

Trend 2

# Liquid Workforce: Building the workforce for today's digital demands



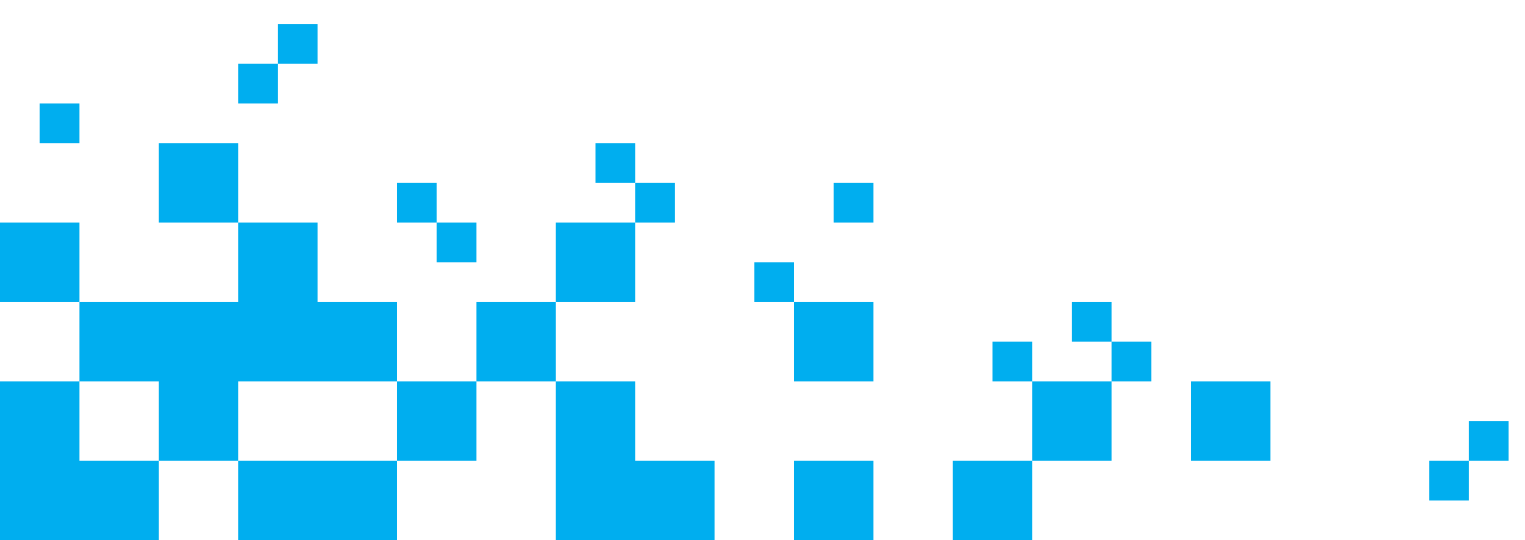
High performance. Delivered.



## Trend 2

# Liquid Workforce: Building the workforce for today's digital demands

Companies are investing in the tools and technologies they need to keep pace with constant change in the digital era. But to achieve their ambitious goals, leaders are refocusing on an often overlooked factor: the workforce. They are looking at technology as not just a disrupter, but also an enabler to transform their people, projects, and entire organizations into a highly adaptable and change-ready enterprise. In short, business leaders are realizing their new liquid workforce can become their new competitive advantage.



Walk through the doors of any tech startup, and you expect to find work being done differently. After all, these companies are renowned for their innovative culture, agility, and passion for reinvention. What most people don't expect is to see these same traits in traditional companies. But take a look at GE. The company is actively changing its culture from a conventional Global 2000 mindset to behaving more like a startup. Through a new approach called FastWorks, GE is embedding lean startup practices into the workforce, pushing it to change faster and make smarter decisions, while staying close to customers. It's doing away with rigid approval processes to instead allow employees to make rapid changes to their projects or quickly switch direction. And the organization

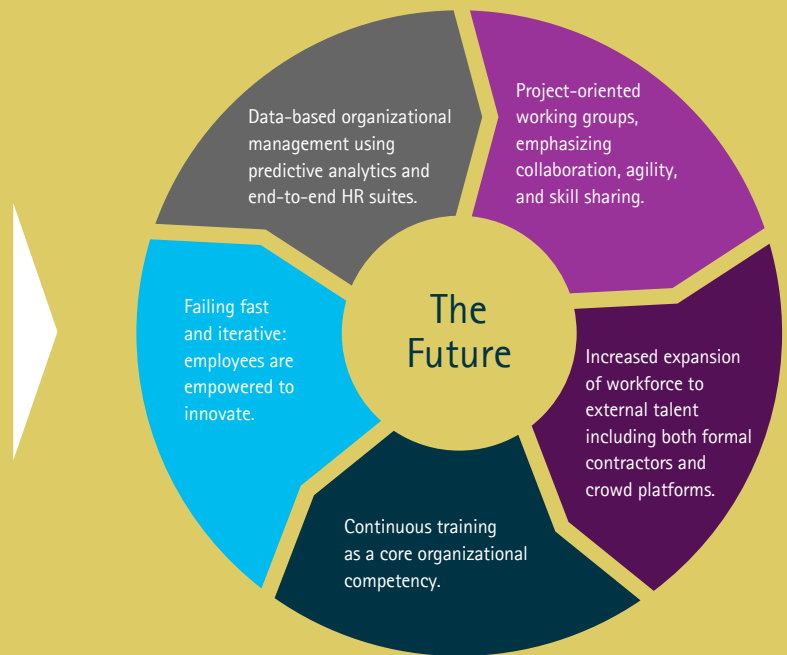
bolsters the evolving demand of these projects by providing constant training that gives employees the skills they need to adapt and thrive. GE is just one example of a wider change in how companies work today. In response to constant disruption and fast-shifting business goals, forward-thinking enterprises are reimagining their workforces. In the past, anyone—from accountants to machinists—could spend their entire careers doing the same job, using the same skills to support businesses with largely unchanging goals. But today we're seeing companies being continually pushed to change products, services, and sometimes even business models. And not just once, but constantly, as each new technology innovation emerges.

## Business leaders are realizing a more liquid workforce can become their new competitive advantage

### The Present

- Siloed work generally aligned by business function (engineering, sales, marketing, design, etc.).
- Training is ad-hoc, as needed for a particular tool or technology (in which the company has generally already invested).
- Fragmented workforce management tools.
- Innovation generally practiced by specific non-official groups or 'lone wolves' in the organization.
- Low levels of collaboration.

Static workforces organized around specific skills and functions.



Tomorrow: Adaptable workforces organized around projects, with embedded training.

Leading enterprises are reshaping themselves to rapidly adapt to any disruption. In essence they're creating a 'liquid workforce.' Specifically, to compete in today's market, companies must look beyond just updating skills. To drive change, they will need to become agile at each level of their business: their skills, their projects, and their organizations. By embedding the assumption of constant change enterprise wide, companies will be able to access critical skills sooner, innovate faster, and operate more effectively. This digitally powered workforce isn't just changing what businesses do; crucially, it's changing how they do it.

And it's working. GE's FastWorks methodology enabled it to build a new regulation-compliant diesel engine for ships nearly two years ahead of its competitors. Using the same approach, GE Appliances was able, in less than one year, to design and deliver a high-end refrigerator that sold twice as well as preceding models.<sup>1</sup>



### Labor Market Shifts

Before digging deeper into how companies are shifting to a liquid workforce, it's important to understand why businesses are changing their workforce practices. Right now, core characteristics of the labor market are changing—driven in large part by technology. Digital technology has fundamentally changed every aspect of the business: strategies, processes, job functions, and business models. The workforce needs not only to adapt to meet evolving demands, but also to develop the skillsets to achieve their new goals. For example, to design for the web and mobile devices, graphic designers need to understand coding languages such as HTML5 and others.<sup>2</sup> Similarly, salespeople must understand the data and analytics tools that businesses use to drive growth. As a result, many enterprises are experiencing a skills gap—indeed, a recent survey reports that 38 percent of businesses globally are struggling to find the right talent.<sup>3</sup>

### Opportunity



**Automation**  
Automation is taking over more routine and manual tasks.



**Worker Redistribution:** Demand for jobs humans excel at (non-routine interpersonal and analytical jobs) is at an all-time high.<sup>4</sup> Now businesses can both retain talent and devote their human labor to fill this shortage.



**Rise of Freelancing**  
Forty-three percent of the US workforce is expected to be freelance by 2020.<sup>5</sup>



**Skills Economy:** Companies can build new strategies to leverage the contingent workforce and quickly access a wide range of deep technical skills, and other valuable outside experience.



**Pace of Innovation**  
New technology is constantly emerging, and the pace of adoption is faster than ever.



**Continuous Training:** By making training a core competency, organizations can actively develop the skills that will set them apart from competitors.



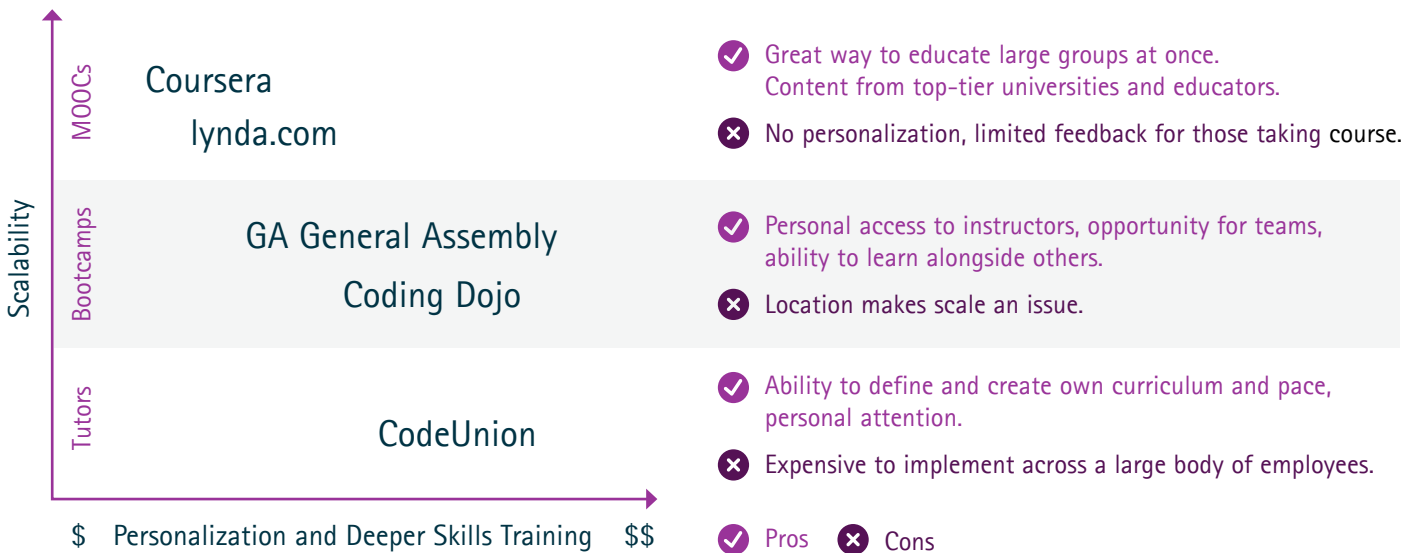
**A New Generation**  
In 2015, millennials became the largest share of the workforce.<sup>6</sup> By 2025, that number will be 76 percent globally.



**Digital Natives:** With the right engagement strategy, businesses can leverage the excitement for technology, teamwork, and digital acumen of millennials to push forward on their new initiatives.

The employee pool is changing significantly as well. In 2015, millennials became the largest generation in the workforce.<sup>7</sup> This shift is significant for two reasons: first, because millennials will soon become the predominant source of human capital; and, second, because businesses stand to benefit greatly from the technology acumen and talent this generation (also known as 'digital natives') possesses. But the flipside is that 53 percent of business leaders are finding it hard to attract and retain millennial talent.<sup>8</sup> And that's worrying, as this generation is expected to account for 76 percent of the global labor pool by 2025.<sup>9</sup> This 'people disruption' is about much more than just a new generation of workers. In the United States alone, it's predicted that 43 percent of the workforce (60 million people) will be freelance by 2020. That's roughly four times the number in 2015 (15.5 million).<sup>10</sup> It's just one more dramatic development affecting how enterprises find and deploy talent.

As these disruptions mount, enterprises are starting to react. In the Accenture Technology Vision 2016, IT and business executives reported that "deep expertise for the specialized task at hand" was only the fifth most important characteristic they required for employees to perform well in a digital work environment. Other qualities such as 'ability to quickly learn' and 'ability to multitask' or 'willingness to embrace change' ranked higher, indicating that leaders are placing a premium on candidates whom they believe will evolve with their business. Fortunately, as well as driving these workforce disruptions, technology is also at the center of creating the solutions: massive online open courses (MOOCs) for scalable training; collaboration tools such as Slack that foster collaboration; and predictive workforce analytics that allow vast organizations to make better decisions. These and other digital technologies are enabling businesses to solve their workforce challenges. The goal? To create a liquid workforce with flexibility fundamentally built into three areas: skills, projects, and the organization as a whole.





## Training as a Core Competency

The emergence of every new technology creates abundant opportunities. But in order to capture them ahead of the competition, businesses need to rapidly assemble the right skills. Rather than wait for the talent they need to emerge from the market, enterprises are taking an active approach by making continual training a core competency.

For example, digital training platforms that combine enterprise-developed learning along with MOOCs into a single curriculum are one area of major investment. Some companies, such as Unilever, Monsanto, and Citibank, are going even further. They're seizing the initiative by partnering with local bootcamps like LaunchCode and General Assembly to develop relevant curricula, and then funnel graduates directly into related work.<sup>11</sup> These investments are paying off: one study showed that companies that annually invest \$1,500 for training for each employee see an average profit margin 24 percent higher than those that don't.<sup>12</sup>

But the right skills alone are not enough. Enterprises must also take a new approach to projects. Look at Adobe. Through a program called Kickbox, Adobe employees can volunteer to receive a red box with creative tools and a \$1,000 prepaid

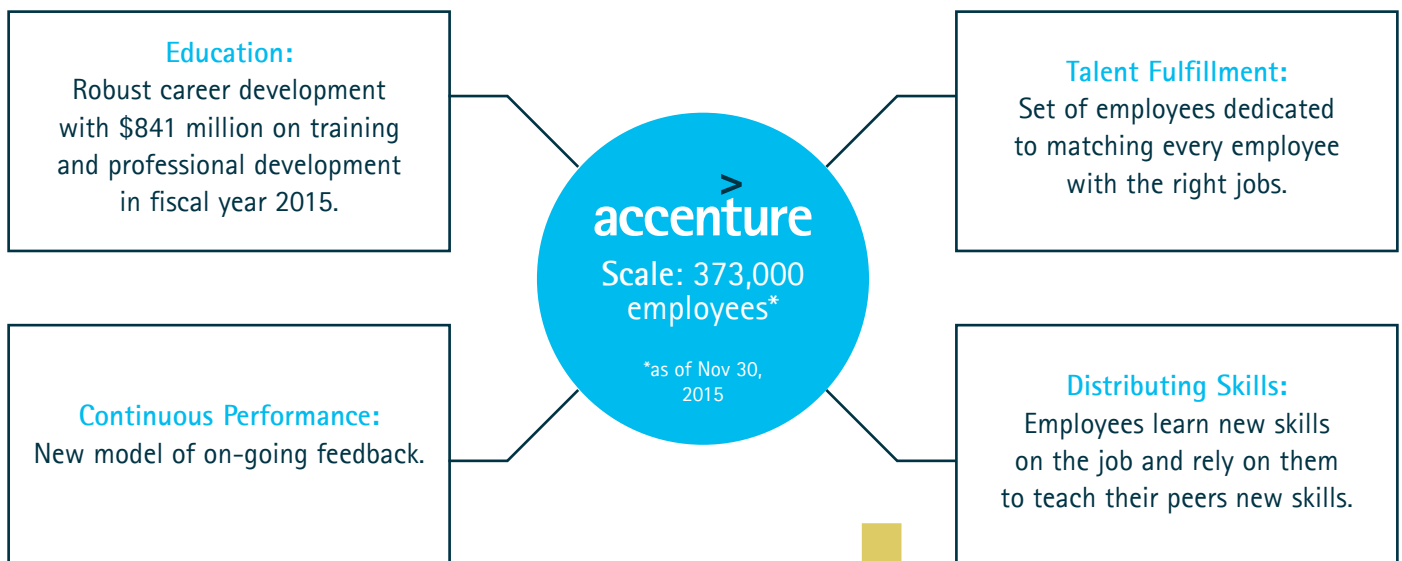
credit card to fund any new projects they want to start. Several of these ideas have led to full-fledged business plans. According to Adobe's Vice President of Innovation, "Before Kickbox, Adobe may have taken a dozen or two dozen ideas from an idea phase to a mockup to put in front of customers. With Kickbox, Adobe has done almost 1,200 ideas in the last two years and done it at a lower cost than doing two ideas in the old way. So our failure rate is dramatically higher as a percentage, but our absolute innovation rate has increased dramatically."<sup>13</sup> Companies striving to build a similar advantage are using collaboration tools and cloud-based workflows to empower 'anytime, anywhere' working. They understand that successful projects require different combinations of internal employees, freelancers, and technology for each new challenge.



## Flexible, yet Rigorous

An agile workforce will only flourish in an organization that, in the face of change, is prepared and equipped to bend and flex. And that process demands rigorous oversight. Consequently, more organizations are investing in end-to-end workforce management solutions—such as those provided by Oracle, Workday, and SAP—to deliver key insights into workforce capabilities and readiness. As they get more information about the workforce, business leaders can evolve their HR organization from its focus on people management, to one becoming an orchestrator for optimizing the organization's entire output. Xerox, for example, uses people analytics in its call centers to connect the right personalities with the right roles, effectively raising employee satisfaction while cutting hiring and retention costs.<sup>14</sup>

Businesses are evolving from rigid, decades-old structures to create a workforce that's built to and for change. Creating an agile workforce might sound challenging, but the rewards on offer are immense. Once organizations start to harness the power within such a workforce, they will find that they can grow smarter and faster than they ever imagined. And in the digital age, that's not just desirable—it's mission critical.





## Predictions



**Roles Vanish:** Organization charts become obsolete, gobbled up by software. Employees change their skills and focus to achieve their personal goal which is a common outcome for the business, inventing the new.



**Freelance is the Future:** Within 10 years, we will see a new Global 2000 company with no full-time employees outside of the C-suite.

---

## Key Takeaways

- Address workforce disruptions today.
- Agile workforce = Agile business.
- Start your transformation in five key ways:
  - Make training a core competency
  - Become more project oriented and agile
  - Empower collaboration and new ideas
  - Manage a distributed workforce
  - Create an organization that is built to facilitate, not impede.

*The liquid workforce is rapidly becoming the new normal for how businesses organize themselves. Traditional methods cannot keep up with the pace of change in the digital age and forward-thinking businesses are already beginning to learn that their workforce strategy has the potential to be a major competitive advantage.*



# Liquid Workforce: 100-Day Plan

The emergence of the liquid workforce is already underway, and the time to initiate a new workforce strategy is now.



1. Perform a skills gap analysis. Have your HR organization review open roles in your company and determine high-priority roles that are remaining unfilled due to difficulty finding appropriate talent.

3. Create a new engagement strategy, keeping in mind what millennials demand from their employers. Develop a plan that will allow workers to contribute to projects they are passionate about, move freely through the organization, and find work that best suits native skills with digital technology.



2. Build a strategy for expanding your organization's training capabilities. Determine what investments in facilities, technology, or people will need to be made to deliver training consistently and effectively across your workforce.

4. Formalize your organization's approach toward engaging with freelancers and contractors. Create a clear distribution of work between long and short-term employees that plays to the strengths of each and communicate this framework with employees.

5. Pilot a new liquid project. Assign a 'stretch' project to one of your groups and grant them the autonomy and dedicated resources that allow them to accomplish their goal. Use this pilot as a foundation for developing a formal liquid project strategy.



## Liquid Workforce: 365-Day Plan

A year from now, liquid workforce transformation should be well underway. Plan to drive the momentum across your organization in the following ways:



**1.** Put your new training strategy to work. Pick one high-need skill and pilot a new curriculum to train existing employees in that area. Use this initiative to determine which combination of training sources (e.g., bootcamps, MOOCs, personalized training) are the most effective strategies for your workers.

**3.** To understand where your enterprise stands to benefit most from crowdsourcing, commission three projects that each focus on a different area that the crowd is well suited to address. Use insights from these projects to sanction the use of crowdsourcing for projects across the organization that will realize the most benefit.



**2.** Build a plan to scale your liquid project practices across the organization. Learn from the progress of your pilot group. What were their successes and where did they find setbacks? Use this knowledge to build a plan that will allow you to push this model across your organization.

**4.** Integrate the use of analytics into your HR organization. Pair a team from HR with your data scientists to derive new insights from your workforce that could help with reviews, promotions, hiring, or other areas that need improvement. Use these insights to strengthen talent retention and recruiting.

**5.** Introduce predictive analytics to one area of your people management strategy (promotions or hiring, for example). Use your team of data scientists and HR professionals to develop a comprehensive plan for how predictive analytics could enhance existing practices.



## References:

### Trend 2

- <sup>1</sup> "How GE Applies Lean Startup Practices," Harvard Business Review, April 23, 2014.
- <sup>2</sup> "Employers Aren't Just Whining – The 'Skills Gap' Is Real," Harvard Business Review, August 25, 2014.
- <sup>3</sup> "2015 Talent Shortage Survey," ManpowerGroup, 2015.
- <sup>4</sup> "OECD Skills Outlook 2013: First results from the survey of adult skills, Figure 1.5," OECD Publishing, November 2013.
- <sup>5</sup> "Intuit Forecast: 7.6 Million People in On-Demand Economy by 2020," Intuit press release, August 13, 2015.
- <sup>6</sup> "Millennials Surpass Gen Xers as the Largest Generation in U.S. Labor Force," Pew Research Center, May 14, 2015.
- <sup>7</sup> "Millennials Surpass Gen Xers as the Largest Generation in U.S. Labor Force," Pew Research Center, May 11, 2015.
- <sup>8</sup> "The 2015 Millennial Majority Workforce: Study Results," RedBrick Research, October 2014.
- <sup>9</sup> "Creating a 'Generation Connected' Workplace," Workforce, May 1, 2015.
- <sup>10</sup> "Intuit Forecast: 7.6 Million People in On-Demand Economy by 2020," Intuit press release, August 13, 2015.  
"Here's Why the Freelancer Economy is on the Rise," Fast Company, August 10, 2015.
- <sup>11</sup> Fact Sheet: President Obama Launches New TechHire Initiative," The White House press release, March 9, 2015.
- <sup>12</sup> "Not Investing in Employee Training Is Risky Business," Huffington Post, August 30, 2014.
- <sup>13</sup> "Adobe Kickbox Gives Employees \$1000 Credit Cards and Freedom to Pursue Ideas," Forbes, August 19, 2015.
- <sup>14</sup> "HR Moves toward Wider Use of Predictive Analytics," Society for Human Resource Management, October 6, 2014.



## Contacts

For more information

Paul Daugherty  
Chief Technology Officer  
paul.r.daugherty@accenture.com

Marc Carrel-Billiard  
Managing Director,  
Accenture Technology R&D  
marc.carrel-billiard@accenture.com

Michael J. Biltz  
Managing Director,  
Accenture Technology Vision  
michael.j.biltz@accenture.com

[accenture.com/technologyvision](http://accenture.com/technologyvision)  
#techvision2016

## About Us

### About Accenture Technology R&D

The Technology Vision is published each year by Accenture Technology R&D, the dedicated research and development organization within Accenture that includes the Technology Vision group, Accenture Open Innovation and Accenture Technology Labs.

For more than 20 years, Accenture Technology R&D has helped Accenture and its clients convert technology innovation into business results. Our R&D group explores new and emerging technologies to create a vision of how technology will shape the future and shape the next wave of cutting-edge business solutions.

We offer seminars on the Technology Vision, which provide a forum to discuss the trends in greater depth and explore the implications for your organization's business.

## About Accenture

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions—underpinned by the world's largest delivery network—Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With approximately 373,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at [www.accenture.com](http://www.accenture.com).

Copyright © 2016 Accenture  
All rights reserved.

Accenture, its logo, and  
High Performance Delivered  
are trademarks of Accenture.

The views and opinions expressed in this document are meant to stimulate thought and discussion. As each business has unique requirements and objectives, these ideas should not be viewed as professional advice with respect to your business.

This document makes descriptive reference to trademarks that may be owned by others. The use of such trademarks herein is not an assertion of ownership of such trademarks by Accenture and is not intended to represent or imply the existence of an association between Accenture and the lawful owners of such trademarks.