

At the onset of 2020, no business leader could have predicted the challenges and changes we would experience as a result of COVID-19. Resilience and adaptability became mantras as businesses pivoted and adjusted to a different reality. Changes that would previously have taken years of planning and calculation were implemented in days. Some estimates suggest that businesses and consumers experienced five years of digital change in just eight weeks. It's no wonder both business leaders and the workforce have, at times, felt overwhelmed and overloaded as they've adjusted to these changes.

For Randstad, this meant a major shift in how we served our clients and candidates. In-person interviews and meetings quickly became a memory as we transitioned - like so many other businesses - to a fully virtual model. While we were well-equipped to do so, it was still a significant adjustment.

Now, we need to look ahead to a post-pandemic world, undoubtedly impacted by the digital acceleration of our ways of working. For our organization, like so many others, business transformation and sustainability have become the focus.

¹ https://www.mckinsey.com/about-us/new-at-mckinsey-blog/digital-capabilities-to-sustain-transformation#

digital transformation is a mindset, not a project

But what needs to be transformed, and why? Think about Honda. Honda is recognized for its advanced robotics, and yet, the organization maintains an unwavering belief in the power of humans. A human touch and sensibilities are integral to the car-making process, especially when it comes to those finishing touches that elevate Honda products to the highest standards.

What lesson should we take from Honda? Business transformation is a mindset, a long-term vision, not a project.

"If your digital transformation journey involves replacing existing processes with fancy apps to quickly solve performance or productivity challenges, think again."

Approach technology as an enabler. Realize it is not a quick fix. Technology should facilitate your organization's evolution, to allow you to do something greater and be something better. In the long-term, it should enhance your customer's experience, launch new or better products, free-up margins to reinvest in expanding market share, or reinvent a business model with the potential to disrupt and lead your industry.

And all along the journey, you will need to strike a delicate balancing act, between short-term and long-term investments, between business needs and capabilities, and between tech and talent. Simply put, the more sophisticated your transformation, the more digitally skilled your organization will need to be.

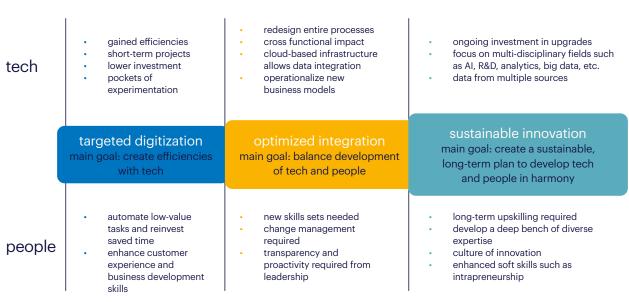
upskilling the workforce for the digital tomorrow

Transformation changes work, but will never replace the need for humans at work. That said, the nature of work will change and this demands robust upskilling and reskilling programs. Identifying and communicating the skills organizations require the gaps, and how the existing workforce will reskill and upskill to meet these needs, will help organizations retain their best talent and ensure they're equipped to grow and evolve with the business.

But many leaders fear they will lack the skills to fully transform to a digital-centric organization. According to Randstad Sourceright's 2020 Talent Trends report, 64 per cent believe that they need stronger competencies going forward to compete in today's rapidly evolving global economy. In fact, fewer than half (46%) are confident they possess the talent and resources to accelerate their digital journey over the next 12 months.²

The reality, unfortunately, is that most digital transformations are not successful. Putting people at the heart of the process is critical.

digital transformation: the tech and talent continuum



² Randstad Sourceright Talent Trends Quarterly Q4 2020 the COVID-19 surveillance report.

What lessons can we learn from the organizations that have successfully transformed? A survey from consulting firm McKinsey reports success is more than three times likelier when respondents say their organizations invested in digital skills and talent as part of the process.³ This could mean retraining project managers into agile coaches, upskilling customer-facing roles to include more customer-centric design thinking and user experience skills, hiring data scientists, upgrading analytical reasoning competencies to make sure data and algorithm driven decisions are rooted in unbiased, fair principles, and training to develop digitally-savvy leaders.

building a culture of innovation requires clarity, courage and transparency.

Transformation means change. And for most people, change isn't easy – and it's especially uncomfortable when it's shrouded in secrecy. Clear, straight-forward language explaining the transformation to your workforce, why transformation is happening, the timeline, and how it will impact the organization - and their jobs - is critical.

This level of transparency takes some business leaders out of their comfort zone, but open, honest communication plays an important part in maintaining morale and engagement during times of change and transformation. As a leader, it's critical to acknowledge the fear and uncertainty people may be experiencing. In doing so, you create a platform to help your workforce understand what's happening, their role in business transformation, how they will transition and – especially in the event they will eventually lose their jobs – how the organization plans to support them.

"I believe it takes courage for a leader to be transparent. It requires confidence in your own ability to be vulnerable – and the leaders who can do this, and be honest about it – are the ones who drive true transformation."

To succeed, you will also need to solicit input from stakeholders at every level and across business functions. It's the only way to ensure the executive vision factors into the front-line reality. This is critical; without input at every level of the organization, what you're planning for and what you actually end up with may be very different scenarios. The least desirable outcome is discovering that an efficiency or improvement in one area of the business creates additional work or strain in another area. Unfortunately, this scenario repeats itself in many organizations when listening isn't a central part of the transformation process.

Inviting different perspectives is crucial because it promotes an understanding of why the organization is making these changes. With understanding, people can move beyond protecting their own interests to embracing long-term sustainability – however uncomfortable that may be.

Developing organizational curiosity fosters a mindset where it becomes natural to engage stakeholders at every level, to seek their input and incorporate their observations and experience.

The organizations that will succeed in the new world of work are the ones who put their people (human capital) at the heart of the process. This human forward approach unites the workforce and helps position organizational change as an ongoing process rather than a specific, disruptive moment in time.

Dominic Lévesque

Group President

³ McKinsey, <u>Unlocking success in digital transformations</u>, October 2018

