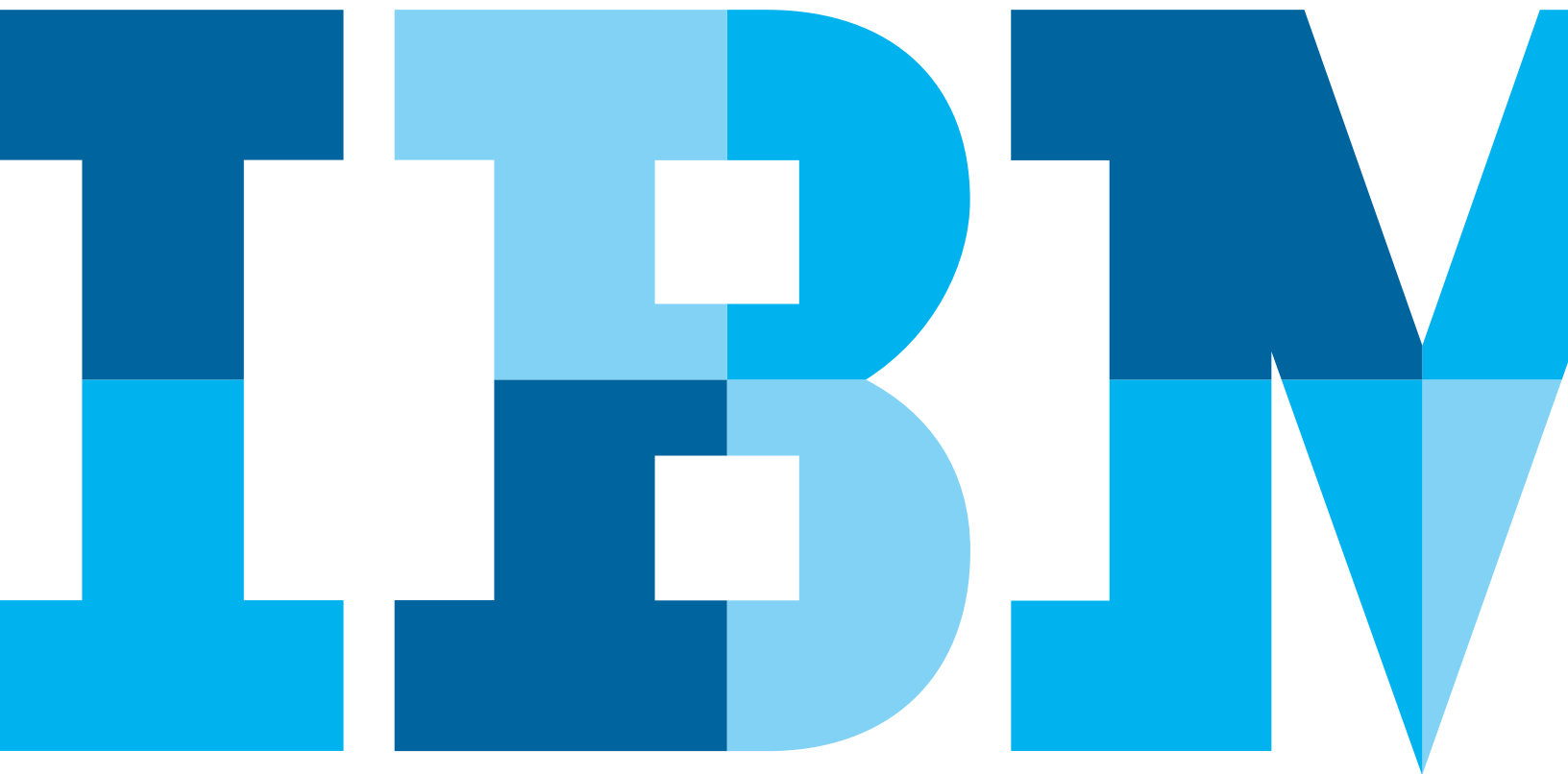


Redesigning work creates a Smarter Workforce

*Helping organizations reinvent their workforce so they
can demand more*



Work. It is something nearly three billion people do virtually every day, but according to a 2012 survey from Salary.com, few of us really enjoy it (Gouveia, 2012). As a society, we seem to view work as a necessary evil, something we have to do rather than want to do.

Through the years, work has gone from a means of providing basic needs, to granting dignity, status and satisfaction. Work will eventually become a means of identity – a time when the work you do will proudly define who you are. This evolution is placing added complexities on businesses as they engage the individual, recognize talent, attract the very best, and open up channels of communication and collaboration. If we can help employees understand their true talents and, in turn, help them find work that will use their full capabilities, the employee and the employer will both benefit. This requires a fundamental shift in thinking and attitudes about work. Companies need to rethink the way they go about attracting, empowering and motivating their employees.

With the current model of work, employees struggle to gain the right skills to succeed in today's ultracompetitive job market, to find the best way to go about attaining meaningful work and to determine what kind of organization best matches with their personality.

At the same time, employers struggle to find top talent, to enable their employees to do their jobs, to provide the necessary skills and training to adapt to an ever-changing marketplace, and to leverage the best from the talent they already have.

Today's workforce is more empowered and informed than ever before because of the recent development of technology and means of communication we rarely thought possible 10 years ago. Information about each topic under the sun is not only available, it is accessible in real-time at the click of a button. The speed at which people can communicate and connect with others located virtually anywhere in the world is changing the fundamental way we live, and is making collaboration possible like almost never before. This shift has dynamically changed the marketplace, and it is about to change business.

The recent advancements in human insight have been extraordinary. We have now reached a place in time where we know what makes people good at what they do, individually and collectively. We also better understand the dynamics of talent and the science of human behavior like no other society in the history of mankind.

The combination of technology and human insight has produced mounds of big data around human behavior and workforce tendencies that employers have been collecting for decades through their legacy human capital management systems, but until recently, have not been able to extract and use. We now have the ability to recognize and analyze trends that can literally predict behavior, identify talent quickly, match capabilities to marketplace needs, retain the best and act on time-tested insights to drive business outcomes.

Businesses are starting to look at work from a human insight and analytics perspective. Workers are more empowered than ever before and our interactions through technology continue to change the landscape of work. When both things are combined, we can become more predictive and use those insights to drive business results.

This workforce shift evolves into a fundamental change in management style. Businesses have typically always run on the premise of a top-down approach. Decisions are made at the executive level and trickle down to directors, managers and, eventually, the rank-and-file employees. But now, with the power of technology and collaboration, those decisions are being made from the bottom up to match the flow of collective information. And if businesses are listening, they will take advantage of it and see the fundamental difference it can make to their bottom line. This can make businesses more flexible, nimble and adaptable to market change and, as a result, more successful.

After considering all of this, we need to understand what is driving the change in work. Four major shifts are making the world of work increasingly interconnected, instrumental and

intelligent. These four shifts are: the rise in social business, big data and analytics, mobile technology, and the independent and contingent worker. Each of these shifts are accelerating and magnifying many of the same problems we have today. And they will likely create entirely new obstacles for employees and employers to overcome. But the good news is that the solution lies within the model of the problem. The solution is the creation of a Smarter Workforce.

First, let us examine the four shifts that are changing the way we view work.

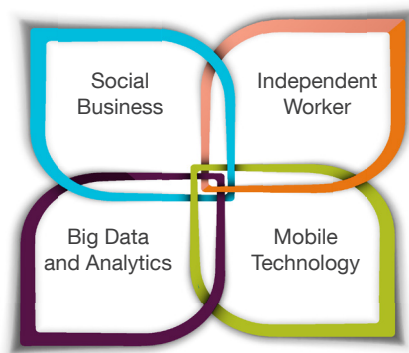


Figure 1: The four shifts changing the nature of work

The rise in social business in the workplace

We are connecting with each other more quickly than ever before, and we are doing it in new ways. Employers are efficiently and effectively flattening their organizations, enabling their workforces to share knowledge, build expertise, and organize and collaborate in new ways, inside and outside of their firewalls.

By embedding social tools, media and practices into their existing systems and processes, businesses are experiencing up to 11 percent top-line growth, and their people are increasing their productivity by up to 12 percent according to a 2012 report from McKinsey Global Institute (Chui et al., 2012).

By implementing these platforms, employers are capturing volumes of data on the behaviors, morale and productivity of their workforces. They can organize and analyze that data to improve individual, team and business performance.

The rise of big data analytics

Decisions once made based on limited information and gut feelings are now being made based on insights extracted from the exabytes of information that employers collect from candidates and employees. Potential employees prepare for interviews by scouring job sites to learn about a company and those who make hiring decisions. Employers are using the same websites to actively gather, organize and analyze public and internal data, and then using what they find to attract and hire candidates.

From creating queries to predictive modeling and optimization, data and analytics are revealing previously unseen relationships and correlations. Employers are using these insights to guide who and how they recruit, how they design their jobs to attract and retain talent as well as how they manage their workplace culture and develop their existing workforce. More than 60 percent of employers who actively use data analytics in human capital issues believe it is creating a competitive advantage for their organization according to a 2012 report from the IBM Institute for Business Value (Schroeck et al., 2012).

This tremendous source of data is also changing the nature of the human resources (HR) profession. Now, HR leaders are able to present workforce challenges based on quantifiable insights in a way that has not been available to them in the past. More and more executives see the Chief Human Resources Officer (CHRO) as a trusted advisor who can help solve business challenges through human capital initiatives. As a result, the CHRO is making its way into the C-Suite, where important business decisions are made.

The rise of mobile technology

Think about the ways people access information and how it has changed during the past two decades. Until recently, information was available in books and various publications and from interactions with people. When the Internet reached the masses, knowledge became a readily available commodity and people's worlds were instantly opened up to new ideas and new information from virtually all over the globe.

Today, more than 75 percent of the world's population owns a mobile device according to a report by the World Bank and infoDev (World Bank, 2012), so information is not only accessible, but available at your fingertips. As connectivity becomes easier, collaboration is done more rapidly and decisions get made much faster. Organizations from highly populated countries such as India and China are innovating at a faster pace than those from developed countries due to the ability for people to be connected through mobile devices.

The rise of the independent worker

As human capital becomes the leading source of sustained economic value, more workers are striking out on their own. As a result, employers are looking for better ways to partner with independent and contingent workers to take advantage of this new segment of the workforce.

At the same time, people are networking with other people and employers to pursue the work they want to do, for who they want to do it, and for when and how they want to work. These workers are becoming hyper-specialized and extremely mobile, and can be used to solve a pressing, short-term business need before moving on to the next challenge.

Meanwhile, employers are networking as well. They are building their own webs of talent in order to fill talent gaps faster, to derive cost-savings from an adjustable workforce and to boost the ability to innovate by regularly bringing in new knowledge and fresh ideas. This shift in the workforce can also change the culture of organizations. Organizations will see the impact new ideas have on the company and the psyche of employers, and will likely become more open, more flexible and more productive.

Introducing a Smarter Workforce

These dynamics require one collaborative point of view and solution to redesign work. And in fact, IBM, because of its recent acquisition of Kenexa, a leading provider of business solutions for human resources, is one of the only companies in the marketplace that takes each of these dynamics into account to provide solutions that help meet the workforce challenges of today and tomorrow.

These dynamics present IBM and Kenexa the opportunity to fundamentally change the way we work by:

- Augmenting the power of human judgment.
- Significantly reducing hierarchies.
- Forming a true labor market.
- Creating radical transparencies across organizations.
- Causing career paths and best fit roles to be predicted.
- Creating the new supply chain for the 21st century workforce.

The era of big data analytics will not replace human judgment, but rather supplement it so decisions that were once based on instinct will be made on the basis of massive data sets consisting of hundreds of variables. These variables will include those that no person would ever think of – multi-variate statistical models that can analyze these numbers in real-time. IBM introduced Watson, an artificially intelligent computer system, to the world in 2011 by having it compete in one of the leading televised quiz shows in the United States. Watson's cognitive technology can enable employers to find answers to difficult human resources questions through the deep analysis and natural language processing of both demographic and behavioral data. The effect will be similar to what the microscope and telescope have done for human vision, enabling people to see and understand what was rarely visible before.

When work is done by people coming together, hierarchies can break down and organizations can open up. The border between an organization's employees and ad hoc workers can become more porous. Departmental and functional silos in the workforce can become less relevant and the individual can be the "unit of

analysis.” The traditional role of manager as a coach, mentor and resource allocator can change to be more like a guide and facilitator. The leader can become the interconnection point in a flat social network, helping ensure that for a period of time, the goals of the employer match those of the individuals’ career.

The labor market inside each organization will need to change as the percentage of independent and contingent workers rise. This transformation can bring about the creation of a true labor force. This true labor force will be global, complete with a “common currency,” a “common language” and the free flow of information. People will earn a “talent passport” that expresses their true value based on their actual skill set, achievements and the continuous feedback of nearly everyone they interact with at work. The data on this “passport” will enable virtually every company and individual to rely on the accuracy of the information, and locate experts for projects and work at just the right time, creating greater efficiencies and higher engaged employees.

This dynamic will enable each aspect of work to become more transparent, such as which jobs are available, what skill set is needed, what it is like to work for a particular company – even manager or leader – and the value that an individual can bring to an organization. Real-time and continuous data, analytics and a culture of transparency help enable executives to make informed decisions much easier and will make it more important to match the right worker with the right job. These changes can transform the notion of professional reputation, and force people and organizations to rethink how they manage, brand and value their workforce.

With virtually all the big data, analytical techniques and mathematical models now available, combined with behavioral science, organizations will be able to predict career paths and best-fit roles for candidates and employees. Employers will have the ability to find the right people the first time who possesses the expert skills required for their work. Individuals, whether they work for a company or independently, will have a better chance to find the right answers to questions they have before they start a job or start out in a career. This helps the individual find and undertake meaningful, fulfilling work because work is matched to their personality and style.

In the new supply chain for the 21st century workforce, people will become linked virtually and socially through the use of mobile devices in a world of instant connection and collaboration. People will create enormous pools of networks, skills and expertise – ready and able to deploy at a moment’s notice to help organizations achieve their business goals.

There is power in work

So if we can harness the power of big data and analytics with human insight, human behavior and workforce solutions, along with social and mobile technologies, we could bring people and employers together to do more meaningful and valuable work to drive business.

We call it a Smarter Workforce.

Bringing these elements together and leveraging them to drive business outcomes is what a Smarter Workforce is about.

A Smarter Workforce is actually smarter when:

- Behavioral science identifies what makes people good at what they do and organizations thrive because of it.
- Technology does not just drive efficiency, it fuels collective innovation.
- Analytics is both a predictive and management tool critical for driving continual improvement.

The end result is that people will become educated about career opportunities and their skills; have the tools to connect, organize and collaborate socially so they can constantly tap into collective expertise available at their fingertips; become culturally aware and understand the type of culture they will thrive in; develop leadership skills to lead in flat organizations and empower real-time development opportunities; and define work through talent and not jobs or roles.

At the same time, employers will become experts at using analytics to find the right people; have the capabilities to leverage skills quickly and in a virtual work environment; assess, recognize and reward people continuously using social business tools; help employees learn continuously and socially; use mobile devices as the predominant work tools; think of the social network as the 21st century supply chain; predict performance, engagement and business outcomes; and use the knowledge of their culture to engage their people more to create stakeholder value.

A Smarter Workforce makes smarter businesses.

One company used human analytics and data analytics to help hire for fit the first time. This led to a 1.2 percent increase in profits per customer, resulting in millions of dollars in added revenue for the company.

A construction company empowered its employees with real-time solutions that leverage the company's collective intelligence. As a result, new construction sales drastically increased by 40 percent.

Attracting the right talent through employment branding enabled a large, for-profit education institution to win the war for talent while slashing the cost for recruiting employees by \$2 million.

These are just a few examples of what it means to build a Smarter Workforce.

When companies reduce time-to-hire, increase productivity, lower turnover and increase retention rates, business wins by getting its products to market faster, sharing collective knowledge and being more creative and innovative. These companies truly understand how employees impact the bottom line. It is not just good business. It is smart business. Because what is good for people is good for business, and together, they can change the world.

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- For more information**
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