



Today's Boards Need Modern Workforce Metrics

By Janet Foutty

Workforce strategies have been evolving for decades to meet the demands of the future of work—from empowering people to work productively with technology, to creating lasting value for themselves, their organizations, and society at large. Yet the governance of those workforce strategies has not kept pace.

Seventy-one percent of organizations surveyed for Deloitte's 2020 *Global Human Capital Trends* report say governing changing workforce strategies is important or very important for their success over the next 12 to 18 months. However, in a stunning readiness gap, only 8 percent say they are very ready to address this trend. In fact, many boards still primarily

rely on three very traditional human capital categories: head count, hiring, and turnover; salary costs; and workforce composition. Compounding the challenge is that only 1 in 10 organizations (11%) produce real-time data.

The collision of the COVID-19 pandemic and systemic racism has catapulted the need to ask the right human capital questions to the top of boardroom agendas. The answers can help boards zero in on the root causes for certain trends and behaviors to inform modern talent strategies, and to provide the agility that access to real-time data provides to be nimbler during heightened uncertainty and changing priorities.

Deloitte has developed fundamentally new questions for organizations to consider in an effort to surface relevant, actionable metrics that can inform bold decisions around critical human capital risks and opportunities. This guidance, rooted in foresight and creative thinking, is exceptionally relevant to boards looking to modernize their oversight of talent matters and strategy.

To get started, consider the following key themes and what boards should ask to explore these themes in greater depth.

- **Meaningful diversity.** Are workers from diverse communities positioned to influence the organization? Organizations often fail to understand whether they are diverse in practice or in word only. Metrics that show the extent to which diverse workers are in a position to exert both formal and informal influence can provide a clear answer, as well as illuminate whether diversity is really creating competitive advantage through the embrace of diversity of thought.

- **Culture risk sensing.** What signals are we seeing that point to outliers in worker behaviors and norms? Consider adverse worker behavior as one example. Most organizations can identify and address events that stem from that behavior, but few monitor their worker base for signals that point to the root causes. Getting closer to the causes will be especially critical in this time of virtual work and the stressors that come along with it. It is also necessary as leaders take a closer look at identifying and eradicating systemic bias in their professional channels.

- **Job evolution.** How often are jobs changing, which ones, and to what degree? Fifty-three percent of respondents to Deloitte's 2020 *Global Human Capital Trends* report say that between half and all of their workforce will need to change their skills and capabilities in the next three years. As job catalogues and the jobs themselves change, does your investment in organization-wide continuous learning support that evolution? Just tracking the cumulative number of learning hours doesn't address how the organization is being reinvented and adapting to external change. For example, if you aren't seeing productivity gains as a result of new technologies being integrated into the workplace, then you may need to look at how jobs need to shift to take better advantage of those technologies.

For many organizations, the pandemic caused a rapid acceleration into the future of work, stress-testing their ability to blend people and technology in the most dynamic business environment many of us have ever seen. Now the question

becomes how can organizations sustain those actions and embed them in their DNA to create a new tomorrow.

With insights from the past six months, combined with foresight and creativity to ask a new category of workforce questions, boards will play a critical role in guiding their organizations toward a more resilient future.

Janet Foutty is US executive chair of the board of Deloitte. She is also a member of Deloitte's global board of directors. Foutty previously served as chair and CEO for Deloitte Consulting LLP.

For additional insights, read the 2020 *Global Human Capital Trends* report at deloitte.com/hctrends.

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