Future of Work
The People Imperative

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Founder, Bersin by Deloitte
Principal, Deloitte Consulting LLP

October, 2017
Is the Fear and Hype True?

- 47% of today’s jobs will be gone in 10 years
- 41% of US workforce participates in crowd/gig economy
- Essentially all the “new jobs” created since 2008 fall into the category of “alternative work.”

Robots are Here Today
Average cost below $25,000.
China purchased 250,000 in 2016.
Businesses Are Adapting Quickly

- 41% of companies have fully implemented or have made significant progress in adopting cognitive, AI and Robotics
- 77% of these companies believe technology is creating “better jobs”, and only 20% see job reductions
- 50% are retraining workers to work side by side with machines
- 67% of employees believe they must continuously reskill themselves to stay in their career, and 58% believe they will have a new career within five years
Increased Need for Social, Integrative, and Hybrid Skills

Job Capabilities For the Future

- Empathy
- Communication
- Close vision
- Speaking
- Interpreting data
- Judgement
- Social skills
- Integrated thinking
- Design
- Hybrid jobs

Talent for survival: Essential skills for humans working in the machine age, Deloitte UK, 2016

Shift to a service and IP-based economy

Goods-Producing vs. Services Jobs as % of Total, USA, 1939 – 2014

Source: U.S. Bureau of Labor Statistics
Today’s New World of Work
Employees are 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
We Are Working More Hours: A Vacation Crisis

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

• Americans left 662 million unused vacation days forfeiting $66 billion in benefits

• 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.

35% of Millennial women feel guilty about taking time off (25% of men)
Productivity is suffering—is technology helping?

US, UK, Canadian Productivity Lag

Since 2011 productivity gains have slowed to crawl

SOURCE: www.tradingeconomics.com | U.S. BUREAU OF LABOR STATISTICS

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Cost of Stress at Work: $300 Billion per Year

According to CDC Research in 2016, 40% of US and UK workers believe they have very stressful jobs, resulting in accidents, fatigue, nervousness, and lack of energy. This translates to $300B spent on employee wellness, healthcare, and absence costs every year.

http://safetymanagement.eku.edu/resources/infographics/work-related-stress-on-employees-health/
Workplace Culture Trend: Wellbeing

Google Trends Search for Wellbeing since 2004

Jump Since 2008 Recession
Engagement Remains a Challenge

Average 3.2

What are these companies doing?

Summer, 2016 Glassdoor Bersin by Deloitte Research
50% of Millennials will live to **age of 100**, expect 10-12 jobs by age of 38

Half-life of technical skills is approximately **2 years**

37% of working people believe they will **change careers within 5 years**

Only 29% of companies believe careers in their company are 10 years+, 44% say less than five years

Life expectancy of Fortune 1000 firm is **less than 15 years**, S&P 500 firm is **five years**

83% of companies believe they will have “open careers” within 3 years, only 19% have structured careers

Source: Deloitte Human Capital Trends 2017, GitHub, World Economic Forum, Bersin Career Research
Career Models Are In Disruption

58% of companies are redesigning or planning to redesign their career model
Deloitte HC Trends 2017

83% of companies expect to have an “open” or “highly flexible” career model within the next 3-5 years
Deloitte HC Trends 2017

31% of companies expect careers to be 3-5 years long
60% expect them to be 10 years or less

Only 19% of companies promote vertical career moves, 67% now promote horizontal or project based career progression

Learning and career management software has become the #1 fastest growing segment in HR technology
(CedarCrestone 2017)
Millennial Expectations Have Changed Work

- 80% want to give performance appraisals to the boss
- Their “team mates” are the most important people at work
- 60% think 7 months of tenure means they’re “loyal”
- 2/3 want to be “creative” at work in their job
- Expect feedback weekly and progression annually

Deloitte Millennial Survey, n=70,000, Spring 2016
Millennials Are Concerned about A Threatening and Unfair World

- 64% expect economic and political conditions to get worse in the coming two years
- In mature markets, only 64 percent of millennials predict they will be financially worse off than their parents and 69% say they’ll be less happier.
- As a result, 77% of Millennials actively take part in volunteerism and charity work to help their community
- 88% of Millennials believe business can be a major force for positive social change
So what’s going on?

*The Future of Work is all about People*

5 Keys to Success
Companies are transforming themselves

- Networks of teams
- Focus on culture and employee experience
- Learning and personal reinvention
- Redefining “career”
- Design thinking in jobs and work
Embrace the New Organization:

a network of teams
1. Organization design will be challenged everywhere

A network of teams

How things were

How things “are”

How things work

Source????????

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Moving to the New Organization Model

### Today

**Organization Structure:**
Hierarchical Business Functions

**Teams and Projects:**
Teams formed slowly over time

**Jobs and Roles:**
Job descriptions, job levels, job titles

**Managers:**
Managers “own” teams and people’s careers

**Careers:**
Jobs are “owned” by the manager and not shared

**Flexibility and Space:**
People “assigned” jobs by management

**Rewards:**
People rewarded by level, tenure, experience

**Culture:**
Inclusion, Sustainability, Diversity

### Future

**Organization Structure:**
Projects, Squads, Teams, Shared Services

**Teams and Projects:**
Teams assemble and stop quickly

**Jobs and Roles:**
Assignments, tasks, expert roles

**Managers:**
Managers manage projects and “sponsor” people

**Careers:**
Jobs open in transparent marketplace

**Flexibility and Space:**
People sought out based on skills, work on multiple projects

**Rewards:**
People rewarded by outcomes, reputation, sponsorship

**Culture:**
Citizenship, Collective Thinking, Shared Values
Culture, purpose, and inclusion 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.

Culture, value, leadership, and career (The Big Four)

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

**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.

Source?????????
Factors that link culture and engagement

- Trusted leadership
- Hands-on management
- Meaningful work
- Risk and governance
- Mission and purpose
- Clear goals
- Courage
- Inclusion
- Recognition
- Innovation
- Engagement: The way things work around here
- Compensation
- Reward systems
- The work environment
- Development and career
## Bersin by Deloitte Engagement Model

### The Simply Irresistible Organization®

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<tbody>
<tr>
<td>Autonomy</td>
<td>Clear transparent goals</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 &amp; feedback</td>
<td>Recognition rich culture</td>
<td>Career growth in many paths</td>
<td>Investment in people, trust</td>
</tr>
<tr>
<td>Small Teams</td>
<td>Leadership Development</td>
<td>Open flexible workspace</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>

#### Collaboration and Connection
Flexible, Open, Modern Work Environments
Employee Experience: Beyond Engagement Surveys

Organizations are leveraging pulse feedback and self-service tools to design the integrated employee experience.

- **22%** are excellent at building a differentiated employee experience.
- **23%** believe their employees are fully aligned with the corporate purpose.
- **10%** are using design thinking as part of crafting the employee experience.
- **14%** believe their internal processes for collaboration and decision making are working well.

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Deloitte Human Capital Trends 2017
Why Feedback is Critical

The Iceberg of Ignorance

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

This internationally acclaimed study conducted by Sidney Yoshida was initially presented at the International Quality Symposium, Mexico City, 1989. It indicated how management’s failure to understand its processes and practices from the perspective of its customers, suppressed the company’s profits by as much as 49%.
The Listening Organization

Enterprise Feedback Architecture

- Annual Survey
- Pulse Surveys
- Anonymous Feedback Tools
- Integrated Reporting & Analytics
- Sentiment Analysis
- Network Analysis
- Social Media Monitoring
- Job Boards & Ads
- Customer Satisfaction
- Employment Brand
- Exit Interviews
- Performance Appraisals
- Performance Check-ins
Questions that Predict High Performance at Deloitte

1. I am really enthusiastic about the mission of the firm
2. At work, I clearly know what is expected of me
3. In my team, I am surrounded by people who share my values
4. At work, I have the chance to use my strengths every day
5. My teammates have my back
6. I know I will be recognized for excellent work
7. I have great confidence in the firm’s future
8. In my work, I am always challenged to grow

Source: Deloitte pilots FYs 14-15
Questions © Marcus Buckingham Company.
Workplace Culture Trends: Diversity

Google Trends Search for *Diversity & Inclusion* since 2004

Jump Since 2008 Recession

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Inclusive Talent Practices Drive Financial Results

The New Bersin by Deloitte Talent Management Maturity Model

Level 4
Inclusive Talent System
Talent strategies integrated with inclusion, diversity, and culture
10%

Level 3
Managed Talent Relationships
Workforce planning, development planning, leadership development integrated into talent strategy
19%

Level 2
Critical Talent Growth
Critical talent segments, focus on hiring, training, performance
59%

Level 1
Essential Talent Activities
Standalone disconnected staffing, training, and performance practices
12%

Embrace and invest in learning and **personal reinvention**
10. L&D will struggle to reinvent itself

The learning curve is the earning curve

“Over 300 years of economic history, the principal and most enduring mechanism for distribution of wealth and reduction in inequality is the diffusion of skills and knowledge.”
So the Reality of Learning Today:
24 Minutes A Week

OVERWHELMED...
1% of a typical workweek is all that employees have to focus on training and development

DISTRACTED...
24 minutes a week

IMPATIENT...
Workers now get interrupted as frequently as every 5 minutes—ironically, often by work applications and collaboration tools

ONTHE GO
People unlock their smartphone up to 41 times every hour

ON-DEMAND
Employees are accessing information—and learning—differently than they did just a few years ago. Most are looking for answers outside of traditional training and development channels. For example:

- 37% of the global workforce is expected to be mobile by the end of 2015
- 30% of full-time employees do most of their work somewhere other than the employee’s location
- 20% of workforce comprised of temps, contractors, and freelancers

COLLABORATIVE
Learners are also developing and accessing personal and professional networks to obtain information about their industries and professions.

EMPOWERED
Rapid change in business and organizations means everyone needs to constantly be learning. More and more people are looking for options on their own because they aren’t getting what they need from their employers.

Source: Meet the Modern Learner: Engaging the Overwhelmed, Distracted, and Impatient Employee, Bersin by Deloitte, Deloitte Consulting LLP
75% of the workforce will be made up of Millennials by 2025, and 45% tell us they get no leadership development at all.

45% of North American survey respondents think their current skills will be inadequate in three years.

59% of global survey respondents think their companies are not giving them opportunities to develop.

The Net-Promoter Score of L&D rated by non HR professionals is -8!

- Bersin HILO 2017
Evolution of L&D Has Been Blindingly Fast
From E-Learning to Digital Learning In One Generation

<table>
<thead>
<tr>
<th>Formats</th>
<th>Philosophy</th>
<th>Users</th>
<th>Systems</th>
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<tbody>
<tr>
<td>E-Learning &amp; Blended</td>
<td>Instructional Design Kirkpatrick</td>
<td>Self-Study Online Learning</td>
<td>LMS as E-Learning Platform</td>
</tr>
<tr>
<td>Talent Management</td>
<td>Blended Learning Social Learning</td>
<td>Career Focused Lots of Topics</td>
<td>LMS as Talent Platform</td>
</tr>
<tr>
<td>Continuous Learning</td>
<td>70-20-10 Taxonomies</td>
<td>Learning On Demand Embedded Learning</td>
<td>LMS as Experience Platform</td>
</tr>
<tr>
<td>Digital Learning</td>
<td>Micro-Learning Real-time Video Courses Everywhere</td>
<td>Design Thinking Learning Experience</td>
<td>Everyone, All the Time, Everywhere</td>
</tr>
<tr>
<td></td>
<td>Intelligent, Machine Driven</td>
<td>LMS invisible Data Driven, Mobile</td>
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Training is key to Millennial engagement.

Millennials rate development the #1 job benefit.

**Millennials in the workforce**

For Millennials, “Training and development” is the most coveted job benefit.

- **Training and development**: 22%
- **Flexible working hours**: 19%
- **Cash bonuses**: 14%
- **Free private healthcare**: 8%
- **Retirement funding**: 6%
- **Greater vacation allowance**: 6%

Source: KPCB

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# A Simple Model To Consider

<table>
<thead>
<tr>
<th>Micro-Learning</th>
<th>Macro-Learning</th>
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<tbody>
<tr>
<td><em>I need help now.</em></td>
<td><em>I want to learn something new.</em></td>
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</table>
| • 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 | • 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 content useful and accurate?* | *Is the author authoritative and educational?* |
| *Videos, articles, code samples, tools* | *Courses, classes, MOOCs, programs* |
How Do We Redesign Learning For Work?

New on the Job  Seasoned  Expert

Pace of Learning

Macro  Micro

Credential  Coach

Normal  Great

Bad
Proof: Bersin High-Impact Learning Organization Research

In our 2008 and 2011 High-Impact Learning Organization Research “HILOs” profits grew 3X faster than the rest of the orgs studied.

How Well is L&D Aligned With Business?

We are reactive / tactical / Our purpose is to simply fulfill.

We are proactive / strategic / Our purpose is to act as business partner.
Get Ready to Hack the 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

Today’s Millennials have a 50% chance of living to 100+

Increase in Life Expectancy Over Time

http://www.mortality.org/
How Life Has Changed

The Three Boxes of Life,“ By Dick Bowles

From

Education

Work

Retirement

To

Education

Work

Leisure
Are We Ready For The “Open Career?” It’s here.

43% of companies tell us that careers in their companies are now 5 years or less.

69% of companies are actively restructuring or recently changed their career models.
### Open Career Management Demands An Enterprise Wide Focus

#### Six Keys to Open Career Success Today

<table>
<thead>
<tr>
<th>Enable Job Seeking</th>
<th>Provide Career Advice</th>
<th>Change Management Culture</th>
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<tbody>
<tr>
<td>All external positions are posted internally</td>
<td>Job assessments online for self-assessment and development</td>
<td>Managers rewarded for coaching and development</td>
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<tr>
<td>Open job descriptions, levels, and job demands</td>
<td>All jobs defined around similar competency model</td>
<td>Managers measured by engagement and progression of team</td>
</tr>
<tr>
<td>Career explorer tools available for all employees</td>
<td>Professional career counselors in HR</td>
<td>“Career Advisor” or “sponsor” separate from manager</td>
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<tr>
<td>Internal candidates given fair or preference to external</td>
<td>Career Resource Center available</td>
<td>Active mentoring program with internal and external mentors</td>
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<tr>
<th>Deliver L&amp;D Support</th>
<th>Support Job Transition</th>
<th>Re-engineer Culture and Rewards</th>
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<tbody>
<tr>
<td>Wide variety of online learning for technical, professional, and managerial growth</td>
<td>Multi-year management or career development programs exist and are honored</td>
<td>Cross functional projects are valued as development</td>
</tr>
<tr>
<td>“HIPO” programs are not sacrosanct as the only way to get ahead</td>
<td>Onboarding and performance support valued part of manager and L&amp;D role</td>
<td>Making mistakes is valued as learning and discussed openly</td>
</tr>
<tr>
<td>Social and video sharing tools are used for learning</td>
<td>Design thinking about lifecycle of employee in a role for first 2 years</td>
<td>Inclusive culture enables anyone to take any job</td>
</tr>
<tr>
<td>Apprenticeship model adopted internally</td>
<td>PM process focuses on development and coaching</td>
<td>Tolerance of failure without blaming the people</td>
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<tr>
<td>Mentoring is valued, institutionalized, rewarded, and mentor development programs exist</td>
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<tr>
<td>Learning funded and valued by top management</td>
<td>Promotions and Salary Increases for Non-Management Jobs</td>
<td>Network building rewarded for progression and leadership</td>
</tr>
<tr>
<td>Professional Ladder separate from Management Ladder</td>
<td>Meritocracy as culture of reward and growth</td>
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<tr>
<td>Development includes industry, company, and functional training</td>
<td>Tolerance of staff who are “incompetent” and new at job</td>
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<td></td>
<td>Return guaranteed for risky assignments</td>
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<td></td>
<td>Storytelling celebrating career paths of varied types</td>
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“You can’t stop the waves, but you can learn to surf.”

Pick a great beach which is safe and pleasant
Paddle out patiently and find a good spot
Peak the wave when its at its crest
Enjoy the ride and accelerate at the top
Ride the wave until it slows and comes to shore
Apply Design Thinking to redesign jobs, work, and leadership
The employee experience

Is the customer experience
Many Skills are Essentially Human

There will be more jobs at the “Human Like” end of the spectrum.

Skills and abilities like listening, oral expression, interpreting feelings, coordination, managing time, and social perceptiveness are essentially human.

“We should embrace robots, not fear them.”
- Andrew McAfee, MIT

“Technology is the great job-creating machine.”  – David Autor, MIT
How We Used To Create Jobs

People

Job Requisition
Education, Credentials, Experience, Skills

Job Description

Job Design

Organization Design

Testing

Work
How We Will Create Jobs: New Job Architecture

People
- Capability Teams
  - Teams, Squads, Tribes

Work
- Capability Teams
  - Tasks, Projects, Activities
- Capability Teams
  - Self, Video, Human, Machine Assessment

Machines & Tools

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New Breed of Leaders

Digital DNA
Like human DNA, Digital DNA carries the 23 underlying instructions, development, functioning, and replication for being “digital”.

These are expressed as digital traits and characteristics. They are present in all areas of the organization: business models, operating models, customer interaction, organization structure, talent, technology, cyber-security, culture, etc.

There are four levels of Digital Maturity: Exploring, Doing, Becoming, and Being.

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- Continuously Innovating
- Real Time & On-Demand
- Ongoing Shifts in Decision Rights and Power
- Modulating Risk & Security Boundaries
- Fluidity
- Geography Agnostic
- Morphing Team Structures
- Intentionally Collaborative
- Dynamic Skill Requirements
- Changing Nature and Typology of Work
- Constant Disruption
- Increased Customer Involvement
- Democratizing Information
- Multi-Modal Operations
- Uneven Velocity between Digital & Legacy
- Productive Mobility (non-traditional workspace options)
- Changing Mix of Traditional & Non-traditional Stakeholders
- Flattening and Changing Hierarchy
- Agility
- Continuous Ecosystem Disruption
- Constantly Changing Decision Criteria
- Fail Early, Fail Fast, Learn Faster
- Iterative
67% of CEOs responding to a recent Korn Ferry study believe that technology will create more value than human capital.

44% of leaders in large global businesses believe that the prevalence of robotics, automation, and ATI will make people “largely irrelevant” in the future of work.

And, to make it worse, “46% say they do not know how to measure workforce performance.”
Teams, Skills, Culture, Leadership, and Design

Empathy, creativity, and human skills are more important than ever…

Our job is to design our organizations and jobs to empower people and the customer experience.