



cHReate*

The Global Consortium to Reimagine HR,
Employment Alternatives, and Talent

Business of Airports Conference

April 6, 2016

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- **Recap**
- **Where are we going?**
- **Preliminary Results**
- **Questions**

Background on cHReate (FHR)

- **cHReate** – creating the conditions and community for change in a collaborative, open-source, and non-competitive forum
- Many previous sources of FHR work, but current group wanted to organize around creating the conditions and community for change
- Not satisfied with the trajectory of where HR is in order to meet expectations of HR going forward
- Three years old, with two phases completed by SHRM, USC-CEO, NAHR, IRC4HR, PWC and CHROs volunteers

Future of HR Project Phase 2 (July 2014- May 2015)



- In 2015 we discussed:
 - 40 CHROs and thought leaders continued as Advisory Group
 - SHRM, NAHR and PwC funding of \$175,000
 - Core team of Boudreau, Engel, Pitasky, Pon, Smart, and Ziskin

Findings

- **Five forces of change**
- **Logic model to reach a boundary-less people strategy**
- **HR's key constituents' expectations (perspectives & perceptions)**
- **Five capabilities enabling a winning workforce**

Five Forces of Change

Based on a review of current literature, expert discussions and practical experience in diverse companies we believe that the future of work and the workforce are being transformed by five forces.

Five Forces	Effect of Force	Business Response
Exponential pattern of technology change	Technological breakthroughs produce exponential disruptions in markets and business. The rapid adoption of robots, autonomous vehicles, commoditized sensors, artificial intelligence and global collaboration will renew the re-thinking of work.	Business will be productive with flexible, distributed & transient workforces who adapt to rapid cycles of business reinvention. Employees will need to successfully engage with automation transitions with legacy job loss & rapid skills obsolescence.
Social & Organizational reconfiguration	Increased democratization of work shifts us away from the hierarchy in favor of more power balanced organizations & communities that are less employment-based and more project-based relationships. Talent will “join” increasingly based on aligned purpose.	Sources and engages talent in diverse “employments” models in part-time, full-time, free-lanced individuals, outsourced functions that are based on a purpose-driven mission. Results are increased achieved through purpose-built networks vs. hierarchies.
A truly connected world	The world is increasing connected through mobile devices empowering “jobs” to be done from anywhere by a network of freelancers. New media enables global & real-time communications to speed up ideation, product development & go to market strategies.	Work is effectively managed through newly defined talent management systems that support a distributed & global workforce. High-trust cultures and purpose-built networks, empowered with big data, create a new level of innovation that develops & releases products in very short cycles.
All inclusive, global talent market	Work is seamlessly distributed around the globe with 24/7operations enabled by new corporate and social policies. Extreme longevity allows mature talent to stay in workforce longer while woman & non-white ethnicities become talent market majorities.	Organizations increasingly segment work to the best talent in & outside the organization through diverse “employment relationships”. New Leadership styles and engagement approaches addresses different cultural preferences in policies, practices, work designs, pay and benefits.
Human & machine collaboration	Advances in analytics, algorithms and automation continue to make improvements in productivity and decision making. Smarter computing increasingly automates and abolishes mundane tasks previously performed by humans.	Organizations successfully migrate tasks from people to machines and/or robots by mastering big data. Organizations create & maintain external partnerships to augment capabilities that are not owned; effectively managing workforce transitions without hurting reputation.

Future of HR Project

Phase 3

(May 2015 -)



IRC4HR



- 100+ CHROs and thought leaders continued as Advisory Group
- Phase 3 project recommendations gathered during Phase 2 Summit
- How do we build on this work in the hope of crystallizing a nascent movement? Who do we need to engage and how?

Four Potential Future States

The Five Forces of Change can be captured in two central themes - - Democratization of Work and new level of Technological Empowerment. These Four Potential Future Scenarios appear below and are described on the next page.



Organizational
ENGINEER



Virtual Culture
ARCHITECT



Global Talent
**SCOUT, CONVENER
& COACH**



Data, Talent & Technology
INTEGRATOR



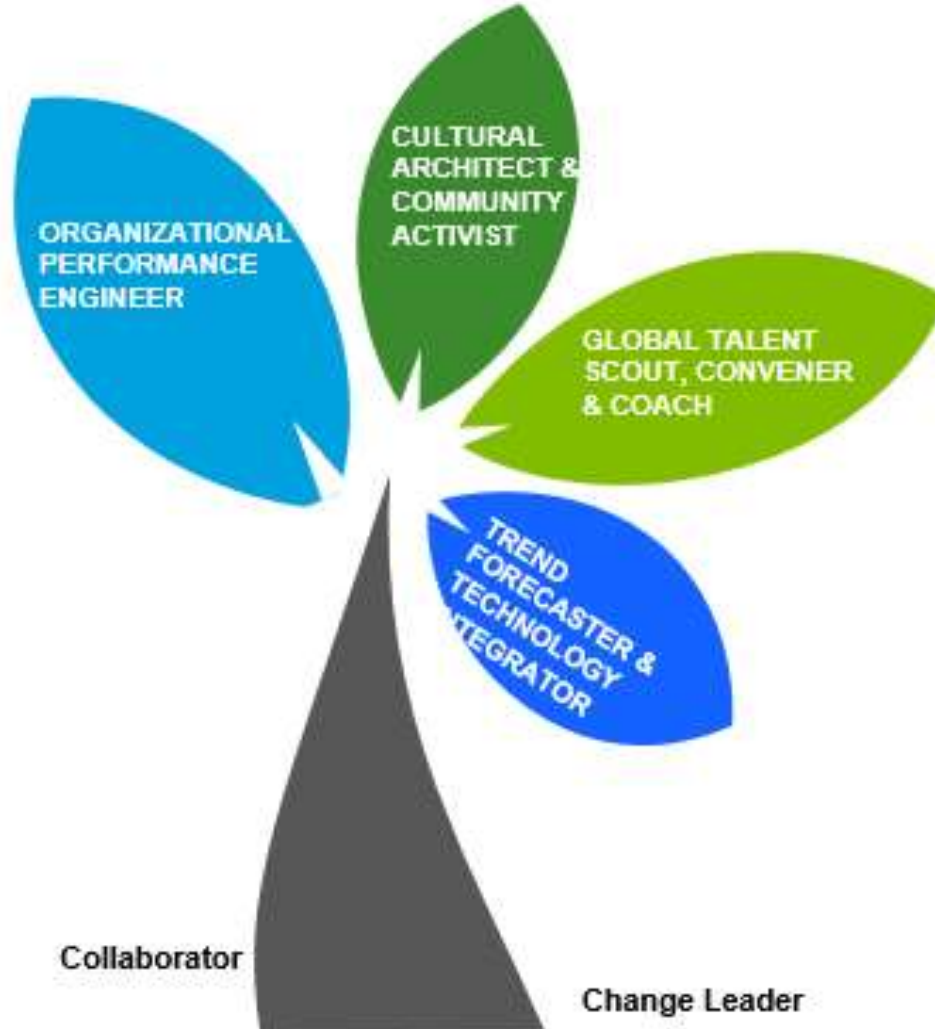
Social Policy & Community
ACTIVIST



It's 2025.

Current patterns of **Technological Change**, **Social and Organizational Reconfiguration**, a **Connected World**, an **All Inclusive Global Talent Market**, and **Human-with-Machine Collaboration** have only accelerated.

WHAT CAPABILITIES ARE NEEDED TO TRANSFORM THE NATURE OF WORK?



ORGANIZATIONAL PERFORMANCE ENGINEER

Diverse forms of 'employment' and new ways of organizing and collaborating will challenge the traditional ways of working and require expertise in how organizations align, enable, inspire and reward people to accomplish shared goals and deliver results.



CULTURAL ARCHITECT & COMMUNITY ACTIVIST

A shift away from legacy, company-centric views of the world toward views that increasingly consider the ecosystem of all stakeholders—customers, suppliers, shareholders, 'employees' and the community at large. This requires companies to more actively engage this broad community while prioritizing the importance of culture and brand.



GLOBAL TALENT SCOUT, CONVENER & COACH

Given the changing workforce dynamics of an increasingly global, connected world, we find new ways to source, engage, and connect talent in more agile, diverse and effective ways.



TREND FORECASTER & TECH. INTEGRATOR

Strategic thought leadership—and the ability to anticipate and respond to trends—will be increasingly important. This includes a deep understanding of data and talent analytics to drive decisions, as well as the ability to effectively leverage technology to deliver value.

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ORGANIZATIONAL PERFORMANCE ENGINEER



ORGANIZATIONAL PERFORMANCE ENGINEER

- Expert at new ways of working, including virtual team effectiveness
- Work-driven network manager and optimizer of work across a diverse pool of talent
- Social network analyzer and expert
- Maker of the deal—including mass customization of incentives and rewards and an ongoing dialogue that drives performance
- Developer of teams and workforce capability

IN TODAY'S TERMINOLOGY

- Organizational design
- Total rewards management
- Performance management
- Organizational training and learning

It's 2025.

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CULTURAL ARCHITECT & COMMUNITY ACTIVIST



CULTURAL ARCHITECT & COMMUNITY ACTIVIST

- Culture advocate and brand builder, unlocking employees as brand ambassadors
- Connector of employee purpose to company purpose
- Orchestrator of shared values across company and community boundaries
- Social responsibility champion and activist—influencer for shaping or adding policies and laws supporting a new world of work

IN TODAY'S TERMINOLOGY

- Employment brand
- Employee engagement
- Culture steward
- Corporate Social Responsibility

It's 2025.

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GLOBAL TALENT SCOUT, CONVENER & COACH



GLOBAL TALENT SCOUT, CONVENER & COACH

- Talent scout and relationship builder
- Developer of communities of talent and 'boundaryless' careers
- Nurturer of diverse personal experiences—personal, trusted talent advisor and whole life coach
- Talent platform and contract manager
- Advocate for diversity and inclusion as a key driver of success

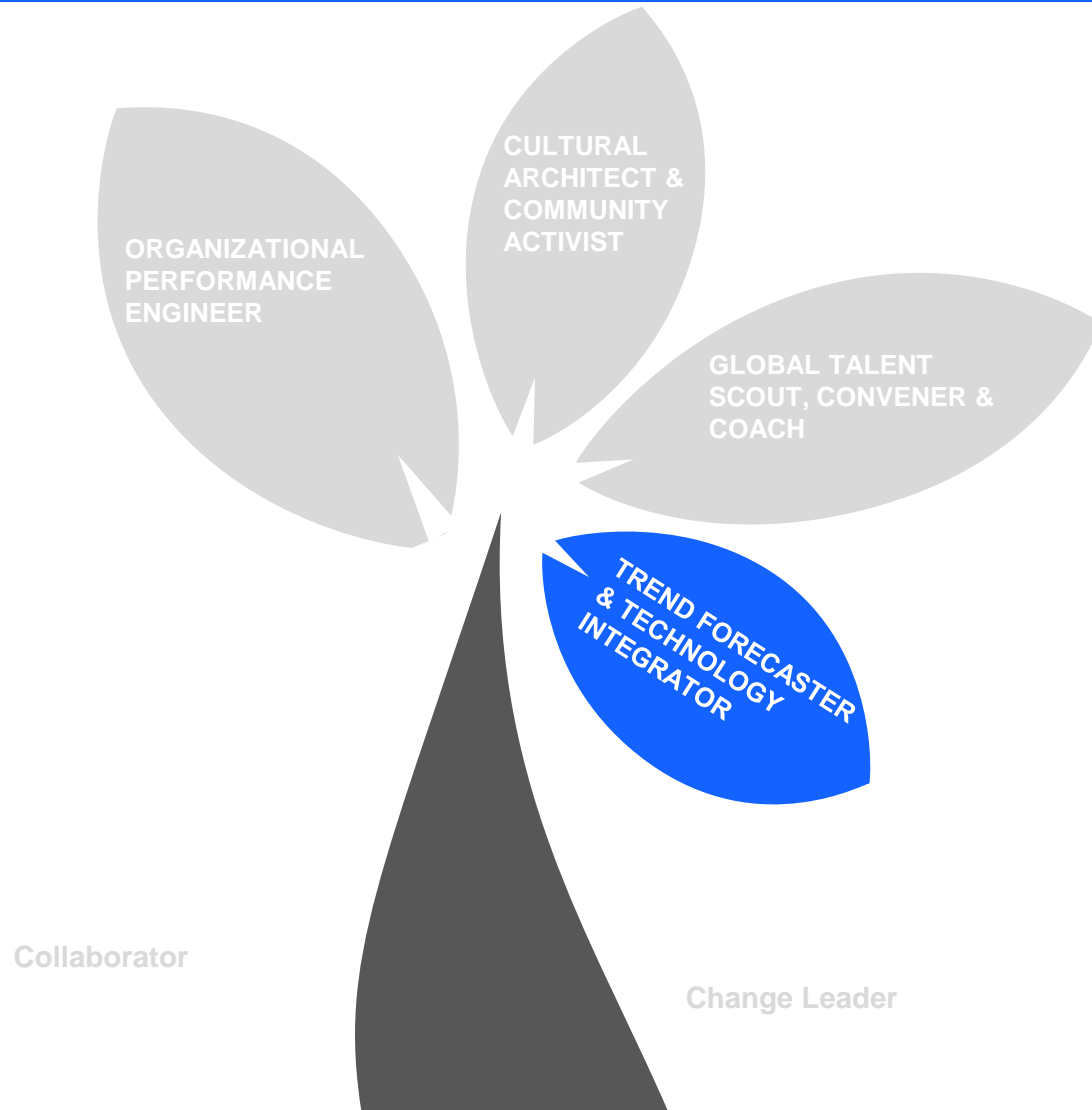
IN TODAY'S TERMINOLOGY

- Recruiting and Sourcing
- Career paths and linear job progression
- Full Time Employees vs. Contractors

It's 2025.

Strategic thought leadership—and the ability to anticipate and respond to trends—will be increasingly important. This includes a deep understanding of data and talent analytics to drive decisions, as well as the ability to effectively leverage technology to deliver value.

TREND FORECASTER & TECHNOLOGY INTEGRATOR



TREND FORECASTER & TECH. INTEGRATOR

- Forecaster of key workforce trends, driven by technology, demographics, etc.
- Expert, advocate, and adopter of productivity technology
- Sense maker, including understanding of data analytics to drive decisions

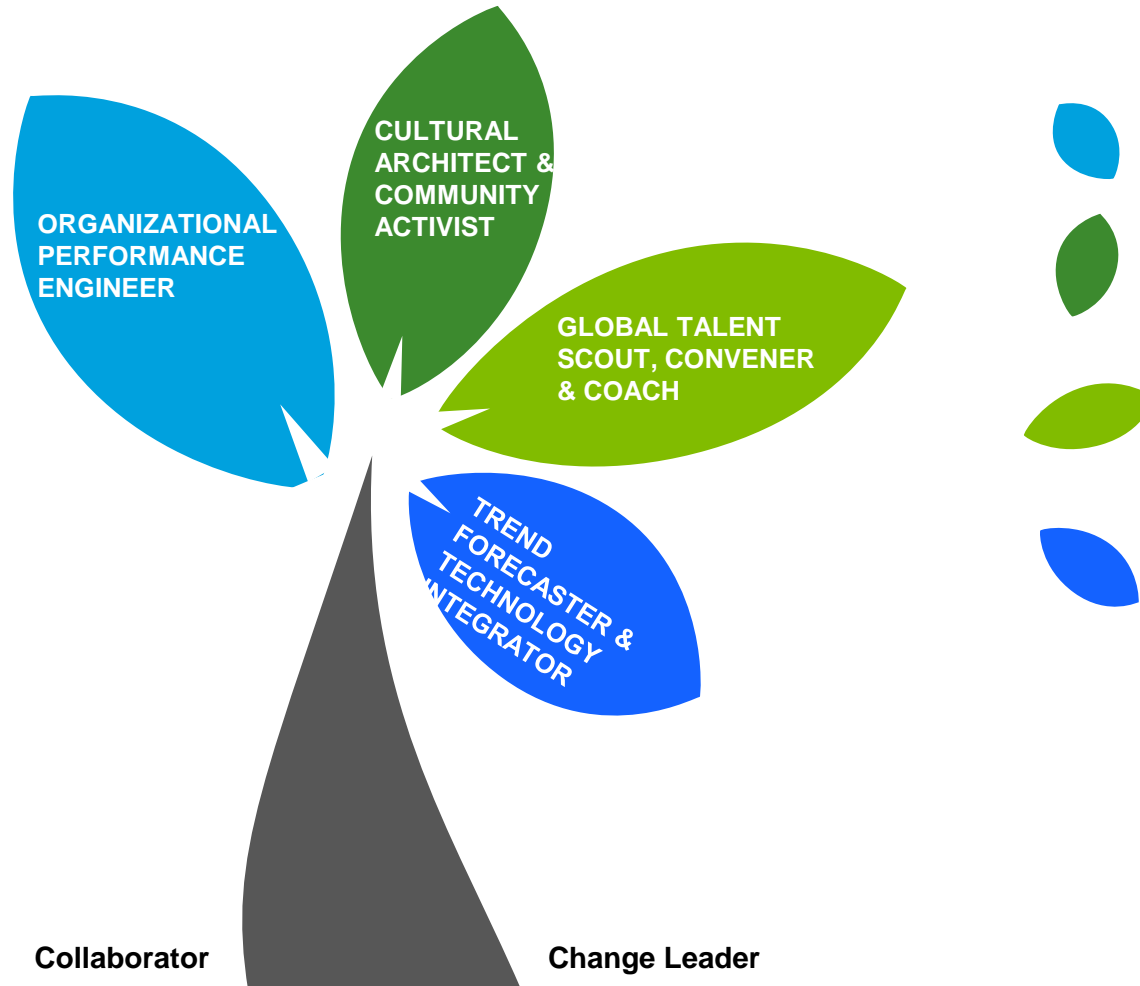
IN TODAY'S TERMINOLOGY

- Business acumen
- Data analysis
- HR Technology Management

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Foundation Capabilities



CHANGE LEADER

In order to influence and lead the changes that the future will require we must evolve from change management to change leadership. Change leadership involves a variety of behaviors that help build a more agile organization. These behaviors include:

- Anticipating change by scanning the environment
- Generating confidence via clarity of vision and storytelling
- Building an execution-oriented culture
- Fostering a culture that supports innovation
- Evaluating results with clear metrics for success

COLLABORATOR

The ability to connect people across the organization (and with external partnerships) will provide the new path to productivity for organizations. HR will increasingly need to bring together expertise from different disciplines to solve complex organizational challenges.

Preliminary Results

- Building an engagement platform
- Engaged CHROs and Thought Leaders
- **cHReate** directly involves 120+ CHROs (Former and Current CHROs) in applied projects
- CHROs have been presenters, featured writers, and subject matter experts in HR People + Strategy and SHRM publications and other publications
- An opportunity for CHROs to give back to the HR profession



5 HR Jobs of the Future by Tracey Laney
HR Expertise: Facing the Future of Work by John Boudreau

The Transformation of Work:
Will HR Lead or Follow? by
Eva Sage-Gavin and
Kaye Foster-Cheek



HR's Evolving Role with the Board
(Participants: Laurie Siegel,
Libby Sartain, Jill Smart,
Eva Sage-Gavin, Andy Kaslow)

And mentions in over 25 other
articles and presentations



5 Forces of Change & the Relevance to the Investment Community V2

Forces of Change	Effect	Business Response	Potential Financial Concern/Impact for Investment Community
10X exponential pattern of technological change	<ul style="list-style-type: none"> • ...global collaboration renews re-thinking of work 	<ul style="list-style-type: none"> • ...flexible, distributed, transient (FDT) workforces make businesses smarter and adapted to rapid cycles of reinvention. • Employees must successfully engage with automation transitions bringing legacy job loss and rapid skills obsolescence 	<ul style="list-style-type: none"> • “Fixed” employment expenses should be lower with FTD workforces by reducing ; payroll taxes, retirement & medical plan participation, eliminating physical workspaces, etc. • The investments in technology (i.e. video conferencing) should be lower vs. bricks & mortar in support of ‘where and how’ work gets done. • With legacy job loss, what one-time expenses may be incurred? Can workers be re-trained and deployed to other areas of the business to reduce recruitment expenses?
Social & organizational reconfiguration	<ul style="list-style-type: none"> • Less employment based work; more project-based work relationships • Millennials ‘join’ organizations increasingly based on having aligned purpose 	<ul style="list-style-type: none"> • Companies use diverse ‘employment’ models to source and engage talent • ...purpose-built networks vs. hierarchies • Decision models spread authority and create autonomy 	<ul style="list-style-type: none"> • What is the organizations ‘purpose’ and how is that message weaved into recruitment materials to effectively (i.e. at lowest cost) attract critical Millennial talent? • Organizations should be able to lower headcount and fixed G&A expense given changes in work relationships (i.e. moving from employees to non-employees /consultants /contractors)
A truly connected world	<ul style="list-style-type: none"> • ...‘jobs’ can be done from anywhere, opening talent pools • ...real-time communication, speeding up ideation, product development and go-to-market strategies 	<ul style="list-style-type: none"> • ...real-time sharing of business behavior among formal and informal stakeholder groups • Work effectively managed through talent management systems that support a global workforce • Purpose-built networks, high-trust culture and Big Data lead to a new level of innovation.... 	<ul style="list-style-type: none"> • Utilizing Technology (i.e. Managed Service Provider and Vendor Management Solution) to support recruitment of a global workforce efficiently and at lowest cost? • How do organizations accelerate trust in order to drive faster results (and lower costs) through project based working relationships? • Is the company utilizing insights from Big Data to drive out costs and increase efficiencies and effectiveness of the workforce (i.e. predicting turnover or increasing retention)?

5 Forces of Change & the Relevance to the Investment Community V2

Forces of Change	Effect	Business Response	Potential Financial Concern/Impact for Investment Community
All inclusive, very diverse talent market	<ul style="list-style-type: none"> • Workforce continues to grow...with at least four generations represented at one time and minority segments becoming a majority • Extreme longevity allows mature talent to stay in the workforce longer • ... new corporate and social policies 	<ul style="list-style-type: none"> • Work increasingly gets segmented among best talent inside and outside of the organization using new types of employment contracts • New leadership styles and engagement approaches address cultural preference in policies, practices, work design, pay and benefits 	<ul style="list-style-type: none"> • A Company's ability to leverage longevity / institutional knowledge to increase productivity • How to keep the work interesting for Millennials, driving their retention within the organization, leading to greater productivity • Is HR adapting approaches to meet demands of different cultural preferences and local needs, thus improving the ability to attract and retain the key talent needed to deliver results
Human and machine collaboration	<ul style="list-style-type: none"> • Advances in analytics, algorithms and automation continue to make improvements in productivity and decision making 	<ul style="list-style-type: none"> • Companies find smarter ways to use Big Data to access knowledge and insights • Shortened cycle to form hypotheses increases precision and accelerates the pace of discovery 	<ul style="list-style-type: none"> • How organizations approach Talent Analytics and then respond and adapt to learnings from Big Data to drive efficiencies, effectiveness and cost savings • The ability to stay relevant in the marketplace by being able to reduce risk and the traditional timelines of innovation (i.e. hypothesis, test, iterate, proof of concept, proof of economics) in an accelerated world – maintaining competitive advantage

Questions for the group:

- Knowing the role of HR is changing to infuse more technology and different models of employment (i.e. contractor/part-time/task oriented/crowdsourcing), **what implications does this have for your HR function in your industry?**
- Of the roles that we reviewed (engineer, architect, scout, convener & coach, integrator, and activities), **which roles do you think are critical in your execution of developing your workforce?**
- Looking at the shifts in business practices, **how does your organization manage innovation, agility, and data sense making?**
- Are the five forces specific or universal to your industry?
- What can this project do for you so it can become a greater value for the HR profession?

Thank you!