



People management and the new world of work

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David Mallon:

Welcome to Capital H, where we explore the latest in **making work better for humans and humans better at work**. I'm your host, David Mallon, chief analyst and lead of Deloitte's Insights2Action team.

Decisions. We make them every day. Big ones, small ones, some on our own, some with many others involved. The thing is, decisions, especially business decisions, those about the people in our organizations, they're hard. This intersection that we talk a lot about—of work, workforce, and workplace—is complex and constantly shifting. It defies easy explanation. The world in which we operate is noisy. We're surrounded by overwhelming streams of

information, data, and everyone's got an opinion. It's hard to know what's relevant. It's hard to know where to put our scarce attention.

And then there is the human element. Quite frankly, we've evolved to unconsciously filter. To jump to conclusions. To think fast, not slow. Put of all that together, and it's not surprising that we struggle with the people side of business decisions, especially at the velocity required in today's world of work.

The good news is that we are the verge of a new era in decision-making. Access to new technologies and data, paired with the best of what we already know about how to think and test and decide. It promises unprecedented

access to insights. But how does this new decision intelligence apply to our leaders? With this question in mind, many organizations are finding themselves thinking about:

"What exactly is a leader in a world of experiments?"

"What is leadership in the future of work?"

"How can data serve our leaders in this new world?"

To provide some information and insight, I'll be joined by two guests: Andrea Derler—she's a researcher at Visier, a leading vendor in the people analytics and business intelligence

space—and my colleague Eric Bokelberg. He's a leader in our People Analytics practice here at Deloitte.

Let's jump into the conversation now.

David Mallon:

Welcome back to Capital H. Work was already changing, becoming more fluid, more flow-driven than process. More about teams. That's in response to a world that is always complex and often chaotic. And then we have this pandemic accelerating changes in the future of work.

Now, we work in mixed models, sometimes in person, sometimes virtual, often a bit of both. So, now, more than ever, we need these individuals that are helping to rally our efforts to coordinate our work, to clarify our goals and make course corrections on the ground as needed. We need leaders.

But in today's context, it's not surprising, we're asking ourselves what exactly is a leader? What is leadership in this future of work?

Joining me today are two colleagues who have just done research on exactly that set of questions and they're going to talk about it with us today. First Andrea Derler, principal researcher at Visier. Welcome, Andrea.

Andrea Derler:

Hi David, great to be here. I'm a long-time human capital researcher based in Raleigh, North Carolina. In my role here at Visier, I really enjoy studying the humans behind the data. So, I'm excited about this conversation today.

David Mallon:

Great, welcome, Andrea. And also joining us is Eric Bokelberg, senior manager with Deloitte's People Analytics and Insights Practice. Welcome, Eric.

Eric Bokelberg:

Thanks, David. I'm really excited to be here too. I like to say that I operate at the intersection of people and technology, and my real passion is helping HR leaders develop the tools, processes, and strategies to create data-driven people organizations. I'm pretty excited about our conversation because there's so much that we can do with the data in the HR space that really isn't being taken full advantage of today.

David Mallon:

Perfect. And I am right there with you on how we might draw a greater value from data. We'll come to that along the way. Let's start big picture.

So, hybrid work is not really all that new. I suppose the numbers would say more people today are experiencing mixed work models than might have in the past, but the notion that we sometimes work in different places, the notion that we work across distances, that we might work with teams that are virtual, or what have you—that part is not new.

Given the shifts that we're seeing in work, workplace, and workforce today, and all the questions that companies are asking themselves in terms of return to work and so on, what's changed? Why would we be asking ourselves, what is a leader? What is a manager? Why do we need these people? What do they do? Eric, we'll start with you.

Eric Bokelberg:

I see three differences in this current environment. And the first starts with scale. Where some organizations and professions, as you indicated, had adopted remote working policies in the past, many more were forced to do so during the pandemic. And those companies are now just learning the different leadership and employee engagement techniques that are required to manage remote teams.

This is a new skill, and the fact that this idea of hybrid work is often presented as a choice, makes it even more complicated. Then there's technology, whereas in the past, we were figuring out how best to use what we had, now, the technology today, to support remote working has never been better.

We've got tools like Zoom and Slack, Mural and Teams, and they make it a lot easier to collaborate with a virtual team. Assuming of course, that everyone is comfortable working in a digital environment.

And the last thing that's different is the shift in generations. Millennials and those that came after them, who are now in the workforce, have grown up interacting online. They're digital natives.

And so, given the opportunity to work that way, which the pandemic presented, they've embraced that, and they're really reluctant to give it up. This idea of hybrid work or remote work isn't really going to go away, and it's much more extensive than we've seen in the past.

David Mallon:

Andrea, you've just been part of this research. What did it tell you about this question of what leaders are, or managers are, today?

Andrea Derler:

I like the framing of the question that you started us off with, which is "what really is different today from maybe five years ago, where some of us were already remote?" I think when we consider everyday work environment, I think our very workplace has changed for many, if not most, people.

In the recent study that we did, we found something that was not surprising. We knew between 2019 and 2021, of course, a lot fewer organizations are now working fully in person. A lot more have hybrid settings, either organization mandated or by work at choice and remote work settings. We know that.

But what's interesting to us is leadership as a capability has changed, needs to change, is still changing. In many ways, because of course, of the things you mentioned—the pandemic, the new work context, the mixed work models—but also leaders have to deal with an increasing amount of complexity caused by all those developments.

I've always been fascinated by the idea of the relationship that's changed between leaders and their team members, their employees. I think we are facing what I've always called the emancipated employee because workers have a lot more expectations and demands about what their leader should be like, what their work should be like, where they would like to work from.

We even did a recent study on pay transparency. So, now leaders are also asked to be very transparent about pay. It's a sticky topic. And so, that change that has happened for really every leader in organizations, regardless of level, we saw that reflected in our data.

Managers' confidence in how to manage those people performance and work topics really varies depending on their work context. Now, if we consider that 42% of our first level leaders are very confident to address team performance, let that sit for a second: Less than half of first-level leaders know really well how to address team performance, that's a really low number.

And the difference between managers' confidence who are in a hybrid versus a remote office is much lower than of those who are working in person. So, all of this impacts the leadership dynamics in organizations today, and I think we're still figuring out really what leadership means in that new era.

David Mallon:

So, Eric, you led off in your introduction raising the notion that data can be part of the solution. That's my words, not yours, but the power that data can play for leaders. Let me start this next question by actually throwing a few pieces of data at both of you.

By whatever words you describe, whether it's great resignation, great exhaustion, great migration, there's many that are being used. We know from other studies that we've done—Deloitte does a study every year of Gen Zs and millennials.

In the 2022 version of it, 50% said they're feeling burned out. We have another study that Deloitte does on women at work, 44% say they feel like they get adequate mental health support at work. We know that around the world in 31 different markets, 40% of workers are considering changing jobs, and that's not including the ones that already did.

So, in that context, there's still a lot of pent-up demand for something different in terms of the experiences that workers have in their organizations.

We know from other studies that what they want—you mentioned one challenge, Andrea, which is compensation. But just as often, what they want is autonomy, they want flexibility. They want the ability to do meaningful work, and then some.

So, it's not surprising that we know companies are investing in technologies that allow them to better capture preference and sentiment

from their workforce. To support things like collaboration, to mitigate issues with burnout and so on. And as it's gotten a lot of attention in the media recently, technologies that are about tracking activity in service of trying to understand productivity.

Point being, we're collecting a tremendous amount of data about our employees from our employees about the work they're doing and so on. What's this data to the leaders in this new world of work? How can they use this data to create better experiences for workers, to help them in the work they're doing? Where does this go?

Where does this data go? How do they use this data to close the gaps you're talking about?

Andrea Derler:

I think that's a key question about the value and the usefulness of data for leaders' everyday experience of the decision-making for business and people. The image that comes up for me when I think about what you've just described is that we are all—and that includes, I think, many leaders out there—we are drowning in data, yet really starving of insights.

And what I mean by that is like you said, David, we have a lot of data, but what we have seen in our research, what we interpret from the data is that insights are really rare. So, when I look at that one data point of 70% of executives in our service, that they would make faster decisions if they had better access to data. I think what they really mean isn't better access to data, but insights from their data and how to create actionable insights out of that.

I recently interviewed 20 people analytics professionals from global organizations. And the number-one challenge that they shared with me was the lacking capability in their organizations, and that's across stakeholders, to what I call wrestling with the data.

What do leaders need to be able to do in that world? And what does leadership mean? I think three new skills that leaders seem to be really needing currently are translating complex ideas into meaningful concepts that everybody can understand. I think that's really key. The second one is that skill and capability that is often missing is the storytelling.

You've already mentioned that—what does this mean? Contextualize the data, make it work for your work environment, explain it to others. Make it useful and actionable, and not theoretical and academic.

And the third one surprised me the most was managing emotions that data will evoke. I want to give an example. I talked to one people analytics professional in a large brewery—beer brewing is what they do. And the hypothesis that the HR team had was that breweries with more tenured employees would produce more beer by volume, so be more productive. And they tested this and found the exact opposite.

They found that those brewers who had more “less tenured, but more recently trained employees”—they actually had more experience and knowledge about automation and robotics, that they were actually part of those brewers with bigger production. And so, that's important for two reasons.

First of all, that's an important business-related data point for those business leaders there. But secondly, it's really not an easy story to tell. Because it has implications for a certain employee population. And so, I think understanding, wrestling, and really getting to know how we can handle data is going to be the key capability that will need to evolve.

David Mallon:

Eric, how does data become part of the solution and not something that we're drowning in, as Andrea has described?

Eric Bokelberg:

Well, before I answer that question, I just want to point out that if I worked in a brewery, I'd be extremely nonproductive, so I think that that supports Andrea's research.

But the point that she makes is certainly a burning issue that we see with the human capital clients that we work with. This idea of “drowning in data”—that analogy is spot on. It's really difficult to navigate in this world where there's so much data, and many HR leaders who are new to working with data think that they have to pay attention to all of it.

But the truth is there's going to be a lot of noise out there. And so, the challenge is finding the signals within that noise. These

people leaders need a way to process data, as Andrea talked about; understand what it's telling them, and take confident actions.

And at Deloitte, we call this decision intelligence. A strategic organizational capability that must be intentionally developed to help these organizations use data more effectively. And we've got three elements to this.

The first one is just basic sensing. So, it's being deliberate about which data you're paying attention to and making sure that you're looking for those signals that are going to give you the most information and help you develop insights, which is, again, that's not just going to be obvious out of the box.

Second step is analyzing that data, using evidence-based tools and practical guidance to better analyze the options that are available to you. Many organizations are pretty good at the sensing and the analyzing. And we see a lot of people analytics teams that have built their capability around that. The challenge then becomes what you do with that.

And so, our framework recommends that you always include this piece of action or this idea that you have to act on those insights. So, it's using the information that you've gathered, the insights that you've developed to make decisions with more precision, reduce the uncertainty, and hopefully, improve the outcomes that you're supporting or that you're trying to drive with those analyses.

Now, developing this capability enables managers and leaders across the organization to make smarter and faster decisions.

So, when Andrea was talking about the key skills that came out in her research, I was thinking the umbrella term for that is data acumen. That's learning how to use data more effectively. And by understanding that decision intelligence is an organizational capability, it allows enterprises to develop that data acumen as a cultural imperative, like this idea of a data-driven culture, and then enables those companies to transform their effectiveness at using data at scale.

David Mallon:

Certainly, the notion of decision intelligence and finding the sticky little noise are music to

my ears when I'm not wearing my hat as the moderator of this podcast, and very much part of what we do within this notion of human capital decision intelligence and Insights to Action. I'm going to stay with you Eric, though, a little bit of a pivot.

In the context of how we help leaders to not just sense-analyze and act—not just sort of sense-analyze, but also to take and make a high-quality decision, in this case, the quality of the decision being: “Is it a good one just given all the information we have available to us?” I'm curious if you've thought about how we help leaders and managers to develop that muscle.

Eric Bokelberg:

Definitely. I mean, you hear a lot of talk about outcomes, and folks on business outcomes, but that's really the key here. So, even at the beginning of this idea around sensing, you want to build your people analytic strategy around what are the business outcomes I'm trying to drive.

So, you start there and say, “Here's what the business needs. How do workforce actions or workforce functions influence that? What is the data that's going to help us to understand what's happening in that space and that we need to make better decisions, and then build that muscle or that process around how it's going to give you more insight for that particular outcome.”

It's almost like the instructions for shampoo, you wash, rinse, and repeat. Once you start to build that discipline or that technique, then it becomes the normal way of doing business, and that's how you get to a data-driven culture.

David Mallon:

Andrea, do you have a thought about that last point, sort of day-to-day part of doing business? Even in some of the stories that you shared, how do we take the value that obviously was had there, for example, with the brewery—how does that become not a project, but a practice, if that makes sense?

Andrea Derler:

First of all, I love the term “data acumen.” That's such a great term. I'm still reflecting on that. How to make it practice? I think we need to practice, meaning doing it every day. So, for first-level or mid-level leaders who have

focused in on, like Eric said, specific things that are tracking, this could be just collaboration analytics.

Do we know how my team members are working together? This can be just really tracking my monthly performance ratings of my team and then acting on the basis of this data during coaching in one-on-one conversations. And I think this is a muscle we need to build. Like in sports and athletics, we have to try it out, we have to fail, we have to try again.

We need to hone in on those skills to become better translators of data. As leaders with others, tell those stories, be OK with feedback that we receive based on that, conduct some actions, take some risks wherever possible, and then repeat. I really like the recommendation that Eric gave; we just have to do it over and over again.

But I think what the main issue seems to be currently is even less without the action. The action is the last, most important piece, which brings it to life. But I really think that many are still stuck in that first phase of the sense and analyze where it is so difficult to actually make sense of what we see. And we're not even thinking about the action yet. I think we're still stuck, in many ways, to even understand what it could mean.

David Mallon:

I think I said this off the top—and then I think you referenced as well—we live in a very, very complex world. So, part of the challenge is simply that complexity, leaders getting lost in that complexity to some degree and having so much access to data, I'm sure is part of the problem, to your point about drowning in data and starve for insights.

So, beginning to wrap things up, in that context of a very complex world and kind of coming back to the original question, I think what you're both saying is part of the day-to-day practice of being a leader is now knowing how to use data to sense, analyze, and ultimately, make higher-quality decisions.

Maybe a little bit of a tangent—Adam Grant, sort of a famous researcher and author, describes this as thinking like a scientist. It is a big part of what it means to be a leader today.

In that context, give our listeners some sort of parting guidance. What should they be most paying attention to as they try to grow this practice for themselves, and then also, help the leaders in their organizations to develop these muscles as well. Eric, I'll start with you.

Eric Bokelberg:

Yeah, sure. I think part of it is—in getting back to the point of building the muscle or building the habits around using data—is asking for that data when you're meeting with your team and reviewing different decisions and progress reports, statuses, or whatever. Like basically saying, "What does the data tell us?" Making that one of the first things that you ask.

And setting the expectation that people are going to bring data to the meeting and they're going to try to interpret that data and give you conclusions as part of that discussion. I think that's a key part of setting the right expectations.

The other thing, too, that we need to recognize is that this is a new skill, both like working or leading in a hybrid environment is a new skill. Also, learning how to lead and manage with data is a new skill as well. And so, organizations have to recognize that and put the formal training programs in place to help their managers and leaders at all levels build that capability.

And of course, the last thing I want to mention is just reinforcing what you talked about—this idea that it really comes down to having an intentional set of actions to build this as a capability. You can't just say—and I do actually run across a lot of organizations say, "Hey, we want to have a data-driven culture," but they don't actually do anything to get there.

So, this is very intentional about, alright, if we're going to be data-driven, what are the elements we need to put in place, the skills we need to develop, what are the techniques we need to apply, and how do we embed that in our business processes so that becomes the way that we work.

David Mallon:

That culture notion is often where we trip up. It's rituals, and norms and rewards, and we need to make sure that we have the rituals and the norms and rewards to use data to make decisions, right. Andrea, what would you leave with our listeners?

Andrea Derler:

We talked about increasing complexity. I'll stick with that for a second because I think all our mantras—and I'm not even denying that I trip out on that complexity as a researcher myself almost every day. What a mantra should be is: "Make it simple." That sounds very abstract, but I think what it actually means is A) ask the right questions.

We almost need to almost, like Adam Grant said that you mentioned here, like, we need to become more researchers. We have to start with the right questions. For example, every leader really could ask themselves questions such as do I know what my revenue per employee is? Or do I know who of my high performers is most likely to resign?

These are very basic questions that, ideally, they have a means to answer them. And in terms of making it simple, it should not be 10 questions, it should be two questions, maybe just one. But repeat that every week, every month, every quarter, to be sure that we're not basing our decisions on gut feelings but on numbers.

The second one is, ideally, any organization can provide a type of technology that supports these leaders, not burdens them. A technology that actually communicates those key insights, and it does provide answers to those business questions.

And the last one, I'm going to stick with my humans behind the data theme here, is be patient with yourself and others. I think people are catching up and catching on to their data mindset and culture. But I do believe we all have to develop our own relationship with data almost. And so, these are the three things that pop up again and again in our research here.

David Mallon:

So, on that point, I want to end with another data point. We at Deloitte do a biannual, every six-month survey of CEOs and boards with an eye towards just sort of essentially what's on their mind, what's worrying them.

At the top of that list for several iterations has been people and talent. So, we know that answering questions, making decisions around our people, is top of mind for not just the rank-and-file leader in an organization, but for its executives as well.

So, we know that this muscle that we've been talking about today is of utmost importance to organizations broadly. And in that context, being able to make high-quality decisions and to develop our capacity to do it is of utmost importance to organizations.

But we also know it's hard. It's hard for all the reasons that my guests today have discussed; complexity, knowing what questions to ask, knowing what signals to pay attention to, and so on.

With that, we will wrap things up.

This journey to making work better for humans and humans better at work is a perpetual one. In recent years, as data and analytics have come to the fore, it's begun to focus more intently on decision-making.

This use of data and analytics to make better decisions on the human side of enterprise is an important objective with every business we talk to. Of course, a big part of getting there is enabling and encouraging our leaders to develop these muscles and use these new tools and skills.

Thanks again to Eric and Andrea for joining me here today, and to you for listening in. We hope you'll join us next time on Capital H. Until then.

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