



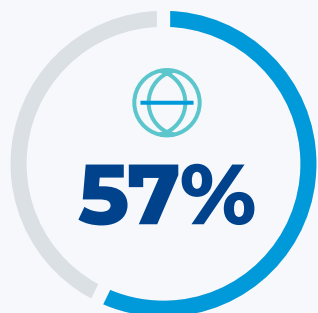
The Future of Work: Strategy, Culture and HR's Role

There are three converging forces that will shape the workforce and workplace of the future: the type of talent you need, the impact of technology on how people work, and rapidly changing marketplaces. CultureIQ collaborated with Bloomberg to survey 300 senior executives about the Future of Work. Our aim was to understand how they saw things changing and how prepared they were. Ultimately, we wanted to understand the role HR takes in shaping strategy and culture for the future.

Work is Becoming More Complex

When we asked employees about the nature of their work, they said they were collaborating with more people to get their work done. Moreover, many of those with whom they needed to work were in other offices, other time zones and likely other departments.

Geography distributed

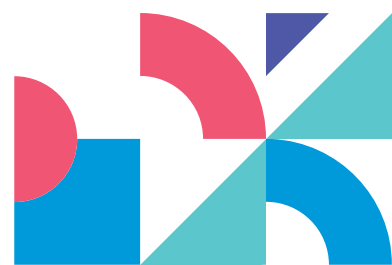


Work with colleagues in other locations regularly

Matrixed with more people involved



Need to coordinate with 10 people to complete their work



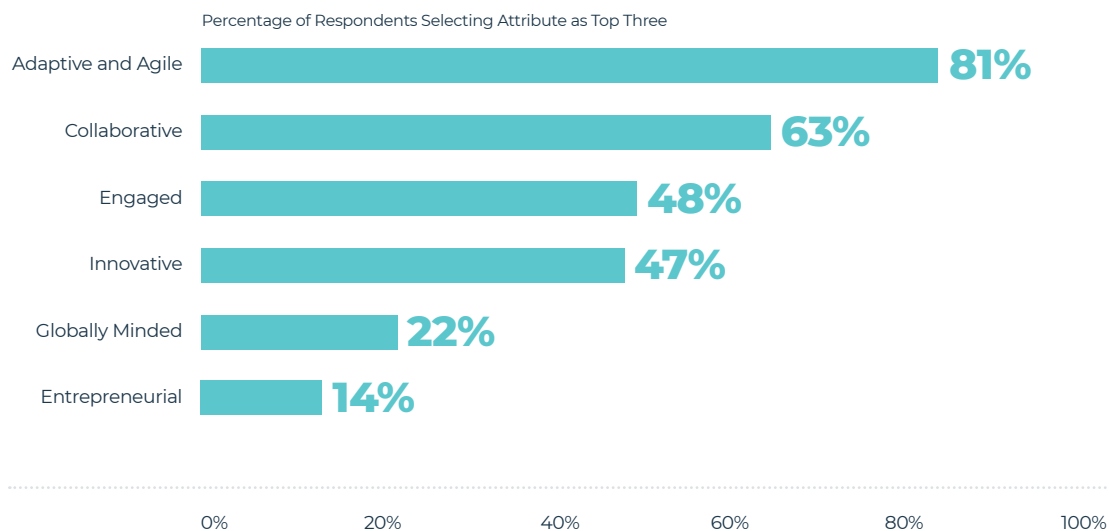
With the war for talent becoming more intense, many companies are starting to hire wherever that talent is located. Therefore, the trend of having to collaborate remotely is likely to accelerate. In addition, new technology will continue to be developed to facilitate virtual teams thus changing the skills needed for workers.

While many companies seek to streamline decision making in the future, research continues to show the power of collaboration and communication. In fact, with workers in different locations communication will need to become more deliberate to ensure that the organization remains aligned and informed. In our research, we found that only 31% of CHROs felt their company was aligned or working toward a common goal or strategy.

It's no secret that the market and your competitors continue to move more quickly. To remain competitive, organizations need to ensure they are agile so they can not only adapt to changes quickly, but foresee them. In fact, CEOs recognized that one of the most important factors in their organization's performance for the next three years was ensuring their organization was agile. In our senior leadership survey, it ranked significantly higher than attributes like collaboration or engagement. In fact, it was more important than innovation.

Top Cultural Attributes of a High-Performance Workforce

To Perform at the Highest Level Over the Next Three Years, My Organization/Department Will Need to Be...



The Type of Worker You Need is Getting Harder to Find

With work becoming more distributed, matrixed and technologically demanding, the type of worker needed has changed fairly dramatically in a short period of time. Research presented by the World Economic Forum in Davos showed significant changes in the types of attributes organizations needed from their workers.

Compared to 2015, the top 10 attributes needed in 2020 includes cognitive flexibility for the first time. Creativity moved up seven places while emotional intelligence replaced the need for active listening. The changes make sense given that workers will need to be skilled at collaborating with people from around the globe with limited face-to-face interaction.

in 2020

1. Complex Problem Solving
2. Critical Thinking
3. Creativity
4. People Management
5. Coordinating with Others
6. Emotional Intelligence
7. Judgement and Decision Making
8. Service Orientation
9. Negotiation
10. Cognitive Flexibility

in 2015

1. Complex Problem Solving
2. Coordinating with Others
3. People Management
4. Critical Thinking
5. Negotiation
6. Quality Control
7. Service Orientation
8. Judgement and Decision Making
9. Active Listening
10. Creativity

Source: Future of Jobs Report, World Economic Forum

Most Organizations Are Not Prepared

From our research we found that many organizations had started to think about a strategy for the future of work. However, many had not begun to execute. While Human Resources and Information Technology departments felt they were prepared for advancing technology and the impact it would have, their counterparts in finance, operations and strategy were more muted in their response.

Do you perceive your executive leadership to have shared understanding of what the future of work (how work will be done in the future due to change such as advancing technology, changes in what is needed from the workforce, etc.) will mean to your company?

● Yes ● No ● I don't know

Total n=296



HR n=91



IT n=100

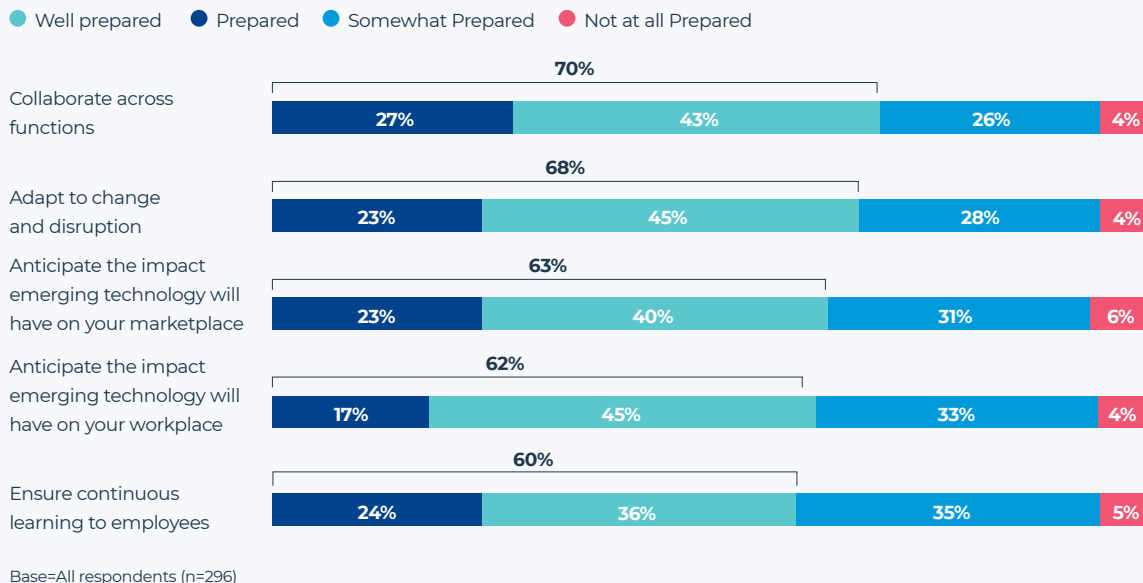


Finance/Operations/Strategy n=105



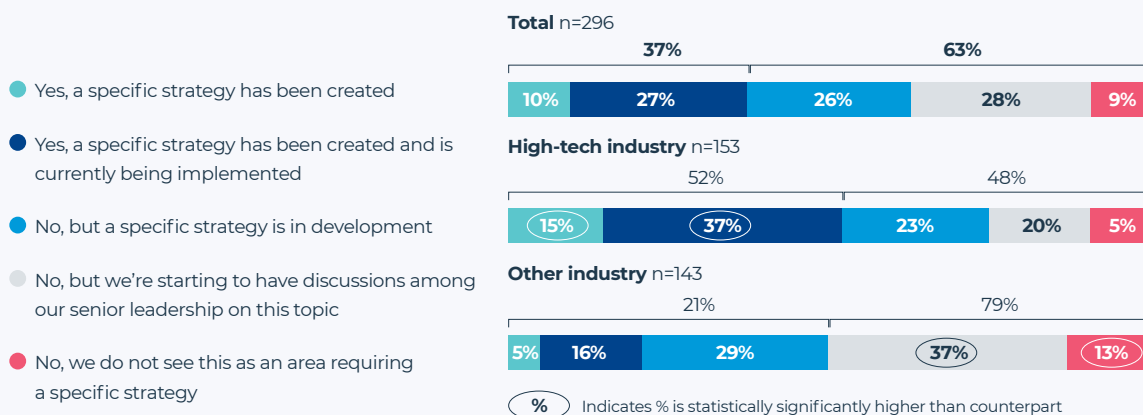
When asked about the executive leadership team and how prepared they were for the increasing need for collaboration, agility and continuous learning, leaders were more pessimistic with roughly only 20% believing they were well-prepared.

Considering your executive leadership team, how well prepared are they to...

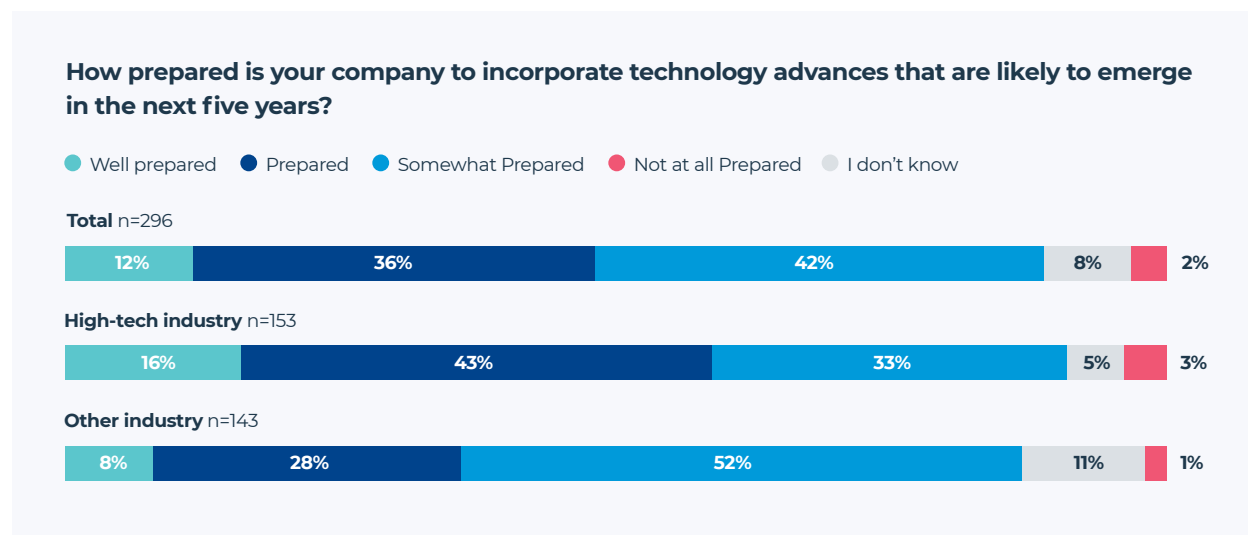


In addition, only about one-third of respondents said their companies have a formal workforce preparation strategy, and a notable proportion are only beginning to discuss the topic with senior leadership. About half feel their company is ready to incorporate new technologies that will emerge in the next five years.

Does your company have a specific strategy to prepare for the “future of work”, i.e., changes in how work will be done and preparing your workforce for these changes?

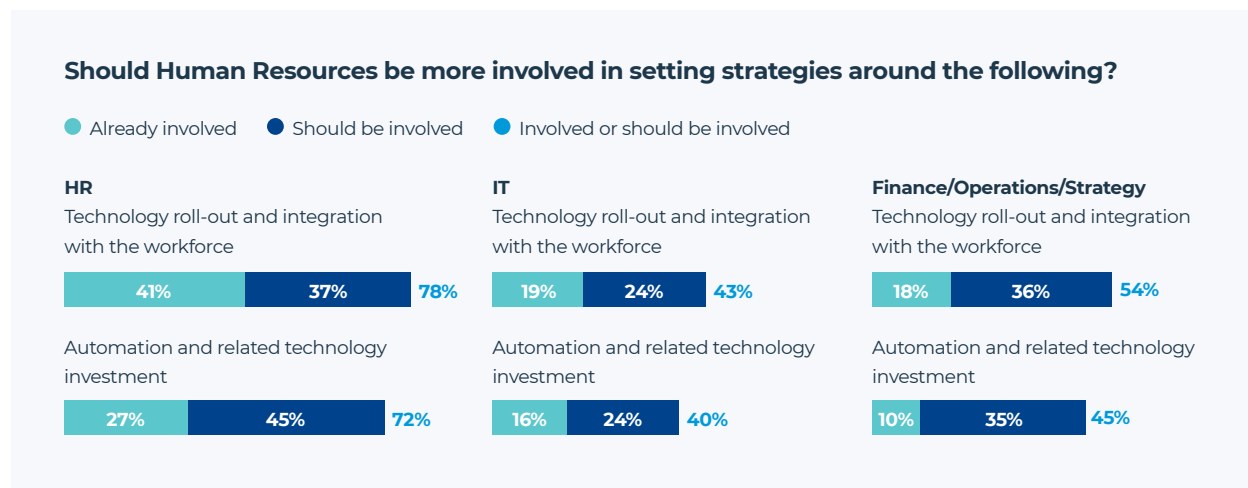


Johnny C. Taylor, president and chief executive of the Society for Human Resources Management, is not surprised by this situation. *“In the U.S. today, where you have a strong economy and a shortage of skilled people, the recruiting environment is intense, and most employers are simply trying to keep up. In that sense, they don’t have the luxury of thinking about the future five or 10 years from now.”*



The Organization Looks to HR to Lead

While most executives agreed that their organization is not as prepared as they would like, they were in agreement on who should lead—HR and IT. Moreover, they wanted Human Resources to be more involved in setting the strategy—especially as they think about new technology to facilitate workplace changes.



One respondent—a senior finance professional—stressed that HR needs to be more closely involved in any automation-related strategy stating that *“HR is best positioned to thoughtfully lead issues relating to the automation of people’s work and how individuals can add value in a more automated environment.”*

Conclusion

As work changes, so must the type of culture that organizations build. The culture of the future will need to not only be engaged, it will need to be agile and aligned. To ensure all three across a distributed, matrixed workforce, an organization's strategy must be at the core. The CultureIQ ClearAdvantage framework was created base on our research on what makes companies thrive.



We'd love to share our findings and what we've learned working with 25% of Fortune's Most Admired Companies and 33% of the Fortune 500.





CultureIQ is the leading global culture management company and helps organizations drive competitive advantage by aligning culture with strategic business objectives. Powered by industry-leading strategists, flexible technology, and a validated research framework, CultureIQ makes what's good for people good for business.

