

THE FUTURE OF WORK

How to shape your workforce strategy for 2024, and beyond



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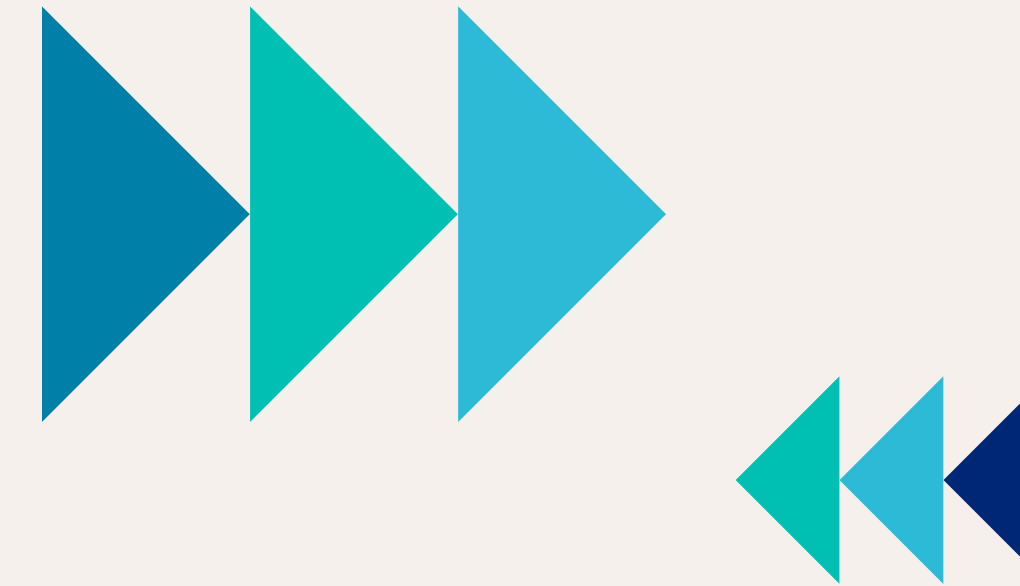
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EXECUTIVE SUMMARY

Your organisation sits in a wide ecosystem of regional, national and global politics, economics and legislature. And the bigger your operations, the more susceptible you become to shocks in that ecosystem, including rising inflation, seismic shifts in technological capabilities and ongoing geopolitical instability.

But the world of work continues to evolve, and organisations are cautiously switching from simply keeping the lights on, to strategically planning for the future.

Fortify and familiarise

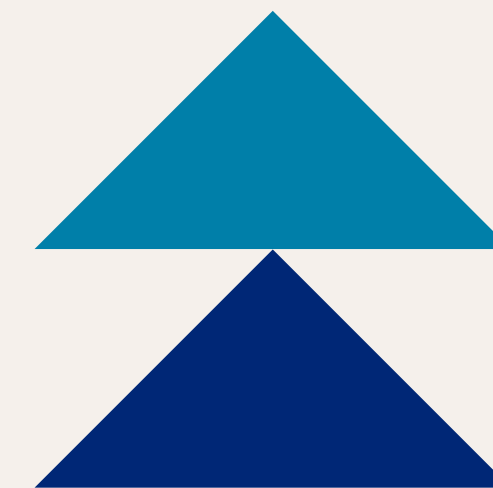
Your workforce strategy should be based on an evaluation of the risks and impact on your organisation posed by the macro environment, with extensive scenario planning to ensure you can fortify your operations with alternative sources of talent. CEOs should familiarise themselves with changes in legislation to ensure they are equipped to take advantage of offshoring, outsourcing, talent platforms and remote working.

Leveraging the power of technology

Technology has been shaping – and reshaping – the world of work since the dawn of the Industrial Revolution. What's new is the exponential rate at which technologies are advancing and their capability to render the current ways of working unrecognisable in a few short years, or even months¹.

Although the 'real-world' implementation of automation in our day-to-day lives is happening at a slower rate than first anticipated, CEOs are eager to leverage Generative AI to increase efficiency and supercharge growth. Organisations must be prepared to reinvent methods, processes and even products, rather than simply exploring opportunities to do the same tasks in the same way, but faster.

CEOs are eager to leverage Generative AI to increase efficiency and supercharge growth



¹ Fortune/Deloitte CEO Survey Insights, Summer 2023

EXECUTIVE SUMMARY ...CONTINUED

When it comes to supporting employees in the digital workplace, it is vital that organisations support their teams in what is a complex change management process. As we become more connected than ever, it is essential that leaders model behaviours that reinforce the boundaries between rest and work, such as implementing meeting-free days, and restricting email communications to core working hours. Giving workers the 'right to disconnect' will be embraced and appreciated by all workers in a bid to avoid burnout.

Embrace inclusion, diversity and learning

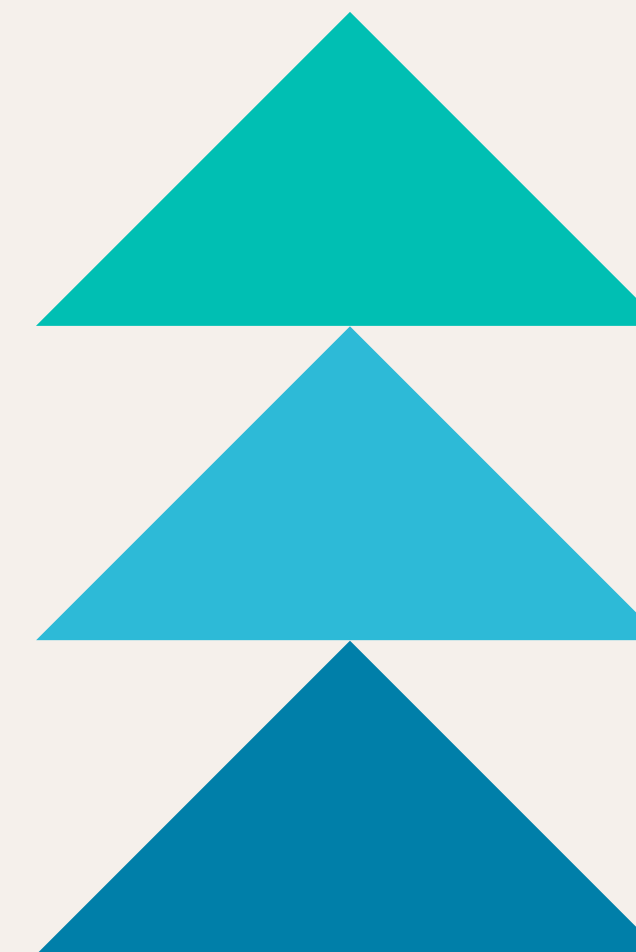
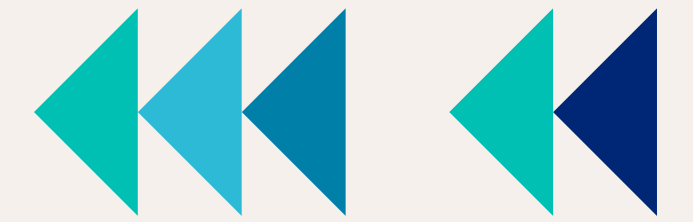
The nature of the relationship between employers and employees and the world of work has changed forever. Hybrid, remote and cross-border working arrangements bring a wide range of challenges and opportunities for hiring managers and prospective employees. Embedding a strong commitment to Diversity, Equity and Inclusion (DE&I) throughout your organisational culture, processes and communications can help reduce employee turnover and create a more productive, innovative and sustainable future for your business.

The opportunity lies with those who invest in upskilling and retraining their current workforce. Integrate learning into your Employee Value Proposition (EVP), develop clear avenues for progression, roadmap and communicate these opportunities clearly across the organisation.

As we become more connected than ever, it is **essential** that leaders model behaviours that **reinforce the boundaries between rest and work**

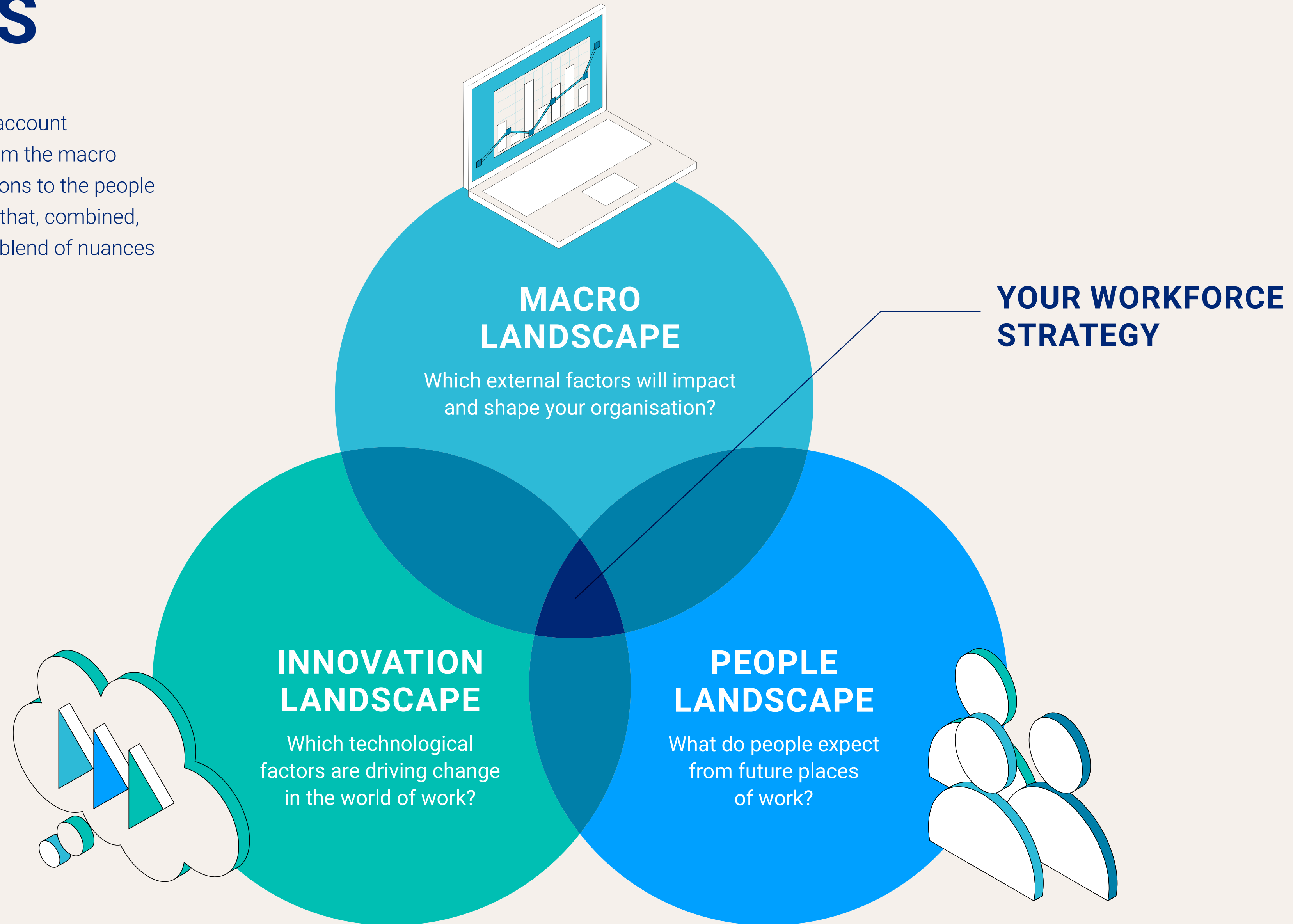
The coming years represent a generational opportunity to shape a future of work that fosters economic inclusion and opportunity, sets in place policies which will influence not only the rate of growth but its direction, and contribute to shaping more inclusive, sustainable and resilient economies and societies.

Businesses are uniquely placed to shape this future. Leaders need to ensure that the decisions they make today create the environment in which their organisation – and its people – can thrive tomorrow.



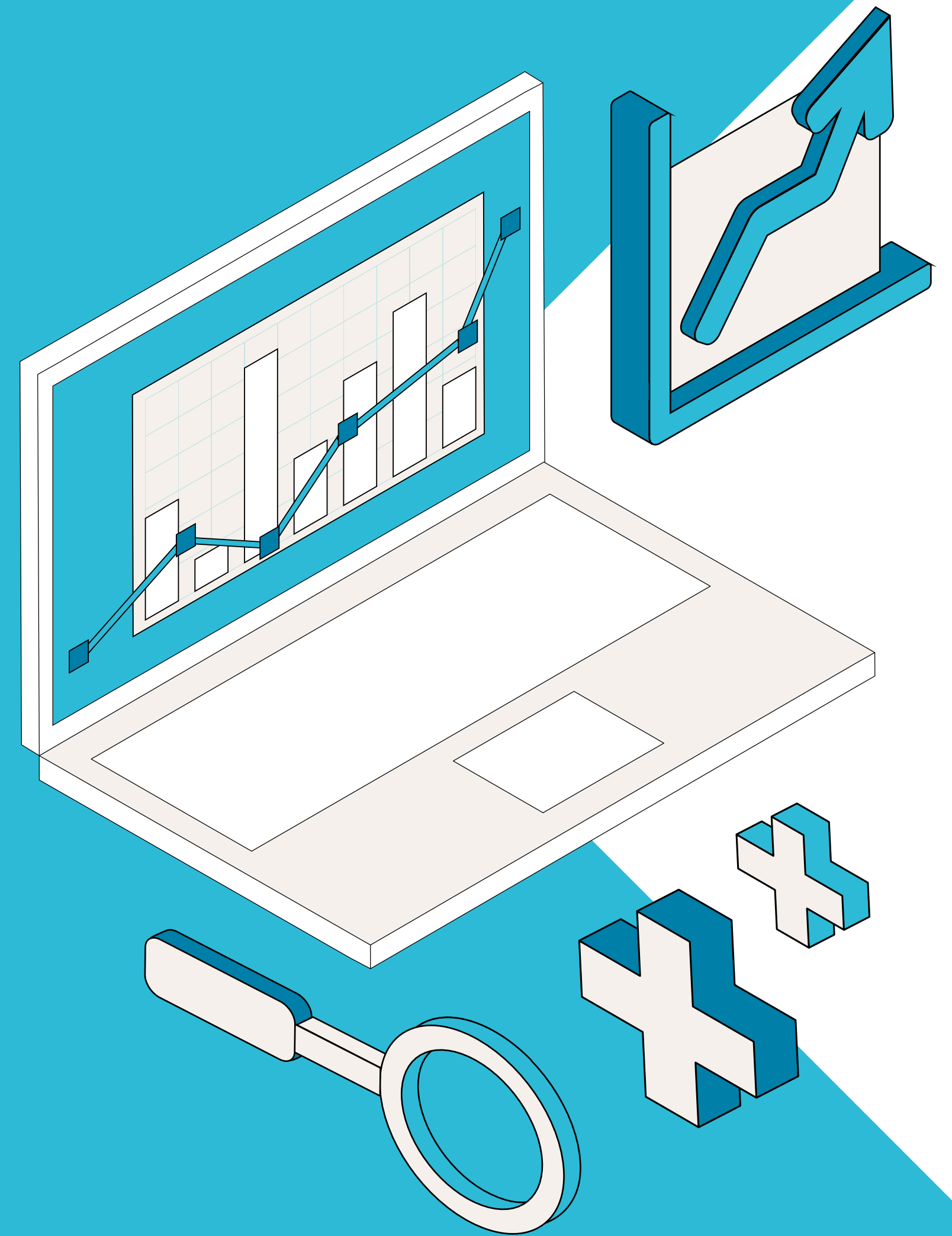
KEY TRENDS

Your workforce strategy needs to take into account three large-scale interconnected factors, from the macro environment through technological innovations to the people landscape. Within each of these sit themes that, combined, will create your organisation's personalised blend of nuances that will shape your approach.



THE MACRO LANDSCAPE

SEEING THE **BIGGER PICTURE**



SEEING THE **BIGGER PICTURE**



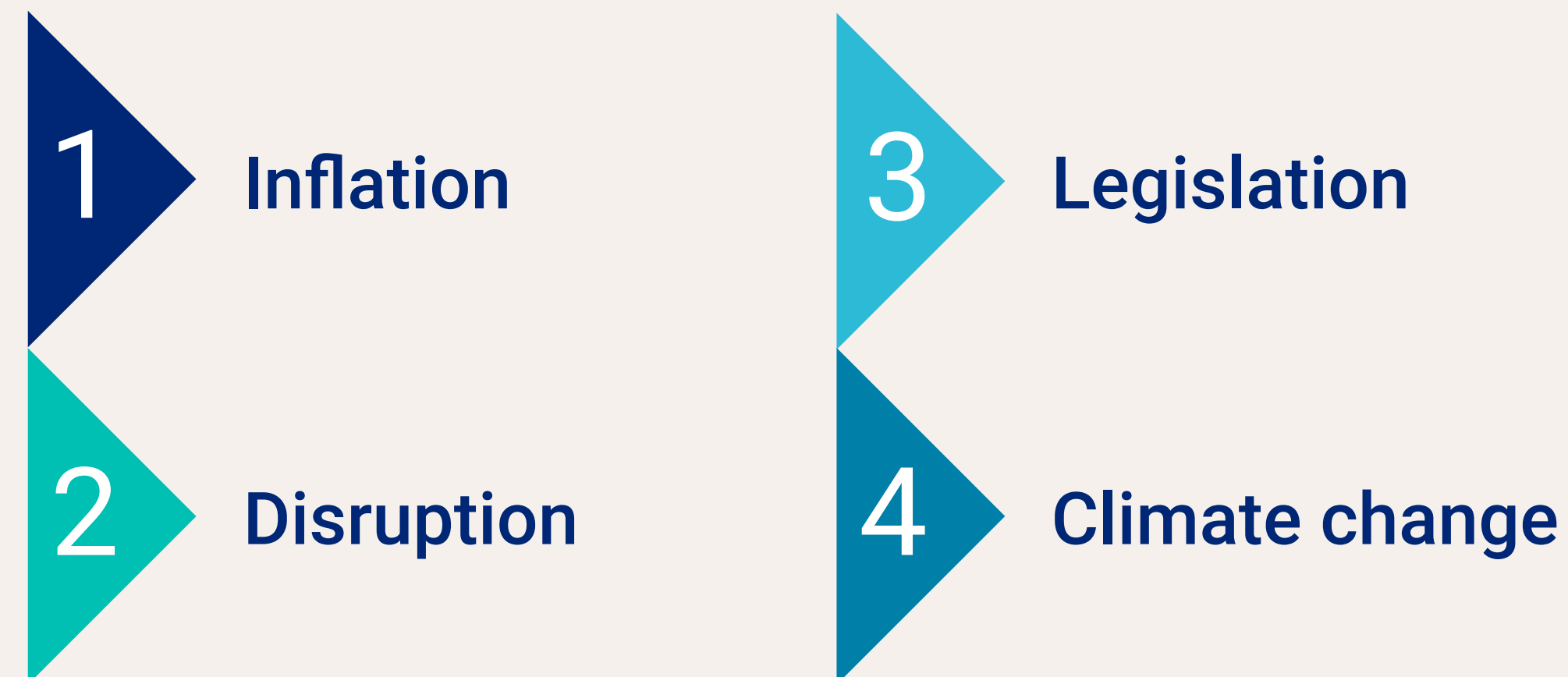
The external factors shaping the world of work

Your organisation doesn't exist in a silo. It is influenced and affected by a variety of stakeholders and a host of external factors – everything from politics to economics and the law. The larger your organisation is, the more you will be impacted by changes to this fragile, ever-shifting ecosystem.

While you may not be able to directly influence many of these factors, you need to understand the impact they will have on your organisation. Strong preparation and planning will allow your organisation to better prepare for tomorrow's challenges and create the workforce strategy that will enable you thrive.

We've uncovered four key external influences that CEOs, CHROs, Procurement and Talent Managers believe will have the greatest impact in shaping their organisational strategies.

The **larger your organisation** is, the **more you will be impacted** by changes



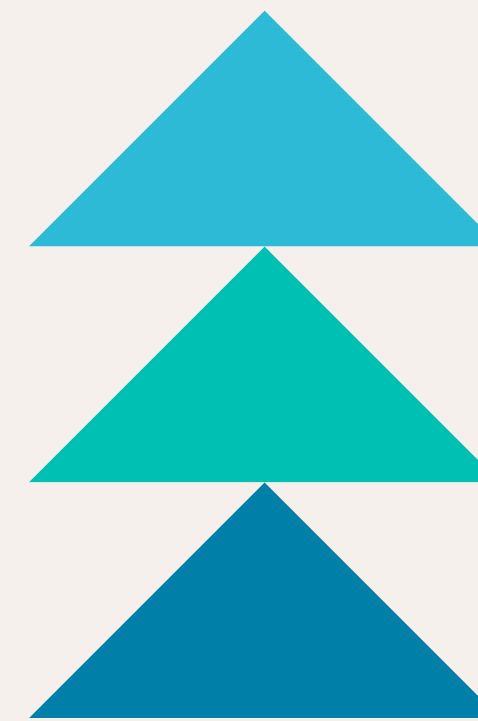
THE MACRO LANDSCAPE

INFLATION

The volatility of the past half-decade has left a legacy of uncertainty and risk-mitigation among CEOs, who are only now able to start actively preparing for the future following a period of relative stability². While many will be aiming to grow their business to offset contractions in their market, the threat of economic instability and, in particular, rising costs and inflation are constraining ambitions. Fewer CEOs surveyed in 2023³ than 2022 said growth was their top priority, with nearly half citing economic uncertainty as the biggest challenge facing their organisations in the year ahead⁴.

That said, the majority of CEOs don't fear a significant or long-term recession. Interestingly, although half say they have already begun cutting costs, less than a fifth are implementing hiring freezes and even fewer are actively reducing the size of their workforce⁵.

In the current environment, CEOs **report cutting costs** and spurring revenue growth—but **most don't plan to reduce their workforce**⁵



² Forbes – 16 Common Concerns CEOs Have In 2023 (And How To Address Them)

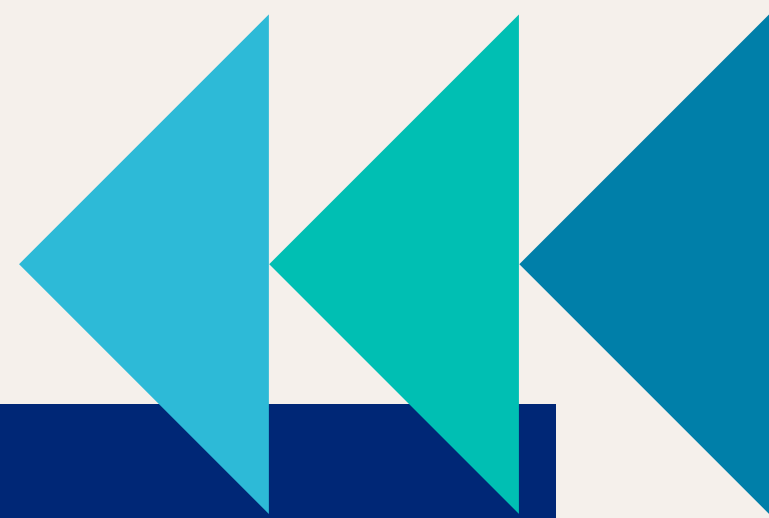
³ Gartner – Survey Signals Pause-and-Pivot Year for CEOs

⁴ Hays LinkedIn – What is the biggest challenge your organisation faces in the year ahead?

⁵ PwC's 26th Annual Global CEO Survey – Winning today's race while running tomorrow's

THE MACRO LANDSCAPE

INFLATION



James Hilton shares his thoughts on how inflation will impact your workforce strategy and what actions you can take to protect your business.



In the current climate, for lots of reasons, CFOs and CEOs have to be highly focused on cash collection. When it comes to risk-mitigation strategies for navigating economic uncertainty and rising costs, one of the key things is understanding the risk profile of the debtor books and the cash collection profile of the business. From a Profit & Loss (P&L) perspective, it's really about managing the profitability of the business. You have to be ruthless in prioritising where to spend the money. But you need to still spend money, or you'll lose your competitive advantage.

It's also about driving your pricing strategies in an inflationary environment. Ultimately, inflation is the silent killer of your own margin, because without a pricing dynamics strategy, inflation can quietly eat its way into your margins.



James Hilton

Group Finance Director at Hays

THE MACRO LANDSCAPE

DISRUPTION

In Deloitte's 2023 CEO Survey, well over half the respondents indicated geopolitical instability as one of the top external factors expected to influence or disrupt their business strategy over the next 12 months⁶. The rising cost of energy due to threatened natural resources is not only having a noticeable impact on family life – businesses, too, are feeling the strain. Not surprisingly, respondents to this year's World Economic Forum (WEF) Future of Jobs Survey⁷ expect a higher-than-average churn in the supply chain, which includes supply of both raw materials and human resource.

These supply shocks, coupled with escalating tensions in parts of the world that may have formerly supplied organisations with critical roles and resources has left CEOs and their talent management teams wondering how and where to replenish these sources.

“

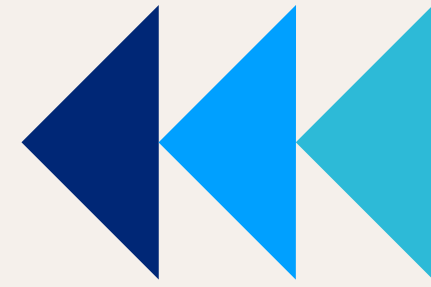
In such a **complex global environment**, CEOs need to sift through uncertainty to identify ways to **build resiliency** and paths for value in the long term⁶”



⁶ Deloitte – Fall 2023 Fortune/Deloitte CEO Survey Insights

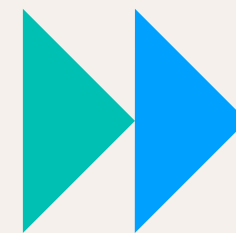
⁷ World Economic Forum – Future of Jobs Report 2023

THE MACRO LANDSCAPE LEGISLATION



Having previously struggled to keep pace with changing ways of working, employment legislation is starting to catch up, with tighter regulation around Artificial Intelligence (AI), ever-increasing cyber security threats and the growing number of 'digital nomads' within the workforce.

With chronic skills shortages prompting a rise in nearshore hiring, exploration of emerging talent networks, and AI an increasingly influential element of the workforce, organisations need to keep pace with a myriad of taxation policies, financial implications and ethical considerations before adapting their workforce strategy. Having an array of local legal and tax advisors to call upon will prove useful for businesses eager to build a more agile workforce by adopting cross-border working⁸.



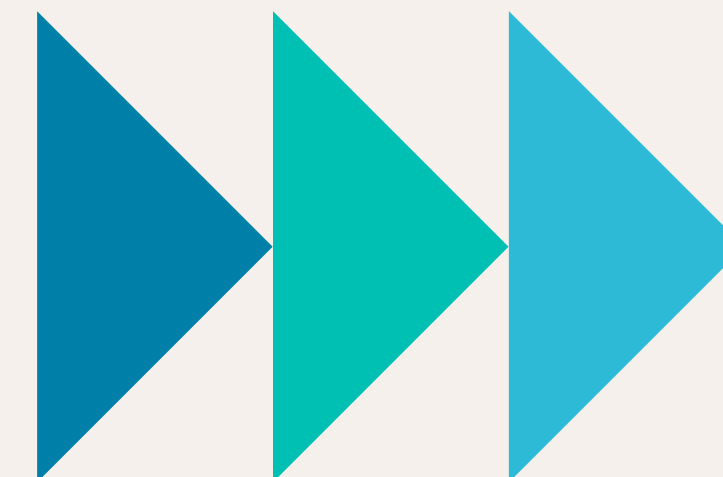
At the same time, with hybrid and remote working now a firm fixture of the modern workforce, organisations need to consider how they manage output, while respecting the privacy of their employees⁹. Rulings in the UK, Romania and the USA have all found that organisations breached employees' rights to privacy by remotely monitoring their activity while working. As businesses look for ways to get a clearer picture of productivity across an increasingly fragmented workforce, employee consent will become paramount.

When asked about the forces most likely to impact their industry's profitability over the next ten years, **more than half** of surveyed CEOs cited **regulatory change** as a key factor¹⁰

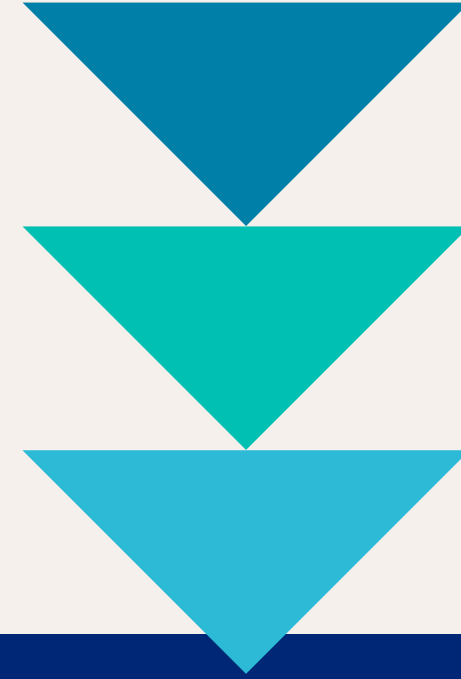
⁸ Hays – By the letter of the law: Legislation for the New World of Work

⁹ Hays – By the letter of the law: Legislation for the New World of Work

¹⁰ PwC's 26th Annual Global CEO Survey – Winning today's race while running tomorrow's



THE MACRO LANDSCAPE LEGISLATION



Here are Evelyn Styles' suggestions for what organisations should consider as they adapt their workforce strategy to incorporate Artificial Intelligence (AI) technology.



“ The way work gets done, where and by whom, is changing so rapidly that legislation governing the world of work is struggling to keep up and provide the regulation needed. Although there are core principles within existing legislation that all organisations need to comply with globally, it's not clear how the principles apply to new ways of working that encompass AI (although there is pending legislation around the use of AI that will come into force in due course). As technology continues to move at a rapid pace, businesses will need to make sure they keep up with changes in legislation, particularly where automation is taking over many functions.

When it comes to managing a more agile, cross-border workforce, consider investing in technology and external resourcing to handle the intricacies. A Vendor Management System (VMS) that tracks, automates and reports on the

full resourcing process can help you manage your flexible workforce. If you're looking to onboard permanent staff in overseas territories, you should also consider partnering with a global Recruitment Processing Outsourcing (RPO) provider. Working as an extension of your brand and with a deep understanding of local legislation and cultural nuances, your RPO provider can coordinate background checks and a thorough verification process, enabling you to connect with the right talent, at the right time – while remaining fully compliant. It is also vital for organisations train their staff to ensure they are compliant with data protection requirements, particularly where workers are operating remotely and have access to large amounts of sensitive data.

Evelyn Styles

General Counsel at Hays UK and Ireland



THE MACRO LANDSCAPE

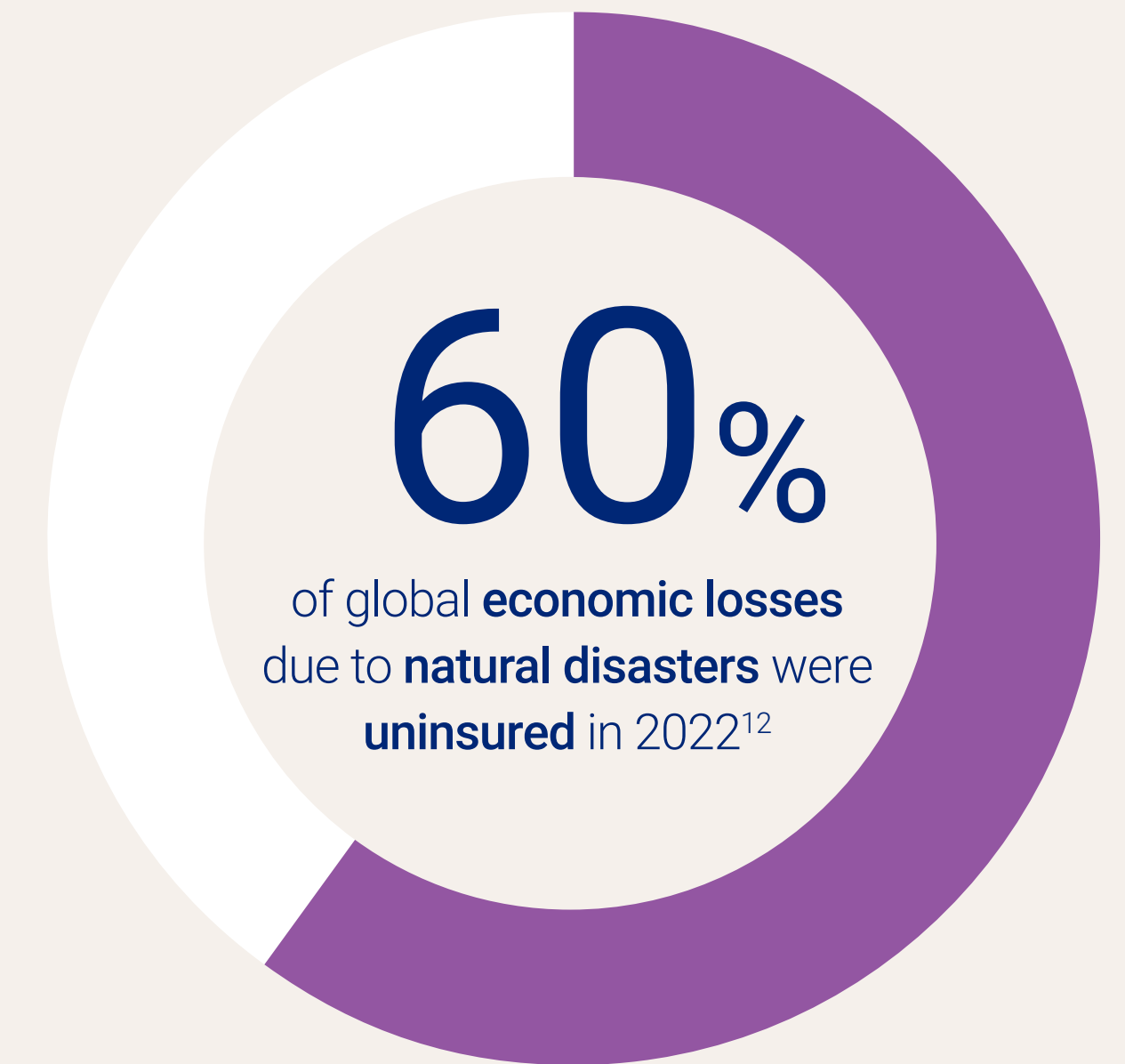
CLIMATE CHANGE

CEOs expect some degree of impact from climate change in the next 12 months – primarily in their cost profiles and supply chains. However, some are worried about climate-related damage to their physical assets¹¹. They should be. Natural disasters caused global economic losses of \$313 billion in 2022, of which \$181 billion was uninsured – an eye-watering 60% of the total¹². But the world is taking note and there is a determined move towards more sustainable operations in an effort to mitigate against future climate-related damage.

Impact on job churn

The shift to less impactful energy generation has a significant effect on the job market. Within the automotive sector, reduction in the number of fossil fuel-powered trucks could mean a net loss of 35,000 jobs at truck manufacturers in Europe alone¹³. Infrastructure companies and utilities would see a significant gain in employment as they recruit or train for skills needed to build renewable power generation and charging stations¹⁴.

Meanwhile, people's attitudes to an employer's environmental stance are changing. Many now look for organisations that not only mitigate their environmental impact, but are actively trialling solutions to facilitate meaningful change.



¹¹ PwC's 26th Annual Global CEO Survey – Winning today's race while running tomorrow's

¹² AON – 2023 Weather, Climate and Catastrophe Insight

¹³ BCG – Emissions Mandates Will Remake Europe's Trucking Industry

¹⁴ BCG – Emissions Mandates Will Remake Europe's Trucking Industry

CLIMATE CHANGE



Here are Kirsty Green-Mann's thoughts on the proactive steps organisations can take to facilitate meaningful change with their sustainability efforts, minimise risks to cost profiles and supply chains, and even gain a competitive advantage.



When it comes to enhancing your sustainability efforts, people are your biggest asset. Leaders should look to involve everyone – encourage them to contribute by creating internal networks they can collaborate in, and balance these initiatives with your organisation's strategic priorities. By aligning with the shift towards sustainable practices in the workplace, your organisation can gain a competitive advantage by communicating success – internally and externally – outlining how these actions translate into benefits for your customers.

If you want to attract and retain employees who prioritise environmental responsibility, make sustainability an authentic part of your culture. Involve people, partner with charities and NGOs as a 'critical friend' that supports your organisation on its journey, and leverage their experience and communications to excite your own team. Make sustainability an integral part of your business communications strategy by linking it to your product or service offering.



Kirsty Green-Mann

Group Head of Sustainability at Hays



THE MACRO **LANDSCAPE**

TRANSFORMING UNCERTAINTY INTO **COMPETITIVE ADVANTAGE**



Economic uncertainty has led to a shift in mindset, from “we need talent at any cost” to “cost is an important consideration”. This will naturally impact how organisations get work done, which means you need to rethink strategies around contracts, location and different ways to evolve the workforce. But, with the right planning and strategy in place, organisations can actually harness uncertainty in the macro environment and turn it into a source of competitive advantage.

Align your ambitions

Look closely at the structure of your organisation. You need to align your people strategy to your business strategy, which means HR needs to work closely with Procurement. This must be both strategic and tactical, with joint working practices, enhanced accountability and a link also to business representation so things can move through the sign off process. Dismantling these silos will result in a stronger web across the organisation when it comes to workforce management, which naturally makes you more scalable and resilient to changes in the external environment.

Don't compromise your long-term vision

Don't lose sight of the longer-term strategic direction of where you want to be as an organisation. There is a risk that initiatives such as Diversity, Equity and Inclusion (DE&I), sustainability and integration of HR and Talent Acquisition platforms within your wider tech ecosystem will crumble in the face of short-term cost pressures. Make sure these initiatives are baked into your organisational culture, again, by bringing all departments together.

Equip yourselves with partners and market data

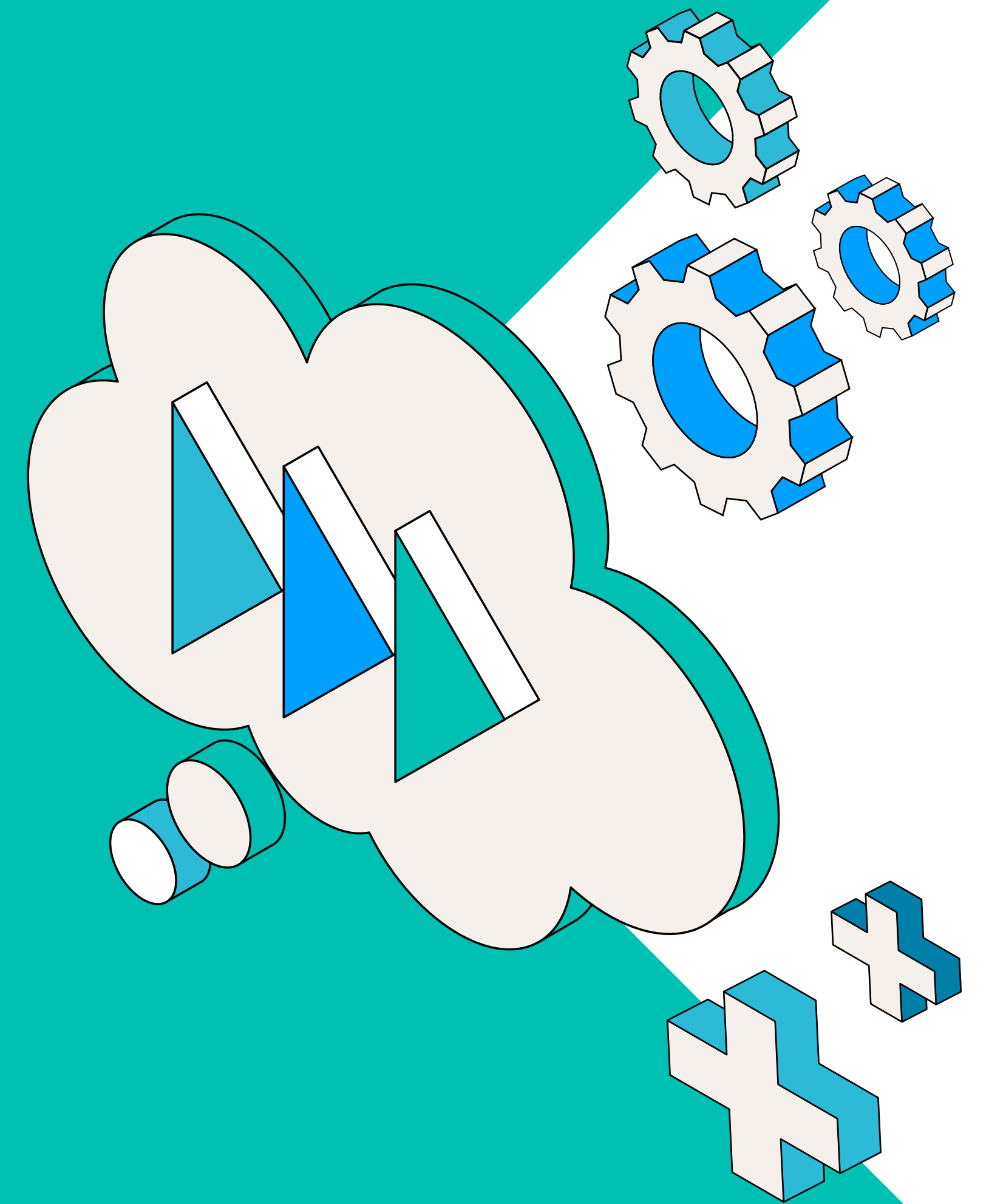
Then, think about how you're blending your in-house teams against those services delivered by third parties to create a network of extended partners that means you can be flexible for the future. This is what I call 'gathering your army'. This can help you with horizon scanning to spot any threats or opportunities – be really clear about what you need from them and hold them to account for delivering that. Wrapped around this is making sure you have access to contemporary market data - and that you know how to use it. Know what you should be looking for and how to identify the 'red flags' or 'green lights'. You may need specialist support on this, which our [Talent Advisory team](#) can provide.

Ruth Munday

Global Head of Client Development, Enterprise Solutions at Hays

THE INNOVATION LANDSCAPE

EMBRACING INNOVATION



EMBRACING INNOVATION



The technological advancements driving change in the world of work

The transformative impact of technology on the way we work is nothing new. But the pace of advancement is mesmerising and demands that organisations react – or risk being left behind. The rapid development of Artificial Intelligence (AI) alongside the rise of digital collaboration tools have completely reshaped the working landscape, almost overnight.

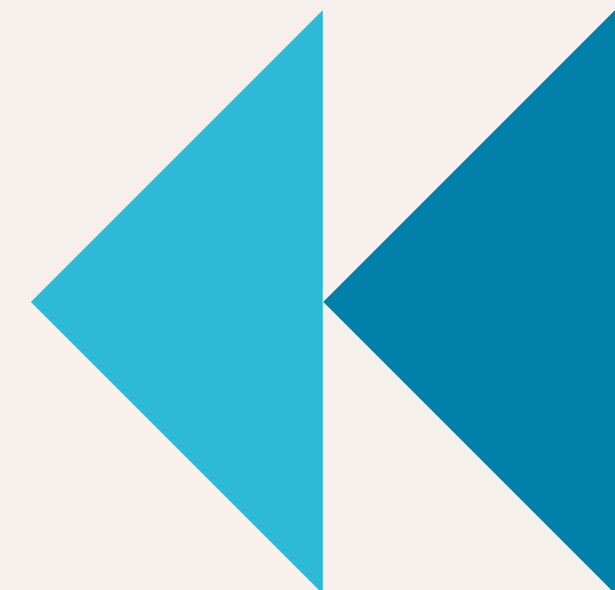
This presents an array of exciting opportunities, but also a wealth of challenges. As technology continues to redefine what is possible, CEOs and their senior teams are struggling to zoom in on the critical details in order to craft an appropriate strategy.

Prioritise agility

They need to identify and understand the innovations that will enable them to get work done better now, whilst shaping a clear change management journey for implementation and optimisation in the future – as well as ensuring they have the skills in place to leverage these technologies. But current learning and development programmes aren't geared up to cope with this accelerated pace of change. Skills learned today can become obsolete with the leap forward, which could be years, months, or just weeks away. Organisations need to design agile ways of training to ensure they keep pace with innovation.

It's a tough 'to-do' list for any senior executive. To help you stay abreast of an ever-evolving landscape, we've identified three key areas that talent management teams believe will have the greatest influence in shaping their tech-driven workforce strategies.

- 1** Artificial Intelligence
- 2** A digital-first employee experience
- 3** Sustainable workplaces



THE INNOVATION LANDSCAPE

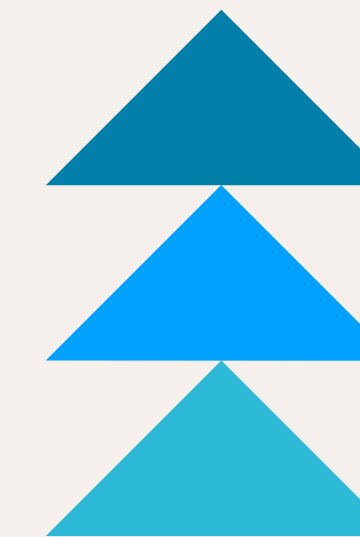
ARTIFICIAL INTELLIGENCE (AI)

While automation is a continual factor in redefining how and where work is carried out, the rate of adoption is slower than previously anticipated, with just 1% more respondents to the World Economic Forum's Future of Jobs survey¹⁵ in 2023 than in 2022, saying all business-related tasks are performed by machines.

Advances in automation technology in general, and AI in particular, are being slowed by a global shortage of workers with the necessary skills and experience in areas such as Deep Learning, Natural Language Processing and Robotic Process Automation, that are needed to take advantage of emerging tech¹⁶.

Still firmly on the upward trajectory, Generative AI brings further opportunities to disrupt established ways of working. Many organisations are actively implementing Generative AI to some degree¹⁷, and many more experimenting, with CEOs believing it will increase both efficiency and growth.

Advances in **automation technology** in general, and AI in particular, are being slowed by a global **shortage of workers**



¹⁵ World Economic Forum – Future of Jobs Report 2023

¹⁶ Financial Times – Closing the AI skills gap

¹⁷ Deloitte – Fall 2023 Fortune/Deloitte CEO Survey Insights

ARTIFICIAL INTELLIGENCE (AI)



Christiaan Cumine outlines his thoughts on why organisations should be interested in AI, the associated risks and considerations, and how it can be implemented.



Many CEOs and CIOs believe that implementing AI will help them to remove costs from the business, while others hope that AI will help them to grow their market and increase profits. There is also a certain element of 'Fear of Missing Out' (FOMO), as organisations see their competitors experimenting with AI and feel under pressure to join in, and not be left behind.

You need to take the time to make sure you do it properly, because the pitfalls and implications of getting this wrong are more serious than making a mistake elsewhere. One big fear customers have about using AI technology in the workforce space as part of the recruitment process, is any potential legal challenges that might result from bias within the algorithm. Legislation is lagging behind the tech and organisations are concerned about the risk to their reputation if they get this wrong.

Due to the rate at which AI is evolving, organisations need to be agile and constantly reassessing how it can address their business needs. You need to get buy in from your senior leadership team, so a good starting point would be to take time to understand what your business goals are and then set up your data correctly, because data integrity is a critical part of the process. You can then identify the core skills you need and train for those to enable your organisation to move at pace.

Technology needs to enhance the human experience. When it comes to implementing AI in your business you need to figure out how you can use it to augment what you're currently doing and make your processes more efficient.



Christiaan Cumine

Chief Product Officer at Hays



A DIGITAL-FIRST EMPLOYEE EXPERIENCE

The popularity of 'digital nomads' and technological advancements enabling greater connectivity means the workforce of tomorrow is set to become more disparate and digital than ever before.

Organisations must build an ecosystem which balances technology that streamlines hiring and working practices, while demonstrating a people-first culture in their Employer Value Proposition (EVP) and people strategy¹⁸.

One approach is for leaders to look at rebalancing synchronous (where employees work together, at the same time) and asynchronous (where people work remotely and at variable hours) work. Although the majority of HR leaders believe that synchronous modes – such as meetings and presentations – are the most important means of driving innovation, data¹⁹ shows that asynchronous work modes are equally important.

A focus on employee wellbeing

The digitisation of the workforce also requires organisations to reassess their wellbeing provision²⁰. Drawing the boundaries between work and home, organisations must ensure adequate provisions are in place to safeguard staff against chronic stress and burnout. With a rising number of non-permanent and freelance workers, leaders have a vital role to play in establishing the norm by modelling the 'right to disconnect', which can lead to increased productivity, employee wellbeing and retention.

Leaders have a vital role to play in establishing the norm by modelling the **'right to disconnect'**



¹⁸ Hays – Unlocking hidden skills: How to source the talent you need to power success

¹⁹ Gartner – 4 Modes of Collaboration Are Key to Success in Hybrid Work

²⁰ Hays – By the letter of the law: Legislation for the New World of Work

A DIGITAL-FIRST EMPLOYEE EXPERIENCE



Matthew Dickason offers his insights on how organisations can shape their workforce strategy to enhance both productivity and wellbeing in a digital-first environment.



“ Organisations need to consider the digital experience of all workers – the rising volume of contingent workers and the adoption of hybrid and remote working arrangements enable people to wear multiple ‘hats’ - often simultaneously and in differing locations.

This raises important considerations – if individuals are working for multiple organisations at any given point, how can they protect the intellectual property of work produced? Also, if these individuals are operating in overseas territories, you’ll need to consider the scope of their role and how this will impact your approach; workers with the ability to bind the organisation into contracts with local clients, or those who utilise a home office on a continuous basis, means that as an employer you may be liable to pay corporate and employment taxes in the specific country.

When it comes to drawing the boundaries in a more digital world, as a leader it’s your responsibility to create and nurture an open and productive environment. In lieu of regular face-to-face interactions, you need to get the foundations right. Aligning with your workforce strategy, consider setting core collaboration hours - this is especially useful for global businesses operating across multiple time-zones. During these hours, prioritise the challenges that requires collective problem-solving or critical thinking, while giving workers the opportunity to complete work that requires ‘deep focus’ outside of these hours. Maybe your operating model allows greater flexibility – if so, consider allowing employees to design their working week around times that work best for their ‘work-life fit’, rather than linear scheduling.”

Matthew Dickason
CEO of Asia Pacific at Hays

THE INNOVATION LANDSCAPE

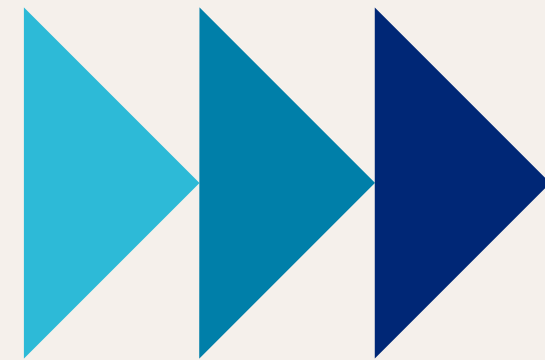
SUSTAINABLE WORKPLACES

Besides the financial benefits that sustainability practices like energy conservation provide, studies have found that employee retention, productivity, and overall engagement all improve. Nevertheless, it's hard for companies to operationalise sustainability goals, even when the people working for these companies, including their leaders, care about sustainability in the world.

Operationalising sustainability

Well over a third of organisations globally have committed to achieving 'Net Zero', yet nearly all (93%) will fail to achieve their goals if they don't at least double the pace of emissions reduction by 2030, according to Accenture²¹. The problem is that not enough companies have yet figured out how to link their employees' values and support for sustainability with their daily work and the company's operations. In other words, it's not in the why, but in the how of embedding sustainability where the gap lies²².

With the increased adoption of smart, digital solutions within urban development²³, the buildings in which work takes place could be the perfect place to start²⁴. Whether that's by investing in installing onsite solar panels, procuring renewable energy, or switching to smarter lighting, heating or waste disposal options. As workers are increasingly concerned about whether their employers are taking sufficient action on sustainability, these measures could also have a positive impact in getting people to return to the office on a regular basis.



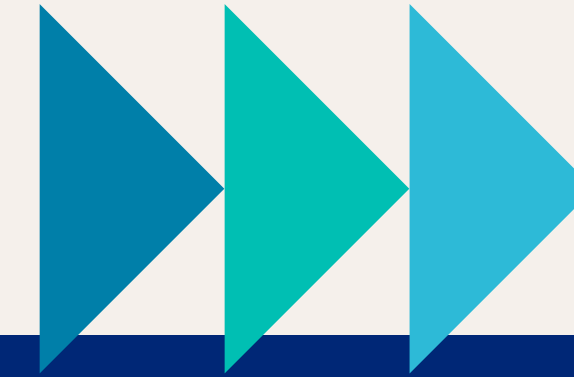
²¹ Accenture – Nearly All Companies Will Miss Net Zero Goals Without At Least Doubling Rate of Carbon Emissions Reductions by 2030

²² SSIR – Engaging Employees to Create a Sustainable Business

²³ KMPG – The future of cities

²⁴ World Economic Forum – Sustainable buildings make sense for people, planet - and business

SUSTAINABLE WORKPLACES



Here's Paul Gosling's take on how organisations can shape their workforce strategy to align with sustainability objectives, enhance employee engagement, and potentially encourage a return to the office.



Sustainable workplaces are clearly an important factor in the future. A recent [IBM study](#) said that 71% of people found it important that their employers take sustainability issues into account, and our [own salary guide](#) survey yielded a very similar figure. In terms of culture, it's about understanding what sustainability means for your organisation. What's material to your area of business? Make sure you have a dedicated specialist looking at sustainability to provide a sense of direction, so employees feel that there's an individual they can go to with questions and suggestions. In practical

terms, you can review your energy management strategy – reducing the amount you're using in the first place is even better than using it from a sustainable source.

There's an increasing recognition that people's personal and professional lives are quite intertwined. So as an employer, you should recognise that you're quite a big influence on each individual's complete life rather than just their professional life.



Paul Gosling

National Director - Sustainability at Hays UK and Ireland

EMBRACE INNOVATION AND HARNESS CREATIVITY

Collaborate with innovation experts

It can be challenging for organisations to identify technological innovations, particularly if they're not native digital companies, like banks, insurance companies or central government agencies. This makes it more difficult to create a culture of innovation, meaning these companies need to source it from outside their business, or actively produce it from within the organisation. While some businesses have intrapreneurs that drive creativity and innovation, there's an increased appetite for larger organisations to collaborate with start-up and scale-up partners with expertise in innovation.

For example, at Hays, we run a competition with one of our partners called [Super Connect for Good](#), where early stage organisations get the chance to pitch their products, not just to ourselves, but to our customers and the broader ecosystem. It's a great way to keep up to speed with innovations and disruptive technologies.

Engaging with new technology by piloting

When it comes to organisations leveraging innovations, I recommend piloting. This can be by running a pilot directly or creating a Minimum Viable Product (MVP) with a third-party organisation. Piloting allows you to test and learn, with the potential to then scale off the back of it.

Engaging with the technology and understanding the use-cases is incredibly important for organisations, and this method allows that to happen. At Hays we had a very early relationship with [Go1](#), an online learning platform who are now a tech unicorn. That's a good real-life example where we've engaged with the technology, piloted and then scaled.

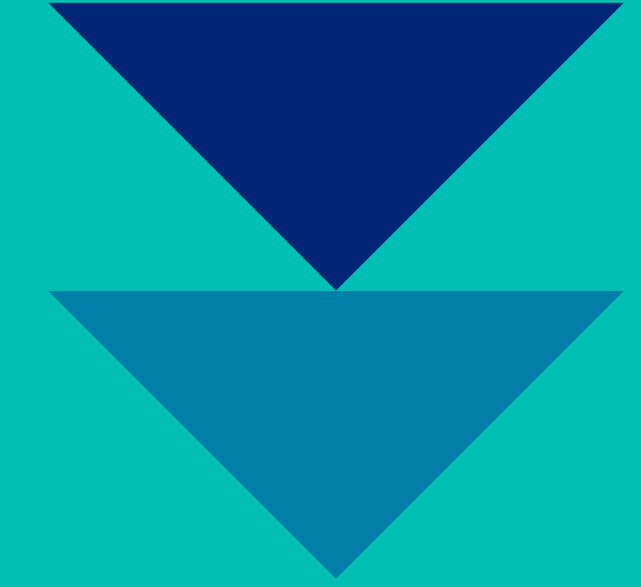
Embrace innovation or risk getting left behind

There's a clear commercial imperative for organisations to embrace innovation and a commitment to continuous improvement. If you don't innovate or disrupt, your competition will, and you risk being left behind. For example, Generative AI is everywhere, and the technology is ahead of the legislation, which makes it a risk-reward equation presently. If you don't give your people access to it, or allow them to experiment and learn, other businesses that do will gain a competitive advantage. Leaders need to make sure that the organisation understands the business benefit of technology and innovation. They must then actively drive it forward. I see this as a part of everybody's jobs. You want to harness all the creativity that exists within your business. Having a person who can champion innovation within the organisation is great, as long as it doesn't stifle creativity more broadly across the business. The greatest asset any business has is the creativity of the people that work there.



THE INNOVATION LANDSCAPE

EMBRACE INNOVATION AND HARNESS CREATIVITY ...CONTINUED



Closing the skills gap involves engaging multiple stakeholders

As organisations look to close growing skills gaps, there's not just one channel or one part of the equation that closes them. It requires engaging many different stakeholders, including government, education and industry. We need to make sure that the education system is producing people that not only have the skills that are required for the future, but have the capability of evolving and changing as those skills requirements evolve and change over time too. They can't do that in isolation, because they need to have the right government frameworks in place. They need the knowledge coming from industry to support that. We also need to make sure that people get the access to the opportunity, by addressing issues of social mobility. Not everyone can afford or has the social infrastructure around them to be able to go to university. Apprenticeships might be one way of solving that.

Think creatively about combining people and technology

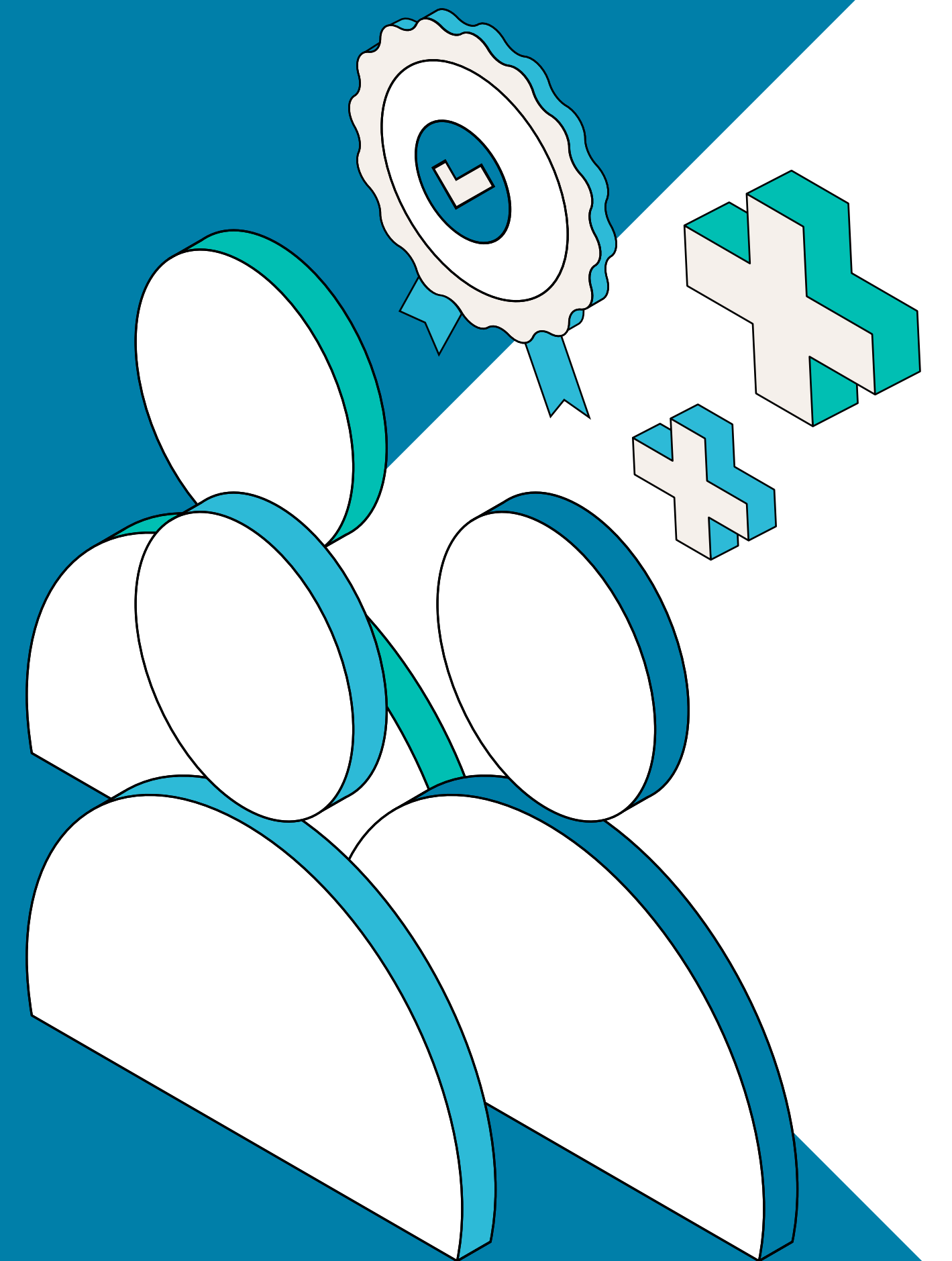
As jobs change or stop existing, organisations also need to consider how to take people with a certain set of transferable skills or competencies and retrain them for new roles. It's much easier and inexpensive to take somebody who works for you with transferable skills and retrain them, than it is to make that person redundant and hire somebody with skills from the market. We also need to consider whether technologies like generative AI can help close the skills gap, rather than be seen as a threat. Is there a way of solving it more quickly by combining people and technology? Organisations should think creatively about how to combine their own internal talent with freelancers, external partners or entrepreneurs to build an ecosystem around innovation.

James Milligan

Global Head of Technology Solutions at Hays

THE PEOPLE LANDSCAPE

EMPOWERING YOUR PEOPLE



THE PEOPLE LANDSCAPE

EMPOWERING YOUR PEOPLE

The demographic and motivational changes affecting the world of work

The nature of the relationship between employers and employees and the world of work has changed forever²⁵. The rise of alternative ways of working, new talent sources and emerging generations brings a wide range of challenges and opportunities for both employers and employees.

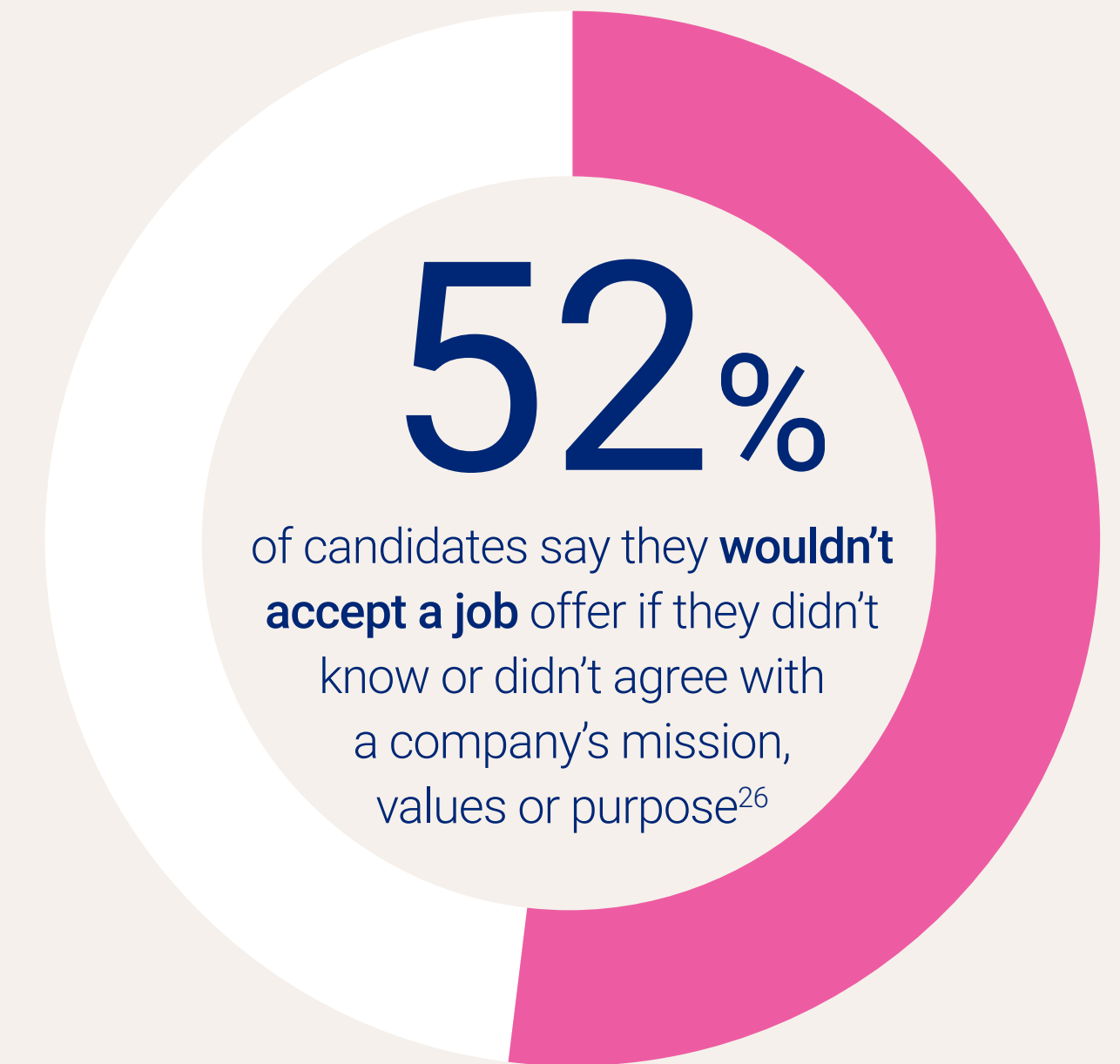
Over the past three years, many people have reassessed their motivations for working, instead focusing on finding working arrangements that better suit their lifestyle, sourcing opportunities that will enable them to enhance or extend their skillsets, and ensuring who they opt to work for aligns with their own beliefs and ambitions. As a result, they are much choosier about how their employers behave and what they stand for. We no longer go to work simply to pay the bills; we go to work for so much more – to feel that we are making a difference. So much so, that, according to a survey by LinkedIn, 52% of candidates say they wouldn't accept a job offer if they didn't know or didn't agree with a company's mission, values or purpose²⁶.

Sustainability remains crucial

Companies are also competing to enhance their own status as being more environmentally aware. This is unsurprising, given that in our recent Hays US Salary Guide²⁷, 79% of candidates stated that a company's sustainability credentials and activities were important to them when choosing an employer.

Our findings suggest that there are three key trends CEOs, CHROs and Procurement and Talent leaders should be aware of when responding to changes in this area.

- 1 **Return to the office**
- 2 **Diversity, Equity & Inclusion**
- 3 **Training and development**



²⁵ Hays – By the letter of the law: Legislation for the New World of Work

²⁶ Hays – The importance of having a strong organizational purpose

²⁷ Hays – Hays U.S. Salary Guide 2023

THE PEOPLE LANDSCAPE

A RETURN TO THE OFFICE?

Driven by dramatic digitisation, attitudes towards work and employee expectations as to how they provide value has shifted. Organisations need to work at building a strong Employer Value Proposition (EVP) to attract and retain top talent²⁸.

But the debate around where work gets done continues to rumble on. The shift to home-working during the Coronavirus pandemic was a globally-enforced experiment on the impact of location on efficiency and productivity. But workers proved unequivocally that they can be just as productive and effective as when working in employer-controlled spaces – if not more. They also consider themselves to be more successful, both at work and in their personal lives.

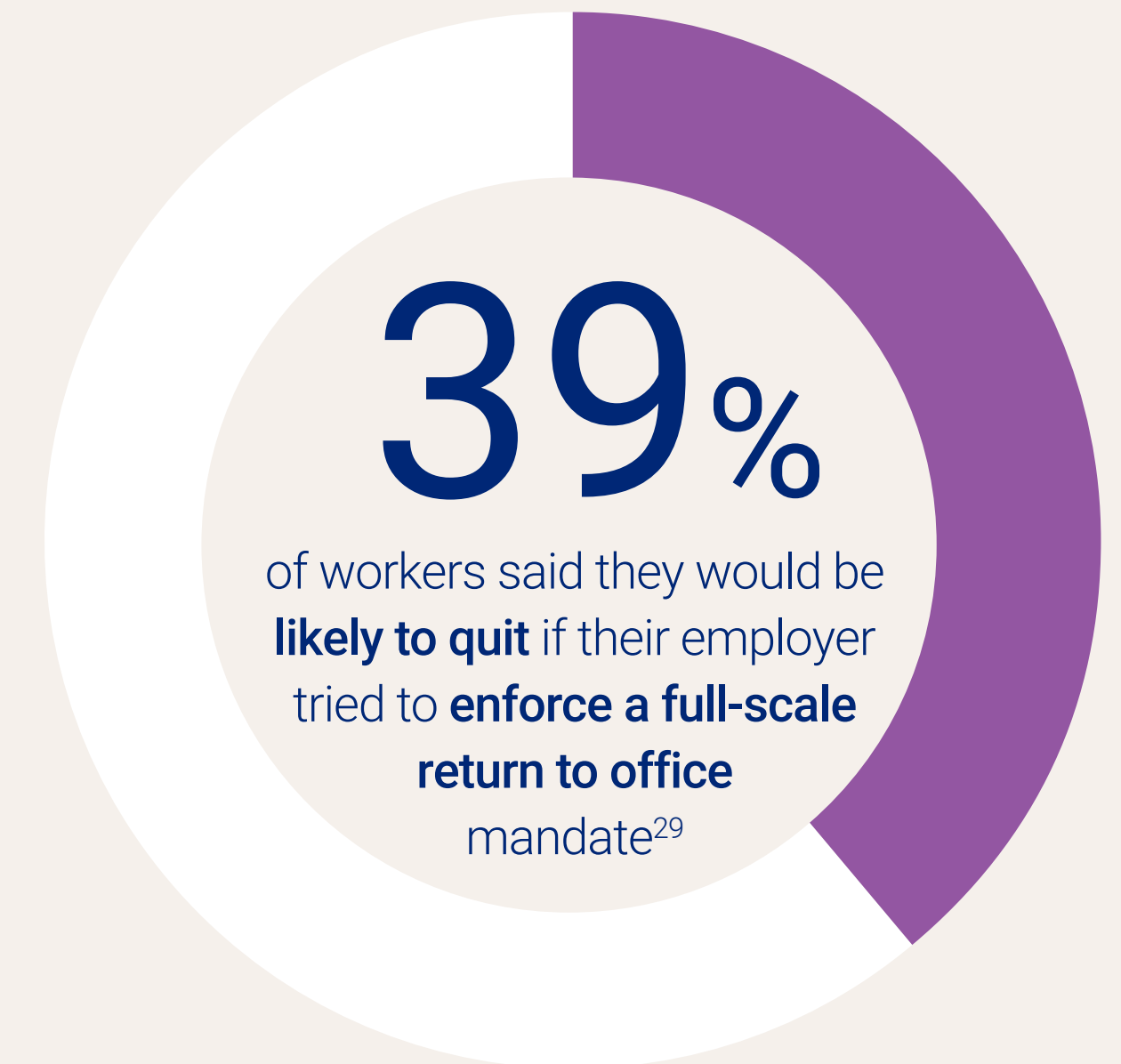
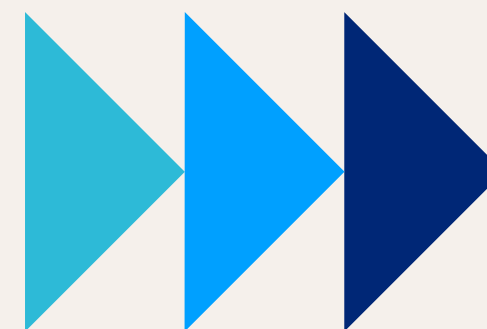
Changing habits

It's hardly a surprise, then, that many don't want to go back to old ways of working. In fact, according to a Gartner study of more than 4000 employees, 39% said they would be likely to quit if their employer tried to enforce a full-scale return to office mandate, and 55% say their ability to work flexibly will impact whether or not they stay with their employer²⁹.

On the other hand, global CEOs are keen for staff to work from the office more frequently, with a majority anticipating that a full return to office is only three years away. What's more, nearly 90% of CEOs say they are likely to reward employees who make an effort to come into the office with favourable assignments, salary increases or promotions³⁰.

A difference of opinion

There is a gulf, then, between what employers are offering and what workers expect. Gartner's research revealed that 75% of leaders believe they already offer flexibility, yet only 57% of employees agree³¹. And despite common perceptions that remote workers suffer from a dearth of engagement with workplace culture, data shows that those working away from the office have higher engagement, trust and discretionary effort levels and more comfortable taking risks and innovating than their office-based counterparts³².



²⁸ Hays – Unlocking hidden skills: How to source the talent you need to power success

²⁹ Gartner – Make the Future of Work a Win-Win for People and Organisations

³⁰ KPMG – Talent, The evolution and reprioritization of talent

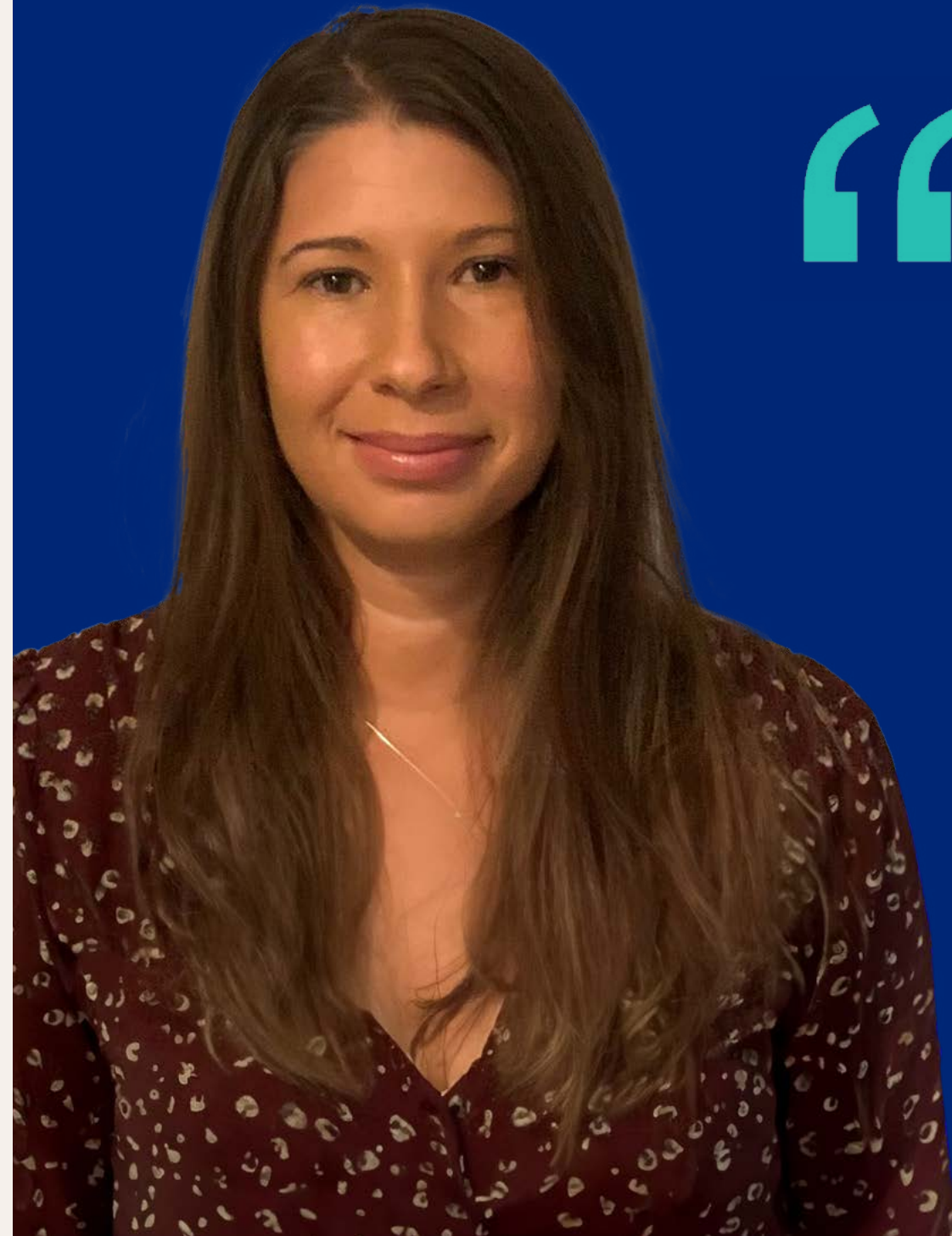
³¹ Gartner – Make the Future of Work a Win-Win for People and Organisations

³² Gartner – You Can Create Employee Connections Without More Meetings

A RETURN TO THE OFFICE?



Elly Boggis offers advice on the strategies and initiatives organisations should be exploring to ensure that 'return to office' remains a conversation, rather than a point of conflict with workers.



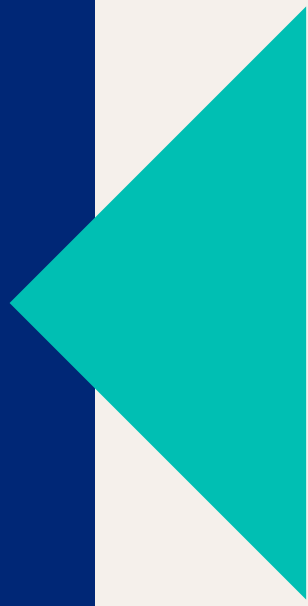
We believe hybrid working will be here to stay but it's becoming more about 'Where is the best place for me to work and to be successful?' rather than just home vs office. Organisations will find it hard to mandate a full return to work, after contracts and policies have been changed allowing people to change their lives and schedules. People now have choices and you will see good people leave if you mandate a new policy of full office working, without preparing your workforce.

The return to office can't be a forced ask, there needs to be consultation. Also, look to create meaningful reasons for coming into the office – this isn't just about socialising after work, but also wellbeing, educational, and networking events, as well as training. We also encourage 'walk and talks' shaping thinking partner conversations while people are face-to-face.



Elly Boggis

Global Service Assurance, People and Culture Director,
Enterprise Solutions at Hays



THE PEOPLE LANDSCAPE

DIVERSITY, EQUITY & INCLUSION (DE&I)

A new generation entering the world of work, the changing expectations of existing employees and an increasingly divergent workforce have transformed organisational culture and values. A strong DE&I strategy should be your key priority to address skills shortages and enhance your employee experience. For example, consider assessing people on their potential and transferable skills, rather than education credentials, to bridge the skills gap.

Growing discontent

However, there is growing discontent. Many workers feel that their organisations are not delivering against their DE&I ambitions. According to Gartner³³, 44% of employees agree that a growing number of their colleagues feel alienated by their organisation's DE&I efforts, with many reporting disappointment at the pace of change and apparent reduction in commitment from their employers³⁴. Businesses need to act now to address this imbalance, or lose credibility and trust.

Active inclusion creates a sense of belonging in a digital-first, more disconnected world, and is a critical stepping-stone to engage the previously 'hidden workforce' – including caregivers, people with disabilities, refugees, veterans and the previously incarcerated³⁵ who need additional support to settle into work. Promote inclusion from day one by canvassing the opinions of employees and new starters on their preferred learning and working style to get the right tech in place for people to thrive.

Measure progress for continuous improvement

Organisations that make an authentic commitment to DE&I, by translating promises into actions and communicating successes, are taking the first steps towards building an inclusive culture. Maintain this momentum by embedding a process to assess progress – regularly measure employee sentiment and identify areas for improvement.

Companies with more ethnically and gender-diverse workforces outperform their competitors by as much as 36%³⁶



³³ Gartner – How to Navigate Pushback to Diversity, Equity and Inclusion Efforts

³⁴ Harvard Business Review – To Sustain DEI Momentum, Companies Must Invest in 3 Areas

³⁵ AIHR – Unveiling the Hidden Workforce: How To Tap Into Its Potential

³⁶ Hays – BEYOND DIVERSITY, Leveraging DE&I to navigate the challenges of 2023

³⁷ Hays – BEYOND DIVERSITY, Leveraging DE&I to navigate the challenges of 2023

DIVERSITY, EQUITY & INCLUSION (DE&I)



Dan Robertson shares his ideas about the role DE&I plays in bridging the skills gap and the steps organisations should prioritise in order to strengthen their approach in 2024.



Organisations can strengthen their approach to DE&I by capturing their diversity data, so they get a clear picture of their demographics, and collect information on inclusion and belonging at work, to discover how their employees think and feel about their experience in the workplace. They also need to continue to educate their workforce. Our [UK DE&I survey](#) revealed that middle managers are really quite nervous around conversations about DE&I, so skills building with that cohort in particular would be very beneficial.

When it comes to effectively communicating your commitment to DE&I, internally it's all about consistency of message and flow of communication. It's important to make sure the messages are repetitive, at every touchpoint, because employees want authenticity from leaders.



Dan Robertson

Global Head of DE&I Advisory Services at Hays



THE PEOPLE LANDSCAPE

TRAINING AND DEVELOPMENT

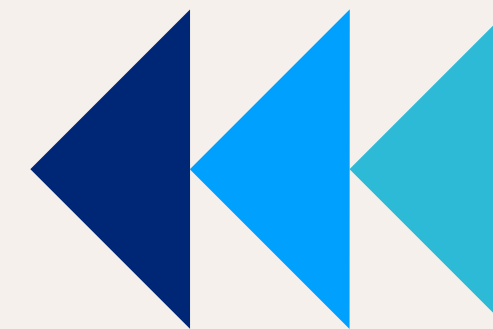
A recent study by the World Economic Forum (WEF)³⁸ shows that CEOs believe nearly a quarter of the types of roles that exist today won't exist in five years' time – suggesting around 83 million jobs will become obsolete and disappear. Although this could be seen as a 'mass exodus' from the workforce, it also presents an opportunity for companies to reconsider who they approach, how they are managed and the opportunities available to continually develop and redevelop these individuals, as organisations start seriously investing in the workforce of tomorrow.

Alternative talent pools

Traditional forms of education are failing to keep pace, and organisations urgently need to find solutions to fill growing skills gaps, particularly in technology-focused roles. Hire-Train-Deploy models offer a contemporary solution, with cohorts recruited and trained to prepare them for work at a client site³⁹. This approach can offer a much-needed boost to DE&I efforts, attracting a wider range of diverse talent who would be priced out of more traditional training models.

However, this requires a 'big picture mentality', as it involves sizeable upfront investment. Organisations also risk losing these skilled individuals once trained, which needs to be managed and mitigated by considering the career trajectory of candidates after the placement is complete. It is crucial that businesses work this into their short and long-term roadmaps, as successful training programmes are built on the foundation of a clearly defined workforce strategy⁴⁰.

Hire-Train-Deploy models offer a much-needed boost to DE&I efforts, attracting a **wider range of diverse talent** who would be priced out of more traditional training models



³⁸ World Economic Forum – Future of Jobs Report 2023

³⁹ SIA – The Recruit-Train Deploy (Hire Train Deploy) Model

⁴⁰ Hays – Learning Mindset Report 2022

TRAINING AND DEVELOPMENT



Here's Harry Gooding's perspective on how organisations can ensure the workforce of tomorrow is well-prepared for evolving roles, with training at the forefront of both short and long-term workforce strategies.



In terms of the strategies and initiatives organisations can implement to ensure the workforce of tomorrow is prepared for evolving roles, you don't necessarily need to be particularly innovative or cutting edge. Just get the basics right. Understand your workforce, and analyse their skills and capabilities rather than just traditional workforce analysis, which might just be job title focused.

When it comes to putting training at the forefront of short and long term workforce strategies, the most important

action you can take is to change people's views of learning and development. Whether it's renaming it, tying it to people's career development, over-investing in the quality of the delivery, or the executive team sponsoring training in every single communication they send out, you need to find a way to change it from being something people have to do and resent, to something people look forward to and champion. It's all about mindset.



Harry Gooding

Director, Skills & Learning at Hays



DIAL UP YOUR PEOPLE EXPERIENCE



Hybrid working is here to stay – but how that works in practice will depend on each company’s culture; there is no ‘one size fits all’ model. We need to clearly define why we are in the office and that intent then needs to be measured.

Engage everyone and make your commitment to your people experience clear

When it comes to organisations proving their commitment to DE&I and training, it’s fundamentally about engagement. If organisations do not dial up their people experience, their top talent will leave and others will become disengaged, which means that productivity will falter. Engagement and productivity are intimately correlated – you cannot have one without the other. Companies need to make a clear commitment to their people to secure engagement, but this doesn’t always need to be a big statement. Rather, it’s about the day-to-day actions of everyone in the organisation, practicing good leadership to ensure people are united behind the organisation’s goals and higher purpose, with the necessary upskilling and reskilling initiatives in place to ensure everyone can deliver their ‘part’ in this plan.

DE&I requires allocated budget and resources, not just passion from selected individuals

Against the backdrop of continued economic uncertainty, organisations are under increasing pressure to keep key strategic priorities like DE&I and training at the top of their agenda. But it’s imperative to ensure sustainable growth. DE&I cannot just be based on the passion of a select few across the organisation. It needs to have real structures around it, with allocated budget and resources to bring this to life. This sustained investment from organisations will create the psychological safety necessary for employees to share their thoughts and ideas to help the company improve.

Empower your people and unlock the benefits of a diverse workforce

Every organisation has employees with the power to unlock solutions at all levels. But without conscious inclusion, psychological safety and a relentless focus on empowering your people, you can’t hope to unlock the benefits of a diverse workforce.

Bianca Stringuini

Global Head Diversity, Equity & Inclusion at Hays

START WORKING ON TOMORROW, TODAY



What are the most important emerging trends impacting strategic workforce management?

At the macro level, the world is a far smaller place now than it's ever been, and this goes for the world of talent too. With the move towards flexible work models and with talent available across the globe, it's important for businesses to realise that they haven't got to hire someone on a permanent contract in a specific location. Contingent workforces create agility for businesses and are essential in getting skills onboard fast – we're seeing them form a greater percentage of the total workforce than ever before.

The most visible workforce trend that has emerged is technology, and specifically Generative AI. Many organisations have not yet worked out how best to tackle AI – it's seen as a threat of course, but it's also seen as a huge benefit to the business. Automation of routine tasks and processes releases time for human interaction to focus on more value-adding activities. In the world of talent acquisition for example, identifying and interacting with the right candidates is being transformed by the use of AI. Many leaders believe that AI will eliminate jobs – while this is true for certain types of roles, it will also create opportunities for roles that we haven't even conceived yet.

With labour shortages reported globally, it's vital that businesses understand the need to be an attractive destination to potential recruits. Developing your Employee Value Proposition (EVP) or

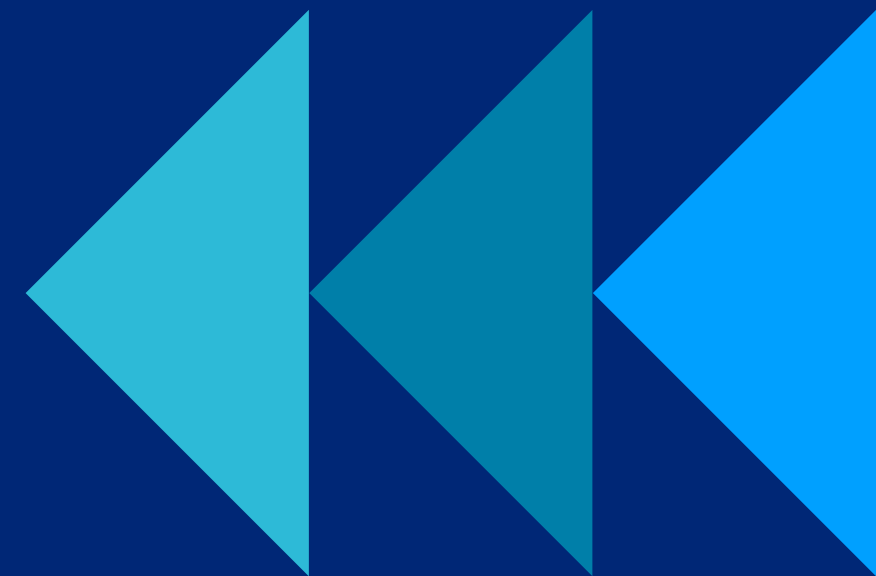
Contractor Value Proposition (CVP) will be critical to attract the right candidates. This will need to include agreements on flexible working, ensuring you have visible ESG standpoints, and that you are serious about diversity, equity and inclusion. These are all key factors in how to attract the right talent. How you then hold onto that talent opens up a whole different set of challenges – work-life balance, interesting work or projects, wellbeing provisions, having clear development paths to learn new skills and more.

How should organisations prepare for the new world of work?

Consider your location strategy and use of non-permanent workspaces (and teams) as the way forward. Seek out business intelligence on the skills you want today – and tomorrow – and find out where they are available at the most competitive costs.

The ability to utilise skills on an on-demand basis rather than tethering to a large fixed cost workforce gives far greater competitive advantage. As does using the wider variety of skills capabilities available through Statement of Work models, outsourcing and offshoring work packaging. Used strategically, these can optimise work output versus cost.

Make yourself a career destination of choice over your competitors by attracting – and re-using – the best talent available. Generate and foster amazing teams.



START WORKING ON TOMORROW, TODAY ...CONTINUED



How are our services evolving to support organisations in this changing cultural and economic environment?

70% of clients believe that they do not have the skills they will need in five years' time, as the world of work evolves at breakneck pace.

Our Business Intelligence service is at the forefront, working with clients to understand their corporate objectives, their work product and desired outcomes for the future. We are then formally mapping this, with our HR functions, against existing skills and understanding the delta – is it a development or an acquisition need? And if the latter, where in the world do those new skills sit at an optimised cost? In short, highly evolved talent planning built on clear business intelligence that focuses on internal and external forces to keep our clients both current and competitive.

Alongside this, our Talent Advisory – a full suite of talent advisory services from Talent Planning and Development to Location Strategy, DE&I and Assessment services – helps clients understand how best to plan for talent, what's needed and where, assessing talent and ensuring a strategy is in place to attract and retain the best talent possible.

Nigel Kirkham

CEO, Enterprise Solutions at Hays

YOUR 2024 **WORKFORCE STRATEGY** ACTION PLAN

01

INFLATION

Help mitigate rising costs by understanding the risk profile of the debtor books and the cash profile of your business, managing the profitability of your business by ruthlessly prioritising where to spend the money, and implementing a pricing dynamics strategy. Carefully manage your property strategy alongside your workforce strategy – consider the impact of hybrid and working from home when you're thinking of opening new office spaces.

02

LEGISLATION

As technology continues to move at a rapid pace, you need to make sure you keep up with changes in legislation. Invest in technology and external resourcing, such as a Vendor Management System or Recruitment Processing Outsourcing provider to help you manage your cross-border workforce, so you can connect with the right talent, at the right time, while staying fully compliant.

03

CLIMATE CHANGE

Make sustainability an integral part of your business communications strategy by linking it to your product or service offering, and involve your people to ensure it becomes authentically embedded in your workforce culture.

04

ARTIFICIAL INTELLIGENCE (AI)

When it comes to implementing AI in your business you need to figure out how you can use it to augment what you're currently doing and make your processes more efficient. Take time to understand what your business goals are and then set up your data correctly, because data integrity is a critical part of the process. You can then identify the core skills you need and train for those to enable your organisation to move at pace.

05

A DIGITAL-FIRST EMPLOYEE EXPERIENCE

Consider how you can protect the intellectual property of work produced by contingent labour and carefully plan your approach to overseas workers to mitigate the risk of corporate and employment taxes becoming due. In terms of workforce strategy, set core collaboration hours, prioritise tasks that require collective problem-solving and consider allowing employees to design their working week around times that work best for their 'work-life fit'.

YOUR 2024 **WORKFORCE STRATEGY** ACTION PLAN ...CONTINUED

06

SUSTAINABLE WORKPLACES

With an increasing number of employees believing their employers should take sustainability issues into account, it is important to make sure you understand what sustainability means for your organisation as you shape your workforce strategy. Make sure you have a dedicated sustainability specialist to provide a sense of direction, so employees feel there's an individual they can go to with questions and suggestions.

07

A RETURN TO THE OFFICE?

With hybrid working here to stay, when shaping your workforce strategy you need to explore initiatives that ensure 'return to office' remains a conversation, rather than a point of conflict with workers. Create meaningful reasons for coming into the office – 'walk and talks', wellbeing, educational and networking events, as well as training sessions and social activities.

08

DIVERSITY, EQUITY & INCLUSION (DE&I)

Strengthen your approach to DE&I in your workforce strategy by capturing your diversity data to get a clear picture of your demographics, and collect qualitative information from your workforce on inclusion and belonging at work. Employees are looking for authenticity from leaders in this area, so ensure you continue to educate your workforce about DE&I with consistent, repetitive messaging at every touchpoint.

09

TRAINING & DEVELOPMENT

To ensure the workforce of tomorrow is prepared for evolving roles, first you need to understand what skills you'll need to realise your organisation's vision, then analyse the skills and capabilities of your workforce rather than using traditional analysis based on job titles.

10

START WORKING ON TOMORROW, TODAY

With industry-leading expertise in workforce transformation, Enterprise Solutions at Hays is committed to partnering with you to shape a workforce strategy that will see you thrive in this changing cultural and economic environment. Get in touch to start planning your workforce strategy for 2024 and beyond, today.

ABOUT HAYS

To help you meet ever-changing demands, we bring the people, the technology and the partnership you need to achieve your goals, now and in the future. We're ready to deliver against your immediate hiring needs, but also have the scale, insight and understanding needed to shape your future workforce management strategy. Using a customer-first and insight-led approach to meet your business needs, we make it easy for you to deliver against the complex talent and recruitment landscape you need to navigate.

STAY UP-TO-DATE WITH HAYS INSIGHT INTO THE WORLD OF WORK