EBOOK

PLAYBOOK FOR CONTINGENT WORKFORCE INNOVATION IN THE PANDEMIC ERA

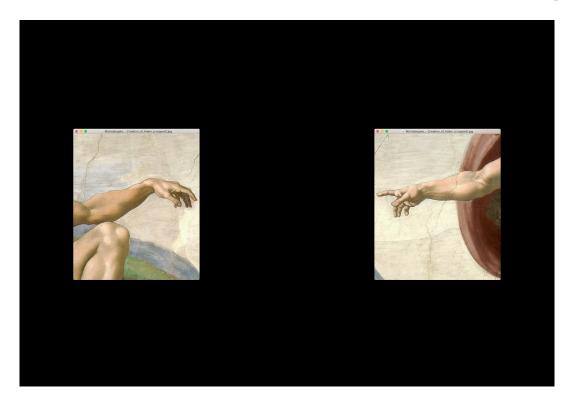
NEWTALENT STRATEGIES FOR OUR NEW NORMAL



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person's position often informs his or her perspective on employment. So depending on whom you ask, the concept of work and the nature of the workforce may produce some wildly different definitions. But if there's one characteristic they share, it's change. And the labor landscape has endured epochs of change, from outright servitude to independent tradespeople, organized guilds, unions, and the longstanding regulations of "traditional employment" that blossomed during the 20th century. Most recently, the expanding strength of contingent talent and the advent of the gig economy have captured the attention of the business world with the force of their kinetic synergies. Then, in the early months of 2020, we found ourselves standing at the precipice of another powerful fluctuation: Pandemic.

Since the outbreak of the novel coronavirus (COVID-19), the dynamics of employment and economics have altered radically—perhaps indefinitely. The nature of work transformed yet again, practically overnight. But from crisis springs opportunity. As businesses across the world struggle with the abrupt reality of sweeping telework arrangements, employees relocating, the potential demise of traditional brick-and-mortar offices, and displaced professionals dropping out of labor participation, there exist innovative approaches within the workforce solutions industry that can help rebuild a thriving talent ecosystem for our "new normal."



REVOLUTION & EVOLUTION

The timeline that led to our modern iteration of labor is punctuated by seismic shifts. It's a journey beset by turmoil, fraught with upheaval and reform, and paved by milestones of success and countless victories. There's no denying that the springboard for every leap of civilization has rested on the backs of a capable workforce. But progress hasn't always been easy.

In 1676, the first known rebellion of slaves erupted in Virginia. A year later, organized strikers in New York were prosecuted for their dissent and disruption. At the height of America's industrial revolution—a radical paradigm shift from the country's agrarian-based culture—we witnessed pivotal events that would forever shape the course of the economy and the talent who drive it, from labor revolts to infamous strikes, widespread economic turmoil, and the ongoing fight for civil rights, workplace equality, and inclusion.

The history of labor can truly be considered a tale written in blood, sweat, and tears. But throughout these dire circumstances, the perseverance of committed workers, their advocates, and regulators ultimately ushered in opportunities to introduce benefits, standards, rules, codes of ethics, and protections. And although we have experienced setbacks in our forward momentum, we have the tools to forge a symbiotic relationship between employers and talent that can create forthcoming eras of mutual prosperity.

NATIONS ARE FORMED ON IDEALS BUT BUILT ON LABOR

The origins of the U.S. labor movement can be traced back to the nation's earliest settlers, beginning in 1607 when British planters in the burgeoning Jamestown colony expressed a pressing need for more workers to help cultivate the crops necessary to sustain the influx of expatriates from England and the western reaches of continental Europe. During the



late colonial period, in the country's formative years, a relatively unfettered wage-labor market arose among the artisan trades, eventually leading to the creation of formal guilds and associations that would later become local craft unions, such as the Federal Society of Journeymen Cordwainers, the Mechanics Union of Trade Associations, the Typographical Union, the AFL-CIO, and many others.

FROM COTTON GINS TO CELL PHONES

Eli Whitney's invention of the cotton gin is regarded as a watershed moment for labor, igniting the spark that would flourish as the Industrial Revolution in the States. However, this significant shift—an early example of introducing automation into predominantly manual processes—drove a wedge between the agricultural regions of the South and the industrialized North, culminating in the Civil War.

For the North, the advances in machinery virtually eliminated the need for slave labor. The South, meanwhile, clung to its familiar way of life in the absence of similar resources to fuel its continued economic growth.

Yet, even as industrialization played a powerful role in abolishing U.S. slavery, it engendered new tensions with its reliance on child labor, violent strikes, and the emergence of "robber barons," wealthy capitalists who leveraged their vast property ownership to control the labor force, comprised mostly of individuals without land or capital holdings. Conditions worsened with increasing hours, dangerous working environments, unhealthy physical rigors, no defined job security, and open discrimination. Labor unions did little to alleviate the pressures, suggesting Band-Aid type remedies for symptoms in lieu of attacking the root problems.

The divide widened, with some on the left embracing the philosophies of Karl Marx, who recognized the appeal of people working in groups toward a common goal. He neglected to consider an individual's primary motivation to work for his or her own gain. On the right, followers of Adam Smith lauded the might of free enterprise. Yet Smith's theories fell apart during the rapid expansion of industrialization because such efforts required enormous financial investments that sacrificed any independent leverage workers once had.



Many modern businesses have attempted to realize a solution that balances workers' desires to profit while benefiting consumers and companies in the process. Today, we are seeing the fruits of a new movement predicated on self-actualization, social awareness, individualism, and camaraderie.

A NEW ERA DAWNS

Our rudimentary labor movement was inspired by philosophies grander than just fulfilling the immediate vocational interests of craftsmen; it derived from the Ricardian labor theories of value, which promoted the ideals of social justice, equality, and honesty consistent with the tenets behind the American Revolution. Most importantly, it relied on the virtues of independent citizens to provide exceptional wares and services.

An entrepreneurial spirit was fostered, and the accountability placed on each individual tradesman drove a high quality of goods. As time marched on, giving rise to organized bodies of labor, the sense of accountability and pride eroded. With responsibility for governance of the work transferred to centralized administrators, such as unions and foremen and corporate echelons, the worker's personal sense of achievement and ownership became diluted. Yet in the 21st century, with the participation of Generations X, Y, and Z into the workforce, we are seeing a renaissance of values that emphasize freedom and entrepreneurialism, with unique twists and nuances.

The progress charted by labor is a tale told through measures of revolution and evolution. The collapse of the U.S. economy in 1929 heralded the creation of Roosevelt's New Deal, a series of domestic programs first enacted in 1933, which forever changed the nation. One of the most groundbreaking and preeminent developments of this time arrived with the passage of the Fair Labor Standards Act of 1938 (FLSA). The execution of the FLSA set a national minimum wage, established maximum work hours, and enforced child labor protections. Moreover, the federal government began pressuring employers to recognize their workers' rights to membership in the burgeoning unions of the time, which led to employer-sponsored benefits and vacation pay. The advent of the New Deal also ushered in the return of income tax withholding, a practice previously abolished after the Civil War.



For several decades, the FLSA came to embody the essence of 20th century business. Toward the end of the millennium, however, we watched new models rise, which took shape from the explosive growth of contingent labor. Flash forward another 20 years, and we're now rapt by the promise of the gig economy, sometimes called the sharing economy.

The contingent labor boom, as we know it, took hold toward the end of the 1980s. According to Government Accountability Office (GAO) reports in 1991, "Part-time, temporary, contract, and other nontraditional workers made up about 26 percent of the work force. Part-time and temporary employment grew faster than the rest of the work force during the decade. The number of independent contractors increased as well. This trend toward increased use of nontraditional workers should continue in the 1990s due to employer and worker interest in such work arrangements."

The predictions proved accurate. In the <u>Intuit 2020 Report</u>, researchers concluded that "in the U.S. alone, contingent workers will exceed 40 percent of the workforce by the end of 2020." By other estimates, the figure across most organizations has reached 45%, or 60 million workers in the United States. That's a noteworthy increase from 30% in 2005, and the numbers are expected to hit 50% in the near future.



PANDEMIC: A NEW ERA DISRUPTS

THE NOVEL CORONAVIRUS CHANGES THE GAME

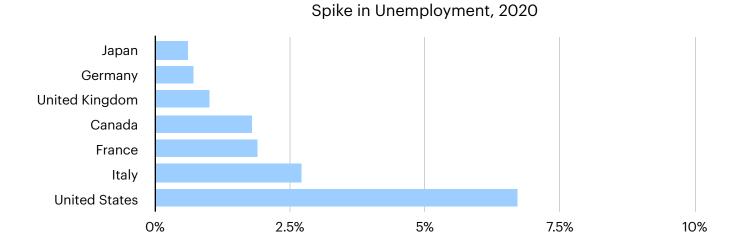
Since December 2019, the Centers for Disease Control and Prevention (CDC) has been responding to an outbreak of the respiratory disease COVID-19, which is caused by a novel coronavirus called SARS-CoV-2. The new strain of coronavirus was first detected in Wuhan, China.

On January 30, 2020, the International Health Regulations Emergency Committee of the World Health Organization (WHO) declared the situation a "public health emergency of international concern." Since then, COVID-19 has spread rapidly across the globe and taken a foothold in every continent except Antarctica. New cases continue to emerge daily. Because of the growing transmission rate and scope, WHO officially elevated the status of COVID-19 to pandemic on March 11, 2020.

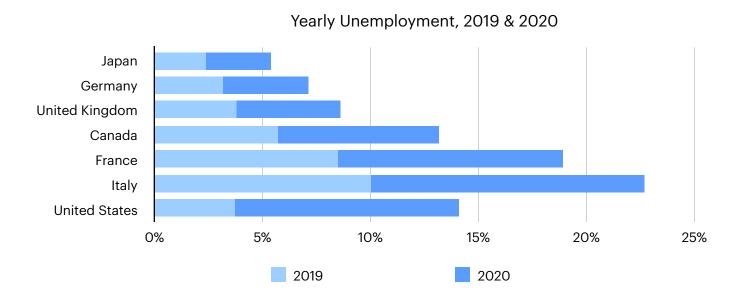
The devastating effects of COVID-19 cannot be understated. The pandemic has exposed our global community to health risks, economic hardships, political challenges, social struggles, and a crisis that touches people's lives on nearly every level. As of this writing, there are close to 7.5 million confirmed cases in the United States, with more than 215,000 deaths, according to WHO. The counts have far surpassed the original estimates proposed by governments earlier in the year. But those numbers keep climbing in real time, and health experts worry that the figures could double by the close of 2020.

The state-imposed quarantines and business closures have also dealt crippling blows to the economy and its labor force, on a worldwide scale. June 2020, based on data from the International Monetary Fund (IMF), displayed a profound snapshot of the pandemic's effect on unemployment.





The United States showed the most striking increase out of all the countries studied. In 2019, Japan and the United States enjoyed some of the lowest jobless rates in the world. By the following summer, the U.S. unemployment rate spiked with a startling increase of 6.70%, compared to Japan's 0.6%. Even though that number dipped down to 7.4% in



America during September 2020, the data demonstrate the volatility of the market during



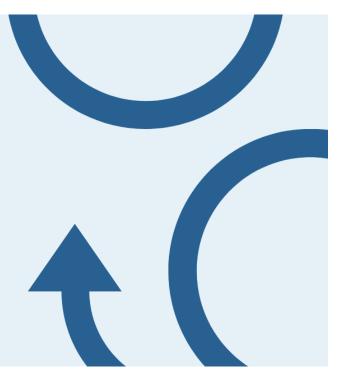
abrupt fluctuations caused by the pandemic. If, as officials fret, we encounter another surge during the fall and winter, we'll have to withstand more potentially drastic shifts.

A NEW NORMAL MUST BE ACCEPTED & ADOPTED

At this very moment in time, we've arrived at a critical juncture, where the historical elements of our labor legacy intersect. In many ways, the presence of COVID-19 has inadvertently spurred the confluence of these trends. The impetus for greater workforce and business autonomy, combined with the continuing evolution of contingent work, is no longer just an interesting business case in cost savings and productivity. It has been impacted and dramatically influenced by the presence of the COVID-19 pandemic. Our means of engaging, directing, and interacting with talent must change, along with the urgent need to update entrenched laws and regulations to fuel progress. Staffing providers and workforce solutions firms are well accustomed to handling remote talent with efficiency and attention. But as the pandemic forces traditional companies to operate within these parameters, the expertise of the staffing industry could play a larger role in the coming new normal.

 The structures that evolve and thrive will no longer be businesses as we think of them; they will become robust ecosystems that decouple consumers and buyers while uniting them.

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- With the inception of online recruitment platforms, freelance management systems, and direct sourcing exchanges, talent can now sell their services directly to businesses. In many ways, workers are beginning to function as service providers for the employers they support, who in turn are becoming customers.
- Hiring is transforming from a transactional search and placement process performed by recruiters to a collaborative marketplace model. Instead of operating in a basic supply and demand system, where consumers visit a store to buy a specific ware, business ecosystems are taking over. The emerging talent ecosystem mirrors the rise of platforms such as Amazon and the decline of past retail institutions such as Toys R Us, Sears, and Borders Books.
- The push among business leaders and talent for independence is not only making the idea of contingent work more appealing, it's reinventing the nature of labor engagements.
- As these models evolve, augmented by automation and new technologies, so too will regulatory standards, issues of compliance, and new sets of ethics.
- We are returning, in some sense, to the age of artisanal labor but without regressing. The concept is moving forward—where formerly non-traditional employment arrangements are becoming a modern reality, with modern standards.
- The workforce of the near- and long-term future will become increasingly virtualized, with physical offices giving way to digital enterprises, geographically dispersed teams, and electronic communication systems to keep all the pieces moving in sync.

With all that occurring, the need for a different kind of oversight remains paramount to success. Our hiring, onboarding, management, and performance processes must continue to be overseen or curated to ensure optimal levels of compliance and support.



TALENT TRENDS: TODAY & TOMORROW

Several economic, social, and business behaviors will define the future workforce. However, all of these trends have been indelibly altered as the course of the pandemic spreads. It's no longer adequate to predict labor tendencies using normative or traditional formulas. To derive these estimates in context of our new normal, we must assess them through the lens of the pandemic and its repercussions.

THE AGING WORKFORCE

PRE-PANDEMIC

By 2024, the U.S. Bureau of Labor Statistics (BLS) projects that the <u>labor force will grow to about 164 million workers</u>, including about 41 million people who will be ages 55 and older. And of that number, about 13 million are expected to be ages 65 and older. Although seniors represent a smaller total of workers overall, their population is significant.

"The 65- to 74-year-old and 75-and-older age groups are projected to have faster rates of labor force growth annually than any other age groups," BLS noted. "Over the entire 2014–24 decade, the labor force growth rate of the 65- to 74-year-old age group is expected to be about 55 [years old], and the labor force growth rate of the 75-and-older age group is expected to be about 86 percent, compared with a 5-percent increase for the labor force as a whole."

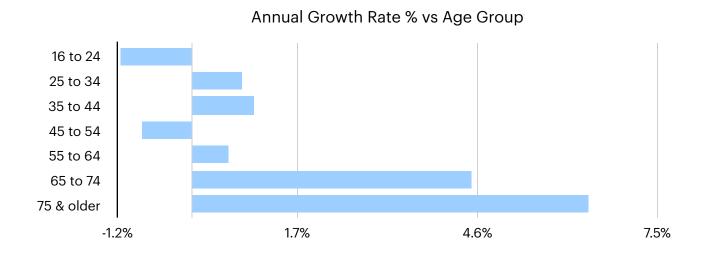
This trend is bolstered and further expounded in the academic paper "THE US LABOR MARKET IN 2050: Supply, Demand and Policies to Improve Outcomes," produced for the



McCourt School of Public Policy at Georgetown University by authors Harry J. Holzer, a noted economist, and Professor John LaFarge Jr. They detected three clear trends in the past that they believe will "likely persist in the coming decades."

- Slowing population growth
- Population aging
- Growing diversity, as Hispanic and Asian populations rise as shares of the total

"In particular," the authors wrote, "we see that annual population growth is projected to slow considerably over time. The share of the population accounted for by those above age 65 will grow, first as Baby Boomers age, but even more generally as health care improves and generates longer life spans. In addition, US birth rates have declined in the past decade, apparently in response to economic hardships on young people during the



Great Recession; but these rates have not recovered with the economy in this decade, leading many analysts to predict population slowdowns even greater than what have been officially projected."

Going forward, both BLS and the Georgetown University economists concluded that further declines in labor force participation will continue as the population ages—



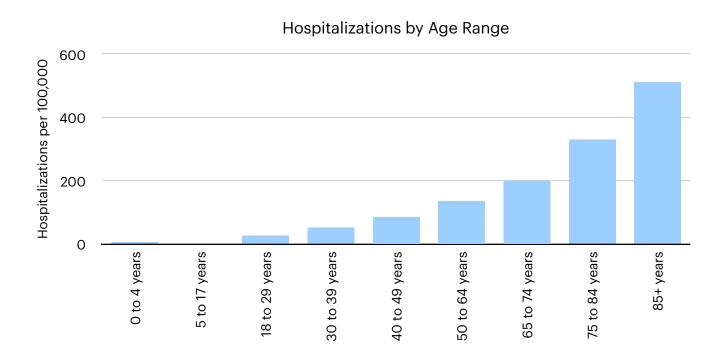
occurring both for the overall population and within specific race and generational groups—driving down labor force activity for all groups except those at ages 55 and above. The current trends are illustrated by BLS data covering forecasts from 2014 to 2024.

By 2024, Baby Boomers will have reached ages 60 to 78. Many of them are expected to continue working even after they qualify for Social Security retirement benefits.

"People are working later in life for a number of reasons," BLS explained. "They are healthier and have a longer life expectancy than previous generations. They are better educated, which increases their likelihood of staying in the labor force. And changes to Social Security benefits and employee retirement plans, along with the need to save more for retirement, create incentives to keep working."

POST-PANDEMIC

The pandemic has clearly taken an historic toll on workers of all ages, but older talent face unique hurdles. COVID-19 is not an equal opportunity disease, and seniors occupy a prominent place in its discrimination. As the CDC <u>posted</u> in its September 2020 update on older Americans:







As you get older, your risk for severe illness from COVID-19 increases. For example, people in their 50s are at higher risk for severe illness than people in their 40s. Similarly, people in their 60s or 70s are, in general, at higher risk for severe illness than people in their 50s. The greatest risk for severe illness from COVID-19 is among those aged 85 or older.

According to <u>data from the National Center for Health Statistics (NCHS) Mortality Reporting System</u>, seniors have already weathered disproportionately high records of hospitalizations associated with COVID-19. In fact, 8 out of 10 COVID-19 deaths reported in the United States have been adults 65 years old or older.

Not only are older people at higher risk for developing serious complications from COVID-19, they are part of a demographic group that the Society for Human Resource Management (SHRM) said have been hit by the coronavirus in "uniquely devastating ways."

Older talent, SHRM wrote, have been "over-represented in positions such as janitors and home health aides, which put them at greater risk for catching the virus. Many also hold jobs in sectors like retail and hospitality that have been decimated by the downturn and could well endure more cuts. Compounding that is the still-flourishing ageism trend that makes it difficult for older workers to find employment even in the best of times. And older people must usually accept a lower salary if they find a job after being laid off, research shows. Still, their vast numbers and their need for pre-retirement income make



In a typical recession, older workers generally enjoy more job security because of their tenure and experience. But the downturn caused by the pandemic has defied anything we consider typical. Citing statistics from the Economic Policy Institute, SHRM presented a distressing outlook for senior talent.



them the fastest-growing segment of the workforce and a contingent that many employers rely on."

Age	# Employed (Feb 2020)	# Employed (May 2020)	Percent of Change
25 to 54	98.8 million	87.5 million	-11.4%
55 to 64	27.2 million	24.4 million	-10.5%
Over 65	11.1 million	9.2 million	-16.6%

"Health risks for older workers are going to raise their unemployment rates dramatically until there is a cure or vaccine," said Richard Johnson, senior fellow and director of the program on retirement policy at the Urban Institute, a Washington, D.C.-based think tank.

There are, however, other issues at play, as the American Association of Retired Persons (AARP) <u>explained</u>: "For 50-plus workers, the crisis spotlights a range of challenges—some that they share with all workers and others unique to them. These challenges include limited emergency savings, the effects of age discrimination in the workplace, and lack of paid sick leave or extended paid family caregiving leave."

- According to <u>AARP's Public Policy Institute</u>, 51% of Americans over age 50 have no emergency savings account.
- Of those households, 1 in 4 have no emergency savings account
- The coronavirus may exact a greater toll on older workers without emergency savings because they have fewer working years left to pay off debt and rebuild savings.
- AARP research has found that older workers can be highly vulnerable to layoffs in times of economic uncertainty and have more difficulty getting rehired at previous wages when displaced.
- Agism remains a rampant problem for mature talent, as well as the economy.
 According to <u>AARP's Longevity Economy™ Outlook</u>, age discrimination cost the U.S. 8.6 million jobs and \$545 billion in lost wages and salaries in 2018 alone.



- More than 6 in 10 older workers report seeing or experiencing age discrimination on the job.
- According to the U.S. Department of Labor, 71% of American workers do not have the option of working from home. And many, especially older workers, live in areas where poor <u>broadband access</u> makes it difficult if not impossible to work remotely. Broadband access also generally decreases with age, according to the <u>U.S. Census</u> Bureau.

AN AUTOMATION NATION

PRE-PANDEMIC

The dramatic growth and maturity of technology is forcing us to question the role human workers will play in an era of machines. Artificial intelligence, machine learning, virtual reality, and robotic assistants are integrating themselves into every facet of our lives. Yet for as much as we welcome the luxuries and convenience their amenities provide, we also find ourselves fretting about how far the machines will encroach on our livelihoods. This is especially profound given the increased longevity of people today.

It appears that everything that can be automated is being automated. Microchip implants can trigger the release of hormones in the body. Exoskeletons help the disabled walk. Robotic limbs can connect to the nervous system. On September 5, 2015, a revolutionary artificial organ, the Carmat heart, was implanted into a French patient.

Younger entrepreneurs have capitalized on disrupting traditional business models across every industry through automation. Consider the effects of Uber on the private transport and taxi industries, or the dent AirBnB has made in the hospitality space. And these pioneers aren't finished. Soon, the automotive industry's foray into driverless vehicles could render the relatively recent rideshare models obsolete. And you could be purchasing the service using Android or Apple payment apps, with capital you obtained from trading Bitcoins.

Everything our global societies rely on is becoming inextricably tied to technology. And there's a fair amount of gloom and doom associated with the concept of this kind of



automation. Yet, we are no longer talking about robots replacing workers on assembly lines. Soon, robots could be healing the sick and computer programs will become savvy enough to write legal briefs, reports and other content. Watson won't just be trouncing gameshow contestants, and Deep Blue won't be upsetting chess masters -- these machines could be developing new environmental protections, cures for diseases and agricultural advances to end hunger.

According to Holzer and LaFarge, "The view that automation inevitably creates job loss and unemployment is simplistic." The relationship between automation and labor demand, they asserted, rests on the following factors (Levy and Murnane, 2013):

- the extent to which the new technologies reduce cost and therefore prices of the goods and services being produced, while also raising productivity and worker compensation, and how all of this affects consumer demand;
- whether the new technologies and specific groups of workers are complements or substitutes; and
- the extent to which workers adjust to the new technologies by gaining more education and skills - thereby becoming more complementary and less substitutable with the new machines - and by moving across jobs, industries and regions when labor demand shifts.

Even with technology enabling humans and automating processes, human talent will still be needed to program the computers, provide medical services (even if those would seem to imply genetics and cloning), maintain and build the new infrastructures, educate computers and their users, provide entertainment, and deliver professional or personal support services. In short, technology will demand talent who can direct the common sense attributes of the programming through scientific and creative thought—a theme also explored by Holzer and Lafarge.



If automation raises real standards of living (by raising productivity) in general, consumers will have more income to spend and drive up demand for goods and services, and the labor to produce them, both within the automating industries and elsewhere. Indeed, this is the standard explanation by labor economists of why centuries of new

technologies introduced into workplaces have never resulted in a long-term trend towards lower employment. And rising productivity is likely to generate some real compensation growth, at least in the aggregate.

But not all workers will benefit from these changes. Any new technology can replace (or substitute for) some groups of workers, while creating new demand or complementing others. For example, robots can replace workers on assembly lines in manufacturing while creating jobs for engineers or technicians; and personal computers in the 1980s often replaced clerical workers while raising demand for software writers and database managers. More broadly, such technologies can raise demand for a wide range of professionals or managers, or for service workers whose more social tasks are not easily performed by machines, by reducing other costs of production.

In his 1984 book What Sort of People Should There Be?, Jonathan Glover offered several philosophical thought experiments on the concepts of simulated reality and experience. Back then, his musings were prescient. Today, they're utterly relevant. Glover's work was recalled to mind when The Atlantic published an article by Lolade Fadulu, who pondered this question: Are humans actually more "human" than robots? It's certainly a controversial statement, yet one that every business leader must now consider.

One of the most compelling experiments in Glover's book involves a version of simulated reality called the experience machine. Yes, it reads like the plot of a "Black Mirror" episode. The experience machine stimulates the user's brain to receive improved experiences that are virtually indistinguishable from the external world. Yet it would eliminate extremely unpleasant sensations, such as famine, poverty, disease, war, natural disasters, or tragedies.

The "primitive objection," as Glover called it, sprang from the suggestion that the machine's reproduction of reality would not be rich or conflicting enough from a subjective viewpoint. But Glover's program would adjust to defend against loss of quality.



"The experiences have the ideal amount of variety to suit each person," he explained. "And, if pure pleasure becomes cloying, the programme will include just the right amount of misery and discomfort to add the required savour to the other experiences. The experience of success will only come after the experience of failure. The experience of a hot bath will sometimes be preceded by the experience of being cold or wet."

But no matter how infallible the experience machine could be, people resisted.

"The point is," Glover concluded, "that even without worrying over the practical problems, and even when the experiences would be subjectively very satisfying, we still object."

In her piece for The Atlantic, Lolade Fadulu cited a Pew Research Center <u>report</u> that explored the issue in today's context: "Americans are more worried than they are enthusiastic about automation technologies when it comes to tasks that rely on qualities thought to be unique to humans, such as empathy. They're concerned that, in lacking certain sensibilities, robots are fundamentally limited in their ability to replace humans at those jobs; they don't, according to the report, trust 'technological decision-making.'"

The skepticism is apparent in the study's findings. Close to 60% of the respondents said they would refuse to ride in driverless cars or receive care from a robot. And nearly 80% were opposed to applying for jobs where algorithms were selecting candidates instead of human recruiters. Why? Just as outlined in Glover's research, people fear relinquishing control or interactions to a machine.

This speaks to the state of talent acquisition today. We have more inputs, more information, more hiring demands, limitless talent networks, and few geographic boundaries. With all that, accelerated complexities follow. Yet in so many instances, industry organizations have maintained their reliance on simple systems for recruiting: A plus B equals C. That's not sustainable. However, by incorporating technologies like AI and chatbots, we can push our hiring strategies to exponentially higher levels.

Robots have miles to go before they're close to achieving sentience. However, machines do help remove menial tasks so that we can concentrate on our core expertise. Machine learning, for example, can rank the priority and complexity of jobs to help recruiters or



hiring managers prioritize the most challenging positions to fill. It outperforms humans in rapidly identifying trends, commonalities, patterns, and traits in data, which in this case could be a resume or job application. The system doesn't replace humans, it enables them to focus their efforts in the right areas at the right time: engaging and assessing candidates.

New technologies create new jobs, as Holzer and LaFarge averred. Right now, in fact, tech companies are hiring a diverse array of humans to teach AI the proper context of language and interaction, overcoming the limitations and diversity that currently exist. This is why business leaders should invest in education, training, and development for emerging roles.

Nevertheless, automation inherently displaces some proportion of the working population. "For older less-educated workers," LaFarge and Holzer wrote, "these losses can be particularly damaging, and their tendencies to regain employment over time after displacement are particularly low. In recent years, permanent worker displacement was particularly high during the Great Recession, when many employers chose to change their workplace organizations and hiring practices (in favor of college graduates), and at least some of these changes appear to have been permanent (Farber, 2015; Hershbein and Kahn, 2018)."

"On the other hand," the economists clarified, "some workers can protect their labor market earnings by adapting to the labor market changes generated by automation. They do so primarily by gaining the new education or skills that are now in higher demand in the job market. Indeed, Harvard economists Claudia Goldin and Lawrence Katz have written about the 'race between education and technology' (2008), where workers gain new skills in response to those demanded by an automating labor market. According to their analysis, the second Industrial Revolution in the US in the early 20th century generated stronger demand for workers with high school diplomas, while the IT revolution late in the 20th (and early in the 21st) century similarly created demand for those with college degrees."

POST-PANDEMIC

The severity and confused response to the COVID-19 outbreak crippled entire segments



of the global economy, with the United States being one of the worst hit. Nearly every business that relied on physical locations and in-person consumerism found itself confronted with a series of hurdles: restaurants, bars, clubs, theaters, public venues, parks, beaches, amusement centers, hair salons, retail shops, and more. But as experts predicted, technology companies retained an upper hand in the battle for solvency and profitability.

In March 2020, the New York Times speculated in an eponymous article that "<u>Big Tech Could Emerge from Coronavirus Crisis Stronger Than Ever</u>." NYT journalists Daisuke Wakabayashi, Jack Nicas, Steve Lohr and Mike Isaac astutely noted that tech leaders weren't merely operating at a steady clip, they were poised to thrive.



Amazon said it was hiring 100,000 warehouse workers to meet surging demand. Mark Zuckerberg, Facebook's chief executive, said traffic for video calling and messaging had exploded. Microsoft said the numbers using its software for online collaboration had climbed nearly 40 percent in a week.

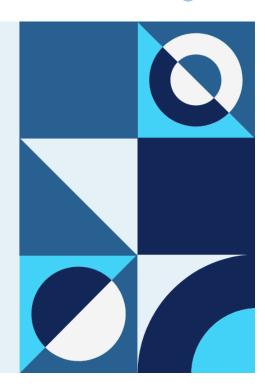
With people told to work from home and stay away from others, the pandemic has deepened reliance on services from the technology industry's biggest companies while accelerating trends that were already benefiting them.

Amazon has muscled in on brick-and-mortar retailers for years, but shoppers now reluctant to go to the store are turning to the e-commerce giant for a wider variety of goods, like groceries and over-the-counter drugs.

There's also streaming services like Netflix, which capitalized on theater closures and an involuntarily captive audience. Companies before the pandemic were also beginning to abandon their expensive data centers in favor of renting from Google, Microsoft, and Amazon. "That shift is likely to speed up as millions of employees are forced to work from home, putting a strain on corporate technology infrastructures," wrote NYT's Wakabayashi, Nicas, Lohr, and Isaac.

That's not to say the \$3.9 trillion tech industry hasn't and won't incur losses, but its players have the agility and the circumstance to readjust their priorities, change tack, and

Now that the pandemic has integrated itself into "everyday life" as an unavoidable facet, and will certainly linger as a presence in our new normal, machines and automation must assume a more prominent role.



provide automated solutions that help slow the curb of COVID-19's infection while appearing customer demands.

Now that the pandemic has integrated itself into "everyday life" as an unavoidable facet, and will certainly linger as a presence in our new normal, machines and automation must assume a more prominent role. If some groups of workers previously feared being displaced by the advances of computer science, COVID-19 simply accelerated what was likely an already inescapable reality.

- Talent will have to accept that communication in the coming era is going to be digital, with companies like Zoom, Slack, Facebook, Google, Microsoft, and countless others reinventing how we interact verbally, visually, and in writing.
- Hiring processes will become increasingly more electronic, with traditional software solutions evolving to meet those needs: applicant tracking systems (ATS), online recruitment and hiring platforms, vendor management systems (VMS), video interviewing tools, online skills assessment, digital onboarding and documentation processes, background screening, and much more.



• Some candidates must veer in unaccustomed career trajectories to satisfy the critical mandate of refocusing on continuing education and training in order to gain the skills that will persist or become more relevant in the new normal.

The prospect of learning new skills, perhaps even a new vocation, is not one easily met. Yet, for talent embroiled in the struggles of acclimating to the new normal, the merger of technology and education represents a significant opportunity. And prior to the pandemic, when trade schools and universities were happily rooted in traditional structures, finding the time to attend classes or travel to a campus served as an impediment for many people. Now that academia must also embrace virtualization, learning may have transitioned into something much more accessible.

Coursera is part of the budding Massive Open Online Course (MOOC) movement. The company offers a flexible and extremely popular series of classes available for free to the public in data science, machine learning, IT support, programming languages, cloud architecture, business foundation, and countless others. According to a Government Technology Magazine, citing Leonardo Castañeda of The Mercury News, organizations similar to Coursera may hold the key to solving a few of the initial employment problems candidates may encounter.

Traffic at Coursera, the Mountain View-based online learning platform with university classes for anyone, is four to five times higher than usual, with thousands of universities requesting free access to their platform.

In Italy, one of the countries hardest hit by coronavirus, enrollment is up 200 percent, and a course from the Imperial College London on the science of COVID-19 has more than 66,000 students enrolled after launching less than two months ago.

The company also has a program that helps universities transition entire classes online, which Coursera recently made free to any university that wanted it until July 31 — longer for students who signed up before the deadline. Arunav Sinha, head of global communications at the company, said they're monitoring the progression of the virus and are willing to extend the free period if needed. Already, he said, more than 3,000 universities in 120 countries have requested access.



"I think this is, in many ways, a watershed moment for online education," said Sinha. "This crisis will accelerate that trend and what would've happened in a few years, will happen really quickly."

IT and computer-based jobs are ranked among the highest in-demand skill sets for the coming years, second only to healthcare roles, which dominate the labor landscape as the pandemic places new strains on medicine and wellness. However, even within that field, technology assumes a powerful position, as medical technicians, research analysts, statisticians, medical software developers, data scientists, nuclear medicine technologists, medical coders, health information managers, and many more according to organizations such as <u>Indeed</u> and <u>Fremont College</u>.

Prior to the pandemic, BLS estimated health information technology and related jobs to grow 21% between 2010 and 2020. With COVID-19, those numbers will surely skyrocket.

However, it's not just big tech pioneers who are leading the charge toward automation. Even traditional manufacturers like Caterpillar are deciding to roil the waters of tradition to ensure their longevity. "Caterpillar's autonomous driving technology, which can be bolted on to existing machines, is helping the U.S. heavy equipment maker mitigate the heavy impact of the coronavirus crisis on sales of its traditional workhorses," Reuters revealed in October.

As Fast Company pointed out in October 2020, we are approaching a technological disruption that is unprecedented and untold of in comparison with times past:



In the next 10 years, key technologies will converge to completely disrupt the five foundational sectors—information, energy, food, transportation, and materials—that underpin our global economy, and with them every major industry in the world today. Costs will fall by 10 times or more, while production processes become an order of magnitude (10x) more

efficient, using 90% fewer natural resources and producing 10 times to 100 times less waste.

We need no technological breakthroughs. Solar and wind are now the cheapest energy sources for the majority of the planet; Uber and Lyft made us rethink transportation as a



service; Impossible Foods and others are disrupting conventional agriculture; Black Lives Matter and Me Too are examples of how decentralized information networks can mobilize society.

The first step is to recognize the speed, magnitude, and nonlinear nature of the disruption ahead, and accelerate the rollout, infrastructure, and value chains of the new production system. We must resist the urge to protect incumbent, legacy industries, which will result in the lock-in of uncompetitive systems, stranded assets, and trillions of dollars of losses. Instead, we need to focus on protecting people and maintaining social stability

THE TIME OF TELEWORK: VIRTUAL IS REALITY & REMOTE IS UNITY

PRE-PANDEMIC

Surveys conducted by Global Workplace Analytics showed that 80% of workers expressed a desire to <u>work remotely</u> prior to the pandemic. This demand for flexibility and work-life balance had existed for decades.

One of the most salient qualities of modern economics and labor is the on-demand nature both are embracing. This project-based "as a service" paradigm defines how we

80% of workers expressed a desire to work remotely prior to the pandemic. This demand for flexibility and work-life balance had existed for decades.





live and work today. Mobile technologies not only make this possible, they're also the catalyst. We lead online lives. We rely on wireless, on-demand devices to accomplish our goals, both on the job and at home. As a result, we're also witnessing the rise of a truly global community—a concept that has transcended philosophy to take its place as a new reality. Borders, both physical and ideological, are disappearing.

Mobility enables all of this, yet not without a sense of irony. Although businesses were eager to capitalize on the on-demand economy before COVID-19 reached these shores, few were embodying the essence of it by creating on-demand offices: a mobile work culture for a mobile workforce.

According to <u>CITO Research</u>, businesses did recognize the power and benefits of mobility. Nearly 70% of all respondents cited improved business processes as the motivation to adopt a more mobile culture. And studies from several years ago already proved the virtues of remote work and virtual offices, especially in context of reducing overhead costs. More recently, however, a push toward mobility began accomplishing much more: increased satisfaction, a stronger competitive edge, new revenue opportunities, cost savings, and attracting new talent. But acting on those values required a tough cultural change from which many shied away.

"One of the biggest holdbacks of remote work is trust—managers simply don't trust their people to work untethered," wrote Global Workplace Analytics.

"They're used to managing by counting butts-in-seats, rather than by results. That's not managing, that's baby-sitting. What's more, seeing the back of someone's head tells a manager nothing about whether that person is actually working. When clients ask 'How will I know if they're working?' I ask 'How do you know they are working now?' Management experts have been extolling the need to manage by results for over four decades. Micromanagement doesn't work and neither does 'managing by walking around' in this global, mobile world. If people are forced to work at home for an extended period, as it appears they will be, managers will have to learn that it's results that matter."

Teleworking may have started as a novel perk, an experiment in productivity and fluidity, and a way to cast a much wider net into the oceans on passive talent; but this arrangement immediately transformed into a necessity as the pandemic shook up the



foundations of traditional labor engagements—even for those firms loathe to seize the paradigm shift before.

POST-PANDEMIC

Global Workplace Analytics' research indicates that <u>56% of the U.S. workforce holds a job that is compatible</u> (at least partially) with remote work. "We know that currently, only 3.6% of the employee workforce works at home half-time or more. Gallup data from 2016 shows that 43% of the workforce works at home at least some of the time. Our prediction is that the longer people are required to work at home, the greater the adoption we will see when the dust settles."

"We believe, based on historical trends, that those who were working remotely before the pandemic, will increase their frequency after they are allowed to return to their offices," the organization added. "For those who were new to remote work until the pandemic, we believe there will be a significant upswing in their adoption. Our best estimate is that we will see 25-30% of the workforce working at home on a multiple-days-a-week basis by the end of 2020."

Telework Demographics

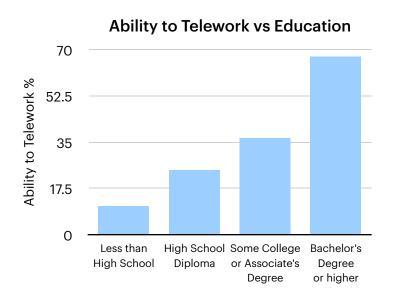
Using data measured by sources such as the American Time Use Survey (ATUS), the Occupational Information Network (O*NET), and the National Longitudinal Survey of Youth 1979 (NLSY79), BLS developed a <u>matrix to determine the feasibility of telework arrangements</u> longer term and the implications for the U.S. labor market.

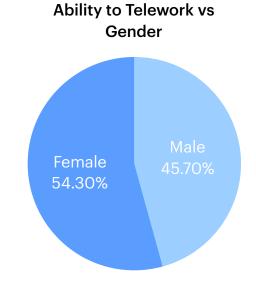
Conclusions

Based on the data collected, we get a clearer portrait of the workers who can withstand the constraints of the pandemic's new normal opposed to those whose vocational livelihoods it may have imperiled. The conclusions drawn below indicate characteristics that exceed 50% across the categories sampled.

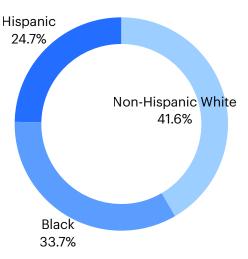
 Workers who have attained at least a bachelor's degree stand a superior chance of continuing in their careers without substantial interruption. Their odds are nearly

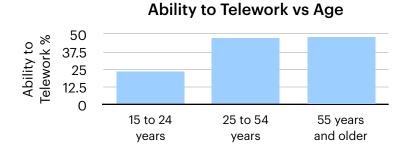




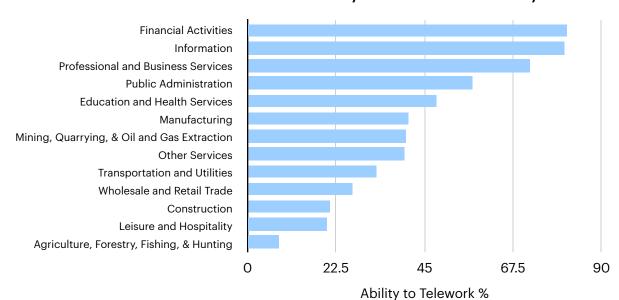


Ability to Telework vs Race





Ability to Telework vs Industry





double those of the next class down—candidates with some college or an associate's degree, and workers with only a high school diploma or none at all may fare far worse.

- Workers between the ages of 25 and 55 seem fairly secure in terms of their ability to telework. However, those 55 and above have a slightly higher percentage, which validates the findings about the strength of mature talent as a catalyst for growth and sustainability in the labor force.
- Women tend to have a 7% higher ability to find positions that allow telework compared to men. However, as we will explore, the pandemic has caused many to drop out of labor participation.
- Caucasians demonstrate a much higher rate of telework-friendly roles than other races.
- Perhaps unsurprisingly, white collar and technology jobs are more conducive to telework than many other careers. Rounding out the top five (those near, at, or above the 50% threshold) are financial services, information and technology, professional and business services, public administration, education, and health services.

DIVERSITY CHALLENGES

Over the past few years, everyone in business has become familiar with the widespread diversity problems that have plagued some of the nation's largest companies and industries. Tech leaders at Google and Facebook faced strong backlash after they published lackluster inclusion reports. Conversely, other notable pioneers went in the opposite direction, proving the value of an eclectic and welcoming culture.

The tech space has been visibly suspect to the ramifications of striving to be "cool." That often meant building a culture based on the ideals of a tight-knit group of founders or executives. It has led to fratboy-like environments, poor inclusion efforts, outright discrimination, scandals, and inattention to the needs of employees and customers. Yes, Salesforce is a company that concentrates on automation, but it realizes the value of



humanity in developing that technology—and doing so in a way that's intuitive and beneficial to its population of human users.

CEO Marc Benioff's commitment to not leaving anyone behind is genuine and evident in his tireless efforts to enhance Salesforce's employment culture, inclusion efforts, customer support, and corporate social responsibility. In an article for Inc., Mark Farley emphasized Benioff's "practice what you preach" mentality:



Growing doesn't have to mean losing your soul. Look at Salesforce. Founder and CEO Marc Benioff has financed investigations and instituted policies to ensure female and male employees are paid equally for the same work. He publicly speaks out on behalf of LGBTQ people, even going so far as to pull business from certain parts of the country that are promoting discriminating policies

But Salesforce would appear to be the exception rather than the norm. As Jenna Sargent explained in her article for SD Times, "According to a 2018 report from the National Center for Women & Information Technology, 57 percent of the U.S. workforce is made up of women, but only 26 percent of technology-related positions are held by women. According to another report from consulting firm McKinsey and Company, the situation is worse for women of color, with black, Latina, and Native American women only making up 4 percent of roles in the computing workforce — almost none of which are senior leadership roles — despite making up 16 percent of the general population."

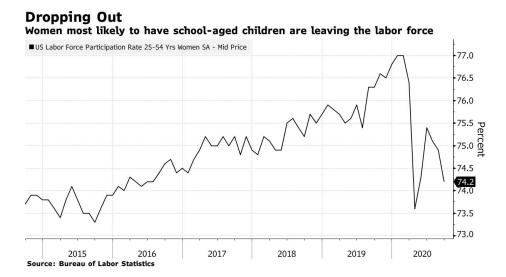
The advent of COVID-19 has contributed a new set of challenges to an old workplace dilemma.

The Pandemic's Effect on Women and Minorities

"Economists and Federal Reserve officials have repeatedly expressed concern about how women and minorities are being disproportionately impacted by the pandemic," Bloomberg's Catarina Saraiva wrote.

"Participation in the labor force by women between the ages of 25 to 54 dropped to 74.2% in September, down from 74.9% in August after nearly hitting an all-time record





right before the virus hit, according to data released Friday [September 25] by the Labor Department."

Why would the pandemic affect labor participation, particularly among women? As schools closed, women with school-aged children—whether by choice or familial pressure—found themselves reverting back to the traditional role of caregiver. By recent BLS counts, the number of women who reported leaving the labor force for family reasons jumped to 79,000 from 55,000 in August, the data show.

Nelson D. Schwartz also covered the <u>pandemic's impacts on employees of color</u> for the New York Times. A major part of the problem is the absence of networking and direct, interactive encounters that offices provide, which is where many Black and Hispanic workers foster visibility. Even worse, Schwartz explained, "As a result of the coronavirus pandemic, 27 percent of companies put diversity and inclusion efforts on hold, <u>according to a survey</u> by the Institute for Corporate Productivity, a research group."

Aggressive efforts will need to be undertaken in order to prevent a regression of progressin diversity and to counteract the pandemic's negative influence on workplace dynamics, which threatens lasting career damage to already embattled workers of color. McKinsey's Sara Prince emphasized that "the unmanaged outcome is more isolation, less advancement, more job losses, and a real retrenchment in the progress around diversity and inclusion."





With fewer connections and less extensive networks than white colleagues to begin with, Black and Hispanic workers can find themselves more isolated than ever in a world of Zoom calls and virtual forums. Assignments end up flowing to people who look more like top managers — a longstanding issue — while workers of color hesitate to raise their voices during online meetings, said Sara Prince, a partner at the consulting firm McKinsey.

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SHOULD I STAY OR SHOULD I GO?

When talent across the country realized the lasting nature of the pandemic, many saw the enduring telework situation as an opportunity to move elsewhere. Some workers had previously located to expensive regions, such as California's Bay Area and Silicon Valley, to land their prestigious tech jobs. When the mandate to embrace remote work arose, those same families recognized what appeared to be a beneficial solution: retain their position with a vaunted company while seeking less cost-prohibitive homes. Certain states also attempted to cash in on a potential influx of people bringing their skills, and purchasing power to these economies.



SFGate's Andrew Chamings <u>reported</u> in September 2020 that the George Kaiser Family Foundation was offering west coast talent \$10,000 to leave California. And applications surged.

"Even before the pandemic, there was a slowing in population in Oklahoma, largely due to the downturn in the energy sector," Chamings said. "Tulsa Remote is designed to put the small city on the map and give it a jolt of energy and diversity. The major shift to remote work after the COVID-19 pandemic has led to an unprecedented spike in interest in the program from 'digital nomads,' as the site calls them."

Talent would prosper from the lower cost-of-living while cities like Tulsa enjoy a flood of new consumers and taxpayers, while augmenting their diversity.

Naturally, intimations of a diaspora do not bode well from the workers' cities of origin. Those areas would lose consumers and taxpayers. And employers have not necessarily been amenable to the circumstances. There are close to 30 major companies that have authorized or endorse "permanent" work from home arrangements, including Adobe, Amazon, Capital One, Facebook, Microsoft, Salesforce, Twitter, and VMWare. But there are caveats.

Consider the case of Microsoft. Some roles would be difficult, if not impossible, to accommodate remotely, Tom Warren <u>explained</u> in the Verge. "Microsoft highlights a few roles that still require access to the company's offices, including those that require access to hardware labs, data centers, and in-person training. Employees will also be allowed to relocate domestically with approval, or even seek to move internationally if remote working is viable for their particular role."

Microsoft announced that employees will need to cover their own relocation costs. More importantly, they also cautioned talent that compensation and benefits structures could change.

Not all organizations welcome the idea of employees abandoning the state because they will incur additional obligations. VMWare told its employees that they must accept a commensurate <u>reduction in salary for relocating</u>, wrote Nico Grant, Sophie Alexander and Kurt Wagner for Yahoo Finance. Moving from the Bay Area to Colorado, for example,



incurs an 18% pay cut. Moving to San Diego would only see an 8% drop. In general, companies may adjust pay rates relative to an area's cost of living.

- Employers believe the move is a competitive approach to localizing compensation.
- State and local laws regulate benefits that employees are eligible to receive; workers who move may have to choose different health plans if the company's insurer doesn't offer coverage in a state. That becomes a new overhead cost for employers.
- Paid leave and sick benefits change across cities and states, which may force businesses to extend this kind of financial support where they previously had no obligation to do so.
- "Also, if there are any changes to your paycheck when you move, that will change how much you receive in matching contributions to your 401(k) since they're based on a formula tied to your earnings," Jeanne Sahadi at CNN Business noted.
- In states where reciprocal tax agreements do not apply, workers could owe taxes in both their work and home states.

According to Global Workplace Analytics, however, here are boons to employers from remote working arrangements:



Covid-19 will also likely cause executives to rethink the need for travel to meetings, conferences, etc. They will learn that while virtual meetings may not have all the same benefits of being face-to-face, the savings may outweigh the costs much of the time.

A typical employer can save about \$11,000/year for every person who works remotely half of the time. Employees can save between \$2,500 and \$4,000 a year (working remotely half the time) and even more if they are able to move to a less expensive area and work remotely full time.



The fact remains that managing the payroll and administration of a remote workforce poses a series of unforeseen complications to both talent and the businesses they support.

HIRING WITHOUT BORDERS

Prior to the pandemic, companies had been hiring remote workers internationally for years. A Silicon Valley software engineer can command a top salary of \$150,000. But organizations like Amazon also understood that their recruiters could locate equivalently skilled talent in places such as Montreal at 50% of those wages. Akiko Fujita <u>illustrated</u> the concept further in her piece for Yahoo Finance:



While the shift to hire internationally has been most pronounced in IT-related jobs, the move isn't limited to tech startups, according to remote jobs listing site FlexJobs. Career Development Manager Brie Reynolds says the site has seen a 12% to 15% increase in overall listings every month since the pandemic began, with Canada and Mexico topping

international listings. The cost savings for employers are significant, with companies saving as much as \$22,000 annually for each fully remote worker, Reynolds said.

"As more and more companies adjust to a distributed reality," she added, "executives say they are increasingly looking outside of the United States to tap into a global talent pool, largely untapped by big tech."

Domestically in North America, some Canadian organizations are tapping into the wealth of U.S. talent who now work remotely. Communitech is targeting "foreign tech workers in the Bay Area who are affected by the U.S. immigration ban. The company will offer tech workers a work permit as well as health insurance. The work permit will be processed quickly through the Global Talent Stream," according to an article in CIC News by Mohanad Moetaz.

"While the reason behind the immigration ban in the U.S. is to preserve employment for American citizens, Klugman recognizes that each foreign tech worker that comes to Canada creates a number of jobs for Canadians. According to Klugman, that number is between six and 19."



SOLVING WORKFORCE CHALLENGES IN THE NEW NORMAL: SILVER LININGS & OPPORTUNITIES

EVERY CLOUD HAS A SILVER LINING

The COVID-19 crisis has forced nearly every company to develop, adapt, or improve telework policies and procedures. Yet even when a vaccine becomes available widely to the general public, the aftermath of the pandemic will continue to shape the course of the workforce with lasting outcomes. The Atlantic's Sarah Zhang <u>described</u> our highly probably future in somber but practical terms:



The coronavirus is simply too widespread and too transmissible. The most likely scenario, experts say, is that the pandemic ends at some point —because enough people have been either infected or vaccinated—but the virus continues to circulate in lower levels around the globe. Cases will wax and wane over time. Outbreaks will pop up here and there. Even

when a much-anticipated vaccine arrives, it is likely to only <u>suppress</u> but <u>never</u> completely eradicate the virus. (For context, consider that vaccines exist for more than a dozen human viruses but only one, smallpox, has ever been eradicated from the planet,



and that took 15 years of <u>immense global coordination</u>.) We will probably be living with this virus for the rest of our lives.

But living with the virus is precisely what we must accomplish if we are to move our society, our economy, and our employment landscape into a prosperous new normal. We have learned to overcome similar hardships in the past, with breakthroughs occurring every year. Consider how far the world has come since the discovery of smallpox, tuberculosis, or AIDS.

Businesses will surely struggle in the encroaching years to readjust their practices and refine their strategies for managing an increasingly remote working culture. But as Slack CEO Stewart Butterfield <u>expressed</u> to Inc., "Now that employees have tasted the flexibility of not having to commute, there's no going back to a 40-hour, butt-in-chair workplace for most knowledge workers in competitive fields, citing a pair of logistical and market reasons."

Butterfield further proclaimed the necessity to maintain telework as a competitive advantage. Consider this: if one company demanded that all its employees return to the office while a competing enterprise stood firm on its commitment to remote work, the original employer would risk losing talent. "Who wouldn't take that second option?" Butterfield opined. Telework has transitioned from a health requirement to an expectation, even though the logistics, attitudes, and structures of traditional business must learn to mold themselves into thriving models for near- and long-term gains, without sacrificing quality or performance.

Ironic as it may sound, the inescapable realities of living with the pandemic have brought their share of silver linings. Not everything is dire. COVID-19 raised heightened levels of awareness across several key areas:

- The need for health reform
- Ecological protections and climate controls
- Energy advances
- Enhanced and consumer-conscious business models
- Robust communications technologies



- Novel approaches to commerce
- Renewed focus on work-life balance and wellness
- Business leadership
- Culture and community
- "Natural experiments," which have shed light on a host of issues that go beyond health and economics
- Supply chain logistics and new distribution models
- Ethics



Several elements of the pandemic still persist as dire. For businesses, the emphasis remains firmly entrenched on handing the new normal of telework without interference to hiring, management, and overall productivity. The fascinating twist here is how viable solutions already exist, even if not heavily acknowledged. So many of the challenges confronting business leaders right now comprise the everyday routines of outsourced workforce solutions companies and staffing agencies.



Since the 1990s, managed services providers (MSPs) have been optimizing process and cost efficiencies for client companies by overseeing diverse and disparate teams of contingent talent, staffing suppliers, statement of work (SOW) contractors, and even independents—leveraging vendor management systems (VMS) to bring visibility and automation to formerly manual programs.

Staffing professionals have also pushed ahead to forge new destinies as niche workforce management and payrolling experts instead of transactional generalists. Direct-sourcing, the Human Cloud, online recruitment platforms, talent ecosystems, and marketplace models similar to Amazon have introduced new dynamics into the mix. The point is, hiring and managing remote workers has been the bailiwick of staffing companies for years. And their approaches offer valuable insight into creating a bustling and delighted workforce for the new normal.

REDESIGNED MANAGEMENT STRUCTURES & REMOTE CULTURES

NETWORKED TEAMS

We are deep into the Communications Age, and this era will continue to expand and permutate because this is also the age of intelligence, automation, digital connections, and the Internet. Increasingly, businesses are no longer valuing their assets in terms of widgets and capital, they are measuring the information possessed by emerging talent. This is why workforce specialists and employment organizations have begun investing heavily in education and training.

Cutting edge companies across the world are adopting unconventional business methodologies that produce direct results with increased efficiency, time management, and higher morale. The once standard pyramidal structure of management is being discarded with greater frequency in today's corporate culture. Companies at the precipice of innovation have abandoned top-down, command and control, multi-layered management structures because they have proven to accomplish much less in terms of retaining and maximizing the potential of today's workforce. Successful operating officers, business strategists, and organizations agree that the concept of self-directed



and networked teams has become one of the most influential and productive business models today.

One fallacy of management is in thinking that its role is to stand over workers and tell them how to do their jobs. Workers are recruited, assessed, and trained to do their jobs. They are the experts of their jobs. The role of management is to communicate the organization's goals, elicit feedback, and provide the resources workers need to meet those objectives. The managers are also the central communication point for documenting and reporting the progress, milestones, and deliverables.

A pyramidal structure requires one top department to assume the burden of supporting many levels of smaller, more isolated, and more indirect departments, more unrelated to the core service or customer. In such companies the customer gets lost, along with the employees who perform the lion's share of the work. It's also more difficult to maintain,

One important aspect of clustered, networked teams is that they are not created from a pool of members exclusive to the department involved in or affected by the project. Employees from other departments have skills, knowledge, abilities, and experience that may ideally suit the project.



because the pyramid can achieve only one task efficiently at a time, which is distributed downward through multiple channels. This burdens a single person with consistently making the decisions for every group, creating a lone point-of-failure. It also increases or completely hinders project completion time, as a task must trickle down through



exponentially widening levels of bureaucracy before reaching the group that will perform the work. If additional resources are needed, this group must then begin the process in reverse, passing requests back up through the insular levels. There is no confluent or universal "team" in a vertical model.

Networked models allow a manager to flourish in this capacity. In numerous case studies, this practice has demonstrated measurable improvement when companies dedicate themselves to the following.

- Organize around their clients' needs in project-oriented teams, disbanding the singular and "set-in-stone" task-oriented department structure. This culture eliminates so many instances of talent lamenting that a duty is "not our job."
 Managers become team specialists and coaches responsible for supporting the group, not delegating down to it.
- Expose people to liberal amounts of feedback about their work. The practice
 encourages junior workers to offer input and critiques to the senior coaches about
 a specific project or issue. Cultivating this level of thought diversity improves
 morale, reveals new ideas, and fuels innovation.
- Align individual objectives with those of the organization to increase productivity.

One important aspect of clustered, networked teams is that they are not created from a pool of members exclusive to the department involved in or affected by the project. Employees from other departments have skills, knowledge, abilities, and experience that may ideally suit the project. For example, a member of Marketing and a member of Customer Care may have the skills necessary to assist in an Operations project. Teams, therefore, may be composed of members from overlapping departments who are tasked with a specific project or issue. Once the project has been completed, the team is disbanded, with all members returning to their departments of origin. When new projects or issues arise, new teams are formed by recruiting qualified and able members from any given department to achieve the desired objective. The team leader, or coach, for each project or issue should typically be a manager from the department most affected by the request.



A NEW ROLE FOR STAFFING PROVIDERS & MSPs

In the new normal, establishing an agile, inclusive, and united culture is paramount to organizational success. This is especially crucial in the pandemic era. During times of crisis, culture can suffer. Decisions made can be reactive, rash, or just precisely aimed at solving an immediate issue. Financial survival often takes center stage over more strategic or nobler goals. As we have already seen, critical diversity and inclusion efforts fell by the wayside at the onset of the outbreak, with nearly 30% of companies pushing these initiatives to the background.

Communication, interpersonal rapport, and innovation can also suffer when teams are disjointed, reluctant to contribute, or not bound into collaborative collectives. Agile cultures, however, are tightly woven into the models of modern workforce solutions providers. They are ingrained in nearly every solution. With more talent operating outside the brick-and-mortar offices, agile leaders can help client businesses focus on clearer communication strategies, trust, direction, and decision-making that transcends across the entire enterprise. Some of the benefits brought to bear include the following.

Providing tools that facilitate interactions with virtual talent and internal workers.
 Analyzing how employees function as teams and utilizing technology to unite them.





- Creating processes that enable front-line talent to respond swiftly to challenges, customer demands, and rapid changes.
- Ensuring that every worker on a team understands his or her distinct role in achieving goals as a unified front. Making certain that goals are regularly defined and understood.
- Working to reduce, and eventually replace, paper-based systems. Digital communications have evolved at an amazing rate. Increasing reliance on electronic signatures, digital files, collaborative documentation systems and cloud-based storage.
- Senior leadership alignment is crucial. Executives play a powerful role in ensuring collaboration and standardization across the enterprise. They provide tremendous insight to identifying and breaking down barriers that otherwise hinder agile work.
- Senior leaders also help influence the tone and adoption of agile cultures. Although
 formal structures and hierarchies must be loosened, the tradeoff comes from ondemand work at any time, any location. Performance in service delivery increases,
 along with customer satisfaction.

Data

When talent are not physically present in an office, an element of uncertainty can creep into the relationship. Remote employees, to the benefit of the business, tend to work odd hours or operate across time zones. They don't want to be out of the loop in terms of input, progress, performance, or goal attainment.

Through well-defined processes and digital tools, staffing professionals have been prepared to back up their statements or evaluations with evidence. They have a trove of workforce data stored in their systems, which can be triaged and used to assess or anticipate the employee's needs while substantiating any recommendations made in feedback sessions.



On-demand communication technologies also offer an incredible boon to overcoming perceived challenges. These tools provide frequent, ongoing feedback to talent, which helps digital workers form a strong connection to the company.

Digital Agility

Smart workforce technologies optimize the productivity and mobility of teleworking talent. Many processes may now be carried at from any location, at any time. This is particularly vital in sustaining a thriving agile culture.

- Timesheet approvals and tracking
- Payrolling
- Widespread communication with workers, colleagues, MSPs, staffing providers, and other partners in real time, from any office
- Video interviews, webinars, live-streaming conferences, and even video-based recruitment marketing
- Performance monitoring, feedback, and reviews
- Offers of incentives such as digital gift cards, shopping discounts, performance awards, and more
- Access to benefits and pay stubs for talent
- Virtual learning and skills development tools, available in educational videos, digital curricula, forms, and others
- Wearable devices to track wellness, safety, and performance

Uniting the Tech with the Talent

The most progressive organizations have already become early adopters of enterprise social networks. Facebook at Work, Microsoft Teams, and Slack are just a few of the tools that have gained a following within companies of all sizes. In 2016, for example, Slack had already reached two million users. Through these mobile platforms, virtual and onsite workers can easily communicate and collaborate in real time. Combined with breakthroughs in streaming video apps, an integrated work culture arises.



Live video and messaging systems are dramatically changing the way talent interact and learn. That's a key finding in a study of more than 4,000 international employers by the Bluejeans Network. Over 70% of respondents believe video can improve the way they communicate with colleagues. Another 69% feel that live video systems in the workplace bolster retention across all levels of the organization.

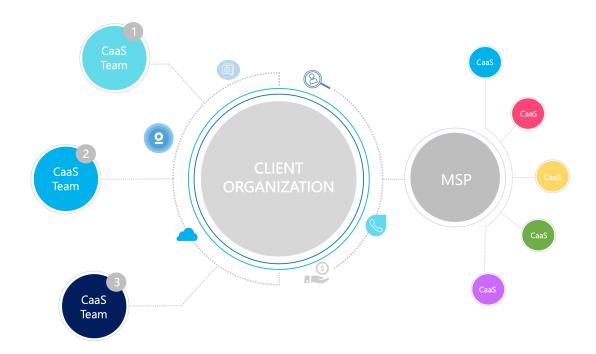
COOPERATION & COLLABORATION

Company as a Service

Outsourced workforce solutions providers bring the acumen, experience, and resources to foster a collaborative culture. They have decades of expertise in centralizing processes across key divisions such as IT, Finance, HR, and procurement. A more intriguing development is what we call Company as a Service (CaaS).

Niche staffing organizations in the technology space have fashioned new models to elevate deliverables on mission-critical client projects through remote teams. Originally conceived as a rapid, low-risk way for startups and mid-market organizations to launch technology centers abroad without any upfront capital investment or operational burdens, these models can be redesigned to satisfy the post-pandemic needs of a teleworking client team.

- The CaaS provider handles everything from recruiting a dedicated team to managing operations and ensuring regulatory compliance.
- Clients have access to an established and proven infrastructure with certified quality & information security processes.
- Assured intellectual property protection and flexible terms of engagement are inherent components of the solution.
- The CaaS typically builds the organization, staffs it with internal project managers and operations leaders who bring related experience or skills, and manages the workers. The client receives the deliverables without the burdens of hiring full-time staff or trying to reign in teleworking talent.



 Because CaaS providers hail from staffing, they already have dedicated sourcing teams, recruitment professionals, HR and onboarding groups, compliance experts, payrolling divisions, workforce technology platforms, background screening processes, and more.

With businesses confused by the constraints of the new normal—and with millions of capable workers displaced as a result of the pandemic--tailoring a CaaS solution could be an innovative response to the hurdles of attaining a new normal.

- Talent get back to work
- Businesses save costs on having networked teams of skilled workers without the onus of direct employment
- CaaS companies can focus exclusively on their teams, not an entire enterprise, to ensure productivity and performance
- Digital communications tools allow for integration between the remote teams and the client
- Workforce technology platforms incorporate client access, so all processes, metrics, and information remain accessible and transparent to client stakeholders



Consider how staffing and MSP organizations can tackle questions plaguing businesses that are fighting to grasp the parameters of this new reality.

Business Pain	Solution from Workforce Solutions Providers
How will managers translate existing work rules, meeting schedules, and communications strategies to the new reality?	They endorse and deploy a centralized model, with consolidation across all offices. Requirements, established SLAs, and KPIs are transmitted to each point of operation and recruiter. During the final stages of implementation and training, they host an internal, enterprise-wide orientation session to guarantee consistency in process, adherence to policies, and compliance.
How will managers translate existing work rules, meeting schedules, and communications strategies to the new reality?	Many of these elements already exist in the leading workforce technologies. Workers have access to calendars, digital communication platforms, video conferencing tools, email, and knowledge bases where vital information and daily updates are posted.
Who will pay for remote workers' connectivity and any required equipment, like printers, monitors, headset, etc.?	As the employers of record for workers, staffing providers regularly provide equipment to their remote staff. These costs of doing business are generally included in the payrolling markup. The client saves money by turning to contract work, and the staffing firms recoup the costs in their markups.
How will you recover them if someone quits or is fired?	Staffing professionals cultivate candidate pipelines continually. They never stop recruiting and building virtual talent pools. They are already in a better position to replace vacancies than traditional enterprises.
How will you monitor and enforce attendance?	Electronic timekeeping and reporting systems are baked into the workforce technologies leveraged by staffing agencies and MSPs. Because of this—and because groups of staffing suppliers need only focus on their talent teams rather than the entire client organization—they are better suited to monitor attendance and productivity, then reporting this information to the client's central point-of-contact or department hiring managers.
What HR functions must adapt – talent acquisition and development, discipline, benefits and compensation all introduce their own challenges in a remote work environment.	As above, these processes are all coordinated and handled by the staffing firms as the workers' employers of record.



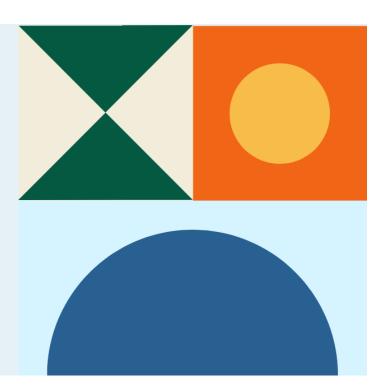
Moving toward a CaaS model also holds tremendous advantages in reimagining the workforce to conform with the forthcoming norms that Harvard Business Review illustrated in its thought-provoking article "How the Coronavirus Crisis Is Redefining Jobs."

Making work portable across the organization: "By breaking out of rigid job constraints, the right talent and work can be matched to solve evolving business challenges in real time. Networks of teams empowered to operate outside of existing organizational hierarchy and bureaucratic structures are a critical capability to reacting quickly in times of crisis."

Accelerate automation: "Automation can increase reliability, improve safety and well being, and handle sudden spikes in demand. In fact, automation isn't a job-killer in today's economic environment, it is becoming a mandatory capability to deal with a crisis."

Share employees in cross-industry talent exchanges: "One innovative response is to develop a cross-industry talent exchange, temporarily moving employees without work due to the crisis (e.g., airlines, hospitality) to those organizations that have an excess of work (e.g., health, logistics, some retail stores). This avoids the frictional and reputational costs associated with letting people go while supporting workers in developing new skills and networks."

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With their vast marketplaces of skilled workers, automated workforce technologies,, and dedicated remote management models for networked talent, CaaS organizations can satisfy the innovations required to resurrect our workforce from the ashes of the pandemic.

A New Evolution of MSPs

MSPs in this paradigm could easily evolve as outsourced teams that align to provide overall program management, reporting, analytics, compliance, and guidance to the clustered teams as partners in the solution, rather than owning them, dictating them, or controlling them.

MSPs function as client and CaaS liaisons while supporting contingent talent teams as communicators and advocates, with unparalleled access to critical data through VMS tools, other Human Resource Information Systems (HRIS), or Enterprise Resource Platforms (ERPs). Staffing suppliers, workers, MSPs, and clients have respective portals to these systems, allowing universal data input, communications, reporting, metrics and performance tracking, and more.

The very nature of contingent arrangements—with the autonomy, self-direction, and control they afford—instinctively supports the objectives of the teams within each network cluster, who in turn can focus their skills and attention on completing the task at hand. The fallacy of multitasking, widely proven to be counterproductive to work, is replaced by a highly efficient system of concentrated single-tasking.

WORKFORCE SOLUTIONS TECHNOLOGY

Within the workforce solutions industry, technology should play a more pivotal role. If anything, the pandemic may have ignited a spark that will make the adoption, development, and expanded use of workforce technologies a larger consideration.

There persist many organizations that utilize contingent and alternative labor sources without HR information technologies such as applicant tracking systems (ATS), vendor management systems (VMS), or a host of other recently unveiled platforms for worker compliance, classification, performance, timekeeping, onboarding, background



screening, freelancer management, online recruitment, and more. Issues that may appear outdated to big procurement organizations remain fresh thorns in the sides of smaller and mid-sized businesses:

- Visibility into worker locations, assignments, rates, and program spend
- Process optimization and centralized administration
- Cost containment through automation, streamlined distribution and approvals processes, consolidated billing and invoicing, etc.
- Mitigated co-employment risk and increased compliance
- Quality improvements and sourcing enhancements
- Reduced cycle times
- Labor forecasting and trending
- Robust reporting for metrics, program analytics, service level agreements (SLAs), key performance indicators (KPIs), and the identification of renegade spend

As Software Advice noted five years ago in its "<u>Human Resources Software BuyerView 2015</u>" report, "Nearly half (48 percent) of buyers currently use manual methods, such as pen and paper or spreadsheets, to handle their HR needs, while 32 percent use dedicated HR software."

In 2019, the situation had yet to experience significant improvements despite the plethora of new hiring technologies hitting the market. Deloitte <u>explored the boom in upcoming automation solutions for staffing</u>:



A decade ago, organizations invested in applicant tracking systems as the core platform to help collect, catalog, manage, and track candidates. More recently, an explosion of new tools, many powered by AI, have come on the market to make that process more scientific, scalable, and effective. Mature organizations now use AI-driven chatbots to enable a

more streamlined approach to the application process; video interviews can screen and assess candidates for their fit to a particular role and the organization; and many new tools can help with targeted job advertising and expansive candidate searches. Tools are available, for instance, that combine publicly available data with machine learning



capabilities to create a complete picture of the candidate, then highlight factors that differentiate each candidate based on their fit for the role.

There are several examples to consider:

- An AI-based candidate assessment system from Pymetrics can evaluate a large swath of behavioral traits and skills, then map them directly against criteria determined from datasets that incorporate the characteristics of high-performing workers in similar roles.
- Mya, an AI-based chatbot, has been gaining adoption from recruiting firms with its ability to reduce the candidate screening time by 30% to 50%, allowing recruiters to concentrate on more mission-critical activities.
- There's also Arya, a machine learning platform that matches candidates to requisitions based on inputs it gathers from an internal team. It can also automatically engage with candidates who express interest in an open position.
- Ideal uses AI to screen and shortlist candidates by analyzing data-rich intelligence such as resumes, assessments, conversations, and performance metrics. The system further works within most existing ATS applications, eliminating the need to learn a new software.
- Textio focuses on overcoming the hurdles of poorly composed job postings. It
 purports to identify biased language and then suggests alternatives to use instead.
 For companies with diversity and inclusion issues, this solution may hold additional
 advantages.
- Zoom.ai seeks to "improve and simplify the employee experience" through its automated assistant software. Features include scheduling meetings, transcribing calls, and creating departmental knowledge bases.

As <u>highlighted</u> in an article from WeGoLook, "Online platforms, such as <u>WorkMarket</u>, <u>WeGoLook</u>, <u>Upwork</u>, <u>Freelancer</u>, and <u>Fiverr</u>, that enable organizations to find, hire, and pay contingent workers are growing to keep up with the surge of contingent workers. In fact, Upwork estimates that they have <u>9.7 million registered freelancers</u>. With millions of jobs posted annually, their freelancers earn more than \$1 billion each year."



Although we can't simply automate the challenges of the new normal away, we can tap into the benefits of digital tools to enhance cultures. Consider these <u>ideas</u> from Tim McElgunn's post in HR Morning:

A great immediate step is to reduce or eliminate copays for <u>telehealth</u> visits. If you don't already include mental health consultations as part of your telehealth plan, add it now.

And, with financial stress impacting almost every employee, it is a good time to investigate options like daily pay, subsidized loans and free access to <u>financial</u> education webinars.

Tomorrow's technological innovations speak to collaboration, not isolation. Transactions will increasingly be performed in the cloud, through open architecture, with emphasis placed on mobility, social networks, and big data. These developments will continue to redefine jobs and the talent needed for the future. Consider the three major technology shifts that Deloitte described in its "Future of Workforce Technology" report.

- Technology teams should continue to maintain operational excellence—in the past, their primary function—but because business and technology strategies are now entwined, technology work should evolve to focus on hand-in-hand collaboration with business functions to co-create value.
- Automation, cloud, and as-a-service technology models are taking root, streamlining and speeding IT delivery, and changing the way technology teams and business functions work, collaborate, and create value. And they're helping eliminate some tactical and operational work and move the rest to machines and service providers.
- Data suggests that if technology teams are to drive innovation and be change agents, reducing costs should take a back seat to strategically investing to increase revenue, growth, stock price, or other measurements of business and shareholder value. And that means renewing focus on operations and innovation, where talent will play a prominent role.



VIRTUAL REALITY AS A REAL WORLD WORKFORCE SOLUTION

The real-world benefits and uses of virtual or augmented reality (VR) reach far beyond entertainment, speculative fiction, and video games. VR endows us with the power to accomplish great things. However, its benefits aren't just reserved for lofty, life-changing efforts. VR influences innovations across the spectrum, great and small. Just about any process that can be carried out in the physical world—and in business that would range from customer services to marketing, finance, HR and production—can be simulated in VR. As we prepare to restructure our society into a safe and forward-moving new normal, the applications of VR become instrumental for e-commerce, training and development, inclusion efforts, medical care, and countless others.

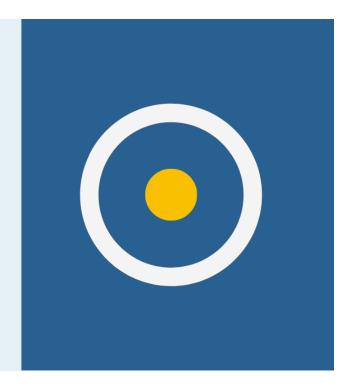
VR is revolutionizing prototyping and design, while saving millions of dollars in the process. VR allows every component, mechanism or part of a solution to be examined and tested—without the costs or safety risks involved in constructing material objects. Virtual showrooms and virtual training environments are expediting and augmenting the customer experience. At the same time, they're increasing operational and cost efficiencies for organizations.

- Boeing relies on VR to prototype new aircraft designs through these simulations
- Pilots are also being trained on intense in-flight scenarios through VR
- Architects can craft virtual replications of buildings, which enables customers to explore them digitally. Imagine the cost savings—nothing is built, and everything can be modified to motivate a client's decision to buy



Why does VR have the potential to become one of the most indispensable business tools of the new normal? It enables people to free their minds from physical constraints and explore places that exist only in a digital environment. As Bernard Marr wrote in Forbes, the digital world operates under a different set of rules: "Objects can be conjured into being by simply describing them. Travel between destinations takes place in the blink of an eye. And any damage that you do can be undone with the press of a button."

Just about any process that can be carried out in the physical world—and in business that would range from customer services to marketing, finance, HR and production—can be simulated in VR.



This "consequence-free" yet emotionally engaged interaction is a vital development that enhances processes of experimentation and innovation. Consider a VR app called VRvisu, created by Jason Smith, a student attending the University of North Florida.

"Using MRI scans, the app recreates a patient's tumor inside VR at an accurate scale," Jamie Feltham <u>explained</u> in a post for Upload, a company focused on VR education and media. "The doctor is then able to pull on a headset and inspect the tumor in detail, with relevant information appearing in breakout boxes within the virtual space. Helping doctors to better understand the nature of a patient's cancer better at an earlier stage can assist them with treatment and surgeries going forward."

Feltham also recalled how a heart scan viewed through Google Cardboard helped save an infant's life. The possible uses for VR in healthcare are limitless.



Virtual reality offers health and medical professionals a unique opportunity to understand the issues of an aging population and those who care for them. To demonstrate, Embodied Labs developed a virtual reality app that simulates the experience of a 74-year-old African American man, dubbed "Alfred," who suffers from high-frequency hearing loss and macular degeneration, which impairs vision.

"The power of being able to experience exactly what Alfred does is now made real for those who have only observed, studied or read about these conditions," NextAvenue noted. "For instance, as a viewer wears the virtual reality goggles, his or her eyesight is blighted by a dark spot in the middle of the visual field simulating AMD. The visual impairment makes eye contact, communication and simple tasks difficult."

The experiment is important on multiple levels. For health care professionals and medical students, the app provides a valuable source of training and education. It's one thing to study vital signs, record observations and interview patients. However, none of that compares to experiencing the patient's conditions for oneself. In the next 15 years, one in five Americans will be eligible for Medicare. The number of people over the age of 65 will double. The American Geriatrics Society estimates that 17,000 geriatricians will be needed to care for 12 million older Americans. Today, only 7,500 certified geriatricians exist. There are even fewer medical students studying geriatrics and related internal medicine. VR will become an essential tool for this industry.

The list of other <u>critical milestones</u> that VR has achieved is impressive and holds tremendous promise for our future.

- VR simulations of activities, such as playing soccer, have helped paraplegics regain some brain functions associated with motor movements. Of eight patients tested by Duke University, all regained some level of control. Four were upgraded from full to partial paraplegics.
- Medical schools are using VR to train students in sensitive surgical procedures through a "hands-on" virtual experience.



- "A 2011 study on military burn victims revealed that SnowWorld—a VR game that allows users to throw snowballs at penguins while listening to Paul Simon—has proven more effective than morphine in pain management," Leadem explained.
- VR is successfully treating people suffering from anxiety by placing them in serene,
 lifelike environments, which also guide them through calming breathing exercises.
- Doctors treating autism are using VR to help patients develop social skills, recognize cues and respond appropriately.
- For the 8 million Americans living with PTSD, VR has worked wonders in the field of
 exposure therapy, which pushes patients to recount their traumas, visualize them
 and explain to doctors or therapists the stressful scenarios taking place as events
 unfold. For military veterans returning from combat, this is vital for assimilating into
 civilian life.

VR IN STAFFING

While many of the success stories stemming from VR seem focused on education and medicine, the virtual world promises a wealth of opportunities for the staffing industry. VR can replicate physical conferences, interviews, classroom instruction for skills development, onboarding experiences and orientation. It can even showcase a client's employment culture to prospective candidates, who get to feel the working environment for themselves.

All of these potentially VR-enabled processes would optimize operational efficiencies and recruiting. However, as we in staffing understand, there's a more pressing challenge to overcome: the ongoing struggle for true diversity and inclusion. This was true years ago, but the new normal we must create in the aftermath of COVID-19 has propelled the promise of VR to the forefront of consideration in a contact-less society.

VIRTUAL DIVERSITY

Companies that lack diversity cite a variety of excuses for the shortcomings, many of which end up being debunked by actual statistics. The "pipeline excuse" is one of the most common. The gist is that the pipeline of qualified applicants does not represent



society as a whole. Organizations in this position rationalize their lopsided figures by saying that too few qualified diversity candidates are applying for positions.

The rationale fails to explain away noticeable gaps between highly skilled diversity applicants and the volume of those individuals who are actually hired. According to Department of Education data, close to 10 percent of graduates from the top 25 computer science programs belong to underrepresented diversity categories.

Moving Beyond Sympathy to Empathy

According to sociologists, educators and psychologists, the real culprit is empathy. Many people can sympathize with another's plight, yet they can't feel the weight of those struggles without the same shared experience. In terms of employment culture, empathy is crucial. What if managers could see the world from the eyes of their talent? What If they had direct insight into their pressures, challenges, successes? What if workers got to experience a day in the life of their managers? Perhaps they would walk away with a different opinion of how difficult those roles may be. Creating empathy, which is what VR does best, could improve every aspect of work. And it's already happening.

Stanford University's Virtual Human Interaction Lab is <u>using VR</u> as a tool to help police departments and the National Football League (NFL) combat discrimination and bias. As Jeremy Bailenson, the lab's director, explained to USA Today, replacing real world scenarios with interactive VR scenes brings the brain closer to "believing what it is seeing. The effect of such realism could be lasting behavioral change."

"Feeling prejudice by walking a mile in someone else's shoes is what VR was made to do," he added.

VIRTUAL REALITY, MEASURABLE SUCCESS

Through VR, staffing professionals could support their clients' inclusion strategies with unparalleled results. Think about it. We all feel for soldiers returning home from battle. However, we can never fully feel what they endured without having been in the thick of combat ourselves. According to Nancy Adams, branch chief at the U.S. Army Warrior



Transition Command, the inability to <u>empathize</u> may lead to negative stereotypes, which hinder companies from hiring veterans.

"There's stigma attached to PTSD and traumatic brain injury and other hidden disabilities that people may assume soldiers have when they're leaving the military," Adams said. "They may always have that at the back of their mind."

A VR experience not only helps individuals with PTSD, it can assist employers in understanding those with it. The same applies for people of other races who have faced discrimination – or women fighting for equal pay to take care of their families, or transgender people who are told which bathrooms they may use.

Through VR, people can experience discrimination, or women fighting for equal pay to take care of their families, or transgender people who are told which bathrooms they must use. Imagine the benefits of seeing your office from the eyes of a disabled person. If we could share their challenges, we may gain a much stronger idea of what accommodations we really need in order to create a workspace that increases productivity and comfort for every worker.



VIRTUAL EDUCATION, TRAINING, AND DEVELOPMENT

In a workforce short on skills, we often look to higher education as the currency of performance for this advanced economy. However, the issue of education has become more complex. Today's talent need to learn practical, applicable skills as transformations in digital technologies and white collar work occur. But the pandemic has thrown additional obstacles onto this path.

Learning is becoming increasingly virtual, and COVID-19 will only accelerate this trend. Consider the transformative growth of Massive Open Online Course (MOOC) programs. Educational analysts are recognizing the ability of MOOCs to turn the expensive and somewhat exclusionary privilege of college into a low-cost, on-demand and universal

Current studies indicate that the knowledge acquired from online learning is just as valuable, comprehensive or relevant as from traditional college courses. Some forward-thinking business and staffing leaders are forging partnerships with trade schools that support the skill sets they are desperately seeking.





experience. Staffing industry experts have also discovered that MOOCs are rising to create new frontiers in sourcing, engaging, and hiring STEM talent with brand-name certifications and degrees.

More organizations are taking MOOC degrees seriously. Current studies indicate that the knowledge acquired from online learning is just as valuable, comprehensive or relevant as from traditional college courses. Some forward-thinking business and staffing leaders are forging partnerships with trade schools that support the skill sets they are desperately seeking. This is an avenue that could benefit staffing providers greatly. In the process, recruiters would Interview talent to determine their ideal work environments, aspirations, interests and aptitudes, then match them to vocational programs that will fulfill those goals—for the workers and the employers who need them. Undertaking these efforts also helps recruiters develop pipelines of candidates for opportunities with other clients.

By capitalizing on the full power of MOOCs, workforce solutions leaders can design internal courses that address the skills their clients seek. Specialized classes for individual businesses deliver a powerful way to entice talent. People looking to work at specific companies will naturally be more inclined to complete courses tailored to those organizations. Those agencies already offering free or low-cost classes using MOOCs are attracting quality candidates and enhancing their skills prior to placement. We're living in an employment era where the mantra has become "hire for fit, train for skills." The MOOC model, when combined with staffing curation, epitomizes that philosophy. It increases supply, ensures quality, expedites screening and engagement, and serves as a compelling selling point to hiring managers.

While alternative education models have amazing potential, no amount of schooling can truly prepare workers for the specific situations and responsibilities they'll need to master over the course of their careers in a given company. That's why learning and development programs have emerged as critical considerations for business leaders—especially with the millennial workforce.

But VR is also emerging as a key element in learning programs. This will be critical to the post-pandemic new normal. In its survey, findcourses.com discovered that 97% of respondents "planning to use VR for training said their department was important or critical to organizational success." This makes sense on many levels. As the report also



observed, companies without an engaging or active learning program were "twice as likely to lose staff before three years."

The biggest challenge for organizations interested in implementing learning and development (L&D) systems involves budgetary concerns. This could explain the rise in companies turning toward digital technologies to optimize cost and process efficiencies. L&D leaders participating in the survey ranked e-learning (32%) and virtual classrooms (22%) as their top considerations for 2018.

Findcourses.com delved deeper into the applications of VR:



No longer being used exclusively to train in the military, aviation, and heavy industries, VR training is being tested and deployed today by companies like Walmart, KFC, UPS, and McDonalds. The expectations are high that the training medium will become more widely adopted with the VR training market forecast to generate \$216 million in 2018 and grow to

\$6.3 billion in 2022.

VR can surpass traditional academic training and classroom environments because it replicates practical experiences, as findcourses.com showcased in a case study about Farmers Insurance:



The most common training need that triggered VR training in the companies we spoke with, was the need to expose learners to a large range of realistic experiences before they began a new role. Farmers Insurance chose their claims adjusters team as their first training audience to experience VR. The logic behind the decision was based on

feedback that one of the biggest training challenges of entering the job is seeing enough property damage scenarios to recognize and respond to them on the job.

With VR as a learning tool, organizational leaders can achieve more impactful development goals with less drain on time and resources:

- Creating a safe, accessible space for employee training
- Reaching workers in remote locations



- Developing critical thinking skills
- Cultivating cultures of empathy

MAJOR TECH COMPANIES SEIZING VR LEARNING OPPORTUNITIES

While computer giants like Oculus, Sony, and Samsung crank out VR gear for gamers, other tech leaders are capitalizing on the need for enhanced learning experiences through the same systems. Touchstone Research offers a great look at groundbreaking companies that are reshaping the VR landscape today. Here are just few from the article.

- Lecture VR is a VR app by <u>Immersive VR Education</u> which simulates a lecture hall in virtual reality, while adding special effects which can't be utilized in a traditional classroom setting.
- Google is also making waves in the space of VR education with their exciting
 <u>Expeditions Pioneer Program</u>. The purpose of the program is for Expeditions teams
 from Google to visit schools around the world and provide everything teachers
 need to take their students on a journey anywhere; the team will also assist the
 teachers in setting up and utilizing this technology.
- Alchemy VR is creating immersive educational experiences on an impressive scale.
 The experiences on Alchemy VR are like a narrative being told to the user where they will get to see and experience a myriad of different things; one such example is exploring the Great Barrier Reef.
- <u>zSpace</u> currently has content available for STEM education, medical training, and more general math and science experiences.

New technologies are changing the world, and they bring boundless possibilities to our industry. We're just scratching the surface. If we, as business leaders, are receptive, creative and attentive, we can find myriad uses for all the exponential technologies coming our way. The real-world applications of VR are astounding, and they could reinvent the way we teach and develop our people.



PREPARING FOR THE NEW NORMAL

McKinsey & Company <u>summarized</u> our current situation astutely: "As businesses step into the post-coronavirus future, they need to find a balance between what worked before and what needs to happen to succeed in the next normal." To achieve stasis and progress in the next iteration of our global journey, key behaviors will need to be promoted.

- We need to stop thinking about remote working as a stopgap measure and start concentrating on maximizing the potential of an organized yet distributed workforce.
- We must accelerate best practices involving collaboration, flexibility, inclusion, and accountability.
- We must abandon our reliance on traditional structures of pyramids and silos to adopt networked teams and workforce clusters.
- We need to stop focusing on just-in-time supply chains in favor of just-in-case supply chains, which includes labor.
- We must optimize those supply chains to encourage speed and resilience.
- We must let go our fears of foreign talent and accelerate "nextshoring" and the use of emerging technologies.
- Business leaders should shift their emphasis on bottom lines to work alongside partners in efforts to create a better, more sustainable future.
- We must stop thinking of environmental management as a compliance issue and welcome it as a competitive advantage and source of strength.



- We must enhance our investment in innovation, partnerships, and reporting.
- We must evolve online commerce to accommodate a "contact-free" economy.
- We must be willing to continue progress in launching and refining our post-crisis strategies.

The workforce exists at ground zero of these issues. And as businesses grapple with conforming to and capitalizing on the opportunities we can seize, it may be time to expand the role of outsourced workforce solutions providers as the new normal in our future of talent