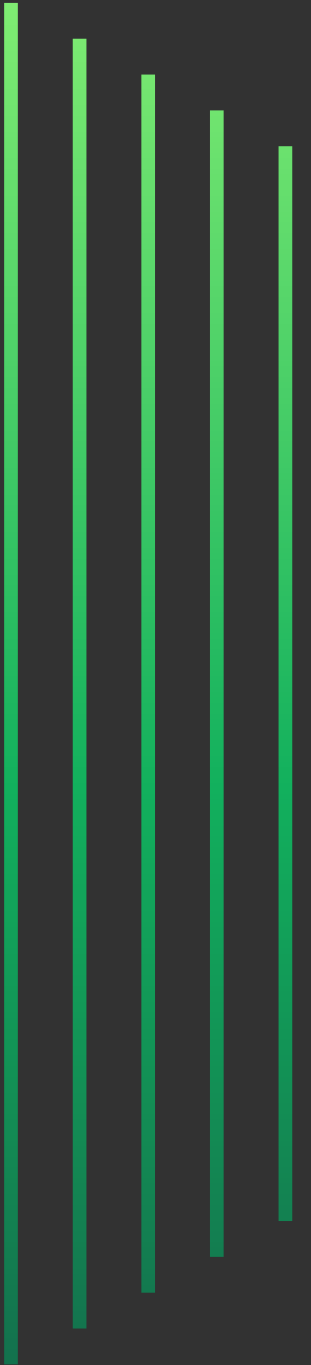




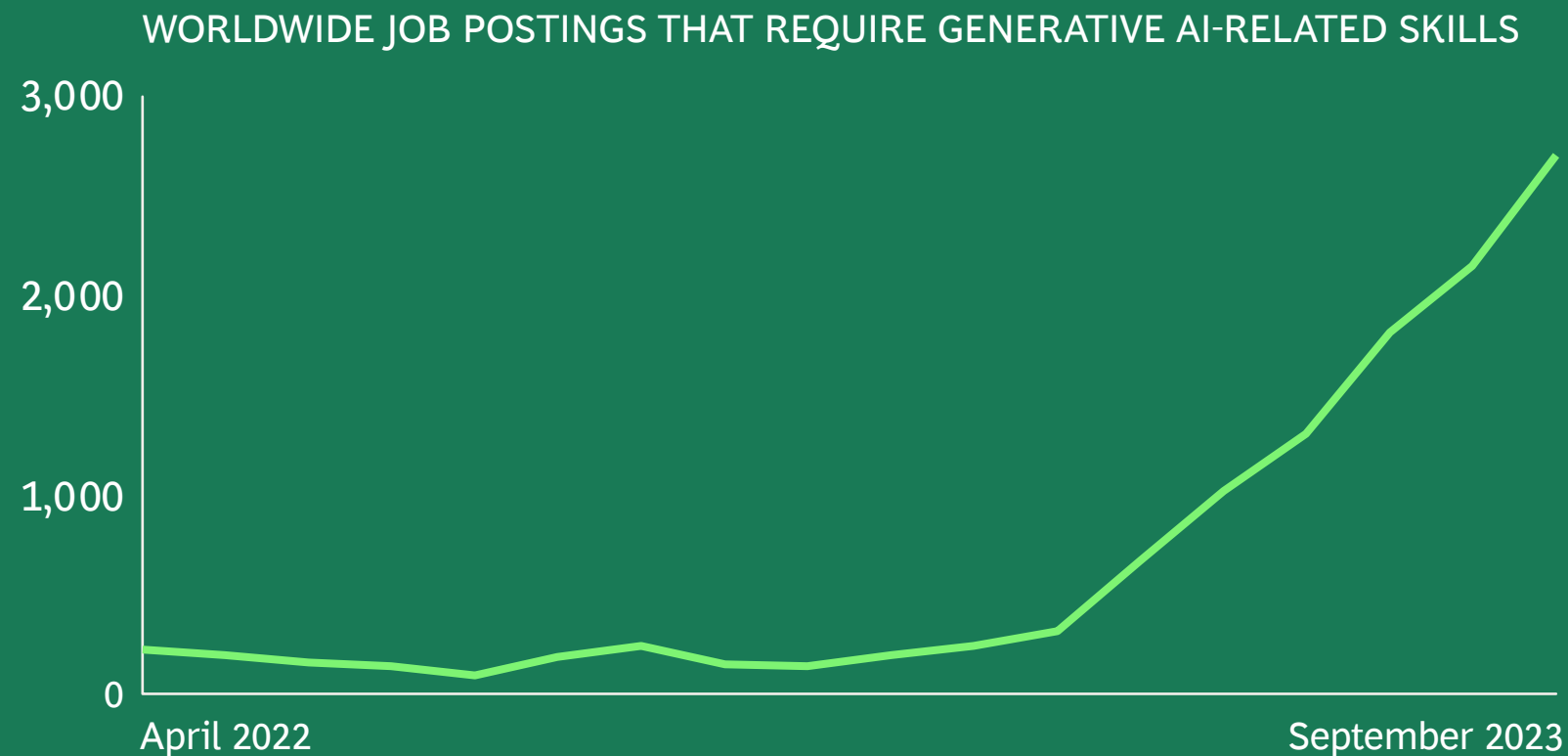
Delivering Top-Notch People Performance

DECEMBER 2023



Generative AI is one of four key trends putting pressure on companies to adopt new talent and skills

Demand for GenAI skills is skyrocketing . . .

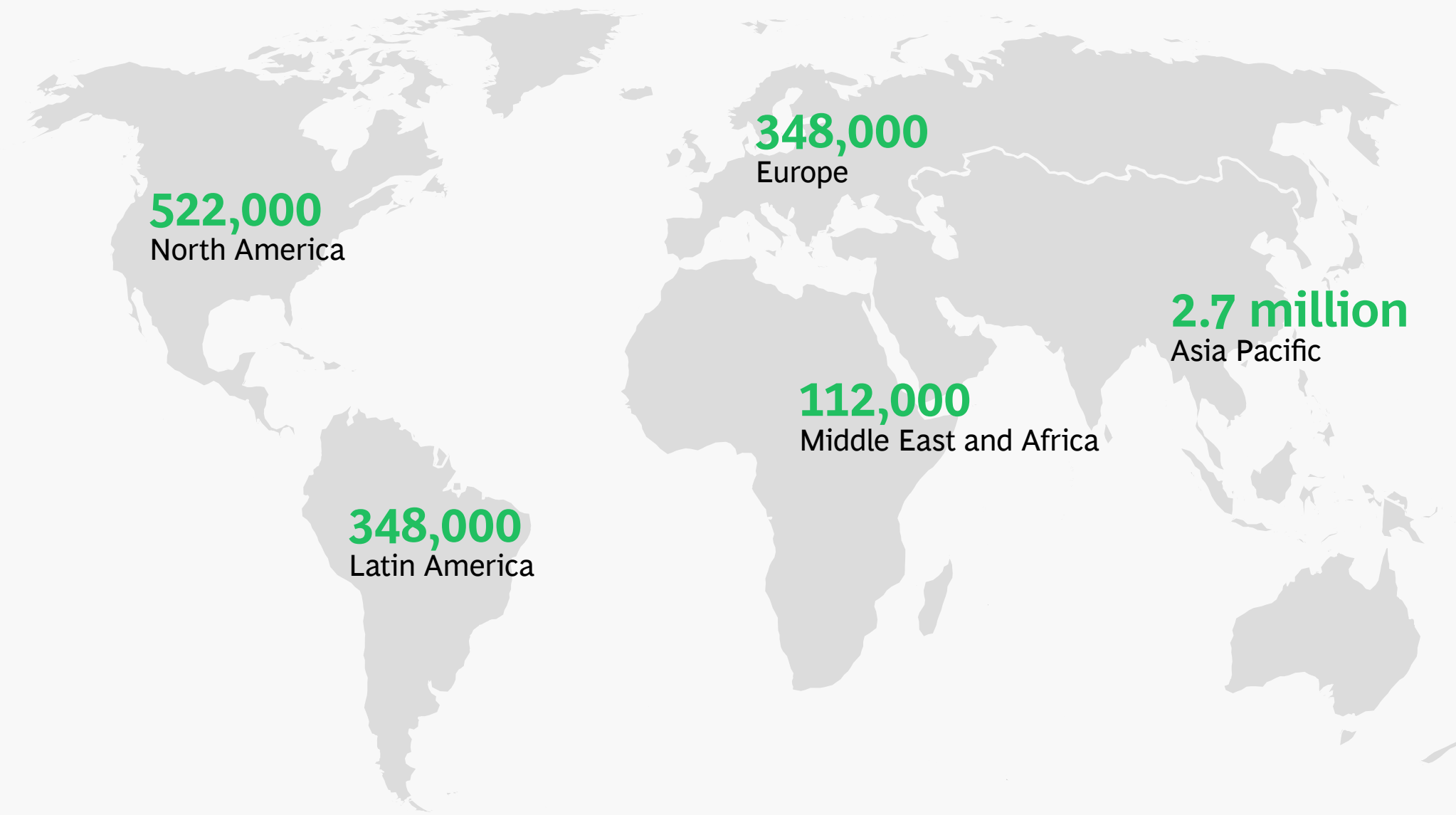


. . . and basic proficiency will likely become the norm as a result

New GenAI skills:

- Model fine-tuning
- Prompt engineering
- Output evaluation
- Bias mitigation
- Workflow integration
- Algorithms and methods

Hiring cybersecurity pros to manage increased threats is a global priority, and present shortfalls put companies at risk



77%

Average annual increase of US cybersecurity job postings from 2010 to 2023¹

72%

Cyberattacks that exploit people, process, or organizational failures

4 million

Global workforce shortage

Sources: (ISC)² Cybersecurity Workforce Study 2023; BCG analysis.

¹Cyber Seek national cybersecurity jobs supply/demand ratio.

A shortfall of 7 million workers with needed green skills could put climate goals and corporate pledges at risk

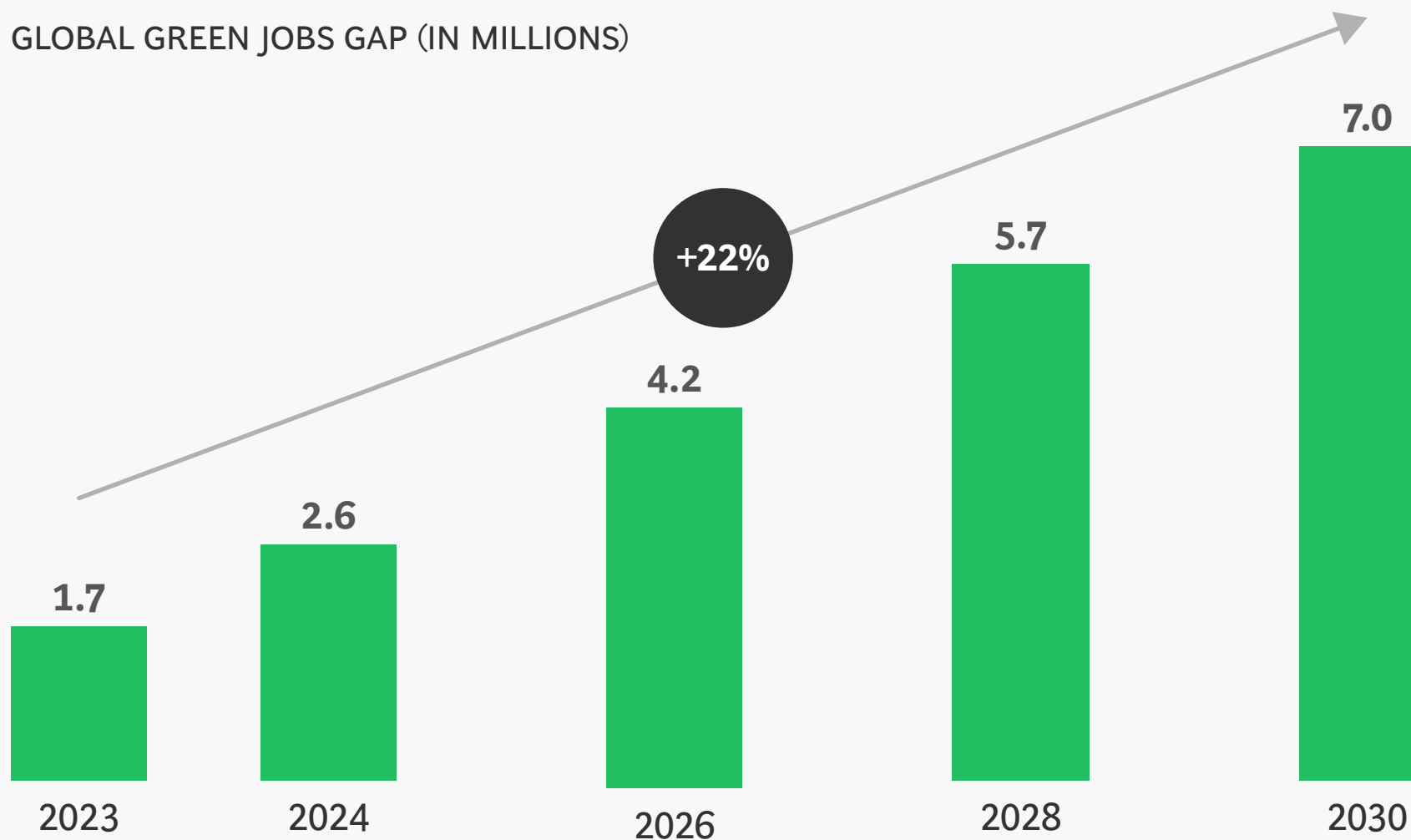
47%

Percentage of world's largest public companies that pledged to meet net zero targets by 2030 to 2050

17%

Percentage of companies that report being on track to reduce emissions in line with their ambition

GLOBAL GREEN JOBS GAP (IN MILLIONS)



Employee expectations have shifted, and former best practices may no longer be effective

Flexibility is a key priority for the workforce . . .

1 Feeling valued

2 Flexibility

3 Compensation

. . . and companies are starting to catch up

3x

Increase in remote jobs since early 2020

But to employees, flexibility is more than the ability to work from home . . .

81%

Want flexibility in **where they work**

93%

Want flexibility in **when they work**

. . . and for companies that get it, there is a real people advantage at stake

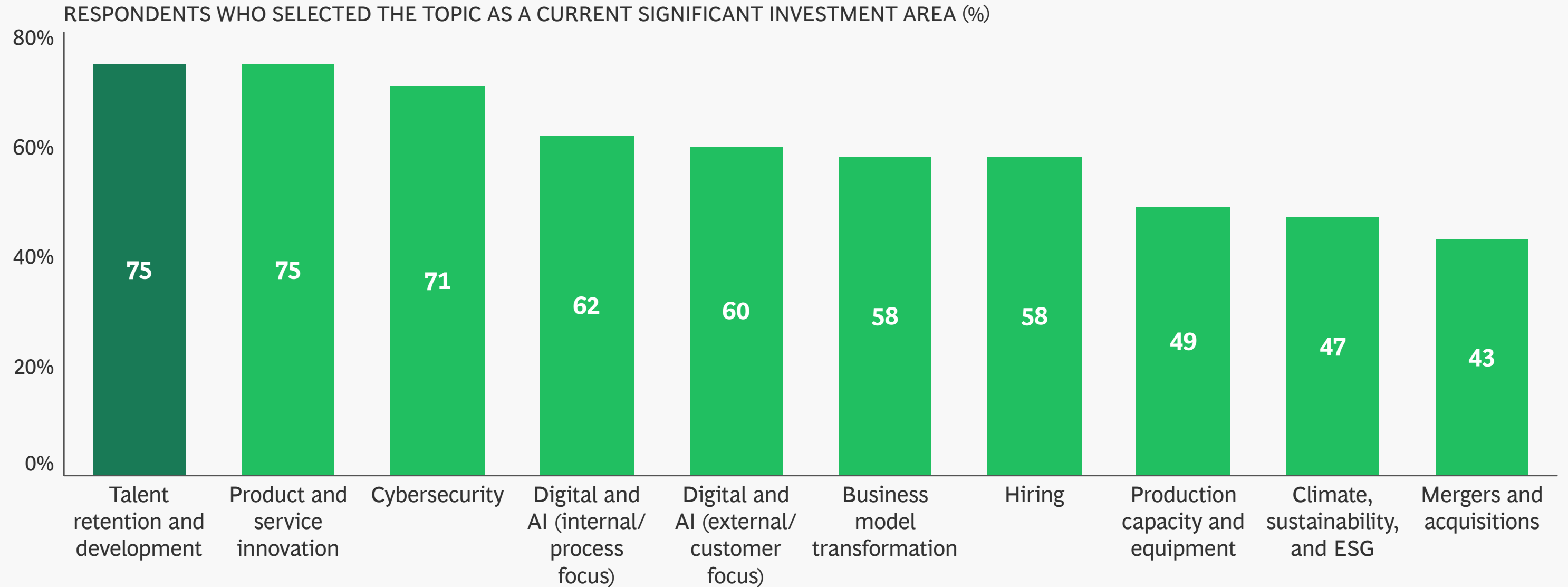
90%

Employees who feel flexibility options are important when deciding whether to take a job offer

1.6x

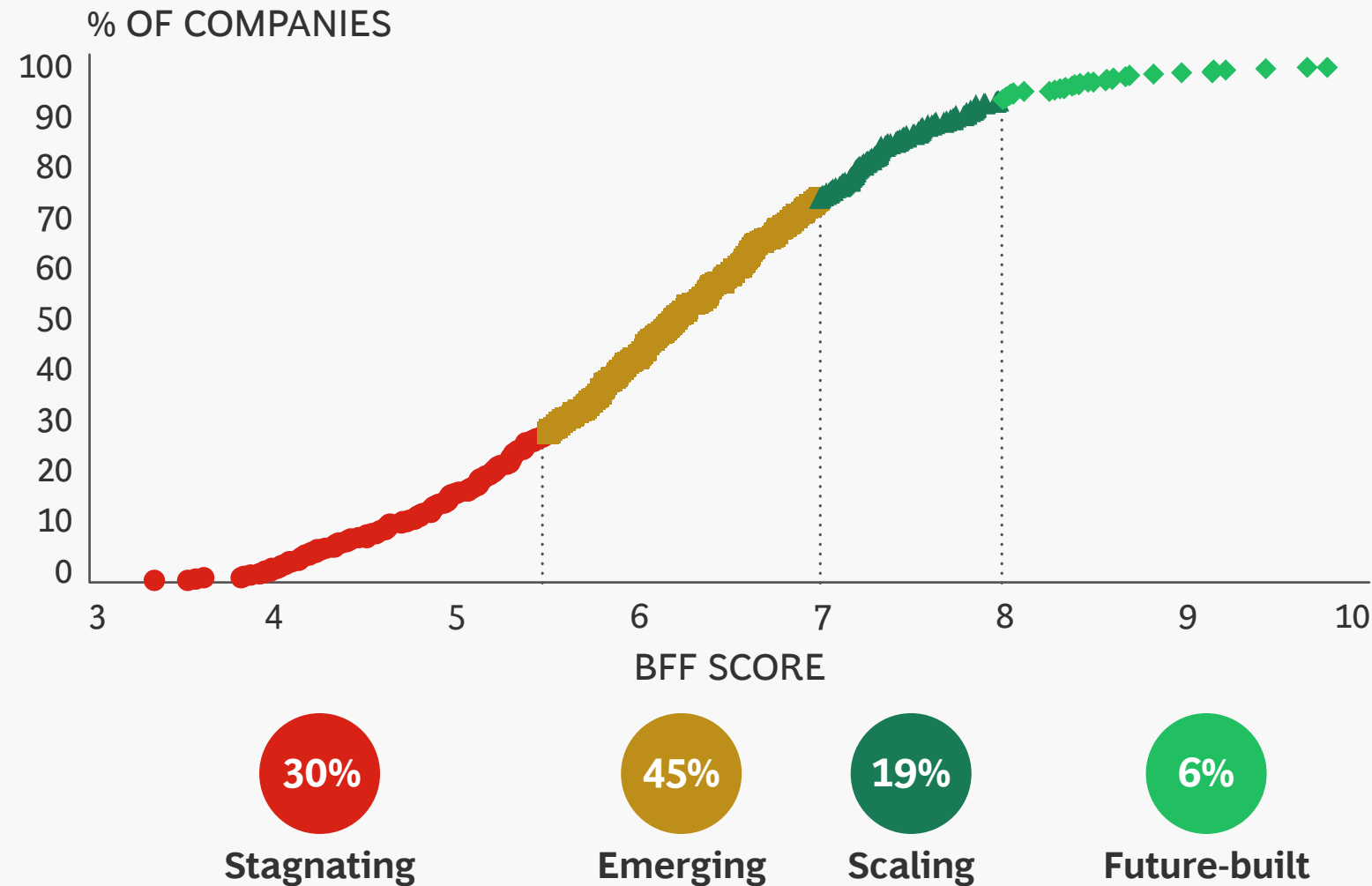
Increased likelihood that employees satisfied with their flexibility options will stay at least 1 more year in their current position

C-suite leaders recognize the challenges and the need to invest in retaining and developing talent



Source: BCG analysis based on a global C-suite survey (n = 759).

A select group of future-built companies has capitalized on the trends, allowing them to . . .



... realize multiple financial and nonfinancial benefits

3.4x Revenue
Three-year revenue growth¹

3.1x Profit
Three-year growth of earnings before interest and taxes¹

1.9x People advantage
More likely to have high Glassdoor ratings²

3.4x Climate and sustainability
Improved sustainability scores³

2.7x Generative AI
More likely to scale GenAI use cases across the organization

Sources: CapIQ; BCG Build for the Future Survey 2022 (n = 724); BCG analysis.

Note: Benefits metrics compare median for future-built vs. stagnating companies.

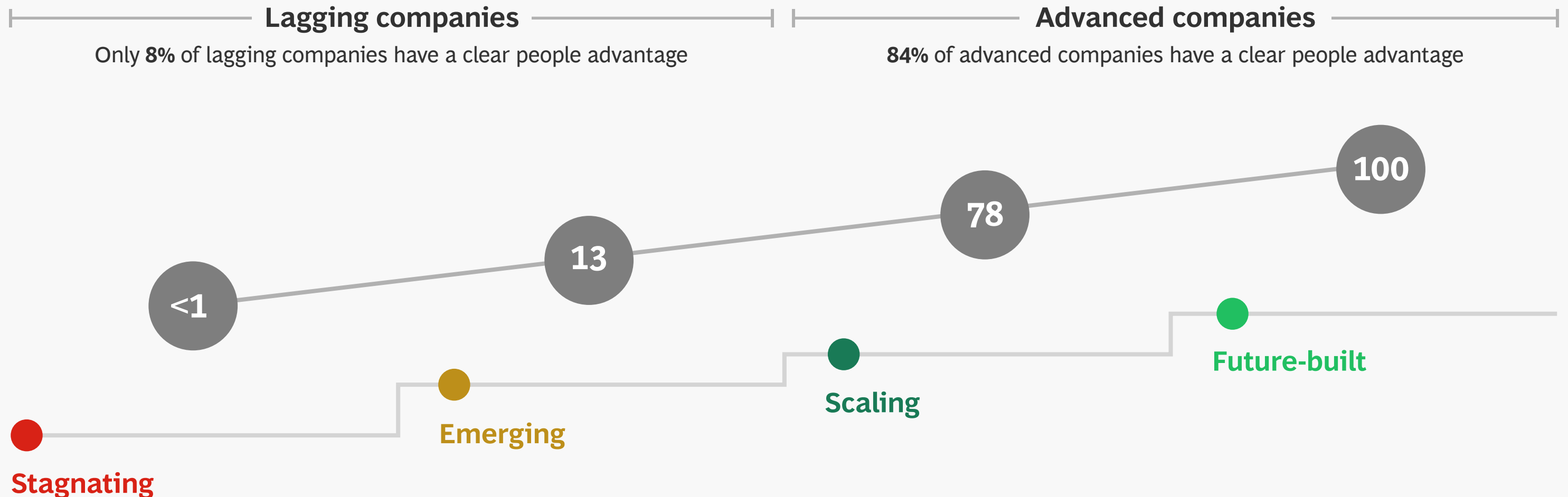
¹Compound annual growth rate from FY2019 to FY2022.

²Based on percentage of companies with ratings of 4+ out of 5, using an 18-month average rating as of August 2023.

³ESG score improvement from FY2019 to FY2022.

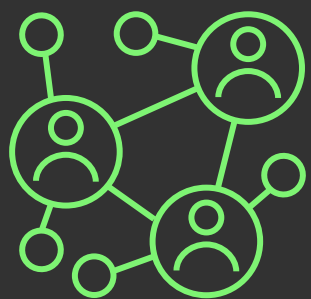
More than 80% of advanced companies create a differentiated people advantage

COMPANIES WITH DIFFERENTIATED PEOPLE ADVANTAGE CAPABILITIES¹ (%)

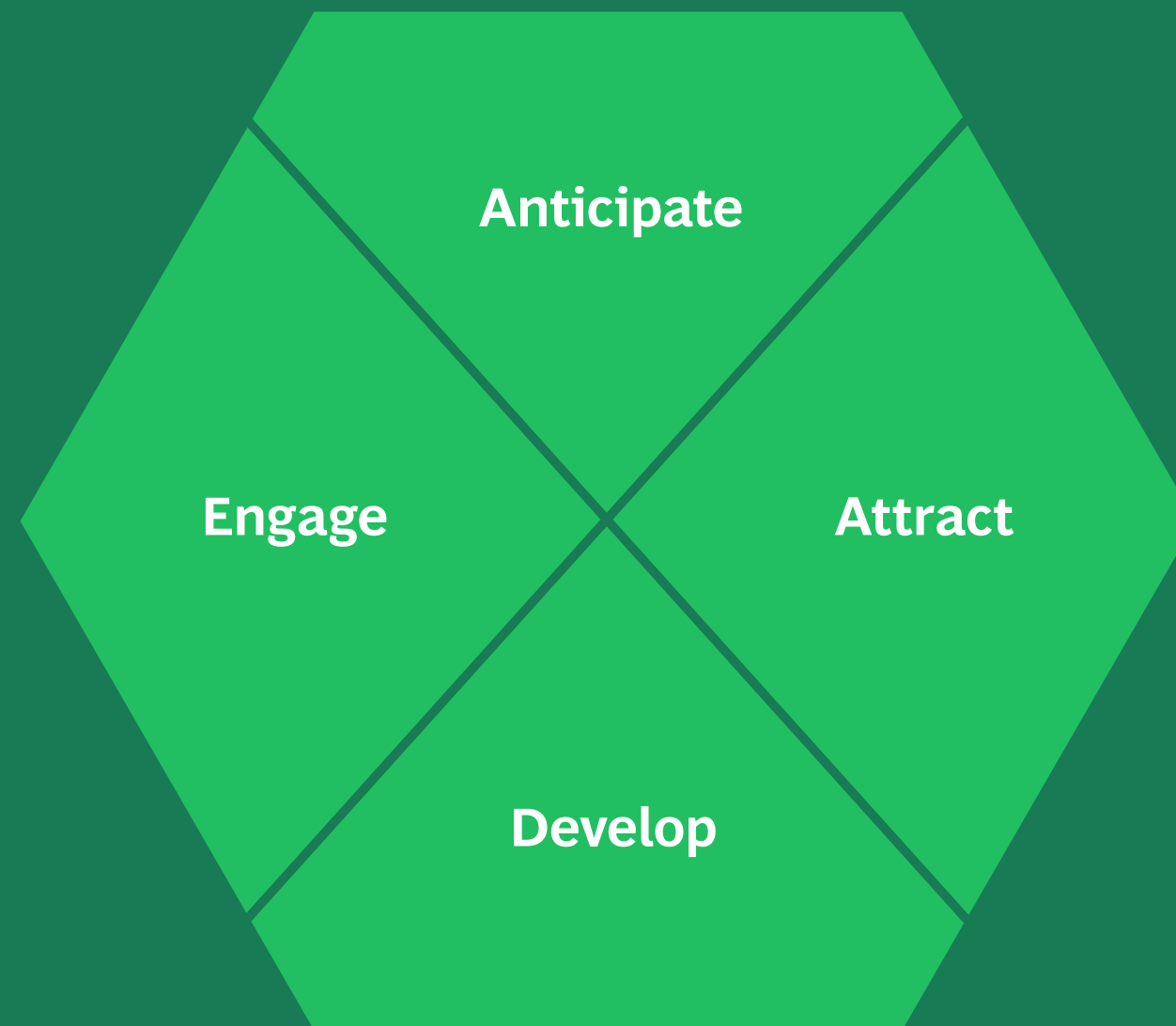


Source: BCG Build for the Future Survey 2022 (n= 724).

¹Companies that score 7 or greater out of 10 on people advantage. A score of 7 out of 10 is defined as strong talent for most current projects, existing roadmap to address talent gaps, above average employee value proposition, and use of most talent acquisition channels to find required skills.



Advanced companies take a holistic approach to building a differentiated people advantage



Anticipate

Understand the talent and skills needed to deliver on business and tech strategy.

Attract

Close talent gaps through innovative sourcing and a best-in-class candidate experience.

Develop

Upskill and reskill talent at speed and scale so everyone from frontline workers to the CEO has access to “always on” learning.

Engage

Cultivate an environment where people deliver their best and enhance their career journeys while also supporting the business strategy.

Source: BCG analysis.

Note: Advanced companies = scaling and future-built.

By addressing all talent value chain dimensions, future-built companies excel in every people capability by a wide margin

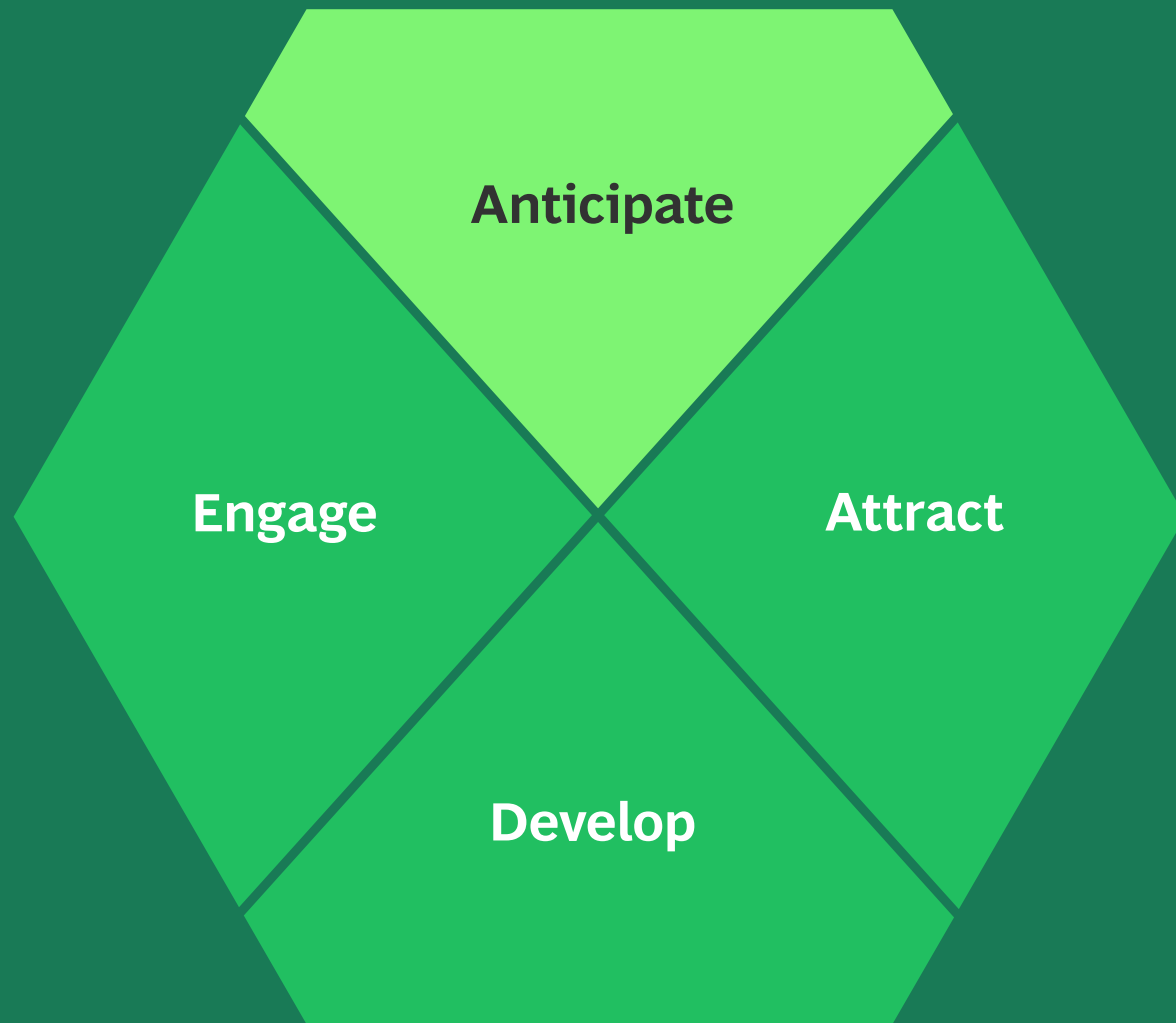
Talent value chain	Key people capability	Increase for future-built vs. stagnating companies ^{1,2}
Anticipate	Digital talent: The organization identifies job roles that require digital skills and expertise, for example, business intelligence analysts, data scientists, and IT architects.	6x
	Sustainability-focused talent: Best-in-class, dedicated people focused on driving value on sustainability initiatives.	6x
Attract	Talent ecosystem: The organization uses external sources, current employees, and upskilling and reskilling to fill its talent needs.	11x
	Strong employee value proposition: The business builds employee engagement through flexibility and adaptive work design, continuous learning and career pathing, and attractive compensation and benefits.	5x
Develop	Upskilling and career paths: Onboarding, upskilling, and career pathing strategies cater to workers' specific needs, ensuring a rewarding on-the-job experience.	5x
	Learning incentives: Employees are incentivized and given opportunities to learn.	4x
	Digital skill-building: Learning opportunities help employees cultivate AI and advanced analytics skills.	2x
Engage	Agile team structure: Teams adjust quickly to changing demands.	9x
	Flexible work model: Processes and platforms enable collaboration anytime, anywhere, and in any form.	2x

Source: BCG Build for the Future Survey 2022.

¹Percentage of companies with a score of at least 3.5 out of 5 on each sub-attribute; a score of 3.5 out of 5 is defined as moving toward adoption across the majority of the organization.

²Percentage of companies that consistently adopted the capability.

Anticipate | Advanced companies understand the talent and skills they need to deliver on business and tech strategies



Job and skill taxonomy and architecture

They define and group jobs based on specific skills and responsibilities to facilitate role clarity, mobility, and career paths.

Strategic workforce planning

They define job families, simulate workforce supply and demand, and identify gaps and risks. They develop HR metrics and institute an annual process to identify needed workforce interventions.

Skills-based planning

They use analytics to predict what the future workforce should look like by identifying the skill set of each employee in order to put the right person in the right job, unit, and location.

North American bank

Goal

Bring workforce and talent strategies in line with the company's 10-year plan.

Challenge

Job roles, required skills, and career paths were ill-defined, leading to lower engagement and higher attrition for technical roles.

Solutions

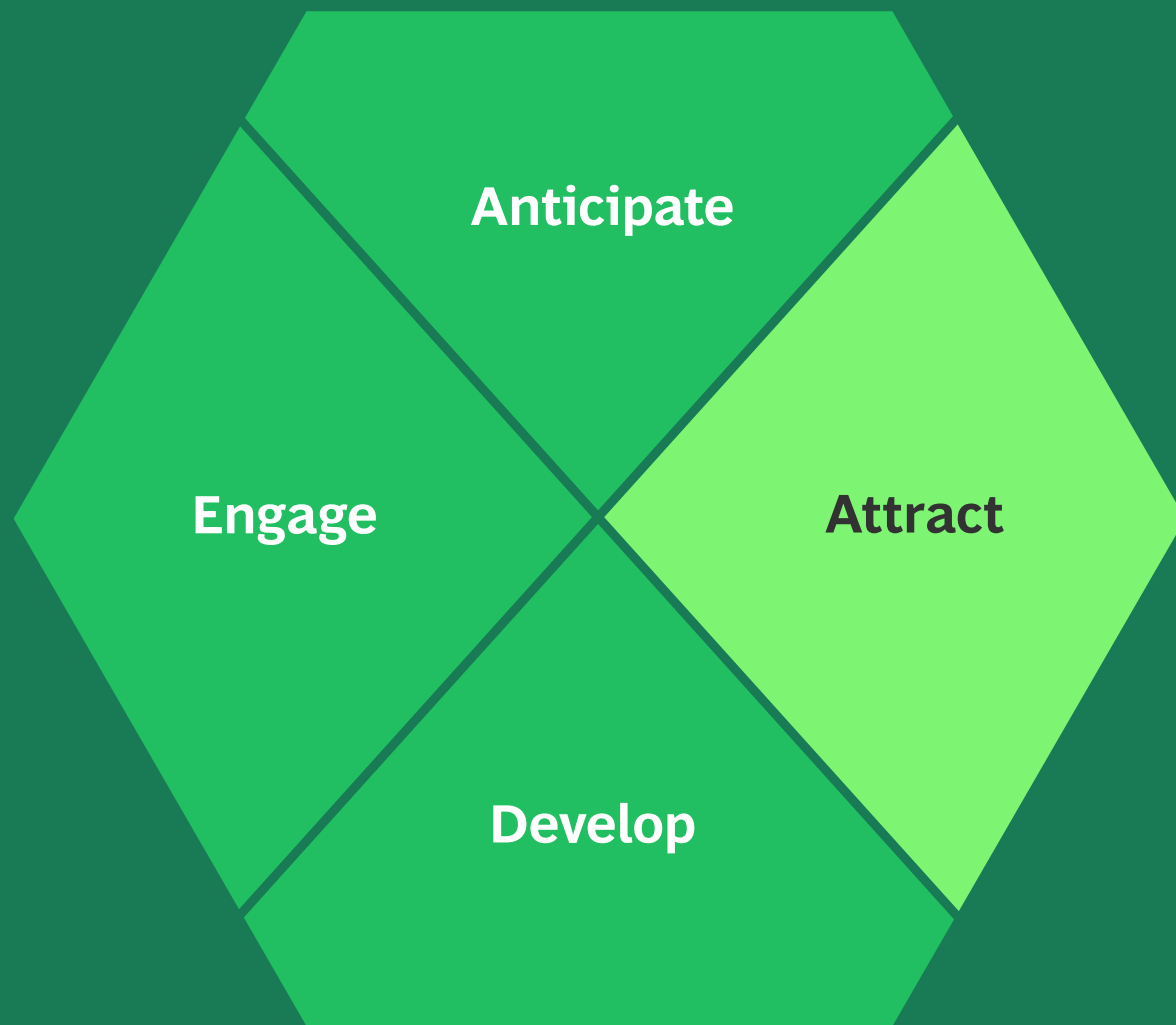
- Analyzed more than 900 distinct job roles to create job families and career paths.
- Launched employee self-assessment tools to identify skills gaps and implications for future talent strategy.
- Defined processes to keep job families and skills updated and developed change management materials.

Outcome

- Synced jobs and skills with company strategy to ensure employees' future readiness and to fuel engagement, retention, and career progression.
- Reduced job roles to 100, with standardized requirements, responsibilities, and promotion criteria.
- Built an enterprise-wide library of 650 skills.

Anticipate Case study

Attract | Advanced companies close talent gaps through innovative sourcing and a best-in-class candidate experience



Process and talent excellence

They design a talent acquisition strategy and operating model to provide a customized end-to-end candidate experience. They create upskilling programs and specialized talent acquisition teams that can source at speed and scale.

Sourcing and location strategy

They identify the location and availability of talent with critical skills and determine the most effective sourcing for filling the top of the funnel. They address talent gaps by assessing new internal and external talent pools.

Augmented sourcing

They use executive recruiters, vendors of end-to-end recruiting services and other outside partners to hire for in-demand roles and access new talent pools.



Large industrial manufacturer

Goal

Attract new tech talent and retain existing tech employees.

Challenge

Turn the company into a tech employer of choice, redefine purpose, and address critical hiring and onboarding gaps.

Attract Case study

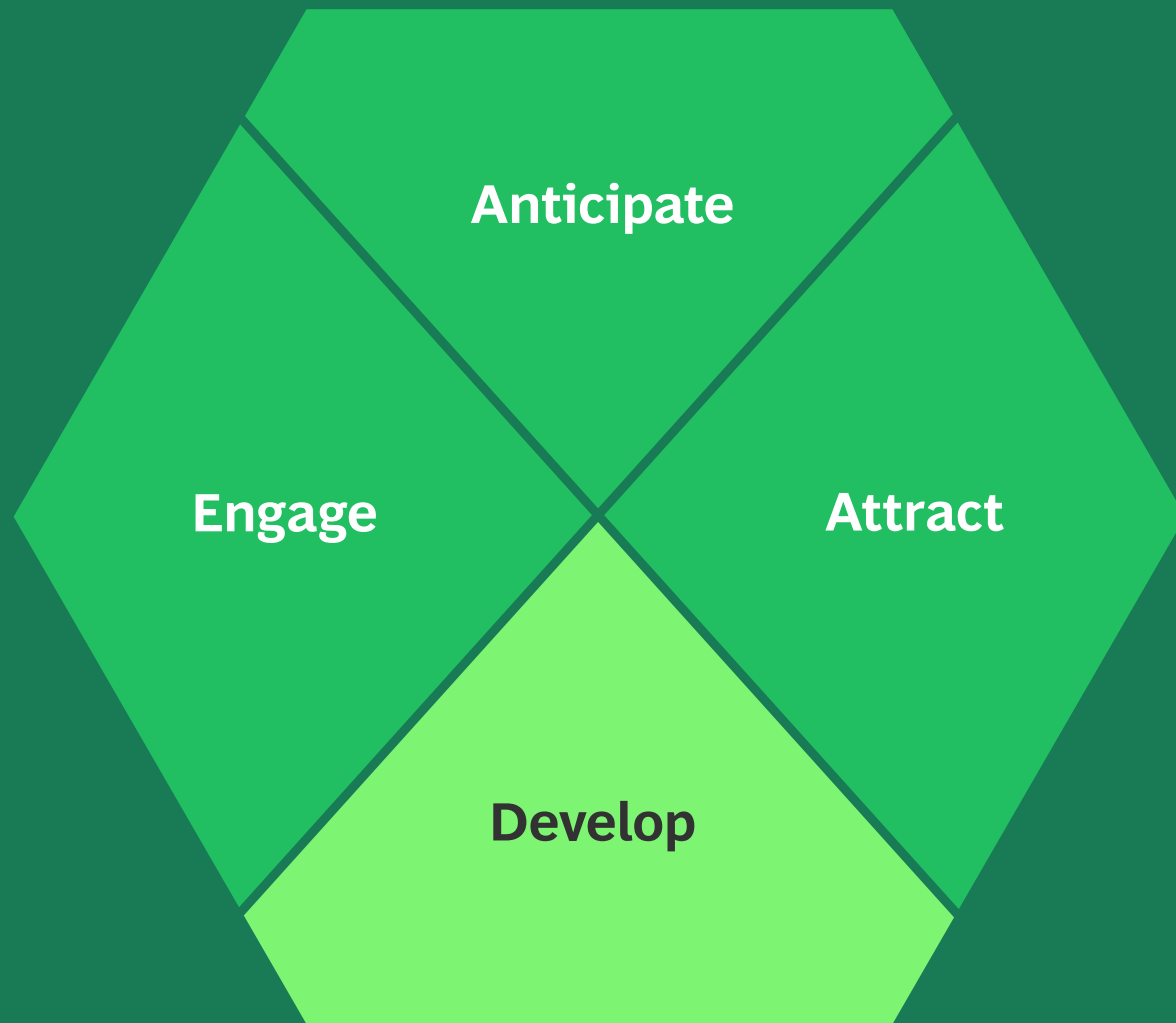
Solutions

- Launched a tech-focused employer brand campaign.
- Redesigned talent acquisition processes, including university and mid-career hiring and the new-hire onboarding journey.
- Created a strategic workforce plan and piloted new recruiting strategies.

Outcome

- Improved tech recruiting campaign outcomes.
- Reduced time to hire by 20%.
- Improved candidate experience by cutting time needed to complete job applications by 85%.

Develop | These companies also upskill and reskill talent at speed and scale so everyone from frontline workers to the CEO has access to “always on” learning



Capability accelerators

Embed accelerator programs into the workforce strategy to build key individual skills and organizational capabilities at speed and scale to drive successful transformations.

Executive and leadership coaching

Provide coaching leaders need to drive transformations by pairing them with former C-suite executives who can provide guidance and mentoring.

Learning advantage

Design, enhance, and implement learning and development activities to create competitive advantage.



Consumer packaged goods company

Goal

Upskill and reskill the R&D department to respond to digital and AI technology advancements.

Challenge

JA research department of about 4,000 needed training on AI and digital tools and processes to innovate faster and better, and to stay competitive.

Develop Case study

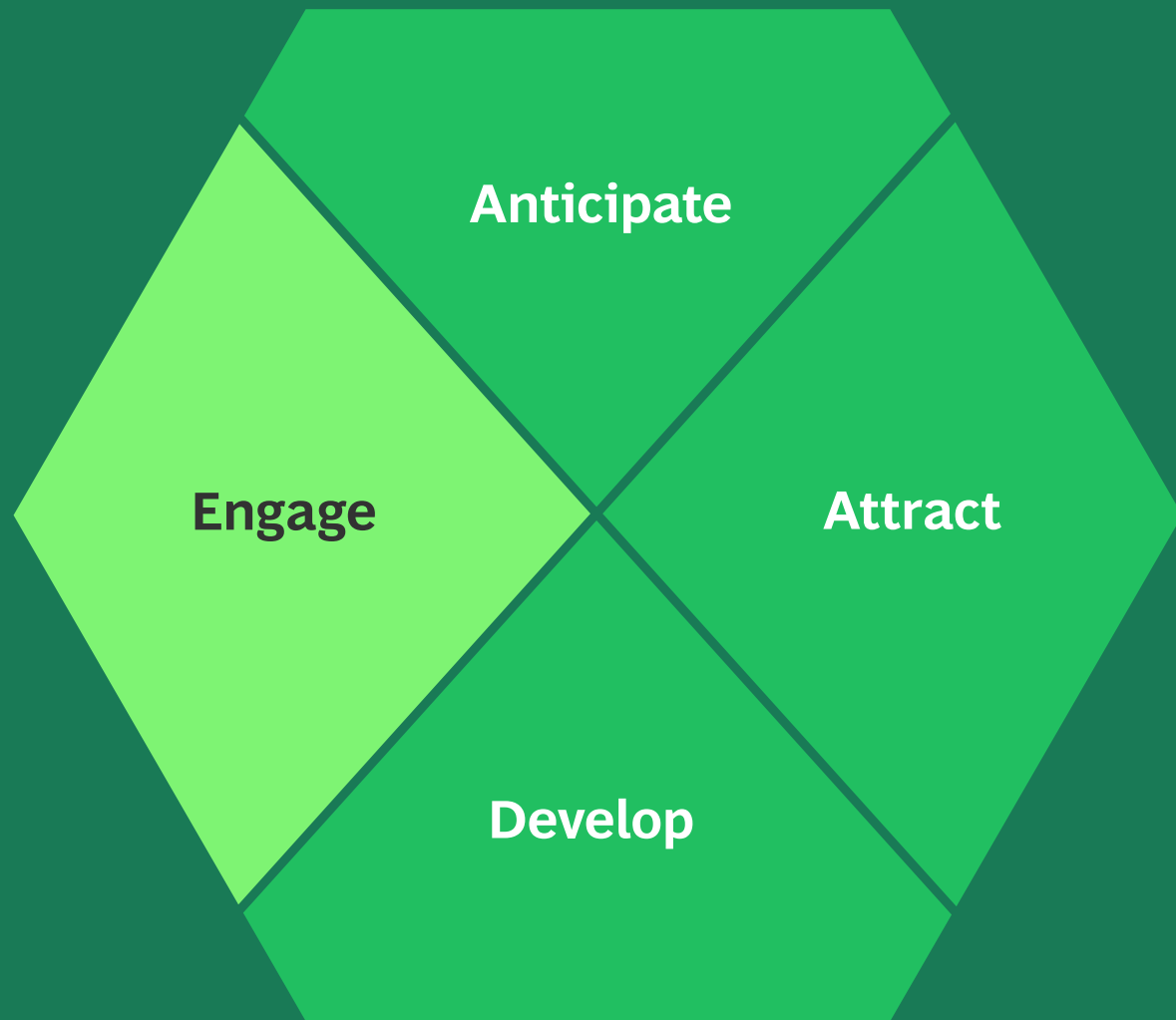
Solutions

- Developed separate upskilling programs for leaders, data specialists, and professionals.
- Designed programs based on on-the-job learning, exposure, and formal training.
- Integrated innovative learning tools, including augmented reality and metaverse applications.

Outcome

- Upskilled 120+ leaders and specialists on data, digital, technology, and agile.
- Prepped launch of upskilling programs for department professionals.
- Created key assets to maintain upskilling program structure in the future.

Engage | Cultivate an environment where people deliver their best and enhance their career journeys while also supporting the business strategy



Augmented employee journeys

They enhance the end-to-end employee experience through total rewards, learning and development, mobility efforts, and performance management.

Employee value proposition

They provide clarity on how the company wants to show up as an employer by linking purpose to recruiting practices and support for employees' needs.

Next generation HR

They design HR structures, processes, and capabilities to be employee centric, generate business value, enhance HR skills at scale, and succeed in a digitally disruptive environment.

Global medtech and pharmaceutical company

Goal

Be seen as an employer of choice for existing and prospective digital talent.

Challenge

Overcome postpandemic competition making it harder to attract and retain people with in-demand digital skills.

Solutions

- Conducted internal and external interviews to determine key motivators for digital talent.
- Codified the company's employer value proposition (EVP) for digital talent by amplifying current strengths and identifying gaps to address.

Outcome

- Outlined key attributes of an enterprise-wide EVP for digital talent, including must haves, and digital-specific priorities.
- Identified actions needed to launch the EVP, including branding campaign and new recruiting and hiring processes.

Engage Case study