Your Workforce Is More Adaptable Than You Think

Disappointment!

- Many managers have little faith in their employees' ability to survive the twists and turns of a rapidly evolving economy.

- "My call center workers are neither able nor willing to change."

- This kind of thinking is common, but it's wrong.

Survey!

- In 2018, in an attempt to understand **the various forces** shaping the nature of work, **Harvard Business School's** Project on **Managing the Future of Work** and the Boston Consulting Group's **Henderson Institute** came together to conduct a survey spanning 11 countries—Brazil, China, France, Germany, India, Indonesia, Japan, Spain, Sweden, the United Kingdom, and the United States—gathering responses from 1,000 workers in each.

Survey!

- In it we focused solely on the people most vulnerable to changing dynamics: **lower-income and middle-skills workers.**

- The majority of them were **earning less than the average household income** in their countries, and all of them had **no more than two years of postsecondary** education.

- In each of eight countries—Brazil, China, France, Germany, India, Japan, the United Kingdom, and the United States—we then surveyed at least 800 business leaders (whose companies differed from those of the workers we surveyed).

- In total we gathered responses from **11,000 workers and 6,500 business leaders**.

Findings!

- What we learned was fascinating: The two groups perceived the future in significantly different ways.

- Predictably, business leaders feel anxious as they struggle to marshal and mobilize the workforce of tomorrow. In a climate of perpetual disruption, **how can they find and hire employees who have the skills** their companies need? And **what should they do with people whose skills have become obsolete?**

- **The workers**, however, didn't share that sense of anxiety. Instead, they **focused more on the opportunities and benefits** that the future holds for them, and they revealed themselves to be much more eager to embrace change and learn new skills than their employers gave them credit for.

The Nature of the Gap

- When executives today consider the forces that are changing how work is done, they tend to think mostly about
disruptive *technologies.* **But that's too narrow a focus.**

- A remarkably broad set of forces is transforming the nature of work, and companies need to take them all into account.

- In our research we've identified **17 forces of disruption**, which we group into **six basic categories**.

The Forces Shaping the Future of Work

- Accelerating Technological Change

- Growing Demand for Skills

- Changing Employee Expectations

- Shifting Labor Demographics

- Transitioning Work Models

- Evolving Business Environment

Accelerating Technological Change

- New technologies that **replace human labor**, threatening employment (such as driverless trucks)

- New technologies that augment or supplement human labor (for example, robots in health care)

- Sudden technology-based shifts in customer needs that result in new business models, new ways of working, or faster product innovation

- Technology-enabled opportunities to monetize free services (such as Amazon web services) or underutilized assets (such as personal consumption data)

Growing Demand for Skills

- General increase in the skills, technical knowledge, and formal education required to perform work

- Growing shortage of workers with the skills for rapidly evolving jobs

Changing Employee Expectations

- Increased popularity of flexible, self-directed forms of work that allow **better work-life balance**

- More widespread desire for work with a purpose and opportunities to influence the way it is delivered (for example, greater team autonomy)

Shifting Labor Demographics

- Need to **increase workforce participation of underrepresented populations** (such as elderly workers, women, immigrants, and rural workers)

Transitioning Work Models

- Rise of **remote work**

- Growth of **contingent forms of work** (such as on-call workers, temp workers, and contractors)

- **Freelancing and labor-sharing platforms** that provide access to talent

- Delivery of work through complex partner ecosystems (involving multiple industries, geographies, and organizations of different sizes), rather than within a single organization

Evolving Business Environment

- New regulation aimed at controlling technology use (for example, "robot taxes")

- **Regulatory** changes that affect **wage levels**, either directly (such as minimum wages or Social Security entitlements) or indirectly (such as more public income assistance or universal basic income)

- Regulatory shifts affecting cross-border flow of goods, services, and capital

- Greater **economic and political volatility** as members of society feel left behind

The Nature of the Gap

- **The first** is that *workers seem to recognize more clearly than leaders do that their organizations are contending with multiple forces of disruption, each of which will affect how companies work differently.*

- When asked to rate the impact that each of the 17 forces would have on their work lives, using a 100-point scale, the employees rated the force with the strongest impact 15 points higher than the force with the weakest impact. In comparison, there was only a nine-point spread between the forces rated the strongest and the weakest by managers.

The Nature of the Gap

- **The second** difference that emerged from our survey was this: ***Workers seem to be more adaptive and optimistic about the future than their leaders recognize.***

- The conventional wisdom, of course, is that workers fear that technology will make their jobs obsolete. But our survey revealed that to be a misconception. A majority of the workers felt that advances such as automation and artificial intelligence would have a positive impact on their future.

- When asked why they had a positive outlook, workers most commonly cited two reasons: **the prospect of better wages** and **the prospect of more interesting and meaningful jobs.**

The Nature of the Gap

- In every country workers described themselves as more willing to prepare for the workplace of the future than managers believed them to be (in Japan, though, the percentages were nearly equal).

- Yet when asked what was holding workers back, managers chose answers that blamed employees, rather than themselves.

- That brings us to our **third finding**: ***Workers are seeking more support and guidance to prepare themselves for future employment than management is providing.***

What Employers Can Do to Help?

- Don't just set up training programs—create a learning culture.
- Engage employees in the transition instead of herding them through it.
- Look beyond the "spot market" for talent.
- Collaborate to deepen the talent pool.
- Find ways to manage chronic uncertainty.

Don't just set up training programs—create a learning culture

- Expeditors has long relied on a "**hire for attitude, train for skill**" approach. Educational degrees are appreciated but not seen as critical for success in most roles.

- The company focuses on **temperament and cultural fit**.

- Once on staff, employees join an intensive program in which every member of the organization, no matter how junior or senior, undertakes 52 hours of incremental learning a year.

Engage employees in the transition instead of herding them through it

- To succeed, they have to offer employees pathways to professional and personal improvement and **must engage them in the process of change**, rather than merely inform them that change is coming.

- That's what ING Netherlands did in 2014, when it decided to reinvent itself. The bank's goal was ambitious: to turn itself into an agile institution almost overnight.

- ING would have to become faster, leaner, and more flexible. To do that, they said, the company planned to make investments that would reduce costs and improve service. But it would also eliminate a significant number of jobs—at least a quarter of the total workforce.

Engage employees in the transition instead of herding them through it

- Then came the *how.* ING decided that almost everybody at the company, regardless of tenure or seniority, would be required to resign. After that, anybody who felt his or her attitude, capabilities, and skills would be a good fit at the "new" bank could apply to be rehired. That included Van den Boogert, CEO, himself. Employees who did not get rehired would be supported by a program that would help them find jobs outside ING.

Look beyond the "spot market" for talent

- AT&T undertook a systematic audit of its quarter of a million employees to catalog their current skills and compare those with the skills it expected to need during and after its revamp.

- Ultimately, the company identified **100,000 employees whose jobs were likely to disappear, and several areas in which it would face skills and competency shortages.**

- Armed with those insights, the company launched an ambitious, multiyear **$1 billion initiative to develop an internal talent pipeline instead of simply playing the "spot market" for talent.** In short, to meet its evolving needs, AT&T decided to make retraining available to its existing workforce. Since then, its employees have taken nearly 3 million online courses designed to help them acquire skills for new jobs in fields such as application development and cloud computing.

Collaborate to deepen the talent pool

- Companies will have to fundamentally change their outlook and work together to ensure that the talent pool is constantly refreshed and updated. That will mean teaming up with other companies in the same industry or region to identify relevant skills, invest in developing curricula, and provide on-the-job training.

- U.S. utilities companies have already begun doing this. In 2006 they joined forces to establish the Center for Energy Workforce Development. The mission of the center, which has no physical office and is staffed primarily by former employees from member companies, is to figure out what jobs and skills the industry will need most as its older workers retire.

- The center quickly determined that three of the industry's most critical middle-skills jobs—linemen, field operators, and energy technicians—would be hit hard by the retirement of workers in the near future.

Find ways to manage chronic uncertainty

- In today's world, managers know that if they don't swiftly identify and respond to shifts, their companies will be left behind. So how can firms best prepare?

- The office-furniture manufacturer Steelcase has come up with some intriguing ideas. One is its **Strategic Workforce Architecture and Transformation (SWAT)** team, which tracks emerging trends and conducts real-time experiments in how to respond to them.

- The team has launched an internal platform called **Loop**, for example, where employees can volunteer to work on projects outside their own functions. This benefits both the company and its employees: As new needs arise, the company can quickly locate workers within its ranks who have the motivation and skills to meet them.

The Most Desirable Employee Benefits

Benefits!

- In today's hiring market, a generous benefits package is essential for attracting and retaining top talent.

- According to Glassdoor's 2015 Employment Confidence Survey, about 60% of people report that benefits and perks are a major factor in considering whether to accept a job offer.

- The survey also found that 80% of employees would choose additional benefits over a pay raise.
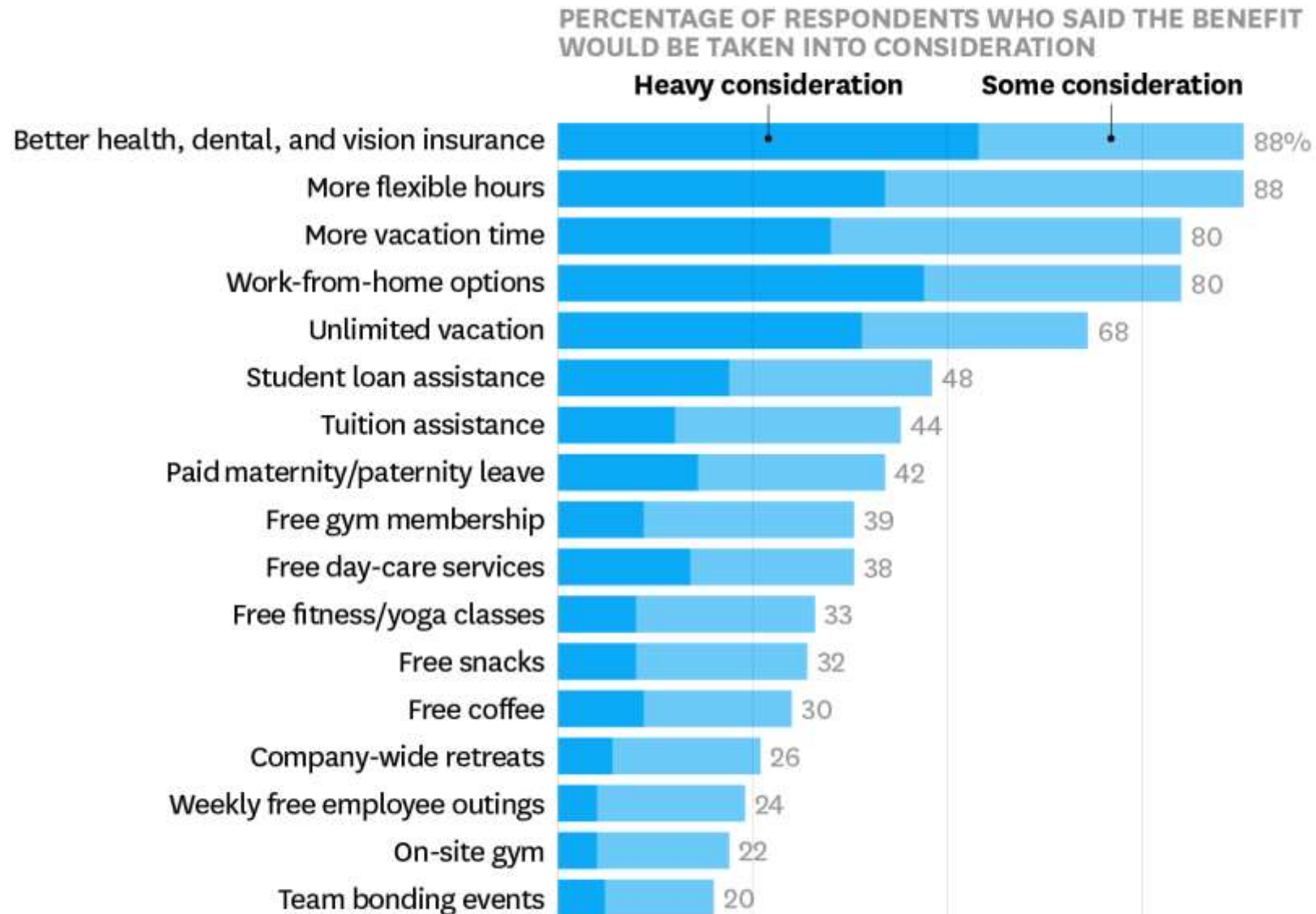
Benefits!

- Google is famous for its over-the-top perks, which include lunches made by a professional chef, biweekly chair massages, yoga classes, and haircuts.

- Twitter employees enjoy three catered meals per day, on-site acupuncture, and improv classes.

- SAS has a college scholarship program for the children of employees.

- A new survey conducted by my team at Fractl found that, **after health insurance**, employees place the highest value on benefits that are relatively low-cost to employers, such as **flexible hours**, **more paid vacation time**, and **work-from-home options**.

Survey!

- As part of our study, we gave 2,000 U.S. workers, ranging in age from 18 to 81, a list of 17 benefits and asked them how heavily they would weigh the options when deciding between a high-paying job and a lower-paying job with more perks.

Which Benefits Are Most Valued by Job Seekers?

When choosing between a high-paying job and a lower-paying one with better benefits, respondents said health insurance and flexible hours might tip them toward the latter.

PERCENTAGE OF RESPONDENTS WHO SAID THE BENEFIT WOULD BE TAKEN INTO CONSIDERATION

Heavy consideration   **Some consideration**

Benefit	%
Better health, dental, and vision insurance	88%
More flexible hours	88
More vacation time	80
Work-from-home options	80
Unlimited vacation	68
Student loan assistance	48
Tuition assistance	44
Paid maternity/paternity leave	42
Free gym membership	39
Free day-care services	38
Free fitness/yoga classes	33
Free snacks	32
Free coffee	30
Company-wide retreats	26
Weekly free employee outings	24
On-site gym	22
Team bonding events	20

SOURCE FRACTL SURVEY OF 2,000 U.S. WORKERS

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Analysis!

- Better health, dental, and vision insurance topped the list, with 88% of respondents saying that they would give this benefit "some consideration" (34%) or "heavy consideration" (54%) when choosing a job.

- The next most-valued benefits were ones that offer flexibility and improve work-life balance. A majority of respondents reported that flexible hours, more vacation time, more work-from-home options, and unlimited vacation time could help give a lower-paying job an edge over a high-paying job with fewer benefits.

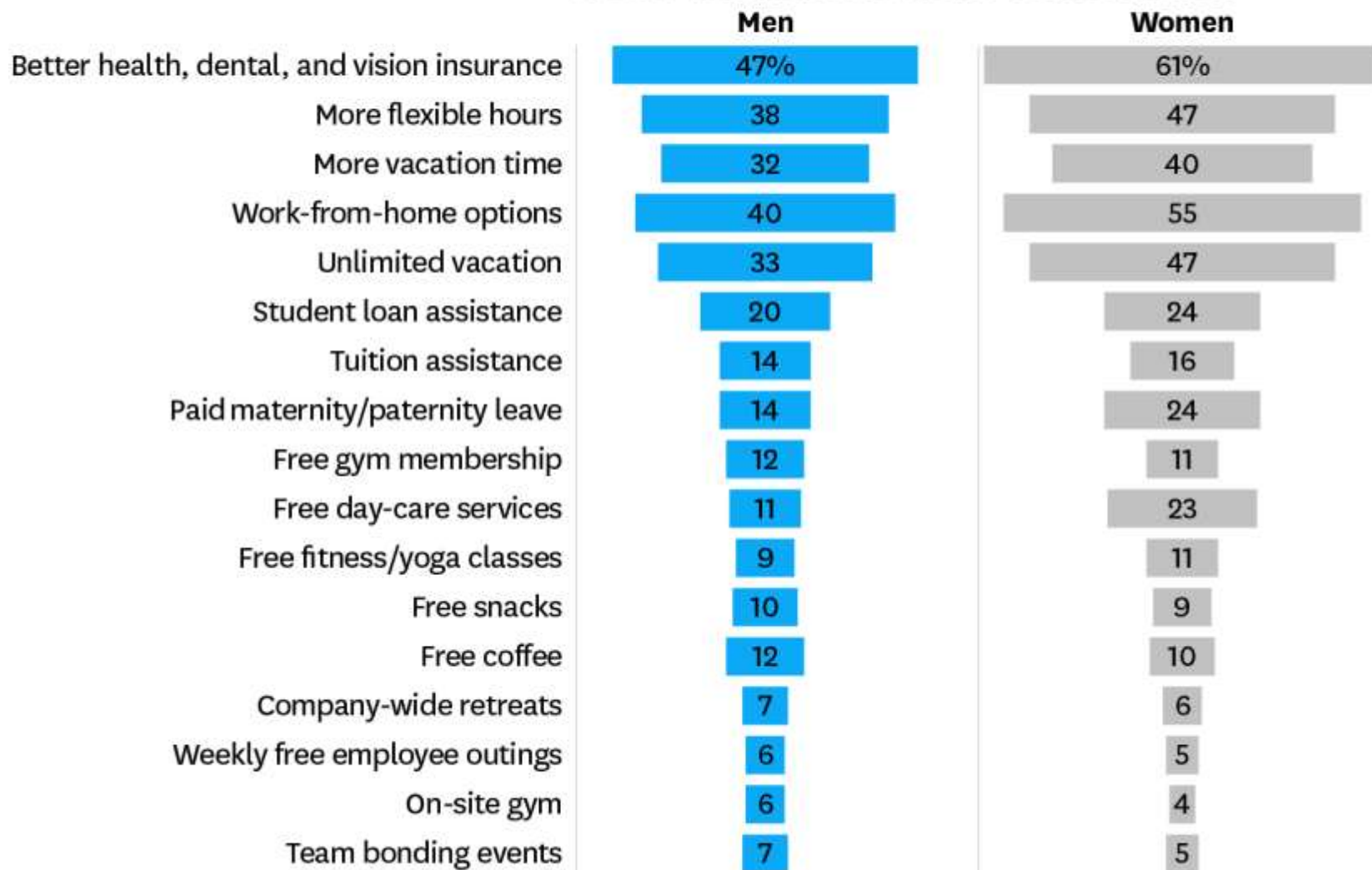- More vacation time was an appealing perk for 80% of respondents.

Analysis!

- Student loan and tuition assistance also ranked highly on the list of coveted benefits.

- A benefits survey from SHRM found that only 3% of companies currently offer student loan assistance, and 52% of companies provide graduate educational assistance.

- We noticed gender differences regarding certain benefits. Most notable, women were more likely to prefer family benefits like paid parental leave and free day care services.

- Parental leave is of high value to female employees: 25% of women said they'd give parental leave heavy consideration when choosing a job (only 14% of men said the same).

Which Benefits Do Men and Women Prefer?

When choosing between a high-paying job and a lower-paying one with better benefits,
men and women differ in how much various perks might sway them.

PERCENTAGE OF RESPONDENTS WHO SAID THE BENEFIT
WOULD BE TAKEN INTO HEAVY CONSIDERATION

	Men	Women
Better health, dental, and vision insurance	47%	61%
More flexible hours	38	47
More vacation time	32	40
Work-from-home options	40	55
Unlimited vacation	33	47
Student loan assistance	20	24
Tuition assistance	14	16
Paid maternity/paternity leave	14	24
Free gym membership	12	11
Free day-care services	11	23
Free fitness/yoga classes	9	11
Free snacks	10	9
Free coffee	12	10
Company-wide retreats	7	6
Weekly free employee outings	6	5
On-site gym	6	4
Team bonding events	7	5

Analysis!

- Our survey findings suggest that providing the right mix of benefits that are both inexpensive and highly sought after among job seekers can give a competitive edge to businesses that can't afford high salaries and pricier job perks.

Co-Creating the Employee Experience

Employee experience

- If people would feel great working with us, clients would feel the same.

- Employee engagement explains two thirds of their client experience score.

- If we can increase client satisfaction by 5 points, then revenue can be increased by 20%.

In Practice

- We want employees to walk out thinking – I am super excited I am here and I understand what I need to know to get going.

- They have started asking new hires about what was their experience in the first day?

- Surprisingly they replied they didn't get their laptop on time, couldn't set their credit card, failed to get internet connections, etc.

In Practice

- They fixed it all. So that employees can concentrate on what was the target.

- People now a days consume contents in their phones and tablets. They use youtube, watch TED talks, etc.

- IBM learning development platform like Netflix for 3,80,000 employees.

In Practice

- There was also live chat advisor.

- How can they offer customized learning?

- The idea is the system knows you rather than you know the system. It has information regarding your performance and skill set. It collects information continuously and then suggests which one would be better for you.

- People are much less likely to resist change when they have a hand in shaping it.

Performance management

- IBM has given its performance management an overhaul.

- Rather than benchmarking they wanted to co-create the design with the employees. Like concept car.

- They asked for their input in their blogs. They created a video about what they want and they got 18,000 responses overnight.

- They had the technology to analyze it all and come up with a design what they want.

Performance management

- They called this performance management as checkpoint.

- Performance management is never perfect. But you cannot call your baby ugly.

Sentiment Analysis

- Sentiment analysis is very important.

- Their cognitive technology picks up the words and finds out the tone. They tries to find out if it is positive or negative and then tries to find out how strong that association is.

- From social platform, IBM learned a lot about what went wrong and what was right.

- People felt listened to.

Employee empowerment

- Employees are more powerful now-a-days.

- Glassdoor! Employees can see any companies like a transparent glass.

Talent management

- Clients today are looking for speed and responsiveness.

- Rather than taking people part time basis for long, IBM started to organize smaller but dedicated group for small amount of time to finish any project.

- IBM is a company that is continuously going through transformation.

- They 45% of their revenue from business that are less than five years.

- Continuous innovation and embracing change is common. It is like you are continuously changing tires while you are driving.

Never Say Goodbye to a Great Employee

- So-called "boomerang" employees — those who leave and then return — will become an increasingly valuable source of talent over the years ahead.

- Some women chose to off ramp for several years sometime in their career, and many are eager for opportunities to return. Older workers may present boomerang possibilities as well.

- Sixty percent of workers age 60-plus say they will look for a new job after they retire – possibly back in your organization.

- Former employees, of course, offer many advantages: they are **familiar** with your operations and culture, **know many** of your current employees and clients, and may require little or **no training** to start making contributions.

- Often they are **cheaper to hire**, particularly if former managers have maintained contact while the employee is away.

- The biggest challenge to leveraging boomerang talent for most organizations is the nature of the **"out" process itself**. For most of us, departures, whether initiated by the employee or the company, are **negative events.**

- **Setting the stage for positive "outs"** and creating the possibility of happy returns requires redefining the relationship from the very beginning — setting different expectations during the hiring process.

- **Today more than 25 percent of the working population goes through career transitions** every year and half of all hourly workers leave new jobs within the first 120 days.

- And rather than signaling that you will provide opportunities for life (something few hires actually trust anyway), make it clear that you are offering interesting and challenging work, coupled with fair arrangements, while it is available.

- Creating an environment that leverages the power of positive "outs" is greatly enhanced by forward thinking work arrangements that are designed to let people connect and reconnect with your organization in a variety of ways. For example:

- **Flexible time:** Flexible shifts, compressed workweeks, and individualized work schedules.

- **Reduced time:** Part-time options, job sharing, self-scheduling, leave-of-absence programs, and cyclic or project-based work.

- **Flexible place:** Mobile work and telecommuting.

- **Tasks, not time:** Requirements to put in only as much time as it actually takes to get the work done, removing restrictions around a prescribed time or place.

- **Decelerating roles:** Career path options that go 'down' (to lower levels of responsibility).

- In addition to setting the right tone at the beginning, structure the exit process to facilitate re-entry and build a flexible network of talent possibilities.

- Invite them to join your network, build your own flexible talent pool, and create a residual knowledge bank. Regardless of whether their departure is voluntary or involuntary, it's never wise to say goodbye to a good employee.

Thank You