



## 2018 Deloitte Global Human Capital

### A Chemicals Perspective

#### Introduction

Seismic changes are taking place in today's workforce, workplace, and the technologies used to do work. Results from the *Deloitte 2018 Global Human Capital Trends Survey* of more than 11,000 business and human resources (HR) leaders, as well as our interviews with executives from some of today's leading organizations, show that a fundamental shift is underway: Organizations are no longer being assessed solely on traditional "hard" metrics such as financial performance or the quality of their products or services; increasingly, they are also being judged on their relationships with their workers, customers, and communities, as well as their impact on society at large—transforming them from business enterprises into social enterprises.

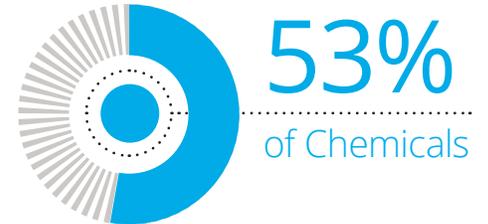
In many ways, social capital is achieving newfound value alongside financial and physical capital. To achieve results, today's businesses need to identify and address trends, and maintain positive relationships with a variety of stakeholders. Forging these relationships requires business leaders to listen closely to constituents, communicate clearly and frequently, act transparently and consistently, break down silos to enhance collaboration, and demonstrate credibility to build trust. Doing so is critical to maintaining an organization's reputation; to attracting, retaining, and engaging workers; and to cultivating customer loyalty.

This paper provides a Chemicals industry-specific perspective on the 2018 Global Human Capital Trends Survey report. Of the 10 trends presented in the full report, three are of

utmost importance to the survey's Chemicals respondents. Chief among them is preparing for artificial intelligence (AI), robotics, and automation solutions that continue to flood the market; specifically, recognizing that technologies are most effective when they complement humans, not replace them. Other high-priority trends are preparing for the longevity dividend brought about by the aging workforce; and managing the hyper-connected workforce. 2018's survey findings, in large part, echo those of previous years, in which we have noted many organizations moving towards a "network of teams" operating model that aims to enable greater collaboration and internal agility. This movement now has been joined by a growing shift from an internal, enterprise focus to an external, ecosystem view. Organizations on the leading edge of these changes embody our concept of the social enterprise—one that is alert enough to sense, and responsive enough to accommodate, the complex range of current and emerging stakeholder expectations and demands.

As part of Deloitte's ongoing examination and discussion of the evolving field of human capital, we present 2018 key survey findings and considerations to help HR leaders get started in addressing the challenges and opportunities of the social enterprise. Our goal is to provide suggestions to better engage employees, gain insight into the organization of the future, and position HR more effectively as a strategic partner to the business. We hope these ideas will help inform and guide thinking as you explore opportunities to innovate and improve.

# Top three trends in Chemicals



survey respondents stated that their organization does not have a plan to cultivate the human skills required by the use of AI and robotics.

## AI, ROBOTICS, AND AUTOMATION: PUT HUMANS IN THE LOOP

The adoption of AI, robotics, and automation in the workplace is accelerating dramatically. This trend rings true for Chemicals organizations, but many large-scale Chemicals companies may be struggling to maximize the benefits that these technologies enable. As organizations continue to implement AI, robotics, and automation solutions, it is critically important for leadership to recognize that technologies are most effective when they complement, not replace, the human workforce.



AI and robotics are starting to create opportunities beyond traditional operations and manufacturing. HR tools now enable organizations to interact with potential job candidates, score video interviews, and understand and analyze engagement survey responses.



### AI and people are smarter together

Human oversight is necessary to help ensure that HR technology solutions ask the right questions, provide the right answers, and avoid alienating potential job candidates. In fact, humans and their innate skills seem to be growing more important as the need to devise, implement, and validate AI solutions becomes widespread.

We anticipate continuing rapid adoption and maturation of AI, robotics, and automation solutions. Leading organizations are working diligently to put humans in the loop—rethinking work architecture, retraining employees, and repositioning the organization to leverage technology to transform business. The broad aim is to not only eliminate routine tasks and cut costs but to create value for customers and meaningful work for people.



survey respondents indicated that their organization has created targeted roles for older workers to leverage their expertise and accommodate work preferences.

## THE LONGEVITY DIVIDEND: WORK IN AN ERA OF 100-YEAR LIVES

Chemicals organizations are bracing for the anticipated retirements of many highly skilled, long-term employees. Throughout their careers, older workers have gained a wealth of innate technical and company-specific knowledge, and typically fill their organizations' most important roles. Forward-looking business leaders should work with older employees to ensure that knowledge is transferred to next-generation workers.



### Tap into the older talent pool by extending their available career models

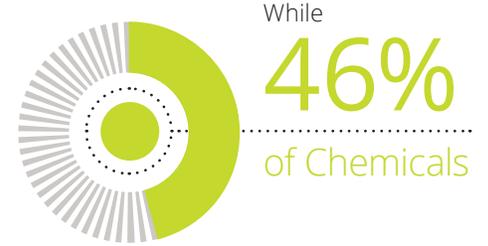
Proactive organizations are tapping into the older talent pool by extending their career models, creating new development paths, and creating roles to accommodate workers in their 50s, 60s, and 70s. Chemicals organizations can find great value in older workers' ability to serve as mentors, coaches, and subject experts. Taking on these kinds of roles allows older workers to "pass the baton" to subsequent generations while making room for ambitious younger workers.



### Experiment with workplace changes to help older employees remain in the workforce

Flexible work arrangements (i.e., part-time employment) and simple changes to the physical work environment have had proven, positive impacts on aging workers' productivity and well-being.

Staying competitive in an era of increasing longevity demands that organizations adopt new strategies to engage with older talent. Traditional assumptions—that learning ends in one's 20s, career progression ends in the 40s, and work ends in the 60s—are neither accurate nor sustainable. Rethinking workforce strategies across multiple generations to account for longer lives will require open minds and fresh approaches.



respondents indicated that their organization allows access to emerging communications tools and channels after an IT review, only seven percent of organizations identify emerging channels and encourage their use among employees.

## THE HYPER-CONNECTED WORKFORCE: WILL PRODUCTIVITY REIGN?

Communication behaviors, habits, and tools that people use in their personal life continue to migrate into the workplace. This trend creates an opportunity in the Chemicals sector to better engage with operations workers, an employee subset that tends to be less connected to the overall organization. As new communication tools permeate the market, it is management’s responsibility to identify those that align with business goals and enable employees to collaborate to increase overall productivity.



Culture, leadership, and incentives need to come together for effective collaboration and productivity to reign. HR organizations should leverage their expertise in team management, goal-setting, and employee development in their work with IT counterparts to help make using new connectivity tools productive, simple, and engaging.



### The importance of management choices

Managers must determine which connectivity tools are an optimal fit for their organization, teams, and tasks based on factors including corporate culture and the frequency, pace and formality of communication. Some companies may benefit from a wholesale leap to a new enterprise-level collaboration tool; others will need to retain email as a key communication vehicle. Whichever tools are selected, it is important to create uniform usage standards and guidelines in a hyper-connected workplace.

Chemicals organization leaders should proactively form intracompany alliances—especially between HR and procurement—to develop integrated workforce strategies and programs that take advantage of the breadth of connectivity solutions available to boost individual, team, and organizational productivity.

## Summary

The collective impact of the three human capital trends most affecting the Chemicals sector—using AI, robotics, and automation to augment the human workforce; preparing for the longevity dividend of an aging workforce; and managing the

hyper-connected workplace—will require C-suite executives and HR employees to continuously adapt and align their employee management strategies with evolving business objectives as they prepare for the human capital challenges of the future.

## Learn more



Experience Deloitte's Global Human Capital Trends like never before. Access the new HC Trends app featuring exclusive content.

## Contact us

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## Endnotes

1. Deloitte, 2018 Deloitte Human Capital Trends Report: The Rise of the Social Empire.

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