LYNDA GRATTON
PROFESSOR OF MANAGEMENT PRACTICE, LONDON BUSINESS SCHOOL, ON THE FUTURE OF WORK

The next leadership agenda
BUSINESS STRATEGY REVIEW
Lynda Gratton investigates
BUSINESS STRATEGY REVIEW
What it means to work here
HARVARD BUSINESS REVIEW
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About Lynda Gratton

Lynda Gratton is Professor of Management Practice at London Business School and is the founder of the Hot Spots Movement. She has written seven books and numerous academic articles and is considered one of the world’s authorities on people in organisations.

In 2011 Lynda was ranked by The Times as one of the top 15 Business Thinkers in the world today and in 2008 the Financial Times selected her as the business thinker most likely to make a real difference over the next decade. She was also in the top two of the Human Resources Magazine’s HR Top 100: Most Influential poll, and last year Lynda was number one of Human Resources Magazine’s Top 25 HR Most Influential UK Thinkers 2011 poll.

Professor Gratton’s book Living Strategy, originally published in 2000, has been translated into more than 15 languages and was rated by US CEOs as one of the most important books of the year. Her book, The Democratic Enterprise, was described by the Financial Times as a work of important scholarship and has provided a fascinating insight into how companies will change over the coming decades.

Lynda has received a number of awards for her research and writing. For example, in 2002, her article “Integrating the Enterprise,” which examined cooperative strategies, was awarded the MIT Sloan Management Review best article of the year. Her 2005 case study of BP’s peer assist integration practices won the ECC Best Strategy Case of the year award and went on to win the best case of the year.

Her 2007 book, Hot Spots – Why Some Teams, Workplaces and Organisations Buzz with Energy and Others Don’t, focused on bringing innovation and energy to organisations. The book has already been translated into more than 10 languages and the Financial Times rated it as one of the most important business books of 2007. Her book for 2009 was Glow: How to Bring Energy and Innovation to Your Life. Her latest book, the Shift – about the future of work was published in 2011.

Lynda actively advises companies around the world and sits on the advisory board of Royal Bank of Scotland. In 2006 she founded the Hot Spots Movement. Since that time the Hot Spots Movement has become the focus of a global community of many thousands of people, all of whom share a passion for bringing energy and innovation to people at work. The movement has engaged with many companies including, ARM, BT, Fujitsu, Generali, Philips and Unilever.

Lynda is currently engaged with her colleagues on research commissioned by the Singapore Government to examine innovation and team performance across 10 companies in the country and to draw up recommendations for the government.

Professor Gratton was appointed a Senior Fellow of the UK’s Advanced Institute of Management Practice in 2004. In 2006 she was the founding director of the Lehman Centre for Women in Business at the London Business School and as such, directed a number of important research programs on work-life balance; women’s routes to the top and the attitudes and aspirations of Gen Y. In 2010 Lynda was elected as a Fellow of the National Academy of Human Resources.

Her current research is focused on the future of work where she directs a consortium of over 20 companies from across the world.

Lynda was formerly Chief Psychologist for British Airways and Director, Human Resources Division for PA Consulting Group.
The early 20th century marked the dawn of modern enterprise management, and no one influenced its practice more than Frederick W. Taylor, inventor of ‘scientific management’. The early 21st century marks a radical transformation of management, and among the few thinkers most influencing this transformation is Lynda Gratton, London Business School Professor of Management Practice.

Scientific management is the name Taylor gave to the methods he developed in the early 1900s for making every workplace process or action — down to the way a factory worker flipped a switch or gripped a shovel — as smooth and efficient as humanly possible. For Taylor, a worker behaving as a human was the greatest barrier to maximum efficiency; people were extensions of machinery.

Gratton seemed to have Taylor in mind when she said, “The age of mechanisation, which we are about to leave, had as its central metaphor the wheel and the cog. The wheel was the steady and unflinching manufacturing of goods and services. The cogs of the wheels are those people engaged in this process of manufacturing. ...The process of manufacturing... could then be carried out by people with limited skills and to all intents and purposes acting as automotives.”

Taylor was lucky that Gratton and he weren’t contemporaries; she would likely be his worst nightmare. “We thought we could control people, tell them what to do, then reward them,” Gratton has said. “That’s just not appropriate in the world of Linux or Wikipedia. We are moving to the next phase in which organisations are becoming more humane.”

And Gratton is relentless in making them so. “I’m very determined and a hard worker and I am very able to ask questions about why things are done in one way and not another. I’m very inquisitive; I like interesting problems and the more complex the better.” Gratton alludes — unintentionally? — to Taylor’s lifelong quest to scientifically deduce the “one best way” of every worker movement.

Where people belong

Gratton is concise in declaring “my work for two decades has been about humanising employment — making work fit humans rather than the other way round.”

She was introduced to that challenge with her first job, in which she rose to the position of Chief Psychologist at British Airways. “We had to convert an organisation which loved aircraft into an organisation which loved people, and that was a rather difficult thing to do.”

But she’s been doing it, on an increasingly global scale, ever since. She is a consultant to multinationals such as Shell, Unilever, Hewlett Packard and BP. “Real strategic HR is about developing ways of putting people where they belong — at the centre of the business, not on the sidelines. The notion that people are our greatest asset is a truism, not a cliché.”

That asset is best nourished, Gratton asserts, by careful attention to the “design of work”. She suggests there be somewhat less attention given to remuneration and more to “designing jobs that people find interesting, the creation of autonomy, all the things that we know make for interesting work”. Technology can aid or hinder work design. Gratton says technology is “like a badly behaved two year old — always wanting your attention, never sleeping for 12 hours, always wanting everything done their way, in their time.”

Characteristically, though, she doesn’t surrender to technology, but rather extols its contribution, when properly managed, to humanising work. “I believe that technology has made the possibility of democracy at work more of a reality. I guess for me the tenets are that the company is capable of treating people as individuals and acknowledging their needs and that employees are provided with some choices about where and how to work, and also what they work on and whom they work with.”

Each one of us deserves to live a fulfilling work life; and, to do this, we need to work in a great environment that fosters teamwork and knowledge sharing.
Lynda Gratton

London Business School

In the former, she asserts that carefully assembled and motivated work teams can create “moments when innovation and excitement create exceptional results for a business”. In glow, she focuses more on the individual, saying today’s manager “must stay ahead of the curve and be the first port of call when new opportunities arise.” The mechanism for achieving this is glowing: “radiating positive energy that fosters a great working experience that excites and ignites others...and delivers superior value through our work.”

Default or crafted future?

“The future of work is Gratton’s big theme,” according to a recent article about her Gratton’s role in last year’s formation of the Future of Work Consortium would seem to confirm that. The consortium comprises 20–some global firms seeking to uncover likely HR best practices in workplaces of the future.

“The future of work could be tough, and we have to work pretty hard not to make it tough,” Gratton admits. “There is a gloomy scenario, which I call ‘the default future’. You work really hard because you’re connected all the time and it’s global... There is also a very positive future — I call it the ‘crafted future’, in which we go back to being humans again: living in our communities, using the virtual world as a connection mechanism but spending time with real people.”

Yes, the distinction between default and crafted is subtle, so Gratton has written about it at length. In Glow, for example, she argues: “In a global economy where things are connected, just doing longer hours isn’t actually going to get you anywhere.”

She illustrates with the story of Frank and Fred. “Both were given a tough project. Fred immediately rang his wife to say he would be late home for the next couple of weeks, closed the office door and told his PA not to disturb him. Fred’s idea was that only he knew the answer and that the more he worked the better the answer to this tough challenge.

“Frank did the opposite. When given the challenge, he immediately phoned a couple of people he knew well, to ask their opinion. Then he sent an email to a couple of others whom he knew might also have some ideas.”

Fred represents the default future, Frank the crafted future.

“The future of work is about being specialised, masterful, knowledge rich,” Gratton says. “The days of the generalist are over... Mastery — where depth, points of view, valuable insights and deep skills are crucial — is going to create competitive advantage in the future of work. ...Special masters... have a core of highly valuable skills that they love, and around these core skills have rediscovered lost passions.”

Authentically ourselves

Gratton’s optimism again emerges as she envisions the future of work. Trends in areas such as demographics, technology and globalisation may “work together to provide a unique opportunity to shift from the age of mechanisation to the age of craft. In this new age, people can put their stamp on their work... This has immense benefits as it enables each one of us to become more authentically ourselves.”

“However, it comes with it the necessity to become more aware of what it is that is unique about us and to craft credentials in a thoughtful and energetic way. The need to become a master of something and have some specialisation is crucial to the age we are entering. It could be a specific skill... a breadth of knowledge and insight: (...or) networks and connections. The actual specialisation or mastery is not the point — the point is that in the future you have to have something.”

In the future of work, being specialised, masterful, knowledge rich...
IN CONVERSATION

their high potentials out to work in villages for six months at a time. This isn’t like a one-week tourist trip, it’s actually really bedding down in a village to see how they use their soap and shampoo. What do you think about how we develop deep authenticity in leaders?

LG

That’s exactly what they need to do: they’re getting their leaders as close to that end-customer as possible. At Cisco we’re trying to encourage our leaders to appreciate what’s happening in the world. Among other things, this involves volunteering in schools and, in India, working with the poorest of the poor.

I think what we’re seeing is we’ve got to develop people so they know how to be multiculturally sensitive. It’s not just good enough to be multilingual anymore; it’s about how you think in these different cultures and operate in these different systems.

RK

Robert, I wanted to ask you about the role of business schools. At London Business School we often have 40 different nationalities so people can’t help but leave multiculturally sensitive.

LG

Yes, but I think it goes one step beyond multiculturally sensitive. We want a situation where, if someone’s in Russia, they can think like a Russian about how to succeed in that market. Then when we put them into Brazil, they can think about how a Brazilian would look at a problem.

RK

Would you say that people always have to go to these markets for long periods of time to really understand them?

LG

I don’t think for long periods, but I think it’s about how we are teaching the future leaders to be able to truly empathise with people, companies, customers and ecosystems in the markets they’re actually going to.

You look at some boards of directors and often they’re all pale, male and stale. Well, that’s not going to work when all your profits are coming from Asia. Right now the system is such that ideas are created in India, manufactured in China, sold all over the world and the profit comes into New York. That will change.

RK

A number of my academic colleagues have talked about the rise of social entrepreneurship and how you can use social entrepreneurs as a role model in developing young leaders.

LG

We can sit and give them more and more of the same problems, more case studies that say, okay here’s the answer. Or we can try to bring in a professor from a Western business school, our leaders will say they’d prefer to learn from an Indian entrepreneur who went from an inner-city slum to become a billionaire.

I like to see academics looking at the world, synthesising it, and explaining it for the rest of us that don’t have time to look at the whole world.

RK

Medical academics and practicing doctors seem to be better at working together to build rigour through experimentation than we are in business. Is it that the relationship between the professor and the executive hasn’t created that level of experimentation?

LG

One of the challenges with academic research is that it can take too long. I think the longer it takes, the less relevant it’s likely to be as the business world changes so quickly.

RK

So, the first challenge is that the timescales are different. I think the second challenge is that if we saw management and leadership as a scientific discipline we would use more experiments. One of my concerns often about the HR community is that there aren’t enough experiments taking place. If you don’t experiment, how on earth can we know whether any of our interventions are working?

It seems to me that all of the gaps between the rhetoric of what companies say they do and the day-to-day reality, the gap that’s the most is in the field of leadership. If you read books about leadership, it makes leaders sound as if they’re totally angelic, always authentic, open and trustworthy — and yet we know the reality is far from this. I wonder how we can take off the cover and have a proper conversation about leadership that’s not based on this fairy tale.

RK

I think that’s where some of the responsibility comes back onto the practitioner side. As a group we haven’t demonstrated enough courage to say this is what good leadership looks like for our business, this is what we’re going to do, this is what we’re not going to do.

LG

And that actually takes a lot of courage, doesn’t it? If you take a look at the academic writing around leadership, it falls into two camps. One says this is what we want leaders to be, so there’s a long list of competencies, most of which are unattainable. But there is another camp — which tends to contain more sociologists and economists — who say the real challenge for leadership is that they’re paying themselves too much, and so creating a huge rift between themselves and the rest of the organisation and indeed society. On one hand we’re saying these people have to be authentic, transparent, and humble and culturally sensitive, and on the other side we’re also putting them up and paying them enormous amounts of money. Aren’t we paying our leaders too much?

RK

Well, I think we’re paying some of them too much. But, there’s people out there who can think around the bend and take all of us with them. People like that are not overpaid because they’re bettering all of society.

LG

Steve jobs was surrounded by an incredible group of people and the next area we could talk about is, is it about a single leader, or is it about a team?

RK

Leadership is a team sport.

LG

So how do you develop leaders who are capable of seeing themselves as a member of a team?

RK

What you’ve got to do is develop leadership and followership at the same time. To be a good leader you’ve got to be a good follower. It’s much more multifaceted than the great man or woman theory. If we artfully put all of this together — leadership, followership, everything we know about teams — teams that work and those which don’t — and we lay against that what’s happening in the environment, how our world is changing, then I think we’re getting closer to what that formula is.

LG

When we asked executives in the 60 companies in our Future of Work research consortium, to think about what is important for the future, the whole question of collaboration came up as a huge topic — so much so that, as you know, we’ve chosen it for one of our key topics for the next research round. But I think helping leaders to simultaneously stand away from the crowd and at the same time be part of the crowd is very tricky.

RK

Sometimes people can get so wrapped up in their own PhD, or their own status and hierarchies, and they believe that they actually know everything. A lot of leaders go to Davos, and get a lot of leadership development there in a very different way, because they benchmark themselves against some of their peers.

LG

Yes, absolutely. We’ve talked about the relationship between academia and practice, and we academics have got much to learn from practitioners in terms of trying to create research which is more based on experiments, which is faster and more capable of looking beyond the fairy tales. But I think there’s one area where the practice of leadership has really failed to capitalise on academic research there in a very different way, because they benchmark themselves against some of their peers.

RK

What I value the most is when academics can synthesise the cover and the field of networks. Academics are beginning to realise that leadership is really about how people collaborate across multiple networks.

LG

I think this is a step-to-day academic research which organisations haven’t listened enough. What do you think academics could do to get their message across?

RK

When we do our data at our end is be much more courageous about putting new thinking into our organisation, finding ways to get new thinking to our leaders and developing that into the culture. It’s very easy to copy what someone else has done.

LG

If we don’t start solving problems and the importance of integrating all this new information and how to make decisions rapidly, we’re going to be stuck, we’re going to be completely behind the eight ball.

RK

So, the term leadership development needs to be re-invented?

LG

Yes, we don’t talk of leadership development, but of executive viability. We want to test the viability of them to become future leaders. How are they at learning? How resilient are they? How are they dealing with ambiguity? How viable are the business ideas they’re coming up with? And what we’re finding is if we test them on the viability of themselves and their models, and their business ideas, the leaders who truly want to develop will develop. An organisation should invest heavily in that group, because that’s the group which is going to change the world.

RK

Finally, I would like your quick take on the impact new technology is having and will have on leadership.

LG

It links to what you were saying about networks. Now you’ve got to influence. It’s not command and control, but influencing people, systems, communities and organisations.

RK

Often we continue senior management with leadership. Senior management gets things done within a bureaucracy, even if it’s a very modern or contemporary bureaucracy. This is very different from leadership which demands vision, passion and integrity.

... What is your take on how leadership is going to change over the coming decades?

Robert Kovach

One of the things we’re asking is how do we develop leaders who can think bimodally...
Work is universal. But, how, why, where and when we work has never been so open to individual interpretation. The certainties of the past have been replaced by ambiguity, questions and the steady hum of technology. Now, in a groundbreaking research project covering 21 global companies and more than 200 executives, Lynda Gratton is making sense of the future of work. In this exclusive article she provides a preview of the real world of 21st century work.

Facing the future

Over the last two years, my mission has been to understand how work and organisations will evolve. What I wanted was not firm predictions, since I know these are notoriously unreliable, but rather a point of view, a basic idea of what the hard facts of the future are, and a way of thinking about the future that has internal cohesion. I wanted to discover, with as much fine-grained detail as possible, how the future of work is likely to evolve.

Why it is so important now, to at least
attempt to paint a realistic picture of the future, is that we can no longer imagine the future simply by extrapolating from the past. The past six generations have experienced the most rapid and profound change mankind has experienced in its 5,000 years of recorded history. If the world economy continues to grow at the same pace as the last half-century, then by the time my children are the age I am now — in 2050 — the world will be seven times richer than it is today, world population could be over 9 billion and average wealth will also have increased dramatically.

We live at a time when the schism with the past is of the same magnitude as that last seen in the late 18th century. A schism of such magnitude that work — what we do, where we do it, how we work and with whom — will change, possibly unrecognisably in our lifetime. In the late 18th century, the drivers of this change were the development of coal and steam power. This time around it is not the result of a single force, but rather the subtle combination of five forces that will fundamentally transform much of what we take for granted about work: the needs of a low-carbon economy, rapid advances in technology, increasing globalisation, profound changes in longevity and demography and profound societal changes.

It is not just our day-to-day working conditions and habits that will change dramatically. What will also change is our working consciousness, just as the industrial age changed the working consciousness of our predecessors. The industrial revolution introduced a mass market for goods and with it a rearing of the human brain towards an increasing desire for consumption and the acquisition of wealth and property. The question we face now is how the working consciousness of current and future employees will be further transformed in the age of technology and globalisation we are entering.

What is inevitable is that, for younger people like my two sons, work will change dramatically — and those of us already in the workforce will be employed in ways we can hardly imagine.

The wise crowd

To better understand the future of work, from October 2009 to May 2010 I led a research consortium of 21 companies and over 200 executives from around the world. The major business sectors were represented by a wide array of firms, including Abba (the South African bank), Nokia, Nomura, Tata Consulting Services (TCS), Shell, Thomson Reuters, Novartis and Novo Nordisk, SAP, BT and Singapore’s Ministry of Manpower, as well as two not-for-profit organisations, Save the Children and World Vision. My colleagues, Dr Julia Goges-Cooke and Andreas Voigt, also took part.

The consortium community met initially in November 2009 at London Business School where we looked closely at the hard facts of the future, then took the conversation into their own companies. We were able to work together virtually in an elaborate shared portal and also to discuss the emerging ideas in monthly webinars — and later in a series of workshops in Europe and Asia. At the same time, I tested out some of my initial thoughts by writing a weekly blog (www.lyndagrattonfutureofwork) on which a wider community commented. It was these ideas, insights and anxieties that became stitched into storyline narratives and brought depth to our conversations.

What excited the community was finding answers to three questions:

— How will external forces shape the way my company and its people develop over the coming decades?
— How best can we prepare for these developments to ‘future proof’ the company?
— What can we learn from others about where to focus our attention and resources, what will be tough, and what will be more straightforward?

Working it out

How will these five forces affect the way we work in 2025, and what does this mean for the choices and actions we should be taking now? My research and conversations about the future of work have led me to understand that the future will be less about general skills and more about in-depth mastery, less about working as a competitive, isolated individual and more about working collaboratively in a joined world; and less about focusing solely on a standard of living and more on the quality of experiences. Here are the ways I believe these three shifts will play out in our lives and the lives of others.

The shift to mastery

I believe that in the future the means by which individual value is created will shift from having generalist ability to having specialist ability and achieving serial mastery. Why? Because if you remain a generalist, there are thousands, perhaps even millions, of people who can do the same work as you do — yet faster, cheaper and perhaps even better. In the future, you will have to differentiate yourself from the crowd, build conditions and be prepared to shift gears across the course of your working life. I believe that the perfect storm of the five forces has created an opportunity to shift from the age of mechanisation to the age of mastery. In this new age, there is a possibility

One of the first tasks of the research was to identify the external forces that will fundamentally change the way that work will be done by 2025.

The future of work will be more straightforward?

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We determined that five forces will be crucial:

Technological developments

Technology will influence the size of the world population and life expectancy and will influence our working lives in other deeper and more indirect ways — the way we engage with others, our views on morality and our own human nature. You don’t have to be a supporter of technological determinism to recognise that technological capability (through its complex interactions with individuals, institutions, cultures and environment) is a key determinant of the ground rules within which the games of human civilisation get played out.

By 2025, we can expect that more than five billion people will be connected by mobile devices, the Internet ‘Cloud’ will deliver low-cost computing services, an increasing amount of work will be performed by robots and self-created content will join the digitalisation of books to create an unprecedented amount of information in the world knowledge net. We can expect that, across the globe, billions of cognitive assistants will be collecting information, monitoring people’s behaviour and taking actions from their preferences. This massive crowd of computers is becoming increasingly capable of learning and creating new knowledge entirely on its own and with no human help.

Globalisation

The combination of technology and globalisation will have a profound impact on the way we work in the future. While many of the new poles of economic activity are in the Big Six emerging economies (Brazil, China, India, Mexico, Russia and South Korea), the economies of next-wave locations such as Egypt, Nigeria and Turkey are increasingly important. These emerging economies will increasingly add value through innovation as well as low-cost manufacturing. Greater numbers of people will choose to move to the mega-cities of the world, and new talent pools will emerge in areas across the globe where the population is connected to the world knowledge net. Much of the world will become joined — both in terms of trade in goods and services, the mobility of labour, the opening up of new talent pools and in the extent of global connectivity.

Globalisation will bring opportunities for talented and energetic people to become part of the world economy wherever they are born. It will also increase the exclusion of those who are not part of the global market, either because they don’t have access to broadband or because they have neither the talent nor the energy to compete.

Work is, and always has been, one of the most defining aspects of our lives. It is where we meet friends, excite ourselves and feel at our most creative and innovative. It can also be where we can feel our most frustrated, exasperated and taken for granted.

THE TAKATUF LEADERSHIP PROGRAMME

LYNDA GRATTON INVESTIGATES

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THE FUTURE OF WORK
The new demography will reshape our understanding and expectations of work. In many ways, the coming decades will be defined by the largest demographic group the world has ever seen — the Baby Boomers. By 2025 most will have left the workforce, and the age profile of the world has never looked so different. In 2010, they are in their 50s and 60s; and by 2050, many will have passed the age of 80.

The future will also see unprecedented increases in life expectancy. There is a strong consensus that the new demography will reshape our understanding and expectations of work.

The mental life of human beings has been transformed by developments such as language, literacy, urbanisation, science, communications, transport and media technology. These changes will continue over the coming years. By 2050, we can expect that people will be more individualistic and increasingly prepared to forge lifestyles based on their own needs rather than societal expectations. At the same time, we can expect trust in business and business leaders to continue to plummet.

I predict that, in 2025, many people will live their lives alone or in small family groups and some of these relationships will become more virtual. It will increasingly be the norm to work much of the time from home or in small community hubs to avoid the carbon costs and general wear and tear of lengthy commutes. Most employable women will work outside the home; so the majority of households will have two working members with conventional households no longer the norm. Younger men will have decided to spend more time at home and to take more active part in caring for their children. More people will work as freelancers and ‘neo-romantics’, expecting increasing autonomy and freedom. As families become smaller and more dislocated, friends (and what I have termed the ‘regenerative community’) will play an increasing role in individual happiness.

The extraction and use of energy has always framed the way we live and the way we work. Each time a new, more complex energy-consuming development takes place, it increases the pace, flow and density of human exchange and creates more connectivity between people.

Our uses of energy will also frame the way we work in the coming decades. We can expect oil prices to rise substantially as the developing world uses more energy and the sources of oil have become depleted and expensive to extract. Carbon output will rise steeply, particularly in China and India with their rapidly developing urban populations and manufacturing bases.

The world will have heated up, with sea levels rising and climates changing. Some governments will have introduced a carbon tax, and the carbon footprints of individuals and companies will be scrutinised and forced to reduce. This could result in a rapid escalation of the cost of moving goods across the globe and a rapid reduction of commuting and work-related travel. This will be a significant driver to virtual working and home-based working.

I believe that one of the paradoxes of the future will be that to succeed one will need to stand out from the crowd while at the same time being part of the crowd. So, you will need to both stand out with your mastery and skills and simultaneously become part of a collection of other masters who together create value. Otherwise you will always be on your own, isolated and competing with thousands of others, with no possibility of the leverage that the crowd brings. In the past, success was achieved through personal drive, ambition and competition. In the future, it will be achieved through the subtle but high-value combination of mastery and connectivity.

The shift to connectivity

I believe there is an opportunity over the coming decades to shape work and life in a manner that enables people to reconnect with what makes them happy and creates a high quality of experience. The breakdown of automated work, the rise of home-based working and the increase in the possibility of choice provide the foundation for a shift in focus away from quantity consumed as the only measure of success.

Challenges and opportunities

The future workplace will create both challenges and opportunities. Grasping these opportunities will be crucial. Some of these changes are inevitable (for example, flexible working), so the focus is on making them work as soon as possible. Other actions will be tricky and will require the creation of new practices in the way that companies are building competencies around virtual team working.

Perhaps those responses needing the greatest focus are those I call the ‘contested’ aspects of the future, workplace processes and procedures that have not been fully tested, such as the need for more democratic processes and a focus on experiences rather than on standard of living. Such new ways of working are going to demand a level of trial and error in the workplace that will prove challenging to workers and managers alike. Yet, in tomorrow’s brave new world of work, a healthy dose of courage and optimism will go a long way.
The future of work will change not just for individuals but also for the organisations of which they are members. To understand the breadth and extent of these changes, we first identified the 20 areas we believe to be most critical for the future. We also investigated where ‘future proofed’ examples existed — areas in which members of the consortium had already developed practices and processes that can provide insight and inspiration.

Five areas emerged as the most important:

01 Transparent and authentic leadership

In a future world of transparency and connectivity, leaders will be looked upon to work in a collaborative manner. We can expect their behaviours and actions to be more closely scrutinised, so their authenticity will be key. At the same time, globalisation will create the need for more complex networks and for leaders to take the initiative in engaging with global problems and challenges.

Leaders will increasingly be called upon to be members of a team, most of which will consist of a diverse group of people, which will put an emphasis on their skills of inclusion. ThoughtWorks, a bespoke software development company, has developed a set of organisational tools: pairing decision makers, holding democratic elections for specific teams and setting up virtual networks. The philosophy behind the practice is that leadership is shared to improve decision making and create balance. Pairing happens at all levels, from the highest leadership level, to developers writing or testing software, to mentoring. Leaders are encouraged to be democratic and authentic through the process of election, in which groups are nominated and voted for by their peers.

02 High-performing virtual teams

Increasingly, work is performed across businesses, functions and organisations. As a consequence of this cross-border working, teams often work virtually, actually seeing each other only occasionally. Our own work on these teams shows that many fail as they become overwhelmed by the sheer complexity of their task. So it’s no surprise that the executive in our consortium ranked the capacity to manage and lead high-performing virtual teams as crucial for the future.

At SAP, working virtually inside and outside the company has become the norm and has been shown to create wider networks and allow a more flexible working style. Executives are using complex dialogue and decision-making tools and social-networking tools. At BT, virtual team working has been enhanced with Telepresence, next generation high-definition video conferencing, plus 60 studios around the world that bring people together in multiple locations. At Save the Children, the executive team is pioneering new ways to build a collaborative approach across virtual teams brought together for emergencies and development work. The executive team believes that this is a trend that will accelerate in the future both in terms of whom they work with and how collaborative work is performed.

Other companies are focusing on how the competencies within teams can be understood and developed. At Tata Consulting Services (TCS), a competency development and training tool (ICALM) holds a master dictionary of all roles in TCS, with a description of the accountabilities and competencies. This creates an important global base from which to identify the best candidate for a role as well as any knowledge gaps that training modules can rapidly fill. It also creates a strong foundation for ongoing learning to take place.

03 Valuable cross-business networks and relationships

Increasingly, the value of the organisation will be held in its ‘social capital’, that is, the value of the networks and relationships held within businesses, across businesses and into the wider community and ecosystems. Building relationships across businesses will become increasingly important in the future as the driver of innovation will require businesses to combine assets and resources in ever more unusual and creative ways.

We saw a number of examples of how organisations are breaking down the barriers between functions and businesses and creating relationships across the company. At Nokia, for example, the process of strategy development has been opened to many employees in order to develop and gain commitment to implementing the strategy. At Shell, the scenario planning process, with the recent release of the 2050 scenarios, creates a level of conversation and depth of knowledge that has become crucial to the firm’s long-term planning.

At the Danish pharmaceutical company Novo Nordisk, social media plays a crucial role in internal and external communication. The key tools, NovoTube, Novopedia and NovoIdeas, are designed to improve collaboration and facilitate knowledge sharing. Social media has also played a key role at SAP, where a series of tools has been developed for business networking, business processes and business decisions. These have enabled more complex dialogue and decision making than original social networking tools.

Building valuable networks is crucial to Nokia, where executives launched a programme called ‘Booster’ in 2008 to encourage cross-functional and cross-hierarchical working and to raise the capacity to acquire and use external resources. The programme covered all 5,000 employees of the business unit and started with a two-day face-to-face workshop with 700 team leaders, followed by involvement of the whole community through online social networking.

04 Valuable relationships with partners, consumers and entrepreneurs

Networks are not simply those that arise within the business. Increasingly, value will be created through the relationships held with those outside, be they partners, consumers or entrepreneurial businesses. At Thomson Reuters, for example, strong networks with independent people across the world have been crucial to their success. For many years, a network of highly flexible independent journalists, called ‘stringers’, have worked on an ad hoc basis in order to ensure that news around the world is covered at minimum cost. Some work on a retainer, others are hired for ad hoc projects. The system has existed for decades and works through strong trusted relationships and reciprocal benefits.

For Thomson Reuters, the system provides global reach, flexibility, speed and tight control over costs; the stringer gains valuable journalistic experience, increased international visibility, higher pay, the chance of full-time employment, and career development through working with a range of companies.

Stringers are allowed to work for other news networks as well as local media.

ARM, the world leader in semiconductor intellectual property, is pioneering an innovative organisational model — an ‘ecosystem’ intended to capture the needs of end consumers (thus providing more targeted products) while maintaining a high degree of specialisation. ARM is at the centre of a coalition of companies, all using the same underlying technology. This creates a wide range of products from which to select; so a mobile phone manufacturer can use the ARM ecosystem to compete across a range of chips produced by different companies, all using ARM research and development.

05 Flexible working

The capacity to work flexibly was seen by our consortium members as key to the future. This flexibility is a growing competence for companies such as BT with its ‘Follow the Sun Project’ designed to hook up the UK and California in a continuous 24-hour operation. The project involved new work schedules and a twice-daily transatlantic handover that has brought high levels of continuity and customer satisfaction.

At Thomson Reuters, flexible working practices are widespread, with employees encouraged to work from home whenever possible. Such arrangements cover home working, part-time working, job sharing and flexi hours. These help to meet the personal needs of staff as well as the demands of a company working across many time zones. Flexible working creates challenges for performance management, and at Tata Consulting Services, a new system has been created to accommodate workforce needs.
Technology itself has become the great general manager. It can monitor, performance closely, provide instant feedback, even create reports.

But in the future not all deep knowledge will be valued the same. It is important to think hard about which competencies are rare and difficult to imitate and which careers will be most successful. My research suggests that advocacy, social and micro entrepreneurship, the life and health sciences, energy conservation, creativity and innovation, and coaching will be highly prized in the decades ahead.

Are you future proofed?

One of the world’s leading business thinkers talks to Stefan Stern about excessive risk-taking in the financial world

A plan to save the world is quietly being hatched in a basement kitchen in Primrose Hill, a fashionable corner of north London. The owner of the kitchen, indeed of the entire four-storey house, is Lynda Gratton, professor of management practice at the London Business School. She has declined an invitation to lunch in a restaurant in favour of this more intimate option. The professor does so to make a point: she has been based at home this week, writing a new book on the future of work, and wants to show that alternatives are possible.

“We’re having a takeaway,” Gratton declares with delight. But no ordinary one: first we set off for Melrose & Morgan, a stylish local “grocery shop and kitchen” that offers a range of home-made seasonal dishes, as well as cheese, wine, bread and so on, where we pick a selection of salads, a dairy fish pie, a more substantial chicken pie, winter vegetables, sticky toffee pudding, cheese, bread and a bottle of red wine. All bagged up and carried back by my host.

So far, very little of what is usually thought of as work has taken place. It is time to start the interrogation. The future of work is Gratton’s big theme, and she is engaged on a major programme of research, a “future of work consortium”, involving some 200 executives from 23 multinational corporations, all hooked up online, keeping up a vast global conversation. The participating companies - which include the likes of BT, SAP, Tata and ThomsonReuters - have supported Gratton’s research both financially and by encouraging their executives to take part.

This sort of live, interactive research is not what some might expect from an orderly business school but then, Gratton is not a conventional business school professor. While she normally figures on any major list of international management gurus, she is unusual in being (a) a woman and (b) happy to be as much student as teacher during the research process. The future of work consortium includes artists and DJs as well as financiers and other more mainstream business people. It is an innovative attempt to map out a better way of doing things.

I start by suggesting that with so many people around the world being asked to do “more with less” at work, her hopes for a better future could be dashed. She does not demur. “The future of work could be tough, and we have to work pretty hard not to make it tough,” she says. “There is a gloomy scenario, which I call ‘the default future’. You work really hard because you’re connected all the time and it’s global, so even if you happen at that moment not to be working, guess what, somebody else is. You could work all the time.

Gratton tells me of one techno-addicted colleague who started actually salivating at the arrival of the next e-mail - a response born of anxiety, not happy expectation. But we are not Pavlovian dogs; we are human beings: “We want to feel that the unsayable.

Gratton has had “a number of happy accidents” which include the likes of Bt, SAP, Tata and Thomson-Reuters - have supported Gratton’s research both financially and by encouraging their executives to take part.

This seems a bit odd to hear this bright, vivacious woman raise the issue of loneliness. Although she was divorced 10 years ago Gratton has that “a number of happy relationships” since. But it is a typically candid remark. Gratton has forged an impressive career by being bold enough to stand out against convention, and occasionally to say the unsayable. The oddest of four children, with two

**Technology itself has become the great general manager. It can monitor, performance closely, provide instant feedback, even create reports.**
brothers and a sister, she was born in Liverpool almost exactly 55 years ago; the family later moving to Cockermouth in Cumbria, north-west England. Her father ran a business on the coast in Workington, “and mum brought us up”, she says.

Gratton took a psychology degree and then a PhD at Liverpool University, before joining British Airways, where she rapidly rose to become “chief psychologist” – possibly, she jokes, the grandest-sounding job title she will ever have. It was in the early 1980s, when the airline was starting to break free from its state-owned origins. She remembers nervous young avionic apprentices arriving for job interviews carrying large bags containing Airline models of aeroplanes. Not as embarrassing as a teddy bear, perhaps, but revealing all the same: “We had to convert an organisation which loved aeroplanes into an organisation which loved people, and that was a rather difficult thing to do,” she says.

From BA she went, in 1982, to PA, a venerable British management consultancy where, five years later, she became that firm’s youngest-ever director. Gratton managed seven years in total as a management consultant, before taking a vast pay cut to become an assistant professor at the London Business School in 1989. Her salary fell from about £80,000 to one barely in five figures. The 7-Series BMW had to go back as well. In those days, this sort of choice would have been seen as highly unusual, not to say barmy. Some of her new academic colleagues certainly struggled to understand her thinking. But Gratton was married by now, and wanted to start a family. And the demands of top-level management consulting made that option much harder.

In the subsequent two decades, she has built an international reputation as one of the world’s biggest companies – Nokia, BP, Unilever – as well as the banks. What, I ask, inviting her to bring her psychologist’s training to bear, is her take on the financial crisis, and the bankers’ response to criticism of their behaviour and how they are paid?

“Well, there is a sort of ‘in-group’ and ‘out-group’ phenomenon here, which is that the in-group is self-reinforcing,” she says. “They have an argument about why they’ve paid so much which is pretty well articulated. And it’s based on a view that they are particularly skilled, and that they have information that is valuable. Now, the interesting thing from an academic perspective is that there isn’t really any research to show that what they do is particularly skilled… There’s something happening in that industry which is enabling quite large numbers of people to be paid an amount that is beyond the dreams of most people, and I personally don’t think that’s right.”

That is not all. “There’s two pieces of evidence around investment banking that are interesting,” she adds. “The first is that when people get together and they agree with each other, they become rather insular, then they become more risky, and psychologists call that the ‘risky shift’. The other thing is, we know that risk-taking is related to testosterone. If you look at risk-taking on one of these investment bank floors, what you’ll find is it’s higher in the morning because testosterone levels are higher, and then it goes down.”

Of course, she adds with wry understatement, men generally have higher testosterone levels than women. That leads to a discussion on gender, but Gratton has another point to make. She has been reading The Spirit Level, Richard Wilkinson and Kate Pickett’s book on inequality in society, and has a tentative thought.

“There’s an argument that societies which are very unequal have all sorts of problems, and I have a feeling that the same is true for companies,” she says. “I think one has to be very careful about what you pay people… We’ve got far too much emphasis on remuneration and not enough emphasis, for example, designing jobs that people find interesting, the creation of autonomy, all the things that we know make for interesting work… There’s a huge emphasis on who gets paid what, and that, in a sense, is the fuel of the consumer society, and I think we’re beginning to realise how dangerous that can be.”

You see, better job design and a more successful, civilised future world of work really could save the planet. But that can wait for just a moment: we have both saved some room for the terrific sticky toffee pudding, which I had picked back at the grocer’s because it is, like my host, from Cumbria. Gratton doles out a generous helping for each of us. She is the mother of two teenage boys – her marriage to her father, an architect, lasted 20 years – and has firm views on the relationships between men and women at work.

“Men aren’t going to give up their power,” she says. “Change will have to come from the bottom, where young men say that they want to live in a more human way… Part of the reason nothing changes is that women still do most of the child-rearing, and that breaks up their career. But if men decided to take part in child-rearing, it would be seen as a human activity as opposed to something that women do.”

And the interesting thing is that in the “Generation Y” group in our consortium who are now in their early twenties who we’ve interviewed – and these MBA students and graduates – men have the same attitude as women in terms of bringing up children. If they decide to make those choices about bringing up kids, that will fundamentally change organisations…

Gratton makes a cafetière of coffee, and I down a quick cup. I’m on a deadline for another story today, and have to get back. But, briefly, what of Gratton’s boys? What future world of work lies in store for them? The younger one might be heading for medicine, but the older one is a keen writer. He is currently travelling on his gap year, blogging away, with a view to becoming a journalist. His mother is not completely relaxed about this.

“My natural inclination would be to say to him, ‘Don’t become a journalist’, because when you think about the future it’s so obvious that…’ Gratton looks at me, and then bursts out laughing. She clearly has a view on the future of journalism but is far too considerate to reveal exactly what it is.
Companies that successfully create and communicate signature experiences understand that different types of people will excel at different companies, and that not all workers want the same things.

None of these orientation experiences is inherently better than the others; the prospective pick the company whose entry program most closely reflects her own values and preferences. If she loves risk and can put up with ambiguity, she might relish the challenges and the pace of the second company but would probably be miserable with the constraints of the third. If she enjoys collaborative work, she might gravitate toward your company.

These examples underscore the importance of employee preferences in the war for talent. Unfortunately, they are often overlooked. What truly makes good companies great is their ability to attract and retain the right people—employees who are excited by what they’re doing and the environment they’re operating in. Such people are more likely to be deeply engaged in their work and less likely to chase after slightly better salaries or benefits. They will find ways to satisfy their own preferences and aspirations while meeting the organization’s need to come up with creative and productive solutions to business problems. Their commitment becomes contagious, infecting customers and prospective employees. Indeed, engaged employees are the antithesis of hired guns rotating in and out of critical roles—they’re productive for the long term.

You won’t find and keep such individuals simply by bringing other companies’ best practices or talent-management moves, however. You need to be able to tell new and prospective hires what it’s like to work at your company, to articulate the values and attributes that make working at your firm unique. You need to provide a “signature experience” that tells the right story about your company. In the process, you’ll empower the people who share your values and enthusiasm for work to self-select into your firm, thereby creating the foundation for highly productive employee-employer relationships.

Bringing Distinctiveness to Life

A signature experience is a visible, distinctive element of an organization’s overall employee experience. In and of itself, it creates value for the firm, but it also serves as a powerful and consistent symbol of the organization’s culture and values. The experience is created by a bundle of everyday routines, or signature processes, which are tricky for competitors to imitate precisely because they have evolved in-house and reflect the company’s heritage and the leadership team’s ethos.

The concept of signature experiences grew out of organizational research we’ve conducted during the past five years. Initially, we looked closely at companies with highly engaged employees (as measured by workplace surveys and other tools) and set out to compile a checklist of the common practices these businesses used to foster enthusiastic, committed, mission-aware employees at all levels. Surprisingly, their approaches to talent management varied greatly. For instance, some firms paid well above the mean while others paid below it. Some boasted highly flexible, self-scheduling work groups; others featured more structured, “all hands on deck” environments. The companies’ underlying philosophies about the employer-employee relationship also varied, from paternalistic to hands-off.

The more we looked, the more we realized that the variation in practices was not just noise in the system; it was, in fact, a critical element of the companies’ ability to achieve high levels of employee engagement. These organizations excel at expressing what makes them unique. They know what they are, and it’s not all things to all people. They understand their current and future employees as clearly as most companies understand their current and future customers. They recognize that individuals work for different reasons and accomplish tasks in different ways. And they demonstrate what they are, with stories of actual practices and events, not through slogans on the wall or laminated values cards on every desk. As a consequence, these companies hire people who easily and enthusiastically fit in, and thereby cultivate a more committed workforce. To understand how these companies attract, engage, and retain the right kind of talent, let’s take a closer look at the three signature orientation experiences we described earlier.

Whole Foods Market

The first signature experience—team-based hiring—is similar to the orientation experience at Austin, Texas-based Whole Foods Market. Potential hires are informed that each department in each store (meat, vegetables, bakery, and so on) comprizes a small, decentralized entrepreneurial team whose members have complete control over who joins the group. After a four-week trial period, team members vote on whether a new hire stays or goes; the trainee needs two-thirds of the team’s support in order to join the staff permanently. This signature experience is in line with Whole Foods’

Companies—even very large ones—don’t need to be all things to all people. In fact, they shouldn’t try to be. No matter the content of your signature experience, you can attract people who are suited to your organization’s culture and interested in furthering its goals.
weeds out lone wolves and conveys a strong so team members choose their trainees
paychecks. that bonus pay is explicitly linked
each team. Members of the teams that do
the company calculates the performance of
profit-sharing program. t hirteen times a year,
what it means to worK here what it means to worK here
provider also based in austin, texas. new
signature experience at trilogy software,
of the 100 Best companies to work for nine
management, including the ceo, oversees
three-month immersion process, a sort
'more than $25 million direct revenues and
engine: recruits' projects have produced
smaller "breakthrough teams" charged with
working on their breakthrough teams; others
– and even then they usually apprentice
illustration of life in the firm. A candidate
likes intense challenges
environment will almost certainly decline after
who prefers a clear-cut, well-defined work
description of this intense orientation
"create a work environment that
trilogy's signature orientation experience
The Container Store
Trainees spend time in
different functions and units to gain a broader
industry overall. employees spend time in
235 hours of formal training, compared with
schedules more valuable than above-
average compensation.
According to founder and CEO David
Neelman, it was more than cost savings
that prompted the company to create this
signature experience. Like the flight crew, the
reservations agents are the face of JetBlue, responsible for ensuring high levels of
customer satisfaction that will translate into
increased revenues. The company couldn’t
afford to pay the agents huge salaries, however, so senior management decided to
appeal to them in a different way – by letting
them work from their homes. “We train
them, send them home, and they are happy,”
Neelman says.
JetBlue tries to accommodate call center
agents’ varied scheduling requirements –
some may work only 20 hours a week, for
instance, or may need to swap shifts at the
last minute—but the airline balances those
preferences against its business objectives. Employees have certain flight-trading
privileges, which they can negotiate using an
online community board. this self-scheduling
process keeps employees motivated and satisfied, which means they’re more likely
to provide better customer care. for its part, JetBlue has enjoyed a 30% boost in agent
productivity, a 38% increase in customer-
service levels, and a 50% decrease in managerial time spent per agent, compared with
industry norms.
Bright Horizons, a leading provider of
employee-sponsored child care, has crafted a signature experience that also begins
with the reconceptualization of a critical
organizational role – that of the classroom
teachers in its centers. these individuals are
never referred to by common terms such as
“child care worker” or “babysitter.” instead, Bright Horizons hires “early childhood
educators” for its classrooms, thereby attracting people who see themselves as
distinguished professionals in a field full of
temp workers. this important shift sets the
stage for an employee experience in line
with the firm’s mission statement, which among other things, pledges to “nurture
each child’s unique qualities and potential”
and to “create a work environment that
encourages professionalism.” reinforcing this signature experience are the company’s
telemarketing approach to hiring; a welcome
program that makes it clear to new hires
(and their families) that they have joined an
organization that is serious about excellence
and professionalism, and strong skills-based
training and promotion opportunities. In
an industry known for high turnover – the
average is about 50% – Bright Horizons’
turnover runs from 20% to 22%.

Address specific business needs
Some companies’ signature experiences stem from critical business needs. for instance,
several years ago lord John Browne, the
CEO of BP, was faced with the daunting
task of bringing together five oil companies
BP had recently acquired. the challenge
was to create a culture of learning across the
time, many of the same instant teams which were
adopted at competing, but few were adept
at collaborating. To address this gap, Browne
and his colleagues developed a signature
culture experience called “peer assist.” the
business unit heads are assigned to peer groups
representing their business units, and the
members are required to exchange ideas and
information about what is and is not working

profit-sharing program. Thirteen times a year,
the company calculates the performance of
each team. Members of the teams that do
will receive up to $2 per hour extra in their
paychecks. that bonus pay is explicitly linked
to group rather than individual performance,
so team members choose their trainees
carefully—they want workers, not buddies.
This entry into the company undoubtedly
weeds out lone wolves and conveys a strong
message about the firm’s core values of
collaboration and decentralization. this
signature experience seems to be working.
Whole Foods has appeared on Fortune’s list of
the 100 Best Companies to Work For nine
years in a row.

 Trilogy Software
The second orientation experience described
earlier—under fire—is patterned after the
signature experience at Trilogy Software,
a rapidly growing software and services
provider also based in Austin, Texas. New
employees go through an exhausting
three-month immersion process, a sort
of organizational boot camp, in which top
management, including the CEO, oversees
their every step. In the first month, new
recruits participate in fast-paced creative
projects, in teams of about 20, under the

members of more-experienced colleagues
called section leaders. in the second month,
the project teams are shuffled and split into
smaller “breakthrough teams” charged with
inventing product or service ideas, creating
business models, building prototypes, and
developing marketing plans—all in
hyperaccelerated fashion. in the third month,
the recruits have to demonstrate their
capacity for personal initiative. Some continue
working on their breakthrough teams; others
find sponsors elsewhere in the company and
work on their projects. Upon completion of
the program, candidates undergo rigorous
evaluation and receive detailed feedback
on their performance from colleagues,
section leaders, and senior management.
The new hires are sent to different parts of
the organization, but the bonds they develop
during this extreme orientation period remain
strong throughout their careers.
 Trilogy’s signature orientation experience
serves as the company’s primary R&D
gen: Recruits’ projects have produced
more than $2.5 million in direct revenues and
have formed the basis for more than $100
in new business. the experience also serves as a proving ground for Trilogy’s
next generation of leaders: the mentors
and coaches who guide the members of
the breakthrough teams as well as the new
hires themselves. Most important, Trilogy’s
orientation experience provides a compelling
illustration of life in the firm. A candidate
who prefers a clear-cut, defined work
environment will almost certainly decline after
hearing the details of the immersion process.
but a candidate who likes deeper challenges
and can tolerate some ambiguity early on will
probably jump right in.

The Container Store
The third orientation experience—extensive
training and indoctrination in a proven
approach—is from the Container Store, a
Dallas-based retailer of storage solutions
ranging from the basic (tupperware) to the
sophisticated (customized shelving systems).
Some of its products are quite expensive—a
single custom-designed closet system, for
instance, may cost several thousand dollars—
so the floor staff’s ability to meet customers’
expectations can have huge financial
implications. Because the company depends
on employees to be capable of suggesting
storage options that will match a customer’s
requirements, its induction process consists
of six immediate and intense training.
All new hires in the stores, offices, and
headquarters (full-time and seasonal employees)
go through Foundation Week—five
days dedicated to absorbing information
about the Container Store’s products,
processes, and values, plus extracurricular
HR paperwork and reading. New employees
assume regular work schedules only after
having completed the five full days of training
– and even then they usually apprentice
for a while with some of the company’s
star performers. The employee education
doesn’t stop there. in their first year of
the Container Store, all staffers receive at least
235 hours of formal training, compared with
an average of about seven hours in
dassumey industry overall. Employees spend time
in different functions and units to gain a broader
perspective and to learn about the company’s
strategic challenges.

the Container Store’s signature
experience sends the right messages about
employee fit and long-term opportunities:
More than 40% of new employees are
recommended by friends who work for
the company. Employees rate the
experience, on average, 97% of them agree with the
statement, “People care about each other here.”
And only 30%, significantly lower than the industry
average. Obviously, some job applicants
will be impressed with the clarity and rigor
of the Container Store’s commitment to
training; others won’t. but a hiring manager’s
description of this orientation experience
surely sends a clear signal to a potential employee about what it takes to
succeed at the company.

By defining and communicating its
core values and distinctive attributes in
unique and memorable ways. Whole Foods
Market, Trilogy Software, and the Container
Store empower potential hires to make
well-informed employment choices. these
companies likewise are increasing the
probability that they’re bringing aboard highly
grounded and highly motivated workers.

Finding your Signature
Companies that successfully create and
communicate signature experiences understand that different types of people
will excel at different companies, and that
not all workers want the same things. In
a series of studies conducted jointly with
researchers Ken Dychtwald and Bob Morison,
Tamara Erickson categorized workers into six
segments on the basis of why and how they
like to work. some care deeply about the
social connections and friendships formed
in the workplace, for instance. Others just
want to work as much money as much
flexibility and as little commitment as possible.
Some have an appetite for risk. Others crave
the steadiness of a well-structured, long-term
climb up the career ladder. (See the exhibit.
“A Job by Any Other Name.”)
The firms we’ve studied that have
generated highly productive, highly
engaged workforces acknowledge and address
these differences more effectively than their
competitors. Specifically, they follow some
general principles for creating, supporting, and
preserving their unique employee experiences:

Target a segment of potential employees
Most executives can tell you which
consumers will buy their products
or services. Few have the same
insight into which job candidates
will buy into the organization’s
culture and adapt to its workflow.

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insight into which job candidates
will buy into the organization’s
culture and adapt to its workflow.
in their businesses. To encourage knowledge sharing, much of each business unit leader’s book-department time is devoted to helping associates (a few of the whole peer group). Employees are learning from one another. Thanks in part to these cross-platform groups, BP has met the financial targets built around the so-called “attitude” system of management – no hierarchies, no predetermined channels of communication, and no defined jobs for the associates (they’re never called employees) into particular tasks. This approach, which founder Bill Gore introduced more than 40 years ago, has been protected and reinforced ever since. Associates have sponsors, not bosses. They don’t have jobs; they make voluntary promises to meet general expectations within functional areas – running a particular machine, for instance, or crunching numbers. For their part, sponsors commit to helping new associates find “quick wins” – projects that put the recruits on a fast track for success while acclimatizing them to the organization.

W.L. Gore’s general processes uphold this signature experience. For instance, associates are compensated on the basis of the quantity, quality, and financial outcomes of their work. Performance is reviewed twice each year, and peers and sponsors get to weigh in on their colleagues’ work. They share their feedback with a compensation committee – there are about 15 such committees within the company, one for each functional area of the business – that then ranks people who handle a particular function from the highest contributor to the lowest. (The associate’s rank is determined by contributions to the success of the business, not just personal achievements.) Using guidelines based on external salary data, the company pays the associates at the top of the list more than those at the bottom. The objective is to be internally fair and externally competitive.

Sharing your stories

One of the legends among MBA students is likely to be that of Goldman Sachs’s signature recruitment experience. Successful cohorts of B-school students worldwide pass along the tale of the MBA student who successfully extracts high-paying potential hires: There are plenty of jobs out there for those who need a caffeine jolt and a few minutes to learn not just about your organization’s culture but about potential employers. Now, of course, banking is a 24-hour business, so that schedule was important matters in the afternoon – fishing, hunting, and the like. That schedule was made possible by the morning meeting. Now, of course, banking is a 24-hour business, and there’s much less time for afternoon jaunts through the Scottish hills. But the morning meeting lives on. Successive RBS CEOs have adopted this practice and made it their own. The current executive team meets with the chief executive, Sir Fred Goodwin, every morning between 8 and 9 to talk about the previous day’s events, go over that day’s agenda, and plan for the future. The sessions force employees to think about speed to market; RBS talks about completing projects within hours, not days. When there’s no meeting there is no meeting.

It’s all about the pitch

The seed of a signature experience already exists in many companies. Their challenge is to find it, extend or shape it to the needs of today’s business, and protect it. Consider Royal Bank of Scotland, which can credit its rise from a small national bank to one of the largest financial institutions in the world to a work environment that values action and speed. Those who do best in the world to a work environment that values action and speed. Those who do best in the world to a work environment that values action and speed. Those who do best in the world to a work environment that values action and speed. Those who do best in the world to a work environment that values action and speed. Those who do best in the world to a work environment that values action and speed. Those who do best in the world to a work environment that values action and speed. Those who do best in the world to a work environment with the values and attributes of the organization.

Identify and preserve your history

A signature experience must be buttressed by processes that send consistent messages to employees. Our research shows that one of the most common causes of low engagement in organizations is employees’ perception that some elements of the work experience aren’t exactly as they were advertised. How many times have we all heard people, six months into a job, say, “It’s just not what I expected.”

Several years ago, large industrial companies asked us to help redesign its orientation process, which executives at the firm felt was turning people off and driving them away. When we took a close look, we concluded that it was the process and not the problem; it accurately reflected the highly structured, tightly managed nature of the organization. The problem was occurring much earlier, during recruitment, when the company presented prospective employees with a flexible work environment full of excitement and innovation. This company was not a bad place to work, but did not do a good job of targeting and attracting people who would thrive there. It needed to change either the pitch it used with job candidates or the experience of working at the firm.

Whole foods backs up its team-building process with compensation practices, employee rewards and recognition, and promotion criteria that are also strongly team-based. All elements of the overall employee experience are aligned. Likewise, Goldman Sachs’s commitment to cooperative networks and its “one firm” mentality are reinforced in multiple ways, including through its promotion practices. Attention is given not only to an individual’s commercial acumen but also to the extent to which he or she is a culture carrier for the company.

The pitch it used with job candidates was a 24-hour paid training module called “First Days” – a 24-hour paid training module called “First Days.” Now, prospective employees – if you try to be all things to all people. The best strategy for coming out ahead in the war for talent isn’t to scoop up everyone in sight, unless you want to deal with the fallout: high turnover, high recruitment and training costs, and unhappy employees. Instead, you need to convince the right people – those who are intrigued not just by what your company is, but by what your company can become – that you are the best fit for them. The most effective way to do this is to communicate the structured nature of its work experience to prospective hires, but even then, the firm’s signature experience is strong enough and cohesive enough to retain those who are likely to be engaged and productive in the firm for the long term. The company’s executives calmly recognize their plight. “The suit was too tight,” they say, as they describe those who departed early on. That statement served as a polite but powerful reminder that Exxon Mobil’s employee experience is unlikely to flex on the order of days, weeks, or months, and that opting out is an acceptable path. Management understands that the company’s signature experience won’t necessarily map to every stage of the employee life cycle. Instead, it needs to be secure, structured experience. For example, the company recently considered switching from a defined benefits plan to a defined contribution plan, which the majority of companies today favor for their employees. In the end, it concluded that the security the defined benefits plan provides is more in sync with the values of the employees the company hopes to retain.

People will become long-term, deeply engaged employees of your company if their work experience is what they expect it to be if and when your firm’s values and attributes match theirs. You do a disservice to future candidates and to prospective employees – if you try to be all things to all people. The best strategy for coming out ahead in the war for talent isn’t to scoop up everyone in sight, unless you want to deal with the fallout: high turnover, high recruitment and training costs, and unhappy employees. Instead, you need to convince the right people – those who are intrigued not just by what your company is, but by what your company can become – that you are the best fit for them. The most effective way to do this is to communicate the structured nature of its work experience to prospective hires, but even then, the firm’s signature experience is strong enough and cohesive enough to retain those who are likely to be engaged and productive in the firm for the long term.