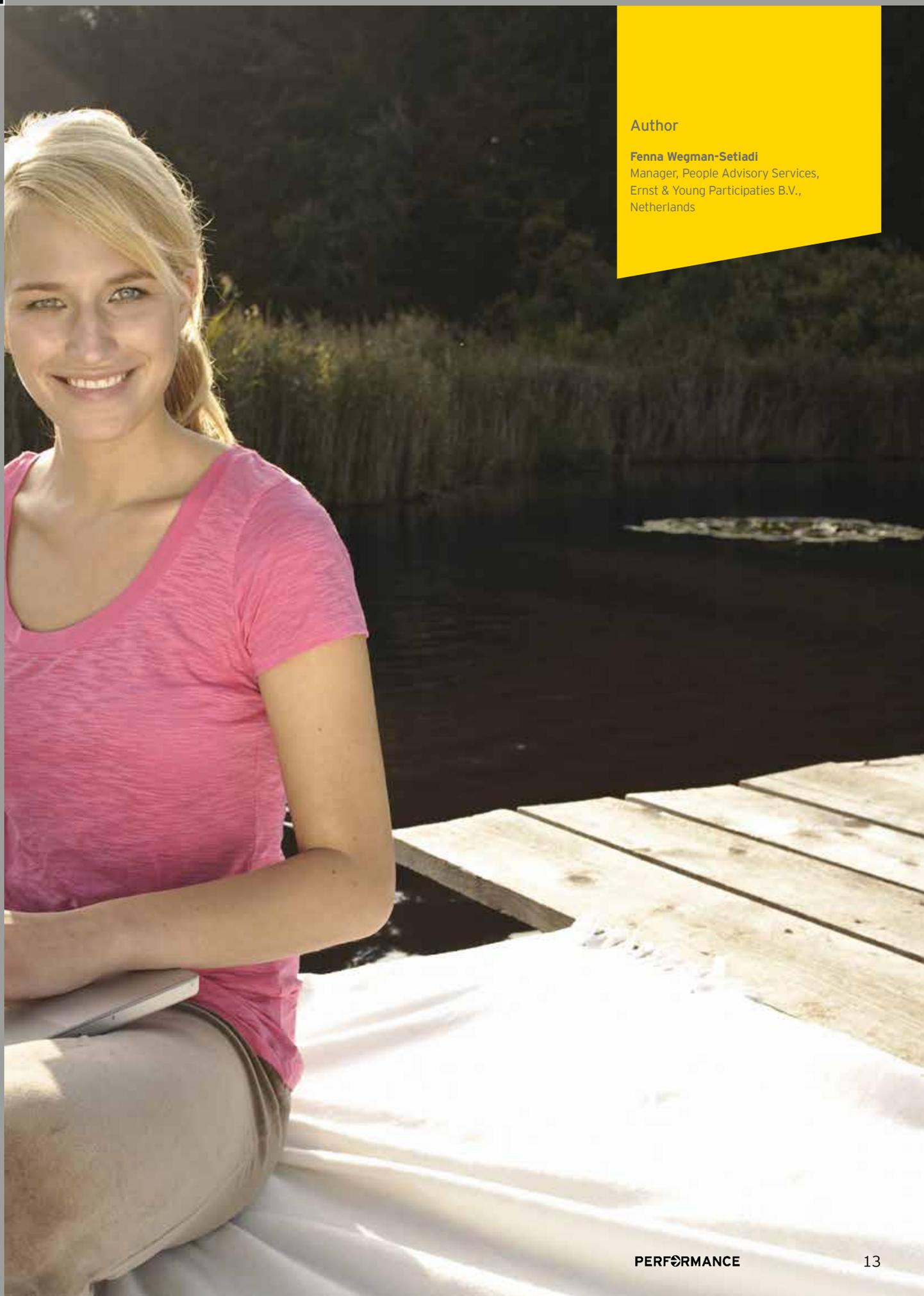


Navigating your workforce into the future

Technology is disrupting every aspect of business, not only by transforming the products and services sold, and the way they are sold, but also by dramatically reshaping how employees work and the nature of that work.





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Workforce demographics are changing rapidly: talent is becoming scarcer, labor costs are rising and, by 2020, Millennials (born between 1980 and 1995) will account for more than one-third of the global workforce.

None of these statements are new, and disruption is top of mind for most businesses, which means they need to embrace disruption and change, while remaining vigilant of the risks (see opposite: "What stands in the way of businesses using technology in the workplace?"). This article dives deeper into how businesses can get access to the talent they need and use their workforce's potential to get ahead.

In a business landscape filled with uncertainty, how do you plan your workforce requirements of the future?

Traditional workforce planning considered permanent employees and, at most, took into account an organization's contractors. As we move to the new "gig economy,"¹ the workforce will consist of a network of employees, contractors, freelancers, robots, partner businesses and even customers as co-creators. The result is that workforce planning takes on a whole new meaning and will become more integrated with business strategies than ever to before, particularly as the rate with which jobs become obsolete or irrelevant due to new technologies is increasing rapidly. For example, the World Economic Forum estimates that 5.1 million jobs across 15 major economies will be lost

What stands in the way of businesses using technology in the workplace?

The new skills and competencies needed within business today are dependent on the industry, the organization and the product or service, but, in general, there will be an increased demand for more advanced skills. This means that current legacy systems and processes need to be redesigned to be able to work together with new and disruptive technologies, such as robotics, artificial intelligence, cloud, mobile, social and big data. This is a serious challenge that might hold some business back.

In addition, when implementing new technologies, business also open themselves up to a myriad of new types of risks, such as privacy concerns and cybersecurity threats. It is critical that these are dealt with while implementing new technologies, or the risk of exposure to such threats could rise very quickly.

to disruptive labor market changes from 2015 to 2020.² So how do you plan your workforce if you don't know what skills you'll need in three to five years' time, and who will be there to provide them to you?

By focusing on predictive analytics to inform HR decision-making and thus moving beyond the traditional historical lagging indicators, talent could be managed more proactively.³ This means viewing talent management as a supply and demand model in which all current and future talent requirements from all parts of the business are known, and supply is managed internally through employee engagement and wellbeing programs. External talent is

much harder to identify, but can be brought into the business through marketing campaigns where every employee is used as a brand ambassador.

1. EY defines the "gig economy" as an economy in which nonemployee freelancers provide labor in temporary assignments.
2. World Economic Forum, *The Future of Jobs Employment, Skills and Workforce Strategy for the Fourth Industrial Revolution*, 2016, 3.weforum.org/docs/WEF_Future_of_Jobs.pdf, accessed September 2016.
3. EY, *Partnering for performance – Part 2: the CFO and HR*, 2014, [ey.com/Publication/vwLUAssets/EY-Partnering-for-performance-the-CFO-and-HR/\\$FILE/EY-Partnering-for-performance-the-CFO-and-HR.pdf](http://ey.com/Publication/vwLUAssets/EY-Partnering-for-performance-the-CFO-and-HR/$FILE/EY-Partnering-for-performance-the-CFO-and-HR.pdf), accessed September 2016.

Do you know what talent and skill sets you need in the near future?

How are you bringing them in, and how quickly?

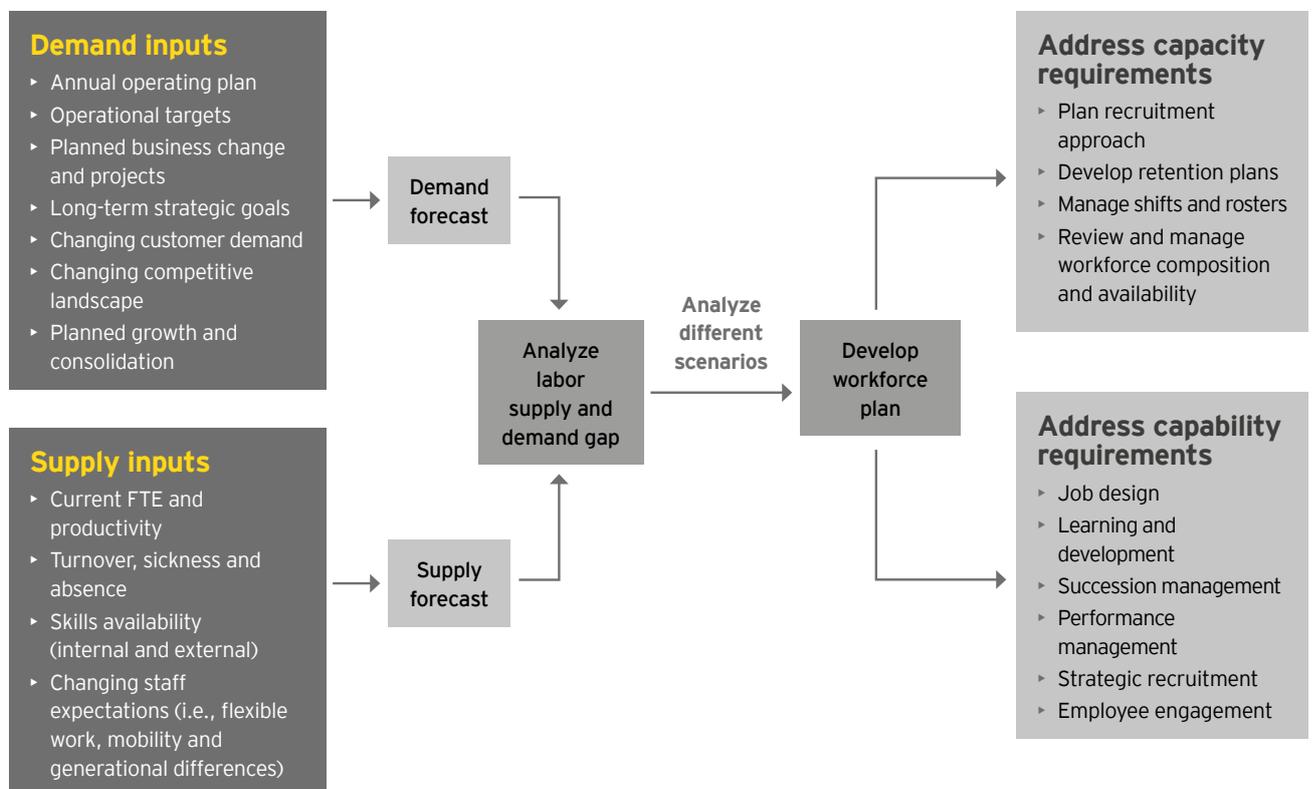
Who are the people you must retain in your business? Why?

Identifying and managing talent goes beyond recruiting based on job openings and "earmarking" the next person in line as part of succession planning. It means viewing the workforce as being capable of more than just one thing and seeing it as a pool of problem solvers whose skills can be adapted to the future

capability needs of the business. This may mean looking beyond the bachelor's degree many businesses have come to rely upon, particularly as members of the future workforce will experience a number of careers over their lifetime and work for even more employers than what has been the norm up until now.

Employees are also not necessarily looking for the rights that previous generations have worked hard for. Going forward, for example, a five-day work week or paid time off might no longer be what workers want.

Figure 1. Talent management as a supply and demand model

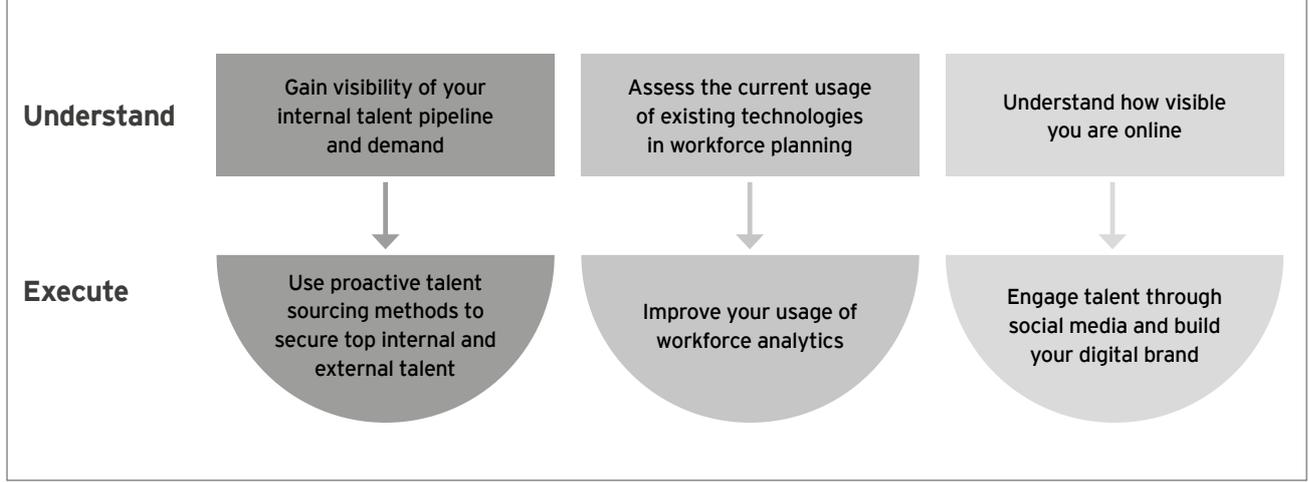


Navigating your workforce into the future

Leaders need to realize what is required to enable their entire workforce, including all contingent workers, to flourish and step into the future.



Figure 2. Planning the right workforce



How do you upskill and reskill a diverse workforce that is not necessarily in the “office”?

The changes described so far also emphasize the importance of fit-for-purpose learning and development programs using the latest technologies. Technological changes, for example, the uptake of robotics and artificial intelligence (AI) in the workplace, will increase the need for advanced skills, which can often be in short supply. The majority of the new roles that will be created between now and 2020 will have a technological component and, according to the World Economic Forum, there will be three main types of workers who emerge across job families in the next couple of years (see Figure 3):^{4, 5}

- ▶ Data analysts to help make sense of all the data generated by technological disruptions

- ▶ Specialized sales representatives that can commercialize the newest technologies and products
- ▶ Senior managers who can navigate their businesses through transformation and change

Our experience suggests that not everyone can be trained or retrained. But for those who can, we see a definite shift from the traditional learning and communication channels to one where a “menu” of options are available for participants to self-select from. We believe that the level of engagement and behavioral change of employees will be positively impacted by the right selection of delivery channels. If learning is specifically mapped to job families and employee responsibilities, it will be more effective. The variety of channels that are available now are listed in Figure 4. The most popular ones among our clients are mobile learning through gamification

(using a game to accelerate learning) and YouTube-style videos that show new and exciting content in a bite-sized format.

New modes of learning are also needed to help employees understand and accept the upside of continuous change that is part of today’s workplace. This might include idea sprints to increase employee engagement, two-way communication through social media or taking a different approach altogether (See: “Other ways of learning”).

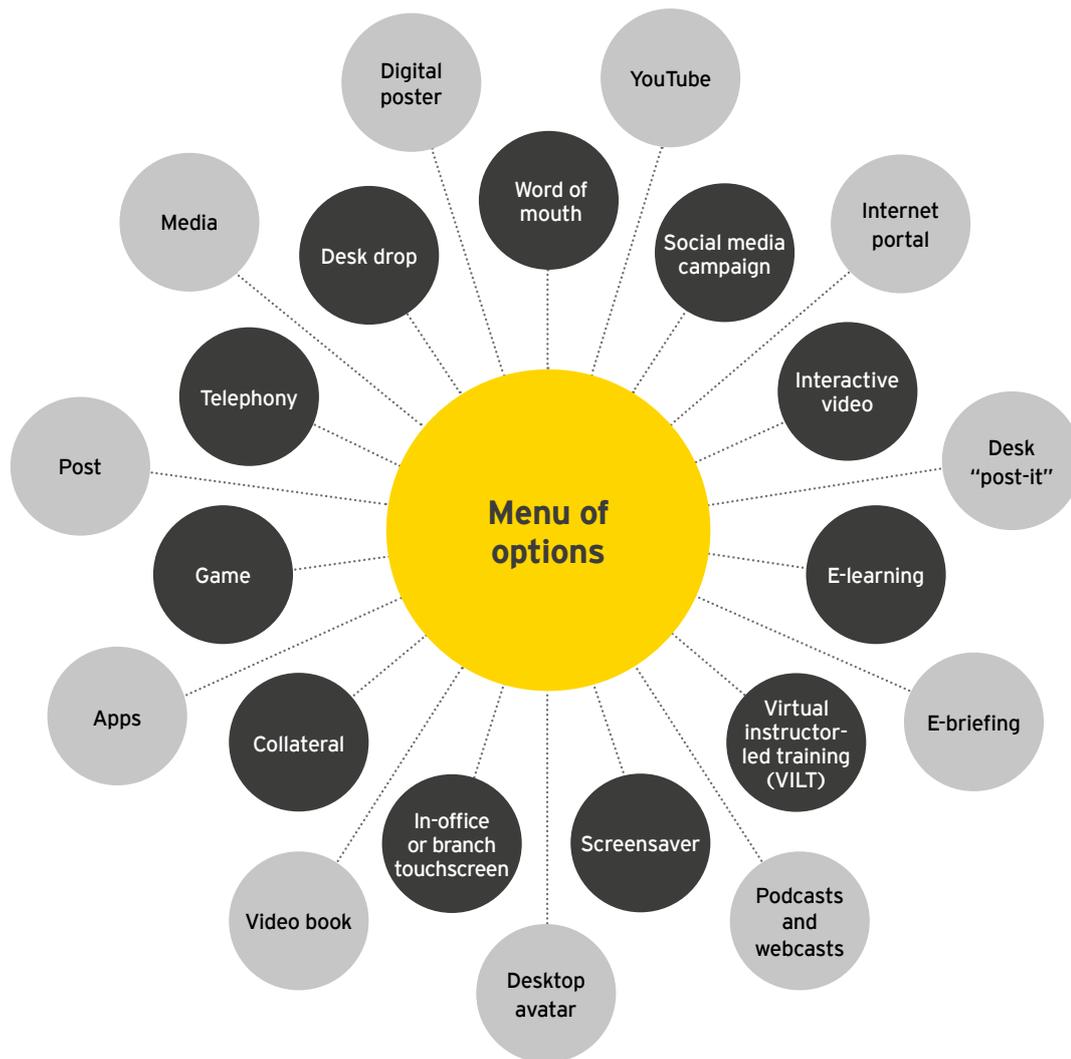
Figure 3. Job families

Job families with negative employment outlook according to the World Economic Forum 2016	Job families with a positive employment outlook according to the World Economic Forum 2016
Office and administrative	Business and financial operations
Manufacturing and production	Management
Construction and extraction	Computer and mathematical
Arts, design, entertainment, sports and media	Architecture and engineering
Legal	Sales and related
Installation and maintenance	Education and training

4. EY, *Who holds the key to closing the skills gap*, 2016, ey.com/GL/en/Issues/Business-environment/EY-who-holds-the-key-to-closing-the-skills-gap, accessed September 2016.
 5. World Economic Forum, *The Future of Jobs Employment, Skills and Workforce Strategy for the Fourth Industrial Revolution*, 2016, http://www3.weforum.org/docs/WEF_Future_of_Jobs.pdf, accessed September 2016.

Navigating your workforce into the future

Figure 4. Delivery channels available to train employees



Is your current learning curriculum up to date?

Is your training focused on the skills needed in all your (future) job families?

How are you identifying talent that needs to be reskilled? How are you training this talent now?

Other ways of learning

Internal internships and job rotation

An approach that has been around for some time is job rotations or internal “internships.” Knowing what someone else is doing on a daily basis can help employees understand more about the business, inject the receiving team with some new insights and benefit employees, in the long run, by keeping them motivated and engaged.

On the flipside, goals are often more short term, and many businesses may be hesitant to shift people to another team, as it means decreased productivity at the start in order to get them up to speed and integrated into the new team.

Capability uplift through collaboration with EY

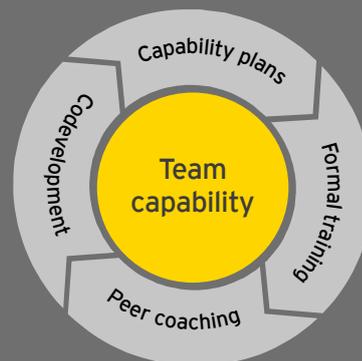
Another example of flexible learning is upskilling our clients through combined teaming. Increasingly, our clients feel that they can execute parts of the projects we do with them, so we have developed a “capability development framework”:

▶ **Capability plans:**

- ▶ We develop capability development plans, working with individual team members, that are specific to the development goals of the person.
- ▶ The plans identify the activities that we will undertake to support their development and measures our delivery to the goals set.

▶ **Formal training:**

- ▶ Together with a project team, we identify specific areas for learning and development.
- ▶ We deliver training material customized to project requirements and structure the training so that we can provide the project team with an overview of the relevant methodology, tools and techniques, followed by how this applies to the specific project.



▶ **Peer coaching:**

- ▶ Each team member is paired with one of our peer coaches at a similar level, who provides advice, insight and challenges through one-on-one coaching sessions.
- ▶ These sessions are guided by the team member’s goals and objectives from their capability development plan.

▶ **Codevelopment of work products:**

- ▶ After understanding the requirements of the project, we help develop skeletons of key work products.
- ▶ We collaborate with the project team and provide input ranging from high-level reviews all the way to detailed cowriting and development of analyses or reports.
- ▶ The purpose is to obtain a high standard of project outputs while providing learning opportunities and ownership to the project team.

Navigating your workforce into the future



Starting the journey to more mature workforce management

Workforce management incorporates the full cycle of identifying, training and sustaining the wider workforce. Some organizations and teams may benefit from more advanced workforce management practices, such as modeling and strategic planning, whereas for others, some simple analytics is enough. Figure 5 depicts the four workforce management maturity levels.

Leaders can easily determine at what maturity level they are now by answering the questions listed in Figure 5. Determining the

desired maturity level can be done by looking at the characteristics of the current team(s), their area or field, and identifying what impact future changes may have on the composition of the workforce. Although we can only look so far ahead, our experience shows that stronger workforce planning capabilities and analytics can improve overall business performance. Particularly as the composition of the workforce will become more complex, and advanced economies are experiencing rising skill shortages and supply and demand mismatches.⁶

Where to next?

The time is right to challenge traditional models and conventional ways of interaction between businesses and global talent, and become more adaptive and responsive to the changing needs of the market. To help navigate the workforce into the future, a first step is to identify the maturity level of current workforce planning practices within the organization. Which teams or business units are standing out, and why? Subsequently, leaders need to realize what is required to enable their entire workforce, including all contingent workers, to flourish and step into the future. ■

6. OECD, *Getting Skills Right: Assessing and Anticipating Changing Skill Needs*, 2016, [dx.doi.org/10.1787/9789264252073-en](https://doi.org/10.1787/9789264252073-en), accessed September 2016.

Figure 5. Workforce management maturity

