

The People-Powered Enterprise

How International Companies Manage New Work

You've probably heard someone at some time in a leadership position say, "Our employees are our greatest assets". What does it actually mean when they refer to people as "assets"? In this fast-paced world, especially over the past few years, even the term "employee" has changed. The emergence of new technological changes in organizations such as Quantum and Metaverse, together with the increasing power of the employee, are disrupting the way we work.

ABOUT THE AUTHOR



Mary Petersen
Career and Education Consultant,
Executive Coach,
International Communications Trainer,
Author, Speaker,
Mentor - Executive Link, Munich
info@executive-link.de

It's a time when everyone is rethinking everything," says LinkedIn CEO Ryan Roslansky. "Business leaders are rethinking their entire working models, cultures, and company values. Employees are rethinking not just how they work, but why." Workers are changing jobs, hoping for something more – more purpose, more flexibility, and more empathy, according to LinkedIn Global Talent Trends 2022.

The Great Resignation

The global coronavirus pandemic, the war in the Ukraine, and everything surrounding these dilemmas, has inspired a reassessment of lives, priorities, and goals where employees place greater focus on health and work-life balance. The pandemic spurred employees to not only prioritize their well-being but to seek more

possibilities of where and when they work. This insistence on a new relationship with work is a fundamental trigger for what LinkedIn calls the Great Reshuffle, better known as the Great Resignation. "What employees value and how they want to work is changing and companies that can evolve to meet and exceed their expectations will not only attract and retain the best talent, but build forward-thinking and future-proof organizations. If you want to attract and retain the best talent, your organization needs to be in tune with employees of the future. That often requires changing how work gets done, eliminating outdated practices, and continually adjusting employee experience to match changing trends and demands" says Jacob Morgan – a futurist and one of the world's leading authorities on leadership, the future of work, and employee experience.



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The human resources sector is also experiencing a severe disruption. The persistent pandemic, the war and skyrocketing inflation, and the Great Resignation are just some of the issues HR professionals have had to deal with in recent years. Unfortunately, these disruptions are set to continue amid pandemic-fueled changes in workplace expectations, increased remote work opportunities, new generational mindsets, a competitive job market, and a struggling global economy where employee turnover has risen dramatically over the past few years. Joblist – US Job Market Report (2022) found that 68 percent of all employed workers plan to quit their jobs within the next 12 months. Because of these current unprecedented shakeups, human resources need to improve their understanding of how current challenges are impacting operations and work towards developing more adaptable workforce models (Owino 2022). The practice of human capital management (HCM) has become increasingly prevalent as people recognize that an organization's workforce is its greatest asset. As a result, HCM has become the driving force behind many new business practices as ever more smart leaders are becoming increasingly aware of the importance of HCM as a competitive advantage.

Changing Career Landscape

In her book “Promotions Are so Yesterday” (2022), Julie Winkle Giulioni identifies that positions historically were the currency of growth and advancement, but this approach is no longer valid since the thinning in levels of middle management of the typical hierarchical pyramid limits

opportunities to move up. As people are living longer, working longer, and occupying positions on the organizational chart for longer, in most organizations there are not enough new positions to accommodate everyone who might want the traditional growth. It is no wonder so many employees today believe that career development is not happening. When climbing the career ladder is seen as the only way for career development, it leads to competition, confusion, and frustration among employees and frequently fuels unwanted turnover. Gone is the time of fresh college graduates being accepted into positions at the bottom of the corporate ladder and working their way up to eventually reach a position they will be happy in. Employees are starting to shape their own career paths by building their own ladder, trying different jobs, and even changing careers entirely. The importance for people to build a strong brand for themselves to have greater influence in shaping their career paths has never been so strong.

Gig Economy

The global pandemic forced organizations to challenge their conventional ideas around work and most companies could indeed facilitate some kind of remote or flexible work previously thought impossible. At the same time, employees have realized the potential for different types of careers and work environments desiring options and choices with their work schedules instead of the nine to five in the corporate office. In a post-pandemic world, many job seekers are also looking towards the gig economy as an alternative to full-time positions.

Although the gig economy is not a new phenomenon, because of the recent technological boom, it is increasingly accessible to larger numbers of people worldwide—even creating new opportunities for employers to attract and cooperate with top talent on crucial projects that call for highly specialized skill sets.

The gig economy encompasses all sorts of contingent work arrangements such as freelancers, consultants, independent contractors and professionals, and temp workers. Gig economy statistics show a free-market system where organizations and independent workers engage in short-term work arrangements, and it is estimated that 36 percent of US workers are already involved in the gig economy and 33 percent of companies extensively use gig workers. The top three priorities across all types of voluntary gig economy workers are: spending time on more meaningful and interesting tasks, being self-employed, and fitting full-time work more flexibly around private needs. They also reported higher happiness and satisfaction levels with their work than those in traditional full-time employment in spite of the likelihood of sometimes working much more than 45 hours a week, and the risk of lower pay. Undeniably, the spreading of the gig economy is a worldwide phenomenon, and the number of participants is significant in almost any country in the world (Duszyński 2022).

Evolving Employee Values

The present decade is the beginning of an era of human-focused company culture. Workers are now re-evaluating what matters



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most to them in the wake of the Covid-19 pandemic, prompting employers to focus on the well-being and personal satisfaction of their employees. Given that organizations are finding it increasingly difficult to find and keep good employees, they are adjusting their policies to ensure that employees feel cared about as human beings, not just as workers, investing in wellness programs, boosting their diversity and inclusion efforts, and making flexible work arrangements permanent. According to a LinkedIn survey, flexibility is a bestseller for Generation Z with 77 percent of them making it a top priority compared to Millennials 30 percent and Baby Boomers -31 percent. Employers and employees are building a new, more dynamic relationship based on trust and empathy (LinkedIn 2022).

Adopting a 4-day week is a business improvement strategy centered on working smarter rather than longer, and investing in the wellbeing of the most important asset to any business – its people. Based on a 100-80-100 model – 100 percent of the pay, 80 percent of the time, but critically in exchange for 100 percent of the productivity, statistics have found that 78 percent of employees with 4-day weeks are happier and less stressed. As the push for 4-day work-week is gaining support globally, the radical changes to office life have made the idea seem more viable to businesses around the world. Japan’s 2019 4-day week trial yielded a 39 percent increase in productivity. In recent years, many other countries, including Spain, Iceland, Scotland, Ireland, New Zealand, UAE, and Belgium, have also adopted a 4-day work-week and have recorded a noticeable increase in productivity (Tiwari 2022).

Employee Experience

“Companies with better employee experiences have more engaged and productive workers, higher profits, and the ability to attract and retain talent. In today’s competitive talent landscape, companies can’t afford not to invest in employee experience” (Morgan 2014). Organizations are always looking for new and innovative ways to end attrition and attract stellar employees. One key factor to building a sustainable workforce is to deliver exceptional employee experience from even before the person starts a role.

“When we speak about employee experience, we’re talking about the organization’s responsibility to establish and maintain the conditions so that great work is possible in the first place,” says David Bator, managing director at AWI. “This will look different for every organization, team, and individual.” Acknowledging employees for their hard work and commitment is another effective method for creating a memorable and personal employee experience. “Recognition is one of the most powerful tools to drive an experience of belonging. Frequent, meaningful recognition has a positive impact on every single pillar of belonging,” Bator says. And what gets recognized, gets repeated, so leaders are missing out on a real opportunity if they’re not leveraging recognition to drive the values, actions, and way of doing business they’re striving for (Johnson 2022).

Employee experience is the long-term redesign of the organization and about knowing what really matters to your employees.

It can be defined as “the intersection of employee expectations, needs, and wants”. Morgan points out that experience is subjective because human beings have emotions, different perceptions, attitudes, and behaviors so every organization in the world has employees who have their own experiences. It is in both the employee’s and the organization’s best interest if employee experience is seen as something created and affected by both the employer and employee and leading organizations have invested considerable time and resources into making sure they are implemented properly. One crucial point to remember is that employee experience can’t be created unless the organization knows its employees, which means leveraging people analytics and having a team of leaders who have the capacity and the desire to connect with people on a truly individual and human level (Morgan 2014).

Skilling up the Workforce

Although the traditional pre-pandemic office is dying the buildings themselves are going through an office design renaissance and are re-emerging as employee experience centers. Organizations such as Amazon, Cisco, Samsung, Whirlpool, General Electric, Schneider Electric, Deloitte, Microsoft, LinkedIn, and many others are investing enormous sums of money into creating these employee experience centers, and for a very good reason. As the world of work continues to evolve and change, so do the environments in which the work actually gets done. It is in the interest of organizations to improve levels of employee engagement and Morgan recommends focusing on the

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technological, physical, and cultural environments around the employee. “Organizations that nail employee experience in all three areas are known as experiential. These organizations have a well-rounded experience that embodies culture, technology, and physical space. The three environments work together to create a place where employees are empowered, welcomed, and supported. In experiential organizations, employees are there because they want to be, not just because they need to be” (Morgan 2014).

The ongoing disruptions have forced organizations to rapidly adapt their operations to meet the changing needs of their customers. However, many employers are finding that their current workforce lacks the skills needed to meet these new demands. A McKinsey study reveals that a staggering 87 percent of companies are experiencing or will experience a skills gap within the next few years. McKinsey highlights technological advancements as the primary reason for the rampant skill shortage. Technology has changed day-to-day operations and requirements, and the upskilling programs in many organizations are yet to catch up. Now more than ever, HR professionals need to continuously assess their organizations’ skill requirements and take proactive action. For employers it means monitoring which skills – rather than job roles – they need to keep developing in order to stay competitive.

Career Development

Employees are less inclined toward leaving when they know their employer is investing

in helping them grow professionally within the company. Explaining to employees how they can have a long future with the company and how their career path will unfold motivates many of them to make a long-term commitment. Unfortunately, in many organizations career development is simply not working well because it still operates as it has for decades, says Giullioni (2022). She points out that businesses have evolved in nearly every other dimension of organizational life but meaningful advances to career development have lagged, retaining outdated expectations causing frustration, disengagement, and dissatisfaction among employees. In fact, career development, growth, and learning are among the top reasons employees accept, remain in, or leave a role, states Giullioni. A Hay Group research shows that “room to grow” is one of the five keys to employee commitment and retention and a LinkedIn study of more than 6,600 working professionals found that 94 percent of employees would stay longer at an organization if they believed an investment was being made in their development. Retaining top talent is an increasingly critical priority, but it is just a drop in the ocean of the vast benefits that effective career development can deliver. It raises engagement, unlocks discretionary efforts, inspires greater job satisfaction, and improves performance according to Giullioni (2022).

Although employees perceive career development as a core job expectation of their bosses it is, however, one that many managers are not able to meet. Too many managers are fundamentally confused about how to best help others grow, yet how can people grow when promotions and moves

are so limited? How can the organization balance the needs that employees have to grow with the need their business has to perform? How can growth happen given today’s highly distributed and remote workforce? Understanding what is most interesting to each employee requires curiosity and a commitment to ongoing dialogue. Giullioni believes there are many ways that employees can grow in the company – the answer lies beyond, between, and besides the upward climb.

Career development is fundamentally one of the most intimate and important relationships a manager has with her / his employees. It has the power to instill deep trust and loyalty along with high levels of personal and professional satisfaction in the workplace says Giullioni. The quality of the growth to help others to achieve is directly proportional to the quality of the manager-employee relationship and there are countless ways to enhance this quality. Fostering a culture of psychological safety and inclusion, and building and reinforcing trust are central to building a relationship that supports meaningful development (Giullioni 2022). “The role of a manager or a leader in today’s world is not necessarily to drive work, but more to engage the workforce, to drive passion rather than work”, states Michael Griffiths, Workforce Development Practice Lead at Deloitte.

In his book “The Future of Work” (2014), Jacob Morgan developed a concept called “The Evolution of the Employee” (Fig. 1) that shows how the mentality of the workforce is changing. The Covid pandemic accelerated this evolution making it a pres-

AI isn't just the future – it's the present. Now that the metaverse has arrived, the AI revolution is gathering even more pace, opening up a new world of opportunities.

ent-day reality. As the line between work and private life becomes more diffused, future employees prefer more flexibility in their worktime and place yearning for more autonomy and flatter hierarchies. This allows them to contribute their own ideas, collaborate with more stakeholders within the organization, create and collaborate in projects to boost the productivity of the organization, learning new skills as needed using technical devices they are familiar with in their private lives to communicate quickly and promptly in order to get the job done. For the future employee, leadership isn't about a person's job title – it's about their ideas, visions, and mindset which means that every employee can become a leader on their own terms. With so much information at their fingertips, the focus on knowledge is being replaced with the focus on adaptive learning making continual learning and staying adaptable vital. Employees who know how to learn and how to apply that learning, and continually evolve and adapt to new information, will be the people who succeed (Morgan 2014).

Communication and the Metaverse

AI isn't just the future – it's the present. Now that the metaverse has arrived, the AI revolution is gathering even more pace, opening up a new world of opportunities. The metaverse was first seen as the future of entertainment, fashion, gaming, and even partying, but it is predicted that a large proportion of people will be in the metaverse in some way by 2030. Many social media and tech companies such as Meta Platforms (formerly Facebook) and

The Evolution of the Employee

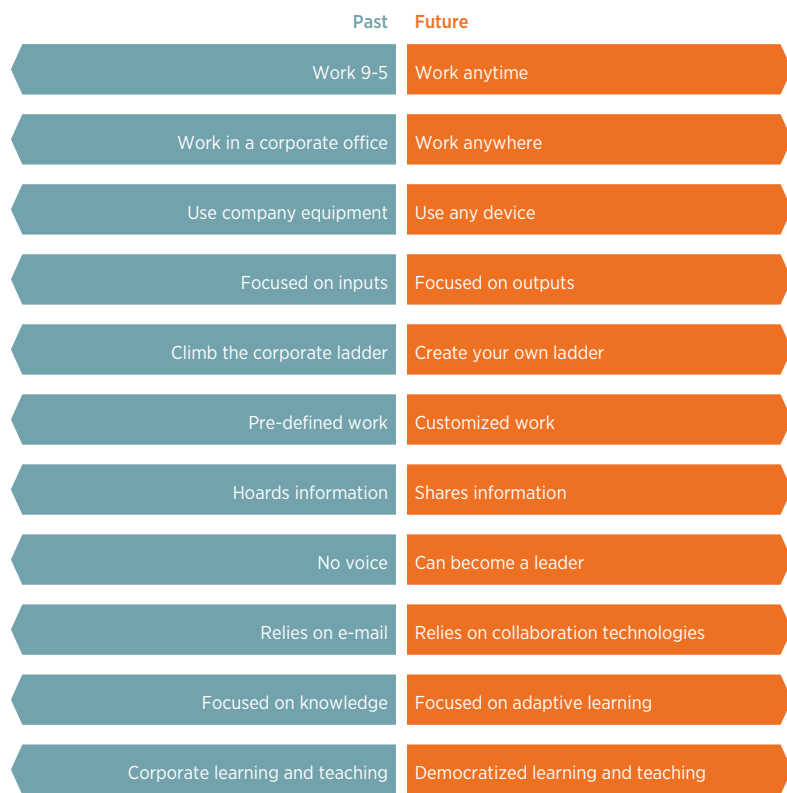


Fig. 1 | Source: Morgan 2014

Microsoft are investing heavily in Social VR to create platforms where people can connect socially or work remotely. The metaverse is an opportunity for many companies to offer more effective or efficient ways to do things such as train workers, provide services, advertise, and connect with colleagues or friends. Tech companies that are focused on metaverse development are using this comfort as a stepping-stone

to the next version of “virtual meetings”. In his blog, Bill Gates wrote: “Within the next two or three years, I predict most virtual meetings will move from 2D camera image grids (...) to the metaverse, a 3D space with digital avatars. The idea is that you will eventually use your avatar to meet with people in a virtual space that replicates the feeling of being in an actual room with them.”

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Workers in the Center



Fig. 2 | Source: Deloitte 2020

leap into a pre-existing career path, or dive into the world of entrepreneurship. Why this sudden change?

In a Microsoft survey almost one in five respondents say their employer doesn't care about their work-life balance, over half feel overworked, and 39 percent feel exhausted. Most HR leaders have already seen the ripple effects of the global pandemic on managing the workforce. Employees at all stages of their careers are taking a long, hard look at every aspect of their lives, starting with their jobs. The mindset and priorities have shifted, causing millions of employees to leave companies and roles they aren't happy with and looking for more meaningful and purpose-driven careers. This new reality might necessitate a variety of adaptations such as increasing pay, relaxing certain job qualifications, improving schedule flexibility, rethinking strategy and tactics, enhancing career training or other perks, strengthening referral systems, and streamlining candidate experiences. It indicates that employers should regularly conduct sectoral benchmarking and salary plan reviews to be competitive in this fragile environment.

Hiring Trends for the Future

The ever-present challenges of recruitment, retention, and productivity loom larger than ever before. According to the U.S. Bureau of Labor Statistics, 4.3 million Americans voluntarily quit their jobs in August 2021. These staggering numbers are the reason behind the labor market phenomenon known as The Great Resig-

nation (Messir 2022) and as it continues, there is an obvious domino effect, which is creating more job openings. This abundance of job opportunities has placed job seekers comfortably in the driver's seat – a very powerful position that allows them to take a more discerning look at the opportunities previously unavailable to them. For them, there is no better time to make a long-awaited career change and take the

Perks have taken on heightened importance with benefits include mental health coverage, wellbeing programs, family caregiving support, financial planning, onsite childcare receiving new attention, while allowances for home offices and remote technology have also found new currency. But are these incentives enough to entice talent without proper recruitment tactics? To cope with these labor market trends, organizations across industries will need to rethink their

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employer value propositions or risk losing valuable talent, but it can't be a "one and done" effort. It means constantly innovating sourcing strategies that will probably require a change in philosophy, with employers always recruiting, whether a given position is open or not by analyze turnover trends and recruit ahead of the need while creating a ready source of candidates to draw from immediately when the occasion arises (Fig. 2).

Quantum Organizations

In his book "Quantum Organizations: A New Paradigm for Achieving Organizational Success and Personal Meaning", Ralph Kilmann, a professor of management at the University of Pittsburgh, has a new way of helping managers think about self-transformation in their organizations. He argues that over the past century organizations have done well using narrow specialization, but problems are now so complex and interconnected that the usual ways of coping are no longer enough. The emergence of the quantum organization comes at a time to fill the gap that the new generation of workers are still missing. A quantum organization will be agile, responsive, and adaptive because it has no boundaries, being a nonhierarchical system in which every element of the system is defined through its relationship to all other elements. Therefore, it will have infrastructures and a culture that encourage and build relationships between leaders and employees, employees and their colleagues, divisions and functional groups, and the organization and its larger ecosystem – customers, the community, society as a whole, and the natural environment. It is constantly able to adapt to the complexity and rapid change that challenge all organizations today: technological, social, and geopolitical, changing customer and employee needs and expectations (Zohar 2021).

"A particular kind of organization will thrive in this era – it's called the people-powered enterprise. Every organization relies on people to produce business results, but what makes people-powered organizations different is that they view their people as equal partners in value creation, leveraging their people data to understand the explicit connection between people and the goals and objectives of the business." (Visier 2022) During the current Great Reshuffle, employees are saying, "We can do better" – companies can too (LinkedIn 2022). ●

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