Building the future-ready workforce

Unleash the potential of your organization and people
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Work has been in a state of flux for years, a transformation driven by powerful forces of disruption: demographic shifts, the changing nature of careers, and relentless advances in technology. When the global coronavirus pandemic hit, it pushed the pace of change into overdrive—and heightened anxieties about how to prepare for the future of work.

At the same time, organizations worldwide are facing what the World Economic Forum (WEF) has called a reskilling emergency. By 2022, 42% of the core skills required to perform existing jobs are expected to change, according to the WEF, and more than a billion people will need to be reskilled by 2030.¹

Skills and enduring capabilities defined

It’s worth defining what we mean by skills and by capabilities, because they’re not the same thing.

Skills refer to the tactical knowledge or expertise needed to achieve work outcomes within a specific context. Skills are specific to a particular function, tool, or outcome, and an individual applies those skills to accomplish a given task. Driving, for instance, is a skill.

Enduring capabilities, on the other hand, are observable human attributes that are demonstrated independent of context—such as empathy. Unlike skills, capabilities don’t become obsolete; they endure. Moreover, they help us adapt our skills and acquire new ones as we respond to new challenges and opportunities.

Source:

Many companies have responded to the changing nature of work by capitalizing on automation and other technologies. They’re using chatbots, robotics, artificial intelligence (AI), and other cognitive solutions to add value and improve service and quality. However, technology alone is not enough to enable them to adapt and succeed in a fast-changing world. Workers will need new skills and capabilities—fast—and companies face a daunting challenge: do they invest massive amounts of money today to acquire the skills needed tomorrow, or do they risk trying to compete with an underskilled workforce?

We think there’s another choice that will enable organizations to thrive in the new normal: building a future-ready workforce.

There are three key elements to this effort: work (what gets done), workforce (by whom or what), and workplace (where and how). Organizations must re-evaluate the work being done and ensure they are focused on work that creates value for the business. They must then decide who or what should perform that work, by developing a hybrid workforce that combines humans, both as on-balance-sheet employees using new contingent workforce models, and machines. Finally, organizations need to look at where that work will be done and how it will be accomplished, exploring new ways of working that build on what they’ve learned and experienced over the course of the pandemic.

This paper focuses on the workforce aspect: how organizations can unleash workers’ potential by equipping them with the skills and enduring capabilities needed to flex, stretch, and evolve to meet challenges now and in the future.

Companies and workers alike recognize that work will never be the same again, and that continually upgrading skills and capabilities is essential. According to a recent Deloitte survey, three-quarters (74%) of organizations say reskilling their workforce is important or very important to their success over the next 12-18 months, while just over half (53%) say that between half and all of their workforce will need to change their skills and capabilities in the next three years. Workers are well aware of the imperative: 90% say they need to update their skills at least yearly.

Organizations will bear the brunt of the responsibility for upgrading the skills and capabilities of their workers. In fact, 73% of survey respondents feel organizations are primarily responsible for workforce development. Employers of all sizes are likely to face rising scrutiny and increasing societal pressure to deliver on these expectations.


Unfortunately, the companies themselves feel ill-equipped to do so. Most believe they lack the insights and commitment needed to effectively reimagine work and equip workers to meet the business’s needs. To be specific, only 17% of organizations believe they’re able to anticipate the skills they’ll require to any great extent, and only 16% expect to make significant investments in learning over the next three years. Combined, this lack of information and investment threatens to thwart organizations’ efforts to build the workforces they’ll need in both the short and long term.

In this report, we aim to help organizations overcome the obstacles they face in building a workforce for the future. We begin by defining what it means for a workforce to be truly “future-ready,” then provide a four-part framework that outlines the actions organizations can take to rethink how work will be performed and to build the adaptable, resilient, and continuously learning workforce they’ll need. Our goal is to help equip companies with insights and tools they can use to move quickly and with confidence to ensure they and their workforces are ready for whatever the future has in store.

“...the top skills and skill groups which employers see as rising in prominence in the lead-up to 2025 include groups such as critical thinking and analysis as well as problem-solving and skills in self-management, such as active learning, resilience, stress tolerance and flexibility.

On average, companies estimate that around 40% of workers will require reskilling of six months or less and 94% of business leaders report that they expect employees to pick up new skills on the job, a sharp uptake from 65% in 2018.”


6 Idem.
What is a future-ready workforce?

Companies are eager to build workforces that are ready for whatever comes, equipped with the skills and capabilities to not only meet tomorrow’s challenges but also to help them capitalize on opportunities and overcome obstacles yet unimagined. However, too many organizations don’t know how or where to start.

The first step is to understand the key characteristics of a future-ready workforce.
A hybrid workforce comprising humans and machines

**Defining the workforce used to be simple:**
it comprised the people directly employed by an organization. Today, that definition seems quaintly outdated.

The modern workforce often includes contingent workers such as contractors, freelancers, and gig workers, who operate alongside traditional employees. As well, the modern workforce may not be entirely human. Technology has become part of it, performing tasks essential to the business with little to no human intervention: chatbots field customer inquiries; robots handle tedious administrative tasks; drones perform safety inspections; cognitive systems analyze and pull insights from massive amounts of data.

Organizations are just beginning to come to grips with the implications and opportunities of this hybrid workforce. To date, they have largely viewed technology as a way to improve the speed and efficiency of work by streamlining and automating processes, and eliminating tasks that used to be performed manually. Yet these same technologies also enable companies to completely reimagine and redesign work itself, in a way that enables their human and technological workforces to focus on the tasks at which they excel. Humans can perform those requiring empathy, connection, and imagination, while robots, algorithms, and other technologies can handle routine but vital processes, and make sense of oceans of data far faster and more accurately than any human.

Redesigning work in this way can have profound implications for human workers. As technology automates tasks formerly done by humans, organizations can rethink the purpose of all its roles. These redefined roles may require very different sets of skills and capabilities. With drones and sensors monitoring equipment in the field, for example, organizations can refocus their maintenance teams on drawing insights from the analysis provided by the technology to adjust maintenance programs and optimize throughput instead, resulting in much greater value to business. As the work changes, so do the skills and capabilities needed by human workers.
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A sustainable workforce able to meet today’s challenges and adapt to tomorrow’s

The future-ready workforce is designed to be flexible, adaptable, and resilient.

By breaking down work to the task level, organizations can use analytics to test scenarios and inform decisions at a granular level, thereby better shaping what work gets done, by whom or what, and where. This allows them to stop doing work that's no longer needed and assign the remainder—the valuable, essential work—to an optimal mix of human employees, contingent workers, and machines.

The same analytics can also be used to zero in on the enduring capabilities and the future skills needed to support new ways of working. This deeper understanding enables companies to develop an integrated workforce strategy that combines the development of their internal human workforce, highly targeted recruitment, judicious use of contingent workers and third-party organizations, and optimal deployment of technology.
A workforce that’s always learning in the flow of work

The future-ready workforce is rooted in a culture of continual, lifelong learning that is embedded and integrated into the flow of work itself. This isn’t a fancy way of saying on-the-job training; it’s fundamentally different. It’s embedding learning into activities that are already part of workers’ daily responsibilities, using tools they’re familiar with, to create a highly effective learning environment. It’s learning that’s immediately applicable and available in real time, when and where it’s needed—a far cry from the traditional, classroom-based learning we have used for so long.

The future of workplace learning is:

**Experiential**
Connecting to human emotion and relevant experience is key to committing learning to memory.

**Work-integrated**
Providing learning to employees when they need it during their day-to-day work makes that learning more applicable, efficient, and memorable.

**Blended**
Delivering learning through a mix of digital and hands-on experiences makes it more accessible and scalable.

**Lifelong**
Offering professional and personal development that contributes to workers’ ongoing future employability ensures that workers remain relevant and perceive the learning as having particular value.

Organizations that incorporate these four principles into their learning approach will naturally provide their workers with learning that takes place in the flow of work—when and where it’s needed, with practical applications and tangible outcomes.
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A workforce built on enduring capabilities

A focus on building and developing enduring capabilities first and necessary skills second is another characteristic of the future-ready workforce.

Skills tend to dominate the conversation about the future of work and the workforce. It’s not surprising, because for much of the 20th century, skills were what companies needed to get work done. That made sense in a world that was stable and predictable in relative terms, and in which companies used repeatable, predictable processes to produce standardized, predictable products.

But the world has changed, and skills are no longer the bedrock on which companies operate. Changing customer expectations and technology’s incredible capacity for learning and replicating diverse human skills, from the mundane (e.g., grocery picking and packing) to the highly specialized (e.g., eye surgery), mean that the number and variety of skills required to serve a profitable market is growing faster than a human workforce can possibly learn them.

At the same time, skills are becoming less central to creating the type of value that differentiates an organization and enables it to build lasting relationships with its customers. In a world that requires more skills that are refreshed more often, those skills become less important than the enduring human capabilities that enable workers to learn, apply, and adapt them.
Some of these enduring capabilities are innate and can be nurtured; others can be developed through learning, experience, and practice.

They include:

**Imagination**
Seeing through a variety of lenses that challenge existing assumptions about what’s possible.

**Empathy**
Understanding and considering the feelings, thoughts, and experiences of others.

**Curiosity**
Seeking new information and experiences, striving for greater understanding, and asking questions.

**Resilience**
Persisting despite challenges, obstacles, or disruptions.

**Creativity**
Innovating, improvising, and using resources in unexpected ways.

**Emotional intelligence**
Understanding others’ emotions and experiences and how they shape human interactions.

**Teaming**
Collaborating effectively across spatial, organizational, and cultural boundaries.

**Social intelligence**
Understanding interpersonal dynamics and behavioural impacts of human interactions.

**Sense-making**
Creating meaning and awareness out of collective experiences.

**Critical thinking**
Analyzing, evaluating, synthesizing, and reconstructing information.

**Adaptive thinking**
Recognizing new patterns and applying patterns in new contexts.\(^7\)

Machines may be able to perform many skills done by humans, but humans have an edge in other areas. People are better at connecting with other people and understanding their needs, at recognizing and adapting to changing contexts, and at developing creative, imaginative new approaches. Organizations that embrace, cultivate, and nurture enduring human capabilities will be well-positioned to gain a strategic advantage in the years to come. Their workforces will have the capabilities to sense and respond to change and to rapidly learn the skills needed at that moment to continue moving forward and thrive in the environment of relentless disruption that is becoming the norm.

While organizations are eager to ensure their workforces are prepared, most aren’t sure how to achieve this. They don’t understand, to any great level of detail, what skills workers will need to support their future business strategy. They haven’t determined what skill gaps exist, or how large those gaps are. And they struggle to identify which skills and capabilities to prioritize, and whether to build those skills and capabilities in-house, recruit them in the market, or hire them temporarily as they’re needed.

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A framework for building the future-ready workforce

Understanding what the future-ready workforce looks like is just the first step; developing it is a different challenge altogether. This section outlines a four-part framework designed to help organizations understand what decisions and actions they need to take to meet this challenge.
Deploy workforce planning and analytics to rethink and rearchitect work more broadly

Workforce planning and analytics begins by understanding the internal and external factors that will affect an organization’s business and workforce in the years to come.

Leaders preparing for the future often start by looking at external data about the skills and capabilities their employees will need. They’ll turn to the World Economic Forum, leading business schools, industry bodies, and other groups for insights and predictions. While these external viewpoints should be taken into consideration, organizations shouldn’t rely on them as an unerring guide to their own needs.

Any effort to redesign work and reimagine the workforce must be rooted in the organization’s business strategy and goals. What is the company trying to achieve in the next three to five years? What skills and capabilities are essential to accomplishing those goals? The answers to these questions will be unique to the business, and they may turn out to bear little resemblance to the views of outside experts.

The next step is to use analytics to understand the work the organization does at a granular level. What tasks are performed? By whom? Where? The scale of this effort is far too large to be done by human workers within a reasonable timeframe, which is where companies can capitalize on AI-based tools and analytics to look at all the jobs across their enterprise and identify the vast range of tasks that comprise the work done each day.

Once this analytics-powered inventory of existing work tasks is conducted, organizations can determine what work needs to be done—and what doesn’t—and figure out the best way to accomplish the necessary work. This exercise leads to defining a “build, borrow, buy” approach to redeveloping their workforce. Skills only needed temporarily may simply need to be borrowed; for example, hiring a consultant for the duration of a project. Borrowing can also be a way for organizations to access skills that are hard to find, difficult to train, or too expensive to hire permanently. Sometimes a skill set is so vital to the company that the only option is to recruit, or buy, the talent directly. But in many cases, the skills and capabilities needed can be built through learning.

Workforce planning and analytics also allows organizations to avoid common pitfalls. It mitigates the risk organizations run by pursuing skills that are all the rage, only to find they have little notion of how to capitalize on those skills or that there is little longevity in them. It enables a company to target its learning strategy, avoiding unnecessary costs. And it helps organizations better ensure workers whose jobs are affected are given the opportunity to develop themselves to stay relevant in an ever-evolving labour market.
CASE STUDY:

**Consumer goods company uses workforce planning and analytics to understand potential future workforce options—and their impact**

A global consumer goods company sought a data-driven approach that would enable it to understand the “art of the possible” with respect to its future workforce. The organization wanted to model alternative ways work could be done, focusing on three disruption levers: automation (work), talent (workforce), and location (workplace). It also wanted to understand the implications of taking a conservative, moderate, or aggressive adoption approach with each lever.

Using a workforce planning platform, the company developed a work-activity architecture to facilitate a deep dive into the type of work performed by each role at the organization, under categories such as communications, supervision, and problem-solving. A machine learning algorithm was used to generate a disruption model to compare current and future work options in terms of automation, talent, and location; this model was then used to identify gaps between the workforce’s current state and these future-state options. Four scenarios were ultimately developed, each presenting a different potential future state based on the organization’s appetite for disruption and turnover, and modelling the extent and speed of likely impacts.

This “art of the possible” analysis demonstrated the potential disruption to the organization, right down to a role level. It also allowed the company to understand the potential impact to its workforce and to identify how to move the workforce toward its future state, including which roles and areas to target first to reach important quick wins.
Dig deeper by identifying and assessing future skills and capabilities

Workforce analytics can also help organizations identify which skills and tasks are most likely to be disrupted, information that is invaluable in determining what work gets done and what kind of workforce is needed to do that work. However, to effectively do this, business leaders will need to get to know the organization like never before.

The executive leadership may have a sense of the skills and capabilities needed to execute the organization’s strategy over the next few years, but functional leaders and managers—aided by human resources (HR) and learning teams—will need to dig deeper to understand what’s involved in building them and the implications for learning programs and talent strategies. Spending time where the work happens—talking to workers, observing them, asking questions, and even doing their tasks—can be a powerful way for business leaders to develop empathy for and an understanding of workers’ authentic experiences. These interactions and conversations enable workers and leaders alike to get a better handle on the skills and capabilities that need to be developed and how to do so effectively, which in turn can help HR and learning teams develop learning programs and talent strategies that are tailored to the unique situation of different parts of the workforce. At the same time, organizations should also use this opportunity to develop and introduce more data-driven ways to understand, assess, and track the skills and capabilities of their workforce at all levels, especially as their workers acquire them. Organizations should explore how new systems and platforms can support such a data-driven approach, and how they can be integrated into the business so that leaders can access a holistic view of the evolution of the workforce’s skills and capabilities over time.
CASE STUDY:
Crown corporation uses technology to help identify and assess skill and capability needs

A Canadian Crown corporation had determined that its workforce was only partially prepared to meet the challenges the organization expected to face in the future. However, it needed answers to key questions about its future workforce, including the new skills and capabilities workers would need in the months and years to come.

The corporation conducted a series of workshops designed to extract important insights from each department regarding the future of work and related skills and capabilities. A final workshop was held to ensure alignment around key skills and mitigation strategies across the enterprise. To enhance this effort, the organization also leveraged an AI-based workplace analytics tool to evaluate likely disruption to roles; these additional insights were used to help refine its skill-gap mitigation strategies.

The project enabled the Crown corporation to address its changing workforce needs, improve visibility into talent requirements, and identify and address important skill and capability gaps.
Building a future-ready workforce requires organizations to modernize their learning strategy so that it focuses on providing what workers need and want in a way that’s relevant and in a context that makes sense for each person. Learning functions will need to enhance their capabilities and organizational models to support the development of business-led academies, as well as track similar needs across the business to ensure learning can be delivered at scale consistently and effectively.

The effectiveness of this new learning strategy should be measured in terms of improvements to overall worker performance and productivity, not in terms of the number of courses delivered or the time spent training. Assessing the existing learning strategy and the operations of the learning function is the first step in modernizing it. The organization should then establish its future-oriented learning vision and strategy, which should align with its skills and capability development goals and focus on integrating learning and work. Next, the company should develop an implementation roadmap which, together with the vision and strategy, will inform key decisions about the governance, operating model, and technology that’s needed to modernize its learning function.

This approach differs from its predecessors in notable ways. For one thing, co-creation becomes an integral part of how learning is created and delivered. If a marketing team requires particular training, for example, it won’t simply send a request to the learning group. Instead, the learning group will consult with marketing and build a project team that includes marketing representatives to better determine what’s needed and how to deliver it in a contextualized, relevant, personalized way.

Mature learning organizations also move learning-related decisions much closer to the front lines of the workforce, and this affects how learning is governed. It allows the organization to respond more nimbly as requirements for additional skills and training emerge. Traditional learning governance, such as learning councils that meet quarterly to review progress and ponder next moves, can struggle to keep pace with today’s changing needs, much less tomorrow’s. The future-ready workforce can’t wait six months or more to access important learning; decisions need to be made rapidly to ensure workers have what they need to get the job done.
CASE STUDY:

Global miner modernized learning approach for the digital future

A Canadian-based global mining company was undertaking a major digital transformation intended to use new technologies to reduce operating costs and enhance operational flexibility. The company built its Digital Learning Academy to unlock and sustain the full potential of this transformation effort, using learning to find ways to inspire, enable, and empower its workforce to discover better ways of working digitally.

Human-centric design methodologies were used to design the academy strategy and operational roadmap in alignment with the needs of the business and its workforce.

The insights gathered from employee research enabled the academy to be designed in such a way as to deliver learning in the flow of work and to respond to the workforce’s continuously changing needs for digital skills and capabilities.

The result: the academy has enabled the organization to significantly enhance its ability to anticipate future digital skills and capabilities and to continuously adapt its learning offers to support those changing requirements over time.
Place learning in the flow of work

Learning in the flow of work isn’t a new concept, nor is it an exclusively technology-driven approach. Learning and work have always been connected: traditional apprenticeships, for example, allowed workers to learn by doing under the guidance of an experienced mentor.

The problem is that for a long time, organizational learning has largely taken place outside work and its normal rhythms, whether in classrooms or even offsite. Add to this the fact such development is often only semi-relevant to people’s actual day-to-day work, and it’s easy to see why so much organizational learning fails to stick.

Learning in the flow of work provides learning when it’s needed, where it’s needed, and in a way that enables employees to apply it immediately to a real problem or issue at hand. Learning is packaged into short courses, tip sheets, videos, and other easily accessible, readily digestible bits of knowledge that are integrated into the tools and environments workers are already using in their daily work.

Consider the example of a new manager conducting their very first performance review of a staff member. Traditionally, the new manager would have received brief instruction on performance reviews as part of an offsite new manager orientation program, provided conceivably months before the opportunity to put that learning into action. They might have also asked their own manager for pointers in the days leading up to the review.

In an organization that embraces learning in the flow of work, however, that same manager might turn to the company intranet a few days before the review to access a series of videos, tip sheets, and exercises. By accessing relevant learning at a time of need, and by applying their own real-world issue to the learning, our new manager is much more likely to be able to make the most of the training and apply it effectively when they need to.

Delivering learning that’s relevant and personalized to individual workers has another advantage: it can encourage them to learn. Recent research by LinkedIn Learning found that 54% of employees say they’d spend more time learning if they had specific course recommendations that would help them reach career goals. The same research also found that while 50% of millennials feel motivated to learn ordinarily, 79% feel motivated when learning is personalized.8

Organizations that aim to successfully integrate learning into the flow of work must ensure they understand both the work that’s being done and the existing needs for learning. This is essential if they are to design high-impact learning experiences that seamlessly fit into the workforce’s day-to-day lives. They should also strive to develop and deliver blended, experiential learning journeys that reflect workers’ roles and responsibilities, from fledgling campus hires and newly minted managers to IT teams coming to grips with AI and executives confronted with opening a new overseas market.

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A Canadian financial institution was deeply interested in exploring how emerging technologies could advance its business. Yet the organization knew that doing so would require its people to develop an innovation mindset in order to think about problems, make decisions, and work together in new and different ways.

The institution therefore embraced a new approach to learning. An immersive academy-type program was developed for leaders across the enterprise, with the end goal of shifting the organizational culture and building technology literacy in order to accelerate technology-driven change. The program used a combination of immersive, in-class, and applied learning to develop participants’ understanding in a variety of areas, including artificial intelligence, open banking, robotics process automation, human-centred design, and cloud computing.

This new, modernized learning strategy enabled key employees to acquire new skills and capabilities, increasing their efficacy in a digital world—without removing them from day-to-day work.
Is your workforce future-ready?
Organizations are racing against each other and time itself to keep up with the accelerating pace of change. Technology is only part of the solution; automation, AI, and other marvels can only get companies so far. The human workforce remains vital to success of any business. Their imagination, creativity, empathy, and other utterly human qualities are the key to unlocking the kind of innovations and opportunities companies need to thrive in the years to come.

But today’s workforce has some distance to go before it is truly future-ready. Work itself must be reimagined, and new skills and capabilities must be developed and nurtured. Learning in the flow of work will be essential to this transformation. And if recent experience has taught us anything, it’s that our businesses and our people are more resilient than we ever thought—and we can embrace transformational change at the rapid speed required.
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Acknowledgements

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Designed and produced by the Agency, Canada. 20-3526285