Summary of the Future of HR Project Summit
What We Said on May 21, 2015
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Purpose of this Document

This document summarizes the Phase Two results shared at the May 21, 2015 Future of HR Project Summit at Electronic Arts.

Background on Project FHR

Phase One: Defining The Challenge

In June 2014, a gathering of CHROs culminated the first phase of the Future of HR Project (FHR), to create a collective effort among HR leaders to advance their profession. In the year leading up to the meeting, twenty CHROs joined the Advisory Group and were interviewed about current and future expectations for HR, the profession's ability to meet these expectations, and any gaps that exist and need to be addressed. The endeavor was funded by the Society for Human Resource Management (SHRM) and the National Academy of Human Resources (NAHR). The summit identified pivotal challenges for accelerating the profession's progress. The group agreed that there is much to be admired about the HR profession, and its progress to date. However, rapid future change will require much more, and there is a very real danger that the profession will not be ready to meet these new demands. The CHROs were enthusiastic about collectively creating tangible, action-oriented projects, and using their voices and influence to carry the message forward. They identified four pivotal arenas where accelerated progress would make the biggest impact on HR's future readiness. They suggested that teams be created to advance each arena, as follows:

Team #1: Align HR with Value Creation for Organizations that Win: Articulate the HR charter/ contribution model that describes the essential contributions companies will need from our field to successfully compete in the future.

Team #2: Shape Expectations of HRs Key Constituents: Define what is needed to move beyond today's constituent expectations of HR, then improve those expectations with evidence that this role leads to improved value creation.

Team #3: Rewire The Work and Tools of HR: Define the processes, practices, systems, and operating models that drive HR's deliverables and outcomes.

Team #4: Enhance the HR Talent Pipeline: Crystallize a new set of professional requirements that is based on current research that explores the needs and gaps in the HR profession.

Phase Two: Describing the Future Vision and What it Will Take to Get There

Phase Two occurred between June 2014 and May 2015 with support from SHRM, NAHR, and PricewaterhouseCoopers (PwC). During Phase Two, volunteer HR leaders formed four teams – one for each arena identified in Phase One. Each team leader engaged an extended group of additional HR leaders. The teams agreed to develop a common, tangible and evidence-based vision of the future that will face organizations and the global workplace in 2025. A ten-year focus was chosen on the advice of experienced futurists, to be proximal enough to allow specific implications, yet distant enough to require thinking beyond simple extensions of the present. Then, based on that future vision, each team

developed specific implications for HR, and a roadmap to get there. The teams developed and verified their findings through interviews and focus groups, involving an extended group of thought leaders and executives both inside and outside the HR profession. Teams #1, #2 and #4 above were actively addressed in Phase Two, and it was decided that Team #3 would be pursued through the work of the other teams in Phase Two, and taken up more actively in Phase Three, with the benefit of the work of Phase Two.

Executive Summary of the Summit

The first half of the Summit consisted of team presentations. Those are summarized below, and the presented materials are attached in the Appendices to this summary.

NOTE: The summary below is not a sequential report of each team presentation. Rather, the summary adopts the logic model adopted by the teams that describes how superior HR enables organizations to win sustainably: The logic model was: *"If these trends occur, then these effects on business occur, which lead to changes in necessary organizational capabilities, which leads to changes in work, workers and organizations, which reveals the future HR roles, operating models and tools."*

The Five Forces of Change

The team identified five forces that are generally predicted to emerge and create pivotal disruptive change in society, business and work. The Five Forces of Change were:

1) Exponential pattern of technological change: Disruptions through technological breakthroughs, and rapid adoption of new technology will lead businesses to respond by faster and more accurate adaptation to rapid reinvention. The workforce will drive this force through their behaviors and preferences, but it will also bring job loss and skill obsolescence. This will lead to continuous worker adaption to new models of work and organization.
2) Social and organizational reconfiguration: As the workforce exerts more control over how work is accomplished, their increased autonomy and decision making authority will make the workplace more power-balanced and less authoritative, and structured more through social networks and less through hierarchy. Work relationships will be more project-based and less exclusively employment-based, and the notion of workers will join or engage with organizations based on aligned purposes rather than filling a job. Organizations will tap more diverse avenues for sourcing and engaging talent that extend beyond traditional employment.
3) A truly connected world: Information will be more abundant, richer and more available to everyone. Work will be accomplished from anywhere, creating a truly global talent ecosystem. New media will enable increasingly seamless global and real-time communication, creating much faster ideation and product development, go-to-market strategies that are more diverse, and shorter product/strategy durations. Organizational reputation becomes a pivotal currency in customer and work markets, and can be enhanced or destroyed in real time.
4) All inclusive, more diverse talent market: Multiple generations will increasingly participate as workers, today's minority segments will become majorities, older individuals will work longer, and work will be seamlessly distributed around the globe through 24/7 operations. Organizations that win will develop new employment contracts and hone new leadership styles and worker engagement approaches to address the varied cultural preferences in policies, practices, work design, rewards and benefits.

5) <u>Human and machine collaboration:</u> Analytics, algorithms, and automation will become increasingly adept at enhancing productivity and human decisions. Big data will be used to access knowledge, gain insights, and uncover deeper connections. An increasing array of tasks and work will be automated, increasing the pace of discovery and reducing the half-life of knowledge. Organizations will evolve from considering "people versus machines" to optimally designing tasks that people and computers successfully share.

To view the Prezi presentation, please visit:
http://prezi.com/narl9mtzmyxs/?utm_campaign=share&utm_medium=copy&rc=ex0share

Building from a foundation of Five Forces of Change, the teams integrated those forces into two dimensions: Democratization of Work and Technological Empowerment. The diagram below shows how the forces distill into a 2x2 map designed to help organizations determine their current position, and the likely direction of their evolution. The teams used this information during their focus group interviews to anchor participants in the future vision and explore future capabilities needed to address that vision.
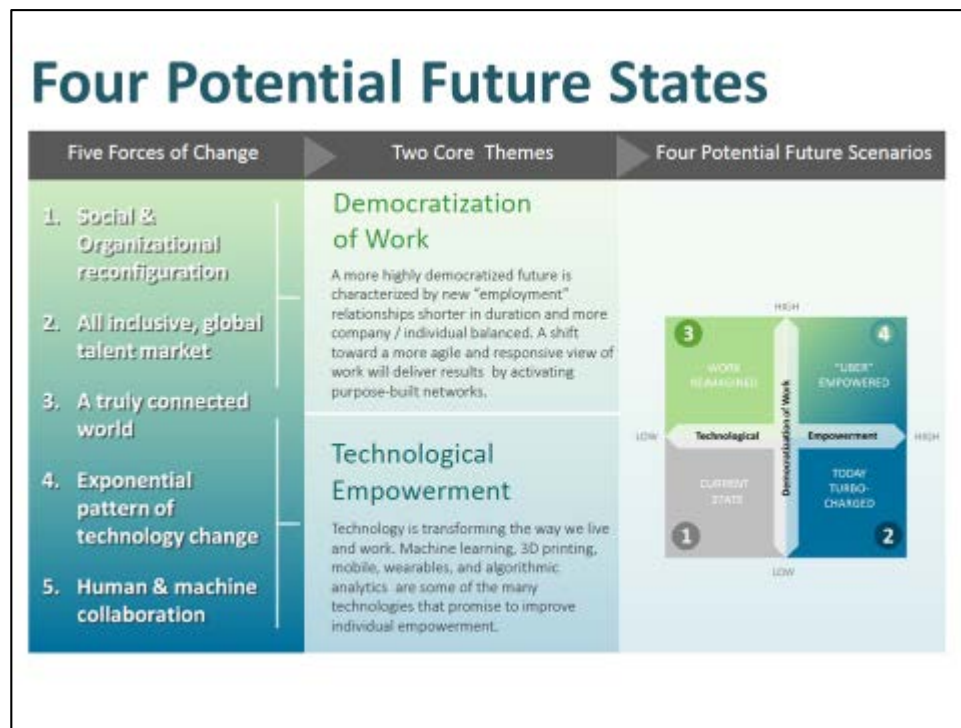
If These Forces of Change, then What Organization Capabilities?

From the Five Forces of Change, five future pivotal organizational capabilities were distilled. It became clear that these organizational capabilities might not necessarily reside in the HR function itself. We began to realize that the future profession might better be described as "the professional formerly known as HR." To illustrate the migration path from 2015 to 2025, the team provided comparisons for each capability. These future trends will affect organizations differently depending on things like size,

industry, region, etc. Using this framework, organization leaders can plot the location of their own organization, and consider the migration path necessary to build the capabilities.
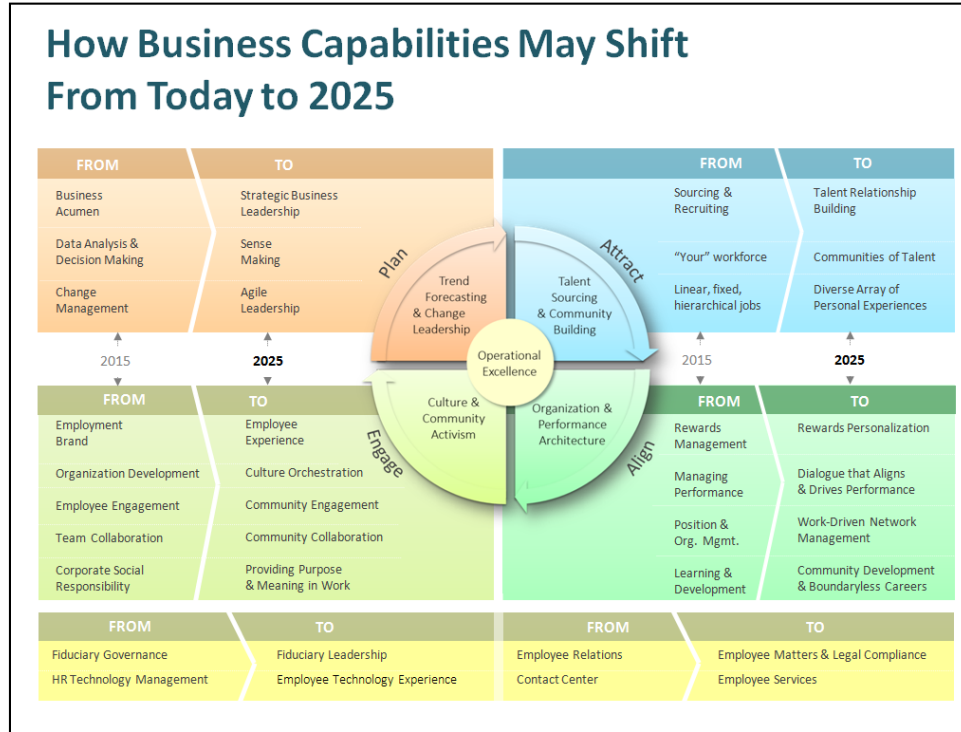
A more detailed description of each of these capabilities and success drivers can be found in the appendix in Team #4 Focus Group Pre-Read slides.

If These Organizational Capabilities, Then What New Roles Within and Beyond HR?

After tracing these connections, the team identified five roles needed to support the winning organization of the future:

1) The Organizational Engineer is an expert in these new ways of working. She is a facilitator of virtual team effectiveness, a developer of all types of leadership, and an expert at talent transitions. She is an expert at talent and task optimization. She is an expert at organization principles such as agility, networks, power and trust.
2) The Virtual Culture Architect is a culture expert, advocate and brand builder. He connects current and potential workers' purpose to the organization's mission and goals. He is adept at principles of values, norms, and beliefs, articulated through virtual and personal means.
3) The Global Talent Scout, Convener, and Coach understands new talent platforms and optimizes the relationships between workers, work and the organization, using whatever platform is best (e.g., free agent, contractor, regular employee, etc.). She is a talent contract manager, talent platform manager, and career/life coach.
4) The Data, Talent & Technology Integrator is an expert at manipulating big data, understanding and modeling trends, and knows how to code to adjust the algorithms, as well as design work to optimally combine technology, automation and human contributions.

5) The Social Policy & Community Activist is a social responsibility leader. She produces synergy between the social goals of the organization, such as economic returns, social purpose, ethics, sustainability, and worker health. She influences beyond the organization, shaping policies, regulations and laws that support the new world of work, through talented community engagement.

The diagram below summarizes the logic model and its implications for the new roles:

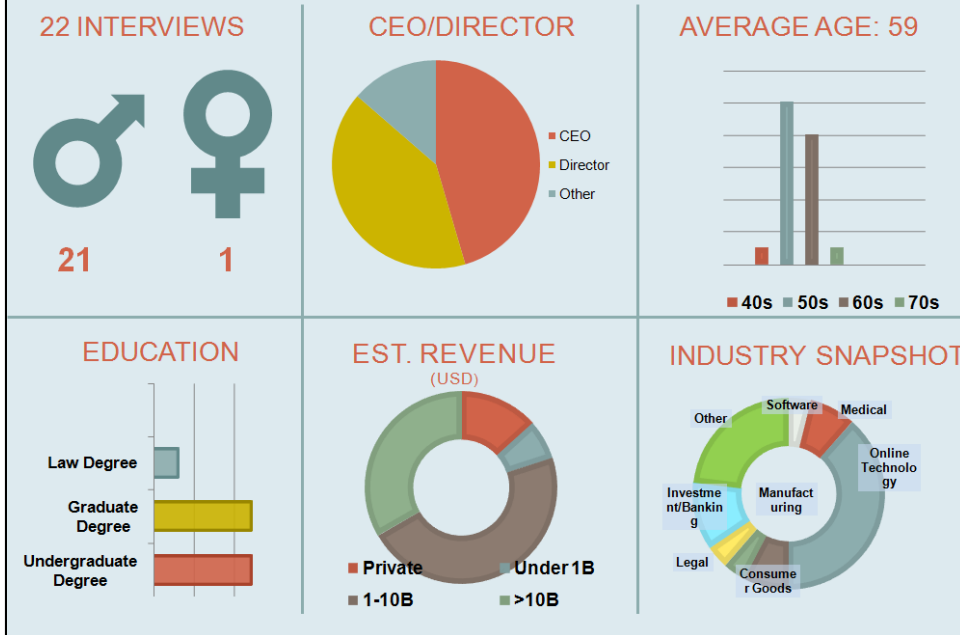
To view the Prezi presentation, please visit:
http://prezi.com/narl9mtzmyxs/?utm_campaign=share&utm_medium=copy&rc=ex0share

Shape Expectations of HRs Key Constituents

As the framework of Forces-Responses-Capabilities-Roles emerged, a team engaged a sample of HR constituents, to assess their agreement and get their input and reactions to the future vision and logic model.

This team conducted 22 interviews with CEOs, Directors and Board members to uncover their perspectives and perceptions of their experience with HR today and what is needed in the future. The average age was 59 and only one female. They represented companies of mixed revenue and industry profiles. The diagram below contains a snapshot of the interviewees.

Who did we talk to?

22 INTERVIEWS

21   1

CEO/DIRECTOR
- CEO
- Director
- Other

AVERAGE AGE: 59
- 40s 50s 60s 70s

EDUCATION
- Law Degree
- Graduate Degree
- Undergraduate Degree

EST. REVENUE (USD)
- Private
- 1-10B
- Under 1B
- >10B

INDUSTRY SNAPSHOT
- Other
- Software
- Medical
- Online Technology
- Investment/Banking
- Manufacturing
- Legal
- Consumer Goods

These interviewees were colleagues of the Future of HR project leaders, and so were associated with some of the largest companies, and with some of the best and most highly regarded HR leaders in the world. Still, their feedback was mixed and sometimes even harsh. These leaders respect and admire the HR contributions they have experienced, and some felt that HR is ready for the future. The majority believed that HR must accelerate its progress and even change its direction. The leaders largely accepted the Five Forces of Change as an accurate description of those that will affect future organizations, albeit to varying degrees.

To summarize their findings, the team produced a CHRO capabilities report card (shown below). The X's indicate areas for improvement and check-marks areas of sufficiency or excellence. There are significant opportunities to both accelerate progress and to align constituent expectations. This report card was not meant to be a definitive study, but to represent the general tenor of leader responses. Leaders see value in HR's current contribution, but also see many emerging capabilities that they would like to see the HR profession encompass.

CHRO Capabilities Report Card

(An anecdotal summary of feedback heard in interviews)

✗	**Analytics and experimentation**
✓	Strong consultative skills
✗	**Business acumen**
✓	How to partner and engage senior leaders
✓	Workforce management
✗	Risk management
✗	Execute the business strategy
✗	**Talent management for the new world organization**
✗	**Transformation/change leadership**
✗	**Organization/culture shaping and mobilization**
✗	Leadership architecting

10

The team summarized their interviews with Board members with the quotes in the following slide.

"Board view of the Role of HR

Need to significantly **expand the role and impact** of CHRO with the Board.

"The ability to maintain the balance of supporting both the Board and the CEO is a unique but important skill for the successful CHRO".

The CHRO needs to be **more involved in the Governance** activities of the Board – key things can go wrong that affect the companies reputation and viability.

Boards need Innovation & Technology Committee *"where the real work happens"*. **The integration of talent happens there.**

Board should have a *"Change Committee"* which oversees all things worthy of Board discussion.

Since most Boards are made up of people from a *"single society"*, **CHRO must play role of global citizen** to help them understand.

Not only did the Board members echo the need for HR to improve, their quotes particularly illustrated the need for capabilities that lie beyond today's HR profession. Like the CEO's, the interviewed Board

members felt that the HR profession had the potential to lead in these areas, but only if it could make the transition from its present capabilities to greater capability in new areas.

The report card and Board descriptions of HR's potential aligned well with the organizational capabilities and emerging roles described by the other teams. Taken together, they depict a much clearer and specific picture of a function very different from today's HR, and one that encompasses disciplines that today largely fall in the "white spaces" between traditional functions and HR disciplines.

Please see the appendix for Team #2's presentation including excerpts from interviewees.

Rewire The Work, Tools and Operating Models of HR
Team #3 will be led by Libby Sartain and Mara Swan and will commence during Phase Three. The goal of this team will be to identify frameworks for the HR function determining work areas and themes, operating models and tools that will be needed to drive value and enhance organizational performance in the future. Thus, the Summit did not include a presentation by Team #3.

Appendices: Materials Shared at the May 21, 2015 Summit

Team #1: Presentation to the Summit (Prezi Slides)

Team #4: Summit Pre-Reading Material (PPT Slides)

Team #4: Presentation to the Summit (PPT Slides)

Team #2: Presentation to the Summit (PPT Slides)
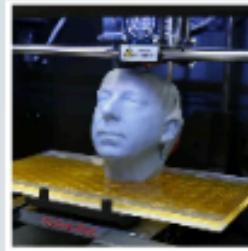
WHAT DO THOSE CHANGES MEAN TO HR?

Everyone's speculating...

"Digital technology is transforming how people work -- demanding a fundamentally different HR strategy."

accenture
High performance. Delivered.

"What is the Future of the Human Resources Function? Facilitator, Designer, Educator..."

FUTURIST

"The Human Resources Department is Doomed. There is no viable future for the HR functions and HR professionals will inevitably be replaced by..."

The New York Times

"The Future of the HR Profession: Eight Leading Consulting Firms Share their Visions for the Future of Human Resources"

SHRM
SOCIETY FOR HUMAN RESOURCE MANAGEMENT

The Future of Human Resources: Shifting to a Network-Driven Approach

USC University of Southern California

USING THE BEST RESEARCH...

Anna Davies, Devin Fidler, Marina Gorbis, 2011, Future Work Skills 2020, Institute for the Future for Apollo Research Institute- Institute for the Future

Salim Ismail, 2014, The Exponential Organization, Diversion Books, New York, NY 10016

Thomas W. Malone, 2004, The Future of Work, Harvard Business School Press, Massachusetts

Reid Hoffman, 2014, The Alliance, Harvard Business School Press, Massachusetts

Gary Hamel, 2007, The Future of Management, Harvard Business School Press, Massachusetts

Jeanne C. Meister & Karie Willyerd, 2010, The 2020 Workplace, Harper-Collins Publishers, New York, NY

Ulrich & Younger, 2012, HR From The Outside In, McGraw Hill, New York, NY

SHRM Foundation, The Economist Intelligence Unit, 2014, Evolution of Work and the Worker, The Economist Intelligence Unit, New York, NY

Benedikt & Osborne, 2013, The Future of Employment, University of Oxford, Oxford, OX1 1PT, United Kingdom,

USING OUR BEST JUDGEMENT
focused on ...

- What large scale trends mean to workforces
- What's changing, not what's staying the same
- What can cut across industry focus, company focus, company stage, geography ... even east coast vs. west coast
- Being okay with not every change being directly applicable to "you" or your company
- Choosing top five

FIVE FORCES OF CHANGE

FIVE FORCES OF CHANGE

- Exponential pattern of TECHNOLOGY CHANGE
- Social and organizational RECONFIGURATION
- Human and machine COLLABORATION
- All inclusive, very diverse TALENT MARKET
- A truly CONNECTED WORLD

Exponential pattern of TECHNOLOGY CHANGE

10^X

Effect

- Technology breakthroughs produce exponential disruptions

- Rapid adoption of robots, autonomous vehicles, commoditized sensors, artificial intelligence and global collaboration renew re-thinking of work

Business Response

- Useful artificial intelligence and flexible, distributed, transient workforces make businesses smarter and adapted to rapid cycles of reinvention

- Employees must successfully engage with automation transitions bringing legacy job loss and rapid skills obsolescence

Social and organizational RECONFIGURATION

Effect

- Increased democratization shifts workplace and communities from hierarchy to power-balanced

- Less employment-based work; more project-based work relationships

- Millennials "join" organizations increasingly based on having aligned purpose

Business Response

- Companies use diverse "employment" models to source and engage talent

- Results achieved through purpose-built networks vs. hierarchies

- Decision models spread authority and create autonomy

A truly CONNECTED WORLD

Effect

- World is connected through mobile devices and internet access; "jobs" can be done from anywhere, opening talent pool

- New media enables global and real-time communication, speeding up ideation, product development and go-to-market strategies

Business Response

- Reputation is made or broken via real-time sharing of business behavior among formal and informal stakeholder groups

- Work effectively managed through talent management systems that support a global workforce

- Purpose-built networks, high-trust culture and Big Data lead to a new level of innovation that develops and releases products in very short cycles

All inclusive, very diverse TALENT MARKET

Effect

- Workforce continues to grow membership in at least four generations and previously minority segments of the workforce will become a majority

- Extreme longevity allows mature talent to stay in workforce longer

- Work is seamlessly distributed around the globe with 24/7 operations enabled by new corporate and social policies

Business Response

- Organizations, out of necessity, will appeal to a diverse talent pool

- Work increasingly gets segmented among best talent inside and outside of the organization using new types of employment contracts

- New leadership styles and engagement approaches address cultural preferences in policies, practices, work design, pay and benefits

Human and machine COLLABORATION

Effect

- Advances in analytics, algorithms and automation continue to make improvements in productivity and decision-making

- Smarter computing increasingly automates and abolishes mundane tasks previously performed by humans

Business Response

- Companies find smarter ways to use Big Data to access knowledge and insights

- Data scientists can now visually see connections in their data

- Shortened cycle to form hypotheses increases precision and accelerates the pace of discovery

- People and computers will successfully share tasks

A Future HR Contribution Model

Our point of view of the areas our profession must make material contributions for business to stay relevant and win

IF...

THEN...

Organizational
ENGINEER

Virtual Culture
ARCHITECT

Global Talent
SCOUT, CONVENER
& COACH

Data, Talent & Technology
INTEGRATOR

Social Policy & Community
ACTIVIST

THESE
FIVE FORCES
OF CHANGE

HAVE
THESE EFFECTS
ON BUSINESS

CHANGING
THE NATURE
OF WORK

AND THE NATURE
OF WORKERS &
ORGANIZATIONS

What is the
FUTURE OF
HUMAN RESOURCES
??

Organizational
ENGINEER

- Expert in new ways of working
- Facilitator of virtual team effectiveness
- Developer of all types of leadership
- Expert at talent transitions

Virtual Culture
ARCHITECT

- Culture advocate & brand builder
- Connector of *employee* purpose to company purpose

Global Talent
SCOUT, CONVENER & COACH

- Talent scout & talent matcher
- Talent developer
- Talent platform manager
- Talent contract manager
- Life coach

Data, Talent & Technology
INTEGRATOR

- Forecaster of skills, driven by technology
- Effective adoption of productivity technology
- Talent data/analytics modeler, & decision-making

chnology
ATOR

of skills, driven
gy
option of
y technology
/analytics
decision-making

Social Policy & Community
ACTIVIST

- Corporate social responsibility leader
- Influencer for shaping or adding policies & laws supporting a new world of work
- Talent & community engager

PROJECT ONE
team members:

Marianne Jackson,
eBay
Steven Rice,
Bill & Melinda Gates
Foundation
Gautam Srivastava,
formerly Shutterfly
Mala Singh,
Minted
Kelley Steven-Waiss,
Extreme Networks

Kristin Yetto,
eBay
Tom Perrault,
Rally Health
Jing Liao,
Trinet
Laurel Smylie,
Great Place to Work
Institute
Anne Donavan,
PWC

This Presentation
created courtesy of

Prezi

Winning in the Future...

Appreciating the evolution in the way work gets done, a team of business and academic leaders have joined forces to identify how organizations will engage, organize and enable the global workforce to deliver results over the next ten years.

Based on these insights we will share our perspective on the business capabilities, and drivers for success required for empowering talent to win in the future.

As a respected leader we would value your "checking our thinking" on three key hypothesis that we will use as the basis for our recommendations.

Thank you in advance for helping us enable the workforce to win the future.

Three Hypothesis...

Please preview this document and during our discussion we would value your feedback on three hypothesis:

- Four Potential Future States
- Five Business Capabilities & their Drivers for Success
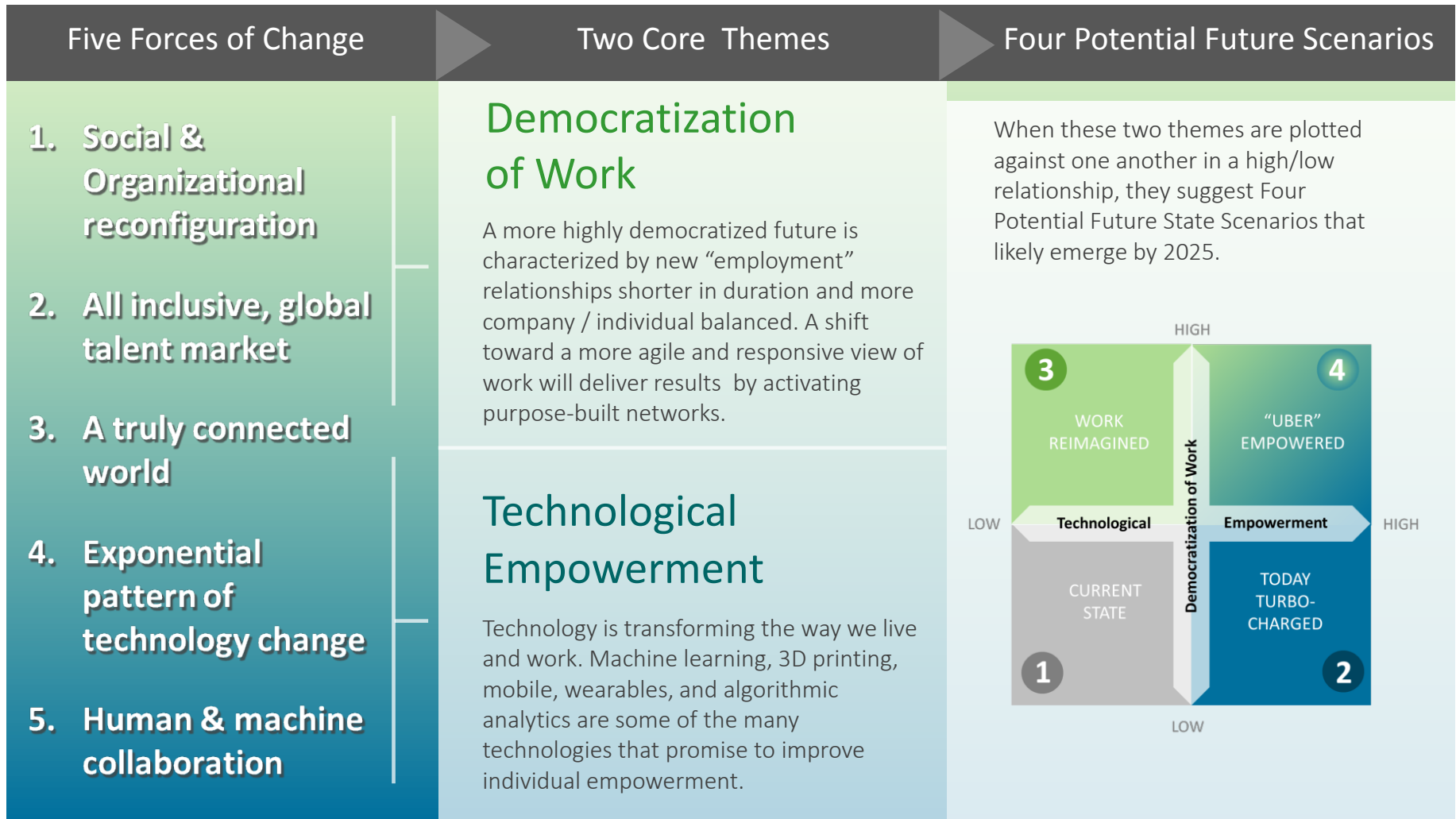- Capability Delivery Options

Five Forces of Change

Based on a review of current literature, expert discussions and practical experience in diverse companies we believe that the future of work and the workforce are being transformed by five forces.

Five Forces	Effect of Force	Business Response
Exponential pattern of technology change	Technological breakthroughs produce exponential disruptions in markets and business. The rapid adoption of robots, autonomous vehicles, commoditized sensors, artificial intelligence and global collaboration will renew the re-thinking of work.	Business will be productive with flexible, distributed & transient workforces who adapt to rapid cycles of business reinvention. Employees will need to successfully engage with automation transitions with legacy job loss & rapid skills obsolescence.
Social & Organizational reconfiguration	Increased democratization of work shifts us away from the hierarchy in favor of more power balanced organizations & communities that are less employment-based and more project-based relationships. Talent will "join" increasingly based on aligned purpose.	Sources and engages talent in diverse "employments" models in part-time, full-time, free-lanced individuals, outsourced functions that are based on a purpose-driven mission. Results are increased achieved through purpose-built networks vs. hierarchies.
A truly connected world	The world is increasing connected through mobile devices empowering "jobs" to be done from anywhere by a network of freelancers. New media enables global & real-time communications to speed up ideation, product development & go to market strategies.	Work is effectively managed through newly defined talent management systems that support a distributed & global workforce. High-trust cultures and purpose-built networks, empowered with big data, create a new level of innovation that develops & releases products in very short cycles
All inclusive, global talent market	Work is seamlessly distributed around the globe with 24/7operations enabled by new corporate and social policies. Extreme longevity allows mature talent to stay in workforce longer while woman & non-white ethnicities become talent market majorities.	Organizations increasingly segment work to the best talent in & outside the organization through diverse "employment relationships". New Leadership styles and engagement approaches addresses different cultural preferences in policies, practices, work designs, pay and benefits.
Human & machine collaboration	Advances in analytics, algorithms and automation continue to make improvements in productivity and decision making. Smarter computing increasingly automates and abolishes mundane tasks previously performed by humans	Organizations successfully migrate tasks from people to machines and/or robots by mastering big data. Organizations create & maintain external partnerships to augment capabilities that are not owned; effectively managing workforce transitions without hurting reputation.

Four Potential Future States

The **Five Forces of Change** can be captured in two central themes - - **Democratization of Work** and new level of **Technological Empowerment.** These Four Potential Future Scenarios appear below and are described on the next page.

Five Forces of Change	Two Core Themes	Four Potential Future Scenarios
1. **Social & Organizational reconfiguration** 2. **All inclusive, global talent market** 3. **A truly connected world** 4. **Exponential pattern of technology change** 5. **Human & machine collaboration**	**Democratization of Work** A more highly democratized future is characterized by new "employment" relationships shorter in duration and more company / individual balanced. A shift toward a more agile and responsive view of work will deliver results by activating purpose-built networks. **Technological Empowerment** Technology is transforming the way we live and work. Machine learning, 3D printing, mobile, wearables, and algorithmic analytics are some of the many technologies that promise to improve individual empowerment.	When these two themes are plotted against one another in a high/low relationship, they suggest Four Potential Future State Scenarios that likely emerge by 2025.

Where We Need Your Insight…

Plot your view of the future state

Considering the **Four Potential Future State Scenarios**, identify which future scenario you believe will most likely be true in the year 2025 and why.

Four Potential Future State Scenarios
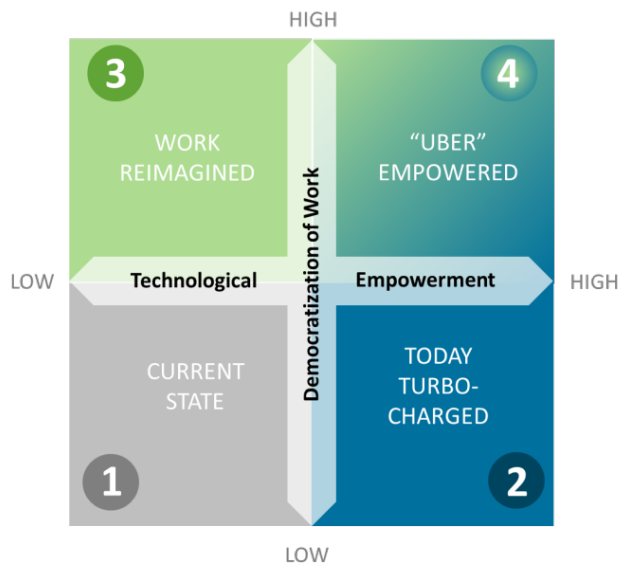
Four Potential Future State Scenarios Described….

1 Current State

Consistent with its label, this scenario suggest that the world of work in 2025 will bear a striking resemblance to today. This scenario suggests that through a general slow-down in the evolution of technology or management science or a significant set-back, the world or work remains similar to today's current state. This scenario may also be the result of a political, social, climatic or economic catastrophe.

2 Today Turbo-Charged

This scenario suggests the continued evolution and empowerment of technology empowering business, but with little advances of evolution in business or management models. This scenario is characterized by similar employment relationships but in a faster, better, cheaper business paradigm.

3 Work Reimagined

In this scenario, the future sees the evolution into new business and employment models without significant advances in technology. Current level of connected technology enable a "Corporate Arab Spring"

4 "Uber" Empowered

This more extreme scenario suggests a virtuous and accelerated cycle of technology AND work democratization fueling one another to create the rapid evolution of new business models. These business models will increasingly be characterized by the way they place into balance the needs of the company and the needs of the individual.

Five Capabilities Enabling a Winning Workforce

We believe that in all of these Future State Scenarios, organizations will need a set of core Business Capabilities that enable their workforce to win.
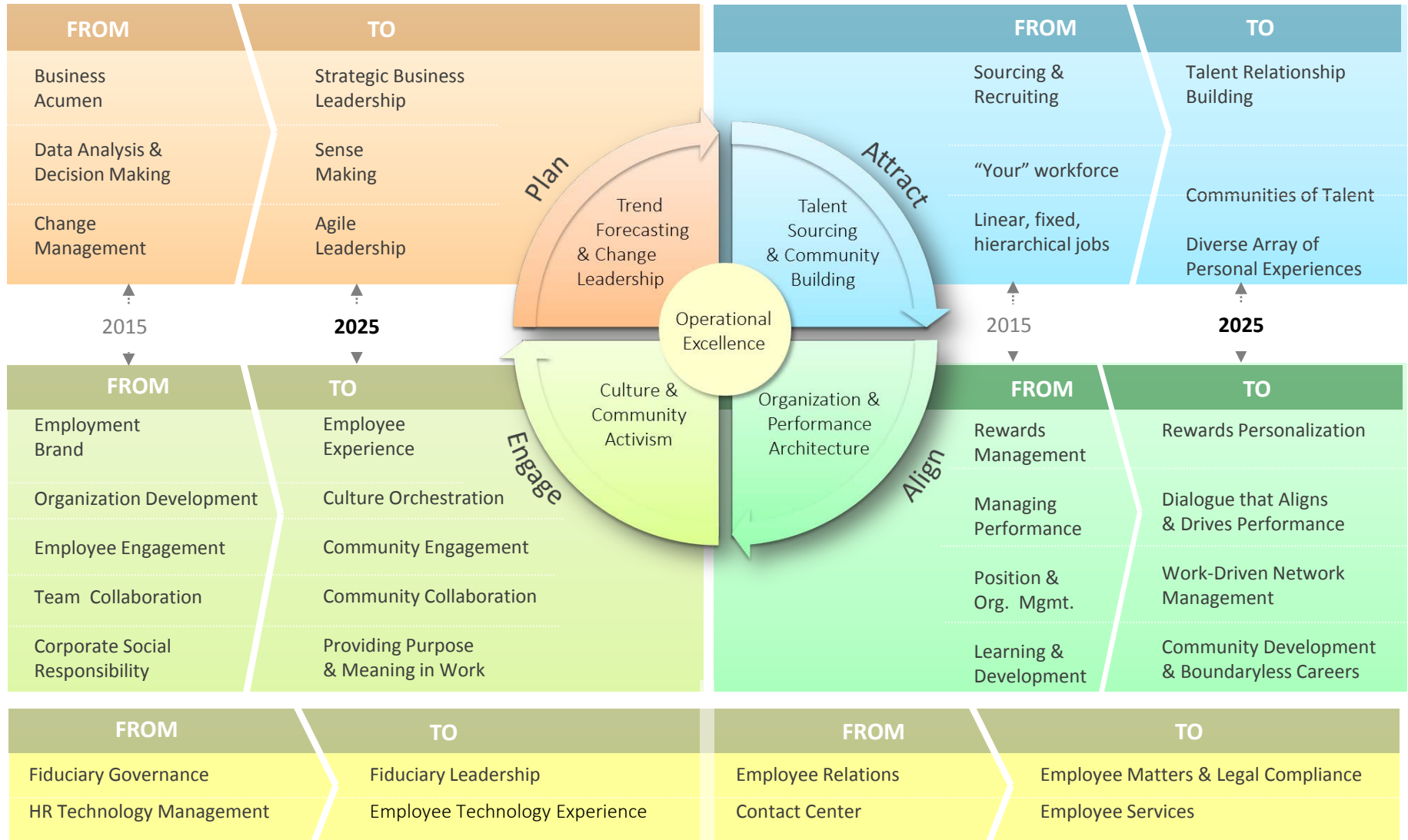
Regardless of where or how these capabilities are delivered, we believe the Five Forces of Change have profound implications for the future and require organizations to think about these capabilities in a modern way.

Consistent with today's demand to Plan, Attract, Align and Engage the workforce, this new perspective meets organization where they are today AND gives them a runway to evolve their practices to win in the future.

How Business Practices May Shift From Today to 2025

Fueled by the **Five Forces of Change**, we anticipate that the specific Drivers for Success related to each Capability will undergo a significantly transformation over the next ten years. While the degree of change will vary based on industry, geography and competitive pressure, some organizations are already facing and addressing these shifts. The following pages provide a description of what these changes may look like.

Plan

FROM	TO
Business Acumen	Strategic Business Leadership
Data Analysis & Decision Making	Sense Making
Change Management	Agile Leadership

2015 → 2025

Attract

FROM	TO
Sourcing & Recruiting	Talent Relationship Building
"Your" workforce	Communities of Talent
Linear, fixed, hierarchical jobs	Diverse Array of Personal Experiences

2015 → 2025

Engage

FROM	TO
Employment Brand	Employee Experience
Organization Development	Culture Orchestration
Employee Engagement	Community Engagement
Team Collaboration	Community Collaboration
Corporate Social Responsibility	Providing Purpose & Meaning in Work

Align

FROM	TO
Rewards Management	Rewards Personalization
Managing Performance	Dialogue that Aligns & Drives Performance
Position & Org. Mgmt.	Work-Driven Network Management
Learning & Development	Community Development & Boundaryless Careers

FROM	TO
Fiduciary Governance	Fiduciary Leadership
HR Technology Management	Employee Technology Experience

FROM	TO
Employee Relations	Employee Matters & Legal Compliance
Contact Center	Employee Services

Central diagram:
- Plan — Trend Forecasting & Change Leadership
- Attract — Talent Sourcing & Community Building
- Align — Organization & Performance Architecture
- Engage — Culture & Community Activism
- Operational Excellence (center)

Where We Need Your Insight…

Reflect & Rate the Success Drivers

Please review the following pages which describe Five Capabilities and key drivers for success we believe organizations will need to enable their workforce to win in the future.

Please reflect on these Key Drivers for Success and provide us feedback on: 1) the likelihood this change will occur in 10 years and 2) the need for the change in 10 years.

Rate the Future Likelihood and Need

Capability	Key Success Drivers	Likely in the Future	Future Need
Trend Forecasting & Change Leadership	Strategic Business Leadership		
	Sense Making		
	Agile Leadership		
Talent Sourcing & Community Building	Talent Relationship Building		
	Communities of Talent		
	Diverse Array of Personal Experiences		
Organization & Performance Architecture	Rewards Personalization		
	Dialogue that Aligns &Drives Performance		
	Work-Driven Network Management		
	Community Development & Boundaryless Careers		
Culture & Community Activism	Employee Experience		
	Culture Orchestration		
	Community Engagement		
	Community Collaboration		
	Purpose & Meaning		
Operational Excellence	Legal & Fiduciary Leadership		
	Employee Technology Experience		
	Employee Matters & Legal Compliance		
	Employee Services (Concierge)		

5 Capabilities Enabling a Winning Workforce
Trend Forecasting & Change Leadership

As our global and connected world gets fueled by rapid advances in technology and changing workplace dynamics created by a new generation that is driving the democratization of work, business needs to better anticipate the trends that will impact organizations and proactively lead the changes that are needed to help organizations thrive in the new world of work.

Today 2015	Tomorrow 2025	Future State Description
Business Acumen	Strategic Business Leadership	While in the past understand the business was enough, in the future we will need to go beyond a simple understanding to truly lead the business based on an understanding of how business shifts impact the workforce. This requires a strong business mindset and understanding of business conditions (e.g., social, technological, economic, political and environmental). This capability co-creates the organization's strategic response to business conditions and customer expectations by helping frame and make strategic and organizational choices.
Decision Making or Data Analysis	Sense Making	To make sense of an ever-changing environment, organizations will need to significantly increase its skills in data analytics. This will require organizations to not only be able to leverage big data to understand trends that will impact our organizations, but that we will also be able to engage in sound data-driven decision making based on a large volume of information to predict future outcomes.
Change Management	Agile Leadership	In order to influence and lead the changes that the future will require we must evolve from change management to change leadership. Organizations must engage in – and foster throughout organizations – true Agile Leadership. This includes: anticipating change by scanning the environment, generating confidence via clarity of vision and storytelling, initiating action via a culture of execution, liberating thinking via innovation and collaboration and evaluating results in real-time with clear metrics for success.

Talent Sourcing & Community Building

As our global and connected world gets fueled by rapid advances in technology and changing workplace dynamics created by a new generation that is driving the democratization of work and the empowerment of workers, HR will need to find ways of sourcing, engaging and CONNECTING talent in a more agile, DIVERSE (including temporary, free lance and/ or permanent employees) and effective manner.

Today 2015	Tomorrow 2025	Future State Description
Sourcing & Recruiting	Talent Relationship Building	Rather than recruiting for talent only when roles open, organizations will proactively identify and cultivate relationships with communities of talent & other companies. Technology will enable the connection of "buyer" to "seller", where all types of opportunities are promoted and all communities of talent can explore them. This will involve developing relationships over an extended period of time and getting to know potential talent through crowdsourcing opportunities, working with interim talent contracting agencies, etc.
"Your" workforce	Communities of Talent	Talent management goes beyond the hierarchy and walls of their enterprise to include an extended workforce including those outside a regular contract e.g. e-lancers, contractors & partners; those inside their walls today e.g. networks of teams that come together for assignments, across management boundaries; and relationships with other companies that support the flow of talent, rather than prevent it.
Linear, fixed, hierarchical jobs	Diverse Array of Personal Experiences	The future workforce wants to engage beyond their core work, follow their passions, share their expertize, invest in the communities around them, and not necessarily on a full-time basis. Certainly, for some companies organization hierarchies and "regular contracts" will continue to play a role, but those that provide that as the sole option or do not take the time to get to know the person beyond at set of professional experiences, prevent themselves from harnessing the diverse talents & passion on offer.

Organization & Performance Architecture

Diverse forms of "employment" and new ways of organizing / collaborating will challenge the traditional approaches to how organizations have aligned, enabled, assessed, inspired and rewarded people to deliver results. Organizations will need to design and embrace business practices that truly optimize talent and results less hierarchical, non-"employment" relationships.

Today 2015	Tomorrow 2025	Future State Description
Rewards Management	Rewards Personalization	In the consumer age of mass-customization, workforce expectations for configuring rewards and incentives to meet different interests/motivators will be the expected norm. Organizations will need adopt marketing principles of segmentation to develop highly personalized deals for individuals that are fair and equitable within a global framework.
Managing Performance	Dialogue that Aligns &Drives Performance	Integrating research and learnings from multiple disciplines, future organizations will focus on alignment, autonomy and growth; providing employees with the information they need to succeed, providing the on-going feedback that will fuel their development, development experiences that provide continuous challenge and development, and the autonomy to do their work in a manner that best suits the employee.
Position & Organization Management	Work-Driven Network Management	The increasing role of the network-based holacracy alongside the organizational hierarchy creates more empowered work teams where authority and accountability is distributed among employees. The rise of Job Tailoring & Swapping encourages the workforce to maximize their strengths in real-time with clear metrics for success. These strategies create the need for organization to translate business goals into projects and helping strategically assemble people capabilities (and their connections) with defined roles rather than job titles. Organizations will need to effectively break apart jobs into discrete tasks/projects to best utilize individual talents.
Learning & Development	Community Development & Boundaryless Careers	Organizations will no longer be strictly focused on the development of their own employees, but rather with the community they engage with; So learning and development become community development. Organizations will need to curate content and architect learning strategies for a global, mobile, time challenged, workforce that include people both inside and outside of the organization's boundaries. Learning may occur outside of the formal workplace through moonlighting assignments or tours of duty in other companies. We will need to facilitate career management in ways that respect the boundaryless nature of a career journey.

Culture & Community Activism

As we shift away from legacy, company-centric views of the world toward views that increasingly consider the ecosystem of stakeholders - customers, suppliers, current and future "employees" and shareholders organizations will more actively engage new communities and prioritize the importance of its culture communicates its brand.

Today 2015	Tomorrow 2025	Future State Description
Employment Brand	Employee Experience	Companies are moving from a focus on customer experience to a similar focus on employee experience because employees are ambassadors of the brand. The employee becomes the brand ambassador when they have a positive experience and talk about that experience on various social platforms.
Organization Development	Culture Orchestration	Culture is an increasingly important factor in attracting the best talent to work for a company (whether in a job or on a project). Developing and managing the culture, particularly as companies grow, will be vitally important to their ability to harness the best of everyone associated with the organization.
Employee Engagement	Community Engagement	Whether the focus will still be on engagement or advance to new concepts like empowerment, one thing is for sure, ensuring that employees find purpose and meaning in their work and are inspired to give their discretionary effort remains critical to all organizations.
Team Collaboration	Community Collaboration	The ability to connect people across the organization (and with external partnerships) will provide the new path to productivity for organizations. Organizations will need to build and manage the processes to facilitate these connections.
Corporate Social Responsibility	Purpose & Meaning	While CSR helped us focus on the triple-bottom line, in the future, employees want to bring their whole selves to work in a very different way. They don't want to simply build houses, or serve the less advantaged, they want their personal contributions to serve a greater good, to build deep and meaningful relationships at work, and they want to constantly experience personal growth. They want to be able to contribute their best at work, buy crafting work experiences that leverage their strengths.

5 Capabilities Enabling a Winning Workforce
Operational Excellence

While much of what organizations have had to focus on in terms of operational excellence will remain the same, the dynamics of the workplace and the influence of technology will dramatically change the landscape. Those changes will demand a fresh new look at how we leverage technology and interact with our talent. We intentionally place the following capabilities at center of the ecosystem, operating with excellence to empower and coordinate the other capabilities.

Today 2015	Tomorrow 2025	Future State Description
Fiduciary Governance	Fiduciary Leadership	Governance (Legal, Board, Fiduciary, etc.) will continue to be a critical business capability in the future. In fact, as the legal landscape is forced to evolve to address new definitions of 'employment,' this will become a greater area of focus requiring greater levels of people understanding and leadership. Similarly, the rules governing executive compensation and trends in this area (shareholder activism, say on pay) will continue to evolve and demand increasing levels of expertise.
HR Technology Management	Employee Technology Experience	Like all parts of the business, technology will evolve and play an even more central role in empowering the workforce . Organizations will use technology solutions to effectively facilitate communities, enhance collaboration, manage processes, and produce empowering predictive analytics. Employees expectations of technology will increasingly be shaped by their experience with the consumer internet and they will expect workplace technology to offer the similar personalized, proactive, "insanely easy" to use functionality.
Employee Relations	Employee Matters & Legal Compliance	Evolving employment relationships, changing global employment laws, and increased market and economic volatility will increasingly place pressure and complexity on an organizations ability to interpret the global legal landscape and manage employment on-ramp and off-ramp. Minimizing risk while enabling engagement and employment brand this will be an increasingly important, central and challenging capability to deliver.
Contact Center	Employee Services (Concierge)	Perhaps a capability that has seen more evolution in the last 2 decades than other people services is the employee support capability. For many organization the contact center will evolve again providing higher and more customized services to employees. Applying both advanced technologies and service-oriented humans, the Employee Services "Center", organizations competing for talent will differentiate their employee value proposition with more personalized, proactive and unique services.

Capability Delivery Options

We believe that there are a number of options on where and how an organization may choose to provide these business capabilities. Below are five options that organizations may choose.

Five Capabilities
Enabling a Winning Workforce

Plan — Trend Forecasting & Change Leadership

Attract — Talent Sourcing & Community Building

Operational Excellence

Engage — Culture & Community Activism

Align — Organization & Performance Architecture

Delivery Options		Description
	Centralize	The Capability is provided or orchestrated through a function that looks much like today's HR organization
	"Re-Source"	The Capability is transferred to a different organizational function such as Procurement or Marketing
	Crowd Source	The capability is delivered through members of the community including employees, candidates and customers
	Automate	The Capability is primary provided through an automated technology
	Outsource	The Capability is primary provided by an outside company with company oversight

Team

4

Winning
in the
Future

Ensure
the HR
Talent
Pipeline

Team Members

Eva Sage-Gavin

Kaye Foster-Cheek

Deborah Barber

Jo Dennis

Edie Goldberg

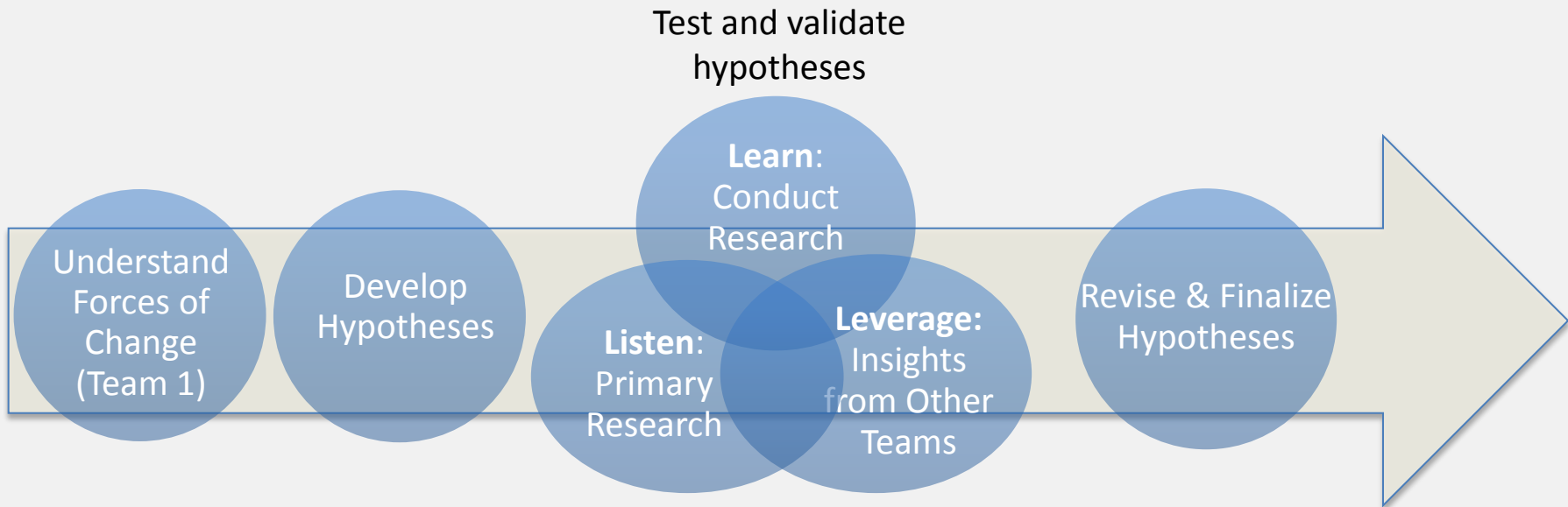**Tracy Layney**

Liz Nguyen

Greg Pryor

Eddie Sweeney

Wayne Tarken

Process & Methodology

Test and validate
hypotheses

Learn: Conduct Research

Understand Forces of Change (Team 1)

Develop Hypotheses

Listen: Primary Research

Leverage: Insights from Other Teams

Revise & Finalize Hypotheses

Conducted 50+ focus groups, interviews & online survey of HR leaders
- Diverse industries, life cycle stages & employee size
- West & East Coast
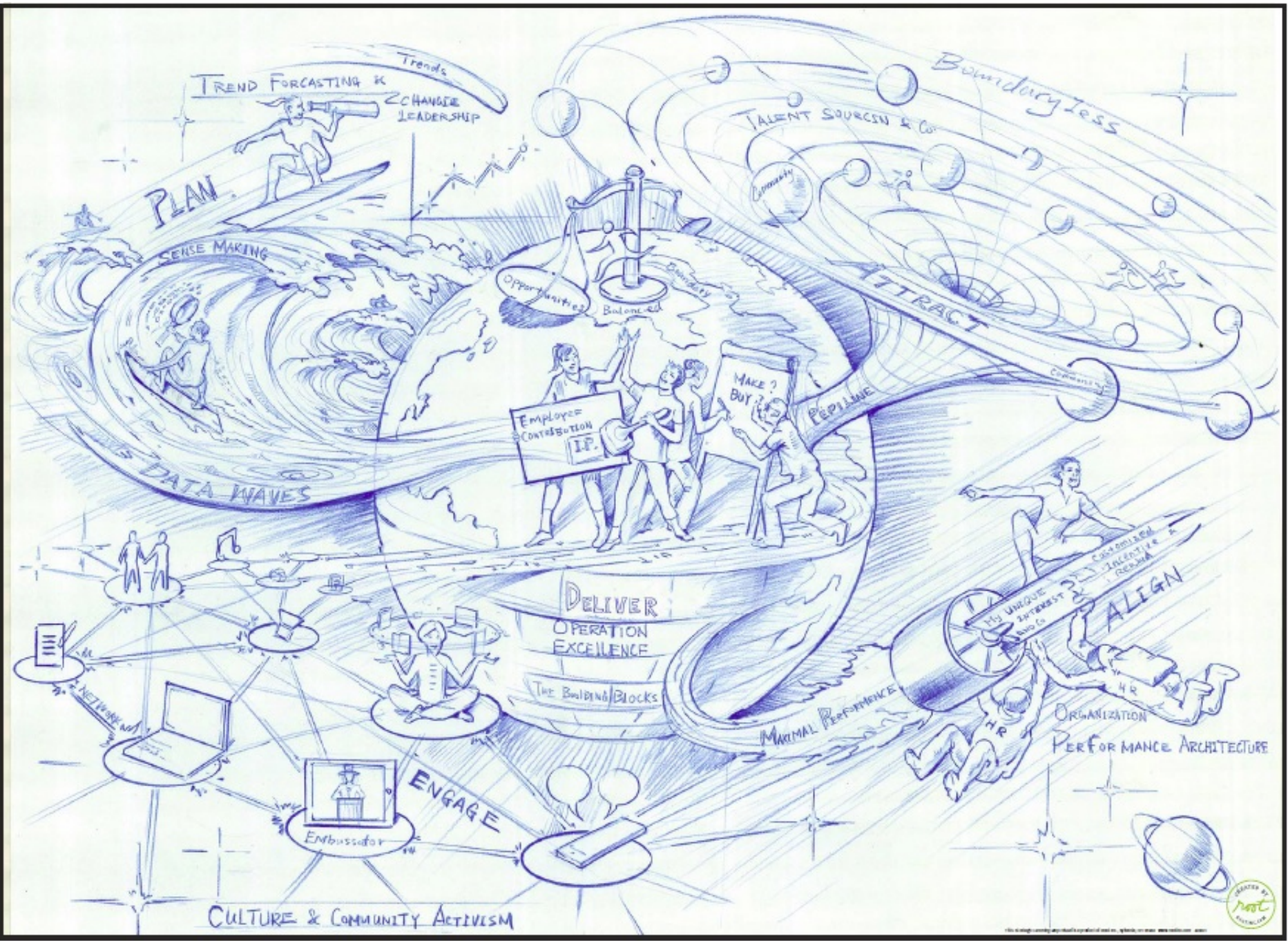- 10+ CHROs
- Academics & authors
- Search Firms

Ensure close integration with other teams to leverage their insights

*Throughout the project, we employed an **agile methodology.***

Team 4

FOCUS GROUPS

45+ Leaders from Diverse Backgrounds

- **12** CHRO
- **2** EVP
- **5** SVP
- **2** VP
- **1** Executive Director
- **3** Director

- **4** Search Firm
- **2** Professor
- **4** Author
- **1** CMO
- **1** Founder
- **1** Attorney
- **1** Consultant

Four Potential Future States

Five Forces of Change	Two Core Themes	Four Potential Future Scenarios

Five Forces of Change

1. Social & Organizational reconfiguration
2. All inclusive, global talent market
3. A truly connected world
4. Exponential pattern of technology change
5. Human & machine collaboration

Two Core Themes

Democratization of Work

A more highly democratized future is characterized by new "employment" relationships shorter in duration and more company / individual balanced. A shift toward a more agile and responsive view of work will deliver results by activating purpose-built networks.

Technological Empowerment

Technology is transforming the way we live and work. Machine learning, 3D printing, mobile, wearables, and algorithmic analytics are some of the many technologies that promise to improve individual empowerment.

Four Potential Future Scenarios

When these two themes are plotted against one another in a high/low relationship, they suggest Four Potential Future State Scenarios that likely emerge by 2025.

HIGH

3 WORK REIMAGINED

4 "UBER" EMPOWERED

Democratization of Work

LOW — Technological — Empowerment — HIGH

1 CURRENT STATE

2 TODAY TURBO-CHARGED

LOW

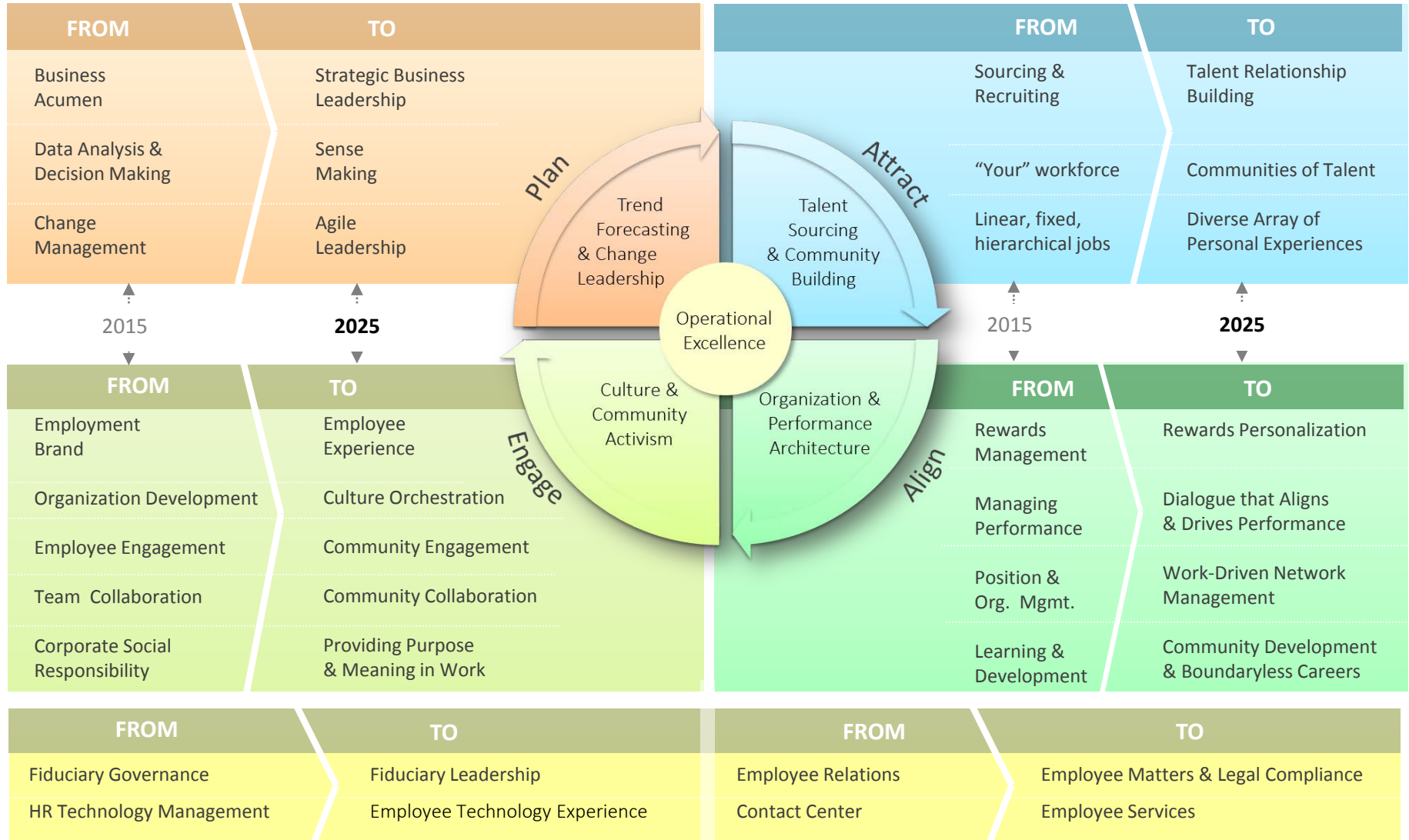# Five Capabilities Enabling a Winning Workforce

We believe that in all of these Future State Scenarios, organizations will need a set of core Business Capabilities that enable their workforce to win.

Regardless of where or how these capabilities are delivered, we believe the Five Forces of Change have profound implications for the future and require organizations to think about these capabilities in a modern way.

Consistent with today's demand to Plan, Attract, Align and Engage the workforce, this new perspective meets organization where they are today AND gives them a runway to evolve their practices to win in the future.

Plan
1 Trend Forecasting & Change Leadership

Attract
2 Talent Sourcing & Community Building

5 Operational Excellence

4 Culture & Community Activism
Engage

3 Organization & Performance Architecture
Align

How Business Practices May Shift From Today to 2025

Plan

FROM	TO
Business Acumen	Strategic Business Leadership
Data Analysis & Decision Making	Sense Making
Change Management	Agile Leadership

2015 → **2025**

Attract

FROM	TO
Sourcing & Recruiting	Talent Relationship Building
"Your" workforce	Communities of Talent
Linear, fixed, hierarchical jobs	Diverse Array of Personal Experiences

2015 → **2025**

Engage

FROM	TO
Employment Brand	Employee Experience
Organization Development	Culture Orchestration
Employee Engagement	Community Engagement
Team Collaboration	Community Collaboration
Corporate Social Responsibility	Providing Purpose & Meaning in Work

Align

FROM	TO
Rewards Management	Rewards Personalization
Managing Performance	Dialogue that Aligns & Drives Performance
Position & Org. Mgmt.	Work-Driven Network Management
Learning & Development	Community Development & Boundaryless Careers

FROM	TO
Fiduciary Governance	Fiduciary Leadership
HR Technology Management	Employee Technology Experience

FROM	TO
Employee Relations	Employee Matters & Legal Compliance
Contact Center	Employee Services

Central diagram:
- Trend Forecasting & Change Leadership (Plan)
- Talent Sourcing & Community Building (Attract)
- Organization & Performance Architecture (Align)
- Culture & Community Activism (Engage)
- Operational Excellence (center)

Capability Delivery Options

Five Capabilities
Enabling a Winning Workforce

Delivery Options		Description
	Centralize	The Capability is provided or orchestrated through a function that looks much like today's HR organization
	"Re-Source"	The Capability is transferred to a different organizational function such as Procurement or Marketing
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	Automate	The Capability is primary provided through an automated technology
	Outsource	The Capability is primary provided by an outside company with company oversight

A Few Takeaways...

- Seismic Change

- Talent & Choice Move to the Center

- A Challenging Shift & Shift the Challenge

Phase Three Plan: Future of Work (FOW)

Refine

Define what FOW transitions look like and how HR can provide value added leadership in both building understanding and developing data-based, real time case studies.

Identify the key road blocks in the way of these FOW transitions...politically, legally and culturally and deliver new strategic approaches to address.

Co-develop/Pilot

Partner with companies who are wrestling with these transitions in the workplace to pilot new ways of working.

Partner with all suppliers and developers of HR talent (search firms, academia, professional associations, etc.) to deliver new sources of talent and a reinvented pipeline via "change the eco system together" strategies.
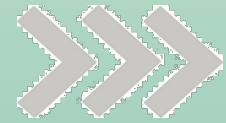
Collaborate

Create a FOW movement: Develop a virtual platform to anchor concepts and create "buzz" including website, blog, e-Books and a provocative speaker series.

Target Stakeholders in the FOW Eco-System:
- HR Thought Leader Orgs
- CHRO Professional Groups
- Business Leaders/Boards of Directors
- Academia

CHREATE: Team 2

Align Expectations of HR's Key Constituents

May 21, 2015

AGENDA

Introducing Team 2

Customer perspectives and
perceptions

What's needed? Dilemmas, and
opportunities

What next?

Introducing Team 2
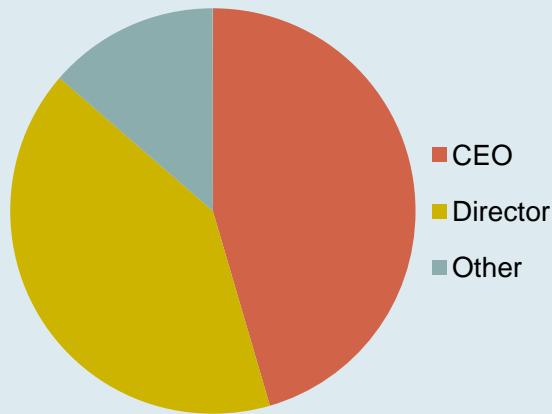
Laurie

John
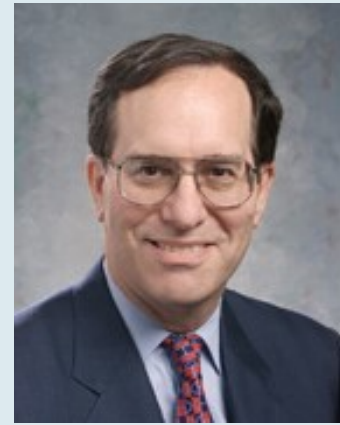
Dick

Sandy

Linda

Coretha

Libby

3
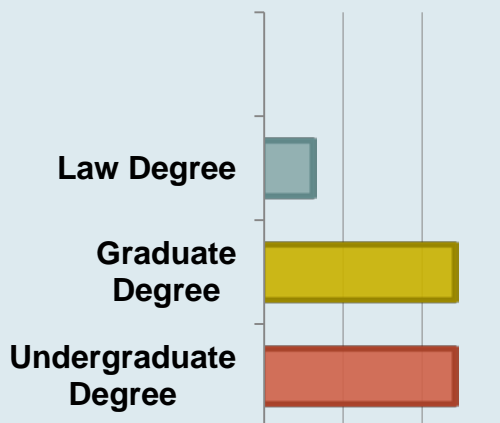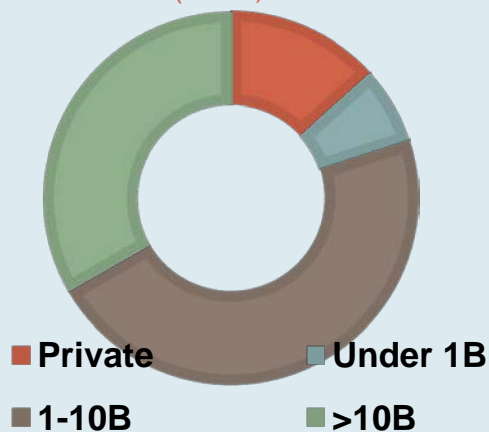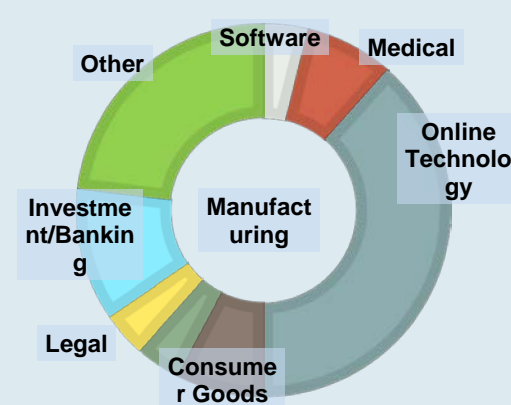
General Alignment With
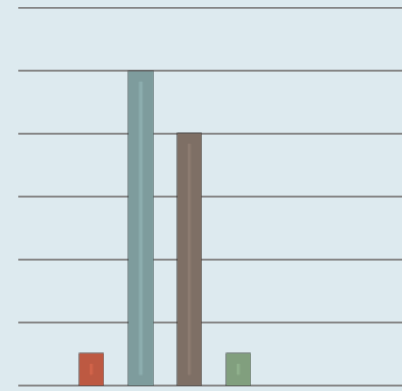# **Five Forces of Change**

They will affect us in important ways and we must improve to be ready

1   **Exponential pattern of technology change**

2   **Social & Organizational reconfiguration**

3   **A truly connected world**

4   **All inclusive, global talent market**

5   **Human & machine collaboration**

CEO view of the Role of HR

*"**HR is like the COO but focused on culture vs. operations.**"*

---

*"HR Leaders need to **drive transformation** – changes in people processes that drive business strategy."*

---

*"HR's role is **major in all aspects** – doesn't need to evolve – it is there."*

---

*Holds the **people strategy** that delivers business strategy.*

---

*Helps the CEO with **Board, Executive Team and Leadership Development***

Board view of the Role of HR

*Need to significantly **expand the role and impact** of CHRO with the Board.*

"The ability to maintain the balance of supporting both the Board and the CEO is a unique but important skill for the successful CHRO".

*The CHRO needs to be **more involved in the Governance** activities of the Board – key things can go wrong that affect the companies reputation and viability.*

*Boards need Innovation & Technology Committee "where the real work happens". **The integration of talent happens there.***

*Board should have a **"Change Committee"** which oversees all things worthy of Board discussion.*

*Since most Boards are made up of people from a "single society", **CHRO must play role of global citizen** to help them understand.*

Harshest criticism

*"**Disdain** for the function because it is so traditional and dated."*

---

*"HR leaders tend to be **guardians of the past**."*

---

*"**60% of CHROs get in their own way**. Focused more on formality than outcomes or results."*

---

*"HR does the **worst job** of any function with the **development of their own people**"*

"Most of the HR function of today can be outsourced."

CHRO Capabilities Report Card
(An anecdotal summary of feedback heard in interviews)

✗ **Analytics and experimentation**

✓ Strong consultative skills

✗ **Business acumen**

✓ How to partner and engage senior leaders

✓ Workforce management

✗ Risk management

✗ Execute the business strategy

✗ **Talent management for the new world organization**

✗ **Transformation/change leadership**

✗ **Organization/culture shaping and mobilization**

✗ Leadership architecting

What is needed

" Words we heard multiple times

Transformation   **Talent**
Value Creation   **Disruptive**
Create   **Complexity**   Solve Major Problems
Connected   Impact   **Future**   Diversity
Culture   Reputation   **Challenge**   Agility
Innovate   **Change**   Connectors   Influence
Governance   Trust   **Analytics**   Technology
Change   Speed   **"In Between"**   Advisor   Brand
Compete   Big Data Little Data   **Experiment**
Engagement   University   Measures   Curriculum
Leadership   Design

13

Trend Forecasting and Change Leadership

"**Business schools** need to emphasize **HR** much more."

"CHRO needs to understand the world of work, trends, new approaches beyond the organization and stimulate change internally. **Bring strategic insights. Translate what is happening in the world of work to business leaders**."

A more **global perspective** – emerging markets versus the "old economics"

"Understand the cultural nuances of operating in emerging markets."

Talent Sourcing and Community Building

Define the **"new" work force** (people, org design) that:

Delivers business strategy

Considers younger employees/differing work style

Flexible

Fewer core

More "freelance", "independent actors"

Consider changing employer/employee relationship

Purpose drive

Drive engagement

Much more diverse

What skills/capabilities are needed in the future (agility, "build talent and growth leaders and information consumers")

How attract, engage, retain

Growing use of AI to test "fit"

Talent must change as strategy changes

Get universities to change what they produce

Need problem solvers and growth leaders

Careers need exit & reentry ramps.

"Value added is 'bringing the outside in' to the Leadership."

"Generations today are renting the job versus buying them."

"Expectations of generations are the same but expressed differently."

Zappos – holacracy

"The boundaries of organizations don't exist as they did before."

CHRO must get "in between" organizations where partnerships are formed – cross barriers between companies, with suppliers and customers.

Organizational Performance Architecture

Talent has to be evaluated by the business leaders.

With HR leading the process

"CEO must lead with HR as enabler."

Need to do A/B tests side by side. A- old way, B- new way

Need "predictive analytics" not historical

GOOGLE has 200 data analytic people

"HR still lacks true business credibility."

Much better business understanding in HR leading to right talent and practical solutions. Must be "credible" with business leaders.

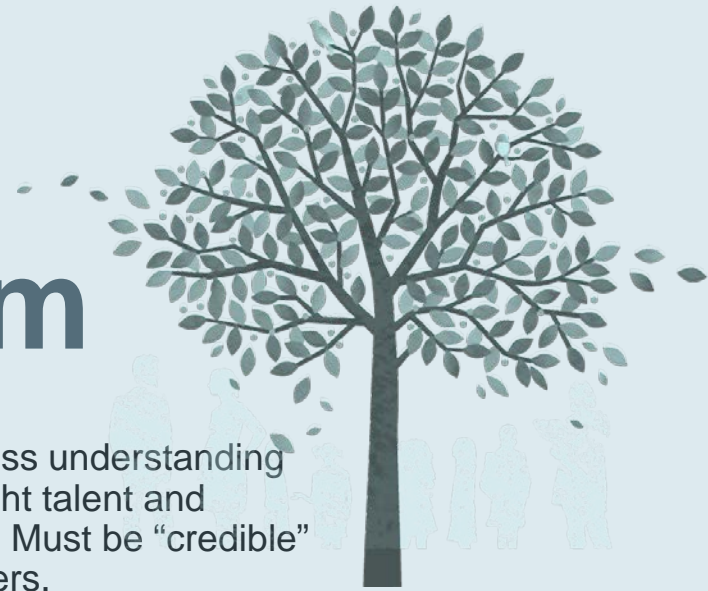CHRO as coach and counselor to CEO and leadership team.

"CHRO needs to be the most critical advisor."

"How can you bring science to the chemistry of coaching the CEO."

"HR strategy is one of 5 strategic pillars of business strategy along with financial, acquisition, geographic and product (innovation)."

Culture and Community Activism

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"How can you bring science to the chemistry of coaching the CEO."

"HR strategy is one of 5 strategic pillars of business strategy along with financial, acquisition, geographic and product (innovation)."

Operational Excellence

"Talent processes are true value added."

Utilize the cloud. World of apps and mobile devices. Most apps used at work not supplied by employer.

Designing and implementing a people strategy that delivers the business strategy to win.

More agility and speed – to keep pace with the business.

A better performance management system – FAST feedback, greater variability on rewards, quicker exit. "Why does a new performance management system take a year?"

Simplify and automate the routine stuff (performance management, comp, rewards, screening) so can focus on driving clear accountability and performance in a complex, rapidly changing and data rich world. Less COE based processes.

What next?

Other views of HR

"I (CEO) would never replace CHRO with an operational leader. Value deep experience in HR."

"HR needs to evolve in a more sophisticated way – more enabling and less doing."

"10% of the traditional HR function will be done by an app."

"HR is like the COO but focused on culture vs. operations."

"There may be a higher expectation for HR, but I (CEO) think it is really desperation. HR is an easy scapegoat … failures should be shared with management."

"Views HR as a driver of business value and the CHRO is one of the most critical on the team."

"HR needs to make the time to think about the things no one else has time to think about."

"HR has evolved within some organizations from policy police to technology enabled drivers of productivity adding to the strategy."
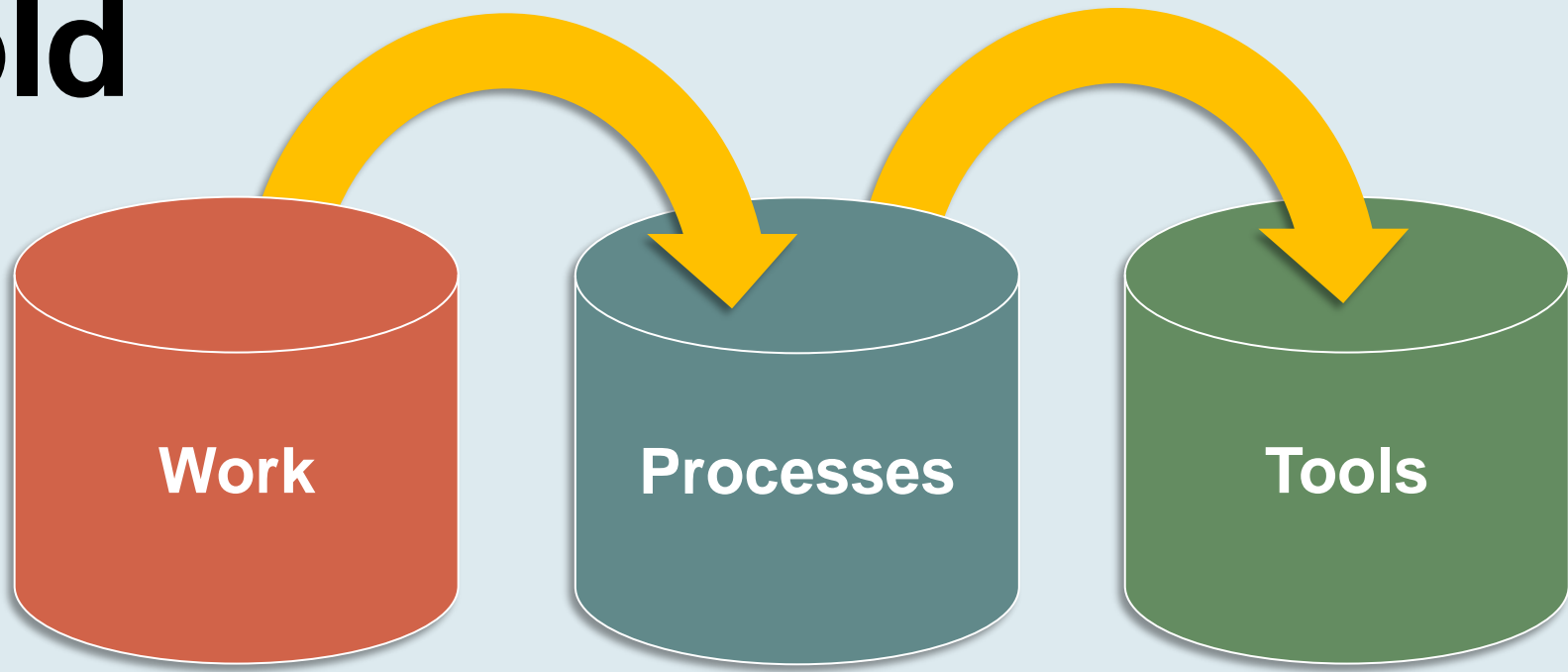
What does success look like?

Are we trying to take what we have and just improve on it?

Do we want to imagine what is possible and design to that ?

What is in the way?

- Customer perception

- Our legacy and past

- Our brand

- Relationship and need from CHRO by CEO and BOD

- Ownership

- Ourselves?

The Work of HR – new and old

Work

Processes

Tools

HR generalists who are agents/brokers of HR systems and processes

HR leaders who are "at the table"

HR leaders that bring a unique decision perspective to the organization

PERSONNEL

HUMAN RESOURCES

TALENTSHIP

CLOSING THE GAPS

Transformation

Customer perception must be addressed. We must create higher expecations.

Definition of customer has to broaden to include multiple stakeholders, e.g., small company/young company CEOs, entrepreneurs, leadership peers.

Develop a **transformation model** and tools that allow a CHRO to lead significant change in their organizations (change management model on steroids).

Mobilizing organizations behind new strategies and structures. This means using all the new technologies (an old ones) to create the intense alignment that makes real speed possible. We will be in the "speed to value" business going forward.

New measures. A "**return on a change in leadership" to** bring focus and accountability to choices of leaders. **"Speed to value capture"** is another.

Abandon the obstacles standing in our way of driving value, such as silos, performance and rewards systems that are entitlements or don't work, managing the people issues associated with change.

Talent

Define the **future competencies** and skill that a CHRO will need to led in a VUCA world.

Develop serious **experimentation capability**.

How to attract and engage a **"mixed work force"** of full time employees, part time employees, agency workers and free lancers that deliver business results without running afoul of labor laws.

Leadership supply/leadership architect connects talent to business value and ensure the critical roles are filled with people that can deliver the expected value.

Technology

A blueprint for how to simplify and automate virtually all of the systems and processes in HR.

Deep analytical ability as a core competence.

Organization shaping, the Internet will deliver a new level of productivity possible well beyond any spans and layers analysis. We have to be able to take organization design to a whole new level. Accompanied with the operating framework that clarifies the new roles and responsibilities that deal with new decision rights and underlying power issues. These new interdependent organization designs **enabled by new tools** will allow for a step change in managerial productivity.

Processes that slow down the organization versus adding speed and driving value need to be automated or abandoned.

end