



The Future of People Management



Objectives for today's discussion



Highlight the current trends on the labour market



Create an understanding of opportunities and improvement areas for our people



Highlight needed changes in how companies look at the future of work

Several megatrends are massively disrupting the way how, where and what we work



Digitization and technological adaptation will dramatically change our work in the future—some job roles will be eliminated, new job roles emerge



The ever escalating **competition for talent** will intensify as **demographics** play its role and top demanded skills are rare



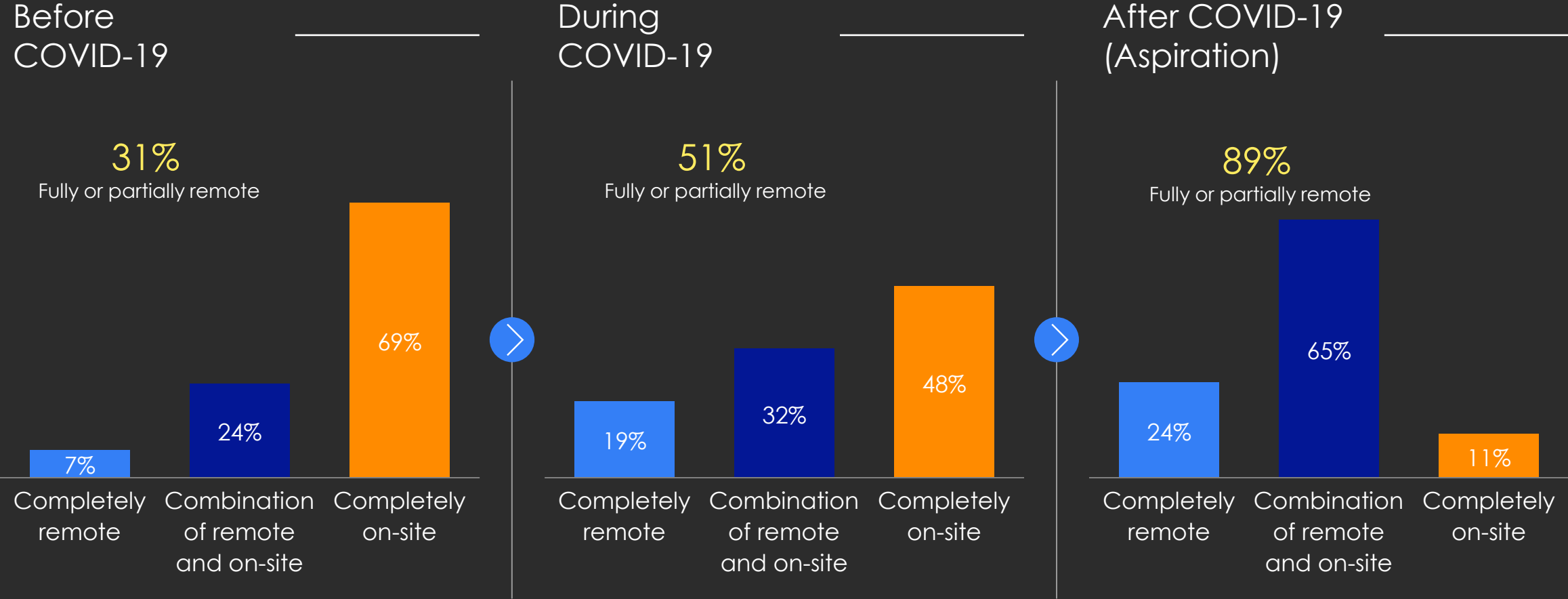
There is a **shift in talents' needs** with a new perspective to the work and workplace, requiring companies to adapt



Sustainability has become a key topic across the organization shaping key HR activities

COVID-19 as key driver to change work models overall

Percentage of respondents who work from home, part or full-time



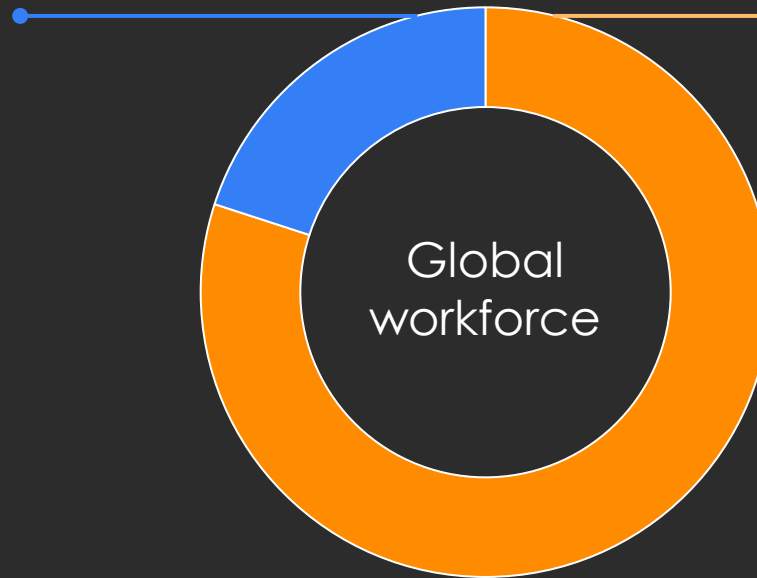
Note: Working model 'after COVID-19' represents desired working model of survey respondents
Source: 2020 BCG/The Network proprietary web survey and analysis.

Do we have the right focus in what we do?

Desk based workers

20–30% global workforce

- Workers able to conduct most of their roles **from anywhere** via digital tool support
- 55% at **risk of leaving** their jobs in next 6 months
- Leaving for more flexibility and WLB (~ 50%), career advancement (~ 40%), and pay (~ 25%)



Deskless workers

70–80% global workforce

- Workers who need to be **physically present** to perform their work
- 37% at **risk of leaving** their jobs in next 6 months
- Leaving for more flexibility and WLB (~ 50%), career advancement (~ 40%), and pay (~ 30%)

Organizations who provide a better future of work for all their workers will attract, grow, and retain their talent while delivering on business needs

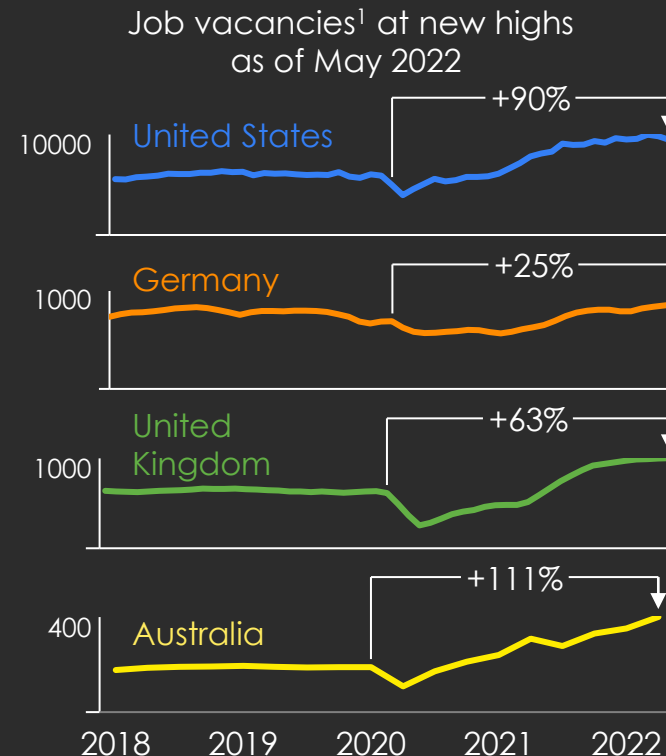
Talent issues continue to linger

Employees are still actively seeking new employment ...

55% Of desk-based workers are **open to considering other positions** within the next year

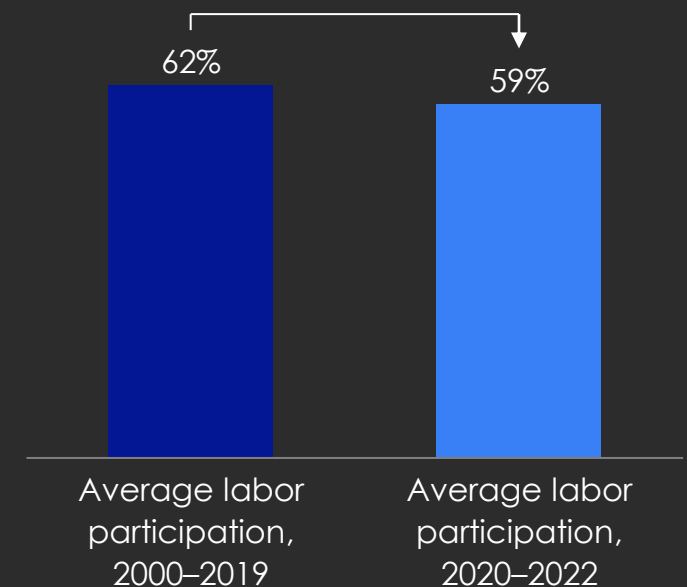
37% Of desk-less workers are **at risk of leaving their jobs** in the next six months

... Across markets, demand for talent continues to increase ...



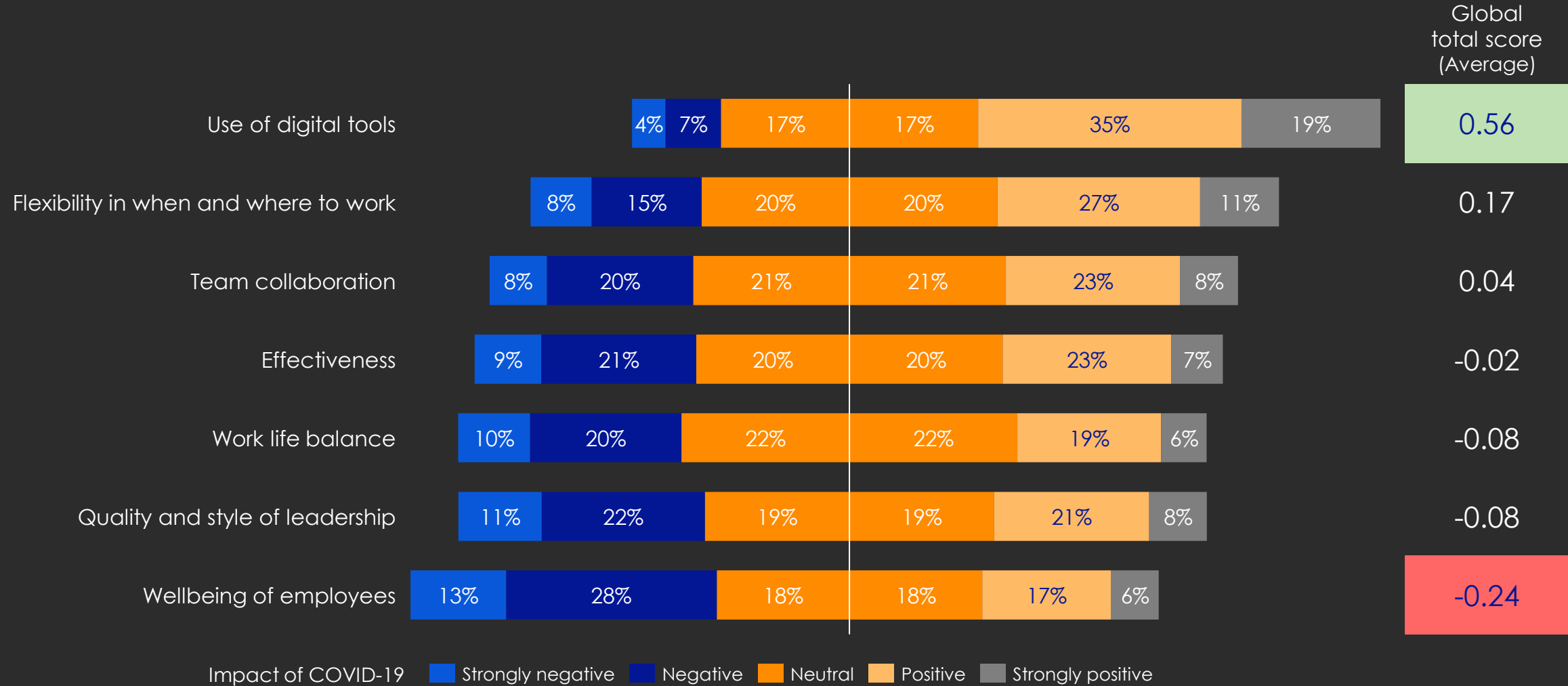
... while there is a reduction in workforce supply

Global labor force participation is 3 pp below the pre-pandemic avg



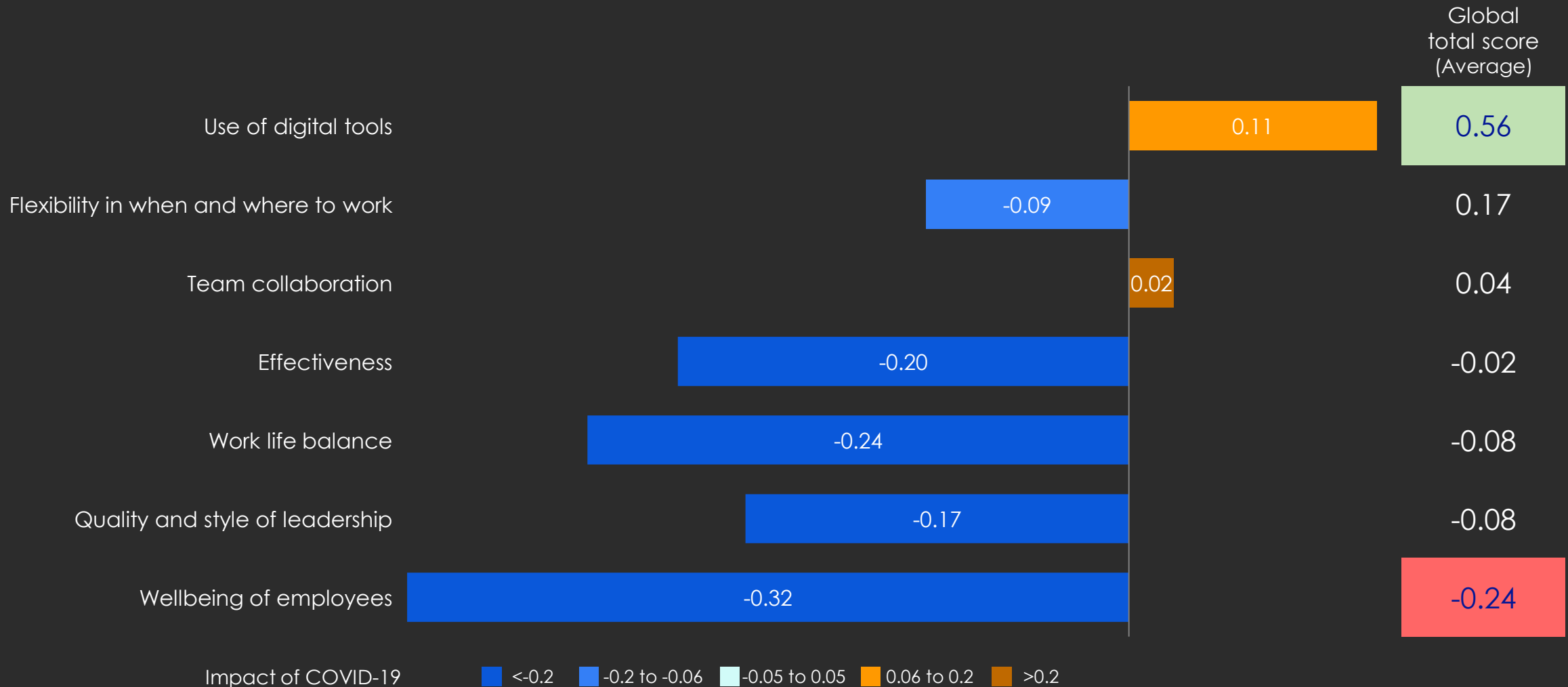
1. Job vacancies refers to jobs that are open and have not been filled at the end of the reporting period. All job vacancy data is in level of thousands; The UK reports monthly data as average of three months, and Australia reports job vacancies quarterly; The US and Germany report on a monthly frequency. Sources: Job switch data from Future Forum Pulse Survey, conducted May 2 – May 16, 2022. Number of respondents = 10,646 knowledge workers across US, Australia, Germany, Japan, France, and the UK; BCG FoW Deskless Worker Survey, March – April 2022 (N=7,105 in the US, Germany, France, UK, Australia, Japan and India; Job openings and labor turnover survey, US BLS data; International Labor Organization, BLS includes non-farm industries; Number of vacancies in the UK, Office for National Statistics; Job vacancies in Germany, Statistics of the Federal Employment Agency; Australian Bureau of Statistics, Job Vacancies, Australia May 2022; BCG analysis

While pandemic's Impact ranges over different areas of work...



Source: Source: Future Forum Pulse, conducted May 2 – May 16, 2022. Number of respondents = 10,646 across U.S., Australia, Germany, Japan, France, and the U.K.); BCG
 Analysis Note: Average score calculated as average of answers ranging from +2 (strongly positive) to -2 (strongly negative)

...the picture looks different for deskless workers



Source: Source: Future Forum Pulse, conducted May 2 – May 16, 2022. Number of respondents = 10,646 across U.S., Australia, Germany, Japan, France, and the U.K.; BCG FoW Deskless Worker Survey, March-April 2022 (N=7,104 in the US, Germany, France, UK, Australia, Japan and India, approximately 1,000 per country); BCG Analysis
 Note: Average score calculated as average of answers ranging from +2 (strongly positive) to -2 (strongly negative)

Employees are leaving – some similar reasons found

55%

Of desk-based workers are open to considering other positions within the next year

Top reasons desk-based workers are leaving:



37%

Of desk-less workers are at risk of leaving their jobs in the next six months

Top reasons deskless workers are leaving:



Sources: BCG Future of Work Deskless Worker Survey, March-April 2022; BCG analysis. Note: 7,104 deskless workers surveyed in Australia, France, Germany, India, Japan, the UK, and the US. Completed responses: men (4,080); women (3,010); caregivers (3,340, which includes 2,400 caring for children and 1,200 for elder care, with some overlap); noncaregivers (3,560); prefer not to say (210). ¹At-risk workers are those who plan to stay about six months (13%); plan to leave within six months (12%); or are undecided (12%). Survey question: "You indicated that you plan to leave your current job within the next six months. Which of the following, if any, are the main factors driving your decision to leave?" Respondents had 22 options to choose from and could select up to three responses.

Talent challenge cannot be addressed with compensation alone

The battle for talent

70%

Of desk-based workers dissatisfied with level of flexibility in their roles are interested in new roles

A call for inclusion

88%

Of Asian American employees, 83% of Black employees and 81% of Hispanic employees prefer flexible work; 83% of working moms now want location flexibility

26%

Increase in sense of belonging at work for black employees as going virtual levels the playing field, but there's still room as their white counterparts score 25% higher on sense of belonging



The great disconnect

63%

Of post-pandemic planning is happening with little to no direct input from employees

66%

Of Executives believe they are being "very transparent" but only 43% of employees agree

32%

Higher satisfaction among executives compared to non-executives

37%

Of employees who state their company leadership is not transparent regarding future remote working policies plan to look for a new job

Source: Future Forum Pulse Survey, conducted May 2 – May 16, 2022. Number of respondents = 10,646 knowledge workers across US, Australia, Germany, Japan, France, and the UK; BCG FoW Deskless Worker Survey, March – April 2022 (N=7,105 in the US, Germany, France, UK, Australia, Japan and India; Gallup, State of the American Workplace 2020, "The Competitive Advantage of Engaging Employees", p. 68

And getting it right unlocks real business value

Top quartile Employee Experience delivers ...

Business outcomes

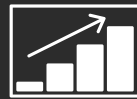
People outcomes

Safety outcomes



+10%

In customer metrics



+21%

In Profitability



+17%

In Productivity



+25%

In employee turnover



-41%

In employee absenteeism



-70%

In safety incidents

When designing the “Future of Work” we need to think holistically.

How we work

Embrace disruption

1.1 Customer Relationships

Rethink personalized relationships
Remove friction; create convenience
Build virtual go-to-market methods
Manage engagement across all channels

1.2 Work Models

Desk-based: create flexibility within a framework for remote, hybrid, onsite
Desk-less: Redefine labor strategy and potential for flexibility in time & place
Optimize for productivity & talent needs

1.3 Ways of Working

Prioritize what matters; remove waste
Embrace agile, iterative teaming
Foster virtual, hybrid, synchronous & asynchronous collaboration
Digitize, automate, AI-augment work

How we lead

Empower and inspire

2.1 Generative Leadership

Reimagine businesses to serve all stakeholders—bust false trade offs
Enable leaders for mixed work models
Empower & support the front line

2.2 Purpose-Driven Culture

Reinvigorate purpose—reason to exist
Articulate, activate and embed culture
Build mechanisms to drive affiliation and mentorship in mixed work models

2.3 Societal Impact

Scale employee well-being
Drive diversity, equity and inclusion
Reduce carbon footprint
Ensure compliance (labor laws, tax)

How we organize

Responsive yet resilient

3.1 Adaptive Organizations

Adopt more flexible operating models (platform, agile at scale, fractal orgs)
Update core management processes (QBRs, OKRs, talent marketplaces)

3.2 New & Diverse Talent Models

Adopt skill-based workforce management
Source talent in new ways
Make talent more fluid (gig & flex)
Digitize and AI-enable the talent journey

3.3 Always-on Learning

Co-create solutions and experiment on new ways of working, leading, organizing
Invest in learning & upskilling at scale
Apprentice continuously on the job

What we need

Set the stage

4.1 Employee Value Proposition

Create meaningful employee segmentation
Rethink pay and benefits
Foster growth, development, opportunity
Reimagine career paths and mobility

4.2 Location, Space, Design, Travel

Rethink location strategy, incl. hubs, satellites, co-location, remote only
Right-size real estate footprint
Create safe, smart, right workspaces

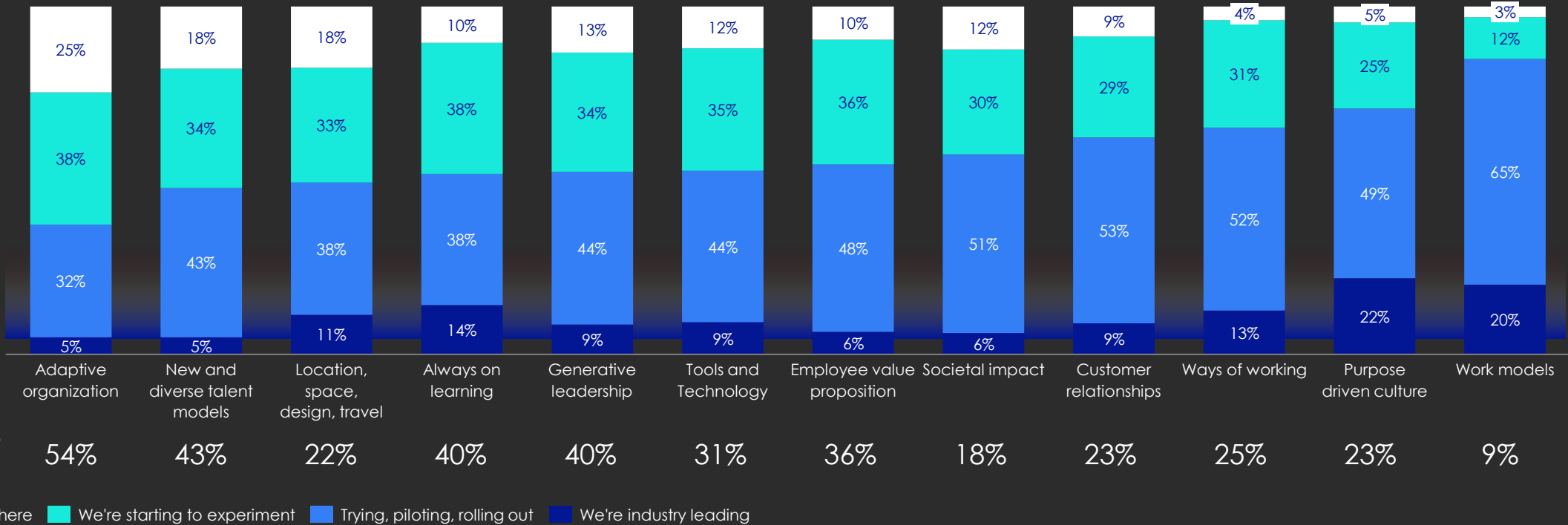
4.3 Tools & Technology

Adopt collaboration and remote tools
Enhance virtual/metaverse/mixed modal experience
Strengthen cybersecurity & data privacy

Most companies are exploring Future of Work efforts, but there is still much more to be done

Future of Work readiness per dimension,
% of responses claiming they pilot or do initiatives in this dimension

Majority of efforts focused exclusively on desk-based workers



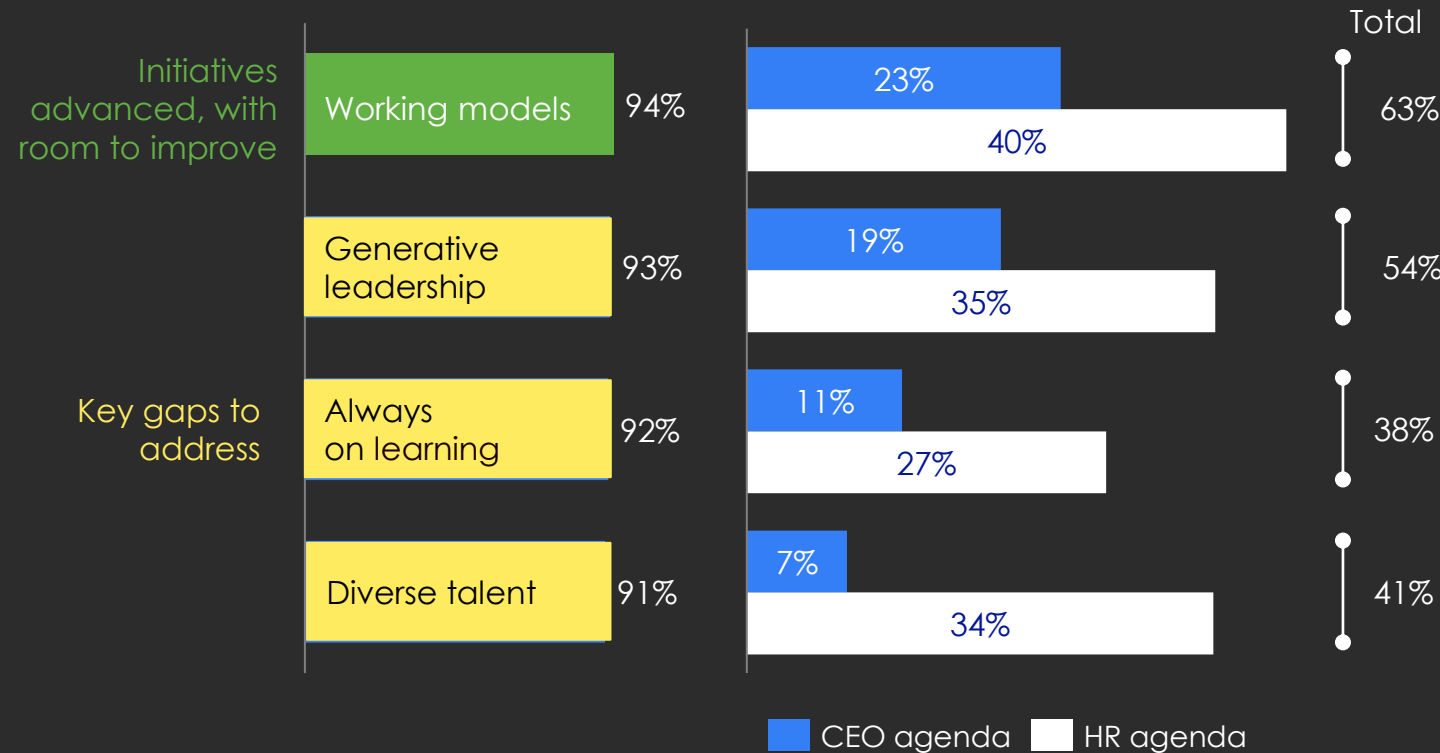
1. % of respondents claiming it's very important or important but have yet to pilot or roll work out
Source: BCG Future of Work Global Employer survey 2022

CEO role is key—senior commitment moves the needle when implementing FoW successfully

The most important efforts lack the CEO commitment needed ...

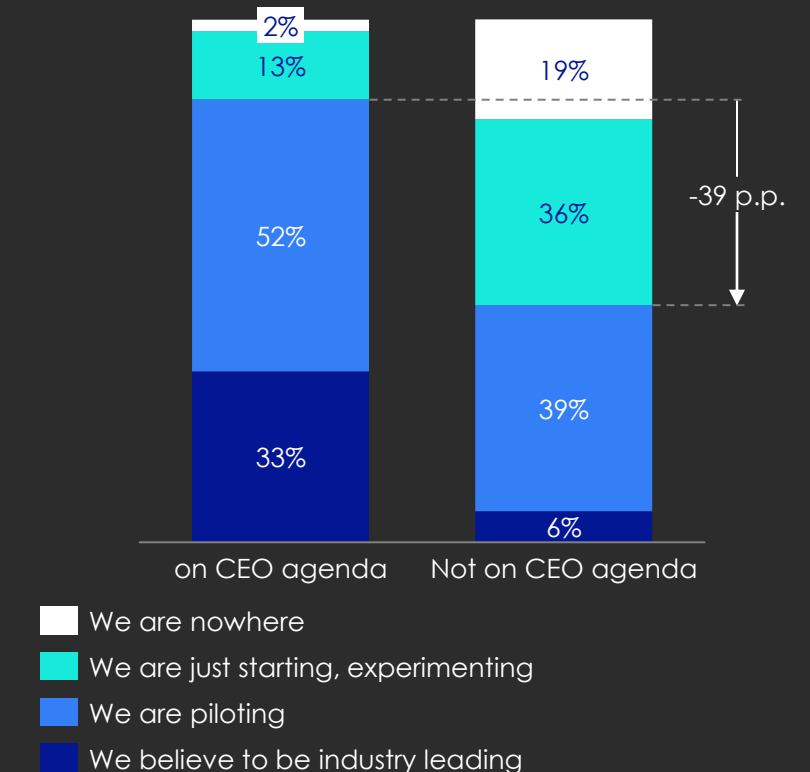
Share of topics ranked as “Very important” or “Important”

Share of topics having C-suite attention and investments



... but CEOs are needed for progress

Readiness of FoW initiatives on—and off—CEO agenda



Source: BCG Future of Work Global Employer survey 2022 (sample representation includes 345 companies and over 7 million employees across more than 45 countries)

Let's shape the future of work!