



Future-Proofing Your Talent

How agile talent practices can drive digital transformation

Introduction



The lessons here will ensure that you have the people and HR processes to take advantage of opportunities provided by technology.

What kind of talent will your organization require in the next five years? In a stable work environment this is a relatively easy question to answer. But in today's volatile and complex world, digitization, artificial intelligence and automation have moved the goalposts. Make no mistake: These factors are disrupting the world of work. The skills required to succeed in organizations are shifting — and this is having a profound effect on workforce planning and on the career paths of employees.

Aon's Assessment Solutions' John McLaughlin and McLagan's Joel Davies discuss in this paper how organizations can future-proof their talent. Today's workers need to be ready to embrace technology, collaborate with others and work effectively in an agile, digital environment. They should feel empowered, not exploited, by technological developments. For many organizations this is proving to be a significant and difficult transition.

For example, a recent study by McKinsey¹ highlights that retraining and redeploying existing workers has become an urgent business priority. However, only 16 percent of business leaders say their organization is ready to address the skills gaps they face.

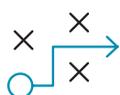
If a machine could undertake even 20 percent of the mundane, transactional aspects of someone's role, that person could then move on to higher-value tasks. A new challenge for HR is therefore to understand which aspects of every role can be automated — and also to understand the broader impacts, including in human terms for the people involved, of digital transformation.

No one can confidently predict what any role will look like in five years' time. So how can HR teams coherently plan the skills, competencies and attributes that will be needed at each level of the organization?

This framework provides the answer. It offers nine steps to help you develop and recruit "future-proof" talent. It also considers the attributes of a future-proof worker, and it explains how assessment and agile talent management can support the necessary transformation. The lessons here will ensure that you have the people and the HR processes in place to take advantage of the competitive opportunity that technology now provides.

¹ McKinsey Global Institute, "Retraining and reskilling workers in the age of automation" (January 2018) <https://www.mckinsey.com/featured-insights/future-of-organizations-and-work/retraining-and-reskilling-workers-in-the-age-of-automation>

Future-Proofing Your Talent



Your business strategy will ultimately dictate the skills that are needed in your organization.

1. Conduct an Organizational Skills Review

Your business strategy will ultimately dictate the skills that are needed in your organization. Your objectives and priorities — such as digital transformation — will create a list of requirements and competencies that employees will need to deliver. You should be able to build a broad matrix of the skills that are required at different levels. Making a judgment about exactly what skills your organization will require in the future is perhaps unrealistic. But you should at least be able to conduct an organizational review to determine where you have useful skills — and which skills are clearly lacking.

2. Update Your Competency Framework

Today's volatile world demands new corporate competencies. Employees need to fit into constantly adapting, agile project teams. Their role and responsibilities in each of these teams may be different. It's unlikely that your existing competency framework was designed to support agile working and digital collaboration. Greater flexibility is required.

Specialist digital and technical skills will undoubtedly be needed in your organization. But at every level, individuals will also need new interpersonal skills and abilities. Research by Aon² (previously cut-e) reveals that employees now need 11 specific competencies if they're to thrive in a 21st century workplace. These "future-proof" competencies are:

- Ability to learn
- Agility
- Curiosity
- Drive to succeed
- Ability to handle data
- Identifying strategic solutions
- Business acumen
- Virtual collaboration
- Digital communication
- Mental endurance
- A coaching mindset

² The 11 competencies for "digital readiness." <https://assessment.aon.com/consulting/digital-readiness/>



Employees will need four key attributes to stay relevant in organizations.

Importantly, these may not have been the specific criteria that would have made someone successful in the past. But no matter what the job role is, these competencies will be required by successful talent in the future.

In addition, employees will need these attributes to stay relevant in organizations:

- **The desire for continuous learning — and a willingness to take responsibility for their own lifelong learning.** Individuals must accept that their skills will need frequent updating, and they must be motivated to manage their careers and self-improve.
- **A mindset that accepts and embraces technology as an opportunity, not a threat.** Digital technology and AI automation should be seen as positive developments that can help individuals work more productively.
- **An attitude that welcomes change.** Today’s work environment is more chaotic than the hierarchical structures of the past. Job mobility, retraining and agile working are increasingly commonplace. An individual’s ability to constantly adapt will be key. They’ll also need a high level of risk tolerance.
- **A desire to showcase their uniqueness.** Successful people find a way to differentiate themselves and demonstrate their talent.

3. Build, Borrow or Buy Your Talent

These are the three options for equipping your organization with the necessary skills:

- **Build:** You can build your own talent through recruitment and development. But with a global digital skills shortage, it isn’t easy to hire specialist digital talent. Investing in your existing workforce is therefore something that every organization can and should be doing. (See “Invest in Developing Your Talent” below.)
- **Borrow:** Creating partnerships — for example, with universities and other organizations — can provide short-term access to talent and expertise.
- **Buy:** You can purchase consultancy expertise either at an individual or organizational level. Or you could subcontract assignments to a third-party organization.



Identifying and tracking the performance of your key talent will help you create a pipeline of employees who can step up to become your future leaders.

4. Realign Your HR Business Processes

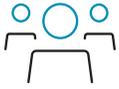
HR processes will need to adapt to support digital working. For example, in a fast-changing, agile workplace, performance management will need to evolve to become a continuous process. It's not enough to provide annual or semi-annual performance reviews. Key performance indicators will change frequently as individuals change roles and move across different project teams. Your talent will therefore need continuous and forward-looking feedback. Providing this can help you motivate your talent. Analyzing the preferences, attitudes and interests of your employees will enable you to guide them toward potential career-path options within your organization. This can also help you to identify — and track the performance of — your key talent. This is valuable for succession planning, as it helps you create a pipeline of employees who can step up to become your future leaders.

5. Make Your Role Profiles More Fluid

Once you've established which skills are required at a strategic level, you can create more detailed profiles for specific roles in your organization. However, with digital transformation, job roles are changing and evolving at a faster rate than ever before. What's more, certain aspects of every role are open to automation. All of this makes it difficult to rigidly predict what any future job will involve.

One option is to review your definition of "job families." If you create broad clusters of roles that share similar attributes, it becomes easier to recruit individuals who can swap internally between comparable roles.

A best practice approach to developing role profiles can include workshops involving stakeholders and interested parties such as subject-matter experts, the line manager and existing job holders. In these workshops, the stakeholders work together to analyze what "good" looks like at that level of the organization (and what "bad" looks like too, for a comparison). This enables you to create a "success profile" of the attributes and job-related behaviors that will make someone successful in a role. However, this will need to be considered with a degree of flexibility. What's important is to take a coherent approach to role profiling that stems from your business objectives.



80 percent of your organizational success will be driven by 20 percent of your people.

6. Create a Compelling Employee Value Proposition

What really makes your organization an appealing destination for talent? Your reward and recognition practices are part of this. As such, they should become more flexible — and more focused on the competencies, measures of success and behaviors you want to encourage.

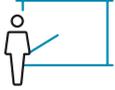
As the nature of the roles in your organization changes, so too should the way you reward your talent. For example, if the administrative aspects of someone’s role have been automated and they are undertaking higher-value work, their “worth” should be re-evaluated. Also, consider the appeal of aspects such as your work environment, your development opportunities and your flexible work arrangements.

Your workplace and your HR processes should help to engage and retain your talent by maximizing the “employee experience” in your organization. Remember, 80 percent of your organizational success will be driven by 20 percent of your people. If you don’t reward your key talent appropriately — or provide the right environment — you’ll lose them.

7. Utilize Smart Talent Data

You can significantly enhance the way you recruit and manage talent, and improve the candidate experience, by integrating your recruitment and HR systems. The resulting data can provide talent analytics that will help you make smarter talent decisions — and prove the value of your services.

Data from assessments can also help you to better understand the strengths and development needs of your employees. This can spark more meaningful development conversations, taking account of people’s career goals and personal challenges.



Successful organizations will be those that provide continuous learning and effective retraining programs.

8. Invest in Developing Your Talent

By leveraging data, you can create “organizational heat maps” that highlight the jobs, geographical areas, departments and teams where specific development is required. Digital transformation will necessitate retraining of existing employees. Proactively manage and develop your talent, whether that’s through development programs, coaching, mentoring or by giving them the opportunity to work on specific projects.

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9. Don’t Crush Your Culture

Your culture should be a key ingredient that attracts people and engages them so that they want to stay. Strive to create a culture in which employees don’t fear technology or automation. They should recognize and appreciate how technology can help them be more effective.

Automation can help with engagement, by taking away some of the tedious, repetitive elements of people’s jobs. Throughout the constant flux of changing roles and agile working, it’s vitally important that your organization retains a conducive operational culture.

Conclusion



With the right employee value proposition your employees will be engaged and productive. What's more, you'll become an employer of choice for digital talent.

Digitization, AI and automation are redefining every job role. Today's employers need to ensure they have the people and the HR processes in place to succeed.

The exact skills that your organization will need in five years may be unknowable. But that doesn't mean you can't prepare for the future. The nine steps in this paper can help you transform your traditional approaches to workforce planning and talent management into more agile practices.

Key to this is understanding what skills and competencies will be relevant in the future. You can then create an effective people strategy that encompasses how you'll plan your workforce and how you'll recruit, develop and reward your talent. With the right employee value proposition — and with a conducive culture and work environment — your employees will be engaged and productive. What's more, you'll become an employer of choice for digital talent.

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