

VOLUME 46 | ISSUE 4 | FALL 2023

# PEOPLE + STRATEGY

THE PROFESSIONAL JOURNAL OF THE SHRM EXECUTIVE NETWORK

## RETHINKING WORK & THE WORKPLACE



### FEATURES

Fractional Work &  
Your Talent Strategy

Generation Why

The Pixelated Workforce

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## Content

### FEATURES

#### 12 The Atomic Model

Why getting top-notch skills is no longer an employment game.

by **Ralph Ouzan**

#### 16 Irreconcilable Differences

What neuroscience can tell us about the return-to-office debate.

by **David Rock**

#### 22 The Pixelated Workforce Has Arrived: Are We Ready?

Recent disruptions have blown up the model of full-time, long-term staff.

by **Josh Bersin**

#### 28 Leadership in a World of Contradictions

A Q&A with Alexi Robichaux, CEO and co-founder of BetterUp.

Interview by **Adam Bryant, David Reimer**

#### 34 Fractional Work & Your Talent Strategy

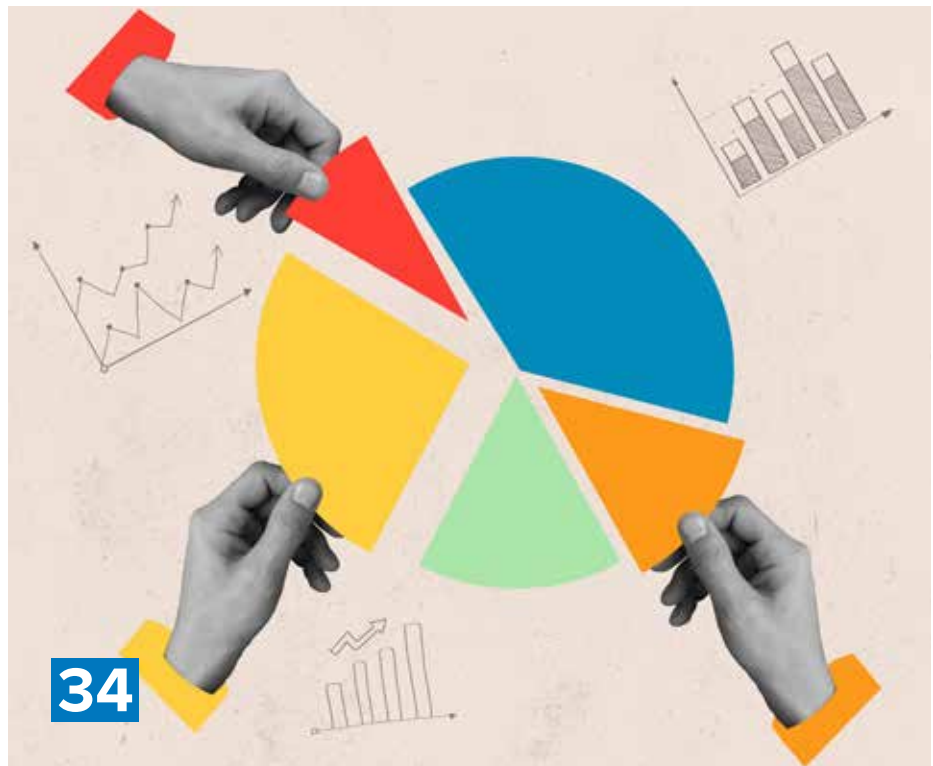
4 key questions for CHROs about this new skills-on-demand trend.

by **RJ Milnor**

#### 38 Generation Why

The HR questions raised from having five generations in today's workplace.

by **Jacqueline Welch**



#### 42 Growth Talks

How Siemens replaced performance reviews with a new concept built on dialogues focused on growth.

by **Judith Wiese**

#### 48 Linking Theory + Practice

Transition Strategies to Overcome the High Cost of New-Leader Failure.

by **Darren Overfield, Patrick Casseday and Brad Winn**

### DEPARTMENTS

#### 2 Message from the President

HR must bridge the gap between hope and fear of AI.

by **Johnny C. Taylor, Jr., SHRM-SCP**

#### 4 From the Guest Editor

We are in an unsettled period of reassessing the deal at work.

by **Diane Gherson**

#### 6 The Big Question

How can you achieve balance between employer and employee?

by **Fred Delmhorst and Deb Bubb**

#### 46 In First Person

Fran Horowitz, CEO of Abercrombie & Fitch Co., on transformation.

#### 54 Directors Roundtable

The boardroom perspective on the workforce of the future.

**Moderator:** Dawn Zier

**Participants:** Robin Matlock, Sheila Talton, Kelley Steven-Waiss

#### 60 Research + Insights

New SHRM research on the emerging models of work.

#### 64 Member Profile

DeRetta Rhodes, Executive Vice President and Chief Culture Officer, Atlanta Braves.

#### 66 The Takeaway: A Discussion Guide

The critical questions at the core of key articles in this issue.

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## Message from the President

# HR Must Bridge the Gap Between Hope and Fear of AI



**A**rtificial intelligence. Everyone is talking about it. Some are embracing it, and others are living in fear of it. But there's no denying that intelligent systems are becoming part of our everyday lives. The specter of increased automation, once lurking on the horizon, is now out in the open, brazenly parading through the work arena in plain sight.

With the advance of technology has come one of the most powerful tools ever put into the hands of human beings—artificial intelligence. But with this new technology comes new fears and new challenges for HR.

In a Microsoft survey of 31,000 people throughout 31 countries, 49 percent said they were worried AI would replace their jobs. And they have good reason. Every week, we see another news headline telling workers how much their jobs are at risk from AI. However, the same Microsoft survey showed that 70 percent of respondents would delegate work to AI to lessen their workload. So, we're already seeing the tension between this fear of change and hope for how this new technology can improve work life. It is up to HR to help employees bridge this gap and solidify the mindset that technology will improve the workforce and their work, rather than replace them or cause undue burdens.

As I've emphasized before, AI (artificial intelligence) plus HI (human intelligence) equals ROI (return on investment). This isn't about eliminating humans—it's about making human beings more efficient and more effective. It's about amplifying human potential. AI is meant to help individuals do their jobs better, and there are some things AI simply won't be able to do—those things that are uniquely human. But while it's becoming increasingly evident that AI is unlikely to replace the need for human workers, those workers who understand and use AI are likely to replace those who don't.

From an organizational standpoint, we have a key opportunity—and also a responsibility—to help our workers stay competitive in this new technology-infused workplace. We must provide specialized training, support reskilling and upskilling by subsidizing continued education, and give the time needed for experiential learning to ensure our employees are up to speed and comfortable utilizing the latest technology in their jobs.

In addition, HR will need to establish the work culture for these new tools, deciding how organizations will embrace technology and, equally important, in what ways they will not. This includes defining expectations around AI's functions. Employers should establish clear guidelines on what AI should and should not be used for. For example, AI should never take the place of human decision-making. Rather, it should be a tool used to help *inform* human decisions. HR is also responsible for routinely evaluating AI's effectiveness and staying abreast of legal changes, regulatory developments and industry guidelines surrounding AI.

When utilized properly, AI brings with it innumerable possibilities for improving the realm of work for both the worker and the organization. As with any change, there are bound to be growing pains, and HR must stand at the ready to help employees first adjust, and then ultimately thrive, showing them there is nothing to fear.

Johnny C. Taylor, Jr., SHRM-SCP  
President and CEO, SHRM

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Diane Gherson  
Former CHRO of IBM and senior lecturer  
at Harvard Business School

# The New Deal

**O**ur job as leaders is to look around corners, and all signals are pointing to a need to more intentionally and systemically redefine the relationship between workers and organizations. New work models, new business requirements and new employee expectations are coming together at full speed, putting at risk our status quo arrangements in the organization—and even the role and scope of HR.

As you read this issue, you'll find these are the recurrent themes from our authors—chief people officers, chief talent officers and CEOs of firms who are all in the vortex of these changes.

## New Work Models

Once upon a time, full-time employment was the only legal way to earn a decent living. In return for showing up 9 to 5, five days a week, and performing well in highly defined jobs, employees received job security, benefits, equitable treatment and opportunities to advance their careers. However, the predominance of this familiar structure is quickly eroding. As industry analyst Josh Bersin points out in his article, independent workers now make up a median 47 percent of workers in U.S. organizations. And a recent large-scale study found that more than two-thirds of independent workers see independent work as less risky and more secure than traditional employment.

“Rented” workforces are extending to core strategic work, not just advice (consultants) and support (outsourcing) activities. Raphael Ouzan, CEO of A.Team, describes in his article how major companies such as McGraw-Hill, HCA and PepsiCo are hiring fractional teams of highly skilled engineering talent to

design and deliver new products, create new consumer experiences and perform other high-value core work.

This phenomenon extends even to our own profession. Former Uber chief talent officer RJ Milnor observes in his article that large numbers of highly skilled top performers in people analytics are opting out of the traditional labor force, joining a specialist platform and seeking projects that interest them that require **less time navigating bureaucracy** and provide **more autonomy, flexibility and agency**.

And let's face it—the traditional deterrents of independent work are fast disappearing in a digital economy. Platforms match supply and demand seamlessly, and the combined power of the internet and generative AI can enable operations without the fixed cost of a staff accountant, personal assistant or research analyst. Professionals earn triple-digit incomes from their homes without the hassle of driving to work, dealing with a difficult boss or taking on less-than-fulfilling work. Already, 30 percent of freelancers have health benefits, and employers looking for scarce talent are inching toward this change, most notably in health care.

## New Business Requirements

The second development is a shift in what business needs from workers. As Bersin points out in his article, companies are optimizing for innovation rather than scale, and this requires a different kind of workforce and culture, operating with **more fluidity and more speed**.

Traditional ways of working, leading and structuring decision-making—all designed for a more predictable scalable set of requirements—are quickly losing their effectiveness. This has led to the creation of new departments focused on transformation of systems and culture—often absent the participation and advocacy of HR, missing the critical strategic, analytical, operational and organizational insights our function can offer.

From a **productivity** perspective, employers are also re-examining their workforce models, shifting from pri-

We are in an unsettled  
period of profound  
reassessment of the  
deal at work.

There is a clear opportunity to achieve competitive advantage by holistically revisiting the overall deal—including rewards and work arrangements—and to update the scope and responsibility of our HR function in this new world of work.

marily employee workforces to a higher portion of contingent workers, moving the work overseas to captive or outsourcing services, or re-blending how work gets done using automation and AI.

One longstanding reason for not hiring a contractor is institutional knowledge. “Susie knows how to navigate an exception through accounting and compliance.” But now generative AI can capture and share institutional knowledge in a digital workplace, making human institutional knowledge less valuable than before.

### New Employee Expectations

The third development is a dramatic shift in employee expectations at work. The pandemic, the growing mental health crisis, the tortuous return-to-the-office saga and the wave of job cuts that followed have all disrupted the employer-employee relationship, catalyzing this shifting mindset among workers.

Increasingly, employees are asking “Why are you asking me to do this?” They want the specifics, they want to buy into the mission and they want to feel that the reasons are connected to their own values. Given their greater array of choices, perhaps this mindset shift can be characterized as employees expecting a better answer to that question, **a more compelling value proposition in exchange for their valuable time**. And as employees experienced the benefits of more time with family and in their community during the pandemic, many are looking to build their careers around the life they want to lead, as opposed to the traditional reverse arrangement.

We’re already in the midst of change, with an emerging new deal ushered in by advances in technology and by the pandemic. Elements of the new deal include democratization of job opportunities in internal talent marketplaces,

greater focus and accountability for workplace inclusion practices, more flexibility in time and place of work, and increased benefits for caregivers and for wellness.

But is this enough? As Deb Bubb, former CHRO of Optum, points out in her article, “Many organizations are still struggling to find the magic combination that makes people willing to join, stay and thrive. The result is a kind of stalemate, exacerbated by pressure for growth, efficiency and profitability, the scarcity of skills and a rising tide of unionization.”

We are in an unsettled period of profound reassessment of the deal at work. One thing is certain: No professional discipline is better prepared to step up and lead us into the next model than HR. Over the past decade, we have deepened our strategic, technical and analytical skills. We’ve heightened our capacity for creativity through employee-centered design. We’ve drawn from adjacent domains in behavioral psychology, neuroscience and organizational behavior.

What does all this mean for our traditional arrangements for employees and contractors—and for HR’s scope of services? We can’t risk sidelining HR’s important role as the steward of our people and culture. It’s time to take stock of the fundamental shifts in work models, business requirements and employee expectations.

There is a clear opportunity to achieve competitive advantage by holistically revisiting the overall deal—including rewards and work arrangements—and to update the scope and responsibility of our HR function in this new world of work. It’s our time, HR.

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**Diane Gherson** is the former CHRO of IBM, board director at Kraft Heinz and senior advisor at BCG.

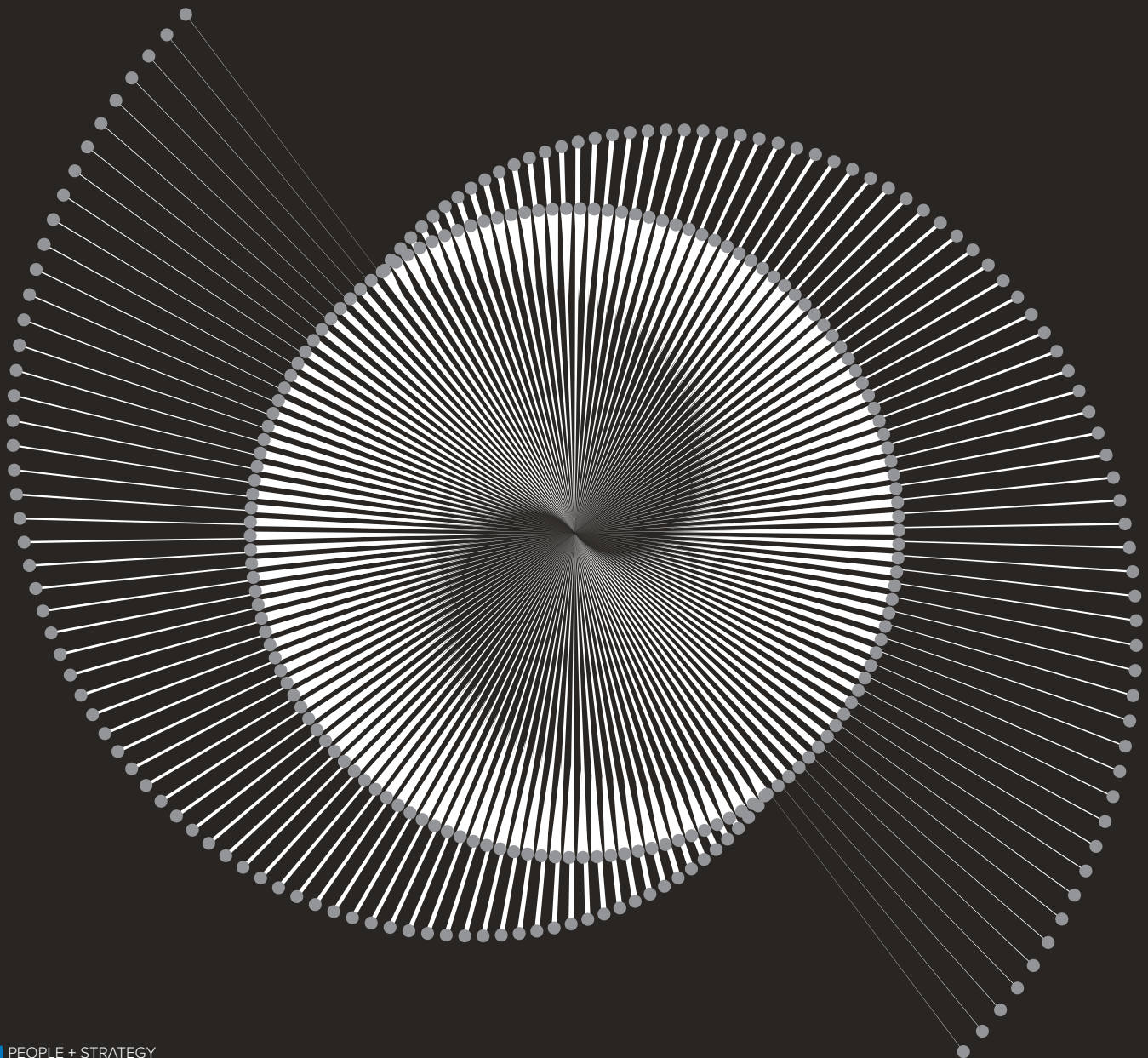
## PERSPECTIVES IN THIS EDITION

What is the way forward from these trends? In this issue of *People + Strategy*, our authors weigh in with their perspectives:

- Josh Bersin describes the importance of an integrated workforce strategy and governance, and how higher-performing companies have already made the change.
- David Rock brings an invaluable neuroscience lens to understand how to deal with the changes in employee expectations
- Deb Bubb challenges us to define the next world of work by imagining a way forward that is more humane, creative and better for the planet.
- RJ Milnor, now CEO at People Analytics Partners, makes the case for a value proposition for independent workers, involving them in listening programs and benefits offerings.
- Alexi Robichaux, CEO of BetterUp, makes the tantalizing suggestion that work, not jobs, should define pay.
- Judith Wiese, Siemens’ chief people and sustainability officer, describes a vehicle she put in place for continuously aligning on expectations to stay ahead of missed opportunities.
- Fred Delmhorst describes how at Chubb there is a recognition of a more configurable employer-employee relationship characterized by individual differences in duration, flexibility and fulfillment.
- And to address shorter tenure expectations and different motivations in the workplace, Jacqueline Welch, CHRO of *The New York Times*, suggests revisiting compensation practices, succession planning timeframes and the concept of cliff retirements vs. glide-path retirements.

# How Can You Achieve Balance Between Employer and Employee?

The traditional push-pull experience of the employer-employee relationship has hit a brick wall in recent years. No longer can organizations rely on the old-school hierarchical workplace template of the past. We asked two HR executives to share their insights on the best strategies for reimagining how employers and employees can move together toward





# To Strengthen the Employer-Employee Relationship, Focus on Mobility, Flexibility and Fulfillment

**Fred Delmhorst**  
is executive vice president  
and chief talent officer  
at Chubb.



**T**he last few years have been a dynamic period during which new generations have entered the workforce, the promise of artificial intelligence has rapidly accelerated and a global pandemic has reconfigured nearly every work routine. These shock waves, among others, have made significant impacts on the employer-employee relationship and what each side has come to expect from the other.

Over time, the employer-employee relationship has gradually shifted from one-size-fits-all to become more configurable, thereby providing greater opportunity to achieve balance. Better balance helps not only employees, but also employers, who can expect the upsides of a more engaged workforce. While this is a sprawling topic, there are three dimensions that are likely to have the biggest impact on shaping the employer-employee relationship: mobility, flexibility and fulfillment. These three dimensions each color the relationship—a social contract—between employer and employee.

**1. MOBILITY.** Measured simply by tenure, the duration of employer-employee relationships has somewhat decreased over time. However, average tenure is markedly lower for younger employees. As the next generations continue to move into the workforce, the frequency of moves across organizations is likely to continue to increase.

In addition to more frequent moves *between* employers, the frequency of moves *within* employers is also likely to increase. As organizations transform, the roles required to perform will continue to morph and provide opportunity for employees to move into new positions and challenging work

assignments. Smart companies will facilitate this internal mobility and remain open-minded about employees crossing boundaries, whether geographical, functional or otherwise.

These companies will also provide employees ready access to resources (e.g., cost-effective learning) to develop in-demand skills. Smart employees will develop transferable skills to position themselves for new roles. The war for talent will become the war for skills as HR platforms and technology facilitate the identification, assessment and recruitment of essential skill sets. A healthy balance is achieved when employers enable employees to prepare for and match with the right role at the right time.

**2. FLEXIBILITY.** The second dimension centers on the flexibility of the employer-employee relationship. While flexible work schedules have been around for some time, the demand for flexibility has historically been greater than its supply. This all changed during the COVID-19 pandemic, which swiftly introduced hybrid work schedules to countless employer-employee relationships. Many companies have since returned to the office to varying degrees. What has remained is a greater appreciation for flexibility along a broad set of dimensions.

There is and will continue to be greater flexibility around where, when and how we work. Nimble companies are empowering managers to lead their teams in ways that balance sustaining culture, learning, innovation, productivity and performance. They are flexible in allowing time for heads-up

and heads-down work. Wise employees are showing up when it matters and reciprocating with their own flexibility. While the traditional boundaries of 9 to 5 are unlikely to return, the upside of flexibility is the ability to better balance professional and personal time where both employer and employee benefit.

**3. FULFILLMENT.** With regard to fulfillment, the employer-employee relationship offers many things—from basic needs to a sense of belonging and, in some cases, a greater sense of purpose. Achieving purpose at work is at the top of the hierarchy of needs for a reason. It is not easy for any employer to provide employees with a sense of achieving their full potential.

The pandemic led many people to think more about purpose and the extent to which there is alignment between personal and organizational goals. Proactive companies are responding by clearly articulating their purpose and how employees contribute to it. This goes beyond simply promoting a universal statement of purpose and requires the support of front-line managers to help employees connect the dots between their daily duties and the company mission.

Diligent job candidates will continue to seek out employers whose missions align with their personal goals, but also find ways to fulfill purpose beyond work. Balance is achieved when employees can find both professional and personal purpose. In that sense, a more flexible employer can enable an employee to find personal fulfillment outside work and thereby facilitate their commitment

Over time, the employer-employee relationship has gradually shifted from one-size-fits-all to become more configurable, thereby providing greater opportunity to achieve balance.

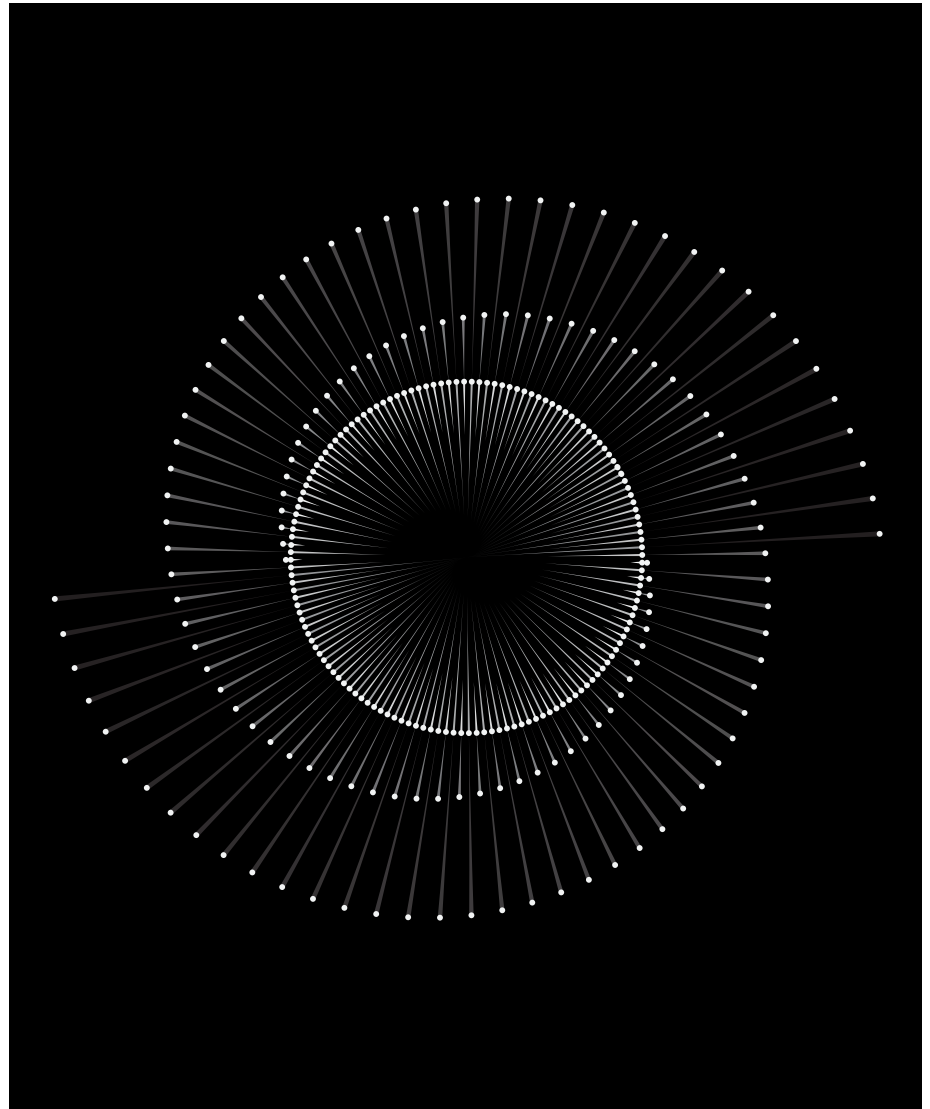
## The Big Question

to their employer. The dimensions of the employer-employee relationship interact with one another.

While more complex and difficult to negotiate, the upside of more configurable employer-employee relationships is a greater likelihood of achieving, maintaining or re-establishing balance between each side. Employers must be clear about what is nonnegotiable, such as adhering to company culture or values. Similarly, employees should be clear about what is most important to them, such as the ability to arrive late or depart early to accommodate a family/personal commitment. This will ultimately lead to the best fit between the two. There should be an expectation of balance and reciprocity, just like any healthy relationship.

Some level of sacrifice is reasonable. For example, it may be easier to work remotely full time, but many employers expect some time in the office. Chubb is fundamentally a work-from-office company with flexibility. We value the collaboration and engagement that come from being together and set a clear expectation about in-person work, while being open to hybrid ways of working. For the employee, the sacrifice of a commute may be rewarded not only by basic pay and benefits, but also being part of a team, investment in their professional development, a variety of career paths and possibly even a greater sense of purpose.

The nature of the employer-employee relationship is dynamic, and many questions remain unresolved. At a macro level, how will the ebb and flow of economic cycles impact power dynamics between employer and employee? How will technology continue to disrupt the workforce and workplace? How will



demographic trends shape the expectations from one generation to the next? Within organizations, how will the advantages of a more configurable job be offered? For example, will job flexibility be considered a fundamental benefit, or is it earned over time or based on performance?

Human resources is best positioned to facilitate ongoing dialogue between

employers and employees to shape answers to these questions. A deeper understanding of what matters most will allow organizations to focus resources on ways that deliver the greatest return on that investment.

The bottom line is that employers and employees are indispensable to each other, and the healthiest relationship is well-balanced.

Balance is achieved when employees can find both professional and personal purpose. In that sense, a more flexible employer can enable an employee to find personal fulfillment outside work and thereby facilitate their commitment to their employer. The dimensions of the employer-employee relationship interact with one another.

# What Artists Can Teach Us About Rethinking the World of Work

*Deb Bubb is an experienced executive leader in talent and HR. She most recently was the chief people officer at Optum.*



Popular media depictions of the modern workplace range from cutthroat and greedy to incompetent and boring. Watching the HBO series “Succession” is like driving past a car accident—horrifying and riveting in its exploration of naked ambition, arrogance, betrayal and loss. Meanwhile, the FX/Hulu show “The Bear” brilliantly captures the brutality of transformation, whether it’s a small restaurant business, a dysfunctional work environment or a traumatic family background. There’s even an entire genre dedicated to workplace comedy, where fans cringe and delight in the antics of obtuse leaders and their inept co-workers.

Maybe that’s telling us something. In the past several years, millions of people resigned, relocated or quietly quit, rejecting their working conditions. People are burned out, exhausted, and dealing with constant loneliness, disruption, surveillance and vitriol. They’re disappointed in institutions and looking to their workplaces for something different. Something more.

At the same time, many employers see themselves as having bent over backward to create better working environments. But despite increased wages, flexible arrangements and countless initiatives aimed at addressing employee survey feedback, many organizations are still struggling to find the magic combination that makes people willing to join, stay and thrive. The result is a kind of stalemate, exacerbated by pressure for growth, efficiency and profitability, the scarcity of skills, and a rising tide of unionization.

If we are experiencing a kind of collective disillusionment with the work-

place, perhaps we need a new perspective to help us think about it. What can we learn from artists about the world of work we are creating?

## A New American Century

Since the beginning of human history, artists have challenged our assumptions, revealed our flaws, inspired our hopes and helped us imagine possibilities we may not even have words for yet. And what part of our lives needs reimagination more than our work?

At the Whitney Museum in New York City, Josh Kline’s “Project for a New American Century” installation presents a powerful lens on modern work: how it’s valued, the dignity of the people who do it and the conditions we are creating as we automate, streamline and invent our future. He weaves together themes of isolation and the dehumanization of people whose lives can be boxed up and thrown away in a contagion of layoffs.

The installation includes provocative metaphors, including unemployed workers bagged for garbage collection and antiseptic IV drips filled with prescriptions for work and for rest, pointing to our 21st-century obsession with pharmacological solutions for health, fitness and performance, almost in defiance of our bodies, much less our souls. There are interviews with today’s workers, exploring their longings, dreams and struggles. In another room, repurposed FEMA tents house stories from future climate refugees, shining a painful light on the consequences of decisions we are making, and not making, now.

The world of work that Kline reveals is at once noisy, cluttered and barren.

As a person who’s spent the better part of her life trying to make workplaces healthier and high-performing, I left that exhibit moved to tears, inspired to think and work differently. Artificial intelligence, robotic process automation and other forms of technology-driven

transformation are accelerating, affording us an unprecedented opportunity to rethink who, what, where and why we work. In this context, Kline’s art is challenging us to re-examine our American narrative for work, to reconsider the realities we’ve created, and to imagine a way forward that is more humane, creative and ultimately better for both people and the planet.

## Creative Self-Expression

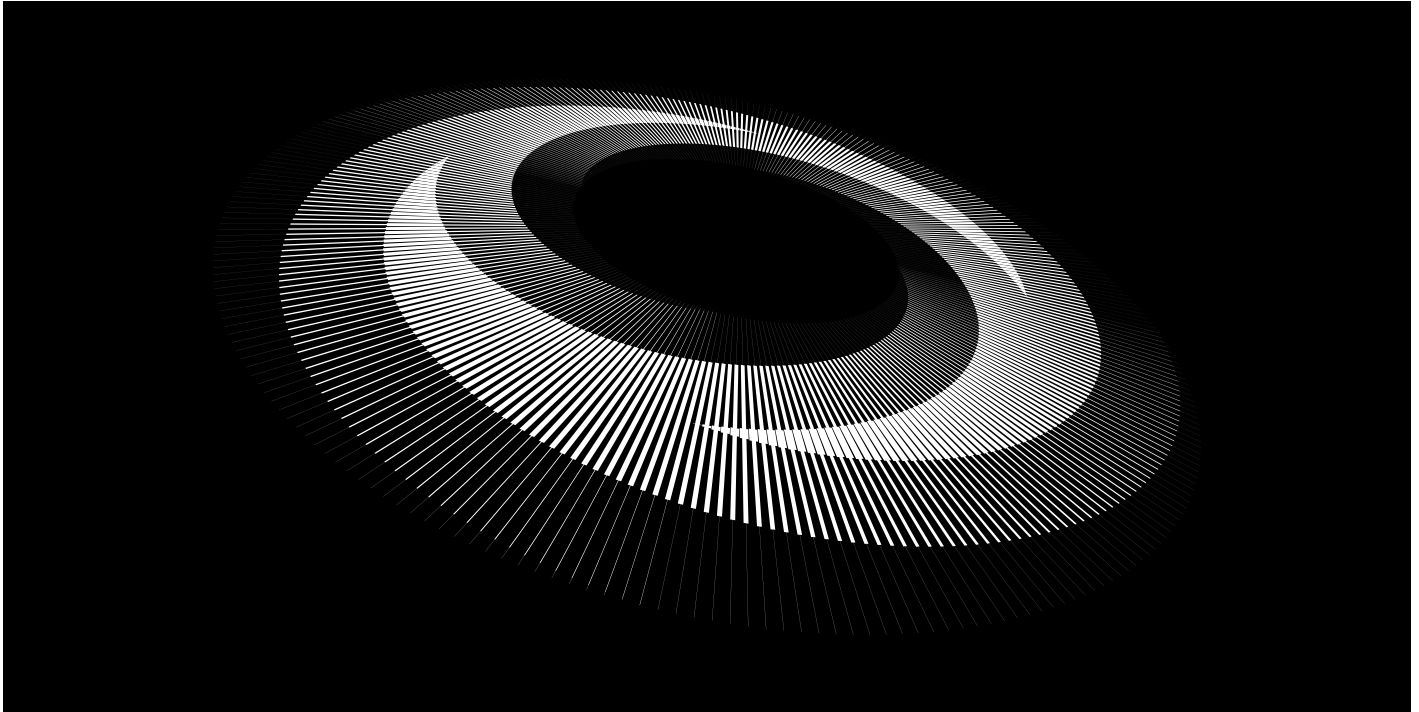
Live to work or work to live? It’s tempting to think about the modern workplace as a container for diametrically opposed interests: employer versus employee, or productivity, efficiency and profit pitted against safety, fair pay, belonging and purpose. But perhaps that polarized narrative is no longer serving us.

Instead of incrementally renegotiating the balance of power and profit, maybe we should be asking the following:

*What if the world of work were designed to enable all people to unleash their full creativity? What conditions would need to be in place? What beliefs would need to change? What would become possible as a result?*

Considering the significant challenges facing our people and our planet, these seem like worthwhile questions.

Some organizations are already experimenting with these creative directions—infusing their learning environments and leadership programs with music and art, reshaping their physical spaces and job roles with creative self-expression in mind, and investing in building design skills and creative capacity—all with incredible results.



We already know companies are starving for creativity and innovation. For example, a 2019 PwC study found that 77 percent of CEOs already believe creativity is the most important leadership skill, and that importance will only grow as AI continues to automate or eliminate routine tasks.

Since creative self-expression is the domain of artists, maybe we have more to learn from them about how to rethink the modern world of work. Some organizations are already experimenting with these creative directions—infusing their learning environments and leadership programs with music and art, reshaping their physical spaces and job roles with creative self-expression in mind, and investing in building design skills and creative capacity—all with incredible results. Art and creative self-expression have delivered significant positive outcomes in the education, health care and mental health arenas.

Science is on their side. In their brilliant exploration of the neuroscience of aesthetics, *Your Brain on Art: How the Arts Transform Us* (Random House, 2023), Susan Magsamen and Ivy Ross illuminate the power of art to heal, connect,

inspire and teach us. And here's the thing: You may not think of yourself as an artist, but creative expression—the ability to witness, make and be changed by art—is an innate human capacity. Advances in neuroscience and evolutionary biology reveal the many ways our brains and bodies are structured to experience and make meaning of the world through art and creative self-expression. It's how we're built. It's what makes us human. In other words, we are all artists, because every life is a creative act.

After years of searching for new solutions to employee engagement, perhaps it's time to return to a more ancient approach to healing the disconnection and disillusionment that ails us—a capacity that already lives in every person, just waiting to be unleashed. A modern world of work designed for the artist in everyone? Does it feel like too much of a stretch?

When my husband and I were newly dating, I asked him, a serial entrepreneur and technology company CEO, if there were a financial exit he was shooting for that would be “enough” for him to retire. Deeply insulted, he said, “If I were a painter, would you ask me how

big of a commission it would take for me to put down my paintbrush? I am an artist. My art is building great teams who, in turn, make great companies.” I think he's not alone. There are many people who see their work as a form of creative self-expression, who love their work but struggle with their working conditions.

Joshua Roman, a world-renowned cellist and founder of the Immunity project, describes his own transformation as an artist, a collaborator and a leader through his experience with long COVID-19. “You can hire a cellist to perform, and they might play beautifully. But that cellist might still be disengaged, removed, holding back,” he says. “It's not only about technical skill or perfect execution. Art is about standing in our vulnerability, connecting to one another through our strength and our imperfection. Art is about our fullest expression of our humanity. And once I began to experience the depth of that connection, I realized that not only did the audience need the cello, I did.”

What does the artist in you need to thrive? Maybe that's the right place to start.

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# THE ATOMIC MODEL

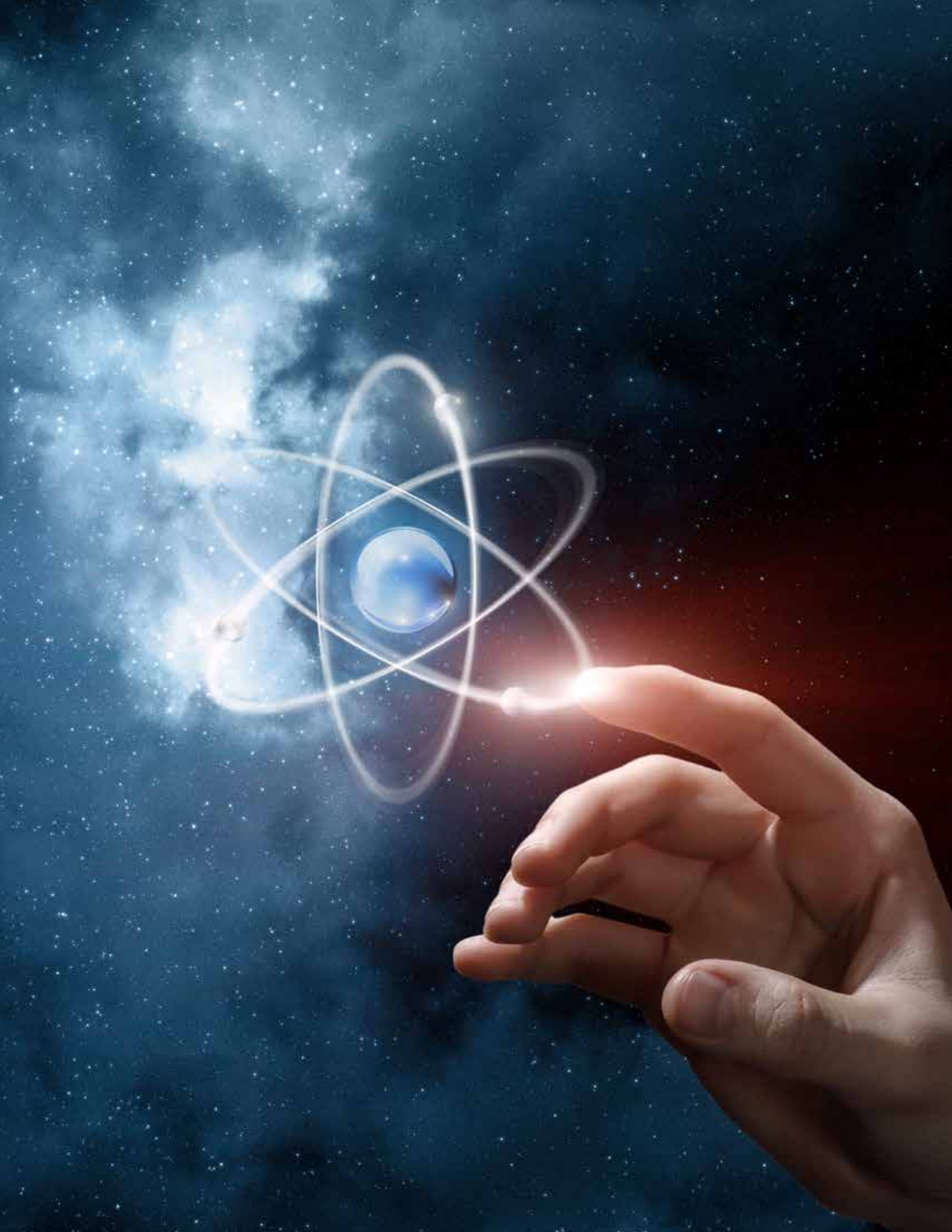
## Why Getting Top-Notch Skills Is No Longer an Employment Game

By Raphael Ouzan

It's rare to see the smallest companies and the largest companies talking about the same thing. But whether you're in a board meeting of a seed stage startup or a Silicon Valley giant, the word of the day is efficiency. It means do not spend too much ahead of revenue. You can invest in new initiatives, but you have to divest if there's no return.

The hard part is innovating with an efficiency-driven structure. So how do these more compact organizations innovate? They bring in fractional teams that move fast and add expertise and agility.

Instead of hiring full-time employees one at a time, they hire a team of contingent workers for strategic help or an injection of niche expertise, or perhaps an entire product team to facilitate transformation. This way, the company can flexibly scale their hours up and down according to the needs of the initiative.



## Case Study: McGraw Hill

McGraw Hill, the century-old textbook publisher, wanted to make studying fun for the digital generation. Instead of spending a year staffing in-house or going the traditional route with consultancies, McGraw Hill decided to bring a “rented” team in-house. A high-performing, multidisciplinary product team came on board for over two years to build an app that would create the kind of study experience that students crave.

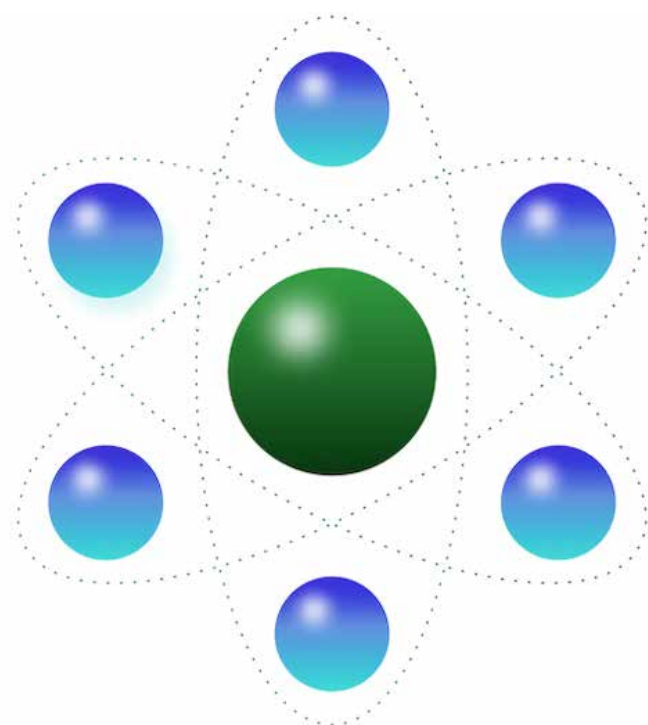
By sourcing a team with an ideal talent profile using A.Team’s TeamGraph AI technology, McGraw Hill was able to scale quickly and bring in top talent it would struggle to recruit otherwise.

“Traditionally, we’d get a tiger team together from different parts of the organization, with each person spending 10 percent of their time on innovation,” Justin Singh, McGraw Hill’s chief transformation and strategy officer, explained at the Collision 2023 conference. “But we realized there was a big cost in terms of time and distraction. And the outputs tended to be very similar to what we had today. Then we tried bringing in third parties. The issue was you start to lose accountability. The third party wasn’t leveraging what makes our company great. And so we realized we had to think about this completely differently.

“That’s when we reached out to A.Team. We told them: Don’t do a business case. All I want you to do is make a mockup that delights the student. And if you can do that, everything else will sort itself out. That’s how we rethought innovation,” Singh says.

## The Benefits of Fractional Talent

At A.Team, we’ve had a front-row seat on the unfolding future of work. We’ve seen small companies and Fortune 500 companies deploying fractional teams of specialized expertise to keep



 FRACTIONAL TEAMS  FULL-TIME EMPLOYEES

up with the pace of technological change. This is the future of work: smaller companies, prioritizing speed, relentlessly focused on creating value.

What does this mean for the future of work? Consider the dynamic structure of an atom: At the core of this model are full-time employees with deep institutional knowledge. Those are the neutrons and protons. Surrounding them are fractional teams, the electrons.

This model has only recently become possible, enabled by the surge in independent talent—as the workforce shifts to remote and prioritizes flexibility—plus the ability to bring this talent together as teams on platforms like ours.

The result for McGraw Hill? A new mobile learning app called Sharpen. It went viral, with hundreds of thousands of students declaring it was as if “TikTok and DuoLingo had a baby.” It earned coverage in outlets including *Forbes*, and it gave a transformative new identity to the company as its digital business grew 28 percent quarter-over-quarter.

In a recent survey of 581 U.S. tech founders and execs, 71 percent said fractional talent gives their business greater agility during times of economic uncertainty, and 73 percent are already using blended teams of fractional talent and full-time employees. It’s an attractive alternative to the traditional hiring process, which 67 percent said is too time-consuming and expensive.

Whether they know it or not, companies have already begun adopting the atomic model, for several compelling reasons:

1. **Flexibility.** The ability to rapidly scale up or down to meet project needs and deadlines allows for efficient resource utilization. This adaptability is particularly advantageous during times of economic uncertainty.
2. **Scarce specialized expertise.** Fractional teams bring diverse, specialized skill sets on board, facilitating problem-solving and innovation.
3. **Cost-effectiveness.** By eliminating lengthy and expensive hiring processes, fractional hiring saves time and reduces financial costs.
4. **Efficiency.** There’s that word again. With fractional teams, fast-tracking product development to meet market demands or seize time-sensitive opportunities becomes achievable.

Apprentice, the pharma manufacturing platform, is another good example. In early 2021, it had an opportunity to play a pivotal role in the distribution of the COVID-19 vaccine. But to do this, Apprentice needed to launch an entirely new version of its product within 45 days—a product that spanned multiple technological stacks and incorporated augmented reality headsets. The task seemed monumental, if not impossible.

Apprentice brought in a specialized engineering team that quickly scaled to meet the product’s evolving needs. Angelo Stracquatano, Apprentice’s CEO, says the rebuild would have been “literally impossible” without fractional talent.

## On-Demand Expertise

Fractional teams—the electrons—introduce a new possibility for the future of work, one in which independent contractors can increase their value by operating as high-impact units that supercharge the core neutron and proton team.



# We've seen small companies and Fortune 500 companies deploying fractional teams of specialized expertise to keep up with the pace of technological change. This is the future of work: smaller companies, prioritizing speed, relentlessly focused on creating value.

Instead of orienting work around companies as employers, we're starting to see the most high-value product builders are reorienting work around teams. By forming fractional teams that can come in and solve key problems for organizations, independent product builders can simultaneously increase their earning power while also gaining greater stability.

This fractional talent trend is likely to continue. Because here's the thing: The era in which hard work and perseverance guaranteed a climb up the corporate ladder is over.

For the past 15 years, giants such as Google, Apple and Facebook intentionally hired more than they needed to, scooping up talent simply to prevent competitors from doing so. This dubious strategy—talent hoarding—will be remembered as a ZIRP, a zero interest rate phenomenon.

The market downturn provided a reality check. Large tech companies laid off 12 percent to 15 percent of their workforces, breaking the promise of employment stability that some had begun to take for granted.

More than 200,000 tech employees have been laid off in 2023—many in callous and unceremonious fashion. In the wake of this Great Betrayal, the attitudes and perspectives of these highly skilled workers are shifting rapidly.

Eighty-three percent of surveyed workers have lost trust in the stability and security of full-time employment amid layoffs—leading many to pursue fractional opportunities instead. Over two-thirds of independent workers say this model gives them greater job satisfaction and work/life balance than a full-time gig.

## The Impact on Hiring

Even the way we read resumes is changing. It's not just about what title someone reached at which prestigious firm. Now hiring managers want to see the real-world results, the teams a candidate has effectively worked with and the unique skills they've applied. What matters isn't pedigree. What matters is your answer to a more relevant question: "What have you built?"

As Adam Grant, the bestselling author and A.Team advisor, put it, "Instead of selling your soul to one company, you can rent your skills to the highest bidder or the highest purpose."

The world's top product and engineer talent doesn't want to sit around a giant company to rest and vest. They want meaningful work, with the autonomy to choose where and when it's done, and to do it alongside the people with whom they most want to collaborate.

"I've been anticipating for years that the future of work would have more opportunities," Grant says. "Especially for

people in the knowledge and creator economies, to be freelance but have a structure behind that freelance."

In a survey of top independent builders, we found that there are four primary drivers behind their interest in independent work:

1. **Autonomy.** The opportunity to control their work schedule and environment appeals to many tech workers' desire for work/life balance.
2. **Professional growth.** Working on different projects with different teams offers an enriching professional experience and broadens skill sets.
3. **Meaningful work.** The ability to choose projects based on personal interest leads to more fulfilling work.
4. **Financial opportunities.** Fractional work often comes with competitive pay, making it an attractive option.

"Freelancing unlocked something big," says Anthony Spadafino, a product manager on the A.Team network and founder of Lingostar.ai. "Now I have the ability to make my own schedule and shift my energy to where it's most needed on any given day. I get both the financial cushion and increased flexibility."

Fractional talent presents us with a unique opportunity—to redefine how we think about the way companies are structured. Instead of seeing work as headcount in departments, we begin with the desired outcomes and the ideal team composition to achieve them.

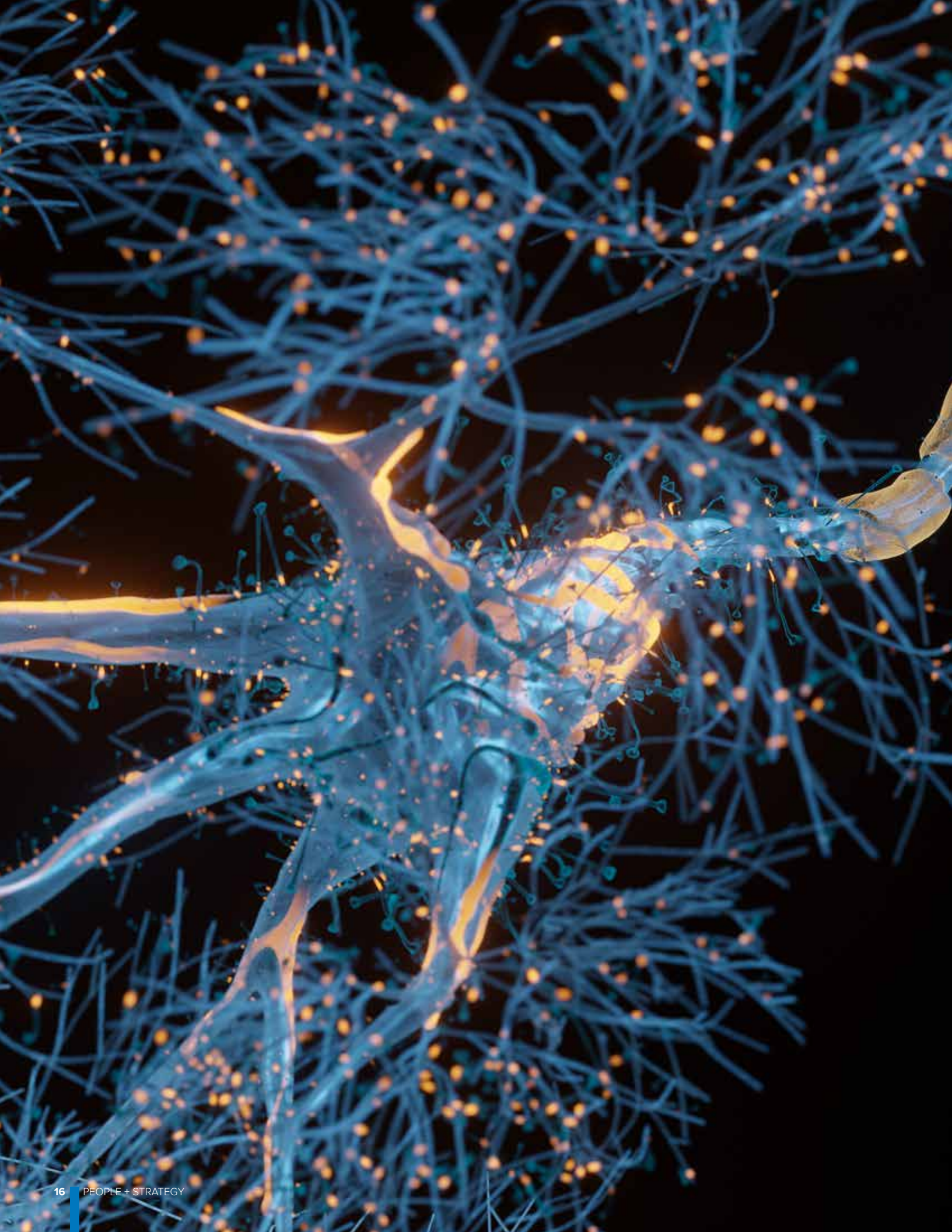
That means a workforce can plug in new expertise quickly. Companies such as Lyft, HCA and PepsiCo have tapped our company for this precise reason—not just executing on specific initiatives, but building tech capabilities in their organization so that, over time, they can experiment and iterate.

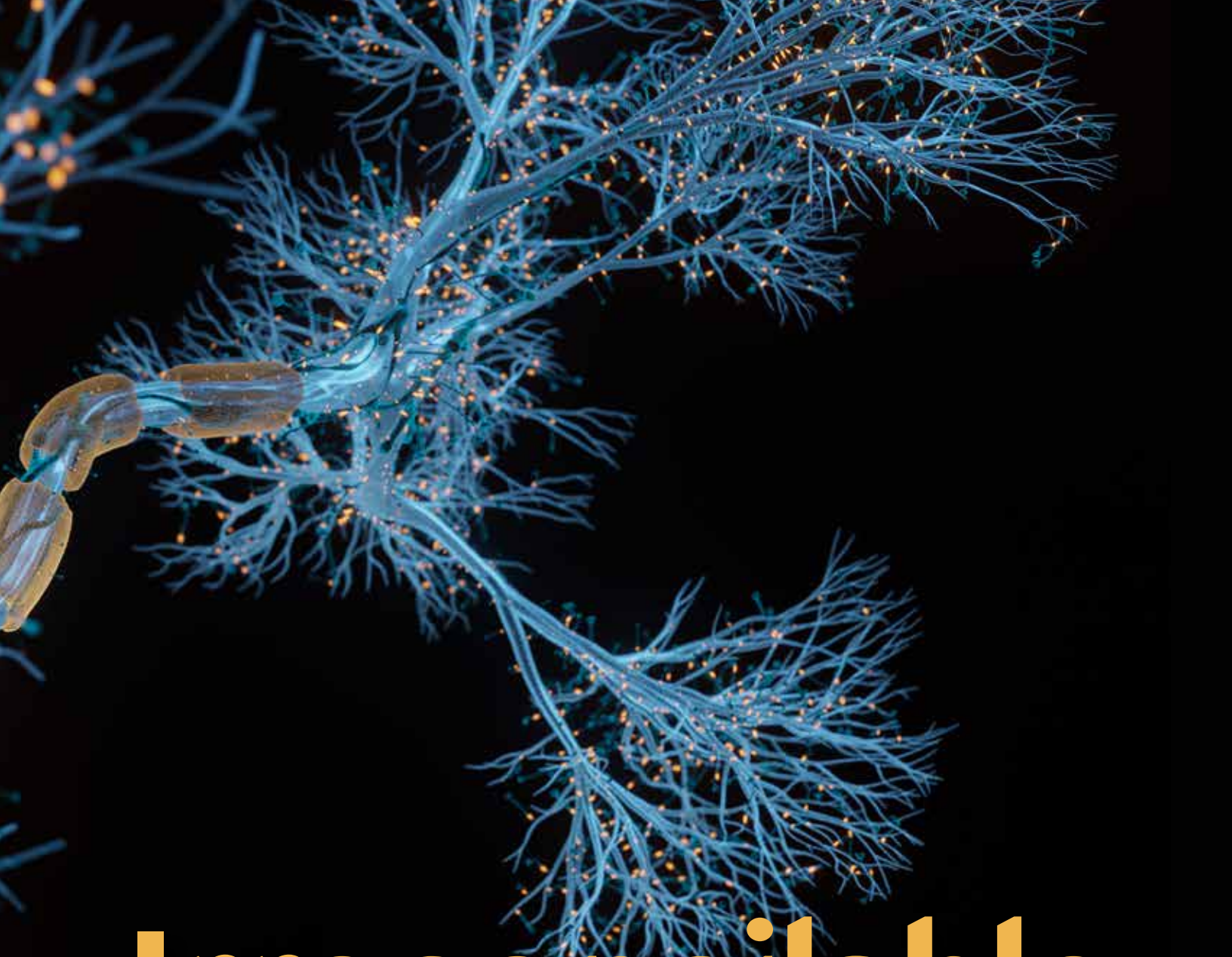
Now you can start new initiatives with smaller proton and neutron teams that can add electrons as needed to scale based on the learnings on the ground and the changes in the market—and do so at speed.

This journey with A.Team has revealed to me a future where companies are leaner and faster, focused not on the number of people, but on the collective skills, experiences and diversity they bring to the table. And where the next generation of product builders can choose their work with autonomy and build meaningful careers. 🚩



**Raphael Ouzan** is founder and CEO of A.Team, a team formation platform that enables tech leaders to assemble and manage cloud-based teams.





# Irreconcilable Differences

What neuroscience can tell us about the differing needs of both employers and employees in today's workplace and, in particular, in the return-to-office debate.

By David Rock

**T**he return-to-office debate has brought into sharp contrast the differing expectations of employers and employees about what it means to be part of a culture. While there's no shortage of strong and often contradictory opinions on the best approach, a more useful lens for understanding these dynamics is to explore what we can learn from neuroscience about the shifting set of wants, needs and demands in the world of work.

A useful starting point for this discussion is to understand the deep differences in how leaders believe people should be managed. There are a slew of ways to describe this divide, but perhaps the clearest is an idea that's been around since the 1960s, known as Theory X and Theory Y.

In short, Theory X leaders believe employees lack intrinsic motivation and, therefore, should be tightly managed with an authoritarian style. These folks bought keystroke monitors when the pandemic started and want everyone back in the office full time as fast as possible.

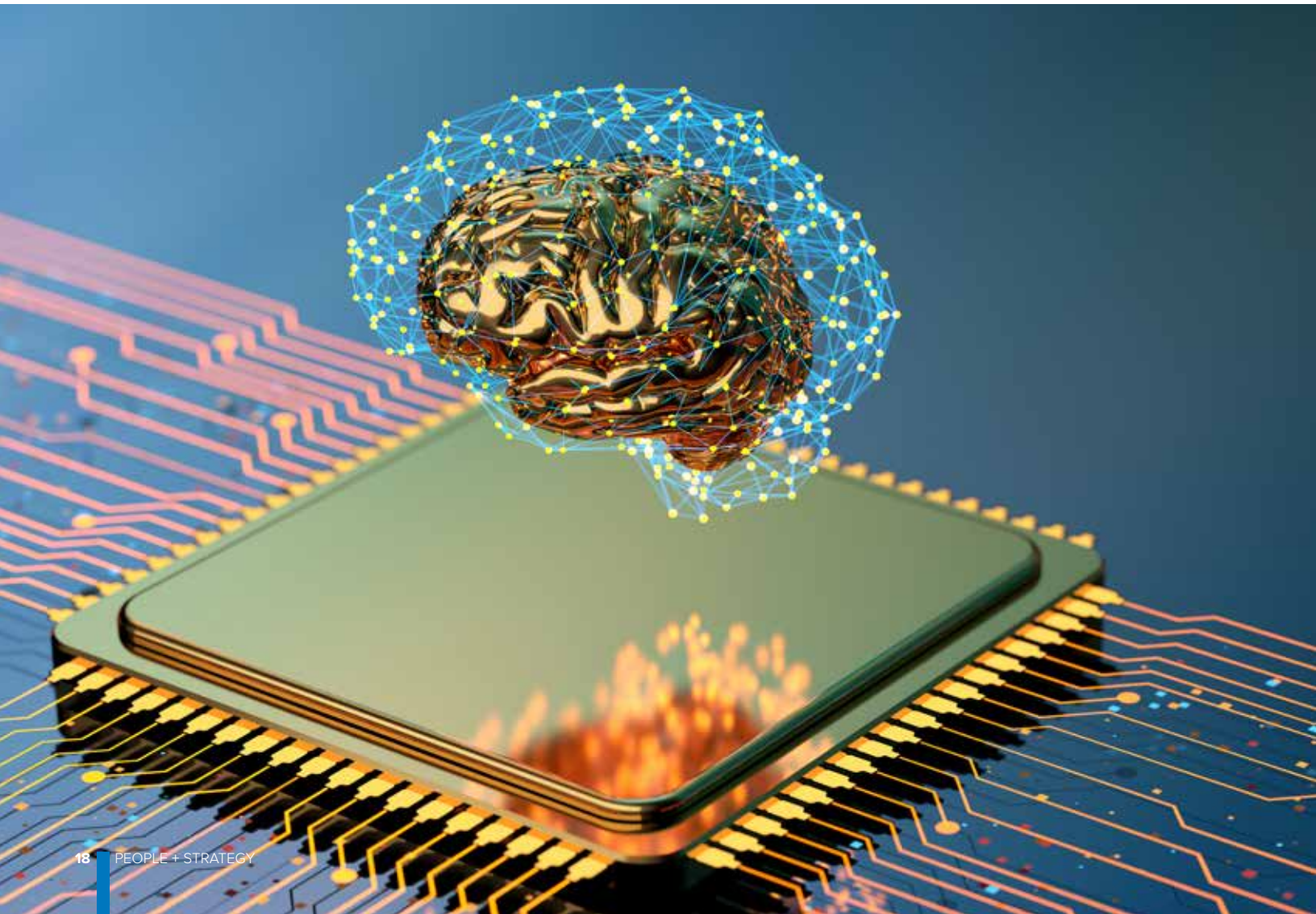
Theory Y leaders believe people have plenty of intrinsic motivation to do good work and perform better when left to their own devices. With more of a participative style, these leaders are in no rush to force anyone to do anything, and they tend to let people keep working at home or come to the office when they want.

The question of which approach is better is being examined through thousands of experiments playing out in the real world as large companies everywhere collect data about what employees do when you leave them be or rein them in. While these aren't controlled experiments, they are telling us a lot, and there are enough studies to see a trend.

Here's what we know: Despite intense efforts to get people back to the office, office attendance is barely at 50 percent of pre-pandemic levels in 10 key business districts in the U.S. Across the world, one-third of office desks are empty all week. And a big red flag: Companies offering the option of fully remote or hybrid roles are hiring at twice the rate of firms requiring full-time attendance in office.

Determined efforts to get people back in the office full time or even part-time are struggling. But is this good or bad for organizations?

Setting aside companies with employees who need to be in person—such as retail or health care—the data strongly suggests that a well-executed hybrid option is probably best for organizational performance, while a fully remote option may be better for individual performance. Individuals can be most productive on their own, but that won't necessarily mean better results for the team. And surprisingly, a poorly executed hybrid option, such as requiring people back in the office three days a week, isn't much better than forcing people back full time.



Said another way, the worst outcome for organizations is forcing people back to the office full time. The second worst: forcing people back to the office part time. That's a death knell for Theory X. Next is letting people work at home full time. But that's also a death knell for Theory Y due to team productivity.

Somehow, the winner is a nuanced combination of home and office, but doing so in a way that involves elements of both Theory X *and* Theory Y.

Why is this the case? Why does the variable of time in office matter so much, and how have the pandemic and other big events changed what people want and how they see the world? Moreover, what does all this mean for younger generations—the future leaders of our organizations—and how they want to connect with others? To answer these questions, let's turn to the neuroscience of motivation.

## Understanding Human Motivation

The human brain has one key function, which is to keep us alive. It does this by keeping us away from things that might harm us (like the edge of a cliff) and nudging us toward things that can be useful (like a delicious meal). This process occurs many times each second and on many different levels. It's how we stand upright, notice food that might be spoiled or remember a colleague who was a little aggressive with us in the past.

When this process happens, the brain has one of two reactions—go *toward* some kind of reward or move *away* from some kind of threat. An important distinction here is that the away response is significantly stronger than the toward response. This has adaptive value: Miss a reward and you might miss lunch. But miss a threat and you might *be* lunch. Toward and away is the organizing principle of the brain and of all human behavior. It's also the foundation of motivation.

One of the biggest differences between humans and animals is that we're born helpless and largely stay that way for roughly a decade. During this time, most of our survival needs are met by other humans. While a wolf has big brain networks for helping it detect the most important threats and rewards—such as smelling and hearing at a distance in the wild—we have big brain networks for detecting what matters most in social-driven settings.

The result is that even tiny changes in the fabric of our social structure drive big changes in the human brain. Said another way, social issues create the strongest threats and rewards, which makes them the strongest motivators.

In 2008, after about five years of research, I published a framework that helped me understand social motivations, synthesizing hundreds of different studies. I called this the SCARF model, which stands for: **S**tatus, **C**ertainty, **A**utonomy, **R**elatedness and **F**airness. This model helps explain what's been playing out in recent years in the workplace, as well as how the needs of employees of different generations may be changing over time.

SCARF describes why we do what we do in any social context. It's a way of thinking more granularly about motivation, but also about engagement, inclusion, psychological safety, change management and other domains. The research highlights several important findings.

First, everyone is impacted by all five domains. But each has variable importance to people, which we call a SCARF profile.

More personalization and control in products and services tends to be more engaging and more efficient and often saves significant costs. Why wouldn't the same be true with our work lives?

For example, one team member might value certainty the most, while you as a leader might value autonomy highest—and that difference can explain many tensions at work.

What's more, your SCARF profile can evolve a little over time, based on changing circumstances—say, a pandemic or major shift in how we work.

## How Smartphones Changed the Brain

Before we get to the pandemic and the return-to-office debate, let's consider another big change in how we live and work.

Many studies show that a jump in anxiety correlates closely to the rise of the smartphone, and with it, constant access to social media. A well-organized smartphone is a bit like a universal remote control for your life: It gives you access to information, food, transportation, accommodation, social connection, entertainment and more just by tapping a screen.

Having this functionality in the palm of our hands primes the brain to expect a lot of certainty and autonomy. We get used to having information as soon as we want it and feel in control. Second, this technology allows people to fulfill their relatedness needs in more immediate, selective and global ways.

Younger generations, in particular, are connected in different ways than previous generations to more people on more platforms. These younger employees were struggling with complex, inefficient systems even before the pandemic. Why would you use a cumbersome piece of software to schedule a Zoom call to share an idea with colleagues when you could instead just send a quick voice note to a WhatsApp group?

With this massive increase in autonomy as a backdrop (for everyone, but especially for “digital natives” who grew up with smartphones), along comes a pandemic forcing millions of people to work from home. Let's explore what happened next.

## The Pandemic and SCARF

The pandemic created an overwhelming threat response, resulting in a terrifying drop in certainty and autonomy. Yet, something unusual happened in the world of work. While people working in hospitality, health care, retail and other in-person industries struggled immensely, most white-collar employees found they could work anywhere—a silver lining that unexpectedly bumped up our sense of autonomy.

We were now in control of when, where and how we worked,

and were able to juggle spreadsheets around parenting or walking the dog. This alone was a nice reward in the brain. But it was bigger than that.

We also had greater autonomy in our social interactions and in our diet, sleep and exercise patterns. The global work-from-home era produced a massive, unexpected jump in the level of control we felt across just about everything that mattered. And while some people suffered from disconnection and loneliness, on the whole, it was a positive experience for most that helped balance out the pain of the drop in certainty.

I don't think this trend of giving people more autonomy is going away any time soon. More personalization and control in products and services tends to be more engaging and more efficient and often saves significant costs. Why wouldn't the same be true with our work lives?

The other thing that happened during and post-pandemic is that we got used to interacting virtually. Anyone who's had a long walk while on a call with a friend knows we can have very intimate conversations even when not face-to-face. In fact, research suggests people may be more comfortable being vulnerable in virtual realms than during in-person interactions. As long as we can hear or see someone clearly, our brain responds as if the person is right in front of us. Over the pandemic and since, we have all gotten used to being effective in virtual worlds with our friendships and our work. That doesn't mean it doesn't feel good to be in person; we just now know that we can still be effective virtually.

In summary, people were primed for autonomy because of the rise in smartphones and they quickly found they could get many of their relatedness needs met without being with others in person.

It's important to note that *unexpected* rewards, such as all this novel control, are much stronger than *expected* rewards. Taking away an expected reward is also a stronger threat than taking away one you didn't expect. This is why telling people they must be in the office three out of five days makes them mad, whereas pre-pandemic, if you let people work from home two days a week, there would be cheers all around. (Also, remember the general rule that "bad is stronger than good," so the pain of losing autonomy is much stronger than the reward of gaining it.)

Taking autonomy away is a very difficult thing to do at the best of times. In the isolated work-from-home contexts of the pandemic, that autonomy became all-encompassing. And now, people are highly anxious again—about climate threats, the spectre of global conflict, rising domestic political divisions and economic uncertainty. One study showed that stress levels in the workplace in 2023 were similar to mid-pandemic

in 2021. Just like mid-pandemic, our autonomy today might be one of the few ongoing rewards that help us offset these threats.

On top of this, people have also gotten used to connecting well virtually. To the average employee, it seems patently unfair (another threat response) to be forced back into an office (note the drop in autonomy), especially if they are being super productive at home. It's also a threat to their sense of status, and the relatedness they have developed with their families and communities. That's a lot of threats all together.

To many younger employees, some of whom rarely wanted to set foot in an office before the pandemic—and perhaps haven't ever worked in one—it all seems ridiculous. They might turn up out of fear of losing their job in a tough market, but many are likely to be just "phoning it in."

## How to Determine the Optimal Doses of Togetherness

What does all this say about the future of the workplace? As mentioned earlier, many studies suggest the best thing for organizational performance is a hybrid model, defined as some time in the office and at home. That doesn't mean you should rush to tell everyone they have to be back in the office three days a week or just let people do whatever they like.

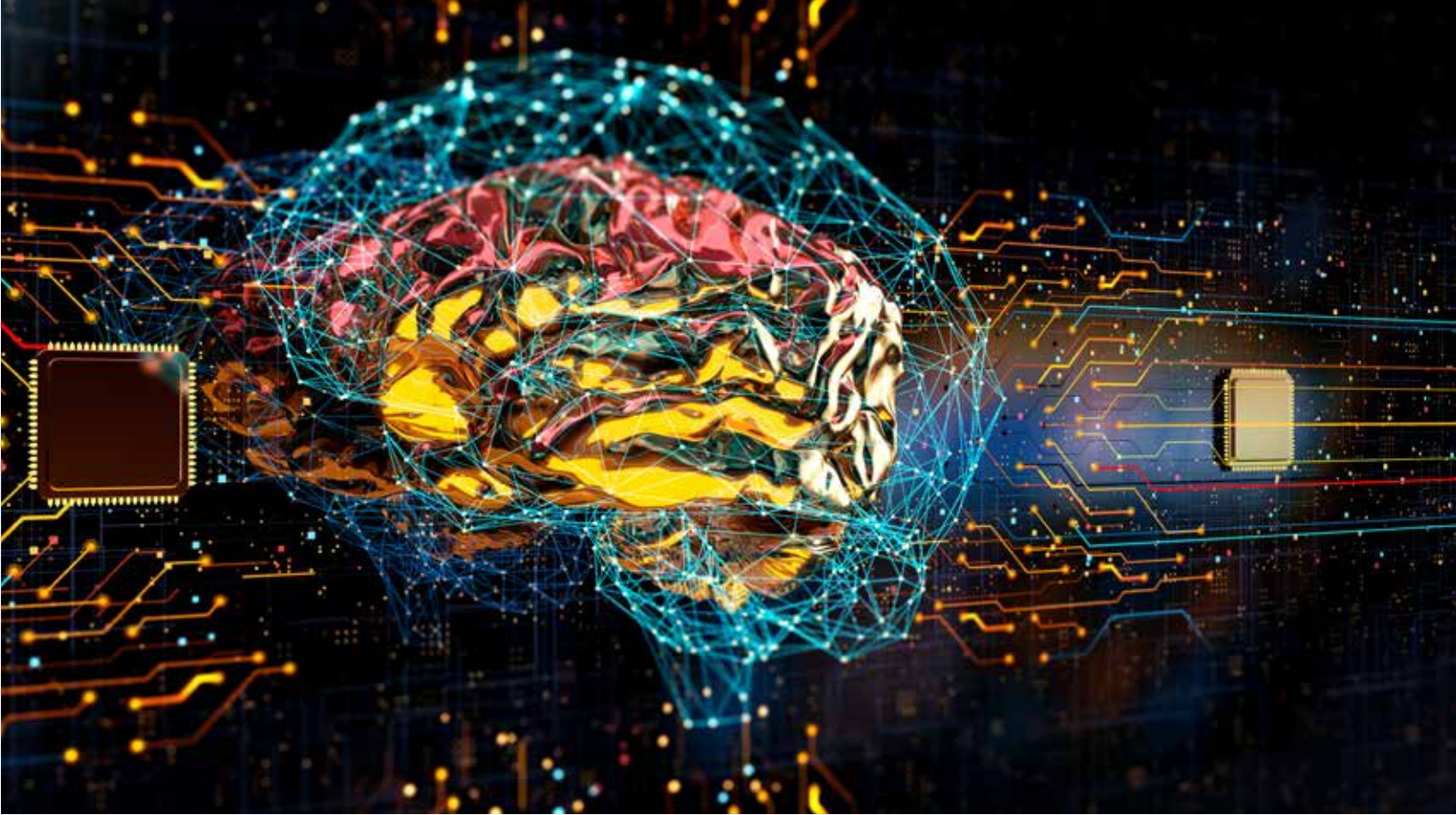
To find the optimal solution, try to answer three critical questions:

1. What is the optimal "dosage" of in-person experiences for your workforce?
2. How would you make this happen while minimizing the threat response this might create, especially when going back to the office might cost people significant money?
3. How can you maintain a strong culture when lots of work will still be done on virtual platforms, given that some people will always be out of the office?

Regarding dosage, there are subtle benefits to being in person, including feeling a sense of camaraderie and the ability to make connections outside your direct team. (Of note, there's no noticeable benefit to overall innovation, perhaps because being creative is still easier to do with fewer distractions.) And yet, there are also significant productivity costs if people get together too often, with added commutes and time wasted by other distractions.

For some teams, like an HR team, the sweet spot might be as little as a few days in the office every quarter. For a finance team, maybe a few days a month. And for some specialists, like a product team, perhaps a few days a week. To get these numbers right, it would be wise to ask people what they think would work, thereby increasing their sense of autonomy.

One study showed that stress levels in the workplace in 2023 were similar to mid-pandemic in 2021. Just like mid-pandemic, our autonomy today might be one of the few ongoing rewards that help us offset these threats.



The next question is: How do you get people on board with the idea of more time in person, without reducing their motivation by forcing the issue? And how do you ensure that this time together is fruitful, which is more likely if a lot of people are onsite at the same time? The day you commute in and get stuck in a tiny phone booth all day isn't time well spent.

**The Patchwork Principle.** My hypothesis for getting this right is something I call the "Patchwork Principle." In short, you ask for something reasonable, like everyone being in the office together two days a month, perhaps at the start or end of the month. This seems fair and likely helpful. People can buy in to this idea easily. Because many of the benefits of being together are social, add food and drinks to the agenda.

In addition to that regular cadence, you can also add a few extra days for end-of-quarter activities and year-end. All this seems rational and fair and can be a productive process if used to reflect and learn. Now, give certain teams a few extra days a month to be together, because they really will benefit from time together. But make it a target number of days per month, not per week, and let the teams decide how to do this.

When you add in the roughly 10 percent to 20 percent of people who want to come to the office most of the time for their own reasons, you should see a slow increase in the numbers of people in the office—but for the right reasons and to do the right kind of work together.

What you are doing is creating a little certainty and fairness, while also maintaining autonomy. Obviously, this approach takes more planning than just "everyone back three days a week," but I believe the benefits are likely to outweigh the costs.

Finally, how can you best maintain culture?

Many meetings will still be virtual in the scenario described above. Consider that, despite widespread fears, most

organizations' cultures didn't implode during the pandemic. If you think of culture as shared everyday habits, a lot of work involves communicating. If the pandemic happened before we had ubiquitous video conferencing, it might have produced a different outcome. Yet with video turned on, people unconsciously pick up cues the brain needs to determine how to interact with other humans.

To maintain culture, we need to settle into virtual meetings for the long haul. This means training managers to run more efficient and effective interactions in this medium and recognizing the upsides to well-run virtual meetings: They can be faster, more inclusive, less biased and more creative, which ultimately contributes to strengthening culture.

In summary, we've been focused on the wrong things. It's not Theory X or Theory Y. While that clean divide might be tantalizing to an overwhelmed brain that craves certainty, neither approach seems to be working. No employer wants their competitors to be hiring twice as fast because they are more flexible. Yet those who are flexible are still struggling to maximize the benefits of being in person.

As we learn more about the brain, we have the ability to update our models for how humans function and work best. Coming up with the right answer—an urgent need as we move into this next phase of work—involves a deeper understanding of what truly drives us.



**David Rock** is the co-founder and CEO of the NeuroLeadership Institute, a cognitive science consultancy that has advised more than half of the *Fortune* 100. He is also the author of four books, including *Your Brain at Work*.

# The Pixelated Workforce Has Arrived... Are We Ready?

A confluence of recent disruptions and historic trends is blowing up the traditional model of full-time, long-term employees. Now every job, project and opportunity can be filled with a wide variety of people, each working in different employment arrangements. How should your organization respond?

By Josh Bersin





In the past few years, it seems like everything at work has changed. We work from home, we use online tools for video and document-sharing, and our relationships with employers are weaker and more tenuous than ever. Just last year, almost a third of workers changed employers, and nearly 45 percent of them changed industries in the process, according to a McKinsey & Company report. And this highlights a key insight: The relationship between worker and employer has changed, leading us to a new world we call the Pixelated Workforce.

Consider what employment was like in the 1950s and 1960s. Most companies hired employees for long careers. Employers provided health care and insurance, training and development, career growth, and retirement annuities as benefits. In exchange for these rewards, employees were loyal, they felt committed to their employer, and job hopping was considered bad practice.

As the internet started to disrupt business models and we suddenly had more information at our fingertips, all this started to change. No longer was it difficult to find a new job. Tools such as Monster, LinkedIn and Indeed suddenly made it easy to find and apply for positions. So employees started looking

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Whenever you want to “hire someone” to grow a team or a function, it’s important to think holistically about “why we need to hire.” Are we hiring because of a retention problem? Can we source someone internally (reskill)? Or should we redesign the work and outsource it to a contractor?

around. And as people felt freer to move to new positions, everything started to change.

Think about companies such as General Electric, IBM or AT&T in the 1960s and 1970s. They had enormous competitive advantages, and their products, business processes and innovations were long-lasting and unique. But as people started to change companies, they took their ideas and innovations with them. The result was a whole new economy, one in which ideas flow quickly from company to company, key employees are recruited away and new ideas are quickly copied by competitors.

This shift, from what we call the “industrial scale” model of business to that of “innovation, IP and services,” forced companies to move to a new model of hiring. No longer do we look for people who want to build a long-term career. We look for skills, flexibility, agility and productivity. So employers have become more pragmatic in their hiring, now looking for “the right person for the project” and no longer expecting a worker to stay their whole career.

To accelerate this process, new tools and employment models were created. CareerBuilder (the first major online jobs site) was founded in 1995, followed by Monster in 1999 and LinkedIn in 2002. These companies democratized the job market, giving workers (and later employers) tools, information and transparency they never had before. Prior to these systems, it was very difficult to even know if you were underpaid or falling behind in your career. Suddenly, everyone could see what jobs, careers and opportunities were trending every minute.

While this transparency and mobility was growing, something more profound started to happen. Workers and employers started to experiment with new working arrangements. Starbucks famously decided to offer health care, educational benefits and career growth to its hourly employees. Sodexo, Aramark and other foodservice companies created a variety of flexible work models to enable hourly workers to swap shifts and find times to work (now powered by AI). And staffing companies Manpower and Robert Half—and later Adecco and others—shifted from being staffing agencies for temporary accountants or administrators to acting as full-service hiring, recruitment and outplacement firms.

In fact, there has been such a scramble for contingent and skills-based hiring that many of these staffing firms also got involved in training. Hundreds of reskilling vendors—from Coursera to Skillsoft to Pluralsight—created online education offerings to help job changers learn new skills and transition from role to role.

For less educated workers, community colleges and many government-funded transition programs opened their doors to train people to work in nursing, IT, cybersecurity, accounting and more. Institutions such as Capella, Southern New Hampshire University and others became billion-dollar enterprises, all built in support of this newly created “highly mobile” workforce, filled with people who wanted better opportunities or new careers in this transparent, opportunity-rich environment.

But something else was going on. The traditional idea of an “employee” was breaking down. As people moved around more, companies such as Uber (founded in 2006) realized there were many people who wanted more flexibility and a new arrangement. If you didn’t speak English well, you had kids or



aging parents at home, or you lacked direct business skills, you could now drive for Uber and supplement your income easily. Uber exploded, giving rise to other “uber-work” ideas that have been copied by companies such as Lyft and gig work sites including Upwork, Fiverr and hundreds more.

And it’s getting even more complicated. In the last five years, every social network has built a revenue model for “influencers,” so young people who are good at video production or entertainment can now supplement income as a TikTok, YouTube or other online star. And this “creator economy” now lets you sell your ideas, your writing and even your leadership

skills (through online coaching networks) without any formal employment relationship at all.

Where does that leave us? We now live in this Pixelated Workforce, where every job, project and opportunity can be filled with a wide variety of people, each working in different employment arrangements. You as an employer have many new choices, and our old “prehire to retire” model is just not enough to handle them all.

Our newest research found that the average U.S. corporation now has 47.5 percent of its “workers” employed in a contract, contingent or other nonemployee relationship. More

While the pixelation of work has been positive for workers and many companies, it's time to build a more strategic focus for the future.

than 37 percent of U.S. workers operate in this model. And we also found that 62 percent of full-time workers also do “side hustles” to supplement income.

It's no longer sufficient to think about full-time employees as your workforce. We live in a world where high-performing companies operate with a “workforce ecosystem” strategy to grow.

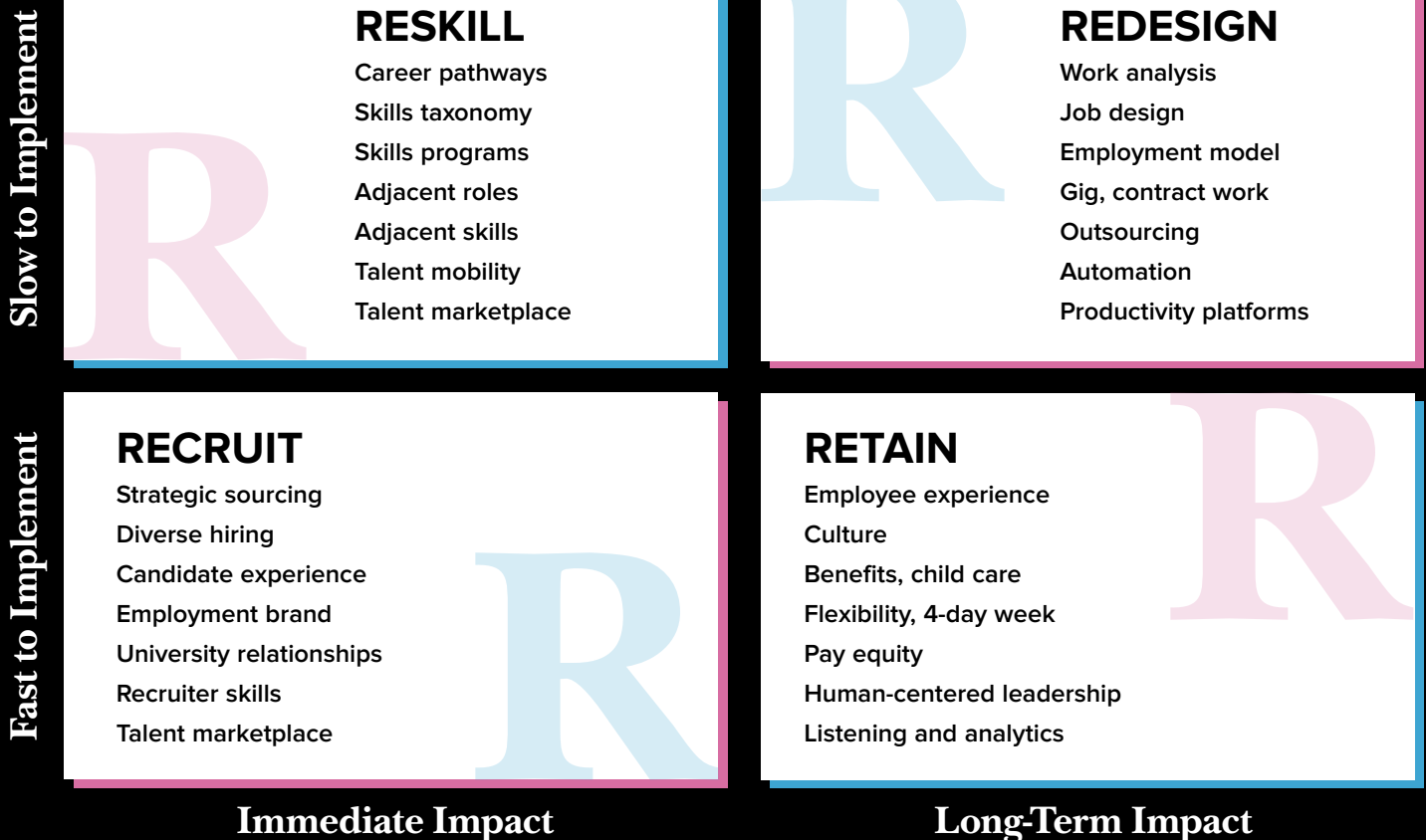
### How to Manage the Pixelated Workforce

We've done research on this problem for almost five years, and as you'd expect, we find companies at different levels of maturity. In general, only about a third of companies have any kind of integrated strategy for all these work arrangements. The “contract employees” are often hired by business

managers, and these “contracts” are stored in vendor management systems, not in the company's HR database. That means there's little to no opportunity to train and develop contractors, move them to new roles easily or recruit them to join full time.

And employers are often nervous about changing this model. Since many states penalize employers for failing to pay benefits for contractors who work full time, companies deliberately treat these workers with a hands-off model, often using employment agencies as intermediaries to reduce risk. But the downside hurts performance and the workers. We can't always train, move and engage these people like we want. And in a world where the unemployment rate is well below 4 percent, employers need these people more than ever.

## The 'Four R' Framework: A Systemic Model for HR



In the health care industry, where nurses and other clinical professionals are in short supply, companies fill roles by engaging with “traveling nurses” (essentially gig workers who are accredited and highly trained), high-pay contract nurses and part-time staff. Despite these efforts, CHROs tell us they are constantly trying to engage these staff to become long-term employees, simply because they need people so badly.

Think about your IT department. Most companies outsource cloud services, cybersecurity needs and many of their application development projects to contractors. Gone are the days when every company had an IT department that did all its work in-house. Where do these people come from? This creates demand for highly skilled technical professionals, large and small IT contractors, and gig workers who specialize in things such as AI who can move from company to company with ease.

Hourly workers have been pixelated as well. While Starbucks, Verizon and most retailers built long-term relationships with their hourly staff, the pandemic disrupted this model. People were laid off or furloughed, forcing them to find multiple jobs and other opportunities. Now employers are creating job networks where they “share hourly workers” with other companies to give workers more flexibility. They are raising wages while building AI-based scheduling systems so workers can find a shift that meets their needs.

Uber, DoorDash and hundreds of other gig-work companies have also thrived. In the first quarter of 2023, Uber generated \$8.3 billion of revenue, growing at nearly 30 percent. We are witnessing the “uberization” of many roles, from designers to gardeners to retail workers.

### What Should Companies Do?

As our research points out, it’s time to rethink the way we define and manage our workforce. We can’t simply let the purchasing department manage all the contingent hiring. We need hiring managers and recruiters to work together to decide when to hire, when to outsource and when to possibly train and recruit internally. The vast array of hiring options creates confusion, and while it’s easy to terminate or lay off contingent workers, they provide less strategic value during growth.

We developed the Four-R model (Reskill, Redesign, Recruit, Retain) to help HR departments address this issue (see chart at left). Whenever you want to “hire someone” to grow a team or a function, it’s important to think holistically about “why we need to hire.” Are we hiring because of a retention problem? Can we source someone internally (reskill)? Or should we redesign the work and outsource it to a contractor?

This type of model helps hiring managers (and HR teams) rethink the need to “open a requisition and hire someone” just to fill a job. And these kinds of models are badly needed as the workforce becomes more fragmented.

One thing we definitely know: Hiring is going to get even tougher over time. Most estimates of birth rates show flat to declining working populations in almost every developed country. So while the pixelation of work has been

positive for workers and many companies, it’s time to build a more strategic focus for the future.

Imagine a world in which every hiring manager participates in a strategic discussion and the team decides if this position is a full-time job, a part-time job, a contract job or an outsourced project. That type of framework brings many of these complex decisions together and lets the company think about speed, time to hire, and skills balanced against long-term growth, corporate culture and team development.

Here is an example of a simple tool for this discussion that we’ve often used with clients:

## Creating a Strategic Workforce Plan



Novartis recently discovered it was managing around 100,000 full-time employees and more than 50,000 contractors, many of whom became full time. To manage this complex web of staff, it set up a global cross-functional steering committee to start to understand and manage the ecosystem. It’s now building staffing consultants to help business units create consistent practices to decide when to hire, when to outsource and when to use a contractor.

The Pixelated Workforce is here to stay. It’s time to learn to manage this ecosystem for your company’s competitive advantage, and to bring productivity, growth and employee energy into companies in a world of rapid change.



**Josh Bersin** is the CEO and global industry analyst of the Josh Bersin Company. He is also the author of three books, including *Irresistible: The Seven Secrets of the World’s Most Enduring, Employee-Focused Organizations*.

# Leadership *in a World of* Contradictions

A Q&A with Alexi Robichaux, CEO and co-founder of BetterUp, on finding clarity in your management style amid new workplace challenges and tensions.

**T**he leadership playbook has been rewritten in the past few years, and managers need to adapt to survive. But the path to becoming a modern leader isn't clear—and, in fact, the messages can be contradictory, says Alexi Robichaux, the CEO and co-founder of BetterUp, a leading online personal and professional coaching firm. *People + Strategy* executive editor David Reimer and articles editor Adam Bryant sat down with Robichaux to explore the challenges, shifts and future possibilities of leadership.





**People + Strategy:** There seems to be an enduring tension and lack of alignment with the expectations of employers and employees. How do you think about that?

**ALEXI ROBICHAUX:** Stepping back, I think part of the tension lies in how we think about leadership. In the late 1970s and early '80s, thanks to people like Peter Drucker, management was the “super category,” and leadership was a subset of that. But along the way, that got flipped and we saw a leadership industry boom. And a lot of what people were talking about wasn't really tied to the core idea that the role of a manager is to increase performance.

It was as if leadership, as a set of metaphysical principles, became a set of activities for its own means, rather than making people better at their jobs to grow the business. The ideas have become disconnected. That's where some of the irreconcilable differences come in. If I'm reading leadership blogs all day, I can have a very lofty idea of what my leader should

do for me, and that may not have any actual practicality to running the firm. A lot of the genuine, authentic disconnects come from these types of situations.

**P+S:** That notion of leadership as a philosophical practice, discreet from running the business, is certainly pervasive.

**ROBICHAUX:** It's as though leadership is seen as a virtue instead of as something utilitarian. Both can exist, but the measure of virtue has to be that it works. We're seeing a disconnect. I hear it from young people. “I want my manager to do this,” they will say. And I'll ask why they think that. “Well, I read a blog.” Then I'll explain that the author of the blog may have good intentions, but that the suggestion may not actually work in practice. But they really think that they deserve certain treatment from their boss. And they don't mean that in an entitled way; that's just what they expect.



**P+S: What is the management component that is in scarce supply today?**

**ROBICHAUX:** We have a very large dataset of 360 reviews evaluating managers, specifically. And we can pull from that to see what managers are struggling with and also what people are saying they want from their managers. The three things that people want most from their managers—in part because managers have become progressively worse at these since the start of COVID—are focus, strategic planning and alignment.

They're kind of basic. Is that inspirational leadership? No. But what we find is that employees want clarity. They want the block-and-tackle basics of management. But in the world today, that is increasingly hard to do. It requires a higher level of business acumen on the part of the manager. You have to be able to think in multidimensional chess about tradeoffs and consequences. It's not about inspiring people, storytelling or integrity. It's just, "Tell me what I've got to do, how to spend my time and what winning looks like."

What we're finding in the data is that people want that more directive style and they want that clarity, because outside of their work context, clarity is at an all-time low in their lives. People want their jobs to be a place of clarity in their lives. That requires a directive leadership style, more so than people may have been comfortable with in recent years.

**P+S: In the past few years, managers have increasingly found themselves in conversations for which there is no playbook. So, on the one hand, employees want their managers to get back to basics. But there are also all these new conversations—how do you balance compassion for an employee going through a tough patch while also driving accountability, for example—that managers may not have the training for.**

**ROBICHAUX:** It does feel like management is harder than it's ever been. You are navigating complex social, political and emotional issues alongside your direct reports now. There's a whole new skill set to people management. You're not a therapist, but you are being trusted with the well-being of your team. And the traditional literature has not prepared us for guiding colleagues to perform and flourish through these complex issues. MBA classes don't traditionally address how to increase the well-being and the flourishing of your team even though it's a huge indicator of performance.

If you can't learn the skills fast enough, what do you focus on? You have to focus on this concept of psychological resources for your managers. What is their capacity for change and their capacity for learning?

We published a book called *Tomorrowmind: Thriving at Work with Resilience, Creativity, and Connection—Now and in an Uncertain Future* (Atria Books, 2023). We studied 100,000+ workers, their leaders and organizations to answer the question, "What are the key skills critical to flourishing at work today?" The answer is an acronym we call PRISM, which are the five skills that can set managers and teams up for success in the future:

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Employees want clarity. They want the block-and-tackle basics of management. ... It's just, 'Tell me what I've got to do, how to spend my time and what winning looks like.' ... People want their jobs to be a place of clarity in their lives. That requires a directive leadership style, more so than people may have been comfortable with in recent years.

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- The first is *prospection* or strategic planning, which is the ability to think through the “matrix of maybe” and prune decision pathways.
- The second is *resilience* on an individual and team level. You're constantly getting blowback and setbacks right now as a leader or manager. Do you have the fortitude and the ability to bounce back?
- The third is *innovation* or creative thought.
- The fourth is *social* connection or rapid rapport building. In a Zoom world, you have to be good at building rapport fast because you still need to trust your teams.
- The fifth is “*mattering*.” It's less existential than “meaning.” People want to know that their work matters, and they need to understand how it fits into the big picture.

**P+S:** One of the most persistent themes in this idea of irreconcilable differences is the tension over return-to-office policies.

**ROBICHAUX:** The data is messy right now. Ideally, companies would not approach it as a one-size-fits-all policy. You would do it based on the life cycle of projects. In the ideation phase, people are better in person. Rapport is built quicker and strategic planning happens faster. In the heads-down phase, being at home has huge advantages for flow states. So the scientific answer is you need both approaches, and ideally you would organize policies around the actual work being done.

The data shows that a lot of these CEOs who are advocating for return to office aren't wrong. People seem to be more productive now coming into the office at least some of the time. But it's hard. There's a little bit of indignation on both sides.

That said, I also hear anecdotally from some younger employees that they are more eager to go back into the office because a lot of their social bonds are at work.

**P+S:** Have you seen shifts in what people want coaching for?

**ROBICHAUX:** We've seen two shifts, besides the expectations of managers. Themes related to well-being spiked at the start of the pandemic and persisted throughout. A big

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For the first time, we are starting to see burnout eclipse resilience as a collective capacity. If burnout starts to eclipse resilience ... a lot of workforces may not have the capacity to turn on a dime when facing the uncertainty of future business challenges.

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factor in the effectiveness of teams was how much gas the manager had in their own tank. In general, people in senior leadership were much more depleted than we may have all thought.

There is a predictable pattern to how people develop leadership skills that was amplified at the start of COVID. In general, most members start working on a well-being or stress-related theme for a couple months before they start to tackle a traditional management or leadership skill. And it's not surprising, but most traditional leadership development resources don't establish well-being as a starting point.

It doesn't really design around the question, "Do you have the capacity to learn right now?" The answer for most managers is that they don't have the capacity to absorb robustly a lot of new information. They're just in survival mode, just trying to make it through. That's why resilience is the fountainhead of most modern leadership. It is maybe the primal leadership skill.

The second shift we tracked longitudinally is the relationship between burnout and resilience of everyone in our dataset. For the first time, we are starting to see burnout eclipse resilience as a collective capacity. If burnout starts to eclipse resilience—it's hard to believe—but a lot of workforces may not have the capacity to turn on a dime when facing the uncertainty of future business challenges.

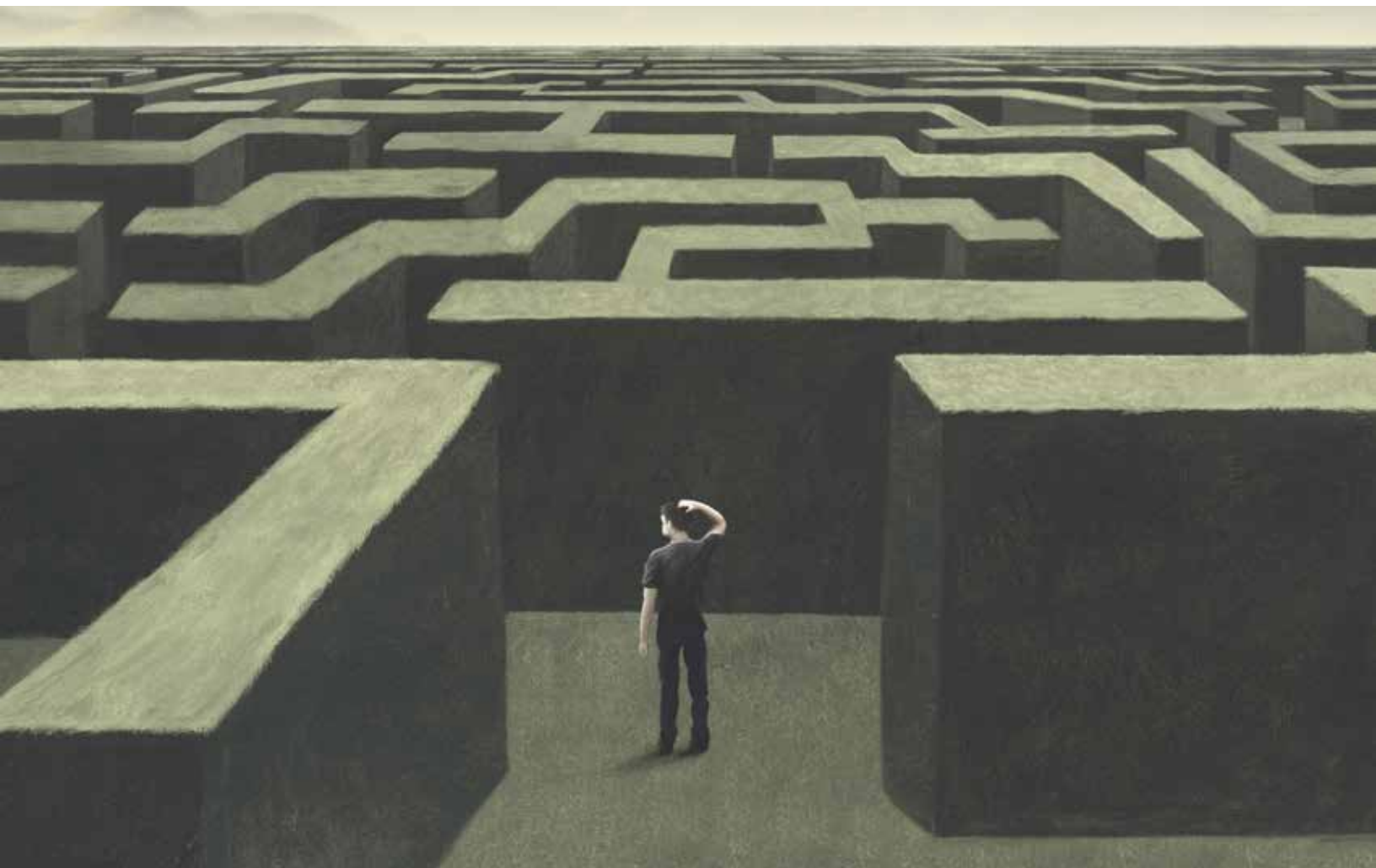
**P+S:** There is so much polarization in society now. That creates an enormous leadership challenge, particularly since people are increasingly looking to companies to solve all of society's challenges.

**ROBICHAUX:** It's this intersection of authenticity and civility. One of the jobs of a leader today is to create a civil workplace, and that's really hard because we don't have a civil space outside of work anymore. The geopolitical landscape is not civil for the most part, and there's a lot of demonizing in the world.

So one job of a leader—because you can't be productive or collaborative without it—is to create a culture of civility where there is mutual respect and there are some boundaries. You can't just cop out of everything, because then you start to compromise authenticity. That's the tension of how you give authentic expression to your viewpoints. You do it in a way where you also create space.

Our data shows this happens best in high "belonging" cultures, which is the holy grail here. People not only feel safe to bring their thoughts to bear, but they also feel like they fit in and are welcome in their organization. Leaders can create that environment, and that's the key to civility. People have to feel they can disagree with colleagues without being ostracized.

A lot of belonging comes down to the manager/team dynamic and individual interventions around people. Is the front-line manager creating an environment in which people can express their views and people on the team don't pounce on each other? You have to police that. If it happens, you have to say that's not acceptable. You have to exit those people.



**P+S:** Given that leading and managing people has become harder, are you seeing people opt out of these roles to go back to individual contributor positions?

**ROBICHAUX:** Anecdotally, from talking to customers and working with other founders, I am seeing more comfort with people being coached out of (or opting out of) management and leadership roles and being OK with that. Before, people might have thought, “Oh, my career is over.” But a lot of this is because people are burned out as managers.

I often coach internally that the atomic unit of management today is just difficult conversations. If you’re conflict-avoidant, we can coach people on how to be less avoidant. But you’re going to have a harder road than if you’re someone who naturally sets boundaries. You have to be clear about expectations because the job is really hard. It’s pretty thankless. That’s why it’s called leadership. Some do want to opt out of these roles and still stay with the company, rather than feeling like they have to go somewhere else.

**P+S:** Let’s fast-forward 30, 40 or even 50 years. What does leadership look like?

**ROBICHAUX:** It looks more like being a leader of teams that are highly situational and based on the job that has to be done at the moment.

The jobs to be done are proliferating and changing at a rapid pace, but we still assume now that one manager constantly can manage that. Instead, why not ask, for every emerging job that has to be done, who should be in charge?

That starts to look like punctuated situational leadership—and maybe you don’t even have managers. A person may have certain skills that are right for the project and they get drafted in to lead it. It’s like mission-based work. And maybe there should be combat pay for that particular tour of duty.

If you’re going to lead this particular project, then your pay should be tied to that rather than your particular level in the organization. If you’re functioning like a VP for three months with a particular project, then you should be paid that way for three months and then go back to your base pay rate.

That dynamicism is going to be huge. I humorously say that maybe Hollywood is smarter than we all thought because they’ve been doing this forever with the gig economy. Maybe Hollywood is going to be the future model of work, with some AI and different pay models mixed in. ■■





# Fractional WORK

## YOUR & TALENT STRATEGY

ARE YOU LEADING THE CHANGE  
OR IS IT LEADING YOU?

**E**arlier this year, I launched a platform connecting companies with people analytics experts to do fractional work. Within six weeks, this grew from a band of 10 people into a marketplace of over 100 world-class experts in 14 countries. I was astounded by the growth.

As our marketplace grew over the year, I became curious about whether the rise of fractional work is fundamentally changing how we need to engage with our workforce. Certainly, fractional work changes the nature of how workers collaborate and how work gets done. But as I engage more with our marketplace, I find that independent workers have different value propositions and needs.

We can't continue focusing on the employee experience—while largely ignoring the experience of the independent worker—and expect to get the most impact from our workforce. It requires a more holistic and inclusive approach. We must fundamentally adjust our talent strategy to create a sense of belonging for both groups while honoring their differences.

These are insights I've learned over the past year about the demand for fractional work and how I see it transforming our workplace.

BY RJ MILNOR

## Independent Worker Persona: Builders Who Want Flexibility, Agency

Candidly, I did not set out to create this company. When big companies began conducting more layoffs last year, I started connecting good people looking for work with meaningful opportunities. Like so many of you, I'm fortunate to have worked in this space for a while, I have a strong network and I felt like it was the right thing to do.

I expected that my colleagues would be looking for full-time roles, but I was surprised by what I heard. The answer was remarkably consistent: They didn't want to go back to corporate roles. These were all high-performing employees, exceptional at what they do, who wanted to build and have an impact. They wanted more flexibility in how and when they worked, and they wanted more agency in what they worked on.

I heard the same story seemingly on repeat: "I spend a minority of my time doing what I love and the rest in bureaucracy or processes that don't make a difference. I'm doing the same thing over and over again. I don't want to go back to that."

Maybe I shouldn't have been surprised. A recent study from McKinsey & Company found that 36 percent of employed workers who responded to its survey were independent workers (defined as contract, freelance, temporary or gig workers), which McKinsey extrapolated to the equivalent of 58 million Americans.<sup>1</sup> That's up from 27 percent of the population who identified as independent workers in 2016.

When asked why they chose independent work, 25 percent cited the autonomy and flexibility it offers. Another 25 percent

said they do it because they enjoy the work (this was the top reason among high earners making over \$150,000 annually).

## Opportunity for Employers: Unprecedented Access to Skills On Demand

As I spoke with experts in people analytics (my discipline), I found a strong demand among them to work independently. But as I spoke with companies, I saw a similarly strong desire to engage independent workers. Again, perhaps I should not have been surprised. According to research from The Josh Bersin Company and The Future of Work Exchange, independent workers make up over 47 percent of the enterprise workforce, and analysts forecast that share to grow.<sup>2</sup>

The appeal of independent workers and the impact they bring to organizations is real. In today's fractional labor market, companies can access skills with a speed and immediacy that is unprecedented. This immediate access to a wide variety of skills, the agility to start and stop work on demand, and the lower average cost compared to full-time employees gives a meaningful competitive advantage to HR and business leaders.

However, despite a desire among experts to work independently and companies' need for independent workers (seemingly a perfect match!), I discovered there was a gap that prevented both from being successful. That is why I founded our company, to bridge this gap with a marketplace that brings together experts and companies.

As my company has grown and I spend more time talking to experts and clients, I have come to appreciate that independent workers can change a company's workplace dynamics. But most CHROs aren't adjusting their talent strategies in response. As companies introduce more fractional work, the expectations of and from workers (both independent and permanent) change. But few leaders are incorporating this into their talent strategy.

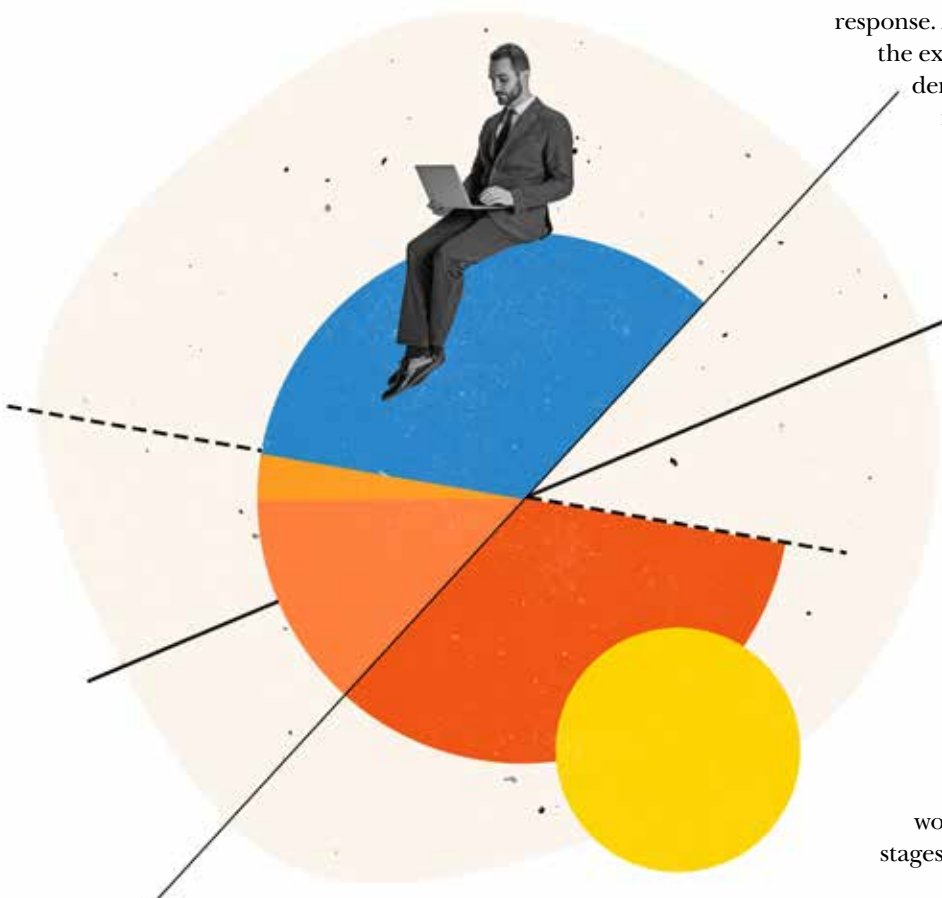
## The Implications: 4 Key Questions for CHROs

If you haven't assessed how fractional work may be changing your talent strategy, I encourage CHROs to consider these four questions:

### 1 What is your independent worker strategy?

Research from The Josh Bersin Company shows that high-performing companies are four times more likely to prioritize a strategic focus on an alternative workforce. Yet only 16 percent of companies have a defined strategy.<sup>3</sup> It's time to rethink your workforce strategy and how you measure it.

What is the right balance of full-time employees to independent workers, how might this differ by business unit and function, and how would you change your workforce mix in different stages of your business cycle? For example, you can



leverage your independent workforce to navigate rapid changes in demand, creating a more stable organization and minimizing the need to lay off permanent employees.

## 2 Which roles should be “gig-ified”?

Do you have positions in your organization that you need for a specific deliverable? Or are there skills that are critical for specific projects but not utilized throughout the entire year? These may be excellent candidates for independent work instead of permanent headcount.

Think about your teams. What percentage of your team do you need to execute the core business of your organization, and what portion is critical at different times? Could some of those roles be moved to independent workers?

## 3 How does this change how you manage your FTEs?

Fractional work offers tremendous benefits to your organization through more immediate access to a wide array of on-demand skills at a lower total cost than a permanent employee. But the increased reliance on independent workers can also pose risks to your long-term talent strategy. As your workforce mix shifts, if more work is being done by independent workers, consider the implications for your organizational culture and how you retain institutional knowledge.

If your strategy calls for more independent and fewer permanent workers, the responsibilities and impact of your permanent team magnify as more workers (and their knowledge) churn through the organization. I recommend taking immediate steps to strengthen these aspects of your organization:

- **Institutional knowledge:** You can retain institutional knowledge through a two-pronged approach of better project management hygiene and focused efforts on employee retention. Two effective ways to achieve better project management hygiene are improving your project documentation (i.e., ensuring that projects have a clear problem statement, desired outcome, project plan, and review and approval process, and that all milestones and changes are recorded) and leveraging shared project management tools (e.g., Asana, Moovila or Smartsheet). Regular and intentional lateral moves are among the most effective ways to retain and engage employees. A study by Nielsen shows that a lateral move increased an associate’s chance of staying with a company by 48 percent.<sup>4</sup>
- **Project oversight:** Assign project and decision owners from your permanent team to ensure continuity and end-to-end responsibility for critical work.
- **Team cohesion:** As the percentage of your workforce made up of permanent employees decreases, the importance of effective collaboration among them intensifies. They must connect, establish strong team bonds and leverage collaborative time efficiently. Take an intentional approach to bring teams together in the office—to establish trust with each other, discover new insights or to influence decisions—but still allow flexibility to work remotely for heads-down tasks.<sup>5</sup>

## 4 How are you taking care of your independent workers?

As independent workers become a larger part of our workforce, we must also understand and serve their unique needs. We can’t

expect to have a transactional relationship with independent workers and still realize the full benefit of their contribution.

How are you building a value proposition for your independent workers? For example, most companies exclude independent workers from their employee surveys and other listening programs. Wouldn’t you want to understand the engagement and well-being of your entire workforce? Also, consider including your independent workers in your development and onboarding programs. These changes help foster a better sense of teams and belonging while enabling your fractional workforce to be more productive on the job.

But most importantly, we need to rethink how we provide benefits to this population. Access to affordable health care, health insurance and child care remain significant barriers to well-being among independent workers. McKinsey found that about half of permanent workers receive health insurance from their employers, while only 32 percent of independent workers do. As an HR community, we can bridge this gap and care for our entire workforce.

In conclusion, companies have woken up to the value of independent workers. The immediate access to skills, increased agility and lower labor cost they provide can deliver a distinct competitive advantage. But while independent workers are a growing share of the workforce, most leaders need an intentional strategy for leveraging fractional work to support their business goals and integrate independent workers into their organizations.

While employee experience seems to be top of mind for so many leaders, we rarely measure or manage the experience of our independent workers, nor do we account for how their work is affecting our permanent teams. We can’t continue ignoring independent workers’ experiences and their input. To realize the full benefit of their contributions, we must adjust our talent strategies to give our permanent employees the increased support they need while caring for the unique needs of our fractional workers.



**RJ Milnor** is the founder and CEO of People Analytics Partners, a marketplace that connects companies with experts in people analytics and workplace tech for fractional assignments. He previously led the global people analytics and workforce planning functions at Uber, McKesson and Chevron.

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# Generation Why

The HR Lessons  
Learned—and  
Questions Raised—  
From Having Five  
Different Generations  
in Today's Workplace

By Jacqueline M. Welch,  
CHRO of *The New York Times*







**M**any of the foundational pillars of the HR profession are grounded in the principles of fairness and equitable treatment. These are laudable principles that over time have become increasingly more difficult to put into action as employee populations have become more diverse in many ways.

As a case in point, we now have five generations in the workplace. Interest in defining the generations—and how their views about work differ—started roughly three decades ago. There were the “radio babies” (sometimes referred to as the Silent Generation) who were born between 1928 and 1945. That was followed by Baby Boomers, who were born between 1946 and 1964. Then came Generation X, born between 1965 and 1979. During roughly the same time, “personnel” was shifting to “human resources,” a change in nomenclature meant to capture how the function was maturing from a transactional approach to a propellant for strategy.

## SHIFTING EXPECTATIONS OF WORK

The focus on generations heightened the need to broadly understand employee populations by group. We learned that radio babies were typically motivated to work for the same company for their entire career, ending with a gold watch at their retirement party. If you came out of that era of the emerging middle class, single-employer stability meant everything.

Baby Boomers were generally more interested in upward mobility and had greater expectations of growing into increasingly more senior roles, with compensation to match. Succession planning and compensation planning became more formalized processes.

Generation X is widely regarded as the generation to bring to the forefront the idea of the workplace aligning with personal values, including diversity, work/life balance, flexibility and informality. This generation was the first technology natives, most having grown up with a personal computer and an internet connection. And unlike prior generations, Generation X was the least likely to grow their careers with one employer over time.

Fast-forward to today: We’ve added more generational categories (Millennials and Generation Z) and, as a byproduct, more complexity. Our world has grown more global and interconnected. And the social, political and legislative environments in the U.S. have become more fragmented, with the overturning of *Roe v. Wade* and the dismantling of affirmative action being just two recent examples.

My own story provides a case study in the shifting expectations of generations. I am an only child of immigrant, working-class, Baby Boomer parents. And though I don’t precisely map to the profile of Generation X, many of the hallmarks are there. I didn’t have a personal computer or internet connection in my home when I was growing up, but I went to

schools with computer labs. Unlike my dad, who worked for the same employer until he retired at 53, *The New York Times* is my seventh employer. This wasn’t by design. I simply followed my curiosities and interests and, over time, made choices that aligned with my values.

## 5 LESSONS AND QUESTIONS

From my lived experience, I’ve learned many things and have questions about many things:

1. **Job hopping and career mobility.** As a member of Generation X, the statistics say I will have between seven and eight employers over the span of my career. For the generation behind me, that number rises to anywhere between 10 and 14 unique employers. That’s an average tenure of two to four years for each role. Those shifts, and that greater mobility, raise profound questions for HR about whether the assumptions that underpin our frameworks and policies are purpose-built for this moment. What does that mean for promotion tracks? For learning and development programs? How quickly can we train an employee, or are we better off hiring someone from outside the company who is already experienced?
2. **Succession planning.** We used to think about succession planning in 10-year increments. Now, we think about it in three- to five-year increments. With collapsing tenures, how do we choose our future leaders and develop them quickly for their next big roles?
3. **Compensation strategy.** Our compensation practices also have to be revisited. We have to re-examine how we think about issuing stock and vesting schedules if these are meant to be retention levers. If people aren’t willing to work through our vesting schedules, what should be included in our compensation? Do we need different mixes for different profiles, such as the mission loyalists

Maybe we need an approach that creates a kind of glide path to retirement. Maybe at a certain age, you can qualify for part-time status. You still get benefits. We reduce your salary. Some portion of your work now becomes mentoring peers. People are living longer, healthier lives, and they want to keep contributing.

who intend to stay put for the long haul versus mercenaries who want to tackle a project and be paid handsomely and quickly, preferably in cash? What could this do to the principle of equity?

#### 4. Rethinking retirement.

Some organizations still have mandatory retirement ages for certain roles, and yet, the current occupant of the highest office in the land is an octogenarian. Global life expectancy is just north of 73 years old and has been on an upward trend of .25 percent since 2019.

People—out of necessity, desire or both—are working longer. How do we best leverage their skills and institutional knowledge without compromising career mobility for younger workers?

Maybe we need an approach that creates a kind of glide path to retirement. Maybe at a certain age, you can qualify for part-time status. You still get benefits. We reduce your salary. Some portion of your work now becomes mentoring peers. People are living longer, healthier lives, and they want to keep contributing.

5. **Skills-based hiring.** There's been a shift to reframe skill requirements, which, while a long time coming, does have its challenges. For example, what do you do with those employees who are very good at just one skill when you need generalists to help navigate all the uncertainty and new challenges that companies are facing? Are we over-rotating on skills-based hiring? We need to think about where that pendulum should settle. I firmly believe we need to explore these questions and act on them to keep our function relevant and useful.

## DRAWING CLEAR BOUNDARIES

At a time when so much is changing, we also need to be clear about what is not changing and what shouldn't change. Many younger workers come into organizations wanting their employers to represent what they believe in and stand for. That's a slippery slope at best. What a 22-year-old believes today is



likely going to change over time.

Companies have a responsibility to say, “We are timeless in that these are our values. This is our approach to business. We’ll evolve where it makes sense, but it won’t be because of the loudest small group who are demanding that we care about a particular issue.”

Everybody wants you to stand behind something. Companies need to say to employees that they are free to have their personal passions and beliefs and values, but there are boundaries. You have to draw lines

somewhere, because people who are passionate aren't necessarily going to draw boundaries around themselves.

It all comes back to this question: What is the role of the enterprise today? During the era of radio babies, it was easier. Companies existed to make money and help create a middle class. Even the advertising jingles were simple—“We bring good things to life.” But now people will press you for specifics. “What good things? And how are you bringing them to life? Are you operating in countries that don't value human rights?”

One of the many roles of HR is to work with senior leaders to define the “immutable” of your organization. And there can't be too many. Companies have to define those. And if they have already, they need to make sure they are more vocal about sharing them. There are going to be some people who opt in, and there are going to be some people who say, “This has nothing to do with me. I'm leaving,” and that might be some of your star people. That prospect can make organizations uncomfortable. In the minds of some, it may winnow your options in terms of hiring talent. But if culture is as important as we all say it is, then you should embrace that.



**Jacqueline M. Welch** is executive vice president and CHRO of *The New York Times*. She previously served in senior HR roles at Freddie Mac and Turner Broadcasting System.

# GROWTH TALKS

Siemens has dissolved its formal performance management process and created a new concept built on manager-staff dialogues focused on growth and well-being.

By Judith Wiese





If there's one constant in the world today, it is the rapid speed of change. People and organizations are facing a future that increasingly requires them to quickly adapt or risk becoming irrelevant. With the rapid and disruptive digital transformation happening in the industries we support, Siemens aims to quicken the pace of change to become even faster, more agile and more competitive.

In 2020, the year I joined Siemens, we embarked on a large business transformation, spearheaded by major changes in our corporate and leadership structure, including the appointment of a new CEO, Roland Busch, and other changes on our managing board. We kicked off this new chapter by identifying four strategic priorities we now live by: customer impact, technology with purpose, empowering people and growth mindset.

In line with these changes on the business side, we also recognized the need for a complementary workforce transformation. We had to rethink how we win, grow and bond our over 300,000 people worldwide. Working together with my People and Organization (P&O) team, we reviewed various overarching people-transformation initiatives, and we also took a closer look at the legacy approach to handling performance evaluations.

### **A Fundamental Shift in People Development**

Like many large, established companies, we had used a classic performance management approach for many years. The performance review process was relatively formal and prescriptive, including rigid processes focusing on the past instead of being forward-looking. Managers scheduled end-of-year performance review talks with their people, provided verbal and written feedback, and assigned them ratings. But these dated methodologies no longer supported the growth and business transformation that Siemens was embarking on.

I am a big believer in systemic thinking; all measures undertaken to drive change need to be consistent

and point in the same strategic direction. Only then will you be able to drive meaningful change.

So we made the strategic decision to dissolve these formal performance management processes and created a new approach, built around the concept of having regular conversations between leaders and their people based on performance, growth and well-being. We wanted to make an iconic change, underpinning the priority of a growth mindset and learning. We named our new approach Growth Talks.

Growth Talks created a fundamental shift in our people development strategy. This forward-looking approach is now used to drive meaningful, continuous conversations on goals connected to strategy and delivery, supporting both organizational growth and personal growth.

In introducing Growth Talks globally, we equipped our people with guiding material focusing on four dimensions:

- 1. Continuously align on expectations** as part of a more fluid process. The conversations don't have to be tied to a set schedule, but they should happen when things shift.
  - 2. Reflect and identify growth perspectives** to stay relevant and commit to continuous development—as individuals and as a team.
  - 3. Encourage and enable everyday learning** by courageously trying out new ideas and approaches, asking for feedback and growing from successes as well as failures.
  - 4. Provide timely recognition** when someone does something well. This doesn't have to be a formal recognition. It can also be about giving somebody positive feedback in the moment.
- The pandemic reinforced our belief in the power of empathy. Thus, it is no coincidence that an important aspect of Growth Talks is people's well-being and making sure they build resilience and

feel a strong sense of belonging—both elements leading to empowerment.

One of the underlying foundations of empowerment is trust. Empowerment is about delegating decision-making and leading from the team level with an opportunity for everyone's voice to be heard. It's also about owning your own development and taking responsibility. This means that the impetus for a Growth Talk can begin with the leader or the individual themselves.

### Overcoming Skepticism

Now, changing what some might perceive to be a functioning system, especially at a company the size of Siemens, raised some skeptical eyebrows. At the beginning, some questioned how managers would determine merit increases in the absence of a clear-cut way to track progress against previously defined objectives and key results. Some felt the old process still worked because calibrating performance was more straightforward.



Yet others were happy to embrace the new approach because, on a practical level, they no longer had to spend hours working through grids or matrices of performance among their teams without talking about development in a meaningful way. Regardless of stance, meaningful and intense conversations were prompted around the question, “What do we mean by calibration—is it centered around learning and development or rather around performance distribution and pay?”

It became quickly evident that a lot of the concern was around pay. We openly addressed the elephant in the room by explaining that all our leaders were empowered to differentiate within their teams and allocated budget based on the contribution of individual team members. We also provided market data to help leaders make those decisions. Fast forward 18 months into the rollout of the new approach, and one piece of feedback has been consistent: People had to embrace letting go of the mandatory documentation of the conversations, which was no longer required in the internal systems.

After the first wave of implementation, we conducted a dedicated learning review to measure how people were putting this new approach into practice. In addition, we are constantly monitoring the success of Growth Talks with the help of our companywide engagement surveys. It is more about promoting dialogue in teams, or with individuals, to discuss what the four big strategic priorities mean for their part of the business and how they can contribute to them. We believe this framework and context provide people with a far better structure to take decisions and be accountable for them. This is what we mean by empowering our people.

### Answering ‘Why’ and ‘How’

In my experience, people and organization functions can sometimes fall into the trap of rolling out a new process without providing enough context for the “why” or a stable framework for the “how.” For me, it was a powerful step to be clear about where we stand at Siemens within the context of our business and the global challenges. We have an opportunity and a responsibility as a

large company to make a difference. The speed of change forces us to stay on our toes and regularly assess the validity and usefulness of approaches we are accustomed to using. We must keep on learning and asking the right questions to move us forward.

The turmoil of the past few years has thrust leaders into learning how to lead very differently and to relinquish some formerly prescribed methods. How do you navigate conversations to be more about outcomes rather than process or presence? We saw our leaders shifting more into the role of a coach than trying to have all the answers. Siemens’ approach to mobile work in the new normal provides clear guidance, but also enough flexibility for different roles in the company.

In July 2020, we established our “New Normal Working Model” as a permanent and global standard. This model gives people the option of working remotely or in hybrid situations two to three days a week, whenever it’s reasonable and feasible in alignment with team needs. We allow this discretion to happen at a team level, valuing outcome over presence.

There is no denying that the rapid change in business also requires a rethinking of how to make people resilient. An important aspect of why we introduced Growth Talks was to help people at Siemens stay relevant and, thus, employable over a long career. Sustainable employability means ensuring that people stay resilient and relevant for the labor market and encouraging them to embrace change.

The current shelf life of knowledge, especially in technology-related roles, is five years, with a downward trend. Someone entering the workforce today, considering they will likely be working for 45 or 50 years overall, probably has to reinvent themselves many times during their career. This reinvention

“

We wanted to make an iconic change, underpinning the priority of a growth mindset and learning.

”

could be done by continuous reskilling and upskilling.

Continuous and strategic learning is essential both for innovation and for sustainable employability. It is important to have flexible and varied learning options—such as learning experience platforms, augmented learning and bite-size learning nuggets—to match the level and needs of the individual. These efforts will help people increase their relevance on the job market and help them lead a fulfilling life.

An approach such as Growth Talks has the potential to transform the people culture of an organization. It fosters trust, empowerment and the desire to keep learning to create innovations that will make a difference. At Siemens, we’ve shifted into a new era that requires us to let go of some classic performance management practices and to focus on something that is much more effective and serves the true purpose of what we’re trying to achieve. At the end of the day, it is all about our people. If our people grow, then so will our business.



**Judith Wiese** is the chief people and sustainability officer at Siemens AG.

**Fran Horowitz** is the CEO of Abercrombie & Fitch Co. She previously served as the company's chief merchandising officer and was the former brand president of Hollister.

As part of *People + Strategy* articles editor Adam Bryant's "Art of Leading" series on LinkedIn, he sat down with Horowitz to discuss the lessons she's learned on leadership, management and hiring.

## Writing Her Own Transformational Playbook

### People + Strategy: What is your playbook for leadership?

**Fran Horowitz:** My leadership style started very early in my career and has been consistent through to today. It's about being a real person. It's about letting your ego go and being approachable, so that you can talk with anyone in the organization.

Once I was elevated to this position, I said to my head of HR and my team, "Do not ever let me be the empress who wears no clothes. I don't ever want to be told what you think I want to hear. Good, bad or ugly—please share it with me."

### P+S: Where does your drive come from? These C-suite jobs carry a lot of responsibility and require a lot of stamina.

**Horowitz:** It's just born in you. For me, it's that simple. I don't go home at night saying, "Oh my gosh, the burden." I go home and I say, "That was a great day. I solved a problem. I enjoyed it. I helped some people. Associates are happy." It just is a part of your DNA. All that stuff started for me at a very young age, and it was very internal.

### P+S: What is your playbook for driving transformation?

**Horowitz:** One thread throughout my entire career has been fixing businesses. I can look at a situation, step back, figure out where it needs to go, and push forward. Early in my career, I walked into a business that was spiraling and I was able to fix it.

The confidence from making those right moves builds over time. But there are always lessons on how to refine that approach. In my previous role, my playbook was too aggressive and too fast, and I probably lost people along the way because of it.

So when I came to Abercrombie,

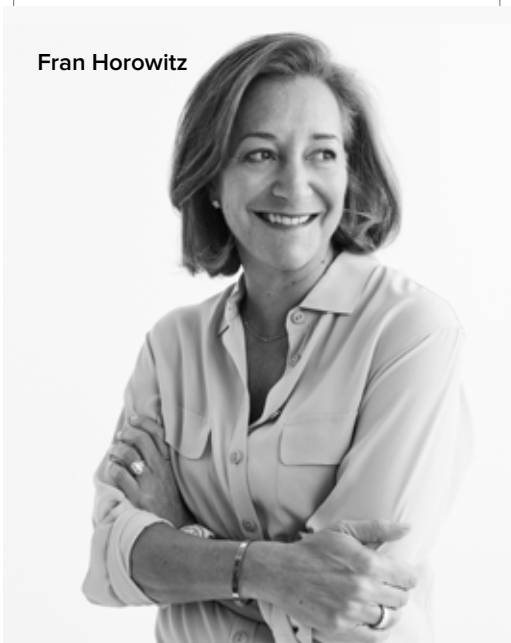
I did have to step away from the playbook and say, "How much can I get done, and how quickly?" So my approach is to go function-by-function. First, we had to focus on the product. Then we turned to marketing. We've gone through almost every function at this point and rebuilt each one of them.

### P+S: When you step into a role like this, you have to assess the existing leadership team and decide who is going to stay or go. How do you do that?

**Horowitz:** I'm incredibly proud of the team that we've built because they are a blend of those who have been here for a while and those who have joined me after I stepped into this role. Those two things coming together make magic, because you have the appreciation for the history and the legacy, and you also get new thinking.

The key for me is that they have to be open-minded, and you can understand that about a person fairly quickly. You challenge them on a particular topic and see which way they go. If they continue to go in the same direction and they dig their heels in, you do have to step back and say, "You know what? Perhaps this next chapter isn't for you and it's time for us to move on."

Fran Horowitz





I'm always looking for smart, curious and optimistic people, but they have to be flexible and agile. If they say, in effect, "The way we always did it is the right way to do it," you can figure that out pretty quickly.

**P+S: What are the rules of the road that you set for your leadership team?**

**Horowitz:** Number one, do not ever surprise me. I don't care how bad the news is. The sooner you tell me about it, the faster we can react to it. And once it's done, we're going to move on.

Another big principle here is around influencing people rather than telling them what to do.

When I recruit people, I say to them, "You have to understand, people park their egos at the door. You may have heard that in other places. Here it really happens. Even though A, B and C don't report to you, you have to work

The most important thing I look for in hiring is cultural fit. They could be the smartest person in the room. That doesn't matter if they do not fit in culturally. That means being humble, being open, being willing to listen to feedback.

together as a team. It doesn't matter here if you have a dotted line or if you have a straight line. It's about working together."

**P+S: Can you talk a bit more about how you hire?**

**Horowitz:** The most important thing I look for in hiring is cultural fit. They could be the smartest person in the room. That doesn't matter if they do not fit in culturally. That means being humble, being open, being willing to listen to feedback. All those things

make up an Abercrombie associate. And if you don't have those, you don't win.

So I'm looking for whether they are going to fit in, because others have figured out in earlier interviews whether the person has the skills to do the job. My focus is, what kind of person are they? What have they done? What do they like? What don't they like?

You try to understand them through asking a lot of questions and probing about their leadership, the successes they've had and the challenges they've faced. ■

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**SIRM** EXECUTIVE NETWORK

# Transition Strategies to Overcome the High Cost of New-Leader Failure

By Darren Overfield, Patrick Casseday and Brad Winn

**T**he dawn of the 21st century saw the rise of a critically important business challenge. The world was growing increasingly complex at a rate that strained organizational capability. In 2010, an IBM report identified this disruption as the greatest concern of 1,500 CEOs surveyed, with most

reporting that their organizations were not prepared to manage it.

Through the next decade, disruptive technologies, political shifts and a change of the generational guard increased the pace of complexity. Many began to adopt a military acronym—VUCA—to describe these

volatile, uncertain, complex and ambiguous conditions. Now, at the 2023 World Economic Forum in Davos, a new term, “polycrisis,” translates some of our VUCA world’s ambiguity into concrete risks that we will face in the future, such as a cost of living crisis and a growing frequency and



intensity of natural disasters and extreme weather events.

As a way of measuring the business impact of increasing complexity and continual churn, AlixPartners's 2023 Disruption Index indicates that three quarters of CEOs believe their organizations are facing extreme disruption, and a similar percentage say their executive team is not agile enough to address it.

## The High Cost of Poor Transitions

Shorter employment and position tenure reduces long-term, trusting work relationships and adds to the churn in today's business environment. This constant chaos increases the number of leadership transitions that an organization must manage, and each transition is another disruption to the organization's operating environment.

CEO turnover has been rising and hit a five-year high in 2022, according to a Russell Reynolds Associates' analysis of 1,500 companies. Because 69 percent of new CEOs reconfigure their leadership teams within the first two years, transitions then cascade throughout the organization.

Although everyone has high hopes when a new leader is hired or promoted, the reality is that about half of executives fail within 18 months of taking on a new role, according to a Corporate Executive Board estimate. The costs of poor management transitions are unsustainable—and they can be devastating at the top of the organization. Estimates place the cost of each failed transition at 10 (or more) times the executive's compensation. At the top of the house, the stakes are even higher. An analysis of the world's 2,500 largest public companies found that the struggle to replace a departing CEO can cut shareholder value by an average of \$1.8 billion.

The investment in managing effective leadership transitions is only a fraction of these costs, and the return can be substantial. For example, McKinsey & Company reported that when leaders successfully transition to new roles, their teams have a 90 percent greater likelihood of attaining three-year performance goals and

“A world-class leadership transition process doesn't just focus on a leader's first 100 days. Rather, a holistic approach to onboarding an executive includes a plan for the leader's ongoing development based on a comprehensive progress assessment.”

a 13 percent lower attrition rate than teams whose executives do not transition successfully.

Failed transitions result in 20 percent lower employee engagement scores when compared with successful transition. A study conducted by Boston Consulting Group found that companies that successfully onboard new hires and retain talent had 2.5 times as much revenue growth and 1.9 times higher profit margins than their less capable competitors.

## A Practical Framework for Executive Leadership Transition

Despite this compelling data, organizational decision-makers routinely leave transitioning executives to sink or swim, assuming that smart people who have been successful in the past will somehow figure things out in a new role. As the McKinsey report noted, “leaders are typically underprepared for—and undersupported during—the transition to new roles.”

An effective executive transitioning program can be a competitive advantage that allows organizations to adapt to—and effectively manage—change, uncertainty, complexity and disruption. Clearly, organizations that can get new leaders up to speed quickly will gain an advantage over competitors that can't. Achieving this objective requires a leadership transition framework that is easy to understand, practical to implement and gets positive results.

A practical framework has been developed to help new executive leaders succeed in an ever-changing and polycrisis world. The framework is research-based and systematic, and has been utilized by newly appointed

leaders around the world. It is not a one-size-fits-all solution but is adaptable to the needs of each organization and each transitioning leader.

This transition process utilizes close coordination with HR's talent development professionals and a skilled advisor and sounding board to coach and support an executive during this period of intense change. Typically, this process lasts six to nine months, depending on the needs of the leader.

The transition coach may be internal to the company or an external consultant. At no time, however, is the transition coach the leader's manager. This ensures that the executive receives an external perspective and allows for the candid exchange of disruptive ideas and discomfiting information.

Working together, the coach and leader will explore solutions that may lie beyond current personal, organizational and situational constraints. To allow the leader to see the situation clearly and make the right decisions, the coach must offer an impartial perspective. In this partnership, the coach must adapt to minimize the effort of the leader. And, as their discussions may embrace controversial topics, the coach must create a cone of silence to provide complete confidentiality.

## Managing the Transition: The HR Team and the Transition Coach

The HR team and the coach set the stage by clarifying expectations for the executive and their team, establishing priorities, defining action items and specifying a progress review cadence. To build strong, trusting relationships, they also work to identi-

## Linking Theory + Practice

### Transition Strategies to Overcome the High Cost of New-Leader Failure



fy—and outline steps to remedy—any nagging issues that could impede collaboration.

Working within the context created with the HR team, from a foundation of trust, the coach and leader follow a three-step process: a nine-point needs assessment, a clear transition plan and a progress assessment to guide ongoing development.

#### Step 1: An Initial Nine-Point Needs Assessment

The leader and coach start by exploring nine areas identified by research as key to successful transitions. As not every issue is equally relevant in every situation, leaders can use this list as a menu, choosing where best to focus their time and energy:

- 1. Self-awareness.** Weigh the leader's personality-based strengths and potential derailers against the requirements of the role.
- 2. Situation.** Is it a startup or a turnaround? Consider the relative priority of growth versus profitability.
- 3. Organizational change.** Set expectations for change and processes to achieve it.
- 4. Key stakeholders.** Identify who makes the decisions, where power resides and how to build productive relationships.
- 5. Highest-priority issues.** Pinpoint the most pressing problems and opportunities for quick wins.
- 6. State of the leadership team.** Are the right people in the right seats doing the right things?

- 7. Cultural engagement.** Identify organizational values and norms, striking the appropriate balance between fitting in and transforming.
- 8. Communication.** Specify what needs to be said, to whom and when.
- 9. Relationship network.** Identify the people inside and outside the organization who are critical to the new leader's success.

In the box at right, you'll find a series of suggested questions for each of these categories to assess a transition. While not all questions will be applicable to every situation, the first (self-awareness) is important for all leaders in transition.

Either by refreshing an executive's personality assessment or by referencing existing data, the transition coach can facilitate a debrief and related activities to help executives understand their personality-based strengths and how to leverage them for a successful transition to their new role. Given the stressful nature of leadership transitions, it is important to pay particular attention to derailing tendencies—behaviors likely to occur when the executive is under pressure—and to identify triggers for these behaviors as well as strategies for managing these derailers.

Finally, an executive's manager (or board chair), HR partners and other key stakeholders are important sources of information about succeeding in a new role. Part of assessing needs for a transitioning leader is identifying key stakeholders and determining

a plan to tap into their insights and expectations, as well as aligning on a cadence for checking in as the transition proceeds.

#### Step 2: Set a Plan and Goals for the Transition

The needs assessment provides the foundation for a robust transition plan. The executive and coach collaborate on setting specific goals to guide the leader's transition, build out a detailed plan for achieving them and identify ways to measure progress.

Of particular importance is determining when and how to include the appropriate HR and talent professionals in the process and clearly codifying this in the transition plan, so they can effectively partner with the coach to best support the executive.

For example, it's possible that the executive's HR business partner (HRBP) would be better suited than the coach to facilitate a new leader assimilation process with the leader's team. Similarly, there may be other HR-sponsored programs (such as a team development workshop) that would benefit the executive.

Once a draft of the executive's transition plan has been created, the next step is to review it with key stakeholders, especially the executive's manager or board chair, as well as HR and talent partners.

These conversations guide refinements to the transition plan, including alignment on how these

# PLANNING EXECUTIVE TRANSITIONS: CRITICAL QUESTIONS TO ASK

## Self-Awareness

- How do the leader's strengths and shortcomings line up with requirements for this role?
- What will the leader need to stop/start/continue doing to be successful?
- How does the leader need to grow, develop and change?

## Situation

- Startup? Turnaround? Realignment? Accelerated growth? Sustaining success?
- What strategic agenda best fits this situation?
- What leadership behaviors does this situation require?

## Organizational Change

- What is the mandate for change in this new role? What needs to change?
- What expectations need to be set? How do you align others with those expectations?
- What change management process would work best?

## Aligning with Stakeholders

- Who are the critical stakeholders—Boss? Board? Peers? Other colleagues? External constituents? How do you build trust and loyalty?
- How are decisions made? Where does power reside?
- How are productive working relationships built?

## Important Operational Issues

- How can you build credibility by achieving quick wins?
- What is the priority order for pressing problems?
- What decisions need to be made?

## State of Leadership Team

- Are the right people on the bus and in the right seats?
- Can the wrong people be removed from the bus?
- Is the team focused on the right goals?

## Engaging with the Culture

- What are the values, norms and assumptions in this culture? And what are the "sacred cows"?
- Where is the balance between fitting in versus transforming the culture? How much change and how fast?
- Who can serve as "cultural interpreter"?

## Communications

- What needs to be communicated? To whom?
- What is the plan and cadence for communication?

## Network

- What are the critical relationships to establish and nurture?
- Who are the people inside and outside the organization to depend on? Who will depend on the leader?
- Which relationships will help with resolving problems and securing necessary resources?

stakeholders can best support the executive during the transition period and agreement on a meeting cadence to discuss progress. At this point, the coach provides both challenge and support to the executive as they execute the steps in the transition plan, with an understanding that the document will be revised as the executive grows in their role.

## Step 3: Progress Assessment to Guide the Leader's Ongoing Development

About six months into the transition, key stakeholders should hold a 360-degree progress assessment to calibrate current performance and effectiveness, identify necessary course corrections and set a plan for continuing individual and team development. Positive feedback here can be crucial to the new leader's success. At a time when the busy (often overwhelmed) executive may be painfully aware that some things are not working—and may even feel inadequate to their new challenges—hearing how others have seen them shine can provide the encouragement that generates forward momentum.

Informed by the 360-degree feedback data, the leader and coach modify the transition plan, set longer-term development goals, specify the next action steps and identify additional colleagues to include in the process. They also follow up with feedback providers, thanking them for their input, outlining a summary of the key lessons learned, sharing the modified development plan and asking for ideas to refine it further.

By combining assessment and communication, we create a systematic transition that is guided by data rather than gut feeling.

Research conducted by Marshall Goldsmith confirms that "Leaders who discussed their own improvement priorities with their co-workers and then regularly followed up with those co-workers showed striking improvement. Leaders who did not ... showed improvement that barely exceeded random chance." Plus, by making development a team effort, executives help create a culture that

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#### CASE STUDY: SCHNEIDER ELECTRIC

## Integrating leadership transition coaching into existing HR practices

Schneider Electric—a global company that leads the digital transformation of energy management in homes and businesses—incorporates transition coaching for its rising leaders. This includes a Leader Assimilation workshop that helps new leaders and their teams integrate quickly and more effectively through facilitated live feedback and team performance workshops.

Utilizing this integrated framework, one coach and a new externally hired executive navigated a transition that initially looked straightforward, yet quickly became



challenging. Together they charted a path to achieve exceptional results in less than six months.

Upon assuming her new role, this leader was initially focused on identifying which stakeholders were critical to her success.

As often happens for new leaders, every

time she met with one stakeholder, that person suggested she needed to meet with several others. Very quickly, that list of critical stakeholders became unmanageable. Working with her coach, she was able to identify the truly critical stakeholders and quickly focus her networking and relationship-building efforts with those important few.

While aligning herself with those key stakeholders, the new leader learned that the team she inherited was approaching burnout. Working with her coach and HR partner, she used Schneider's Leader Assimilation workshop to create a safe environment for the team to assess its performance and speak openly about what was (and was not) working. Together, they identified the need to balance global and local expectations across a matrixed organization, aligning priorities and achieving better work/life balance as their top priority action items.

Using this feedback, she and her coach adapted her transition plan to include reorganizing the team to better align with customer expectations. Then they conducted a prioritization workshop and sharpened their focus on the most important issues, and they stopped (or postponed) projects that were not aligned with their priorities.

With these changes in place, her work with her coach shifted to a focus on team well-being and morale. She devised strategies to change how she was managing her own well-being to demonstrate to her team that she was willing to "walk the walk." Then, she worked to address each person's needs and challenges and helped them design solutions that met their specific situation.

These wins served her well when one of her team's projects hit an all-hands-on-deck moment. The newly re-energized team came together quickly to address the problems. Her earlier focus on stakeholder alignment and relationship-building helped build allies and gave her and the team the space needed to resolve the issues. The use of the Leader Assimilation workshop to surface issues—and the subsequent development of a clear action plan addressing the priorities and well-being of the team—created breathing space for the team to focus on the issues and resolve them quickly.

builds better leaders by demonstrating the organization's commitment to learning and growth.

#### A Blueprint for Success

A world-class leadership transition process doesn't just focus on a leader's first 100 days in a new role.

Rather, a holistic approach to onboarding an executive includes a plan for the leader's ongoing development based on a comprehensive progress assessment.

This provides a data-based way for the new leader to calibrate wins in the new role and identify necessary course corrections in the context of successfully leading over the long term. Guided by a practical framework and systematic transition practices, organizations can increase the odds that their transitioning leaders integrate seamlessly, are mutually assimilated with their new colleagues (superiors, peers and direct reports) and add value quickly in their new jobs.



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# Directors' Outlook: The Workforce of the Future

The trend toward a more skills-based—rather than job-based—workforce will have important consequences for organizations. Dawn Zier sat down with three experienced directors to discuss how boards of directors and leaders need to adapt to this skills-first movement, to artificial intelligence and to other important trends affecting the workforce.

### Participants

**Robin Matlock**, director at MSCI, Iron Mountain and startups Cohesity, Dremio and People.ai

**Sheila Talton**, CEO and founder, Gray Matters Analytics; director at Sysco, John Deere Construction and OGE Energy Group

**Kelley Steven-Waiss**, CEO and founder of Hitch Works, which was sold to ServiceNow, where she is chief transformation officer; director at Form Factor, Inc.

### Moderator

**Dawn Zier**, former CEO of Nutrisystem and director at Hain Celestial Group, Spirit Airlines and Acorns



**ZIER: How do you see the workforce morphing over the next decade?**

**SHEILA TALTON:** You'll still have a core group of employees, because holding on to the intellectual property that is created within your company that gives you your secret sauce will remain critical. But teams will expand and contract based on the work that needs to be done. One of the reasons for the expand-and-contract model will center around the need for speed to market. Change is happening so quickly; no one has time to build everything organically.

**ROBIN MATLOCK:** Lines are blurring—from the geography of where we work to how we collaborate. And, as a result, the types of talent and skills we need are evolving. We're in this wave of transformation where there's an opportunity to move from jobs-based to skills-based, especially given the tight labor pool. But companies may struggle with how to manage culture in such an environment. Teams outperform when they have shared goals and can align momentum to accomplish something together. The best results rarely are achieved through only solo contributors. As the delineation between jobs, skills and departments starts to blur, there will be increased pressure on maintaining the "team" aspects of our work groups.

**KELLEY STEVEN-WAISS:** Man and machine working together. Some jobs will go away; however, a lot of new jobs will emerge. AI will become a

regular part of all disciplines, and we'll leverage more about what makes us human across leadership, judgment and strategy roles.

The workforce will be more fluid. People aren't going to sign up for careers. They might be in one type of role for five years and then take a completely different path. It will be very different than when we got out of school with our predestined career paths.

Ultimately, given tight supply and high demand, we could eventually move to more agile operating models where talent is shared across organizations without clear boundaries in place.

**ZIER: The concept of moving from a jobs-based to a skills-based workforce is gaining traction. Deloitte has said that organizations that embed a skills-based approach are 63 percent more likely to achieve results than those that do not. Do you believe this approach has merit?**

**STEVEN-WAISS:** I do. Companies have a lot of untapped talent that has the skill sets to do different and do more. Labor can be a combination of internal and external resources. If you use skills as the common denominator, you're going to have better outcomes because you're going to be able to find the right person for the right work at the right time.

We make assumptions about people, skills or knowledge based upon their titles. But it's a very incomplete picture. Using myself as an example, I had a jungle gym of a career that led to having many different skills that people weren't

aware of. I started my career in the retail industry and understood the operating model, specialty apparel and merchandising. I spent time in management consulting and gained skills around business development and sales. I did stints in PR, advertising, corporate communications and HR. If someone just looked at the job I was in at the time, they would have no way of knowing my complete scope of capabilities. This resulted in my missing out on opportunities that I was qualified for because I was not part of the consideration set.

We can utilize AI to catalog skills information and visualize a skills supply chain to more fully understand the talent within the organization. To create a skills-based operating model, you need to have a single source of truth for skills and data. When we match people to work assignments based on skills information, we have the ability to further our DE&I outcomes because we're using skills as a common denominator to match people to opportunities, rather than matching people based on their networks.

**MATLOCK:** There's a lot of merit to a skills-based model, but it can't be siloed. We need to tap into our talent beyond the job description by thinking about how skills can be applied to work as a whole versus a job in a department. Take the concept of "digital." Years ago, digital would have meant a company's website or ecommerce environment. Today, digital encompasses everything we do, from HR to product to engineering to marketing to sales. One would be hard-pressed to find a job that does

'Companies that will do the best are the ones that have a culture that proactively moves their talent around to different roles and cross-trains them. This is how skill sets are built and people are retained.'

—Sheila Talton



## Directors Roundtable

### The Workforce of the Future

not have a digital component. If you look at a job skill in the context of one department or function, you will fail to leverage skills across the organization. You will miss out on utilizing precious talent that could be highly relevant and valuable if applied to more horizontal opportunities.

**TALTON:** I do believe in a skills-based model because technology touches and disrupts everything. If you don't refresh for skills that are relevant as we shift to more of a tech-enabled service economy, you can become irrelevant. Companies will reward continuous learners. Our workforce tends to be underutilized because we don't have a complete unbiased picture of the capabilities of each employee.

**ZIER:** AI is accelerating the concept of a skills-based workforce. What key questions should directors be asking of management and of themselves around these issues?

**MATLOCK:** Boards should be asking if the CEO is running the company in a way that prepares it for the next wave of transformation. AI should be considered as massive a technological disruptor as the internet was decades ago. Businesses that didn't embrace the internet are most likely not with us today. Boards should be probing management on AI from multiple angles. What's the opportunity around AI? What are the risks? How does it fit into the company's strategy? How will it alter the competitive landscape? How will it impact the workforce?

**TALTON:** Boards should be asking management what their plans are to use AI to broaden and enhance the skills of the workforce. They also should be asking what additional steps they are taking to protect the work environment from individuals who would use technology in the wrong way.

Some people are afraid of AI and are reluctant to utilize it. But we're not going to stop technology from being integrated and embedded into the workplace. Embrace it and figure out how to expand your skills and how to integrate it into your products and services to give you a competitive advantage.

Technology constantly disrupts. Look at how Amazon disrupted retail. Who would've thought that we would be ordering things from our home at midnight? Consumers move faster than many retailers. Companies need to keep up.

Additionally, talent is fast gaining talk time in the boardroom, yet most boards still have not recognized the need to have talent and culture functional experts around the table to help provide oversight. In light of all that has happened on the people front over the past few years, boards should ask themselves if now is the time to address this gap.

**STEVEN-WAISS:** One of the greatest risks companies face today, given that the demand for certain skills is high and our supply is low, is securing the right talent. If we are unable to do this, we risk falling behind in competitiveness.

Directors need to understand the critical skill domains of the organization necessary to execute against the strategy. What is the current pipeline of talent, and what is management doing to mitigate any potential issues in either acquiring it or building it from the inside?

When I was a CHRO, my CEO asked how much data science capability we had in the company, because we were about to pivot our strategy to a business model that required a shift in the composition of our talent. What we found is that while 23 people had data science as part of their title, we had over 84 people with the skill set and identified a level of proficiency in data science. Now the question was, "Could we actually reimagine these people in a more focused role in data science or not?" We did.

**ZIER:** Attracting and retaining talent are cited by both directors and management as top concerns in the current environment. The skills-based approach provides more sourcing opportunities by tapping into freelance, rotational and gig workers. But does it actually result in the ability to retain the key talent who will become future leaders of the organization?

**TALTON:** Companies that will do the best are the ones that have a culture that proactively moves their talent around to different roles and cross-trains them. This is how skill sets are built and people are retained. We have a missed opportunity because a lot of our talent base is underutilized, particularly our diverse talent.



'The muscle that people need to develop to be relevant in the future is the ability to learn, unlearn and relearn in multiple cycles. The onus is on the company to create a culture that allows employees to be self-empowered learners to continue to develop skills.'

—Kelley Steven-Waiss

‘We have road maps for products, for supply chain, for financial models. But where is the road map for talent? Do companies have a long-term talent strategy that upskills the team? These are valid questions that boards should be asking.’

—Robin Matlock



When I was working in China, every morning I’d walk first to Starbucks and then to my office. One particular morning, I noticed the massive number of people that were all going to work. I remember thinking that my country will never compete in numbers, and, therefore, we cannot afford to have any of our talent underutilized in the way that we do today.

As a director, I have worked to shift the diversity conversation in the boardroom from total count to total opportunity. I don’t want to manage and track

how many females or people of color we have. Instead, I want to understand how many of them are getting opportunities to move around and learn new things. I want to see the same kind of moves with that diverse group that I see with nondiverse groups. I want to see the Marys and Janes getting opportunities to develop a cross-functional skill portfolio, because their names can’t be on the list to become the next CEO or division head if they haven’t had some of that diverse hands-on experience. The reporting around those types of stats is more im-

portant than telling me that you went to college campuses and hired 100 diverse individuals that you’re going to lose by the time they get to middle manager.

**STEVEN-WAISS:** I think employees will have a lot of loyalty to companies that allow them to continue to grow and expand their skill sets and create portfolio career opportunities internally that are more broadly defined than the job they were initially assigned to do.

People bring only about 60 percent of themselves to work, meaning engagement levels are pretty low. If we give people more choices around the type of work they could do—based on their broader skill set—productivity and retention levels will increase.

In my case, when we implemented this strategy, we offered no incentive programs or additional compensation to those participating in the internal talent marketplace. But people were inspired because they could learn new skills, which made them more marketable. They had increased exposure across functions and could build their corporate reputations. Additionally, we furthered our DE&I outcomes by tapping into capacity that would have otherwise been left untouched.

**MATLOCK:** While talent needs will ebb and flow, the companies that will win will thoughtfully balance their internal and external resources, and they won’t over index on the external freelance model. There’s a different level of accountability and commitment between an engaged employee and a gig worker. Leaders are going to need to figure out new ways to inspire, connect and reward their teams. The new generation wants to work for companies that align with their beliefs and values. Companies that connect with employees on that level will retain them.



## Directors Roundtable

### The Workforce of the Future



**ZIER:** If “skills are the new currency,” what investment should organizations be making in upskilling and reskilling the workforce? What do individuals need to do to stay relevant?

**WIESS:** The half-life of skills is so short. The skills one learns in college might no longer be relevant five years down the road. So learning is becoming more about continuous microlearning in specific areas.

The muscle that people need to develop to be relevant in the future is the ability to learn, unlearn and relearn in multiple cycles.

The onus is on the company to create a culture that allows employees to be self-empowered learners to continue to develop skills. Progressive companies are creating internal marketplace or gig opportunities so employees can learn new skills that create corporate value.

**MATLOCK:** AI is going to disrupt some jobs, especially ones that don't require original thinking. This will raise the bar, and people will adapt. Since they won't need to spend eight hours a day doing something mundane, they can add value in more rewarding ways to both them

and the organization. Employees need to raise their hands to learn more, and companies need to create a learning culture that carves out time for people to learn new things. The new generation is tech-advanced, and they can quickly learn on the job.

Also, we have roadmaps for products, for supply chain, for financial models. But where is the roadmap for talent? Do companies have a long-term talent strategy that upskills the team? These are valid questions that boards should be asking. Like Kelley said, the half-life of skills is short. There's no better solution than to create a work environment where people can continuously learn new things.

**TALTON:** Corporations should be investing in those individuals who want to grow and develop. When you find those who don't want to, you should try to trade them out, because they won't be able to keep up with the rate of change. We need people who are willing to stretch themselves and learn new skills and become multiskilled.

I tell my teams that it's their job to make some decisions about where the gaps are in their skills and come to us

as senior leaders on how they would like to fill those gaps and broaden their experiences and skills. Then it's on the organization to create cross-training opportunities.

**ZIER:** What are two or three tips you have for winning the talent war over the next five years?

**TALTON:**

1. Broaden your thinking around talent—where you find it, how you develop it and how you keep it.
2. Embrace flexibility.
3. Ask for the right metrics around diversity. It's not about the percentage of females who are persons of color. The focus has to be on the number of people in underrepresented groups who are being considered for cross-functional or promotional opportunities.

**STEVEN-WAISS:**

1. Catalog the talent in your organization beyond the job description.
2. Embrace the internal gig economy; it's both retentive and cost saving.
3. Rethink compensation to incent people to make lateral moves to develop or utilize skills that are important to the company.

**MATLOCK:**

1. You need employees who are advocates of the culture. Glassdoor comments matter!
2. In a more hybrid work environment, you need to be even more creative and focused on fostering connectivity.
3. Have a talent road map for the company and take the time to understand and build out personalized talent road maps for individuals. 🇺🇸



The Directors Roundtable was hosted by **Dawn Zier**, the former CEO of Nutrisystem and a current board member at Hain Celestial Group,

Spirit Airlines and Acorns.

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# The Future of Work: Emerging Labor Models

To gain insights into the future of work, SHRM Research surveyed 962 U.S. workers and 1,106 HR leaders in August 2023. The study delved into eight emerging work models, each representing varying degrees of current and future templates.

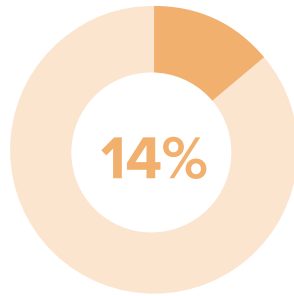
These models represent novel approaches to how and where work is conducted, as well as the integration of advanced technology. Many organizations will incorporate a mix of these models into their current (and future) policies. By evaluating these models, the research aimed to shed light on the potential evolution of work and to understand employees’ perceptions of this evolution.

## EIGHT EMERGING MODELS OF WORK

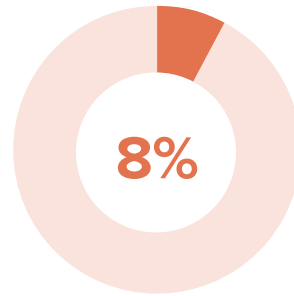
<b>Flexible work schedules</b>	Workers can set their own schedules based on their preferences and needs. Workers will work a set number of hours (e.g., 40 per week), but they might have flexible start and end times, compressed work weeks or nontraditional working hours.
<b>Location independence</b>	Workers can choose their work location, whether it is at the office, at home or at a co-working space. This could involve remote work, hybrid work models or the option to work from various locations.
<b>Task autonomy</b>	Workers have more say in the specific tasks and projects they work on. They can align their work with their skills, interests and career goals. Workers are empowered to make decisions and take ownership of their work, allowing them to work more autonomously and flexibly.
<b>Outcome-based work</b>	Workers prioritize achieving results over working fixed hours. Organizations set goals and objectives, and workers have the freedom to manage their time and workflow to reach these outcomes. To complete their tasks, employees are expected to dedicate the necessary hours, which can vary from week to week. This may result in asynchronous work and completing tasks on individual schedules.
<b>Gig work and freelancing</b>	Workers engage in short-term contracts or freelance projects rather than traditional full-time employment. In this model, individuals (often referred to as gig workers or freelancers) offer their services and skills to clients or companies on a project-by-project basis and often work with multiple employers simultaneously.
<b>AI/automation</b>	Workers work alongside robotic counterparts and advanced AI systems to optimize productivity, streamline processes and enhance overall efficiency. Robots and automation systems complement and assist workers rather than replace them. ( <i>This was referred to as “collaborative robotics, AI and automation” to survey participants.</i> )
<b>Virtual reality collaboration spaces</b>	Workers regularly work in virtual reality collaboration spaces, which are digital environments that allow people to interact and work together as if they were in the same physical location, even if they are geographically apart. Virtual reality technologies (e.g., VR headsets) are used to create an immersive and lifelike experience. These spaces can be used for remote meetings, workshops, team-building activities, training sessions and more.
<b>Augmented reality work environments</b>	Workers regularly utilize augmented reality (AR) devices such as smart glasses or AR-enabled smartphones to overlay digital information into their physical surroundings. In an AR work environment, employees can access real-time data, instructions and interactive elements in their field of view while performing their tasks.

## TECHNOLOGY'S IMPACT ON WORK MODELS

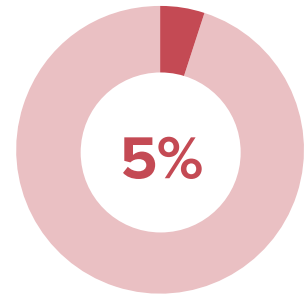
Percentage of HR leaders who anticipate widespread adoption of each work model (75 percent to 100 percent of employee participation) in their organizations within the next 15 years:



AI/automation



Virtual reality collaboration spaces



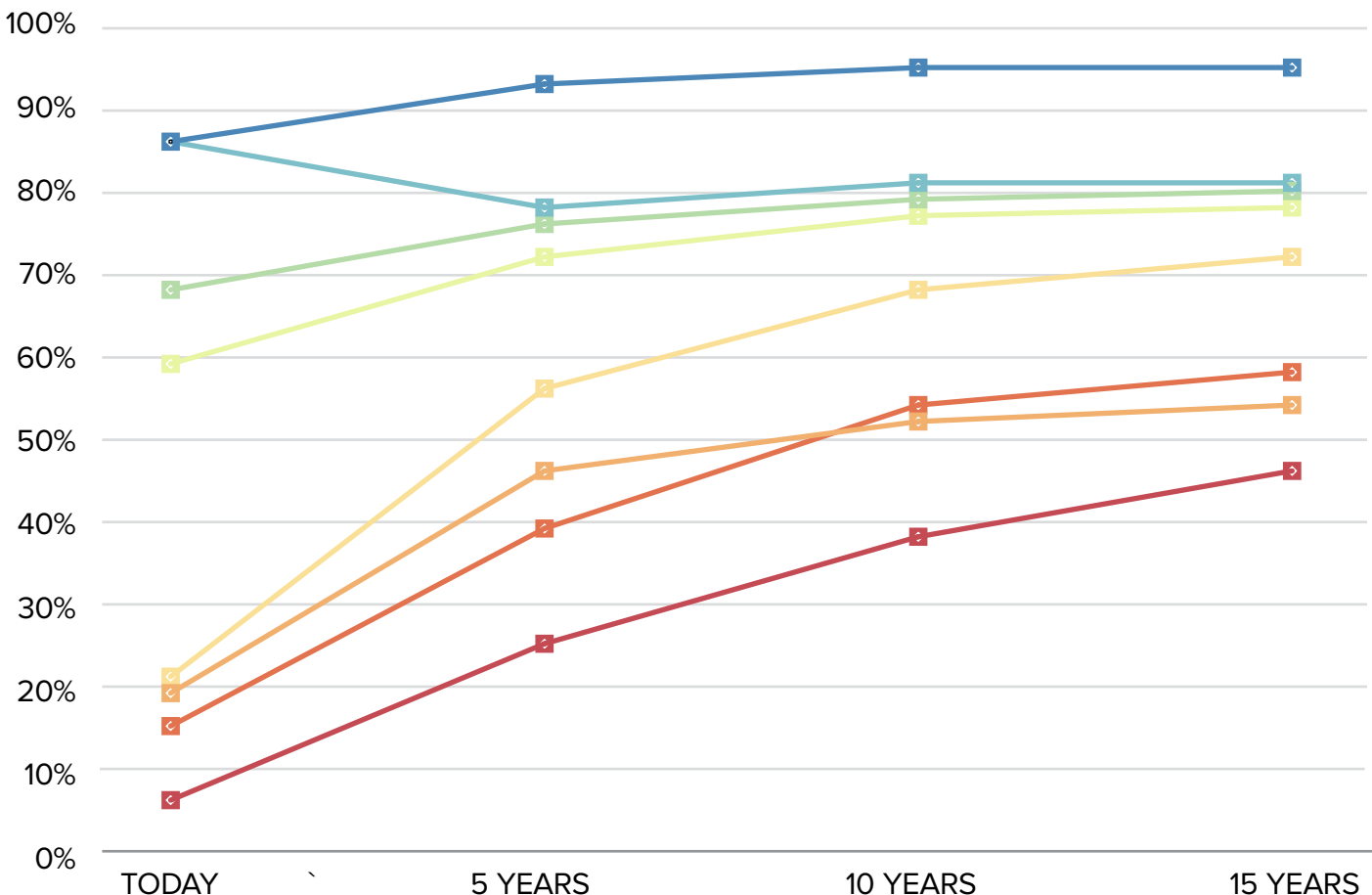
Augmented reality work environments

## EMERGING WORK MODEL ADOPTION

### Current and Predicted Work Model Adoption in 5, 10 and 15 years

This chart shows the proportion of HR leaders surveyed who said that at least some (i.e., about 25 percent or more) of the workers in their organizations are currently working according to the corresponding work model, or will be in five, 10 or 15 years. Note that HR leaders are predicting an increase in every one of these independent work models over the coming decade except for “location independence.” The fully remote model seemed to hit its peak in 2020-22, and HR leaders foresee a stabilizing of the hybrid model over the next five years.

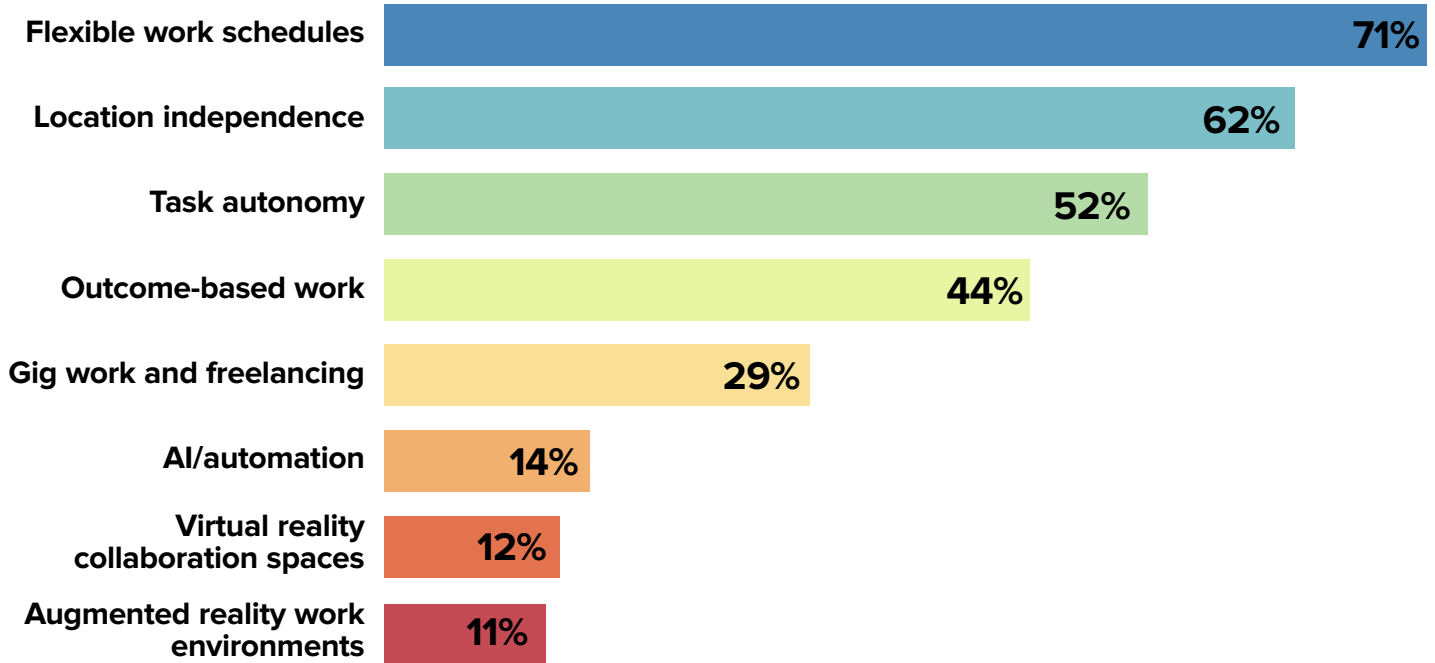
- ◆ Flexible work schedules
- ◆ Task autonomy
- ◆ Gig work and freelancing
- ◆ Virtual reality collaboration spaces
- ◆ Location independence
- ◆ Outcome-based work
- ◆ AI/automation
- ◆ Augmented reality work environments



## Research + Insights

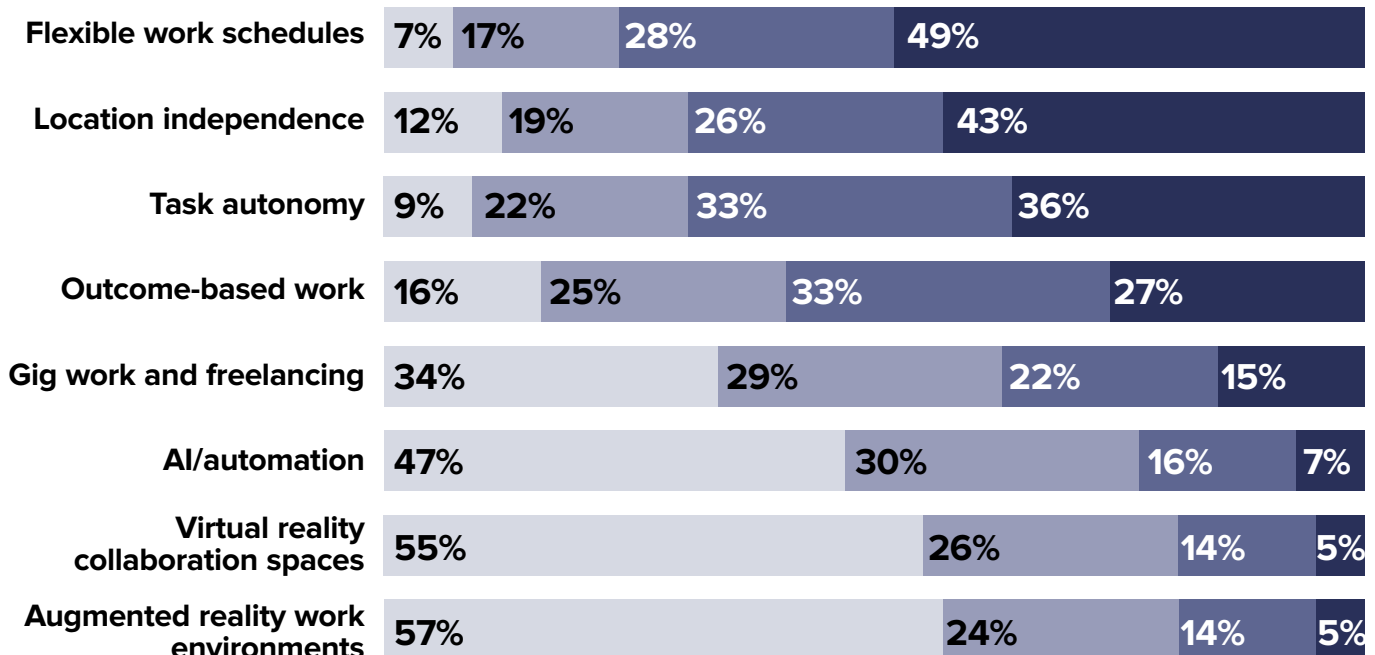
### U.S. Workers Embracing Flexible Work Models over Emerging Technologies

Percentage of U.S. workers who say that they want most employers to implement the corresponding work model today:



### Readiness of U.S. Workers for the Adoption of Emerging Work Models

Percentage of U.S. workers who say they are prepared for “widespread adoption” of each work model at their organization. (“Widespread adoption” refers to extensive use of each work model within an organization.):



NOT AT ALL PREPARED
  SOMEWHAT PREPARED
  PREPARED
  VERY PREPARED



# Navigating the New Abnormal: Avoiding the Clash Between Future Demands and Present Perspectives

By Ragan Decker and Daroon Jalil

In recent years, the world of work has experienced profound transformations, which has resulted in the emergence of novel work models. The shift toward flexibility has granted employees unprecedented autonomy in determining when, where and how they work. The integration of advanced technologies—such as AI, virtual reality and augmented reality devices has further catalyzed this evolution.

While this transformation holds great potential, it also brings to light ongoing tensions between U.S. workers and organizations over how work is being accomplished and how it will be accomplished in the future.

New SHRM research surveying HR leaders and U.S. workers delved into eight emerging work models, each representing varying degrees of futurism. The results suggest that the future success of organizations may hinge on their ability to meet employees' needs for flexibility while also pushing employees to adopt new technologies that many are currently apprehensive about.

### Employees Seek Flexibility

Many organizations have already embraced work models centered around flexibility and autonomy, though to varying degrees. For example, more than half of organizations have adopted these work models to some extent (see chart, page 61). However, the widespread adoption of flexible work models remains limited.

Only 23 percent of organizations have implemented flexible work schedules for a large majority of employees (about 75 percent or more). And fewer provide location independence (18 percent) or task autonomy (16 percent) to a large majority of their workforce.

HR leaders anticipate more widespread adoption of flexible models in the future, but it is not to the level that U.S. workers are seeking. Many would prefer most employers to immediately implement work models

centered around flexibility and autonomy. What's more, U.S. workers overwhelmingly agree that the widespread adoption of flexible work schedules (86 percent), location independence (84 percent), and task autonomy (78 percent) would make them more likely to apply to an organization.

### Less Interest in Engaging with Advanced Technology at Work

Conversely, employers' adoption of work models centered around technology advancements, like AI/automation, virtual reality collaboration spaces and augmented reality environments remains relatively limited. And workers aren't clamoring for these advancements.

Few workers say they would like most employers to implement these work models immediately. And about one in three employees say they would be *less likely* to apply to organizations that use these tech models extensively. Despite this, HR leaders anticipate a rise in adoption of these work models in the next five, 10 and 15 years, with a notable 51 percentage point increase in the adoption of AI/automation over the next 15 years.

Technology-based work models may deter employees due to job security concerns. Approximately 1 in 3 (35 percent) U.S. workers and 43 percent of HR leaders believe that widespread adoption of AI/automation will result in a decrease in the number of jobs their organization needs to achieve organizational objectives. On a personal level, 23 percent of U.S. workers are concerned their job will be replaced due to workplace automation in the next five years, according to SHRM's 2023 Workplace Automation Research.

While adoption of an AI/automation work model may elicit valid concerns of job displacement, only 1 percent of organizations currently have widespread adoption of AI/automation and only 12 percent anticipate widespread adoption within 15 years.

## 3 Smart Strategies

While U.S. workers might show reluctance in embracing emerging technologies, these innovations could enable organizations to enhance their capacity to provide the desired level of flexibility to their workers.

The adoption of virtual reality work environments can facilitate more location independence for employees. And workers can collaborate with AI/automation to gain more autonomy in their work through the automation of certain tasks.

To this end, we recommend implementing the following strategies:

- 1. Foster discussions on flexibility.** To attract top-tier talent, it's important to initiate thoughtful discussions centered around flexibility. By addressing the evolving needs and preferences of the workforce, organizations can foster an environment that appeals to the most exceptional workers.
- 2. Prioritize upskilling and reskilling.** Organizations can adapt to changing work requirements using their existing workforce, while employees gain the opportunity to cultivate essential skills that ensure sustained value and competitiveness in the job market. This may also help mitigate potential resistance to emerging technologies among employees. In fact, 57 percent of U.S. workers are confident their organization could/can train them to use automation effectively on the job according to SHRM's 2023 Workplace Automation Research.
- 3. Follow best practices in change management.** Adopting new work models requires following change management best practices to address employee concerns, ensure effective communication and minimize resistance.

The give-and-take dynamic between employers' desire to adopt emerging technologies and employees' needs for flexibility plays a pivotal role in navigating the evolving landscape of work.

*Ragan Decker, Ph.D., and Daroon Jalil are researchers at SHRM.*

# DeRetta Rhodes

**Executive Vice President & Chief Culture Officer  
Atlanta Braves**

**T**he Atlanta Braves' roster consists of 26 baseball players and a dozen coaches, but the full Braves "team" is much bigger, comprising 450 full-time employees and almost 2,000 part-time ushers, food vendors and other game-day staff. As the leader of the Braves' HR function, DeRetta Rhodes oversees hiring, training and the employee experience for all of them.

Like many HR leaders, Rhodes didn't start her career with HR in mind. She began working for PepsiCo's restaurant division after graduating from the University of Georgia with a degree in hotel and restaurant management. As part of a management rotational program, Rhodes worked as a recruiter for a new restaurant concept in the Carolinas. She loved being part of the leadership team that was hiring new talent. She never left HR after that.

After 20 years of increasingly high-profile HR roles at ADP, EY, Turner Broadcasting and the YMCA of Metro Atlanta, Rhodes was recruited to join the Braves as their senior vice president for HR in 2019. She has since been promoted to the chief culture officer position, overseeing HR as well as communication and community affairs.

### **WHAT ARE YOU ESPECIALLY PASSIONATE ABOUT IN YOUR PROFESSIONAL LIFE?**

My passion is the importance of voice. When you sit in the role of HR, you always must ensure that you are providing perspectives that may not be favorable or even liked, but you always have to have "fierce" conversations.

The challenge of having fierce conversations is that it takes an emotional sacrifice and toll on you. I can personally say that I've struggled with anxiety in many conversations that I've had throughout my career. But I know that I must have them. There had been a time in my career when I was afraid to say things that needed to be said. I am better for the conversations that I have had and the future ones I will have.

### **WHAT IS ONE INITIATIVE YOU'RE PROUD OF THAT HAS IMPROVED THE BRAVES' EMPLOYEE CULTURE?**

The initiative that I am most proud of is the focus on wellness that we have for our staff at the Atlanta Braves. I must admit that as a HR leader throughout my career, I did not put wellness as a priority. I pushed that to my health care partners. But with the pandemic and the insurgence of the importance of wellness, I have made a full pivot to know that wellness is a component of engagement and is critical to our staff for their well-being. We created a wellness room in which employees can schedule time for any use, such as tele-med meetings, relaxation, etc.

### **WHAT IS THE GREATEST CHALLENGE YOU SEE FOR HR PROFESSIONALS RIGHT NOW?**

The three biggest challenges I see for HR professionals right now are the continued focus on employee health and well-being; retaining talent with a best practice of employee experience (and leaning in on the employee value proposition); and continuing with diversity, equity and inclusion programs even during all the current controversy over canceling DE&I.

### **HOW IS HR FOR A PROFESSIONAL SPORTS TEAM UNIQUE FROM OTHER INDUSTRIES?**

In some instances, it is no different. You are still dealing with the human condition. The challenges and triumphs are the same. The one difference is how sports brings people together. I am in sports entertainment. It is about bringing joy, camaraderie and fun to an experience, and it makes what you do every day magical. I know that may sound cliché. But I remember when I was a little girl and I would watch baseball with my grandparents. I truly cherish those times with them. That's what makes sports unique: It brings *all* people together.

### **WHAT'S THE BEST ADVICE YOU'VE EVER BEEN GIVEN?**

"Let the game come to you." A CHRO that I worked for would tell me that all the time. I was always anxious for what was my next thing. But he reminded me that if I focused and worked hard, it would be recognized. And he was exactly right. It is funny to me because, although that is a sports quote, it has been important to me ever since I worked for non-sport organizations early in my career. ■■



## The Takeaway: A Discussion Guide

If you were asked to lead a conversation about some of the critical themes in this issue, what would be the most effective conversation starters to generate actionable insights? Here are the crucial questions at the core of a few key articles in this issue:

### Irreconcilable Differences

**David Rock, CEO of the NeuroLeadership Institute**

Pages 16-21



1. Theory X assumes employees lack intrinsic motivation and need to be monitored closely. Theory Y says employees have intrinsic motivation. While every company (and leader) likely have a mix, which best describes your organization's culture?
2. During the pandemic, millions had to work from home and were given a greater sense of control and autonomy. How might your policies for issues like return-to-office be designed to allow people to retain those feelings?
3. There are varying opinions about whether remote work leads to reduced productivity and a less cohesive culture. What efforts has your organization embraced to better separate fact from opinion?
4. If your company is requiring employees to return to the workplace for part (or all) of the workweek, what rationale are you using to explain the policies to employees?
5. How are you structuring work that occurs in the office to maximize the quality of employees' face-to-face time?

'The global work-from-home era produced a massive, unexpected jump in the level of control we felt across just about everything that mattered.'

### Generation Why

**Jacqueline Welch, CHRO of The New York Times**

Pages 38-41



1. How many generations are represented in your workforce? What, at a high level, are the effects and implications of that mix on your organization's culture?
2. What is the average tenure of different populations of your employees? Are your HR policies for recruitment and retention aligned with the expectations of employees?
3. Given the shortening tenures of many employees, as they are more willing to move between companies, how should your organization think about its approach for developing new leaders?
4. Given the different profiles of employees, what is the right mix of incentive compensation? Might cash be more attractive to some groups?
5. Many employees expect their employers to speak out on broader social issues. What is your framework for deciding whether and how to weigh in?

'Many of the pillars of HR are grounded in fairness and equitable treatment. These laudable principles have become increasingly difficult to put into action as employee populations have become more diverse in many ways.'

### Growth Talks

**Judith Wiese, chief people and sustainability officer at Siemens AG**

Pages 42-45



1. Does your company use a traditional performance management system that evaluates targets that were set the previous year? If so, is that system effective, given the rapid pace of changes and disruptions?
2. What would be the impact of replacing a rating process with regular conversations around the themes of performance, growth and well-being?
3. Even if that approach doesn't seem like a good fit for your culture, what are some new approaches to align with expectations as part of a more fluid process?
4. How does your organization signal to employees that it is important for them to be continually learning and developing as an individual and team?
5. Whatever approach you use, is it focused on outcomes or does it fall into a familiar HR trap of focusing more on process?

'We've shifted into a new era that requires letting go of classic performance management practices and focusing on something that is more effective and serves the true purpose of what we're trying to achieve.'

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# ANSWERS TO YOUR HR QUESTIONS

As a SHRM Executive Network member, you have unlimited access to SHRM's certified and experienced HR Knowledge Advisors, who can provide guidance and resources, based on real-life personal and professional experiences, to help you successfully navigate your workplace obstacles.

Ask a question: [shrm.org/unlimited](https://shrm.org/unlimited)

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