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The Irresistible Organization

The HR Challenge in the New World of Work

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Global Industry Analyst
April, 2019
@Josh_Bersin

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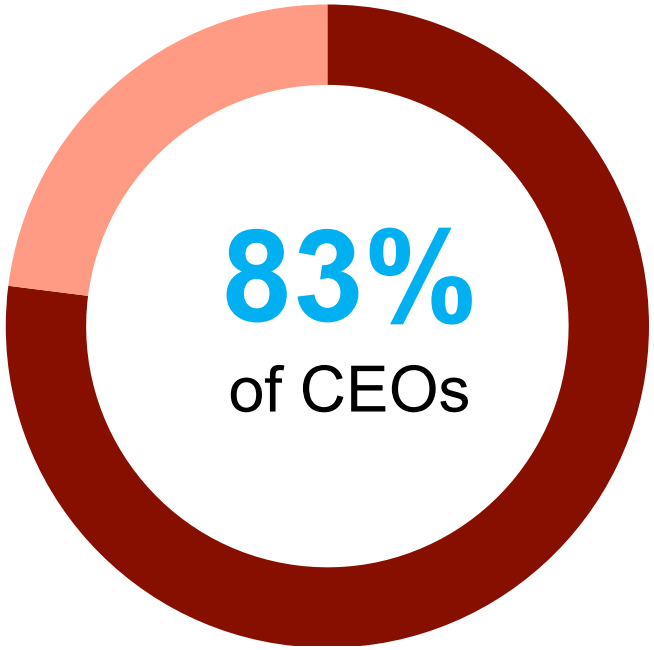
1

A New World of Work
Talent in The Age of Machines

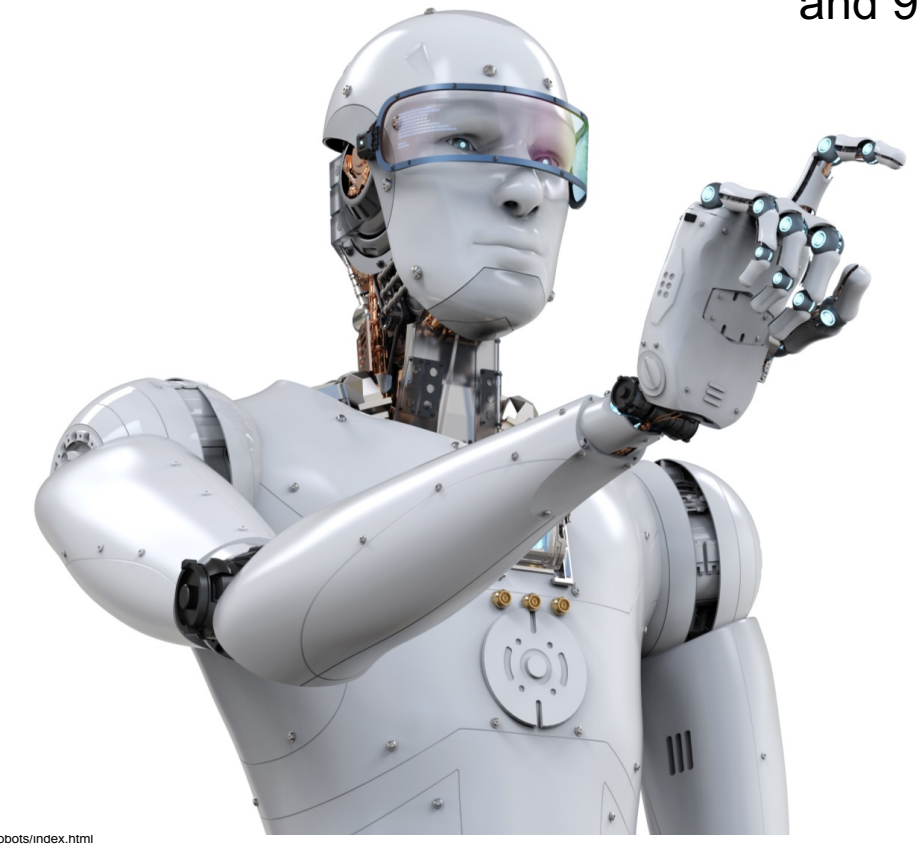
The Robots Have Arrived



expect the role of AI, Robotics, and automation to “increase significantly” over the next 2 years.

41%

Of companies are **already implementing** automation across multiple functions and 9% enterprise-wide.



only 24%

See jobs going away, yet *83%* see demand for **new skills or new jobs** as a result.

Source: Robots: The new low-cost worker, Dhara Ranasinghe, CNBC, April 10,2015.
https://www.cnbc.com/2015/04/10/robots-the-new-low-cost-worker.html
Source: China Can’t Buy Enough Industrial Robots, Jethro Mullen, CNNTech, June 23, 2016 http://money.cnn.com/2016/06/23/technology/china-industrial-robots/index.html

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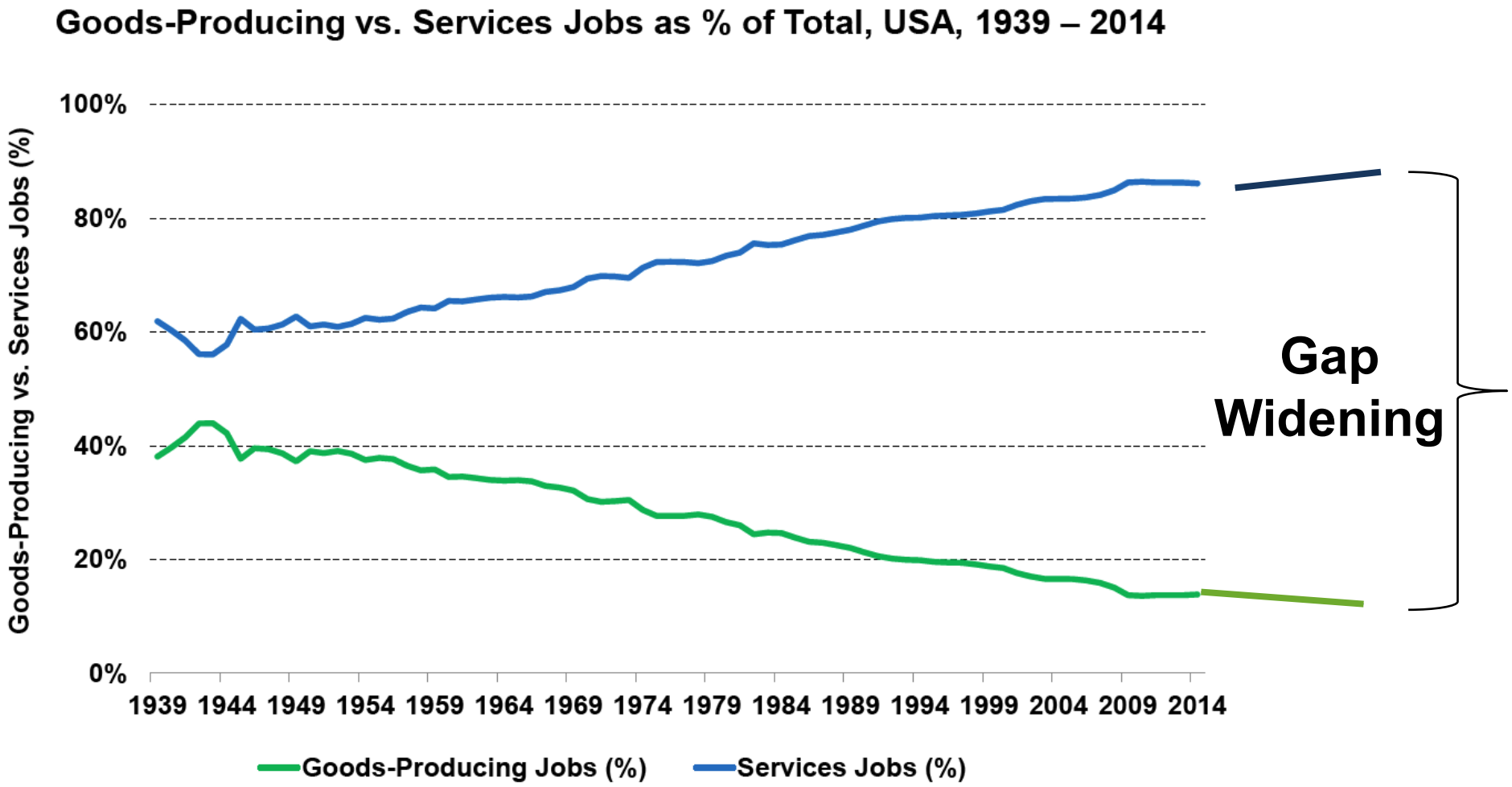
Continued Shift To A Service-Based Economy



Source: U.S. Bureau of Labor Statistics

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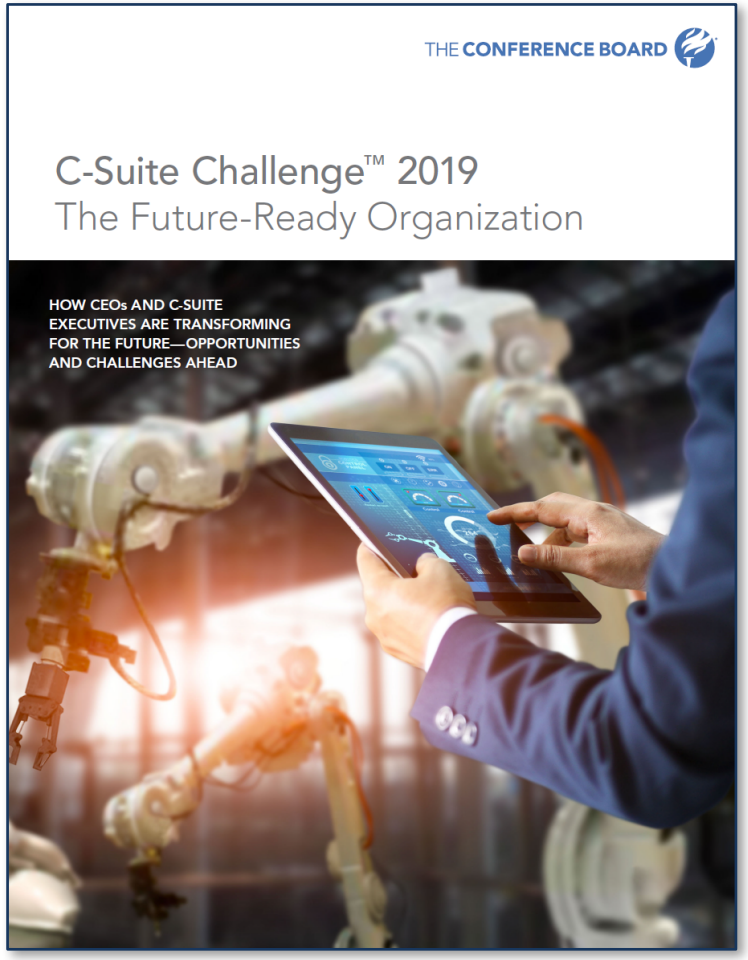
CEO's Perspective: Talent Critical To Success

Internal Issues

- **Attracting and retaining talent** **62%**
- **Skills for digital business model** **52%**
- **Developing next gen leaders** **41%**
- **Aligning comp with performance** **28%**
- Reducing cost 22%

External Issues

- Risk of recession 44%
- Political instability 39%
- New competitors 29%
- Declining trust 28%



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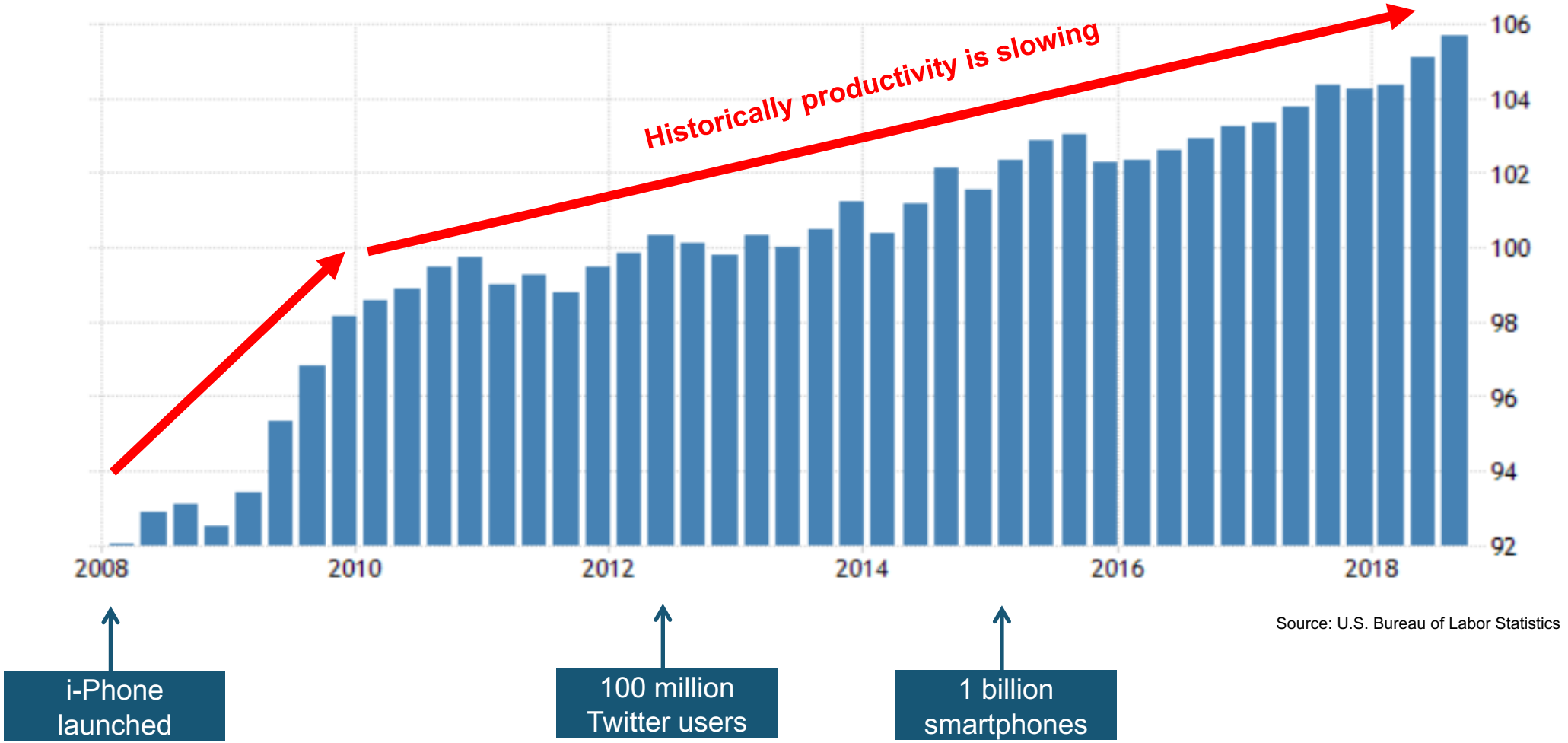
History of Workforce Productivity



Source: U.S. Bureau of Labor Statistics

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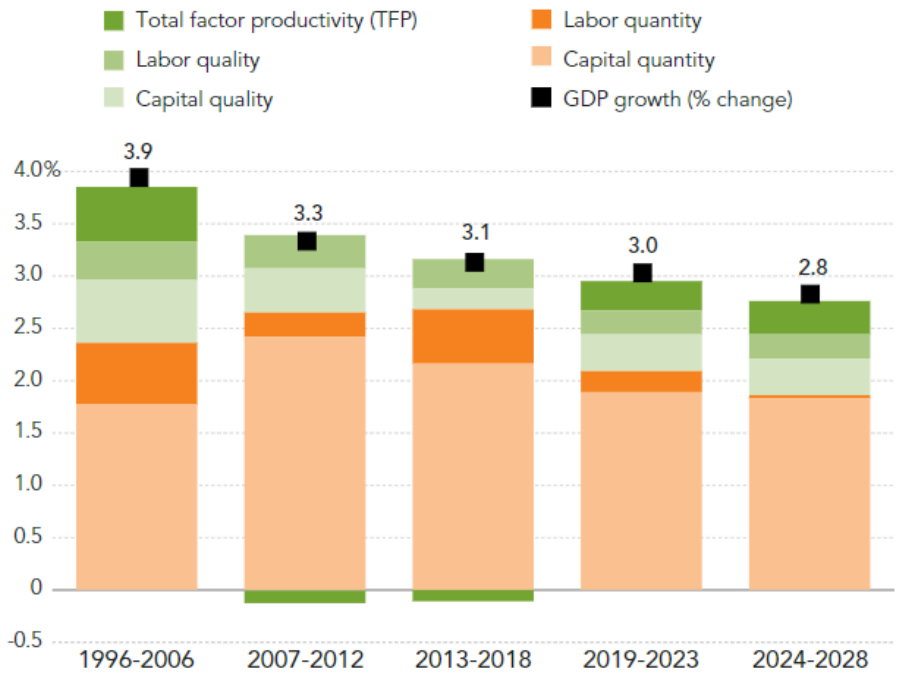
Economic Growth Must Now Be Driven By Productivity

- PWC and Conference Board see economic slowdown in US, Europe and China to 3% or lower.
- All major economies see **shrinking population**: US Birth Rate now at 1.7, UK is 1.8, Germany is 1.5, Japan is 1.4
- Lower birth rate will create a *shortage of workers,* forcing companies to grow through "*increased productivity and quality of labor*." (read "skills")
- HR leaders will rule. Engagement, productivity, and learning will be the growth drivers for the future

LABOR SUPPLY VANISHES AS A SOURCE OF GROWTH—FUTURE GROWTH WILL NEED INVESTMENT SUPPORTED BY LABOR QUALITY, DIGITAL TRANSFORMATION, AND INCREASED PRODUCTIVITY

The contribution of factor inputs, input quality, and efficiency changes to global GDP growth, selected time periods



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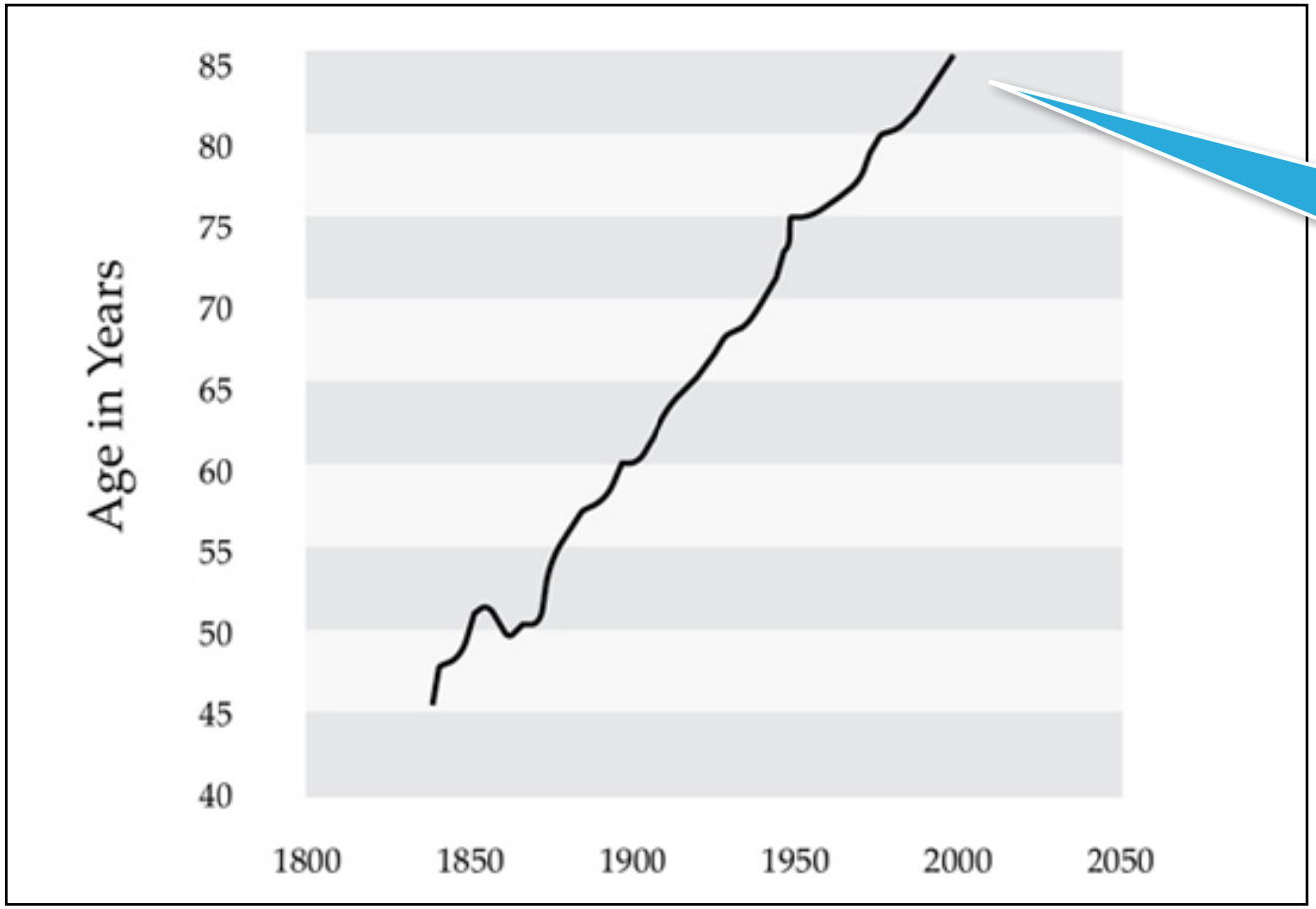
The Longevity Dividend

"Since 1840 there has been an increase in life expectancy of three months for every year."

Gratton, Lynda; Scott, Andrew.
The 100-Year Life



Today's US fertility rate is 1.7, unable to replace the workforce we have

Increase in Life Expectancy Over Time

http://www.mortality.org/

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The Alternative Workforce Isn't Alternative Any More

Since 2000 the number of W-2's dropped by 4%.
The number of 1099's has gone up by 23%.

57 Million Americans freelanced in 2018,
up 8% in the last four years

42% of people under the age of 34 are freelancers

https://www.upwork.com/i/freelancing-in-america/2018/

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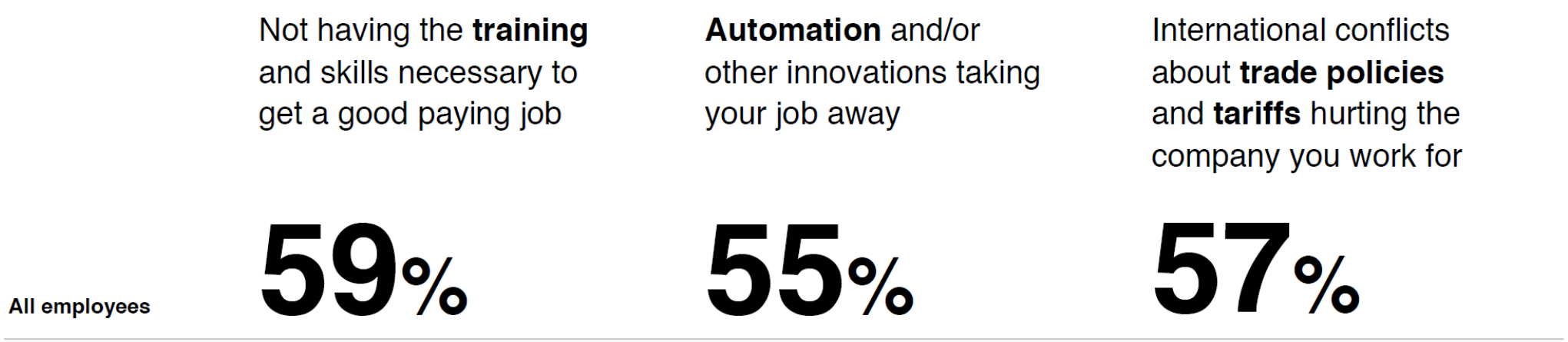
Learning Everywhere All The Time

Employees' Rising Skills Anxiety

Edelman

FEARS OF JOB LOSS REMAIN HIGH

Percent of employees who worry about job loss due to each issue



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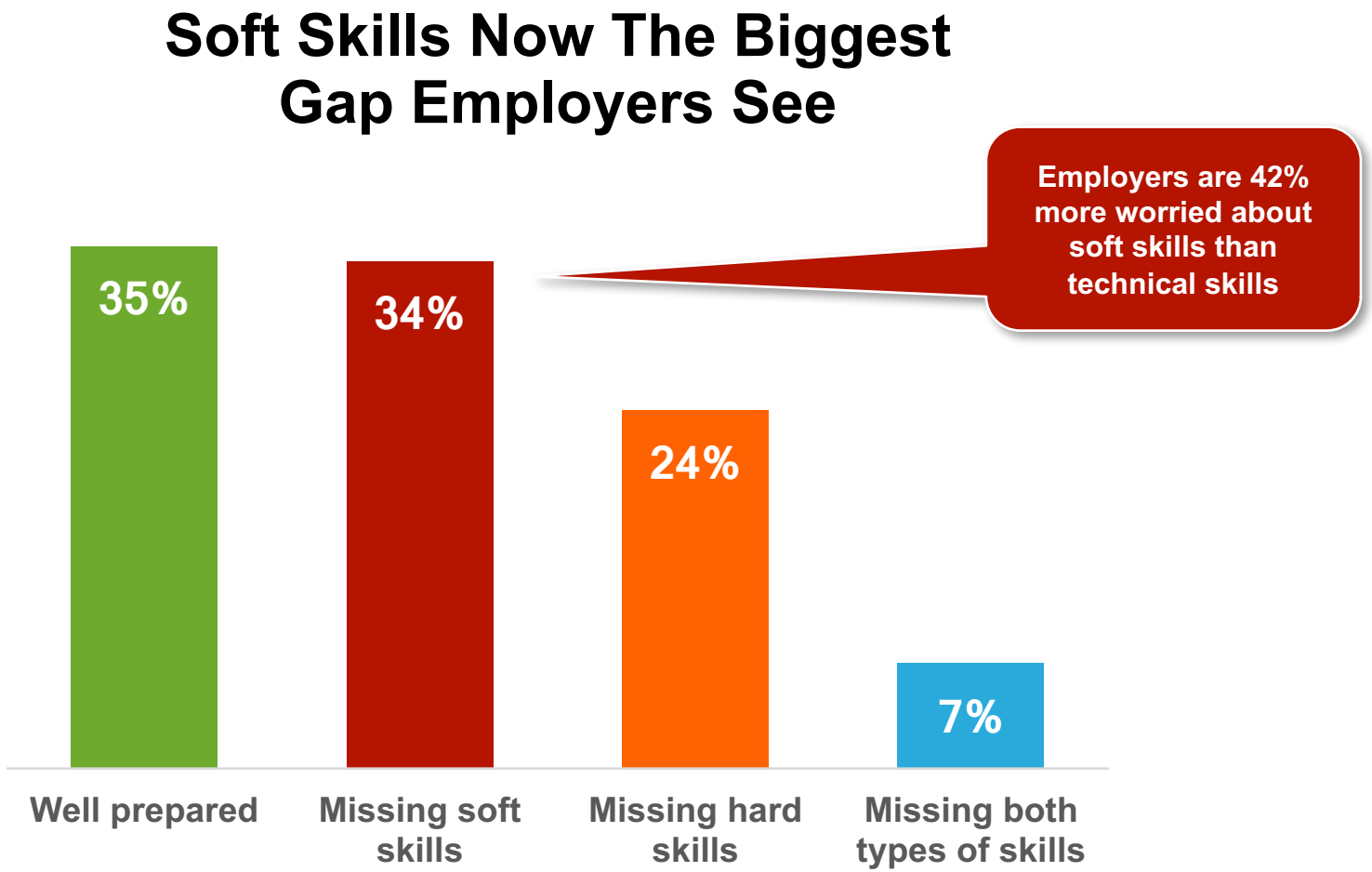
Employers Increasingly Understand



Workday-Bloomberg Building Tomorrow's Talent, Survey 200 organizations, Fall 2018

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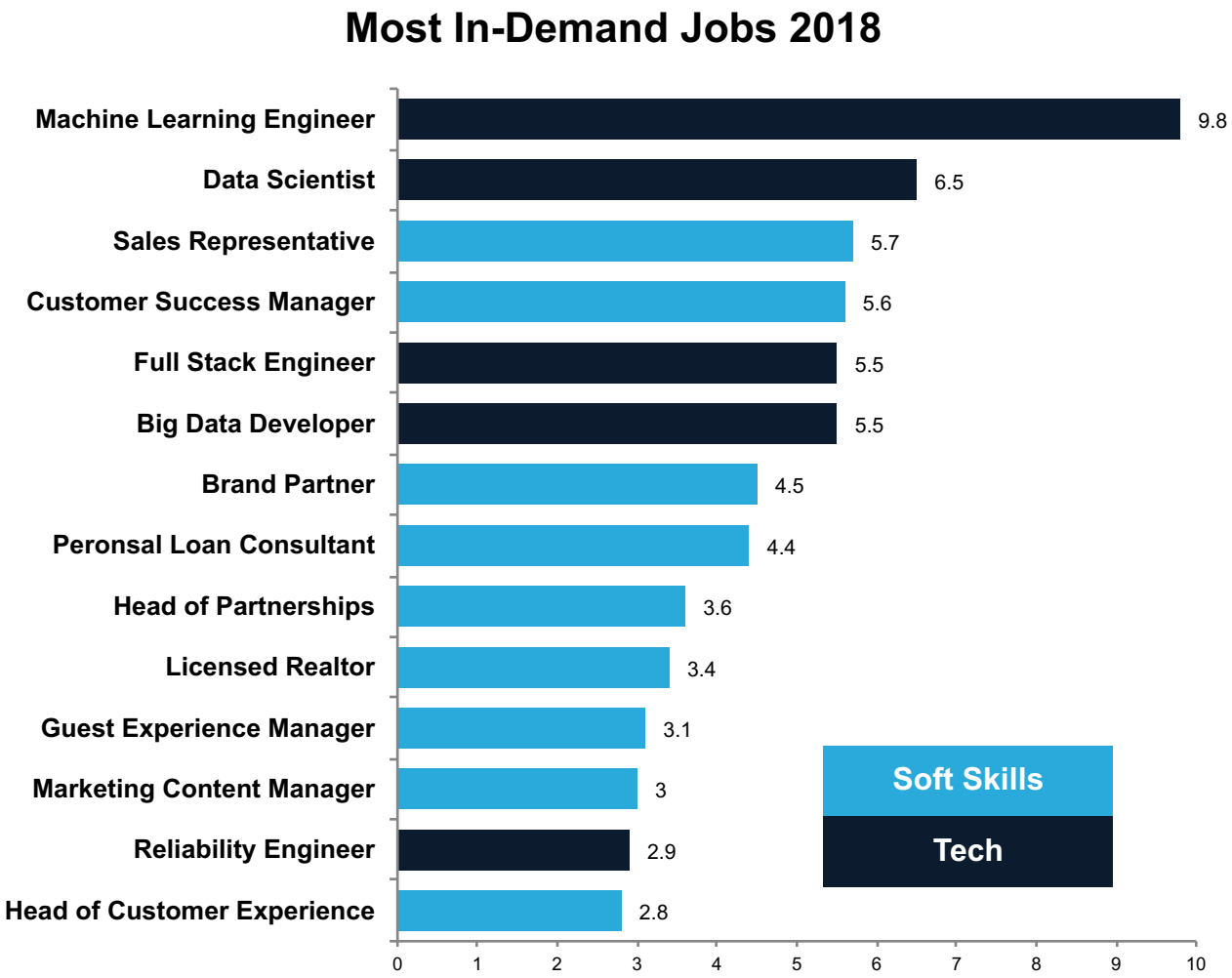
New Skills And Jobs More “Hybrid” Than Ever



https://economicgraph.linkedin.com/research/LinkedIns-2017-US-Emerging-Jobs-Report

Most In-Demand Skills

1. Management
2. Sales
3. Communication
4. Marketing
5. Start-ups
6. Python
7. Software development
8. Analytics
9. Cloud computing
10. Retail

Most In-Demand Capabilities

1. Adaptability
2. Culture fit
3. Collaboration
4. Leadership
5. Growth potential
6. Prioritization

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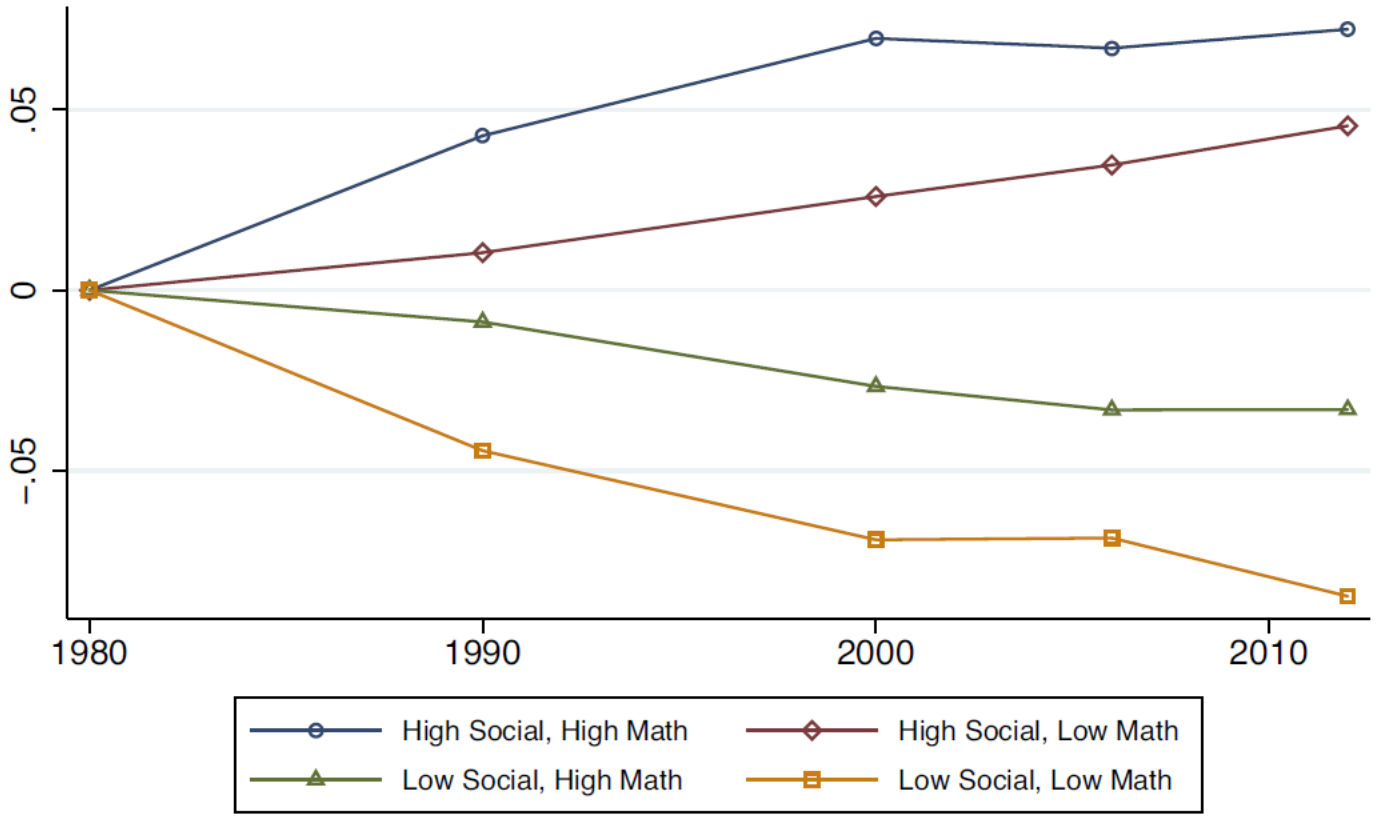
Increasing Wages and Demand for Soft Skills

Growth in Wages and Demand1980-2012



Occupational Task Intensities based on 1998 O*NET

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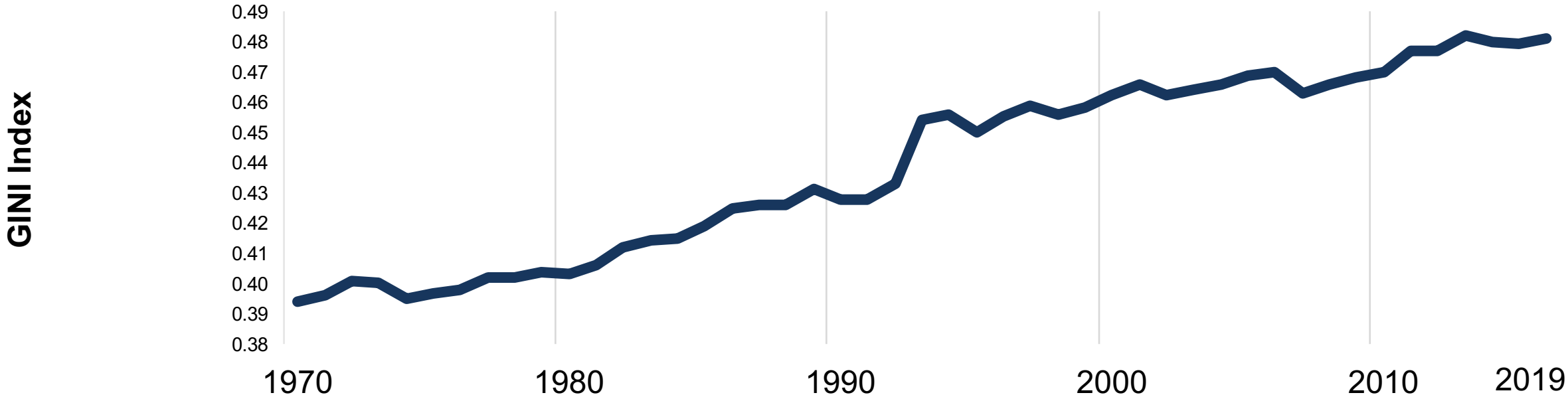
The Result? Income Inequality Continues To Rise



Eight men now own the same amount of wealth as the **poorest half of the world**

Over the last 30 years in the US, **growth in the incomes of the bottom 50% has been zero**, whereas incomes in top **1% have grown 300%**

Source: Thomas Piketty of the Paris School of Economics, and Emmanuel Saez and Gabriel Zucman of the University of California Berkeley

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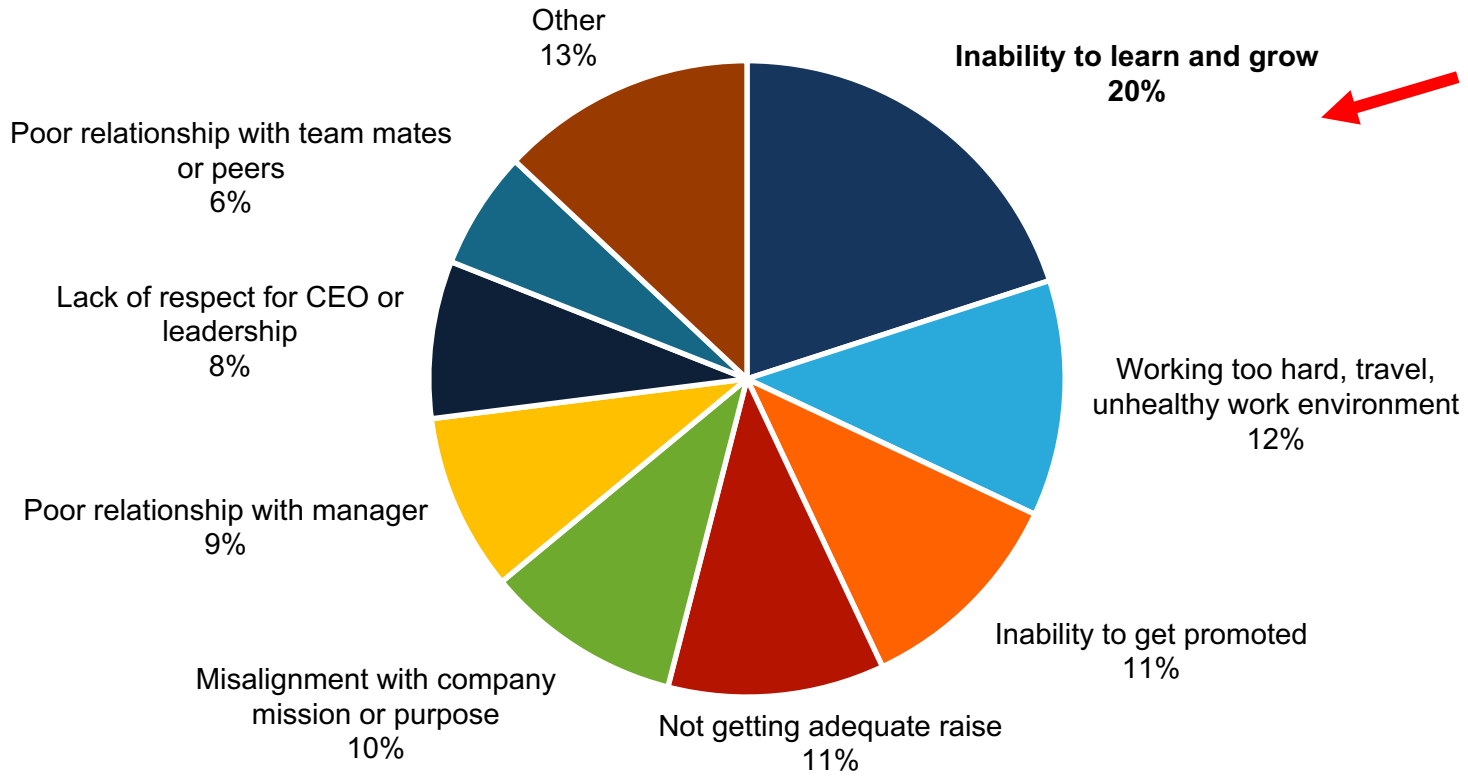
Learning Is Now The Most Important Thing

What Is The #1 Thing That Would Make You Look For A New Job?



N=2,800 professionals, Fall 2018, Bersin and LinkedIn Research,
https://www.linkedin.com/pulse/want-happy-work-spend-time-learning-josh-bersin/

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The New Model for Learning: In The Flow of Work

Micro-Learning	Macro-Learning
I need help now.	*I want to learn something new.*
• 2 minutes or less • Topic or problem based • Search by asking a question • Video or text • Indexed and searchable • Content rated for quality and utility	• Several hours or days • Definitions, concepts, principles, and practice • Exercises graded by others • People to talk with, learn from • Coaching and support needed
Is the content useful and accurate?	*Is the author authoritative and educational?*
Videos, articles, code samples, tools	*Courses, classes, MOOCs, programs*

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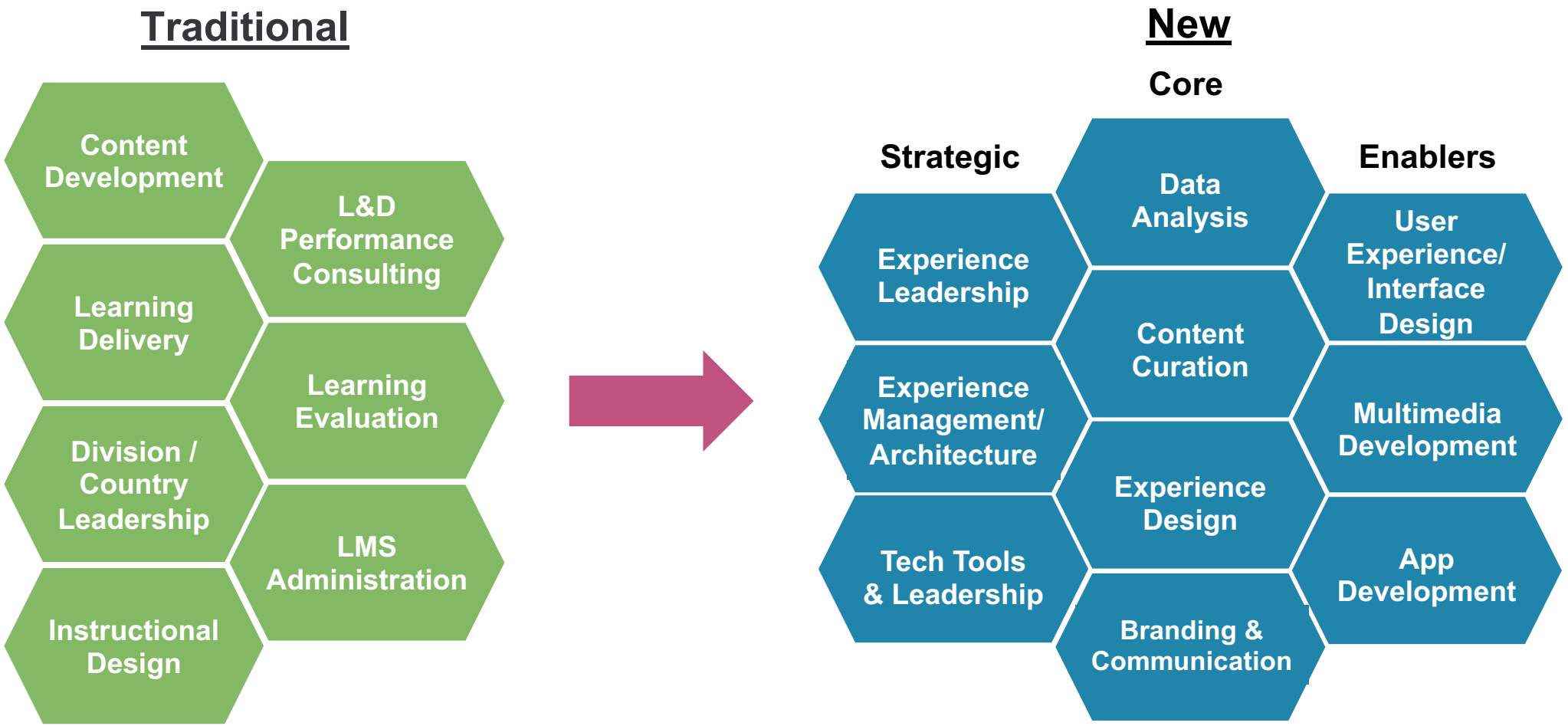
New Platforms and New Capabilities for L&D



"You're no longer managing curricula, you're managing employee journeys."

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Every Company Is Reskilling … All The Time

Upskilling

Our software engineers need to shift to agile development methodologies.

Our sales teams need to learn to use Salesforce for account development.

Our marketing teams need to learn digital marketing and analytics tools like Marketo

Productivity

Reskilling

Our software engineers need to shift from client/server to mobile or cloud development.

Our sales teams need to understand integrated vertical solutions

Our marketing teams need to learn SEO and digital advertising tools.

Innovation and Growth

Reinvention

Our software engineers need to learn AI, nudges, and gamification models.

Our sales teams need to become consultants and advisors.

Our marketing teams need to shift to product management and design thinking.

Survival

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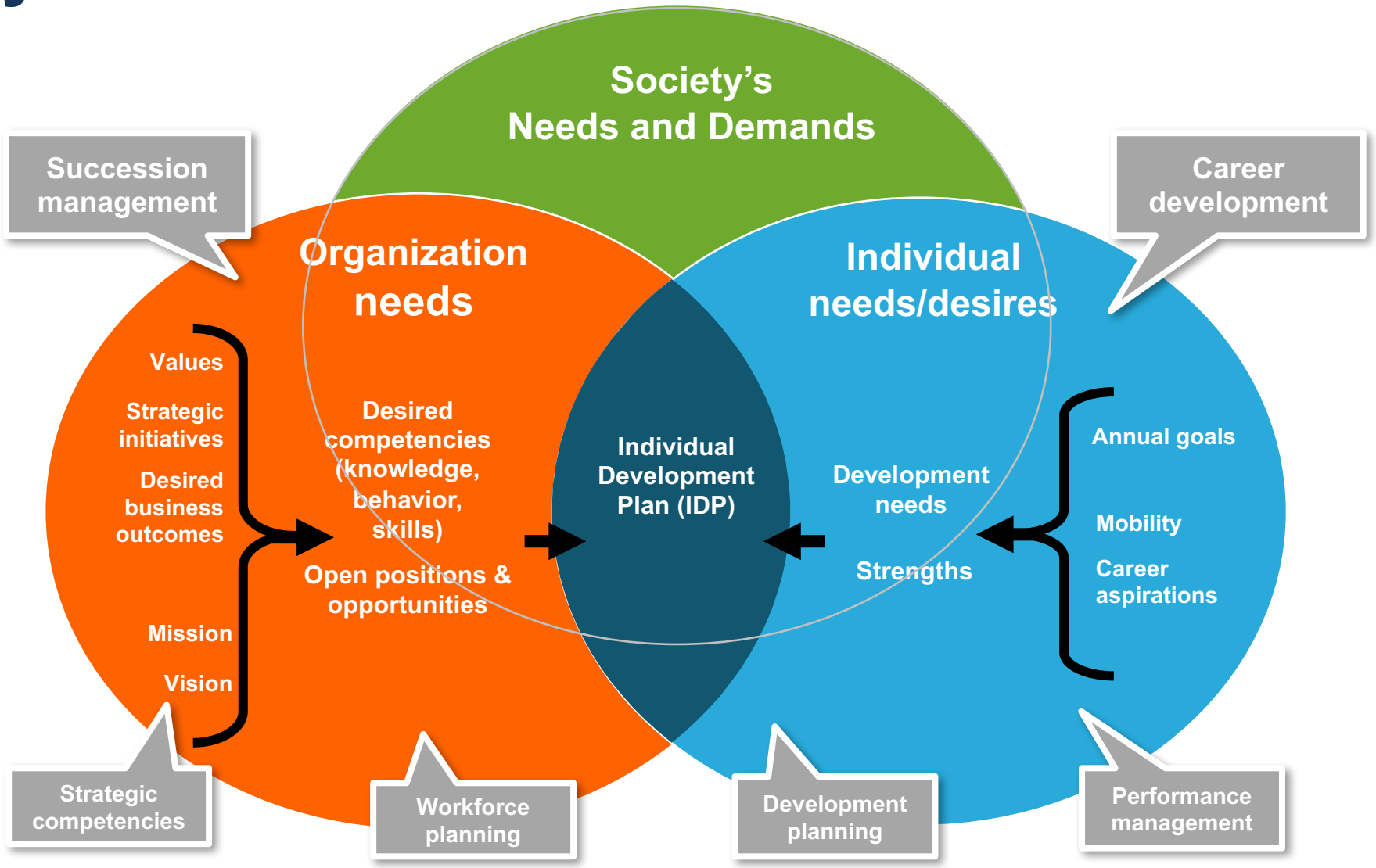
The Key To Successful Career Models



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Radical Change in Careers and Mobility

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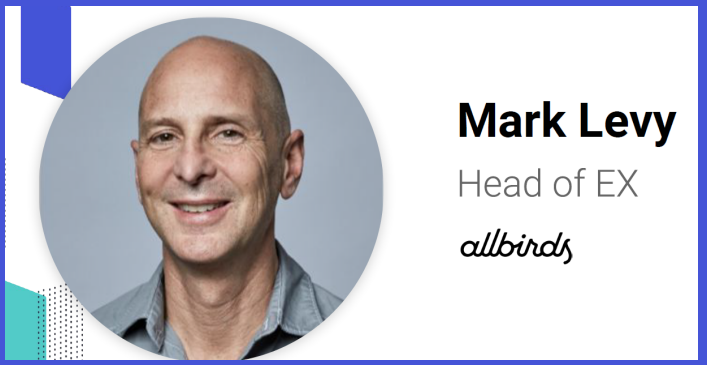
Employee Experience: Sustainable Productivity



Approach your employees, just like you do your customers….

Do things WITH and FOR, not TO them

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The Irresistible Organization: A Complete Employee Experience

Meaningful Work	Hands-On Management	Productive Environment	Growth Opportunity	Trust in Leadership	Health & Wellbeing
Autonomy	Clear goal setting	Flexible work environment	Facilitated talent mobility	Mission and purpose	Safety and Security
Selection to fit	Coaching and feedback	Recognition rich culture	Career growth in many paths	Investment in people, trust	Fitness and Health
Small teams	Leadership development	Open flexible work spaces	Self and formal development	Transparency & communication	Financial wellbeing
Time for slack	Modern performance management	Inclusive, diverse culture	High impact learning culture	Inspiration	Psychological wellness and support

Derived from Simply Irresistible, © Deloitte Consulting LLP

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Employee Experience is Moments That Matter

HR In The Flow of Work

"Moments not Processes"

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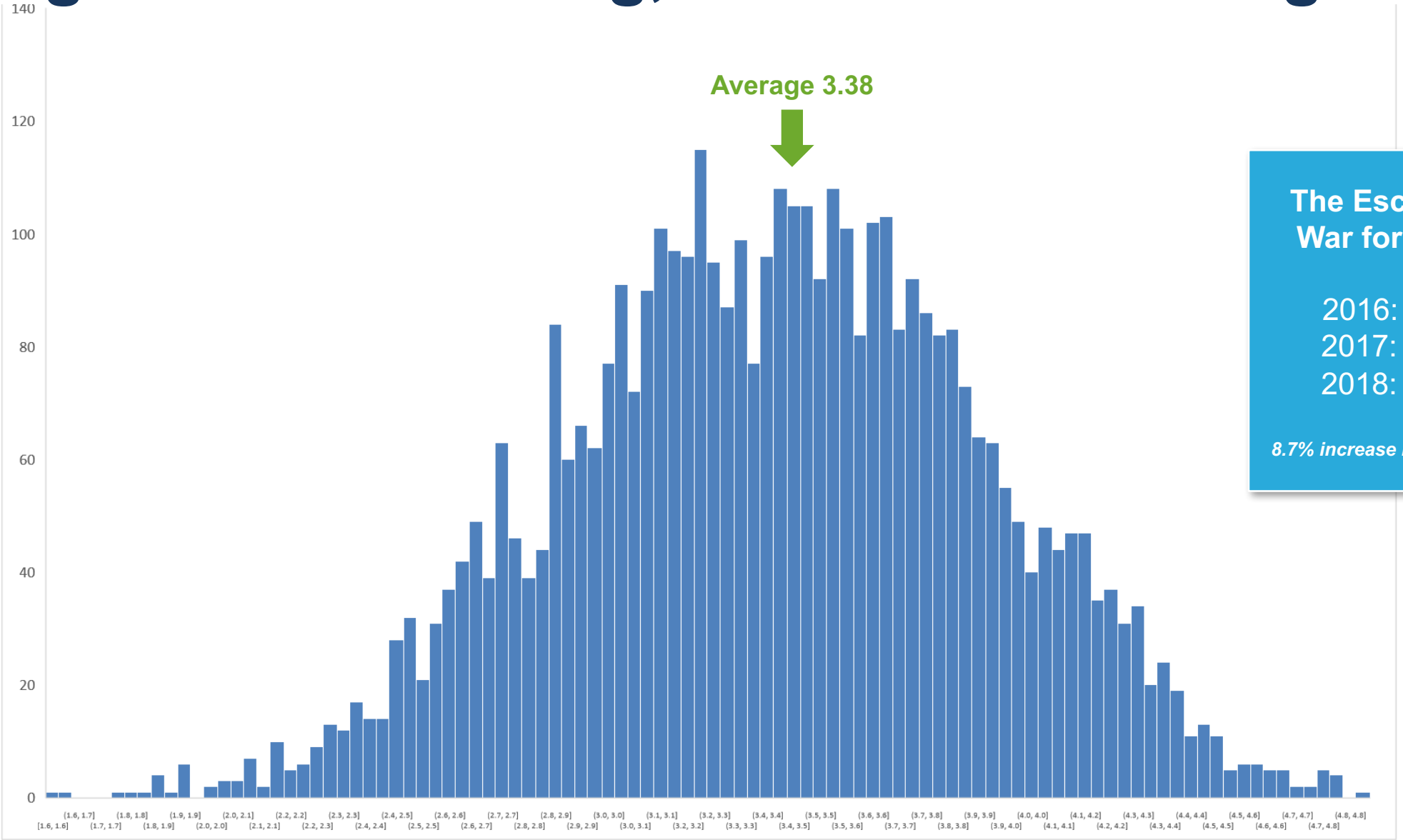
Engagement Increasing, But Still A Challenge



The Escalating War for Talent

2016: 3.11
2017: 3.22
2018: 3.38

8.7% increase in three years

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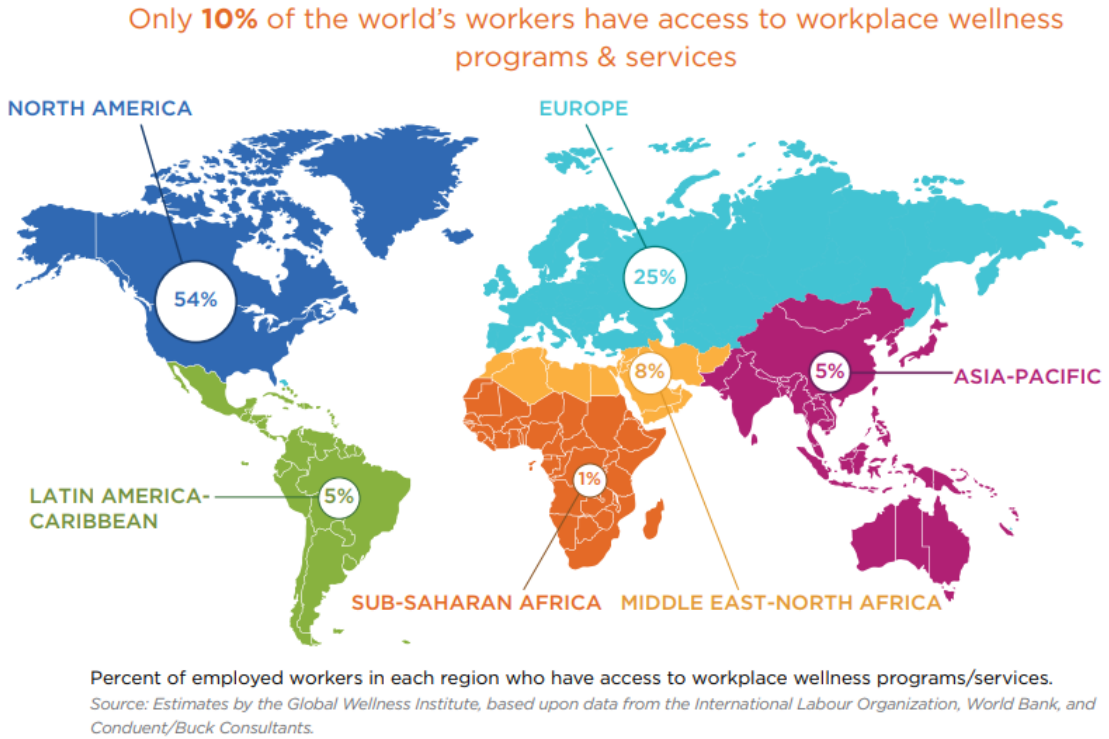
The Corporate Wellbeing Market Explodes

- Valued at $48 billion, the workplace wellness market is growing at 4.8% per year
- These include a wide variety of services, products, and platforms, such as health screening assessments, diagnostic tests, incentive programs, wearable devices, counseling services, and financial tools
- They serve a wide range of needs, from exercise, healthy eating, and sleep, to chronic illness, obesity, addiction, depression, financial health, and stress.



Percent of employed workers in each region who have access to workplace wellness programs/services.

Source: Estimates by the Global Wellness Institute, based upon data from the International Labour Organization, World Bank, and Conduent/Buck Consultants.

https://globalwellnessinstitute.org/wp-content/uploads/2018/10/Research2018_v5webfinal.pdf

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But Too Many Options… Where Do We Start?

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The Escalating War For Perks, Does It Matter?

1. Pawternity (pets)
2. Fertility support
3. Life coaching
4. International retreats
5. Free beer
6. Free breakfast, lunch, dinner
7. Spa services
8. Nap rooms
9. Elder care (parents, not you)
10. Required time off
11. Service sabbatical
12. Pet bereavement
13. Office farmer's market
14. Weather based flex time
15. Wedding leave
16. Pet health insurance
17. Unlimited vacation
18. Peer to peer coaching
19. Student loan forgiveness
20. Commuting allowance
21. Car loan repayment
22. Audio aids for hearing
23. Transgender benefits, surgery
24. No meetings Wednesdays
25. Pets in the office
26. Cooking classes
27. Career coaching
28. Life coaching
29. Free gym membership
30. Sleep apnea checks

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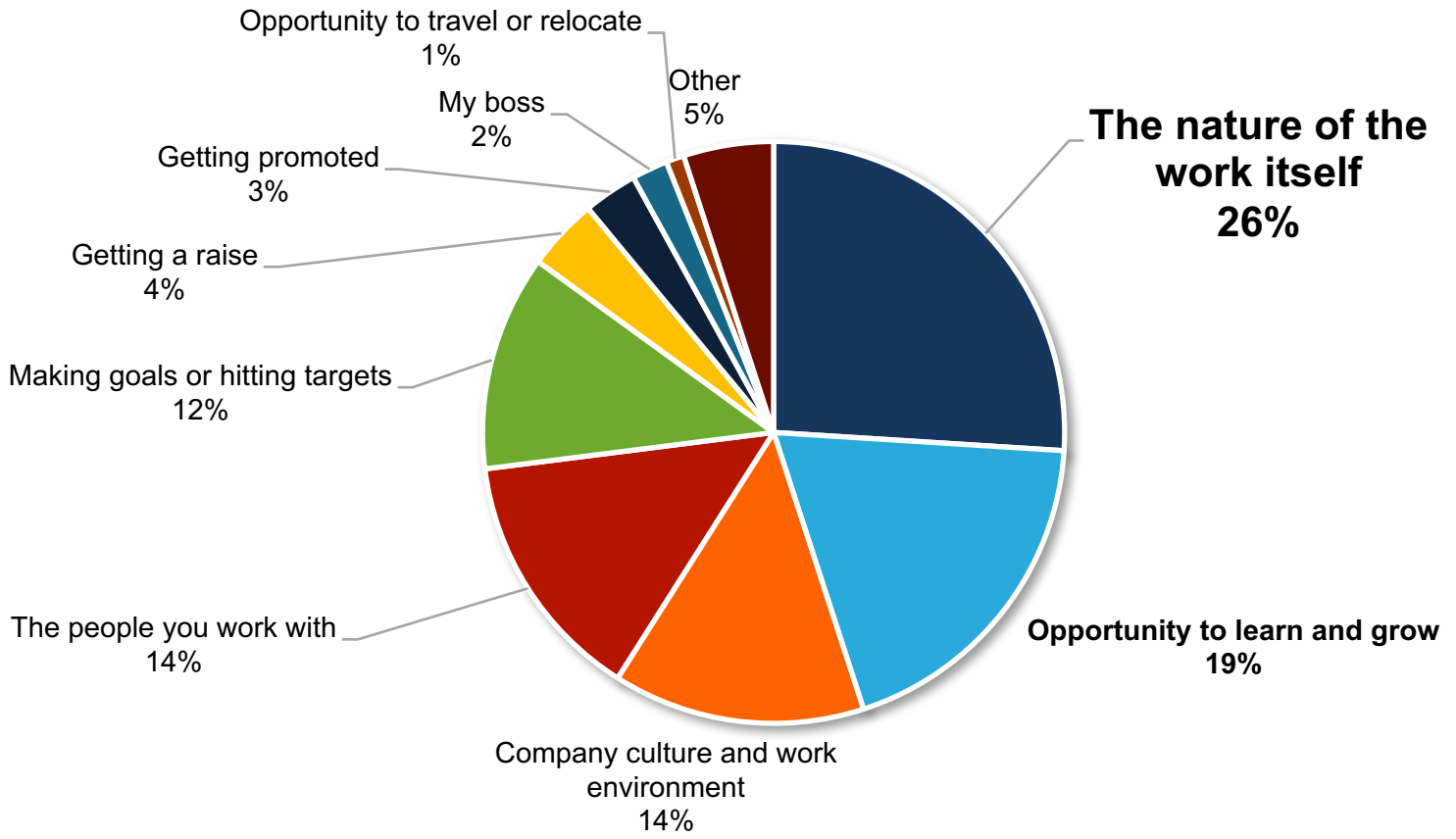
What Matters Most? Meaningful Work.

What Is The #1 Thing That Inspires You To Be Happy And Work Harder?



The right job is twice as important as culture and four times more important than money

N=2,800 professionals, Fall 2018, Bersin and LinkedIn Research,
https://www.linkedin.com/pulse/want-happy-work-spend-time-learning-josh-bersin/

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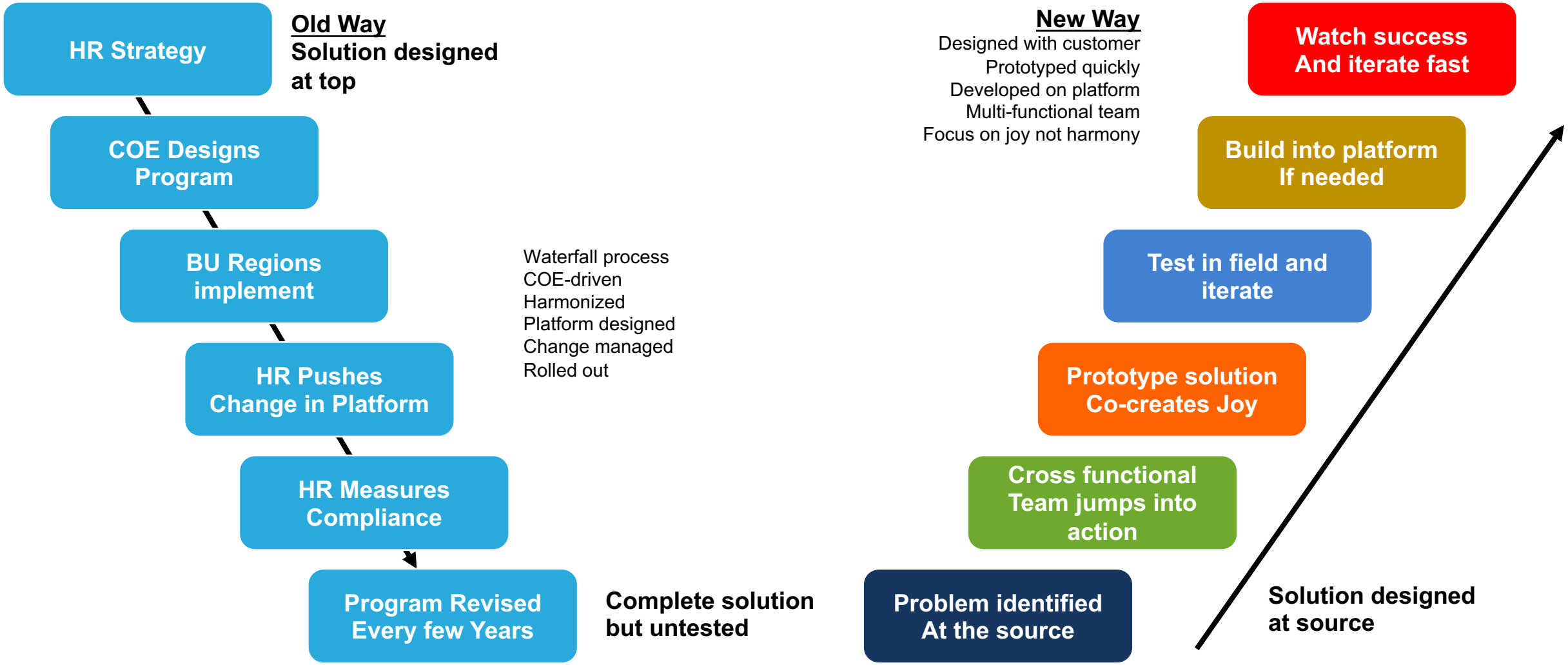
New Rule: Co-Create The Employee Experience



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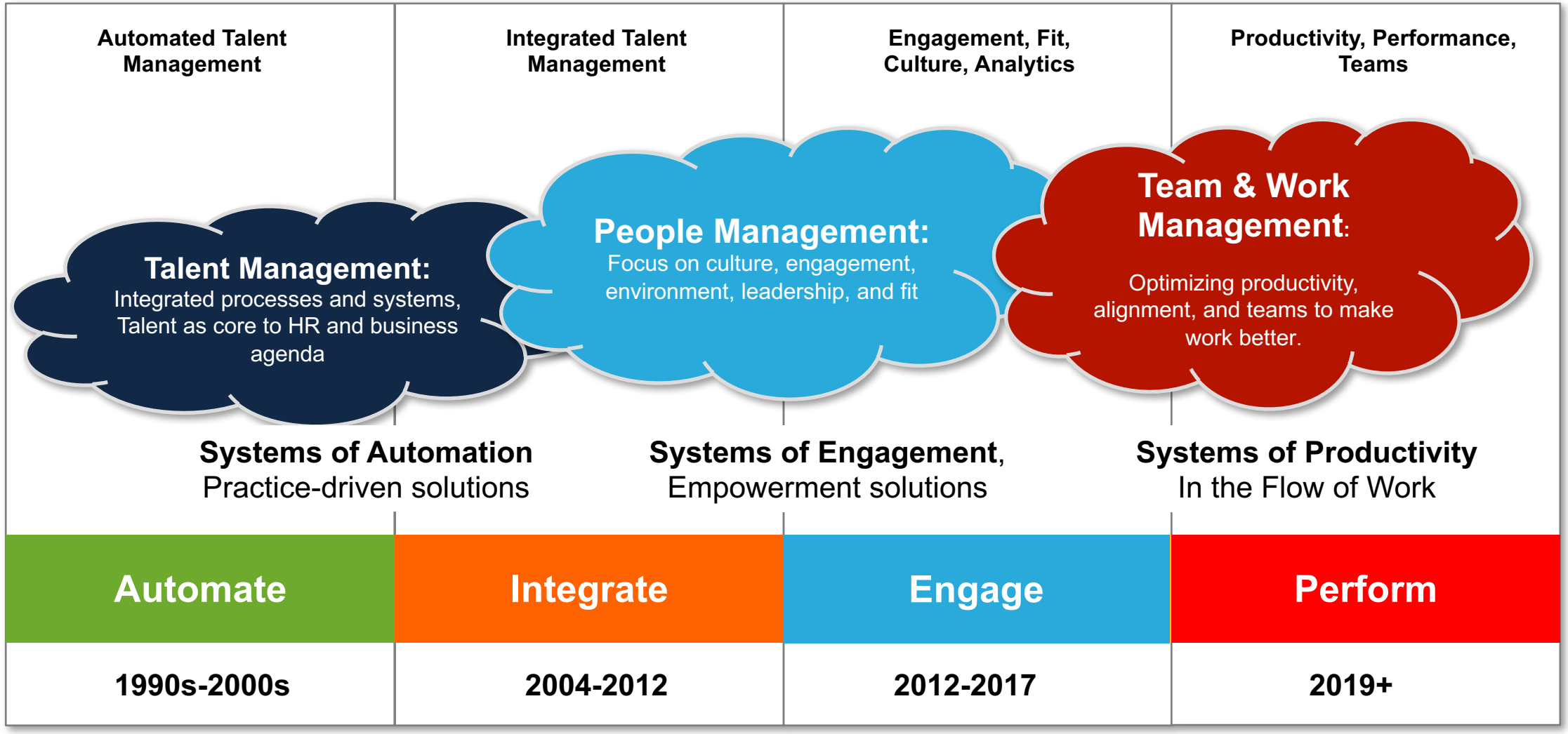
The HR Tech Tsunami
AI Has Arrived

Shift To Technology That Makes Work Easier



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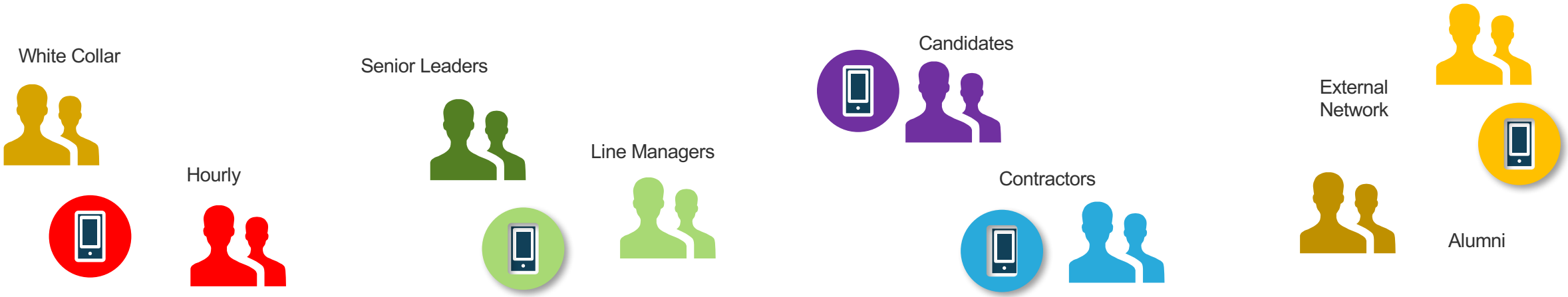
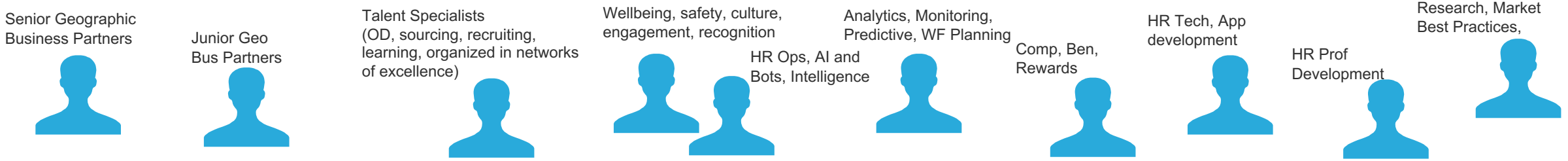
HR Technology Architecture Expands



Employee Experience Platform: Chat | Conversation | Mobile | Integration with Systems of Productivity

Self Service	Case and Expertise Management	Document, Knowledge Management	Transition Programs	Employee Communications	External Services

Sourcing Recruitment Assessment	Learning Career Coaching	Performance Goals Succession	Engagement Feedback Recognition	Wellbeing Rewards Benefits	HRMS Payroll/Time Communications	ONA Analytics/AI Workforce Mgt



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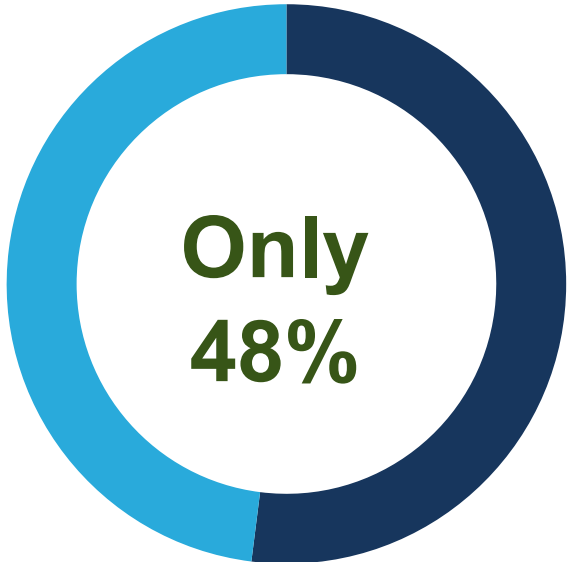
Trust, Ethics, Fairness: A New Imperative for HR

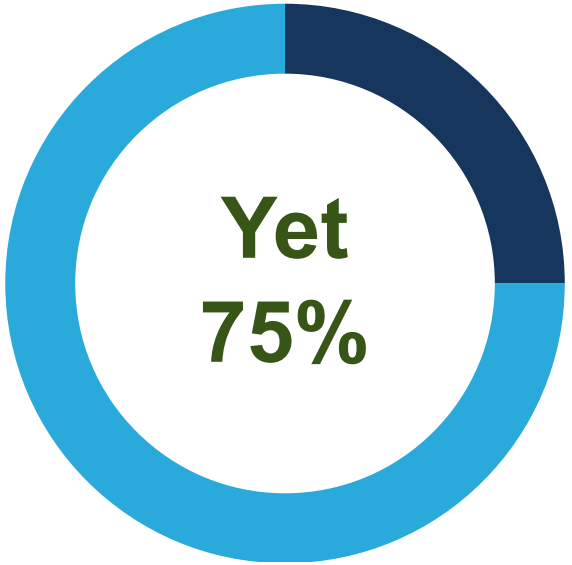
Trust Is The New Business Currency

Edelman Trust Data

The system is failing me



Trust government



Trust my employer

https://www.edelman.com/research/2019-trust-barometer-global-results

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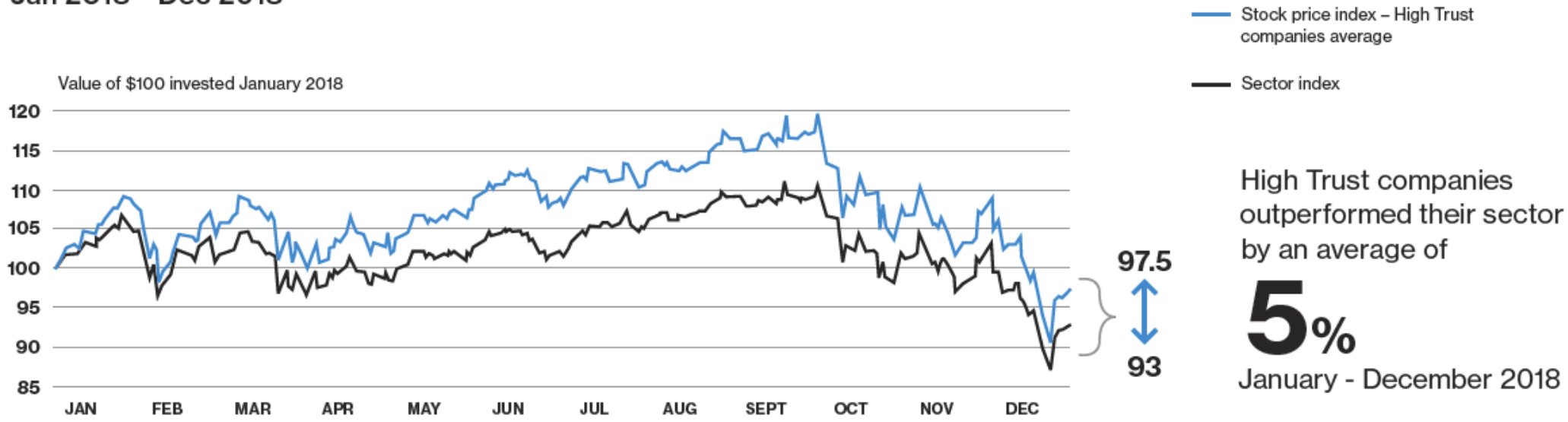
In Today's Economy, Trust Pays Off

HIGH TRUST COMPANIES OUTPERFORM THEIR SECTOR

Stock performance of 31 high trust U.S. companies, compared to a weighted sector average

Jan 2018 – Dec 2018



High Trust companies outperformed their sector by an average of

5%

January - December 2018

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Good Citizenship: New Paradigm For Management

The Industrial Corporation	Hierarchical Leadership	Collaborative Management	A Networks of Teams	The Trusted Enterprise
Operational Efficiency	Profit, Growth, Financial Engineering	Customer Service, Employees as Leaders	Mission, Purpose, Sustainability	Citizenship, Trust, Growth, Learning
Industrial Age People as Workers	Management by Objective	Servant Leadership Work Together	Empower the Team	Productivity, Wellness, Responsibility
Andrew Carnegie Henry Ford	Jack Welch Peter Drucker	Howard Schulz Steve Jobs	Netflix, Google, Facebook, Amazon	Unilever, Allbirds, Levi's Patagonia, Whole Foods
The Corporation is King	The Executives are King	The People are King(s)	The Teams and Team Leaders are Kings	The Individual, Community, and Team
<1950s	1960s-80s	1990s	Today	2020

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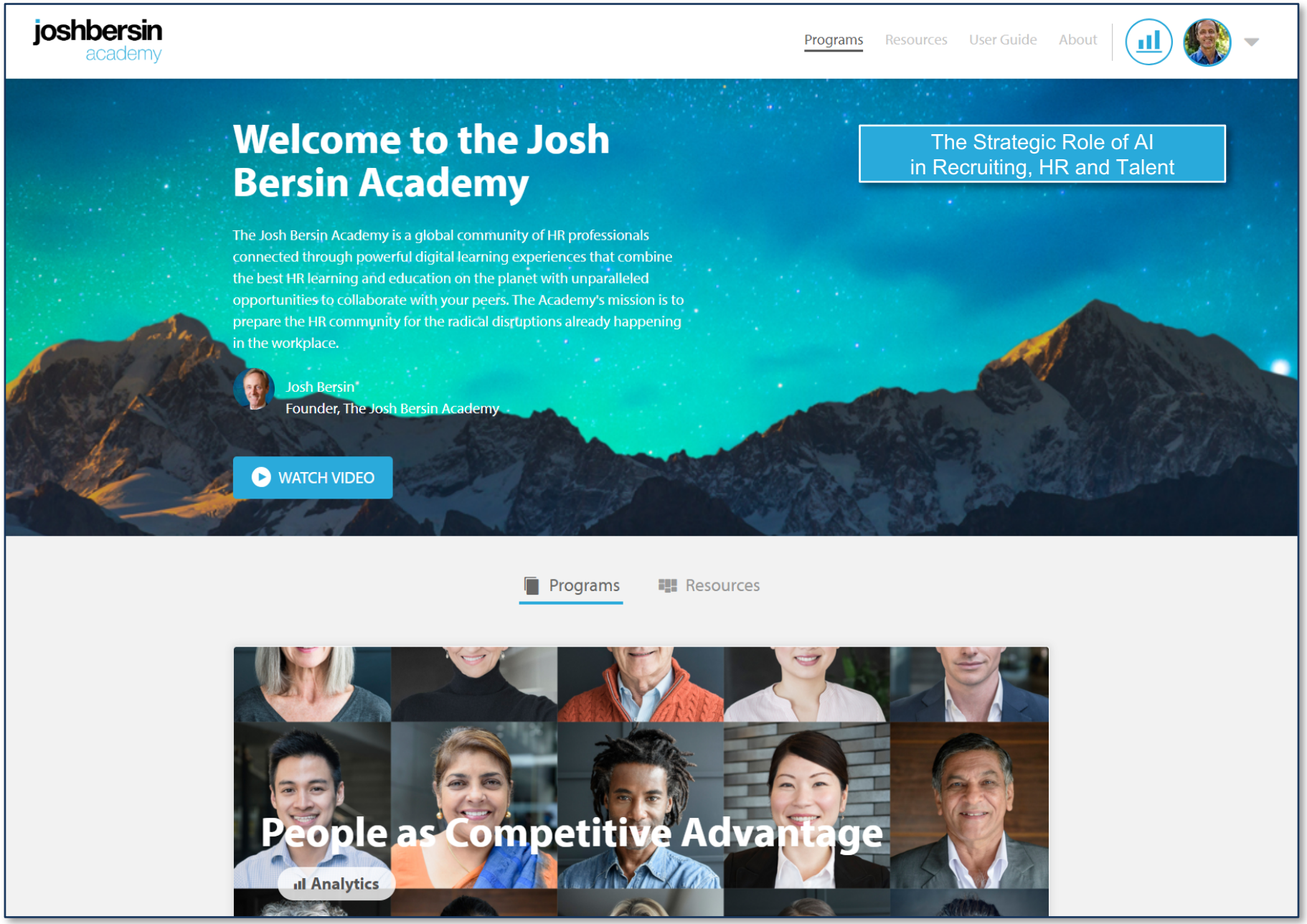

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2019: A Year To Take Action
Focus on building capabilities, flexibility, and trust
in a time of automation, AI, and technology growth
www.joshbersin.com/predictions