Global Human Capital Trends 2016

The new organization: Different by design

April 2016
Global Human Capital Trends 2016

One of the largest-ever HR and talent studies

7,000+ Business and HR leaders

130 countries

Unless otherwise cited, all data referenced in this presentation is from the Global Human Capital Trends 2016 report.
Disrupting the workforce landscape

Demographic upheavals: Millennials make up more than half the workforce, and Boomers are working into their 70s and 80s.

Digital technology is everywhere: Technology is disrupting business models and radically changing the workplace and how work is done.

Rate of change has accelerated: Business must become more agile to keep up with the rapid pace of change.

New social contract between companies and workers: Younger workers demand rapid career growth, compelling and flexible workplace, and a sense of purpose at work.
10 trends for 2016

New mission and purpose

New workplace

The new organization: Different by design

The new HR

Leadership

Learning

Culture

Engagement

Organizational design

Digital HR

Design thinking

The Gig economy

HR capabilities

People analytics
## Importance of Human Capital trends to business

### Namibia Trends

<table>
<thead>
<tr>
<th>Trend</th>
<th>% Very Important 2016</th>
<th>Global Trends</th>
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</thead>
<tbody>
<tr>
<td>Organizational design</td>
<td>100%</td>
<td>75%</td>
</tr>
<tr>
<td>Leadership</td>
<td>92%</td>
<td>63%</td>
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<tr>
<td>Engagement</td>
<td>88%</td>
<td>56%</td>
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<tr>
<td>Gig Economy</td>
<td>86%</td>
<td>44%</td>
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<tr>
<td>Skills of HR organization</td>
<td>85%</td>
<td>56%</td>
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<td>Culture</td>
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<tr>
<td>Learning</td>
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<td>Design thinking</td>
<td>82%</td>
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<td>People analytics</td>
<td>81%</td>
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<tr>
<td>Digital HR</td>
<td>78%</td>
<td>51%</td>
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</table>
Organizational design
The rise of teams

Shift from top-down hierarchy to a network of teams to deliver results faster.

Today 54% of companies are organized in traditional & functional models.

29% are reorganizing or have restructured in the past 2 years.

74% Believe they are ready to build cross-functional teams.

17% Feel they have a very good understanding of building cross-functional teams.

A network of teams builds and empowers teams to work in more interconnected and flexible manner to achieve goals.

100% say the trend is “very important” or “important.”
Organizational design

A network of teams

How things were

How things “are”

How things work

Shared values and culture
Transparent goals and projects
Free flow of information and feedback
People rewarded for their skills and abilities, not position
Leadership awakened
Generations, teams, science

92% say the trend is "very important" or "important"

Need **different types of leaders**, who are effective as an individual and in teams, at all levels

- **24%** have invested on diversity in leadership
- **7%** have strong programmes to build Millennial leaders
- **23%** have strong programmes to build leadership on all levels
- **54%** Believe they are ready for this trend.
Engagement
Always on

Engagement is shifting from once per year to an always on employee listening process.

Despite the emergence of many tools for frequently evaluating employee sentiment, 50% of organizations still measure employee engagement only once a year.

8% are excellent at providing programmes for young, old, and multi-generational workforce.

4% believe they fully engage Millennials and other generations.

88% say the trend is “very important” or “important”.
The relationship between culture and engagement

- Trusted leadership
- Hands-on management
- Meaningful work
- Risk and governance
- Mission and purpose
- Clear goals
- Courage
- Inclusion
- Recognition
- Innovation
- Engagement
- Compensation
- Reward systems
- The work environment
- Development and career

**Culture:** The way things work around here

**Engagement:** The way people feel about the way things work around here
A year of change and disruption

The digital world of work has disrupted the way we operate, enabling an "always-on" organization, focused on culture, engagement, open communication, and feedback.

A new organization has emerged, a "network of teams," forcing companies to reorganize, redesign roles and rewards, redefine careers, and change the role of management.

Enabling this organization, talent focus is focusing on the employee experience, influenced by design thinking, the app economy, and transparency.

HR leaders are responding rapidly, focused on analytics, design thinking, employee-driven learning, and digital HR.

A new breed of leaders is emerging: Younger, more connected, more agile, always learning, developed through science.

2016 will be a disruptive year, as new models of management, open feedback, new HR platforms, and organization design take center stage for the human capital agenda.
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