

Pursuing the Growth Agenda

Key Trends for 2011



RIGHT VIEWPOINT™

The start of a new year is always a good time to reflect on times past and times ahead. 2010 might best be described as a year of disruptive change related not only to a difficult economy but also to deeper trends in the world of work certain to impact the workplace for the foreseeable future. In the face of change, we've seen issues of engagement, retention, wellness, trust and leadership come to the fore. In the year ahead, some of these same issues will continue to demand attention but in new ways. We see signs that organizations will increasingly pursue a growth agenda. But whether they achieve their goals will depend on how they respond to the changes continuing to disrupt workplaces.

DOUGLAS J. MATTHEWS

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THE YEAR IN REVIEW

Over the last year, uncertainty has been a watchword in economic life around the globe. Whether the world economy will recover strongly, weakly or not at all has remained an open question. For every prognosticator who has claimed to see the sunny uplands of prosperity just ahead, there has been another warning grimly that our economic rollercoaster is about to enter the dreaded double dip.

Little wonder, then, that organizations almost everywhere have sought to secure their positions by changing how they operate and how their people work. Some have restructured, some have reduced their workforces, some have stopped hiring, some have changed leadership, some have changed strategic direction. Almost all have asked their employees to raise their productivity and do more with less. In fact, productivity has soared 32% over the last decade. But the benefits of these gains won't be realized if employees suffer burnout.

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Employees are bearing heavier workloads and working longer hours. They are facing greater uncertainty, feeling more pressure and experiencing increasing levels of stress.

The stories that we followed in 2010 reflected the disruptive changes sweeping through workplaces. A key point that we stressed repeatedly is that it would be a mistake to think that the workplace will return to “normal” once the economy recovers fully. The disruptive changes we are seeing in workplaces today aren’t rooted in merely temporary turns in the business cycle alone but also in long-term trends related to demographics, advances in technology, greater individual choice and rising customer sophistication.

As increasing numbers of highly skilled employees enter retirement, those who remain will face growing challenges filling the talent gaps and bearing the burden of work. As new technology supports new ways of working and facilitates unfiltered communication via wide online networks, employees will often experience greater work pressures even as work arrangements become more transparent and open to critical scrutiny. As the workplace is increasingly staffed by employees drawn from four different generations, the needs and expectations of individual employees will become unique and harder to meet. As organizations become more sophisticated about workforce management and expect higher returns on talent, employees will be expected to increase their productivity. Such developments suggest that disruptive change will continue to impact workplaces for the foreseeable future.

THE YEAR AHEAD

Yet 2011 won’t simply offer more of the same. As a result of the measures that they’ve taken in the last two or three years, many organizations have restructured their operations, built up a considerable war chest and now stand poised to pursue a growth agenda. In a recent Right Management poll, nearly one in four HR professionals told us that 2011 will be a year of recovery marked by increasing hiring and new talent development initiatives. While the stories of 2010 will continue to resonate in 2011, this new growth agenda will cast the familiar issues in a new light.

The pressing question will focus on whether continuing changes in workplaces will derail (or enable) growth. We foresee the growth agenda being influenced by four key trends:

1. Continuing workforce discontent. In late 2009, we reported that 60% of employees said they planned to pursue new job opportunities as the economy improved. Our latest research shows that figure now stands at 84%. Employees are more unhappy and dissatisfied with their jobs than ever. Seventy-five percent report working more than 40 hours a week “almost always,” 19% “rarely” trust their managers to make the best decisions and almost 57% trust only “occasionally.” Organizations with employees who are disengaged and seeking opportunities elsewhere are highly unlikely to meet their growth objectives.

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2. Heightened competition to attract and retain top performers.

As organizations gear up for growth, they will be looking to fill talent gaps with selective hirings. Despite the sluggish economy, however, the demographic trends are making themselves felt and top performers are increasingly difficult to find. It's little wonder, then, that many organizations are attempting to poach talent. As our research discovered, last year 56% of employees who held titles of manager or higher were approached by an outside organization to discuss job opportunities. In 2011, growth-oriented companies will need to work harder to attract and retain top talent.

3. Intensifying employee needs and expectations. Employees in the 24-to-35-year-old age bracket were among those most often approached by outside organizations. Winning the competition for in-demand talent will increasingly mean meeting the intensifying needs and expectations of a diverse workforce. Employees are seeking flexibility in relation to how, when and where they work. They are also increasingly impatient to be provided with meaningful opportunities to advance in their careers.

4. An increasing reliance on working virtually.

Seventy-five percent of employees report that some work at their organization already gets done virtually and 45% anticipate an increase in such work over the next year. Dizzying innovations in technology are making working virtually a new opportunity and a new reality in many workplaces. Working virtually can improve productivity, but it can also present serious challenges to managing effectively and to maintaining a healthy work-life balance. Organizations seeking to drive growth by introducing greater opportunities for working virtually will need to manage those opportunities with care.

HOW TO RESPOND

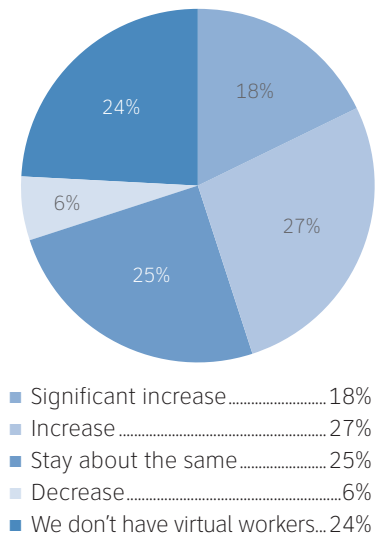
In the context of the trends, driving a growth agenda in 2011 will likely prove a complex and challenging endeavor for organizations. However, as a senior leader you have a number of strategies at your disposal. Here are four best practices to consider:

1. Develop your workforce.

Are your employees considering job opportunities elsewhere? Are you having difficulty attracting people with the right skills? Has your top talent been approached by other companies? Are your high potentials impatient for career advancement? The answer to all of these questions is to develop your people.

Especially in situations where there have been workforce reductions in the recent past, providing employees with career development opportunities is a powerful way of showing that you value them and that they have a role in the future success of the organization. Our research shows that career development is a significant driver of engagement and retention. It also shows that immediate managers can go a long way towards improving their standing with direct reports simply by engaging them in career discussions.

CHANGE IN VIRTUAL WORKERS ANTICIPATED AT RESPONDENT'S ORGANIZATION.



Source: Right Management survey of 330 employees conducted in September 2010.

Organizations will increasingly need highly skilled employees to fill the positions of those lost to retirement. In the face of inescapable and relentless demographic pressure bearing down on all organizations, it only makes sense to develop people internally.

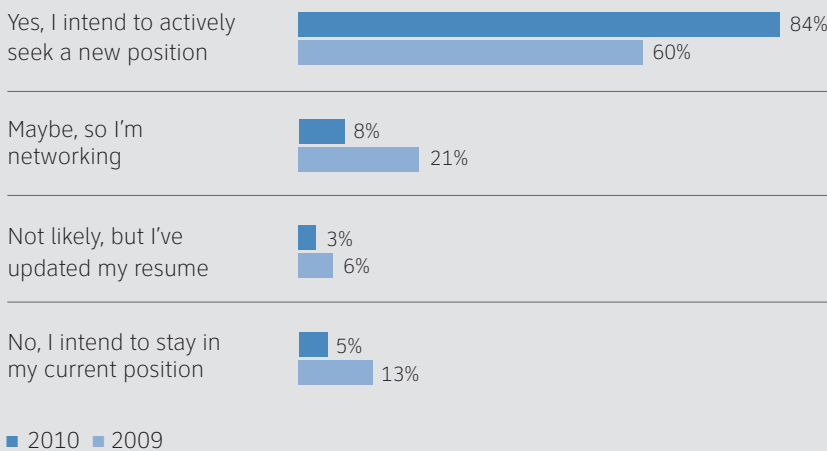
2. Empower your people.

Help them develop good decision-making skills and provide them with opportunities to contribute at a higher level. Employees need to understand the organization’s strategy and to feel that they’re playing a meaningful role in achieving that strategy. Delegating responsibility in ways you may not have done before (possibly by leveraging the new technology) opens important new avenues to building trust, retaining talent and increasing productivity. An engaged, motivated, proactive workforce can only help an organization achieve its growth agenda.

3. Make wellness a high-tech priority.

A healthy and happy workforce is simply a better performing workforce. While new technology has the potential for creating an always-on, 24/7 work culture that can wear employees down, it can also be leveraged to create a better work-life balance and meet diverse employee needs. Used properly, technology supports new ways of collaborating, teaming and accomplishing work. It offers employees more flexibility in their work arrangements that better enables them to meet the demands of work and family or personal interests.

DO YOU PLAN TO PURSUE NEW JOB OPPORTUNITIES IN 2011?



Source: Right Management survey of 1,413 employees in the United States via an online poll. The survey ran from October 11 until November 15, 2010.

4. Build trust in new ways.

We live in the information age. The new social media are introducing greater transparency into all realms of professional life. As a leader, you have to accept that exercising control over messaging as you have in the past is becoming increasingly difficult. The only effective answer is to embrace the new social media and communicate in a more open and forthright way. As your organization pursues growth in 2011, build trust by keeping employees informed and by listening to employees' concerns. Alleviate stress by addressing their fear of the unknowns. Show them what the plan is. Talk to them about their role. Test whether they're on board. If you don't catch the social media wave, it may well swamp you.

CONCLUSION: CHANGING FOR GROWTH

There is nothing new about change. In the workplace as elsewhere, change is always with us. Yet the difficult economy of the past year reinforced by long-term demographic and technological trends has not only accelerated the pace of change but also thrown up new and difficult challenges posing significant threats to the emerging growth agenda of many organizations. As a leader, you cannot look to the past. You must manage change by finding better ways of alleviating workforce discontent, competing to attract and retain top talent, meeting heightened employee expectations and supporting virtual work. Providing career opportunities, leveraging technology wisely, empowering people and embracing the new social media are good places to start.

About the Author

Douglas J. Matthews is President and Chief Operating Officer of Right Management. As the global operating officer, he has full leadership accountability for achieving the profitability goals of the firm. Doug currently serves as a board member for the Columbus Council on World Affairs and the Employers Resource Association. He earned his Bachelor's and Master's degree at Stony Brook University in New York, and has continued graduate studies at Xavier University.


About Right Management

Right Management (www.right.com) is the talent and career management expert within Manpower, a world leader in innovative workforce solutions. Right Management helps clients win in the changing world of work by designing and executing workforce solutions that align talent strategy with business strategy. Our expertise spans Talent Assessment, Leader Development, Organizational Effectiveness, Employee Engagement, and Workforce Transition and Outplacement. With offices in over 50 countries, Right Management partners with companies of all sizes. More than 80 percent of Fortune 500 companies are currently working with us to help them grow talent, reduce costs and accelerate performance.

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