Shaping the New Reality

The global disruption caused by the COVID-19 pandemic was unexpected at a time when focus was on a multitude of other mega-trends and disruptors. The experience has highlighted both the necessity and the opportunity to explore new operating models and ways of working. It has been the catalyst for change that has often been talked about yet not truly embraced. Asia is currently leading the way in exploring this New Reality.

We have identified four phases that organisations will move through as they respond to COVID-19:

Reaction Responding to immediate challenges	**Resilience** Managing through uncertainty	**Recovery** Resetting and identifying opportunities	**New Reality** Adapting to a new world

Organisations need to consider the impact of each phase on their operating models, the composition and shape of their workforce, their approach to talent management and development, the design of employee experience journeys, and the skills and leadership required to navigate their way through **Reaction**, **Resilience**, **Recovery** and ultimately towards the **New Reality**. The speed of response is unique to each organisation and may not be a linear process with teams and individuals potentially returning to an earlier phase as they adjust.

Reaction: Managing Talent Risk as organisations respond to immediate challenges

The COVID-19 outbreak tested the resilience and business continuity plans of organisations, with many reacting by protecting themselves against the immediate challenges including financial, commercial and operational threats. Our Talent Risk Framework provides a holistic structure to evaluate talent risk across the areas of Cost, Capacity, Capability, Compliance and Connectivity. *This framework continues to be useful for assessing talent risk as organisations progress through each phase towards their New Reality*.

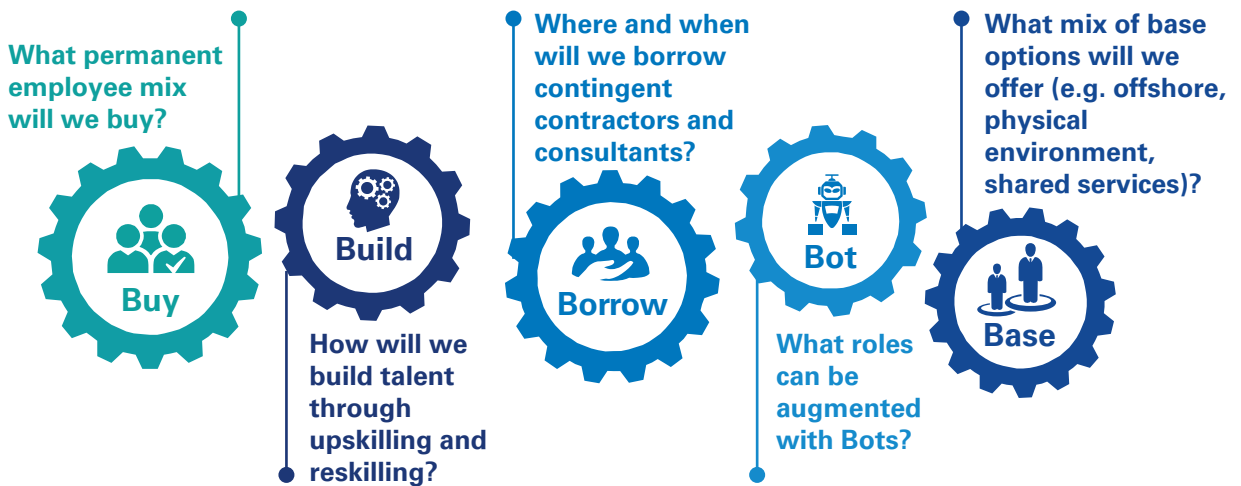## Resilience: Supporting and developing leaders and employees to manage through uncertainty

As organisations become accustomed to the specific Reaction interventions, we have observed that focus is shifting to organisational and individual resilience; ensuring that both leaders and employees have the skills and tools to manage current and future uncertainty and disruption. Robust wellness and awareness programmes need to be in place to develop and sustain leaders and employees, which will ultimately deliver significant benefits to organisations.

Recovery: Supporting the organisation to reset and identify opportunities

Accepting that entrenched ways of working have been disrupted and that existing operating models can be further optimised, leaders are starting to explore options for the New Reality. Business leads and Human Resources departments must lead the way in testing possible scenarios to shape the future workforce in the New Reality.

Workforce Shaping models the organisation-specific scenarios within the New Reality, identifying the skills, capabilities and source of labour, and the resulting impact on existing roles, teams and organisations. Each organisation will need a unique workforce composition depending on the scenarios they wish to pursue. The shape of the workforce will be determined by the ongoing iteration of the key business scenarios, and the adoption of the optimal mix of the five B's below:

What permanent employee mix will we buy?

Where and when will we borrow contingent contractors and consultants?

What mix of base options will we offer (e.g. offshore, physical environment, shared services)?

Buy

Build

Borrow

Bot

Base

How will we build talent through upskilling and reskilling?

What roles can be augmented with Bots?

New Reality: Adapting to new ways of working

As organisations adopt new ways of working required for the New Reality, the optimal mix of the five B's will need to be tested and revisited on an iterative basis. In the New Reality, unprecedented change is the new normal, and the next disruption may be around the corner. To remain relevant, organisations need to maintain an iterative approach to Workforce Shaping to best position themselves to thrive in response to external factors, and to empower the business to explore scenarios for the New Reality.

Adapting to the New Reality

As organisations test their New Reality ways of working, there are several recurring themes:

Themes	Outcomes

Agile ways of working are here to stay. Arguably both employers and employees see the benefits of greater flexibility, and the resulting positive impact on productivity. The adoption of new and enhanced skills, and enhanced ways of working for leaders and employees alike are essential to ensure the full benefits of greater flexibility are realised.

- Expectations and Culture reflect new ways of working
- Policies provide clarity on ways of working
- Organisation aligned on actions to maintain business continuity
- Employees embrace the use of agile technologies
- Employees are confident, capable and equipped to embrace digital transformation
- Increased leadership and employee resilience to business continuity during future disruptions

With a shift away from "presenteeism", **traditional Performance Management assumptions are up for review**, with a focus on outcomes and empowerment of individuals.

- Performance management framework focused on outcomes and higher frequency check-ins
- Mindset reset in relation to performance management and feedback
- KPIs aligned to business outcomes
- Sustainable organisational, team and individual performance

Employee engagement may have been positively or negatively impacted by the response to COVID-19. **When transitioning to the New Reality**, it is essential that engagement is emphasised and enhanced in order to support employees and build their resilience and motivation for the changes that the New Reality will bring.

- Engaged, motivated and resilient employees adapt with greater ease to changing situations
- Employees receive support to allow them to better deal with ambiguity
- Employees achieve greater resilience and flexibility of approach in response to the changing environment
- The workforce is better aligned with business objectives (which may have changed) and can play a greater role in ensuring business continuity
- Successful employee engagement acts as a contributing factor to talent retention, which may have been challenged due to COVID-19

The previously slow digitisation of employee development has been disrupted. No longer cost driven, **the transition to resilient, flexible blended digital learning journeys is business critical**.

- Enhanced employee learning experience enabled by flexible learning frameworks and digital learning platforms

The acceleration of automation will see an impact on most if not all roles, requiring a rethink of existing organisational structures, roles and ways of working. Digitalisation is as much about talent as it is about technology.

- Optimised operating model, roles and ways of working to realise efficiencies
- Digital mindset optimises benefits of technology
- Reduction of time spent on transactional tasks, and associated redeployment of resources to more value- add activities
- Realigned functional priorities to leverage digitalisation for growth

| Themes | Outcomes |

Increased demand for the optimal deployment of resources, regardless of silos, structures or teams is transforming traditional structures; the 'boundaryless' organisation enables collaboration across the connected enterprise, impacting established operating models, organisation structures and ways of working.

- Cost and collaboration advantages created by the New Reality are leveraged through optimised operating model structures and roles
- Collaboration drives enhanced ways of working

The **role of leaders changes in the distributed workforce**. Leaders will be charged with matching skills to tasks that need to be done – accessing skills and capabilities wherever they are, cutting across formal lines of accountability. The role of a leader is to create a context within which employees can make their own judgements in a model of distributed leadership.

- Leadership teams are equipped with the capabilities and mindset to drive the New Reality priorities
- Teams are engaged and led within a more distributed workforce model to ensure optimal allocation of skills to tasks

The implementation of the New Reality requires **alignment and possibly rethinking of the people agenda as part of the business strategy**. This requires a suitably equipped Human Resources function to lead the transformation.

- People strategy aligned to New Reality business priorities
- HR leading the alignment of the people agenda across the organisation to promote collaboration, connectivity and new ways of working
- Leadership and teams aligned and equipped with the capabilities to drive the New Reality agenda

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