Workforce development:
Equipping the workforce for the future
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Introduction to workforce development

While focusing on developing skills for the workforce is a necessity, it is not enough to address the needs of today’s workforce and market environment. The pace of change is too rapid, quickly making even typical reskilling efforts obsolete. What is needed is a workforce development approach centered on personalized learning, leadership, experiences, and growth in the flow of life that considers both the dynamic nature of jobs and the equally dynamic potential of people to reinvent themselves.

Workforce development today must be tied with business strategy and continuously evaluated with an eye on the future of work. To accomplish this, an intuitive and holistic framework with personalized opportunities for development is required. Organizations that employ workforce development strategies not only to reskill workers, but also to build worker resilience, will equip workers and thus the organization with the strategies and tools needed to adapt to a range of uncertain futures.
Placing the worker at the center

Workforce development helps organizations define the skills and capabilities needed for their future business strategy; identify key gaps in the current workforce; and create innovative strategies and programs to build, buy, borrow, and apply those capabilities—all with the “worker in the center.” Organizations must implement a holistic workforce development approach to meet business and workforce demands. There are four ideas core to this approach: Workers want skills and experiences that interest them, and they want to be developed any way they want, whenever they want; businesses require strategic workforce development to be better prepared for transformations of their future work and workforce; talent functions must implement holistic workforce development strategies to meet current and future workforce demands; and organizations need end-to-end solutions for their entire workforce, allowing them to provide meaningful integrated development experiences.

Workforce development is preparing for the future of work by shifting what, where, and how the workforce is developed, centered on personalized learning, leadership, experiences, and growth in the flow of life. Deloitte’s 2020 Human Capital Trends explores the way an unprecedented shift in our social and economic structures is affecting workers around the world. Economies are shifting from an age of production to an age of imagination. Today, success increasingly depends on innovation, entrepreneurship, and other forms of creativity that rely not just on skills for the future workforce, but also on capabilities such as critical thinking, emotional intelligence, and collaboration. A recent survey showed that “Seventy-three percent of our survey respondents identified organizations as the entity in society primarily responsible for workforce development,” while “Fifty-nine percent said they need additional information to understand the readiness of their workforce to meet new demands.”

In order to meet these increasing rates of change, organizations are clear that they need to prioritize learning for their workforces. But compounding the challenge even further, the shape of their workforces is also evolving to include not just on-balance-sheet employees, but also off-balance-sheet workers such as contingent workers, vendors, gig workers, and even the crowdsourcing community. Organizations need to think about how they are enabling development experiences for all members of their workforce.

Many of the shifts in workforce development are occurring organically in organizations and accelerating as a result of changes to alternative work schedules and remote work behaviors brought on by COVID-19. These include the requirement to engage virtually, incorporating increased flexibility with childcare and other domestic responsibilities, and increased focus on well-being. There is also mounting uncertainty in the workforce, with growing numbers of unemployed workers. This makes workforce development strategies important for organizations to operate as social enterprises, as they recognize that upskilling workers may mean that they eventually transition into roles outside of their organizations.

Organizations will need to enable workers to choose their own development adventures and there are several elements of workforce development that enable this. One of the hallmarks of our service-based economy is the centrality of the consumer. Technology has allowed for increasing customization and personalization of goods, and consumers have come to expect goods and services that are customized specifically for them. This mindset has carried into the rest of our lives such that workers have the expectation that their work and workplace will be adapted to their needs. As a result, an organization’s approach to workforce development strategies must be worker centric. Workers expect to be able to choose individual paths for professional development, that is specific to their strengths, passions, and goals. Ultimately, workers want experiences that interest them, and they want to consume them any way they want, whenever they want.

In order to meet the simultaneous demands of the market and their internal workforce, organizations should consider the following five shifts when designing workforce development strategies. Organizations must move from building skills to cultivating capabilities first and skills second; from developing specific workforce skills to meet short-term needs to leveraging workers’ “passion of the explorer” to engage them in solving unseen and future problems; from focusing on formal training and traditional education to supporting learning in the flow of work; from rewarding based on work output to rewarding based on capability development and value to the business; and, finally, from preparing the workforce with an internal focus to preparing the workforce with an eye toward what benefits both the organization and society. By undergoing these changes, organizations can transform from siloed programs, short-term goals, and the organization at the center to integrated programs, long-term goals, with workers at the center.
5 Shifts: Workforce development puts workers in the center

This approach to workforce development has many benefits for the organization. In fact, organizations that employ stretch assignments are 2x as likely to have strong business outcomes, and organizations that demonstrate the value of learning by focusing on long-term career development and offer high-value development opportunities are 5x as likely to have strong business outcomes than organizations that do not.5

High-performing organizations are 6.7x more likely to support the workforce to develop missing capabilities and skills. More astoundingly, high-performing organizations are 37x more likely to help workers accomplish their long-term career goals. This includes being 3.3x more likely to leverage learning in workforce strategies and 11x more likely to leverage career development in workforce strategies.6

All these shifts, from how we interact across society, to what we need to prioritize learning, to an expanded set of who is required to deliver success, culminate in the need for organizations to evolve the way they approach workforce development.
**Shift 1: Cultivating capabilities first, skills second**

Reskilling and upskilling efforts often come to mind as the first step of workforce development because organizations are concerned about their workforce being ready to tackle tomorrow’s problems today. However, a primary focus on skills (quantifiable abilities, such as statistical analysis) for the future workforce can be narrow-minded, as skills are more finite, with a half-life of about five years (newly gained skills become irrelevant in about five years), and should not be the sole focus of workforce development in a world of continuous changes.

To broaden their approach, organizations should focus on cultivating workforce capabilities. Capabilities cannot be replicated by technology in the same way that skills can; they are inherently human and are referred to as enduring human capabilities (EHCs). EHCs are observable human attributes that are demonstrated independent of context, are applicable across sectors, and do not become obsolete. Examples of enduring human capabilities are in the figure below.

By shifting the emphasis from just reskilling efforts, to now include building human capabilities, organizations have a unique opportunity to tell a story about holistic workforce development instead of just skills development.
Shift 2: Engaging workers’ “passion of the explorer” to solve unseen and future problems

Life expectancy continues to increase, and it is estimated that people entering the workforce today will have a working life of 50–60 years. Workers are also planning to switch careers more often (likely around 12 times throughout the course of their professional lives), and 58% of companies believe new employees will stay less than 10 years. Organizations are investing in creating better internal mobility programs to help workers find opportunities to continue to grow into their chosen career path. The traditional work-life journey is evolving, and this shift is enabling workers to embrace lifelong learning and manage their own development as professionals in sync with their personal values and passions.

The increased desire for career changes and the innovations in technology that enable a variety of opportunities for internal mobility, along with the decrease in the half-life of skills, are all drivers that put the worker in charge of individual career and development. Workers are getting more invested in making rapid and informed decisions around growth and development. By providing them with visibility and access to growth opportunities, along with the right tools and technology, organizations can enable workers to activate their “passion of the explorer.” As explorers, workers will not only seek learning more often and from a wider variety of sources, but also see everything as an opportunity for development, searching for additional ways to gain the skills and support they need in pursuit of their passion.

The worker will create a personalized development journey, which we refer to as a “choose your own development adventure.” Today, more than ever, workers leverage both traditional learning and skill building through internal and external development experiences. The internal talent marketplace plays a key role in helping workers find new opportunities within their organizations and foster more agile skill development and a closer connection between personal aspirations and organizational priorities. It also benefits the organization, as internal mobility helps create bigger pools of internal candidates by giving visibility to their skills or past experiences that may not be obvious based on their current roles. The opportunity to move or promote employees internally has a significant impact on performance—companies that do are 32% more likely to be satisfied with the quality of their new hires—external hires typically take up to two years to reach the same level of performance. Internal mobility is also important from a workforce experience perspective—49% of millennials would, given the choice, leave their current jobs for better roles in the next two years, and of that group, 35% planned to exit due to the lack of opportunities to advance in their current organization. In the quest to retain talent, decrease talent acquisition cost, and boost productivity, providing opportunities that combine mobility, development, and growth should be among key workforce priorities.

These trends comprise the concept of the future of work and present the need to enable employees to experience the process of learning like they are on an expedition—to be agile in leading through unforeseen challenges that arise when navigating an increasingly complex and fast-paced environment.

On a practical level, this approach can be easily applied through workforce development strategies such as action learning or by using a problem-based methodology for learning; we refer to this as BYOC, or “bring your own challenge.” Whether the problem or challenge is small (planning an event) or large (using AI to remove bottlenecks in the supply chain), this approach to development has actual business problems at the center and the learning process follows the life cycle of the problem, not the curriculum or the content.

An agile and modular approach to work, talent, and careers, made dynamic and personalized by an internal talent marketplace, will not only increase the flexibility and retention of key talent, but ultimately also help make work more meaningful and position every opportunity as a development opportunity. Workers increasingly expect tailored, individualized development experiences that make the most of technology to not only deliver learning, but also direct them new opportunities, fostering a culture of growth and development, and a holistic, connected talent experience from hire to performance review to promotion. Throughout their time at an organization, workers expect to choose their own development journey towards inspiring and personally meaningful professional development. Workers want learning experiences that are relevant and interesting, and they want to have “on-demand” access.

Thus, an intentional approach to enabling and encouraging workers to “choose their own development adventure,” inspired by passion and enabled through internal talent mobility to take on new challenges, will bring increased workforce satisfaction and retention and encourage a more agile organization.
**Shift 3: Enabling learning in the flow of work**

Since the modern worker is facing mounting pressure to deliver top-quality work in shorter time frames, formalized learning often turns into an afterthought. According to the Modern Learning Study conducted by Human Capital Research and Sensing, just 1% of an average workweek is typically dedicated to training and development. On the other hand, approximately 20% of the workweek is dedicated to searching for information.20 The nature of work itself is also changing rapidly, with more than half (53%) of employees requiring substantial reskilling and upskilling in the span of three years.21

Faced with less time and more change, workers need to be able to learn in the “flow” of everyday work. Learning in the flow means that learning and work become inherently connected, and workers can learn anytime and anywhere. This link becomes even more meaningful as organizations embrace a continuous learning mindset to keep up with individual and market demands.

Workers today learn in a myriad of ways, including coaching, tailored experiences, specialized resources, and shadowing opportunities. By adopting a learning-in-the-flow mindset, organizations can empower workers to treat daily experiences as opportunities for growth. Consider the guiding principles below to enable learning in the flow:

- **Integrate real-time learning and knowledge management solutions to minimize siloed sources of information**
- **Personalize learning experiences, and target specific workers and groups for maximum impact**
- **Design learning for both individual and team settings**

These principles in action may look like the following:

- **Coach and mentor relationships**: Workers use informal mentors to ask questions and get feedback (e.g., worker asks questions on the job)
- **Internal communities**: Workers participate in communities across geography, level, and interest area to ask questions (e.g., collaboration software)
- **Apprenticeship model**: Junior workers can sit side by side with leadership to “learn the ropes” (e.g., intern as “C-suite for the month”)
- **Formal deployments**: Workers have opportunities to develop their capabilities in their daily work through peer interactions, etc. (e.g., collaborating on a year-long cross-functional project)
- **Digital reality**: Elevating the human experience through augmented, mixed, and virtual reality immersion. (e.g., a VR headset used when operating machinery)

High-performing learning organizations embed learning in the flow of work through a combination of the above principles and examples (see figure above). According to Human Capital Research and Sensing, organizations that implement learning in the flow of work regularly experience greater business outcomes and realize 107% higher three-year average earnings per share than less mature organizations, as well as a 59% higher three-year average share price.22

Learning in the flow of work is a powerful framework to help empower workers to grow and develop beyond traditional learning experiences while also addressing constraints in time and energy.
Shift 4: Rewarding workers based on their capabilities and value to the business

As work continues to change and the need to develop capabilities or upskill continues to be amplified, organizations will need to reward and motivate their workers to actively take on opportunities for development. Nevertheless, most workers continue to be rewarded solely based on competitive pay—only 45% of organizations noted that they reward workers for the development of new skills, and only 34% reward for entrepreneurial behavior.

Workers view rewards beyond a paycheck, benefits, financial recognition, or snapshots of performance. Instead, today’s workforce is seeking rewarding experiences built on relationships with the work they do, the people they work with, the places where they do work, the technology they use in their work, the organization for whom they work, and their personal well-being. These relationships can incentivize skill development and accelerate the ability to achieve future business strategies. The workforce is also eager to be recognized beyond financial incentives—for instance, almost half of organizations indicated they would prefer to be recognized through new growth opportunities, which is also a primary enabler of organizational growth and productivity.

There are organizations that are investing a great deal in upskilling and rewarding their workforce for taking on challenges beyond their current role while also revamping their rewards structure to both celebrate development efforts and link them to business outcomes. Patagonia has changed its reward structure so that bonus pay reflects performance, while base pay is based on the market-relevant skills the employee has developed. At Amazon, workers who participate in upskilling programs have been rewarded with an immediate pay increase and see longer-term benefits in both earnings and career mobility. Organizations are increasingly recognizing the workforce for investing in development and integrating it more with performance management. These development opportunities do not always involve formal upskilling and can instead promote participation in different experiences—some organizations include experience in other roles outside of worker’s current role as a critical component for evaluation and growth opportunities.

Organizations need to take a worker-centric approach by assessing the effectiveness and impact of their current rewards offering, identifying worker preferences, and designing workforce development strategies and solutions that address those preferences and company objectives. This approach will help organizations shift the focus to developing relationships with their workforce and emphasize rewards as a crucial piece of a larger workforce development agenda. With a relationship mindset, workers are inspired to continue their development journey—including developing capabilities, pursuing reskilling opportunities, engaging in experiences outside of their roles, and actively taking on challenges—pushing the boundaries of the familiar.
Shift 5: Preparing workers to transform society

In the final shift, companies turn their gaze outward to developing their workforces with an eye toward positively influencing society overall. Traditionally, organizations approached developing their workforce in order to achieve their business goals and generate more return for shareholders. Recently, however, there has been a resurgence in acknowledging that businesses do not exist solely to generate financial profit.

Last year, 181 Business Roundtable CEOs committed to reframing the definition of a corporation and leading for the benefit of all stakeholders, not just shareholders. This is just one example of organizations embracing the “triple bottom line”—a business and accounting framework underlying the belief that organizations exist to add value for their workforce and their community in addition to providing financial profit for their business. The bottom line is a reference to a company’s profit or losses, and the triple bottom line considers people and the planet as well.

After the increased focus on systemic racism in the United States, many organizations are exploring how to better support their Black workforce. One example includes organizations supporting the economic well-being of the Black community through investment in businesses, purchasing services from, and establishing partnerships with Black-owned businesses. Diversity, equity, and inclusion (DEI) work requires a multi-faceted, evidence-based approach aligned with an organization’s unique business strategy, and many organizations are prioritizing supporting their Black workforces as a critical first step.

As organizations embrace their role as social enterprises, their perspectives on workforce development expand from benefiting just themselves as an organization toward a belief in developing the workforce in order to also benefit society. Organizations are now investing in the long-term careers and financial well-being of their individuals, customers, and communities—even if that goes beyond their current development needs or even their current workforce.

The change will be even more noticeable now, as we see the financial and societal impacts of COVID-19 creating highly volatile markets, among many other significant impacts. The workforce will remember how organizations and leaders treated them during times of crisis for many years. As such, it’s more important now than in almost any other era for organizations to prioritize their employees’ well-being over instant profits as a driver of success in these uncertain times.

In this new age, workforce development is key for workers to better prepare for the future of work. Organizations should consider implementing a holistic workforce development approach to meet current and future workforce demands and prepare for the uncertain future ahead. Ultimately, organizations must enable workers to identify the capabilities and experiences that interest them and consume them any way they want, whenever they want, wherever they want.
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Works Cited

3. Ibid.
11. This is not the case for every segment of the population, as there are flat or declining life expectancies for Black men and women in the United States. (Lauren Medina, Shannon Sabo, and Jonathan Vespa, "Living Longer: Historical and Projected Life Expectancy in the United States, 1960 to 2060," United States Census Bureau, February 2020, https://www.census.gov/content/dam/Census/library/publications/2020/demo/p25-1145.pdf)


