



Pandemic Accelerated the Future

Is Your Workforce Plan Up to the Challenge?

As an HR or business leader, if you have a role to play in your organization's workforce planning, continuing to execute your pre-pandemic workforce plan would be to ignore the lessons of not only the last year but of the last two decades of technical progress. A once-in-a-lifetime event like a pandemic, while painful at a social and personal level, is now forcing organizations to act on and respond to many of the workforce trends that were slow brewing for several years.

Digitization, automation, remote work, and the focus on employee experience - along with the need to invest in scale in the IT function and being more agile - were all the hot buttons for several years running. These trends were driven by the need to produce business results and combat disruption (ongoing/on the horizon) to the traditional business models. However, responding to a globally disruptive event of the pandemic scale was not part of the workforce plans for most organizations. Since the Avian & SARS pandemic scares of the last decade, most contingency plans were not even current given the evolution of the workforce ecosystem, technologies, and the competitive landscape.

With the vaccine push of the new administration in the United States, good data is emerging on progress towards herd immunity, translating into a cautious but optimistic time horizon for reopening. In the wake of the progress made, according to a McKinsey & Co. survey, almost 30% of the organizations have announced their post-pandemic return to work plans and another 40% have offered a vague sketch of it to their stakeholders including employees.

At the same time, **more than 30% of the surveyed employees have stated their intent to switch jobs** if their current employer was to force them to return to work full time. Remote work - while increasing overall productivity of the workforce - has caused burnout, mental health issues, and team dynamic challenges for employees and leaders alike.

Currently the physical re-formation of the troops is being planned, and an immense amount of energy is being spent on safe and compliant re-opening. We felt it was prudent to consider and capitalize on some of the longer-lasting opportunities presented by the pandemic. To do a careful evaluation of what's needed going forward, let's first look at a framework and factors that contribute to the design of a workforce plan.



While the factors outlined in this framework will carry different weight given external and internal environment, over the last ten years, workforce plans were gearing towards higher physical proximity and tighter integration of teams at a macro level. As more and more organizations move to agile structures, they were rethinking their geographical footprint including the offshore operations and had 3-5 years' plans to evolve the geographical footprint and the organizational skill stack.

In the same period, the workforce was quickly evolving from a bi-dimensional entity of full-time and contractor headcount to a more dynamic multi-dimensional ecosystem of employees, contractors, offshore employees, gig workers, and robots necessitating a need for more complex and dynamic workforce planning. However, pre-2020, most workplaces were designed for a reality wherein:

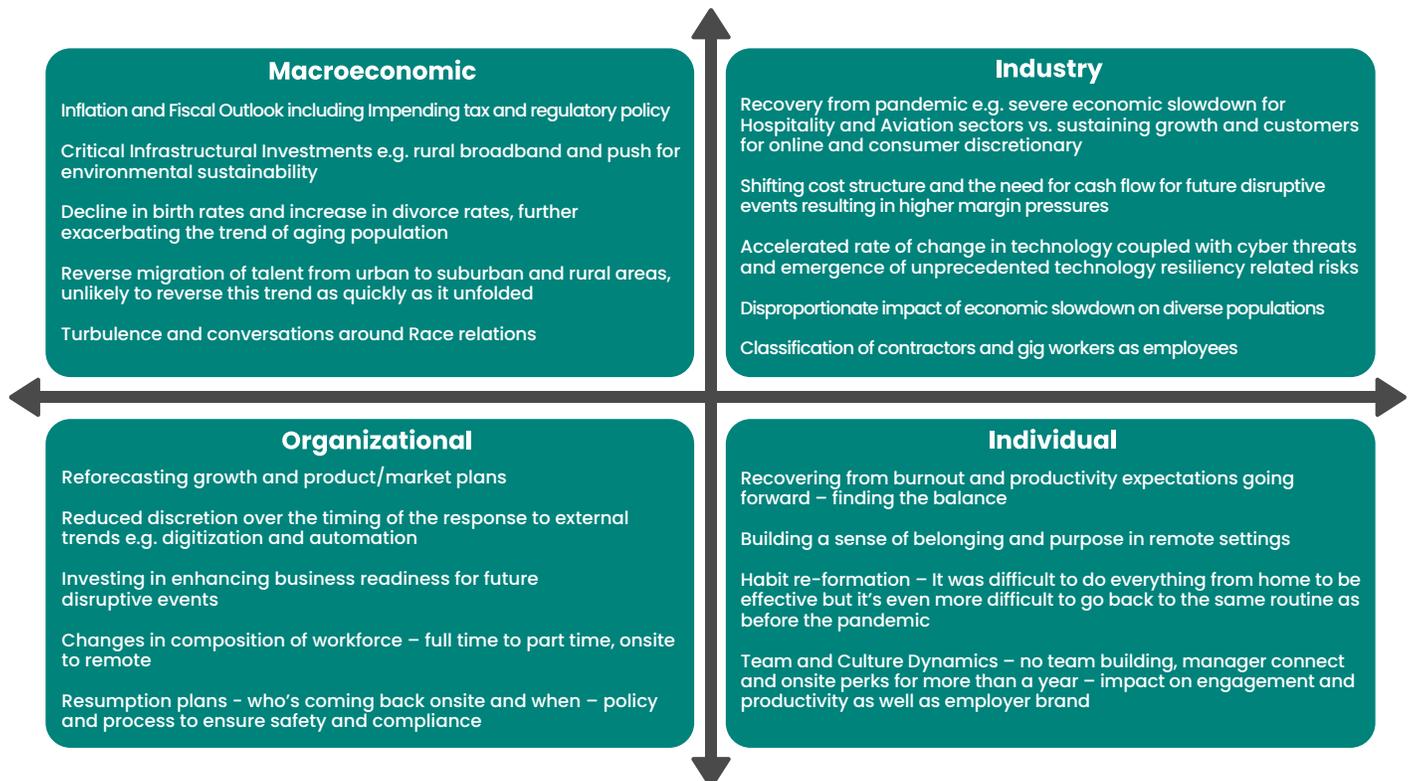
- Face-to-face interactions were the key to sharing or transmitting information
- Talent was concentrated around employment centers
- i.e. large city/suburban campuses
- The external environment didn't change very frequently, and when it did, it could be pre-empted and responded to
- Evolution and response to market trends were somewhat discretionary and slow (larger the organization/slower the pace of change)

Simultaneously, many notions and biases as it relates to the design of a workforce plan were broken and we learned that:

- For any role that doesn't require physical presence, a remote employee is as or more productive than onsite
- The real estate footprint and talent supply chains are not synchronized and optimized.
- Even after 30 years of globalization, many companies are under-leveraging global talent especially for business-critical functions.
- Online collaboration is remarkably effective in some areas
- People do miss seeing colleagues, patients, students in person... but they also love not having to commute, dress formally and miss family time.
- There are significant infrastructural challenges in some locations (bandwidth, dedicated office space, childcare concerns, etc.)

While some of these learnings were new given the unprecedented scale and speed at which the world had to shift to the new ways of working, many of these trends are here to stay with us. While it's certain that this pandemic will be behind us in some time, we should prepare for the things that have fundamentally shifted in how organizations operate going forward.

In addition to the directly related and unstructured learnings, following are some of the related trends that are likely to influence post pandemic business strategy and in turn, an organization's workforce plan.



Creating a robust plan that balances these factors is in itself a complicated exercise even in the best of times. A broad range of stakeholders have a say in the components and as the organization grows and gets dispersed across business units and geographies, this exercise only gets more and more unwieldy. We have often found CHROs and CXOs spending an immense amount of energy in ensuring that these factors are balancing out and there is a cohesive plan that seamlessly aligns with the overarching business strategy.

Given where we are in the current environment, we believe that workforce planning needs to be viewed as a core and strategic pillar of operating in a VUCA environment. Moving or pivoting on ideas quickly and hiring, engaging and retaining the talent needed to enable the business to serve its stakeholders despite the constraints and volatility requires fundamental shifts in the approach. Let's look at some of the strategic opportunities in this regard, especially as we surface from the global health crisis and re-establish workforce plans for the long term.

Update the currency for measuring the efficacy of workforce plans – The most common measure of size and scale of the workforce plan forever has been the number of heads. The new currency for human resources is 'skills'. While headcount denotes capacity, in a 21st century business, competing in a digital marketplace, we believe capacity is no longer the appropriate measure, rather it's the capability or in binary terms 'skills'.

An early sign and a good example of this trend is the race for STEM talent and the creative ways in which start-ups and smaller organizations are solving for the dramatic increase in demand over the last decade. Crowdsourcing and engaging gig workers to write pieces of code, hosted and managed by network engineers on cloud servers providing their skill as a service has established the future path for business models and in turn for the workforce plans. The need and use case for on-demand skills is solid, but adopting these models may be unpalatable just yet for the risk-sensitive and experimentation-averse organizations.

However, the half-life of skills has been shortening and the need for highly skilled talent is on the proportionately opposite path. Add to this the margin compression and related inability to create buffer talent pools, and we quickly find the workforce plan in a Catch-22 situation. Even if an organization was ready to throw money at this challenge and willing to create buffers, in our experience, highly skilled talent is not interested in sitting on a bench and not

putting their skills to use for impactful work and continuing their journey of skill attainment. So, what should you do?

- a. Map the skills needed for your business in the short, medium, and long term. Match these requirements against the existing skill sets in the organization and have a **robust gap assessment**. Sounds simple but it is not. It's an intense exercise involving identifying methodologies, tools, and frameworks that once adopted will need to be used to set the direction for your hiring, pay, mobility plans as well as location strategy based on the demand and supply of skills. This exercise should set a roadmap for the campus vs. experienced hiring activity as well as the pay differentials and policy interventions needed to attain and engage the skilled workforce.
- b. Identify skill adjacencies and along with that **upskilling and reskilling** opportunities for your existing workforce. This will require the never-before-seen degree of partnership between the business and the Learning & Development function, and aggressive investment in technologies, program offerings, and upskilling of the training organization itself. On a related note, reorienting the training dollars from resources and content that is underutilized/underperforming in terms of impact to creating a world-class learner experience ecosystem is the key.
- c. Build **infrastructure and ecosystem** wherein attaining new skills is part of the job and not an extra-curricular activity. This requires fundamental cultural shifts as well as capacity modeling for certain jobs where the environment may not be currently conducive for skill attainment. A few best practices we have seen on this front are:
 - Incorporate a **learning scorecard** as part of the performance assessment process and encourage the development of new skills in the existing workforce
 - Create an **internal gig marketplace** to normalize the supply and demand of certain skills across functions and business units
 - Incorporate the learnability/**learning quotient** as part of the hiring criteria to build adaptability to new skills in the future
 - Clearly articulate the **managerial responsibilities** in supporting temporary and rotational assignments

Building the skills and orientation of managers and leaders on this front would be another essential aspect of the successful execution of a skills strategy.

We believe that a variety of trends as outlined earlier,

accelerated by the events of 2020 have created significant tailwinds for establishing a robust skills management strategy. Remote and distributed workforce lowered the search and selection hurdles for deploying talent only in operating locations as well as fast tracked the learning curve on digital technologies.

Build and grow the change muscle – When it comes to big and bold decisions, we have all seen the key decisions getting caught up in the administrivia and bureaucracy of the corporate structures. Often times getting delayed to a point that the advantages of making the changes are diluted and the ROI is no longer valid.

To align with quickly shifting business priorities and external market dynamics, organizations need correspondingly nimble workforce plans. Given the complexity of this exercise that we have discussed so far in this paper, we believe that carefully identifying the resources needed to drive change at scale should be one of the top priorities going forward. Here are some examples of how to approach change at scale:

- d. Instituting **empowered cross-functional working groups** to address this challenge can go a long way in boosting the quality as well as the speed of the key decisions. In such structures, guiding principles are established in consultation with the current governance structures, but decision making on routine policy and process issues is accelerated. We have seen successful examples of such structures during the pandemic and believe that creating such governance in an enduring form is needed to embed learnings from past experiences and accelerate response times to critical needs of the business, as they evolve.
- e. Establishing rigor around **scenario planning and reviewing planned response options**. Most organizations in the business of managing crisis including security agencies have an almost religious discipline about anticipating situations and building response plans to test the efficacy of their decision making. If you have ever been inconvenienced by a mock fire drill, you know what we are talking about. In the modern management context, terms like rapid prototyping and hypothesis tests are used as a proxy for drills. All of these exercises are aimed at building a certain amount of muscle memory and being better prepared. This simplifies the change equation as only the timing remains in question while the response options are validated and understood broadly.

- f. Invest and build a **strong analytics function** that helps establish the correlation of varying factors on the outcomes of a workforce plan. The play on big data and analytics tools available is no longer in the domain of only cutting-edge big tech enterprises. Deploying some of the analytics muscle to analyze the efficacy of workforce plans is table stakes as managing talent effectively is as much a priority as managing capital, brand, and customer experience. To aid such initiatives, there are innovative tools available such as [Beyond HQ](#) to help you do modeling and scenario planning for hybrid work and geographically dispersed footprint based on the organization's specific needs, priorities, and culture.

Enhance transparency and communication with your workforce – As per a recent survey, more than 70% of the organizations have yet to form and communicate the clarity that employees need to prepare for the post pandemic state of workforce related policies. Other surveys have shown that more than 2/3rd of professionals would like to retain the flexibility of working remotely and are anxious about the impending changes to their new routines and existing pay, benefits and other workforce related policies.

Coupled with burnout from long hours in a remote setting, the enhanced anxiety can have a negative fallout on productivity, creativity, team dynamics and on the organization's employer brand. Hence, it is imperative for the success of an organization's workforce plan in the current environment to build transparency around key decisions and the drivers for future policy, and consider:

- a. Establishing a regular **cadence of employee communication** to listen and understand the key concerns, even if all the answers are yet to emerge. Preferably this should be done with leaders and managers participating in such platforms in real-time whether digital or in person. Our experience suggests that the traditional annual engagement surveys and corresponding multi-year working plans to respond to the feedback generated are obsolete for this or any other purpose. In the age of on-demand and instant digital gratification, the internal engagement tools need to evolve to sustain an acceptable level of employee experience.
- b. Share guiding principles based on which the organization will take decisions e.g. rooted in science and prioritizing employee safety as a stated objective can enhance the **buy-in and understanding** of future decisions around policies that affect the workforce.

- c. Proactively **manage the employer brand through your workforce**. Setting a tone for open and transparent communication will build volunteer ambassadors amongst an organization's workforce, resulting in better traction for hiring and engaging highly skilled talent in the marketplace. Invest aggressively in workplace collaboration and connectivity tools that best match the needs of your workforce. The forced digitization caused by the events of 2020 is here to stay but at the same time, Zoom fatigue and lack of human connection is posing challenges to the cultural norms of an organization. Having options for the workforce to choose how they collaborate and engage with each other going forward is imperative for overall engagement and productivity.

We recognize that some of the approaches discussed above are fairly obvious and already in motion in many organizations. However, we urge business leaders and HR practitioners to read these as not only the communication tactics but steps to shift the organizational culture that is more suited to the workforce in current and future settings.

Policy refresh and supporting infrastructure -

Current policy frameworks around pay, performance, mobility, and hiring, etc. are not optimized for the needs of a hybrid and distributed workforce and will need to be updated. A hybrid workforce is here to stay. This is not to say that the distance caused by the crisis is here to stay permanently, but it is likely that remote, flexible, and part-time work arrangements proportions are going to increase significantly beyond 2019 levels. The impact of this change is not yet fully understood on the culture, employer brand, and ultimately on the business mission. How to hire, engage and retain the talent you need in remote settings and still build trust and harmony is going to be different than working remotely in the last 15 months. Simply because the existing frameworks applied to people who had built a certain level of trust over the years and operated seamlessly in crisis mode.

Uneven recovery by the industry sector and localization of pandemic-like events are likely to disrupt the flow of policy response even further in the future. This is another open front for workforce planning efforts as organizations need to respond to a multitude of competing priorities on this front. We recommend having a structured approach to tackle this while capitalizing on the opportunity to change. Here are a few items to consider:

- a. Have a **forward-looking and progressive** approach to workforce related policies. We are seeing the evolution of experimental workforce policies especially the ones that don't involve regulatory issues. E.g. doing pilots of certain policies and processes with selected groups and rapid A/B testing to analyze results and impact rather than instituting forever and irreversible plans.
- b. Establish a **roadmap and timeline** for the policy refresh in order of priority e.g. geographical pay differences for the remote workforce is the trending topic right now and may merit the first look. Insightory recently published a [paper](#) on the subject.
- c. Engage employee advocacy groups to work with **cross-functional policy working teams** in setting acceptable policy norms on matters that may not be as sensitive as pay. Along with the shift in approach, establish guiding principles and ensure that the strategic intent is clear to the working groups e.g. why change is needed and what is the intended result of the change.
- d. While embarking on the policy refresh projects, we have sometimes seen the optimal go-forward solution being passed over out of concerns that the near-term implementation challenges are seen as too great or too disruptive to consider. Our advice would be to **suspend judgment** until a corresponding implementation plan is in play, as long as the need for the change is well established. Also, be open to the idea of change as the very change you are considering putting on the backburner today may not be optional tomorrow.

Overall, we hope that organizations capitalize on this once-in-a-lifetime opportunity to boldly reimagine their workforce planning and fundamentally shift how we attract, retain and engage the workforce ecosystem of the future.

If you would like to discuss your company's situation or conduct a complementary rapid workforce planning assessment, please [contact us](#).

About the Author



Ranjan serves as an Executive Advisor for Insightory Consulting. Ranjan is a business leader and a talent strategist who has held HR leadership roles over the last 25 years with organizations like Fidelity, Goldman Sachs, Accenture, and Hewitt Associates. He has been instrumental in establishing and growing new businesses, M&A, risk management, offshoring, and large-scale transformation & change initiatives. He has also navigated multiple financial cycles and geopolitical events as an executive leader. Ranjan has lived and worked in India, the United States, and the Middle East and has worked with teams across the globe.

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