



## Pivoting the Workforce to the “New Normal”

Navigating the aftermath of Covid-19

## Introduction

Dramatic shifts in the economy and society are driving every organisation to re-examine its plans, objectives, and realities. For many organisations, operations in the aftermath of COVID-19 are unlikely to return to pre-pandemic normalcy. Leaders need to consider how businesses are organised to create and deliver value; and how to reengage and reshape the workforce. Everyone must prepare for the “new normal”

There is unlikely to be a time when this type of work is more necessary. COVID-19 has increased commercial pressures, disrupted supply and demand, and reduced routine. It has led to proliferation of digital technologies and the widespread adoption of agile and remote management. Together these factors increase the relative readiness of your organisation for major changes. For many organisations, change will be a prerequisite to return to effective and efficient operations. For those that act decisively, this moment is an opportunity to proactively shape your post-COVID future.

In this article we introduce what it means to pivot the operating model and deep dive into one of its core components – the workforce. We also examine how this applies in practice for companies which are shifting their strategies towards sustainable growth; a key emerging trend from the market in the post-Covid economy.

## Business Model and Strategy

In our previous articles, [The Ambidextrous Company](#), [Pivoting to Growth](#), and [Using Organisational Design to Reduce Costs](#), we examined strategic and tactical responses to the disruption caused by the COVID-19 crisis. There, we describe ways to reimagine your business model, the importance of understanding your changing customer base and behaviours, and ways to identify cost savings that can be reinvested in growth-creating products and services. This article follows from these precursors. In it, we outline considerations needed to operationalise these responses by successfully pivoting components of your organisation’s operating model, focusing on the workforce.

Understanding your operating model begins by understanding how the environment is changing around you. In the post-pandemic

world, these changes are manifest. Your organisation’s regulators, market dynamics, customers, suppliers, and competitors may all be sources of transformational change. A full reckoning of these drivers is necessary, and your business model or strategy should reflect the new reality before you begin operating model changes.

### Cheat sheet: When revisiting your business model and strategy, consider:

- What are the challenges being faced externally by the organisation? How can the organisation be changed to address these?
- Who are your customers and what do they value?
- What are the highest priority opportunities for the business, and over what timeframe?
- What are the most significant competitive challenges?
- What products and services do you provide to maximise customer value?

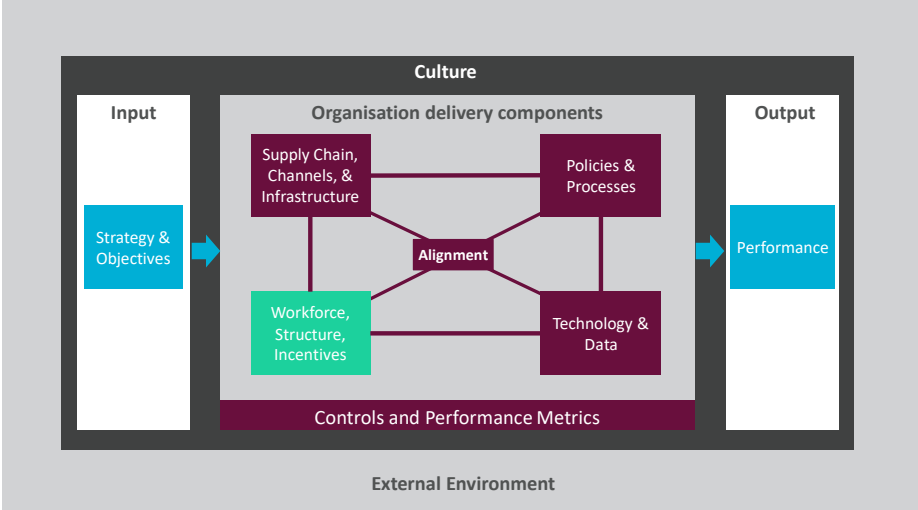
## Assessing your Operating Model

Pivoting the operating model requires a holistic understanding of your business, both pre -and post- pandemic. For that reason, we recommend taking a system view of the operating model, as shown in the figure below. You will likely need to assess the alignment and interdependence of the organisation’s most important delivery components: 1) supply chain, channels and infrastructure 2) technology and data 3) processes and governance, and 4) workforce, structure, and incentives in order to define needed changes.

While all parts of the operating model are essential to consider in the pivot, in this article we will focus on the workforce, structure, and incentives due to the shocks businesses have felt during the current crisis, and the fact that it

will have an effect on all the other components of the operating model. We will detail some considerations for the other components of the operating model system in our follow-up article.

**Workforce strategy & resource planning:** Identify what specific talent is required now and, in the future, given the unique requirements of working to succeed in your new business model or strategy. Plan how to resource the right talent to the right place at the right time to deliver on business objectives.



## Workforce, Structure and Incentives

As a result of pressures brought about by Covid-19, your organisation will need to re-engage and reshape its workforce.

### Workforce

The organisational competencies, workforce skills and capabilities, and the talent and people management processes may no longer match your organisation’s requirements in the ‘New Normal’.

Unlike structure and incentives changes (see below) which can be executed in one-off time-bound initiatives, transforming workforce capabilities and talent management processes is a long-term continuous process. Retaining top performers and critical skillsets are some of the most essential things a business can do to remain competitive in the post-pandemic environment. It is important to start this work now so that you can retain and redeploy your critical workforce in the most effective way possible.

To successfully pivot your workforce to the ‘new normal’, consider making changes to the following areas:

**Employment proposition:** Develop the employer brand to be competitive in the market, develop a reputation for delivering fulfilling career paths, and develop a range of financial and non-financial rewards to attract and retain the right talent (tie in with ‘Incentives’ below).

**Performance management:** Put clear and consistent processes in place to set objectives and review and assess performance. Consider how the right behaviours are fostered and rewarded (tie in with ‘Incentives’ below).

**Learning:** Develop and implement a clear strategy to accelerate learning for current employees and new employees and build leadership capability as a priority.

**Retention and exit:** Get the basics right, but also identify creative and diverse ways to keep critical talent engaged and motivated in your business.

### Structure

Your organisation’s pre-pandemic structures may also need to change to thrive in the “new normal”. The configuration of business units, reporting lines, and working arrangements may no longer meet the demands of the business in which digital operations have assumed greater significance. Structures, particularly those with deep hierarchy, will be under stress to continue

to provide results amid uncertainty. We expect organisations will explore ways to embed more agile, customer-focussed ways of working wherever possible.

For more detail, see our Insight on using [workforce segmentation as an approach for effective organisation design](#).

### **Incentives**

For those teams who have moved to fully remote delivery, creating new ways of working and managing will be an ongoing challenge. It is likely that at least some portion of your workforce will be required, or may choose, to work remotely for the foreseeable future. Consequently, pre-pandemic ways of assessing team and individual performance will need to change. For example, your organisation may need to assess if incentives and management structures remain fit for purpose. In a world in which a significant portion of a team is remote, do you have a good way to measure productivity, cohesion, morale, and psychosocial safety? For those that are returning to office-based work, new, socially distant procedures will govern collaboration and interactions. In this environment, we recommend re-examining performance and productivity measures, with an aim towards rewarding outcomes rather than process.

For more information on managing and incentivising the remote workforce, see our articles [‘Five ways to re-engage a workforce during a period of uncertainty or transition’](#), [‘Helping your workforce survive and thrive with flexible working’](#) and [‘Putting your People First During Tough Times’](#).

**Cheat sheet: It is likely that your organisation is grappling with some, or all, of these issues. Consider these critical questions as you prepare to pivot your workforce, structures, and incentives:**

### **Workforce**

- How do the skills, competencies, and experience of the employees match with the requirements of the post-pandemic strategy?
- What skills and competencies are most critical to the business in the “new normal”? Does the existing workforce have these skills?
- Can you identify those roles which are less important in the new operating model? Can you reskill and redeploy workforce to new, more critical roles and activities?
- How effective are the people-management and talent processes?

## Structure

- How is the business currently organised? What functional/product/market/customer responsibilities are split out? What are the key reporting lines? Does this match what is needed in the “new normal”?
- How well does the organisational structure aid the smooth flow of work between work groups and people in the organisation? Can you challenge legacy structures and mechanisms that are no longer relevant or cost effective?
- How is work organised, prioritised, and assigned? How are these decisions made?
- What options are available for technical functions, or other non-support functions, that will allow the business to flex, grow and be fit for the future?
- Which parts of the business have you considered outsourcing or insourcing, if any?

## Incentives

- What are the key performance measures by which the business is managed?
- How is reward and compensation measured?
- Have critical workforce segments been identified to focus retention efforts?

## Pivoting to respond to Environmental Themes

One of the few positives that emerged from the Covid-19 crisis relate to the environment. Since the crisis broke out the world is witnessing an increase of interest in environmental issues. This trend was amplified during the crisis and driven by increased attention to health-related issues as well as a first-hand experience of cleaner skies and less pollution during the lockdown period.

Talking to many senior stakeholders and clients from the market we have observed that this has not gone unnoticed. Following pre-existing market trends on the issue and increased consumer pressures, many companies are planning to adjust their post Covid strategies and shift towards sustainable growth, reducing their carbon footprint and environmental impact.

Implementing this strategy would require a number of changes in the operating model and its key components as described earlier in this article: 1) supply chain, channels and infrastructure 2) data and technology 3) processes and governance, and 4) workforce, structure, and incentives.

The changes could be:

- Reduce environmental footprint of products by making the manufacturing process less carbon intensive, reduce waste, reduce the use of plastics in product design etc.
- Use data science and analytics to capture, analyse and report on the company's performance on achieving the targets set on the strategy. Our **Carbon Footprint Bot** can help you achieve this.
- Use technology and automation to make production processes more efficient and as a result, less energy intensive.
- Set up governance structures to ensure clear lines of accountability and embed monitoring of the implementation at the Board, Exec, and functional and team level.

## Workforce, Structure and Incentives

### Workforce

Understand the gap is between the skills the company has now, and the skills it needs in the future to successfully implement the strategy. These may cover:

- Brand new roles and skills that do not exist in the company and must be recruited or acquired. This could include sustainability managers, data scientists, or engineers with experience in working with different materials, etc.
- Changes to existing roles which now need to align with the new strategy and business objectives. People in these roles will have to be trained or upskilled to be able to adapt to the change in their role. For changes that affect entire teams or large groups of employees, company-wide training programmes will need to be created to ensure successful transition to the new role requirements. This could mean changing the role requirements of large workforce segments within manufacturing and supply chain who will now need to work with different processes and equipment, materials, tools etc.
- Identification of roles that will be redundant in the future as a result of the change. It is important to note that this relates to roles, not people. People covering the roles may or may not transition to different positions within the company. An example could be the roles associated with a highly polluting product line which will be phased out as a result of the new strategy.

### Structure

As a result of the new strategy, companies will also need to make changes to their structure and design to accommodate for the various changes mentioned above.

- Analyse workforce segments and determine which would be the most valuable to further analyse and transform based on the changes in the strategy and objectives. For example, functions such as Finance, Accounting and Sales may be unaffected (and out of scope for redesign) whereas others like manufacturing, supply chain and HR will be in scope as they would be the main drivers of change.
- Develop a high-level design which covers the changes, including new senior roles,

e.g. the creation of a new team that would monitor and improve the company's performance on sustainability.

- Define the roles that would be required in the new organisation (new or amended existing roles), size the FTE required for the roles and build suitable supervisory structures above them. In practice, this may mean that certain structures will remain unchanged (with smaller changes in existing roles), whilst others may need to be re-designed.
- Undertake a deep dive analysis into existing activities to identify where there can be improvements to align to the new structure. In implementing a sustainable growth strategy, companies would also use the activity analysis to potentially link activities with the metrics around sustainability that they are trying to improve.

### Incentives

One of the most important tools to building the culture you want and motivating people to perform is your reward system. The right reward system should always positively reinforce the right behaviours. Given the change of strategy towards sustainable growth, companies will need to align their incentives and rewards systems to incentivise and reward performance in these areas. For example:

- Include goals related to sustainability in each performance appraisal.
- Create competitions and handover prizes for excelling in sustainability related initiatives.
- Link part of the bonus pool to the company's track record on implementing the strategy and meeting sustainability targets.

*Sia Partners is committed to accelerating carbon emissions reduction and the energy transition for 15 years. 12% of our revenue is generated by offerings related to climate change; we help clients in the public and private sectors navigate the on-going global transition to a low carbon economy. Talk to us to find more about our Climate Analysis Center and how we use data and technology to support organisations minimise their environmental impact.*

## How can Sia Partners help? Data-driven approaches to operating model design and workforce planning

Pivoting your workforce is a key step in modifying the operating model to deliver changes in the strategy or business model. Businesses can pivot their workforce in an intelligent way by leveraging organisational data to develop winning designs and plans.

A common response to this approach is that organisational data either does not exist or it is difficult to obtain. In almost all cases, this is wrong. Organisational data does exist. However, it may not all in one place, the quality may be inconsistent or poor, or records may conflict across functions and systems. Even when it is easy to get, many businesses may not know how to apply it to improve organisational design or operating model alignment.

Sia Partners can help. We bring decades of transformation experience and innovative data science-based solutions to help you rapidly assess the current-state, examine future-state options, and implement impactful change for your organisation. We deploy sophisticated analytics and digital tools alongside our human subject matter experts, ensuring you receive support tailored to your organisation's context and needs. Our consultants rapidly assess your workforce, financial, and competitor data and define actionable insights that guide every step of the project, from assessment, to detailed design and implementation. Our Transformation Hub, an online portal of proprietary tools and aids, means that you have end-to-end visibility on the design process, with downloadable tools at your fingertips, on-demand, around the clock.

In the near-term, our team can help you understand how your customer demand is changing and how to redeploy your workforce

from areas of relatively low-demand to areas of high-demand or higher priority. We can also help you to align near-term workforce decisions to operational measures and targets to ensure you have an agile, nimble base from which to grow in the post-COVID world.

In the medium-term, our team can help you model options for the size, shape, and design of your future organisation. We obtain, aggregate and cleanse the most relevant data and then quickly assess your as-is state, delivering quantitative and qualitative insights that help you cut costs, define opportunities, and build a more resilient organisation. We start by helping you create design principles centred on your post-COVID business strategy and objectives. From there, we help assess future-state designs that maximise key variables like profitability, long-term growth, or increased organisational resilience. Lastly, we will help manage the full implementation via our dedicated transformation PMO offering.

Alterations to your operating model will also require you to consider the long-term impacts to your workforce. Are you recruiting and retaining the right talent for both today and tomorrow? Is the organisation growing a workforce with the skills and capabilities needed for the future? How is automation altering the workforce and employee base? Again, Sia Partners can help. Our approach to workforce planning uses both proprietary and publicly available data to help you identify the most critical elements of your workforce. We help you to account for trends like automation or technological advancement to craft strategies that strategically plan for both today's and tomorrow's needs.

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