Five Talent Disruptors

THAT CHANGE HOW ORGANIZATIONS WILL BE SHAPED

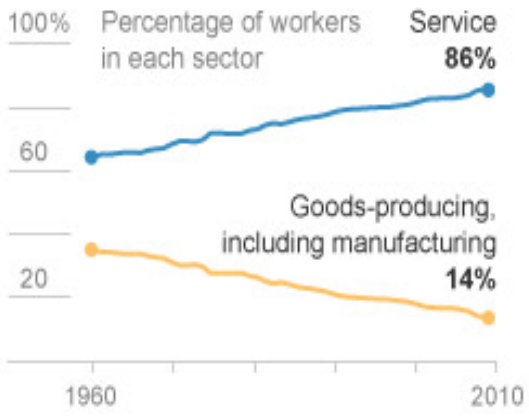


A WHITE PAPER BY KEVIN WHEELER

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Disruptor #1: Career Mosaics become the Norm



Many of us grew up with our model of work being an 8-5 job, at a place removed from home, either an office or a factory, for a fixed salary.

In 1960, 4 of the top 5 employers in the U.S. were goods producing, while today the top 5 employers are all service providers. Less than 15% of the U.S. workforce is involved in producing goods today.

Work is less routinized and more creative; freeing people from physical locations and lowering fixed costs.

A variety of working styles is emerging from part-time and contract work to total self-employment. People have many choices and will choose, at different times in their lives, to work in different ways.

Fewer people are marrying or having children. Home and automobile ownership has declined among young people. Debt is at historically low levels

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Young people are flocking into cities to live, renting flats and sharing living accommodations with partners and friends.



Small, entrepreneurial businesses developing software, games, or offering services such as hourly car rental, sharable office space, bicycle repair, and food services have grown to employ this mobile, educated and urban population. Estimates are that for every engineering or software developer job created, five additional jobs are created in services that support them.

Finding a traditional job is less appealing and more difficult than it has been historically as employers seek experienced help and have cut back on internships and training programs.

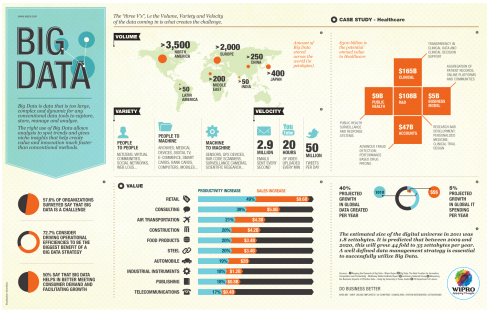
This has driven young people to to figure out what they are good at and what matches their desired lifestyle. Entrepreneurs are highly regarded and the idea of working for oneself is compelling and possible.



We have already seen a rise in people who are entrepreneurs - at least for part of their working lives. **Career mosaics – working lives made up of different professions and different working styles – will be normal.**

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Disruptor #2: Big Data & Analytics



Big data refers to the totality of information available. Today the amount of data available and the amount being created are so large that the actual amount is meaningless.

Imagine being able to scan all the data available about a single person, for example -- everything written by them or about them, all their photos, phone calls, emails, and social media posts – and then draw conclusions about their character or whether they would be good fit for a particular job. Companies such as Acertiv and RemarkableHire are already offering services similar to this.

It is also possible to extract data from websites/public information/social networks and from information about the products or services people buy and use to better understand their skills, interests, and competencies.

A resume or C.V. is really the sum total of a person's web presence.

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Disruptor #3: Crowdsourcing, Collaboration, & Sharing become Core



The Internet has increased transparency, empowered us to easily share information, and has fostered more collaboration and interaction among people.

Companies are trying to cope with rapid change, unpredictable markets, and global demands. They are striving to be innovative, to develop new products and generate higher levels of services and larger sales.

Yet, old structures and habits inhibit success. The industrial age separated people, organized them into functions and silos that actually prohibited sharing and, hence, in many ways inhibited invention and innovation.

Apple's success comes partially at least from encouraging the opposite behavior. Apple stresses internal interdependencies and collaboration between its branding, design, manufacturing, supply chain, and retail operations. No one of these alone is responsible for Apple's success: it is all them together that makes the difference.



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There is less value in owning data and more value in how it is shared, understood and applied. In fact all inventions and advancements are the work of many people building on each other, often working together and learning from each other.

Google has organized itself into teams of interdependent workers who share roles, collaborate, experiment, and focus on achieving goals. They spend very little time worrying about titles, job descriptions, and management levels.

There is a groundswell of interest in the human resources and recruiting community to crowdsource candidates by leveraging friends, associates, and colleagues to find and assess potential candidates.

Social media helps build global networks of people with similar interests, opens the door to sharing of knowledge, and allows diverse ideas to filter into conversations and thinking where it would not have been before.



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Disruptor #4: Robotics, Automation & Work

General Motors had almost 600,000 employees in 1960 and built around 2 million vehicles. Today it has 200,000 employees and builds over 9 million vehicles each year. This is a common story among manufacturers everywhere.

Numerous recent books and articles tell the story. ***Robots are rapidly replacing workers or reducing the amount of work they have to do.*** Automation has eased or removed much of the tedious administrative work that secretaries and clerks do. Everywhere from banks with do-it-yourself automated tellers to robotically equipped warehouses, jobs are changing or being eliminated more quickly than many thought was possible.

We will give up many routine jobs to robots easily, but other jobs may remain human for sometime to come. These include all those that require human understanding or empathy such as psychology and sales. Creative arts will remain human for some time.

Robots will do jobs we can't do or that are too dangerous for us to do, such as bomb or hazardous material disposal.



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The challenge is how do those whose jobs are gone earn a living? What do they do?

Re-education

Many are upskilling themselves - returning to college for additional education or they are learning a new profession that has less chance of being automated. For others the best path may be to learn to work side-by-side with the robots and augment and expand what they can do.



Working <u>with</u> Robots

For example, a skilled human worker can cut and weld a particular car frame in an average of 81 hours. But, a human working with a robot can produce a car frame in 4 hours! The robot welds faster and better and cuts the metal more precisely, but can't manipulate the parts as smoothly as a human.

Or doctors can consult computers that can analyze DNA samples and match them to the best cancer treatments for an individual patient. The doctor's skills are augmented by computing power, but he remains the patient's contact and advisors

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Using Robots in New Ways

Others will find entrepreneurial ways to use robots to create new jobs, new services, and new opportunities. For example, artistically inclined people can design artwork on computers that robotic printers can then manufacture. Over time we will find many ways to create things or develop services we never dreamed of by using robots and computers.

Our relationships with robots will grow more complex over the next decade. Many new jobs will be created as old ones disappear.

Nothing new here – it happened as we moved into the industrial age and mechanized farming replacing most of the people who worked on them. Since then, thousands of new jobs have been created.

Robotics will inspire us to invent new things to do that are uniquely human.

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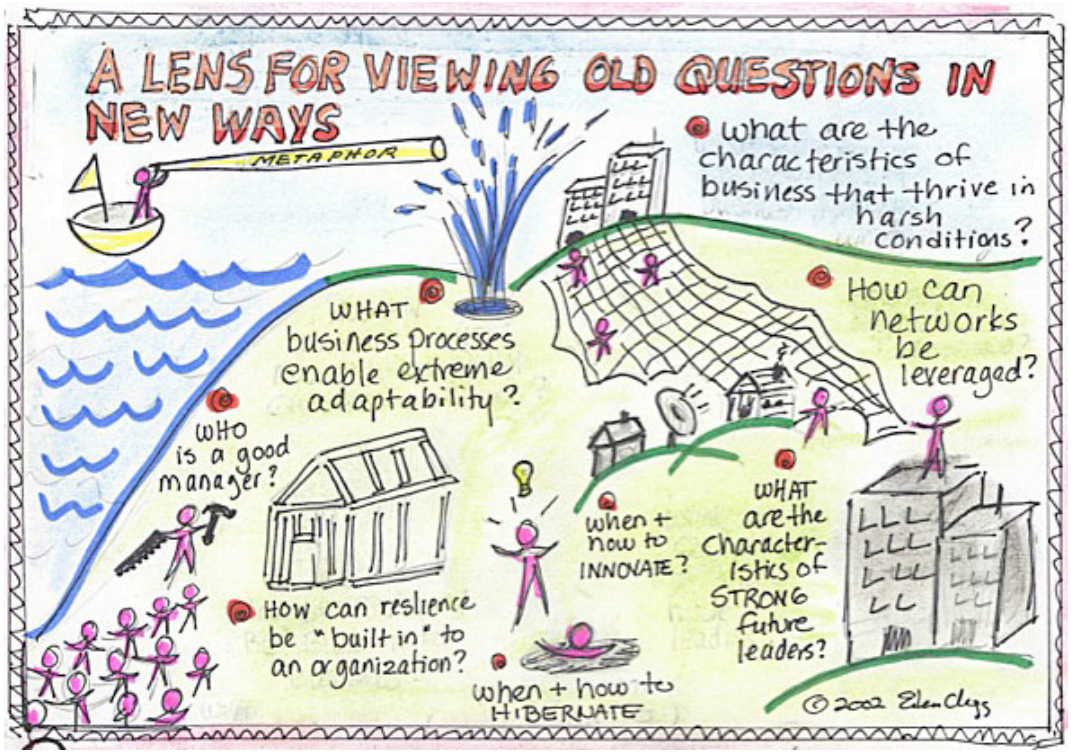
Disruptor #5: From Hierarchy to Self-Organizing Systems

A complex, rapidly changing world made up of fickle customers and global markets requires new ways to organize and new ways of thinking about leadership.

Traditional models of hierarchical leadership are already failing to deliver results.

Financial stress, talent gaps, lack of innovation, and competition on a global scale are causing many organizations to stumble.

This last recession almost brought the end to General Motors and to many of the traditional, hierarchical firms that manufactured products or delivered services at too high a cost and with not enough innovation.



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Biology has taught us that organisms are more resilient if they are nimble, adaptable, live in diverse colonies or networks, and are quick to move.

Organizations, too, need to become smaller, act faster, and be more networked.

Organizations are more resilient in tough times if they have and leverage strong social networks that bring together diverse types of people.

Some organizations have adopted non-hierarchal forms and have built strong networks among their employees and customers.

Firms such as Handlesbanken in Sweden, which offers a full range of financial services in Sweden, Denmark, Finland, Norway and in Great Britain; is Sweden's largest and most profitable bank. It has weathered the financial crisis and recession with record profits. It is almost completely decentralized, designed around collaboration and sharing, has virtually no hierarchy, and empowers every employee to make decisions without consulting a boss.



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Morning Star, a tomato processing company in California, is a completely self-managed organization. Chris Rufer, founder and president, believes in three basic principles:

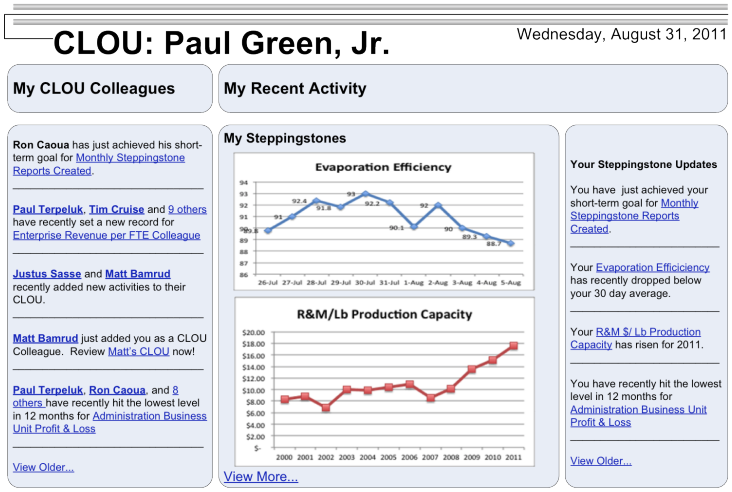
- People are happiest and most productive when they have personal control over their life.
- People are "thinking, energetic, creative and caring human beings of integrity."
- The best human organizations are those in which others don't manage people, but in which participants coordinate among themselves, managing their own relationships and commitments to others.

MORNING STAR
SELF-MANAGEMENT
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As a result he asks each employee to create a Colleague Letter of Understanding (CLOU) in which they create a personal mission statement, agree to achieve certain objectives, identify the measures that they will be judged by and they do this in a network with other employees. There are no managers and no hierarchy.

Rufer says, "Clouds form and go away because atmospheric conditions, temperatures and humidity cause molecules of water to condense or vaporize. Organizations should be the same; structures need to appear and disappear based on the forces that are acting on the organization."



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Centralized, hierarchical organizations are never aligned with customer, market or employee interests.

We should always ask if formal structure is contributing to market success or is it only for internal purposes

Organizations such as Handelsbankn, Morning Star, and W.L. Gore have eliminated formal structure as much as possible. Maybe only 10% of their energy goes into creating or maintaining a hierarchy. Even the informal structure is limited. **Control is social and most energy is spent in value-creation.**

They empower teams, keep most employees market-facing so that they can respond quickly, learn constantly, and keep management filters at a minimum.

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Summary

Demographic pressures, expanding economies in non-traditional markets, rapidly changing customer needs and desires, technological innovation, and an increasingly complex, networked world are leading to significant changes in how people think about work, how people actually work, and how organization are shaped.

These five disruptors are tearing apart traditional human resource leaders and recruiter thinking. Assumptions are challenged by market realities and the growing difficulty in fitting people into outmoded systems that were built for anther time.

Human resource leaders and recruiters need to adapt their thinking and practices in order to be successful over the next decade.

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