

PEOPLE MATTERS: CHANGE UNLEASHED

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With a wealth of experience driving innovation and excellence on three continents, Alexandra leads projects that look to the outside to drive change within.

PREFACE

“We are not here to own this space. We are here renting this space [as a leader] - making it better for someone else to come and take it to the next level.”

“If you understand what is happening outside, you can assess your skillset and ask, are we doing the right things? Should we keep doing the things we are doing?”

The global response to the Covid-19 pandemic has changed the world dramatically and forever, with huge implications for business.

On top of this shift, business leaders have also been dealing with increased community expectations, rapidly evolving business models, intensifying global tensions and rising concerns over social and environmental issues.

Melbourne Business School's purpose is to unleash ideas and leaders for a sustainable future. To that end, we held a series of 'co-labs' in 2021 with senior private and public sectors leaders to understand how they are thinking about their organisation's role over the next decade, and the future needs of Australian business.

In five sessions over 12 months, we invited 40 executives from across sectors, including managing directors and leaders in strategy, innovation, people and culture and operations, to answer some fundamental questions, such as:

- **What are the greatest societal, economic and political challenges facing Australian business in the next decade?**
- **What are the ramifications of these challenges for leaders, organisations and the workforce skills of the future?**

Their responses, outlined in this report, demonstrate the fundamental rethink now taking place among leaders about why their organisations exist, how they operate and connect with their people and the community, and the leadership skills needed to stay relevant over the next 10 years.

The discussions were facilitated by our Organisational Learning Consultants and supported by members of Melbourne Business School's faculty and professional associate network who acted as provocateurs to challenge and disrupt thinking. The sessions were an opportunity for cross-sector peers to focus on the horizon, look outside the four walls of their organisations and hear from others grappling with the same challenges.

These discussions revealed that broad and fundamental change is taking place, requiring new leadership and organisational skills and efficient ways of acquiring them. This report examines several big themes that dominated the thinking of the leaders we worked with, including:

The system is changing, moving from shareholder to stakeholder value and redefining organisational purpose in the process

Leadership is changing, with leaders becoming more like stewards as their performance is increasingly measured against KPIs around culture, sustainability and ethics, not just budget and revenue

Operations and work relationships are changing, with power shifting from organisations to individuals and redefining the relationship between employer and employees, who are increasingly seeking work that fits their values, lifestyle and choice of workplace

The focus of learning is changing, with the Purpose, Process and 'Place' of learning as important as the content. There is an increasing need to find the balance between push and pull learning across the learning lifecycle, utilising an increasing number of learning modes to attract, retain and develop talent.

Participants also discussed the important role business schools can play in bringing industry leaders together to exploit synergies, build partnerships and tackle important social issues collectively, as well as the opportunity to create public-private partnerships to address some of their greatest skills needs.

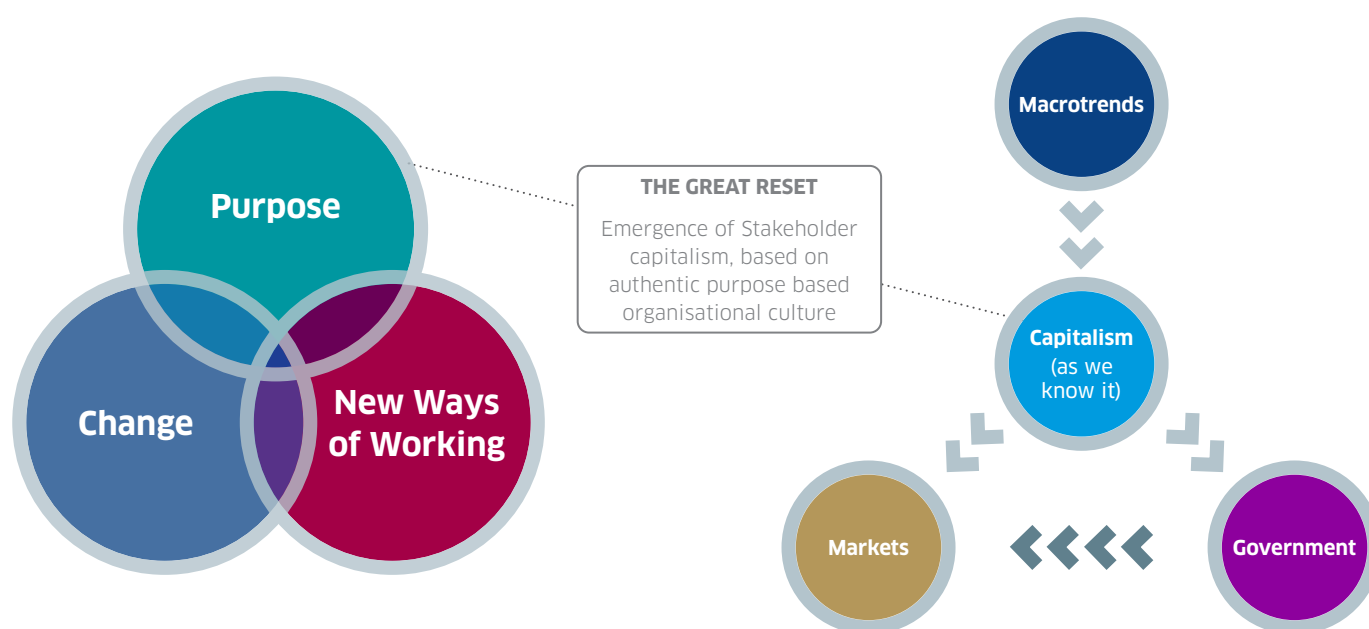
Melbourne Business School would like to thank all the leaders who took part in the discussions summarised below. We invite any leader grappling with major change to connect with us if they would like to be involved in these conversations to define their most significant problems as a first step toward solving them effectively.

THE ROLE OF ORGANISATIONS, INDIVIDUALS, SOCIETY AND GOVERNMENT IN OUR FUTURE ECONOMY

The enduring nature of the pandemic has put a spotlight on the macrorends shaping society. Tensions between incremental and transformational change across multiple spheres, including democracy, geo-politics, education and labour, is eroding existing power structures and reinforcing conflicts between generations, partisan politicians, countries and profit/purpose.

As we currently know it, capitalism involves focusing on productivity, efficiency and profit maximisation. Increasing government intervention through funding subsidies shapes business strategy, models and decision-making. Participants questioned how we got to this point, where self-serving actors, focused on profit maximisation, have been allowed to skew the system. Others asked if this cross-over between industry, government and society now will enable us to reimagine the purpose of business, capitalism and the role of markets as the current system does not reward companies for “doing the right thing”:

“How do we make the concept of globalisation less about capitalism and more about collectively solving some of these big, big challenges by bringing the best thinkers and the most innovative thinkers around singular tables for the greater good?”



“There’s a great opportunity here in this country, given the set of institutional actors we have and the values of those institutional actors, to move past quarterly capitalism.”

These discussions on the “next version of capitalism” generated a lot of interest and a hunger to understand which “version of capitalism” we are in, how it differs from the past and where it could go.

In early 2021, there were glimmers of real change, driven by feelings of uniting against a common enemy. It was the year we would beat Covid and return to normal. The ensuing months have shown that the much-needed global coming-together to solve planetary problems has failed to materialise, with polarisation and nationalism becoming even more entrenched. This lack of unity is considered the most significant risk to business over the next decade by chief strategy officers and MDs we spoke to.

Along with leaders in government, business leaders were also considered short-term in their thinking, with boards and directors still focused on equity/debt and duty to the shareholder over a 12-month period. A longer-term view is needed, with participants discussing China’s 300-year strategic plan as a model for including future generations in all decision-making today. This shift requires courage and openness to disparate viewpoints and inviting voices we disagree with across all strata of society. Although many organisations give a nod to the rise of stakeholder capitalism, the reality is that, for it to be successful, the shareholder must be prepared to accept longer timelines for returns, or they will take their money elsewhere.

“We’re in a trend of nationalisation. It’s all coming together and converging, and I struggle to see, in the next 10 years, anything other than a continuation of nationalism, at a political level and at a geopolitical level. I think that’s the biggest risk that we face at this point in time.”



“Decreasing real incomes is extremely pertinent and has materially adverse social consequences. The idea of tenuous employment is also deeply problematic.”



“We’re going to have to have more than responsibility to our shareholders because we won’t have people if we don’t.”

Attempting to white-wash purpose is ineffective, and organisations need to engage genuinely with different stakeholders.

With low-to-no-productivity growth in the past 40 years in real terms, a decrease in real income and increasingly tenuous employment, what is required to support industry to step up and lead rather than point the finger at politicians/government?

“Business is a very powerful force, regardless of where we sit on the social-capitalist spectrum, and people look to business to lead ... we shouldn't underestimate the times when business can have a really powerful role to play in influencing, which gives us something to think about, and how we enable that.”

Have we reached “peak capitalism”? Is the combined pressure of the pandemic and requirements for environmental and social sustainability from customers, shareholders and employees alike enough to drive a shift to purpose-driven organisations and shake up status-quo leadership?

THE CHANGING ROLE OF THE ORGANISATION


The acceleration of the trends of preceding years is forcing organisations and their leaders – willingly or unwillingly – to connect more strongly to the outside-in. Trust in institutions and experts has continued to decline as media and social-media outlets highlight politicians and organisations’ questionable moral, ethical and leadership decisions. At the same time, consumers and employees are increasingly demanding organisations take up their moral obligations, with senior leaders seen as stewards and drivers of appropriate action in society. The clear message is that organisations need to develop a focus broader than their internal systems alone.

The importance of purpose in creating a guiding north-star for organisations to navigate increasingly ambiguous ethical and moral ground is becoming an area of competitive advantage, as well as a moral imperative.

This change in the role of organisational leadership, expanding from leading the organisation to leading the community, continues to propel cultural and behavioural change. In turn, it puts operational pressure on the next level of leadership to drive accountability down through their organisation to achieve results, while also ramping up requirements for them to care for, connect with, and understand their teams as individuals. This results-care paradox is just one of many that leaders need to become comfortable with at all levels.

Adaptation in labour market trends, accelerated by the pandemic, has resulted in an increasing number of people leaving the workforce, whether through retirement, family obligations and caring responsibilities, or the need or desire for different working conditions. The increase in gig work/freelancers, small business formation and minimal immigration have combined to create worker shortages, role vacancies and upward wage pressure, with workplaces globally seeking to find the balance between the interests of the firm and that of employees. Increased costs are also being passed to consumers, ultimately impacting living standards, performance and debt sustainability.


“There is a lack of trust in the majority of our institutions, which are the shock absorbers, at times, of significant societal change. And then think of all the stuff going on the world now, whether it be the growing role of tech platforms and our inability to really navigate the implications of the role of AI and how that might pose all sorts of ethical and community issues.”



Tension exists with boards and shareholder focus on maintaining financial growth and the need to invest in reskilling workforces to enable access to critical skills for future organisational growth – paradoxically resulting in increasing work fragility, as workforce agreements decline and alternative working arrangements, automation and augmentation of roles increase, and the passing of disproportionate risk onto employees. This cost shift further places strain on the current consumerist system. It may drive the swing to genuinely purpose-oriented organisations as they compete in an increasingly competitive marketplace, driven by the need for personalised relationships with customers, employees and the broader community in which they operate.

For this shift to happen, both leadership behaviour and individual contribution to purpose need to be elevated above the daily tasks of the role. Everything needs to link to a greater purpose in one way or another. Individuals need to subscribe to more than a paycheck to stay engaged with their organisation. Employees expect managers to support them as people, both in and outside of their roles, and connect their daily tasks to value for the greater good. An organisation needs to link profit with purpose to continue to attract customers and talent – and none of this up-and-down-the-line complexity will get simpler any time soon.

SUSTAINABILITY IS DRIVING A CHANGE IN ORGANISATIONAL PURPOSE, PRODUCT, PROCESS AND PEOPLE




“Climate change is having a fundamental impact on how companies are responding at all levels. It is fundamentally changing our service offering.”

Participants raised the increasing need for environmental and social sustainability to drive business strategy, employee and customer attraction and retention. Participants discussed the risk to culture, reputation, employee connection and financial sustainability if individual and organisational values were not aligned. Shifting labour-market trends means value alignment must be genuine and driven by the individual, thereby increasing the expectation of people leaders to proactively connect individual and organisational value systems proactively. These twin pressures of employee and customer are fundamentally impacting company responses.

Meanwhile, lack of action by central governments has delegated both environmental and social sustainability responsibility to business, and created a need for conversations regarding the ethical and moral responsibility of institutions to the broader implications for climate change on society.

Carbon and carbon emission reduction is a fundamental driver of behaviour change across all facets of life. Participants raised the possibility that Covid's curtailment of personal freedom/ability to consume may have forced people to make a first, sustainable step to a different way of building economies and shaping society ... or not. The massive upswing in revenge buying post lock-down and the widening of the ever-increasing wealth gap may have the opposite effect and speed up the demise of the planet. Participants questioned the kind of humans we want to be, while acknowledging their privilege by asking, how do we recognise this challenge as a society and lift everyone simultaneously?



“Sixty-five per cent of global carbon emission is driven by consumerism. The way we consume, and the way we shop, the way we live, where we buy, is going to have to change if we are to address the fundamentals of these problems. The answer will require a completely different way of thinking about how we shape society, how we build economies. We’ve built an economy based on carbon, we now need to transition it out of carbon.”

HUMANISING WORK GAINS MOMENTUM



“What role will organisations continue to play in helping individuals lift the bar for themselves? Those lines between who I am and who I am when I’m part of this organisation, those circles are just getting closer and closer because people are demanding more. They want purpose. They want connection, they want to learn and grow and be the best version of themselves.”

The accelerated rate of change and adoption of technology associated with Covid-19 has demonstrated the importance of people in organisations and the conditions that promote creativity and productivity. We’ve learnt that people are more adaptable than organisations previously thought. The challenge is to establish new ways of work that prevent snapback and allow businesses to operate for purpose. A clear and meaningful purpose may also be the glue that creates and maintains connection and engagement in an increasingly hybrid world.

The return to office-based work has, and will continue to, disadvantage some social groups with ongoing digitisation and augmentation of roles continuing this trend. Hastening digital transformation has amplified ethical considerations of data, privacy and technology’s role in the future of the workforce over the past two years. The result is an urgent requirement to educate senior business leaders and others on the implications and consequences of technology adoption to employees and to understand technology’s role in amplifying and enabling social trends – both positive and negative. We have already had a glimpse of the potential impacts on social structures through the disproportionate financial effects on women and social unrest caused by the ‘immunisation economy’ of the current crisis.

Social sustainability and linking social issues to corporate social responsibility (CSR) have expanded inclusion beyond gender, race and sexuality to disability and neurodivergence and the ageing workforce as organisations seek to plug skills gaps and widen the talent pool. Companies must rethink the candidate experience across the value chain and focus on purging systems of built-in bias in hiring and interviewing practices and upskilling people leaders and teams in inclusive work practices that value divergence.

Seeking people, across all roles and particularly in the C-Suite, who look, think, feel and act differently than is customary to the culture, is necessary to tackle the most pressing and daunting challenges faced by organisations and society at large. The need to include diversity in all its forms elevates a culture-add over a culture-fit approach. It requires accepting a less comfortable work environment and creating a braver space to collaborate and connect, increasing the demand for psychological safety. In turn, it increases expectations of leaders to confront and acknowledge their own bias, resist the desire for homogeneity and hold space for more challenging conversations in pursuit of better outcomes.

Overall, these factors expand the expectation of organisations and their leaders to be courageous in their beliefs, actions and behaviour.



REDEFINING LEADERSHIP

WHAT WE WANT OF OUR LEADERS – AT ALL LEVELS – IS CHANGING RAPIDLY

The early days of the pandemic reorientated organisational attention from internal systems to external drivers and to the increased expectations of all stakeholders. It *“opened people’s minds to [understanding that] the transformation is not inside; the transformation is happening outside. So, if you understand what is happening outside, you can assess your skillset and ask, are we doing the right things? Should we keep doing the things we are doing?”*

Organisational leaders are increasingly required to question their operating model and ask themselves: What is the work we need to be doing? What should we do, and what model/structure will enable us to do it? What is the work of leadership? What does our organisation need to be? But more than this, they need to be consciously listening to the market and their people, with the understanding that *“the further you progress, the less you listen to what is happening externally and more to what is fed to you.”*

The shift towards the outside demands more nimble, agile and customer-centric organisations with flat or non-hierarchical structures. In these increasingly project-oriented workplaces, positions must be fluid, adaptable, and flexible, but a lack of hierarchy can lead to negative feedback about career progression and pathways.

If we accept that leadership is shifting to a back-to-basics focus on human skills, where a leader’s primary role is to make sense of change for their people, should we reserve leadership positions for those who are genuinely passionate about people and develop other senior pathways for those passionate about tools, technology or results? It would mean amending remuneration, reward and benchmarking systems and the transparent adaptation of reward structures away from established traditions of leadership within organisations. It also speaks to the wholesale rethinking of leadership roles.



LEADER AS STEWARD REQUIRES A FOCUS ON OTHERS, ON THE COMMUNITY AND ON SOCIETY AS A WHOLE

As organisations are increasingly expected to be active in the environmental, social and governance (ESG) space, pressure is increasing on leaders in the most senior roles to hold societal positions on significant topical issues, such as diversity, race, poverty or climate. Participants questioned whether this was due to dereliction of duty by governments or as a response to ever-increasing demands of consumers and employees and the increasing visibility afforded by media – social or otherwise. Whether driven by upcoming generations or visibility, it impacts the organisational ecosystem, and KPIs are pivoting from performance against budget and commercial/sales excellence to culture, sustainability and ethics. Employee attraction changes culture, which changes leadership which, in turn, increases pressure for societal positioning in line with purpose (or the demands of the community).

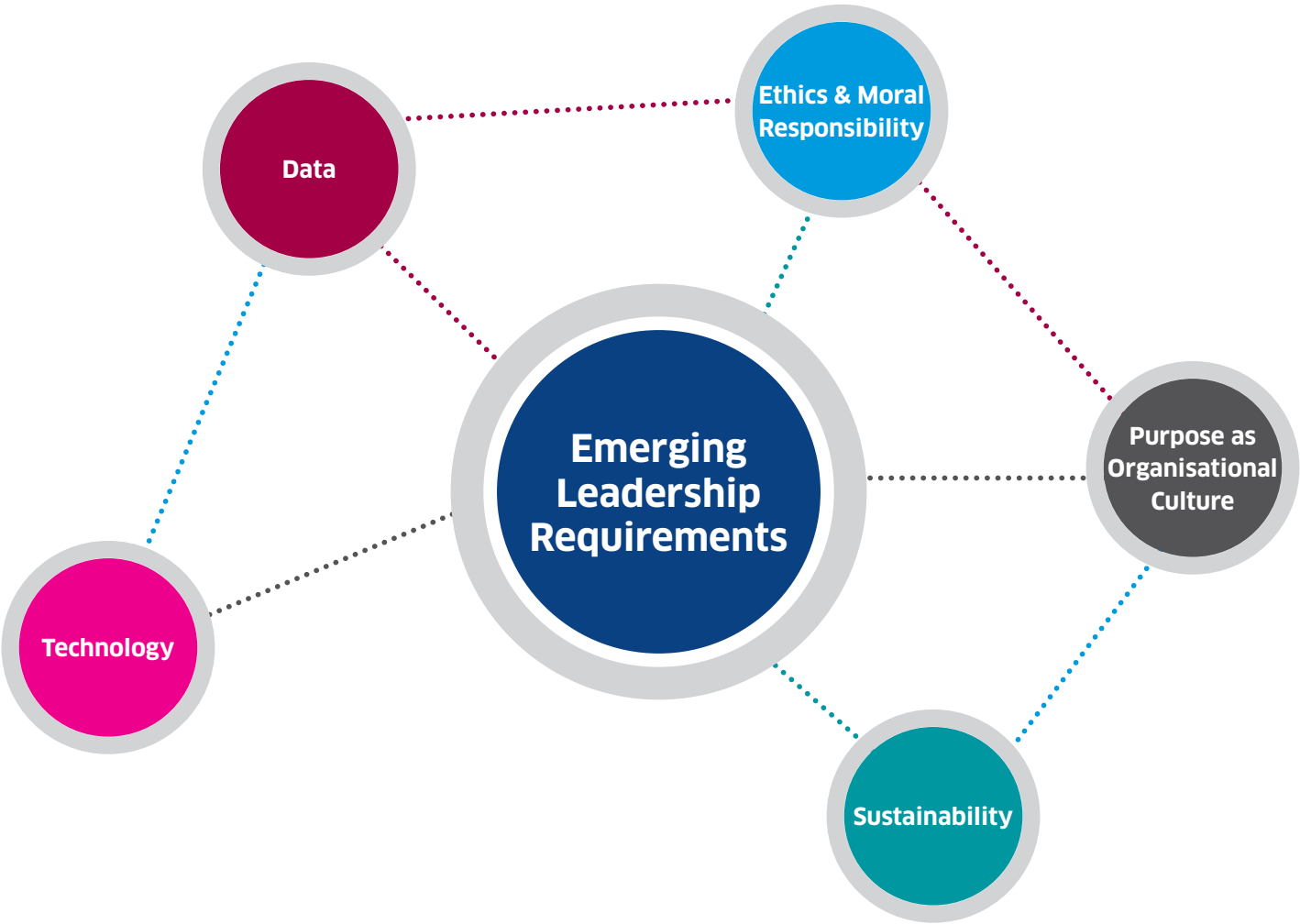
These demands expand the function of leadership to influence structures that enable an increased sense of global responsibility and longer-term thinking. Organisations and their leaders should seek to leave a better societal and economic legacy, but this requires courage to take people where they ought to go rather than where they want to go, and there are no rewards for leaders who get things wrong. The personal, professional and identity risks are significant. We need change at the levels of systems, culture and individual behaviour.

Leadership is increasingly moving away from hierarchy and demands towards presence, inspiration and motivation. Participants expressed concern about the capability of leaders across the political and corporate spectrum to take up the mantle:

“One of the capabilities of leadership that is more important now than ever is the concept of followership. Leadership is no longer about a hierarchy or demand on people, but it’s about winning the hearts and minds, and people will choose to follow you. So, there’s the privilege side of leadership. And I think that’s a capability that [Australia is] very short of. It is growing the capability to have presence and to inspire and motivate as much more critical than some of the more traditional leadership capabilities.”



“Leaders need to hold societal positions on topical issues – be that environment, race or gender – that are dominating workforces and thinking. You’re not just leading an organisation, you’re being looked to for your societal position. And I don’t know whether it’s because governments are effectively starting to delegate that, but organisations are having to put that inspirational position forward, and that’s changing who they’re attracting.”



INCREASING EXPECTATIONS MEANS RETHINKING PEOPLE LEADER ROLES



“What was acceptable [leadership behaviour], even two years ago, is not acceptable today. it’s a rapidly moving landscape”

Increasing expectation is not restricted to the organisation’s upper echelons. In the same way as working on the business has changed, so has working in the business, and the leadership of two years ago is no longer acceptable. Peak leadership is reached when an individual’s unique contribution is successfully translated to broader organisational impact on communities, the planet and clients/customers. People management now accounts for an even greater percentage of a manager’s role – “upwards of 50 per cent” – with no corresponding reduction in individual performance outcomes. This expectation requires leaders to care for people and community, be empathetic, authentic and genuine, and contribute positively to society. To look after their employees and their own mental health. To always deliver results. To be everything to everyone. These increased workloads are leading to burnout and unwanted attrition.

“It doesn’t matter what we create organisationally – the primary conduit of someone’s experience is through the leader relationship.

The reality is there are people that can do it all, there are people that can deliver really well technically, and there are people that can lead teams. We have to be able to support and grow that capability within our organisations at scale, and it’s time intensive. There is no shortcut here.”

In dispersed workforces, leaders act as the umbilical cord that connects the organisation to the individual. Connection is essential to employees’ feelings of belonging. As more work happens away from the office, and it becomes more challenging to maintain a sense of team and trust, leader connection becomes even more essential. Increased investment in leadership (human) skills is necessary to meet this need, but it should go beyond interpersonal connection and empathy. Leaders need to translate corporate values to personal values and unite individuals to create a network view of mission, values and purpose – value in the whole – that delivers meaning every day and enables purposeful lives, not just purposeful work.



THE EVOLUTION OF LEADERSHIP CAPABILITIES AND FINDING COMFORT IN THE MIDDLE

It is crucial to consider leadership requirements in a world where matters of values and inclusion are more complex and vexed than ever before. As we have seen, system and organisational leadership are becoming evermore complex. An increasing expectation of 'CEO as steward' creates the need for the broader executive team to take up a different space, driving a fundamental shift in leadership as a role.

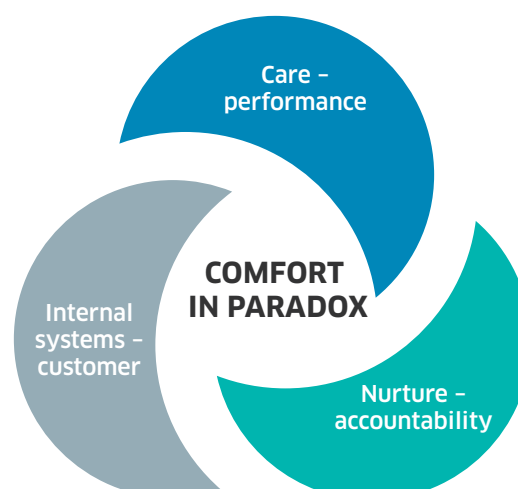
As identified in our previous report, [People Matters: Unleashing the Future](#), participants continue to recognise the paradox of leadership as inspiration and as a function of getting results. The two continue to come together, resulting in an unsustainable workload. Is the solution a re-emergence of management as a discipline? If leadership is about being human, management becomes fundamental to achieving results.

With increasingly hybrid teams and technology penetration, leaders need to set the direction, focus on outcomes and trust and empower their people. We require a new model of leadership that amplifies the things technology can't do, anchored by ethics and centred on human skills. Leadership matters. Leadership development matters. We need to identify and promote people into leadership positions who are passionate about leadership. Set expectations, assess competencies, discover gaps, and personalise the development. Invest time and money in leadership as a competency in and of itself. If the organisation seeks transformational change, it is important to act quickly and never be seen to tolerate poor leadership behaviour.

Skills requirements at all levels centre around being comfortable with uncertainty, maintaining paradoxes, accepting trade-offs and enabling decision-making.

Participants concentrated their discussion on the need to maintain comfort in paradox, in particular:

- Between caring for people and maintaining performance
- Between nurture and accountability
- Between focusing on managing internal systems and centring on the customer.



"I'm seeing different tensions. There's the internal system lens and the external customer lens. Do we focus on creating a culture of care and connection, or are we about outcomes, outputs and performance? We know that these things are not sitting at odds, they actually enable each other, but it can be really complex to understand how you enable people to sit in the tension of opposite ends of the spectrum."

SIX PARADOXICAL EXPECTATIONS OF LEADERS

■ % of respondents indicating that both elements of the paradox are important or critical to the company's future success

■ % of respondents indicating that top leaders in their organisation are good or best in class at both elements of the paradox

Strategic executor

Has bold, ambitious ideas as well as the practical capabilities needed to realise visions



Humble hero

Has the confidence to act decisively in an uncertain world and the humility to admit mistakes



Tech-Savvy humanist

Drives technology enhancements to generate future success while remembering that organisations are run by people, for people



Globally minded localist

Navigates the world that is increasingly both global and local, looking for the places where scale truly matters



High-integrity politician

Navigates the organisational dynamics to make things happen while remaining highly principled



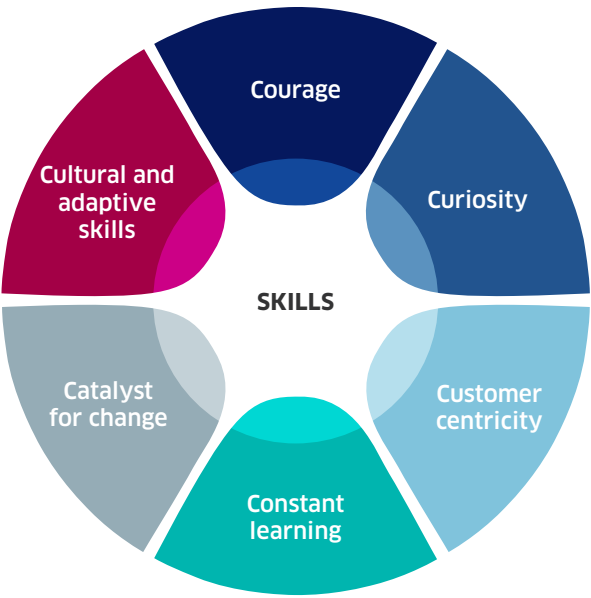
Traditioned innovator

Uses the past to help direct the company's success while also creating a forward-focused culture that allows for innovation, failure, learning, and growth



Source: Adapted from Reinventing Your Leadership Team, Strategy&, HBR

KEY SKILLS REQUIREMENTS FOR LEADERS, AS IDENTIFIED BY PARTICIPANTS:



- Inclusive leadership – psychological safety, understanding and positively impacting team climate, empathy
- Authenticity
- Enabling and empowering purpose
- Leading dispersed teams
- Ethical and moral reasoning
- Critical thinking
- Analytical theory
- Rhetoric and dialogic skills
- Metacognition

Should we be looking to re-write the leadership playbook and splice roles in different ways? Is this an opportunity to rethink progression and consider pathways to seniority, where leading people is not the only manifestation of a career well-lived?

THE PANDEMIC IS REDEFINING THE EMPLOYER-EMPLOYEE RELATIONSHIP

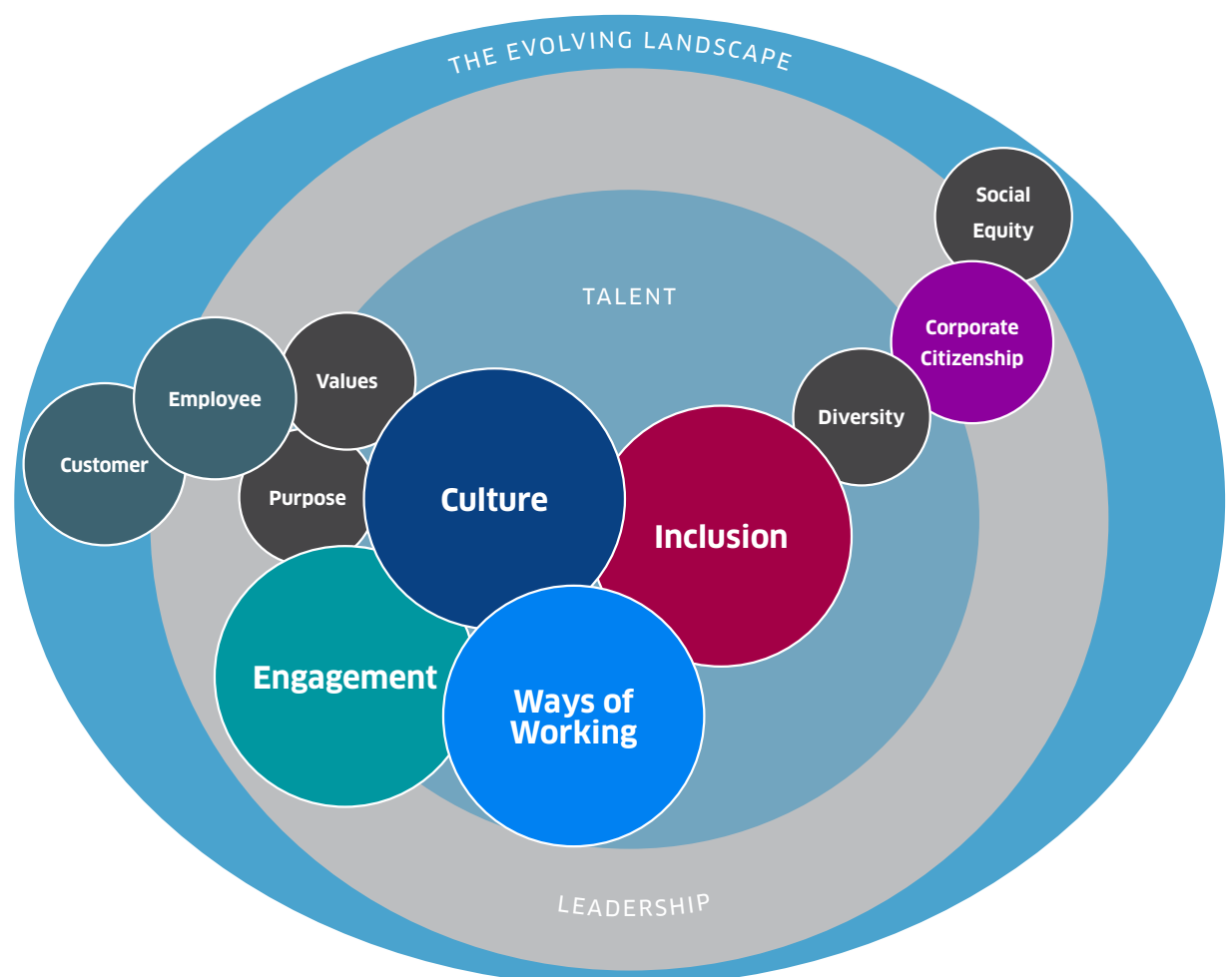
“People are looking for purposeful lives, and that will mean purpose needs to align to person not just organisation. The purpose of the organisation will have to fit within that purposeful life. COVID has changed that forever.”

The last 24 months has caused a physical and psychological revaluation of the purpose of work – how it blends with our lives and what it means to us – which is driving a shift in power from organisations to individuals.

Before the pandemic, competition for talent was high, but employers were slow to make large-scale changes that put employees first. Work was done in-person and at the office; mental health was discussed only in hushed tones or when burnout had already led to employee absences and attrition; and diversity was something that an organisation sought to represent, not to include.

In the new employer-employee contract, employee desires matter more than ever, and leaders need to listen. Going forward, a business that pursues a healthy bottom line will need to seek employee perspectives and develop tailored programs to create work environments that value people and promote trust.

This shift doesn't focus on the “where” of work but the “how” and the “why” in the context of a shifting global and societal landscape. So far, many organisations have only focused on the physical location of the work, and risk losing employees, rather than on how to keep employees connected and aligned with strategic objectives in this new way of working.





“If you haven’t come through the last year as a more human leader, then you never will. We have to shift to a more empathetic way of leading. Talent will choose that. If you don’t do that, people will walk.”



“Teams decide where, when, and how they work best to serve their stakeholders and, for them, to operate to their best wellbeing and productivity.”



“[It] means teams and leaders need to have lots of conversations to navigate and work through those challenging discussions. We’ve also seen the positive reaction that we’ve had in response because we’re treating people like adults and letting them have challenging conversations.”

During the crisis stage of the pandemic, employees were able to engage with their leaders – both line and organisational – on a human level, and leaders adopted a more empathetic approach, while maintaining the performance of the organisation. Leadership responses were more human-centred, with higher levels of vulnerability and authenticity on display.

However, the speed with which senior leadership drifted back to mandating office-based work in early 2021 was troubling. Many leaders and board members are still “old-school and don’t understand the link between caring for people and business outcomes”, seeing it, instead, as a cost and drag on performance. Rather than engage with the uncomfortable process of re-imaging the workplace and experimenting with new ways to connect people, culture, organisation and values, they are looking for ways to return to ‘the good-old days’. This resistance might be immunity to change – outwardly committed to change, but inwardly struggling to do so – or lip-service to the transformation of the employer-employee relationship that many consider vital to the ongoing sustainability of organisations.

As health orders adapt in 2022, organisations need to resist mandating days in the office as a one-size-fits-all approach will not work. Flexibility has become the ticket to entry for knowledge work in most sectors, meaning that the concept of work must shift from a place of containment to a space where people meet, share and learn. Breaking the focus of co-location dependencies for corporate head offices also has enormous implications for talent attraction. Organisations need to be genuinely intentional about when, how and why to bring people together and focus on creating an atmosphere and working conditions that pull people in – no matter if the intention is four times a week or four times a year. They need to clearly communicate expectations, allow teams to determine what works for them and be prepared to call out non-inclusive behaviour and ways of working at all levels and at all times. And then get out of the way.

While considerable challenges remain in determining how maximum flexibility actually works across a wide diversity of roles, the rewards for organisations that find the right balance of connection and personalisation are significant. In a workforce where everyone has a choice about their mode of work, employees need to be treated like adults, and teams should to have open conversations about balancing individual and team needs. Lead through questions – Is this OK for our team? How will we work through these conflicts together? – and focus on curiosity, outcomes-thinking and experimentation. Hyper-personalisation is an across-the-board inclusion opportunity, and purely operational mindsets will limit the innovation that could be harnessed to solve other business challenges, such as access to skilled labour.

“Intentional inclusiveness, to ensure that leaders are not unconsciously excluding individuals, and remain aware of things like the ‘halo effect’ of those who are in the office, and getting visibility and exposure to senior leaders.”

Furthermore, building skills and capability for inclusion across all levels of an organisation is urgently needed to guard against unconscious exclusion, proximity bias and the temptation to correlate presenteeism with productivity. Inaction presents a risk to social equity, most notably for women with caring responsibilities, who are more likely to take advantage of home-based working, thereby exacerbating the wage gap and skew of promotion opportunities. To mitigate these risks, organisations need to focus on upskilling managers to reconceive roles and measure performance on outcomes, rather than forcing ambitious women back into the workplace to seek promotional opportunities. To have any chance of eliminating them, organisations must focus learning and development on inclusive leadership and team climate, and unpicking unconscious biases.

AS TALENT BECOMES MORE IMPORTANT SO DOES THE EMPLOYEE EXPERIENCE

We have entered an era of near-constant change, and organisations will face increasingly complex decisions across place, space and hours as digitisation and pursuit of talent converge to apply growing pressure to embrace hyper-personalisation of work. Leaders need to develop comfort with ambiguity, constant incremental change and wholesale transformation. Determining whether they wish to be reactive or proactive, mobilising workforces in response to decisions and identifying desired cultures and individuals comfortable enough with change to take them where they need to go. Disruption isn’t a wave; it is constant flux, and personalisation of work is likely to be just the beginning.

Reconceptualising work as an individual and personalised experience requires elevating the employee value proposition to the same level of strategic importance as the customer value proposition to enable organisations to exploit competitive advantage and maximise community/customer alignment. Employee experience (EX) is not an organisation-wide endeavour because it is position and people specific. Effective employee engagement is variable and based on individual employee demographics and needs. As hyper-personalisation of work increases, EX needs to be measured more frequently and in various ways to identify the unique challenges and opportunities of different employee segments.

INNOVATING ROLES, MODES AND CORRIDORS TO RESKILL WHOLE WORKFORCES

“People [need to] lean into learning. We’ve got to stop and create the opportunity for them to develop. Otherwise, they will go where they think they need to go, and we know that seven out of 10 employers are already struggling to find the right combination of technical and human skills.”

Covid-19 has challenged more than our definition of leadership and the why, where and how of work. It has also prompted new ways of thinking about talent pipeline identification and development across the whole chain. Increasing needs for a highly adaptable workforce raises critical questions of how to attract talent in a hyper-personalised marketplace, integrate, evaluate and evolve that talent across the journey, and how to integrate and develop graduates. The intersecting shifts in labour market dynamics, employer-employee power structures, rising inequity/job insecurity in lower-educated/lower-income brackets and expanding roles are combining to cause some organisations to rethink the talent marketplace itself.

As skills become more critical *and* harder to come by, identifying job corridors – how one role transitions to another – and creating internal talent marketplaces is becoming a necessity for companies. Utilising project-based working, job crafting and job-corridor knowledge, while proactively supporting an adaptable workforce to craft roles and projects to fuel innovation, will enable employees to construct their new futures *within* the organisation.

Considered investment in learning, skills and job corridors will determine competitive advantage, starting with critical skills and building outwards. To achieve this, organisations should align learning needs to broad strategic plans. Leadership must clearly understand critical gaps in knowledge for their organisation and match career development with ways of working, in terms of flexibility and personalisation. Career development is a must-have in the current talent marketplace. Personal and professional development is non-negotiable and serves as a meaningful opportunity to bring people together to increase internal and external networks, while utilising digital technology for socially connected, just-in-time learning.

ALL THE LEARNING METHODS



Source: Adapted from All the Learning Methods, Red Thread Research

Internal career specialists can help employees identify the skills they need to develop into their next role, and connect individual aspirations to the transformation of roles within the marketplace. Helping employees identify formal and informal reskilling opportunities acts as both pull and push. Employee progress is firmly connected to organisational capability needs (push), but it has the employee at the centre (pull), and they combine with clear career pathways that are not reliant on people leadership responsibility to support appropriate progression.

Expanding talent marketplaces outside the organisation could accelerate talent development in critical skills areas. Beyond the concept of borrowing talent, partnering with broad sector competitors to develop skills and utilise talent effectively, especially in vital project-based roles, would remove the time, money and resources currently wasted on poaching from each other. Investing in sector skills development could also create opportunities for co-design partnerships with higher education or governmental institutions to support delivery at scale.

Learning, unlearning and re-learning is not restricted to the young. Proactive planning is required to ensure that we don't inadvertently disadvantage certain groups, especially older women and blue-collar workers most likely to be replaced through digital transformation.

Within people functions, this shift to a dynamic planning approach to developing the workforce requires a whole new set of tools to identify skill sets and skills development needs across the organisation. As workforce needs are constantly adapting, approaches should be iterative and flexible and rely on people analytics and insights derived from skills data based on a more precise understanding of strategic capability priorities.

Talent shortages will continue to drive change in workforce models and structures, with organisations seeking to identify the best mix of remuneration, personalisation and benefits. The ability to personalise the attraction, preservation and development of talent will define companies' future.

"Our thinking is changing around competitors. We are moving more toward partnering together on skills and capability and investing together rather than the madness of poaching from each other. So, what could we do together? I think the future is in partners, partnerships and partnering."



THE ROLE OF FUTURE GENERATIONS IN REDEFINING THE FUTURE OF WORK AND SOCIETY TODAY



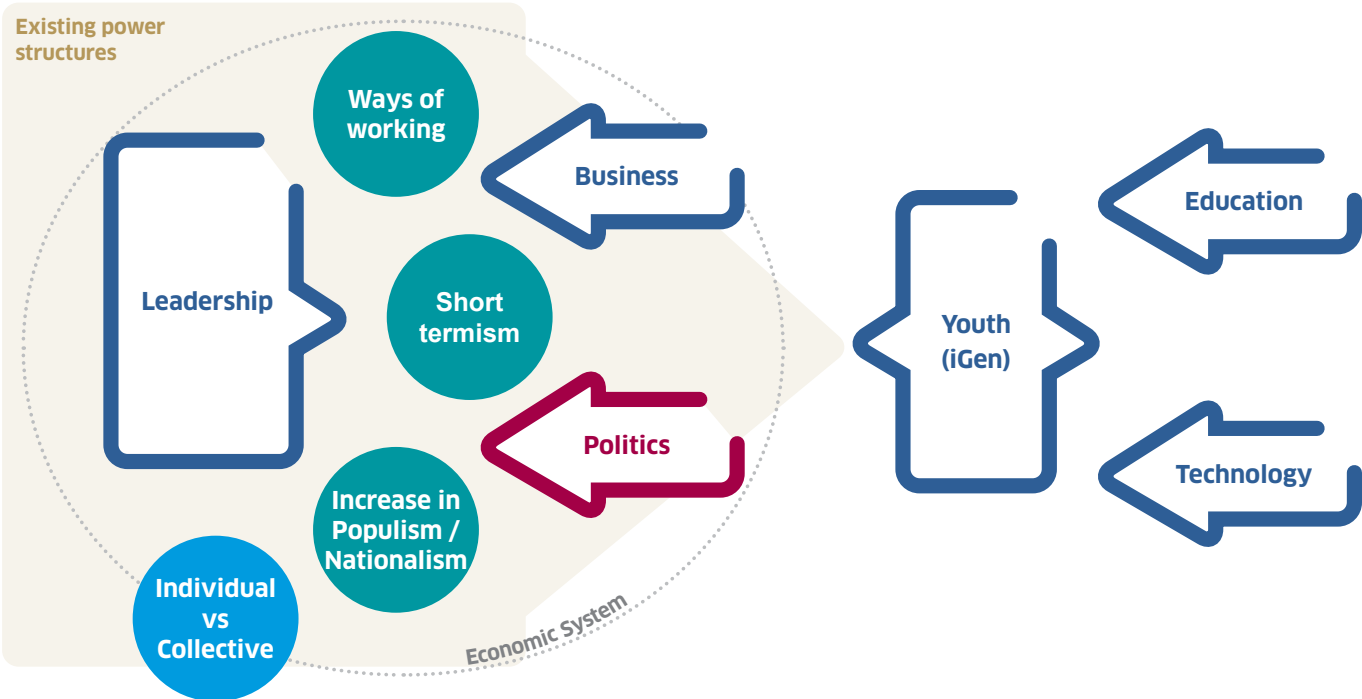
“How do you foster that curiosity, engagement and problem-solving at an early age for problems that aren’t yet known?”

The why of work will become even more significant for upcoming generations, with the value of work to the individual and the organisation taking on ever-greater complexity. Covid has been a generation-defining moment for all, but especially for upper-primary and high-school aged children. They have seen their parents sit behind a computer all day, often stuck in meetings from morning to night, and it *“has removed the mystique of work for a whole generation”*. iGen (1995-2012) is already making an impact by demanding organisations be more socially responsible, and this trend is only likely to increase in the years to 2030.

A strong theme emerged throughout our year of discussions with senior leaders. It focused on the unique abilities of our youth to identify and address society’s challenges and the necessity for their involvement in the dialogues that will shape the future. Questions regarding technology, ethics, climate, data, privacy and the loneliness epidemic were particularly prevalent:

How can we educate the next generations to live in a world that is vastly different from anything anyone has experienced with an educational system still stuck in the industrial age?

How can we skill for future challenges when we aren’t clear how to manage the issues ourselves, and many current-day leaders haven’t even begun to consider them?



Viewing the future through the eyes of upcoming generations can give us a wholly different perspective. We are already starting to see the impact of their views on approaches to gender, race, social and economic inequality and the environment. What will future generations be horrified about that we consider normal, and how might current power structures involve the youth voice to envision much-needed change?

“How are we skilling the next generations to live in a world that is vastly different from the one that existed 50 years ago and to what we live in now? Intergenerational tension is very pronounced at the moment. I’m not persuaded that we actually know how to teach the next generation what they need to know because the world we’re creating for them is so different. And what they want to do with it, I think, will take a bunch of skills we don’t have.”

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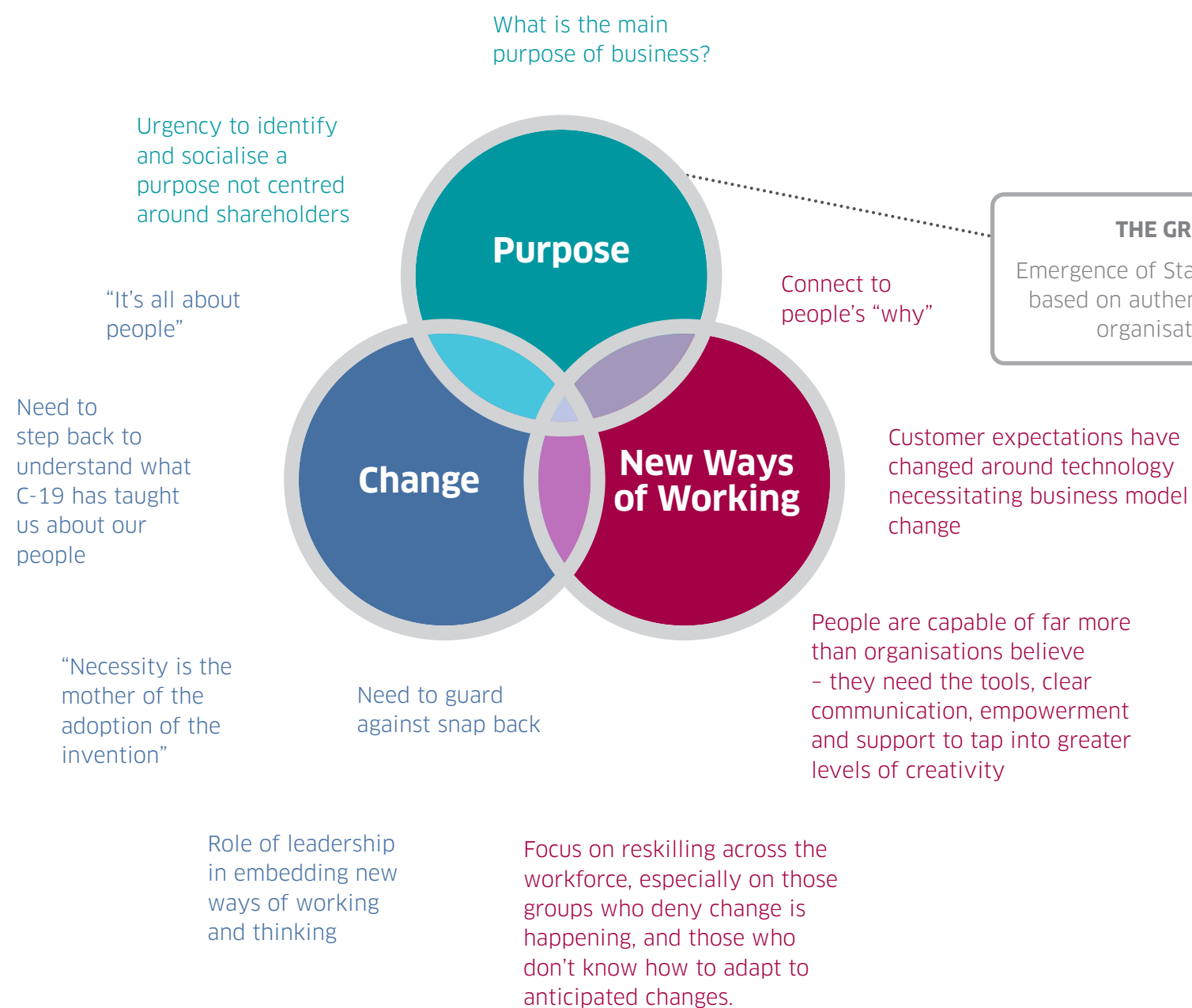


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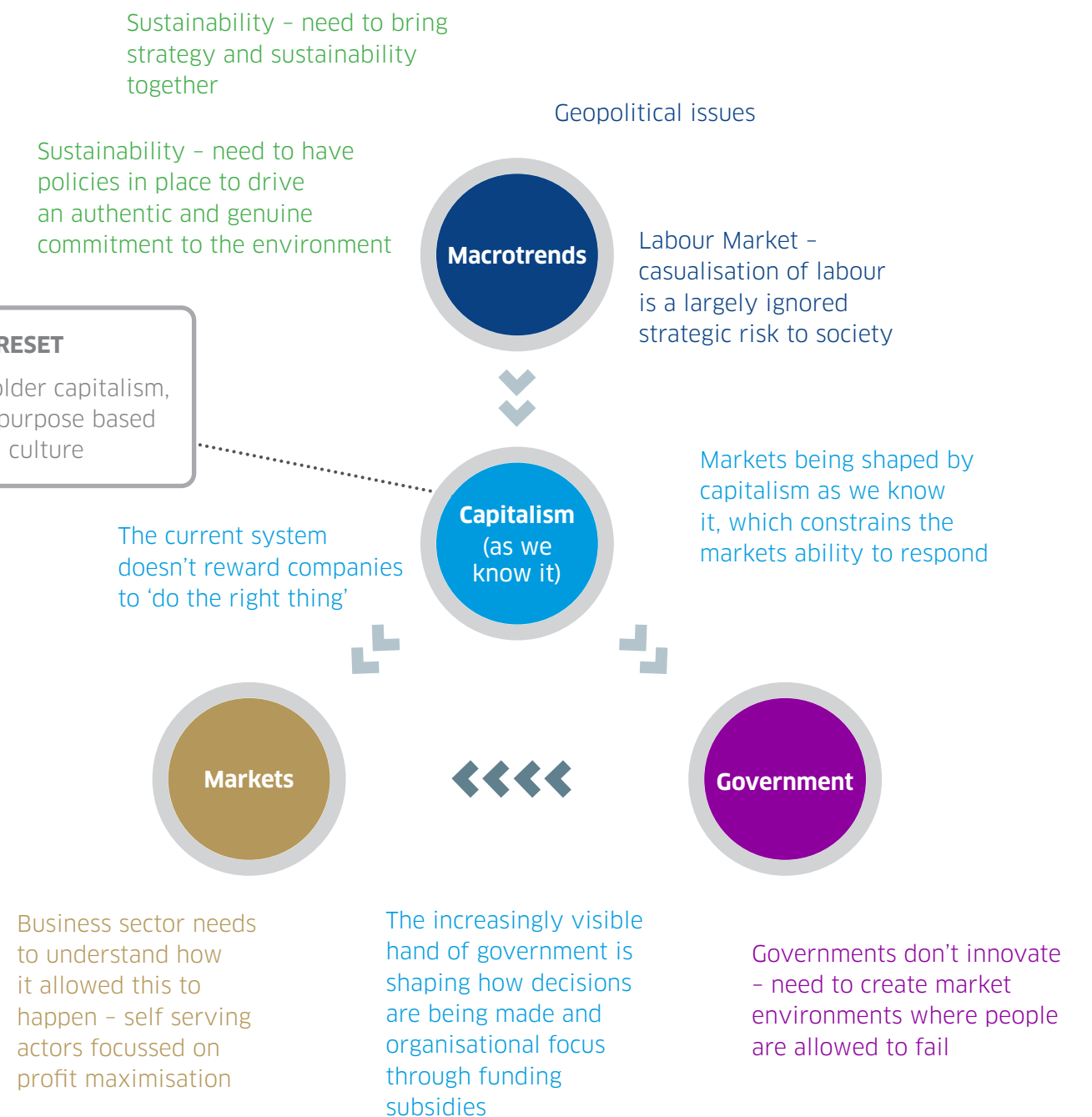


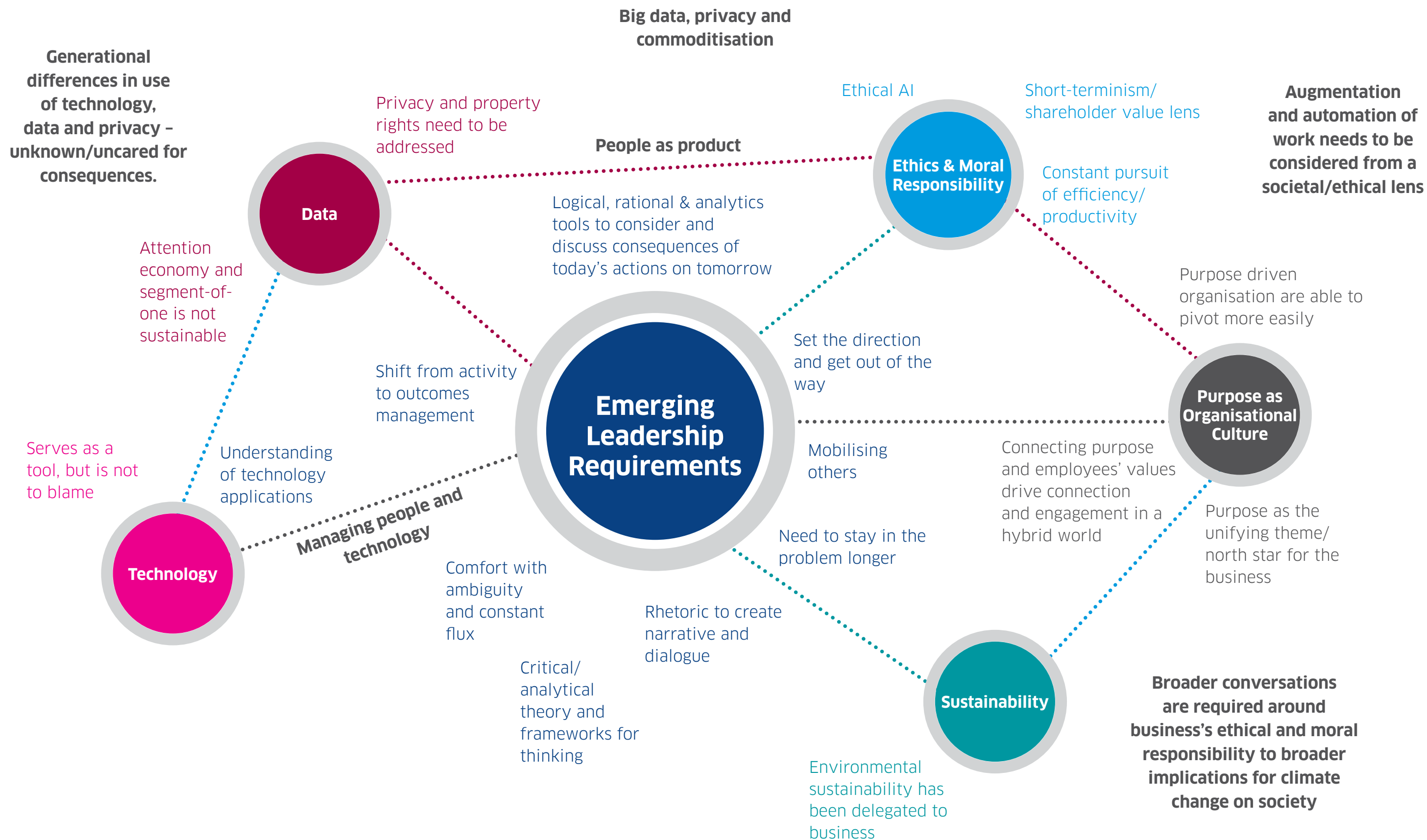
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OPPORTUNITIES AT A GLANCE

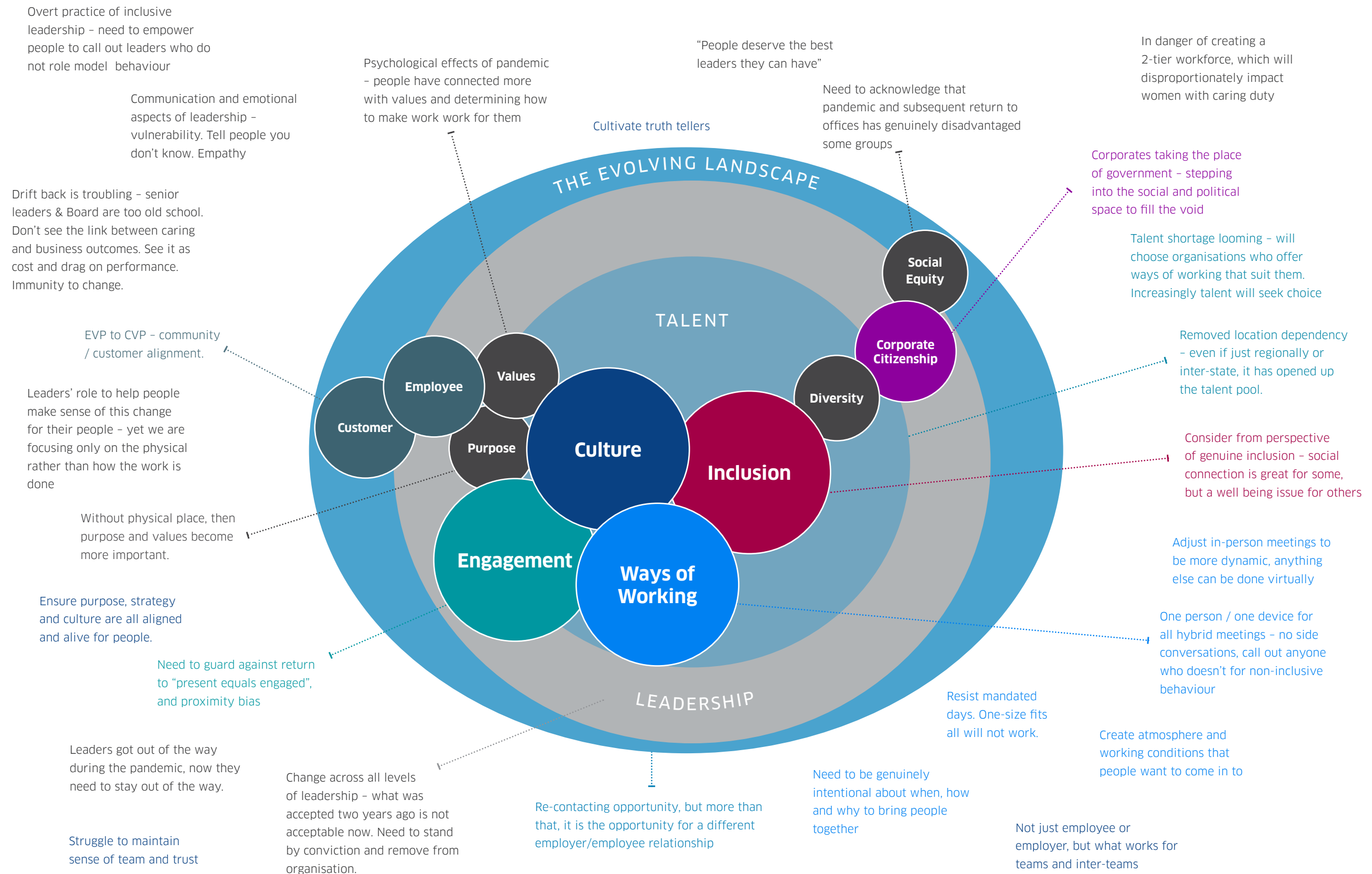


CHALLENGES AT A GLANCE





REDEFINING THE EMPLOYER-EMPLOYEE RELATIONSHIP



ALL THE LEARNING METHODS



Employees understand their career options and the development they'll need to get them where they want to go.

Info-Gathering

- Skills assessments
- Informational interviews
- Skills ratings
- Critical skills definitions

Development Planning

- Career coaching
- Goal setting
- Individual development plans (IDPs)
- Action planning



Employees find the opportunities and content that will help them develop the knowledge and skills they need.

Centralised "Push" Communications

- Information emails
- Newsletters
- Assigned/required training

Employee Browsing/Searching

- On the internet
- On intranet
- In an LMS/LXP/platform

Recommendations

- Automated (eg. from LXP or LMS)
- From senior leaders
- From managers
- From peers/colleagues



Employees easily access relevant learning content.

Consuming in groups

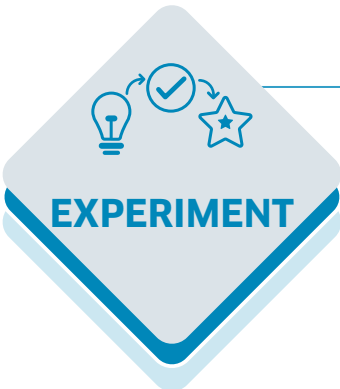
- Instructor-led courses
- Town halls
- Live webinars/webcasts

Consuming individually

- Self-paced courses
- Podcasts
- Books
- User-generated content
- Articles/blogs
- On-demand webinars/webcasts
- Videos

Interacting with content

- Gamification
- Nudges
- Interactive apps
- Bots
- Adaptive learning



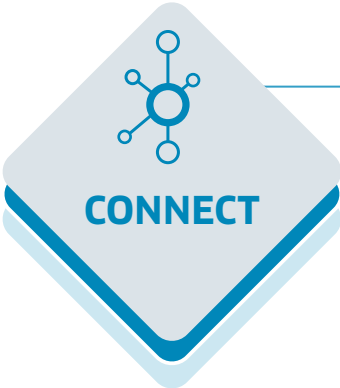
Employees practice new knowledge and skills on the job; try, fail, and learn from that failure.

Experimenting with learning

- Sandboxes
- AR/VR/immersive 3D
- Simulations
- Reflection activities
- Role plays

Experimenting on the job

- Job rotations
- Stretch assignments
- Talent/gig marketplaces
- Job shadowing
- Volunteering outside work
- Reflection activities
- Apprenticeships



Employees learn from one another to gain new knowledge and skills.

Connecting 1:1

- Mentoring 1:1
- Leaders as teacher
- Coaching
- Expert directories

Connecting groups

- Team-based training/coaching
- Knowledge sessions (eg. lunch & learns)
- Employee resource groups (ERGs)
- Book clubs
- Virtual collaboration channels (eg. Teams, Slack)
- Discussions forums
- Communities of practice

Connecting to the outside

- Virtual collaboration channels (eg. Teams, Slack)
- Discussions forums
- Communities of practice



Employees learn on the job and improve performance at the same time.

Instructions

- Job aids
- Job safety analysis
- Standard operating procedures (SOPs)

Feedback

- After-action reviews
- Manager feedback
- Performance statistics (eg. sales revenue)
- Peer feedback
- Customer feedback

Collaboration spaces

- Wikis
- Shared files

THE ROLE OF FUTURE GENERATIONS IN REDEFINING THE FUTURE OF WORK AND SOCIETY, TODAY

