



CEO Perspectives[®]

Corporate Leadership Center
2019 SPRING EVENT

The Future of Work

Understanding the Changing
Employer/Employee Relationship

Wednesday, June 5, 2019

Co-hosted by: **Deloitte.**

About the Event

On June 5th, 2019, CEO Perspectives held an event bringing Fellows together to focus on the fast-changing nature of work across sectors. Technological advances and societal change have transformed how businesses operate, including their relationship with employees. Event speakers and panelists discussed how firms can develop new strategies and processes to take on key challenges — including growing a global workforce, managing (and maximizing the value of) human-machine collaboration, implementing reskilling, and harnessing teams and networks — as part of the evolution of workforce relationships.

Deloitte Consulting hosted the event at its Chicago office. Cheryl Francis (Co-Chairman, Corporate Leadership Center and Co-Founder, CEO Perspectives) provided opening remarks, followed by a welcome address by event co-host Deb DeHaas (Vice Chairman & National Managing Partner of the Center for Board Effectiveness, Deloitte). Next, Ken Porrello (Executive Director, CEO Perspectives) introduced keynote speaker Jeff Schwartz (Human Capital Principal, Global Human Capital Marketing, Eminence & Brand Leader, US Leader for the Future of Work, Deloitte), who spoke on how to frame a CEO-level agenda for the future of work.

After the keynote speech, Deb DeHaas moderated a panel discussion featuring Jeff Schwartz, Jonas Prising (Chairman & CEO, ManpowerGroup), and Betsy Ziegler (CEO, 1871). The panelists discussed wide-ranging future-of-work trends and insights related to talent markets, technology, education, and other executive-level issues. Finally, Ken Porrello provided closing remarks.



Key Insights Summary

THE ROBOTS ARE COMING. The future of work will involve increased automation. That requires adjustment, some of it painful. But it also warrants optimism, as AI-powered technology can and should lead to large-scale increases in productivity, creativity, and value creation, when approached strategically.

SEEK UNPRECEDENTED AGILITY. Big “turns” — large-scale changes around the economy, talent, technology, and other work trends — are in progress or coming fast. Prepare your organization to take these turns when they arrive, as part of an “always be ready” mentality.

REDESIGN, REDEFINE, RESKILL, REDEPLOY. Redesign jobs for technology-enabled productivity boosts. Redefine work by modifying target outcomes and creating meaning for stakeholders in new ways. Reskill and redeploy your workforce by understanding adjacent skill sets and creating more opportunities for internal mobility.

THINK “SMALL.” Small, entrepreneurial firms are big on flexible approaches to workforce challenges, whether pivoting to new labor models, adding capacity quickly, or tapping into low-cost creative talent. Seek to learn from and partner with startups and their ecosystems to create value.

THE FUTURE OF HIGHER EDUCATION. Education, like work, is changing, with undergraduates eager to drive change now; a need for top MBA programs to be more market-focused; and new models of pay-for-results and apprenticeship-based education emerging. Understand these trends to capitalize on them.

LEADERSHIP 4.0. The current, fourth Industrial Revolution requires next-generation leadership. That means gaining digital fluency and organizational agility, creating a more adaptable global workforce, and promoting diversity of thought and representation from the leadership team on down.



The CEO's Agenda for the Future of Work

Jeff Schwartz, Deloitte Human Capital Principal and US Leader for the Future of Work, presented insights on what should be top of mind for C-level leaders and boards across sectors as they face the shifting nature of work across dimensions.



Most people's vision of the future of work involves some version of a "robot apocalypse": millions of automated-away jobs and escalating tensions between humans and machines in the workplace. A March 2019 Pew Trust poll showed that 82% of those surveyed believe computers will do much of the work they do today by 2050. But the rise of AI-powered technology also signals dramatic potential increases in productivity, creativity, and value creation. In this context, three fundamental questions help frame future-of-work issues.

3 Fundamental Questions on the Future of Work

WHAT WORK CAN BE DONE BY OR WITH SMART MACHINES?

Technology will take over many activities across sectors. But understanding what, how, and when is critical.

WHO CAN DO THE WORK?

Machine? Human? Some combination? Full-timers, part-timers, contractors, gig workers, crowdsourced, others?

WHERE WILL THE WORK BE DONE?

Collaborative workspaces are increasingly remote or virtual, a trend that will only accelerate with VR and augmented-reality technologies.

The CEO's Agenda for the Future of Work

Along with those three fundamental questions, business leaders should consider the following five strategic, board-level imperatives to navigate the future of work in their sector most effectively.

5 Strategic Imperatives

REDESIGN JOBS, REDEFINE WORK. This is about: (1) Working more productively toward established target outcomes, such as using technology to support twice as much business activity without increasing labor, which requires job redesign; (2) Redefining work itself by introducing new offerings, modifying desired outcomes, and finding new ways to create meaning for employees, customers, and others.

RESKILL AND REDEPLOY THE WORKFORCE FOR FUTURE CAPABILITIES AND CAREERS. You need an effective reskilling and redeployment strategy. Today, most people think finding a job outside their current employer is easier than finding one inside. As the nature of work and jobs shifts, aim to create large, diverse opportunities for *internal* mobility — something you can control. A Deloitte survey shows that 84% of organizations are investing in reskilling and retraining.

ZOOM OUT TO ZOOM IN. You will need to articulate a clear set of goals regarding your organization's future work, workforce, and workplace. To do that, think across multiple time horizons: zoom out to a 10-year vision of the future to understand what you should be doing in the next 6-12 months and where you want to be 5 years from now, moving toward those goals.

EVOLVE TO ADAPTABLE ECOSYSTEMS AND TEAMS. The days of functional organizational hierarchies are ending. The most agile, adaptable businesses will evolve to empowered, flexible teams and networks of teams working within a dynamic ecosystem in partnership with other market players. Only 7% of leaders surveyed felt ready to make this shift effectively.

BUILD LEADERSHIP AND MANAGEMENT TEAMS FOR THE FUTURE. In line with the point above, it's about taking people along on the journey to the future of work. Think about how the leaders, managers, and teams you are developing will be able to adapt to and capitalize on fast-coming trends. Work toward creating and supporting a "symphonic C-suite" of high-performing individuals and teams. Only 30% of organizations surveyed feel they are developing leaders of the future effectively.

An informal pre-event survey of CEO Perspectives Fellows revealed responses in line with the ideas above: The top two priorities for digital technologies are to improve customer service and drive product development; cost-reduction in this context is important but just part of the picture; leaders plan to invest significantly in job/work redesign but recognize it's a large-scale undertaking.

Panel Discussion: A Cross-Sector View

Panelists, representing expertise across the talent, consulting, and technology entrepreneurship sectors, offered diverse perspectives on the future of work and how they are leading their organizations to address related trends.

As the previous content suggests, the nature of work is undergoing real, accelerating, structural changes. Whether related to harnessing smart technology, identifying and supporting human talent, or promoting a future-oriented culture, leaders must develop a workforce strategy aligned with both the changing nature of work and their overall business strategy. The future of their organization depends on understanding this new, high-stakes reality.



GLOBAL CHANGE FOR GLOBAL TALENT.

Labor market trends are changing worldwide, with key implications for how organizations find talent. Most developed-market populations are stagnant or shrinking, for example. Technology enables firms to engage in borderless talent searches, but job-seekers, especially in-demand ones, behave more like consumers now. ManPower Group sees these trends daily, as it interacts with millions of people seeking work.

CONSUMING TALENT VERSUS BUILDING IT.

Most firms have become consumers of labor versus nurturers of talent, as part of a growing “supply chain” mentality toward labor. Organizations can react instantly to demand shifts and have benefited from limited wage inflation due to their ability to go beyond local labor pools.

SEEK UNPRECEDENTED AGILITY.

Big “turns” — related to the economy, talent, technology, and other work trends — are coming. But we don’t know exactly when. The imperative, then, is to prepare your organization to take the turn when it comes, by creating the most agile approaches possible, as part of an “always be ready” mentality.

HUMAN PREFERENCE TRUMPS TECHNOLOGY.

Technology has seemingly unbounded capability. But what it does for us is bounded by what we *want* it to do for us. Planes can fly themselves, and human error causes most failures, but we still want multiple pilots on board. Similar limits will apply to technologies such as self-driving cars and trucks in the near term.

Panel Discussion: A Cross-Sector View

THINK “SMALL.”

As in small, early-stage companies. Many startups, like those housed in 1871, take an exemplary approach to workforce challenges, whether pivoting to new labor models, adding capacity as needed, or tapping into creative talent at low cost (such as using MBA student teams). Organizations like 1871 are building bridges between smaller and larger firms — to help each learn and gain from the other — and supporting entrepreneurial efforts by established businesses concerned their culture may stifle innovation. P&G, for example, placed a team in 1871 to develop Tide Spin (now Tide Cleaners), an on-demand laundry service. But large-firm leaders can't treat these interactions like an “entrepreneurial petting zoo” — instead, seek real value from such experiences.

CREATE A STORY-DRIVEN IDEAS MARKETPLACE.

The most innovative firms create an “ideas marketplace” across levels, and act on multiple ideas simultaneously. They spread stories firm-wide to highlight their values and approach to innovation, including an emphasis on experimentation (versus “pilots”) and celebration of the right kind of failures. Big firms need to get more comfortable with this approach.

THE 5 B'S: BUILD, BUY, BORROW, BRIDGE, BOT.

Building and buying have been the standard approaches to acquiring talent. Borrowing — such as retaining entrepreneurs short-term to infuse innovation — is a new, high-potential talent strategy. Bridging means reskilling or upskilling your workforce, with a focus on adjacencies: if someone is performing a specific job today, what related work could they be doing now or in the future. Bot, of course, is robots, or strategic use of robotic process automation (RPA). Make the 5 B's part of an overall approach that encourages continuous learning for your organization and workforce.



Panel Discussion: A Cross-Sector View

THE FUTURE OF HIGHER EDUCATION.

Education, like work, is changing. Undergraduates like those at University of Chicago are eager to drive change — now. We need to develop them into “intellectual Swiss Army knives.” Top MBA programs retain strong signaling value for candidate quality, but must be more market-focused (understanding what employers want) and emphasize teaching uniquely “human” skills (like communication), while preparing students for more fluid careers. The Lambda School offers a technology-focused curriculum students don’t pay for until they secure a paying job. Large companies like Aon are partnering with community colleges to promote skills-focused education and internships.



HAVES AND HAVE-NOTS.

There’s a very real, accelerating bifurcation into haves (those with new-world talents) and have-nots. Up to 25% of any given country’s population will likely suffer in the intermediate term if things don’t change. To avoid a permanent “underclass,” we need to focus on education reform and reskilling/upskilling, as discussed earlier. Not everyone can become a programmer; nor should they. Education targeted to specific outcomes — such as ManPower’s three-month course to help veterans become well-paid manufacturing technicians — is just one example of the solutions we need.

LEADERSHIP 4.0.

We’re in the fourth Industrial Revolution now, which requires next-generation leadership. It’s about gaining digital fluency and organizational agility, to pivot or morph as needed. It’s about creating a more adaptable global workforce and never underestimating your people’s ability to learn and grow. It’s about promoting diversity of thought and representation on your leadership team and using that to create a culture of innovation and ownership firm-wide.

Thank You to Our Event Speakers



In order (L-R): Ken Porrello (CEO Perspectives), Cheryl Francis (Corporate Leadership Center), Deb DeHaas (Deloitte), Jonas Prising (ManpowerGroup), Betsy Ziegler (1871), Daniel Diermeier (University of Chicago), Jeff Schwartz (Deloitte)



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