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EXECUTIVE SUMMARY

Final Question

What capabilities will be critical in the digital age for CHROs? What skills are necessary for HR professionals in the contemporary workforce?

Introduction

The digital age, also known as the information age, has loosened the traditional structures of the workforce.[1] The creation of the knowledge economy has forced CHROs to reassess their future capabilities and job responsibilities. CHROs in the digital age should exhibit the ability to predict roles, cultivate learning, and drive change. In addition, HR professionals will need to adopt skills needed to thrive in the modern digital workforce. As the digital age evolves, CHROs must be proactive, not reactive, to successfully respond to the future of the workforce.

CHRO Capabilities for the Digital Age

CHROs must plan and prepare for the future, much more so than in the past. Leveraging information and data to scope out workforce needs and pinpoint market trends are mandatory for their success. The following three capabilities are a must for every CHRO living in the digital age.

1. **Ability to Predict Future Roles**
   a. **Predict future projects to predict future roles**. New technological innovations disrupt the market, pushing companies to reinvent products, services, and business models. Constant market changes force firms to shift from static tasks to flexible projects. Project-based roles will dominate traditional plan-based roles.[2]
      i. Plan-based roles are categorized into business function departments such as sales or marketing.[3] Employees perform tasks assigned to their job descriptions.[2]
      ii. Project-based roles occur on a project-to-project basis and depend on the market.[2]
   b. **Conduct skill gap analyses**. A 2015 ManpowerGroup global survey found that 38 percent of employers reported skills gap shortages.[4] Historically, in plan-based roles, employees performed the same tasks to support business functions. However, projects require a range of skills usage.[5] CHROs should (1) review open roles in their organization, (2) organize high- and low-priority roles, and (3) determine if unfulfilled roles result from skill gaps.[5]

2. **Ability to Cultivate a Culture of Continuous Learning.**
   a. **Diversify training and development tools.** Businesses cannot wait for talent to emerge from the market because of skills gap shortages. Instead, they must develop quality courses and programs to train and develop needed skills. Such programs should not only be tied to business objectives[6], but also gauge employee interest.[7] Integrate technologies, such as videos, blogs, and massive open online courses (MOOCs), and diversify the content to fully capture the digital learning experience.[8]
   b. **Create a culture of continuous learning.** CHROs must also invigorate a culture of learning. Although learning tools exist, a company's culture must support employees' efforts to stay current. Two corporations—Southwest Airlines and Emirates—have created programs in an attempt to foster such a culture.
      i. Southwest Airlines includes follow-ups and touchbacks as part of an employee's training material.[11]
      ii. Emirates encourages managers to ask their employees what they have learned or suggest new learning materials and resources for employees to explore.[11]
   c. **Empower employees to innovate.** In order to gain competitive advantage, CHROs should look to further innovation among employees. Enterprises have noted that employees "increasingly want to work on

projects and assignments they find personally interesting and challenging."[7] One case study to note is Adobe's internal program Kickbox. Innovative Adobe employees interested in funding new projects can sign up for Kickbox. In return, the employees receive $1,000 to fund their ideas and a red box filled with step-by-step instructions and creative tools. Adobe has reported creating almost 1,200 mockups while reducing overall mockup costs.[5]

3. **Ability to Drive Agility and Enable Change**
   a. **Build an ecosystem of teams.** During skills shortages, breaking down silos and replacing plan-based roles allows for team building. Teams facilitate skill-sharing, collaboration, and responsiveness.[9] Transparency and power balance in project teams break down structural barriers observed in hierarchical, siloed organizations.[10] Creating a "network" of project teams allows people to not only share knowledge, but also discover unfilled roles in other projects.
   b. **Re-organize the company's organizational structure to allow for flexibility.** As organizations switch away from hierarchical and functional organizational models to project teams and networks, CHROs must learn how to organize efficiently. One possible model differentiates administrative managers and project managers.[12] Administrative managers handle "how an employee is developed and supported," and project managers ensure the employee accomplishes his or her project role objectives.[12] See Appendix 2.

Skills for the Contemporary Workforce

Similar to CHROs, employees will need to think on a firm level. Doing business in collaborative work settings, creating meaning out of chaos, adapting to change, and self-driving one's growth is pertinent for HR professionals. Currently, enterprises report a shortage in these skills.[6] See Appendix 3.

1. **Inquisitive.** To further fuel the culture of continuous learning, future HR professionals must demonstrate an inquisitive mindset. Being passion-driven and a lifelong learner requires questioning the status quo.
2. **Aware.** The ability to drive and create meaning from change requires awareness. Self-awareness helps one identify the change's cause. Once the root has been identified, then one can adjust his or herself. Market-awareness requires HR professionals to understand the market so they understand how to better position themselves and the company.
3. **Collaborative.** Because CHROs will focus on constructing an organization based on teams, HR professionals must be able to work in teams. Engagement and idea exchanges through teams help an enterprise further flexibility.
4. **Problem-Solving.** Utilizing data and technology to effectively make decisions will be beneficial.
5. **Open to Challenges.** HR professionals with the ability to frame challenges as opportunities requires a positive growth mindset.
6. **Multi-skilled.** As a result of the skill-sharing economy, inheriting a multitude of skills and knowledge—such as business acumen and management and technical expertise—will differentiate one HR professional from the rest.
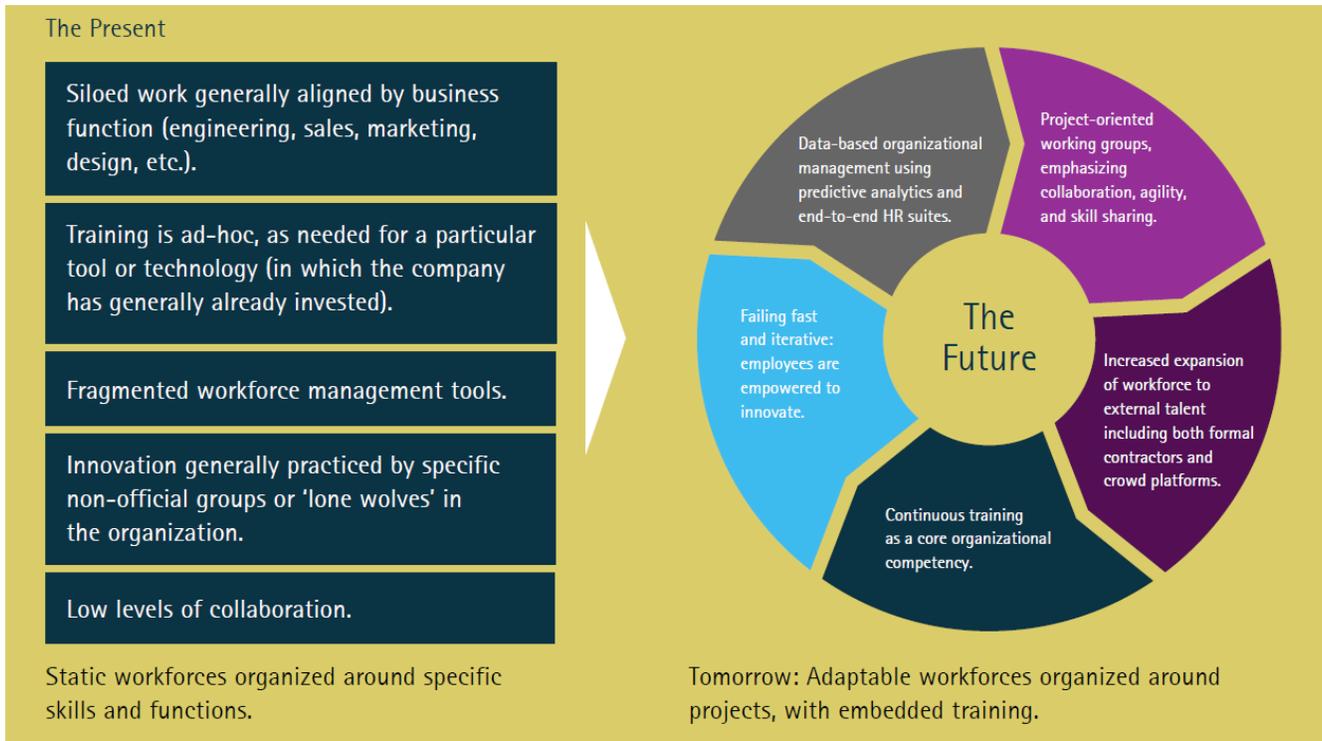
Conclusion

CHROs must adopt a futuristic, holistic mindset when approaching the future of the digital workforce. The digital age requires CHROs to adopt three capabilities: the ability to predict future roles, cultivate a culture of continuous learning, and drive agility and enable change. HR professionals also must learn to develop a sense of curiosity and awareness, work in team settings, tackle challenging problems, and diversify skillsets in order to be successful in the digital age. It is important that each organization hold strategic discussions with their CHRO and HR professionals to shape the future of work.

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Appendix 1.

The Present

Siloed work generally aligned by business function (engineering, sales, marketing, design, etc.).

Training is ad-hoc, as needed for a particular tool or technology (in which the company has generally already invested).

Fragmented workforce management tools.

Innovation generally practiced by specific non-official groups or 'lone wolves' in the organization.

Low levels of collaboration.

Static workforces organized around specific skills and functions.

The Future

Data-based organizational management using predictive analytics and end-to-end HR suites.

Project-oriented working groups, emphasizing collaboration, agility, and skill sharing.

Increased expansion of workforce to external talent including both formal contractors and crowd platforms.

Continuous training as a core organizational competency.

Failing fast and iterative: employees are empowered to innovate.

Tomorrow: Adaptable workforces organized around projects, with embedded training.

Source: Daugherty, Paul, Marc Carrel-Billiard, and Michael J. Blitz (2016). Liquid Workforce: Building the Workforce for Today's Digital Demands. Accenture Technology R&D. Retrieved from https://www.accenture.com/us-en/insight-liquid-workforce-planning

Appendix 2.

Figure 2. Two types of managers in a network of teams

Administrative or talent manager	Mission or project manager
Focuses on the individual's career and development goals	Focuses on the project and mission objectives
Measures an individual's achievement against individual goals capabilities, and potential	Measures an individual against contribution to mission, team, project, and organizational results
Listens to individuals' long-term career goals and helps them reach those goals	Listens to individuals' desires for that mission or project and helps align them with the project or mission needs
Gives the individual coaching and development toward their career capabilities, career goals, and specialization objectives	Gives the individual coaching and development toward their role in the team and the project, focusing on how they can contribute more and how they can work better with the team
Makes sure the individual has "rights of return" to another organization and takes care of "return trip" after each project completes	Focuses on getting the right people into the project or mission, regardless of their individual career journeys at the moment
Tracks and monitors the individual's career progression and patterns of success or weakness	Tracks and monitors individuals' contribution to the project or team and how they can improve their value to that team

Source: Global Human Capital Trends – The new organization: Different by design (2016). Deloite University Press. Retrieved from http://www2.deloitte.com/us/en/pages/human-capital/articles/introduction-human-capital-trends.html

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