

the 6 building
blocks of a



profitable team.

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introduction.

6 building blocks of a
profitable team.

when change becomes the new normal

it can be difficult to

hold onto old habits.

The world around us is changing more and more quickly, impacting the labor market and how we decide to build our teams and organizations. Over recent decades, we have gone from a unified, jointly managed labor market to one that is increasingly fragmented. Traditional long-term employment has been, to a greater extent, replaced by temporary employment in a mix of project hires, consultants, and freelancers.

tech is changing skills requirements

According to the [Randstad Workmonitor](#), 34% of people state that their work is going to be automated within 5–10 years. It is therefore more important for managers and HR professionals to reformulate roles as technology develops. Many of the tasks that are predicted to be automated are cumbersome, routine processes. Ideally, this could lead to human resources being used for more challenging and productive tasks instead. At the same time, this usually means that new skills are needed, which are not always easy to identify or to find. For a sustainable work life, employers need to find ways to support employees when skills requirements change in order to help individuals and groups continue to play a role in the labor market.

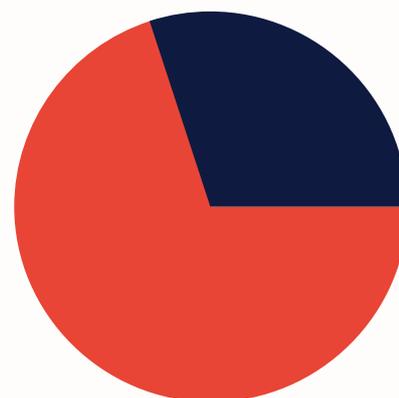
a well-defined talent strategy is more important than the type of employment

In the same Randstad study, 61% of respondents said they believe it will be even more difficult for their employer to find the right talent in the future. The traditional talent life cycle – often described as attracting, recruiting, developing and retaining talent – can be reformulated to some extent. Today, many employers rely on project-based employees and other time-limited positions, while permanent staff are also being supported by other forms of contracts such as consultants or freelancers. Today, supporting business goals with a well-defined [talent acquisition strategy](#) is more important than the actual form of employment.

time to re-think routine practices

When change becomes the new normal, it's important to find ways to enable the organization, team, and individual employees to adapt to new conditions. It's also important to ensure that the expertise and knowledge already present in the company are utilized.

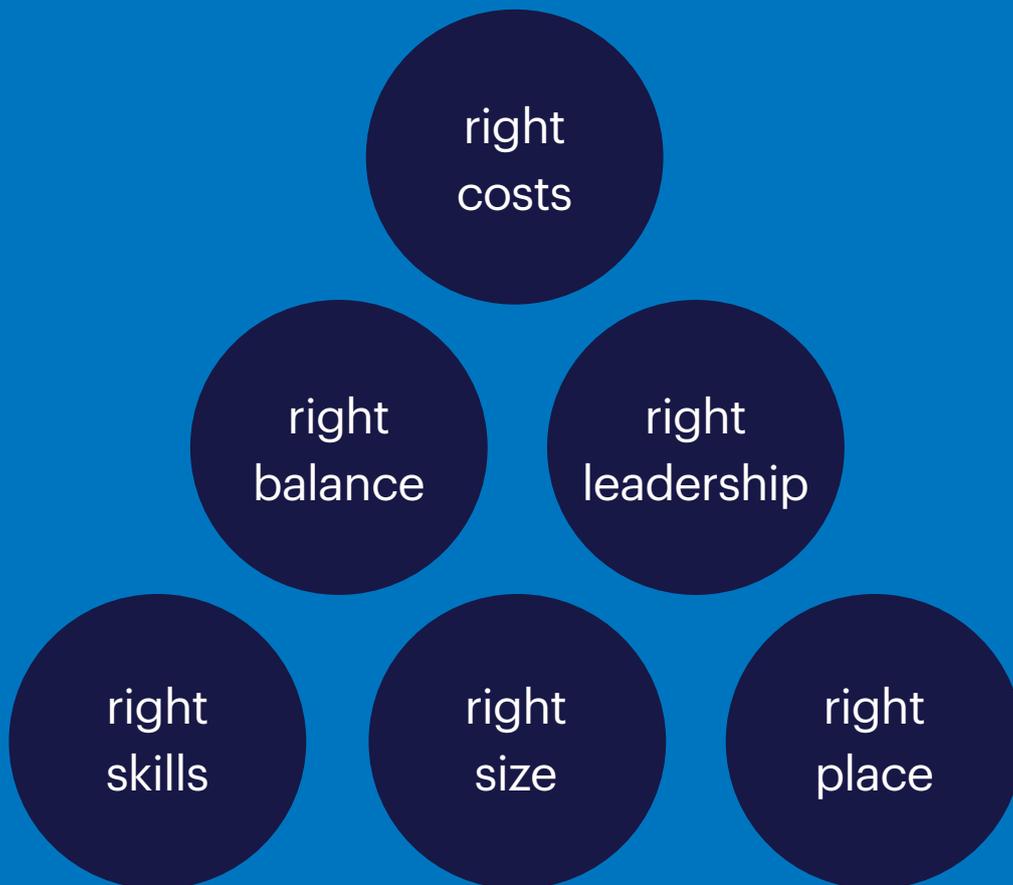
34% percent of employees believe that their work is going to be automated within 5-10 years.



Randstad Workmonitor

the 6 building blocks of a

profitable team.



We have a lot of experience helping companies and organizations develop and grow through our HR services and solutions. Using this as a foundation, we have developed a model for building a profitable team. Feel free to use the model as a basis when reviewing your skills needs in the future.

1. right skills.

new business strategies require new skills.

Which skills that are business-critical for your team or your organization are affected by the overall strategy? New technology, new competitors and changing customer behaviors mean business plans and strategies need to be updated consciously and continuously. The importance of assessing the organization's competencies lies in knowing what needs are important both now and in the long term. These are some important questions to ask:

which skills are absolutely vital for your organization's success?

Do you have the necessary resources to develop and strengthen existing operations? Which skills and abilities are needed to create innovation and development in new areas? Which roles are critical? Which support functions does the business need?

do you have the right skills to meet strategic and operational challenges?

At times when you're facing clear challenges or opportunities, you can learn a lot about your workforce by taking stock of your existing skills. Which core skills are within the organization today and what other skills are available for support? What additional talent do you need to succeed? It's important for the skills inventory to be objective and to follow a clear structure, so you can make an overall assessment.

the human experience is still invaluable.

how do you work with skills exchange and knowledge transfer?

With increased mobility in the labor market, the exchange of skills within the company becomes even more important. How do you make sure that knowledge and experience is passed on when someone quits? This is often especially important for organizations facing retirements en masse, for example, where a lot of skills disappear at the same time, but also for organizations with high staff turnover where it becomes expensive to start over, time after time.

how does your organization develop skills?

Skills can be developed in different ways, both through educating and training existing workers or by hiring external specialists. A combination of both will often produce a good result.

how do you balance digitalization and continuity?

The digital transformation currently underway is changing the **kinds of skills organizations need**. This is not just about replacing current employees with new ones. Technical platforms and systems are changing rapidly, but the human experience continues to be invaluable. Much can be gained from new skills being integrated with previous experiences.



5 practical tips for

ensuring exchange of skills in organizations.

1 hire younger employees to do extra work, such as students.

Younger employees often join organizations with new perspectives and different experiences. At the same time, knowledge is transferred from more experienced workers to younger staff. This can be useful from the day they are employed by the organization.

2 consider reinstating former employees.

In the past, it was more or less inconceivable for an employer to rehire an employee who had previously quit, because of diminished trust. Many people think otherwise today. People who already know the business and who have also gained new experiences are often valuable recruits.

3 work rotation.

Allowing employees to switch to other functions and departments fulfills several purposes. Firstly, it improves communication and increases understanding of each other's areas, and secondly, new ideas are born where different functions intersect. Work rotation can also decrease turnover since employees can search for new opportunities inside the organization instead of outside. Anyone who attempts other tasks also builds up new skills that they can bring to their regular role and group.

4 hire consultants with cutting-edge skills who can transfer these to the rest of the team.

Letting your own people work in parallel with outside specialists with various cutting-edge skills is often an effective way of developing employees in important areas.

5 retain retirees on a part-time basis.

Senior employees often possess knowledge and experience that is hard to document. By allowing these people to work part-time, ideally alongside someone younger, there are more opportunities to transfer both actual competencies and invaluable "implicit" knowledge that risks being lost otherwise.

2. right size.

expand, downsize – or both?

For many organizations, wages constitute a huge portion of the total business costs. Having the right workforce capacity to meet demand is an important factor in being profitable. The right size of the team is not primarily about headcounts but about ensuring that you have the ability to meet the demands of your customers without being over or understaffed. This will also ensure your employees have a good work-life balance, which can lead to reduced turnover. For most businesses, the need for talent depends on the season, orders and business cycles. It isn't uncommon for organizations to have to make redundancies in one area, while facing a lack of staff in another.

Different strategies encounter different staffing needs:

- overtime work and use of accrued overtime or vacation.
- project employment that has started or finished.
- hiring staff.
- consultants or freelancers.
- redeployment of staff.
- division of staff between different units and departments.
- outsourcing, insourcing or contract solutions.

identify which roles are most affected by digitalization.

some questions that you should keep in mind when you plan:

does the work burden decrease or increase?

How does the overall trend look, for the organization and for different departments? It's not uncommon for the workload to be reduced for certain functions at the same time that it increases for others.

how does new technology affect your need for talent?

Today, most businesses are affected by digitalization and new technology. In certain cases, this means that work tasks are automated and disappear, but in their place there is often a need for new talent. In many cases, it has to do with work roles being partially altered by new technology. Identify which roles are most affected by digitalization over several years, and conduct an analysis of how this affects your need for talent.

how well can you predict your staffing needs?

Many businesses are impacted by **seasonal fluctuations**. By understanding how these fluctuations work, it's easier to plan your workforce. Perhaps you can resolve an increased demand for service times by rearranging the ordinary work schedule. In other cases, it's clearly harder to predict swings in the need for staff. In such cases, it's important to have a strategy for how you can quickly adjust the size of the team, based on your delivery requirements.

do all functions need to be conducted by your own staff?

Hiring flexible talent for certain support functions, work tasks or specialized processes can be an effective way to increase the flexibility in the workforce and convert a fixed cost into a variable one.

"Today, most businesses are affected by digitalization and new technology."



3. right balance.

do not leave
the team's composition to change.

Creating the right combination of skills and capabilities is not only about being able to deliver on established business goals. It has as much to do with finding the right balance of people, experiences, roles, backgrounds and skills that enable collaboration, development and innovation.

feel free to make use of the
questions below to create
the right balance in your
workforce.

are you strong enough in your core area?

The first question to ask yourself is whether you have sufficient staff and skills within your core area. Are you staffed, not only to manage ongoing operations, but also to ensure the right development in the future?

do you have the right mix of permanent and temporary employees?

Creating a good balance of permanent employees and temporary staff is also a key priority. We often recommend that our customers work from a 1-2-3 categorization of skills:

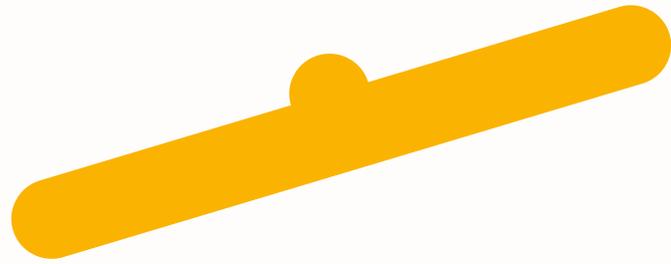
1. Business-critical skills – permanent employees, can be hired by you or with external help.
2. Mid-level skills – can be a mix of permanent and temporary employees. Temporary needs, for example, are often resolved with external help.
3. “Lower” skills. Can be temporary employees for shorter or longer periods. All three categories can function within the same team, and an individual can often move from one category to another.

do you have a good mix of ages, backgrounds and experiences?

An investigation from 2015 by [McKinsey](#), Diversity Matters, shows that diverse teams work better and are more effective. The study showed that companies with diverse workforces are 35% more likely to deliver financial results that are better than average, compared with companies that work in similar areas. This suggests you should seek to create a mix of ages, genders and backgrounds among the employees in your team. Recruit with an open mind to create mixed work groups.

do you have the right balance of leaders, employees and project resources?

The team's composition will be important for both effectiveness and productivity. If you find your team doesn't have enough time, this doesn't always have to mean adding resources. Instead, you can look over the division of roles and work in the team.



tips to hire

for any position.

1 go straight to the experts.

When a hiring need arises in a field you or your team aren't familiar with, talk to the experts first.

what to do:

- speak with managers in departments that have personnel specializing in similar skill sets, or if you're starting from scratch, look for contacts in your network who may have a background in the area.
- managers will happily volunteer what kinds of certifications, competencies and requirements they expect from an ideal candidate, but to get the full picture, you'll have to dig deeper. When you get a list of a manager's must-haves, ask them:
 - what makes each requirement important to the role?
 - how do these requirements fulfill the job's duties?
 - why is this particular combination of skills so coveted in the field?

2 start a job shadowing program.

Internal job shadowing programs are a way for employees to learn about possible career paths within a company by observing a colleague in their day-to-day work environment. But they're also a great resource for HR teams looking to better understand complex or highly technical roles.

what to do:

- have HR employees prepare questions in advance to spend their time covering the major areas they'd like to address.
- conduct information-sharing sessions afterwards where colleagues can present what they learned to the group to spread familiarity of the function to the rest of your HR team.

4. right place.

a set, physical workspace is often based more on tradition than on necessity.

Recent developments in communication technology have created new conditions for collaboration within and between businesses. Thanks to **new technology**, a lot of work today can be done remotely. This opens up new possibilities and perspectives with regards to your workforce. Building a team, regardless of geographical location, is particularly important when it comes to skills that are difficult to recruit.

asking these questions could help to reframe your thinking about where people are placed:

do you have the right resources in the right places?

For companies that have many different workplaces, it's not uncommon for workloads to change. Some may experience a lack of resources while others have excess capacity. Creating a team that spans several geographical locations can be a way of ensuring staffing can be adjusted according to need.

does everyone on the team need to be in the same place?

Thanks to new technology, more and more teams are now spread out geographically. Recruiting key talent from other places or in other countries, with the help of technology, is already a common solution.

is there a future need to change the workforce in other places or sites within the company?

When investing in talent, it's good to clarify within which parts of the business and at which locations the workforce is expected to increase or decrease.

will you find employees where you need them?

How does the access to talent look in the places where the business operates? Which specific competencies are easy or difficult to find?

can you move functions to places where it's easier to find talent?

To secure talent, it may sometimes be justified to move a particular function, in whole or in part, to another location. Naturally, it helps if you already have workplaces at several locations. There are many examples of companies that have moved support functions to locations where it's easier to find employees.

tips:

Connect the employment contract to a region instead of a location. Today, it's often standard for a specific location to be written into the employment contract. This makes it more difficult to share staff between locations within a region without renegotiating the contract. Instead, it may be a good idea to write the employment contract for a larger region.



thanks to new technology

more and more teams today
are spread out geographically.

5. right leadership.

flexible organizations require new leadership.

Recent developments within the world of work give us more complex work tasks, and place new requirements on employees and managers. Working with flexible organizations is not always simple. Leading a team of people who are in different time zones or working on various projects, for example, places new requirements on managers. In changing operations, the need for clarity regarding goals and follow-up of performance also increases.

some questions to keep in mind to lead a profitable team:

have you formulated clear and common rules for the game?

A single team could include people with different agendas, conditions, expectations and priorities, which creates a need for clear rules of play. In addition to having different perceptions about the team's goals and action plans, there are also often very different ideas about ideal working methods. Some will have as few meetings as possible because they want to work on their own. Others want to meet every day and discuss everything. What matters here is finding a common platform that is both effective and satisfies different needs.

do temporary employees understand the whole picture?

When people with different types of contracts and time horizons collaborate, new requirements come into play for this to function. When people are temporarily associated with the workplace or part of a project, it's important for them to be able to see the whole picture. Maybe they only fulfill a partial goal, but they affect and are affected by other parts in the process at all times.

do you have clear definitions of your different work roles?

With more standardized work, clear and structured job descriptions enable new or temporary employees to quickly settle into their new workplaces. Even for more complex services, it's valuable to have clear job descriptions for efficient organization, but also to be able to identify talent and lay the foundation for a requirements profile when recruiting.

do you have an effective onboarding program for both permanent and temporary employees?

Regardless of how a person is connected to the organization, a well-planned onboarding program is needed. Understanding an organization's business, culture and method of working is always important, since it affects the person's ability to act in the best interests of the organization.

Nonetheless, the onboarding program probably needs to adapt, based on the role being filled. In a role that requires core skills and great insight into the entire business, naturally, the introduction will be more extensive and take considerably longer than a role that is more limited.



four tips on how to lead a remote workforce.

1 set the right expectations from the beginning.
It's good for both you and your employees to have clear guidelines from the start on how and when you will communicate. How often should you have follow-up meetings, what should be taken up then and how should it happen? If possible, it's good to visit your employees at their workplaces; how often depends on distance and feasibility.

2 ask the right questions.
If you lead a remote team, it's especially important that you have a clear structure in how you spread important information that the entire team needs to hear. When spontaneous questions across the desk are not possible, it's also important for the information to be easy to understand and to not require interpretation by the recipient. Also, make it clear how employees can reach out to you if they have questions or comments.

3 announce important information in a structured and easily accessible way.
If you lead a remote team, it's especially important that you have a clear structure in how you spread important information that the entire team needs to hear. When spontaneous questions across the desk are not possible, it's also important for the information to be easy to understand and to not require interpretation by the recipient. Also, make it clear how employees can reach out to you if they have questions or comments.

4 do not underestimate the value of communal activities.
Some teams rarely or never meet with all members at the same time - something that has become more common because of Covid-19. In these cases, it's even more important to create a sense of belonging. This doesn't need to be complicated or demanding - shared activities can take place both online and in person. Don't forget spontaneous communication. It's important for everyone to feel seen and noticed, which is often a challenge if you don't meet employees very often. An extra call to acknowledge that the person in question has done something well or maybe needs a little support if things have been difficult shows that you understand your staff, even if you don't meet daily.

6. right costs.

talent costs are more than just wages.

Profitability is often closely associated with taking control of costs. But cost control is not necessarily the same thing as cost savings. In fact, incorrect cost reductions can lead to reduced productivity and/or deteriorated quality, thereby risking reduced revenue. Instead, it has to do with ensuring that your costs generate as much revenue as possible.

questions to ask to ensure you have the right costs:

Which KPIs do you work with to ensure profitability in the team and how do you follow up?

There are a variety of KPIs to assess your overall talent strategy. Here it has to do with selecting the measurement that fits your specific situation. Some common KPIs are:

- time to fill.
- number of vacancies that aren't filled.
- diversity.
- reasons for terminating the contract.
- costs for vacancies that aren't filled.
- sick leave.
- incidents/accidents.
- employee turnover.
- delivery capacity.

how much does it cost to recruit?

A recruiting process means both direct and indirect costs. Often the greatest costs are related to the time you spend creating the new job profile and handling the entire recruiting process. Beyond this, there are marketing costs such as advertising a position and recruiting activities such as exhibitions.

what are the total talent costs?

Beyond recruitment costs, there are a series of costs that you should be aware of. When you calculate your total talent costs, you should also include the following:

- costs for onboarding and training.
- personnel benefits, health care contributions, etc.
- pension contributions.
- sick leave.
- personnel administration and payroll.
- vacation and vacation pay.
- staff clothes, etc.

what does it cost to be overstaffed?

Overstaffing doesn't just mean higher salary costs. Other negative effects of long-term overstaffing are:

- costs for premises and office space.
- costs for digital tools, logins and systems.
- reduced possibilities for development for those who are redundant.
- lower motivation as a result of a failure of specific work content.

what does it cost to be understaffed?

It's also important to be conscious of costs linked to short or long-term understaffing. For example:

- overtime compensation.
- stress or sick leave because existing staff are overworked.
- reduced quality of work and delivery.
- lost business.
- delayed deliveries.
- lower motivation and negative effects on the employer brand.
- increased staff turnover.



summary.



right skills.

The current trend of digitization, combined with changes in customer behavior & needs, demands a regular update of skills requirements, as well as how different roles are designed.

right size.

Having a workforce designed to meet demand is an important factor for profitability.

Having a workforce of the right size is not just about reductions, but about how you ensure the ability to meet customer requirements without having either too few or too many people in place.

right balance.

Combining different forms of employment and building teams that consist of both permanent and temporary employees is a good way to enhance your flexibility and ability to meet market demands. It's also important to find a balance of people, experience, roles, backgrounds and skills that enable progress in ongoing business and the development you need in the future.

right place.

With mobile work tools on the rise and technology constantly evolving, physical location is not as important as it once was for many roles and sectors. The increasing availability of flexible and contingent talent, regardless of geography, can help you acquire people and skills that are traditionally hard to find.

right leadership.

Leading a team that is not in the same place, doesn't work the same hours and has members that work on a temporary basis, places new requirements on you as the leader of the team. In team environments where openness, collaboration and your own responsibility are keys to progress, there is a greater need for responsive leadership. Working towards a clear goal and following up on performance will become even more important in the future.

right costs.

Managing talent costs is important, but it's just as beneficial to ensure that the investments made generate as much revenue and value as possible.

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about Randstad **Staffing** Services.