Workforce of the Future

Building Change Adaptability

...an *e-Book!*

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Contents

There are two classes of people who tell what is going to happen in the future: Those who don't know, and those who don't know they don't know.

− John Kenneth Galbraith

Preface

I've spent many years analyzing labor force and economic trends, and studying globalization, innovation, productivity and management issues. The rapidity of change, its volatility and unpredictability has invoked in me a high degree of caution when it comes to gauging future trends. Nevertheless, I've attempted to tie together many of the major issues that are expected to have significant impacts on organizations in the coming years.

In the words of renowned physicist Stephen Hawking, "The greatest enemy of knowledge is not ignorance. It is the illusion of knowledge." I'm well aware of this, and I urge you to reflect on the information and ideas in this e-book and explore where the opportunities lie and their linkages to customer service and organizational performance.

The e-book begins with a brief examination of the global context within which organizations will operate in the years ahead. It then highlights major trends that will have noticeable impacts. The subjects of an ageing population and the inter-generational dynamics within the workplace are subsequently discussed. This leads to the section on the workplace of the future, where a set of key issues are presented for discussion. I conclude with an agenda for the workplace of the future.

In the spirit of information sharing and facilitating access to resources, this e-book paper has incorporated hyper-text links. The underscored links simply require a control-click to be transported to the source. In some cases you'll be connected to a video interview. Consider reading the book digitally and help save a tree. **JT**

Global Context

The future ain't what it used to be.

These words, uttered by baseball legend Yogi Berra, reflect what organizations are experiencing as a result of volatility and uncertainty in the global economy. Regardless of whether it is in the private or public sectors, the economic, technological and geo-political changes that have swept the world during the past two decades have altered the landscape within which business and governments function.

The past three years since the global financial meltdown and what has become known as the Great Recession have placed additional strains on all Western governments. Canada was fortunate to have escaped the wrath that struck the United States, the United Kingdom and several European Union countries. However, as a trading nation with a strong link to exporting to the United States, Canada remains vulnerable.

> People will need to learn how to collaborate within new organizational structures and working arrangements.

The ability to manage complex, interrelated issues is becoming a significant competitive advantage for organizations. The knowledge organization is alive and well. This demands skill sets among employees that will make the difference between stronger corporate competitiveness and failure. In the context of governments, it means how public servants through their respective ministries support the development of a strong economy and competitive industries, and the creation of a society where citizens are enabled to contribute and participate in maintaining a high quality of living.

The need for organizations to be more *change adaptable* in response to global, national and local events calls for the development of leaders at all levels and a workplace that is capable of moulding itself to respond immediately to both threats and opportunities. Organizations must learn how to adapt as they see change occurring. Those in managerial positions will feel the strain as the pace of change accelerates and as they are called upon to practice corporate values and create workplaces that foster employee engagement and innovation. Employees will incur the stress of being called upon to work in new ways, whether participating in virtual project teams, working in contingent arrangements with employers or discovering their own self-empowerment to anticipate the needs of customers and clients.

British management thinker and consultant Charles Handy talks about "discontinuous change," that change does not occur at an even pace but rather in unpredictable bursts. There are

enormous implications for organizations in the 21st Century, including how they organize themselves to fulfill their corporate missions. Using Handy's concept, it's about building *change adaptability* within an organization, the underlying premise of this discussion paper. (Short interview with Handy on people accepting change.)

To facilitate the advancement of the ideas and opportunities contained in this e-book and to stimulate thinking and conversation, five key questions are presented:

1) What will be the key characteristics of your organization during the next decade?

2) What will be the most critical skills that managers must possess?

3) What are the primary challenges that your organization must address to become more change adaptable in an unpredictable environment?

4) What does the workplace of the future in your organization look like? (How employees collaborate; the physical environment; stakeholder partnerships; leading and managing)

5) What are the key competencies that employees and contingent (temporary) workers need to possess in this type of workplace?

Emerging Trends & Issues

In keeping with Handy's concept, disruptive events are increasing in frequency, making business and governments more vulnerable to economic crises, security threats, consumer backlash and breaks in global value chains – and most recently, unforeseen events in the Middle East, North Africa and Japan.

Manufacturing in industrialized countries has been especially negatively affected over the past decade as production and its inputs (e.g., labor) have become more mobile geographically. Canada has been no exception.

"Most countries respond better to crises than long-term planning – which is rational."

George Friedman
CEO, Stratfor

Consumerism is a new driving force ("Prosumers"), bolstered by emerging economies and their rapidly expanding middle class. This consumer power is helping to accelerate innovation around the globe. (Watch this video of Canadian technology guru Don Tapscott talk about prosumers).

HSBC's *The World in 2050* presents a cogent reality check for Western economies. This new report illustrates the massive changes that are underway in the global economy, which will escalate over the coming decades. Here are some highlights:

- **World output will triple during the next 40 years, but it will be the emerging economies that contribute double that of developed economies,**
- **By 2050 the "emerging world" will have grown by 500%, larger than the developed world,**
- **China will have the largest economy, with India number three; the U.S. will be in second place,**
- **Yet China's per capita income will be only 32% of that of the U.S.,**
- **Canada, now in 10th place (GDP), will remain in the same position (previously it was 7th),**
- **Rich European nations such as Switzerland and the Netherlands will slide far down the Top 30 country list, with Sweden, Denmark and Belgium getting removed from the list entirely,**
- **Population shifts will be dramatic, often in opposing directions: Japan's working age population plummets 37% while Saudi Arabia's skyrockets 73%.**

Forecasting is more art than science, though population forecasts can be made more reliably than economic ones. Of significance are two overriding assumptions by HSBC. First, its projections are based on "good decisions" being made by policy makers. Second, and of special

importance, protectionism is avoided. The opening of trade barriers over the past two decades has helped global economic growth.

Technology in this context becomes a critical enabler. It's more than just automating production processes (e.g., Employment Insurance and pension cheques, labour market information, or call centres), but a total rethinking of how people work together physically across organizational boundaries and at a distance using telecommunications.

The interdependencies between economic and societal trends lend themselves to a systems view if sense is to be made of disparate events and their impacts at the organizational level. The workplace of the future hinges on effective management and leadership practices, starting with a shared vision of the future that engages employees and stakeholders. The ultimate state is the emergence of an organization that is change adaptable, capable of responding to new events while simultaneously maintaining a high level of innovation and service excellence to its customers and clients.

The Demographic Time-Bomb

The world is going through a huge demographic transition that will reshape nations, economies and markets over the next 50 years. Forecasts by the United Nations predict the world's population peaking and then stabilizing by 2050. With any substantial global changes come a variety of challenges. For example, between 1950 and 2000 those older than 60 years of age grew, as a percentage of world population, from 8% to 10%. By 2050 this age group's share will leap to 21%. However, that's only the world average. The emerging trend is a strong distinction among geographic regions. In Japan and some Western European countries those people over 60 will account for over 40% of their respective populations.

China's situation, as noted above, comes with a dual challenge. First, the country faces a rapid rise in the 60 plus age group, from a current 11% to 28% by 2040. Second, it's estimated that because of the country's repressive one-child policy and the desire to have boys and not girls, there is an imbalance of an excess of 40 million males. To put this in context, Canada's total population is 34 million.

In many developing countries and regions birth rates are still elevated. Examples include Southeast Asia, the Middle East, Afghanistan, Pakistan and Africa, the last of which is expected to experience a jump from 9% of the world's population to 20% by 2050. Saudi Arabia, Egypt, Israel, Venezuela and Malaysia are forecast to experience the fastest growth in their working-age populations (15 years of age plus), according to HSBC's *The World in 2050*.

An ageing population in Canada and other Western countries is drawing attention to the issue of succession planning. Human capital development is seen as the distinguishing factor when it

comes to organizational success. Without it technological progress is limited, and as a consequence so too are productivity growth and innovation. An ageing population presents many challenges as Baby Boomers begin to retire in increasing numbers over the next decade.

The dynamics of retirement differences between Canada and the United States and between the private and public sectors present real challenges to those attempting to forecast attrition patterns. The economic devastation at the family level resulting from the 2009-2010 financial melt-down has drastically altered when American workers will retire. Layered on top of this is the growing crisis at the state level where layoffs of civil servants, including municipal employees, is accelerating. Any comparison to Canada is wholly inadequate.

One forecast that illustrates the seriousness of the economics of Canada's demographic changes comes from the C.D. Howe Institute, a Toronto-based think tank. C.D. Howe forecasts that the demographic bill that will hit the federal and provincial governments over the next 50 years will amount to $1.5 trillion. Health, education and child benefit payments now make up 15% of GDP, but are expected to account for 19% of GDP by 2056.

When looking at recent forecasts of Baby Boomer retirements in Canada's public service, it's important to understand that they are based on traditional retirement patterns when it comes to analyzing years of service. What needs to be taken into account when talking about the imminent exodus of public servants are the dynamics of the economy and the labor market. A number of factors come into play:

- effects of the recession (e.g., spouses of public servants who are unemployed);
- delayed family formation, resulting in older Boomers with college-aged children;
- flat real income growth;
- family indebtedness;
- the desire to continue to work as a preferred lifestyle;
- longevity.

Therefore when we talk about attrition in the federal Public Service it's necessary to re-examine our assumptions about retirement patterns. Changes to the pension plan of public servants will have varying impacts on age cohorts (e.g., the issue of severance payouts). Baby Boomers, which span two-decades (ages 45 to 64) will react differently to pension changes. Younger Boomers, for example, may feel a need to work longer than the traditional career life of public servants.

Complicating the effort to predict attrition, with the accompanying initiatives for succession planning, knowledge transfer and leadership development, are the growing uncertainties in a globalized economy in which Canada is deeply integrated. The United States faces these issues as well, but at a much more acute level.

With the above said, there are no clear or easy answers to questions dealing with Baby Boomer retirements in government and business. Adaptability to relentless, unpredictable change is

essential. And with that comes serious leadership challenges in how to build the needed capabilities within organizations to weather the imminent demographic storm.

The Inter-Generational Divide

Generation X is steadily taking over the reins of power from the outgoing Baby Boom generation. A small portion of the Silent Generation (65 plus) is still in the labor market. In reality, we're on the cusp of a workforce spanning five generations as the oldest of Generation Z move towards labor market entry in the next few years.

The Economist (April 9, 2011) ran a cover story entitled [“70 or Bust! Why the Retirement Age Must Go Up.”](#) It notes that North America has a "smidgeon" more room than European countries, allowing for slightly earlier retirement. However, the message is stark: Baby Boomers will work longer, adding new pressures to labor markets that have yet to recover from the Great Recession.

Definitions of the age spans of the different generations vary somewhat. A general consensus places the age cohorts as:

- Silent Generation was born before 1948,
- Baby Boomers cover 1948-1966,
- Gen X spans 1967 to the late 1970s,
- Gen Y covers 1979-80 to 1994-1995,
- Gen Z began in 1996.

The employment contract has long been broken in North America. This is defined as the reciprocal understanding between workers and employers that the former would remain loyal if they had jobs for life. Baby Boomers were the first generation to be affected. Gen X (named for it being the excluded generation) has struggled to create its own identity in the presence of the Boomers' looming shadow. Gen Y almost seems to have the best grasp that the world is changing and that corporate loyalty, slavish work hours and authoritarian power are becoming long-lost characteristics of organizations.

The current concern for Gen Y's future is that this young generation was hit hard by the recent recession: last in, first out; organizations not valuing what Gen Y brings; and not providing coaching and mentoring to this new labor force cohort. Although Canada's youth were not as seriously affected by the recession in contrast to the U.S., it is worthwhile to read what [BusinessWeek has labeled Gen Y the Lost Generation. Read the article and watch a video of an interview by Peter Coy](#).

Gen Y in Canada faces significant pressures when it comes to labor participation, meaningful employment and how they contribute to organizations. The opportunity cost of foregoing employment in the early career formation years is very high, not just for Gen Y members but more broadly Canadian society.

It's important to keep in perspective the rapidly changing nature of the global economy when it comes to Canada's younger workers. The emergence of new global competitors, as already noted, is completely changing the economic landscape. Forget the statistics that China and India have much lower percentages of their respective populations earning diplomas and degrees when compared to Europe and North America. The key here is they *collectively* have a population of about 2.5 billion people. It's about absolute numbers, not percentages.

The imminent outflow of increasingly large numbers of experienced workers presents huge problems to both business and government. As much as public servants get beaten up in the media and criticized for being lazy, etc. it's vital to recognize the role that government plays in supporting the competitiveness of the private sector. Increasingly national governments are competing with one another, reinforcing the role that the public service plays in creating the essential policy frameworks and legislation that helps drive innovation. For those in business and elsewhere who enjoy crapping on public servants, get over it.

So what does all of this mean? For one, it means that the federal government (whether in Canada or the United States) will be forced to respond to the effects of an ageing population both within its cadre of employees **and** what is happening within companies. This is very much an intertwined problem: how government attempts to address its internal human resource challenges while simultaneously trying to provide leadership to the corporate sector, all the while technology's pace accelerates and global competitiveness escalates. Business has the luxury of a more parochial view within its own immediate corporate needs; government has to address the bigger picture view if it hopes to create new national wealth.

When viewing the preceding discussion on demographic changes and the expectations of Gen Y through an organizational lens, it boils down to this:

- **Coaching and mentoring** is very much a vital element of succession planning and individual leadership development,
- **Knowledge transfer practices** are an integral part of both succession planning and ongoing learning and information sharing practices,
- **Shared leadership** as a concept is regaining attention as a strategic approach to leadership development and employee engagement,
- **Embracing inter-generational differences** poses unique challenges but is critical to fulfilling organizational mission,
- **Engaging Gens X and Y** is essential to building the capacity to take on new challenges.

The discussion shifts in the next section to an examination of specific issues that will have profound effects on the future of work: how it's performed, organizational adaptability and what the workplace of the future may look like.

The Workplace of the Future

The preceding analysis examined a variety of issues and trends that are having major impacts on organizations. To focus the discussion, seven topics are addressed below that present both challenges and opportunities in creating the workplace of the future.

1) Decentralized, Specialized Work

The word "specialized" should not be confused with narrow job descriptions. At play is the move to depth of content knowledge and ability (know-how), positioned in a working environment where subject matter experts are either part of the organization's core, or hired on an as-needed-basis. For example, hiring by companies, recruiters and placement agencies has become rigorous, with respect to the criteria demanded of workers, whether for permanent or temporary work.

One way to look at the organization of the future is that of a doughnut, as explained in Charles Handy's The Age of Paradox. (Click here to read the chapter on The Doughnut Principle). Handy explains that the doughnut is a visual way to depict how organizations, or even work groups, organize themselves. Organizations have an essential core, of necessary jobs and people. Surrounding that core is a "flexible" space consisting of flexible workers and flexible contractors (contingent workers). The "strategic issue for organizations," as Handy states is "...to decide which activities and which people to put in the space."

Since Handy's book, the use of contingent workers has grown rapidly around the world. Of significance is its growing use in the public sector in many jurisdictions. In essence, what we're witnessing is the disappearance of the vertically-integrated organization, being replaced by the lateral organization, in which non-core corporate functions (Handy's "necessary jobs") are outsourced. This trend is tantamount to the further weakening of the traditional employment contract. Jobs- for-life is an anachronism in this new workplace context.

With the above said, the evolving nature of societal values, Canada's and America's changing demographic compositions and consumer choice, there are individuals who would choose to work in this type of new arrangement. Examples include:

- retired Baby Boomers who possess enormous amounts of relevant know-how and who want to work more independently on their terms;

- Gen Y, which embraces new forms of collaboration and open to new forms of work arrangement;
- Gen X, which wants to get out from under the Boomers' shadow and which believes in work-life balance.

In an interview with The Economist, former British Prime Minister Tony Blair talked about the evolving role of government, in which he sees the public sector separating into smaller units, with the result being more innovation. He explains:

> "As more and more choices are made by consumers, not politicians, we will shrink the state….In every other walk of life a citizen gets services from bodies that are anxious for their business. We have to open up the state to transparency and competition, or else anyone who is rich enough will pay to opt out."

The Economist article, which examines how technology and "good management" can help improve government, notes Canadian Don Tapscott's work on "prosumers," who don't accept what government offers (Macrowikinomics), and in particular the Province of New Brunswick's innovation efforts by "web-savvy" civil servants.

"Social networks will become the new operating system of business."

Don Tapscott
Grown Up Digital

The relevance of this discussion is what emergences from a more fluid organizational model. For customer-focused organizations the emphasis is on results and outcomes. The concept of the doughnut model may have some appeal with respect to how people move in and out of organizations based on real-time need. However, the dynamics of direct customer service delivery versus head office activities present the opportunity for further examination.

2) Workplace Diversity

North America's cultural diversity is steadily growing, although its geographic distribution is skewed towards major urban and metropolitan areas. This in itself poses certain challenges for areas such as the Atlantic Provinces and New England, which face static, homogeneous populations. The cultural dynamics of Toronto, New York, Los Angeles, Vancouver and Montreal are rapidly affecting the composition of the workplace.

Combined with cultural diversity is the issue of an ageing population, which brings with it different value sets among the main age groups. Concerns have been expressed by a number of organizational experts on a clash of values among Boomers, Gen X and Gen Y, with respect to how work is carried out, the ability to make decisions, being able to work independently, sharing leadership or challenging authority. Addressing these dynamics presents significant challenges for leaders in the coming years.

3) The Networked Workplace

"Relationships with key players will be the currency that drives accomplishment" ("Government Workforce of the Future: Four Key Trends," The Public Manager, Summer 2010). The point of this statement is not to diminish content knowledge and know-how, but to stress the vital role that relationships are playing in building partnerships, understanding client needs and fostering innovative practices.

In this context, social networks are rapidly becoming what Don Tapscott has called "the new operating system of business." Of special note is that the workplace of relationships extends well beyond face-to-face interactions to increasingly virtual ones. Whether through webstreaming, Skype, new video-conference technology or social media, people will connect however they want, whenever they want and wherever they want. Corporate policies aimed at repressing the use of social media on intranets, for example, will become an exercise in futility as smart phones and tablets circumvent these policies. How will your organization adapt to these changes?

The leadership challenge, therefore, for managers will be how to align and focus the use of technologies to support their organization's mission, objectives and priorities.

One example of a public service agency that consists of a small core with an extended periphery of service providers is in California. The State has over 65 "contract cities" which function primarily through contracts with agencies or private companies to provide government services (e.g., fire, police, library and parks). Given California's fiscal problems, this model is gaining popularity, with outsourcing predicted to be over $20 billion by the end of 2010 (Government Technology, "Top Five Outsourcing Trends for 2009).

As the The Public Manager states: "The government workforce of the future will be more dependent on relationships with external providers and will require greater skills in the areas of allegiance-building, negotiating, and virtual teambuilding skills."

How workers gain access to information and share it in this new environment presents new challenges to corporate management. The traditional attending of conferences will fade away, replaced with webinars, webstreaming, Skype and, for those with deeper pockets, Cisco's Cisco's new Telepresence Suites, which enables organizations to connect with managers and co-workers around the globe. This is true real-time, distortion-free, in the same room as the participants experience. The long-run cost savings and the ability to network instantly present incredible opportunities for innovation, problem-solving and client service.

4) I am my "Brand"

If the traditional employment contract is broken, and if workers are expected to be lifelong learners (see below), then it's logical to assume that people must take personal responsibility for their career development. In keeping with the trend of social media, it's all about personal brand, building credibility, your network and knowledge so that you remain one step ahead of your competitors.

The foremost marketing genius, provocative thinker and trend setter is Seth Godin. Godin is a prolific writer on social media, societal issues, leadership and creativity. Individuals working in business and government who wish to keep up with what is happening in the workplace should be following people like Godin. (Watch this fascinating Skype interview with Seth Godin.)

As much as organizations must pay closer attention to their brand, so too must individuals in a competitive global labour market. Social media provides the platform on which people will market themselves to the world. The "I am my brand" metaphor is very important from a lifelong learning and personal adaptability perspective. It's about how employees pay ongoing attention to their skills development, the building of their learning and experience portfolio, and how they seek out new opportunities.

"The new media rewards ideas that resonate. It helps spread them. If your work persuades, you prosper."

Seth Godin

Gen Y, and to some extent Gen X, are well ahead of Baby Boomers on this front. "I am my brand" encompasses one's presence on Facebook, Twitter, LinkedIn and a variety of other social networking websites. Of special importance is the need to carefully manage one's brand. The admonition "Tweet Responsibly" should be heeded. Furthermore, in a professional context relationships must be accompanied with knowledge content.

The "I am my brand" moniker should *not* be viewed from the perspective of "It's all about me." There is reciprocity with the employer, which provides training, learning and work experience opportunities, in addition to developing one's network, interpersonal skills and so forth. This raises the question of why do people accept work (whether permanent or temporary)? It's more than a matter of income, especially when intrinsic factors such as contribution and achieving personal excellence are greater human motivators.

As much as loyalty to the organization, in terms of the traditional employment contract is disappearing, this is being replaced with loyalty to building one's knowledge and skills through commitment to an outcome for the organization. This is what "I am my brand" is really about.

This presents very real challenges because of the paradigm shift in perspective in how employees approach their work. The essence is to building one's personal brand is by

determining what defines the individual and what they bring to the table: skills, knowledge, personal networks, work experience, credibility and commitment. This connects to continuous learning.

5) Self-Reliance Through Continuous learning

The gradual death of the traditional employment contract, the fallout from the recent recession, different value sets held by younger generations, the growing emphasis on knowledge work, and globalization are among the major factors that have spawned the emergence of personal self-reliance. This trend is most prominent among Generation Y, but is also valued by Generation X. Baby Boomers have been caught off guard by this, and many feel betrayed after devoting themselves to their companies for three decades.

Although the public sector lags the private sector in globalization's impacts, change will accelerate in the next few years, presenting challenges to those in leadership positions in government. Tensions between older and younger government employees will increase for a variety of reasons, with one particular issue being Gen Y's capacity for greater self-reliance and faster reaction time to change than older Boomers.

"Leaders need to look for ways to harness the popularity and business value of social media to boost organizational performance and further corporate goals."

Manpower

The new loyalty to organizations, as noted above, will be oriented towards one's career development. Continuous skill development, knowledge acquisition, personal networks and value-added work experience will be among the most highly valued benefits an organization can provide to employees. This is where the reciprocal relationship will evolve between employees and the employer–the new employment contract. Taking personal responsibility for one's learning is the most important strategic decision an employee will make.

What is at play, therefore, when we talk about continuous learning is a change in the definition of how "knowledge" is defined. In contrast to how it was interpreted and perceived in the past, knowledge now encompasses competencies and know-how. Learning is the conduit to knowledge and know-how: the single defining attribute of an organization's performance and competitiveness in a globalized world.

6) Sharing Knowledge: Anytime, Anywhere, Anyhow

The workplace of the future will encompass a variety of means of sharing information and knowledge. The traditional "water cooler" chat will not necessarily disappear, but will be largely replaced by the use of social media –call it the virtual water cooler.

Social media tools will become the new way of doing business. This will provoke conversations within organizations on whether access to social media sites should be blocked. This is an issue that is being vigorously debated within government. Gens X and Y, the latter especially, work horizontally in real-time, and believe that social media should be incorporated into the workplace.

One young Canadian federal public servant who has taken the initiative to connect with other public servants is Gen Y Nick Charney who maintains a popular blog on public service issues. His blog CPSRenewal.ca is his personal site, and he notes that his views do not represent those of the Government of Canada. Nevertheless, Charney's initiative is but one example of a young public servant who has empowered himself to voice his opinions on issues facing public servants (he states that he avoids talking about age issues). Read this April 9, 2010, post entitled The Age Old Question.

Smart 21st Century organizations embrace their employees' use of social media. A recent survey by Manpower explains the transformational power of social media to improve productivity, innovation, collaboration, corporate brand and employee engagement. The survey reveals that three quarters of organizations do **not** have formal policies dealing with the use of social media at work. The leadership challenge, therefore, is figuring how to effectively integrate social media tools within business practices while minimizing potential security risks.

Resisting the use of social media in organizations comes with a cost. New media blogger and author Jeff Jarvis talks about openness and sharing in his upcoming book Public Parts (Fall 2011 release). As Jarvis states: "More openness also creates trust." Similarly, Canadian technology and inter-generational author Don Tapscott expresses: "If you open the kimono, a lot of good things happen." Finally, the McKinsey Global Institute found that controlling tools that facilitate sharing and communication among employees actually lowers profits. One recent survey looked at the use of social media tools within corporations, revealing that those companies that embraced them benefited from faster decision-making, greater market share and more innovation.

Gens X and Y are freeform thinkers, who believe their ideas and opinions count and that they expect to be listened to. They want to be able to be able to share ideas and what they know using whatever means are available to them: corporate PCs, wireless devices, home laptops, etc. And they want immediate access to their social media platforms.

The desire to open access to social media tools is understandable. Technology gurus such as Don Tapscott or Gen Y public servant Nick Charney provide strong arguments for this. However, such arguments need to be tempered within a security, privacy and client service context. Large banks have employees who wish to access Facebook and other social media websites. Security concerns and the extreme sensitivity to protect customers' financial information is paramount. Likewise, in an organization such as HRSDC, protecting the privacy of Canadians and the integrity of the financial systems that pay out employment insurance and pensions must be maintained.

Of course there are other issues that must be addressed, such as social media's impact on productivity (is it negative, neutral or positive?) and its compatibility with an organization's culture. Even if the security dimension can be resolved effectively in the future, the other issues noted require examination and discussion. How does social media fit within *your* organization's culture?

In addition to the emerging trend of virtual collaboration through social media and telecommunications technology, face-to-face collaboration and physical office design is experiencing interesting developments. For example, one development in open, collaborative workspaces is what's called *Co-working*, an arrangement where companies and freelancers share physical space. One such location is [Roam, Atlanta](), where people from diverse professions gather to work in a privately run workspace. While open to the public, the members (who receive additional benefits) share equipment, conference rooms and services (e.g., unlimited T1 Internet access, mailboxes, documented business expenses, onsite cafe). However, the key attraction is the ability to socialize and share ideas ([check out the photo gallery]()). To date, some three dozen businesses in the Atlanta area participate in Roam. There are additional few dozen clubs in Europe, Latin America and East Asia.

As reported in [Strategy and Business: The Promise of the Cloud Workplace](), this co-working concept is especially popular with workers in their twenties and thirties. Forward-looking companies are eyeing it because of its huge potential. As the Strategy & Business article concludes: "Space is culture, and the informality and openness of co-working could be valuable to many companies–for fostering innovation, attracting talent and funding facilities in a more flexible manner."

In contrast to Baby Boomers who prefer working in cubicles and enclosed offices, Gen Y thrives working in open environments where information sharing and networking is much easier. In the context of older workers, the impending retirement exodus of public servants calls for mechanisms and processes to capture, codify and intelligently retain critical corporate information. New workplace designs, such as co-working and open, collaborative workspaces present opportunities for enhanced creativity and innovation.

This evolution presents new challenges for those in leadership positions.

7) Leading in a Globalized Workplace

Although this discussion paper is not specifically about leadership, it is interwoven with the issues and trends discussed. The greatest personal challenge for those leading others is building adaptability to a rapidly changing context. Leaders must deal increasingly with ambiguities, the unknown and unpredictability. They won't have the clear cut answers their followers will demand, in contrast to past decades where managers were expected to have definitive answers for employees' questions.

In contrast to the past where changes were observed shortly after they occurred and where sufficient time was present to adjust course, the increasing velocity of change doesn't allow time for plans to make corrections. This means that leaders need to become both change agents within the organization *and* adaptable learners as they see change occurring. This presents a whole new dimension to leadership, or what could be called 3-D leadership.

To assist leaders deal with the many unknowns, embracing the principle of *Be open to outcome, not attached to it*, as expressed by anthropologist and leadership consultant Angeles Arrien, is a recommended course to follow. Arrien's principle is in effect a cornerstone to building change adaptability, and supports managers' ability to articulate the "known-knowns" that have implications for an organization. The "unknown-unknowns" is the real 3-D leadership challenge when it comes to anticipating change and the personal learning that accompanies this process.

With respect to leading in a globalized workplace, the Boston Consulting Group in 2006 prepared a report for *Innovation & Business Skills Australia* entitled "*The Manager of the 21st Century, 2020 Vision*[1]." While the orientation of the report is towards management development, it provides an interesting perspective on the evolution of the workplace in a global setting.

The report states that if managers are to be provided with the necessary "survival" skills up to 2020, then those involved in educating and training managers must "continuously refine" the learning agenda to ensure that it remains relevant to changes in the workplace. This agenda comprises three parts, within which the successful manager in 2020 will have acquired experience and mastered the following key competencies:

> *A) Maximize Opportunities in a Changing World*
> - Keep a global perspective and learn constantly,
> - Be flexible and capable of adjusting to different geographic markets and cultures,
> - Adjust organizational structures to reflect the needs of an ageing workforce,

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[1] This study was an update to one done earlier in 1995 for the Commonwealth Government's Industry Taskforce on Leadership and Management. The study at that time was entitled "The Manager of the 21st Century."

B) Manage Diversity in a Changing Workplace

- Create a balance among the approaches needed to effectively manage and lead three generations in the workplace,
- Measure staff performance using outputs not inputs,
- Understand the motivations underlying peoples' behaviours in a diverse workplace, and be creative when designing incentives to recruit and retain talented staff,

C) Respond to Changing Times with a Changing Mindset

- Create a workplace where talented teams, not just individuals, flourish,
- Develop specialist skills along with general management skills,
- Promote and practice work-life balance.

These competencies are reflected below in a diagram that sets the context for the development needs of managers. Although these competencies are aimed at those in managerial jobs, many of them are very relevant to **all** employees in an organization.

Management Development Needs		
The Landscape	*Business Impacts*	*M'mgt Dev. Needs*
Changing World	- Three generations - Longer working life	- Management styles - 50+ career planning
Changing Workplace	- Workplace Flexibility - People businesses - Talent optimization	- Managing flexibility - Managing people businesses - Optimizing individual and team performance
Changing Mindset	- Serving stakeholders - Top team focus - Personal expertise - Personal wealth	- Understanding aligning and balancing needs - Leading teams - Developing personal expertise - Work and life choices
The Boston Consulting Group, 2006		

To further this discussion, work done by Henry Mintzberg and Jonathan Gosling in what has become a landmark piece provides insight to the challenges facing managers in a changing workplace. *The Five Minds of a Manager* was published in 2003, and is more relevant today. **Download the full article here.**

1) The Reflective Mind-Set

Reflection is the "suspended space" between where the manager has had an experience and the explanation for it. This space is where the individual is able to make the linkages, including possible options. Organizations don't need managers who see the world through their personal behaviors or who are unable to see beyond immediate situations. What is needed are managers who are capable of seeing both ways: through their personal reflection they see the world around them. As they put it: "...reflective managers are able to see behind in order to look ahead."

2) The Action Mind-Set

As much as competent managerial ability is needed to move an organization in a new direction, skill is also required to maintain course. Corralling the energies, hopes and aspirations of employees and focusing them towards a common vision is the management challenge. It demands that managers understand the landscape in which their teams are working and collaborating. Action is critical in this environment; however, it must be accompanied by reflection, especially when managers must know which things need to be changed and which ones must be maintained. This is where action and reflection need to be integrated. As they explain: "Action results from deliberate strategies, carefully planned, that unfold as systematically managed sequences of decisions."

3) The Collaborative Mind-Set

People are not "detachable human resources" or "assets," commodities that can be traded. However, this has been the approach most organizations take with their employees. A collaboration mind-set does not follow this practice. The authors use their work with Japanese colleagues as the example of how a collaboration mind-set involves managing the *relationships* among people, *not* managing people.

A true collaborative mind-set entails transcending empowerment, where the conventional belief is that managers must bestow their "blessing" upon their staff. It means building commitment among people through engagement. It means dissolving the "heroic" style of leadership.

4) The Worldly Mind-Set

They make a critical distinction between "globalization" and "worldly." The former involves perceiving the world from a distance, contributing to a sense that it's more or less uniform. A worldly view, in contrast, delves into the cultures, habits and customs of peoples living near and far.

5) The Analytical Mind-Set

When using the metaphor of the manager peering downwards from a tall office building to the streets below, the view is one of people being parts of a system. Surrounding that manager are the physical assets, techniques, structures and systems, which cement an analytic mind-set and approach to solving problems. Mintzberg and Gosling pose the question of how do managers get beyond the superficialities of data and analysis, to the deeper meanings of structures and systems? Complex decision-making involves more than dealing with quantitative data; it requires understanding qualitative (soft) data and the nuances underlying them, such as values. The authors talk about "reflective analysis," representing the integration of hard and soft data.

Woven Mind-Sets

Mintzberg and Gosling use the metaphor of fabricating cloth, in which the manager is the weaver and the threads are the five mind-sets. "Effective performance" represents how the manager weaves each mind-set in with the others, producing a solid product in the end.

In the context of the mind-sets, this means that the manager must be capable of analyzing, reflecting, acting and collaborating, keeping the big picture in mind. This cycle repeats itself as new insights and opportunities materialize, provoking new reflection, new collaborations, etc. The authors' final comment is one on which to reflect: ***"Effective organizations tailor handsome results out of the woven mind-sets of their managers."***

Conclusion

The topics discussed in this paper can be synthesized to form what may be called an *agenda for the workplace of the future*. Such an agenda serves as a catalyst to initiating a dialogue across an organization, helping it to move forward in creating a workplace that is adaptable to the many socio-economic and geo-political changes underway.

1. **Competencies:** Link learning to employee and organizational performance by aligning business strategies with talent competencies through a competency-based management model. Such a model comprises four key elements: recruitment, talent development, performance management, succession planning.

2. **Continuous Learning:** Foster self-reliance in building one's personal knowledge, skills, abilities portfolio, using the "I am my brand" approach.

3. **Knowledge:** Incorporate KSAs (knowledge, skills, abilities) within a competency model to support employees' work, learning and career development. Embed knowledge transfer as part of continuous improvement and succession planning (loss of expertise and corporate history due to retirements).

4. **Collaboration:** Embrace virtual collaboration; move beyond physically-based teams to e-teams. "Nested" networks and teams, based on interdependent efforts, offer new opportunities for knowledge-sharing and innovation.

5. **Project Work:** Integrate matrix, project-based work, in which permanent and contingent employees work across organizational units, moving fluidly move in and out of projects.

6. **Diversity:** Value and draw upon the diversity within the organization, with partners, stakeholders and virtual collaborators.

7. **Leadership:** Adjust leadership approaches to reflect the organization's demographic composition (e.g., older workers with significant work experience) and that create a work environment that fosters employee self-empowerment and shared leadership.

8. **Social Media:** Actively explore how rapidly evolving social media can support your organization's mission and business strategies, while seeking solutions to security concerns.

9. **Work Structure:** Examine the advantages and disadvantages of alternate work arrangements with respect to encouraging creativity, innovation, enhanced client service, reduced carbon emissions, and reduced operating costs. Include studying the net benefits of desk-sharing and open collaborative workspaces (e.g., co-working model).

10. **Organizational Structure:** Explore the concept of Handy's organizational doughnut model in tandem with an organizational design based on matrix (cross-functional) management. What are the implications for customer/client service; the existing organizational structure; relationships with stakeholders (e.g., unions, partners, suppliers, government).

Additional Resources

These websites are oriented towards human resources topics and leadership issues. Click on each of the links to access the web page (by pressing the control key and clicking at the same time).

Talent Management (BW)
http://www.businessweek.com/managing/content/mar2010/ca20100330_065961.htm

Manpower Virtualization of Work Video
http://www.manpower.com/press/secondlife.cfm

UN Global Compact
http://www.unglobalcompact.org/AboutTheGC/

Leading in a Virtualized World: 10 CyberLeader Traits
http://changingwinds.wordpress.com/2011/03/06/leading-in-a-virtualized-world-10-traits-of-a-cyber-leader/

Podcast on Social Media and Workplace
http://daretoshare.wordpress.com/2010/06/23/how-social-media-is-shaping-the-workplace-of-the-future/

Manpower Corp: Social Networking Vs. Management See pdf File
http://files.shareholder.com/downloads/MAN/1183260198x0x346214/1a3ff810-1a69-453e-8b59-47abdd11016f/MANP_285779_WHITE_1up.pdf

Mintzberg's 5 Mindsets
http://www.racgp.org.au/Content/NavigationMenu/PracticeSupport/Leadership/GoslingMintzberg.pdf

David Stauffer's 10 Myths of Post-Heroic Leadership
http://changingwinds.wordpress.com/2010/05/31/are-you-a-post-heroic-leader-examining-the-10-myths/

Websites

The following websites contain a wealth of information on issues critical to organizations effective functioning in a globalized world. Click on each of the links to access the web page (by pressing the control key and clicking at the same time).

[AT Kearney Management Consultants](#)

[American Management Association](#)

[Boston Consulting Group](#)

[Business Exchange](#)

[Center For Creative Leadership](#)

[Changing Winds](#)

[HSBC - The World in 2050](#)

[HR World Top 100 Management Blogs](#)

[McKinsey & Company](#)

[Michael Porter's Five Competitive Forces: Video Interview](#)

[Michael Porter's Five Forces Description](#)

[Royal Dutch Shell Energy Scenarios](#)

About the Author

Jim Taggart is a leadership and organizational learning consultant, offering services to business executives and managers who wish to enhance their effectiveness as leaders. With more than 30 years of personal leadership experience, Jim's knowledge combined with his results-oriented approach will help move your organization to the next level.

Jim worked for three decades with the Government of Canada. His career spanned labor market forecasting, analysis, innovation and competitiveness policy development, and leadership development and organizational learning project management.

 A recognized thought leader, Jim maintains a website and blog on leadership and management issues. He holds a Master's degree in economics from the University of New Brunswick and a Masters degree in Leadership and Organizational Learning from Royal Roads University.

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