

Convergent Sands

for tomorrow

Quarterly review
N°2 — 2021

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Conversations

for tomorrow

Quarterly review



An office building, on mute. We chose this image to reflect the dramatic transition the world has faced over the past 16 months and the new questions it now poses for organizations and employees.



Foreword

As an organization, we recognize the importance of bringing together key stakeholders – from businesses to government, non-profits to academia – to address major opportunities and challenges. Each edition of “Conversations for Tomorrow” will support leaders and experts in identifying the major strategic imperatives that are shaping the future of business and society as a whole. In this edition, we look at how the COVID-19 pandemic has led to a wholesale reimagination of how we work.

Day-to-day work was already being disrupted by globalization and new technologies before most of us had even heard of COVID-19. However, the pandemic instigated an astonishing acceleration of the digitalization process, transforming the business landscape, from how we collaborate to how we source talent and motivate our people. As with all sea-change advances, however, leaders will need to strike a balance between the huge opportunities offered by an “always-on” virtual world and the need to manage employee wellbeing and preserve a healthy organizational culture. The pandemic has also laid bare the need for stronger and more authentic human leadership.

To tackle this era-defining issue, this edition gathers wide-ranging perspectives from multiple stakeholders, including business leaders, non-governmental organizations, entrepreneurs, technologists, academics, and Capgemini’s own subject-matter experts. Among others, we hear from:

- Lynda Gratton, professor of management practice at the London School of Business and renowned future-of-work expert
- Thierry Baril, chief human resources officer at Airbus; Gloria Chen, chief people officer at Adobe
- Kelly Palmer, chief learning and talent officer at Degreed.

Our thanks go to all the leaders and experts who contributed their thinking to this journal. By collaborating and sharing ideas, we can seize the opportunities offered by new ways of working, transforming organizational performance and engaging and motivating our people.

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Executive Summary

Based on our discussions with global leaders and experts, as well as our own research, this edition examines a range of key themes.

The future working model is hybrid. While the precise definition of 'hybrid working' will vary by company, the consensus is that there will be no going back to a 100% in-office model in the foreseeable future –perhaps ever. Our future-of-work research found that three-quarters of organizations expect 30% or more of their employees to be working remotely now, and over a quarter expect over 70% of staff to work remotely going forward. Rémi Lugagne Delpon, senior vice president for human relations at L'Oréal Asia Pacific, is convinced that the hybrid model is sustainable in the long term.

In a remote setting, employee productivity has increased, and costs have decreased. However, these gains may come at the expense of employee wellbeing. A majority of companies say remote working has transformed performance: 92% expect real-estate cost savings, for example, and 63% report productivity gains in the third quarter of 2020. But our discussions found that some business leaders believe that this productivity gain might be due to people simply putting in more hours as the line between home and work has become blurred. Leaders do not believe that this gain is necessarily sustainable beyond the pandemic, given that it can come at a high personal cost for employees. This concern is

supported by our research: we found that more than half (55%) of employees feel burned out because they are working longer hours in a remote environment.

The focus on employee wellbeing needs to be backed up with positive action.

Companies are actively working to prevent employee burnout. For example, many are training managers to engage employees with more empathy and care, and to adjust their leadership and communication styles when dealing with remote workers. However, Peter Cappelli, director of the Wharton School's Center for Human Resources, is concerned that fundamental issues are still not being addressed. In particular, he feels companies are not doing enough to prevent employee burnout by managing individual workloads effectively.

Collaboration in the office is changing. Most business leaders believe that physical office spaces will continue to be pivotal, but as hubs where employees connect, collaborate, and innovate as required. Charise Le, chief human resources officer at Schneider Electric, shared how 83% of the company's employees said they still wanted a connection with the office post COVID-19. This means companies need to think carefully about who is in the office and when; office use will need to be better planned and coordinated to avoid individuals turning up to find no team members to work with.

Companies are taking steps to ensure remote working does not adversely affect diversity and equality. While there is recognition that the pandemic has been tough for working mothers in particular, many business leaders feel that employees across different gender groups have adapted equally well to the challenges of working remotely. Gloria Chen of Adobe believes that it may become easier for women to balance their work and family lives as remote working gains wider acceptance.

Similarly, companies believe that shifting to a virtual mode of recruiting will give them access to a wider talent pool across a broader set of geographies, encouraging workforce diversity.

Youth unemployment surged during the pandemic. Stijn Broecke and Veerle Miranda, senior economists at the Organisation for Economic Co-operation and Development (OECD), report that the impact of the crisis on unemployment was twice as strong for young people as for the total population, with 23.4 million young people unemployed in the OECD at the end of 2020. The 2008 financial crisis also deeply affected young people and it took a decade for youth employment to return to pre-2008 levels.

Technology will continue to reshape the employment landscape. Today, not only are our organizations digitally connected, our work has become digitized. Business leaders expect technology not only to transform the way we work, but also how jobs evolve. Sheila Jordan, chief digital and technology officer at Honeywell, points to the premium on data-science skills in a world where billions of devices generate data at an unprecedented rate. She also highlights the importance of critical thinking in a future where more and more processes are automated. The OECD has estimated that, on average, 15% of jobs are at high risk of automation in OECD countries. For young people, however, this risk is as high as 23%, as entry-level jobs tend to have a high

share of routine and non-cognitive tasks that can be more easily automated.

Upskilling is critical to building competitive advantage and organizational resilience, but learning must change radically. Kelly Palmer, chief learning and talent officer at Degreed, believes that employees will need to refresh and upgrade their skillsets continually. The challenge is massive: The World Economic Forum estimates that we need to upskill a billion people by 2030. Organizations should give employees more agency over what to learn as well as help them focus on a few skills at a time. Those companies that can shift their approach to learning and build a culture that prizes upskilling will enjoy a significant advantage. Lynda Gratton of the London Business School believes that hybrid working has freed up the time needed for upskilling; now, managers must help employees to make the most of this time.

The CEO Corner



Shayne Elliott
Chief Executive Officer,
ANZ



Aiman Ezzat
Chief Executive Officer,
Capgemini







Shayne Elliott
Chief Executive Officer,
ANZ

Shayne Elliott has over 30 years' experience in all aspects of banking, both in Australia and overseas. He joined ANZ as CEO Institutional in June 2009, was appointed chief financial officer in 2012, and chief executive officer in 2019.

Prior to joining ANZ, Shayne held senior executive roles, including chief operating officer, at EFG Hermes, the largest investment bank in the Middle East. He started his career with Citibank New Zealand and worked with Citibank/Citigroup for 20 years, holding various senior positions across the UK, the US, Egypt, Australia, and Hong Kong. Shayne is a director of the Financial Markets Foundation for Children and a member of the Australian Banking Association, the Business Council of Australia, and the Customs Advisory Board.



Aiman Ezzat
Chief Executive Officer,
Capgemini

With more than 20 years' experience at Capgemini, Aiman Ezzat has a deep knowledge of the Group's main businesses. He has experience of working in many countries, notably the UK and the US, where he lived for more than 15 years. Aiman was appointed chief executive officer in May 2020. Before that, he served as chief operating officer, from 2018 to 2020, and chief financial officer from 2012 to 2018.

Aiman is also member of Air Liquide Board of Directors and member of the Business Council.

The Capgemini Research Institute spoke to Shayne and Aiman to understand the impact of the pandemic on their roles as CEOs; their companies' strategies and priorities; and the opportunities they see in the new ways of working post-pandemic.

LEADING DURING THE PANDEMIC

What have been your key takeaways as CEOs leading global organizations during the pandemic?

— **Shayne:** I believe the flexibility and resilience shown by ANZ and our employees stood out. It not only exceeded my expectations, but also set us apart from our competitors. From a managerial perspective, the past year reinforced the importance of clarity in communication. In a period of crisis, people are constantly looking for direction and reassurance. I needed to ensure that what is most important to our business and to our people remained top of mind for all our employees around the world.

— **Aiman:** Like Shayne, our employees' agility and their ability to maximize remote working exceeded my expectations. Our people around the world displayed tremendous solidarity because they understood that this crisis is human, before being economic, financial, political, or social.

Across industries, we have witnessed change taking place in weeks that would have normally taken months or even years. I've been deeply impressed by the speed at which our societies have evolved and adapted. For example, new investments and innovations for health, like vaccines, telehealth, and contact tracing. And, in retail, a massive acceleration in the adoption of contactless payments and ecommerce.

How has the pandemic impacted the short-term priorities and long-term visions of your organizations?

— **Shayne:** The pandemic brought about a shift in our decision-making process. We needed to make quick decisions in real time; therefore, decision-making was delegated. For example, employees working directly with customers and partners were enabled to make decisions. Our short-term priorities are summed up in our four-point plan: protect,

adapt, engage, and prepare. Our first priority focuses on protecting our people and customers; our second priority focuses on adapting rapidly to operating in these uncertain times; thirdly, our focus is on engaging with our customers because they are also looking for guidance; and our fourth point is about the need to shift our focus towards preparing for, and investing in, the future.

The move away from bricks-and-mortar and cash has been part of our long-term strategy but the pandemic has accelerated this exponentially. For example, in 2020 at ANZ we saw digital-wallet payments increase by 92% in terms of value and 68% in terms of transaction volume. Meanwhile, in-branch transactions decreased by a further 25%, accelerating a multi-year trend.

— **Aiman:** All businesses, including Capgemini, have been disrupted in the short term as they have focused on their immediate crisis response. One major long-term impact of the pandemic is seen in the evolution of our operating model towards a borderless hybrid working model. In addition, the pandemic has brought our sustainable ambition into greater focus. We see an even more urgent need to be a responsible leader and play a key role in educating our clients and partners about their impacts on the environment.

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I think the hybrid model is here to stay but it is going to continue to flex and change.”



IMPLEMENTING NEW WAYS OF WORKING

How do you see a hybrid model evolving and being adopted in your organizations?

— **Shayne:** I think the hybrid model is here to stay but it is going to continue to flex and change. At ANZ, we have always had flexibility around working hours. Employees could come in and go home early, or even work part-time. But, over the past year, flexibility has been the focus. So, there are two dimensions to flexibility of the workforce now: time and place. We allow teams to access the quadrant of these two dimensions they naturally fit into. We realize that the number of people in each of those quadrants will shift and change over time. Our focus is now on assessing how productivity will be defined in terms of hybrid working. Furthermore, instead of adopting a hybrid model of work in order to survive, we are viewing it as a source of competitive advantage.

— **Aiman:** Our “new normal” is a borderless, digitally enabled, hybrid working model. We are focused on three dimensions: first, it’s about providing our employees with autonomy in where and how they work, ensuring a work-life balance while still being physically anchored in a Capgemini location where they go on a regular basis. Second, we are focused on connected spaces and designing digitally enabled offices, while ensuring we have the digital tools that our hybrid workforce needs. And third, we are implementing a global resourcing model that allows anyone, anywhere to work on an engagement, regardless of location. This model will eliminate geographic boundaries to make our business more resilient and more attractive to future employees. I also believe our clients will benefit from these changes, giving them access to an even larger and more diverse pool of talented people, independent of geography. Our offices will continue to play a key role in this model enabling our colleagues to reconnect but also facilitating these chance encounters that are so valuable to collaboration and innovation.

Do you believe a hybrid model can have a positive impact on your client relationships and the attractiveness of your organizations for future employees?

— **Shayne:** Yes, definitely, and we are seeing some positive impact already. For example, calling rate is a metric used to quantify the level of customer engagement by measuring the number of times our employees call clients and engage with them. The calling rates have actually increased during the COVID-19 pandemic. Working from home has given employees more time, more flexible hours, and they are actually engaging more with our customers.

I think it has actually broadened our perspective on geographic diversity. Remote working has opened up the possibility of hiring more from regional and remote Australia and other parts of the world. It goes hand-in-hand with diversity and inclusion because the talent pool is no longer restricted to the people who can come into our offices regularly. However, hybrid working does result in some challenges in terms of collaboration and company culture because of reduced in-person interactions.

— **Aiman:** At Capgemini, remote working has broadened the talent pool available for hiring by significantly reducing geographical barriers. For example, in 2020, we set an ambition to offer remote-work opportunities to educated women in small towns and villages across India. To that end, we launched Sakhi Drishtikon, a program targeting women from economically weak backgrounds in rural India. Our goal is to bring them into the mainstream workforce through career development and training initiatives. By the end of December 2020, 500 women from across rural India had joined our workforce in security, cloud, and data roles.

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The calling rates have actually increased during the COVID-19 pandemic. Working from home has given employees more time, more flexible hours, and they are actually engaging more with our customers. "

How do you think you can preserve ANZ's culture in this hybrid setting and especially with respect to new joiners?

— **Shayne:** I think it is one of the biggest challenges and it is something we are thinking about actively. Physical interaction is important to preserve a culture of collaboration and creativity. So, it is important that the model of working is hybrid and not completely remote; I believe an in-person experience is vital for new joiners to understand and absorb company culture. To this end, we are analyzing which pieces of work can be accomplished from a remote location, and in which tasks culture, creativity, and physical proximity would be necessary.

What would be your advice to your CEO peers about sustaining the benefits of new ways of working?

— **Shayne:** There has been a narrative about enduring the pandemic and returning to normal. I believe it is unfortunate, as the normal was not a great state to be in, either! Our motive should be to move forward. Change is a constant, but the rate of change is not. As CEOs and leaders, we must embrace the change that has been achieved in this period and aspire to

move ahead. I believe our experiences during the pandemic will shape organizations for the coming 20 years.

— **Aiman:** We have a unique opportunity today to reimagine the way we do business, the way we work, and the way we live. We also have an opportunity to crack the real fight of our generation: the fight against global warming.

THE IMPACT OF HYBRID WORKING ON URBAN LIFE AND CITIES

How do you see the new hybrid model impacting urban life?

— **Shayne:** What we have observed in Australia is that there has been a move away from the city. A lot of people have moved to the country from the big cities for lifestyle choices. But I think it is way too early to say whether this is a permanent shift or not. Cities have continued to attract people for hundreds of years because they are exciting and provide exposure to cultural diversity. So, I believe cities will continue to attract people and be central to all human activity. Although the definition of a city as a sustainable, great place for living is going to change and we would need to adapt accordingly.

Further, I think some small towns and areas will have to innovate and build a competitive advantage to attract people who might be moving out of the cities, which would vary for different parts of the world. Also, people might continue to prefer cities owing to better healthcare, education, and work opportunities. I think the important issue here is that cities, villages, states, and countries will all have to adapt to a post-COVID-19 world.

— **Aiman:** A similar trend is observed in the US, with large metropolitan areas showing the greatest economic downturns during the pandemic, reflecting people moving to smaller areas, and from cities to suburbs. This trend reflects a desire to be in less dense areas, as well as greater capabilities to work remotely. I fully agree that smaller towns and cities will need to think creatively about their futures. For example, some smaller

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We are committed to supporting our clients in their decarbonization efforts and helping to reduce their emissions by 10 million tons of carbon by 2030”



cities in the US, such as Baltimore and Tulsa are offering tax rebates as a way to lure remote workers. Even so, I am convinced that global metropolitan cities like New York, London or Paris will never lose their appeal, for the reasons Shayne mentions.

ORGANIZATIONAL SUSTAINABILITY IN THE NEW NORMAL

How has the pandemic influenced your commitment to sustainability and how will hybrid working impact sustainability initiatives?

— **Shayne:** The COVID-19 pandemic has broadened our perspective on sustainability. We have always been committed to sustainability and prerequisites for that are a sustainable economy and environment. In the past, the focus was mostly on greenhouse gases and carbon emissions, but the pandemic has brought into focus the dangers of not working in harmony with the environment on a broader scale.

I view new ways of working as a manifestation of agility and adaptability, which are key to sustainability initiatives. Only the companies that can

rapidly adapt will be able to survive. The role of banks will be to finance change. Sometimes, banks lead a change and bring the customers along; sometimes the customers take us along with them. After successfully overcoming a huge crisis over the past year, and given our resilience, agility, and ability as an organization, we feel confident in leading the way and facing big challenges.

— **Aiman:** I believe the pandemic has intensified the focus on sustainability of organizations across industries. Our research revealed many global companies accelerated their sustainability journey even during the pandemic.

Sustainability is a key focus area for us, too. We will achieve carbon neutrality no later than 2025 and become a net-zero business by 2030. The pandemic has directly impacted our sustainability initiatives when it comes to business travel. Prior to the pandemic, we had thousands of employees flying around the world on any given day but, because of the move to remote working, the amount of travel we do as a company was drastically reduced. We are now working to keep these benefits of reduced carbon footprint and to ensure that travel does not exceed more than 50% of the pre-COVID levels, going forward.

We are also committed to supporting our clients in their decarbonization efforts and helping to reduce their emissions by 10 million tons of carbon by 2030. For example, at a large automotive manufacturer, we implemented modern technology, APIs, and a shared-services approach to halve the CO2 footprint of a widely used backend application.

25%

of global companies accelerated their sustainability journey during the pandemic.



Shayne Elliott

Chief Executive Officer,
ANZ



Aiman Ezzat

Chief Executive Officer,
Capgemini

"I believe our experiences during the pandemic will shape organizations for the coming 20 years."

"We have a unique opportunity today to reimagine the way we do business, the way we work, and the way we live."

Discussions with... oo

Leaders from
industry and academia.

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Chief Human Resources Officer

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AIRBUS

Thierry Baril

Chief Human Resources Officer

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ADOBE

Gloria Chen

Chief People Officer and Executive Vice President,

Employee Experience

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L'ORÉAL

Rémi Lugagne Delpon

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UNIVERSITY OF PENNSYLVANIA

Peter Cappelli

George W Taylor Professor of Management,

The Wharton School of Business and Director of
the Center for Human Resources

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CHARISE LE

Chief Human Resources Officer,
Schneider Electric



ENSURING A GLOBAL AND LOCAL PEOPLE RESPONSE TO THE PANDEMIC



Charise Le is the chief human resources officer and member of the executive committee at Schneider Electric, a global leader in the digital transformation of energy management and automation. After 15 years in various human resource

roles across Schneider Electric, Charise took on the CHRO role in April 2020.

The Capgemini Research Institute spoke to Charise to understand the impact of the pandemic on Schneider Electric's people strategy, virtual ways of working, and talent management.

**PEOPLE LEADERSHIP AND OPERATING
MODELS IN A PANDEMIC ENVIRONMENT**

Given the dynamic nature of the pandemic around the world, how has your operating model helped to empower local teams?

— I quickly learned that there's no one-size-fits-all approach during a crisis like this. The situation in every country is so different and constantly changing, and so we must adapt and manage the crisis on both a global and a local level.

We had already been running a multi-hub operating model pre-pandemic. Our corporate philosophy is "multi-local" and our operating model supports this ambition. Our multi-hub strategy splits our headquarters across four hubs: France for Europe, Hong Kong for Asia, Boston for North America, and most recently, India. We empower our employees and leaders to make decisions that benefit the local community. For example, when it comes to our product offerings, we empower our teams to customize and personalize our services and solutions, recognizing that each customer in each of our markets is unique. We also took this approach to managing our people and ways of working during the pandemic. Our multi-hub model and local focus works very well – particularly during this crisis – and it ensured our local teams were empowered.



During the pandemic, employee engagement reached its highest level since 2012."



Charise Le
Chief Human Resources
Officer, Schneider Electric

THE EMPLOYEE EXPERIENCE AND FUTURE WAYS OF WORKING

What impact has virtual working had on your workforce?

— As the pandemic hit, we had 89% of our employees globally go fully remote. A small, but critical group of our employees continued to work at our plant sites. Interestingly, during this time, employee engagement reached its highest level since 2012 – something we discovered through our employee engagement survey, “One Voice.” We measured the level of employee engagement asking the same six questions we always do – for example: “I would not hesitate to recommend Schneider Electric to a friend seeking employment.” We also added a specific set of questions linked to the pandemic which covered areas such as manager support, communications, health and safety, and employee perception of how we were handling the crisis. Our Employee Engagement Index in 2020 was 69%, which is the highest since 2012 when it was at 55%. To my mind, this means we did something right

What model are you developing for future ways of working?

— We asked employees about their preferences for the future way of working. Overall, 83% of our employees told us that they prefer a hybrid work model with a mix of work from home and work from the office. We did see some variations in this preference across countries, gender, job type, age. For example, we saw that Chinese employees’ work preference was to work from the office most of the time. We can have a geocentric approach and give the flexibility locally to adapt our global policies based on local regulations or preferences.

In October 2020, we enhanced our “Flexibility at Work” policy, making two work-from-home days a global standard across the company. This global policy supports our ways of working today and will support it post-COVID-19. All our teams across countries and job roles, including our field and sales personnel, are part of this new model. The only adaptation to this global policy is our factory and plant employees, who given the nature of their job roles, need to be physically present.

It is not easy to take a global decision like this and apply it to all the countries we operate in because of cultural resistance, which is quite strong in certain countries. Culture change takes time, but I strongly believe the future way

of working is hybrid, so we must prepare for that. It is also important to note that we are not a “work from everywhere” company. While we support work from home or work from “somewhere” modes, we also deeply value face-to-face connections with colleagues and customers to drive innovation.

How do you balance the increased pressure on the business given the economic climate and the risk for employee burnout?

— I think the most important thing to do is simply acknowledge it. We recognize working in a hybrid mode is not easy – it is not an innate skill and it incurs unique challenges for individuals, leaders, and teams. Managing life and work is never easy, and now employees must do it at the same time.

We are training our managers to engage employees with more empathy and care and to adjust their leadership and communication style with remote working. And employees are learning that empowerment comes with responsibility in this new hybrid model. For example, our playbook lays the expectations for managers and employees in this new hybrid mode. We ask our managers to have ongoing conversations with their employees to agree on how they will work operationally in terms of remote versus office-based and to set goals for their working relationship so no one misses the opportunity to connect physically with colleagues.

TOMORROW'S TALENT: ATTRACTING TALENTED PEOPLE, BUILDING DIVERSITY AND INCLUSION, AND SUSTAINING CHANGE

Thinking about the future, how is Schneider Electric adapting its hiring approach to a hybrid model and the potential for diminished geographical boundaries for recruiting talent?

— From a talent perspective, recruiting broadly regardless of geography is not something new for us. We set up our multi-hub model to be closer to the customer in each of the three regions, and also to support our employees and increase our attractiveness among future talent. We want to be the “most global of local companies” in any country we operate in. Our decision-making power does not sit centrally in our headquarters, but rather it is dispersed

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83% of our employees told us that they prefer a hybrid work model with a mix of work from home and work from the office.”

to the regions. We have one-third of our global roles spread equally in the three regions: Europe, North America, and Asia. I am a good example. As the CHRO based in Shanghai, I was not required to move. It is very unique as you often see C-suite executives required to be located in the headquarters. If you are not mobile, the job moves to you at Schneider. Our goal is to have 80% or more of our positions taken by local talent within each region, with approximately 20% of employees in roles within each region living anywhere in the world. These initiatives help to attract external hires – both experienced and university graduates – as we can hire people from around the world.

What concrete actions are you taking to achieve your ambition of gender equity?

— Our 2025 ambition is a 50/40/30 gender balance, meaning women comprise 50% of all hiring, 40% of frontline managers, and 30% of senior leadership.

We are focused on building a gender-balanced leadership pipeline to reach our goals. As of the end of 2020, 47% of our executive committee was female, with women

50/40/30

Our 2025 ambition is a 50/40/30 gender balance, meaning women comprise 50% of all hiring, 40% of frontline managers, and 30% of senior leadership.

comprising 24% of the senior leadership and 25% of managerial positions. One way we are accomplishing this is expanding our internal talent pool of women leaders by focusing on hiring and including more women in sales and technical roles. To date, for example, women make up 21% of STEM roles with a hiring rate of 34%.

We have also launched the Schneider Women Leaders' Program (SWLP) – a global leadership program for high-potential mid-career women. It's a nine-month coaching and virtual workshop experience, culminating in a three-day virtual global summit. To date, we've had 236 high-potential women across all regions participate, and it has helped us move closer to our 2025 ambition of more women in mid-level leadership roles.

What are some other employee groups your diversity initiatives focus on?

—Globally we focus on five key diversities: gender, generations, nationality/ethnicity, LGBT+, and people with disabilities. For each of these, we have a mix of global and local actions. For example, for generational diversity, we are committed to providing more opportunities for two key populations: people early in their careers and senior talent. We want to double the size of our early career programs, which include internships, development programs, entry-level roles, and co-ops. This reflects that youth has been impacted significantly during the COVID-19 pandemic in terms of unemployment and joblessness. Digital and virtual working is an enabler for how we accomplish this goal.

One of our 2025 ambitions is to have systematic career review and development plan for employees 10 years before retirement. Senior workers have also been strongly impacted by COVID-19, so we want to focus on this population too, and we made a commitment to support our senior talent for the last mile of their career. With the world population living longer and staying in the workforce longer, we believe the workforce of the future is one which values experience and expertise in intergenerational collaboration, capitalizing on the advantages of early and senior talent, and other generations.



Charise Le
Chief Human Resources Officer,
Schneider Electric

"We want to double the size of our early career programs, which include internships, development programs, entry-level roles, and co-ops. This reflects that youth has been impacted significantly during the COVID-19 pandemic in terms of unemployment and joblessness."



THIERRY BARIL

Chief Human Resources Officer,
Airbus



PREPARING THE AVIATION WORKFORCE FOR THE SKILLS OF TOMORROW



Thierry Baril joined the group Airbus in 2003 as executive vice president human resources at Eurocopter, now Airbus Helicopters. He then became executive vice president human resources of Airbus Commercial Aircraft in 2007.

Since 2012, he has been the chief human resources officer of Airbus and a member of the Airbus Executive Committee. Since joining Airbus, he has been responsible for defining and implementing a company-wide human resources strategy, enhancing integration and employee engagement.

The Capgemini Research Institute spoke to Thierry about how Airbus coped with unprecedented changes in the market during the pandemic and the lasting changes they see in ways of working.

THE COVID-19 PANDEMIC AND THE AVIATION INDUSTRY

The past year saw an unprecedented impact on the aviation sector and on Airbus directly. How did you respond?

— The COVID-19 pandemic is not the first crisis we have faced in the aviation world, but it was unprecedented in many ways. We had 90% of our aircraft down on the tarmac, 34% fewer deliveries, and saw revenues decline 29% in 2020. We needed to adapt very quickly to this new, volatile situation and endeavored to continue our activities, which involved implementing the right sanitary measures and protocols to keep our employees safe. We also implemented a plan to manage headcount and a cash containment program.

What helped Airbus react with agility and speed?

— First and foremost, it was the flexibility of our people. The pandemic hit at a time when we were in a very dynamic growth environment. Our people showed a lot of resilience and will to adapt, as well as a willingness to be prepared for when things are back to normal. Second, by the time of the first lockdowns in Europe, we had already faced the COVID-19 crisis in China for a few months. That experience was extremely useful to prepare and adapt with speed in Europe. And this agility is starting to pay off in our first quarter 2021 results. They show stable revenue year on year and more aircraft deliveries, with 125 commercial aircraft delivered versus 122 in the same period a year ago.



Thierry Baril
Chief Human Resources
Officer, Airbus



Our experience in China was extremely useful to prepare and adapt with speed in Europe.”

NEW WORKING MODELS POST-PANDEMIC

What working model did you implement during the crisis? And do you plan to maintain it for the long term?

— We manufacture very complex products and components in order to make a final product, such as aircraft, satellites, or arms systems. Given our level of manufacturing activities, not much has changed for our production workers during COVID-19 except our health and safety protocols. Our teams have continued to produce quality products at high productivity levels in this environment.

For people who are not directly linked to the production environments, the lockdowns created opportunities to experience the power of our digital landscape and working remotely. Do we want to make Airbus a company that is 100% working from home? No, we do not. The main reason is that we produce goods, and it's critical for our shop-floor employees to be on site. On the other hand, I think it's too harsh for a company to say everyone has to be back in the office permanently. Post-pandemic, we do plan to continue developing agile ways of working and believe one to two days a week or 40% of people's time at home is workable and acceptable. In some specific activities, where there is more administrative or transactional work, the number of days at home could even be higher, as this type of work can be done from everywhere. We want to capitalize on the remote working experience during the crisis and believe hybrid working is a way to do that. It has to be organized at team level with leaders being empowered to allow their team members appropriate flexibility with remote work, in line with business and team priorities.

Are you adjusting your office space requirements as a result of more hybrid working?

— It is an opportunity to reduce our costs including rent, infrastructure, electricity, and water. We have around 1.5 million square meters of office space around the world. Our objective is to reduce it by 20%, or 300,000 square meters. We also decided to stop building rentals and repositioned those teams in buildings that we own ourselves. Ensuring the office space we do maintain is high quality, flexible, agile, and creative – while at the same time allowing our people to benefit from working remotely – is a win-win proposal to my mind.

AUTOMATION AND SKILLS DEVELOPMENT

How has automation affected jobs at Airbus already and the nature of jobs going forward?

— Automation is not new to Airbus. We see it as an opportunity for our operators to increase their horizontal skills. They take on more responsibilities that require a multi-skill approach because their activities are evolving with automation. For example, when we automate one job position, that job holder is then able to manage different positions. I recently visited one of our factories in Spain that has been totally digitalized. Each operator is now responsible for their own “mini production floor” and they have gained management experience and skills. Feedback I heard from our operators was very positive on their new roles and responsibilities.

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At a digitalized factory in Spain, each operator is now responsible for their own 'mini production floor' and they have gained management experience and skills."

Not only can automation improve our productivity, efficiency, and effectiveness, it can also positively impact health and safety. For example, we can automate some of the ways we inspect aircraft paint work with drones. This eliminates the potential for physical and health risks.

How are you building the skills of your workforce?

— We invest a lot in training. Our business is to create complex objects enabled by digitalization and we constantly need to skill our employees to keep them up to date on the latest technologies that will help us be more effective and continue pioneering aerospace products and services. For example, we have been developing products in 3D for many years and needed to ensure our employees were equipped in this area from a skill perspective.

Multi-skilling and up-skilling help to address skill gaps in our organization. For example, we needed to fill hundreds of data analyst roles. When we started to source and recruit talent, we quickly realized demand outstripped supply and we would not be able to meet our goals from external hiring alone. Therefore, we looked at our own people and identified those who possessed the prerequisites to become data analysts. We trained our first batch of 600 employees for six months to develop and prepare them to be data analysts. We undertook the same approach for roles in artificial intelligence and cybersecurity and are using this approach in further domains of technical capabilities.

How do your project timelines impact the demand and supply of skills?

— Our project cycles are very long and, because of that, we undertake rigorous skills planning. For example, we have a multi-billion euro project to develop a joint European fighter jet, the Future Combat Air System (FCAS). This is a program that will be ongoing for the next 20 to 30 years. We will need to hire or develop thousands of people over the course of the project. So, we must plan for these skills now. We will be looking for talent that are passionate about the future of commercial and military aircraft, including technologies to enable zero-emission/green aircrafts and hydrogen propulsion systems.

There are also skills that we need to develop on shorter timeframes that are linked to our everyday business and production. For example, competencies in cybersecurity and artificial intelligence, as well as information technology specialists. We want to attract talent who are in love with aerospace. But, in addition, we also need to attract talent who may not be aerospace specialists, but who have other diverse skills – for example, skills in digital design and digital manufacturing, as these are important areas for the future of our business too.



Thierry Baril
Chief Human Resources
Officer, Airbus

“Our business is to create complex objects enabled by digitalization and we constantly need to skill our employees to keep them up to date on the latest technologies.”



GLORIA CHEN

Chief People Officer and
Executive Vice President,
Employee Experience, Adobe



LEADING WITH AUTHENTICITY THROUGH THE PANDEMIC



As chief people officer and executive vice president, employee experience, Gloria Chen leads people strategy and operations for Adobe, including talent development, diversity and inclusion, and all human resources functions for more than 23,000 employees across 75 locations around the globe. She has held senior leadership positions in worldwide sales operations, customer service and support, and strategic planning.

The Capgemini Research Institute spoke to Gloria about how virtual working will evolve in a post-pandemic world, and the impact of new ways of working on diversity and inclusion efforts at Adobe.

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The pandemic showed us that employees have unique sets of needs that we must consider.”



IMPACT OF THE PANDEMIC ON THE FUTURE OF WORK

How did your various employee populations adjust to remote working?

— The pandemic showed us that employees have unique sets of needs that we must consider. Our employee surveys indicate that early tenured and younger employees are more likely to want to be in an office. This reflects the fact that networking and in-person dynamics are critical factors early on in a person's career, and that social interactions during work are important for younger employees. Studies have also shown that career progression slows down when people are remote. On the other hand, if we look at the needs of Gen X employees, they have young families, and they appreciate the benefits of working from home more as it allows them to balance their work and personal commitments.

Gloria Chen

Chief People Officer and Executive Vice President, Employee Experience, Adobe

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Studies have shown that career progression slows down when people are remote.”

How do you ensure that a positive work culture is maintained in a virtual setting?

— Prior to the pandemic, approximately 10% of our workforce was already remote. Our first reaction to the pandemic was a decisive action to send the remaining 90% of our global workforce home. One way we maintained our culture virtually was that we increased our employee engagement initiatives from the leadership team. For example, historically, we would do in-person town hall meetings quarterly with our top leadership. But we increased the frequency of these meetings to once every three to four weeks, given the uncertainty that employees were facing. And we have found that the dynamic of our virtual town halls is so different compared to our live ones. More employees can join and they are more engaged and are interacting in real time with colleagues all over the world.

We also gave employees an additional 20 days of paid time-off to use how they saw fit. For example, they might want to take care of children, deal with physical or mental health issues, or simply take a much-needed break. In the latter half of 2020, we also declared every third Friday as a global day off, in order to allow all employees to unplug collectively.

Moreover, we also conducted regular pulse surveys. Surprisingly, our initial pulse surveys showed that employee engagement had increased significantly based on factors such as satisfaction with their Adobe experience, whether they would recommend the company as a great place to work, and whether they think about leaving for another company. People were rallying together as a group which led to increased engagement. But at the same time, it is evident that the longer the period of turmoil and uncertainty is, the harder it gets for employees. As for inducting the new employees into the company culture, we moved to a virtual model of onboarding last year. We worked closely with the IT teams to revamp the onboarding process, to ensure it is a self-service process to get employees up and running, without the need for any physical interactions.

With 75 locations around the world, how does Adobe handle the dynamic nature of the pandemic (i.e., different situations in every country) from a people standpoint?

— As a global organization with a history of distributed teams around the world, this physical separation seemed blurred on a day-to-day basis. The pandemic revealed, however, that we are still physically separated in different places. And every region and even each site have unique needs. Leading through this change, where we have uniquely geographic differences, has been an eye opener for me. The mechanisms that we've put in place with our COVID-19 response team have worked effectively. We have constantly been opening and closing offices around the world as the conditions merit over the past year.

LEADERSHIP AND SKILLS IN A PANDEMIC ENVIRONMENT

What have you learned about leadership during the pandemic?

— My biggest learning from the pandemic experience has been the realization that resilient teams are built by resilient individuals. People coming together during tough times and supporting each other is what makes our organization resilient. And being a part of a supportive community allows the employees to be resilient individuals. I've learned that coming together and being our authentic, vulnerable selves is what allows teams to really flourish and thrive.



I've learned that coming together and being our authentic, vulnerable selves is what allows teams to really flourish and thrive."

What are the skills that are critical for leaders today in this new environment?

— In my experience, great leaders are the ones who are proactively thinking about ways to keep in touch with their people. As we're dealing with a lot of challenges, it's vital to have that connection to make people feel that they belong and are supported. When people feel psychologically secure and connected, they are able to do what is required of them.

DIVERSITY AND INCLUSION IN THE WORKSPACE**What are your views about increasing the presence of women in leadership positions in the tech industry?**

— There are several angles to approach the representation of women in tech. First, it begins with the education system. Globally, we need to be doing more to nurture interest in science, technology, engineering, and mathematics (STEM) among young female students and encourage them to study these disciplines. Secondly, we need to ensure that hiring practices are not biased, and this has been a point of attention for us. There should be constant efforts to make sure that hiring practices are fair towards all employee groups, including women and underrepresented minorities. And the third aspect is related to developing talent. In order to make progress and encourage women into leadership roles, we need to address people's ability to be effective and to grow internally.

We provide training and coaching to women in our organization to ensure they understand how to show up and speak up. "Leadership Circles" is our 10-month global women's development program designed to build and nurture their own leadership skills. At the same time, the impact of having role models should not be underestimated. Seeing women at multiple levels in the management chain serves as a motivation for all young women and has a positive impact on the company's culture overall.

How do you see the hybrid way of working supporting or hindering diversity and inclusion and pay parity efforts?

— We need to be careful as the current scenario has raised several challenges for women employees, specifically in the US. It is difficult to predict what the long-term implications of women leaving the workforce during the pandemic will be, but I think the flexibility that a hybrid workspace provides will be well received and it will make it easier for women to balance their work and family lives. For us, the key driver is to take the hybrid working model as the norm as we move ahead, and not an exception. As for underrepresented minorities, the acceptance of remote working will expand the areas and regions we recruit employees which I believe will encourage diversity in the workforce. For example, we already have relatively large remote populations in areas where there is greater diversity than in the Bay Area.

We remain committed to global gender pay parity and pay parity with underrepresented minority groups. A number of different factors are considered with location being an important one. We ensure pay parity for all, provided the job and location are the same. Looking ahead, if people choose to change their status to permanently remote, then we will evaluate their compensation with respect to the job market where they are. We have been performing regular assessments for the same, and make suitable adjustments when needed. Moreover, given that we already had these mechanisms in place, I don't see the need for these to necessarily change.



Gloria Chen

Chief People Officer and
Executive Vice President,
Employee Experience, Adobe

"My biggest learning from the pandemic experience has been that resilient teams are built by resilient individuals."



RÉMI LUGAGNE DELPON

Senior Vice President Human
Relations, L'Oréal Asia Pacific



BALANCING THE RISKS AND REWARDS OF NEW WAYS OF WORKING



Rémi Lugagne Delpon is senior vice president for human relations at L'Oréal Asia Pacific, where he is responsible for building and supporting teams that are focused on serving customer needs and building the brand portfolio in Asia Pacific. During his career at L'Oréal, Rémi has spent 18 years in business-facing positions and 15 years in Human Relations, working across Asia (Singapore, Japan, Hong Kong) and in Germany and France.

The Capgemini Research Institute spoke with Rémi to understand L'Oréal's approach to navigating a hybrid working model and building skills for the future.

BUILDING A HYBRID WORKING MODEL

What is L'Oréal's current working model globally? And is it a long-term policy?

— From the very beginning of the pandemic, we were convinced that the future would be a hybrid model. In spite of the many prophecies on the end of the office, we kept on advocating a gradual return to the office as soon we could secure the health and safety of our employees. We fundamentally believe that the hybrid model is a sustainable solution for the long term and combines the best of both worlds.

For more than five years, we have been initiating and testing several remote work experiences, mostly in Western Europe. Thanks to these experiments, and drawing on the lessons learned from the pandemic experience, we have evolved our global policy to allow employees to work from home up to two days a week. This global frame is being implemented country by country, i.e. all countries must implement a remote work policy – that is mandatory and non-negotiable – but the execution is left to the local leaders. Some countries have already implemented it fully, and others such as China will move to one day a week first and may extend further later.

What are some of the learnings in shifting to a hybrid working model?

— The first learning is that, thanks to our previous experiences, we managed business continuity seamlessly in our administrative sites and in many functions throughout the pandemic. I remember managing the Japan tsunami and Fukushima crisis exactly 10 years ago. Back then, preserving both employee safety and business continuity was a nightmare. I can really measure how much we have evolved in 10 years.



Rémi Lugagne Delpon
Senior Vice President
Human Relations, L'Oréal
Asia Pacific

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It is difficult to bring people back to the office until you have a critical mass of employees present”

Another learning is that it is difficult to bring people back to the office until you have a critical mass of employees present. People will not see value in taking the commuting time to come to the office to end up in Teams meetings on their computer. Once you have that critical mass, you can organize teams in many ways. Every manager has to reflect on their own rules of engagement within the team and why and when you want the team to be physically present together. In general, informational meetings tend to be more top down, and do not require an in-person presence. We have reimaged interactive meetings formats of town halls with Q&A which work very well remotely. On the other side, brainstorming or complex problem solving meetings are definitely more meaningful and productive on site.

REMOTE WORKING PRODUCTIVITY AND SOURCING TALENT

What is the impact of remote work on productivity?

— It is very difficult to measure today as we still lack reliable data, and the answer lies also in the definition of productivity. The first reaction is that we are all more productive in our day-to-day transactional tasks. But as time

goes by, we witness a negative impact on productivity due to people being exhausted of being at home and attending back-to-back team meetings. The reports of our Employee Assistance Programs show a significant increase in mental health issues. We also observe that informal interactions of

“We believe that being remote for a long time can be detrimental to teamwork and productivity.”

the office are essential for creativity, innovation, and the overall agility of teams. For these reasons, we believe that being remote for a long time can be detrimental to teamwork and productivity.

Were there certain employee populations that adapted more easily to remote working?

— We also still lack data here. Generation wise, senior employees seem to appreciate remote working more than the young parents or junior employees. The more senior in your role, the more you've built established relationships

and routines, and you can rely on your network. When you are more junior, you look for role models and for networking opportunities that being in-office provides. Every year, we welcome about 25% of newcomers to our office population. Integrating new joiners in a remote environment is extremely

challenging and you cannot build the same feeling of belonging.



Studies suggest that remote work reinforces the bonding with our first circle of colleagues, but we totally lose touch with the second or third circles."

It also has been very difficult for parents. In the case of Hong Kong, housing is expensive and space is limited, with multiple generations sometimes living under one roof. When you then add children at home during school closures, working

conditions can be extremely challenging. Parents with elementary-aged children who are not yet autonomous in their school work found it most challenging. Calls into our employee assistance programs also increased among this population of parents, with employees seeking counsel for burnout or family tensions.

What are the benefits of long-term remote work? What are the risks?

— There are a lot of benefits ranging from a better work-life balance, flexibility in business continuity plans, or meeting our sustainability commitments. In some countries where commuting times are very long, this time saved can be put to much better use. In certain countries such as the Philippines, Thailand, or Indonesia, our employees can gain three to four hours a day. Once employees master the benefits of hybrid, they will fully utilize the flexibility and optimize their efficiency personally and professionally.

On the risks, besides what has already been discussed above, the biggest risk is a loss of team spirit and of sense of purpose. Studies suggest that remote work reinforces the bonding with our first circle of colleagues, but we totally lose touch with the second or third circles. What employees are also realizing is coming to the office enables you to recharge your batteries through meeting new people, positive energy, and a collaborative working environment.

Do you see geographic boundaries dissolving when it comes to place of work? How might that impact the supply of talent at L'Oréal?

— In theory, from a technical standpoint, we could work from all over the world on any job. But the reality is not that simple. I would not say that geographic boundaries are dissolving right now, on the contrary they are actually increasing with the number of countries being closed. We face huge

difficulties because employees are reluctant to travel or move in this highly unstable and uncertain environment. There are also numerous legal or tax constraints which limit the possibilities to work from a different country. We cannot have employees, for example, take on a global role if they are not based in one of our regional headquarters.

“Remote working allows us to set up multi-functional, multi-national virtual project teams in record time.”

On the other side, remote working allows us to set up multi-functional, multi-national virtual project teams in record time. These are great opportunities for employees to be exposed to and helps to expand their networks.

BUILDING GENDER DIVERSITY AND THE SKILLS REQUIRED FOR A POST-PANDEMIC FUTURE

Could you please tell us about how L'Oréal is tackling gender balance?

— Gender diversity is an issue that we have been working on for more than 20 years. Today, we are seen as one of the most gender-equal employers; we have been recognized by Bloomberg's Gender Equality Index (GEI) four consecutive years and in the US, we were granted the award for gender equality by the Cosmetic Executive Women (CEW). In APAC, we changed 71 of 300 key senior positions in 2020 and appointed women to 59% of those roles, up from 53% in 2019. This has been done through recruiting and promoting exactly on the same criteria. We believe in meritocracy and a career management that is strictly non discriminating at every stage of the

career. This includes a full understanding that maternity leave should not hinder career progression, all the more when we implement paternity leave which brings more equality. We are fortunate to be an industry that appeals to women, and therefore face a reverse challenge in some countries where recruiting is now skewed 80% women. We must then remember that gender diversity must go both ways.

What are the skills that are most in demand today at L'Oréal? And what are the areas where you see the need for upskilling?

— First, adaptability, curiosity, and agility are very important skill sets in every domain. We like people having an innovation mindset, who have the courage to propose and implement disruptive ideas. Last but definitely not least, being team players and truly collaborative is of utmost importance, even more so in a VUCA (volatility, uncertainty, complexity, and ambiguity) world and because you cannot manage complexity alone.

We value personalities capable of combining the left and right brains. Concretely, this means being forward thinking, embracing the big picture but also being able to dig into data, or being close to the field for a reality check. This capacity to strategize and validate scenarios versus reality is critical.

We also see some areas where we need to do massive upskilling. Data, ecommerce, sustainability, and new ways of working are probably the most critical today. These areas are becoming central to our business and we need to upskill our people if we want to remain competitive.

How has automation affected job roles at L'Oréal so far?

— We have seen a very big impact in factories or delivery centers. We do not see a big impact on our administrative sites, even as AI is starting to be used. Witnessing what happened in our factories is fascinating; the old chains are gone and operators manage a mini chain on their own, as if it were their own little plant. Their jobs have been considerably enriched, ranging from stock management and quality control to machine maintenance. This evolution is for me the epitome of the concept of “augmented work,” with a high gain in autonomy and purpose, and employee motivation.



Rémi Lugagne Delpon

Senior Vice President Human Relations,
L'Oréal Asia Pacific

“Witnessing what happened in our factories is fascinating; the old chains are gone and operators manage a mini chain on their own, as if it were their own little plant.”



SHEILA JORDAN

Chief Digital and Technology
Officer, Honeywell



ACCELERATING THE PACE OF DECISION-MAKING WITH REMOTE WORKING

Honeywell

As chief digital technology officer, Sheila Jordan is responsible for defining the vision and strategy for digital transformation at Honeywell, the US-based conglomerate.

In this role, Sheila is responsible for the technology associated with corporate IT as well as the technology used by strategic business units and functions such as legal, finance, contracts, and human resources.

The Capgemini Research Institute spoke to Sheila about how virtual working will evolve in a post-pandemic world and the upcoming trends in the world of technology.

IMPACT OF THE PANDEMIC ON THE FUTURE OF WORK

How did Honeywell, a traditionally office-based organization, respond during the pandemic?

— When the pandemic hit, Honeywell was not a work-from-home organization. A quick decision was made to shift 80,000 employees to remote working across about 70 countries and to redesign our network to accommodate remote work in just eight days. Employees at our manufacturing sites, however, have been working on-site throughout the pandemic with adequate safety and security precautions.

We are evaluating hybrid models, but at this time our focus is to return to the office. While for certain jobs we have seen an uptick in productivity with employees working from home, we are not yet prepared to make decisions based on these observations. We would continue to take feedback from our employees to decide what the best model is for certain job segments. We are focused on adopting a data-driven approach to assess the impact of remote working and maintain consistency across geographical regions.



Sheila Jordan
Chief Digital and Technology Officer, Honeywell

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While for certain jobs we have seen an uptick in productivity with employees working from home, we are not yet prepared to make decisions based on these observations.”

How was the productivity of your team affected by remote working?

— The productivity of my digital team has increased, and

we have been able to deliver strong results.

In my opinion, this is due to the fact that we are all working much longer hours. I would attribute this to the

fact that since people were working in a remote setting they gained their commuting time back. Therefore, I am unsure if this uptick in productivity will be sustainable in the long run, but that might be offset by the social ability to run into someone in the hallway or cafeteria, which could result in a quick decision versus a formal meeting. Collectively, we need to take the productivity of what we learned by working from home and augment that with the social aspects of being in the office again when you can easily pop into an office or have a quick chat with someone to continue moving things forward.



The virtual platform for meetings gave everyone an equal voice."

— Firstly, I believe that when we get back in offices there will be a continued focus on health and safety. Secondly, I think the virtual platform for meetings gave everyone an equal voice, and I hope this is a learning we carry forward. For example, we will continue to have global meetings, where some members will join remotely. So, we need to ensure that everyone on the call has an equal voice, and the discussions are not dominated by the people physically present in the room.

How do you see the in-office employee experience changing as a result of your experience in a remote environment?

— Furthermore, I really think people have now realized the importance of social interaction and building relationships more than before. This means we need to put in some thought

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In a remote setting everybody is always available, so some decisions can be made faster."

about how we bolster social aspects and in-person interaction, which have been missing from our lives for the last 14 months. On the other hand, in a remote setting everybody is always available, so some decisions can be made faster.

How can organizations and employees ensure a work-life balance in a hybrid model?

— I have a different take on the concept of work-life balance. When I hear that I think of a scale that is perfectly balanced. As a working mother throughout my entire career, some days are more focused on family and others are primarily focused on work. In total, it balances, but certainly not every day. I like to think in terms of work-life integration. With technology advancements, you can literally work from anywhere such as the office, home, the soccer field, or Starbucks. This has both pluses and minuses. I think an organization's responsibility is to create an environment where not everything is critical; some things can indeed wait until tomorrow. The individual employees must also set their own boundaries for what works for them. For example, when my children were younger, dinner time was sacred. I would protect that time from 5:30 to 8:30 p.m. as best as I could and finish something up after they went to sleep. Companies should create an environment to understand and protect those boundaries. A more balanced employee is far more productive in the long run.

TRENDS IN TECH: WOMEN REPRESENTATION, AUTOMATION, AND SKILLS

Why do you think the technology sector as a whole seems to struggle to attract women?

— I am disappointed by the underrepresentation of women in senior leadership roles in the technology field. I have studied this for a long time and, despite concentrated efforts, women constitute only 10% of senior leaders in the technology field. To increase the number of women in technology, we need to start early with girls who are interested in science, technology, engineering, and math (STEM) education and coding. Moreover, a significant number of women are unable to return to work if they quit their job. Nearly two million women left the workforce between February and October last year. It is an opportunity for HR leaders to look at what unique programs need to be instituted, so we can attract and retain women in the workplace.

In what ways do you think digital transformation will redefine businesses in the near future?

— I believe digital transformation now has the power to realign the structure of businesses. Even today, most companies are organized by verticals – such as finance, marketing, and sales – and the focus is on optimizing vertically. But data has the ability to cut across verticals, and that is how IT thinks – horizontally. Every digital experience intersects with multiple business functions. Take, as an example, when a person uses an airline's mobile application to book flights. In order to create a seamless experience, the customer

“Data has the ability to cut across verticals. Every digital experience intersects with multiple business functions.”

journey needs to cut across various domains, such as marketing based on the customer's earlier purchases, finance to do the payments, operations to assign a seat number, and so on. In essence, you have to look horizontally to create an incredible customer journey. Great customer experiences come together when

you connect horizontally as well as optimizing vertically. And, as a company matures in its digital journey, it discovers ways to begin operating horizontally and developing end-to-end, data-driven processes..

What are the most in-demand skills required on your team and how do you think automation will affect the workforce?

— Data is now critical for success in any business. Unsurprisingly, data science is a skill that is in high demand and will continue to be for us. With billions of devices generating data at an unprecedented rate, data scientists need to be focused on understanding the taxonomy of data, cleaning data, and analyzing that data in aggregate to enable business leaders to make more informed decisions.

Fundamentally, drawing insights from data comes down to the application of critical thinking. I believe companies need to utilize their human resources on tasks that require critical thinking. On the other hand, collection of data is a monotonous task and can be automated. I believe that the process of gathering data is where automation is widely applicable. Automation enables machines to perform the tedious task of collecting data at scale, while employees must be trained to look at data from various viewpoints and draw actionable insights that can drive value for a business. For example, we are investing in Smart Factory (Industry 4.0) along with Digital Supply Chain, where we are focused on 16 of our top manufacturing facilities driving common process models and modern machine connectivity. We are also driving Operational Technology and Information Technology Data Liquidity while deploying standard solutions across our landscape.



Sheila Jordan

Chief Digital and Technology Officer,
Honeywell

“Data is now critical for success in any business. Unsurprisingly, data science is a skill that is in high demand and will continue to be for us.”



PETER CAPPELLI

Professor of Management at
The Wharton School and Director
of Wharton's Center for
Human Resources,
University of Pennsylvania



THE IMPACTS OF NEW WAYS OF WORKING ON THE LABOR MARKET AND HR STRATEGIES

Peter Cappelli is the George W. Taylor Professor of Management at The Wharton School and Director of Wharton's Center for Human Resources. His specialties include human resource practices, public policy related to employment, talent, and performance management. Professor Cappelli is also a Research Associate at the National Bureau of Economic Research, and since 2007, has been a Distinguished Scholar of the Ministry of Manpower for Singapore. He currently serves on the Global Agenda Council on Employment for the World Economic Forum, as well as a number of advisory boards.

The Capgemini Research Institute spoke to Professor Cappelli about how virtual working, labor markets and reward models will evolve in a post-pandemic world.

THE FUTURE OF WORK AND HYBRID MODELS

Will the hybrid model remain in a post-pandemic environment or will it return to a majority of people in the office?

— A hybrid model can mean different things to different people. If a hybrid model means more people in white collar jobs can occasionally work from home, there is probably going to be more of that. If a hybrid model means permanent work from home, there may very well be a push for that among some companies – for example, if they are thinking of it as a “real-estate play” to save money and get rid of office space.

There are risks though to permanent remote working. First, it is really not in the best interest of employees, unless he or she has a profound reason for living someplace else. In my research and experience, permanent work from home is not great for one’s career. In fact, it can actually be detrimental



Peter Cappelli
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Director of Wharton's
Center for Human
Resources,
University of Pennsylvania

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Permanent remote working can be a prelude to turning those positions into contractor roles.”

to a career trajectory and development. For example, based on my own research, on-site employees often have the chance to contribute to decisions that are not part of their formal responsibility, simply because they are present and can be a part of the conversation. Remote workers do not have this opportunity to shine and lose out. And, remote workers may have a more difficult time being promoted – one study found a 50% lower promotion rate than their in-office peers.¹ Second, it can be a prelude to turning those positions into contractor roles. Companies might have an incentive to transition those full-time roles with all the associated benefits to consultant or contractor roles for cost-saving reasons.

Today, companies will no longer delegate the decision on hybrid and remote working completely to local managers the way they have before. I often saw incredible inequality within the same organization depending on whether an employee worked for a specific manager, or within a specific job or location. One manager might not allow an employee to work from home while another manager might allow an employee in the same job to work remotely. Their own personal views came into the decision-making process. We will see this paring back and these decisions will move away from local managers to an enterprise or global level. And this will require very detailed HR policies on remote and hybrid working.

How does the nature of communication change with some employees at home and some in the office?

— There are lots of things that are just difficult to pull off in a remote setting. Coordination and communication are the biggest issues to my mind. Before the pandemic, many companies believed face-to-face meetings, ad hoc interactions, and agile teams were critically important to their ways of working. And we were seeing offices being designed with these goals in mind, such as having more open community spaces. The pandemic has shifted this. If you have some people who are not in the office, interactions must be scheduled in advance and the serendipitous nature of meeting

¹ Nicholas Bloom, James Liang, John Roberts, Zhichun Jenny Ying, "Does working from home work? Evidence from a Chinese experiment," National Bureau of Economic Research, March 2013.

colleagues disappears. As you increase the uncertainty as to when people will be in the office, with more remote work or irregular schedules, the more difficult it will be to even schedule in-person meetings. And then you're back to Zoom, basically.

How are companies balancing the fine line between trusting employees and monitoring activities remotely?

— Companies are split on this. Initially, at the start of the pandemic, there was very much a feeling of “we need your help” and “we just have to trust you.” This approach seemed to work well given the urgency with which we moved to remote working and views on human nature and doing the right thing. But now we are also seeing this incredible explosion of monitoring and tracking software that companies are spending money on. But it does not appear to be an evidence-based phenomenon rather an ideological battle of individual managers who assume people are just goofing off at home and are pushing back and demanding software to monitor their activities. Some managers believe since they cannot see their employees, they cannot trust them, but productively evidence suggests otherwise.



We are seeing this incredible explosion of monitoring and tracking software, but it does not appear to be an evidence-based phenomenon rather an ideological battle."

“

There is a lot of talk about employee burnout, but have companies really been willing to do anything about it? Largely no."

Are organizations doing enough to combat the rise of employee burnout?

— Burnout has arisen largely because of the overlap of family and work responsibilities. The first question is will companies care enough to try? I think the answer so far has been, frankly, no. There is a lot of talk about employee burnout, but have companies really been willing to do anything about it? Largely no, because it requires something that many companies are not able or willing to do – and that is to pull back the amount of work.

THE FUTURE OF LABOR MARKETS, TALENT, AND REWARD

What are some of the key issues that will emerge in terms of a shifting labor market affecting future ways of working?

— A key issue going forward is whether the labor market will be tight or slack. In other words, after the pandemic, will there be more job openings and fewer unemployed people, or will there be fewer job openings and more unemployed people? And the answer to this will be a driver of future working models. According to employers I've spoken with who are hiring now, the demand from talented people who have bargaining power to strike a deal is that they want to be able to work remotely. And my guess is that if the labor market is tight, we will see a lot more of that happening.

The demand from employees to be able to work remotely will likely rise as more job candidates – because they are used to it – ask for it. Companies will be forced to think about ways of working in a more systematic fashion, as existing employees will see incoming hires who have been granted a remote work arrangement. If the labor market is slack, however, many companies will likely say “no, sorry, just come back to the office.”



The demand from talented people who have bargaining power to strike a deal is that they want to be able to work remotely."

With location becoming less important to where work is done, how will demand and supply of talent be affected?

— The more companies are willing to let people work

remotely, the less location matters. This expands employers' supply and it expands employees' opportunities. There is a risk though for employees with the “live anywhere you want” idea.

There are communities trying to entice people to remote or rural parts of the country in the US. For example, “come to Wyoming and live here and work for a company in Silicon Valley.” Some companies are even telling employees that they can relocate to a cheaper place and save money. For example, e-commerce and mobile payment processor Stripe is offering a \$20,000 bonus to employees who move away from San Francisco, New York City, or Seattle, but it comes with a 10% reduction in pay.²

Pay reductions notwithstanding, there is another huge risk to the employee with this type of relocation. One reason we have these agglomerations in the US – tech in Silicon Valley, finance in New York City, pharma in the New Jersey corridor – is because you could lose your job and go work someplace else close by quite easily. You did not have to relocate your family. The problem if you are the employee who takes this bet and moves somewhere cheaper or more rural, is it only pays off if you keep working for that same company. Given the high turnover rate in the tech industry – the average

² Forbes, “Stripe is offering \$20,000 bonus to employees who relocate to less expensive cities, but it comes with a pay reduction,” September 2020.

tenure is about three years – it is likely employees will not stay with the company long term, or they might even be laid off. He or she is betting there will be another company that comes along who is willing to let them work from Wyoming. Otherwise, there is a really good chance the employee will have to pick up and move every couple years because another company might not offer the same deal. It is a big risk to relocate if your next employer won't let you work remotely; it is a big task to move back. I do not think we will see a lot of this.

“

The more companies are willing to let people work remotely, the less location matters, but there is a risk for employees with the 'live anywhere you want' idea."

Do you foresee any new compensation models emerging in the future?

— I think this dynamic might very well lead to changes and rethinking geographic differences in pay that many companies have imposed. These policies come from a period where companies would require that an employee relocate and it was felt that the employee should not suffer if they had to move to a more expensive location with a higher cost of living. Once employees make those choices themselves, then companies may soon question why they even have those pay differences in the first place. The issue at play today with remote workers is not about compensating people to live in expensive areas, but rather cutting pay for people who move to a place with a lower cost of living, which is not fair to the employee. The pay is high in Silicon Valley because those employers want the best talent and are willing to pay market rate. It is an expensive place to live because a lot of people want to live there, largely because of those jobs. If a tech worker at a Silicon Valley company decides to move to Iowa, she shouldn't be paid any less than someone in the same role who chooses to live in New York City

because where they are based is immaterial now. People are making choices as to where they want to live and it is a national labor market now, not a rural or a local labor market. My sense is this is going to push companies to rethink the whole idea of geographic pay differences, and the push will be to just get rid of them altogether.

Do you think there is a trend today – or an emerging trend in the future – that companies will make more use of a fluid workforce, such as contractors, freelancers, and gig workers?

— Many companies already employ fluid workers, and yes, I believe it will only continue to grow as we adapt our ways of working. However, a key challenge in this area in the US is that many fluid workers are being paid as contractors and managed as employees. These type of misclassification can lead to severe financial and legal penalties if prosecuted. But these violations have largely gone unchecked in recent years because of a lack of government enforcement. My guess is that it will begin to change. Companies need to take employing contractors or other fluid workers quite seriously and ensure there are highly detailed contracts with clear roles and responsibilities.

“

Companies will rethink the whole idea of geographic pay differences, and the push will be to just get rid of them altogether.”



Peter Cappelli

Professor of Management at The Wharton School and Director of Wharton's Center for Human Resources, University of Pennsylvania

“Employing fluid workers will only continue to grow as we adapt our ways of working.”

Art icles

...from leading academics,
economists, and experts.

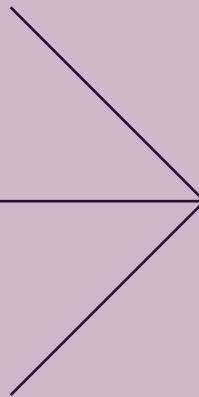


LONDON BUSINESS SCHOOL

How hybrid is changing the experience of work

Lynda Gratton, Professor of Management Practice, London Business School

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ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD)

The future of work for youth

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DEGREED

Jailbreak the degree: upskilling is the currency of the future of work

Kelly Palmer, Chief Learning and Talent Officer, Degreed

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Lynda Gratton

Professor of Management Practice,
London Business School

HOW HYBRID IS CHANGING THE EXPERIENCE OF WORK

Lynda Gratton is a professor of management practice at the London Business School and founder of the advisory practice HSM. She is an award-winning author on the future of work and the role of the corporation. Her 10 books have sold over a million copies and have been translated into more than 20 languages. Her latest book, co-authored with Andrew J. Scott, is "The New Long Life – a framework for flourishing in a changing world."

Global recognition of her work includes the Indian Tata prize, the Australian AHRI prize, and the US Fellow of NAHR, she has also received the LBS Best Teacher Award. Lynda served on former Japanese Prime Minister Abe's "Council for Designing 100-Year Life Society," is a member of the Council of the World Economic Forum, has chaired the WEF Council on Leadership, and is currently co-chair of the WEF Global Future Council on Work, Wages, and Job Creation, as well as a member of the international advisory board of Equinor.

Hybrid has changed how we think about the office

The pandemic has sparked a global shift in the way work gets done. We are seeing a move away from the traditional, time-synchronized, fixed-place, 9–5 work pattern – towards a hybrid way of working. But how, when and where we work isn't the only thing that's changing. So is our experience of work.

I reflect on my discussion with Fujitsu's Global Head of HR, Hiroki Hiramatsu. By May 2020, only 15% of Fujitsu's employee base considered the office to be the best place to work, with the majority favoring a mix of the home and office – a hybrid model. "We are not going back," he told me this past September. "The two hours many people spend commuting is wasted – we can use that time for education, training, time, with our family."

It is especially relevant now that hybrid working has created additional opportunities for upskilling. As Hiramatsu notes, the time that was previously used for commuting can now be used for something else. With the increasing accessibility of training opportunities through low-cost training and upskilling platforms such as Coursera, the emergence and normalization of hybrid work has created a prime opportunity for employees to develop their skillsets.

Hybrid working has freed up time for upskilling

Jeff Maggioncalda, CEO of the online education platform Coursera, discusses how needs are changing as people become more familiar with online learning delivery following the COVID-19 pandemic – stating, "There has been an amazing amount of sharing and a new spirit of accepting new things." People around the world are embracing digital and being more innovative, creative, and collaborative. There is an opportunity now to leverage new learning habits to really boost the skills agenda – opportunity that has, in part, been created from the freeing-up of people's time.

Most adults are motivated to learn and develop skills to build resilience against current challenges and guard against future shocks – in empowering employees to make use of this free time, managers can create a skill-rich, engaged workforce. Employees may even reskill in the hope of securing better, or higher-paying roles. Take IBM, whose in-house chatbot, Myca (short for “my career advisor”) uses real-time internal and external data to describe employees’ current skill profiles, show them gateway job opportunities, and highlight how skills gaps may be filled.

If organizations seize this opportunity, they create opportunities for enhancing their workers’ career trajectories. AT&T, for example, is investing over \$200m annually to develop a suite of training programs tailored for higher-value digital jobs, resulting in over 4,200 career pivots, and 70% of open roles being filled internally. In this sense, leaders have a real opportunity to harness hybrid working as an enabler to upskilling their people; time may now be repurposed and invested in formal training, micro-learning, mentoring, or networking. Of course, different employees will have different preferences as to how often they should work from home.

Different preferences to home working have emerged

The pandemic caused a mass shift to hybrid and remote working around the world, giving rise to conversations about work-life balance, well-being, inclusion, and individual preferences. The office is not the single best option for work, but we have also gained an understanding of the types of work best suited for different working arrangements. As one of our clients put forward, “we have the opportunity now to redefine the purpose of the office.”

Our capacity to operate at peak productivity and performance varies dramatically according to our personal preferences. In designing hybrid work, consider the preferences of your employees – and enable others to understand and accommodate these to maintain engagement and productivity.

For British telecom company BT, COVID-19 has created an opportunity to hone and accelerate its long-established home working principles. Principal Innovation Partner, Nicola J Millard, discusses BT as an early adopter of large-scale, experimental work-from-home trials in 1992, where call center operators experienced a positive impact on their engagement, reporting higher energy, well-being, and productivity. The key enablers to this successful work-from-home environment were having a dedicated office “space”; a separate room, large computer screen, and a good chair; “rituals” – such as having a “getting ready” routine – to prepare employees for the workday and create mental barriers between work and home for lack of physical ones; and technology, used to maintain boundaries between collaborative “on” time, and energy-boosting “off” time.

Where some of these enablers simply do not exist, engaging and motivating remote employees may present some challenges, which leaders must be empathetic to.

“The home office” is not a universal experience

With whole families quarantined, the boundaries for workers are dissolving. In place of two transitions (home to work, work to home), there are now multiple transitions (work, look after a child, work, prepare lunch, work, play with infant, etc.). Each transition adversely affects concentration and productivity and, ultimately, creativity.

Executives are becoming more empathetic to these challenges, however. In the past, there has been a veil of ignorance about the challenges, in the sense that the executive could well have had a team of support people (e.g., a nanny, a housekeeper, a cleaner, a gardener).

Now shorn of this team, thanks to varieties of quarantines, lockdowns, and work-from-home orders, executives are experiencing more viscerally the stresses and strains of the work-home challenge. That creates a sense of understanding and empathy that many executives had previously lacked.

It is perhaps this emergent empathy that is proving particularly engaging for employees and levelling the playing field for working parents. Hybrid working allows for greater inclusivity towards employees who may have home and caring responsibilities. The pandemic has caused significant disruption to people's lives, bringing about a greater desire for empathetic leadership, trust, and fairness. In conversations with our clients all over the world, we are finding that an appreciation for empathetic, fair leadership really resonates – people are seeing a different side to their colleagues. Employees feel more at ease to discuss caring responsibilities and non-work commitments – and balance them with the needs of the whole team in relation to the tasks at hand. Brit Insurance has done admirable work on inclusion and fairness.

CEO, Matthew Wilson, and its chief engagement officer, Lorraine Denny, began the design and implementation of new ways of working. Identifying a random selection of 10% of their employee population, who worked together over six months to co-create what became known as the "Brit Playbook" – groups pitched a set of ideas and ways of working in the new hybrid reality.

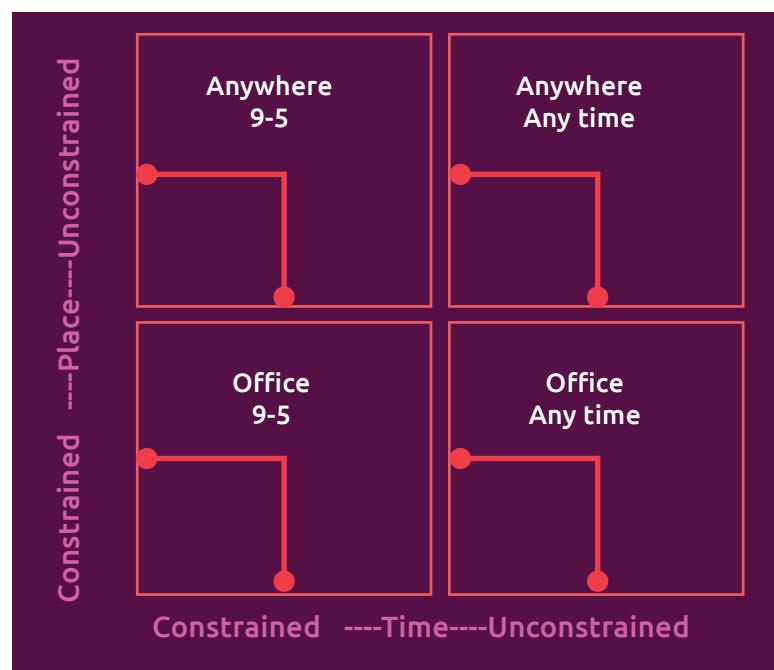


"Hybrid working allows for greater inclusivity towards employees who may have home and caring responsibilities. The pandemic has caused significant disruption to people's lives, bringing about a greater desire for empathetic leadership, trust, and fairness."

“The home office” is not a universal experience

This balancing act between the individual and the team is key in maintaining and building engagement in hybrid workplaces.

Work arrangements in time and place



When thinking about jobs and tasks, start by understanding the critical drivers of productivity: energy, focus, coordination, and cooperation required for each. There are some jobs for which focus is a primary productivity driver – where working from home allows employees to focus entirely on the task at hand with minimal



When thinking about jobs and tasks, start by understanding the critical drivers of productivity: energy, focus, coordination, and cooperation required for each."

disruptions. Others are more collaboration-driven, where visits to the office provide opportunity for idea sharing and teamwork. Creating a schedule that allows employees to disconnect for extended periods, in sync with their natural energy rhythms, can be hugely beneficial, regardless of where they carry out their work.

To ensure that a hybrid work arrangement works, leaders have to build a context of place and time that accentuates rather than depletes productivity. Working in an office aids cooperation and the cultivation of trusting relationships; but can deplete energy if it involves a long commute and hours sitting at a desk.



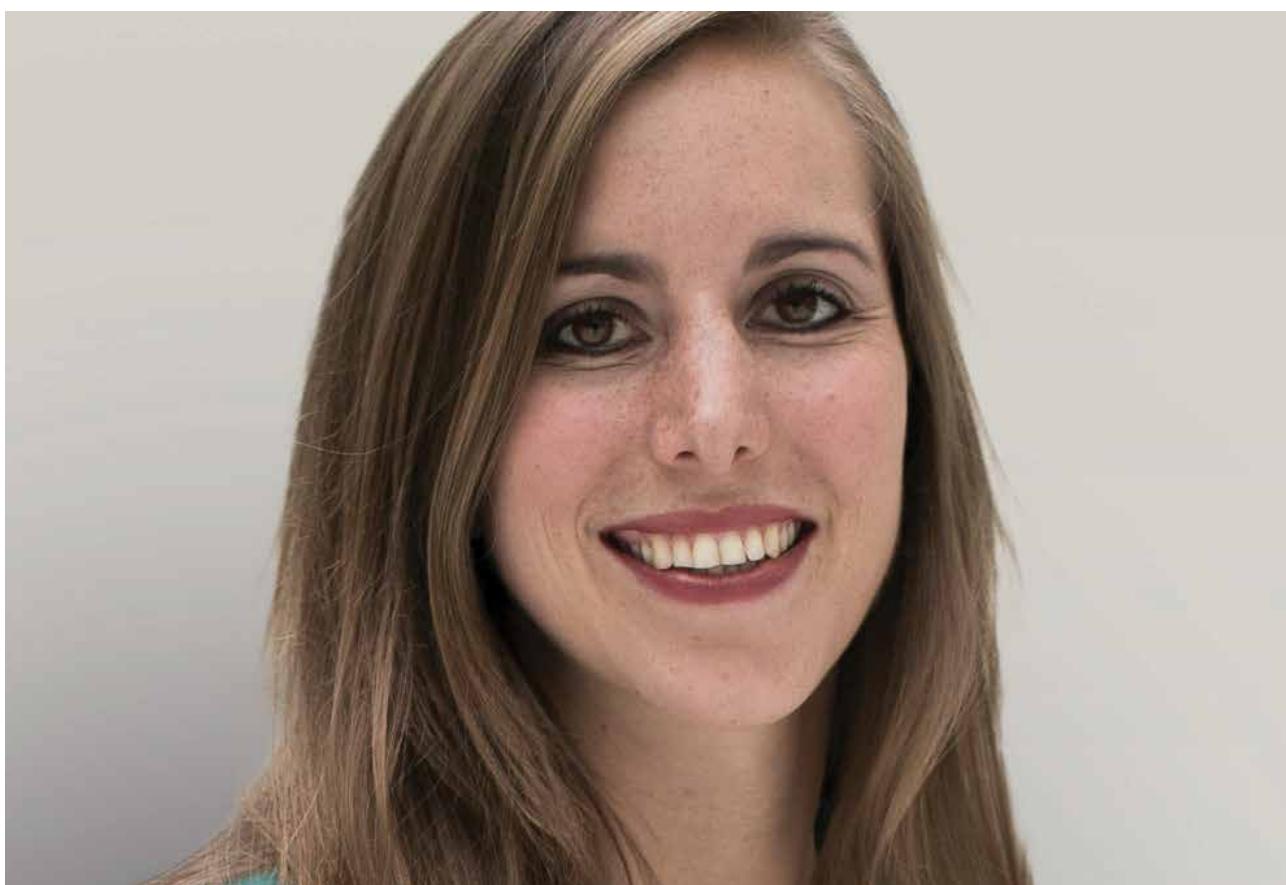
The key message here is to start by identifying key jobs and tasks, determine what the drivers of productivity and performance are for each, and think about the arrangements that would serve them best."

So how can managers ensure that they harness this changing experience of work?

- **Be open to experimentation:** Individual preferences will take time to become clear; in the early stages of the BT experiments, the productivity of home workers fell sharply before rising.
- **Discuss preferences and role-based performance drivers with employees and review these over time:** Hybrid work is not the only thing evolving, so will employees' own individual circumstances.
- **Keep the trade-offs in mind:** Working from home will boost energy and focus but hinder colleagues' ability to collaborate, and employees will have different preferences.
- **Remain open and empathetic to individual work-from-home requirements:** Not everyone has access to an ideal work environment. While some employees will be glad to boost their focus with working from home arrangements, others' focus may be inhibited for lack of an appropriate home office setup, for example.
- Finally, really make use of the free time made available through hybrid working. **Allow employees to leverage new learning opportunities**, making significant investments in providing resources that support those who are motivated to learn.

their focus with working from home arrangements, others' focus may be inhibited for lack of an appropriate home office setup, for example.

- Finally, really make use of the free time made available through hybrid working. **Allow employees to leverage new learning opportunities**, making significant investments in providing resources that support those who are motivated to learn.



Stijn Broecke and Veerle Miranda

Senior Economists, Organisation for Economic Co-operation and Development (OECD)

THE FUTURE OF WORK FOR YOUTH



Stijn Broecke is a senior economist at the OECD, where he leads the organization's Future of Work initiative. He holds a PhD in Economics from the University of London and has over 15 years' experience working

in government (Mozambique and UK) and international organizations (African Development Bank and OECD).

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The future is already here – it's just not very evenly distributed" is a widely cited quote attributed to the American-Canadian speculative fiction writer William Gibson. While there are many ways of interpreting Gibson's quote, it seems very apt to describe the impact that ongoing labor market trends are already having on different socio-economic groups.

Technological progress, population ageing, and globalization are among the key drivers behind changes in the labor market. For example:

- In OECD countries, the share of people who use the internet grew by 30 percentage points over the last 10 years and more than doubled in Greece, Mexico, and Turkey.³
- In 2020, there were 28 people aged 65 and over for every 100 people of working age (15–64) on average across the OECD and it is projected to increase by 60% by 2050, potentially leading to a shortage of qualified labor in countries with rapidly ageing populations.⁴
- In 2015, between 30% and 50% of business sector employment in most European countries was sustained by consumers in foreign markets.⁵

Together, these trends determine the availability and nature of jobs, as well as the skills that are demanded in these jobs. Some of these changes are gradual and play out over a period of decades, while others are significant and happen in the space of just a few years.

³ OECD, "Measuring the Digital Transformation, A Roadmap for the Future," March 2019. https://www.oecd-ilibrary.org/science-and-technology/measuring-the-digital-transformation_9789264311992-en;jsessionid=d9nJc9iR4ybd3Y3kQBusJQMa.ip-10-240-5-106

⁴ OECD Population Projections. <https://stats.oecd.org/Index.aspx?DataSetCode=POPPROJ>

⁵ OECD, "Employment and Global Value Chains (GVCs)," March 2019. <https://www.oecd.org/sti/ind/trade-in-employment.htm>

The OECD Employment Outlook 2019 showed that labor markets in OECD countries are already undergoing substantial transformation. In other words (or, rather, in Gibson's words): the future is already here.

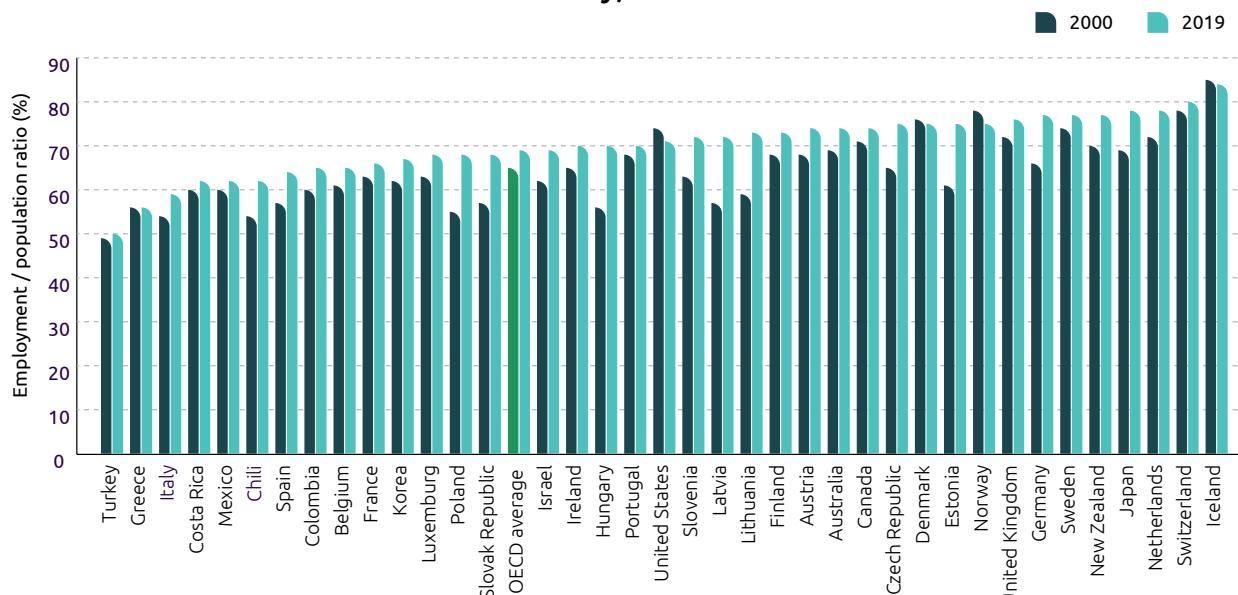
And there is a lot of good news in these trends. For example, the share of high-skilled jobs in OECD countries has grown by 25%

over the past two decades and this trend is expected to continue. Demand has increased for human resource administrators and IT support technicians, while it has dropped in manufacturing. There is also little reason to fear a jobless future. Indeed, while technology may destroy some jobs, it also creates many more and, often, these are better jobs. This has been the case with previous technological revolutions, and there is

The share of high-skilled jobs in OECD countries has grown by 25% over the past two decades and this trend is expected to continue."

Figure 1: The employment rate has risen in almost every single OECD country

Annual employment rate among 15-64 year olds by OECD country, 2000 and 2019



Source: OECD dataset: Labor market data by sex and age- indicators.

little reason to believe that this time will be different. On average, across OECD countries, the employment rate had risen from 65.5% in 2000 to 68.8% in 2019 – the highest it had been over the last 20 years (see Figure 1).

“Low-skilled adults are, on average, 40 percentage points less likely than high-skilled adults to participate in training.”

However, there are significant risks on the horizon as well. In particular, the OECD Employment Outlook 2019 highlighted rising inequalities and labor market disparities as one of the greatest challenges facing OECD countries in coming years. The risk of automation is highest for the low-skilled workers and so the risk of job displacement is the highest for these

workers, yet low-skilled adults are, on average, 40 percentage points less likely than high-skilled adults to participate in training. In recent years, low-skilled workers have faced increased risks of low-paid employment and have witnessed a rise in underemployment. These disparities can manifest themselves in differential access to work opportunities, but also in differences in the quality of those jobs. Moreover, regional inequalities are likely to rise further as new jobs are created in regions other than those where jobs are lost.

While the future of work brings many new opportunities, there are also signs that some groups are less well equipped to take advantage of them, while often they are also the same groups most exposed to the risks. One of these groups are young people and, in particular low-skilled young people.

The OECD has estimated that, on average, 15% of jobs are at high risk of automation in OECD countries. For young people, however, this risk is as high as 23%, as entry-level jobs tend to have a high share of routine, non-cognitive tasks, which can be more easily automated.

With the disappearance of some of these entry-level jobs, young people today are facing a very different labor market from young people starting work one or two decades ago. The OECD Employment Outlook 2020 presented evidence that a larger share



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“With the disappearance of some entry-level jobs, young people today are facing a very different labor market from young people starting work one or two decades ago.”

of labor market adjustments happened through young people entering different types of jobs than through older workers being displaced.

So, it is really important that education systems are responsive to these shifts in the labor market and ensure that young people are well-prepared with the skills required by employers. One way to achieve this is by building more bridges between the world of education and the world of work, for example through more work-based learning (such as the apprenticeships system in Germany) and the involvement of social partners in the design of curricula.

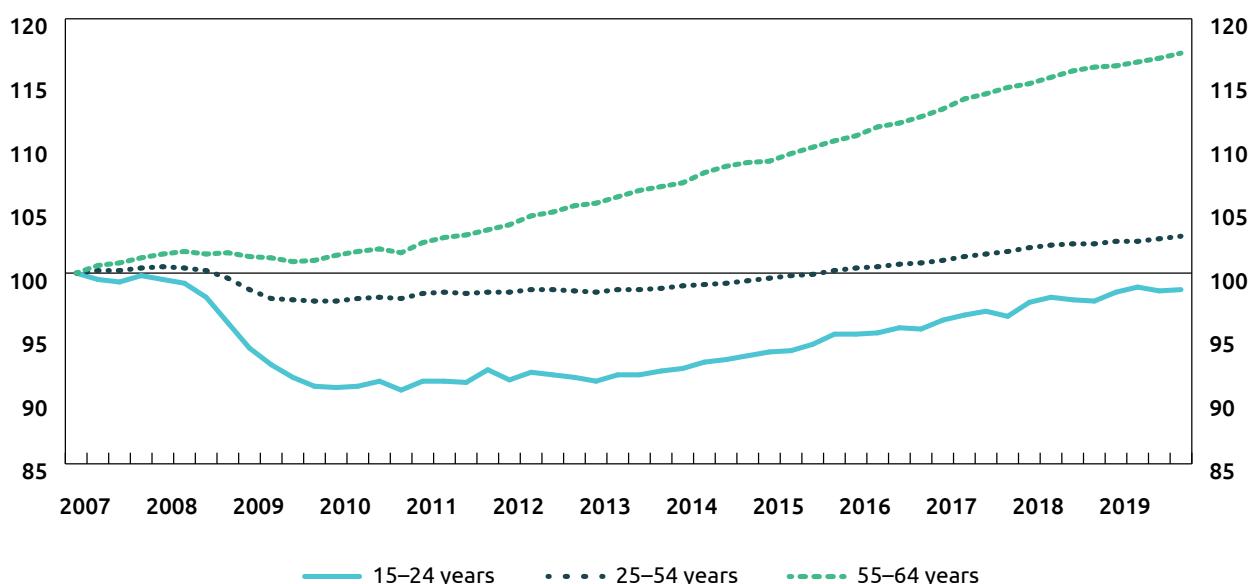
At the same time, there have been concerns around the quality of some of the new jobs emerging. For example, young people are more likely to work in the gig economy, where social protection, pay, and regulations are often lower than in other sectors of the economy. While the gig economy may still present a relatively small share of overall employment, it has been growing fast. Other types of non-standard contracts with lower protection are frequently

used to hire young people – for instance, temporary contracts account for more than half of all contracts for young people in several OECD countries – and unpaid internships are on the rise.

The 2008 global financial crisis took a large toll on young people. It took a decade for employment and other labor market outcomes to return to pre-crisis levels (see Figure 2), leaving important scars on young people's careers. Such long-term effects operate through two channels. For those who are unable to find employment upon labor-market entry, spells in unemployment and, particularly, in inactivity can weigh upon their future employment and earnings prospects. But even those who do find a job can suffer long-lasting disadvantage if they are forced to accept lower-level starting positions, if their mobility is compromised by more limited vacancies, or if they are less able to access training and promotion opportunities.

Figure 2: Trend in employment rates

OECD average employment rates by age groups for the period Q1 2007–Q4 2019 (Q1 2007=100%)



Source: European and national labor force surveys.

Sadly, the COVID-19 crisis has reversed the decade-long decline in unemployment rates and compounded existing challenges. Many young people worked in sectors most affected by lockdowns and physical distancing measures, notably in hospitality, entertainment, and non-food retail. As they tend to have accrued fewer firm-specific skills and less experience, young people are, as the last in, often the first out.

**“
Youth unemployment surged during the pandemic – reaching 14% among 15–29 year olds in the OECD at the end of 2020, compared with 6.9% for the total working-age population.”**

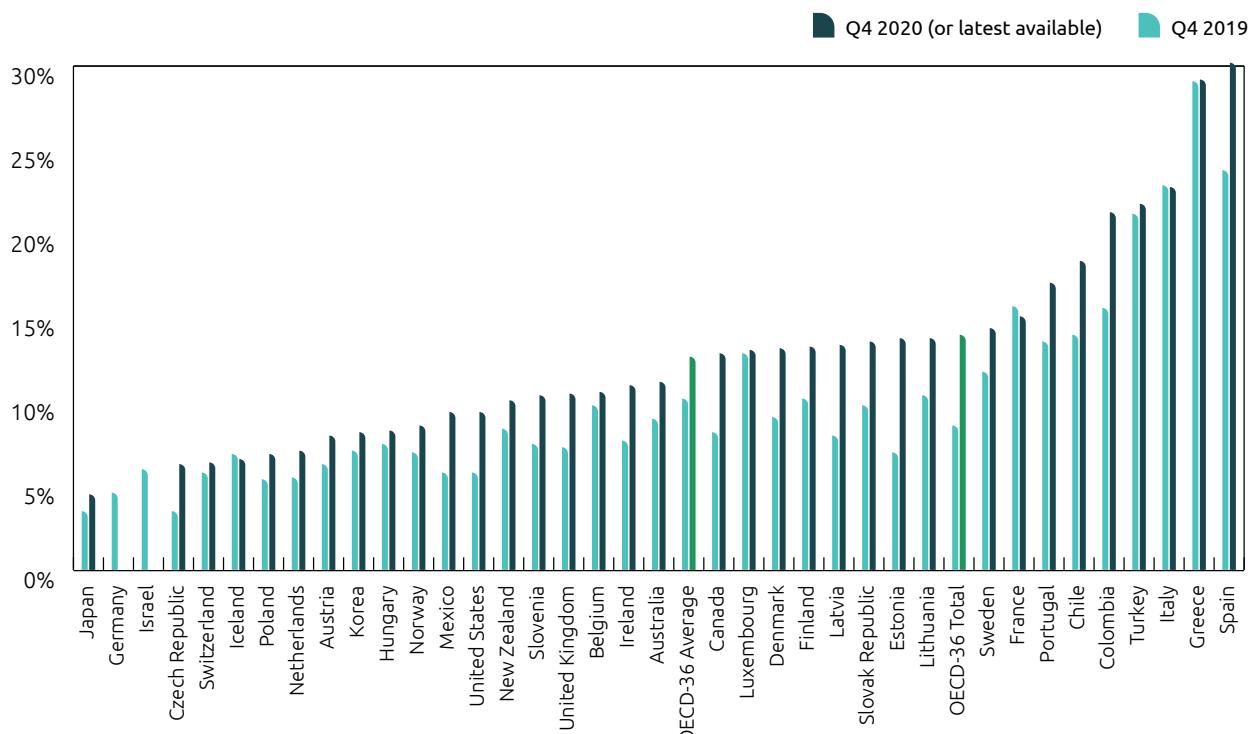
It is therefore not surprising that youth unemployment surged during the pandemic – reaching 14% among 15–29 year olds in the OECD at the end of 2020 (see Figure 3), compared with 6.9% for the total working-age population. The impact of the crisis on unemployment was twice as strong for young people as for the total population and by the end of 2020, 23.4 million young people were unemployed in the OECD. In addition, hours worked by young people had fallen by 26% year on year in the second quarter of 2020 (11 percentage points more than for prime-aged and older workers), and the return of hours worked to pre-crisis levels has been much slower among young people. By the end of 2020, the share of young people who are neither employed, nor in education or training (NEETs) stood at 12% among 15–29 year olds in OECD countries, representing a 2.9 million increase in the number of young NEETs compared to one year before.

26%

Hours worked by young people had fallen by 26% year on year in the second quarter of 2020 (11 percentage points more than for prime-aged and older workers).

Figure 3: Unemployment rates of young people aged 15–29

Unemployment rate of 15–29 year olds as a percentage of the youth labor force, 2019-Q4 and 2020-Q4 (or latest quarter available)



Source: European and national labor force surveys.

Note: Data are not seasonally adjusted. The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

As we outline in our 2021 update to the OECD Youth Action Plan, to avoid the same mistakes of the global financial crisis, OECD countries must develop a corpus of measures to protect these young careers, by:

- Ensuring that all young people acquire relevant skills
- Supporting young people in their transition into the labor market
- Combating social exclusion and promoting youth well-being beyond economic outcomes.

Most OECD governments have indeed responded with targeted youth measures since the start of the pandemic, though the measures vary greatly in scope and form. The OECD has a forthcoming policy brief on this very topic: What have countries done to support young people in the COVID-19 crisis? As we discuss in the brief, job retention schemes and financial incentives to recruit apprentices and young people into full-time jobs have been the most frequently deployed measures so far. In contrast, only around half of OECD countries have introduced emergency income support for young people and the measures remain limited in scope. Similar observations can be made for mental health. While almost half of the OECD countries have put in place initiatives or new funding to support young people's mental health, they have often only represented moderate changes. Given that the COVID-19 crisis continues to hit young people's mental health particularly hard – across OECD countries where data are available, young people were 30% to 80% more likely to report depression or anxiety than the general population in March 2021 – greater long-term financial commitments and integrated policy action are needed now and beyond the crisis.

Early action is indeed the best way to prevent long-term damage and the fiscal costs of the required interventions are small in comparison to the benefits that accumulate over the rest of young people's lives. For many young people, the impact of the crisis will only be temporary, but many others will need extra help.

We need to ensure that the opportunities that the future of work offers are, to put it in William Gibson's terms, more equally distributed.



Kelly Palmer

Chief Learning and Talent Officer,
Degreed

JAILBREAK THE DEGREE: UPSKILLING IS THE CURRENCY OF THE FUTURE OF WORK



Kelly Palmer is a thought leader on the future of work, learning, and career development. She is the chief learning and talent officer at Degreed, an education technology company, coauthor of

the book “The Expertise Economy: how the smartest companies use learning to engage, compete and succeed,” and the former chief learning officer of LinkedIn. Prior to LinkedIn, Kelly was vice president of learning at Yahoo! and held executive positions in learning, M&A, and product development at Sun Microsystems.

In our book “The Expertise Economy,” my co-author, David Blake, and I emphasize the need for continuous learning, how learning can be a competitive advantage for companies, and why upskilling the workforce is the most urgent issue of our time. The importance of these issues has only accelerated with the COVID-19 pandemic. Now more than ever, focusing on skills and learning is essential because of the rapid pace of digital transformation, technology advances, and the implications this has on jobs and skills of the future.

Today’s employees need to be learning all the time, and they can’t just rely on a four-year education to take them through the entirety of their career. Every function in every industry is transforming, so people need to be continuously learning new skills. Skills become even more important as companies realize it’s not what you know, but what you can do with what you know that matters.

In the last few years, many companies such as IBM, Apple, and Google have been declaring that they won’t require a degree to get a job. We will see more companies following that lead, realizing that there is a lot of untapped talent not even being considered for jobs because they lack a college degree. Too many people have some college, equivalent experience, or have adaptability and an aptitude for learning, but are getting passed up for great job opportunities. Resumes get sorted out and talent is overlooked.

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Today's employees need to be learning all the time, and they can't just rely on a four-year education to take them through the entirety of their career."

Even when people do have a college degree, there's still a tremendous need to continually build skills. Every function is transforming – some jobs are being eliminated because of automation, other jobs are changing dramatically, and new jobs and roles are being created every day. This requires new skills for everyone. For example, software developers need to learn the latest development technologies and understand the implications of artificial intelligence and machine learning. The HR function now needs to think about data insights and people analytics. The learning function will need to keep up with all the new learning technologies being created. The World Economic Forum states that we need to upskill a billion people by 2030. That means we need to think very differently about corporate learning if we want to meet that challenge.

Learning how people learn: the key to transform antiquated learning models and build empowered employees

When I switched careers to focus on the learning field, I was amazed by how antiquated learning was in the corporate environment. Companies were “training” people based on old university models of lecture-based learning and very focused on knowledge sharing. Studies show that lecture-based learning is not a very effective model because people don't remember what they learn unless they apply it to real work. Contrast that to the more effective and diverse ways

people learn with different resources and tools. For example, people can and do learn in a variety of ways – they can watch videos, listen to podcasts, read books, practice skills, get feedback, and learn from peers in the flow of work. Often that type of learning isn't counted as "official" learning, but it's how real learning happens. Learning in corporate settings is now evolving from pure knowledge sharing to true skill building and companies are realizing that we need to rethink our learning models to meet the challenge of upskilling the workforce.

According to our latest research at Degreed, we know that people learn best when multiple learning methods are blended together.⁶ The world is fundamentally changing, yet too many companies are stuck to old ideas about how work happens and about how people grow and develop in their careers. In the antiquated learning model, employers tell employees what to learn and when to learn it in a "one-size-fits-all" model. Often the learning mandate is based on a manager request or on a complex competency model.

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What's most important is to understand what motivates each individual to learn and how to identify the most critical skills given an individual's career goals and the company's strategic priorities. "

Today, what's most important about learning is to understand what motivates each individual to learn, what learning is most relevant, and how managers and leaders can give guidance to identify the most critical skills given an individual's career goals and the company's strategic priorities. It's also important that people focus on only a few

⁶ Degreed, "How the Workforce Learns," 2019.



“It’s also important that people focus on only a few skills at a time, which helps employees feel less overwhelmed.”

skills at a time, which helps employees feel less overwhelmed. This learning model may sound simple, but it is a huge shift in thinking for most companies.

Most companies have learning and talent strategies that don't incorporate what science tells us is most effective about how we learn. Companies should give employees more agency over what to learn and help guide them in the right direction given career goals and business objectives. A great example of this is how the Visa L&D team reimagined its learning culture to one that is worker-driven. Central to this effort was the creation of a learning technology system (powered by Degreed) through Visa University. The technology ecosystem personalized and simplified learning for all 20,000 employees by curating content based on the individual's interest or needs and proactively recommending projects or assignments employees are qualified for across the company.

A skilling strategy demonstrates your commitment to the employee

To set a well-defined skilling strategy – one that invests in employees' continuous learning, identifies and fills skill gaps, and keeps people employable – a strategic vision of the industry and the company is needed. For example, gathering data and insights to understand industry and job trends, understanding how certain jobs are changing because of technology or automation, and identifying where the skills might be in greatest demand are three key elements. Then, the key is to identify how the company needs to adapt given these changes.

At the core of this strategy is the need for companies and individuals to think about the skills they have and the skills they need. Many companies don't have a baseline of the skills their people have, so it's difficult to measure progress without that baseline. Organizations can use both upskilling (teaching new skills or enhancing existing abilities to advance in a current role) and reskilling (learning a new set of skills for a completely new role) in their skilling strategy.

Understanding the skills of your workforce is beneficial for multiple reasons. For example, companies are better positioned to make tough decisions about workforce reductions or redeployments if they know what skills their people have. When going after new business opportunities, companies can look to internal talent to meet the needs rather than hiring externally. What many companies are finding is that sometimes people with critical skills don't necessarily exist in the workforce and they would be better off reskilling or upskilling their existing talent.

To think about an upskilling strategy, companies should first identify the critical skills they need to stay competitive in their business. Once those critical skills are identified, then companies can design and develop learning programs that will help employees build those critical future skills.

For example, at Degreed, I'm currently working with our sales organization on an upskilling strategy. Like most sales organizations, our sales team needs to effectively communicate the value of our products in a rapidly changing environment. To ensure the team is prepared for the future, we identified three critical skills: critical thinking, learning agility, and empathy. To establish a baseline of these skills among our sales team, identify skill gaps, and measure progress, each sales rep assessed themselves against those three critical skills using Degreed Skill Review. They entered details about the work they have done, their experiences, their learning and then rated their skills. They had their manager rate their skills as well to get a strong baseline of where they started in their skill journey so we could measure progress.

Internal career marketplaces is a win-win for both employees and employers alike

Once critical skills are identified and assessed, an employee chooses one or two skills to focus on. Typically, there are a variety of learning programs to help employees build these skills. For example, at Ericsson, they have a sales academy called "SET2WIN" where they identified key critical skills. Then they provided learning that includes several components: curated content pathways to gain knowledge, practice assignments, peer-based mini-projects, and a final capstone project where they demonstrate proficiency in those critical skills. On completion, they get an Ericsson sales credential that goes on their learner profile.

Showing progress against skills not only motivates employees, but also helps them get new opportunities in their company – opportunities that allow them to start applying those new skills on the job. Opportunities can include things such as stretch assignments, new projects, mentoring, or sometimes even completely new roles.

Our research has found that the most advanced upskilling strategies

include engaging learning experiences that help people build skills through practice, feedback, and reflection.⁷ Employees don't have to leave their company to develop new skills or gain new experiences. Rather, companies can create "talent marketplaces" where people can get new projects and opportunities and completely new jobs based on the skills that they already have or those that they are building. With a talent marketplace, employees can continue to grow their career and gain experience without having to go change companies — a win-win for both the employee and the employer.

Oftentimes, companies look externally for talent, but it's advantageous to first look for talent inside that could fill an open position before looking externally. This is particularly true in the case of rare or in-demand skills where it is hard to recruit external talent in today's market, such as data analysts or e-commerce skills.

Research shows that employees stay an average of 41% longer at companies that do a good job hiring from within.⁸ As we wrote in "The Expertise Economy," eBay was an early adopter of a career marketplace. This kind of system allows employees to not only gain experiential learning, but also highlight their skills and their ongoing development efforts. It also helps managers and leaders across the organization find the talent they need internally.

In many companies, talent acquisition and learning teams are often siloed, with the former only focusing outside, and the latter inside. This is a challenge that can be overcome; more and more companies are combining these organizations or creating a stronger partnership between the learning and recruiting functions to benefit both the organization and the employee.

⁷ *The Expertise Economy*, Palmer and Blake, Nicholas Brealey Publishing, 2018.

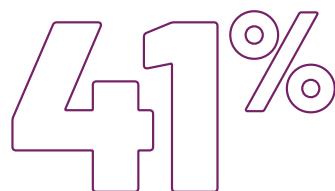
⁸ LinkedIn, Global Talent Trends 2020.

Skilling is a competitive advantage for the future of work

The days of investing in learning only for leaders, managers, and high-potential employees is gone. Companies need to invest in learning for *all employees* and taking this approach can be a huge competitive advantage in developing and retaining talent.

Skills are the currency of the future of work. If you understand the skills of people within your organization, you can understand their skill gaps and provide guidance on the most important skills for the future. When employees build new skills, it provides opportunities for both the individual and for the enterprise. People want to grow and develop in their careers and when they can do that inside their company and get new opportunities to learn, grow, and advance in their careers, it's a huge competitive advantage. Companies can retain their top talent and have an engaged and motivated workforce.

I told an audience of soon-to-be college graduates at the University of California, Berkeley recently, "You most likely will have a choice of which company you work for when you graduate. Make sure any prospective employer will be investing in your career and in your ongoing learning and development. Ask them directly, 'what are the concrete ways you are developing your employees on an ongoing basis?' Leaders who realize the importance of continuous learning will be way ahead of the game. Companies that question the value of investing in their people will certainly lose out on the best talent."



Research shows that employees stay an average of 41% longer at companies that do a good job hiring from within.

Capgemini's Perspec tives

...from our
internal experts.



THE LEADERSHIP IMPERATIVE: MOVING TO A TRUST-BASED WORK CULTURE

**Authored by Anne Lebel, Group
Chief Human Resources Officer,
Capgemini**

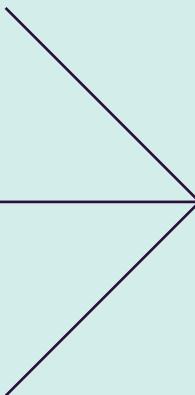
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WHY ORGANIZATIONS NEED TO EVOLVE THEIR SOCIAL CONTRACT TO SUPPORT THEIR WHOLE WORKFORCE

**Authored by Claudia Crummenerl,
Managing Director, Workforce and
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EVERYTHING HAS CHANGED, AND AI IS READY TO TAKE US ON THE RIDE OF OUR WORKING LIVES

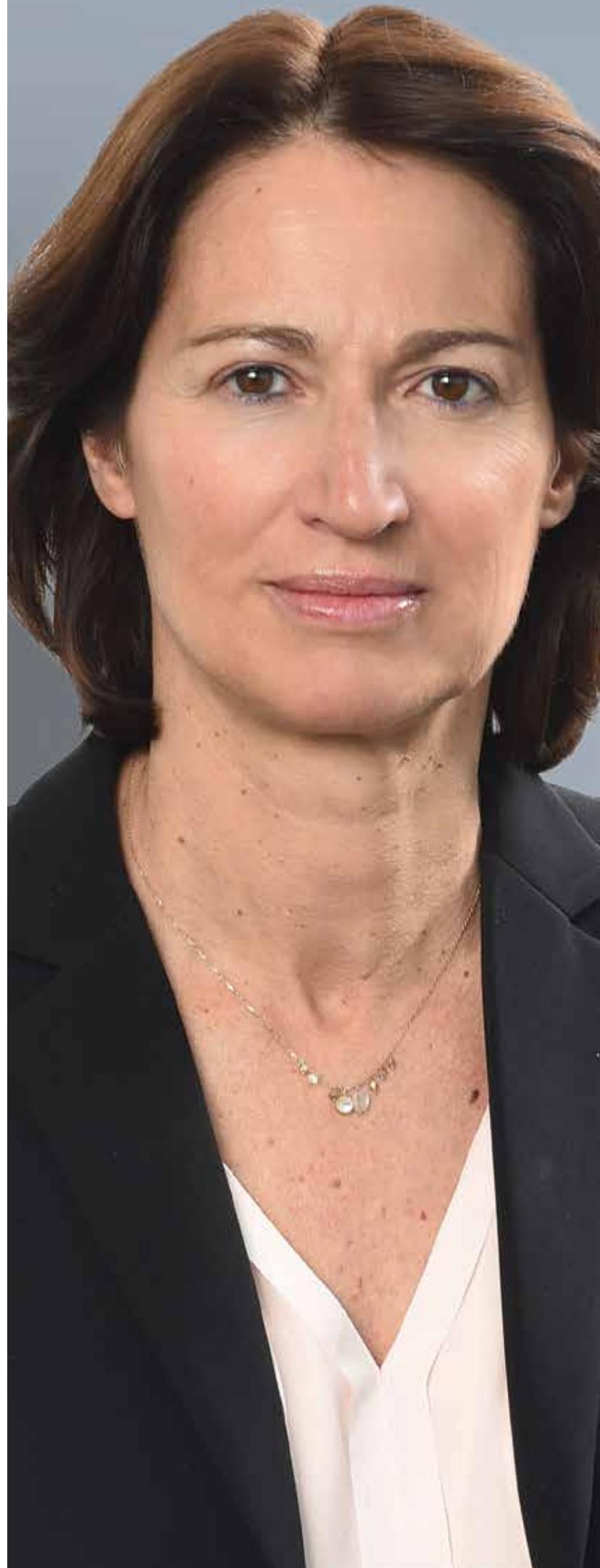
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⇒ p.120



ANNE LEBEL

Group Chief Human
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THE LEADERSHIP IMPERATIVE: MOVING TO A TRUST-BASED WORK CULTURE

Anne Lebel joined Capgemini as Group chief human resources officer in July 2020. She has held key leadership and talent management roles across industries, geographies, and cultures. She started her career in consulting prior to moving to human resources where she spent the last 23 years in the pharmaceutical and biotech industry, and then in financial services, first with Allianz, as the global head of human resources for Allianz global corporate and specialty. More recently, Anne served as chief human resources and corporate culture officer for Natixis, the French bank. With over 20 years of experience in human resources, Anne has a strong track record in talent development and change management.

The acceleration of technological innovation combined with the continuous increase in productivity have disrupted corporate cultures and the organization of work. Even before the COVID-19 pandemic, traditional management methods and practices were being massively shaken up and revisited as companies started questioning their ways of working, their organizational purpose, and the quality of management interactions. At the same time, employees began demanding more individual growth, flexibility, and impact in their roles.

More recently, the COVID-19 pandemic has deeply disrupted – in a very short time – the way leaders and employees organize work, behave, and connect within and outside the workplace. At the onset of the pandemic, leaders had to quickly manage the transition to remote work while preserving quality of delivery, productivity, and employee engagement.

In this context, leadership is undergoing a paradigm shift. The role of leaders has become even more critical and has moved to be more human centric, focusing on team dynamics and emotional connection, as well as employees' safety and well-being. In that sense, the pandemic has laid bare the need for stronger and more authentic human leadership.

"The role of leaders has become even more critical and has moved to be more human centric, focusing on team dynamics and emotional connection, as well as employees' safety and well-being."



As we permanently shift toward hybrid working models, how do we ensure that leaders and managers are equipped to make these new ways of working sustainable for the long term?

We have learned from this long-lasting crisis how crucial human and emotional connections are at work, and how important the role of leaders and managers is. Although many of us can be just as productive in a virtual setting, we have started to feel the weight of the absence of physical connection on employees' morale and well-being; and we have experienced the difficulty of creating a sense of belonging and purpose for new employees recruited virtually. To make hybrid working a sustainable and fulfilling people experience, our understanding of leadership must be redefined.

Build and lead a new trust-based work culture. Great leaders bring people together. One of the ways they do this is through building a strong culture that is aligned with their organizations' values, goals, and purpose. The challenge is how can culture be consistent for all employees no matter if they come together in the office or online?

Today's digital era demands organizations be agile, collaborative, innovative, continuously learning, entrepreneurial, and customer oriented. Leaders must figure out ways to embrace these cultural elements in the new working environment so they can ultimately build a trusted work culture. Effective leadership in a hybrid environment, therefore, requires building trust differently with teams and colleagues. In a virtual environment, trust is developed by empowering team members to take ownership of their ideas and their work and enabling flexibility.

Encourage ownership in employee decision making. At the same time, leaders and managers must empower employees and ensure they are motivated and engaged. Our future of work research showed that 71% of employees prefer more decision-making autonomy.⁹ Leaders therefore need to find a balance between encouraging ownership and providing support. They must encourage their teams to experiment, to test and learn, and to take risks. Early findings from our upcoming new leadership skills research found that “having a closed mind towards feedback and divergent viewpoints” is among the top behaviors that employees want leaders to let go of.¹⁰ To that end, leaders should build a culture of feedback where employees feel safe when giving and receiving it, and where they can learn from their leaders and peers.

“Effective leadership in a hybrid environment requires building trust differently with teams and colleagues.”

Lead with empathy and emotional intelligence. Employees seek reassurance and encouragement especially in a time of crisis. Yet, our research on emotional intelligence (EI) found that only 32% of organizations conduct training for middle management on EI.¹¹ Leaders must be taught EI skills and learn how to model this behavior for their teams. For example, proactively checking in not only on work subjects but personal well-being at regular touchpoints shows the employee that they empathize with their individual situation. Good leadership will also require the ability to create an inclusive team where, regardless of their work location, all employees feel heard and seen. Developing and implementing new and different managerial rituals that work well in a remote environment can be a strong enabler of employee well-being and team cohesion. For example, virtual team-building activities can help to develop trust or digital communities of like-minded employee groups can foster informal connection and create a sense of belonging.

Ensure greater communication and transparency. With remote working, physical and non-verbal cues are often missed so managers must rely heavily on explicit and intentional communication. Therefore, leaders should strive to communicate frequently and transparently. And the good news is that

⁹ Capgemini Research Institute, “The future of work: from remote to hybrid,” December 2020.

¹⁰ Capgemini Research Institute, New leadership skills survey, May 2021.

¹¹ Capgemini Research Institute, “Emotional intelligence: The essential skillset for the age of AI,” 2020.

the efforts leaders have made in this regard are resonating. According to our early findings from our upcoming new leadership skills research, we found that 63% of employees agree that during the COVID-19 pandemic, leaders were constantly communicating online in an effort to imbibe culture across the organization and 50% agreed leaders shared positive messages to maintain employee morale.¹²

Invest in developing agile and authentic leaders. Things will keep changing, so how are we continuously adapting to evolving expectations and situations and coming up with new thinking? With the COVID-19 pandemic, new leadership attributes have arisen, bringing emotional intelligence and care at the core of what is expected from leaders. Leading in a hybrid world demands attention, listening, empathy, purpose, and a strong ability to adjust and balance different leadership attributes. As leaders drive culture, this is a call to clarify expectations towards leadership and further invest in leadership growth, especially through coaching, mentoring, and peer-to-peer learning. And these aspects are critical for leaders at all levels of leadership, from junior managers to C-suite executives. For example, at Capgemini in 2020, we invested significantly in further developing our

managers as a direct response to the COVID-19 pandemic. We launched a program to train our middle managers on these new managerial practices and behaviors. One year after its initial launch, the program has been implemented in 42 countries with over 10,000 certified managers.

With the COVID-19 pandemic, new leadership attributes have arisen, bringing emotional intelligence and care at the core of what is expected from leaders.”

What we have been through and are still going through has deeply transformed the way we lead, work, and connect with others. Leadership and managerial practices have changed and broadened and the hybrid way of working requires more authentic human leadership.

12 Capgemini Research Institute, New leadership skills survey, May 2021.



CLAUDIA CRUMMENERL

Managing Director,
Workforce and Organization,
Capgemini Invent



WHY ORGANIZATIONS NEED TO EVOLVE THEIR SOCIAL CONTRACT TO SUPPORT THEIR WHOLE WORKFORCE

Claudia is an expert in finding the “people perspective” on digital, automation, and AI. She supports clients in the evolution of leadership in the digital age; workforce and organizational transformation through automation and AI; the composition of the HR function; and employee engagement.

The pandemic has profoundly changed the way we live and work. Along with the accelerating speed of automation, the pandemic has amplified challenges such as unemployment and inequality across labor markets and exposed vulnerabilities in social contracts. With remote working being the dominant way of work today for desk workers, work is no longer a place where we *go*; it is what we *do*, wherever that may be. Our recent “fluid workforce” research reveals that 63% of executives we surveyed agreed that the shifts caused by the COVID-19 pandemic have blurred the boundaries between the fluid and permanent workforces.¹³ As the relationship between organizations and employees undergoes fundamental changes, a revision of the employee social contract is inevitable.

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The pandemic has laid bare the challenges faced by the fluid workforce including the lack of social benefits and job security, disparity in digital skills, and a lack of sense of belonging.”

A social contract is an explicit or implicit agreement that governs the relationship between individuals and organizations (or governments) to share risks within a certain context; for example, in an employment relationship. In these turbulent times, there are rising calls for organizations to form a new social contract with their permanent employees, focusing on security, health, safety, and employability. But it becomes equally critical to create a social contract for the fluid workforce, which may have been limited to a demand/supply relationship in the past. The COVID-19 pandemic has laid bare some of the challenges faced by the fluid workforce, including the lack of social benefits

and job security, disparity in digital skills between the high-skilled and low-skilled workforce, and a lack of a sense of belonging, recognition, and purpose pervading the workforce. For example, we found that close to half (49%) of fluid workers feel that failing to qualify for social security and other benefits (such as healthcare) is challenging.¹⁴ The future organization must

¹³ Capgemini Research Institute, “The fluid workforce revolution: How a blended workforce strategy is key to success in the age of AI and automation,” May 2020.

¹⁴ Ibid.

take responsibility for the welfare, safety, and general wellbeing of its whole ecosystem of talent.

Many organizations are already taking steps to revise their employer-employee social contracts. In our “digital mastery” research, we learned that many “digital masters” – those organizations that are excelling in their digital transformations – are focused on redefining their relationship with employees. The vast majority (89%) of digital masters are revisiting their social contracts in ways such as examining the new employer-employee relationship and focusing on supporting employees in times of distress. This compares with only 35% of all other organizations that are taking similar measures.¹⁵

An evolved social contract must have a clear purpose

With the workforce becoming more fluid and lifelong work relationships being the exception, the employer-employee relationship is no longer shaped simply by the exchange of money and work time. Today’s employees do not pick their employer based on role descriptions but want to feel they will have a meaningful impact on the world. Organizations need to define

and communicate a clear purpose that influences everything they do. A recent study by Gartner shows that, as organizations act on social issues, the share of highly engaged employees

With the workforce becoming more fluid and lifelong work relationships being the exception, this relation is no longer shaped by the exchange of money and work time.”

significantly increases, on average from around 40% to around 60%.¹⁶ The importance of purpose to an organization is also evident from customer insight. In our recent research, 69% of consumers said they expect private organizations to give back to society during the pandemic.¹⁷

¹⁵ Capgemini Research Institute, “Digital mastery: How organizations have progressed in their digital transformations over the past two years,” January 2021.

¹⁶ Gartner, “9 Work Trends That HR Leaders Can’t Ignore in 2021,” January 2021.

¹⁷ Capgemini Research Institute, “Why purpose-led organizations are winning consumers’ hearts,” June 2020.

For the fluid workforce, an organization's purpose is the glue that will bind them to the ecosystem and encourage fluid talent to contribute to the fulfilment of that ambition. Organizations should create a fluid-talent management role within the HR function to better communicate this purpose and serve the needs of the fluid workforce. Our research suggests that the fluid-talent manager should:

- Liaise with internal functions to optimize the planning, onboarding, and use of fluid talent
- Build a proactive relationship with external digital platforms and fluid communities
- Promote organizations' brands and value propositions to attract fluid talent.

A new social contract must account for changing compensation models

Significant changes in the nature of work have added new demands and pressures on compensation strategies. Given the big shifts in today's work environment, including changes in the mode of working (e.g., "staffing from anywhere to anywhere"), and the changing expectations of the workforce, compensation can act as a lever with which businesses can manage and harness this change.

Our research shows that permanent employees expect the same level of compensation and benefits from their organizations, irrespective of their "home" location. Two of the top five future financial expectations of employees are: "same monetary or non-monetary benefit as before," and "assurance on non-discrimination on compensation and benefits owing to work location." Evidently, it is time to revisit the country- or region-based compensation models. Where relevant, less applicable components of compensation, such as travel allowance and office-based catering, will give way to new allowances, such as for setting up remote offices and related

infrastructure, or shared office spaces, as well as occasional travel from remote residential locations to the office.

Unsurprisingly, for fluid workers, too, traditional compensation models are no longer suitable. Conventional remuneration does not account for short-term performance and the variety of modern employment types. The future of compensation requires models that are aligned with frequent role changes while offering benefits tailored to individual needs and collective performance. Consequently, businesses need to move away from traditional cost- and market-based compensation models and explore value- and performance-based ones. A value-based model focuses on the determination of the value added by an employee to the organization, while a performance-based model is focused on evaluating an employee's performance using specific key performance indicators (KPIs) and data analytics.

With an increasingly fluid workforce, organizations will also have to rethink how they cover their employees' health benefits, as well as making them accessible and affordable. In this time of crisis, several companies have already stepped up notably and re-evaluated their social contract with the fluid workforce. Weem, a France-based talent platform, announced it was offering credit aid and more engagement opportunities to fluid workers. Likewise, Uber India announced the rollout of insurance policies and financial assistance for its entire associated workforce. Our fluid workforce research revealed that 61% of executives expect to roll out a program that offers a limited set of benefits to fluid workers in the next 12 months.¹⁸

18 Capgemini Research Institute, "The fluid workforce revolution: How a blended workforce strategy is key to success in the age of AI and automation," July 2020.

"Conventional remuneration does not account for short-term performance and the variety of modern employment types."



Reskilling and upskilling must take center-stage in the new social contract

With job roles and responsibilities evolving rapidly in the digital age, organizations must make upskilling and reskilling an integral part of a modified social contract. Organizations must play the role of partner in employees' learning and development, supporting their ongoing employability. Embedding reskilling and upskilling in an organization's DNA goes far beyond traditional learning and development programs. Our research shows that, although organizations have made significant progress in their digital-transformation journeys, the implementation of upskilling initiatives has lagged. Additionally, less than half of organizations (48%) surveyed say they are investing in building soft skills, such as emotional intelligence, adaptability, and collaboration.¹⁹

Kelly Palmer, Chief Learning and Talent Officer at educational technology company, Degreed, suggests that organizations first need to identify current and future skills gaps and discuss which competencies to develop and which to hire in. Moreover, although organizations should provide a framework for upskilling and reskilling, employees will ultimately be responsible for shaping their own market value. To stay relevant in the job market, they need to think one step ahead and own their development, consciously selecting suitable learning opportunities.

Organizations must also revisit their social contracts in order to assess the growth factors that appeal most to their employees; for example, replacing traditional vertical promotion routes with more flexible movement, developing individual experience within different areas of the organization. Lastly, skill transfer must be viewed as a two-way street, as organizations are also looking at the fluid workforce to upskill their permanent employee base.

¹⁹ Capgemini Research Institute, "Digital Mastery: How organizations have progressed in their digital transformations over the past two years," January 2021.



Particularly for fluid workers, since they are often hired for a very specific skillset and are subject to regulatory restrictions regarding learning and development (L&D) and the classification of workers, organizations can provide micro-learning modules for access on the job as part of a new social contract. The modules should be dynamic, so that it can be scaled to deliver to any number of fluid workers, and for varying topics such as data and privacy and organizational culture. As most fluid workers are rarely physically present at work, these learning programs need to be accessed anytime, anywhere, on any device.

Evolving the social contract is particularly important for younger workers

As we heard from Stijn Broecke and Veerle Miranda at the OECD, one consequence of the pandemic is that young people are among those at greatest risk of joblessness and falling into poverty as a consequence. They generally have less secure and unskilled jobs and are highly represented among workers in industries most affected by the crisis, such as tourism and catering.²⁰ Further, traditional forms of employment may not meet the expectations of aspiring young people. As Stephane Kasriel, former CEO of Upwork, discussed in our fluid workforce research, Millennials and Gen Z-ers are twice as likely to be freelancers as Baby Boomers.²¹ Countries with a young population, such as India, where more than half of the population is under the age of 25, must find ways of employing and protecting their young workers while trying to meet their expectations.²²

A fundamental difference between the way young employees view employment vis-a-vis earlier generations is tenure. One recent study found that 52% of young adults (aged 20-29) expect the longest period of time in which they would work for a single employer to be between one and five years.²³ The fact that an increasing proportion of young workers are likely to be shorter-term employees is changing the nuances of their relationship with their managers. The changing employer-employee social contract has also affected the work culture of organizations. Employees now feel empowered to demand increased flexibility, transparency, and fairness.

20 OECD. (n.d.) "Employment Outlook 2020". Retrieved from <https://www.oecd.org/employment-outlook/2020/>.

21 Capgemini Research Institute, "The fluid workforce revolution: How a blended workforce strategy is key to success in the age of AI and automation," July 2020.

22 G20 Insights, "A New Social Contract for the Digital Age," May 30, 2018 (updated on December 10, 2020).

23 Aegon, "The New Social Contract: Young adults reinventing life, work, and retirement," January 2021.

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The momentum of creativity and innovation the pandemic has produced is an enormous chance to break away from long held notions according to which employees and employers engage.”

A chance to change for the better

The momentum of creativity and innovation that the pandemic has produced offers an invaluable opportunity to break away from long-held notions according to which employees and employers still often engage. In this context, the UN Secretary-General, António Guterres, has called for a new social contract that “integrates employment, sustainable development, and social protection, based on equal rights and opportunities for all.”²⁴ If organizations can reshape the social contract now, we can help to minimize unemployment and fight inequalities to protect both our permanent and fluid workforces.

Lastly, shaping the new social contract is a complex issue that demands close collaboration between organizations and government bodies. Defining new global contracts, for instance, is possible only to the extent permitted by local employment, financial, and tax laws when hiring remote employees in other countries. Customizing benefits such as healthcare in accordance with local laws will also be required, as will tailoring preboarding and onboarding processes to a global hybrid workforce. Large organizations need to work with the government and policymakers to scale initiatives that will influence how countries think about talent ecosystems.

²⁴ United Nations, “A changing world of work: implications for the social contract,” April 2021.



TIM ENSOR

Director of Artificial Intelligence,
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EVERYTHING HAS CHANGED, AND AI IS READY TO TAKE US ON THE RIDE OF OUR WORKING LIVES

Tim Ensor is director of Artificial Intelligence at Cambridge Consultants, part of Capgemini Invent. Tim focuses on AI, robotics, and connectivity spanning a broad range of fields, including telecoms, logistics, and energy.

Trust me, we're in for quite a ride. The stars are perfectly aligned for a profound transformation of our working lives. On the one hand, the pandemic has sparked a desire for rapid change. And on the other, artificial intelligence, wireless connectivity, and edge computing have reached the level of maturity needed for widespread and effective implementation. Everyone accepts that the fast-forward button has already been pressed, but what will our everyday work routines actually look like in three to five years? Let me share my view as it relates to the worlds of logistics and retail.

Acceleration is a key learning from history and for today

When looking forward, there's often value in also looking back, so I'm going to begin with some learnings from history. The 1918–20 influenza pandemic, also known as the Spanish flu in many countries, was the most devastating catastrophe of its kind in modern times. Up to 50 million people around the world died. Yet, it also set the scene for extraordinary societal change during the 1920s and beyond. For example, the decimated workforce impelled more women to seek – and actually be offered – employment. This accelerated the gradual process of gender parity that had begun in the nineteenth century.²⁵ The pendulum swung in favor of worker power, which accelerated structural changes to improve working practices.²⁶

**“
The 1918–20 influenza pandemic set the scene for extraordinary societal change during the 1920s and beyond.**

Then, as now, the key word was acceleration. The way I look at it, we've already arrived at a pivotal moment in the digital transformation of business. The pandemic has proved that those who deployed IT and connectivity innovation were more efficient, adapted more rapidly to market turmoil, and displayed greater resilience to change.

²⁵ Smithsonian Magazine, "How the 1918 flu pandemic helped advance women's rights," March 2018.

²⁶ The Conversation, "The International Labour Organization was founded after the Spanish flu – its past lights the path to a better future of work," June 2020.

The physical and digital convergence drives new workforce needs

The three key strands – AI, connectivity, edge computing – are combining the front, customer-facing business with internal, often hidden IT. Simultaneously, as the use of technologies becomes an increasing part of our everyday lives, the physical and digital worlds are converging. This is creating an evolving communication challenge as there is an increasing imperative for both customer-facing teams and technologists to speak each other's language and understand the work of one another in order to build customer-centric products and solutions. This will spark a need for upskilling people who have well-rounded skills and who can converse fluently across topics as diverse as customer delight, robot path planning, battery life, neural networks, database schema, and hyperscale.

Technology is disrupting work routines and roles in the logistics sector

So, where are we already feeling the effects of this convergence most clearly? In the world of logistics, the boom in ecommerce has been one of the most obvious markers of pandemic-driven acceleration. It is sharpening the focus on everything, from smart locker networks such as DHL Packstation to warehouse automation. Ocado Group – pioneers of the online grocery market – is a case in point. Through the company's Ocado Smart Platform, a unique communication system orchestrates swarms of bots across highly automated warehouses. Such facilities will never be the same again.

Existing IT teams – used to installing Wi-Fi routers and putting everything in the Cloud – will have to become adept in custom-developed radio base stations.”

Practically then, what are the implications for global workforces as AI and robotics continues to combine to transform logistics? Staying with warehouses as an example, changes in working practices need to start early. Even at the planning stage, operational resources will have to be boosted by the introduction of very capable software teams. Existing IT teams – used to installing Wi-Fi routers and putting everything in the Cloud – will have to become adept in custom-developed radio base stations. They'll

also have to deal with increasing edge-computing infrastructure necessary to manage the real-time instructions that need to be calculated and relayed to groups of robots. In this transition, the day-to-day work of IT teams will become broader and more strategic and require continual upskilling on the latest technologies such as AI, robotics, and connectivity.

Warehouse technicians who built their careers maintaining conveyor belts and overseeing industrial programmable logic controllers will have to switch to maintaining highly complex mobile robots with multiple advanced microprocessors and sensors. They will also have to look after ancillary systems such as battery charging stations, safety systems, and robot

breakdown and recovery. For warehouse technicians to excel in their new roles, they must be upskilled in technical areas such as AI and automation. They will also benefit from training on managerial and project management skills as their roles become more complex and multifaceted.

Working practices are also being transformed in last-mile delivery services as many logistics organizations pay increased attention to real-time route planning and automated drones and vehicles, such as the FedEx "same day bot" Roxo. Overseeing autonomous machines will take delivery drivers out of the truck and put them in front of a screen. Initially, there might be multiple people assigned to each delivery robot as development is bedded in and proven to be safe. In time though, each overseer will manage a squad of robots, each making most of its own decisions and only needing human intervention when a problem

or the need to quality-assure a delivery arises. Change will ripple through the whole logistics workforce. The depot management team will shift from maintaining diesel vehicles to fleets of electric robots. Operations managers will turn their attention to flight plans, weather patterns, and aviation regulations. The day-to-day work routines of delivery drivers and managers will significantly broaden with this transformation.

“Warehouse technicians who built their careers maintaining conveyor belts and overseeing industrial programmable logic controllers will have to switch to maintaining highly complex mobile robots with multiple advanced microprocessors and sensors.”

**"Overseeing
autonomous machines
will take delivery
drivers out of the
truck and put them in
front of a screen."**



The retail sector is experiencing seismic changes in working patterns

The pandemic and our emergency adoption of home working have clearly had a huge impact in retail. For many consumers, the experience of being in a store and the immediacy of purchase will always be attractive. Going forward, success will come to innovators who implement new ways of working to strike a fine balance between the physical and digital experience. Amazon Go is already out of the blocks of course, using advance deep learning, computer vision, and AI to remove checkouts and lines from its frictionless stores. The trend is here to stay – the Lifvs startup in Sweden recently launched a string of unstaffed digital supermarkets in rural areas – and it promises to be a hotbed of disruption over the next few years.

Another good example in this space is IKEA. The global brick-and-mortar retail giant revealed a glimpse into its ambitious digital strategy with the acquisition of Geomagical Labs. The startup had come to prominence with its computer vision, machine learning, and augmented reality technologies. The idea is for consumers to use a smartphone to capture a digital version of their home before redesigning the living spaces with new furniture and accessories. For me, this is perfectly timed. The home-working generation will be creating their own kind of blended living – and demanding flexible spaces and fresh interior propositions to match.

“

As autonomous shopping proliferates and checkouts disappear, staff will come out from behind their tills to interact with customers as brand ambassadors.”

There are clear implications for workers across retail as roles evolve and new skills become necessary. Store staff will need to be able to engage much more deeply with customers on their personal needs, rather than simply advising on stock availability or processing a transaction. As autonomous shopping proliferates and checkouts disappear, staff will come out from behind their tills to interact with customers as brand ambassadors. In grocery, of course, staff are already often seen on the floor picking orders to fulfill online orders.

Destination stores such as IKEA are likely to ask their assistants to engage with customers through technology – collaborating with them

to create a virtual representation of their living space. This might happen on the customer's own smartphone, or even within a VR suite. Across the sector, the big picture is that store experience will no longer be confined to four walls. In their transformed day-to-day work routines, management and staff alike will be focused on delivering experiences, personalization, and technology (at home as well as in the store) to meet the customer's personal desires.

The integrated physical and digital life is here for the long term

And what of broader societal change? With the move to home working many of us are experiencing greater work/life integration than ever before. From home schooling one moment to conference calling the next. Sometimes both of them at once. As a dad, it's been life enhancing to swap the commute for a trip to the school gates to drop my kids in the morning and pick them up at the end of their day. I strongly suspect that, amidst the technology-driven change, our more integrated life is here to stay.

As for the future, I believe that this will help people be more productive. We'll see many more home-based businesses starting, and couples juggling childcare together so they can both work and develop their careers. We're not there yet – for me we're still at the "interrupted normal" stage and the new normal has yet to fully crystalize. But as I said at the beginning, the acceleration is well under way. There's no turning back now.



Insights from the Capgemini Research Institute

THE FUTURE OF WORK

From remote to hybrid

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THE FLUID WORKFORCE REVOLUTION

How a blended workforce strategy is key to
success in the age of AI and automation

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THE FUTURE OF WORK: FROM REMOTE TO HYBRID

The COVID-19 pandemic led to a major shift for the business world as lockdowns were imposed around the world and organizations were pushed, almost overnight, into an enforced experiment in remote working.

The pandemic has, almost overnight, completely shifted how we think about work and working models. In the short term, organizations have protected their employees and seized the advantages of remote working by adding a virtual layer to their existing operating models. In the report we examined how organizations can sustain these advantages and what changes they need to make to their operating models.

What is hybrid workforce and hybrid working model?

A hybrid workforce is distributed across different locations, from traditional office and factory spaces to remote locations, including within employees' living space, be it a family home or shared apartment.

A hybrid working model is characterized by the flexibility and choices it offers employees, and it can be an innovative way of driving new approaches to agility, collaboration, and ways of working.

To understand the evolution of "remote working" into "hybrid working," we surveyed 500 organizations and 5,000 employees from a range of sectors globally and conducted detailed interviews with academicians and executives. Based on our research, this report examines a range of key questions:

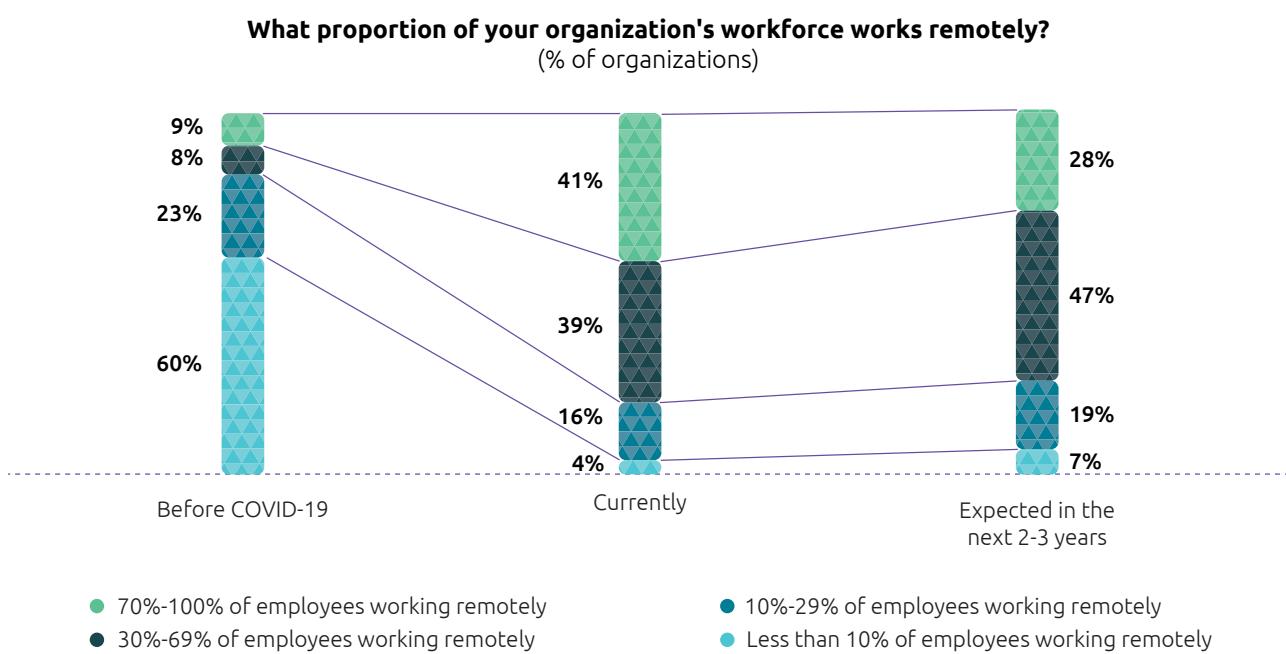
- What do organizations and employees think about the sustainability of remote working models?
- What gains can organizations expect from these models?
- Have organizations effectively managed the shift to remote work?
- What steps should organizations take to effectively implement a hybrid working model and leverage its benefits?

Remote work is here to stay

Organizations and employees both expect remote working models to stay

Widespread remote working has been quickly adopted as the norm by organizations. According to the executives in our study, three-quarters of organizations expect 30% or more of their employees to be working remotely, and over a quarter expect over 70% of staff to work remotely (see Figure 1).

Figure 1: Around three in ten organizations expect more than 70% of their employees working remotely in the next two to three years, up from just one in ten before COVID-19



Source: Capgemini Research Institute, Remote workforce survey, September–October 2020, N=500 executives.

Executives believe that employees across functions will work from remote locations for 2.4 days per week on average in the post-pandemic “new normal.” This is close to a 70% rise from 1.4 days before the pandemic.

At a function level, 61% of employees in both operations and manufacturing functions said that they would be more comfortable with a remote model, despite these two functions traditionally being thought of as a natural fit with on-premises working. This implies that organizations, in order to meet employee expectations, will need to take a nuanced view of each function and understand roles which can be performed outside their premises. Organizations need to establish the “remoteability” of each role to understand which jobs can be transitioned smoothly and which cannot be done from remote locations.

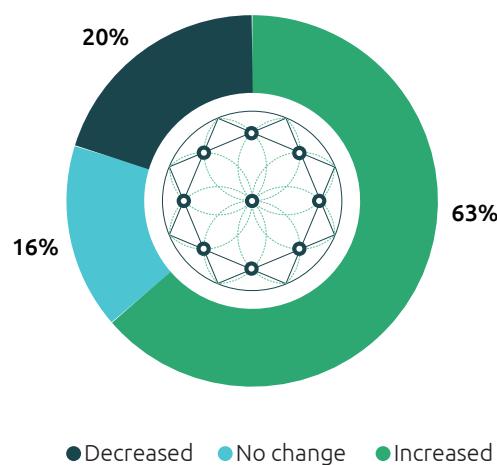
The shift to remote working has boosted productivity and cost savings

Organizations report productivity gains due to remote working and expect them to be sustained post pandemic

Our organizational survey across 10 sectors and nine countries indicates that 63% of organizations have reported productivity gains in Q3-2020, due to remote working (see Figure 2). In terms of magnitude, average productivity gains range from 13–24%.

Figure 2: A majority of organizations report increased organizational productivity in Q3-2020 due to the shift to remote work

Percentage of organizations reporting productivity change due to remote working in Q3-2020



Source: Capgemini Research Institute, Remote workforce survey, September–October 2020, N=500 organizations.

Nearly 70% of organizations believe that the productivity gains of remote working are sustainable beyond the pandemic as well. Companies project an overall productivity rise of 17% in the next two to three years.

A majority of companies say remote working will reduce costs

- In our survey, 92% of organizations expect real-estate cost savings in the next two to three years.
- Operational cost savings are projected in the range of 26% to 44% across sectors over the next two to three years.
- Furthermore, cost of business travel is expected to reduce between 26% to 45% in the next two to three years.

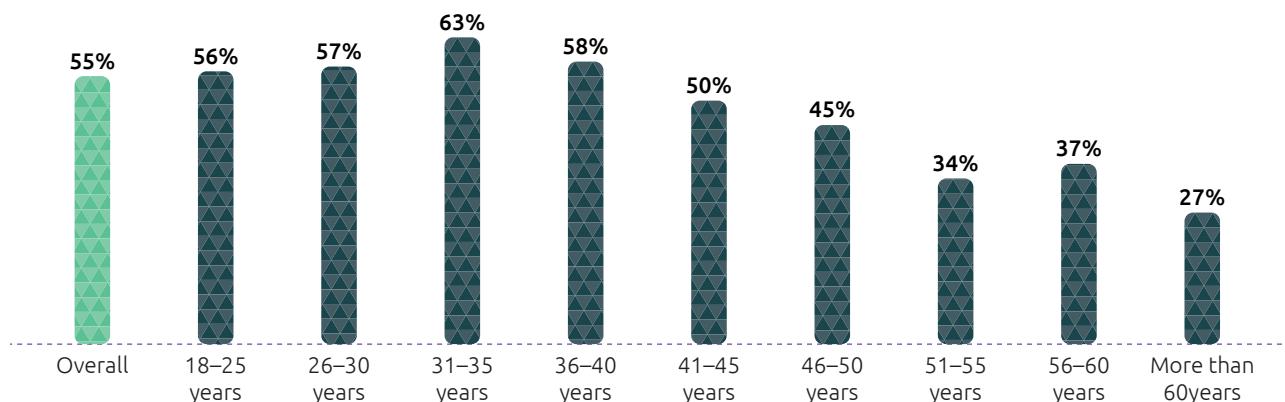
Have organizations effectively managed the shift to remote work?

Remote employee burnout is on the rise

As Figure 3 shows, more than half (55%) of employees feel burned out due to longer working hours in a remote environment. Moreover, 61% of employees aged 31–40 say that they feel burned out due to longer working hours in remote work.

Figure 3: Employees in the 31-40 age group feel more burned out in a remote environment

I feel burned out due to longer hours in a remote setup



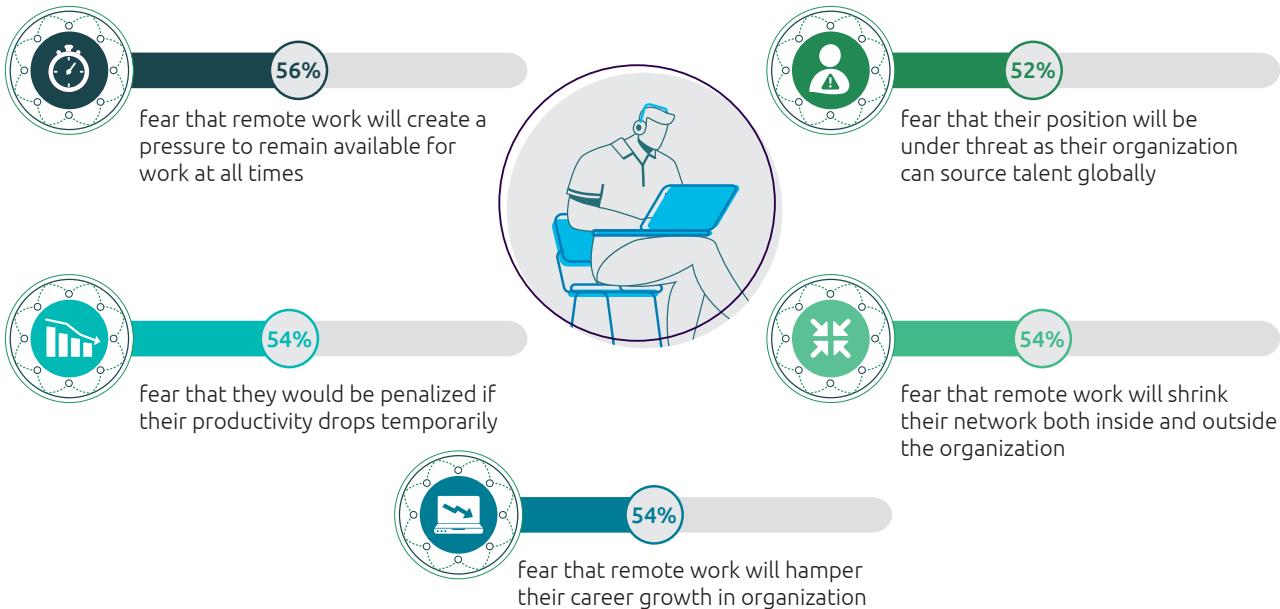
Source: Capgemini Research Institute, Remote workforce survey, September-October 2020, N=5,016 employees.

Employees are anxious about sustained remote work

Our survey also shows that employees feel significant apprehension about long-term remote work, which impacts their engagement, satisfaction and productivity (see Figure 4). For example, 56% fear the stresses and demands of being “always on.”

Figure 4: Constant pressure to be available at all times, and adverse impact on career growth and network are some of the fears employees have about remote work

Employee fears about remote working



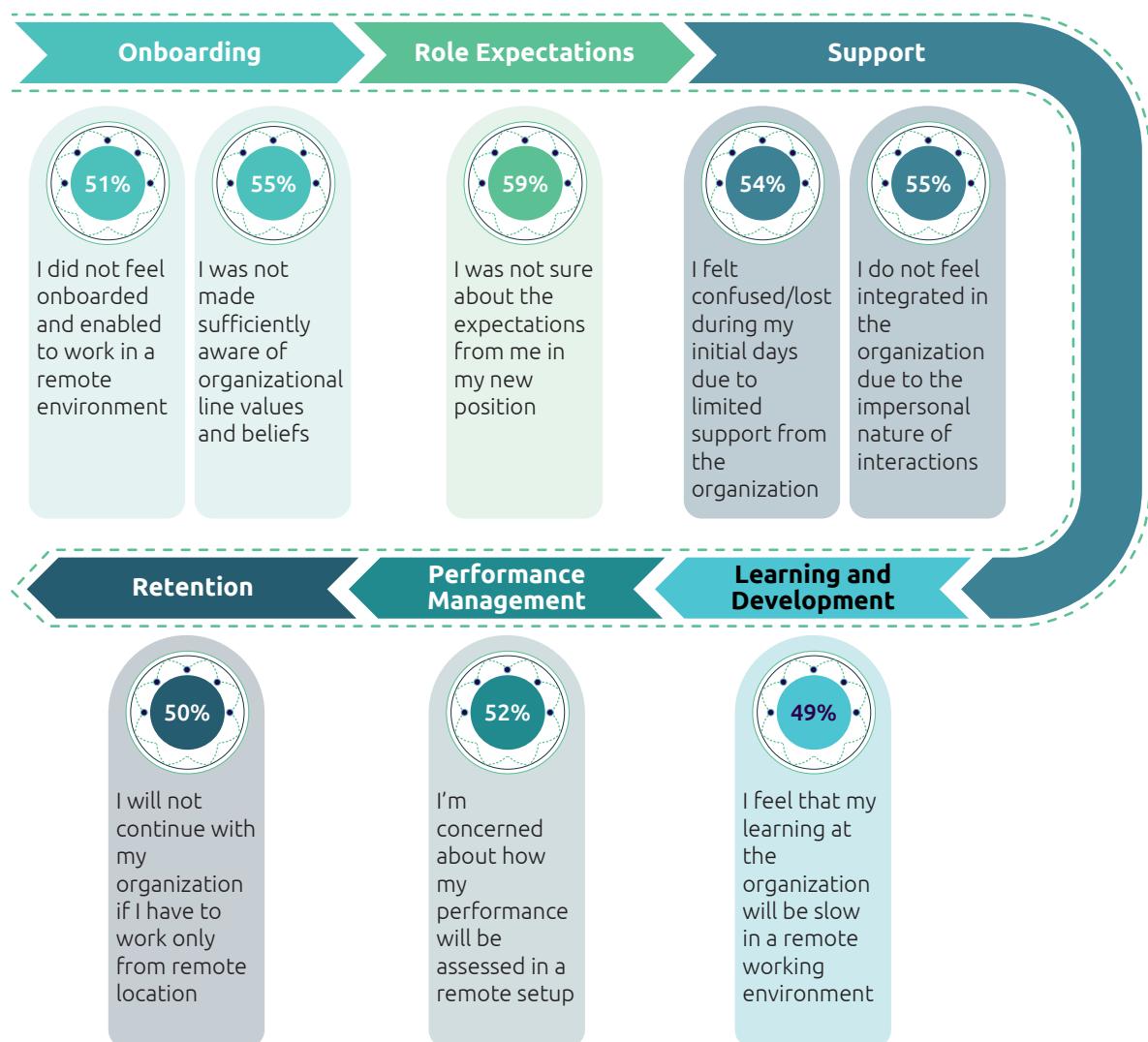
Source: Capgemini Research Institute, Remote workforce survey, September–October 2020, N=5,016 employees.

A feeling of disconnection is also a significant issue. For example, 56% feel disconnected from their organization due to remote working.

Half of new joiners would quit if remote working were the only option

In our employee survey, we tried to understand the experience of remote working in a new organization during the pandemic among new joiners. As Figure 5 shows, we found significant issues. For example, 50% of these new joiners say that they would not continue with the organization if they had to work only from a remote location.

Figure 5: New joiners feel lost and not integrated with the team in a remote setup



Source: Capgemini Research Institute, Remote workforce survey, September-October 2020, N=500 organizations, N=327 new joiners.

Beyond remote: Recommendations for shifting to a hybrid workforce future

The fully remote model that we have seen in recent months has delivered mixed results. It means that organizations will need to find the right operating model for a hybrid approach. This is not the same as imposing a virtual layer over the existing organization. Before leaders settle on one operating model, they need to test and iterate to determine the right fit for various functions. Leading organizations will create a prototype of a virtual organization, a minimum viable organization (MVO), where core components and characteristics of the future organizational model for each function are tested and optimized under real conditions.

Below we recommend a few considerations to establish the right operating model in a hybrid working world:

Figure 6: Key recommendations for a new hybrid working paradigm

A new “hybrid” working paradigm



Source: Capgemini Research Institute Analysis

**For details on the research methodology and to read the full report, please visit:
<https://www.capgemini.com/research/the-future-of-work/>**

THE FLUID WORKFORCE REVOLUTION: HOW A BLENDED WORKFORCE STRATEGY IS KEY TO SUCCESS IN THE AGE OF AI AND AUTOMATION

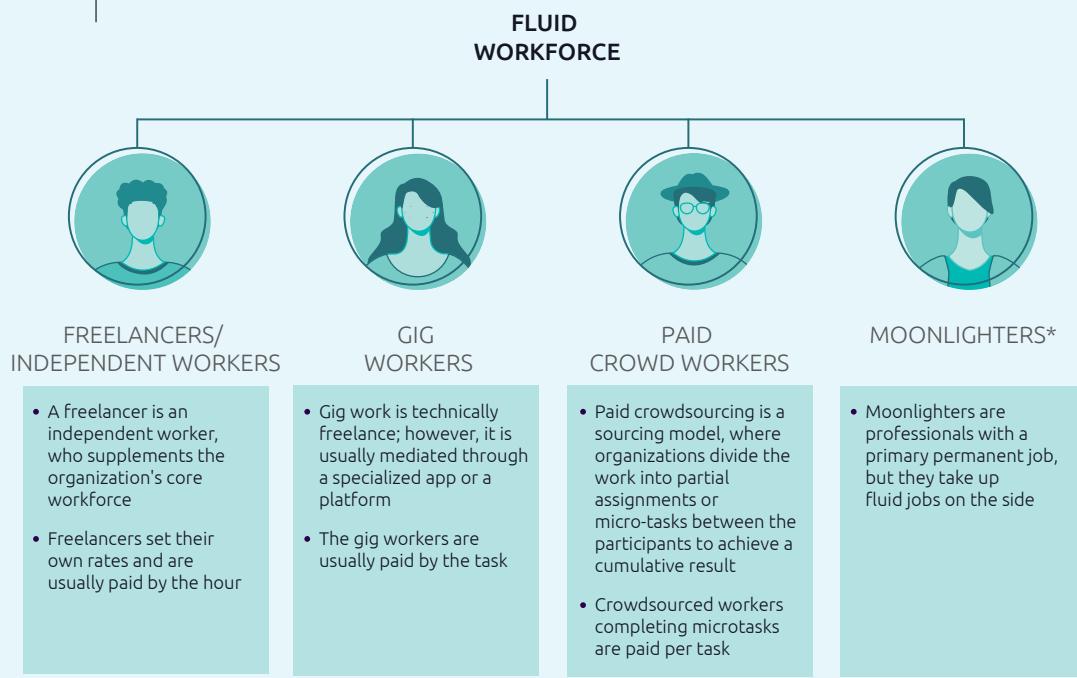
Rapid digital transformation and a volatile business environment has brought a sea change in the way organizations view talent. This is especially true in the way the workforce is orchestrated, with independent workers, freelancers, gig, and crowdsourced workers becoming increasingly important. We call this population the *fluid workforce*.

To understand the impact of fluid workforce on organizations, we conducted a survey of 500 executives from organizations using a fluid workforce across different sectors and countries, 4,000 fluid workers holding full-time and part-time fluid jobs in different sectors, and nearly 1,000 permanent employees. We supplemented it with a survey of 250 executives in the May 2020 to understand the impact of COVID-19 on fluid workforce. In addition, we also conducted one-on-one interviews with executives engaging with a fluid workforce.

Defining the fluid workforce

We define the fluid workforce as freelancers, independent, gig, or paid-crowdsourced workers. In other words, individuals who work on a temporary basis with organizations (either full time or part time) and are not on any employer's payroll. In this research, we do not include subcontractors from outsourcing or consulting organizations (see Figure 1).

Figure 1: Defining the fluid workforce



FLUID WORKFORCE	PERMANENT EMPLOYEES
Nature of contract	Temporary
Type of engagement	Not on the payroll
Regulations	Employment rights and labor laws are currently evolving; varies by country
Benefits	Limited/No benefits (insurance, gratuity, allowances, etc.)
	Structured employment rights and labor laws
	Benefits such as insurance, gratuity, stock-options, bonus, etc.

Source: Capgemini Research Institute.

Fluid workers are becoming a core part of the organizational workforce

Our research suggests that organizations have started to see the fluid workforce as a top talent acquisition strategy and not just a short-term skills procurement. Around 68% of the organizations we surveyed say that the fluid workforce has become a crucial part of workforce planning.

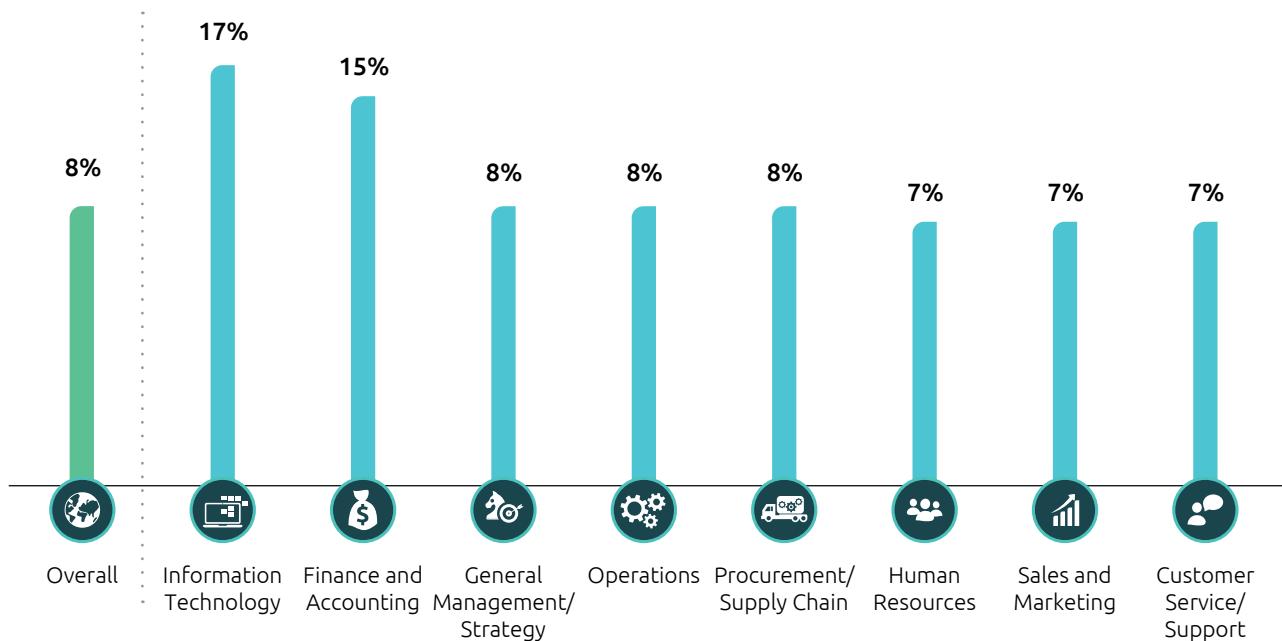
The fluid workforce approach is mainstream, with four in five organizations using it

Nearly 80% of the organizations surveyed say that they have used a fluid workforce over the past year. More than one in two organizations say that the number of fluid workers have increased in that period. Overall 70% of all organizations agreed that the current COVID-19 crisis will lead them to hire more fluid workers in the future.

Furthermore, around half of the organizations utilizing a fluid workforce have resorted to them for projects where the specific expertise needed is beyond the capabilities of the existing workforce or where they are unable to find the right talent within the local talent pools.

As Figure 2 shows, the fluid workforce constitutes about 8% of the total workforce in organizations (among the ones who use them). At a functional level, IT is the most enthusiastic adopter (17%), followed by finance and accounting (15%). The demand for new-age skillsets, such as AI/ML/blockchain specialists in IT, and data scientists and transformation experts in finance, are driving the use of the fluid workforce.

Figure 2: Fluid workforce as a % of workforce in functions



Source: Capgemini Research Institute Fluid Workforce Research, December 2019, N=389 organizations using fluid workers in the last year.

We estimate that large organizations will deploy nearly 80 million fluid workers in six priority sectors - six major sectors – automotive, retail, consumer products goods, financial services, utilities, and the public sector – representing an increase of 40% from 2019.

Organizations are plugging critical expertise gaps by using fluid workers in high-skilled roles

Organizations use fluid workers in a variety of high-skilled job roles across functional areas

Organizations use fluid workers in a range of high-skilled roles across functions, and majority of these roles are being delivered remotely. For instance, of the organizations using a fluid workforce in IT:

- 59% use it for AI/ML-related roles
- 56% use it for agile coaching
- 50% use it to fill blockchain specialist roles.

Also, many organizations rely on fluid workers to boost experimentation and innovation.

COVID-19 further drives the demand for mid-to-high skilled fluid workforce

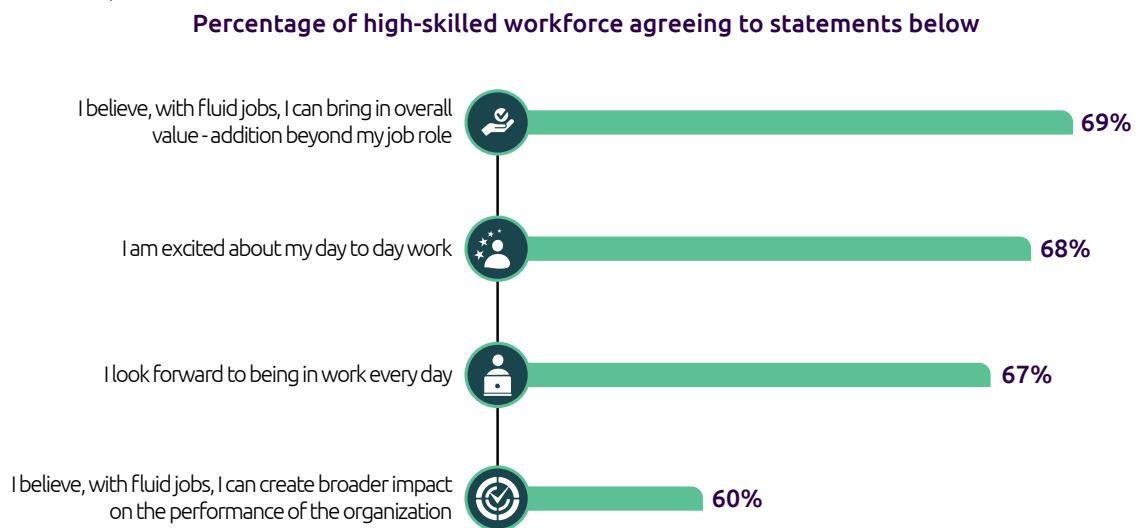
Fifty seven percent of the organizations who are planning to continue using or increase using fluid workforce in the next 12 months, will prefer to use them in mid-to-high skilled roles. They also plan to expand usage of fluid workforce beyond IT and finance and accounting functions to include a wider range.

High-skilled fluid workforce favor roles that match their skills and offer flexibility; and they find a sense of purpose in fluid roles

When asked about the reasons for preferring fluid work over permanent roles to high-skilled fluid workers, more than half ranked flexibility in timings or place of work among top three factors.

As Figure 3 shows, about 70% of the high-skilled fluid workforce are excited about their day-to-day work and look forward to being in work every day. Likewise, 69% believe that they bring value-addition beyond their job roles and 60% believe that they can create a broader impact on the performance of the organization. Organizations agree, with 72% satisfied with the “self-motivation” levels of fluid workers.

Figure 3: Extent of motivation and satisfaction: Fluid workforce performing high-skilled job roles



Source: Capgemini Research Institute Fluid Workforce Research, December 2019, N=3,139 Fluid workforce who have taken up high-skilled jobs.

Organizations fail to provide an experience endearing to the fluid workforce

This research also finds out that currently crucial gaps exist throughout the fluid workforce lifecycle – from recruitment, onboarding, to learning, performance management and catering to sense of belongingness – and this does not match up with the experience they provide to permanent employees today.

Organizations have concerns about data security and intellectual property, but they are not managing these concerns in collaboration with fluid workers

More than 70% of the organizations are concerned that a fluid workforce poses a risk to information security. But many organizations currently lag in adequately sensitizing the fluid workforce on data and cybersecurity issues. Nearly half of fluid workers say that they have never received data or cybersecurity training from their client organizations.

Just providing briefings about organizational culture and values is not enough – many fluid workers struggle to fit into the culture and feel left out

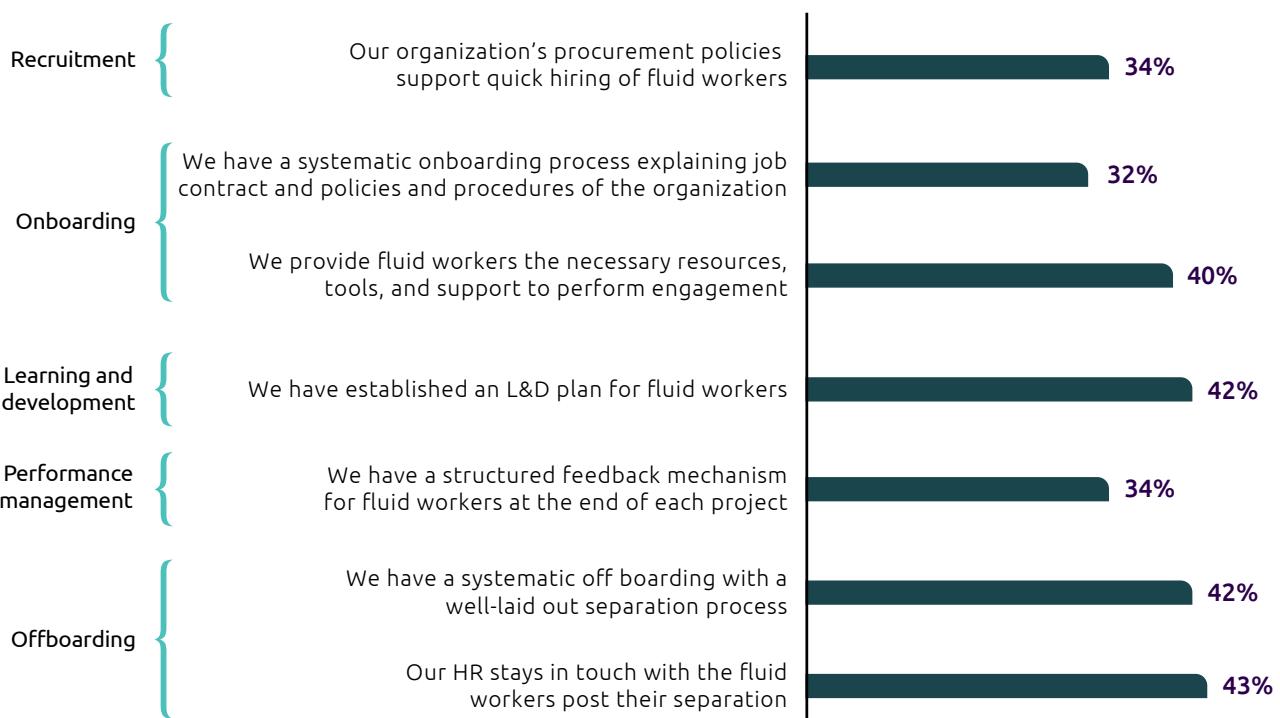
More than three-quarters of organizations agree that they brief the fluid workforce on their organization's culture and values. However, more than half of the fluid workers find "not being considered as a part of a team" as challenging.

Similarly, only 43% of fluid workers said that any new ideas that they provide are encouraged by their managers and organizations, while 68% of permanent employees feel they are encouraged to share ideas.

Organizational process gaps exist throughout – from recruitment to offboarding

There are several areas, from recruitment to offboarding, where organizations do not have a robust approach in place. For example, only 34% of organizations feel strongly that their procurement policies for hiring fluid workers are quick and agile (see Figure 4).

Figure 4: Percentage of organizations with a highly developed approach for key processes (respondents who rate 6 or 7 (out of 7) to the following statements)



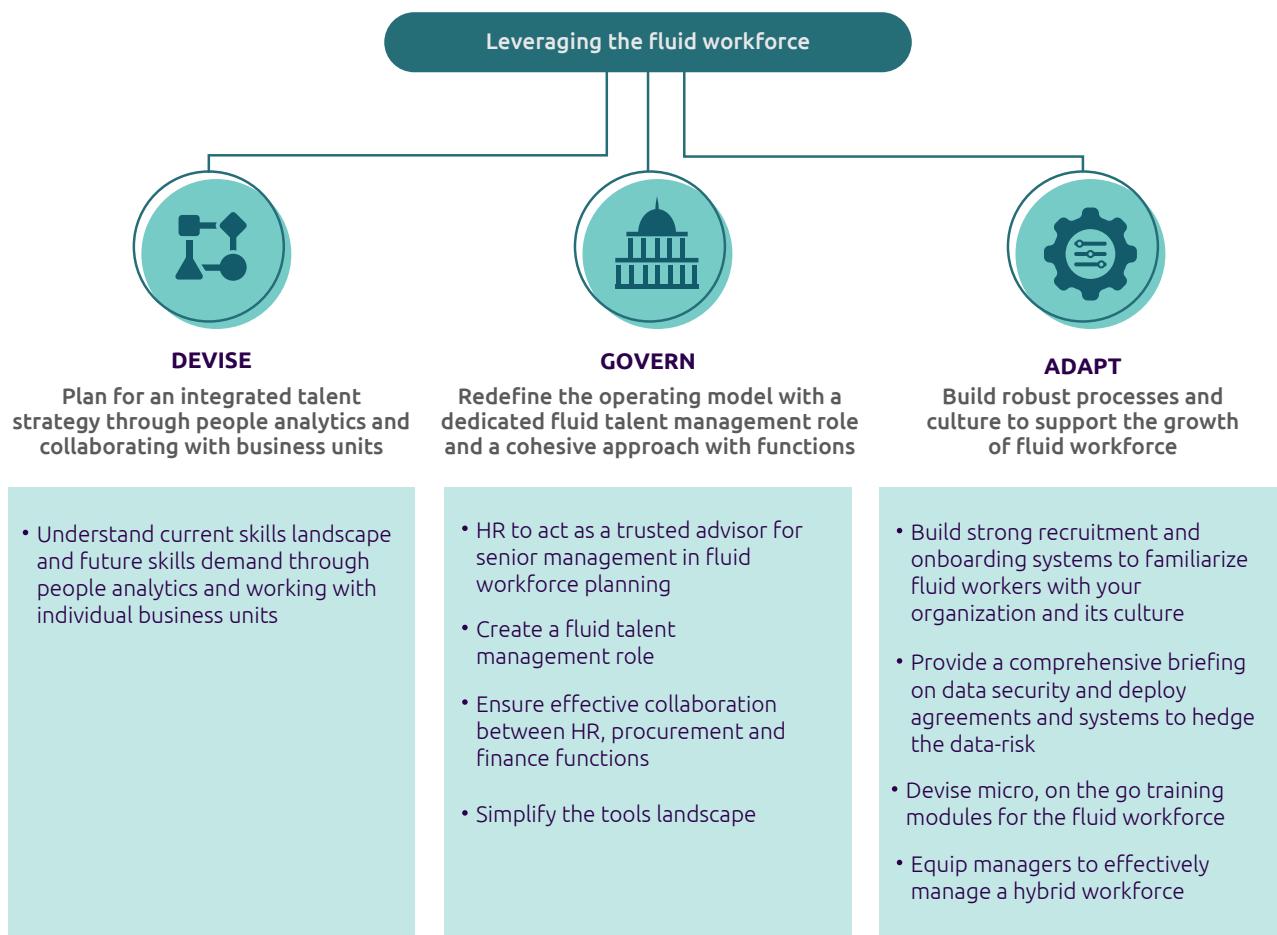
Source: Capgemini Research Institute Fluid Workforce Research, December 2019, N=389 organizations using fluid workers in the last year.

The journey to the future of work: a roadmap to a blended workforce

We identified a high-performing group of organizations who are leading the way in tapping the potential of fluid workforce. These front runners are organizations that are using fluid workers in variety of roles and are also generating significant benefits from their fluid approach.

Based on that analysis, below are our recommendations for organizations looking to leverage the value of an integrated workforce:

Figure 5: A roadmap to successfully leverage the blended workforce



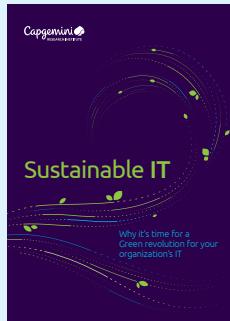
Source: Capgemini Research Institute

For details on the research methodology and to read the full report, please visit:
<https://www.capgemini.com/research/fluid-workforce/>

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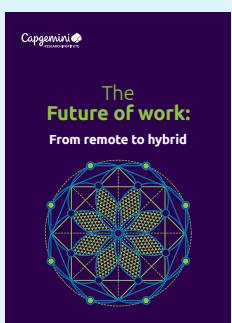
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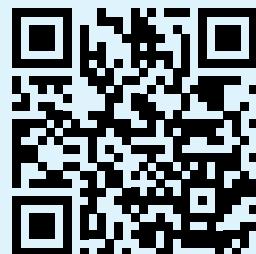
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The image shows a large, multi-story office building at night. The facade is composed of a grid of windows, many of which are lit from within, revealing office interiors with desks, chairs, and computer monitors. The building has a modern architectural style with a dark frame around the windows. The overall scene is a dense, repetitive pattern of light and shadow.

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