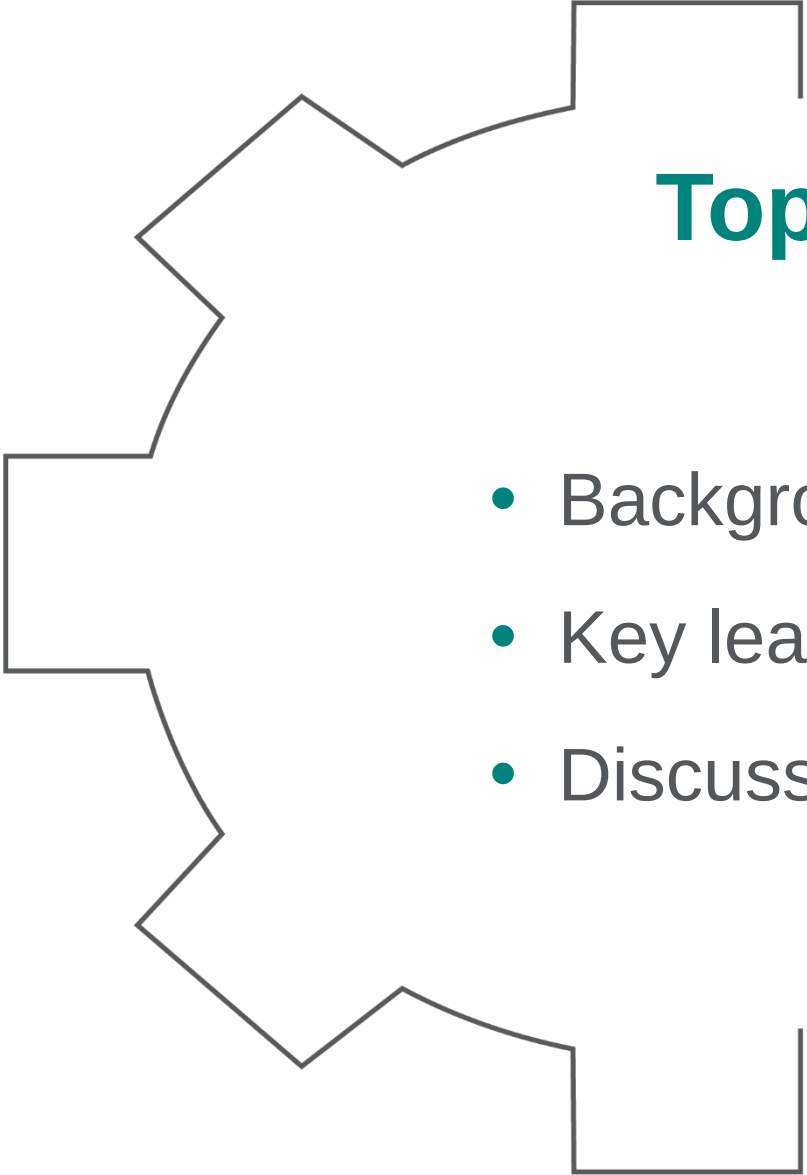


Workforce Transformation

Lessons from Leading Companies

April 2018





Topics for today

- Background
- Key learnings
- Discussion and experience sharing

About The Research



Focus

How is the workforce changing:

- Employee growth
- Leadership
- Skills
- Demographics
- Employment models

Interviews

- Initial conversations: ~25
- Published interviews: 6 (+ 2 upcoming)

Subjects

- CHROs/ SVP/ VPs of HR
- CEOs/ SVPs of business units/ functions

Interviews

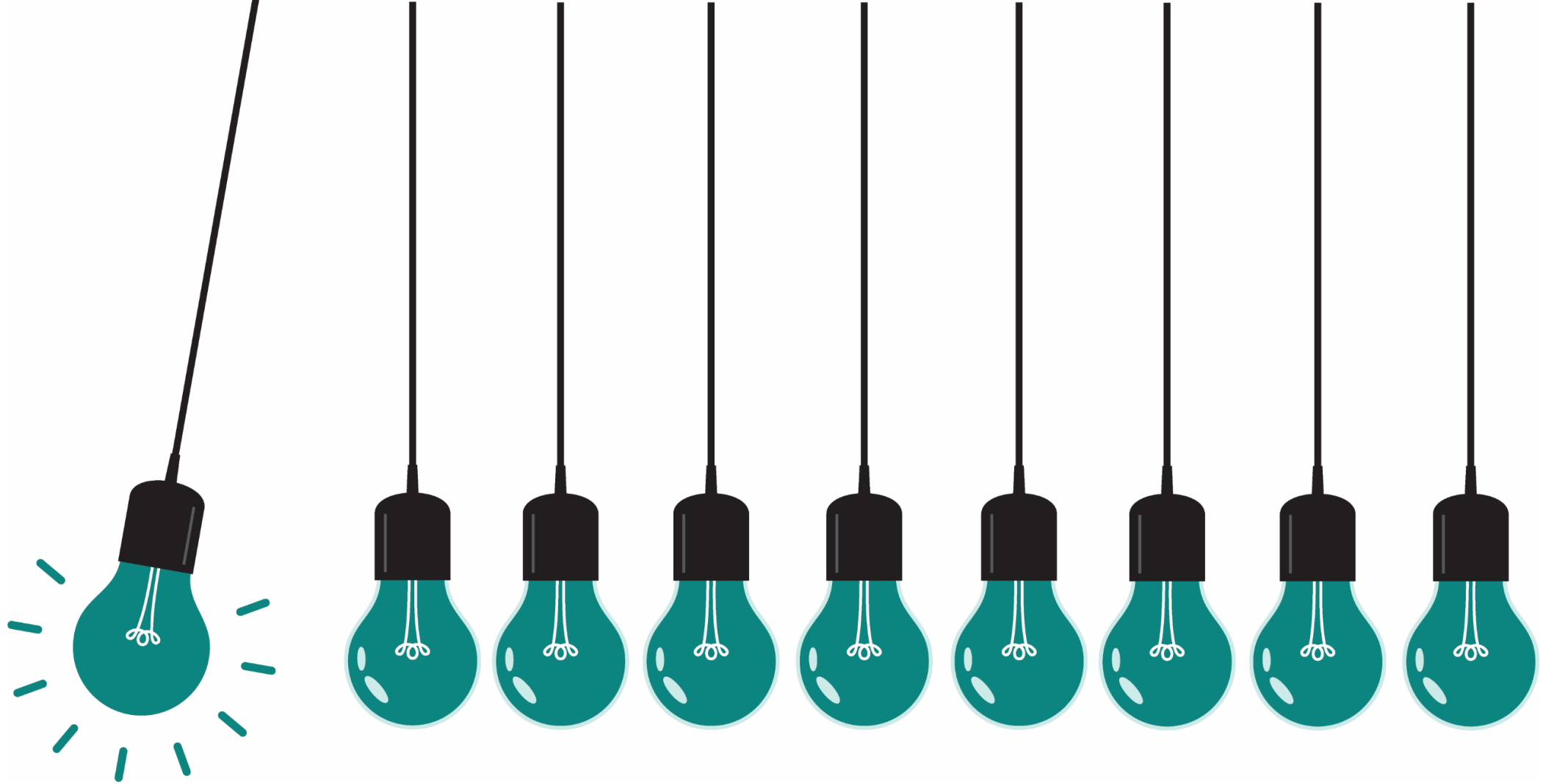
Company	Industry	Type of business change(s)
	Financial Services	Business model transformation
	Human Capital	Private equity talent
	Software	M&A; Business model
	Lodging	Evolving customer needs
	Enterprise technology	Business model transformation
	Manufacturing	Business model transformation
Co. 7	Professional Services	M&A, growth
Co. 8	Financial services	Technology

Employee growth	<i>3-year employee growth</i>	+10%
	<i>Growth drivers/ pockets</i>	• Compliance • Digital business
Skills	<i>Increasing importance</i>	• Fintech, web and mobile • Compliance: law enforcement, compliance tech
Leadership	<i>Increasing importance</i>	• Change leadership • People management
Demographics	<i>Boomers</i>	8%
	<i>Gen X</i>	32%
	<i>Millennials</i>	59%
Employment model changes		No major changes planned

Employee growth	<i>3-year employee growth</i>	~ Flat
	<i>Growth drivers/ pockets</i>	Services
Skills	<i>Increasing importance</i>	• Electrical and software engineering • IoT and robotic engineers and design • Data analytics • Project management • Communication and negotiation skills
Leadership	<i>Increasing importance</i>	• Managing remote/ distributed teams • Collaboration across functions (informal leadership)
Demographics		• Average age is ~45 years • Focus on upskilling/ retraining, plus targeted new hiring
Employment model changes		Bringing more contractors in-house

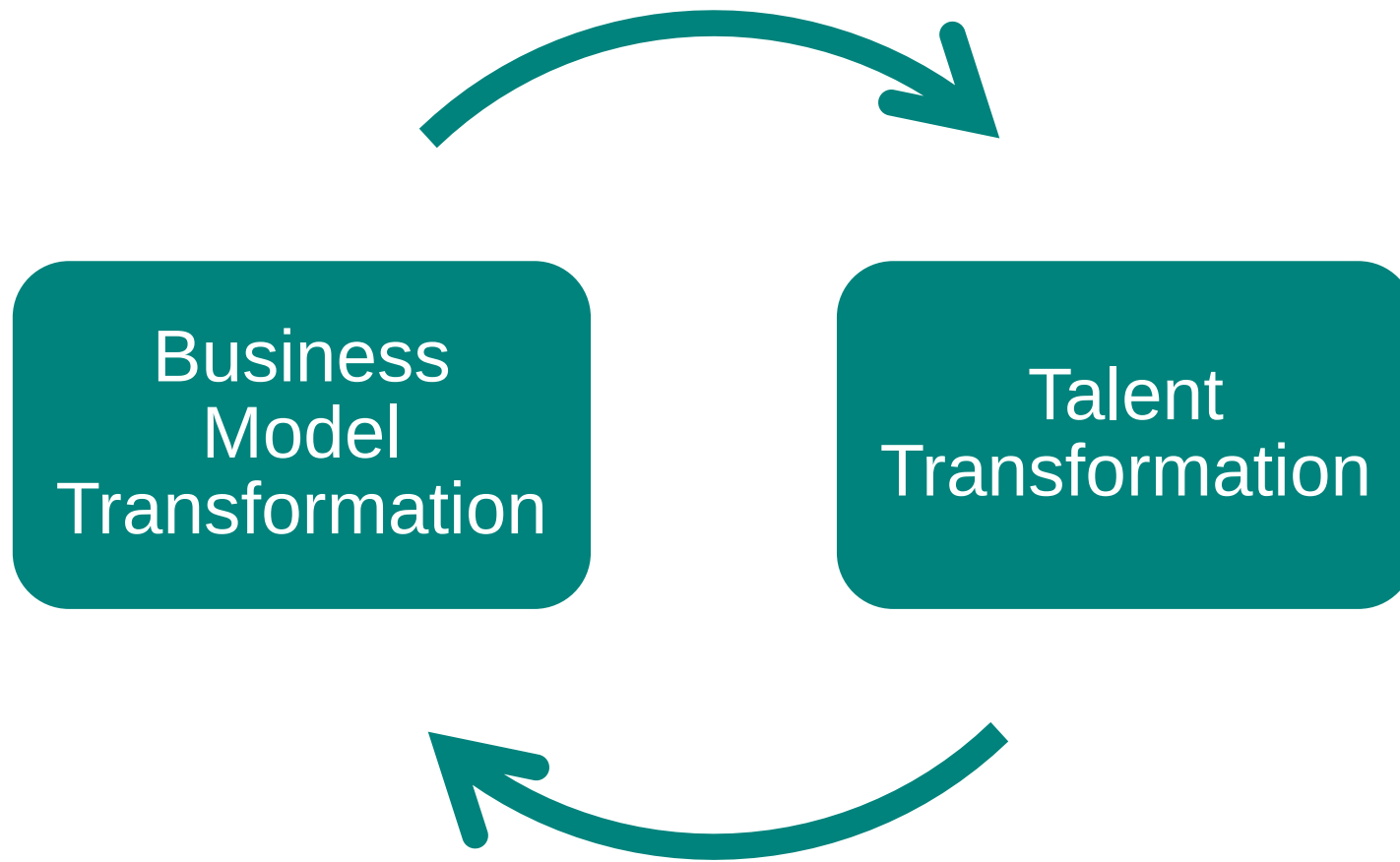
Employee growth	<i>3-year employee growth</i>	~ Flat
	<i>Growth drivers/ pockets</i>	• Services • Acquisitions (software)
Skills	<i>Increasing importance</i>	• Target talent pools • Team effectiveness • Function-specific (e.g. Partner sales → business consulting)
Leadership	<i>Increasing importance</i>	
Demographics (Female representation)	<i>Executive</i>	38%
	<i>VP</i>	21%
	<i>Entire company</i>	24%
Employment model changes		No major changes planned

Employee growth	<i>3-year employee growth</i>	50 to 600+ and back to ~250 (acquired and divested businesses)
	<i>Growth drivers/ pockets</i>	
Skills	<i>Increasing importance</i>	• SaaS Business • Sales – Renewals & New customer acquisition • Agile development • Product management
Leadership	<i>Increasing importance</i>	• Middle managers ready for next level • Change leaders
Demographics	<i>Millennials</i>	Average age dropped ~4 years
Employment model changes		No major changes planned



9 Things We Learned

Business model transformation and talent transformation are iterative

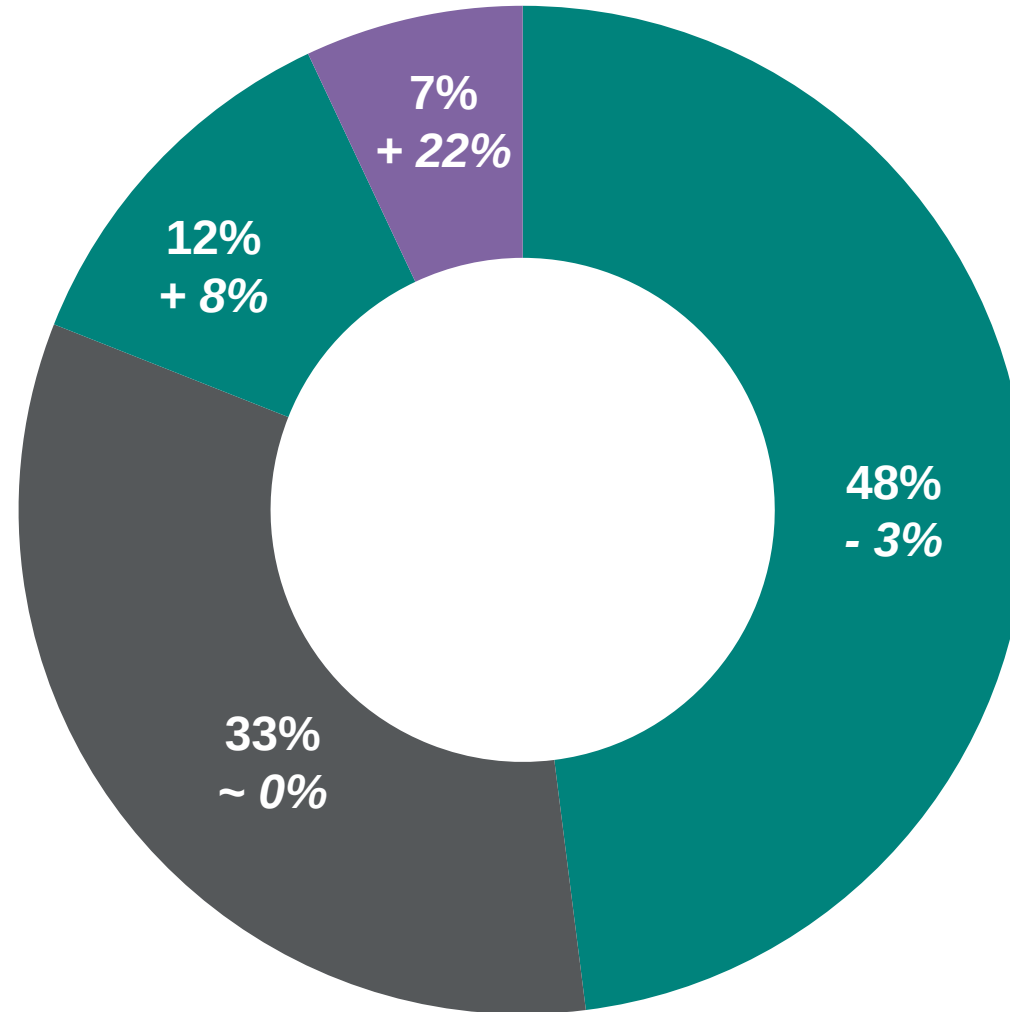


Many companies are growing and declining at the same time.

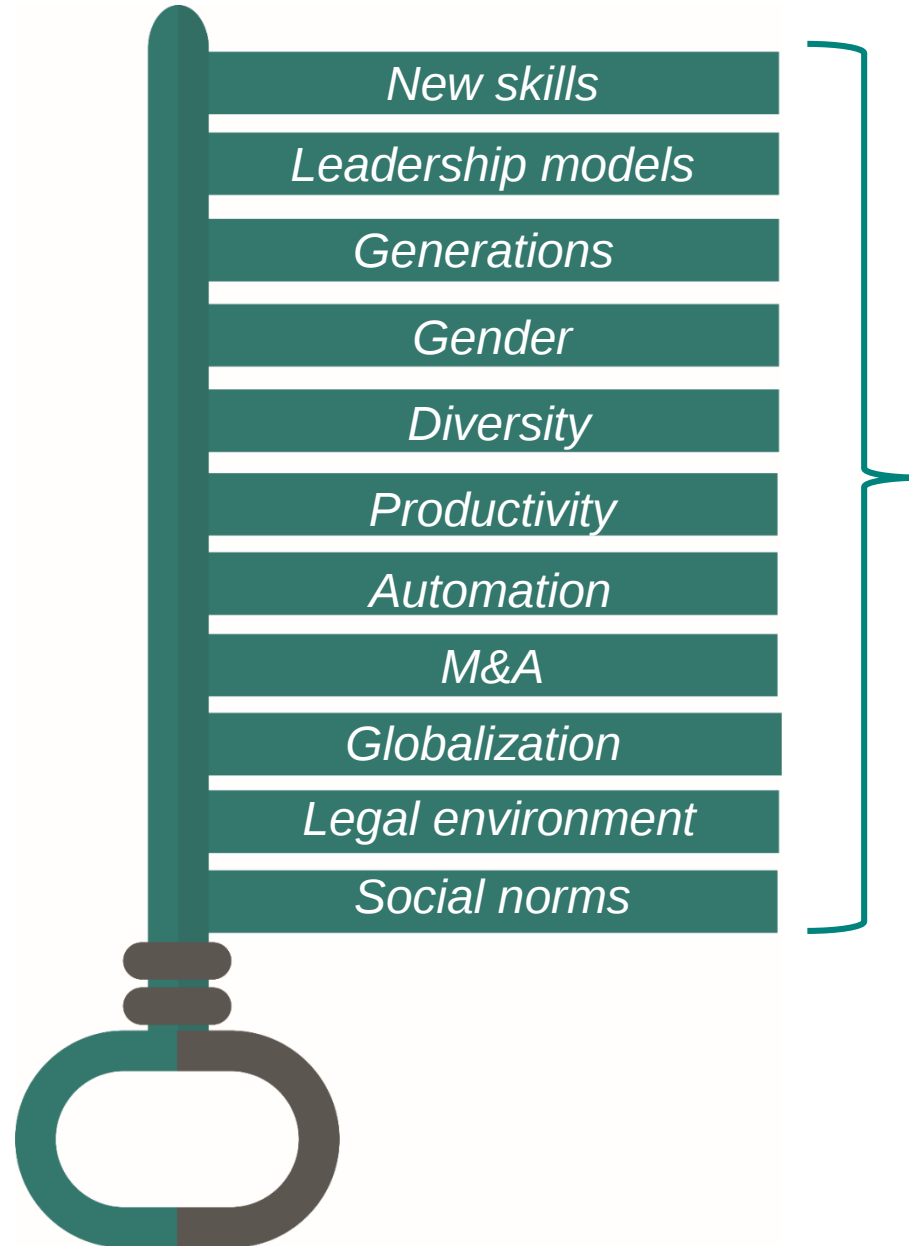


Business unit revenues

- Current % of total revenues
- Annual YoY growth



Workforce transformation is multiple journeys



**Workforce
of the future**

That Diversity thing ... is all over the place



Millennials are the present, not the future... In some cases already **>50%**



Racial/ethnic diversity ...
[crickets]



Gender ratios =
A lot of work in progress.

Common to all stories:



Leadership

The robots aren't coming.



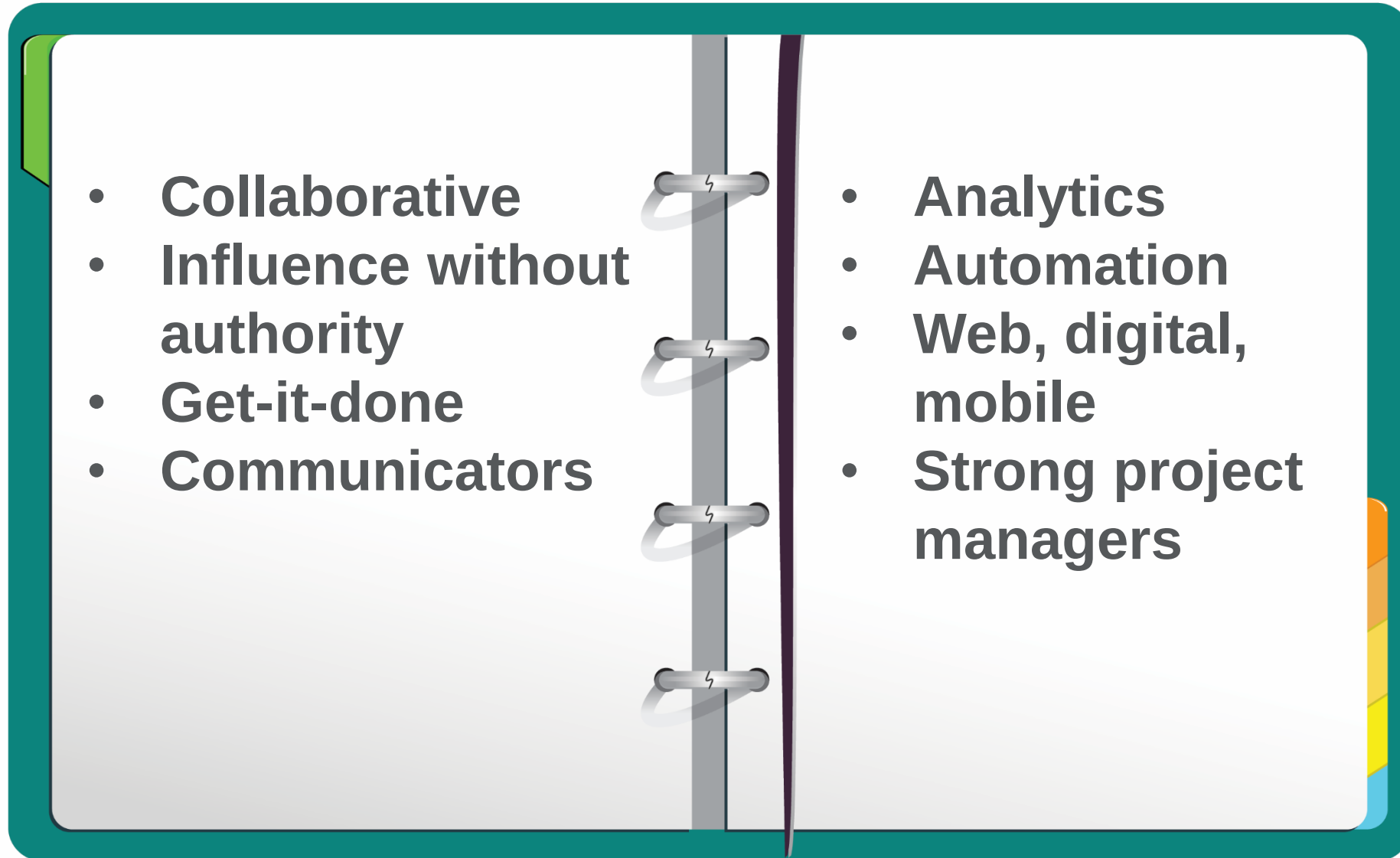
Yet.





**Actual time to make a change
= ~4 X initial estimate.**

The skills that everyone wants more of



Talent Velocity is Increasing

- Skill churn
- Vertical movement
- In and out



What will the **2020 workforce** look like?

Robots and gig-everything might need to wait a little longer. However, leadership models and skills for success have changed significantly. Demographics are driving – and being driven by – workforce transformation. Talent velocity is increasing rapidly.

Understanding and harnessing these trends is critical to the HR Leader's success.



DISCUSSION

- How is your workforce changing?
- What are you as HR leaders having to do differently?



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