The rise of the individual in the future of work

Josh Bersin
Principal and Founder, Bersin™
Deloitte Consulting LLP
Agenda

Today’s economy and the new world of work

The crisis in productivity, engagement, and trust

Strategies:
Management
Learning
Career
Wellbeing
Culture

The vital role of HR leadership
The Robots Are Here

77% of CEOs expect the role of AI, Robotics, and Automation to “increase significantly” over the next 2 years.

Jobs Are Rapidly Shifting to Services not Labor
Shift to a service and IP-based economy


Estimates that 65% of children entering primary school today will hold jobs that do not yet exist.

Source: McLeod, Scott and Karl Fisch, “Shift Happens”
US Unemployment Rate Nearing Record Lows

Hiring is now harder than it was in 2001 and time to hire is growing

Source: https://www.thebalance.com/unemployment-rate-by-year-3305506

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Productivity is suffering—is technology helping?

US productivity last ten years

Source: U.S. Bureau of Labor Statistics
Employees are just overwhelmed

The average US worker now spends **25%** of their day reading or answering emails

More than **80%** of all companies rate their business “highly complex” or “complex” for employees

Fewer than **16%** of companies have a program to “simplify work” or help employees deal with stress

The average mobile phone user checks their device **150 times a day**

**40%** of the US population believes it is impossible to succeed at work and have a balanced family life

The “average” US worker works **47 hours** and 49% work 50 hours or more per week, with 20% at 60+ hours per week

Sources: Deloitte Human Capital Trends 2014 and 2015

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Engagement remains a challenge

Average 3.2

What are these companies doing?
We are working more hours: a vacation and health crisis

- Since 2000, US workers lost an entire week of vacation, dropping average vacation days from 20.3 to 16.8

- In the UK and US, 60% of workers say they have poor work-life balance and only 1/3 leave work on time.

- 39% “want to be seen as a work martyr” to their boss, yet these over-workers are less likely to receive a promotion or raise than their peers.

- One in six Americans now take psychiatric drugs for depression, sleep, or anxiety

“The Workplace is the Biggest Source of Stress in America.”

- Jeffrey Pfeffer, “Dying for a Paycheck”

Crisis of Trust in Institutions
Edelman Trust Data

Majority of respondents believe the system is failing:

- 53% believe the system is failing
- Only 37% trust CEOs
- Only 29% trust government

Source: https://www.edelman.com/research/2017-trust-barometer-global-results
Citizenship on the rise
Millennials and CEOs focused on mission and purpose

- 64% expect economic and political conditions to get worse in the coming two years
- In mature markets, 64% of millennials believe they will be less well off financially than their parents and 69% say they will be less happy
- 77% of Millennials actively take part in volunteerism and charity work to help improve their community
- 88% of Millennials believe business can be a major force for positive social change

Source: Deloitte Millennial Survey, 2018, n=70,000
Oxfam Reward Work not Wealth, 220118-en, n=72,000

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The Rise of The Individual
In the New World of Work
Patient Zero: Steven Slater of JetBlue Airlines

World Discovers a new hero:
Air steward who lost his cool, grabbed a beer, slid down emergency chute and launched himself into stardom

United Airlines: after passenger video, company shelves lottery for bonus, after employee backlash
Employees Fight Back

A 20-year-old sues Dick’s and Walmart because they wouldn’t sell him a rifle

Salesforce and investors now use Glassdoor to inform billion-dollar acquisition decisions

<table>
<thead>
<tr>
<th>Culture and Values</th>
<th>Senior Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.3</td>
<td>4.6</td>
</tr>
<tr>
<td>Compensation and Benefits</td>
<td>Career Opportunities</td>
</tr>
<tr>
<td>3.2</td>
<td>3.6</td>
</tr>
<tr>
<td>Work Life Balance</td>
<td>Recommend to a Friend</td>
</tr>
<tr>
<td>2.6</td>
<td>77%</td>
</tr>
</tbody>
</table>
The Unhappy Customer: Activism on the rise
Why the concern and activism around the world? It’s simple.

People are worried.
Eight men now own the same amount of wealth as the poorest half of the world.

Over the last 30 years in the US, growth in the incomes of the bottom 50% has been zero, whereas incomes in the top 1% have grown 300%.

New Jobs Are Being Created Faster Than Ever

Most In-Demand Jobs for 2018

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Soft Skills</th>
<th>Tech</th>
</tr>
</thead>
<tbody>
<tr>
<td>Machine Learning Engineer</td>
<td>9.8</td>
<td></td>
</tr>
<tr>
<td>Data Scientist</td>
<td>6.5</td>
<td></td>
</tr>
<tr>
<td>Sales Representative</td>
<td>5.7</td>
<td></td>
</tr>
<tr>
<td>Customer Success Manager</td>
<td>5.6</td>
<td></td>
</tr>
<tr>
<td>Full Stack Engineer</td>
<td>5.5</td>
<td></td>
</tr>
<tr>
<td>Big Data Developer</td>
<td>4.5</td>
<td></td>
</tr>
<tr>
<td>Brand Partner</td>
<td>4.4</td>
<td></td>
</tr>
<tr>
<td>Personal Loan Consultant</td>
<td>4.4</td>
<td></td>
</tr>
<tr>
<td>Head of Partnerships</td>
<td>3.6</td>
<td></td>
</tr>
<tr>
<td>Licensed Realtor</td>
<td>3.4</td>
<td></td>
</tr>
<tr>
<td>Guest Experience Manager</td>
<td>3.1</td>
<td></td>
</tr>
<tr>
<td>Marketing Content Manager</td>
<td>3.0</td>
<td></td>
</tr>
<tr>
<td>Reliability Engineer</td>
<td>2.9</td>
<td></td>
</tr>
<tr>
<td>Head of Customer Experience</td>
<td>2.8</td>
<td></td>
</tr>
</tbody>
</table>

New Skills Needed: Hybrid and Service-Oriented

**Most In-Demand Skills**

1. Management
2. Sales
3. Communication
4. Marketing
5. Start-ups
6. Python
7. Software Development
8. Analytics
9. Cloud Computing
10. Retail

**Capabilities**

1. Adaptability
2. Culture Fit
3. Collaboration
4. Leadership
5. Growth Potential
6. Prioritization

Where the Robots Live

Robots per one thousand workers
Forcing Career Models into Disruption

- 61% of companies are redesigning or planning to redesign their career model.
- 83% of companies expect to have an open or flexible career model within 3-5 years.
- 60% of companies expect careers to last 10 years or less.
- 31% of companies expect careers to last 5 years or less.

Organizational readiness to manage careers dropped by 32% from 2017 to 2018.
### We Need A New Model for Our Businesses

<table>
<thead>
<tr>
<th>Organization Structure:</th>
<th>Today</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hierarchical Business Functions</td>
<td>Teams formed slowly over time</td>
<td>Projects, Squads, Teams, Services</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Teams and Projects:</th>
<th>Today</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teams formed slowly over time</td>
<td>Teams assemble and disband quickly</td>
<td>Assignments, tasks, expert roles</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Jobs and Roles:</th>
<th>Today</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job descriptions, job levels, job titles</td>
<td>Teams assemble and disband quickly</td>
<td>Assignments, tasks, expert roles</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Managers:</th>
<th>Today</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers “own” teams and people’s careers</td>
<td>Assignments, tasks, expert roles</td>
<td>Managers manage projects and “sponsor” people</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Careers:</th>
<th>Today</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs are “owned” by the manager and not shared</td>
<td>Managers manage projects and “sponsor” people</td>
<td>Jobs open in transparent marketplace</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Flexibility and Space:</th>
<th>Today</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>People “assigned” jobs by management</td>
<td>People sought out based on skills, work on multiple projects</td>
<td>People rewarded by outcomes, reputation, sponsorship</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rewards:</th>
<th>Today</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>People rewarded by level, tenure, experience</td>
<td>People rewarded by outcomes, reputation, sponsorship</td>
<td>Citizenship, Collective Thinking, Shared Values</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Culture:</th>
<th>Today</th>
<th>Future</th>
</tr>
</thead>
</table>
| Inclusion, Sustainability, Diversity | Citizenship, Collective Thinking, Shared Values | }
## The Simply Irresistible Organization®

<table>
<thead>
<tr>
<th>Meaningful Work</th>
<th>Hands-On Management</th>
<th>Humane Environment</th>
<th>Growth Opportunity</th>
<th>Trust in Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autonomy</td>
<td>Clear goal setting</td>
<td>Flexible, humane work environment</td>
<td>Facilitated talent mobility</td>
<td>Mission and purpose</td>
</tr>
<tr>
<td>Selection to fit</td>
<td>Coaching and feedback</td>
<td>Recognition rich culture</td>
<td>Career growth</td>
<td>Investment in people, trust</td>
</tr>
<tr>
<td>Small teams</td>
<td>Leadership development</td>
<td>Open flexible work spaces</td>
<td>Self and formal development</td>
<td>Transparency and communication</td>
</tr>
<tr>
<td>Time for slack</td>
<td>Modern performance management</td>
<td>Inclusive, diverse culture</td>
<td>High impact learning culture</td>
<td>Inspiration</td>
</tr>
</tbody>
</table>

Source: Bersin's Simply Irresistible Organization model
Meaningful Work For The New Organization

A network of teams

How things were

How things “are”

How things work

Shared values and culture
Transparent goals
Free flow of information and feedback
People rewarded for their skills and abilities, not position

Is Management Listening?
Feedback: The Killer App

Problems known to top managers: 4%
Problems known to middle managers: 9%
Problems known to supervisors: 74%
Problems known to front line workers: 100%

1979 study of workers in 8 Japanese factories, Sidney Yoshida
Have You Fixed Performance Management?

Shifting to a Growth Mindset

The Old Performance Management Process
1. Annual cascading goals
2. Top-down execution thru metrics
3. Evaluate high performers through ratings
4. Force out low performers
5. Annual pay increase based on rating
6. Annual development plans
7. Categorize HIPOs, leadership candidates

Continuous Performance Management
1. Continuous bottoms up goals (OKR)
2. Quarterly or more check-ins
3. Regular feedback in all directions
4. Use of data to measure performance
5. Train and support leaders
6. Review compensation frequently
7. Offer career and progression to all

A competitive assessment process
A coaching and development process
Organizational Listening Architecture
Understanding the Employee Experience

2. Sound Management

Customer satisfaction

Employment brand

Social media monitoring

Job boards & ads

Pulse surveys

Annual survey

Anonymous feedback tools

Integrated reporting & analytics
Sentiment analysis
Network analysis

Exit interviews

Performance check-ins

Performance appraisals
Flexible, productive, collaborative workspaces

91% of people who work at home feel more productive than they do at the office.

-Farmers Insurance

https://www.inc.com/farmers-insurance/do-these-3-things-to-foster-a-flexible-remote-work.html
Environment Designed for The Job

Work style and workplace mismatch can be addressed by analyzing work style types – segmenting employees by workstyles.

### Degree of collaboration vs Degree of mobility

#### INDEPENDENT

- **Degree of collaboration:** Low
- **Degree of mobility:** Low

   - **Flexibility to work from anywhere**
   - **Employee Profile:**
     - A **Data Analyst** frequently works from home and reserves space when in the office

#### TRAVELER

- **Degree of collaboration:** Low
- **Degree of mobility:** High

   - **Often at out-of-office meetings**
   - **Employee Profile:**
     - A **Sales Manager** spends his time at client offices; occasionally reserves space

#### RESIDENT

- **Degree of collaboration:** High
- **Degree of mobility:** Low

   - **Need access to resources in office daily**
   - **Employee Profile:**
     - A **Research Associate** works in the office; requires a full-time, dedicated workspace

#### TEAMER / COLLABORATOR

- **Degree of collaboration:** High
- **Degree of mobility:** Low

   - **Spend the day in collaborative work**
   - **Employee Profile:**
     - An **IT Manager** utilizes a blend of desks and meeting spaces suited to collaborative work

---

Employee Profile:
- A **Data Analyst** frequently works from home and reserves space when in the office.
- A **Sales Manager** spends his time at client offices; occasionally reserves space.
- A **Research Associate** works in the office; requires a full-time, dedicated workspace.
- An **IT Manager** utilizes a blend of desks and meeting spaces suited to collaborative work.
Do you have an inclusive talent system?

Wellbeing: A Model for Health, Productivity, Performance

3. Holistic Environment
Wellbeing Requires A Comprehensive View

Deloitte Wellbeing Matrix

Deloitte Wellbeing Offering Matrix

**Body**
- Activity & Nutrition Education/Guides
- Connection To Community Programs
- Dependent Care Support
- Fitness Subsidy
- Food Sourcing
- Health Coaching
- Health Risk Assessment
- Maternity Management
- Preventive Care Exam/Screenings
- Tracking Device Integration/Promotion
- Workplace Activity Programs
- Workplace Education/Training

**Mind**
- Concierge Services
- Education And Guides
- Employee Assistance Program
- Episode-Support
- Life-Event Resources
- Management Model
- Mindfulness
- Paid Time Off
- Pet Support
- Sleep
- Social Connections
- Stress Management

**Wealth**
- Benefit Maximization
- Concierge Services
- Discount Purchase Programs
- Identity Theft Protection
- Investment Advice
- Legal Counseling
- Loan/Debt Management
- Retirement Planning

**Purpose**
- Career/Vocational Guidance
- Rewards And Recognition Programs
- Training & Tuition Support
- Volunteer Opportunities

Need for Data-Driven Rewards Optimization

3. Holistic Environment
Can People Learn? Learning and Coaching In The Flow of Work

Coaching, management support, feeling of value and success, meaningful organizational and peer recognition.

Discretionary Effort from High Engagement

Onboarding
Training
New Assignment
Plateau

Performance or Productivity
Time
## The New Model for Learning: In The Flow of Work

### Micro-Learning

**I need help now.**

- 2 minutes or less
- Topic or problem based
- Search by asking a question
- Video or text
- Indexed and searchable
- Content rated for quality and utility

**Is the content useful and accurate?**

- Videos, articles, code samples, tools

### Macro-Learning

**I want to learn something new.**

- Several hours or days
- Definitions, concepts, principles, and practice
- Exercises graded by others
- People to talk with, learn from
- Coaching and support needed

**Is the author authoritative and educational?**

- Courses, classes, MOOCs, programs
Are Tenured Employees Respected? The Longevity Dividend
The 100 Year Life (And 70 Year Career)

“Since 1840 there has been an increase in life expectancy of three months for every year.”

Gratton, Lynda; Scott, Andrew. *The 100-Year Life*

Increase in Life Expectancy Over Time

http://www.mortality.org/

Today’s Millennials have a 50% chance of living to 100+
New Career Models Are Badly Needed

**Future Focused:** 58% of companies are redesigning their career models, but only 8% feel ready to create the “skills for the future”

Deloitte HC Trends 2018

**Flexible and Open:** 83% of companies expect to have an “open” or “highly flexible” career model within the next 3-5 years

Deloitte HC Trends 2017

**Dynamic and Agile:** 31% of companies expect careers to be 3-5 years long, and 60% expect them to be 10 years or less

Deloitte HC Trends 2017
Culture, Leadership, and Career Matter Far More Than Money
What matters to employees

Correlation of employment factors to Glassdoor recommendations as place to work

- Culture and values: 0.30
- Senior leadership: 0.28
- Career opportunities: 0.22
- Work life balance: 0.13
- Compensation & benefits: 0.12
- Year founded (age): 0.00

Source: Bersin Research and Glassdoor data

Culture and leadership are 3X more important than salary in your employment brand.

Career development and learning are almost 2X more important than comp, benefits, and work environment.
Culture as business strategy

89% of companies rate culture as an urgent issue...

...yet only 14% really know what “good culture” looks like.

Companies with a strong mission and purpose outperformed the S&P 500 by 8-fold over a 20 year period.

These companies performed 4x higher than “Good to Great” companies.

Companies with “soul” had a 1026% return from 1996 through 2006, 8x higher than S&P 400 firms.

## We Need A New Management Paradigm

Management Thinking Evolves:

<table>
<thead>
<tr>
<th>The Industrial Corporation</th>
<th>Hierarchical Leadership</th>
<th>Collaborative Management</th>
<th>Networks of Teams</th>
<th>The Social Enterprise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational Efficiency</td>
<td>Profit, Growth, Financial Engineering</td>
<td>Customer Service, Employees as Leaders</td>
<td>Mission, Purpose, Sustainability</td>
<td>Citizenship, Teamwork, Growth, Learning</td>
</tr>
<tr>
<td>People as Workers</td>
<td>Management by Objective</td>
<td>Servant Leadership Work Together</td>
<td>Empower the Team</td>
<td>Productivity, Wellness, Responsibility</td>
</tr>
<tr>
<td>Andrew Carnegie</td>
<td>Jack Welch</td>
<td>Howard Schulz</td>
<td>Netflix, Google, Facebook, Amazon</td>
<td>Unilever, Merck, Patagonia, Whole Foods</td>
</tr>
<tr>
<td>Henry Ford</td>
<td>Peter Drucker</td>
<td>Steve Jobs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Corporation is King</td>
<td>The Executives are King</td>
<td>The People are King(s)</td>
<td>The Teams and Team Leaders are Kings</td>
<td>The Individual, Community, and Team</td>
</tr>
<tr>
<td>&lt;1950s</td>
<td>1960s-80s</td>
<td>1990s</td>
<td>Today</td>
<td>2020</td>
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</table>
But A Warning: CEOs Have Work to Do

• While 61% of companies are redesigning work for AI and technology, 67% of CEOs believe that this technology will create more value than human capital.

• Despite the desire to “be digital” and drive engagement and new skills, 73% of C-Suite executives do not partner closely on cross-company initiatives.

• Only 18% of C-Suite executives have a strategy to drive citizenship and community purpose into their organizations.

• 54% of companies have no explicit program to build the skills needed in the future.
It’s up to us.

Are you ready for the rise of the individual in your organization?
What You Should Do

1. **Reimagine** your organization as an institution with citizenship and purpose.
2. **Listen** to your employees and stakeholders at all levels.
3. **Reinvent management** to focus on listening, growth, coaching.
4. **Focus on productivity** and help people perform in a healthy environment.
5. **Create purpose** by helping leadership focus on mission, purpose, and citizenship.