8]. Disruption is now mainstream; innovation is now a capability that organisations must embrace.

Digital Future

In 2000, industry leaders dominated in market value: General Electric, ExxonMobil, Pfizer, and Citigroup. In 2018, the top four organisations leading by market value are all technology and digital organisations: Apple, Google, Microsoft, and Amazon[9]. There is an increasingly significant correlation between growth potential and an organisation's technological capabilities. Organisations must leverage technology to reinvent business models in order to maintain or grow their market value.

Additionally, digital organisations are not only expanding more than their counterparts, but they are also expanding exponentially faster. While Walmart took 18 years to reach a $1 billion revenue, it only took Pokémon Go (mobile app game) 7 months to reach the same target[10].

Ecosystems

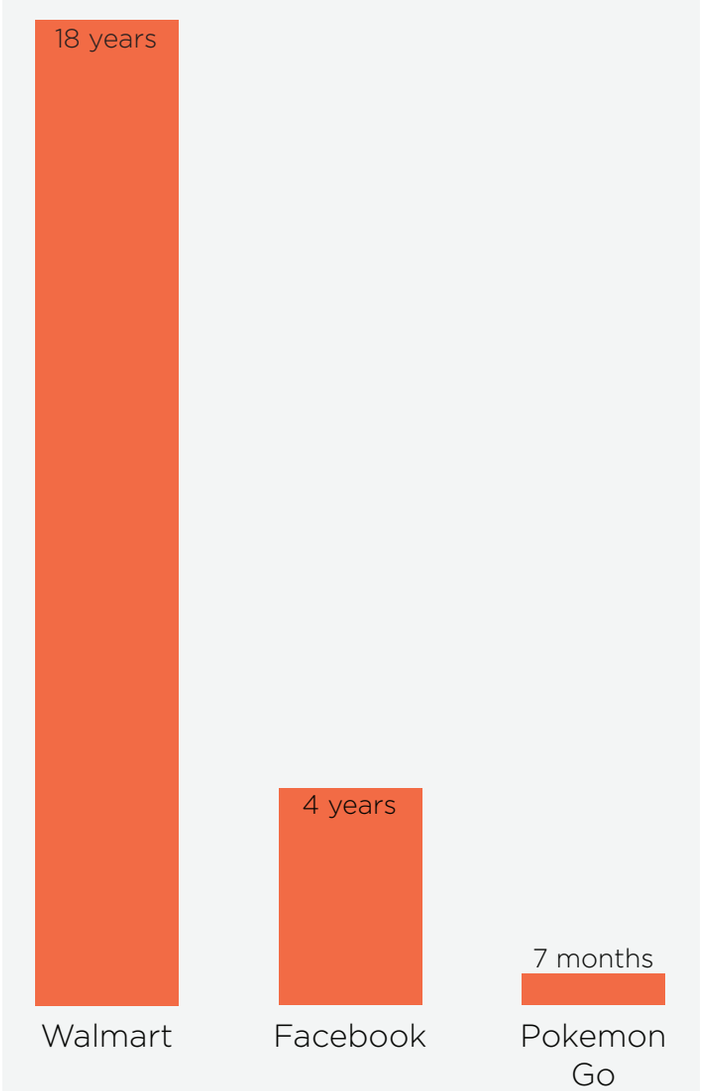
As winner-take-all businesses are on the rise, organisations are turning to collaborative ecosystems. Ecosystems have been used within businesses for over two decades. For over 50 years, Volkswagen and Toyota have established networks of suppliers and distributors. Today's fastest-growing companies like Amazon, Google, Alibaba, and Uber are explicitly marketing themselves as hubs between networks and key ecosystem players to consumers[11]. As more organisations turn towards collaborative ecosystems, their networks also become increasingly varied and connected.

Merging and Demerging teams

As previously discussed, the trend for turnover in the S&P 500 is rising. However, only one-third of companies removed from the S&P 500 are due to failure. Rather than failure, it is M&A activity that leads to most S&P 500 removals[12].

Time to reach $1 billion revenue

Source: BCG, (2018). Leaping Before the Platform Burns: The Increasing Necessity of Preemptive Innovation.



The skills that are needed are changing

The rapidly changing business landscape will accelerate shifts in workforce skill needs. Due to an increasingly digital future, technological skills will see a substantial growth in demand[13]. Depending on industry and role, the workforce will need an increasing understanding of how to utilise, manage, and leverage technological counterparts. In contrast, digital skills and basic cognitive skills for clerical tasks are projected to shrink in demand. This is due to the expected spread of robotic process automation, reducing the need for skills such as basic literacy and numeracy, which are involved in routine and repetitive tasks.

The most in-demand technical skills

Source: LinkedIn, (2019). 'The Skills Companies Need Most in 2019 – And How to Learn Them'

#1 Cloud computing

#2 Artificial Intelligence

#3 Analytical Intelligence

#4 People Management

#5 UX Design

As discussed in The Future of High Performance Report, the most valuable skills of the future will be human skills. This includes social and emotional skills, and higher cognitive skills, such as creativity, critical thinking and decision-making. This was echoed in our focus groups with Consortium members. Interviewees noted a shift towards digitisation in business strategy over recent years. Tasks are being displaced by automation, paving way for new roles and tasks emerging within the workforce, and requiring higher levels of digital capability and skills[14]. Equally, they highlighted the increasing need for human-centred skills, such as relationship-building. One leader noted that their investments in technology have removed administrative processes from underwriters' workload. As a result, underwriters now have higher-level work to establish business relationships with brokers rather than routine administrative work[15]. Relationship-building skills have thus been listed as a job-critical competency for underwriters.

The most in-demand soft skills

Source: LinkedIn, (2019). 'The Skills Companies Need Most in 2019 – And How to Learn Them'

#1 Creativity

#2 Persuasion

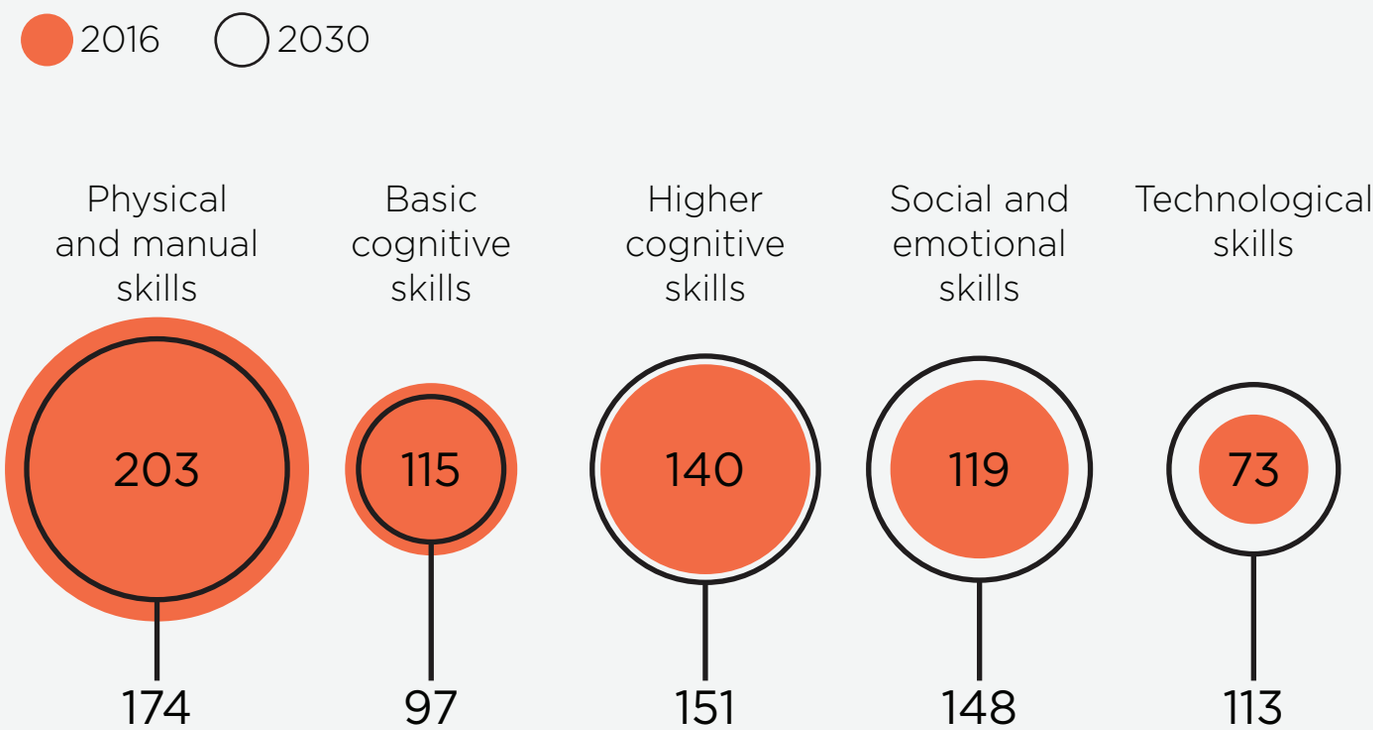
#3 Collaboration

#4 Adaptability

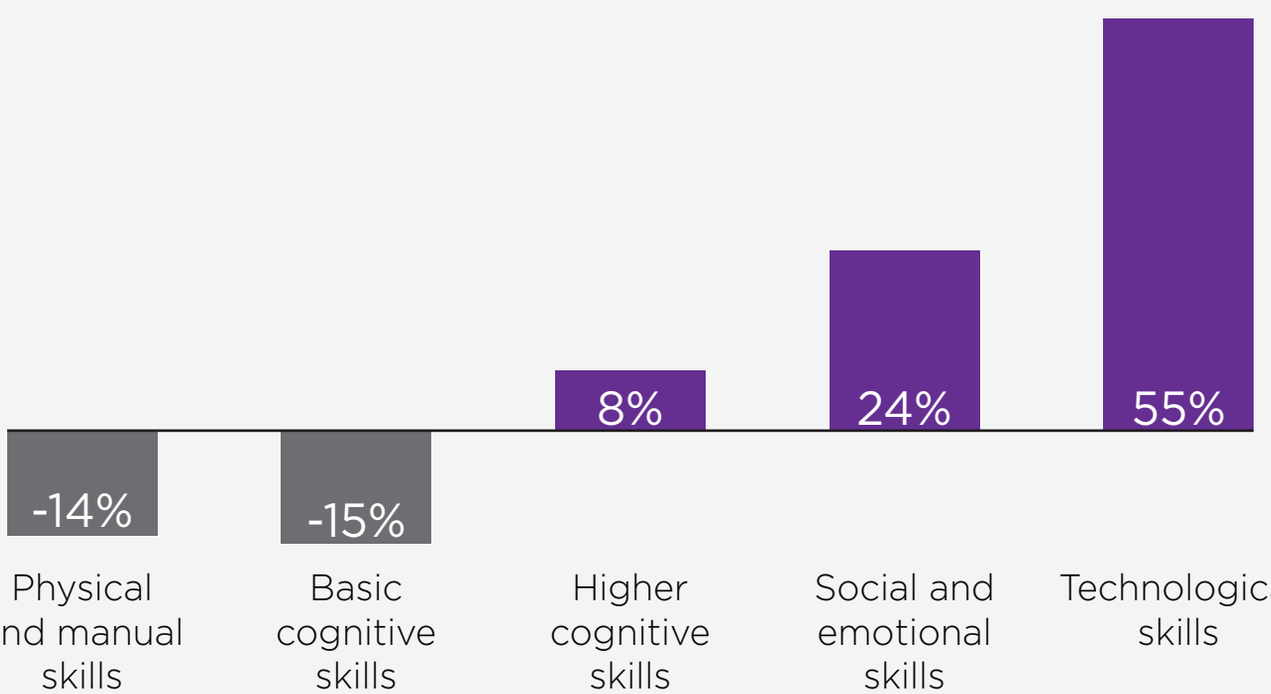
#5 Time Management

Total hours worked in Europe and United States, 2016 vs 2030 estimate (billion)

Source: McKinsey Global Institute Workforce Skills Model: McKinsey Global Institute analysis.



- Change in hours spent by 2030

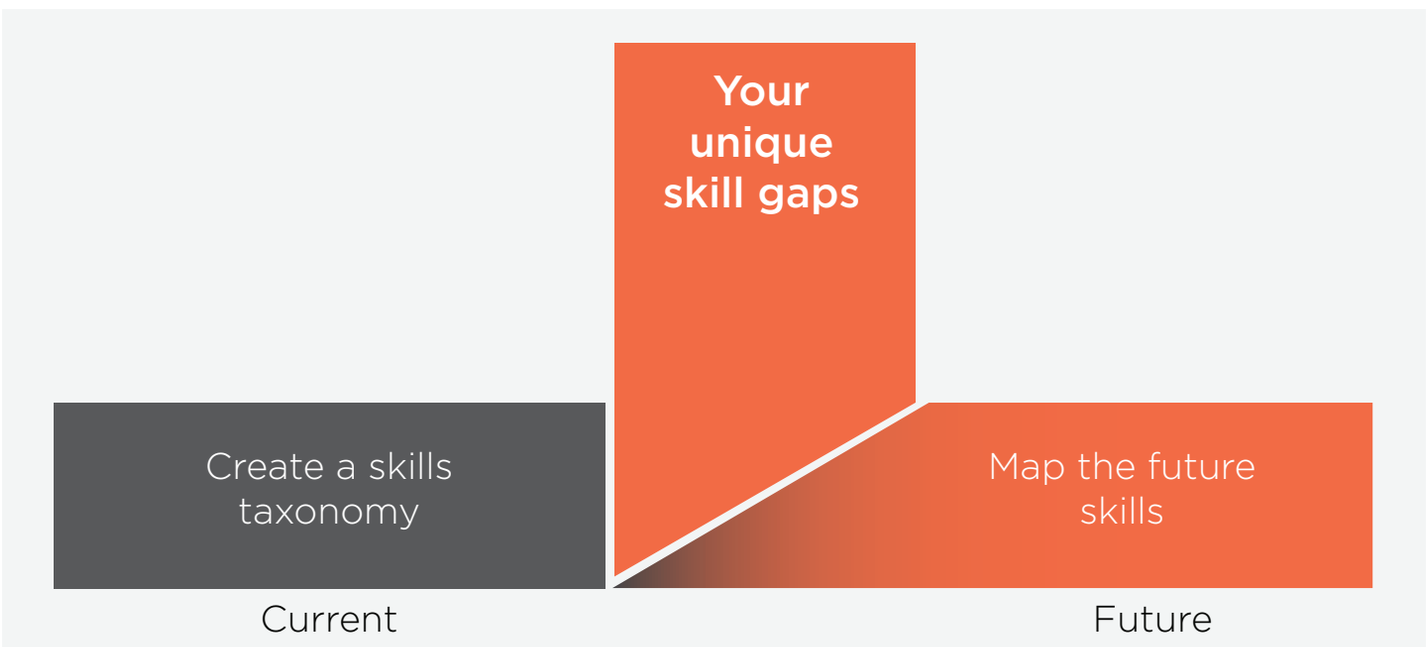


Map your current and future skills

Relying on overarching skill trends to navigate shifting demand is not enough for organisations. To succeed in a shifting business landscape, organisations need a workforce planning strategy that anticipates the unique future skills they need, and an awareness of the skills they currently have within their workforce. (See AT&T Case Study)

Using skill gaps to inform workforce planning strategies offers a higher level of fluidity and adaptability to workforce planning. Job-critical skills are constantly shifting; 42% of core skills required to perform an unchanging job will change by 2022[16]. Planning by skills allows leaders to expand their thinking and be cognizant of role changes, regardless of job title. Additionally, it can further inform workforce planning strategies by identifying roles best suited for internal transfers through recognising skill adjacencies between roles, as well as identifying the most appropriate strategy depending on the skills needed.

The following case studies demonstrate how organisations are creating their current skills taxonomy and using their future skills map to inform workforce planning initiatives.



Case Study

Mapping Future Skills at AT&T

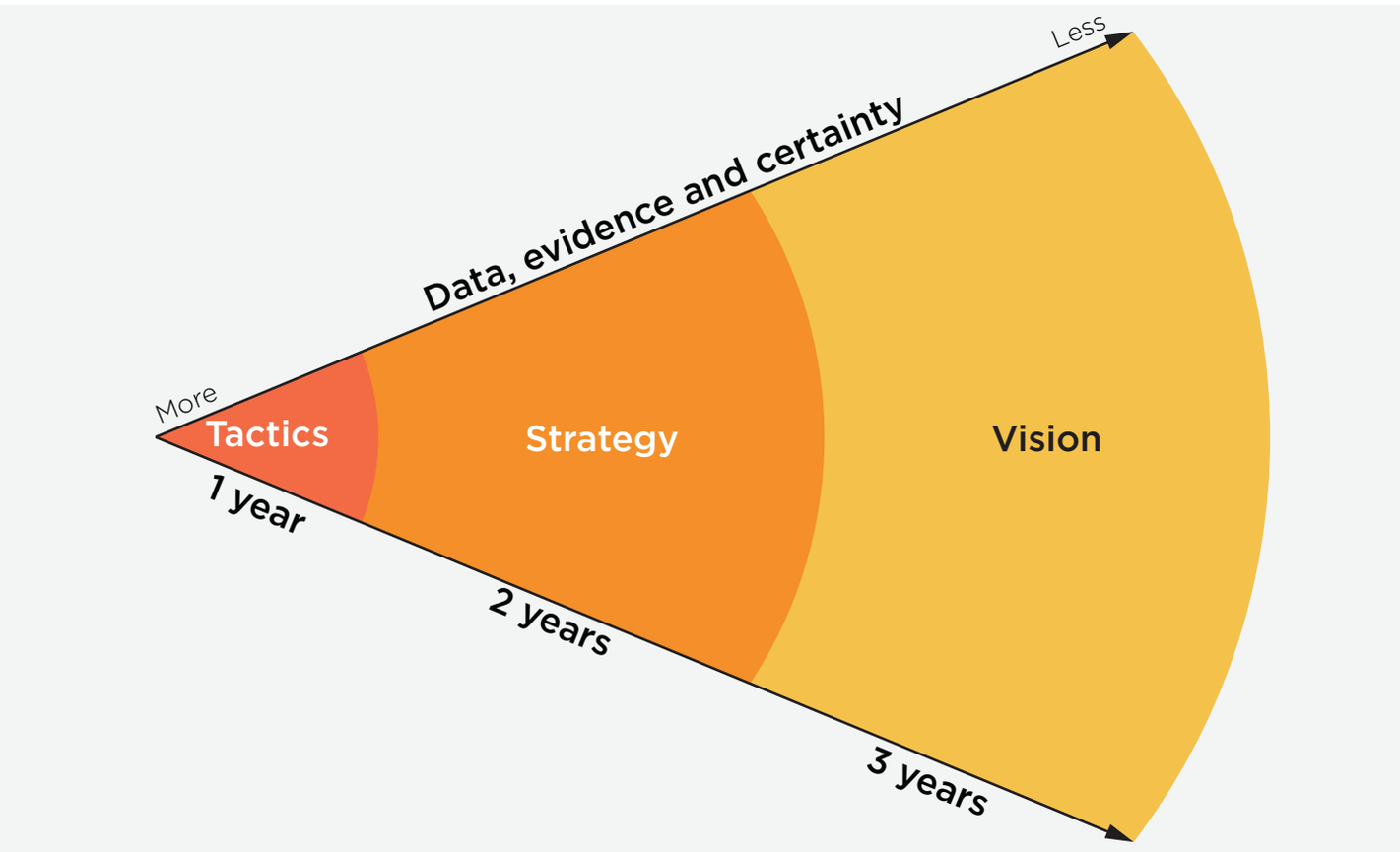
To stay competitive in a changing industry, AT&T's business has moved from a voice network to a data network, from hardware to the cloud and from a landline business to a mobile-first enterprise.

To understand if their workforce has the capability to support their digital future, AT&T identified key science, technology, engineering and maths skills required. When comparing the future skill needs to their workforce's current skillsets, they found that only approximately half of AT&T's 250,000 employees had the new job-critical skills.

AT&T used this skills gap to inform their workforce planning strategy – a global retraining program known as Future Ready to reskill their workforce. The initiative includes online courses and an online portal to inform employees on what vacant roles are available, skill requirements for each role, and whether that area of work is forecasted to grow or shrink in future years.

Shifting Business Landscape	Identifying Unique Gap	Workforce Planning Process
_Movement towards a digital future	_50% of employees didn't have the required skills for the digital shift	_Launched a £1 billion web-based, multiyear training effort

Broaden your skills mapping into the long-term



Just as they plan their long-term business strategy, organisations also need to think longer term when it comes to their workforce planning in order to be dynamic and adaptable. Like most strategies, the further into the future, the less data, evidence, and certainty are available. In response to future uncertainty and rapidly changing skill needs, organisations must take two key approaches to identify unique skill gaps.

Firstly, future skills mapping should include skills and capabilities that support the long-term business model. What type of workforce is needed in the future to achieve the business strategy? What knowledge, skills and abilities does that workforce need? Secondly, rather than assessing skill gaps on a periodic basis, organisations must ensure their process is adaptive and iterative by treating their workforce planning strategy as a living process. Iterative adjustments should be continuously made based on changing business needs. As organisations gain data and evidence time, the future vision for the business and its employees should shift in conjunction[17]. With additional data and certainty over time, long-term visions are developed into strategies, and strategies are expanded into tangible tactics.

While arming themselves with current and future skill-specific knowledge on their workforce is critical to inform workforce planning, live polling during the Masterclass demonstrates only 36% of organisations currently identify their skills taxonomy and future skills.


Expand
your view of
people

Accessing the right talent is an integral part of workforce planning. However, basing the right profiles on assumptions may lead to missed high-potential talent pools. To fully tap into diverse talent containing hard-to-find skills, leaders must expand their views of people.

Great creators and innovators look at the world with a fresh perspective, allowing them to see opportunities that may typically be missed. In 1941, Swiss engineer George de Mestral analysed burrs from plants after one had caught on his clothing. The same looping mechanism found in burrs was then spearheaded to create a new type of zipper – Velcro. By defamiliarizing himself with the notion that burrs are simply part of a plant, de Mestral was able to objectively evaluate mechanisms within the plant and bring its mechanisms to a greater use. Similarly, to fully tap into the potential of hidden talent and alternative talent groups, HR leaders need to defamiliarise themselves with preconceived notions of the ideal candidate profile. This can include diversifying the workforce by age (See Verizon case study), neurodiversity (See SAP case study), gender, and backgrounds. In conjunction with diversifying the workplace, organisations should evaluate if their assessments and systems could account for a more diverse workforce (See SAP case study).

Case Study

Access the right people through Crystalline Intelligence with Verizon

Crystalline Intelligence refers to the tacit knowledge of how to perform tasks. This form of knowledge is typically held by experienced workers.

Utilising and passing on experienced technicians' crystalline intelligence proved to be a challenge for Verizon. As their industry evolved, they found themselves using a combination of new equipment and legacy technologies.

Rather than outsourcing training efforts on knowledge that already exists within the organisation, Verizon leaders opted to tap into crystalline intelligence to upskill technicians. Experienced and retired technicians were invited to provide instruction to field-based technicians. Crystalline intelligence was used in combination with augmented reality to facilitate the conversation. For example, field technicians were equipped with augmented reality goggles that enabled their geographically dispersed coaches to see what technicians were seeing in real-time. Coaches would then talk to technicians through potential solutions, thus providing the on-the-job training that technicians need to become skilled in older technologies.

By tapping into its network of crystalline intelligence, Verizon identifies and utilizes the hidden potential within experienced and retired employees to facilitate the upskilling of current employees. Expanding their view of knowledge sources to an unexpected group of people has helped Verizon efficiently equip their workforce with capabilities necessary to support their business strategy.

Case Study

Access the right people by reforming processes with SAP

By 2020, the European Union will face a shortage of 800,000 IT workers. The most highly sought-after skills will be in areas such as data analytics and IT services implementation, tasks which are aligned with the abilities of some neurodiverse people.

To realise the benefits of a neurodiverse workforce, organisations would have to reform their selection, training, and career development policies to encompass a broader definition of talent. SAP worked with California's Department of Rehabilitation, Pennsylvania's Office of Vocational Rehabilitation, and nonprofit organisations to navigate employment regulations that apply to people with disabilities.

Selection processes have been reformed for neurodiverse talent at SAP. Rather than a formal interview process, half day 'hangouts' are set up for candidates to interact and work with interview managers together in a casual setting. Following the selection of neurodiverse talent, SAP developed a 'soft skills' learning module to help candidates who have never worked in a professional environment. In conjunction to learning modules, SAP established two support systems for neurodiverse talent. The first is a support circle for employees' work life, involving their team manager, a team buddy, and a job skills coach. The second circle is for the employee's personal life, with job and life skills coaches from social partner organisations. This support network allows neurodiverse employees to get help and support from different levels.

To date, SAP has over 150 people with autism employed globally. Managers are seeing productivity gains, boosts in innovative capabilities, and increases in employee engagement.

Access the right people by augmenting your talent

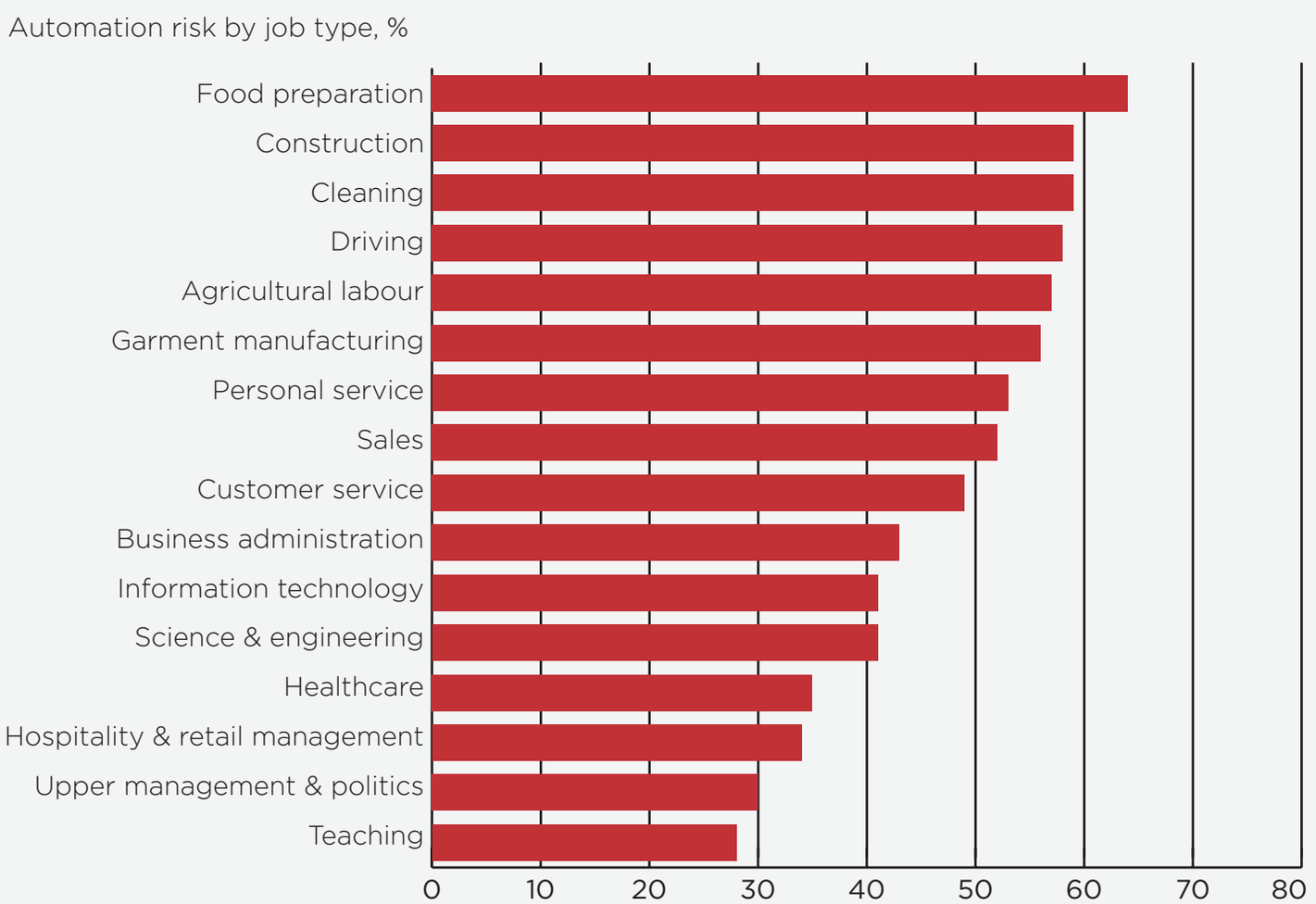
While expanding your view of the right people means to diversify perspectives of candidate profiles, it also applies to your existing workforce.

Automation plays a key role in augmenting your existing workforce. Not only can automation bolster efficiency and quality of work, it takes routine tasks off employees' hands, allowing job enlargement to higher-level work. As automation has become increasingly prevalent, it is no longer restricted to industry-specific or low-skilled work. This finding is closely mirrored by delegates from the Dynamic Workforce Planning Masterclass - live polling indicates that automation is the most commonly used method to expand their view of the right talent (53%).

60%
of current occupations have more than 30% of activities that are technically automatable.

31%
of time is spent on automatable tasks by people earning more than $200,000

Automated for the people
Source: OECD via economist.com



Plan by tasks; not job titles

As automation becomes increasingly prevalent, organisations must consider how it should be implemented to successfully augment their workforce.

Automation, particularly robotic process automation, is typically implemented by identifying costly or time-consuming manual processes and implementing the technology to automate the process. The drawback of this method is the siloed perspective it can create. By focusing solely on the processes and the technology, organisations neglect the job enlargement opportunities that automation can provide for employees. By doing so, employees will not have the opportunity to take on higher-level tasks following automation, despite now having fewer tasks within their role.

This practice contributes to the negative perspective some employees have on automation. The perception that automation 'steals jobs' is magnified when employees have tasks reallocated for automation without replacing them with new tasks. During the Masterclass, delegates noted the need to reframe the language used to describe automation to bring purpose and joy. In this case, reallocating higher-level tasks to employees following automation sends a positive message that technology provides job enlargement and upskilling opportunities for the workforce.

Additionally, planning solely by technology and process restricts the pool of talent that organisations can draw on: the right people are not always completing the right tasks. Considering a broad range of talent groups such as lower-skilled employees, freelancers and full-time employees during automation planning provides a more comprehensive workforce plan and a dynamic workforce.

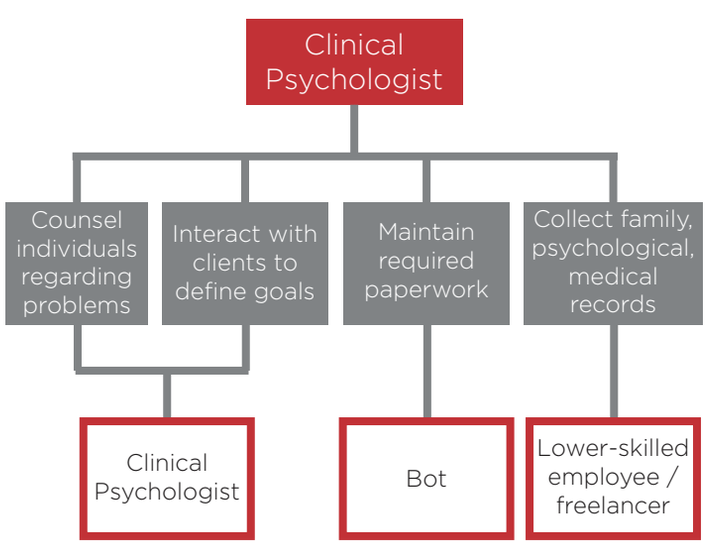
To plan through an expansive people-focused lens, organisations should plan by tasks, not job titles, breaking down job roles into their individual tasks. This requires a mindset shift from viewing jobs as their job titles, to viewing them as bundles of ever-shifting tasks. By doing so, organisations can better assess the most appropriate employee group to complete the task. Planning by tasks allows organisations to craft an adaptable and optimised workforce with mixed teams of full-time employees, freelancers, and bots. All of which are completing tasks that they are most suited for.

Diligent's nursing bot

An example of a bot which enables human-machine collaboration is Moxi, which was designed and built by Diligent Robotics for nurses at a Texas hospital. A key feature of Moxi is that it isn't trying to act like a nurse. Instead, the robot is designed to run the approximately 30% of tasks nurses do that don't involve interacting with patients, such as running errands or dropping off specimens for analysis at a lab[18].

Walmart's range of automation bots

Similarly, Walmart also rolled out bots to aid their employees at work, introducing a range of robots into more than 1,500 of its stores. Walmart executives have noted that the robots will let employees endure less drudgery while ensuring an elevated customer-experience for shoppers. Thousands of automated shelf-scanners, box-unloaders and AI cameras are now doing manual tasks previously left to human employees[19].



Effective Assistants vs Inscrutable Managers

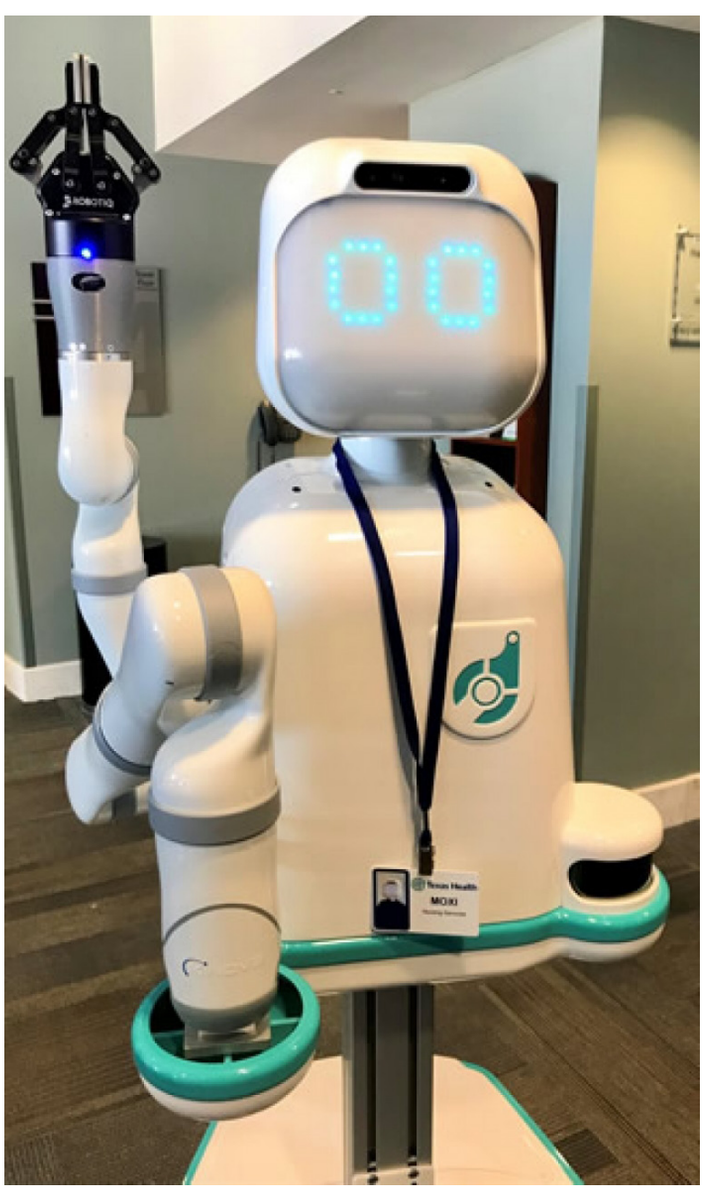
While Moxi and Walmart bots seemed to play a similar role in lightening employees' workloads to spend more time on tasks which require human skills, employee responses to the bots were vastly different. To Walmart employees, robots are an inscrutable manager that requires constant babysitting. To nurses, Moxi is an effective assistant that they work alongside. The dichotomous perception of robotic counterparts can be attributed to the impact of automation on employees' roles.

Added workload

Walmart employees have had to accelerate their pace of work to keep up with robots. Robots would monitor when employees had to restock items on shelves, often signaled with "nagging alerts", in order to reduce restocking time. By incentivising hyper-efficiency, machines deprived employees of tasks they used to enjoy. The result is employees who must now rush through work which they found enjoyable, causing employees to feel more mechanical than before. Additionally, bots were reported to often malfunction, leading to higher workloads for employees to maintain and fix their robotic counterparts. This resulted in employees who feel demeaned by having to constantly tend to their possible replacements. On the other hand, the times when nurses had to maintain Moxi were infrequent. Programming tasks for Moxi was also intuitive and quick to complete, allowing nurses to have more time for their most important tasks – interacting with patients.

Manger vs. babysitter

Walmart employees' main role lies in robots training and retraining of tasks, essentially the knowledge transfer of routine tasks. With no control over the tasks bots take on, Walmart employees feel that their most important assignment is now to train and babysit robots that will eventually replace them. In contrast, Moxi's schedule is determined by nurses and their needs. Nurses are autonomous in the tasks Moxi should take on, and the tasks that nurses would like to retain. This sense of autonomy when managing Moxi allows nurses to embrace the bot following its implementation. Rather than perceiving Moxi as their robotic competitor, nurses saw Moxi as an assistant to their role.



Transform your supply chain

With the right people who encompass the right skills, how can organisations ensure their talent gets to the right jobs at the right time?

Unlike the age of manpower plans, the current competitive environment for organisations is increasingly changeable. Strategies and practices shift so frequently that allocating the right people with the right skills to the right jobs at the right time is becoming increasingly difficult. For this reason, we recommend taking a supply chain perspective, which mirrors the goals of workforce planning: how to ensure just the right supply of components to meet the demand when demand itself is uncertain?

To take a supply chain approach to workforce planning, we have identified four strategies. These strategies should be used in combination, depending on organisational needs.

Buy

When addressing a non-urgent talent and skill need, organisations could turn to 'buying talent', which refers to the recruitment of external candidates.

When hiring, it is crucial to look beyond selecting for technical skills. Google found that amongst the most important qualities in their top employees, STEM (Science, Technology, Engineering, Maths) knowledge and skills contributed least to high performance, despite being a leader in the technology industry[20]. All top traits of success at Google were soft skills (See Unilever case study on recruiting for soft skills).

Buying talent is recommended for low-demand and low-urgency skills due to the potential risk and cost of buying talent. Due to skills shortage in the labour market, recruitment has become costly and time consuming. Over 80% of the cost of hiring an external candidate can be saved by training an internal hire[21]. In addition to the lower acquisition cost, research has shown that organisations see higher returns on internal recruitment. While most companies spend only 6% of their recruitment budgets on internal candidates, these candidates fill 14% of an organisation's job openings[22]. Additionally, it takes two years for external hires to perform as well as internal hires within the same job. For this reason, organisations hiring internally are 32% more satisfied with the quality of their new hires. In contrast, external hires are 61% more likely to be laid off during their first year of service[23].

In response to the high risks of buying talent, organisations should take a critical approach to recruitment. In the United States, $20 billion is spent on human resources vendors annually, an average of $4129 per job[24]. However, only a third of U.S. companies monitor the quality of candidates from their selection processes[25]. Employers are spending large budgets without knowing if their selection processes are producing good candidates. Therefore, when buying talent, organisations must take a critical approach in tracking the quality of candidates from different channels to identify effective selection strategies.

Case Study

Gamification for soft skills at Unilever

To diversify their workforce, Unilever opted to focus on entry-level hires to fast-track into management. To do so, Unilever must target and scale up their hiring on potential, rather than existing skills. Using a combination of AI and human intelligence, Unilever designed a three-part selection process.

Stage 1: Candidates play games on their smartphones which assess personality traits, such as risk aversion. These traits help Unilever determine if candidates are a good fit for future management roles.
Stage 2: Candidates are invited to submit a video of themselves answering interview questions. Apart from assessing content, an AI system also assesses candidates' tone and body language, such as eye contact.
Stage 3: Final-round candidates are invited for an in-person interview, allowing humans to make final hiring decisions.

While it is still too early to assess the quality of new hires, Unilever has succeeded in doubling the number of applicants to 30,000 within a year, and the number of universities within their applicant pool rose from 840 to 2,600. Additionally, recruiters report spending 75% less of their time reviewing applications, thus streamlining the hiring process from four months to merely four weeks.

Build

Before looking externally for talent, organisations should learn from the aforementioned 'Manpower plans' of the 60s to build talent by upskilling and reskilling.

Skill demands are shifting more rapidly than ever, and resourcing for talent and skills must remain adaptable for organisations to survive. Core skills for an unchanging role will shift by 42% between 2018-2022[26]. For someone remaining employed in their current white-collar role, that means 101 days of reskilling. For those fully displaced by machines, reskilling towards a better paid role may take two or more years[27]. Out of these displaced workers, 70% will find a role outside their current industry[28]. For this reason, there is a growing impetus for the reskilling imperative across organisations.

Core skills for an unchanging role will shift by 42% between 2018-2022.

To successfully identify building strategies, organisations must first identify their peoples' needs in relation to their skills demands. Through our research, we have identified three types of individuals, each with different building profiles and needs:

_Individuals who need to learn some new skills to remain in their current or similar roles

_Individuals who need to learn new skills to move into new jobs within the same organisation or industry

_Individuals who need to learn many new skills to move into new jobs at a different organisation or industry[29]

The following case studies depict examples of organisations that have transformed their supply chain by building for each individual group.

Case Study

Building soft skills using technology at Best Western

As a player in the hospitality industry, customer service is key to Best Western. However, social skills are notoriously difficult to train.

In response to the increasingly high level of expected customer service, Best Western partnered with a technology learning group to upskill their employees in complex human skills such as empathy and active listening. What makes their training process stand out is the VR experience provided to employees. Trainees are given a scenario such as facilitating a conversation to understand all perspectives, or to help a difficult customer. In these scenarios, the customer or their coworkers are a virtual reality character. Feedback is provided after each interaction. By providing a safe space for employees to fail and practice their social skills across different contexts and using different tactics, Best Western successfully provides a prgoramme that increases their employees' complex human skills.

To date, Best Western has upskilled more than 35,000 employees to better express empathy and to solve customer problems.

Case Study

Building in unexpected places at Microsoft

Microsoft is making strategic changes to expand their cloud services. To do so, data centres need to be built in both populous and remote locations. However, the skills required to support cloud services are hard to source, and even less likely to exist within the rural areas where centres are based. Additionally, few existing employees are willing to relocate to rural locations.

To address this challenge, Microsoft worked directly with local community colleges in the rural locations to build Microsoft Data Centre Academies. These academies teach students core IT and Cloud-services skills to succeed within the IT industry.

Following its inception, over 200 students have graduated from Microsoft Data Centre Academies. While only some have joined Microsoft, others took their skills to other IT companies, boosting the overall technological capability in their rural regions.

Case Study

Building through alliances at Ferrari, Maserati, Lamborghini, and Dallara

In 2013, four of Italy's automobile manufacturing companies, Ferrari, Maserati, Lamborghini and Dallara were facing immense skill shortages. Simultaneously, local textiles industries were experiencing mass redundancies. To address their collective skills shortage, the four companies formed an alliance to reskill the displaced workers with in-demand automobile-specific skills, thus building a talent pipeline with hard-to-find skills. The textiles workers went on to experience a wage increase of 30% on average, and hold a diverse set of roles within each company.

Borrow

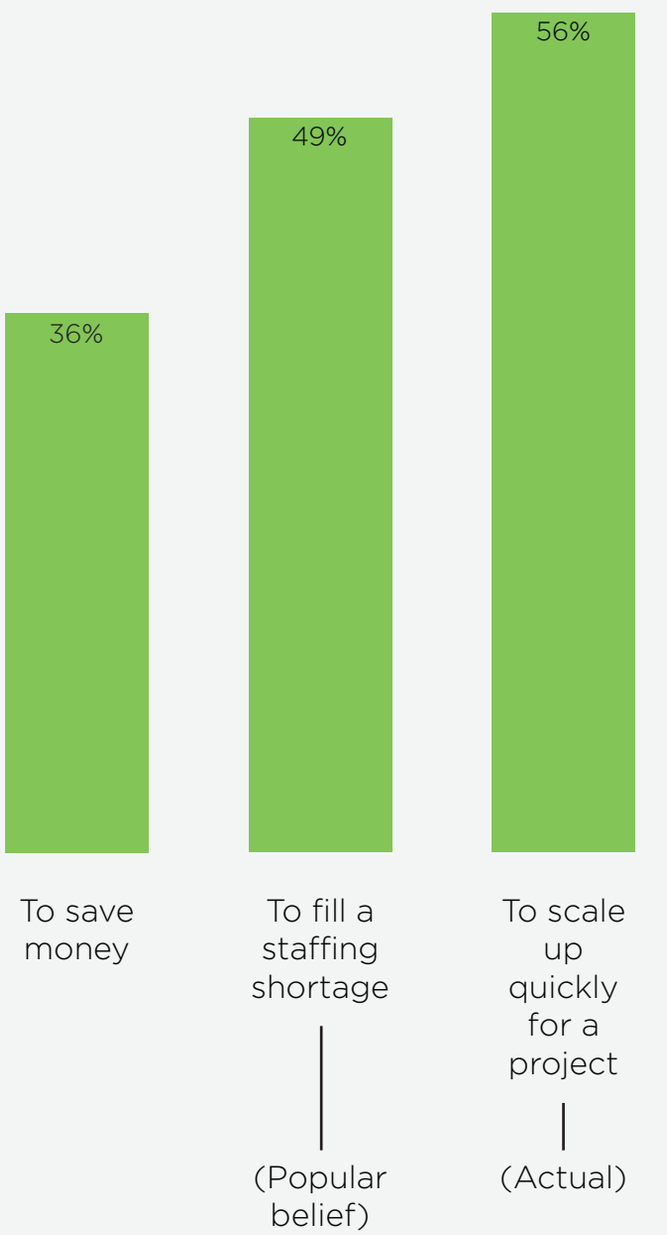
The third strategy to transforming your supply chain is to borrow talent, or to engage freelancers.

Contrary to popular belief, the most common use of freelancers is not to fill skill gaps, but to quickly scale up for projects.

Research has found that borrowing talent for skill gaps is effective only when there are strong internal capabilities to absorb the new knowledge into the organisation. Relying solely on borrowed talent could lead to partner-dependent organisations. An example of this is the Aerospace Industrial Development Corporation (AIDC). In 1970, the aviation firm successfully launched a new fighter jet when partnering with freelancers. Unfortunately, following projects that were completed without freelancers failed as employees did not understand why designs and components from the previous fighter jet did not suit the new project[30]. By relying on independent contractors to fill knowledge shortages without facilitating appropriate knowledge transfer, AIDC rendered itself dependent on independent contractors or external partnerships to complete complex projects. Therefore, when organisations are using contractors to quickly scale up for projects or to fill staffing shortages, it is crucial to absorb the knowledge and skills into the organisation.

Situations in which Freelancers / Independent Contractors are used

Source: Sarah Rickerd, (2018). '4 reasons freelancers are the right choice for strategic, niche projects'. UpWork.

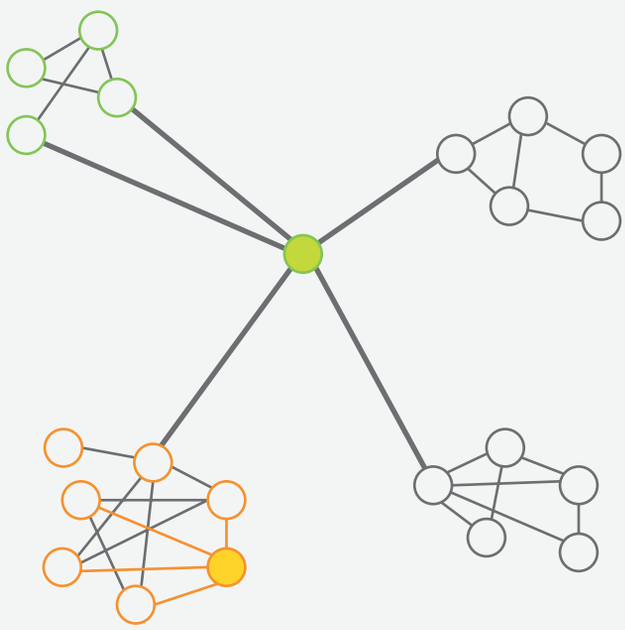


Bridge

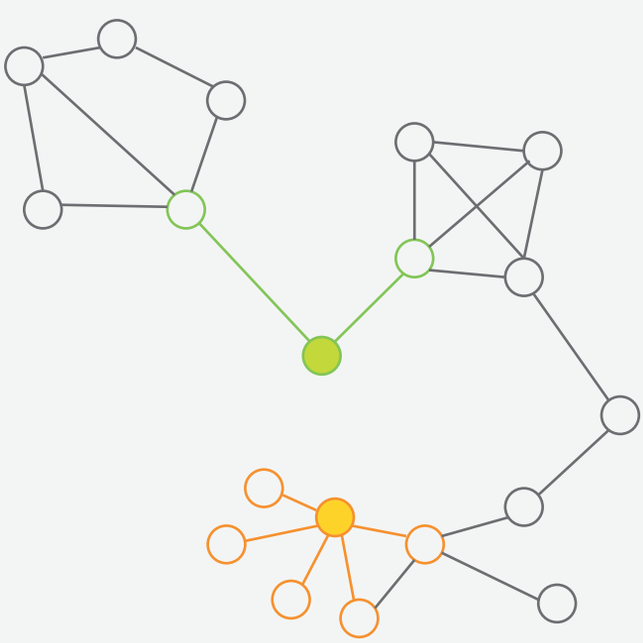
Often, employees' networks can contribute to high performance. It is critical to ensure that employees' natural networks are preserved when conducting workforce planning. Employees' interactions are the focus of knowledge transfer and cultural change. By incorporating bridging into workforce planning, organisations can better identify employees who could facilitate skill shifts.

There are two key employee types that could support change in organisations. Employees with an ideation signature are capable of expanding ideas and changes across different networks. Employees with an influence signature are able to bridge communications and influence change between networks[31]. Using these employees in helping navigate skill changes and business landscape changes can help instill consistent change and adaptation into an organisation's culture.

Ideation signature



Influence signature



Concluding remarks

Navigating the age of digital agility calls for a new way for organisations to plan how their workforce can support changing strategies. Without the right people who have the right skills at the right job, companies risk eroding their competitiveness. It is people, not technologies that are the differentiators in the digital era.

Before taking any steps to seek out new talent, organisations must understand the skill gaps unique to their workforce. Constructing a map of employees' current skills and comparing it to the skill needs for the future strategy can help identify the critical skill gaps to inform workforce planning.

Particularly during current global skills shortage, the right talent pools no longer solely comprise of traditional assumptions of candidate profiles. Organisations should evaluate overlooked talent pools to encompass diverse talent groups, which allows organisations to utilise pre-existing potential within their workforce.

The rising prevalence of automation also allows organisations to augment their workforce to tap into their human potential. Rather than streamlining processes, automation should instead be about people, and ensuring they can focus on tasks which are uniquely human, such as creativity and social interactions. To automate successfully, organisations should take on a people-focused lens when identifying the tasks that automation will take on and provide employee autonomy in managing and designing the role of technology.

Finally, organisations need to shift their perception of workforce planning to a supply chain of talent. Using four strategies in combination: buying, building, borrowing, bridging; organisations could craft a bespoke workforce planning strategy to ensuring the right people with the right skills are at the right job.

Appendix

About Fow

Over the last ten years, the Future of Work (FoW) Research Consortium has brought together a global community of 108 of the world's most influential companies, a number which keeps growing. By combining energetic live events with cutting-edge collaborative technology, we have connected more than 500 executives, all of whom are leading their organisations in preparing for the future.

Our Consortium is widely acknowledged as one of the most innovative and collaborative forums for exchanging insights, models and concerns about the future of work. Led by Professor Lynda Gratton, we unite academic research and organisational practice to deliver a unique multidisciplinary experience. Members of the Consortium benefit from access to the very latest academic research along with practical insights and have the ability to learn and develop in a way that is customised to their needs.

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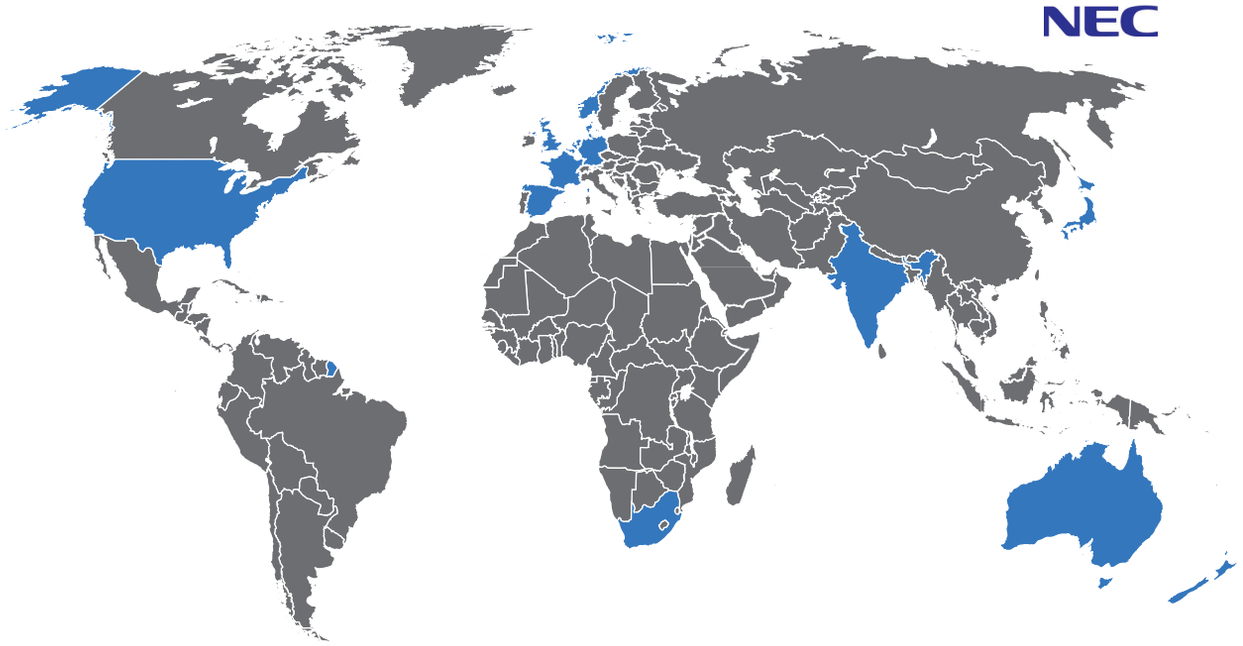


Appendix 1

During the Dynamic Workforce Planning Masterclass, delegates were asked to complete an activity which asked them about current blockers to dynamic workforce planning in their organisation within three areas: Skills, People, and Process. Below are some of the common themes that emerged during the activity.

Skills

_Slow reaction to change due to lengthy decision-making process that is normally reactionary rather than strategic
_There is a need for skill mapping, which should entail developing a consensus on how skills should be mapped and how roles are described through skills – particularly tech skills

People

_Limited organisational mindsets and divergent cultures
_Inconsistent objectives
_Corporate complexity and silos

Process

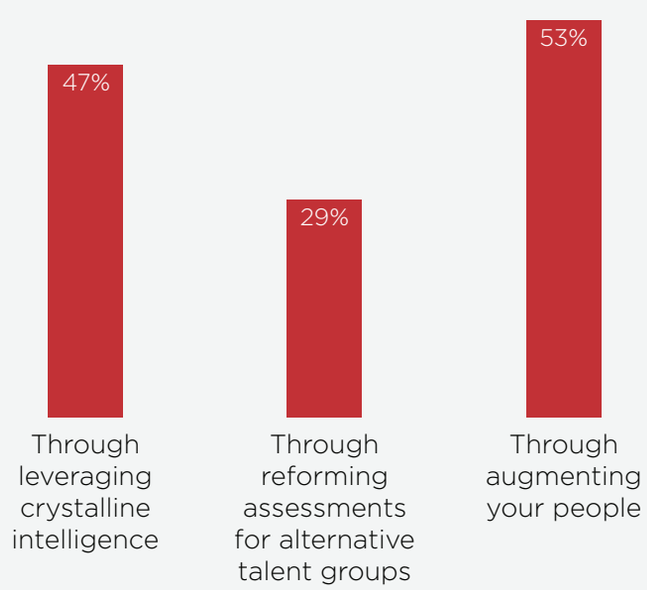
_There is a focus on buying talent more than anything else in the existing processes
_Unaddressed needs for skill training

Appendix 2

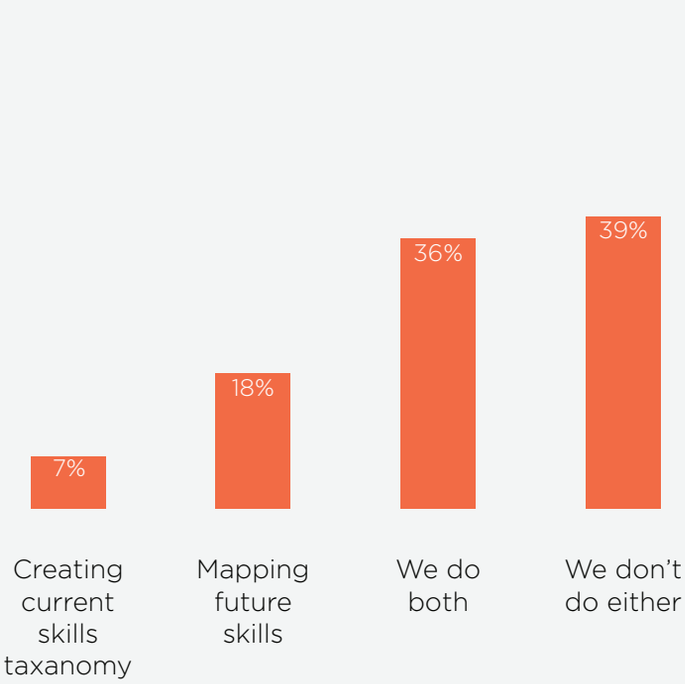
During the Dynamic Workforce Planning Masterclass, delegates were polled on questions relating to how they currently manage workforce planning. Three questions were asked: "What method does your organisation use to identify your unique gaps?", "How is your organisation taking a dynamic view of your people?", "Which combination of these workforce planning strategies is used in your organisation?".

Below are the polling results:

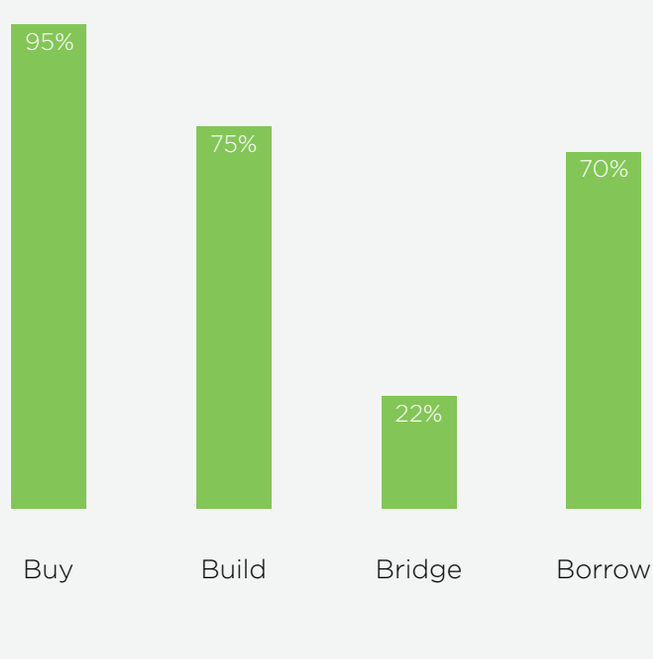
How is your organisation taking a dynamic view of your people?



What method does your organisation use to identify your unique gaps?



Which combination of these workforce planning strategies is used in your organisation?



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Hot Spots Movement

West Wing Somerset House
Strand
London
WC2R 1LA

+44 (0)20 7759 1846

www.hotspotsmovement.com