2017 Human Capital Trends
A new future for
Canadian organizations
This year’s 10 global trends

The 2017 Deloitte Global Human Capital Trends report, drawing on a survey of more than 10,000 HR and business leaders globally, takes stock of the challenges ahead for business and HR leaders in a dramatically changing digital, economic, demographic, and social landscape.

The organization of the future:
Arriving now
As organizations become more digital, they face a growing imperative to redesign themselves to move faster, adapt more quickly, learn rapidly, and embrace dynamic career demands. Leading organizations are moving past the design phase to actively build this new organization.

Careers and learning:
Real time, all the time
As companies build the organization of the future, continuous learning is critical for business success. The new rules call for a learning and development organization that can deliver learning that is always on and always available over a range of mobile platforms.

Talent acquisition:
Enter the cognitive recruiter
Recruiting is becoming a digital experience as candidates come to expect convenience and mobile contact. Savvy recruiters will embrace new talent acquisition technologies to forge psychological and emotional connections with candidates and constantly strengthen the employment brand.

The employee experience:
Culture, engagement, and beyond
Rather than focusing narrowly on employee engagement and culture, organizations are developing an integrated focus on the entire employee experience. A new marketplace of pulse feedback tools, wellness and fitness apps, and integrated employee self-service tools is helping.

Performance management:
Play a winning hand
Across all industries and geographies, companies are re-evaluating every aspect of their performance management programs, from goal setting and evaluation, to incentives and rewards. They are aligning these changes to business strategy and the ongoing transformation of work.

Leadership disrupted:
Pushing the boundaries
In 2015, we termed leadership the "perennial issue" that never seems to go away. This year we see a radical shift in the actual kind of leader organizations need: not just more strong leaders, but also younger, more agile, and "digital-ready".

Digital HR:
Platforms, people, and work
HR leaders are being pushed to take on a larger role in helping to drive the organization to "be digital," not just "do digital." As digital management practices and agile organizational design become central to business thinking, HR is focusing on people, work, and platforms.

People analytics:
Recalculating the route
No longer is analytics about finding interesting information and flagging it for managers: It is now becoming a business function focused on using data to understand every part of a business operation, and embedding analytics into real-time apps and the way we work.

Diversity and inclusion:
The reality gap
Fairness, equity, and inclusion are now CEO level issues, but continue to be frustrating and challenging. Training and education are not working well enough. The new rules focus on experiential learning, process change, data-driven tools, transparency, and accountability.

The future of work:
The augmented workforce
Automation, cognitive computing, and crowds are paradigm-shifting forces reshaping the workforce. Organizations must experiment and implement cognitive tools, focus on retraining people to use these tools, and rethink the role of people as more and more work becomes automated.

Learn more: www.deloitte.com/htrends | www.deloitte.com/hcdashboard | Follow @DeloitteTalent
Introduction

Canadian organizations and their global counterparts face a world of ever-accelerating, digital-driven change that’s driving profound shifts in the workforce, the workplace, and the very nature of work. Organizational people practices, from learning to leadership to performance management, are being reinvented as a result of technology. This year’s Canadian survey results showed that organization of the future, employee experience, and leadership remain top areas of importance, while technology-focused trends are expected to be of increasing priority for Canadian organizations in the coming years. With these changes on the horizon, now is the time for leaders to prepare for the new future.

The rules of work are changing—and the results of our 2017 Deloitte Global Human Capital Trends survey suggest that Canadian organizations don't feel ready for the transformation and disruption that lies ahead.

Our 2017 survey, our largest and most extensive study to date, draws on input from over 10,000 business and HR leaders across 140 countries, including over 300 from Canada. This snapshot captures key findings about Canadian respondents’ views.
Canadian priorities:
Technology trends to become a top priority for more Canadian organizations in the future

Building the organization of the future, delivering an engaging employee experience, and developing the leaders needed for the future continue to be among the top areas of importance for Canadian business and HR leaders. Respondents also foresee these topics remaining priorities in the years to come.

In parallel, technology-focused trends (e.g., digital HR, the augmented workforce, and robotics, cognitive computing, and artificial intelligence [AI]) are already driving a dizzying pace of change in the world of work. Canadian respondents recognize the importance of this, and have indicated that they plan to shift their focus to these trends, which will account for the greatest increase in priority among all trends in the future, as compared to today.

**Digital HR**

Currently, 14% say digital HR, using new digital platforms to build digital workplaces and workforces, and change how people work and relate to each other, is a top priority. That may soon change: 25% say digital HR will be a top future priority for their organization.

**Augmented workforce**

Only 16% view the augmented workforce as a current top priority. Yet with workforces expanding to include not only freelancers, gig-economy workers and the crowd—but machines and software too—32% of respondents say the augmented workforce will be a top priority in years to come.

**Robotics, cognitive computing & AI**

The largest jump will be seen in the area of robotics, cognitive computing, and AI, changing the pace and design of work, as well as the roles and ways in which people will actually do work. Though a mere 5% feel this is a top priority for their organizations today, that’s set to jump to 26% in the future.
### Chart 1: Canadian importance and readiness

<table>
<thead>
<tr>
<th>Category</th>
<th>Importance</th>
<th>Readiness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization of the future</td>
<td>87%</td>
<td>28%</td>
</tr>
<tr>
<td>Employee experience</td>
<td>80%</td>
<td>42%</td>
</tr>
<tr>
<td>Talent acquisition</td>
<td>79%</td>
<td>39%</td>
</tr>
<tr>
<td>Leadership</td>
<td>79%</td>
<td>25%</td>
</tr>
<tr>
<td>Careers and learning</td>
<td>78%</td>
<td>31%</td>
</tr>
<tr>
<td>People analytics</td>
<td>72%</td>
<td>30%</td>
</tr>
<tr>
<td>Performance management</td>
<td>71%</td>
<td>41%</td>
</tr>
<tr>
<td>Diversity and inclusion</td>
<td>68%</td>
<td>49%</td>
</tr>
<tr>
<td>Digital HR</td>
<td>63%</td>
<td>23%</td>
</tr>
<tr>
<td>The augmented workforce</td>
<td>56%</td>
<td>29%</td>
</tr>
<tr>
<td>Robotics, cognitive computing and AI</td>
<td>33%</td>
<td>08%</td>
</tr>
</tbody>
</table>

Percentage of total responses

### Chart 2: Canadian trends with top three priorities current and future

<table>
<thead>
<tr>
<th>Category</th>
<th>Current</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization of the future</td>
<td>53%</td>
<td>48%</td>
</tr>
<tr>
<td>Employee experience</td>
<td>47%</td>
<td>27%</td>
</tr>
<tr>
<td>Talent acquisition</td>
<td>30%</td>
<td>19%</td>
</tr>
<tr>
<td>Leadership</td>
<td>36%</td>
<td>44%</td>
</tr>
<tr>
<td>Careers and learning</td>
<td>23%</td>
<td>21%</td>
</tr>
<tr>
<td>People analytics</td>
<td>22%</td>
<td>25%</td>
</tr>
<tr>
<td>Performance management</td>
<td>28%</td>
<td>10%</td>
</tr>
<tr>
<td>Diversity and inclusion</td>
<td>16%</td>
<td>11%</td>
</tr>
<tr>
<td>Digital HR</td>
<td>14%</td>
<td>25%</td>
</tr>
<tr>
<td>The augmented workforce</td>
<td>16%</td>
<td>32%</td>
</tr>
<tr>
<td>Robotics, cognitive computing and AI</td>
<td>05%</td>
<td>26%</td>
</tr>
</tbody>
</table>

Percentage of total responses
Canadian readiness:

Work to be done as Canadian organizations get ready for technological change and new ways of working

Technology’s rapid, ceaseless advance will have profound changes in the way work gets done, and have far-reaching implications such as process automation, changing skill requirements, and the overall shape of the organization. As a result, Canadian business and HR leaders are already facing changing expectations and demands, and will increasingly need to evolve and support their organizations’ transformation through an intense period of disruption and evolution.

Organization of the future

Only 28% say their organizations are ready to build the organization of the future. That’s a sharp drop from 48% last year that puts Canadians well behind their global peers (39%).

Leadership

25% say they’re ready to develop the leadership they need for the future, down from 33% last year.

Digital HR

Digital HR readiness rose slightly this year, to 23% from 21% last year—yet well behind global readiness at 33%.

Augmented workforce

As Canadian organizations balance their current priorities with their future demands, they will need to continually respond to an evolving world of work—focusing on increasing their overall organizational readiness. Our study shows that Canadian organizations are finding it difficult to increase readiness across their priorities, and are behind their global counterparts:

Augmented workforce

Canadian organizations feel much less able to deal with the demands of the augmented workforce, with readiness dropping from 41% in 2016 to 29% this year. Despite this, 75% of respondents say they plan to make more use of an augmented workforce in the years to come.

Robotics, cognitive computing & AI

Canadian respondents feel ill-prepared to meet the challenges of robotics, cognitive computing, and AI. Only 8% say their organizations are ready, compared to 17% of global respondents.
Leadership call to action

Canadian organizations will need to balance the importance and effort placed on their current priorities with the evolving disruption and needs of future ones. In order to become ready for what lies ahead, the organization of the future will need to integrate multiple priorities, from the changing demands of leadership and the employee experience to meet the new ways of working, to the structure of the organization and roles to enable technology adoption and automation. Canadian organizations are at a crossroad where they will need to sustainably evolve and adapt their business to become the organizations of the future—while keeping pace with their global counterparts.

This is not just a call to action for HR, but rather for all executives to take the lead in enabling their organizations to rise to the challenge and avoid being left behind on the world stage. Business leaders can drive efforts to design organizational structures suited to new ways of working, develop leaders equipped for the future, and deliver employee experiences that engage a very different kind of workforce. Leaders can also play a pivotal role in helping their organizations understand and embrace the technologies that will utterly transform and reinvent work. It’s vitally important to take action—because the future of everything has already begun. 2017 Deloitte Global Human Capital Trends provides insight into where to start.
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Designed and produced by the Deloitte Design Studio, Canada. 17-4723V