



The new world of work.

Leadership in a rapidly changing environment.

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“Forget about the ‘future of work.’”

“Attitudes to work, organisational structures and effective leadership styles have already changed and continue to evolve.”

“The new world of work is here.”



The new world of work. A fresh set of challenges.

Forget about the ‘future of work’. Attitudes to work, organisational structures and effective leadership styles have already changed and continue to evolve. The new world of work is here.

Whether we like it or not, we’re living through a revolution – a period of rapid change and business disruption.

Lines between functions and roles are becoming blurred. Collaboration, matrixed working and fluid team structures are becoming a necessity – if they’re not already.

Traditional hierarchies are being challenged with layers of line management being removed. New concepts, such as ‘flatocracy’ are being introduced alongside a belief that management is as much about creating a ‘followership’ as it is about ‘leadership’.

New generations are also entering the workforce, bringing with them attitudes that challenge conventional thinking. This new type of employee, expected to make up 75% of the workforce in just a few years’ time doesn’t even see loyalty as a workplace value. For them, it’s all about developing experience profiles. For them also, annual performance reviews will be pointless.

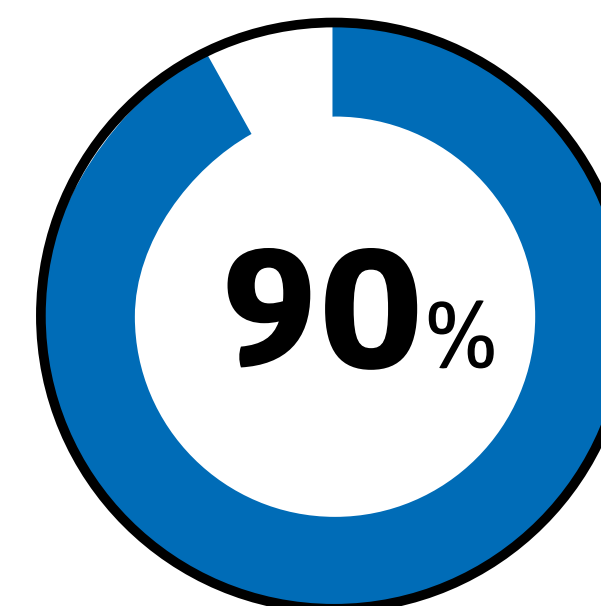
Many of these employees will prefer to opt for a freelancing portfolio career, creating a more mobile, contingent labour market.

In short, both the environment and the people in it has changed and continues to evolve.

This paper examines those seismic changes in detail and makes suggestions for how leaders can embrace those changes.

of executives rated building the organisation of the future as important or very important.

Source: Bersin Global Human Capital Trends 2017



5 key questions all organisations need to ask.

The new world of work brings with it a fresh set of challenges. Organisations of all shapes and sizes are beginning to ask themselves:

- 1** *What type of leaders do we need now and in the future?*
- 2** *How should we be structured?*
- 3** *What type of employee will we need and how will we differentiate ourselves to attract the right talent?*
- 4** *How will we manage and drive productivity in a changing and unpredictable environment?*
- 5** *How will we drive engagement and retention in an organisation with five generations, all with different expectations?*

The global mega trends impacting all organisations.

The way we think about business, and consequently the way we work, has changed, driven by global mega trends, the pace of which shows no sign of slowing.

Mega trend: *exponential technology change.*

The on-demand economy and the rise of the disruptor.

Whole industries are being disrupted by the pace of technological change and the rise of disruptive competitors.

Customer (and employee) expectations are being shaped accordingly, with the 'right here, right now' attitude permeating all areas of life.

As a result, many organisations are choosing (or being forced) to adopt a more agile and flexible approach.

A truly connected world.

The explosion in connectivity through technology is beginning to challenge the very basis of the concept of work. Virtual working can occur anywhere and at anytime through mobile personal devices with global real-time communications.

The growth of social networks means that potentially nothing remains secret. Employees can instantly provide feedback, share knowledge and shape opinions. With social networks helping overthrow governments, employers are increasingly alive to the potential damage to their organisations.

The changing work ecosystem.

Robots, autonomous vehicles, commoditised sensors, artificial intelligence and the Internet of Things are changing the work ecosystem, creating flexible, distributed and transient workforces that are agile in adapting to rapid business reinvention.

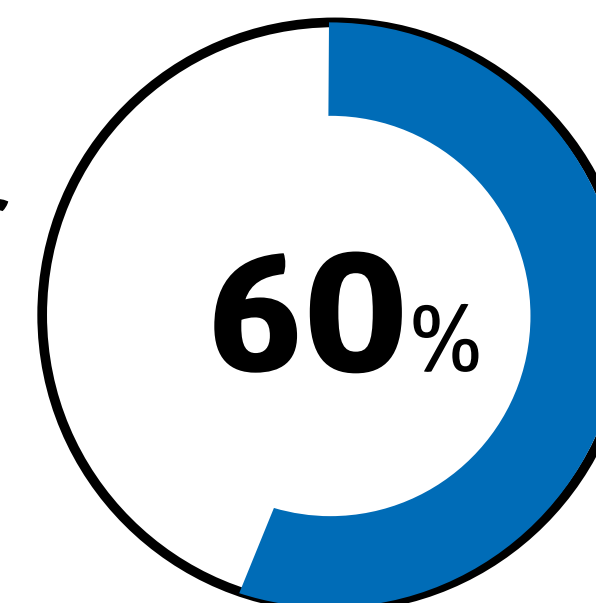
Human-automation collaboration.

Analytics, algorithms, big data and artificial intelligence will increasingly abolish work performed by humans but will also create new work at the interface of humans and automation.

Increasingly organisations (and workers) are conceiving and designing their work to optimise rather than resist this interface.

of UK CEOs are worried about the speed of technological change.

Source: PWC



- Exponential technology change
- Political, social and economic change
- Changing attitudes to work



How organisations are responding.

- > Adopting agile working practices
- > Dismantling hierarchical structures
- > Ongoing digital transformation
- > Reviewing employee engagement and broader talent strategies
- > Evaluating alternative resourcing methods, eg freelancing.

Mega trend: *political, social and economic change.*

Political and economic uncertainty.

Originally used by the military, VUCA (volatility, uncertainty, complexity and ambiguity) is now more widely used to describe both the global political and economic landscape and the environment in which organisations operate.

Whether it is Brexit, the unpredictability/volatility of voters or the fragility of governments and nations, one thing is certain: we live in uncertain times. Organisations are increasingly asking themselves what the future might hold and having to adapt their planning horizons accordingly. Becoming more agile and flexible is now a business requirement.

Social responsiveness: the need for ‘purpose’.

The banking crisis and environmental catastrophes coupled with increasing connectivity through social networks means that organisations are having to become increasingly transparent to stakeholders.

Increasingly, an organisation’s ‘purpose’ is becoming a vital ingredient in its strategy around talent attraction, engagement and retention. And workers are choosing who they work with on the basis of the opinions of their socially connected peers and opinion leaders.

Inclusive talent approaches.

The new world of work is increasingly about multi gender, multi ethnic and multi generational workforces. Meanwhile, social policies and technology have helped drive talent migration, boundary-less working and flexible approaches to the very concept of work.

The growth of sophisticated data analytics and segmentation is helping organisations develop and implement differentiated policies, practices, work designs and pay and benefits.

- Exponential technology change
- **Political, social and economic change**
- Changing attitudes to work



How organisations are responding.

- > Adopting agile working practices and shorter planning horizons
- > Defining their social purpose
- > Developing inclusive approaches to policies

Mega trend: *changing attitudes to work.*

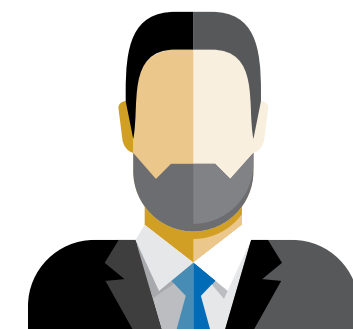
A multi generational workplace with very different attitudes and expectations.

Changes to retirement ages and increased longevity as well as the emergence of digital natives are forcing organisations to radically rethink the workplace.

The biggest challenge for leaders is not to assume that other generations in the workplace share their values and attitudes to work, recognition and reward.



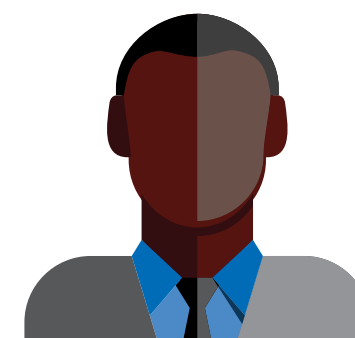
Traditional



Baby boomer



Gen X



Gen Y



Gen Z / digital natives

	Traditional	Baby boomer	Gen X	Gen Y	Gen Z / digital natives
Values	Loyalty and authority	Company loyalty	Self reliance	Community loyalty	Community loyalty. Cynicism and mistrust of authority
Focus	Company goals	Team and personal goals	Career goals	Learning and growth	Security. Learning and growth
Measure	Company	Personal and performance	Personal results and fun	Speed of career growth	Speed of career growth
Reward	For doing the job	Results and contributions	Outcomes	Reward for learning and knowledge acquisition	Reward for learning and knowledge acquisition
Lifestyle	Job security. Company success. Lives to work	Work defines self. Lives to work.	Work life balance. Works to live.	Work/life is blurred.	Makes no distinction between work and life.

- Exponential technology change
- Political, social and economic change
- **Changing attitudes to work**



How organisations are responding.

- > Thinking about talent in the organisation as a whole rather than focusing on the select few who have demonstrated potential in the old world
- > Reviewing leadership requirements and high potential programmes
- > Flexing structures and career paths to accommodate differing expectations and preferred working styles
- > Replacing formal, annual appraisals with continuous feedback
- > Future proofing by using analytics to map demographics, engagement and future resource requirements.
- > Reviewing workplaces to embrace demands for more relaxed collaborative spaces
- > Demonstrating their values in action as a means of differentiation.

Leadership in an agile organisation.

With the new world of work comes a new style of leadership. Out goes the hierarchical, decisive style of the baby boomers. In comes the collaborative, agile approach of the modern leader.

In the new world of work the very idea of what makes a leader has changed.

With a workforce comprised of five generations and increased emphasis on fluid, collaborative working structures, the idea of what makes a good leader is in a state of flux.

The once tried and tested traits of decisiveness, extraversion and motivation as the key markers of effective leadership have now been matched, and even superseded, by the likes of abstract thinking, communicative approaches and collaboration.

In the new world of work, the traditional model of top-down, information sharing, decision making and development modelling is becoming increasingly ineffective.

OLD WORLD LEADERSHIP	VS	NEW WORLD LEADERSHIP
<i>Believes power comes from a position of authority</i>		<i>Empowers colleagues at all levels</i>
<i>Owens and protects information on a 'need to know' basis</i>		<i>Openly shares information and knowledge</i>
<i>Annual planning cycle</i>		<i>Agile planning</i>
<i>Decisive. Sometimes engages team members in solution design</i>		<i>Collaborative. Actively engages team in solution design</i>
<i>Firefights by focusing on symptoms</i>		<i>Actively seeks new ways of doing things, employing data to evaluate options</i>
<i>Clear reporting lines, roles and responsibilities. Rigid, hierarchical approach.</i>		<i>Fluid, project-based approach. Evolving roles and responsibilities. Recognises leadership at all levels.</i>
<i>Annual appraisals in line with company policy</i>		<i>Continuous feedback and coaching</i>
<i>Strict control of resources, allocating only when business case is compelling.</i>		<i>Allocates resources to help team deliver against short term objectives.</i>

The very idea of what it is to be a leader has changed.

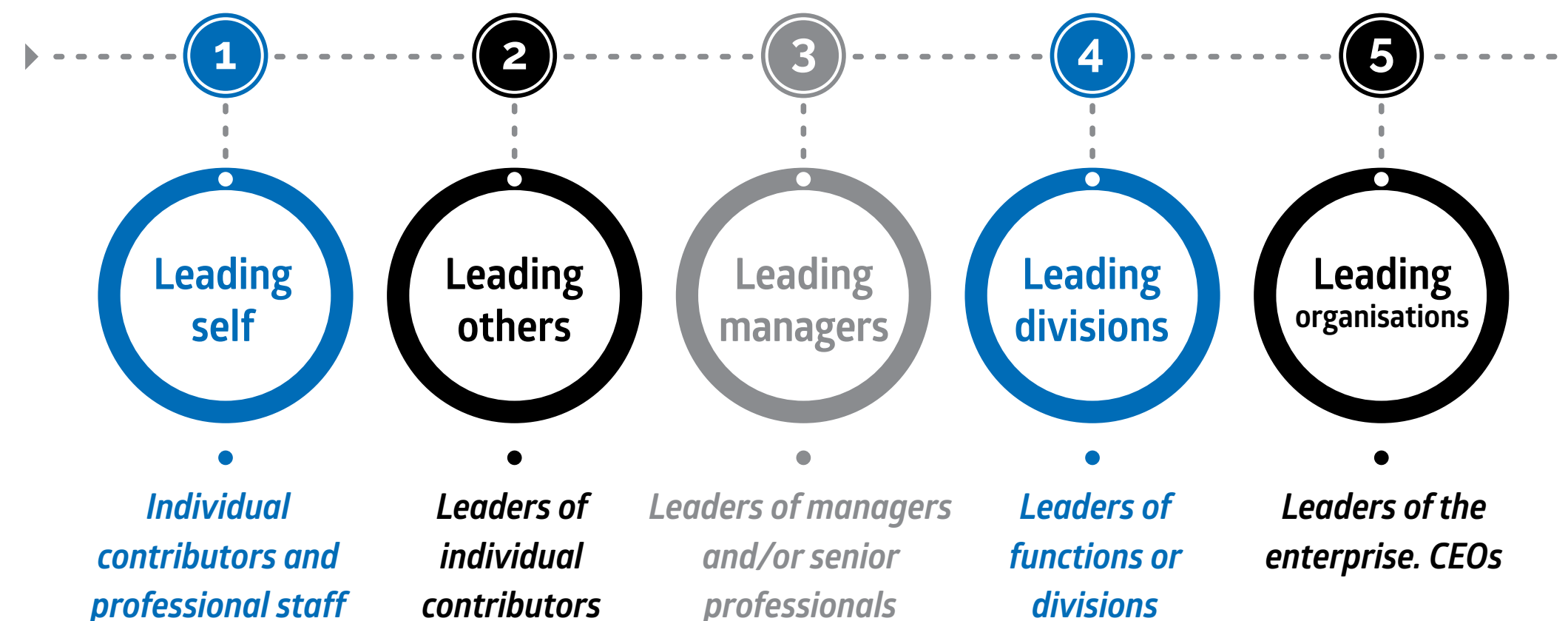
Organisations now have to think about leadership at all levels.

All employees at all levels in the organisation need to be informed, enabled and empowered to achieve company goals. Agile and innovative, modern leaders must be informed by data, enabled by the right tools and empowered by authority.

Leadership at all levels of the organisation.

A Harris poll conducted on behalf of Saba found that nearly 70% of employed U.S. adults consider themselves leaders, regardless of their job title. There's a growing sense that people are itching to lead, irrespective of whether it comes with the traditional leader name tag. Younger generations are more expectant; give them the opportunity first, and look to them to prove their worth.

Organisations are increasingly recognising that leadership is not restricted to a small minority in the C suite. They recognise that leadership potential and behaviours can be demonstrated at all levels.



New leaders in action.

Perhaps predictably, you'll often find these new leadership models in practice in newer industries.

Digital industries, for example, are invariably places brimming with young, dynamic talent with new ideas and new ways of thinking.

These are places where traditional top-down hierarchies have never really existed. Places where old-fashioned leaders never had the chance to implement old-fashioned ways of thinking.



Five key elements of leadership.

Vision

Creating a compelling vision for the future, combining complex information from different sources with out-of-the-box thinking.

Action

Managing uncertainty and change effectively, while showing courage and resilience and the ability to make sound decisions.

Impact

Inspiring others to unleash their potential and talent by creating a shared sense of purpose and a learning culture.

Connection

Embracing and leveraging diversity across perspectives and cultures while fostering positive emotions in others.

Drive

Embracing and leveraging diversity across perspectives and cultures while fostering positive emotions in others.

The transformational leadership mindset.

Effective leaders in an agile organisation have the mindset to cope in a fast-paced environment. They tend to demonstrate a hunger to learn, be data-driven, persuasive, change-oriented and solutions-focused - within the context of their particular organisation.

Leadership in context through mindset.

While effective leadership is transforming it's also important to note that it is also contextual: past success is no longer an indicator of future performance.

Key to understanding effective leadership in any organisation is appreciating the mindset you want your current and future leaders to have.

Mindset is an approach someone adopts in response to, or in the face of, tasks, challenges and opportunities. This is about the application of their experience, their learning agility and their ability to develop and deploy abilities. It's not about their skillset or even their educational attainments.

Mindset can influence nearly every aspect of a person's working life. If organisations really want to embrace effective leadership in the new world of work, mindset is their key to successfully navigating it.

The core mindset clusters for transforming businesses.

In 2016, we partnered with experts in business transformation to combine their knowledge and expertise with employee data and a validated model of leadership potential to create a new way of measuring mindset in the workplace: **PULSE MINDSET™**.

These clusters relate directly to the challenges and changes that organisations are facing, from leadership and structure and process to people expectations and interactions

“Mindset is an approach someone adopts in response to, or in the face of, tasks, challenges and opportunities.”

PULSE MINDSET™



The new world organisation.

The new world organisation has evolved in response to market conditions, the impact of technology and the differing expectations of the five generations in the workplace, particularly millennials and digital natives. What has emerged is a flatter, more agile organisation where alignment around a common purpose, employee empowerment and collaboration are the norm.

Aligning values and purpose.

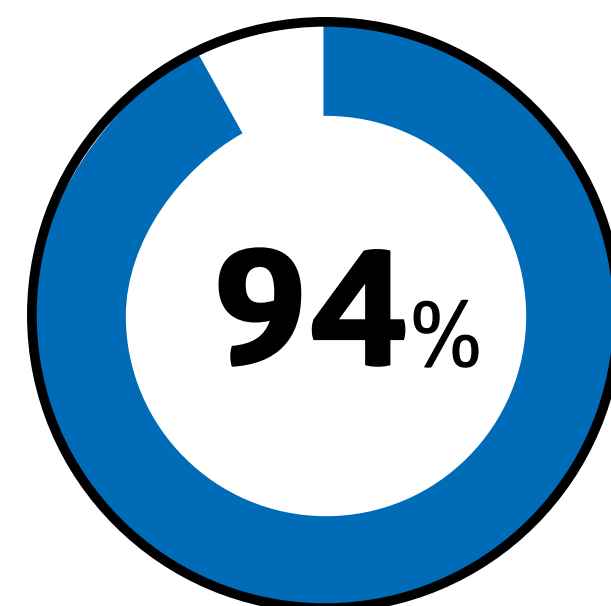
Organisations have long understood the importance of espousing shared values in both their customer and talent acquisition strategies. But the explosion of social networks and review websites (both customer and employee) has the potential to highlight the discrepancy between what is espoused and what is reality.

Brands – both customer and employee focused – are no longer defined purely by the organisation. They are built, and potentially destroyed, by communities on social media.

The new world organisation understands the importance of allowing their people to be part of something – a shared purpose.

Employees are asking:

- > What are we doing here?
- > Why should I come to work every day?
- > What is our impact on society and the environment, as well as our customers?



of organisations say that ‘agility and collaboration’ are critical to their organisation’s success.

Source: Bersin Global Human Capital Trends 2017

Characteristics of the new world organisation.

- Vision** — A clear vision and purpose that engages employees, customers and stakeholders.
- Action** — Responds rapidly to customer needs and market developments. Executes quickly and learns from failures.
- Impact** — Flat structures, fluid teams and an absence of siloes drive greater collaboration, openness and transparency.
- Connection** — Employees are empowered to make the right decisions in real time, without the need for continuous guidance.
- Drive** — An ecosystem of relationships both inside and outside the organisation.

“Purpose really comes down to mindset...a culture that taps into your people’s sense of aspiration... empowering everyone ...not just to do better, but to be better.”

Historically organisations were designed around complex, hierarchical, siloed structures. This approach is best suited to predictable commercial patterns. In today's VUCA environment, organisations are moving to flatter, team centric models to drive agility and adaptability.

From hierarchy to flatocracy.

The new world organisation has been busy dismantling traditional hierarchical structures in favour of flatter, more collaborative structures with networks of teams empowered to take action.

Why organisations are changing structures:

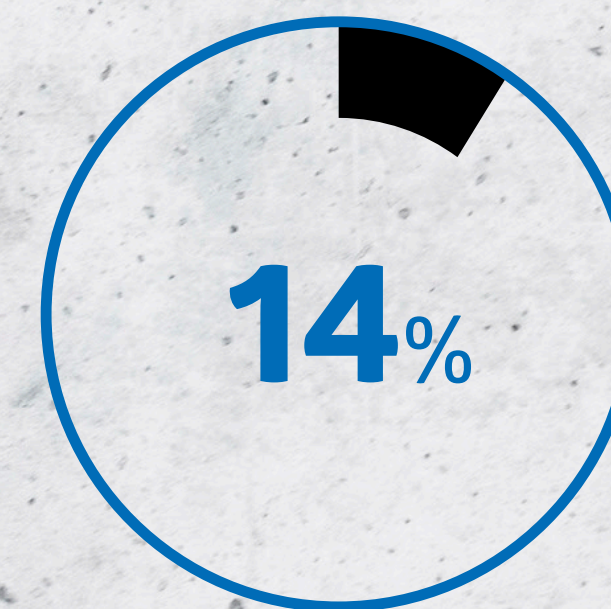
- > **New visions of leadership:** fewer middle managers (often a product of economic crisis resizing) and more emphasis on collaboration and engagement.
- > **The drive for employee empowerment:** fewer managers and the drive for agile working has led to the blurring of lines between functions and the rise of a more fluid, project team approach.
- > **The move to more agile working:** shorter planning frames, the drive for customer responsiveness and the need to bring products and services to market more quickly demands new structures.
- > **The impact of technology:** both in terms of digitalisation and also mobile/remote working.
- > **Employee expectations:** GenY and GenZ demand greater autonomy and a variety of experiences rather than rigid career structures.

“Flattening an organisation isn’t just about rearranging an organisational chart.”

“It’s about empowering employees to make and participate in decisions and communicate with everyone across the company.”

Jacob Morgan, *The Future of Work 2014*

of executives believe the traditional hierarchical model makes their organisation highly effective.



Source: Bersin Global Human Capital Trends 2017

Flexible, team centric models drive agility.

One of the key factors in achieving organisational agility lies in the ability of the organisation to create an environment that encourages teams to be formed, share information, complete project tasks and then disband as team members move onto new projects.

This ability to move between teams effectively requires both leaders and team members to approach their work differently. Having the right mindset and mix of skills in teams will be crucial to success.

According to Morgan Philips' research, one of the biggest pain points for people starting a new role is discovering that the realities of the job are completely different from what was advertised. But by creating a flat, flexible and agile workplace, your employees have the chance to develop their careers the way they see fit..

Agile workforce planning.

The traditional three year planning horizon for talent is unlikely to be fit for purpose in the agile new world organisation. Instead a “fail-fast-learn-fast” philosophy coupled with a fluid project team approach demand shorter term, flexible workforce planning schedules.

The new world of talent.

New ways of working, new visions of leadership and dramatically different employee expectations are all having an impact on how organisations are developing their strategies around talent acquisition, selection, development and retention.

Will the ‘war for talent’ become the ‘war for mindset’ in the new world organisation?

When we think about the ‘war for talent’ it’s generally in the context of organisations competing for in-demand skills. Organisations embarking upon digital transformation, for example, will often focus on bringing in individuals with specific digital marketing, technology and analytical skills. What is emerging, however, is a radically different way of thinking: recruiting for attitude or mindset as well as core skills.

This step change is in recognition of the fact that not all skilled developers or digital marketers, for example, are capable or want to work within an agile, fluid environment where the lines between functions are blurred and cross team collaboration is the norm.

The death of the traditional CV.

As organisations focus more on recruiting for attitude or mindset, the concept of a traditional skills based CV becomes outmoded.

Rather than the application of experience, learning agility, the ability to quickly develop and deploy new abilities before moving on to the next challenge will take centre stage.

Enter the fluid talent ecosystem.

The new world organisation no longer sees its workforce as the employees on its headcount. Today ‘workforce’ includes ‘gig economy’, freelance workers and even crowdsourcing environments

The rise of the ‘gig economy’ has been fuelled as much by the new thinking of workers as it is the response to employer requirements for a flexible labour market.

Our research shows that, unlike their predecessors, 16 to 34 year olds are far more open to the prospect of freelance or contract work and portfolio careers, reflecting very different attitudes to career development and learning:

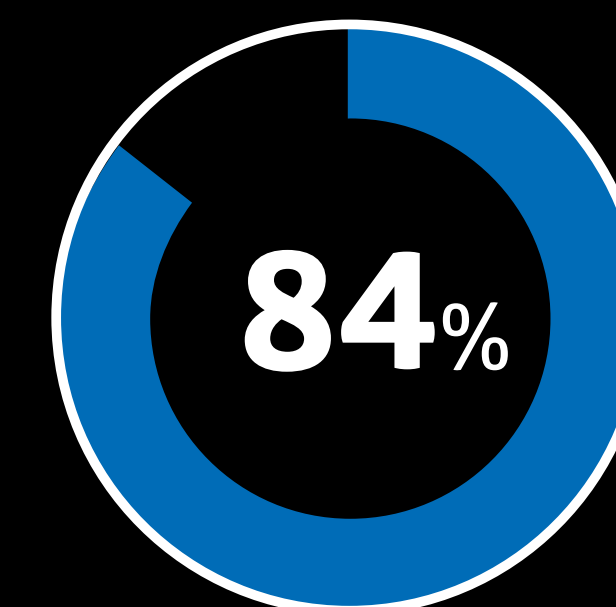
	16–34 yrs	35+ yrs
Likely to freelance in the near future	67%	46%
Likely to contract in the near future	54%	31%
Likely to have a portfolio career in the near future	56%	25%

“When we recruit, we focus on what can’t be taught. Natural abilities such as openness and willingness to collaborate are essential; other skills can be embedded over time.”

Nathan McDonald, Co-founder, We are Social

“It is comforting to hire ‘experienced people’ ... but we have to identify people with the passion and the capability... Potential is as important as experience.”

Erevena, Market Report 2015



of UK CEOs are worried about finding the right skills to drive future growth.

Source: PWC

Changing perceptions of “career” force employers to rethink “career planning”.

In the past, career trajectories that just went straight up, title by title, were accepted. In the new world of work, the emphasis has changed to gaining new experiences, especially amongst the younger generations.

It used to be: “I want this job and title, then I want that job and title.” In the new organisation it’s more likely to be: “I want this experience and then I want this one”.

The result is a disconnect in many organisations. The new workforce packed with emerging generations want one thing. The older generations of leaders and HR directors are offering another.

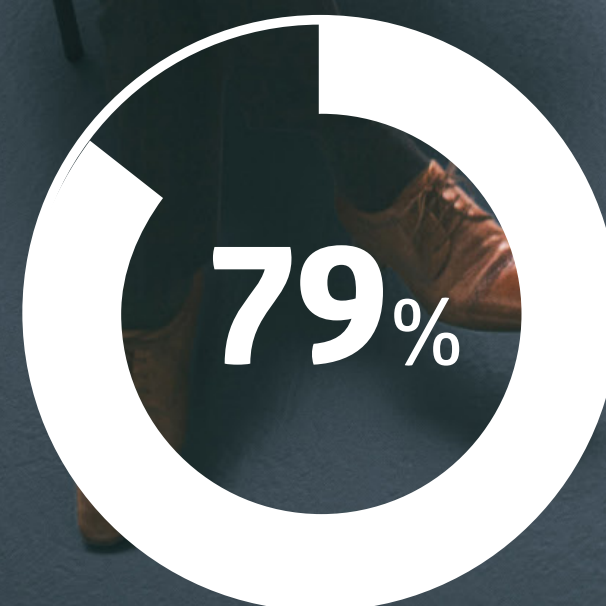
Rather than thinking in terms of a ‘career ladder’ with an upward trajectory, we need to begin thinking about a scrambling net, where people move up and down and side to side.

Rethinking learning.

As employees seek experiences over structured career paths organisations are rethinking their approach to learning to embrace real time, always-on learning that allows individuals to build knowledge quickly, remotely and on their own terms. In fact, the vast majority of employees expect to learn new digital skills on the job, according to Morgan Philips’ *Digitalization and Impact on Talent in Greater China* report.

Continuous feedback-based performance management

The annual appraisal is unsuited to the fluid team structure of the agile new world organisation. Instead, it is being replaced by regular, informal 360 feedback, project reviews and real time engagement surveys.



of professionals said that a better work-life balance would trigger some compensation trade-off when considering a new role.



What is important in your career?

	16–34 yrs	35+ yrs
Broader experience in current role	41%	25%
More specialist experience	41%	25%
Training	37%	22%
Experience in other roles in the company	39%	20%
To work for a company with shared values	42%	27%
More responsibility	48%	40%

Source: PWC

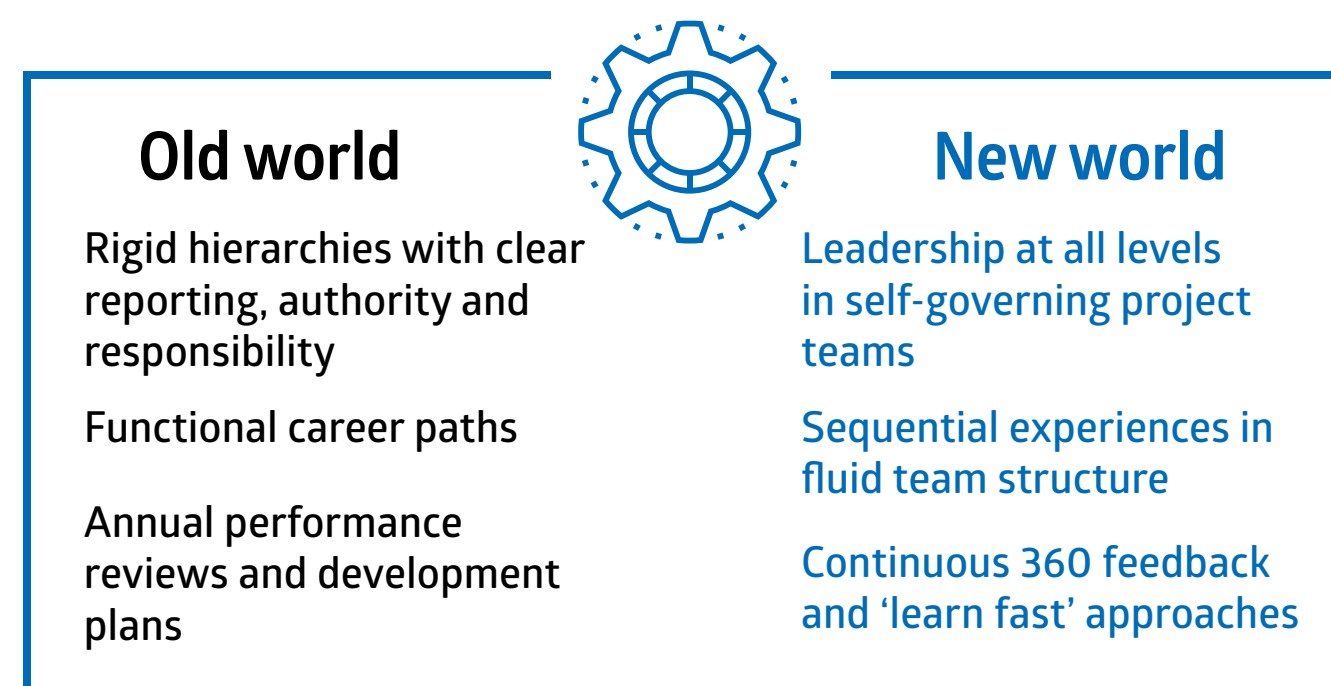
Managing talent in the new world organisation.

Organisations are redefining “talent” to embrace the entire workforce, engaging everyone and creating the opportunity for potential to grow and shine.

How you attract, assess, develop and retain talent in the new world of work is going to be key in helping the organisation to succeed. Here we list some of the things you should consider when pulling together your talent strategy for the new world of work.

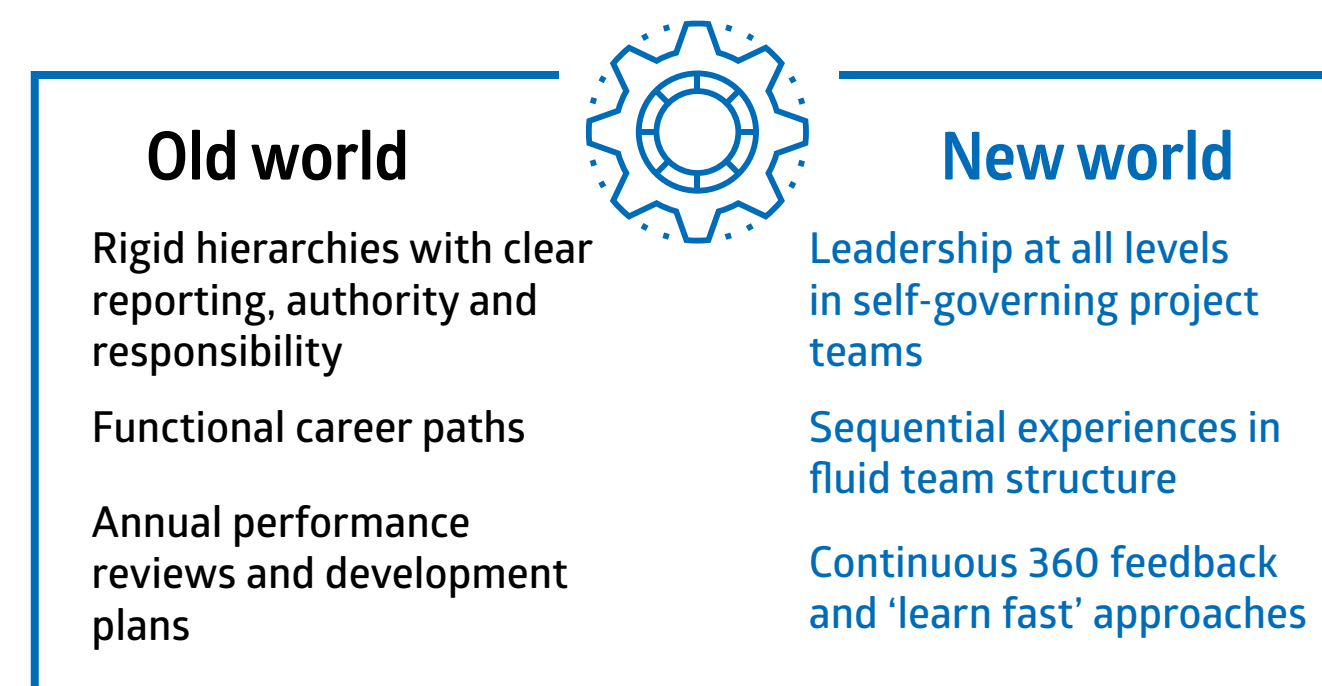
Talent attraction and engagement.

- > Clearly define, communicate and demonstrate your organisation’s purpose and values not just to your established headcount but to the wider labour market
- > Define your culture ‘mindset’
- > Offer continuous knowledge building and learning experiences
- > Inhabit the social networks where your target audience are, building both internal and external relationships.
- > Create and encourage real stories about your place of work and your people.



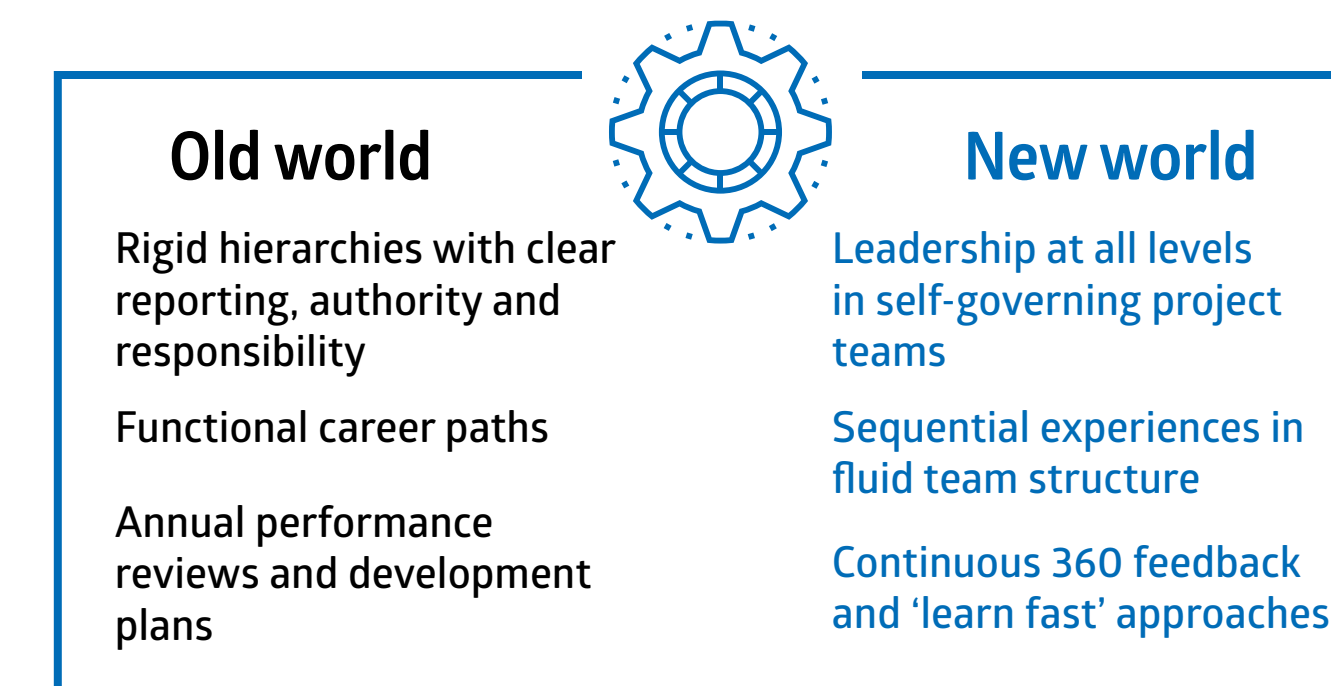
Talent assessment and selection.

- > Understand their skills but don’t categorise people by their skillset or functional background
- > Understand what their experience(s) and mindset can contribute
- > Define what ‘talent’ looks like in your organisation/ team and assess for fit and mindset



Talent development and retention.

- > Examine business models and the potential for a team centric, fluid approach
- > Implement project-based training and ongoing development based upon the individual
- > Establish mentoring and reverse mentoring
- > Adopt analytics to understand your demographics at all levels and flex your approaches accordingly
- > Acknowledge leadership at all levels and get to know your influencers and unofficial leaders
- > Recognise the demand for continuous feedback that does not recognise hierarchies
- > Embrace a fluid talent ecosystem, recognising that talent is not restricted to your balance sheet



Helping you succeed in the new world of work.

Morgan Philips Group is an innovative recruitment and talent consulting business with a footprint across 4 continents. In just 5 years, we have built a global platform that disrupts conventional thinking in executive and professional recruiting. We combine high-touch consultancy with worldwide search capability and digital sourcing technologies to help you recruit better, faster and cost effectively.

Our specialist consulting division, Morgan Philips Hudson Talent Consulting, works with a wide range of organisations to develop and implement their talent strategies around attraction, selection, assessment, engagement and retention.

Our three step methodology is designed to help you through each stage of the process to transform your organisation and people for the new world of work.

Our three step methodology can be tailored to your particular needs



Talent attraction and engagement.

By working with Morgan Philips' specialist talent solutions consultants, you will:

- > Clearly define, communicate and demonstrate your organisation's purpose and values not just to your established headcount but to the wider labour market
- > Define your culture 'mindset'
- > Offer continuous knowledge building and learning experiences
- > Inhabit the social networks where your target audience are, building both internal and external relationships.
- > Create and encourage real stories about your place of work and your people.

Why Morgan Philips?



PROVEN EXPERTISE

We understand the challenges you face and use proven, scientifically-backed tools and methodologies



INTEGRATED SOLUTIONS

End-to-end talent solutions: attraction, assessment, selection, development and retention



PARTNER ECOSYSTEM

We have a network of partnerships with complementary organisations to help you transform your business



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