Future workforce: considerations for the board

Board Leadership Centre

In today's rapidly changing business landscape, organizations are put under vast pressure in order to adapt. This paper provides actionable insights for navigating the future of work, addressing some of the most significant questions that boards should be asking and actions that they must consider for aligning future workforce with strategy. By focusing on reskilling, upskilling, and aligning purpose and culture, boards can position their organizations for success in this era of automation and digital transformation.

Navigating the ongoing automation and accelerated digitalization in our post-pandemic world requires organizations to adopt a high pace and frequency of change. The rapidly evolving business landscape of an environment with volatility, uncertainty, complexity and ambiguity (VUCA) demands fast adaptation, resulting in a short lifespan of skills. Meanwhile, workforces are being disrupted, and the pressing topics driving company agendas – such as environmental, social and governance (ESG), data analytics, intelligent automation, and evolving regulation – are creating a higher demand for certain skills than there is supply.

Consequently, an ongoing war for talent ensues, leading to an increased focus on talent and culture in board meetings. With these changes, come both risks and opportunities. Organizations must separate hype from sustainable solutions, while recognizing that the constant need for reskilling, upskilling, and new ways of working is a never-ending trend that is likely accelerate further. Reskilling and upskilling not only enable organizations to retain and retrain their existing workforce, but they can also help bridge the gap between supply and demand.

Additionally, organizations need a common purpose and a well-aligned company culture to accompany change and sustain new ways of working. These organizations that manage to align and empower their workforce to deal with the new reality will allow their employees to deliver on customer promise and drive business performance.

Board directors should aim to familiarize themselves with the company's critical roles and ensure that effective compensation and development strategies are aligning with these roles. It is imperative for the board to not only understand these roles, but also recognize the capabilities needed for their success, along with talent assessment against these capabilities.

Boards also must understand the strategy to continuously attract and develop top talent capable of taking on these critical roles. The board of directors generally oversee the process of recruitment of C-suite executives. However, with the war for talent continuing, boards are now recommended to be more involved in overseeing the process of recruitment of the next tiers of leaderships.

Further, boards need to recognize HR as a priority and rethink how they assess talent and redefine their role in attracting, retaining and developing the right talent. The Chief Human Resource Officers (CHROs) will continue to lead the transformation, creating the capability, capacity, and company culture needed to weather current upheavals and create the foundations for continued profitability.

To face challenges, boards should allow HR to guide their organizations in these areas

Aligning the organization's purpose, culture, and values.

Shaping the workforce to benefit from the synergy between humans and machines.

Adopting design thinking to identify and address employee experience.

Using data to generate valuable insights about the workforce.

Providing reports on how the actual culture and employee experience align with the board's vision.

Questions that boards should consider asking

Purpose
- Do we need to re-evaluate our purpose in light of the new reality?
- How do ESG expectations impact our brand perception and our employees experience?
- How will our operating model evolve to remain relevant and competitive?

Future workforce planning
- How do we successfully integrate digital and human labor?
- What will our workforce of the future look like?
- How does this change the meaning of *career* in our organization?
- Can we identify the new skills and capabilities that will be required in the future?

Hybrid working
- How does the current reality with more remote working impact our available talent pool?
- What are the opportunities for rethinking our employer value proposition, sourcing remote candidates, and attracting new target groups considering remote working?
- How do we keep our workforce connected and engaged?
- What are the barriers and how can we develop plans for new ways of working and nurturing employee commitment?

Culture
- What is the culture that we want to achieve within our organization?
- How is this linked to our purpose? How can culture bring our purpose to life?
- What are the culture changes required to support our people, new ways of working, and make our workforce future-proof?

Retain and reskill
- Have we identified our key talent and defined actions to develop and retain them?
- Is our current Learning and Development function adequately resourced and appropriately organized to deliver the level of re-skilling that the organization is likely to need?
- How do we accompany employees throughout the transformation journey from a change perspective?

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What actions can the boards consider in aligning future workforce with strategy?

Establish a company culture with a common purpose and values that support, connect, and empower the digital workforce.

Develop a continuous workforce shaping activity that plans for the implications of automation and new ways of working on the workforce, including plans to develop new skills and capabilities. This activity should be formally connected to medium-term business scenario planning and strategy development.

Build change management capabilities within the HR function and across leadership. This will help guide organizations through the high-paced transformations while considering the employee experience.

Move from experimenting with technologies and data towards deploying them widely. This applies to not only the HR function but also across the organization.

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