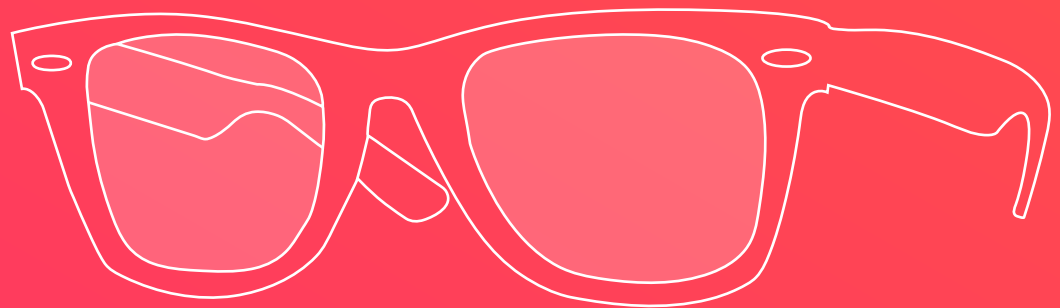


A FoW REPORT ON NEW WAYS OF WORKING



A report prepared by the Future of Work Research Consortium, November 2013
For more information, visit our website: www.hotspotsmovement.com

FUTURE ofWORK

ABOUT FoW

The Future of Work Research Consortium (FoW) is widely acknowledged as one of the most innovative and collaborative forums for exchanging insights, models and concerns about the future of work. Led by Professor Lynda Gratton, FoW unites academic research and organisational practice to deliver a unique multidisciplinary experience.

FoW was established on the understanding that the challenges facing organisations today are far too complex to address in isolation. Instead, they require the combined efforts of leaders across multiple industries and disciplines. To this end, FoW has brought together executives from more than 80 multinationals, over five years, to collaborate on the issues they are facing and to share examples of the most effective solutions.

Each year, the FoW Research Consortium explores three core themes selected in association with members. These three themes provide the context for a year long collaborative research process beginning with an extensive literature review conducted by the FoW team. The insights from the literature review provide the basis for an active phase of co-creative research with member organisations. Through a combination of Masterclasses, online jams and diagnostics we delve deeper into each theme and create fresh perspectives into both long-standing and emerging business challenges. The insights from this range of research methods are combined into one compelling report for each theme. This, combined with an extensive FoW library of articles, case studies and videos, enables members to embrace the challenges and opportunities they are facing armed with the latest data.

This Report provides a comprehensive summary of findings from the New Ways of Working literature review, Masterclass and jam. It combines the big ideas of academics and business executives with the practical experiences and insights of consortium members.



INTRODUCTION TO NEW WAYS OF WORKING

Over the last 20 years advances in technology and globalisation, alongside deep demographic shifts, have changed the landscape of work. The number of people online has increased rapidly from less than half a billion in the year 2000 to around 2.4 billion in 2013. This 400% increase has had a profound impact on the way many people communicate and interact with each other both in their personal and professional lives. The rise of the online social network is testament to this, with one in four people around the world now connecting in this way.

A Map of People Connected on Facebook



Source: Facebook. When Facebook launched in 2004, it had 1 million users. Less than ten years later in 2013 it reached 1.1 billion.

Increases in social networking outside of the workplace are intensifying the pressure on organisations to emulate this within company walls, so that global workforces can connect with each other and collaborate. However, while 70% of companies are using social networks, few are using them to their full potential, with McKinsey finding that up to \$1.3 trillion US dollars of annual value is being left untapped. Advances in communication technology have also signalled the end of work as specifically a place to go. Rather, remote working technology has helped people and organisations redesign work as a thing to do, from a variety of locations and at many different times.

While the landscape of work has changed quite dramatically, many organisations remain trapped by old processes and behaviours that limit their ability to reap the benefits of new ways of working. The aim of this Future of Work theme is to explore the key trends that are creating new opportunities for organisations to tap into global talent pools, release workers from carbon-hungry offices and develop people's full potential through sophisticated performance management techniques. It also seeks to uncover the challenges inherent in new ways of working from maintaining meaningful work for people in virtual teams to bringing social media into the workplace.

This document summarises the emerging insights from the 48-hour online jam, the one-day Masterclass and the latest academic research. The online jam brought together 440 people from 36 organisations and 26 countries, covering 71 topics and generating 730 comments.



Drawing on the insights from the jam, Masterclass and review of the academic and business literature, we see the following key challenges for organisations adapting to New Ways of Working:

PHYSICAL AND VIRTUAL SYNERGY (PAGE 4)

The New Power of Place: Despite many advances in communication technology that enable us to do much of our work outside of the office, we remain deeply connected to our workspaces. One driver for the continued premium of physical co-location over virtual working relates to creativity and innovation. As organisations face greater pressure to develop new products and services, they must create opportunities for the chance encounters that have traditionally ignited the best ideas. The emergence of co-located hubs, where people go to work with other specialists, is one of the new ways in which we are preserving the power of place in our working lives, while also taking advantage of the new vision of work as a thing we do, rather than a place we go.

REDESIGNING JOBS (PAGE 8)

Designing Meaningful Work: As work becomes fragmented across globally-dispersed virtual teams, the new challenge for organisations is to break out of the top-down, traditional approach to rigid job designs and instead create roles that enable people to find meaning in their work. This can be through building interdependencies, creating space for social interaction or giving people the autonomy to choose how, when and where they work. This emphasis on creating customisable, meaningful work must be balanced with the need for business stability essential for bringing the pieces of the fragmented work puzzle back together again at the end.

SOCIAL STRUCTURES AND COMMUNITIES (PAGE 12)

Many-to-Many Communication: As organisations become increasingly adept at using online social structures and communities within the workplace, we are beginning to see the transformative power of communication. By enabling many-to-many communication, social networks have the potential to change the way the best organisations capture knowledge and incite innovation. Organisations that leverage these powerful collaborative tools to their full potential have much to gain in terms of a better connected and more knowledgeable workforce. They will be able to build agility into their business models, with the power to instantly identify specialists within their organisations.

RETHINKING PERFORMANCE (PAGE 16)

Real-Time Performance Management: Organisations looking to attract, develop and retain the best talent must ensure that their performance management processes have kept pace with broader trends in work and technology. Traditional cycles of annual reviews, forced ratings and one-to-one feedback are increasingly unsuited to the flexible and project-based work that is gaining prominence. Online social media platforms are enabling real-time feedback across many layers of an organisation. They tap into the drivers of tech-savvy millennials that will soon dominate the workforce.

We hope you enjoy reading this report and we welcome your insights on this important topic.

Professor Lynda Gratton
Future of Work Research Consortium

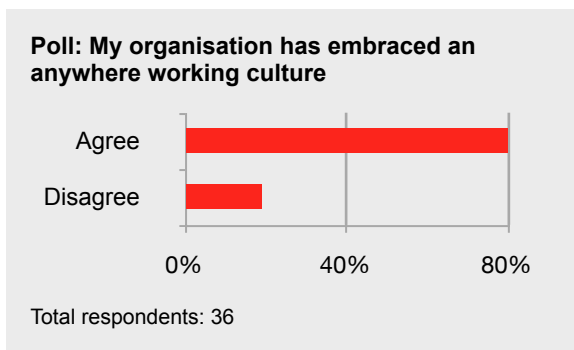
Note: All opinions expressed within this report are those of the attributed author, and may not reflect the opinions of their organisation.

1. PHYSICAL AND VIRTUAL SYNERGY

MOST POPULAR TOPICS JAM TOPICS	# COMMENTS
Technology and remote working	40
Face-to-face meetings	22
A future without offices?	20

SENTIMENT ANALYSIS KEY	
NEGATIVE	POSITIVE
Sentiment ranges from -1 (Negative) to +1 (Positive)	

Technology at Work: Advances in technology and globalisation have moved many companies towards a work anywhere culture whereby, rather than being tethered to carbon-hungry offices, workers are free to work from a location and at a time that suits them. According to research from Ipsos, this style of working is gaining traction, with 17% of people around the world consistently or always working outside of traditional offices. During the New Ways of Working jam, this provocation received 238 comments making it the most popular of the four. FoW members shared their experiences of working anywhere:



“ There are two types of work: That which can be done virtually without needing face-to-face interaction or input, and that which would benefit from face-to-face input. I work three days a fortnight in the office and the rest from home. My three days in the office are always booked solid with meetings that will benefit from face-to-face input. I really enjoy the days in the office and the socialising that occurs, but I find I’m a lot more productive when working from home in terms of the amount of work I get through.

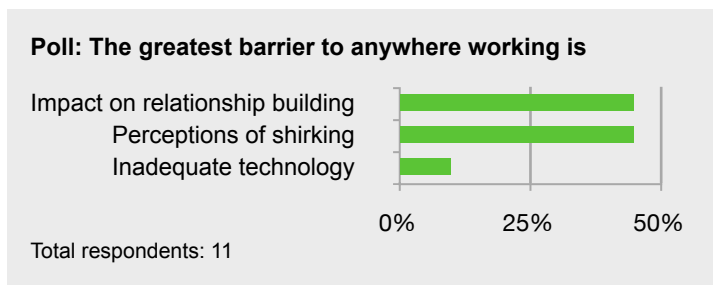
- Lynn Smith, KPMG, Learning Technologies Manager


For some Jammers, flexible working is no longer viewed as a privilege or benefit, rather it is assumed to be part of any modern, knowledge-based job. This reflects a trend that was also highlighted in our Inclusion and Diversity Research Consortium at a Masterclass on Re-imagining Careers. Employees are progressively more proactive in the way they approach flexible working, tailoring their work patterns to suit their preferences rather than waiting for company policies or directives to dictate their options:

“ It is interesting that we talk about organisations “providing” flexible working. As an employee I have always just assumed it and have never really waited for someone to bestow it on me. I didn’t really ask for permission to work flexibly, I just did it. Managers are mostly interested in people delivering on time. So I did that and was known for being a reliable and extremely efficient performer. I never asked for permission to arrive at work at 10am after doing morning reading at my kid’s school or for leaving at noon to go to the Christmas concert. I just told them where I would be.

- Elizabeth Henderson, Westpac, Integration Program Director WorkSMART

Work Anywhere: While flexible working is becoming increasingly common, some Jammers reflected on the continued challenges of fully adopting the work anywhere approach. One theme that resonated strongly during the conversation was the potential stress of being always connected to work, and never having the opportunity to truly switch off:





“ How many people never take a proper holiday or weekend when they are fully switched off from work? We often receive emails from colleagues who are on leave. Do we really believe it is an expectation of our employer or does it go much deeper in that we, as humans, can let our work define us and secretly take some satisfaction from being needed. I have challenged my own behaviours by reminding myself of some of the principles of the corporate athlete course I attended three years ago - it's so very important to recharge by focussing on something else.

- Linda Stewart, Diageo, Global Talent Manager

The benefits of the work anywhere approach are at times offset by reduced face-to-face contact which has traditionally been pivotal to building trusting relationships and communicating effectively. Some Jammers felt that this challenge was heightened when teams were operating in different geographies and cultures, or in industries that are heavily regulated:

“ I think it's important to consider the cultural barriers to remote working. In global teams it is very easy for people to feel expected to be online and available 24/7 and some people, either personally or culture-wise, can find it difficult to say no to teleconferences. This can lead to a lot of stress and I've particularly seen this in Asia where people may be uneasy about turning down invitations for fear of being thought unconscientious.

- Amanda White, AbbVie, Director of Internal Employee Relations

“ I believe that in strongly regulated industries like banking, we still depend on the old way of exchanging information through face-to-face meetings between internal and external stakeholders for example. Face-to-face events are still playing a role. The Development Bank of Japan organises seminars and events for information sharing.

- Yuki Kanamori, Kokuyo, Researcher

Still in the Office: Despite significant advances in communication technology enabling people to work from multiple locations, the majority of workers continue to commute to offices. This is particularly stark in the developed economies of the UK, the US and Germany, all of which have less than 15% of workers always or consistently working remotely according to data from Ipsos. The allure of the office is particularly strong for younger workers according to a study by TCS showing that 70% of young Europeans would prefer to work from a physical office. Jammers speculated on the reasons for the continued dominance of the office in our working lives:

“ For graduates and young employees the office becomes a key social place to meet new friends and potential partners. I also think that meeting people in the office and having informal conversations is a great way of getting essential information about what is going on, learning and networking.

- Jennifer Stanzl, Tata Consultancy Services, Learning and Development

One of the most important drivers for co-located versus remote working, is the impact proximity has on innovation within companies. Many Jammers felt that working in different locations and time zones limited the opportunities for people to develop new ideas and approaches through the kinds of chance encounters that happen when you are working in a physical office. Jammers explored this need for innovation in the context of Yahoo! CEO, Marissa Mayer's, recent decision to bring employees back into offices:

“ When I first read about Marissa Mayer's decision, I thought she was nuts. After all, isn't Yahoo!'s work particularly well-suited to remote working? However, having listened to her explanation about how innovation was being stifled by home working, my reaction has softened.

- Linda Stewart, Diageo, Global Talent Manager

“ The commentary that came about from the Yahoo decision was fascinating and surfaced quite a number of varying perspectives. There was an article that resonated with me because it established a particular value proposition for working on-site. They referred to casual interactions, a simple idea that working next to others generates better opportunities for collaboration and innovation, which occurs when you bump into people, share ideas and ideate. So the question business leaders might want to consider is "Do you value productivity or innovation from your teams?" Is there a happy medium between the two or does one particular proposition best suit your team?

- Cameron Doring, SunCorp, Principal - Strategic Innovation

Creating Synergy: In light of the challenges of maintaining the social elements of work and encouraging innovation, how should organisations approach the complex creation of physical and virtual synergy? The majority of Jammers accepted that, given the cost of commuting and international travel, virtual working is here to stay, even if that means compromising on some of the benefits of face-to-face working. The answer therefore lies in creating the right balance for each employee and enhancing our understanding and use of virtual environments so that we can get the best of both worlds:

“ I think there is a need to maintain a connection with the workplace and colleagues. I wouldn't want to do more than one or two days away from the workplace as a general rule.

- Paul Sofronoff, SunCorp, Principal - Strategic Innovation

“ The research on virtual worlds frequently highlights the incredibly strong bonds individuals have with their avatars and the virtual worlds they inhabit. This leads to the possibility that individuals who crave the human contact and the social aspect of the work and office environment would benefit greatly from a virtual world approach to remote working.

- Darren Keegan, Director, Tycoon Systems and Guest Speaker at NWOW Masterclass

“ Chance meetings are the best thing about being in the same physical office. To emulate this for people working outside of offices, Accenture has developed an app to increase the chance of people connecting whilst they are travelling around the globe. It is called Connected Traveller. When someone books travel on our internal systems, they are given the opportunity to publish their travel details on the social media tools we have. If they are in my network, I can see this and perhaps try and meet up with them whilst they are in town.

- Andrew James, Accenture, Human Capital Strategy Director

A further way in which Jammers felt that synergy could be created between physical and virtual worlds is through embracing co-working hubs. These flexible working spaces are springing up around the world to help specialists from a range of occupations and employers share the same physical working environment:

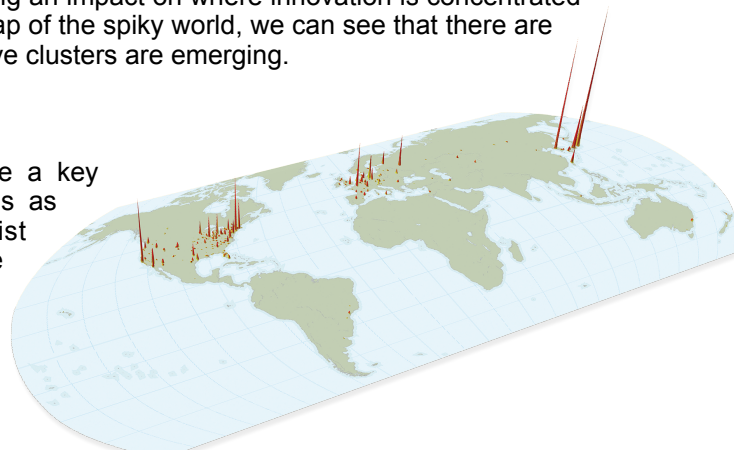
“ Over the next 10 - 20 years there will be a cultural shift needed to adjust to not being physically present. This might start with working from local hubs. I think humans still want to live in communities and so will gather near work hubs or in like minded communities where they share common interests, but can work remotely. Organisations that adjust to this model will get economic benefits of lower costs and higher engagement.

- Colin McCririck, SunCorp, CIO

These co-working hubs are already having an impact on where innovation is concentrated around the world. In Richard Florida's map of the spiky world, we can see that there are several, distinct locations in which creative clusters are emerging.

Richard Florida's Spiky World:

Getting the best of both worlds will be a key challenge for multinational organisations as they seek to connect with specialist workers around the globe. Striking the balance between virtual and co-located working that enables employees to operate in the environment that suits them best will be critical to unleashing the creative potential of their employees.




ACADEMIC INSIGHT: SMALL DISTANCES MATTER

Frank Siebdrat, Martin Hoegl and Holger Ernst's MIT Sloan article reveals that we underestimate the impact of small distances on collaboration. As part of their study of virtual teams, the authors found performance was lower for teams with people located in the same building but on different floors than for teams where all members were on one floor.

In fact, teams with members on different floors performed worse than teams with members spread across countries or even continents. The authors explain this surprising finding as the result of teams with small distances between them underestimating the barriers to collaboration. In contrast, groups that are more widely dispersed are more aware of their challenges and make efforts to improve coordination.

Frank Siebdrat, Martin Hoegl and Holger Ernst, How to Manage Virtual Teams, MIT Sloan Management Review



New Insights: Our research on Physical and Virtual Synergy raised a number of outstanding questions. We explored these within our literature review, Masterclass and jam and found the following insights:

HOW DO WE CREATE INTENSIVE FACE-TO-FACE MEETINGS, AND WHEN ARE THEY MOST EFFECTIVE?

Our literature review and co-creative research phase with consortium members uncovered three key purposes of face-to-face meetings:

Building trusting relationships in virtual teams: The latest academic research suggests that it is highly desirable to bring teams together in person at the launch of a virtual team. The opportunity to get to know and trust one another on a personal level yields benefits long after the team has moved to a virtual setting. While the cost of bringing globally dispersed teams together physically may seem prohibitively high, the cost of the team failing is far higher, according to London Business School Professor Rob Goffee.

Sparking Innovation: During the New Ways of Working Masterclass we heard Marissa Mayer's justification for bringing Yahoo! employees back into the office: to spark innovation. According to Mayer, physical co-location is essential for this kind of spontaneous collaboration, and Jammers broadly agreed; Jammers emphasised the importance of 'chance encounters' in the workplace which provide the context in which specialists from different backgrounds can develop a new and inspired product or service.

Early Career Networking: Our research into the value of co-location versus remote working led us to some interesting findings from Tata Consultancy Service's survey of European youth. This survey found that 70% of young Europeans (aged 18 to 30) preferred to work from a physical office. This goes against some of the commonly held assumptions about tech-savvy Millennials craving the flexibility of a work anywhere culture. During the jam, participants reflected on the reasons behind this preference, agreeing that at the early stages of one's career, building strong networks is essential and this is most effectively achieved when in the office.

Finally, to create intensive face-to-face interactions, research from Rob Goffee and Gareth Jones advocates changing behaviours and mindsets so that meetings are no longer viewed as opportunities to sit back and make general conversation but are instead well prepared, well planned and conducted as a mixture of energising and busy activity that deviates from the norm.

HOW WILL ORGANISATIONS BE USING AUGMENTED REALITY AND VIRTUAL WORLDS IN 2030?

During our literature review, we explored the latest developments in augmented reality and virtual worlds and found that, like many nascent technologies, they were having a far more profound impact in people's personal rather than professional lives.

With this in mind, we conducted further research to find out which organisations were leading the way in bringing this technology to the workplace. We found two companies particularly interesting: Holition and Tycoon Systems.

Holition's Augmented Reality: This industry-leading provider of augmented reality platforms focuses on revolutionising the shopping experience by enabling customers to try on items of clothing in multiple colours and styles through a simulation. We invited the CEO, Jonathan Chippindale, to our New Ways of Working Masterclass and asked him what the applications might be within an organisation. Jonathan felt that data provided by these new technologies had the potential to disrupt the way organisations understood their employees. By tracking employee responses and behaviours, HR teams could begin to segment their workforces according to their interests.

Tycoon Systems' Virtual World: Tycoon are at the forefront of the application of virtual worlds in business and academic settings. Director, Darren Keegan, demonstrated their VirBela platform at the New Ways of Working Masterclass, showing how the use of avatars and a variety of purpose-built virtual rooms could emulate many of the benefits of face-to-face interaction. These virtual worlds allow users to speak to and interact with each other with many of the visible social cues previously the reserve of face-to-face meetings. They have proven effective in executive training programmes and have the potential to blur the lines between physical and virtual worlds.

WHAT ARE THE BENEFITS OF PHYSICAL PRESENCE THAT CANNOT BE REPLICATED VIRTUALLY?

The benefits of physical presence were largely addressed in the previous two 'unanswered questions' and related to relationship building and innovation. However, there was one additional insight that emerged during the jam: the importance of physical presence in office politics.

Jam facilitator Tim Cooke shared his experience of attending office-based meetings on a particular issue, only to find out through subtle social cues that the real decisions took place in the informal chats before and after the official meeting. This would have been difficult, if not impossible, to observe had he dialled into the official meetings or joined through videoconferencing.

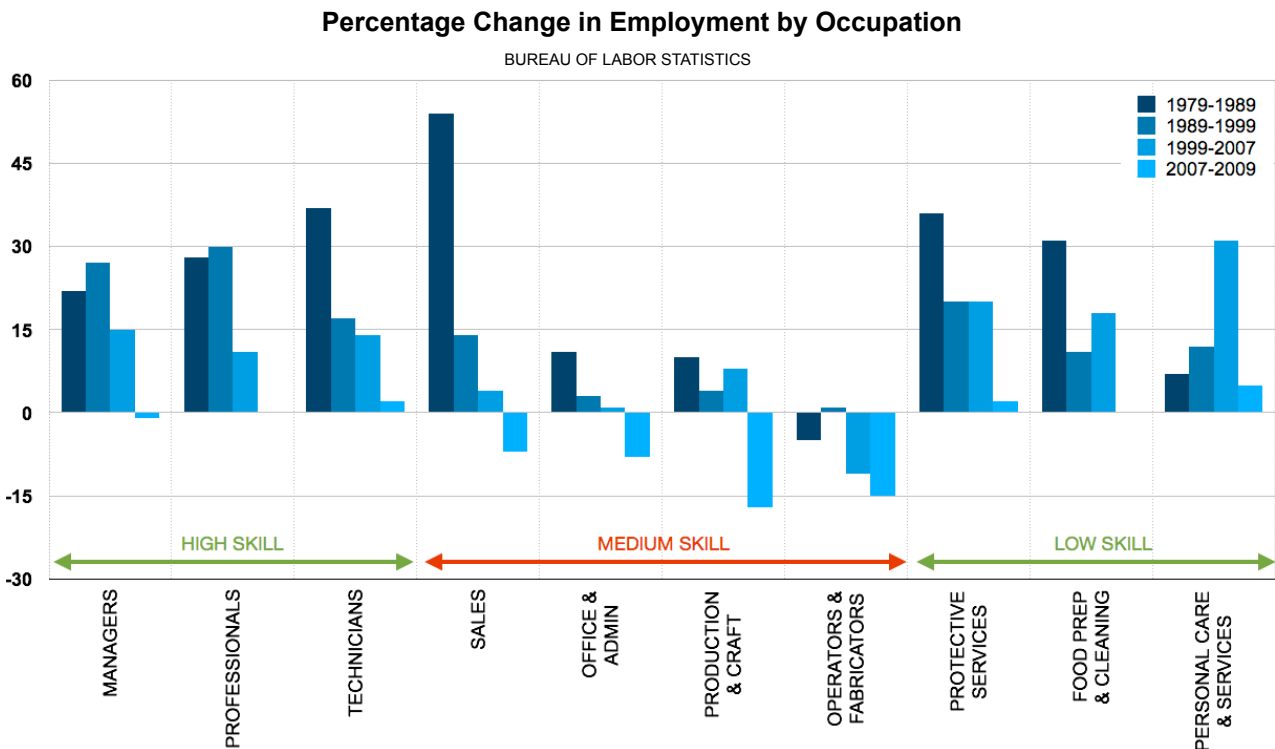
The most important benefits of physical presence are often incredibly subtle and spontaneous.

2. REDESIGNING JOBS

MOST POPULAR JAM TOPICS	# COMMENTS
What does meaningful work mean to you?	52
Redesigning jobs	23
ACTION: Encouraging collaborative behaviour	14

SENTIMENT ANALYSIS KEY						
NEGATIVE						POSITIVE
Sentiment ranges from -1 (Negative) to +1 (Positive)						

Connected Workforce: Work is becoming more connected and increasingly performed in geographically dispersed teams. In recent years we have also seen a dramatic change in the types of jobs being created. In particular, we have seen a decline in the creation of generalist, middle skill jobs, while high and low skill jobs continue to flourish:



These trends are forcing us to rethink how we approach job design. This once top-down and rigid process must now accommodate fluid project teams of specialists, people working remotely, and lattice management structures. The Redesigning Jobs provocation stimulated a great deal of discussion during the New Ways of Working jam, with users contributing 182 comments, making it the second most popular of the four. During the conversation, participants reflected on the new challenges they are experiencing in the area of job design:

“ The way we work is changing - in TCS we have work which is project-based. It is important to redesign work and we have both the corporate ladder where employees can move vertically, specialising in one core area, as well as the lattice, where we can have employees choosing their projects and moving horizontally in the work place. Based on this movement, teamwork has changed - in our environment we have a lot of virtual teams spread across the globe. This calls for instant trust, clear goals, clear ownership and a lot more communication.

- Anshoo Kapoor, Tata Consultancy Services, Lead - Talent Management

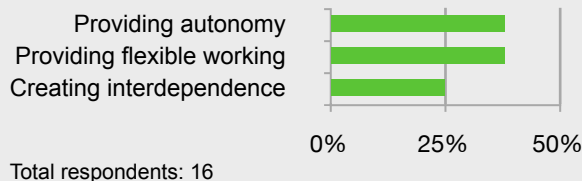


Organisations now face the challenge of redesigning jobs to reflect this new context of work. The first task is to build flexibility into job descriptions to accommodate diverse work arrangements. The extent of the flexibility required in some occupations caused some Jammers to predict the end of structured job descriptions altogether:

“ In future, I don't think job descriptions will exist as we know them. Also, I'm not sure of the value created by defining a job and preparing a job description. We will be able to put the assignment on a freelancer community forum, see people's credibility scores and let the experts work out what needs to be done.

- Felicity Nelson, SunCorp, Capability Lead

Poll: The most challenging aspect of job design is



This bold approach is already being experimented with in organisations such as Valve, an online gaming company, and W. L. Gore, a company making resilient fabrics. While these organisations have been successful with this approach, it is still a bold take on this area of organisational design. As such, Jammers refocused the conversation on how job design can be customised, rather than removed altogether:

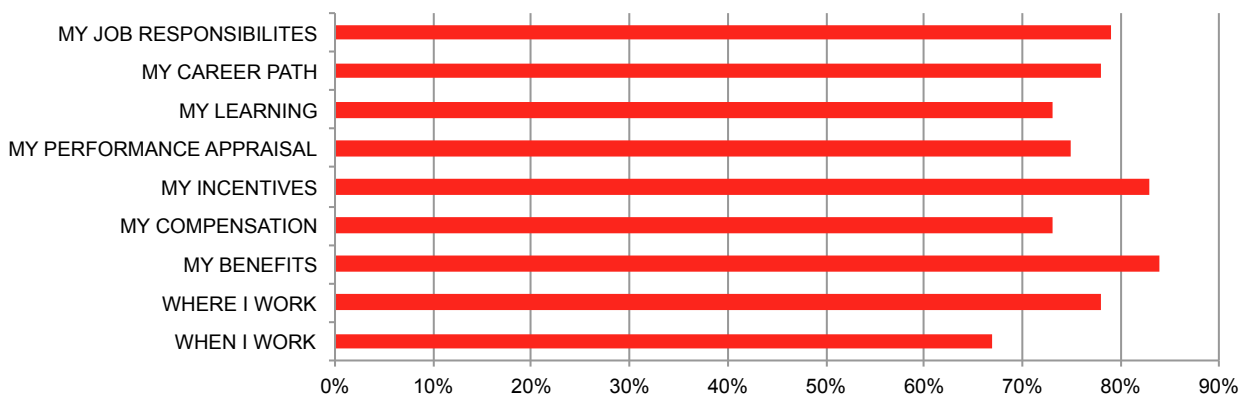
“ I would like to see a situation where individual skills and interests could be included in an individual's role or activity even if they have eight other colleagues with the same role title. I wonder if companies don't allow customisation of roles because it makes it much more difficult to compare performance at annual review time.

- Kevin Ross, SunCorp, Innovation Partner

Job Customisation: The current literature on this aspect of New Ways of Working shows that job customisation is a strong pull factor for potential new recruits, with people reporting that they would be both attracted to, and more likely to remain at, an organisation that empowered them to customise several elements of their job:

I would be attracted to and more likely to remain at an organisation where the following are customised:

WORKFORCE OF ONE SURVEY, ACCENTURE




Concern over how best to manage performance when employees have the ability to customise their job was a recurring theme, with some Jammers believing this would require a fundamental change in how we approach job design:

“ If all individuals design their own jobs, how will we ensure appropriate evaluation against a picture which would continually shift? I don't have the answer but perhaps our approach to role sizing would need to be radically altered so that we move away from the current mindset of “grading the role, not the person.”

- Linda Stewart, Diageo, Global Talent Manager

Customisation of work is just one of many ways in which people create meaning in their jobs and it is this topic of meaningful work that became the next focus for Jammers who were keen to raise the profile of social needs in creating meaningful work:



“ Neuroscience is showing that social needs are primary. That is, they are at the same level as food, water and sex and that, basically, Maslow got his hierarchy wrong. This has massive implications for meaningfulness and for how organisations lead people. We may know this intuitively, but organisations still operate on an economic model, they pay for skills and time, and this ignores the rewards that come from connection with others.

- Jan Hills, Head Heart and Brain, Partner

Wellbeing: One of the most important social needs that has received great attention in business and academic literature is the value of rest and rejuvenation. A key part of job design, according to many Jammers, is providing the space for people to take breaks and recharge:

“ In today’s rapidly changing world, we all experience partial attention deficit, which means there is so much for us to learn, unlearn and relearn that we need to keep our ears and eyes open. Bringing the best self to work is to ensure you enjoy what you do. At Tata Consultancy Services, during breaks, people can do something stimulating. For example, in the TCS Web 2.0 Innovation Labs we have areas where the teams play a game of bridge or even have jamming sessions using the guitar.

- Anshoo Kapoor, Tata Consultancy Services, Lead - Talent Management

TCS’s initiatives to help employees connect and recharge, reflect a relational element of work that also received attention from Jammers in the context of creating meaning. Indeed, the importance of building close relationships with colleagues has gained wide acceptance in the HR community, with Gallup’s G12 employee engagement survey including a question asking “Do you have a best friend at work?”

“ How might a company go about setting up the right environment for helping to cultivate an individual’s sense of meaningful work? It’s about relationships - focusing on facilitating meaningful friendships or relationships. This automatically gives associates an immediate support network that can go beyond “just work.”

- Georgia Tan-Leland, Tata Consultancy Services, OD Head, China

Finally, Jammers explored the ways in which organisations can build motivational factors into job design, so that people are inspired to carry out their roles to the best of their ability:

“ I think a number of organisations provide clear values. However, given the trends of comments in this jam and previous experience, companies need to be clearer in translating these values into what they mean for the individual. I think all the past focus on employee value proposition and even Dan Pink’s current work underpins the idea that increasingly employees want to feel connected and part of this transparency. They want to see values being made real for them.

- Colin Shipp, KPMG, Head of Performance and Reward


“ For me, meaningless work is when you don’t have the big picture. You don’t know why you are doing something or how you are adding value - however small or big - and you have absolutely no empowerment to change. In India it is very common to have a person operating the lift. For a long time I thought that it must be one of the most meaningless types of work in the world. However, once I was told by one of the operators how he was helping management by reducing the repair cost of the lift as he knew how to press the buttons properly. He had the big picture in mind.

- Nupur Singh Mallick, Tata Consultancy Services, Director HR - TCS UK and Ireland

“ I think the key challenge is designing jobs for outputs rather than inputs. Currently we design a role around what activities a person is responsible for or what they need to do each day, rather than focussing on what the purpose or objective of the job is and giving the individual scope to achieve those goals in a way that best suits them.

- Sarah Sharma, Westpac, Senior HR Manager

When redesigning jobs, organisations must balance a range of interests, weighing up the need for flexibility and customisation on the part of the employee, with the need for stability in the business. In addition, job design is increasingly called upon to facilitate the relational aspects of work so that the development of meaningful work relationships supports the broader outcome of meaningful work.



New Insights: During our literature review, we noted some of the unanswered questions to address at the New Ways of Working Masterclass and jam. Here are some of the insights we gained:

WHEN DOES MODULARISATION WORK, AND WHAT HAPPENS WHEN IT DOESN'T WORK?

We studied the latest thinking around modularisation and outsourcing of work and found three important factors:

Discrete Tasks and Processes: We were inspired by the recent success of online communities of freelancers such as oDesk and Elance. These online talent pools provide access to specialists from around the world for large organisations and small start-ups alike. We invited Gary Swart, CEO of oDesk, the world's largest online community of freelancers, to share his experiences at the New Ways of Working Masterclass. Swart advocated the modularisation of tasks that lent themselves to quantifiable results. For example, discrete pieces of coding work where productivity could be measured by hours worked or lines of code written. While tasks of increasing complexity are outsourced to freelancers, there remain significant challenges in assessing outputs.

Prioritising Work and Understanding Interdependencies: According to Harvard Business Review contributors, Tammy Johns, Thomas Malone and Robert Laubacher, to understand which tasks and processes are best suited to modularisation we must first carefully map the activity in question. The authors point to the example of pharmaceutical giant, Pfizer, which in 2008 task-mapped the activities of their most highly skilled knowledge workers. The results revealed that these highly paid employees were spending between 20 and 40 percent of their time on basic tasks such as data entry. In response, Pfizer modularised and offshored these basic tasks. The authors recommend that, before modularising any task or process, an organisation must work to understand all dependencies and determine whether they can be easily co-ordinated and managed if the task is split between different people.

Modularising at the Right Time in the Lifecycle: We researched the case study of the Boeing Dreamliner. The plane's production process was the most ambitious example of modularisation in its industry. However, it suffered a series of setbacks as a result of coordination problems. The challenges in production were not the result of modularisation itself, but the fragmentation of production too early in the lifecycle. According to the case study author, James Allworth, when modularising a process, one must be fluent in how the pieces of the puzzle fit together. Boeing's mistake was to modularise parts of an unsolved puzzle across suppliers which resulted in significant delays each time an unanticipated problem arose.

SHOULD EMPLOYEES BE ALLOWED, OR EVEN ENCOURAGED, TO OUTSOURCE THEIR WORK? WHAT ARE THE IMPLICATIONS OF SUBCONTRACTING FOR CORPORATIONS?

Outsourcing has taken on new meaning at the level of small businesses and individuals, but is not without its challenges according to our research:

Outsourcing at the Level of the Individual: The growth of Cloud computing and Software as a Service (SaaS) has moved outsourcing from the sole domain of large companies, to something accessible to small organisations and even individuals. In the recent business press, we discovered the example of an employee who outsourced his coding job to a company in China for less than one-fifth of the salary he was paid. While the work he delivered (though did not produce) was frequently praised as the best in the team, he was fired as soon as his employers discovered what he was doing. This story opened up the debate around how free employees should be to decide how they complete their work. Commentators such as Tim Ferris, author of *The Four Hour Working Week: How I Outsourced My Life*, see this as a great step forward in managing our increasing personal and professional administrative workloads.

Individuals as Managers: During the jam we explored some of the arguments against individuals outsourcing work. Participants highlighted that outsourcing one's own tasks and processes requires managerial skills that are not necessarily held by the individual. For outsourcing to work at this level, people must develop a new set of competencies around coordination of work as well as an ability to scrutinise the outputs of their suppliers.

HOW CAN EMPLOYEES BE EMPOWERED TO CRAFT THEIR OWN JOB DESCRIPTIONS, WHILE ALSO MAINTAINING STABILITY AND CONTINUITY FOR THE BUSINESS?

The most forward thinking organisations are creating new ways of tailoring job designs to individual preferences, creating space for customisation and self expression:

Job Customisation: Richard Hackman and Greg Oldham, two leading scholars in this field, believe job design is evolving from a rigid, top-down process to something altogether more collaborative with the job holder. The most future-oriented job designs now focus on the outcomes and objectives of the role and allow the worker considerable latitude to customise how they complete the task.

Building Autonomy: Organisations such as Google are experimenting with autonomy in job design by devoting 10% of an employees' time to activities of their choosing, so long as they contribute to the success of the organisation. In doing so, Google is able to preserve the necessary stability of getting core work completed in a consistent way, while providing room for autonomy and creativity at the level of the individual.

3. SOCIAL STRUCTURES AND COMMUNITIES

MOST POPULAR JAM TOPICS	# COMMENTS
What are the trends that are changing our behaviour?	26
Do you connect, network, chatter or share?	22
Trusting others and being trustworthy - the new workplace currency?	15
SENTIMENT ANALYSIS KEY	
NEGATIVE	POSITIVE
Sentiment ranges from -1 (Negative) to +1 (Positive)	

Social Media: Social networks have become a significant part of many people's private lives, with 1.8 billion people connected through platforms such as Facebook and Twitter. Use of social media in countries such as the US has increased dramatically in recent years while traditional forms of communication including phone, email and mail have declined:

Average time Americans spend on various activities per month

MASHABLE

MEDIA	2006		2011
SOCIAL NETWORKING	2.7 hrs	▲	6.9 hrs
PHONE, EMAIL, MAIL	5.7 hrs	▼	4.8 hrs
SOCIALISING IN PERSON	22.8 hrs	▼	21 hrs
WATCHING TV OFFLINE	71.1 hrs	▼	59.4 hrs
WATCHING TV ONLINE	6.3 hrs	▲	23.1 hrs

The question we have been researching is, to what extent have the online social structures and communities that influence our private lives, infiltrated the workplace? Research by McKinsey shows that 70% of organisations are using social tools, however, few are using them to their full capacity.

McKinsey's findings were echoed in our New Ways of Working jam, with many participants reporting that online social structures and communities exist in their organisations, but in their infancy:

“ When you look at the company as a whole I think we are still in the embryonic stage. Of course some pockets and people are prolific.

We have a wide population of passive consumers of these assets, information, insights and discussions, but a smaller community that are active providers of this content. We want to motivate much more growth in this active community of individuals.

- Andrew James, Accenture, Human Capital Strategy Director

Jammers felt that online social structures and communities, if used to their full potential, could revolutionise the way they work and collaborate. By opening up the innovation process to all employees, connecting people across the business and bringing specialists together quickly to solve problems, online social structures and communities are already beginning to transform ways of working:

“ Knome is very self-driven and anyone in any part of the world can go ahead and create a community. The creator of the group is the one who facilitates the conversations and the analysis of information. Based on this analysis, we have a short summary of ideas that is shared and people have the opportunity to vote for the ideas they would like to implement. We also use Knome to check the ‘pulse’ of the organisation month-on-month in addition to our annual satisfaction survey.

- Anshoo Kapoor, Tata Consultancy Services, Lead - Talent Management

“ At SunCorp we use Yammer as a collaborative tool to encourage sharing of ideas and information across the organisation. The platform can be used to quickly respond to problems. If an employee is experiencing a problem with one of our financial products or services then it is likely that the same thing will be impacting customers. By highlighting the issue on Yammer, a speedy resolution is assured. These platforms are very useful tools that support our business strategy and increase our productivity.

- Chris Talbot, SunCorp, Manager - People and Strategy Metrics

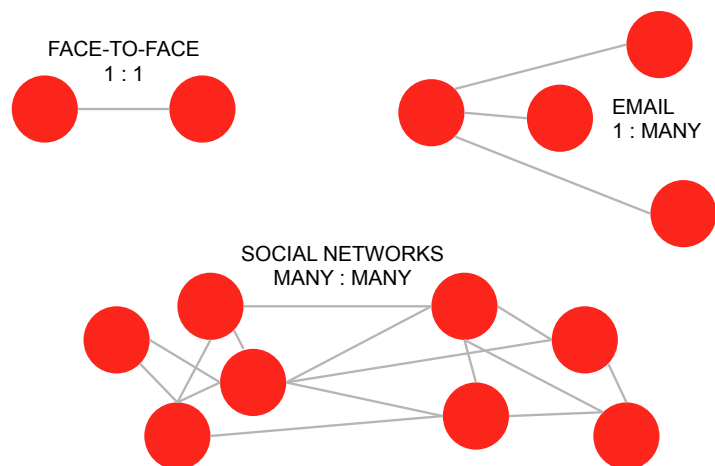
“ Accenture uses a proprietary collaboration-and-sharing portal that we call the Knowledge Exchange. This provides access to the organisation’s best content, enabling its 275,000 employees to connect with each other in 1,500 communities of practice. Accenture employees use these tools to do three things: Connect to people and content; Contribute their ideas, insights, experience and knowledge; Champion going the extra mile to deliver for clients.

- Andrew James, Accenture, Human Capital Strategy Director

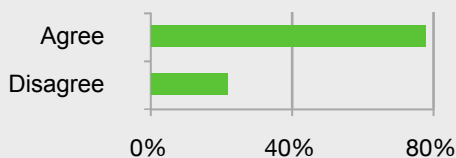
Many-to-many Communications

During our research, we explored the potential of online social structures and communities to replace email as the most effective means of communication in the workplace.

At the New Ways of Working Masterclass we shared the views of Don Tapscott, Adjunct Professor of Management at the University of Toronto, who ardently believes email is reaching the end of its lifespan and that organisations must take steps to move to more sophisticated communication platforms that facilitate complex, “many-to-many” communication.



Poll: Online social tools will eventually replace email in the workplace



Total respondents: 18

During the jam, we heard examples of how this is already happening in some workplaces where internal communications take place in collaborative forums rather than in closed email communications:

“ A few of our leaders do not respond to questions via email. Instead they prompt the person to ask the question in the community and they answer it there. This has helped drive behaviour change to ask and answer questions in an open, accessible way via the community.

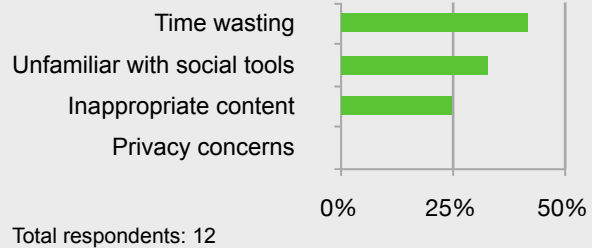
-Priya Banati, Accenture, Manager

“ At Westpac, we are in the early stages of rolling out an internal social networking platform called Mix. Early indications are very positive with pockets of the organisation using it for all of their internal communications instead of email. Senior leaders have hosted ‘Mix Master’ sessions where they set aside an hour to receive and answer questions on any topic of interest to our employees.

- Emma Jessiman, Westpac, Senior HR Manager

Overcoming Challenges: To realise the full potential of online social structures and communities in the workplace, organisations must overcome a set of complex challenges. At the New Ways of Working Masterclass we approached the issue of employee privacy, debating the extent to which concerns about access to personal data might deter workers from engaging with social tools. These concerns were not, however, a particular issue for Jammers who generally felt that the gains from using social tools outweighed privacy concerns that will increasingly be addressed through legislation:

Poll: The biggest concern around social tools for my organisation is



“ Until a few months ago, I was one of those few who did not have a Facebook or Twitter account. I had the usual reservations of not wanting to expose my views and life online. I was asked to sign up for Facebook as part of my work - there was no penalty for not signing up, but I had to monitor some trends and there wasn't a better way to do this. On the whole it was good for me and good for the work I was assigned. In the last few months, my organisation has had a concentrated effort to encourage employees to use internal social networking tools. It's turning out to be such a game changer that I am a convert today.

- Anon, Professional Services, Human Resources

“ Technological advancements have historically always outpaced the legal system, but laws are already changing to try and adapt to these phenomena. As big data, analytics and customisation continue to permeate our lives in a great way, I foresee also the rise of more complex laws to protect personal privacy.

- Anshoo Kapoor, Tata Consultancy Services, Lead - Talent Management

JAMMERS' TOP 5 CHALLENGES WITH ONLINE SOCIAL STRUCTURES AND COMMUNITIES:

1. Leadership buy-in
2. Time constraints
3. Unclear objectives for use
4. Establishing trust
5. Privacy concerns

Within the topic of privacy and appropriate use of internal social tools, Jammers were also positive about the ability of people to remain professional regarding the content they uploaded and the views they expressed, seeing it as an extension of their work identity:

“ I don't think social tools need to be policed. In a mature organisation employees self monitor and 'get' that the conversation should be adding value for the organisation and not a time waster.

- Chris Talbot, SunCorp, Manager - People and Strategy Metrics

“ There will always be a place for dealing with people who don't act reasonably in a work environment, but that should be dealt with at the individual level as a performance matter.


- Paul Sofronoff, SunCorp, Principal - Strategic Innovation

Fast Trust: A further challenge around the successful launch of an online social platform is the need to build trust between employees who may be connecting from around the world having never met. This issue of fast trust received a lot of attention within the jam, with participants concluding that to build trust over social media platforms, one must take the time to understand the other's preferences, and ensure they deliver on their commitments:

“ Trust is strongly linked to delivering on the promise. Also, everyone's trust needs are different and shift depending on their experience and at different stages of their lives. Understanding the boss's working style, expectations and how they trust is key.

- Georgia Tan-Leland, Tata Consultancy Services, OD Head, China

Online social structures and communities have great potential to revolutionise communication and collaboration within the workplace. While many organisations are experimenting with social tools, the race is on to effectively embed these platforms into organisational work processes and cultures. Those that succeed in this endeavour are likely to reap significant competitive advantage from a connected, global workforce, able to share knowledge and collaborate in real time.



New Insights: The research on Social Structures and Communities left a number of outstanding questions which we addressed within the Masterclass and jam. Here are some of our learning points:

HOW CAN ENTERPRISE SOCIAL MEDIA REVOLUTIONISE THE WAY WE PERFORM TASKS AND CONNECT WITH EACH OTHER AT WORK?

Many-to-Many Communication: The revolutionary power of online social structures and communities lies in their ability to facilitate many-to-many communication. These channels are proving increasingly more effective than email for some types of correspondence, particularly within organisational boundaries. While our literature review showed a continued preference for email over social tools, this is softening as new, tech-savvy generations enter the workforce in large numbers. It is likely that in future information that currently sits trapped in email inboxes will be made widely available through online communities.

Knowledge Sharing: In the next ten years, Baby Boomers (those born between 1946 and 1964) will begin retiring in large numbers. Organisations have a small window of time in which to capture their knowledge and expertise, and online social structures and communities present one possible solution. By encouraging people to store and share their knowledge in online platforms, organisations will be able to create repositories of information that can be accessed and built upon by future generations of workers. This expertise, previously passed on in closed email or face-to-face communications, will become increasingly codified and available to those who need it most.

Connecting People: During our research on job design, we observed a common theme around the importance of employees building meaningful relationships with their peers at work if they are to perform at their best. While few employers would doubt this fact, many find that this is difficult to achieve in the context of a work anywhere culture, with team members often located far from one another. One approach to overcoming this challenge is to use online social structures and communities to help people connect, and locate colleagues with requisite skills.

HOW PRESCRIPTIVE SHOULD COMPANIES BE WHEN DEPLOYING INTERNAL SOCIAL MEDIA? HOW FREE SHOULD EMPLOYEES BE TO USE PLATFORMS FOR EXPRESSING OUT OF WORK INTERESTS?

The research around online social structures and communities revealed a nervousness among many organisations about launching platforms in which people are able to express their views to a large audience. However, regulation of communities can significantly reduce their effectiveness:

Promoting Self Expression: One of the most powerful elements of online social tools is the avenue they create for employees to express their interests and identity. The consensus among Jammers was that people should be given the freedom to be their whole selves on these platforms and that mature organisations should trust contributors to use them appropriately.

Tata Consultancy Services' Knome Platform: During the New Ways of Working Masterclass, we took a closer look at the factors that have contributed to the success of Tata Consultancy Services' Knome platform. These included allowing individuals to create communities based on work and non-work interests that enable them to understand their colleagues on a personal level, encouraging collaboration. In addition to community building, the Knome platform provides employees with the trust and freedom to suggest new products, services and ways of working that are voted on by their colleagues. The most popular initiatives are then adopted by the business.

WHY DO SOME ENTERPRISE SOCIAL NETWORKS SUCCEED WHILE OTHERS FAIL AT GREAT EXPENSE? HOW IMPORTANT WILL STRONG SOCIAL NETWORKS BE FOR FUTURE PERFORMANCE?

The research around online social structures and communities reveals two key factors that influence the success or failure of an online social network:

Leadership Buy-In: Like all ambitious process and behaviour change initiatives, leadership buy-in is a critical success factor. Encouraging executives to lead by example and begin transferring their activity from conventional tools such as email to new online social tools sends an important message across the business. During the jam we heard how some executives set aside an hour a week to field question and answer sessions on online social structures and communities to encourage behaviour change.

Clarity of Objectives: Jam participants argued that lack of time prevented them from adopting new social tools. This hints at a deeper issue around the clarity of objectives and perceived benefits of online social structures and communities that, if used throughout the organisation, should save workers time that they might otherwise spend searching for experts in the business or trying to locate documents buried in colleagues' inboxes. With clearer communication of the rationale for online social structures and communities, organisations may increase the likelihood of success.

The weight of opinion in both academic and business literature and among consortium members, was that successful social networks will be an important differentiator for organisations in future, particularly when seeking to attract the next generation of talent who increasingly expect rather than demand advanced social tools.

4. RETHINKING PERFORMANCE

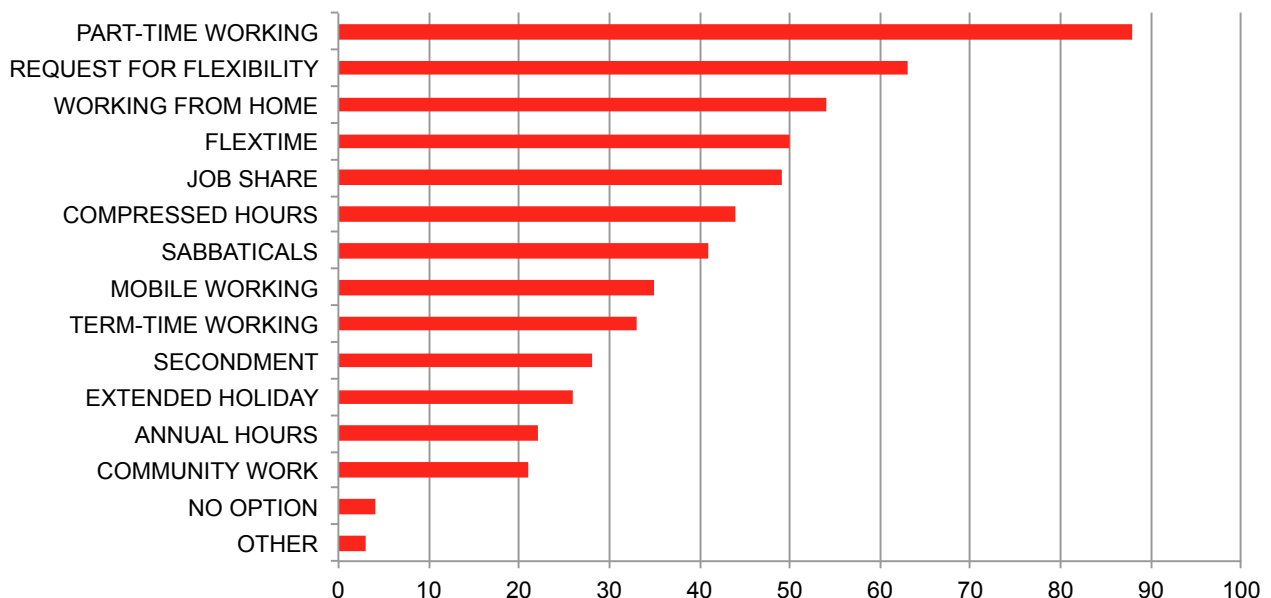
MOST POPULAR JAM TOPICS	# COMMENTS
Performance appraisals - how can we do it differently?	30
To be seen or not to be seen...that is the question!	12
Action: Ensure real-time feedback is coupled with long-term reflection on career development	12
SENTIMENT ANALYSIS KEY	
NEGATIVE	POSITIVE
Sentiment ranges from -1 (Negative) to +1 (Positive)	

Keeping Pace: The way we work has changed quite dramatically in the last twenty years. However, the view of many HR professionals and employees is that the performance management process has failed to keep pace. Conventional systems of annual reviews tied to rigid bonus structures may have worked for previous generations of Traditionalists (those born between 1925 and 1945) and in the early careers of the Baby Boomers (those born between 1946 and 1964) when work was characterised by the office-based nine-to-five, however, it fails to live up to many of the performance challenges of today's work environment.

Advances in communication technology have broken old ties workers had to their offices. As a result, work is increasingly envisioned as a thing we do, rather than a place we go, and the popularity and variety of working arrangements offered by the most forward thinking employers is testament to this:

Workplace flexibility arrangements offered by employers

WORKFORCE OF ONE SURVEY, ACCENTURE



But how can organisations accommodate these flexible working practices within performance review processes? During our New Ways of Working Masterclass, we explored the challenge of measuring performance in a new context, hindered by old behaviours, and this theme continued to generate interest in the jam:

“ The way of working has changed. We have much more flexitime, however, the data is showing that associates working virtually get less favourable ratings because they are not visible physically.

- Valerie Guertler, Novartis, Head of D&I Switzerland

In addition to adapting to flexible work patterns, the performance management process must be equipped to measure performance of virtual or part-virtual, part-co-located teams around the world:

“ The virtual environment has resulted in new factors that can impact the assessment of performance. Being ‘present’ has a new definition in that those who are high performers in a virtual- and often global - environment, are those who are able to collaborate effectively and use virtual resources despite not being able to walk into someone’s office to ask a question or schedule a quick call.

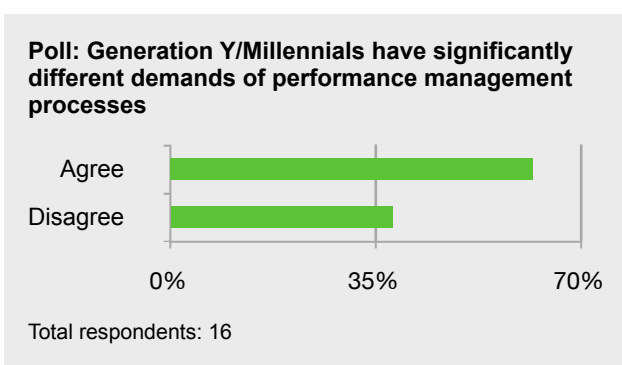
- Shelby Kan, Accenture, Global Performance Management Strategy Lead

Finally, advances in communication technology have made real-time communication an expected part of people’s home and work life. This expectation is translating into new demands for technology that enable this in the performance management process. During the New Ways of Working Masterclass we saw how social media platforms had the potential to revolutionise the performance process, connecting employees with their peers around the world to get instant feedback on their work and to access specialist coaches in their organisations. The drive for more advanced technology in the performance process is given additional momentum by tech-savvy Millennials (those born between 1981 and 2000), a generation that will by 2030 account for 75% of the global workforce:

“ The demands of every generational group create different performance management challenges, but surely we need to look at this through a global and far more complex lens.

- Elizabeth Henderson, Westpac, Integration Program Director WorkSMART

Objective Setting: So, how can organisations manage performance in this new context of work? The first step, according to many Jammers, is to be clear about what we want the performance review process to achieve, and to reflect on whether this is possible and desirable:



“ I think we create issues by making the performance management process do two potentially contradictory things: create an opportunity for dialogue about performance, AND determine the value of someone’s contribution to the business as measured by pay increases or bonuses. The problem is made worse if you apply forced distribution of performance ratings.

- Ed Cooley, SunCorp, Executive General Manager - Human Resources

“ Assessing performance and giving feedback should not be done by the same person - especially if your salary depends on it. Do you really expect someone to accept your feedback willingly if it means getting a smaller raise or no raise at all?

- Erik Volkens, Randstad, Senior Advisor Marketing Intelligence

“ I have experience in both corporate structures and Government so have seen performance approached from very different angles. In Government, performance management was not linked to reward yet performance appraisals were considered essential. Individual performance plans and the goal setting process was a critical exercise to ensure everyone understood how their role fit in to the broader context and to ensure people were focused on the right things. End of year moderation considered all employees and focused on talent management, retention of employees, development of future leaders and technical skills and succession planning. These are critical areas of focus that in my experience are completely ignored in the private sector when the end of year moderation process is fixated on bonus and cash incentives.

- Danah Wilson, KPMG, Senior Manager Performance Development

While there are many demands placed on the performance management process, for example to provide accurate rankings and at the same time develop and motivate employees, in practice performance management systems fail to deliver in some core areas.

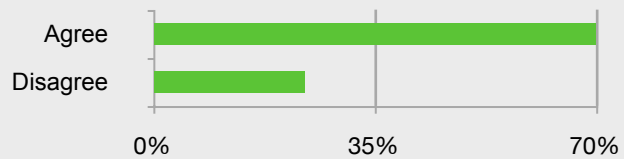
Fit for Purpose: The first of these is the nature of the annual or half yearly performance conversation itself. Rather than becoming a forum for open, honest and inspiring conversation, it often serves as an angst-provoking session that fails to motivate the employee to higher performance:

“ Dan Pink’s research mainly stems from the findings of neuroscience. It is the current understanding of motivation. Few performance management systems and reward systems I have seen take this into account. Neuroscience, the science of how the brain works, is pointing to lots of ways performance management doesn’t work with how our brain works. For example, feedback creates a threat response. This inhibits goal-focused thinking, planning and creativity. There are alternatives such as making feedback much more focussed on what individuals need to know and having it initiated by them.

- Jan Hills, Head Heart and Brain, Partner

Presenteeism: A second key limitation on effective performance management processes is continued presenteeism. The wealth of research in this area supports the view that presenteeism is still an issue in many organisations’ performance management processes and results in remote workers receiving lower ratings and slower promotion trajectories than their office-based peers even if their performance is equal. During the jam, participants speculated on some of the reason behind this:

Poll: Presenteeism is still a significant issue in the performance management process



Total respondents: 17

“ There’s definitely a recency effect and, even if you’re virtually present, my experience is that it is hard to become a real insider without a lot of face-to-face. Part of this is to do with the simple human interactions we use to make friends and build trust and a lot of this is informal and unplanned. Your virtual impact will get you so far... but not all the way.

- Anon, Professional Services, Human Resources

“ When I was working there was a lot of talking about ‘the meeting before the meeting’ or the ‘meeting after the meeting’ being the forums where decisions were really made. The meeting itself was just a way of making people feel they were involved and appreciated, even if they weren’t. Perhaps that’s one reason why people want to be physically present - you can’t really pick these things up virtually.

- Tim Cooke, Hot Spots Movement, Facilitator

To help alleviate the bias from the performance review, Jammers advocated exploring the many ways in which new and objective measures can be brought into the process:

“ If the real-time processes were based on impartial indicators, then it would make the performance rating more objective and level the playing field.

- Chris Talbot, SunCorp, Manager - People Strategy and Metrics


“ Can technology help us capture the softer dimensions of performance measurement? For instance, let’s tap into the quantified self movement where we use applications like Melon to assess things like engagement. This could provide a living mood map of the organisation.

- Zoran Knezevic, SunCorp, Strategy Manager

“ There are new factors that also get considered when assessing the performance of those who work remotely, like the ability to effectively conduct presentations virtually which requires individuals to be more mindful of tone, pace and active listening. Being “present” may no longer mean working from 8-to-5 and having informal live discussions throughout the day. It may now mean working when global colleagues are working. A new way of working and assessing performance is the result.

- Shelby Kan, Accenture, Global Performance Management Strategy Lead

Looking Ahead: So, what does this mean for performance management approaches of the future? How can organisations tailor their approaches to account for globally dispersed project teams, flexible working arrangements and the growing presence of Millennials in the workforce? During the jam, participants looked ahead to new models of performance management and found that changing behaviours would be key to developing more robust processes:



“ I see the feedback process as in the hands of the individual. They initiate what feedback, from whom and when they want it. The manager's role is more of a performance coach than the judge of work. Judging is done by peers, customers and the employees themselves.

- Jan Hills, Head Heart and Brain, Partner

“ There is an interesting book called Got Game. It talks about the concept of a gaming generation of people whose attitude to risk is different and who perceive the boss in a different light. A boss in gaming terms can be found at the end of a level and they are there to slow down progress, get in the way and make it difficult to progress. In a game a boss must be defeated. This changes the paradigm of what a boss might be. How do they become a strategy guide, how do they help others to progress and move forward. Perhaps the same should be true of performance management?

- Nyk Loates, KPMG, Director U-Collaborate

DEBATE: THE PERFORMANCE REVIEW IS DEAD

During the Jam, there was some debate over whether or not the performance review was dead, and if it wasn't, whether it should be. This was also discussed during our New Ways of Working Masterclass, with 70% of attendees claiming that the performance review was not dead. The two opposing views are summarised below:

FOR

“If I think about what's had the most impact on my real performance, it's got nothing to do with an annual review. It was straight forward, immediate and tough feedback from peers on key projects.”


Anon, Professional Services, HR

AGAINST

“The annual part of the performance review is surely on its way out. But the idea of the performance review itself is far from dead. Accurate performance management will continue to be a challenge.”

Zoran Knezevic, SunCorp

While new ways of working have transformed many organisations, new methods of performance management have been far slower to emerge. Organisations seeking to recruit, develop and retain the best people will need to invest in processes that reflect the real-time nature of communication and the increasingly project-based nature of work.



New Insights: During our New Ways of Working jam and Masterclass, we set out to address some of the outstanding questions from the literature review. Here are some of the thought-provoking insights we gained:

HOW DO WE MEASURE THE PERFORMANCE OF GLOBALLY DIVERSE TEAMS?

Diversity within teams comes in many forms, making it challenging to develop a performance management process that avoids bias in favour of one group over another. Our research shows two ways in which performance assessments can be implemented fairly across diverse groups:

Data-driven HR: While marketing teams have been using data to enhance their understanding of customer behaviour, HR teams have generally been slow to make use of this approach to understand the behaviours and activities of employees. Every day employees generate data about how what they are producing and how they are spending their time through their use of the organisation's online systems. By tracking and analysing this data as part of the performance management process, HR teams can begin to understand individual work patterns - such as those who achieve more by working partly out of the office - that in the past may have been misunderstood. Jammers also highlighted the potential of data driven HR processes in removing bias with reference to the 'quantified self' movement, whereby all an individual's activity is tracked, recorded and analysed.

Changing Behaviours: Through our extensive research we found that the key to removing bias in performance management process is to support process changes with initiatives to drive behavioural change. While new data driven tools may increase the objectivity of the performance review, it is unlikely that they will become the sole indicator. London Business School Professor, Dan Cable, highlights the need for managers to build self awareness around the bias they may bring into the performance assessment. This bias may relate to a particular working style that is culturally specific, or perhaps a continued emphasis on presenteeism. Managers must use this self awareness to redress the balance when reviewing globally dispersed teams from diverse cultures and backgrounds.

HOW CAN ORGANISATIONS CHANGE THEIR APPROACH TO PERFORMANCE MANAGEMENT?

In the next 10 - 20 years organisations will need to adjust their performance management approaches to accommodate two new groups of workers in particular:

Millennials: Millennials already make up a significant part of the global workforce. Our research with PwC suggests that this generation puts a premium on continuous learning and development, expecting feedback on a more regular basis than once or twice yearly as part of appraisals. For organisations to stay ahead in the war for talent, they must develop the right performance culture and processes to facilitate regular learning opportunities. Online performance management tools are worth considering since they allow people to request and receive feedback from a number of people around the business instantly. Organisations must, however, be cautious about moving the whole performance process online: when surveyed, Millennials at PwC reported that when it came to discussing their performance, face-to-face conversations were overwhelmingly the preferred method.

Portfolio Workers: During our research on job design, we found the trend towards portfolio careers particularly interesting. This term refers to the preference of many people to work for several employers at the same time, either through flexible contracts or freelancing. This presents new challenges for organisations seeking to win the war for talent. How will they measure the performance of portfolio workers who move quickly from one project to the next? How will they ensure that the outputs of employees working on flexible contracts are measured consistently with those that work full-time? To win the war for talent in the next 10 - 20 years, organisations will need to build performance management systems that are as flexible as their workforce.

HAS THE ANNUAL PERFORMANCE REVIEW REACHED THE END OF ITS LIFESPAN?

The annual performance review is seen as the last bastion of old fashioned leadership and, when we asked whether FoW participant companies would like to get rid of them, almost all responded with a resounding yes. Despite widespread cynicism about the validity of this approach, we still found two distinct schools of thought around its future:

On its Way Out: The annual performance appraisal and the stack ranking (or forced distribution of performance ratings) that tend to accompany it have fallen out of favour with many leading organisations. Microsoft recently announced the end of this archaic approach to management which stifles collaboration and innovation by pitting employees against one another in a zero sum game.

Here to Stay: Going against management trends once again, Yahoo! CEO Marissa Mayer recently announced the launch of a stack ranking performance management system in her organisation. According to an article from The Economist on Mayer's decision, stack ranking can be effective when first implemented, as it provides a concrete basis on which an organisation can let go of poor performers. Over the longer term, however, the system incentivises gaming behaviour and takes the focus away from delivering core work.



CONCLUDING REMARKS

New Ways of Working are challenging organisations to rethink processes, practices and behaviours. Our collaborative research with FoW Research Consortium members has underpinned the rich content in this Report as well as raising three budding trends that we believe will influence the way we work in years to come:

DESIGNING FOR INNOVATION

A common theme underscoring all of our New Ways of Working provocations was their impact on an organisation's ability to innovate:

- The benefits of a work anywhere approach must be carefully weighed against the need for physical co-location to spark innovation.
- Job design must ensure completion of core tasks while enabling people to experiment with new and creative ways of working.
- Organisations must successfully tap into the creativity of their employees and encourage them to volunteer their best ideas in their work.

DATA-DRIVEN HR

While marketing teams already use sophisticated data analytics to understand and segment their customers, HR departments are yet to fully embrace data-driven processes:

- The emergence of online social structures and communities provides an opportunity for HR teams to gather extensive data on employee interests and behaviours.
- By developing capabilities in data analytics, the HR community may soon be able to understand and segment employees as effectively as marketing teams segment customers.
- Insights from data on people's work activity can supplement managers' assessments of employee performance, helping reduce bias in the performance process.

BUILDING COLLABORATIVE CAPABILITY

Organisations are increasingly reliant upon collaboration between their employees to develop new ideas and ensure knowledge flows easily inside the business:

- The effectiveness of collaboration depends on having the right incentives in place. Performance review processes that emphasise intense competition have the potential to misalign behaviours and reduce collaboration.
- New online social tools can enable collaboration across large geographical distances, connecting people quickly and effectively.
- Collaboration is a capability that must be built in an organisation. People require training on how to reach out to others in the business to develop and launch new ideas.

We look forward to exploring these emerging trends in subsequent Future of Work Research Consortium themes.

