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# The Spotlight

*Spotlight*, our regular Q&A with clients and colleagues, highlights leading viewpoints on trending topics in the world of human resources.

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## Photos from left

Tarandeep Singh  
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## Reshaping and Optimizing Workforces for the Future

Many organizations are realigning their business models to move from surviving in economic and business uncertainty to thriving in a fast-changing world. Recent events have accelerated technological and workforce changes that were already underway, sparking a growing need for new skills – and quickly. Optimizing the workforce for the future requires identifying future skills and developing a plan for reskilling and upskilling your people.

We recently had the chance to speak with three experts in Aon’s human capital practice across Asia and North America on this topic – Tarandeep Singh, CEO, Aon Assessment, Kathy MacKay, associate partner, and Tzeitel Fernandes, partner.

For more insights on rewards trends and our survey products, please visit [humancapital.aon.com](http://humancapital.aon.com).

## Questions and Answers

### What factors are driving digital transformation and how can firms keep up with evolving talent needs?

Constant change, driven by remote working, fluid talent pools and technological advances, has created a work environment that demands new and evolving skills. And organizations are increasingly aware that they have a shared responsibility and vested interest in providing employees with opportunities to hone these future skills. Yet, it is impossible for all employees to be up to date on the latest digital skills.

45% of the 1,451 global respondents we surveyed in our global pulse survey in April 2021 said they have, or are considering, assessing their employees for agility, adaptability and digital skills. However, a high number of employers have not yet identified what specific future skills are needed for their organization. Aon's 2020 Digital Readiness Report revealed that 59% of HR leaders do not have a defined set of skills for their digital transformation. Companies can begin addressing this by evaluating their evolving business needs and the prevalence of future critical skills to fulfill these needs within their organization. They should then evaluate where they stand compared to their top talent competitors.

— Tarandeep Singh

### What key steps should be taken to help close any skill gaps within an organization?

In many cases, organizations already have employees that possess the type of future skills they need to be successful in the future. Future skills include behavioral competencies just as much as harder technology skills. Employers and digital leaders should identify and harness these future skills for both the way people will work (e.g., agile and cross-functional teams, remote work) and the type of work expected (e.g., digital transformation, reaching new customers). Doing so will create a compelling employee experience for current and prospective talent. It is also a virtuous cycle. Reskilling and upskilling help close the future skills gap while improving the firm's reputation for potential employees and boosting retention for high-impact talent. — Kathy Mackay

### What is a top priority when planning for the future of work?

As business models and jobs evolve with the continued impact of technology, organizations should prioritize the redefinition of job and career architectures. Doing so would lead to a fuller understanding of future skills and competencies, thus paving the way to identify current gaps. Certain providers rely on big data (lots of publicly available data classified by job titles) to identify such priorities, which, albeit a start, is not a comprehensive approach. It

would fail to address an individual organization's unique business and strategic implications. Furthermore, a tailored approach can yield much better results when it comes to talent mobility and retention. — Tarandeep Singh

### What are the benefits of a holistic approach to future skills strategies and how does this impact rewards?

In the past, employers approached planning for future skills through more one-dimensional activities, such as a skills library, job descriptions and learning and development catalogs. These activities were not inherently unproductive, but they were insufficient because they were not fully linked to talent and business strategy. While we see clients today that are more sophisticated in their future skills strategy, many still have competencies and skills separated. For instance, they emphasize hard technology and data skills over behavioral skills such as adaptability and instilling a growth mindset. We envision the ideal future state as one that looks at future skills as a holistic exercise that is tied to business strategy with skills and competencies grouped together. The benefits of this approach include closing the future skills gap and reducing turnover of key talent. — Tzeitel Fernandes

### In addition to planning for future skills, what other future of work activities should organizations be focused on?

We believe there are four key issues that firms should prioritize to help future proof their business. All involve leveraging their greatest asset — their people. These issues include exploring how and where people should work, driving positive change with diversity, equity and inclusion (DE&I), enabling workplace change through rewards and — as we are discussing today — building stakeholder value through future skills.

Organizations can apply insights around these topics through a data-driven approach (*learn more in our Accelerate guidebook*). This allows them to continually assess opportunities for action with speed and scale. It is through this lens that adjusting to constant change in the workplace, no matter your firm's unique profile, is possible. — Tarandeep Singh

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*To learn more about reshaping and optimizing your workforces for the future, please download our recent white paper: [Closing the Future Skills Gap to Drive Business Success](#).*

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## **About Human Capital Solutions**

Aon's human capital business provides leaders with a powerful mix of data, analytics and advice to help them make better workforce decisions. Our team, spanning 2,000 colleagues in more than 30 countries, includes the firm's rewards, talent assessment and performance & analytics practices. To learn more, visit [humancapital.aon.com](http://humancapital.aon.com).

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