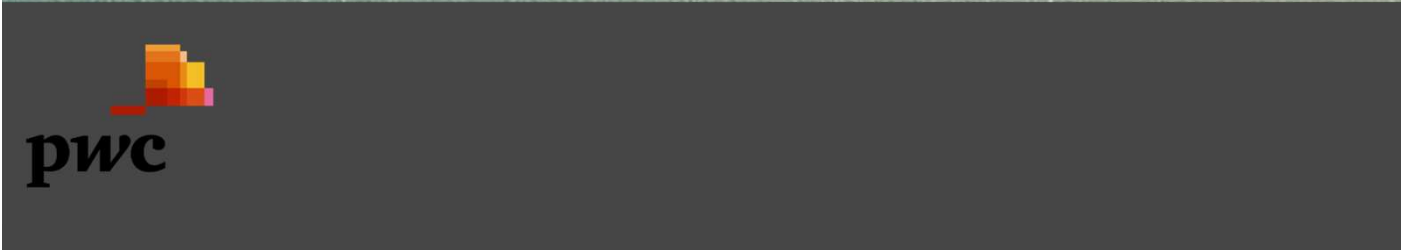# Right time to redefine the Right workforce

Laurent Probst, Partner

Christian Scharff, Partner
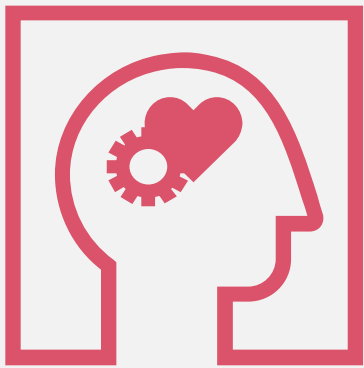
pwc

Towards a Must Have Workforce

Technological advancement, changing manufacturing environments and different expectations from employees.

Paradigm Shifts	Essential Technologies	COVID crisis
New Green Deal	Artificial Intelligence / Intelligent Process Automation	Corporate survival
Gig Economy	Mobile / Big Data	Keep & develop sustainable Revenue
Country Sovereignty & New trade barriers	Machine Learning / Block Chain	Cost and Investment reduction
Urbanisation	Virtual Reality / Wearables/Sensors	What is the right workforce & way of working?

Must have Workforce for the next 24 months

FTEs

Must have skills

Must have Mindset

Way of working

Strategic Workforce Planning – setting expectations

How do you *reshape your workforce* such that you have the *right people* to execute your strategy and perform successfully in an environment that is *constantly changing driven by technology?*

What it is

- **A capability –** the skills, enabling processes and tools to perform the related set of workforce planning – associated tasks

- **A cyclical, ongoing process** of aligning long-term human capital and talent strategies to business goals. We will also ensure alignment with and input to the plant's annual budgetary cycle

What it involves

- **Long-term time-horizon** typically looking 2 to 5 years or more into the future

- **Skills** – strategic thinking, process planning, analytics, financial modeling

- **Collaboration** between business leaders, finance, operations, and human capital teams

- **Significant investment** in time and effort

- **Vision** about the future of the network, including expectations of talent and skills

What it is not

- **A simple tool** that will magically convert vague assumptions and hopes about the future into a precise plan for how many people to recruit, where to find them, and how to entice, train and retain them

- **A once-and-done exercise** that provides an immutable multi-year plan
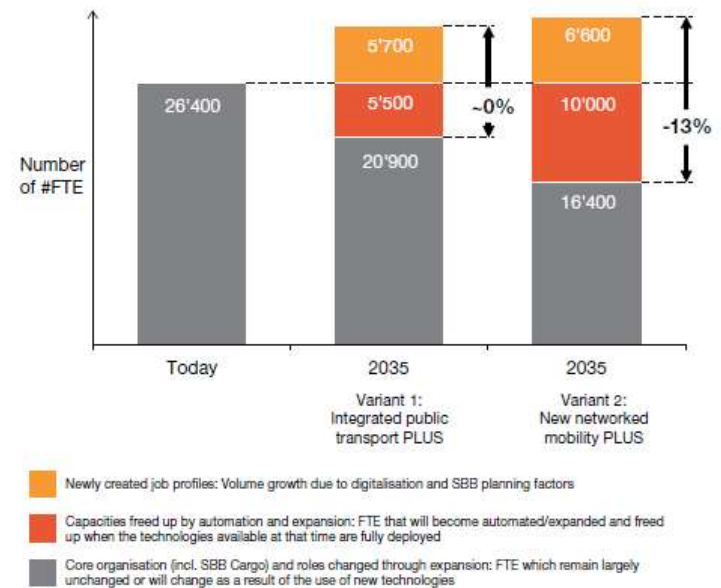
SBB Workforce Scenario

- **2 scenario before COVID crisis**
  - Aggressive technology adoption
  - Moderated technology adoption
- **What**
  - Perspectives of inflow /outflow of employees
  - Analysis of technology adoption by Business Unit
  - Analysis of skills requirements by BU
 - Definition of core strategic skills at corporate level

Digitalisation frees up capacities through automation and extension[4] and results in the creation of new jobs

Expected development of the SBB workforce in the two variants

Number of #FTE

Today — 26'400

2035 Variant 1: Integrated public transport PLUS — 20'900 / 5'500 / 5'700, ~0%

2035 Variant 2: New networked mobility PLUS — 16'400 / 10'000 / 6'600, -13%

Newly created job profiles: Volume growth due to digitalisation and SBB planning factors

Capacities freed up by automation and expansion: FTE that will become automated/expanded and freed up when the technologies available at that time are fully deployed

Core organisation (incl. SBB Cargo) and roles changed through expansion: FTE which remain largely unchanged or will change as a result of the use of new technologies

SBB Workforce planning scenario: new skills requirements

Development of the relevance of the 13 skills in each variant[2]
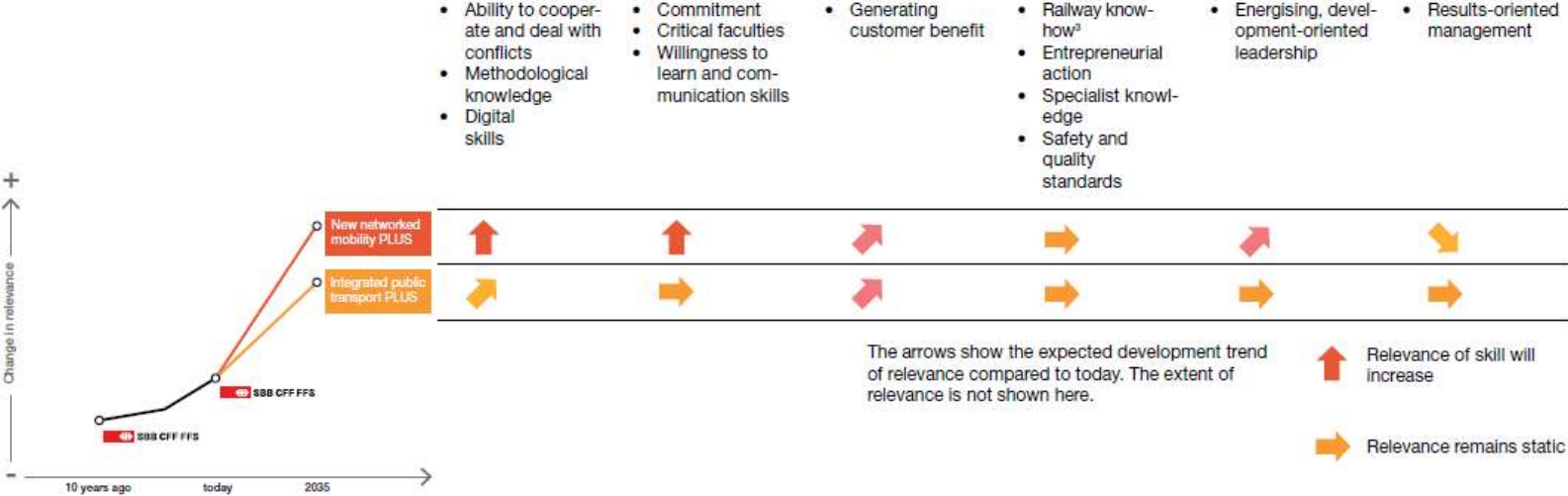
The arrows show the expected development trend of relevance compared to today. The extent of relevance is not shown here.

- Relevance of skill will increase
- Relevance remains static
- Relevance of skill will decline

[2] Assumption: SBB will remain largely unchanged in its present form and with today's offerings.
[3] SBB's rail expertise is already at a very high level today. It must be maintained in future and be developed further in the context of the new technologies.

Our leading edge tools

Modern workforce planning is no longer done just with pen and paper. Big data analytics and artificial intelligence help organisations today to make the most of the future.

We propose to utilise two different state-of-the-art tools which can be used to support your workforce planning efforts and get the most of your existing HR data. We explain these more fully in our Approach and Methodology section.

#Automation Impact
#Mobility Scenarios
#Work Environment
Green transition

Explore how artificial intelligence and advanced data analytics play a key role in modern workforce planning...

The first tool we will utilise will deliver strategic insights around the risk of automation in your organisation and will highlight the potential skills gap between the As-IS and To-Be situation

Technology Portfolio: Which emerging technology types could present the greatest opportunity to drive breakthrough performance throughout your workforce?
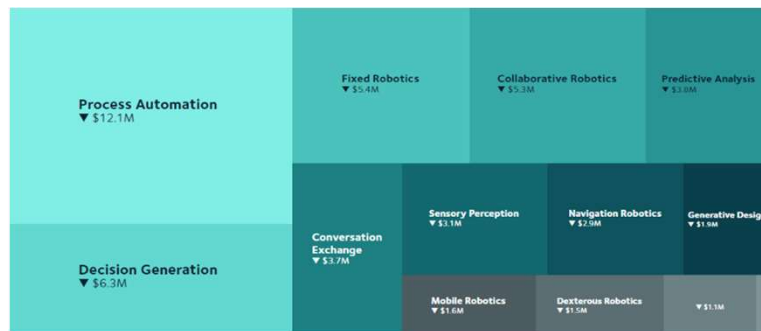
- We can demonstrate how artificial intelligence could predict the driving sources for automation within your organisation
- And how you could use the tool in order to support decisions in technology investments by analysing the impact on your firm and workforce

Job Impact: What tasks within jobs could be exposed to automation and augmentation or remain unimpacted at a point in time?
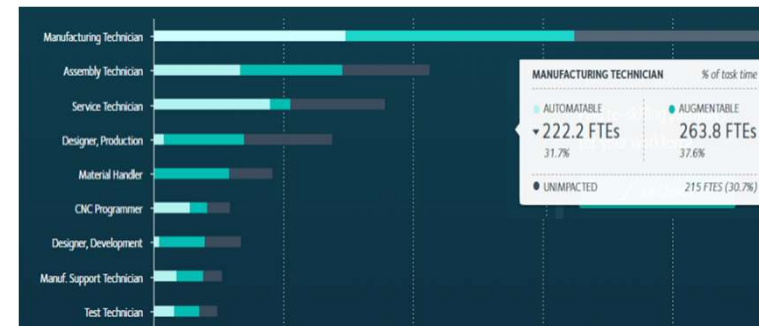
- You will gain insight into the concepts of automation and augmentation
- And we can run a detailed analysis on automation and augmentation risk and FTE impact down to a department, gender and age-group level

# ... and help you to identify emerging job roles as well as upskilling needs based on a job corridor.

The same tool will additionally be able to predict emerging job roles and help you to understand additional demand in existing roles and provide you with potential upskilling opportunities per role by highlighting a job corridor and estimating the skills gap

Jobs added: Identify jobs which will be under high demand in the future and investigate changes based on the horizon of your analysis

Job corridor:* Identify target jobs and re-skilling pathways to transition automatable workers within your workforce

- Investments in technology not only result in disappearing jobs, the demand in certain existing roles might be fueled and additional job profiles will emerge.
- Our technology can help you identify future recruitment needs to support your long and short term hiring strategy.
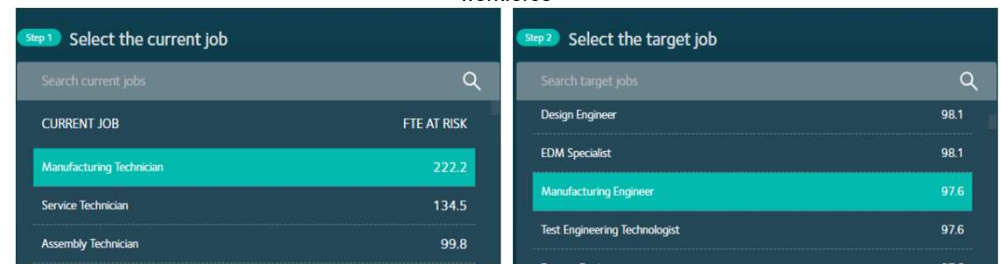
- Find out how AI can support internal job matching.
- In this example 222 Manufacturing Technician positions will be modified or will disappear within the next 15 years.
- The results of the analysis will allow you to pick the most relevant job for internal mobility based on the underlying skills gap which is calculated taking into account more than 240 attributes which can be viewed in detail.

Output of Step 2

- Projections of the future demand for talent, both in terms of headcount and skills, based on the impact of emerging technologies.
- Predictions on the opportunities for and drivers of automation, enabling technology investment and future recruitment decisions to be made.
- Insights into opportunities for job matching, a prediction on both emerging roles and the demand for existing roles.

*The job corridor allows the company to compare jobs at high risk of automation with existing or emerging roles with a low or non-existent automation risk based on the skills gap as well as other indicators such as similar salary range etc. It assists with job matching and highlights upskilling needs.

Analyse talent supply (internal and external)

Objective: Use **current and historical data to** visualise internal mobility as well as past and future inflow and outflow of talent. Build a picture of both current and future capacity and capability requirements.

The <u>second</u> tool allows quick visualisation of different scenarios and the resulting flows with regard to internal mobilities, international mobilities and inflows from external recruitments and other supply channels
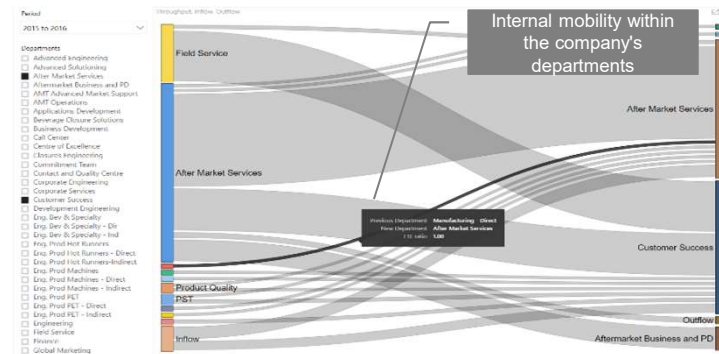
Output of Step 3

An analysis of the internal factors (such as retirements) impacting existing and future workforce talent supply and how that might change.

- Experience how, through a self-service questionnaire, Predictive Workforce Planning allows you to define business hypotheses regarding the future investments in technology and HR strategic decisions in your business in order to generate predictive data around their impact.
- Here we will work with you to develop specific scenarios including, for example, the transition to continuous manufacturing.
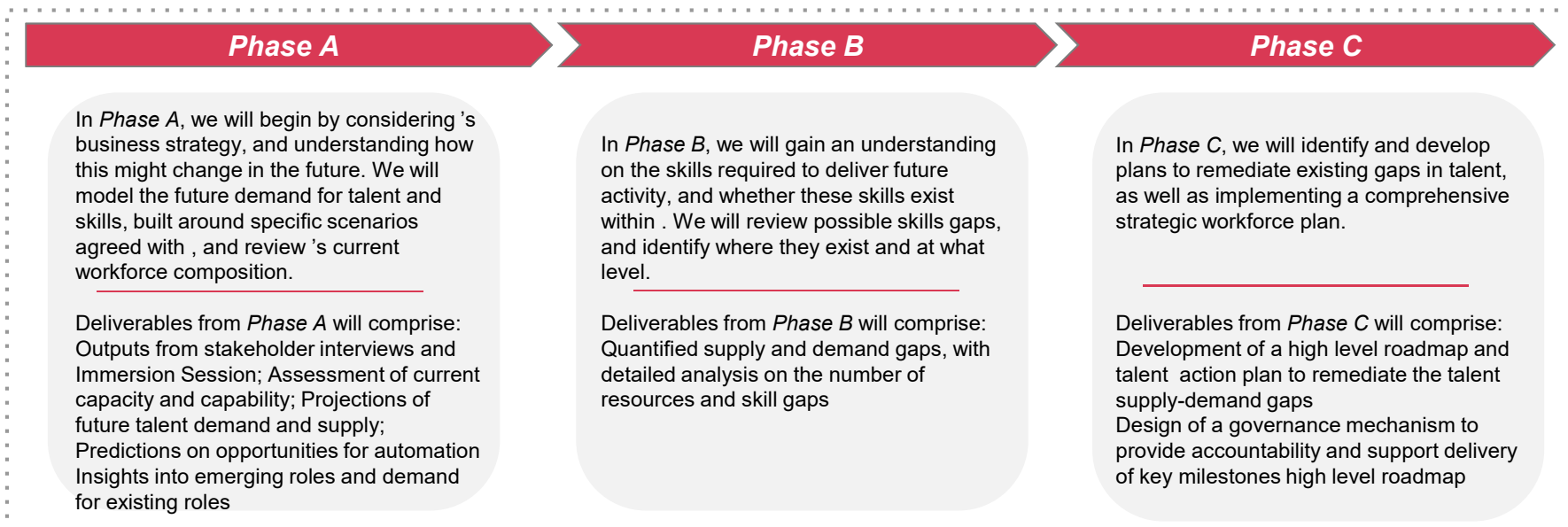
- Find out about the results compiled, using your past and future workforce data, and gain insights on gender repartition and ages among departments
- And see the visualisations of your scenarios to better understand talent flows in order to ensure an optimal workforce planning and strategic decision making.

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Strategic Workforce Planning
A Phased Approach

Our SWP approach will be carried out on a phased basis, with each phase acting as a stage gate to progress to the next phase of the project.

We will build in checkpoints between each phase, providing an opportunity to review and reflect on the goals and deliverables achieved in the preceding phase. The fees attributed to each phase are set out within the fee section of the proposal.

Phase A

In *Phase A*, we will begin by considering 's business strategy, and understanding how this might change in the future. We will model the future demand for talent and skills, built around specific scenarios agreed with , and review 's current workforce composition.

Deliverables from *Phase A* will comprise:
Outputs from stakeholder interviews and Immersion Session; Assessment of current capacity and capability; Projections of future talent demand and supply; Predictions on opportunities for automation Insights into emerging roles and demand for existing roles

Phase B

In *Phase B*, we will gain an understanding on the skills required to deliver future activity, and whether these skills exist within . We will review possible skills gaps, and identify where they exist and at what level.

Deliverables from *Phase B* will comprise: Quantified supply and demand gaps, with detailed analysis on the number of resources and skill gaps

Phase C

In *Phase C*, we will identify and develop plans to remediate existing gaps in talent, as well as implementing a comprehensive strategic workforce plan.

Deliverables from *Phase C* will comprise: Development of a high level roadmap and talent action plan to remediate the talent supply-demand gaps
Design of a governance mechanism to provide accountability and support delivery of key milestones high level roadmap

Identify and develop plans to remediate gaps

Objective: Develop talent action/ transition plan that effectively remediate the talent supply-demand gaps and are aligned with delivering identified productivity gains supporting a breakthrough performance

- Fundamental to the success of SWP is the development of practical & realistic action plans to close the capacity & skills gaps. This can consist of the blended use of options covering both the short & medium/ long terms.

- We will validate the talent action plans with you to ensure alignment with other initiatives happening within the business

- A 'make/buy' model will enable to maximise action planning in an outcome focused and data-led manner.

'Buy'	'Borrow'	'Mobility'	'Build'	'Bind'	'Blend'
External resourcing for permanent/ temporary staff / contingent worker / a bought in service	Internal secondment or interchange to/from Third Party	Managing surplus (includes 'bouncing' across the whole System and maximise intenral & external mobility)	Upskilling the current workforce through development, promotion, performance and talent	Identification of 'at risk' resource and modelling retention initiatives with working assumptions	Reshaping the requirement to meet available resource
Short term	*Short term*	*Short term*	*Medium/long term*	*Medium/long term*	*Medium/long term*

Consider the employee engagement lifecycle levers

Experimentation may be required to remediate the gap

Measure the impact of each remediation tactic

Ensure alignment of initiative(s) with plant strategy

Conclusion – Lessons learnt

- Workforce are the most important asset of a company or a country - Time to make it real through a SWFP

- Strategic Workforce Planning will help to better plan workforce decisions and dis/investments

- Lay off is very costly and destroy corporate and brand value for the future

- Upskilling is a concrete way to maximise workforce mobility (in & out the company) and employability with regards to the new business strategy

- 1 euro invested in upskilling could save 2 euros minimum

- Bring 24 months vision and short term action plan to meet the corporate strategy

- Address the challenges of WFP: HR capabilities, communication, complexity...

- New AI and data tools bring the missing vision and data to corporate executives

- Most important outcome is **the skills and mindset gap** not only the FTEs perspective.

Contacts

Christian Scharff

People & Organisation Partner

T: +352 49 48 48 2051

M: +352 621 33 2051

christian.scharff@lu.pwc.com

Laurent Probst

Public Sector Partner

T: +352 49 48 48 2199

M: +352 621 33 2199

laurent.probst@lu.pwc.com

Cécile Mazourine

People & Organisation S.Manager

T: +352 49 48 48 2087

M: +352 621 33 2087

cecile.mazourine@lu.pwc.com

Virginie Laye

Public Sector Senior Manager

T: +352 49 48 48 3954

M: +352 621 33 3954

virginie.laye@lu.pwc.com

Thank you

What Challenges Do Strategic Workforce Planning projects face?

PwC has significant experience in the delivery of comparable strategic workforce planning projects across industries. This experience has demonstrated that there are 6 key areas that need to managed.

Is HR / Workforce data sufficient and of high quality?
Strategic Workforce Planning projects require sufficiently high quality data in order to present the most valuable, useable outputs. Accurate, valid data leads to better visualisation of both the current workforce composition and future trends, and increases robustness of scenario modelling, gap analysis and remediation planning.

Do the scenarios being modelled capture 's future needs accurately?
Care should be taken in deciding the future scenarios to be modelled. What will be a key pain point for in the future? Consideration of 'Site of the Future', technological disruption, change to continuous production are all necessary in deciding on scenarios. We will co-create the scenarios in Step 1 of our approach.

Do the solutions arrived at take an holistic view of the future?
A holistic view of the future workforce harnesses the power of knowing exactly who will be required to do what, when, what capabilities they will need to have to succeed. Solutions to remediate any gaps can span from recruitment to re / upskilling to considering your contingent workforce needs etc.

Do we have engagement and buy in from key stakeholders? Are Leadership aligned?
Effective engagement with key stakeholders is critical to the success of the project. Input from all key stakeholders will be necessary from the inception of the project in order to ensure that the needs of all functions within are adequately considered.

We will include a series of stakeholder interviews with plant leadership to inform our understanding of the current state and to provide an *on the ground* perspective on future state requirements.

Have we sufficiently assessed Internal Capability?
In analysing the talent supply, particular attention should be given to the capabilities that are in existence already internally. Understanding the capabilities of existing staff and how they can be supported to adapt to the changing world of work is a core element of our approach to SWP. However it is also important to understand where capability needs can't be meet internally and to test external supply options to meet there.

What messaging do we need to position this project with colleagues?
Actively managing the message to colleagues during the project is critical to its success. Workers generally are aware of the changing nature of work and have concerns over the impact of technology on their roles and on their own individual ability to adapt. We always recommend to our clients to start the narrative early, to engage staff and to bring them along with you. We will support you in doing this.

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