

CHAPTER 1

Surviving and Thriving in Turbulence

The future depends on what you do today.

—Mahatma Gandhi

Look out! In workplaces across the globe, conventional wisdom is being thrown out the window.

Approaches that were tried and true are being challenged and debunked. Rules that once made sense no longer seem to apply. Everything around us seems to be in flux—from how we conduct ourselves to how companies are functioning.

For example, just 61 companies that were in the Fortune 500 in 1995 were still on the list in 2015. Only 12 percent remained.¹

Products that were staples are going away forever. Good-bye landline telephones, cable television, and personal computers. The music industry has been changed forever by downloads and streaming. While few use single-tasking cameras, more than 20 million photos are uploaded to social media every minute of every day.

Information ricochets around the world in mere seconds. Facts are checked instantaneously. Truth can be uncovered quickly, and fiction can be spread just as quickly. As a result, politics in most countries are in a constant state of upheaval.

It's a strange new world, and all indicators predict it will only get stranger.

TODAY, NOT TOMORROW

The future of work is not tomorrow. The future of work is today!

In our work with business leaders and teams around the world, we see too many companies missing out—still operating according to twentieth-century mind-sets, practices, and technologies.

We also see the careers of too many gifted individuals needlessly stalled, and ended, because of ignorance or fearful resistance.

It doesn't have to be this way. We want you, your career, and your company to be future-proof. That's why we're sharing our perspectives with you and your teams.

There are plenty of writers who give their predictions for the future, and we enjoy many of those books and articles. But this book deliberately avoids the crystal ball. Instead we offer pragmatic business solutions based on our research and experience. Solutions you can, and should, implement today.

The drivers of change in the workplace are hiding in plain sight. We want to challenge your thinking by exploring six factors, because the way we think about tomorrow influences what we do today.

WAVES OF CHANGE

There are three waves of change that test the limits of human convention and create havoc—and opportunity—in the workplace:

1. Digital technology—the increasing ability to create new ways of doing things.

2. Demographics—the changing mix of, and interaction among, people.
3. Globalization—people’s ability to do business in a shrinking world.

These waves of change are having a profound impact on how society, politics, business relationships, and innovation are shaping the twenty-first century. The ways we created strategy, managed people, and built organizations no longer apply.

As a result, power is shifting in ways that make many uncomfortable, others exhilarated, and leave some just shaking their heads wishing for the calmer waters of the “good old days.” Of course, change has been wreaking havoc on the status quo since the beginning of mankind. What’s new today is the pace of change.

New technology and globalization, in the broadest sense, have always been around. It’s the pace and reach of change that are transforming everything we do in business. Think about how the automobile changed not only transportation but how, when, where, and what people purchased.

Can you imagine life today without electric light? This invention revolutionized commerce, manufacturing, and almost every industry.

In their time, just over 100 years ago, these examples were seismic shifts for people. The changes created new business opportunities overnight while destroying other industries. They disrupted whole industries, shifted the skills required for workers, and changed the work environment forever.

And let’s be frank, there will be winners and losers, as there always have been as the world spins into the future.

DIGITIZATION AND CHANGE

Last night, while you were sleeping, white collar jobs were being replaced—by computer algorithms.

In the financial sector, software can analyze data, reveal trends, and pose probabilities faster than a human analyst can open a spreadsheet. We are able to mine data for predictions that we could never see previously. This analysis enables us to debunk myths and see new solutions to problems that we could not comprehend before.

These insights will change how we practice medicine, how insurance is sold, and how we transport ourselves to work—or stay home to work.

Today's 3D printers can create almost anything we can imagine. And our cars want to drive themselves! Robots and artificial intelligence are taking over tasks humans once did. In fact, one hotel in Japan is staffed by robots, with only a skeleton crew of humans.

But the new discoveries of the twenty-first century are only just beginning to be realized. A 2014 survey of executives by Forrester/Russell Reynolds cited that over 75 percent of those in the finance, health care, and government sectors believe that their business will be significantly disrupted in the next 12 months.

In the past few years we've seen Netflix go from darling to dumpster—twice! You can bet its executives, and every other media company, is looking to analytics to tailor content by region and by user in order to ride the wave of the future.

A “me too” strategy is not a strategy. If you're copying a business model, you're building in obsolescence and extinction.

Established corporations known as manufacturers, like General Electric, are working to reposition themselves as tech companies. GE is moving its headquarters to Boston, a decision we believe is intended to move the company closer to innovation hubs like MIT.

NV “Tiger” Tyagarajan, president and CEO at Genpact, LLC, recently shared with us that Genpact does not have corporate headquarters and instead spreads its teams around the world in hubs close to their customers. He also noted that their ability to use robots made communication with customers instantaneous.

Through the robot interface, the customer, sitting in New York, could meet the team—based in Poland—that would work for his organization and understand how its processes would be managed. It is quite revolutionary.

CHANGING DEMOGRAPHICS

Much is written today about the millennial generation. And much of it is derisive: “Millennials don’t want to work hard. They want to be immediately rewarded with big jobs.”

Go back 30 or 40 years and read books and articles about the young people coming into the workforce, and you’ll see the same criticisms and concerns. In fact, the same themes were a part of social commentary 1,000 years ago.

Yes, millennials are different, but every new generation has challenged conventional ways of doing things. And there is one constant: the entry-level generation cannot understand why they are not getting the big jobs in three years. And they have much to say about how things should be done.

Millennials have more sophisticated information tools and are usually more adept at using them in the workplace. In other

words, most have the data and social skills to back up their assertions.

Children today know more because they can discover information much more quickly—and with the right environment, they can use that information to create exciting products and services. Today's 5-year-olds can create items that a 12-year-old could not create 10 years ago, or adults a generation ago.

There always has been, and always will be, generations that challenge the status quo with more knowledge and creative capability than their predecessors. But the new dynamic is how different generations must coexist in larger numbers in the workplace.

Increased health and longevity has a huge impact on the workforce. For many, retirement at the end of a career no longer makes sense, but sabbaticals during careers may.

In the past, people retired at age 65, expecting a lifespan of about 10 more years. Today, many young people can expect to be active and productive for 20 or 30 years past age 65. The 100-year life will be a reality for many. The trend also means there will be many generations at work. This is the first time in history that five generations are in the workplace together.

GLOBALIZATION IS NOW

The ability of more people to move around with easier access to transportation has created huge upheaval in societies. It is hard today to find a truly homogeneous national culture. Even the traditionally insular country of Japan finds itself needing to embrace immigrants from other parts of the world to fuel its economic growth.

Going back to where everyone is “just like us” is not an option. The old days are gone forever—or rather—the perception of the old days.

Humans are explorers by nature. And we’re naturally cautious. Whole societies were set up to ward off onslaughts of others into their tribes. The story here is not just globalization and demographic shifts, but how easy it is for people to move around the world now—whether virtually or in person.

Societies are no longer as homogeneous as they were before, which can create tension in how work is done. This new era of globalization is a business phenomenon that is outpacing societies and outpacing companies.

Talent mobility has increased dramatically and that trend will continue. Once people get the taste of new workplace opportunities, as well as new products and services, they can never go back.

SHOCK AND AWE

Along with change comes disruption. And with disruption comes opportunity. Jobs and companies are going away in the blink of an eye, and start-ups are appearing just as fast. How many cell phones have you had in the past five years? The pace of change is only increasing.

The author Alvin Toffler predicted this in his seminal book, *Future Shock*. The future that Toffler predicted in 1970 is upon us—and has been for many years. He predicted the explosion of information sharing and the disruption of the formalized workplace culture.

Despite the writings of Toffler and other futurists, most people—and most companies—have not stayed ahead of the waves of change.

We have seen through our research, discussions with leaders, best-selling authors, and many of our Fortune 500 clients that the three waves of change are causing the following six factors to emerge. These factors have everything to do with how we deliver goods and services, motivate and engage people, and build relationships to fulfill our shared need for a sense of contribution in our daily lives.

SIX FACTORS OF CHANGE

Here are six factors transforming the workplace from the twentieth to the twenty-first century.

Six Factors	Twentieth Century Attributes	Twenty-First Century Attributes
1. Leadership	Command and control	Flexible, people-focused, shared, values-based
2. Culture	Uniform and not driven into fabric of the organization	Values-driven and embedded into organization decision making and processes
3. Organizing Principles	Mission, vision, shareholder value	Purpose, compelling social impact, customer endearment
4. Relationships	Individualistic, team-focused, and transactional; not concerned with relationships	Interdependent, deliberate, personal, and emotional

5. Diversity and Inclusion	Concentrated power, quotas driven, and program-focused	Recognizing unconscious bias and brain science reality of differences—distributed power
6. Technology	Process improvement focus	Innovation-, data-, and fact-based decisions and digital advancement

These factors require considerable reshaping of fundamentals in any enterprise:

- How you develop people
- How you organize work to deliver value to your customers
- What human relations practices you put into place to advance your workforce

Google, and other forward-thinking companies, have proven that emotional connections are the key to a successful twenty-first-century business. And all six of these factors require a fresh look at the human side of business.

Robots and Artificial Intelligence may demonstrate logic, but they have yet to exhibit heart and emotion (unless you are the Tin Man from *The Wizard of Oz*). They aren't able to display the truly unique aspects of humanness.

We may be in the midst of a digital revolution, but it's the *people* revolution that will determine whether we ride the waves of change or drown.

Let's look at these six factors in a bit more detail.

1. Leadership

More has been written about leadership than probably any other business topic. Search for “leadership books” on Amazon and you’ll get to sort through almost 200,000 results.

Still, for some reason, we often get it wrong.

We’ve seen management in the financial sector ignore technology, choosing to resist computerization with the excuse of not wanting to disrupt their employees. As a result, entire departments, and companies, were wiped out.

In the end, company success boils down to leaders: what they value and how they behave.

While much was espoused about empathic leadership, the twentieth-century leadership style was, and still is, predominantly “command and control.” According to Harry Kraemer, former CEO of Baxter, and professor at Northwestern University’s Kellogg School of Management, only about 20 percent of leaders practice inclusive, people-focused, and values-driven leadership.

Command and control is the default position of leaders when under intense deadlines and profit pressure. While leaders may wish to adopt a different posture, the culture invariably drives them to conform to “the way things are done around here.”

We’ve worked with many executives to help them change their leadership style, but when new ideas are introduced, the cultural “antibodies” drive out the change agents. The inertia is caused by other leaders in the business who don’t walk the talk, and everyone knows it except them!

In the previous century, leadership referred to the C-Suite. But business leadership exists in every department and inside every person.

The twenty-first century demands a shift in leadership to be one of engagement, collaboration, and adaptability. These are also the hallmarks of organizations that can innovate.

Without leaders who can appreciate other points of view and engage with others in an authentic way, organizations will not survive. Globalization, demographic shifts, and technological advances are here to stay. Leaders today must not only accept this fact but embrace it. They must be transparent, because others will find them out—and quickly.

Leadership is the critical factor. Without a shift in our leadership mind-set and our leadership behavior, none of the following factors will be future-proofed.

2. Culture

In the late twentieth-century, the notion of corporate culture was beginning to get some traction. Leaders realized they could have the best strategy on earth, but if the organizational culture did not embrace the strategy, it was going nowhere. Strained relationships and lack of trust could effectively erode any efforts for strategic implementation, let alone innovation.

We remember talking to leaders many years ago about trust, respect, and other factors that affect culture. Very few “got it.” The prevailing view was this is “fluff” and like other soft skills, it didn’t matter because it didn’t contribute to the bottom line. Most leaders we spoke with said, “We don’t have time for this. We are focused on shareholder value.”

When there was a deeper understanding of company culture, it focused around uniformity, respectability, and conformity. People were supposed to look and act the same, to give customers a sense of comfort and predictability.

The twentieth-century IBM model comes to mind, with the company-mandated blue suits and briefcases.

The concept of company culture was only understood in the more sophisticated companies, and, in some cases, culture's impact on the bottom line was measured. In fact, a recent *Harvard Business Review* article showed that certain positive cultures could increase productivity.²

In the twenty-first century most organizations understand that culture and values have everything to do with profitability. As Peter Drucker once said, "culture eats strategy for lunch."

Leaders now realize that values are the underpinnings of their culture. If they want a culture that truly empowers people, they must behave consistently with those values.

Companies like LinkedIn start their business meetings with a discussion of the culture and how they are living up to those ideals. Decisions about what companies to partner with include serious consideration about compatible cultures. Even at the bottom-line-focused *Wall Street Journal*, you'll often see references to corporate culture as the driving force in success . . . and failure.

A healthy culture, and living the values in daily behaviors, is essential for growth, adaptability, and innovation. No one can be left behind in the creativity department.

3. Organizing Principles

In the twentieth century, almost every medium to large organization had to have a mission and vision. In addition, these organizing principles of mission, vision, and strategy sometimes had values tacked onto the framework.

You'd read the same verbiage on the walls: "We are collaborative," said the poster, which was written and posted by the CEO without input from other employees. "We're customer-centric," read the banner, in plain sight of everyone in the long line waiting to speak to a customer service representative.

Companies spent millions developing clever statements, which were highly polished and completely ignored in day-to-day operations.

Everyone knew the real focus was profit and shareholder value. These mission-vision tools did not make a measurable difference in the workplace no matter how hard we consultants tried.

Today, in the twenty-first century, a compelling and impactful purpose, around which teams can get excited, is key. We know from studying the brain that people need an emotional connection to what they do. They need to feel inspired and believe they're making a difference if they are to make a real contribution. It's not enough to keep making a better widget or take more cost out of a process. People want to contribute to the greater good and have pride in what they do, whether they are keeping an airport bathroom clean or figuring out how to provide clean water for everyone on the planet.

Members of the younger generation assess a company based upon their view of the real purpose of the enterprise and how well it is living up to that purpose.

And today, with access to the Internet and the wealth of information at our fingertips, everyone can make an informed decision in about five minutes.

4. Relationships

Historically, many organizations played down the role of personal relationships at work. Work was a place where you did your job

and got paid in return. Relationships and social connections happened outside of the office.

If relationships were encouraged, it was in the name of teamwork. But we all know from personal experience that many teams don't work well and are often painful to be a part of.

Efforts at team-building training, Robert's Rules of Order, and using facilitators all got put into play to help people relate better to each other. In some cases it worked and in some it did not. Engagement experts discovered that having good relationships at work was directly correlated to employee retention, but it was still not understood as a key component of successful work environments.

Today a greater understanding of the role of relationships, not only at work but in business is general, is coming to light. Google began an interesting study in 2012 to examine its high-performing teams and determine exactly what made them great.³

As it turned out, results had nothing to do with the processes that were put in place to keep teams on track and everything to do with the emotional connection between team members. As humans, we are hardwired for connection, and especially for emotional connection.

This emotional connection made all the difference in what appeared, in some cases, to be a very messy team process.

Reid Hoffman, former chairman of LinkedIn, in his book, *The Alliance*, points out that building alliances and mutual relationships with one's employees is essential. This is the secret glue that keeps people engaged and emotionally connected to the work while they are there. The added benefit is that if an employee leaves, which is happening much more frequently than in the past, they leave as a friend.

5. Diversity and Inclusion

Let's be frank. Diversity has been the focus of many organizations in the latter part of the twentieth century largely because of government mandates and laws—not necessarily because we value differences.

Linda's early career was with Alcoa, a government contractor that had to report how many minority and female employees it employed to meet a quota.

Meeting quotas to ensure diversity seemed to be the prevailing approach adopted by many companies at that time and even now. They did indeed meet the quota, but the diversity was always at the lower levels of the organization and seemed to remain there.

With all the policies, programs, and quotas put in place, the needle has only moved about 17 percent for women in executive positions. An even smaller number are CEOs and a similarly small number for other minorities.

Annual meetings of many organizations are still predominately white and male. Despite the growing availability of paternity leave policies for men, many men are hesitant to take advantage of them. More than half the men surveyed in a recent Deloitte survey said taking the leave would signal a lack of commitment to work, and more than a third said it would jeopardize their jobs.

So much for great policies that don't work because of the inherent bias that exists in organizations and in each individual.

We have to understand the root causes for why the needle has not moved substantially—why women are still earning less than men, and why minorities are still underrepresented.

Based on our research and experience, the root cause is unconscious bias. And by the way, we all have bias. The brain is wired to take mental shortcuts and reacts quickly to the 11,000 cues we receive per minute. In fact, studies of the brain indicate that we do unconsciously gravitate to people of our own “tribe.”

Our mind and emotions react before we’re even aware of it. Is it any wonder organizational change is so challenging?

In order to create a truly inclusive environment with a level playing field for all, we need to understand the role of unconscious bias and the role the brain plays in our ability to connect with people who are different from us.

It is heartening to hear the dialogue going in this direction at some of the leading corporations. And the good news is, according to leading neuroscience researchers, the brain can be consciously rewired.

6. Technology

In the twentieth century, computing technology was in its infancy. It was used to speed communication, make information more readily accessible, and improve work processes.

Tech was hardware-driven and infrastructure-focused. Efficiency was the primary goal, and sometimes the only goal.

The twenty-first-century breakthrough in technology was largely missed: the ability to communicate, collaborate, and enjoy our work. But it’s not too late. We’ll address this and the other factors in future chapters.

The twenty-first-century breakthrough in IT is about discovering patterns that were previously invisible. For example,

predicting certain outcomes, particularly in medicine, will forever change health care and health care systems.

Because of these trends, the organizational basics need reinvention, re-tooling, and in some cases rejection, never to see the light of day again.

LOOKING AHEAD

How we manage and develop people will have to be dramatically rethought. Standard classroom training will no longer be the norm. With the rapid pace of change, people will need to learn improvisation to build on each other's ideas. Learning must take place in real time.

Empathy must be emphasized by encouraging employees to consider the experiences of others. Ford Motor Company has design engineers wear weighted “empathy bellies” to attempt to simulate the experience of being pregnant.

Learning will be relationship driven, as it is at Menlo Innovations, which pairs people up for short projects and then moves them around to work with others—learning and building relationships at the same time.

Office configurations of the twentieth century and standardized cubicles will be a thing of the past. Spaces are being designed for creativity and comfort as at Saudi Aramco's new offices. Aramco is the world's largest oil company, and they redesigned its standard boxy buildings for a network of honeycomb cells. These cells have no doors that act as a barrier to collaboration, and are decorated in bright colors, with soft furnishings that encourage people to sit, talk, and innovate. The twenty-first-century workspaces will be about ideas, creativity, and collaboration. And in many cases we won't need office space at all.

Human Resources policies need to be examined for inherent bias and relevance in this digital age.

Your career will change. And that can be a good thing. What will never change is the need for personal connection and interaction.

The twenty-first century is going to be messy, and it will require more agile approaches to work. Change is not new. It has happened before throughout our history and will continue in the future, far beyond our lifetimes. However, today, the impact is fast and profound. We are being challenged, as humans, to rethink and redefine our role in the world, and especially at work. In fact the digital revolution is challenging us to consider the ultimate question—what does it mean to be human?

THE FUTURE HAPPENED YESTERDAY

The future is already here—
it's just not evenly distributed.
—William Gibson, *The Economist*

Can you survive all this change? Of course you can, but you must prepare and act now!

The energy sector will grow, but coal mines are not coming back. That canary died decades ago. Admit it. And admit the change you face in your industry.

In the following chapters we'll cover each of the transformational factors that are here now and provide real-life examples and recommendations to future-proof your company—and career.

These times, if embraced with purpose, can make a difference in your workplace and create a company where everyone

matters. The future isn't for the chosen few but for those who care enough to help others transform their lives.

Buckle your seat belt, if we still have seat belts in self-driving cars, and get ready for the ride of your lifetime. For those who can stomach it, the future is bright for your company, your career, and your colleagues.

