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Rewriting the rules
for the digital age
2017 Deloitte Global
Human Capital Trends
A technology, media, and
telecommunications perspective

Introduction

Businesses are in the midst of the fourth industrial revolution—the digital age—which has ushered in a host of new technologies and business capabilities. At the same time, the workforce is diversifying in capabilities, motivations, and goals. Although the wheel of progress always turns, today it is accelerating at an unprecedented rate. This rapid pace of change is rewriting the rules for business in the future of work, the workplace, and HR. These new rules put employees at the center, which has profound implications for organizations. However, business productivity is not keeping pace with the rate of digital advancement. This is both a challenge and an opportunity for organizations to close the gap and develop the skills and practices that will increase productivity and sustain value over time. Even more, they can help people adapt to new models of work and careers, even as they assist the enterprise in defining and executing in the digital age.

This executive summary provides a focused perspective on the *2017 Deloitte Global Human Capital Trends* report specific to the Technology, Media & Telecommunications (TMT) sector. Of the 11 trends presented in the full 2017 Deloitte Global Human Capital Trends report, this piece emphasizes the three trends of utmost importance to TMT respondents. At the top of the list is a focus on the organization of the future. More specifically, TMT companies generally want to rewire themselves to be digital but few believe they are fully capable of doing so. This finding is somewhat surprising considering that TMT companies are inherent disruptors. Their innovations are not only upending business models and processes across industries, they are also disrupting their own ways of working. Although TMT companies are on the tip of the spear in terms of digital innovation, just like everyone else they must deal with the issues their technological advancements are causing.

Careers and learning, as well as leadership development, also emerged as a top priority for the sector. This aligns with organizations' concerns about the capabilities and leadership needed in the digital age and how to attract, engage, and retain top talent in this new era. Many TMT organizations, particularly those within more mature segments of the industry, do not necessarily have digital natives in leadership roles. This creates a two-pronged challenge of encouraging older, more experienced leaders to become more digital while simultaneously building a pipeline of younger digital natives who can be groomed for leadership positions. More nimble, dynamic career paths and more convenient, mobile ways of learning will be essential to satisfy the needs of a multigenerational workforce and build the leadership bench strength required to remain on the leading edge and thrive amid intense global competition.

The following synopsis presents key findings and considerations to help organizations get started in addressing these concerns. As with each edition of our annual Global Human Capital Trends report, this is part of an ongoing discussion in an ever-evolving field. Our goal is to provide you with pointers 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 your thinking as you explore opportunities to innovate and improve.

The future of work: The augmented workforce

Automation, cognitive computing, and crowds are paradigm-shifting forces reshaping the workforce. Organizations must experiment and implement cognitive tools, focus on retraining people to use these tools, and rethink the role of people as more and more work becomes automated.

- Jobs and tasks are being redesigned to use more essential human skills and are augmented by technology (augmentation)
- The focus in workforce planning shifts to start with work and analyzing options across multiple workforces and technologies
- Integrating people and technology is a multidisciplinary task

Diversity and inclusion: The reality gap

Fairness, equity and inclusion are now CEO-level issues, but continue to be frustrating and challenging. Training and education are not working well enough. The new rules focus on experiential learning, process change, data-driven tools, transparency, and accountability.

- Diversity and inclusion is a CEO-level priority and considered important throughout all levels of management
- Companies measure inclusion, diversity, and lack of bias in all recruitment, promotion, pay, and other talent practices
- Diversity and inclusion goes beyond education to focus on debiasing business processes and holding leaders accountable for inclusive behavior

People analytics: Recalculating the route

No longer is analytics about finding interesting information and flagging it for managers: It is now becoming a business function focused on using data to understand every part of a business operation and embedding analytics into real-time apps and the way we work.

- People analytics is viewed as a business analytics team that works across the business to drive business results
- The people analytics team operates at a senior level, reports to the CHRO, and serves business leaders across the company
- People analytics focuses on the entire workforce, including employees and contingent labor

Digital HR: Platforms, people, and work

HR leaders are being pushed to take on a larger role in helping to drive the organization to "be digital," not just "do digital." As digital management practices and agile organization design become central to business thinking, HR is focusing on people, work, and platforms.

- HR departments focus on optimizing employee productivity, engagement, teamwork, and career growth
- HR technology team moves beyond ERP to develop digital capabilities and mobile apps with a focus on "productivity at work"
- HR builds an integrated "employee experience platform" using digital apps

Leadership disrupted: Pushing the boundaries

In 2015, we termed leadership the "perennial issue" that never seems to go away. This year we see a radical shift. Today, as never before, organizations do not just need more strong leaders, they need a completely different kind of leader—younger, more agile, and "digital ready."

- Leaders are assessed early in their careers for agility, creativity, and ability to lead and connect teams
- Leadership development focuses on culture, context, knowledge-sharing, risk taking, and exposure to others
- Leaders lead teams, projects, and networks of teams
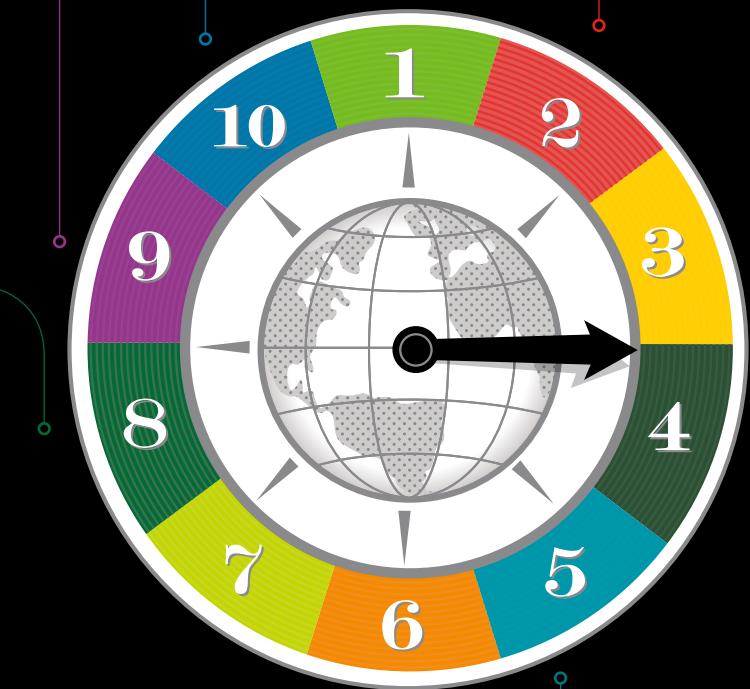
The organization of the future: Arriving now

As organizations become more digital, they face a growing imperative to redesign themselves to move faster, adapt more quickly, learn rapidly, and embrace dynamic career demands. Leading organizations are moving past the design phase to actively build this new organization.

- Organized for learning, innovation, and customer impact
- Structure based on work and projects, with teams focused on products, customers, and services
- Teams and responsibilities clearly defined, but roles and job titles change regularly

Careers and learning: Real time, all the time

As companies build the organization of the future, continuous learning is critical for business success. The new rules call for a learning and development organization that can deliver learning that is always on and always available over a range of mobile platforms.

- Employees decide what to learn based on their team's needs and individual career goals
- Corporate L&D curates development and creates a useful learning experience
- Learning content is provided by everyone in the organization and curated by employees as well as HR

Talent acquisition: Enter the cognitive recruiter

Recruiting is becoming a digital experience as candidates come to expect convenience and mobile contact. Savvy recruiters will embrace new talent acquisition technologies to forge psychological and emotional connections with candidates and constantly strengthen the employment brand.

- Employment brand has a complete strategy, reaching into all possible candidate pools and channels
- Recruiters partner with hiring managers throughout the search process, leveraging their networks, cultural needs, and success criteria
- Companies have talent acquisition technology platforms that manage sourcing, video interviewing, interview management, candidate relationship management, and onboarding

The employee experience: Culture, engagement, and beyond

Rather than focus narrowly on employee engagement and culture, organizations are developing an integrated focus on the entire employee experience. A new marketplace of pulse feedback tools, wellness and fitness apps, and integrated employee self-service tools is helping.

- Employee experience defined as a holistic view of life at work, requiring constant feedback, action, and monitoring
- Compensation, benefits, rewards, and recognition designed to make people's lives better and balance financial and nonfinancial benefits
- The employee experience platform is designed, mobile, and includes digital apps, prescriptive solutions based on employee journeys, and ongoing communications that support and inspire employees

Performance management: Play a winning hand

Across all industries and geographies, companies are reevaluating every aspect of their performance management programs, from goal setting and evaluation to incentives and rewards. They are aligning these changes to business strategy and the ongoing transformation of work.

- Check-ins conducted quarterly or more frequently; regular goal setting occurs in an open, collaborative process
- Employees rated on a qualitative scale; rankings considered, not forced
- Process is agile, faster, continuous, and lighter

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Key trends for TMT

The organization of the future: Arriving now

Ninety-three percent of TMT companies believe they need to redesign their organizations to succeed in the digital age, yet only 18% feel fully capable of redesigning their organizations for the future.

With the rapid pace of change in TMT, companies must rewire their organizations to be based on agile networks fueled by collaboration and knowledge sharing. Working in teams will likely become the norm in business and dynamism will become an organizational hallmark. Nimble organizations will have certain advantages but large TMT companies can keep pace by building stronger ecosystems and partnerships that broaden their workforces and capabilities.

- **Organize for learning, innovation, and customer impact.** Create organizational structures based on projects, with teams focused on products, customers, and services.
- **Utilize new collaboration tools.** Consider technologies like Workplace, Slack, Basecamp, and others, and then standardize and implement them to complement the organization's core ERP/HRMS infrastructure.
- **Make talent mobility a core value.** Promote advancement through diverse experiences and multifunctional leadership assignments.

TMT companies such as Cisco and Google are pioneering sophisticated software to understand team dynamics, evaluate group systems, and gauge how effectively employees contribute to their teams. This marks a shift from enhancing individual employee performance to improving the results of the team in a networked organization.

Seventy-three percent of companies are now experimenting with new collaboration tools as they restructure their organizations to enable greater communication, employee empowerment, and information flow. Workplace by Facebook, Slack, Google GApps, Atlassian Confluence, Microsoft Teams, and hundreds of others are helping to facilitate the transition to networks of teams.

- **10-20 percent understand and have capabilities**

Careers and learning: Real time, all the time

Structured careers are going away. Seventy-three percent of TMT companies now have "open" or "flexible" career models, with only 16 percent maintaining a structured career model.

- **Careers go in every direction.** Create open career models that offer enriching assignments, projects, and experiences rather than a static career progression.
- **Employees decide what to learn.** Base learning on team needs and individual career goals. Establish an environment and systems that allow employees to constantly learn and relearn.

AT&T has invested $250 million in education and development programs for 140,000 employees with a focus on continuous career development to reskill its workforce. To deliver the required skills, the company partnered with universities to pioneer affordable online courses in targeted subjects. AT&T now offers a wide range of online learning opportunities and encourages employees to find new jobs, seek out mentors, and learn new technologies.

- **84 percent of TMT respondents rated careers and learning as "important" or "very important."**
- **70 percent of CEOs say their organizations do not have the skills to adapt to the disruptive changes driven by digital technologies.**

Leadership disrupted: Pushing the boundaries

Digital leaders need different skills and expertise today than their industrial-age counterparts did in the past. Most organizations have not moved rapidly enough to develop digital leaders, promote young prospects, and build new leadership models. The concept of "leader as hero" no longer scales. Highly effective TMT companies such as Google and Lyft look at leadership as a group effort and recruit executives who can work together, complement each other, and function as a team.

- **Identify the digital leaders early on.** Provide early, outsized responsibility to test and develop leadership skills. Promote younger people into leadership faster with support from senior leaders.
- **Move beyond traditional leadership training.** Focus on leadership strategy, emphasizing culture, context, knowledge sharing, risk taking, and exposure to others.

A global high-tech manufacturer faced serious leadership challenges and needed greater precision in identifying leadership potential across its workforce. The company developed a framework for leadership potential that outlined the specific attributes most indicative of leadership success. The tool was rolled out across the entire global organization and the company can now compare ratings of potential leaders by placing everyone on a level playing field, regardless of function or region. This approach helped the organization uncover "hidden gems" in unexpected places, thanks to rich, consistent data from global and regional talent reviews.

- **Only 9 percent of TMT companies have strong leadership development programs today and 52 percent have no program to drive leadership skills.**

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