



The Human Workplace

FoW by HSM Insights Report

November 2023

Introduction

For fifteen years, the Future of Work by HSM has explored trends shaping industries, organisations and careers.

Work is becoming increasingly complex, driven by the rapid advancement of generative AI and the shifting expectations of your workforce. This transformation can feel overwhelming, but it's also a compelling opportunity. It's time to be intentional in shaping a human-centred workplace that not only adapts to these changes but delivers for your people.

This Insights Report will provide you with a solid framework to tackle these challenges and start building a human workplace within your organisation to support your people in an uncertain future.

Our methodology

The insights contained in this report are drawn from our analysis of 6 interviews and 3 hackathons, including 40 participants from 17 organisations. These insights were combined with HSM Advisory's *The Human Workplace* Masterclass event, and quantitative data in the form of polls and mentis. In addition, we undertook a thorough literature review.

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Key insights



Think systemically to move the needle

The human workplace is broad and complex covering aspects of who, what, where, when and how people work. Consider it an interconnected system of community, place, work, and machines to identify and prioritise areas needing attention, filtering out the background noise as you approach your key challenges.



Balance tensions to build a human workplace

We are navigating tensions across the workplace, between individuals and organisations, short-term actions versus long-term strategies, and the need for systemic thinking. These tensions usually reflect differing viewpoints rather than fundamental disagreement and can spark constructive conflict and innovation when managed well.



Build resilience to help navigate complexity

Resilience provides people the energy and headspace to reflect upon, and take ownership of, being human at work, even when times are tough. It also provides leaders with the bandwidth to reflect on the interconnectedness of these challenges and find holistic solutions, helping organisations to remain adaptable through emergent challenges.



Encourage purposeful experimentation

People in your organisation are already experimenting, especially with generative AI. Provide space for this learning process. Use the HSM Advisory Human Workplace Index to model and test around community, place, work, and machines, capturing these experiments to consolidate and centralise learnings.



Renew your focus on contingent workers

As the talent ecosystem diversifies, contingent workers will play a bigger role. Understanding their unique journey within your organisation is crucial. Customised engagement and support are key to both fully integrating their contributions and ensuring their inclusion, even temporarily, is as integrated and supported as full-time employees.



Communicate intentionally to build trust

The employee-employer relationship is bridged by trust. As generative AI continues to change work, your people will be looking to you for your organisational vision of the future and their place within it. Regular, consistent, and transparent communication is key to ease concerns and bring your people on the journey forward.

Why is the human workplace a priority now?

Wider changes are reshaping work and impacting what it means to be human within organisations.

Increased longevity means people are living and working longer, with **five generations now sharing the workplace**.¹ **Advancements in technology** have accelerated the pace of change, **significantly transforming cognitive and creative work**, much faster than we are prepared for.²

Traditional work structures are refreezing at the same time there is a **growing desire for flexibility**, causing a disconnect between organisational and individual expectations.

A polycrisis of recession, inflation, war, and climate change have put additional pressures and expectations on our people and organisations.

These factors are reshaping:

- **Where we work**, introducing hybrid models
- **Who works**, emphasising diversity and non-human colleagues
- **How we work**, with technology playing a pivotal role
- and even redefining **what work means** to people, with meaning and purpose coming to the fore.

In response to these changes, it is vital for organisations to address these challenges by reflecting on essential questions, including: **how can we integrate humans and machines**; **how can we build community at work**; **how can we leverage place**; and **how can we deliver good work**?



What are the challenges?

We pinpointed essential questions organisations need to answer to combat current challenges.

Humans + machines

How can we integrate humans and machines?



The rise of generative AI offers opportunities in growth and productivity, yet it also presents unpredictable challenges.

As organisations **integrate AI into the workforce**, they are grappling with questions about the future of work: What skills will be essential? How can we train our teams for these? What new roles will emerge, and how do we balance tasks between humans and AI?³

Strategic implementation and prioritising human augmentation, is key. Your people have an ambient awareness of the potential impact; it's critical to proactively address their concerns and set firm guidelines for AI use now.

Challenge: Technological uncertainty

Humans + community

How can we build community at work?



69% of people say **co-workers are a significant source of community in their lives**.⁴ These strong social relationships have a significant positive influence on health and wellbeing.

However, since the pandemic, a loss of connection is leading to increased loneliness. Recent research shows networks have contracted by nearly 16%, or around 200 people.⁵

This decline has resulted in fewer informal interactions, hindering learning and development. Moreover, the shrinking of networks limits knowledge-sharing, and siloed ways of working are negatively impacting innovation.⁶

Challenge: Loss of connection and loneliness

Humans + work

How can we deliver good work?



HSM research has identified the core elements that define good work: autonomy, mastery, dignity, and meaning.⁷ While these elements have remained consistent, the real challenge lies in delivering them effectively.

An increasingly diverse workforce, including the rise of contingent workers, means organisations are now catering to a **range of individuals with varying priorities and experiences**.⁸

Furthermore, advancing technology is requiring new capabilities and skills. The task now is to navigate these challenges and ensure that good work is delivered to all.

Challenge: Delivering good work

Humans + place

How can we leverage place?



Place shapes how we work, and new ways of working post pandemic are granting more flexibility, autonomy, and a better balance between work and personal life.

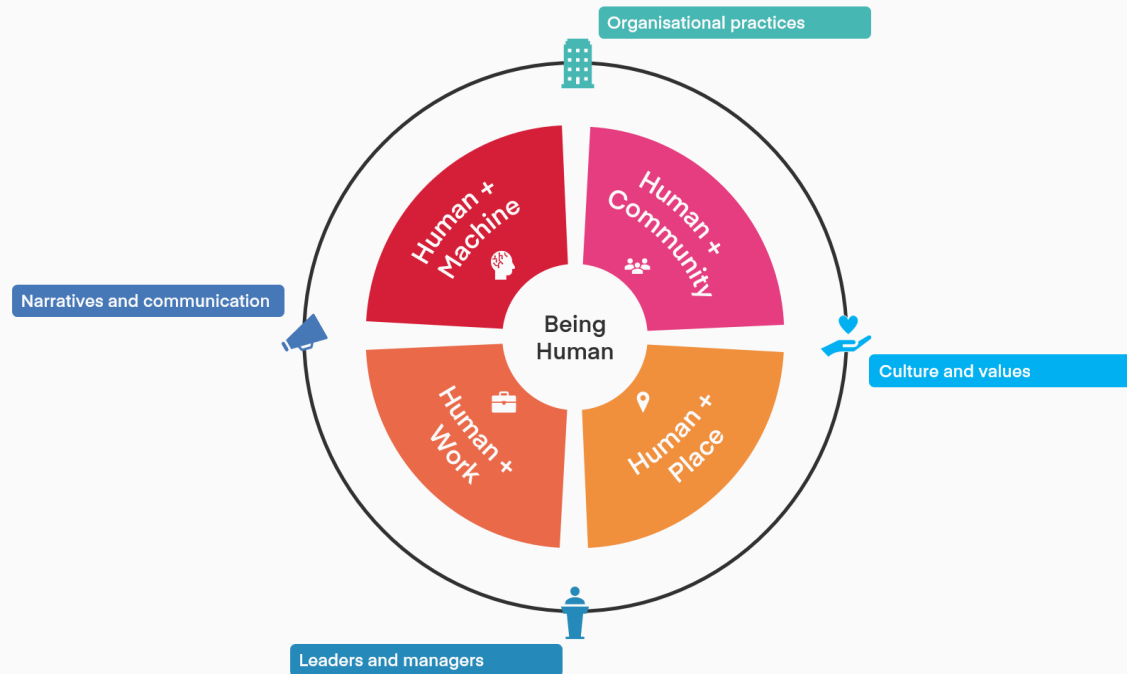
However, there is **no shared agreement on how place affects performance**.

While individuals view performance from a personal lens, valuing flexibility and trust, organisations view performance from a wider lens, emphasising collaboration and clear productivity metrics.⁹

This tension is creating confusion around the role of place, which organisations must address.

Challenge: Confusion around place

How can you respond?



Spotlight: Your biggest challenge right now

We asked a number of organisations across industries about their main challenges in creating a human workplace. **Technological uncertainty** emerged as the primary challenge among the four key areas identified.¹¹

Take a systemic approach.

The previously highlighted challenges reveal tensions in the human workplace: between individuals and organisations, short-term actions versus long-term strategies, and the need for systemic thinking. Understanding these dynamics turns challenges into opportunities.

By working through the key questions tied to each of these four challenge areas – **community, place, work, machines** – we can begin to diagnose the weaker points and prioritise them for improvement.¹⁰

However, it is important to remember that these four aspects are interconnected. You might be focusing on one, but your people are expecting you to deliver them all. Identifying weaker points is just the start; the next step is prioritising these areas for improvement.

Focus on four key levers for change to drive a human experience for your people.

Deciding how to prioritise can be overwhelming. However, our research has pinpointed four levers that define the human experience within your organisation.

In the following pages, we provide insights on how to effectively experiment with each lever, highlighting that action on a single lever, can impact all four challenge areas. When looking at the levers ask yourself; where are our experiments and where might we do things differently?

To assist in prioritising these efforts, the concluding index provides a matrix that intersects challenges with levers, allowing for targeted strategies to address specific challenges.

What do you need to focus on?

Narratives and communication

A relatively new lever for HR professionals, narratives and communication are the stories you are telling and how you are telling them in your organisation. What leaders say about work carries significant weight and sets the tone for the entire organisation. People moving through your organisation will ask:

What are you saying?



Community

Safeguard time for informal connections. Serendipity often creates the most vibrant communities. Regular communications should emphasise the value of these spontaneous connections.



Place

Create an inclusive hybrid protocol. Align leadership messaging around place, ensuring that the decision-making process is collective, involving diverse perspectives.



Work

Tell a compelling story around the work we do. It is vital for people to recognise the significance of their work - to themselves, their peers, and customers. The way we talk about work shapes our experience of work.



Machines

Share a clear and consistent vision around AI. Clear communication allays fears and provides future direction, underscoring a commitment to transparency.



Spotlight: Leveraging machines for inclusive workforce planning at MoJ

MoJ experimented to see how AI could help with **workforce planning**; it projected certain roles could be automated, affecting lower-grade staff and those **with protected characteristics**. Although this experiment was disrupted by the pandemic, the takeaway was clear: **help people work with AI, not be replaced by it**. Building a narrative around this strategy helped alleviate concerns and gain organisation-wide acceptance.¹²



Organisational practices

Organisational practices build the infrastructure of your organisation, including how you select, reward, and develop your people. Consider the practices you are using to tackle your challenges. Choosing the right strategies demonstrates to your people your ability to adapt. People moving through your organisation will ask:

What are you building?



Community

Support for cross-functional moves. Think about how you are promoting internal mobility to build community and broaden skills.



Place

Create a clear 'ways of working' framework that is part of the deal. Is there a clear framework for how and where we work that's embedded in our core values?



Work

Craft jobs that provide good work. Support people in shaping their roles to find greater meaning and satisfaction, helping them to feel good about the work they do.



Machines

Support future proofing skills. Ensure people are prepared to work alongside emergent technology, providing the skills and training they need to make that transition.



Spotlight: Using augmentation to craft good work at Shell

Traditional manual inspections of Shell's facilities were **time-consuming and repetitive**. Shell introduced drones, robots, and AI to automate these processes, freeing up inspectors and maintenance technicians to **focus on higher-value tasks** like performing more advanced verification. As new tasks are emerging, Shell is engaging their engineers in rethinking their work processes to **co-create some of that change**.¹³



What do you need to focus on?

Leaders and managers

The pandemic underlined the vital importance of leaders and managers. They are pivotal in creating connections to the organisation's aims, ambitions and strategy, each playing unique roles in tackling the four challenges. People moving through your organisation will ask:

What skills do your leaders have?



Community

Role model a culture of giving and receiving feedback. Psychological safety strengthens trust and community. Ensure leadership behaviours role model openness and honesty.



Place

Manage performance by measuring outcomes. Leadership should be outcome-focussed, emphasising results over attendance to drive sustainable high performance.



Work

Delegate workflow that drives ownership. Upskill managers to prioritise workflow management, ensuring teams feel invested and accountable for results.



Machines

Build resilience and adaptability to navigate change. Successful change management involves resilience, open dialogue, and collaboration, not just top-down directives, for a smooth transition.



Spotlight: Co-creating place with managers at Prudential

Prudential wanted to **better understand the manager experience** to embed hybrid working. HSM ran a series of Hackathons where managers came together to **create actionable plans** for adopting hybrid work organisation-wide. This resulted in **informed decision-making with managerial buy-in**. It also **identified crucial steps** for transforming the hybrid work experience and the **support needed** for effective upskilling.¹⁴



Culture and values

Deeply embedded in organisations, culture and values tend to be historical, manifesting as unwritten rules. These are intangible elements, so it is vital to examine actions and their potential influence on your organisation's foundational principles. People moving through your organisation will ask:

What do you value?



Community

Encourage and facilitate opportunities to connect. Merely returning to the office isn't enough; be intentional in helping people connect across the organisation to build a cohesive culture.



Place

Be transparent in decision-making on ways of working. Perceived misalignments with culture and values cause many of the issues around place. Promote a sense of fairness with clarity and consistency.



Work

Give varied forms of recognition. People want to be recognised for the skills and mastery they bring to their work. The most valuable recognition is timely, frequent and public.



Machines

Listen to those affected before implementing change. A listening culture helps people accept and adapt to change, easing fears and leading to better outcomes that enhance, instead of disrupt, work.



Spotlight: Role modelling from the top to build community at Nokia

Nokia wanted to intentionally **build a culture of informal mentoring**. New hires meet with their managers, who **identify key individuals across Nokia** for them to connect with, advising them on discussion topics and the importance of each connection. Newcomers are then expected to proactively schedule these meetings, reflecting Nokia's emphasis on **coaching and networking** as pillars of collaboration.¹⁵



The HSM Advisory Human Workplace Index

To effectively utilise the index, organisations should approach it as a guide for strategic action rather than an exhaustive to-do list. Here's how to navigate it:

Understand the axes: The 'y' axis represents the four challenge areas of the human workplace. The 'x' axis lists organisational levers which create the experience of being human in your organisation.

Identify relevant actions: The intersection points are populated with suggested actions, based on successful case studies and best practices. These are starting points to inspire thought and action.

Customise for your context: Not every suggested action will suit every organisation's unique situation; adapt these to fit your specific nuances, culture, scale, industry, and strategic goals.

Target specific challenges: Concentrate on key rows in the index and consider the actions aligned with them. This approach ensures focus without overextending resources.

Replace and evolve: As priorities shift, refresh the index with actions that match new challenges and eliminate outdated ones.

Engage and iterate: Use the index as a living document. Engage with various stakeholders within your organisation to contribute their insights, and iteratively refine your strategies.



Key questions to ask:

Think about how each lever is impacting the human workplace in your organisation. E.g. Do your organisational practices build human work? What do your narratives and comms say about what it means to work at your organisation?

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