



CAPITAL H

The future of work in a post-pandemic world

Season 7 The future of work in a post-pandemic world

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Guests: **Erica Volini**, principal, Global Human Capital leader, Deloitte Consulting LLP
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Introduction:

David Mallon: Hello and welcome back to Capital H, where we explore the topics and trends that focus on putting humans at the center of work. I'm your host, David Mallon, chief analyst with Deloitte's Human Capital Research and Sensing team. In today's episode, we're going to come back to a topic that's well-trodden for us here at Capital H: the future of work. In this instance, how has COVID-19 perhaps swept us into that future sooner than expected, driving changes that, by all rights, had originally appeared to be years or even decades away? And

they're happening in days and weeks. This breakneck pace—it creates an urgent need for new maps, new mindsets, new ways of seeing the world around us, and new strategies for dealing with that world. How do we write this playbook for this future as now of work as we look into a post-pandemic world?

For today's episode, we just have a lively roundtable discussion for you with several recurring friends of our pod from our Deloitte Human Capital leadership team. They're going to help us plan for what's

next, setting our aspirations and ambitions appropriately, adopting a human-first approach and enterprise mindset. Joining me today are Erica Volini, Deloitte's Global Human Capital leader; Steve Hatfield, our Global Future of Work leader; and Jeff Schwartz, Deloitte's US Future of Work leader. Enjoy!

Roundtable:

David: Welcome back to Capital H. This season is all about how organizations are leading the shift from surviving to thriving in the wake of the COVID-19 pandemic.

In our first episode, some of today's very guests introduced our 2021 Human Capital Trends report. Today, in the last episode of this season, we're going to explore what's changed since that report was launched in December and what's next for organizations.

Before we dive in, let me introduce today's roundtable guests. They're all veterans of Capital H. Joining me today are Erica Volini. She is coauthor of our Human Capital Trends report and our Global Human Capital leader for Deloitte Consulting. Hi, Erica.

Erica Volini: Hi, David.

David: And Steve Hatfield. He's our Global leader for the Future of Work. He recently coauthored a white paper with Erica on the future of work in a post-pandemic world. Welcome, Steve.

Steve Hatfield: Hi, David.

David: And Jeff Schwartz. He is also a Human Capital Trends report author and our US leader for the Future of Work. And he's also recently the author of a published book titled *Work Disrupted: Opportunity, Resilience, and Growth in the Accelerated Future of Work*. Glad to have you with us again today, Jeff.

Jeff Schwartz: Glad to be back, David.

David: So obviously the pandemic is not a solved-for issue. Infection rates continue to rise in much of the world, vaccination rates are uneven at best. And yet there is still a palpable sense of pent-up pressure to turn the page, the allure of just trying to get back to the way it was, it seems very simple. But is that even possible or advisable? Has too much changed and much of it for the better? Steve, I want to start with you. Do we see patterns emerging in how our clients are thinking about the return to work? Are there common challenges?

Steve: Sure, David. I think there's been an acceleration as of late around focusing on the return. We've been getting sort of a spike in that pent-up need to get back to the office and to sort of set a date, if you will. And an interesting dichotomy is that's begun to unfold in the market. So, CEOs of well-known financial services institutions are saying, "We're going to be back in the next four to six weeks." And with a tenor of "we're going back to what once was."

But that's even in the face of the resurgences that we're seeing and the situation in Latin America and in India. And some of the other conversations that are in the market about, for example, the tech integrators in India saying, "We're getting really hit hard right now. And we need to take pause on what that means for us in terms of our organization."

And so I think there's this dimension of the pent-up need to get back to the office, yet in the face of, well, interest in thinking about what the real future needs to hold in order to create, if you will, that resilience that we're going to need ongoing.

Jeff: I don't think there's any question about that, Steve. We're at a very interesting moment. We've been in a series of interesting moments for 15 months now, which has been amazing for all of us. And as business leaders, we have one hand on the past and one hand on the future. There's a wonderful quote that I'm reminded of from F. Scott Fitzgerald, who said something like "Genius is being able to touch both sides of the spectrum at the same time." And I think this is where we're at right now.

We are trying to get past the pandemic. We are trying to return to work—return to work really being a shorthand for, can we just move on? And then we're trying at the same time to figure out what are we moving on to. And as we've been discussing for some

time, in one of the reports that we authored, Erica and I, in our Trends leadership, actually in 2020, we talked about the return to work in the future of work. And what we really mean here is getting past the pandemic but focusing on a new direction. Hopefully that's a theme that we'll be exploring as we're talking this afternoon.

Erica: Funny, Jeff, I was thinking the exact same thing. And I was going to say, it's about returning to work in the future of work. Because I almost hate the idea that these things are separate, that you're going to return to work and then transition into the future of work. That just seems so hard. It's like, would you stop in a race and then try to restart again? I just think about myself, and I'm not a good runner, trying to do that, and it's just so hard. It just feels easier to think about these things together.

And, David, that goes to your first question, which is, is it even possible to get back to the way it was? I think the answer is no. The way it was is sort of done. First of all, it wasn't just the pandemic. It was this series of disruptions that showed us that our world was not as we thought, that it could just fundamentally be disrupted, and we had to be adaptable to live within it. And that recognition of that's the world we're living in is so different that we have to take a step back and ask ourselves, what changes do we need to make to be able to thrive in this new world?

And, as we reflected upon that, it still comes back to the way we define future of work, a focus on work, a focus on the workforce, and a focus on workplace, but it's like, we had to take action. So as we're coming back around work, let's not just assume the work we were doing before is the work we're going to do in the future. Let's actually take a thoughtful approach to what outcomes we want to drive through work or what we're calling rearchitect work.

As it relates to the workforce, let's not assume that what the workforce did before is what they could do now. Because you know what? The workforce has proven a lot of cool things. So, let's think about how we unlock that potential moving forward and unleash that workforce.

And as it relates to the workplace, it's not just about the return to the office. Let's ask ourselves, what were those new ways of working that we got exposed to? And which ones do we want to carry forward? And what changes do we need to make to sustain them? And that concept of rearchitecting work, unleashing the workforce, and adapting the workplace, that's the frame we need to take in as we return to work in the future of work.

Yes, there are two distinct horizons, as Steve talked about, but those horizons shouldn't be thought about as you start one, you finish one, and then you start the other, and you finish the other. It's gotta be this fluid motion that we take from now forward. And I think that's the shift we need organizations to make.

David: Erica, you talked about how, especially in the context of the workforce, over the course of 2020, over the course of the pandemic, we've seen actually some pretty cool stuff happen. The pandemic was obviously a time of extraordinary disruption but equally extraordinary resilience and some reasonably surprising results. What is this moment telling us about our opportunity here and now?

Erica: I think you nailed it. It's extraordinary resilience. And we have qualitative and quantitative proof that that's the case. Quantitatively, we can look at productivity statistics. And I know there are some statistics out there that say productivity on the whole declined in 2020. But if we just narrow in on Q3 and Q4, we will see that

productivity has actually improved. We will see that we produced more output.

Let's reflect on Q3. That was the start over the summer. And summer was when a lot of us thought things were going to go back to normal. Then it comes to the summer and it's like, "Oh my gosh, we're not going to see each other. This is real."

And in that moment, instead of going to, "Let's hunker down, this is crisis mode. Let's just get through it," workers actually said, "Okay, this is a new reality. Let's change what we're doing." That's where the resilience came in. And it showed up in productivity numbers in the back half of the year that were pretty amazing as compared to productivity statistics for the last decade.

As you know, we just did this global worker survey and they told us qualitatively, the majority of them feel more productive, feel more motivated than they've ever been before. So there's goodness there. And when we talk about potential, that's what we're talking about is that goodness.

Now, like anything, goodness, it's fleeting. Now either it's gonna dissipate, because we go back and then we kind of lose it, or we're going to reflect, capture, understand exactly what that goodness is and what drove it, and embed it into the work and the workforce and the workplace moving forward. And I think that's the choice that organizations have to make. But there is very much proof out there that something very different happened in the back half of this year when the crisis was bearing down on us. I mean, how did factories go from making perfume to making sanitizer? Why were we able to produce PPE instead of cars?

We took the workforce of a hotel chain and turned them into unemployment benefits, call center workers. These are incredible moments of human potential. And we shouldn't look at it any other way because when we look at it through the lens of

human potential, it's just exponential in terms of what the possibilities are.

Steven: Yeah, Erica, I fully agree with that. It surprises you when you step back and you think about it. I think that in some ways the dynamics of what we went through, and are still going through, pushed us, and the demonstration effect on that is completely clear. It's helped us to really, in many respects, sort of shift our mental model.

So the way in which we've always thought about productivity or work or the workplace, it was all geared to the first, second, and third industrial revolution. It was all geared to throughput and output and process and a workplace that was a location that you went to. And all of that changed. All of those changes that we saw coming actually accelerated and the demonstration effect became so much clearer.

And so, our mental model around throughput and output was based on Frederick Taylor and his theories about time and motion studies that became the way in which we think about efficiency and productivity. And that led us through the course of digitization to think about it in terms of substitution, in terms of process automation, in terms of fragmenting process and doing a little bit more digitally than we might've in the past.

Even The Economist called that digital Taylorism back in 2015. All of that has to change now, it has to move into a different focus. It's about, to your point, elevating humans and our potential, then about reorganizing the work against maximizing that potential and focusing on those outcomes that we can create, doing so in a way that creates much more value. And, if we do it right, much more meaning for ourselves at work.

Jeff: What's fascinating about this discussion and about what we've experienced in the

last year plus is that the world is different and so are we. The world has changed, and what we expect as consumers, what we expect as workers, what we expect from our leaders and our business managers and executives has changed as well.

And I think that's a really interesting part of this discussion. I'm thinking about some of the examples, Erica, you were giving, whether it was people working in the perfume industry or people working in the automotive industry or people working in call centers, certainly people are working in the healthcare industry, both in the hospitals and in life sciences. It's hard to describe what they did as anything other than heroics.

But they were stepping into the moment. And what we saw in the last year was that when we close the distance between the problem being solved, the outcome that we're seeking, we bring workers into that equation, and we say, "This is really important. Help us figure out how to do it, help us figure out how to solve it." We saw a moment of co-creation and partnership between, I'll say, workers and labor, and employees and leaders and managers around the world. And that changed us.

I think one of the questions that we're struggling with now is how to continue that partnership going forward. As you said, it's been productive, it's been more than productive, employee satisfaction in many places has gone up. There are many aspects of this very challenging time that have actually worked for us.

Why would we want to return versus viewing where we are now as a departure point? As we've talked about it over the last year, one of the questions we keep asking ourselves is, has the last year plus been a detour, or is it an on-ramp to something new? All the threads that we're pulling in this discussion

really come back to, it is an on-ramp to something new.

Erica: And that's why it scares me when we try to boil this all down to, are you going to be virtual, are you going to be on-site, or are you going to be hybrid? I just think to myself, that is such a small part. If you leave it at that, you've kind of missed the moment. And so that's why we say define the return to work, define horizon one, because it's front of mind for everyone and everyone wants answers.

But in a moment where everyone wants answers, give them the full answer, because that's the way to turn things. Rarely do you have such a captive audience that's waiting for some sense of direction. This is what we as leaders want. Everyone's listening, everyone's waiting for us to tell us exactly what we're going to do. And so let's tell them exactly what we want them to do, which is way more than focus on where they're going to work, but to focus on what they're going to work on, what outcomes they're driving, how to best craft that, what experiences they have that they can bring to the table to move the strategy forward, and what they need from leaders, from the organization structure, from culture, to be able to keep them motivated and productive and fulfilling their potential moving forward.

Let's lean into all of that. Don't ignore the question, but use the question to its maximum extent. It doesn't end at whether you're in the office or in your home. That's just the beginning.

Jeff: This is a launchpad moment.

David: On that note, I think about a stat that's in our 2021 report that came out in December. Of the leaders surveyed in that study, 61%, so two-thirds, roughly, of executives reported they're focusing on worker imagination going forward, as opposed to about a third, 29%, before the pandemic.

So at least on the face of that, you'd think something has shifted, at least for the executives that were responding. But what if in the return to work, all the really complex tactical steps, the protocols, what if just all of the bureaucracy and the steps and the processes essentially just take all the oxygen out of the room? What's the risk if we don't achieve that escape velocity and get off the launchpad?

Jeff: It's a great question. I really hope that people around the country and the world are having a version of this discussion with their teams and with their executives. I think the way that we are talking with people across the country and the world around the future of work post-COVID is fundamentally about choices. Erica and Steve have used words like direction. Direction is extremely important. Where do you wanna go, how far do you wanna go, what's the level of your ambition is more important than when I pull out of the driveway, do I go left or right? I'm reminded of what does it mean to undertake a moonshot?

And for people that know me, I'm a bit of an historian. There are two elements of the moonshot story that are unbelievably relevant here. The first is that in the US when President Kennedy said in 1961, "Let's put a man on the moon and bring him back safely by the end of the decade," we had had one American, Alan Shepard, in space for 15 minutes. That's all. It was a suborbital flight, meaning he didn't even go around the Earth one time.

They just shot him up in a rocket, he went for 15 minutes, and then the president said, "Think of what's possible now." Of course, we had no idea how to do it, but that moment changed what was possible because for the first time, we had a new sense of possibility. And the question was not, "How do we put a man or a woman around the Earth?" It was, "Imagine what's possible now."

And not to get overly excited, but when 61% of this group of global executives told us last fall that re-imagining work was what they were thinking about, I think that that was a recognition in some sense that we are at a moment where we have an opportunity to think very deeply about direction, in part because of what we learned about ourselves and the resilience that we saw as we've been going through these three pandemics—the health crisis, the economic crisis, and the social crisis.

Steven: Jeff, I love that. I couldn't agree more. The idea that it's a launchpad to the art of the possible. We all recently had the benefit of listening to Thomas Friedman, and he spoke about it in relation to it being a Promethean moment. So, even our mental model of the industrial revolutions—first, second, third—and then the World Economic Forum declaring the fourth in 2016, cyber and physical worlds coming together, it creates an idea of a progression, and that's actually not it. It's the launchpad into something new that we need to define now, and we need to sort of step into having that ambition to actually figuring it out, and figuring out what it could become. And in that, I think what's become central, and that excites me so much, is that we've started to recognize again how critical humans are to this equation.

So, we're elevating humans and humanity and what we do. We're no longer the widget itself on the production line doing the same thing over and over and over again. It's no longer about process. It's much more about how we think and how we operate, and it's much more about taking advantage of these technologies that are growing exponentially in a way that kind of benefits how we work and how we collaborate and how we function and takes away the rote, unnecessary, unhelpful things.

One of the things that became really apparent in the course of all of us having to go into lockdown was in many respects the inadequacies of the digital workplace—the multiple apps on the desktop, the context switching between them, the multiple times that you've lost hours because you didn't save something, whatever it might be. There're ways to fix that, and those inadequacies are now clearer than ever, and our ambition to fix those things is now clearer than ever.

Erica: Yes, Steve, I'm so glad you brought up digital workplace. When we talk about work re-imagination, we're not talking about making work look prettier. We're not talking about improving the experience. I mean, yeah, that's good. Of course, we should make the experience better, but that's missing the moonshot opportunity, to me, in a significant way.

It's about changing the way we work in radical ways. It's all about this question of, what if? If we can all be more productive in an environment where we can't see each other and we can't go into the office, then is there any "what if" that we can't meet? And so, we should be asking ourselves things like, "What if we can create tighter connections between the people producing the products and the customers that are using the products?"

We should be asking ourselves, "What if, instead of just giving everyone the same data, we could actually bring people together in the moment to talk about what that data means and create new knowledge coming out of it?" We really need to challenge that, and that's more than just making the experience better, it's changing the fundamentals of the way that we work and embedding them into what we do every single day. And to me, that's the progression between experience and productivity. Productivity didn't get better because we all had Zoom or Slack or Teams or whatever your favorite technology is.

Our hypothesis is that productivity improved because people stopped doing the work the way that the technology told them to and started to work in the way that was just natural because in a moment of crisis, you sort of can't think about anything else. And so there was a natural reaction to the way in which we work. That's what we mean by humanize, that's what we mean by re-imagining work to optimize human potential is, let's capture that way of working and then shift it to bring that out. And if you do that in a sustained way, that's how you can motivate people, that's how you can increase their productivity because you're aligning the work to what they naturally do and how they naturally do it, and that's more than a step change. That's a leap.

And these digital workplace technologies that are out there are incredibly powerful, but my appeal to everyone is don't stop there. Don't satisfy yourself with making it look better. Go to the next level of it actually being better because it's truly aligned to the way that humans naturally work. And I think that's the moonshot, that's the opportunity that we all have to capitalize on right now.

David: So, I'm going to start to wind us up as a conversation here. Jeff, I'm gonna give you the last word. I heard you just had a book come out. Congratulations. I want you to perhaps share with us some closing thoughts or words of wisdom from that book. So, if organizations have been forced to accelerate to the future of work because of some of the constraints of the COVID-19 moment, what do organizations do to seize this moment, as Erica is imploring them to, to redefine the importance of humans in the future of work as these constraints begin to come off?

Jeff: In many ways, the book that I'm the lead author on is a book that's been written by all of us at Deloitte, and it really brings together a seven-year journey that we've

been on. It was about 2013 that we began to pivot our thinking from thinking about the future of talent, to thinking about what we now collectively all call the future of work, workforces, and workplaces. And we were all together working on creating what became the future of work practice, both globally and, of course, here in the US.

And I started thinking about pulling this together in a book in I guess it was in 2019, and I was pretty much substantially through the book, we're getting ready, we were about four months away from sending it to the publisher, Wiley, and we got locked down.

We had four months to really reflect on the changes that we were thinking about in the future of work and this acceleration and what COVID was beginning to help us learn. And we had decided actually before the start of the COVID period to frame Work Disrupted around disruption and not about acceleration. We could have written the book together Work Accelerated 15 years ago. Acceleration in business is not a new idea. Gordon Moore postulated in the 1960s what we all affectionately know as Moore's Law, technology effectively doubles, perhaps in price, every 18 to 24 months. That's acceleration. We're 30 cycles into that acceleration.

What we saw in the last few years is the shift. And one way I would capture that is this wonderful quote from Albert Einstein, who said, "You can't use an old map to explore a new world." And I think we're at a moment now, what we've experienced when we talk about moonshot and ambition and going beyond mechanizing work to humanizing work, going beyond prescribing what people do in their jobs versus focusing on the potential of what people do. Going beyond automation and substitution to looking at how people and machines work together both to augment what each does, but also to collaborate and to create new ways of

working, not just output but outcomes. Not just our employees, but the whole workforce ecosystem. Not just the office as the place that we go, but work is something that's integrated into our lives over the decades that we get to live in this longevity dividend.

This is a Promethean moment, it's like the discovery of fire, that's what the Promethean moment is. It is a time to both be ambitious, it's a time to also be deeply reflective, and I'll leave you with one of my favorite stories in the book.

We interviewed some amazing people and one of the people interviewed is Louis Hyman. He's a professor of Labor History at Cornell at the Labor Relations school. And he wrote a book called Temp on employment models, the growth of the temporary workforce. And we asked Louis the question we asked everybody, a version of "What's the future of the workforce? What is the future of employment models? What are they gonna look like in 2030?"

And he said, "That's a really important question because the future is not preordained. The future is a function of the choices that we make today and tomorrow." I'm paraphrasing what he said, but this is really about choices. And that really is, I think, the essence of what we try to capture in the book, which is we need new mental models, we need new maps, we need new mindsets, we need to go from fixed mindsets to growth mindsets, we need to go from leading to coaching. We need to think about the choices that we wanna make. We need to think about the directions that are in front of us. And a time for really deep reflection. So it's been great having this discussion with you, David, and with Erica and Steve.

Erica wrote the foreword to the book, and in the foreword you talked about your son, Robbie, and thinking about what the future's

gonna be like for him, and to me that begins to capture the reflection that we're going through now.

Erica: Absolutely. First of all, it was an honor to be able to write it, and I use that word very meaningfully. It did give me a lot of reflection. I'm a relatively new mom. My son's two-and-a-half years old, and we're in this change, this Promethean moment. And it feels like we have an opportunity to set the future in this really exciting direction. And that's all I want for my son. That's obviously anything any parent wants, and that's why I feel so passionately about it because I don't think you get these moments very often.

And the last thing I want is it to be squandered. I think that he has an opportunity to enter a world where we don't question work re-imagination. We would never ask that question in a survey. Because it just becomes part of what organizations do. It just becomes a core capability that they have. It just becomes a natural way we think about things, because we know that ultimately the biggest asset that any organization has to use is the potential of its workers. And that's an incredible future that I think we have the ability to shape. And as a mother, I want it more than anything else. As a practitioner, I'm just privileged to be part of, hopefully, that journey.

David: Well, on that thought, very inspirational and transcendent, I'll wrap things up. Thank you, Steve. Thank you, Jeff. And thank you, Erica.

Jeff: Thank you.

Erica: Thanks, David.

David: It goes without saying that COVID-19 has brought unprecedented challenges and changes to organizations. And consequently, the future of work is not what we originally envisioned it to be. With accelerating

connectivity, shifting talent models, and new technologies, work is changing. Jobs are being reinvented. Creating an unleashed workforce where work is reimagined to create new value and meaning for organizations, employees, stakeholders, and communities. Thank you, Erica, Jeff, and Steve, for sharing your insights from the 2021 Deloitte Global Human Capital Trends study and your perspectives on the future of work.

In addition to tuning into our Capital H podcast series, you can also read our Human Capital Trends report online at deloitte.com/HCTrends. Thanks for listening. Please give us a rating or comment wherever you get this podcast and let us know how we're doing. That's a wrap for Season 7 of Capital H. Stay tuned as we release our next season. Until next time.



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