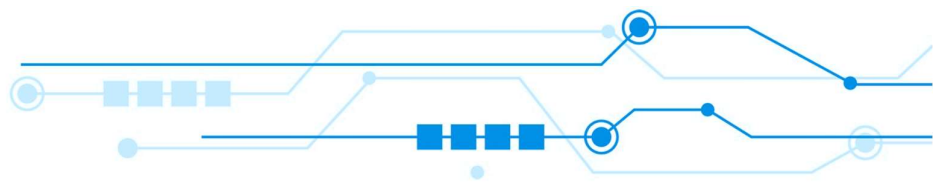


NEDs in Conversation (10 min read)
The role of the board in reskilling for
the future

Summary of discussions | 21st April 2021



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The future of work agenda has been accelerated

Investing in resilience is key for uncertain futures

Setting the scene

The World Economic Forum sounded an alarm in January 2020 by announcing: “The world is facing a reskilling emergency. We need to reskill more than 1 billion people by 2030.” The underlying message was that organisations, governments and society need to work together to ensure people around the world are not left behind.

This call to action didn’t come out of nowhere. Disruptors to the nature of work have been caused by technology innovation, a growing demand for new competencies, changing employee expectations, shifting labour demographics and transformation strategies, new workforce models, and the evolving business environment with all its regulatory changes.

COVID-19 has brought about a unique set of workforce challenges, including health, well-being and safety concerns around productivity in a virtual working environment. Our Human Capital Trends research reported that business was the entity seen to be the most responsible for workforce development, including investment in near-term skill needs but also in developing skills for future employability.

According to this year’s survey, 56 percent of South African respondents state that between half and all of their workforce will need to change their skills and capabilities in the next three years.

Through our research, it is clear that South African organisations need to take accountability for workforce development. This is in accordance with the our experience that the South African government has an expectation of business to build the capabilities of their employees for the future growth of the South African economy and its competitiveness.

Yet another indicator of a perfect storm brewing is that more than a third of South African respondents have difficulty in identifying their workforce development needs and priorities.

Clearly the leadership required from the board is a critical catalyst in building organisational resilience by responding to the needs of today but also develop the skills required in the future.

Panel of speakers

Ntombi Langa-Royds, NED on the board of Murray & Roberts; Mpact; Kumba Iron Ore; Redefine Properties and Europe Assistance South Africa

Tumi Makgabo, NED on the board of Sun International and The Foschini Group

John Brodie
Consulting Director, Future of Work
Deloitte Africa

Supporting reading materials





“The conversation is no longer just about the future of work, we are now right in the middle of that journey.”

John Brodie, Deloitte Africa

“Training for the sake of training is a risk.”

NED panelist

How have Social and Ethics Committees seen the skills required by the workforce shift as a result of the pandemic?

The panel shared a view that whilst training falls within the remit of the Remuneration Committee for some boards, the Social and Ethics Committee must be responsible for a broader view across issues impacting the workforce.

They reflected that the so called ‘softer-skills’ which are catalysts of collaboration including creativity, innovation, emotional intelligence and communication are now critical skills required. In addition, the need for data science and analytical skills to help organisations to facilitate decision making, has been prioritised through the pandemic.

Whilst reskilling for the future is not a new agenda item for the Social and Ethics Committee, COVID-19 has accelerated conversations around maintaining productivity and more recently, return to work. Businesses were being forced to be agile in the deployment of skills and improve accessibility to digital tools in order to accelerate areas where there are skills gaps.

The panel did caution, that whilst reskilling for the future is a key topic, it is but one piece of the puzzle. The mandate of the Social and Ethics Committee has widened since the pandemic.

The panel suggested that there was an encouraging shift towards a broader strategic conversation, ideally when human resources, strategy, technology and operational expertise converge. But the panel recognised that there are still some examples of training solutions being used to plug the short-term gaps.

Is employee wellness and mental health appearing as a main board agenda item?

A key item of discussion was around how people are coping and adapting to living and working through a pandemic, have been challenges which the board members have been feeling themselves.

A panelist reflected that for many, the cycle of grief is incomplete, as most have not been able to deal with it in traditional ways. It is therefore necessary for boards to be empathetic and mindful that many employees are still burdened and the speed of change and innovation within the organisation needs to be balanced with employee wellness and mental health.

Is there a shift from protectionism of jobs towards building greater resilience within the workforce?

The panel agreed that boards are presented with a unique opportunity to redefine what it is that companies want to do and that some organisations have taken significant steps to retool or redeploy the workforce.

One panelist reflected that for boards in the midst of redundancy processes, the conversation within the Social and Ethics Committees is not simply about what happens to employees leaving the organisation, but indeed about those remaining.

There seems to be an emerging trend around building greater resilience against future disruptions by organisations becoming more reliant on local skills and resources, including looking beyond their own organisation and finding ways to collaborate with the broader ecosystem. This also reflects a workforce which is increasingly orientated towards and enabled by technology and are even more mobile as a result.

What can boards do to proactively transform the skills of the workforce?

In our Deloitte Human Capital Trends report, 74% of respondents recognise the need to close the skills gap, yet only 10% say they are ready to address the trend. So what should Social and Ethics Committees expect to see and hear from management teams to ensure that companies are building greater resilience by reskilling the workforce?

Key considerations for the board as recommended by the panelists

- Beware of training solutions being offered as a short term ‘plug’. Boards should be seeking to reskill not only for today, but also for the future.
- Explore how career paths and skills within those are changing. One panellist shared a view that there is a shift towards a ‘portfolio career’ and the skills and technology to be able to collaborate effectively will be critical to that success.
- If the aim is to create a workforce which is more malleable, agile and flexible, does the organisation have a culture which reflects and facilitates an entrepreneurial mindset and enables those behaviours?
- Avoid the risk of short-termism as a result of the pandemic. The advice was to treat COVID-19 as one of many disrupters, and factor in other disrupters such as climate change; the fourth industrial revolution; mental health and others as part of the broader strategic dialogue.
- Test the depth of understanding of the board and management team by asking two key questions:
 - What is the plan for return to work, and how is this being leveraged as an opportunity to transform the workplace?
 - How is the organisation rethinking learning to facilitate knowledge sharing and collaboration including through partnering with other broader stakeholders in the ecosystems?

Extract from the presentation shared: 6 key areas for consideration for the rise of the social enterprise

STRATEGY	How are the shifts in work, ways of working shaping the business strategy and operating model (This is not only an HR agenda)?
RISK	Has the risk framework and capability adapted to address key considerations, particularly around evolving workforce “contracting”, ways of working and stakeholder engagement?
CAPABILITY	What is the re-skilling strategy, and investment for the workforce, leaders and board members and an extended pipeline of talent?
ETHICS	Has the social responsibility of the business been defined to include re-skilling, adapting the workplace or engaging communities to enable inclusive participation in an evolving economy?
ECO-SYSTEM	Have new partnerships, alliances been developed across your eco-system to take advantage of the shifts or support in making the shift and re-skilling?
RESILIENCE	What initiatives are in place to support the health and ability of the board, leaders and the workforce to build the resilience required to manage accelerated and continuous change?

Key contacts

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This summary is based on a virtual event with the same title that was hosted by Deloitte Africa's deputy chief executive, Sihlalo Jordan, on 21st April 2021. Speakers included:

- **Ntombi Langa-Royds:** NED on the boards of Murray & Roberts; Mpact; Kumba Iron Ore; Redefine Properties and Europe Assistance South Africa
- **Tumi Makgabo:** NED on the boards of Sun International and The Foschini Group
- **John Brodie:** Consulting Director, Future of Work, Deloitte Africa

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