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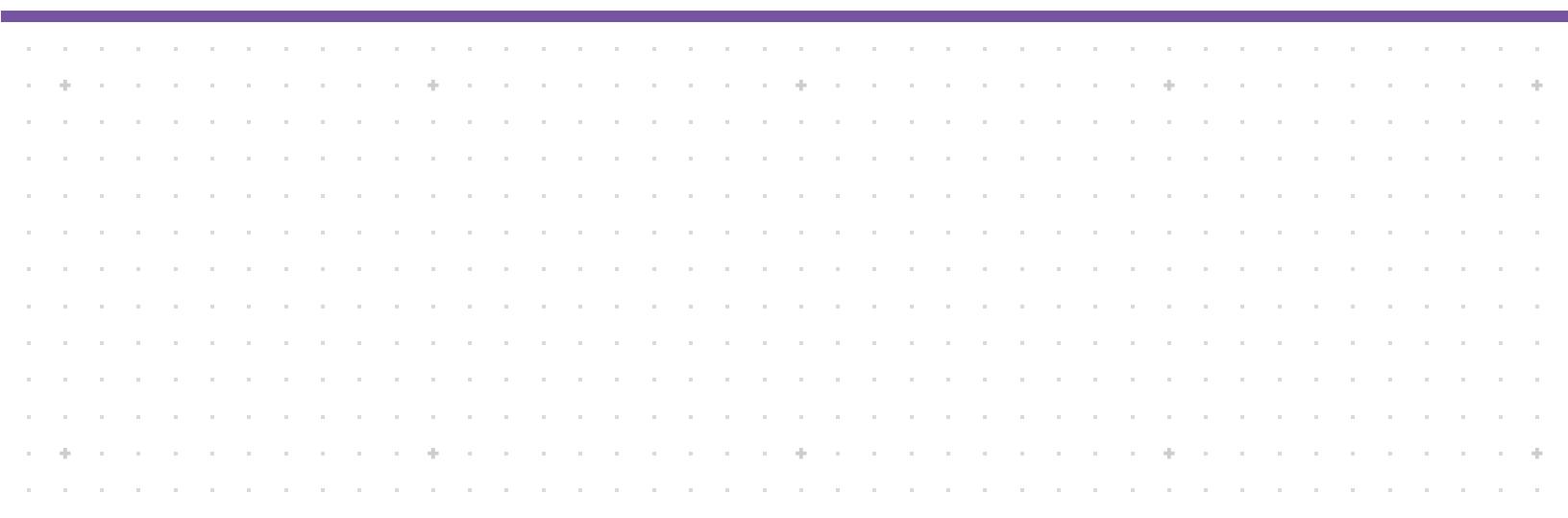
Plan Now for the Workforce of the Future

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Preparing for the future of work is an urgent and immediate priority for businesses. While this message has come through loud and clear to corporate executives, academics, policymakers, and technologists, it's not evident that many companies are fully prepared for the challenges and opportunities facing them.

A Bloomberg survey[1] conducted in 2018 showed a significant "preparedness gap." In particular, 25 percent of companies do not have a coherent understanding of what the future of work will mean to their organization. Only one-third of respondents have a formal workforce preparation strategy.

On Dec. 12, 2018, Bloomberg Next continued to examine and discuss the future of work with a live event, "Workplace Shift: Preparing Leaders for the Future of Work."[2] The event focused primarily on actions and strategies that companies are employing today in such areas as workforce development, HR strategy, and organizational readiness.

This white paper, the first in a series of three, will focus on the steps businesses need to take to get organized and take action when building a workforce for the future.

Get to Know Your Talent

The first step in organizational preparedness is to gain a deep understanding of the talent and resources in an organization. Many organizations struggle to understand their workforce's current capabilities, much less their future needs.

Elizabeth Gore, president of business advisory firm Alice, noted that it's easy to underestimate an organization's talent—what employees are capable of now and what they aspire to in the future. "You need to get to know your own people and their potential," she said. "You'll find that many of them are already looking to the future, and some are planning their own ventures. There's an opportunity to tap into this energy."

Use Workforce Data and Analytics

Companies need to start the process with an "organizational X-ray" that will determine if they've got the right HR data and analytics to systematically analyze their workforce and pinpoint exactly what kinds of talent and skills they will need to take the organization forward.

While every organization has a human resources information system of some sort, what's key is the ability to glean the best insights. This means having the right data points and an assessment framework to interpret and analyze the information as a routine aspect of the decision-making process.

Companies should approach data and analytics with a view to evaluating the skills their employees have today that can be redeployed for the jobs they will need in the future. The quality of the data input and structure of the assessment process should be able to reveal any key skills gaps.

In addition, organizations can gain deeper insight into the degree to which they foster learning and provide growth opportunities. They can determine if they are truly providing an environment and work culture that promotes employee satisfaction, motivation, and productivity. Plus, they can test and validate the company's values and how well those are being communicated.

Companies need to evaluate their HRIS systems to be sure they're prepared for the level of data management required. Their system may not be set up to track the critical data points. Or they may lack the technical skill to interpret and analyze the information. These reasons underscore the importance of an honest assessment of company data and analytics capabilities before launching an X-ray initiative.

Create a Workforce Strategy

The next step is to develop a strategy for attracting and retaining the right people. Of course, attracting talent has always been a challenge. But it's particularly challenging now, in a tight labor market[3] where the competition for talent is fierce.

That's why it's important for companies to have the best possible understanding of the talents and skills they need in their workforce and to develop a strong and attractive employee value proposition and purpose statement.

Prospective employees will be attracted by the strength of a company's brand and its competitive position in the marketplace. They will also want to know there are opportunities for professional growth.

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1 Bloomberg Next, "Workforce of the Future: More Is Needed to Close Preparedness Gap,"
   https://www.bna.com/uploadedFiles/BNA_V2/Micro_Sites/2018/Future_of_Work/White%20Paper_Workforce-Future_Final.pdf

2 Bloomberg Next, "Workplace Shift: Preparing Leaders for the Future of Work," https://www.bna.com/workplace-shift/

3 Sho Chandra, "Jobless Claims Fall to 216,000, Showing Tight U.S. Labor Market," Bloomberg, Dec. 27, 2018,
   https://www.bloomberg.com/news/articles/2018-12-27/jobless-claims-fall-to-216-000-showing-tight-u-s-labor-market

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Capitalize on the Power of Purpose

However, it takes more than professional opportunity to attract and keep good talent today. "We need to connect with people on multiple levels," said Joan Burke, chief people officer for DocuSign. "At the same time that we're offering great career opportunities, we also have to connect with people's hearts by tapping into a larger sense of mission."

Studies are finding that many people want work that is meaningful to them, and they prefer to work for a company that shares their values and fosters a sense of purpose and fulfillment among its employees. A global study[4] of more than 26,000 LinkedIn members found that 37 percent are purpose-oriented, meaning they seek to align their jobs with work that matters to them.

A study[5] by Imperative, a consulting firm, and New York University found that purpose-oriented people outperform employees who see work as strictly a source of income or status. They are also more likely to stay longer at their companies than people who are not purpose-oriented.

Cultivate Inclusion and Belonging

Once employees are established in their organizations, they want to feel valued and included, confident that their contributions matter. "People today want to feel that they're more than a cog in a machine," said Christine Spang, founder and chief technology officer at Nylas. "Folks want to feel like they're valued for their humanity, not just their technical skills."

Invest in People

In this environment, companies must be thoughtful about the employee value proposition, understanding that they need to invest in their people if they want them to support and commit to their mission. Key components of that proposition include clear and well-designed career paths, as well as a culture at all levels of the organization that supports the whole person.

At the same time, companies should recognize that in today's rapidly changing business world, it's impossible to predict exactly what skills will be required in the future. That's why they need a responsive and adaptable learning environment that helps people change and grow.

Many companies will also need to rethink their approach to talent assessment, said Michael Stull, senior vice president at Manpower. "Skills are very important, of course, but it's very difficult to know exactly what skills you will need in the future," he said. "That's why you need to hire people that can learn and want to learn. We need to hire people with 'learnability.' It's a unique but necessary shift for a unique time."

Conclusion

Executives need to act now to prepare their organizations for the future. For many, that process starts with an "organizational X-ray" that leads to a data-driven workforce strategy. Most companies have the data they need in their human resources information systems, but they need to set it up correctly, and make sure they have the capacity to interpret the insights. Then, they can make it a priority to capitalize on the opportunities it reveals.

Take an Organizational X-Ray to Identify Skill Gaps and Critical Roles

As you prepare your organization for the future of work, it's important to start with an understanding of how talent moves within your organization to get a more complete picture of your workforce. Taking an X-ray to identify skills and skills gaps can be the first step.

Just as a doctor would use an X-ray to assess which bones are healthy or need support, HR leaders can take a similar approach to identify which colleagues have the right skills for the future, and potential external sources of talent needed to create a future-ready organization. However, just like having the right skeletal alignment is essential to prevent injury, your workforce needs strong alignment to enable the organization to thrive.

All organizations have access to the necessary workforce data to create alignment and assess current and future talent needs, but most lack the ability to apply advanced analytics to leverage this data meaningfully. In fact, only 12 percent of companies use predictive modeling and analytics to make human capital decisions, according to Mercer's latest Global Talent Trends study.

With an organizational X-ray powered by advanced analytics, your HR team will be better equipped to provide insights on how talent flows up and through your organization, what skills your company has and needs, what skills can be portable, and what roles may be automated. This will help you develop a more effective talent strategy for building your workforce for the future. Learn more.

Content from Mercer

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[4] LinkedIn and Imperative, "2016 Workforce Purpose Index," https://cdn.imperative.com/media/public/Global_Purpose_Index_2016.pdf

[5] Imperative and New York University, "2015 Workforce Purpose Index," https://cdn.imperative.com/media/public/Purpose_Index_2015

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