

Executive Summary Research Question

How is HR evolving in developing the future-ready workforce to deliver value-driven outcomes?

Introduction

Deloitte defines Future of work as ‘forces of change affecting three deeply connected dimensions of an org.: work, workforce and workplace’ (illustrated in appendix A).² These forces such as shifting demographic patterns, the pace of technological change, and the path of economic globalization are constantly challenging and changing the future of work. Keeping the focus on unlocking talent and equipping people through these disruptions is important for HR.

HR as the Change Champion

One of the ways HR can help organizations to successfully navigate through countless changes is to become change champions to initiate change and develop strategies for sustenance. Effective change champions build the case for change based on market and business reality, and they overcome resistance to change by engaging key stakeholders in key decisions and building their commitment to full implementation. They sustain change by ensuring the availability of necessary resources including time, people, capital, and information, and by capturing the lessons of both success and failure.¹

In order to initiate change, HR professionals should¹:

1. ensure that key leaders are supportive of major change initiatives and create a sense of urgency,
2. identify and overcome sources of resistance to change,
3. help set the direction of change with clear intended outcomes,
4. build commitment from key people to support the change efforts and articulate the key decisions and actions that must happen for change to progress.

To better prepare for the initiation, HR should use empirical evidence to support the need for the change and understand and build emotional case for change. In addition, it is important for HR to identify and engage key stakeholders to build support for change.

Over the years, business leaders have come to realize that the enrollment of the extended line leadership team is needed in order to make sure change sticks. The CEO alone is not enough to both drive and sustain the changes.⁶ However, at the same time, not all line managers are equipped with the skill to serve as a role model for change. Thus, in order to sustain changes, HR needs to focus on how to support the leaders so they can sustain the changes within their teams. Here are several sustainable disciplines HR can implement to help the leaders to ensure changes stick¹, namely:

1. Simplicity – to ensure that leaders only focus on a few key behaviors that have the highest impact, which makes it easier to keep people engaged.
2. Tracking – to help create scorecards to have solid trackable items.
3. Resources – to build coaching and HR practices so leaders are well-equipped with resources that can help them commit to their promises.
4. Accountability – to ensure leaders’ accountability to sustain change by following up on commitments, and by giving feedback on the change efforts.
5. Melioration – Leaders meliorate through frequent experimentation, self-reflections, becoming resilient, and welcoming success and failures, and further their learnings by advocating and modeling the learning these processes.

Business case: The CEO of Viterra and his personal coach - From 2000 to 2011, Viterra went through a number of changes: acquiring Agricore United, reduction in size, and dissolving its board. Amidst all the changes, Viterra's CEO pursued several interventions to initiate and sustain effective changes, with the help of his personal coach. The CEO, Mayo Schmidt, utilized coaching resources to prepare himself to be the leader he needed to be, developed a new vision and worked through the commitment process, and designed a new performance management system to hold people accountable for objectives and values.¹

Building a Learning Culture

The World Economic Forum's Future of Work project elaborates on using the evolution of learning as one of the core trends that impacts the labor market. Furthermore, as the U.S. workforces tries to stay competitive in the global marketplace, and respond to the technological disruptions, there will be a greater emphasis on retraining and lifelong learning.⁵ The scope of acquiring the right skills to carry out job tasks is one of the most impactful and uncertain variables for the future of work.³ The quality and access to training for skill development is crucial for ensuring the transition of workforce and their engagement with new opportunities in the labor market. This would depend on three factors³:

1. an individual's willingness to take up reskilling,
2. associated time and cost involved, and
3. clarity around the potential returns on investment.

A range of inputs determine how a learning culture evolves: the development of updated and agile curricula in basic, vocational and higher education; access across geographies and socio-economic groups; the availability of retraining opportunities for the current workforce; and the mindset and willingness towards lifelong learning among students and workers, among others.³ As seen in the appendix B, there are multiple factors to consider when developing an inclusive ecosystem for workforce reskilling.⁴

The major challenge in building this competency is the prediction of skills needed for the future and the knowledge-experts required for skill development. Talent shortages continue to impact business growth as companies encounter skills gaps that cannot be met. Further, since many economies that have invested heavily in high-skilled talent, they are reluctant to lose it and resist high levels of migration. This has dampened the exchange of new ideas and expansion of markets, having a significant impact on labor markets in different geographies.³

Business case: Canadian Manufacturers and Exporters (CME) Consortia Program combines formal and informal trainings, wherein each consortia consists of 10-12 companies that meet monthly for a 14-month cycle to engage in peer-learning, designed to help share applied problem-solving techniques and innovative techniques, and themes such as lean production, sustainability and operational excellence.⁴

Conclusion

With the changing landscape of work, workplace and workforce, it is important to consider multiple converging trends and how they are fundamentally changing work and its implications on individuals, business and society, to equip the business for the future. The recommendations presented in our research, blends these trends with the holistic view of unleashing and capacitating human potential working around inevitable disruptions of work.

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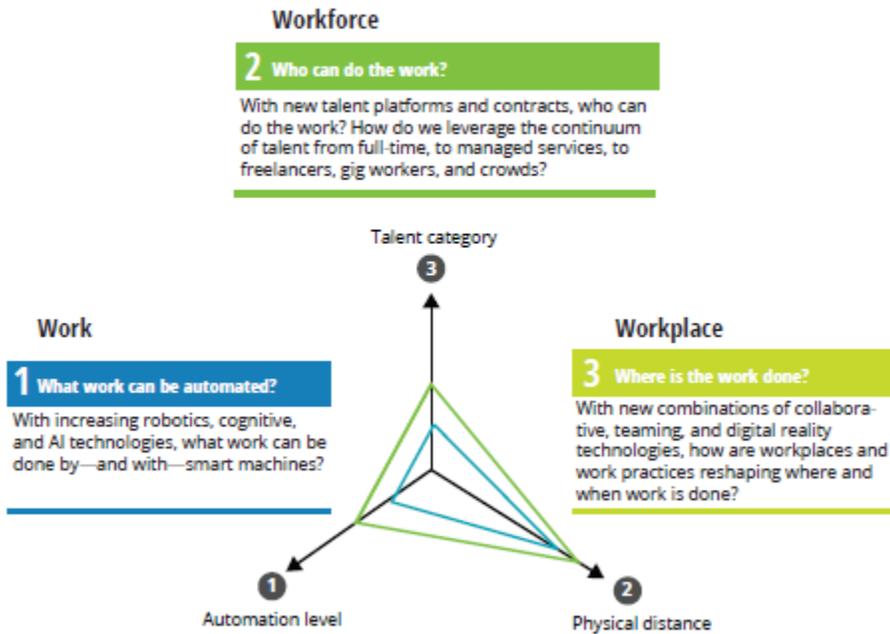
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Appendices

Appendix A: Defining Future of Work

The future of work encompasses changes in work, the workforce, and the workplace

△ Current work options △ Future work options



Source: Deloitte analysis.

Appendix B: Building an inclusive ecosystem for workforce reskilling:

Key Pathways	Key Public Sector Actions	Key Private Sector Actions	Other Stakeholder Actions
Take stock of and recognize existing skills	Develop qualification frameworks to recognize formal and informal skills	Move towards skills-based recruitment and work to develop relevant skills assessments for their companies	Unions and professional associations can conduct skills assessments International organizations can assist with skill measurement and international benchmarking
Understand skills demand	Lead the governance of skills anticipation systems, and organize skills councils and inter-ministerial working groups and industry-specific strategic foresight groups for evaluating skills demand Conduct employer surveys, put in place labour demand forecasting models based on previous economic performance and needs, coordinate industry specific strategic foresight groups, and gather real-time information through big data analysis	Actively participate in skills councils, data sharing, industry strategic foresight groups and business councils	Unions and professional associations can be active players in skills assessment, setting up learning committees, and feeding this information into skills anticipation systems
Adopt the right mix of financing instruments	Allocate sufficient funds towards adult learning, including through longer term instruments Co-fund adult learning opportunities and create financial incentives for burden-sharing on the part of businesses and individuals through diverse instruments Regulate the minimum provision of training funds and time allocation for training Allocate additional resources to SMEs, lower-skilled learners, older learners and other vulnerable groups less likely to benefit from professional training opportunities	Invest in human capital development both through in-house training and in coordination with universities and other educators Give employees a stake in their learning by deducting training levies from their payroll or matching contributions towards training and professional development courses	Involve learners in the investment towards their learning opportunities through co-funded activities and financial matching schemes International organizations are well placed to study the impacts of diverse financing models and instruments and share good practices
Build and sustain motivation for adult learning through active labour market policies and accessible resources	Build cohesive strategies that incorporate training offerings, labour market information as well as career guidance services Ensure that government actions are coordinated through working groups or intermediary institutions to effectively link all relevant resources to empower citizens and provide one-stop shops for their employment and professional development needs	Build learning into work performance assessment of employees Incorporate career guidance and advancement incentives for reskilling and upskilling efforts Link training opportunities to new roles that will directly apply newly acquired skills Use gamification to enhance motivation and participation in self-paced modular courses	Unions, professional associations and other community groups can be a strong motivating factor for participating in adult education programs

Create shorter learning modules that foster continued learning	Redesign education courses to offer more short-term and highly specific courses aligned with specific employment opportunities	Create modular learning programs that allow for rapid reskilling as skill demand evolves Partner with universities and other institutions to create the relevant programs and nanodegrees	Create targeted training opportunities and coordinate the provision of basic education with public institutions
Determine the role of different stakeholders	Governments, policymakers and public intermediary institutions can: lead the governance of the lifelong learning system; set curricula and standards and create frameworks for skills recognition; ensure the quality of adult education programs; secure access to learning technologies; promote equal access to learning opportunities for all; find collaborative funding solutions and governing incentives; coordinate social safety nets; and lead skills anticipation activities	Create opportunities for reskilling and upskilling within companies, across sector alliances and business councils, and throughout supply chains Co-finance professional development opportunities for employees and allot adequate resources for creating a culture of continuous learning Partner with universities and other education actors to ensure access to a suitable talent pipeline with the right blend of skills Support skills anticipation systems by providing data to employer surveys and actively participating in industry foresight groups	Unions can work in coordination with other stakeholders to identify skill needs, inform workers about training opportunities, support apprenticeships, and provide targeted trainings when needed
Recognize and promote on-the-job training opportunities and maximize informal learning opportunities	Create financial incentives and programmes for facilitating adult apprenticeships Build training infrastructure that brings together educators and companies in innovation labs and joint research facilities	Put in place job rotation programs, adult apprenticeships and other opportunities to acquire new skills in the workplace Work to create a learning enabling corporate culture that rewards individual innovation and learning	Help inform workers about training opportunities and support learning activities through peer support networks
Reach those who need it most-SMEs, lower-skilled workers and older workers	Launch motivational campaigns, provide financing and resources to vulnerable groups within the workforce, and provide targeted programs for low skilled and older workers, gig economy contract workers and SMEs	Put in place mid-career review and other mechanisms for actively engaging the development of older workers Create direct opportunities for knowledge-sharing and intergenerational learning within the workplace Build consortia of SMEs to cater to their training needs and build peer support networks	Unions can actively support firms and governments in the provision of inclusive programs for basic skills training Civil society can also create peer networks and administer programs for silver workforce participants Community learning centers, universities, and other education providers at local and regional levels can work with businesses and governments to coordinate courses to best meet the needs of diverse learners
Customized teaching for adults	Set high standards and work to professionalize adult education by putting in place rigorous training and certification processes for adult educators Invest in further research about effective adult learning strategies and ensure this research is applied in government programmes	Design training to be practical, hands-on and directly applicable in the workplace Adapt the format to the skill levels of diverse learners	Unions can adapt their training formats to best suit adult learning styles with direct applications in professional settings

Harness the power and scalability of blended online courses, enhanced with virtual and augmented reality when relevant	Promote the continued adoption of blended format courses for diverse adult learners at universities, community centres, vocational training centres and other public education institutions to increase opportunities while maximizing resource efficiency Work to monitor quality and support the development of blended coursework by creating more instructional resources, evaluation of courses and certification programs	Maximize opportunities for training and development for all employees and through supply chains by adopting scalable blended learning adapted to digital literacy levels Incorporate virtual and augmented reality for scalable transfer of tacit knowledge	Universities and diverse adult educators can actively work to increase the offer of these flexible and scalable learning opportunities
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