

FUTURE INSIGHTS & INSPIRATION FOR THE GLOBAL EMPLOYER

Baker McKenzie's fourth FutureWorks Global Employer Forum was held May 15-16, 2019 in New York. Together with senior leadership from progressive global organizations, as well as distinguished thought leaders in industry and academia, we discussed the megatrends impacting the future of work.

We have summarized below the central themes and key takeaways of what leading global employers are doing to future proof their organizations.

THE CHALLENGE:

Global organizations are operating in a period of unprecedented transformation, driven by a rise in automation and rapid technological development, globalization, and significant demographic changes. Against this backdrop, employers are being challenged to provide an ever-more flexible working environment and create a new suite of incentives and benefits to retain an increasingly value- and purpose-driven workforce.

Unless we embrace the future, it will embrace us – we need to make the future the way we want it to be. Are we ready? We see anxiety about the pace of change – don't worry if you're not ready, just get ready!

Professor Ian Goldin, Oxford University Professor of Globalization and Development and Director of the Oxford Martin Programme on Technical and Economic Change

TECHNOLOGICAL ADVANCEMENT AND ITS IMPACT ON THE FUTURE OF WORK

Artificial intelligence (AI) is often seen as a threat to human jobs, but this vision of the future of work is too narrow. Technology can transform the world of work and be the enabler for meaningful culture change within an organization. New technologies such as AI can enhance productivity by discharging menial tasks, allowing employees to accomplish their goals more efficiently. For example, training can be personalized by teaching employees new skills and concepts using AR/VR-enabled training.

Employers are facing considerable challenges – including those related to people, diversity, and trust – in order to maximize AI's potential to increase workers' productivity, skills and career happiness. Companies must be mindful of the risks (bias, privacy, potential misuse, etc.) while embracing opportunities presented. Employee trust and public confidence are essential to fully leverage new technologies.

AI deployment is increasingly a competitive requirement. Companies that evolve, and deploy AI strategically and thoughtfully, will flourish.

CREATING A CULTURE OF INCLUSION

Diversity is being invited to the party. Inclusion is being asked to dance.

Vernā Myers, Vice President of Inclusion Strategy, Netflix

The workplace has moved beyond a singular focus on diversity. To truly reap the rich rewards of a diverse workplace, companies must invest generously and continuously in inclusion. Many senior business leaders predict that companies that don't will be left behind and may actually cease to exist entirely. To succeed in the future, companies must be zealous champions of inclusion today.

The message is clear: effectuating inclusion and diversity goals within a multinational company takes commitment and grit, and it will require humility. But failing to advance inclusion strategies is not an option: inclusion & diversity are essential to a modern workforce.



THE EMPLOYEE EXPERIENCE

Growing from the traditions of consumer brand and customer experience comes a new cross-disciplinary approach to HR: the employee experience. Major culture transformations are taking place in organizations centering on the employee experience. The modern workforce focus on the employee experience recognizes that people perform their best when they are at their best. It's about meeting employees and recruits where they are in their life and empowering them to be their best and do their best.

There is not only one "employee experience:" it is individualized for each employee. Progressive organizations are offering choices of incentives and updating the value proposition to be more tailored to individuals to meet them where they are in their lives.

Progressive employers are consciously accepting the risks associated with a less formal working environment. This can take the form of eliminating the employee handbook, many policies, and even a formal performance management process. Instead, companies are emphasizing continuous conversations with managers and constant feedback, in a highly transparent culture.



PURPOSEFUL LEADERSHIP – IT'S ABOUT DEEDS NOT WORDS

People want to work for a company that can make a difference and leave the world in a better place than they found it. Labor and consumer market pressures are driving organizations to evolve quickly on issues such as culture, engagement, gender pay, climate change, and sustainability. This sense of corporate purpose can lead to high employee and customer engagement.

You need to move from CSR to RSC [responsible social corporations]. Brands do better when they have a purpose. It's what a brand stands for that is far more important than simple functionality.

Paul Polman, Chair of the International Chamber of Commerce, The B Team and Vice-Chair of the U.N. Global Compact and Former CEO of Unilever

A corporate goal to achieve net zero carbon emissions may be ambitious, but it is ultimately not enough in the long term. The most successful organizations will also need to have a net positive impact on society. For example, organizations can participate in transformative change outside of their industry, while individuals in the top 2% can "live a life with purpose" and fulfill the moral duty to help the other 98%.

For more information and resources on employment & compensation issues, visit <http://www.bakermckenzie.com/employment>

The human capital management strategy ties intrinsically into the business strategy. Boards and institutional investors increasingly recognize that human capital management is critical to long-term performance. This means that HR issues demand Board-level attention, giving HR leaders the opportunity to play a more strategic role.

Key question: How can the corporate value chain evolve to have an impact beyond short-term profits?