Viewpoints

Q & A

Work trend: Traditional jobs give way to discrete, dispersed tasks

Human Capital Framework: Part III

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Part I of this series — *The* New *Human Capital Framework* — covers the importance of linking human capital strategies and programs with business goals.

In **Part II** of this series — *Total Rewards Today: More Holistic, More Strongly Linked to Business Strategy* — we examine how the total rewards model is evolving.

This article is the third in a five-part series on Willis Towers Watson's human capital framework. In this discussion, our talent and reward experts discuss how the nature of work is changing, and how employers' human capital strategies must evolve to enable their organizations to maximize the opportunities and minimize the risks associated with those changes.

Q **Hathaway: What are the most recent evolutionary changes in the nature of work, and what do those changes mean for employers, workers and employment?**

A **Jesuthasan:** In a nutshell, traditional employment is no longer the singular model through which organizations get work done. Components of work, or tasks, have gone from being primarily grouped to comprise internal jobs to being increasingly separated and, often, assigned to workers dispersed outside the organization.

In many industries, employers can tap the best talent, regardless of where they're physically located, and when and where the work must be done. Talent platforms such as TopCoder and Upwork allow employers to move away from primarily filling jobs and toward sourcing talent as needed for discrete work components. These platforms enable employers to match specific tasks with the unique expertise and experiences of millions of full- and part-time free agents.

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Technology has become the enabler of this trend and other changes in the nature of work. It continues to reduce the wages and skill premiums of many jobs, while bringing many more people into the job market albeit at much lower wages. For example, take Uber and its impact on taxis in London. What for many decades had been a job — one that required about four years for full proficiency and that historically generated middle-class wages — can now be done by anyone with a car and smartphone, though without any revenue assurance.

In the same vein, employers now have access to the people they need, but often hire them only to handle specific work components rather than to fill positions. In light of this trend, employers must adapt by somewhat letting go of the strictly job-oriented human capital model. Tomorrow's winning organizations will be those whose models allow them to seamlessly traverse many emerging options for getting work done, and that understand when, where and how they should assign work components to meet their business needs.

Q **Hathaway:** Do you see that trend in the realm of professional-level jobs?

A **Jesuthasan:** Very much so. Highly skilled workers — whether they're software developers, creative talent or physicians — are finding that working on a talent platform, as an alternative or a complement to a more traditional employment relationship, gives them limitless opportunities for increasing their income, improving their work/life balance, accelerating their skill development and growing in their profession. So a doctor in Australia who reads x-rays for 90 minutes each evening is paid for that specific task for that period of time, as opposed to or in addition to holding a hospital job.

The most dramatic changes in the nature of work are happening at the two ends of the talent continuum — where specific skills have traditionally had huge premiums that are being eroded by advances in technology.

Drawhorn: Some employers don't recognize the opportunities available today to separate and disperse work components. They're not taking a step back and looking at work from a holistic human capital perspective. They should be thinking: "There could be many ways we can get various types of work done while also getting better outcomes in terms of speed, cost and risk."

Employee value proposition (EVP): the employment deal that defines what an employer expects from its employees and what it provides in return

Q **Hathaway:** When an organization begins to think that way, how should it approach separating the work components and considering options for getting the work done?

A **Drawhorn:** Developing the right type of human capital strategy involves first defining work components — that is, the pieces of work that must be done to create competitive advantage — and then assessing the organization's capabilities to get that work done.

Then you're ready to identify the other ways — the best ways — to get the work done. Should you use employees in defined roles or use contractors and other free agents for specific tasks? Should you create some type of alliance with an external labor source? If you will use employees, in which roles should those workers serve? How do you fill the roles, and how do you organize them so employees can work together effectively? Then, how do you govern those roles? And what do you pay; what's the cost?

When you start separating discrete work components rather than organizing them into jobs, the premiums for some skills can actually drop. For instance, if you separate work into its component parts and then distribute those parts worldwide — assigning each part to the most cost-efficient labor source — you can cut costs overall and have more work done. Such an approach might require you to completely rethink your human capital strategy, as it affects every element of the strategy.

Q Hathaway: So it starts with the human capital strategy, rather than the work itself?

A Drawhorn: Actually, the work that must be done informs the creation of the human capital strategy. First, the organization's leaders should ask themselves, "What must the organization achieve, and what work must be done to meet those goals?" Unless you start with the business goals and the necessary work, you really could arrive at a suboptimal solution. If you start with the talent or the jobs, you could end up perpetuating a very high-cost, high-risk structure without gaining the very organizational capability you need.

Q Hathaway: How does this trend affect employees? With employers taking this approach, what's the effect on the employee value proposition (EVP)?

A Sejen: An EVP has four components: purpose, people, work and total rewards. Historically, employers have oriented their EVPs to full- and part-time employees in traditionally defined jobs. So the trend of separating jobs into tasks and dispersing those tasks among internal and external resources raises questions about how to engage workers who aren't employees of the organization.

For example, consider the purpose component of the EVP — which includes the organization's mission, vision and values. The prospect of advancing an organization's mission might be attractive to many current and prospective employees. If an external resource is completing tasks, how can the employer engage that worker in the mission?

Here's another example: The work component of the EVP encompasses job content, the work environment and the resources needed to fulfill job responsibilities. If you break jobs into their work components, or tasks, and have them completed by various resources, there's a clear impact on the work element of the EVP. Specifically, when the employer plans job content, there are questions about organizing and structuring jobs: How do we define work? How do we articulate performance goals and objectives? What are the desired competencies for each job, and how do we design jobs that will facilitate work/life balance? In an organization with predominantly traditional jobs, the answers to these questions will differ significantly from the answers in an organization in which work components have been disaggregated.

The trend of disaggregating and dispersing work components also affects the work environment. Many employees no longer need to be in the office. Though employees in production environments must physically be on the manufacturing line, today's knowledge workers can be anywhere. That's significantly affecting the employment deal.

As for the tools and resources needed to fulfill responsibilities: If work tasks are being done by external resources, the employer might need more sophisticated tools to communicate with those workers about expectations and to track the quantity and quality of work being done. Likewise, the manager's role takes on different characteristics when he's managing tasks versus full- or part-time employees.

Q Hathaway: When an employer goes about defining job content, organizing jobs and communicating with employees about their jobs and their work, what's most important for both the organization and the employees?

A McAndrew: In today's world, it's very challenging for an employee to navigate his career and get clarity on what it means to be a high performer in his job. At the same time, employers must consider the ways in which employee expectations are changing, while determining how to create and structure the jobs the organization will need to meet future business needs.

A good starting point is for leaders to think about their employees as consumers. Employees want experiences, not just jobs. That requires an EVP that enables workers to have more than just jobs — an EVP that promises and delivers tangible and intangible benefits to employees.

As for communicating with employees: First, clearly explain the organization's career architecture. This will help you manage employees' expectations, and will show them the various career journeys they can take and experiences they can have. It's about more than just upward movement. Also, explain what employees can do to excel in their job, and what managers can do to motivate them and help them excel.

Keep in mind that work is continually evolving and that employers must keep pace. The full spectrum of the types of workers and jobs includes much more than full-time employees in defined roles. And, very importantly, the challenge of communicating to all parties about jobs and work should be approached from a few angles, so that you can answer a range of questions: How does work get done? How do managers lead employees in doing the work? How do employees get the tools and other resources, including the enabling technology, that they need to do their work? And how do employees determine which steps to take in their careers?

Sejen: In addition, it's important to clearly define and organize the work and the opportunities before you explain them to current and prospective employees. We know from our Global Workforce Study that career advancement is among the top drivers of both attraction and retention. Challenging work is another top driver of attraction. And three of the top drivers of sustainable engagement are about work, including performance goals and objectives.

Have you defined roles so as to present employees with significant challenges? Have you organized jobs in ways that allow employees to advance? Have you identified target performance goals for each role? Work/life balance is also important. Have you defined and organized the work in a way that fosters an appropriate balance between employees' work and personal lives?

Lastly, think about empowerment. Employees must feel supported and empowered to get their work done. This is really crucial to the organization's success.

Q **Hathaway: Let's talk more about the communication element. With organizations becoming more and more complex and global, and with the nature of work continually changing, employers are challenged to clearly communicate about the work, the roles and the opportunities. What practical steps can they take to help employees understand their current roles and the opportunities?**

A **McAndrew:** Employers can provide tools and other resources that help employees understand their career options, and that enable their development and career advancement. As the separation and disbursement of work components become more commonplace, those tools and resources must be sufficiently flexible to accommodate all types of employer-employee relationships — not just the traditional ones we see today. That's one area where employers can focus now.

Also, to truly optimize the way work gets done, while maximizing attraction and employee engagement, an employer must really be on top of its employee engagement game. Attracting the best talent to execute work that strengthens your competitive advantage requires being open to using alternative labor sources, such as freelancers. And even with freelancers and other contract workers, you must think about their engagement while they're on work assignments for your organization. And let's not forget that you must attract them to the assignment in the first place.

No matter the nature of its various employment relationships, an organization won't achieve its full potential without engaging all of the people who are working on its behalf. For internal employees, this requires tools that help them navigate through the experiences that develop their capabilities, as well as roles that continue to grow and stretch those capabilities.

In interviews and focus groups with employees around the world, I hear over and over again that though employees are very positive about their company's overall mission, brand and values, they're very frustrated because they can't get work done fast enough. The available tools really slow them down. We see this particularly when people move from a Silicon Valley company or a start-up to a more established organization. They're excited to join, but as they delve into the work, the slowdown in getting work done and the slowness to innovate become points of frustration and pain.

Hathaway: So removing some of those obstacles and trying to speed things up are important.

Drawhorn: There's another opportunity here for many employers. In the U.S. particularly, the improving economy is leading more and more late-career workers to seriously consider retiring, so employers face the risk of losing a huge workforce segment. With this risk as backdrop, many U.S. organizations are focused on job-knowledge transfer. But some see the situation as an opportunity to redefine internal roles and separate work into its component parts in order to get it done more efficiently.

Q **Hathaway: That's a good point. And, as we've mentioned, there's the challenge of determining first what work must be done for the organization to achieve its strategic objectives, and then what internal roles and outside resources are needed to get that work done. As employers go about defining the internal roles and aligning them with the organization's EVP, what organizing constructs can they use?**

Sejen: Employers need to develop and implement what we call a "reward-and-career framework," and effectively explain it to employees. Such a framework helps leaders identify the work that must be done and the career opportunities for employees who do that work. That framework can then be the foundation of the full portfolio of talent and reward programs.

Historically, as organizations developed their job architecture, employers asked and answered these questions: What should the human capital infrastructure look like? How should we organize jobs? What job functions do we need? What disciplines or job families do we need to meet business goals? And how should those be organized into job levels and career paths?

Today, there are new questions: What's the optimal mix of traditionally defined jobs and discrete work components? How do we value both the jobs and the components? Today's employers need methodologies to help them understand the relative internal and external value of work components, whether those are aggregated to comprise jobs or separated and dispersed.

First, employers must define the work that needs to be done. Then they can move ahead to determine whether that work can be best done by employees in traditional jobs, by resources assigned to discrete work tasks or by a mix of those approaches.

They must determine the relative value of the jobs and the tasks. They must explain performance expectations to current and prospective employees as well as contingent workers. Employers must also determine how to assess and reward employees' performance, and decide how to handle everything from training and career development to performance management and succession planning. These are areas where solutions such as Willis Towers Watson's Global Grading System and Career Map can really help employers.

Q **Hathaway: How can employers determine whether they've effectively organized work within the organization? What's the measure of success?**

A **Drawhorn:** First, they can look at how their efforts to create the right EVP, jobs and human capital programs affect revenue and profitability. Using the metrics available for some of your programs, you can do statistical analyses to assess the programs' impact on the business metrics.

Second, employers can look at the traditional, quantitative HR metrics that have clear financial and business effects — for example, turnover cost, productivity, the quality and effectiveness of talent, and the accuracy of workforce planning and analytics programs.

Third, to see how HR delivery is perceived in the workforce, employers can look at softer metrics, such as HR customer satisfaction, the quality of human capital program delivery, and the extent and strength of HR strategic business partnership.

Hathaway: It's a very good practice to make sure a measurement plan is in place.

For one of our clients, we recently developed a reward-and-career framework. In the data from their employee engagement survey, we looked at employees' responses about long-term career opportunities within the organization. We also looked at some of the hard facts, including the time to fill job openings and the number of cross-functional and international moves by employees. These data helped us assess the success and effectiveness of the organization's human capital programs.

Sejen: Before you implement any interventions or solutions, it's important to have some baseline information. Where is the organization today, in terms of business performance, the customer experience or any of those employee measures mentioned previously?

And then, what are we trying to improve? Is it revenue growth, profitability or productivity? Are we trying to reduce turnover among high-potential or top-performing employees? Once you've answered such questions, you can assess whether your interventions have moved the needle on the top-priority metrics.

Many clients tell us they understand what they must solve for and have created a plan to address the relevant issues. Then they implement the plan, but don't follow up on the measurement part. Measurement should be routine. To assess the extent to which you're making progress against your goals, measurement is really crucial.

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