



Build a more resilient business from the inside out

Strengthening your organization using data and workforce development



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Introduction

Economic, social and cultural shocks are tough for any business to respond to. But some respond better than others.

These businesses are nimble and can more easily flex through uncertainty. They are determined to work in new ways, with smart technology and data, and to constantly rethink their services, operations and products. And they have the internal knowledge and resilience to do it.

A new global survey from AWS reveals that, when the going gets tough, the most resilient businesses do not rely on external direction, such as blindly following industry trends or competitors — instead, they find answers from within. It tells us that they combine technology and human skills to adapt and collaborate, engage employees and improve efficiency. And it shows how they create the structure, processes and culture that give them inner strength; these businesses are investing in and developing their employees' skills and creating a culture that is grounded in continuous learning.

Here, we will learn more about how these resilient businesses:

- Nurture internal talent
- Cultivate creativity and collaboration
- Optimize new ways of working



About the research

The data in this report comes from a global survey commissioned by AWS and conducted by FT Longitude in May 2022.

There were 500 respondents across financial services, industrial, media and entertainment, health, automotive, technology and telecommunications.

Respondents were based in Australia, Brazil, Canada, China, France, Germany, India, Italy, Mexico, Singapore, Spain, the UK and the US.

In addition to this quantitative research, in June 2022 FT Longitude carried out four in-depth qualitative interviews with Maureen Lonergan and Ian Wilson from AWS, Suren Pillay and Daleen Pretorius from Absa, and Jack Berkowitz from ADP. We thank them for their insights.

Today's unpredictable landscape

Most organizations are not prepared to flex through uncertain times.

We surveyed 500 business leaders across a range of industries about their approach to workforce data, training and development, and creativity and innovation. For greater detail and context, we also conducted in-depth interviews with HR, data and technology experts from AWS, Absa and ADP.

The research reveals that only about a third of leaders think they are ready to meet a range of business challenges including climate change, cyber crime and talent shortages.

The unpredictability of the global business landscape is likely to continue, so organizations will need stronger foundations. That means finding new ways of working, shaping new types of talent and extracting greater value from data.

A resilient organization knows its numbers

To increase their confidence about their future—and build a strategy they can implement not only in favorable conditions but also during turbulence—businesses must ensure that their internal intelligence is accurate, comprehensive and accessible.



28%

of business leaders say they are prepared for geopolitical changes

32%

are prepared to meet sustainability targets

But the majority of organizations we surveyed describe their use of workforce data (data relating to employee performance, engagement and skills) as either limited or not yet developed at all (61%). Only 4% say it is significantly advanced.

Thirty-nine percent say their strategy is advanced or significantly advanced, and these businesses are seeing the benefits (see chart below).

They are significantly more likely to be prepared to meet sustainability targets (63% vs 35% for those with limited data strategies). And they are making the biggest gains in improving core internal

values: they are more likely to be prepared to meet new diversity, equity and inclusion (DE&I) standards (60% vs 46%) and to create a culture of continuous learning (66% vs 47%).

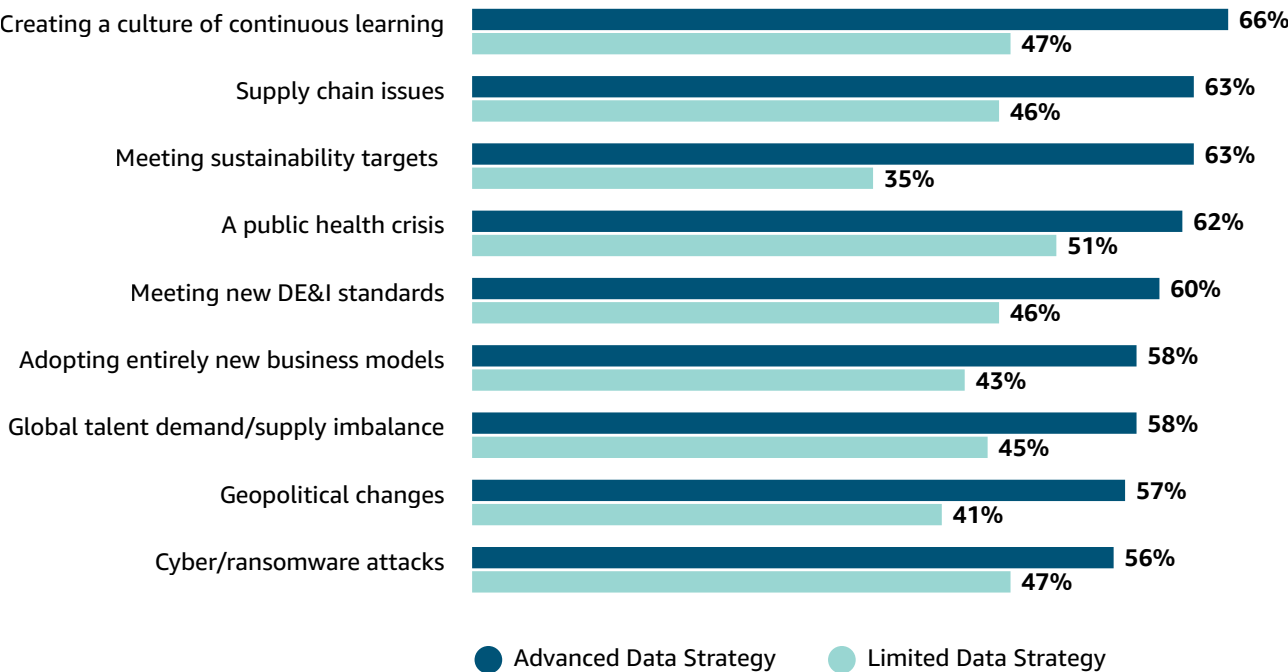
This report will explore why organizations that invest in an advanced workforce data strategy now will build a competitive advantage, as they develop their talent, promote company-wide collaboration, and innovate for the future.

61%

of business leaders say their use of workforce data is limited or not yet developed

Advanced data strategies give businesses confidence

Q: How prepared is your organization for each of the following? (Top four on a 1-10 scale)





Nurture internal talent

Business leaders believe that fulfilling potential inside the organization instead of relying on outside talent is vital — more than two-thirds (67%) say that upskilling employees is the best way to deal with current talent shortages. And they know that to do this effectively they need data: 55% say identifying development opportunities among employees is one of their most effective uses of workforce data.

This will only increase in importance as the challenging labor market continues. Recent PwC research found that one in five workers plans to quit their job this year.¹

Maureen Lonergan, VP, AWS Training and Certification, says current conditions have made organizations more aware of acute skills shortages. “(The skills gap) was already bad going into the pandemic, and now that people are choosing to leave or change their jobs in record numbers, it has become even more important that companies assess what their employees need,” she says. “And they also need to plan ahead. With technology advancing so rapidly, training has become a strategic business imperative.”

67%

of business leaders say that upskilling employees is the best way to deal with current talent shortages

¹ <https://www.pwc.com/gx/en/news-room/press-releases/2022/global-workforce-hopes-and-fears-survey-2022.html>

Businesses can learn to predict talent needs

HR leaders now have access to a growing range of analytics. But do they have the skills, strategy and philosophy to exploit them?

“Large organizations would love to be able to precisely rate, rank and evaluate the specific skills and competencies of employees,” says Ian Wilson, AWS Vice President of Human Resources. “But they face a lot of challenges in trying to achieve this.”

Why is that? In our survey, 38% of business leaders say siloed employee data is the greatest barrier to developing and/or retaining talent. And 58% say they need to be more effective at using data to map and identify future skills needs; 41% are planning to recruit data science talent for HR functions in the next 12 months to address the data analysis skills gap.

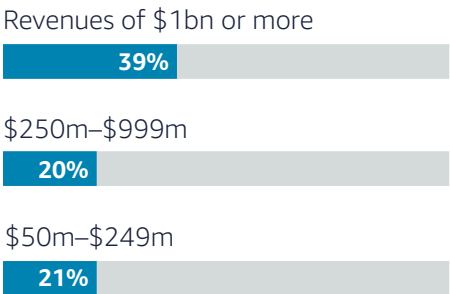
Wilson says that, to fill roles more quickly and accurately, recruiters could use deeper individual data analysis right from the start. “Some of the most interesting work I've seen is related to how organizations use skill or competency analysis to proactively match individual opportunities,” he says. “It would require a lot of data to do it well. How can we understand enough of the attributes about an individual with high confidence?”

Jack Berkowitz, Chief Data Officer at ADP, says that HR professionals need more education in data analysis. But, he says, there also needs to be more understanding at the top of the true value

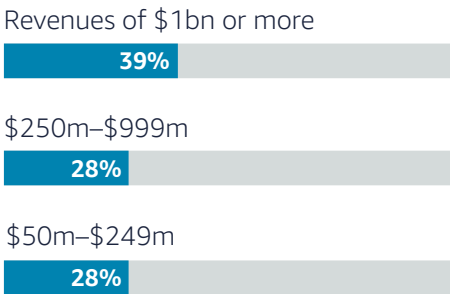
The shrinking revenue gap

Our research shows that the companies with the highest revenues are most likely to have brought in some workforce management initiatives.

Already implemented digital skills training at scale:



Already implemented integration of workforce data sources to understand capacity and productivity:



But responses across all revenue groups were very similar when we asked whether implementation is planned in the next year. So, this is a gap that we can expect to narrow.

of employee data. “Awareness needs to rise at the C-level that people are your company, not units of production,” he says. “When you transition to a knowledge-oriented culture, you see that people matter.”

A culture of learning keeps people close

Half of our respondents admit that they have not yet established a continuous culture of learning. But putting learning at the heart of workers’ experiences is a crucial way to cultivate innovation and improve retention.

“Companies that create a culture of learning are sending a message that, ‘We’re investing in you, and we’re going to give you the time to do it. You’re important to us,’” says AWS’s Lonergan. “Studies show that this type of culture is going to help companies up their recruitment, retention, and productivity in a big way.”

Businesses do at least recognize the importance of training their employees in new technologies: 62% have either implemented digital skills training at scale or are planning to in the next year.

Financial services provider [Absa](#) is one such company. It created a skills incubator initiative to support its digital transformation journey and, since March 2021, more than 4,500 employees have received formal cloud skills training.

“When we set out to do this, the numbers were extremely low, but we looked at our aims with a long lens. Now our total cloud community stands at 2,500,” says Daleen Pretorius, Absa’s Head of Platforms (Cloud).



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Maureen Lonergan,
VP, AWS Training and Certification



Cultivate creativity and collaboration

Some business leaders understand the value of encouraging innovation at their organizations: 37% believe that rewarding employees for proactive idea generation will give them a major agility boost.

But it is not always easy for employees to get involved in that idea-generation process. To make suggestions to improve processes, or even to propose brand new products, they need open access to business insights. Which means they need to access data.

Absa's CTO, Suren Pillay, says the company has suffered in the past from employees recording solutions to common problems or concerns, but then storing them on a system which is not

41%

of companies will be recruiting data science talent for HR functions in the next year

37%

of leaders believe that rewarding employees for proactive idea generation will give them an agility boost

immediately accessible to every colleague. Now it has invested into the creation of searchable knowledge bases. “We've invested a lot of time and energy into publishing our strategies, knowledge-based articles and so forth. The vision behind that is so that just about any piece of general knowledge information should be available to every staff member with one search and two clicks.”

45%

agree a data/analytics center of excellence is the most effective way to increase collaboration by business leaders

Our respondents rate the ability to exchange data as the most effective way to increase creativity and innovation. And a data/analytics center of excellence and data democratization are ranked by our business leaders as the most effective ways to increase collaboration.

ADP, the global provider of cloud-based human capital management solutions, recently created the ADP DEI Dashboard, which uses data science and artificial intelligence to reveal organizations' diversity insights and trends. By inputting key people data, companies can compare them with their competitors and their own stated goals.

ADP's **Jack Berkowitz** says the Dashboard was created because of the growing number of DEI data requests it was getting from its clients, showing high demand. “That was all driven by our teams looking at the service tickets coming in asking us to pull certain data,” he explains. “It wasn't just that we had the idea that we should build a product for diversity. We knew exactly how it should be built and how it should be displayed.”

Open access to workplace data fosters creativity

Q: What are the most effective ways to increase creativity and innovation within your organization?

48%

Ability to easily exchange data across teams

42%

Personalized development plans for employees

37%

Dedicated focus time for creativity/innovation

35%

Identifying opportunities to recruit a more diverse workforce

34%

Virtual tools and technology

Data primes businesses for talent trends

Access to workforce data also enables HR teams to make crucial talent management decisions in good time. “I want to understand how things are trending from day to day for every team in the business,” says AWS’s Wilson. “It’s not sufficient to have answers at a company level. It’s got to be day over day, so we know in real time and can take the appropriate action.”

The business leaders in our survey say that the top three most effective ways they are using workforce data are to:

55%

Identify potential development opportunities among employees

52%

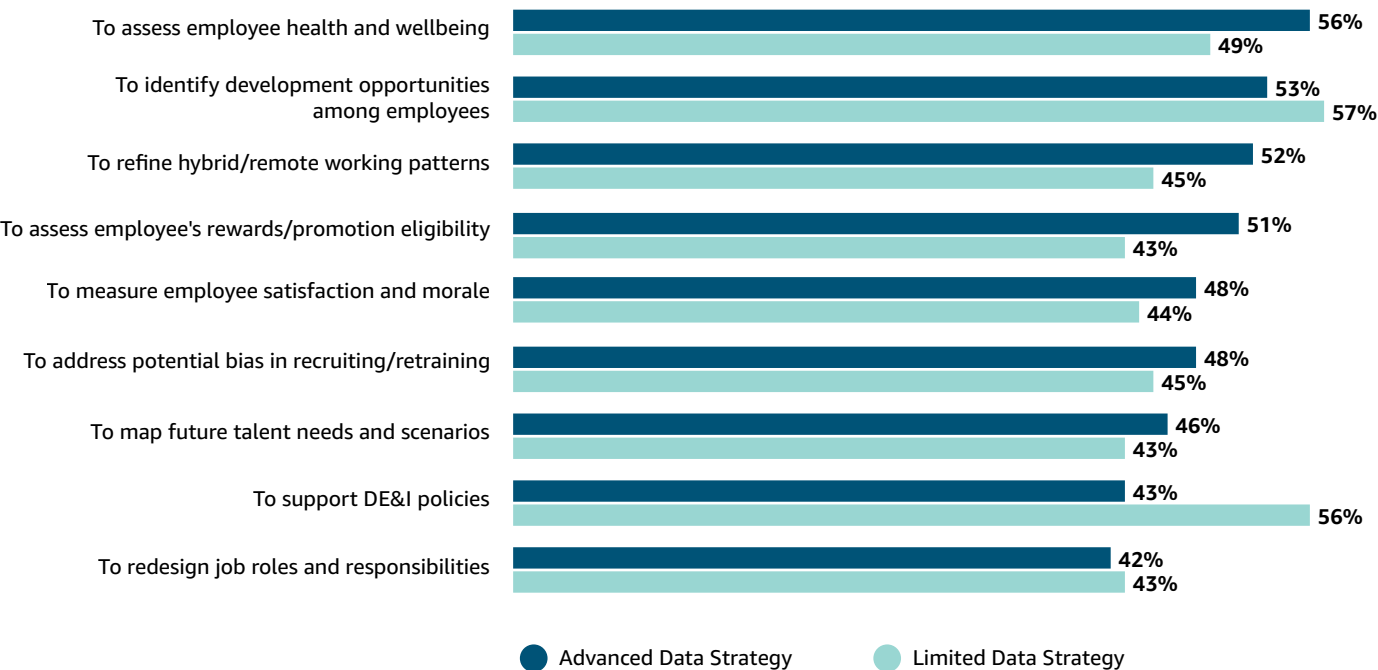
Assess employee health and wellbeing

51%

Support DE&I policies

Data is helping organizations to understand the talent landscape

Q: How effective is your organization at using workforce data in the following ways?



// We saw the uptick in hiring demand happening about nine months before anybody realized a Great Resignation was going to happen.”

Jack Berkowitz,
Chief Data Officer, ADP

But it depends on how developed a business’s data strategy is. Many businesses tend to focus primarily on DEI and employee development. Those with more advanced strategies also prioritize these areas, while addressing a broader range of talent initiatives.

Berkowitz says that workforce data allowed ADP to prepare for the so-called Great Resignation — both internally and on behalf of clients. “We saw the uptick in hiring demand happening about nine months before anybody realized a Great Resignation was going to happen,” he says. “Based on that, we were able to reposition, retrain and get our staff organized to support our clients, both in their hiring and their change management.”



Optimize new ways of working

As approaches to work continue to change, organizations must focus on keeping channels of communication open to enable collaboration. Innovation often happens faster and more often when people share ideas.

“Companies need to get creative, and be more intentional about fostering an environment of learning and engagement,” says AWS’s Lonergan. “Now more than ever, success comes down to an investment in your people and your culture.”

However each colleague experiences their working day, they must be working towards a common goal. Almost half (49%) of business leaders say communicating a shared strategic vision across the company will have the greatest positive impact on organizational agility.

The research shows that organizations know innovation is at risk: 46% say their hybrid work strategy focuses on recapturing company culture and creativity more than it does on boosting productivity and efficiency. And more than a third of respondents (36%) say their workplace culture has been weakened by a move to hybrid/remote working.

46%

of companies' hybrid work strategies focus on recapturing company culture and creativity over boosting productivity and efficiency

“ Success comes down to an investment in your people and your culture.”

Maureen Lonergan,
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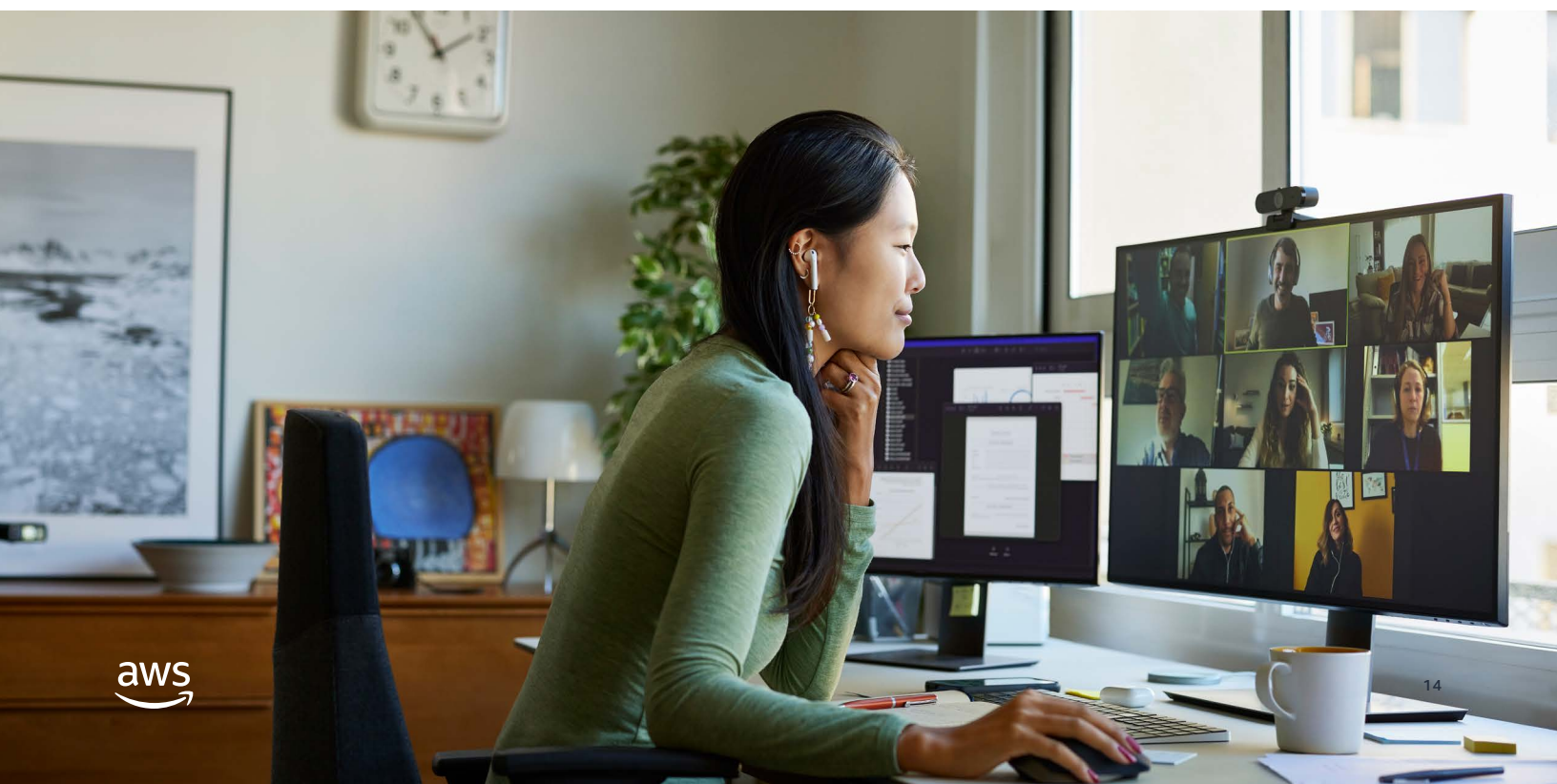
Leaders must combine insight and instinct

Berkowitz says organizations must monitor any changes in employee sentiment and adapt their workplace policies accordingly. “We've built a system for our clients to use where we can actually track the emergence of the COVID-19 variants in different regions, and then ask people how they're feeling about coming to work,” he says. “The data doesn't necessarily tell you what to do, but it gives you that indication and then you apply your expertise on top.”

Our research suggests that companies know they should be using workforce data to make decisions about working practices, but whether they are doing it is less clear. Almost half (47%) say they are effectively using workforce data to refine hybrid/remote working patterns. But 37% admit that decisions relating to new hybrid working practices are based on leadership instinct rather than data insight.

Absa's Pillay says it is easy for leaders to let their personal preferences or needs influence decisions over working practices, even where data is available. “For example, more time in meetings might look better to some, but when you actually look at holistic rather than vanity metrics, you start to see that the more time you spend on meetings, generally the more your other productivity measures start to drop off.

“It's always going to need a bit of a mixed approach. Data gives you a good vehicle to craft hypotheses. It doesn't give you the final answer.”



Build your advantage from within

It has been an unpredictable few years. Now, organizations need to invest in future-proofing their workforces and their business strategies to prepare for whatever comes next.

Our survey shows that an advanced workforce data strategy — investing now in training and data management tools — is a crucial step, and one that will build a competitive advantage. But just 4% of business leaders describe their strategy as advanced, so most businesses are still figuring out the best path to take.

If you are in the majority group, you can start by thinking about your organizational data in two ways:

- The data that helps your employees to collaborate, innovate and make better decisions
- The data that helps your business attract, retain, grow and manage talent

You can build your resilience by learning what both strands of data can do for your strategy and taking a proactive approach to exploiting the insights they generate. That means creating a culture of continuous learning, data sharing and investment in your people's development.

If you can understand exactly what every team in your organization is achieving — and what they have the potential to achieve, with the right training and opportunities — you will build a strong, flexible foundation that protects your organization from the external shocks and shifts to come.



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