

NURTURING THE
future
OF WORK

HOW ORGANIZATIONS EMPOWER TALENT

Con
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tions
FOR TOMORROW
Quarterly review



Work is no more what it traditionally has been. Employees, offices, business, none of it is tethered to a single location. Employee experience is now front and center. And freedom and empowerment of employees is top of mind for every business leader. The content and design of this issue reflect this new empowered workplace of the tomorrow - one where the future of work is not bound by closed environments but allowed to blossom and flourish in the open.



Foreword

With over 350,000 employees around the world, Capgemini is, first and foremost, a people company. In light of this, the future of work – the theme of this 6th edition of our quarterly journal Conversations for Tomorrow – is naturally close to our heart.

The pandemic has reshaped the future of work:

- Today, millennials and Gen Z dominate the global workforce, demanding better growth opportunities; a flexible, inclusive workplace; meaningful roles and organizational purpose; and a deeper feeling of belonging to their organizations.
- The employer-employee relationship has evidently changed, and leadership styles need to adapt accordingly.
- Organizations are fundamentally rethinking how they use their office space. The discussion today is far-reaching; rather than debating the merits of cubicles versus open offices, leaders are re-examining the very nature and role of the physical office in a hybrid work environment.

In this edition, we look at how organizations can successfully implement the transformations necessary to thrive in the future of work. We evaluate strategies such as refining and strengthening purpose; empowering talent; nurturing future skills; and instilling a trust-based culture.

There are many questions spinning around the future of work, and, as we seek to provide answers, we are grateful to all the leaders and experts who contributed their thoughts to this journal. Our contributors come from the worlds of economics, business, academia, sports, and include:

- **A Nobel Laureate** in Economics
- The CEOs of **Schneider Electric** and **Capgemini**
- The **European Commissioner** for Jobs and Social Rights
- CHROs and senior executives from **HSBC, Ericsson, Stellantis, ANZ, Microsoft, LinkedIn, and Girls Who Code**
- Academics and experts from the **Harvard Business School and the OECD**
- **A Rugby World Cup winner**
- Plus, an array of **Capgemini's own subject-matter experts**

By bringing together key insights from leaders in their respective fields, we aim to help chart a clear course to the future of work that we can all follow.

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Executive Summary



Over the past few years, our relationship with work has changed forever. Driven by the healthcare imperative, remote working has brought flexibility but also a host of new challenges. Many of today's employees are, to some degree, unsatisfied or unhappy with their experience at work. Even more worryingly, their managers are often unaware of this: in our research, 92% of leaders say their employees are happy at work, while only 30% of individual contributors and 65% of managers agree.

Redesigning work around the employee

Many organizations are structuring working life and the work environment around their employees, to an unprecedented degree. How do they want to upskill? What level of autonomy would they prefer? How do we ensure that their work is meaningful? How do they want to see their careers develop? And how much flexibility do they need in their work life?

Josh Bersin, industry analyst, comments: *"The smartest organizations are redesigning jobs and working environments around employees, making well-being, skills, and culture core to business design."*

92% OF LEADERS SAY THEIR EMPLOYEES ARE HAPPY AT WORK, WHILE ONLY 30% OF INDIVIDUAL CONTRIBUTORS AND 65% OF MANAGERS AGREE.

Employees want to be in the driving seat, deciding how their work lives are structured and how they will deliver outcomes. Jean-Pascal Tricoire, CEO at Schneider Electric, sees the new working structure as supporting this: *“Hybrid work could be the best way to customize working environments for every personal circumstance and career or life stage.”*

It all boils down to delivering an exceptional employee experience, confirms Kathryn van der Merwe, Group Executive Talent & Culture and Service Centers at ANZ: *“We are committed to three core behaviors: create opportunities, deliver what matters, and succeed together while working in a hybrid, flexible manner.”*

Leading with trust

Trust between leaders and employees is paramount. As Josh Bersin puts it: *“The first thing people want from their employers is a sense of trust and belonging – the ability to be themselves at work and to have open conversations and relationships with peers, without any fear of negative consequences.”*

“

The smartest organizations are redesigning jobs and working environments around employees.”

Josh Bersin, Industry Analyst

“

I can envision a future society where there's simply no unskilled work."

Sir Christopher Pissarides

The rules of engagement have changed, and leadership styles need to adapt accordingly. In the hybrid world of work, successful leaders need to be more empathetic; be willing to grant autonomy to different teams; encourage dissenting views; and be prepared to let go of outdated values. Elaine Arden, Chief Human Resources Officer, HSBC, concurs: *"We're moving away from traditional targets, like days spent in the office; productivity should be measured in terms of customer outcomes, team cohesion, and social capital."*

When it comes to teaming and collaboration, Stacey Fluhler, a member of New Zealand's national rugby union side, one of the most successful sports teams in the world, emphasizes the importance of honesty and candor: *"Our success is based on honest discussions - and, when necessary, tough conversations."*

Beware of "productivity theater"

The new hybrid environment has brought new challenges. Jared Spataro, Corporate Vice President, Modern Work & Business Applications at Microsoft, points out the pitfalls of hybrid working: *"Employees want to be seen to be productive, and this can lead to 'productivity theater': attending meetings in order to be seen, making sure they chip in from time to time, but really their attention is on something outside the meeting."*



“

Employees want to be seen to be productive, and this can lead to productivity theater.”

Jared Spataro,
Corporate Vice President,
Modern Work at Microsoft

Amy Edmondson, Novartis Professor of Leadership and Management at Harvard Business School, underlines another major challenge: the negative impact of hybrid working on collaboration. *“The shift to remote working has caused the share of time employees spend in collaborative cross-group connections to drop by about 25% compared with the pre-pandemic level,”* Edmondson explains.

Making the workplace fit for purpose

Some organizations are already taking drastic measures to address this issue, rebranding their workspace as ‘collaboration zones:’ *“We are evolving our workspaces with 25% of space for individual desks and 75% for creative and collaborative [work]. If you come back on site, it should not be just to sit behind your laptop, but to interact with your colleagues, feed off each other’s energy, and brainstorm solutions dynamically, in a way that is difficult to achieve online,”* says **Xavier Chéreau, Chief Human Resources and Transformation Officer, Stellantis.**

Technology is at the core of hybrid working and the redesigned employee experience. As **Jon Harriman and Alan Connolly from Caggemini** argue in this edition: *“Organizations that use technology as an empowering element and offer employees the right tools [...] improve [...] their employees’ ability to perform their jobs and help them to derive greater satisfaction from doing so.”*

Non-traditional talent and upskilling

There are an estimated 700,000 to 1 million digital-skills vacancies in Europe. This points to a shortage of desired talent and highlights how crucial aspects of organizational culture such as recruitment methods, talent retention, and employee development are to building a capable workforce.

It all starts with recruitment. According to **Nobel Prize Laureate Sir Christopher Pissarides:** *“Organizations have to get better at evaluating candidates based not just on their professional experience to date, but also on their characteristics, related skills, and ability to learn.”*

Organizations are becoming more open to non-traditional recruitment techniques. **Caggemini’s CEO Aiman Ezzat** says: *“Organizations need to be on the lookout for talent, even in non-typical environments. In Brazil, we are upskilling Uber drivers to join Caggemini as junior associates.”*

“

Organizations need to be on the lookout for talent, even in non-typical environments. In Brazil, we are upskilling Uber drivers to join Capgemini as junior associates.”

Aiman Ezzat,
CEO, Capgemini

Upskilling is a necessary process to empower employees to reposition themselves as automation gains traction across sectors. Sir **Christopher Pissarides** clarifies the outlook: *“I can envision a future society where there’s simply no unskilled work.”*

Upskilling is near the top of the agendas of many large organizations. **Xavier Chéreau, Stellantis**, agrees: *“We have to recruit the right talent for all divisions – especially R&D – if we want to reinforce the new primacy of our software-based strategy. We launched an ‘electric academy’ in early 2022 to upskill the entire Stellantis sales workforce around electric vehicles [EVs] by 2025.”*

Companies are using in-house employment marketplace tools to facilitate internal mobility and better prepare managers to act as career coaches and advisors. **HSBC’s Elaine Arden** comments: *“We [...] have an internal talent marketplace that 140,000 employees use. It’s a game-changer: connecting talent and skills, at scale, across the business. It empowers people and democratizes access to work by disrupting traditional internal hierarchies and breaking down silos.”*

It starts with the education system, as **Nicolas Schmit, European Commissioner for Jobs and Social Rights**, points out: *“Our education systems have to be more innovative and give people more capacity to learn.”*

Automation improves quality of working life

Kathryn van der Merwe at ANZ highlights the benefits of automation for the workforce: *“Automation is creating new roles as we navigate new systems in cloud, data, process automation,*

robotics, etc. But is also impacts more broadly improvements to engagement and enjoyment of work.” Although some low-skilled jobs are permanently automated, many new roles have emerged. Nicolas Schmit believes that many fears about automation were misplaced: “Everybody feared automation, robotization, the idea of a jobless economy. It is true that a lot of traditional roles are disappearing; but it is also true that there are more jobs in today’s economy than ever before and a lot of these are more interesting, highly skilled and strategic roles.”

Fostering diversity and inclusivity

Xavier Chéreau at Stellantis explains why diversity is good for business: *“We have many different types of customers, so it makes sense to draw on as many different viewpoints as possible from within the organization.”*

Organizations are taking positive action to improve diversity, starting with leadership roles. MajBritt Arfert, SVP and Chief People Officer at Ericsson, highlights how this organization has put in place long-term incentives for management to drive change: *“We have linked our long-term variable-pay program for our executives to increasing the percentage of women in line-manager positions.”*

Dr. Tarika Barrett, CEO of Girls Who Code, believes there is still much work required to arrive at an acceptable level of inclusivity in the workplace: *“There is a disconnect between organizations’ perceptions of the level of inclusivity they are offering and that which is experienced by young women in the workforce. HR leaders are almost twice as likely (45%) to*

report positively on inclusive workplace practices than are women (25%) in the tech environment.”

Sue Duke, Global Head of Public Policy and Economic Graph at LinkedIn, agrees about under-representation of women in leadership. She argues that organizations should be providing more flexibility to women to build diversity at all levels; as she points out: *“Women are 24% more likely than men to apply for remote roles.”*

“

We have linked our long-term variable-pay program for our executives to increasing the percentage of women in line-manager positions.”

MajBritt Arfert,
SVP and Chief People Officer at Ericsson



Jean-Pascal Tricoire
Chief Executive Officer,
Schneider Electric



The CEO Corner

in discussion with



Aiman Ezzat
Chief Executive Officer,
Capgemini





The CEO Corner



Jean-Pascal Tricoire

Chief Executive Officer,
Schneider Electric

Jean-Pascal Tricoire has been Chairman and CEO of Schneider Electric since 2013. Over his 35-year career at Schneider Electric, Jean-Pascal has held diverse positions in France, Italy, China, South Africa, and the US, and is currently based in Hong Kong. He is a director on the worldwide Board of the UN Global Compact, a UN #HeForShe Corporate IMPACT champion, and a Member of the International Business Council of the World Economic Forum. Jean-Pascal also sits on the Global CEO Council of China's Premier Li Keqiang and the Advisory Board of the mayors of Beijing and Shanghai.

Schneider Electric, a global leader in energy management and industry automation, develops related technologies and solutions for electricity distribution. The company also offers energy and sustainability, automation, cloud, and consulting and training services. With a global presence in over 100 countries, Schneider enables the digital transformation of energy management and automation in homes, buildings, data centers, infrastructure, and industries. Schneider's revenues in 2021 amounted to 28.9 billion euros, with over 128,000 employees.



Aiman Ezzat

Chief Executive Officer,
Capgemini

With more than 20 years' experience at Capgemini, **Aiman Ezzat** has a deep knowledge of the Group's main businesses. He has worked in many countries, notably the UK and the US, where he lived for more than 15 years. Aiman was appointed CEO in May 2020; prior to that, from 2018 to 2020, he served as the Group's COO and, from 2012 to 2018, as CFO. Aiman is also on the Board of Directors of Air Liquide and is a Member of the International Business Council of the World Economic Forum.

Capgemini is a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. Capgemini is a responsible and diverse organization of over 340,000 team members in more than 50 countries. With its strong 55-year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations. The Group reported in 2021 global revenues of €18 billion.

The Capgemini Research Institute spoke to Jean-Pascal and Aiman to understand their views on the future of hybrid work, and to ask them how organizations can create value through sustainability and deliver outcomes by combining servitization with digitalization.



MAKING HYBRID WORK ENGAGING

Hybrid working has been a Schneider Electric policy for around two years now. What are the lessons you have learned during this period?

— **Jean-Pascal:** Hybrid isn't new to us; we were in a hybrid environment even before the pandemic. Over the past three years, we've learned that you need to be very flexible in your relationship with employees. People have shown that they can work efficiently away from the office, thanks in part to the technologies that enable this. However, the preference around working location is an individual choice, although we've seen that both culture and geography impacts it. Some are very eager to go back to the office, others struggle with the concept of returning.

We also learned that our multi-hub model, with four regional hubs in North America, Europe, China, and India, is a strength of hybrid working. It allows individuals to take up global roles close to their families or, if they prefer, experience new parts of the world as they move from role to role.

The conclusion is that for any company, you need to be flexible with employees to work as it is most suitable for them.

How do you see hybrid working evolving in the next few years?

— **Jean-Pascal:** The future of hybrid work will be about mass customization, allowing every employee to customize working environments to their personal circumstances, career, or life stage. All of us have learned to work remotely, and as a result the processes of our companies have adapted to make way for it. We, however, need to have a hybrid work model which includes relevant time spent together, but is also open to those personal preferences.

Returning to offices will be largely determined by function and geography; however, there are some instances where we need to be together. Being in the office is particularly important for new recruits and employees near the beginning of their careers as it provides a place for them to learn about organizational culture, which can be challenging to understand remotely. By extension, experienced colleagues need to be present to train and mentor younger employees. Such interaction is crucial to fostering loyalty to the company and coaching future leaders.

— **Aiman:** Hybrid working is here to stay. At Capgemini, we have introduced team rituals and adapted leadership and management practices to the new work environment. Encouraging the development of attributes such as authenticity, emotional intelligence, openness to change, and the ability to create a culture of trust in which employees feel empowered will be key to a functioning hybrid workplace. Technological advancements and organizational efforts to improve employee experience will make hybrid work more engaging.

"The ability to create a culture of trust in which employees feel empowered will be key."

Aiman Ezzat



“

Hybrid work will be about mass customization, allowing every employee to customize working environments for their personal circumstance, career or life stage.”

Jean-Pascal Tricoire

What do you think are the root causes of the “Great Resignation,” and what can organizations do to combat high quitting rates?

— **Jean-Pascal:** During the pandemic, a backlog of resignations built up, so this might have distorted the rates a little. Moreover, the pandemic brought a whole slew of environmental factors to bear on work-related decisions. People began to question whether they needed or wanted to live in an urban environment or whether they should be nearer family. They’ve also been questioning whether they are on the career path that is right for them. So, it’s not all down to what organizations are doing or not doing; in part, it’s down to the fact that people have had more time and space to reflect.

“

The Great Resignation is an opportunity to bring in new talent.”

Aiman Ezzat

The barriers to Gen-Z's quitting, in particular, are low, as they haven't had time to build a strong relationship with their organizations or colleagues. They are generally more flexible in terms of office-based work, usually being free from family constraints. Nonetheless, the workplace experience can be challenging for younger people as they leave university and cohorts of people in their age range join organizations and have to work with people from different generations. Organizations must ensure they offer inclusiveness and a welcoming workplace by assigning the right mentors. The younger generation also expects to work in companies that prioritize sustainability and digitization, as well as flexibility and inclusion.

— **Aiman:** The “Great Resignation” is not a crisis but a new reality and an opportunity to bring in new talent. In spite of a very challenging environment and increased attrition, we increased our workforce by 50,000 people in the past 12 months (as of 3Q22). We developed a state-of-the-art talent-management system, incorporating global hybrid-working policies, diversity and inclusion programs, world-class digital training, accelerated promotions, and employee mobility, all of which enables us to reinforce our positioning as an employer of choice.

ACCESSING UNTAPPED TALENT POOLS

**SINCE 2021, SCHNEIDER
HAS HAD 42% AND 44%
REPRESENTATION OF
WOMEN, RESPECTIVELY,
AT BOARD AND EXECUTIVE
COMMITTEE LEVELS.**

Jean-Pascal Tricoire

How are you addressing the skills shortages in your respective sectors?

— **Jean-Pascal:** We are living and working with technologies that didn’t exist 10 years ago. It means we need to train people. It starts with investing and upskilling your own people, particularly around digital technologies. We also have a long-term engagement supporting internships and vocational training to train people in both academic theory as well as real-life applications.

We are also further developing our multi-hub model, which places our

decision makers in different places around the world. This allows us the opportunity to tap into a large pool of talent. Within this model, every individual has the opportunity to access the highest level of the company without leaving their home time zone (if this is their preference), which is a major attraction.

Lastly, we embrace diversity in all aspects; for example, accessing a previously untapped talent pool by hiring women who are looking to re-enter the workforce following a career break. Since 2021, Schneider has had a 42% and 44% representation of women, respectively, at board and executive committee levels.

— **Aiman:** We continue to reinforce our industry-focused skills in areas such as intelligent industry and 5G. Through NEXT, a digital learning experience platform, we are making learning programs from providers such as Coursera and Pluralsight accessible to all our employees. This enables our people to continually grow their business, professional, and technical skills and knowledge to be fully empowered in driving their careers.

At the height of the COVID-19 pandemic, we launched a program to help women in rural India develop their IT skills, ultimately, to establish careers in the technology sector. In the current labor market, organizations need to be on the lookout for talent, even in non-typical environments. In Brazil, we are upskilling Uber drivers to join Capgemini as junior associates.



Organizations need to be on the lookout for talent, even in non-typical environments. In Brazil, we are upskilling Uber drivers to join Capgemini as junior associates."

Aiman Ezzat

WHY SUSTAINABILITY IS GOOD FOR BUSINESS

Schneider Electric is aiming to have in place a net zero supply chain by 2050, with precise steps for 2025, 2030, and 2040. How will you ensure that all suppliers/stakeholders contribute to these goals?

— **Jean-Pascal:** It is teamwork, but the good news is that today this journey is becoming a common goal for many companies. Everyone is realizing that a business built for sustainability is built to last. Companies are also facing increasing pressures with ESG participation, not just from investors, but from countries and from other companies too.



There's an old perception that sustainability conflicts with performance. In reality, sustainability forces you to streamline your organizational business strategy."

Jean-Pascal Tricoire

At Schneider, scope 3 emissions account for more than 99% of our group carbon footprint, so working with our suppliers and integrators is essential if we are to meet our carbon commitments.

To make sure we meet our goals we've, over the past 20 years, realigned our entire corporate strategy around sustainability. First, with what we do in business, refocusing our portfolio to harness technology for efficiency and sustainability. Secondly, we consistently measure our efforts with programs and KPIs to monitor our own performance. In the past 20 years, we've reduced our energy use by 10% every three years. Third, we make sure that our entire ecosystem is engaged on this journey. It means embedding sustainability in our company culture and helping all stakeholders


advance on this journey. And finally, we have put in place the proper governance at every level to oversee this.

Our research indicates that many organizations still view sustainability as a cost driver. How do you convince your clients to invest in sustainability?

— **Jean-Pascal:** There's an old perception that sustainability conflicts with performance. In reality, sustainability forces you to streamline your organizational business strategy. Being more sustainable is actually good for a company's P&L. In today's world, sustainability is a license to operate but it is also necessary to attract the best talent, which is the ultimate foundation of the wealth of any company. Our customers are starting to understand that sustainability is an investment, rather than a drag on organizational growth.

Lastly, if you want to work with any flagship companies, you're going to have to show your commitment to being sustainable because you are a part of their scope 3. A company's sustainability efforts are becoming a qualifier to sell to someone else.

— **Aiman:** Capgemini has a longstanding commitment to environmental sustainability, with the strategic aim of mitigating our own environmental impact but also helping our clients deliver their ambition. We are supporting the Swiss luxury brand Breitling on its journey to net zero, driving their global carbon accounting by combining our expertise in sustainability measurement with Salesforce Net Zero Cloud. Overall, we are contributing to the digital backbone of Breitling's transformation to a fully sustainable company. And there's ever-increasing client interest in sustainability. We currently have 14 offerings in our sustainability portfolio. We bring sector-specific solutions to drive positive, tangible business outcomes across the whole value chain of our clients' organizations.



"We've built a complete enterprise metaverse capable of digitizing processes, power and energy supply into one 3D model, which is collecting and adapting to real-time data, processed at the edge or in the cloud. "

Jean-Pascal Tricoire

Could you highlight a couple of sustainability innovations that Schneider Electric is working on?

— **Jean-Pascal:** In our sector there are two disrupters to the equation of sustainability: digitization, the way to address waste, and clean electrification, the way to eliminate carbon. The big thing is efficiency everywhere and in every direction.

We've built a complete enterprise metaverse capable of digitizing processes, power, and energy supply into one 3D model which is collecting and adapting to real-time data, processed at the edge or in the cloud.

We've empowered customers to digitize their resource consumption and tackle scope 3 emissions. Our agnostic software and smart-grid architectures contribute to electrification and decarbonization. We've deployed cloud-based platforms to increase the effectiveness of power usage, improve efficiency, optimize value chains, and supply customers with information.

Also, I'm proud that Schneider is the first company to eliminate SF6 greenhouse gas from the power grid, instead using only air.

THE 'SERVITIZATION' REVOLUTION

How is the move from product-led to services-led business models affecting your industry?

— **Jean-Pascal:** We welcome digitization, which makes the transition from product- to services-led business much more accessible. At Schneider, around 10% of turnover comes from recurring services that were previously transactional. It's a revolution for us, and is by far the fastest-growing aspect of the business. By building our subscription revenue, we are establishing an ongoing relationship with that customer base, making the model doubly valuable to us. The number of connected assets has increased by at least 50% a year over the past five years. Most of our value propositions develop around the circularity of our systems, recycling and upgrading to bring more appetite for subscription.

— **Aiman:** Fueled by the rapid development of technologies, including cloud, artificial intelligence, the Internet of Things, edge computing, and 5G, servitization is the next growth market. These disruptive technologies, coupled with access to real-time data, enable organizations to offer consumption-based, value-added services. This shift from “product” to

“product + services” will improve efficiency, reduce costs, and create new revenue streams for organizations. However, by elevating customer experiences, service-led models also raise customer expectations. For instance, if an organization is using robotics-as-a-service for its warehouse operations, it will expect the service to deliver higher productivity by proactively addressing potential maintenance and performance issues.

We will deliver Alstom's first software-as-a-service platform to enable digital rail services for its customers. The platform is cloud-based, cyber-secure, data-driven, and delivered in partnership with Microsoft. The project will support Alstom's transformation towards being a smart and sustainable mobility leader, accelerating the move from product to digital services in alignment with the company's 2025 strategic positioning. Many organizations are driving towards digital services and looking to accelerate their ROI from digital investments.

Which changes do organizations need to make to succeed in the move from product- to services-led operating models?

—**Jean-Pascal:** Organizations need the courage to abandon legacy models and accelerate new ones. Organizations must be stubborn strategically and agile tactically in order to survive in a volatile environment. They need to have a long-term vision, but also the ability to pivot as they encounter all the obstacles along the way. Every decision or action should be a two-way door, which allows you to go back if the strategy misfires.

“**Servitization is the next growth market.**”

Aiman Ezzat



"At Schneider, around 10% of turnover comes from recurring services that were previously transactional. It's a revolution for us."

Jean-Pascal Tricoire

OUTLOOK

Which new technology are you most excited about and why?

—**Jean-Pascal:** Our industry is addressing the biggest challenge of our generation, which is climate change. Going digital is the first step in the clean-energy transition. Digitization improves efficiency and connects every step of the value chain. It allows consumers to make better-informed decisions. Energy decentralization through electrification and digitization fascinates me. I'm excited to be leading one of the companies enabling people to take control of their energy use.

—**Aiman:** Digital, cloud, and data, combined with AI, offer a compelling opportunity across our clients' entire business value chain – from customer experience to the design of new products and services, to the digitalization and transformation of manufacturing and supply chains and the radical redesign of business-management systems.

From a future-of-work perspective, increased automation, advances in the metaverse, virtual reality, augmented reality, and Web3 are scaling up human capabilities and accelerating development.

What would be your advice to your CEO peers about managing in an uncertain environment?

—**Jean-Pascal:** Helping each other, and importantly exchanging points of view with people who are different to you, those that live in different places, or have different educational or environmental backgrounds. Perhaps you'll have disagreements, but we can learn much more through understanding our differences than trying to go it alone.

—**Aiman:** Talent, innovation, and sustainability are the top priorities we must act upon collectively to build the future of work – and the future of society as a whole.



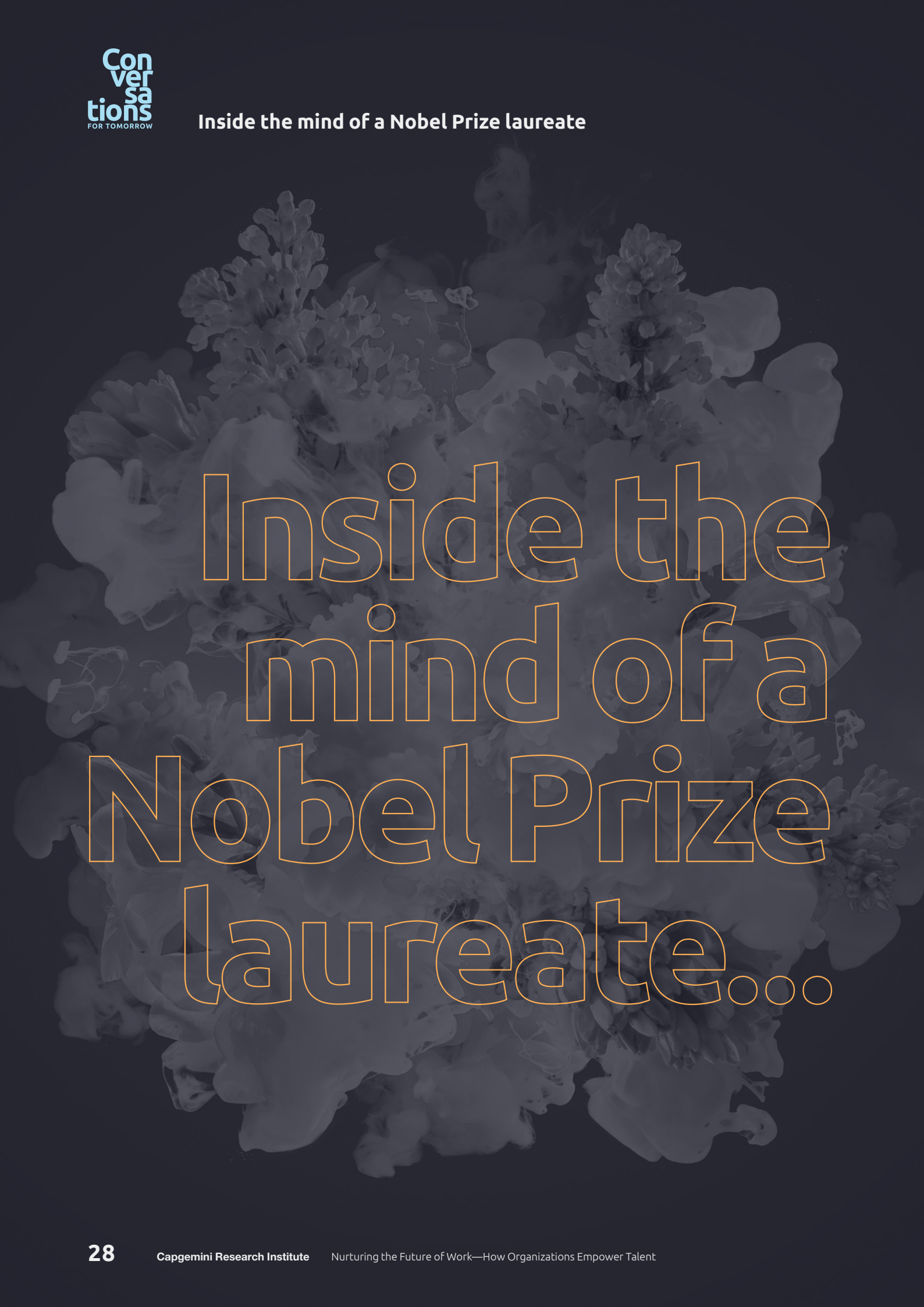
Jean-Pascal Tricoire
Chief Executive Officer,
Schneider Electric



Aiman Ezzat
Chief Executive Officer,
Capgemini

"Going digital is the first step in the clean-energy transition."

"Digital, cloud, and data, combined with AI, offer a compelling opportunity across our clients' entire business value chain."



Inside the
mind of a
Nobel Prize
laureate...

Inside the mind of a Nobel Prize laureate



**SIR
CHRISTOPHER
PISSARIDES**

Nobel Prize Laureate
and Regius Professor
of Economics, London
School of Economics



BUILDING A "GOOD JOBS" ECONOMY

Sir Christopher Pissarides pioneered modern understanding of how regulation and economic policies affect unemployment, job vacancies, and wages, work which won him and his colleague, Dale T. Mortensen, the Nobel Memorial Prize in Economic Sciences in 2010.

Professor Pissarides specializes in labor markets, macroeconomic policy, and economic growth. He also co-founded the Institute for the Future of Work (IFOW), an independent research and development institute exploring how new technologies transform work and working lives.

The Capgemini Research Institute spoke to Professor Pissarides about his work on labor-market frictions; the interplay between automation, job loss, and job creation; and how to expand productive employment opportunities and create a 'good jobs' economy.

EVOLUTION OF WORK AND WELL-BEING

You won the Nobel prize in 2010 for your work on labor-market frictions and technology. How do you think the labor market and the implications of technological development for employment have evolved since then?

— Many people lost their jobs during the pandemic, and the new jobs being created are entirely different from those they are replacing. For example, many routine jobs were automated while giving a boost to STEM-related roles. This technological

revolution has led to further disruption of the labor market. As routine jobs were replaced, workers had to undertake a challenging transition process if they are to adapt to new opportunities.

Today, however, employers have access to more information about the labor market and people's behaviors; the insights

gleaned from this can be used to improve the overall wellbeing of workers.

A widespread skills mismatch is also causing labor-market friction. This is due to rapidly changing skills requirements; information asymmetry resulting from uncertainty; and geographic changes as not many low-skilled jobs are remote and hybrid.



The new jobs being created are entirely different from those they are replacing."



A WIDESPREAD SKILLS MISMATCH IS ALSO CAUSING LABOR-MARKET FRICTION

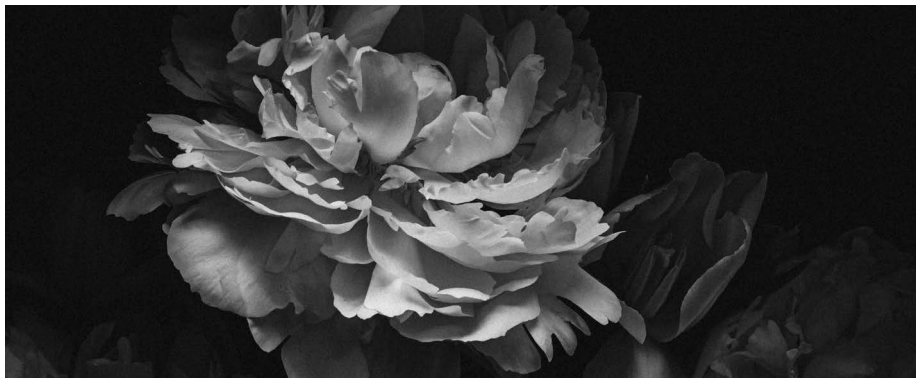
What is the biggest change currently happening in the world of work?

— The future of work will be largely influenced by digital technologies, and the biggest challenge is to ensure that these developments benefit the environment and humankind, enhancing well-being, working conditions, and work-life balance.

The pandemic has emphasized the significance of access to good-quality, safe, secure work, and the value of human skills and collaboration. Yet, technology innovators seldom consider the impacts on working life itself, and the employee can be forgotten.

“

Technology innovators seldom consider the impacts on working life itself, and the employee can be forgotten.”



ENCOURAGING GOOD WORK

How would you define "good work" and how can organizations design jobs to incorporate it?

— Good work encompasses more than employment. It promotes dignity, autonomy, and equality. It is subject to fair pay and conditions. And it takes place in an environment that has a sense of community and where people are properly supported to develop their talent. The most important feature of good work is promoting the engagement of the worker by giving them greater autonomy and opportunities to use their own initiative.

Workers are looking for jobs that are designed well, offer them incentives, and use their skills to deliver peak performance and contribute towards organizational goals. Are work life and personal life well balanced? Does the company treat all workers fairly?

One of the usual ways to progress at work is to change roles within the company: you do something for a while and move on to work that is related to your current role but requires complementary skills. Workers might ask questions such as, are there other roles within the company available to me to which my talents are better suited? What obstacles are there to my attaining these positions?

Worker ambition also impacts how firms fill their vacancies. Searching for someone who wants to replicate their current job in a different environment for higher pay can be self-defeating. Instead, firms should recognize that many workers are trying to broaden their portfolios of work experience. The most ambitious, adaptable individuals can be a major asset to any organization, even if they are unconventional candidates for a given role. Firms have to get better at evaluating candidates based not just on their professional experience to date, but also on their characteristics, related skills, and ability to learn.



Good work promotes dignity, autonomy, and equality."



"Firms have to get better at evaluating candidates based not just on their professional experience to date, but also on their characteristics, related skills, and ability to learn."

How can you build a good-jobs economy?

— At macro level, governments should incentivize companies to provide good work – through tax relief, for example. People should be educated correctly, both formally and in the workplace, so that they come to expect good working conditions. A recognizably good working environment with strong employee retention rates can also encourage venture capital investments, which are long-term in nature, because companies with low employee turnover are viewed as less risky.

Governments, both by working in partnership with companies and through tightening regulation, must develop a social culture of good jobs. There are many areas that can be improved: being stricter in applying anti-discrimination measures, ensuring provision of training programs, promoting lifelong learning at work, and monitoring employee health and general well-being, to name a few.

Studies confirm that good work contributes to productivity, by allowing the worker more flexibility to choose the role within the company to which they are best suited, resulting in a better match between talents and role requirements.



A recognizably good working environment with strong employee retention rates can also encourage venture capital investments."

Inside the mind of a Nobel Prize laureate

The Nordic countries are a pioneering example of positive investment in good work. When you look at happiness surveys, life satisfaction, the Nordics are streets ahead. Among larger economies, Germany enjoys high productivity in its manufacturing sector. It has an effective apprenticeship system, which is essentially on-the-job training subsidized by the government. We need to survey the best practices from different countries around the world and extract them to build a template for good work.

**GOOD WORK
CONTRIBUTES
TO
PRODUCTIVITY**

BRIDGING THE TALENT GAP

How do you see the gig economy maturing over time?

— The gig economy certainly includes some negative elements: increased worker stress, no sick pay, no holiday pay, no pensions, zero-hour contracts [contracts with no minimum number of working hours], and general uncertainty of the flow of work. At the same time, there are positive features that attract workers, such as autonomy, flexibility, and choice in terms of the work you take on.

We need to strike the right balance to improve gig-working models, providing adequate pay and retaining flexibility, while allowing gig workers to maintain a work-life balance.

Some companies like to treat them as employees, offering them some benefits. They also judge their performance by long-term results, rather than monitoring their every move. But at present, only larger companies can afford to provide this level of flexibility. For small companies, the government should provide protection. Spain was the first country to pass such a law regulating the gig economy; it would be interesting to examine

Inside the mind of a Nobel Prize laureate

how employment has been affected there. So, governments should have a bigger role to play in regulating the gig economy and ensuring that the negative aspects do not outweigh the benefits for employers and employees.

How should the education system respond to labor-market shortages?

— The education system needs to adapt to the new technologies that are beginning to influence various markets. It has to adapt and teach more STEM skills. More importantly, education should provide learners with a portfolio of skills that can be updated during their professional lives, opening many doors for them. It should, of course, provide you with basic skills such as communication, mathematics, language, and so on, to teach you how to deal with customers and co-workers, as well as how to conduct basic research, or teaching. The ideal is closer to the French Baccalaureate system. We shouldn't encourage students to specialize too early. Specialization should come in work-based training, as companies understand their specific skills requirements much more than the educational institutions. Each student has different talents, and only a broad education offering exposure to wide-ranging subjects would appropriately direct them to identify their suppressed talents. Exposure to a set of skills can prepare young people for entry into the labor market.



Governments should have a bigger role to play in regulating the gig economy and ensuring that the negative aspects do not outweigh the benefits for employers and employees."



THE IMPACT OF AUTOMATION

What has been the impact of automation on jobs and workers in the past few years?

— Automation technologies have hurt lower- and mid-skilled jobs but have benefited enormously the higher-skilled jobs. Unfortunately, this is increasing inequality in the workplace. I can envision a future society where there's simply no unskilled work. However, although many jobs will disappear, work is becoming safer and more interesting. Right now, we still have high employment for unskilled jobs, but I see a lot of these roles, such as warehouse operatives, couriers, and taxi drivers, being automated, or going into the gig economy. We should take the opportunity during this transition period to adapt our education systems to ensure that young people leave education equipped with the skills most appropriate to them, which will allow them to find a place in the future of work.

“

Automation technologies have hurt lower- and mid-skilled jobs but have benefited enormously the higher-skilled jobs.”

Inside the mind of a Nobel Prize laureate



Sir Christopher Pissarides

Nobel Prize Laureate and Regius
Professor of Economics, London
School of Economics

**"I can envision a future society
where there's simply no
unskilled work."**



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ELAINE ARDEN

Chief Human Resources Officer

HSBC



TAKING A HUMAN APPROACH TO THE FUTURE OF WORK



With assets of \$3 trillion and operations in 64 countries and territories at 31 December 2021, HSBC is one of the largest banking and financial services organizations in the world. The company has a customer base of approximately 40 million and employs around 220,000 full-time equivalent staff.

Elaine Arden joined HSBC in 2017 as its Chief Human Resources Officer. Prior to that, she was Group HR Director at RBS (now NatWest) and Direct Line. With over 25 years of experience, Elaine has been responsible for various aspects of HR across several business verticals, including IT, Credit Cards, and Asset Finance. She is a Fellow of the Chartered Institute of Banking in Scotland (CIBOS) and a member of the Chartered Institute of Personnel and Development (CIPD).

The Capgemini Research Institute spoke to Elaine about managing talent across geographies, closing skills gaps, and building an inclusive and collaborative culture to improve business outcomes.

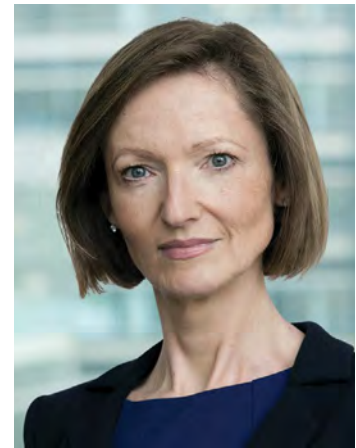
THE FUNDAMENTALS OF PEOPLE STRATEGY

What are the key elements driving the people agenda at HSBC?

— I think it's useful to divide the people agenda into two areas of focus.

The first comprises reskilling, restructuring, and growing the business. Reskilling is essential for the future skills we need to deliver on our strategic plan. On restructuring – HSBC is constantly transforming. As a recent example, we radically downsized our operations in Europe and the US to support the shift in capital to Asia in 2020. To support growth, we have big hiring plans to build robust capabilities in Asia.

The second area focuses on cultural change: fostering diversity and inclusion with our global reach and footprint, future-proofing the workplace culture and strengthening leadership to set the strategic direction of the organization.



Elaine Arden
Chief Human Resources
Officer, HSBC

RESKILLING IS ESSENTIAL FOR THE FUTURE SKILLS WE NEED TO DELIVER ON OUR STRATEGIC PLAN.



LEARNING AND TALENT ALLOCATION AT HSBC

How does HSBC encourage dynamic talent allocation and skills development?

— We support our employees in developing the digital, data, and sustainability skills that will be most important in the longer term.

We're providing our employees with a learning platform that gives us a framework for skill-building at scale. Employees are able to train, upskill, and attain qualifications in a way that is tailored to benefit their professional trajectories.

We have set a core curriculum that helps them develop structured learning journeys focused on in-demand skills. For instance, the Sustainability Academy offers programs that are accredited by external bodies and instill everything from very specific change to a high-level understanding of current sustainability imperatives.

Executive Conversations

We also have an internal talent marketplace that 140,000 employees use. It's a game-changer: connecting talent and skills, at scale, across the business. It empowers people and democratizes access to work by disrupting traditional internal hierarchies and breaking down silos.

We are committed to redeploying employees affected by our restructuring programs; almost a quarter of employees affected in this way found new roles within HSBC in 2021, up from 14% in 2020.

How does HSBC use its internal talent marketplace to overcome cultural and geographical barriers and support collaboration?

— We selected around 10,000 employees from the technology team based in India to introduce the digital talent marketplace platform, as, by the nature of their training, they were already thinking of skills and projects in this way. Following a successful pilot, we were able to go live with the talent marketplace for another 90,000 employees across four markets. We will make it available to all our employees worldwide by Q1 2023. Anecdotally, I have heard a lot of good things, and we are also looking at quantitative data to see how the system is working. We will examine outcomes across markets and verticals as we scale. But, overall, we are keen to keep it loosely structured, giving people freedom to explore new tasks and roles.

"We have an internal talent marketplace that 140,000 employees use. It's a game-changer: connecting talent and skills, at scale, across the business."

THE PRODUCTIVITY PUZZLE

How can organizations improve productivity in the hybrid era?

— Organizations rely on their people to connect with customers; consequently, they need to make sure that their people are happy with their choice of employer and work environment. We're moving away from traditional targets, like days spent in the office; productivity should be measured in terms of customer outcomes, team cohesion, and social capital.

We trusted people through the lockdown, and they delivered. So, why suddenly take that trust away? It's easy to focus on the extremes, pointing to the few employees who did not respond positively to the office re-opening. But it's never a good idea to design your whole approach for the outliers. The best way to improve both organizational health and individual well being is to offer a range of flexible working options and support teams in finding the right balance between office and remote working.

“

We trusted people through the lockdown, and they delivered. So, why suddenly take that trust away?”



"We have 220,000 people in over 60 countries; that's a lot of different markets and business cultures to consider!"

“

Productivity should be measured in terms of customer outcomes, team cohesion, and social capital.”

We want to maximize the autonomy and empowerment that lockdown and remote working brought, and then get the benefits of “together” work and great workplaces – I can’t stress enough that human connections count.

We have learned that one size doesn’t fit all; hybrid means employees in most roles can choose the best way to get work done for their teams, their customers and themselves.

81% OF EMPLOYEES SPEAK FAVORABLY ABOUT HSBC’S APPROACH TO FLEXIBLE WORKING TO FRIENDS AND FAMILY AND MANY VALUE IT AS A KEY REASON TO RECOMMEND HSBC AS A GREAT PLACE TO WORK.¹

Executive Conversations

It's important to allow teams to take time to try things, discover what works best. We have 220,000 people in over 60 countries; that's a lot of different markets and business cultures to consider! Instead of trying to enforce a common framework, we decided to allow managers to implement hybrid working at team level, focusing on flexibility, both for the employee and the customer.

Our engagement survey revealed that our employees worked flexibly even before the pandemic and our hybrid approach takes this a step further; 81% of employees speak favorably about HSBC's approach to flexible and hybrid working and many value it as a key reason to recommend HSBC as a great place to work. And 86% of people managers say their teams have the balance between remote and office working right.¹



"Instead of trying to enforce a common framework, we decided to allow managers to implement hybrid working at team level, focusing on flexibility, both for the employee and the customer."

¹ HSBC's Future of Work survey, June 2022.

INSTILLING A CULTURE OF TRUST

How can organizations nurture a sense of community among their remote workforce?

— Organizations need to elevate workplace experience by equipping managers to implement the initiatives they know will support their teams, and by creating even more flexible and digitally enabled workspaces. We have redesigned workplaces to build social capital, with a strong focus on new joiners. In our employee engagement survey, we use a “hybrid effectiveness index” to track the benefits of hybrid working. By monitoring the outcomes, we intend to drive trust between employees and their managers and colleagues, productivity and customer focus, and a sense of social belonging and well being at work.

We need to be culturally and geographically sensitive and adapt our approach depending on where in the world our teams are based. For instance, although Hong Kong and the UK aren't hugely different in terms of working cultures, Hong Kong is a much smaller city with shorter commute times and a higher proportion of intergenerational households. The UK workforce is geographically more dispersed, and employees are less likely to live with their families. So, the work-life balance and requirements for one set of employees could be quite different from that of another, even where there are superficial similarities.

We run an executive leadership program to align our leaders' personal objectives with corporate goals and foster human connections, offering executive education and training, using both internal and external experts. The program has helped leaders build trust and to bring together a global community of leaders who, day to day, are geographically distant.



Elaine Arden

Chief Human Resources Officer,
HSBC

"We have redesigned workplaces to build social capital, with a strong focus on new joiners."



MAJBRIIT ARFERT
SVP & Chief People Officer

Ericsson



RECONNECTING WITH OUR ROOTS: STRENGTHENING A CULTURE OF DIVERSITY IN THE WORKPLACE

ERICSSON

Headquartered in Stockholm, Ericsson is a leading provider of mobile connectivity solutions to telecom operators and to enterprise customers in various sectors. With revenues of approximately \$22 billion in 2021, the Company has around 100,000 employees and customers in more than 180 countries.

MajBritt Arfert joined Ericsson straight from university. In a career spanning over 35 years, Arfert has held various global executive HR roles and was responsible for handling international acquisitions, driving change, aligning all people-related initiatives, and managing employee and industrial relations.

Arfert was appointed Senior Vice-President and Chief People Officer for Ericsson in April 2017. In this role, she focuses on creating an exceptional employee experience and a culture that attracts and inspires top talent.

The Capgemini Research Institute spoke to Arfert about Ericsson's approach to nurturing diversity and inclusion, transforming corporate culture, and designing the new workplace.

INFUSING THE WORKPLACE WITH DIVERSITY AND INCLUSION

As Ericsson plans its hybrid workplace of the future, what is your hiring approach?

— At Ericsson, since the onset of the pandemic, the percentage of newly hired employees co-located with their managers has fallen dramatically, from 75 to 50 percent. The organization’s hiring approach has been refined to focus on finding the best fit for the role in question, rather than the best candidate from the talent pool of a given location. However, hiring team members from totally different time zones is not ideal for roles that require close collaboration and extensive office time, potentially having a negative impact on employee work-life balance and, ultimately, well-being.



MajBritt Arfert
SVP & Chief People Officer,
Ericsson



Moreover, over the past two to three years, it has become clear that remote work does not necessarily hinder productivity as Ericsson had around 85,000 employees working from home during the pandemic. Ericsson continues to deliver on its strategy and is experimenting with a 50/50 hybrid model.

How is Ericsson increasing representation of women in technical roles?

— Ericsson aims to increase representation of women companywide, to 30% by 2030, up from 25% in 2021. We are partnering with other organizations in the ICT/tech industry to encourage more people from different backgrounds to apply.

Post-recruitment, organizations must ensure that women in technical roles are given sufficient support and opportunities to allow them to grow, both in their roles and in the organizations. Ericsson launched its Altitude Program, to offer mentorship, networking, education, and training to allow employees to fulfill their career aspirations. We follow up closely on the impact of our initiatives. Our data shows that about one-quarter of graduates from the Altitude Program have moved to new positions in their organizations, demonstrating its effectiveness in facilitating career progression and mobility.

We have also linked our long-term variable-pay program for our executives to increasing the percentage of women in line-manager positions.

"We have linked our long-term variable-pay program for our executives to increasing the percentage of women in line-manager positions."

CULTURAL TRANSFORMATION, GROWTH, AND INNOVATION

Could you outline the progress and impact of the organization's cultural-transformation program, Ericsson on the Move?

— The program is part of our effort to transform Ericsson's culture. It is centered around our five core focus areas: empathy and "humanness"; cooperation and collaboration; executing with speed; fact-based and courageous decision-making; and creating a speak up environment. Cultural change is not about sending around a memo or pinning up a poster; it's about changing day-to-day work habits and attitudes.

Recognizing this, rather than seeking to enforce cultural change, we designed the program to foster it through positive inquiries. We put around 7,000 of our formal and informal leaders through intensive, hands-on workshops, during which they are not only provided with training and resources but are also encouraged to experiment with different ways of using them in their day-to-day jobs. We wanted to create awareness about why change was necessary and what it should look like. This methodology focuses on continuous experimentation, which in turn fosters agility and adaptability.

How are you changing the habits and attitudes of the whole workforce?

— This upskilling and awareness-raising process equips our leaders to drive change in the organization. At the same time, we have begun to build awareness across the workforce and engage employees in the journey. We invited all 100,000 employees to participate in a 72-hour discussion about our transformation journey and the role each of us can play in it.

**CULTURAL
CHANGE
IS ABOUT
CHANGING
DAY-TO-
DAY WORK
HABITS
AND
ATTITUDES.**



In 2021, we moved this globally driven transformation program to be operationally driven by our leaders in our local units. We have also launched a digital platform called the Move Journey, through which internally trained leaders can deliver team workshops. By end-2021 over 15,000 people had used the Move Journey, and over 8,000 had participated in our workshops.

“

We invited all 100,000 employees to participate in a 72-hour discussion about our transformation journey and the role each of us can play in it.”

What have been the impacts of this cultural-transformation program?

— We’ve been on the journey for more than three years, and we have already seen the impact. The data shows a clear correlation between customer experience and employee feedback across the five focus areas. Teams that engage with the program have 1.5 times higher overall employee feedback scores than those with no awareness. We saw similar results when people feel psychologically safe to speak up about different topics. For

“aware” teams, positive results were 1.4 times higher. In relation to the dimension of executing efficiently, teams that were aware of Ericsson on the Move scored 1.8 times higher than teams with no awareness.

DESIGNING WORKPLACES FOR THE HYBRID WORLD OF WORK

How has Ericsson adapted its workplace strategy to the new working environment?

— To inspire workers, the office should have a demonstrable purpose. External data tells us that people quit their jobs when they are asked to return to offices full time. Our people said they wanted to come to the office to collaborate, network, share knowledge, build social capital, and rediscover a sense of belonging. We are redesigning our offices to support these aims.

“

People will be able to return home to concentrate on their personal workloads.”

Collaborating in the traditional, siloed office environment can be tough, so we are now piloting new designs in several offices globally. We believe that the right environment will enhance employee well-being and improve productivity; in a collaborative team environment, people will want to contribute. In the office, more experienced employees can more easily help newcomers, support colleagues, and just have the usual conversations around the coffee machine or copier, which we have all missed. We are experimenting more with open spaces, too. There are mini meeting rooms and quiet areas for focused work. But people will be able to return home to concentrate on their personal workloads.



SKILLS OF THE FUTURE

How is Ericsson adapting its skilling strategy to meet its long-term goals?

— We have defined the critical skills using four standardized proficiency levels and have embedded skilling strategies in our annual business- and financial-planning cycle. Each critical skill area has a designated lead who curates various experiential up- and reskilling journeys. We have set targets for skill shifts to measure progress. Our most mature journey is on artificial intelligence (AI) and automation, where we have upskilled 19,000 employees across the four proficiency stages, and we expect to double that number of employees during the next year.

How are you preparing Ericsson's people to lead in the future?

— Leaders need to be able to bring clarity – to communicate complex ideas and messages clearly to the whole workforce. The second priority is optimization: how does a leader balance the needs of individuals in their team with the needs of the team as a whole, in order to optimize productivity and impact? Third is demonstrating empathy and humanness. Leaders need to stay close to their people, especially now; in a hybrid model, you cannot distance yourself.

Of course, all these three elements are underpinned by good understanding and effective use of digital tools to maximize efficiency, wherever and whenever work is done.

19,000

We have upskilled 19,000 employees on artificial intelligence (AI) and automation



MajBritt Arfert

SVP & Chief People Officer,
Ericsson

"People want to come to the office to collaborate, network, share knowledge, build social capital, and rediscover a sense of belonging. We are redesigning our offices to support these aims."



XAVIER CHÉREAU

Chief Human Resources &
Transformation Officer

Stellantis



SKILLING FOR THE MOBILITY ERA



Stellantis is a global automotive group with 14 brands including Alfa Romeo, Chrysler, Citroën, Fiat, Jeep, Maserati, and Peugeot. In 2021, Stellantis shipped 6.1 million vehicles earning net revenues of approximately \$159 billion. The company has over 282 thousand employees.

Xavier Chéreau was appointed Chief Human Resources & Transformation Officer and a member of Stellantis's top executive team in January 2021. He has built his career in HR, alternating between head-office roles and operations activities within different sites and divisions, including R&D, Manufacturing, and support functions.

The Capgemini Research Institute spoke to Xavier about Stellantis's transformation into a tech company through upskilling and reskilling, and how the organization is attracting young talent in the hybrid world of work.

WE ARE EVOLVING OUR WORKSPACES WITH 25 PERCENT OF SPACE FOR INDIVIDUAL DESKS AND 75 PERCENT FOR CREATIVE AND COLLABORATIVE SPACES.

TRANSFORMING OFFICES INTO COLLABORATIVE SPACES

Under the "New Era of Agility" initiative, Stellantis enables employees to work 70 percent from home and 30 percent from the office. How are you helping your workforce adapt to these new ways of working?

— Our New Era of Agility program was launched in 2020 with the aim of improving employees' work-life balance, boosting their motivation, and protecting their well-being. It was also designed to spur the use of digital and collaborative tools, reduce bureaucracy, and reinforce autonomy and flexibility. To achieve these objectives, we took a 360-degree approach to employee well-being, comprising five axes: physical, mental, professional, social, and financial well-being.



Xavier Chéreau
Chief Human Resources
& Transformation Officer,
Stellantis

We have mobilized stakeholders from HR, Real Estate, ICT, plus employees and leaders, to evolve ways of working, behaviors, and the mindset within the company.

The most important aspect is to change people's mindsets and, through that, their behavior – especially among our managers. How will we create team cohesion and instill a feeling of belonging to the company? How will the organization need to be led in the next normal?

For example, we are using digital skill assessment to profile 50 percent of our managers by end-2022 and the remaining 50 percent by end-2023. We want to help them help us to make our work relevant to employees, giving them more autonomy in decision-making and offering opportunities to make meaningful impact, for example in addressing climate change.

"We are using digital skill assessment to profile 50 percent of our managers by end-2022 and the remaining 50 percent by end-2023."



Executive Conversations

Are you redesigning your offices to adjust to the new hybrid work requirements?

— We are evolving our workspaces with 25 percent of space for individual desks and 75 percent for creative and collaborative spaces. If you come back on-site, it should not be just to sit behind your laptop, but to interact with your colleagues, feed off each other's energy, and brainstorm solutions dynamically, in a way that is difficult to achieve online. We have decided to redesign our technical centers using this approach in areas such as France, Brazil, Italy, the US, and Germany.



If you come back on-site, it should not be just to sit behind your laptop, but to interact with your colleagues, feed off each other's energy, and brainstorm solutions dynamically, in a way that is difficult to achieve online."

DIVERSITY MATTERS

Why is diversity such a strong focus at Stellantis?

— Diversity is in our DNA – we see ourselves as “powered by diversity” – and one of our great strengths, with 270,000 people across 170 nationalities from 42 countries. This is a real competitive advantage. We have an ethical obligation to ensure that talent from anywhere in the world is given the same opportunities and treated equally; there are also great commercial benefits to this approach. Our objective is to drive real advantage, both locally and globally. With the new way of working, we can draw on our collective intelligence, from many different perspectives and geographies.

We have many different types of customers, so it makes sense to draw on as many different viewpoints as possible from within the organization. We want to give people the automobiles that they want, and the most effective way to achieve this is to gain access to as many different market viewpoints as possible.

270,000

270,000 people across 170 nationalities from 42 countries.

"We have many different types of customers, so it makes sense to draw on as many different viewpoints as possible from within the organization."



Stellantis has a stated goal of achieving 35 percent representation of women in its leadership by 2030 (up from 24 percent in 2020). Which strategies are you adopting to reach this goal?

— Gender equality is a clear priority for us, as is equality among nationalities, ethnicities, and disability levels. To bring this about, we need to improve our HR processes to promote meritocracy. Meritocracy is the foundation of diversity.

We have dedicated governance under the leadership of the CEO and me to manage the diversity, and inclusion (D&I) policy in the company, with a specific D&I committee at the top level. We are aiming for a minimum 20 percent of employees from diverse backgrounds at middle-manager level by end-2022; this target will increase to 24 percent next year and continue to rise by 2 percent every year.



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We are aiming for a minimum 20 percent of employees from diverse backgrounds at middle-manager level by end-2022.”

SKILLING FOR THE FUTURE

How does Stellantis create an agile workforce with future-ready skills?

— We have a global employee expertise community, connecting experts in specific domains throughout the business, which is designed to strengthen the evolution of skills. This community plays a key role in research and experimentation, building external relationships and partnerships to develop technical knowhow, all of which supports our strategic plan. For example, the transition from combustion engines to electric is transforming our skills requirements throughout the value chain and leading to new “professions” at all levels, including that of blue-collar workers.

"By 2024, Stellantis has targeted developing a network of 4,500 software engineers, creating talent hubs around the globe."

**How have you invested in upskilling and reskilling your workforce to prepare for electrification and “softwarization” of the automotive industry?**

— We have established a dedicated Software Division to manage the shift to becoming a sustainable mobility-tech company. Stellantis is creating a software and data academy to retrain more than 1,000 of our engineers every year to fulfill multiple roles within our software community.

We aim to hire top software and AI talent from technology and other

“

We launched an “electric academy” in early 2022 to upskill the entire Stellantis sales workforce around electric vehicles (EVs) by 2025.”

industries globally. By 2024, Stellantis has targeted developing a network of 4,500 software engineers, creating talent hubs around the globe. These engineers will be crucial to Stellantis’ software ambitions.

We have to recruit the right talent for all divisions – especially R&D – if we want to reinforce the new primacy of our software-based strategy. We launched an “electric academy” in early 2022 to upskill the entire Stellantis sales workforce around electric vehicles (EVs) by 2025.

We will also double the number of leaders with direct responsibility for the bottom line and provide entrepreneurial training to our identified high-potential leaders to encourage value creation across the business.

My main objective as CHRTO is to unleash the talents of everyone. Every employee should feel they can contribute on the journey.



Xavier Chéreau

Chief Human Resources &
Transformation Officer, Stellantis

"We will double the number of leaders with direct responsibility for the bottom line and provide entrepreneurial training to our identified high-potential leaders to encourage value creation across the business."



**AMY C.
EDMONDSON**

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A PLACE OF GREATER SAFETY: GIVING PSYCHOLOGICAL REASSURANCE IN THE WORKPLACE

Amy C. Edmondson has been recognized by the biannual Thinkers50 global ranking of management thinkers since 2011, and was ranked #1 in 2021. She received the organization's Breakthrough Idea Award in 2019, and Talent Award in 2017.

Professor Edmondson's research focuses on teaming, psychological safety, and organizational learning. Her articles have been published in numerous academic and management outlets, including Harvard Business Review and California Management Review.

Her most recent book, *The Fearless Organization: Creating Psychological Safety in the Workplace for Learning, Innovation and Growth* (2018) has been translated into 15 languages and its blueprint for creating a fear-free culture has revolutionized how organizations think about workplace culture as a means to thrive in the Future of Work.

The Capgemini Research Institute spoke to Professor Edmondson about building a psychologically safe workplace, embracing failure, and how leaders can steer their organizations through the new business environment.

PSYCHOLOGICAL SAFETY AND ORGANIZATIONAL PERFORMANCE

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The highest-performing teams are those with the strongest elements of psychological safety.”

What is psychological safety and how does it drive organizational performance?

— A psychologically safe workplace is an environment where behavior traditionally perceived as incurring interpersonal risks, such as posing challenging questions, making objective observations, proposing out-of-the-box ideas, and expressing dissenting views, is actively encouraged and made explicitly penalty-free.

When organizations create such a work environment, they are rewarded with a greater degree of candor in terms of employee responses and questions, which translates into higher quality of output – especially when the work is knowledge-intensive. This has been confirmed in a well-publicized study by Google called Project Aristotle, which set



Amy C. Edmondson
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out to find the “secret sauce” of high-performing teams. They found that the highest-performing teams were those with the strongest elements of psychological safety.

An important disclaimer here is that psychological safety enables high performance, but it doesn't inherently motivate it; greater psychological safety will perpetuate a sense of freedom and relieve interactional tensions but will not provide incentives to perform.

However, research suggests that motivation is not the problem; most often, employees feel motivated but are stymied in their attempts to act on that motivation. Here, psychological safety comes to the rescue by encouraging behaviors such as asking questions, experimentation, and giving candid feedback. It releases people from the constraints of interpersonal fear. When employees have both motivation and psychological safety, a learning zone is created, which quickly develops into a high-performance zone.



BUILDING FEARLESS ORGANIZATIONS

What does psychological safety look like in practice?

— It looks energizing. We see less hesitation, and greater participation and inclusivity, meaning that planning and performance benefit from a range of diverse perspectives. There might be an increase in overt work-related “conflict,” but it will be healthy, impersonal, and productive. More voices will be heard, regardless of the status or role of the speaker; ideas will be received and assessed based on their own merits, rather than the position of the speaker in the organizational hierarchy.

How can organizations create a psychologically safe work environment in a remote setting?

— Hybrid working arrangements present an additional challenge to organizations seeking to create a psychologically safe workplace.

In a remote setting, organizations need to rely more on an effective structure than on the strength of informal interpersonal relationships. This structure should provide a platform for everyone to speak and employ techniques such as a devil’s advocate or pre-mortem [assuming the project will fail and identifying the potential causes of failure]. In a hybrid setup, leaders should go out of their way to encourage dissenting views.



"In a psychologically safe workplace, there might be an increase in overt work-related “conflict,” but it will be healthy, impersonal, and productive."

25% DROP

The shift to remote working has caused the share of time employees spend in collaborative cross-group connections to drop by about 25% compared with the pre-pandemic level.

As well as demonstrating them through their actions, leaders should be open and explicit about their intentions to be inclusive and helpful. By establishing a psychological as well as an operational framework, the safe environment can be transferred to the hybrid structure.

Which managerial practices help foster a culture of psychological safety across the organization?

— Recognize fear as a risk; make it discussable, make it okay to ask for help, and welcome diverse views. Then, the most important thing is the use of inquiry – the explicit, proactive, persistent use of good questioning techniques. When managers or colleagues ask thought-provoking questions, it gives employees the stage and lends implicit credibility to their opinions and ideas, while demanding high-quality thinking.

My interest in psychological safety stems from a more profound interest in collaboration. The quality of the product or outcome depends, inevitably, on effective collaboration. Empirical research by Microsoft has concluded that the shift to remote working has caused the share of time employees spend in collaborative cross-group connections to drop by about 25% compared with the pre-pandemic level. We are still collaborating but have become more siloed.

We are communicating just as much and sending more emails, but we are less likely to boundary span [link internal networks with external sources of information] in potentially practical ways. This issue should be identified in individual organizations and steps taken to overcome it, such as identifying points in each project for productive cross-departmental collaboration, rather than leaving everything to email.

THREE CATEGORIES OF FAILURES

How to avoid underperformance and innovate better by embracing failure?

— I have identified three broad categories of failure: basic, complex, and intelligent.

Basic failure occurs when deviation from a set formula results in a bad outcome. Complex failures result from multiple events in different departments or disciplines, or at different levels of the organization; it is analogous to a breakdown in a vulnerable system. During the pandemic, supply-chain breakdowns offered examples of complex failure.

Intelligent failure can result from positive actions, such as venturing into new territory, exploring new opportunities, experimenting with hypotheses, and (as a result of these positive behaviors) making small mistakes. Organizations must get comfortable with these types of failure and learn from them in order to create new knowledge and promote innovation. Companies must celebrate intelligent failure and do whatever they can to mitigate, reduce the frequency of, and (ideally) eliminate basic and complex failures. It is also sound policy to seek to avoid intelligent failures of a magnitude where they can no longer be considered intelligent.



"Fear-based management leads people to hide, striving to provide the illusion of performance, rather than real excellence."

What sort of relationship should a leader have with failure?

— Many leaders are highly tolerant of intelligent failure because it drives innovation, but, understandably, they are intolerant of incompetence and sloppiness.

The best leaders think like scientists, rather than old-fashioned command and control managers. They are no longer under the illusion that they can just set targets and goals and, if people try hard enough, they will achieve them. The best leaders set a clear direction and have a very high ambition about what can be done through productive collaboration. However, at the same time, they keep open minds about how the ultimate destination will be reached and which milestones will be passed on the way there.

Is fear really a motivating factor?

— Fear fundamentally motivates people to withdraw, rather than participate and strive for excellence. If employees are afraid in the work environment, they will be keen to show superficial competence but will aim little higher than that. In some environments, the former attitude will suffice. If I'm doing something standardized – repeatable widget-making, say – then looking good and being good will be the same. But, if the work requires ingenuity, judgment, and collaboration, looking good and being good will not be the same thing.

Fear-based management leads people to hide, striving to provide the illusion of performance, rather than real excellence. Eventually, all illusions are discovered and become expensive, embarrassing, and potentially highly damaging. Fear can motivate adequate performance of highly standardized, highly routine, highly objective work tasks. However, it does not serve as a motivator for knowledge-intensive work or any task that requires ingenuity, creativity, and teamwork.

How can organizations use 'agility hacks'?

— Large established companies often use “agility hacks” [shortcut responses that alleviate a problem temporarily allowing a more measured response to the underlying causes] to bypass temporarily their standard processes and act quickly and effectively, while leaving the overall system undisturbed.

Executive Conversations

Organizations unleash high-powered teams to pursue a new market opportunity or respond forcefully and creatively to severe performance problems (such as an alarming decline in revenue).

These teams use unorthodox methods to achieve results quickly, which act as workarounds to get things done outside the organization's established architecture and standard operating processes. The case studies where these were employed differed in size and duration, but we encountered commonalities in their approaches: they were connected to their purpose, they received permission to cut through bureaucracy, and they could bypass the disciplined, iterative processes used in their usual operations. Other companies seeking to create agility hacks should build them around these principles.

Agility hacks will not necessarily alter how the overall structure of the company works, but I argue that this is no bad thing. It is more a case of mobilizing various teams to provide effective quick fixes that buy time in which long-term solutions can be developed.

LEADING THROUGH THE NEW NORMAL

What are the top three attributes that you would like to see in leaders?

— Leaders need to be vulnerable, curious, and empathetic. None of us knew we were about to face a global pandemic; we need to admit to this state of vulnerability. Leaders who acknowledge reality are stronger than those who don't. I see you as a less strong leader if you say, "Get it all under control; we are solid in our knowledge of what we're doing and what's going to happen next." That, to me, is an unrealistic and ill-informed stance.

As I say, leaders should have the mindset of a scientist: growth and learning come from a place of curiosity. And empathy is a powerful place to come from, too, because, if you want to inspire and engage others in challenging activities that lie ahead, you need to understand human behavior and have a generous attitude to your employees, both as colleagues and as people.

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NICOLAS SCHMIT

European Commissioner for Jobs
and Social Rights



FOSTERING A COMPETITIVE EUROPE



Nicolas Schmit has been European Commissioner for Jobs and Social Rights since 2019. He is responsible for strengthening the EU's social dimension and developing an action plan to implement the European Pillar of Social Rights. Before starting at the European Commission in 2019, he has held the position of Minister for Labor, Employment, and Immigration in his home country of Luxembourg.

The Capgemini Research Institute spoke to Nicolas about creating new opportunities for Europeans to thrive in a digitalized, greener economy.

What are your key priorities as European Commissioner for Jobs and Social Rights?

— In this role, I must respond to diverse challenges in the labor market in Europe. Firstly, we have to make an enormous effort to reskill and upskill people. Secondly, we need to address labor shortages, which are partly due to mismatches in the labor market, adverse demographics due to an aging society, and labor resignation, although this last issue is easing as people return to the labor market in response to a perceived worsening of economic conditions. We need to support people’s reintegration into the labor market by providing fair conditions and helping them develop the required skills.

We also have to monitor geopolitical developments and their effect, for example with respect to the energy crisis, inflation, etc. We need to monitor market conditions at both granular and big-picture levels.



Nicolas Schmit
European Commissioner for
Jobs and Social Rights

European labor market statistics, June 2022

Number of people employed aged 20–64 years	193.9 million
Employment rate of people aged 20–64 years	74.8%, up 0.3 pps QoQ
Seasonally adjusted unemployment rate	5.8%, or 12 million people, up 0.2 pps QoQ
Gender employment gap*	0.2 pps decrease QoQ

*Difference between the employment rates of men and women aged 20–64; pps means percentage points, or one-hundredths of a whole
Source: Eurostat, EU labor market – quarterly statistics

THE FUTURE OF JOBS

What are the biggest trends impacting the European jobs market?

— The biggest trend is the request for certain skills. Digital skills is one significant area: there are an estimated 700,000–1 million vacancies in Europe related to digital skills. To bridge this skills gap, the European Commission (EC) has named 2023 the European Year of Skills. This initiative will help us progress our goals to have 80% of Europeans equipped with basic digital skills and 20 million information, communication, and technology (ICT) specialists in Europe by 2030.

Another focus is cybersecurity; we are aware that this is a growing area in need of expertise and we need to train more specialists.

We also need to address skills shortages in sectors beyond digital, such as hospitality. With the greening of our economy, too, we are focusing on the renovation of buildings which can deliver a great deal of energy savings, but we need more people who are trained to work in this field.



"We aim to have 80% of Europeans equipped with basic digital skills and 20 million information, communication, and technology (ICT) specialists in Europe by 2030."

**700,000-1
MILLION**

vacancies in Europe related to digital skills.

What do you see as the main impacts of automation on jobs in Europe?

— Everybody feared automation, robotization, the idea of a jobless economy. It is true that a lot of traditional roles are disappearing; but it is also true that there are more jobs in today's economy than ever before and a lot of these are more interesting, highly skilled, and strategic roles. So, again, it's not a lack of jobs that is the issue, it's the need for lifelong learning to adapt to new types of jobs.

How has the concept of labor flexibility developed in the past 2-3 years?

— In the past, flexibility meant that labor markets must be flexible, which meant short-term contracts; this was too heavily weighted in favor of employers, who could dismiss workers at short notice. We need a system that benefits both sides of the employment equation.

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There are more jobs in today's economy than ever before and a lot of these are more interesting, highly skilled, and strategic roles.”

First, with the technology-driven shift in jobs we have just discussed, we need to support organizations in the up- and reskilling of employees, so that they are ready to take on new opportunities and new roles. We can then help with managing the transition when they do take these on.

We also need to support organizations, through regulatory means and otherwise, in helping people work in a more flexible manner that suits their lifestyles, whether that be through hybrid working or another way.

Working towards both of these improvements is what I call a “positive flexibility” mindset.

BRIDGING THE SKILLS GAP

Is the European Commission looking at any specific initiatives to address the shift to digital?

— Owing to the digital transition, a number of new jobs will emerge in the next 10 years, but we cannot predict exactly the form they will take. This is a challenge, because we have to prepare people for jobs we are not sure about. This means that our education systems have to be more innovative and give people more capacity to learn.

Lifelong learning is one of the major issues. At the European Commission, we have made two proposals. One is called EASE [Effective Active Support to Employment]; this concerns our recommendations on how to design labor-market policy and support role transition, both within and between companies and sectors, to assuage concerns around potential loss of employment.

Executive Conversations

Another issue concerns European citizens not currently participating in the labor market, which include over 8 million young people . The European Commission launched the ALMA [Aim, Learn, Master, Achieve] program, which offers participants intensive tailored training in their home countries, followed by a supervised stay, including work placement with accompanying mentoring services for 2-6 months in another EU member state. Upon their return, they will receive ongoing support in applying these newly acquired skills in their home countries to gain employment or further their education.

"Our education systems have to be more innovative and give people more capacity to learn."



How is the European Commission managing the transition to a green economy in relation to jobs in traditional industries, such as oil and gas or automotive?

— The people aspect must, of course, be considered in the transition to clean energy . Automotive organizations, for example, must prepare their staff to work with new technologies as combustion engines are replaced by electric systems. We created the European Battery Academy to help identify the skills needed in the battery ecosystem

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and how we can reskill and upskill employees through high-quality training.

These are the challenges with the green transition: changing mindsets and, giving people a sense of security. That's also about encouraging positive, productive social dialogue within organizations. Labor unions will play an important role in this transition. We see things going comparatively smoothly in organizations where there is strong social dialogue, focusing on solutions and helping people to transition into new roles.

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How is Europe's aging population reshaping the labor market?

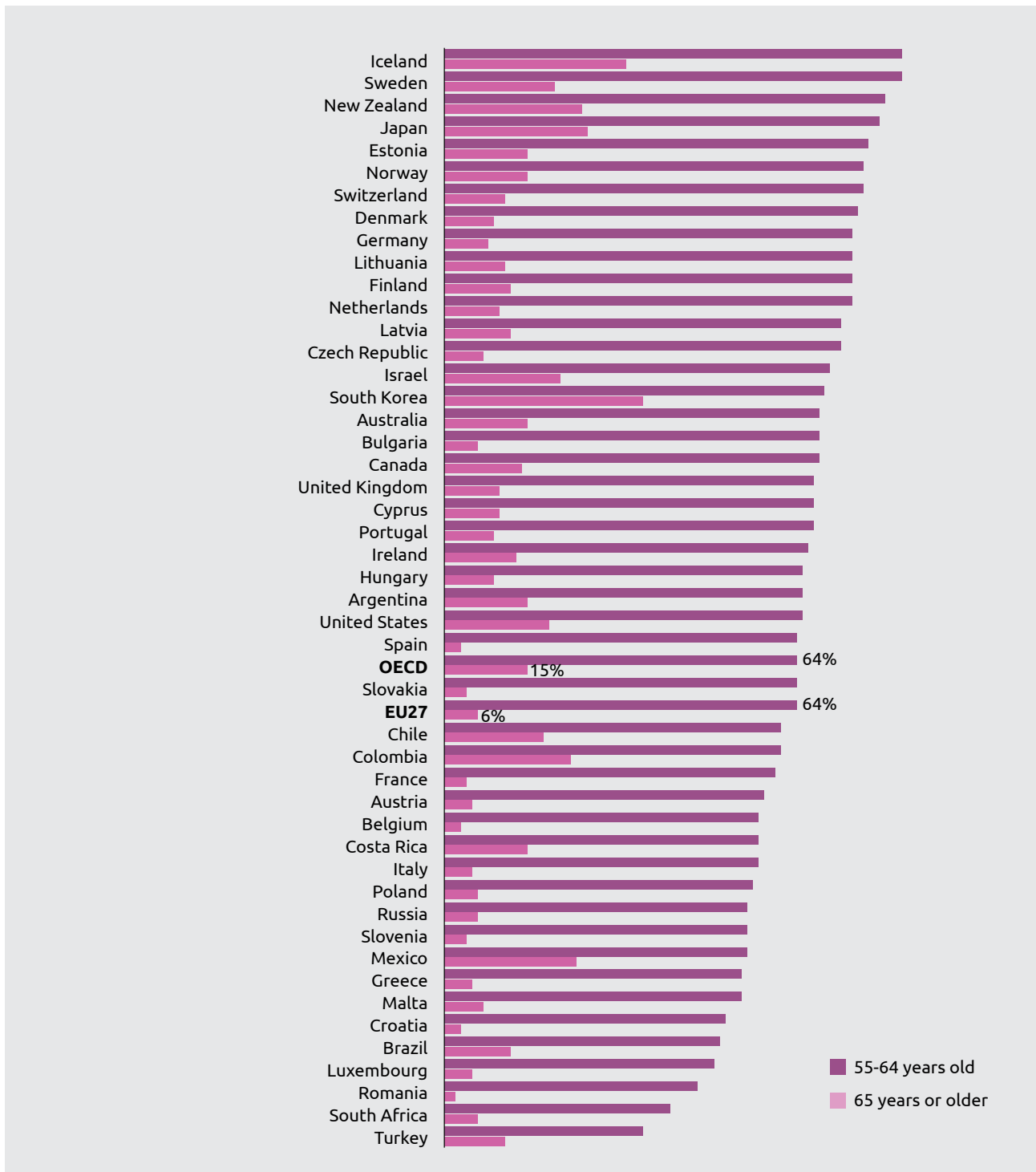
— We have to take a new approach to seniors in the labor market. There are some countries where the number of people above 60 who are still working is low. If you take somebody at 50 years of age, he or she still has more than 10 years, perhaps 15 years to work. These later working years are still an important part of one's active working life.

We cannot consign seniors either to long-term unemployment or simple retirement. This is against the whole premise of lifelong learning, which we are trying to promote. But we need to consider the circumstances of the individual, including their experience and existing skills, and factors such as health, which may influence which work environments are suitable for them and what sort of work they are capable of.

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We have to take a new approach to seniors in the labor market.”

Figure 1: Labor force participation rate, 2021 - OECD countries



Source: OECD data, Labor force participation rate, 2021

In European countries, youth unemployment is typically double the overall unemployment rate. What is the European Commission doing to address this?

— Since the financial crisis of 2008, youth unemployment has become a major issue in Europe. One reason for high youth unemployment is the skills mismatch between education and labor-market demand. We need to prepare young people better for the jobs market by training them in the skills that are in high demand. Digital is a major focus, of course.

One of the instruments that the EC has developed is the reinforced Youth Guarantee program. It constitutes a commitment to ensuring that all young people under the age of 30 receive a good-quality offer of employment, continued education, apprenticeship, or traineeship within four months of becoming unemployed or leaving education. Since 2014, over 36 million¹ young people who were once registered in Youth Guarantee schemes have benefitted from the program.

The EC can also support companies in making sure that young people have the right skills to carry them forward in their chosen industry, or to move into another industry, where those skills might be in greater demand.

**OVER 8 MILLION
YOUNG PEOPLE ARE
NOT CURRENTLY
PARTICIPATING IN
THE LABOR MARKET.**

¹ EC website, "Employment: Commission report shows young people most affected by job losses due to economic impact of COVID-19," July 12, 2022.

IMPROVING WORKING CONDITIONS IN THE PLATFORM ECONOMY

What are your thoughts on improving the rights and working conditions of people working via digital platforms?

— My general attitude towards the gig economy is very positive, and digital platforms are one important element. But you cannot allow a new business model to develop outside the established labor market and social protection rules; that's why we have proposed a directive on working conditions for platform workers.

We understand the need for flexibility to make this business model work, and hiring workers does not mean an end to flexibility. Gig-economy workers still require protection in case of accident or illness and to make sure that they are paid properly and in a reasonable timeframe. We have to balance these kinds of social considerations with ambitions fueled by the possibilities that new technologies bring.

Do you think regulation can slow the development of the gig economy?

— This is not the first such debate on regulation and evolution of industry. When some social rules were introduced in the 19th century about working hours and social protection, a lot of people said: "Well, that's the end of industry. We cannot sustain that. This is dulling our competitive edge," and so on. The same applies to the gig economy. If it is based on essentially sound principles, it will be able to adapt. It is fine for employers to expect the flexibility that the gig economy offers, but this can be combined with a responsible attitude to providing adequate working conditions and sufficient levels of social protection.



Nicolas Schmit

European Commissioner for
Jobs and Social Rights

"It is fine for employers to expect the flexibility that the gig economy offers but this can be combined with a responsible attitude to providing adequate working conditions and sufficient levels of social protection."



**KATHRYN VAN
DER MERWE**

Group Executive Talent,
Culture and Service centers

ANZ



UNLOCKING THE POWER OF PURPOSE TO OFFER MORE MEANINGFUL WORK



With revenues of around US\$13 billion and over 38,000 employees, ANZ provide banking and financial products and services to over 8.5 million customers across 32 markets.

Kathryn van der Merwe joined ANZ as Group Executive of Talent and Culture in May 2017. Her current role involves strengthening organizational culture and capability and developing and delivering on change strategies to improve performance and facilitate sustainable growth. Kathryn holds a PhD in Psychology from the University of New South Wales.

The Capgemini Research Institute spoke to Kathryn about building organizational culture, attracting and retaining diverse talent in a competitive landscape, balancing a hybrid workforce, and how automation is impacting work.

**WE ARE COMMITTED TO
THREE CORE BEHAVIORS:
CREATE OPPORTUNITIES,
DELIVER WHAT MATTERS,
AND SUCCEED TOGETHER
WHILE WORKING IN A
HYBRID, FLEXIBLE MANNER.**

DRIVING CULTURE CHANGE

What prompted ANZ to initiate a new culture and behavior framework in 2021?

— Over the years, we have put in place many frameworks around culture and expected behavior of our people, creating an unnecessarily complex landscape for them to navigate. Also, while these frameworks successfully emphasized our values, instilled aspirational cultural behaviors, and suggested new ways of leading, they didn't have sufficient focus on delivery. We had to simplify the exhaustive list of expectations into the essential few behaviors required to deliver on our purpose and strategy.



Kathryn van der Merwe
Group Executive Talent,
Culture and Service centers,
ANZ

Executive Conversations

We are committed to three core behaviors: create opportunities, deliver what matters, and succeed together while working in a hybrid, flexible manner. We worked with senior leaders from across the bank to develop the new framework, and tested it widely, and we are pleased that people are now embracing the change.

What are the pillars of this transformation and how does the organization measure its progress?

— We drove curiosity and awareness around the new behaviors through storytelling, social media campaigns, and a fun video-game-based animation. We made a tough decision halfway through a financial year to change our performance framework to align to our new behaviors, and although a little disruptive, we knew we couldn't set new expectations of employee performance while judging that performance using a misaligned framework.



Executive Conversations

We have now baked the new behaviors into our recruitment process as well and launched a new recognition framework, and they form the basis of our new leadership program. We are moving now to build skills and embed habits this year by offering tools, training, encouragement, and experiences to support our people to make the required shifts. We measure progress through reviews, surveys, cultural evaluation, and other lenses. We have been really pleased with the level of take up and impact to date.



"Automation is creating new roles [...] It creates more time for our people to concentrate on more interesting, value-adding activities."

AUTOMATION AS A FORCE FOR GOOD

How has automation transformed job roles and the nature of work at ANZ?

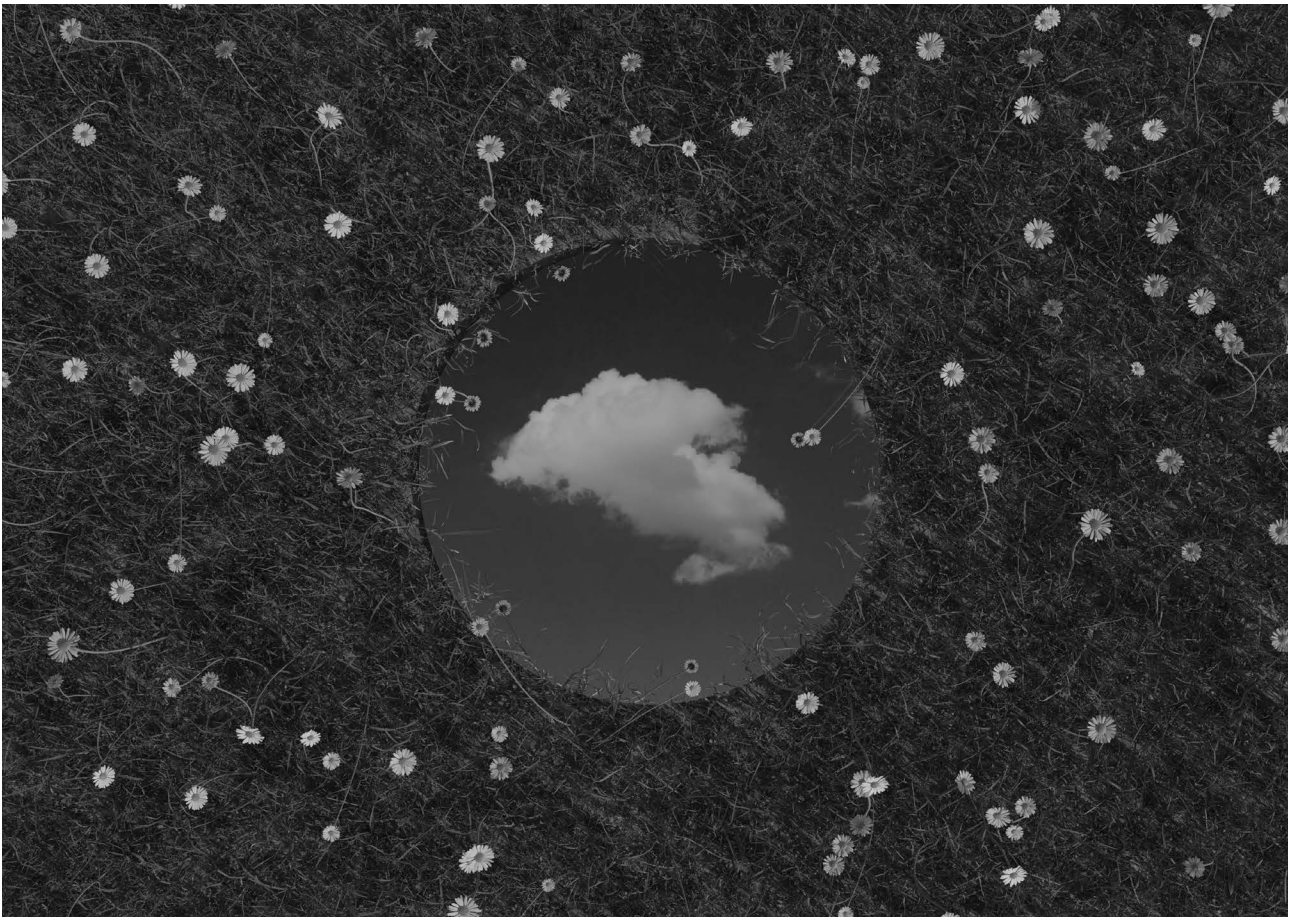
— Our people apply automation broadly across the bank continuously improving the efficiency and effectiveness of processes, creating space and time to spend on value-adding work, which, ideally for us, is time with customers. Automation can also facilitate large-scale strategic transformation when we take a more holistic look at our processes end-to-end. In this capacity automation is creating new roles as we navigate new systems in cloud, data, process automation, robotics, etc. But it also impacts more broadly improvements to engagement and enjoyment of work. The micro changes help to eliminate repetitive work and create more time for our people to concentrate on more interesting, value-adding activities.

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We take pride in and celebrate the women who have left ANZ and seized exciting opportunities.”



**THE REPRESENTATION OF
WOMEN IN LEADERSHIP
INCREASED TO 35.3%,
EXCEEDING ANZ'S
TARGET OF 34.4% BY THE
END OF 2021.**



ADVANCING DIVERSITY, TRANSPARENCY, AND EQUALITY

Which positive actions are you taking to encourage female talent and improve leadership diversity at ANZ?

— The representation of women in leadership increased to 35.3%, exceeding ANZ's target of 34.4% by the end of 2021. Although progress has been slower this year, we remain committed to our goals and are still moving in the right direction. Our leaders are committed to advancing diversity, transparency, and equality. We have embedded this into our core people processes – for example, ensuring we have gender-balanced shortlists and diverse selection panels in recruiting. ANZ has also recently reinvested in specific programs to help our female leaders build confidence and develop a social presence while remaining authentic in terms of their own values and ideals.

We recognize that meaningful shifts require a sustained focus over time, and we are making longer-term investments to build pipelines of future leaders. We also take pride in and celebrate the women who have left ANZ and seized exciting opportunities. We understand that we may be just one phase of their careers, but we want it to have been a fulfilling experience and one that makes their CVs stand out to prospective employers.

How can organizations respond to challenges in attracting and retaining talent amid the “Great Resignation” and “quiet quitting” trends?

— At ANZ, we know our purpose, our ability to provide opportunities for growth and development, and our inclusive environment all help us to attract and retain talent in a competitive talent market. This year we have been particularly focused on our attrition hot spots. By focusing our effort, we have been able to understand drivers and put in place targeted interventions, which have helped us improve retention for these in-demand areas. Our learning has been that organizations need to analyze exit data, understand the drivers of attrition, and then take meaningful action, rather than a vague, broad-brush approach.

BUILDING A DIGITAL-READY HR

If you had a magic wand, what would you change in the HR function?

— We are in the middle of a technology transformation that is focused on enhancing the employee experience and automating activities that don't add value to the customer. If I could wave a magic wand, I would get this transformation done. It's challenging and resource-intensive to unwind the legacy systems and processes, downstream and upstream connections, across 32 geographies. I am also excited about our ability to leverage data and analytics to better support the development and transformation of our workforce, and I'm impatient to access that new capability.

The business is demanding more from the talent and culture function and we need to use data and insights to evolve the organizational capability and culture to successfully deliver on our purpose and strategy. We need to evolve our capabilities, both technology and people, to ensure we can continue to deliver value for all stakeholders.



Kathryn van der Merwe

Group Executive Talent,
Culture and Service centers,
ANZ

"I am excited about our ability to leverage data and analytics to better support the development and transformation of our workforce."



JARED SPATARO

Corporate Vice President
of Modern Work & Business
Applications

Microsoft



SHAPING THE NEW POSSIBLE



Microsoft is a world leading technology company with revenues of \$198 billion in 2021 and employs over 221,000 people on a full-time basis. Its portfolio includes world's leading productivity and collaboration tools and services, such as Office 365, Dynamics 365, and LinkedIn.

Jared Spataro leads Microsoft's Modern Work & Business Applications team. On a day-to-day basis, he leads the delivery of new products and features across Microsoft 365. His wider remit is driving research to predict and shape the future of work across industries, to enable people and organizations to thrive in the new era of work.

The Capgemini Research Institute spoke to Jared about new working trends: the role of physical workplaces, which tools and technologies we will need to get hybrid right, and ways to collaborate effectively in a hybrid environment.

THE PRODUCTIVITY PARANOIA

In Microsoft's latest Work Trend Index, 87 percent of employees report being highly productive at work, but only 12 percent of leaders agree. What do you think is the root cause of this “productivity paranoia” on the part of managers?

— The disconnect between leaders and employees isn't surprising. But part of the problem may be that managers don't understand adequately how to measure employee output. Many employees even feel that employers should pay them for impact or outcomes, rather than traditional productivity metrics such as number of hours worked. It's both a question of trust on the managers' part and of their understanding what exactly it takes to get the work done effectively.

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Jared Spataro
Corporate Vice President
of Modern Work & Business
Applications at Microsoft

"Managers don't understand adequately how to measure employee output. Many employees even feel that employers should pay them for impact or outcomes, rather than traditional productivity metrics such as number of hours worked."

That said, there is plenty of pressure on managers too, and I empathize with both sides. Expectations for managers and leaders haven't abated or been dampened in the modern world of work.

Which managerial practices can help build trust and motivation among employees in a hybrid setup?

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Many managers are still in shock at the realization that the old work environment has gone for good. ”

— Many managers are still in shock at the realization that the old work environment has gone for good. When people returned to the office on specific days, leaders expected that those days, at least, would look like 2019, but that has been far from the case.

Now, work patterns and practices must balance the requirements for team unity and collaboration with the requirements of the individual team member, considering business necessities and a desire for greater flexibility. The more effective teams now work around the concept of “core hours,” during which employees are expected to be available and, on some days, present in the office. Outside of these hours, individuals can work more flexibly and integrate their work and home lives.

New tools, technologies, and practices are emerging all the time to help people navigate the new normal, but it still takes some adjustment on the part of both leadership and workforce.



Executive Conversations

Microsoft research shows that the number of meetings per week has increased by 153 percent, and double bookings have increased by 46 percent per person. How to avoid employee burnout in this context?

— It isn't just bosses who have productivity paranoia; employees are affected too. They want to be seen to be productive, and this can lead to “productivity theater”: attending meetings in order to be seen, making sure they chip in from time to time, but really their attention is on something outside the meeting.

Average meeting attendance has grown but so has the incidence of multitasking in meetings. People are afraid to be seen not participating, and there's no question that

this is leading to burnout. There's been a lot of talk about “well-being” since the pandemic began, but hybrid working has led to blurred work-life/home-life boundaries and we found that after-hours and weekend work are up 28 percent and 14 percent, respectively.

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How is the role of office spaces evolving?

— Many companies are reducing office space in response to falling occupancy rates. Employees used to be in the office from 9am to 5pm; while this could now be seen as too inflexible, it also generated a sense of togetherness that is difficult to recreate in a hybrid environment.

Working together in the office allows people to connect more deeply and for a mentoring dynamic to develop. Moreover, group problem-solving builds a sense of teamwork, learning to collaborate, and getting to know the work styles and strengths of colleagues. We are very aware of the importance of maintaining this collaborative dynamic.



**87 PERCENT OF EMPLOYEES
REPORT BEING HIGHLY
PRODUCTIVE AT WORK,
BUT ONLY 12 PERCENT OF
LEADERS AGREE.**

HEALTH AND WELL-BEING OVER WORK

Could you elaborate on the new work metric – the “worth it” equation – i.e., what people want from work and what they are willing to give in return? Is it similar to the concept of quiet quitting?

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People's perceptions of the role of work in their lives have changed.”

— Yes, they're related. People's perceptions of the role of work in their lives have changed. Fifty-three percent of employees are more likely

to prioritize health and well-being over work than before the pandemic. And 47 percent are more likely to put family and personal life over work than before. This isn't surprising; following a global health crisis, it's natural to reflect on what's really important.

When office-based workers were suddenly required to work from home, people started to experiment with different work environments that would allow them more family time, and this led them to question the value of some work-related obligations.

“After-hours and weekend work are up 28 percent and 14 percent.”



“

Working together in the office allows people to connect more deeply.”

70% AND 67%

70 percent of Gen Z and 67 percent of Millennials are looking for additional income through a side project or business

How is Microsoft mitigating the impact of the “Great Reshuffle”?

— We found that 41 percent of the global workforce have considered leaving their current employer. Learning and developmental support are regarded as more important now and can make a job offer much more attractive.

In a volatile economic environment, learning and reskilling can help employees to continue to feel valuable and relevant to their organizations, as well as to the job market in general. Definitely, organizations should be helping employees learn and grow as a part of their jobs. Yet 56 percent of employees report a lack of growth opportunities; many organizations have yet to discover what their employees really want in this respect.

How would you characterize the Generation Z attitude to work?

— The top five elements Gen Z expect from their employers are: a positive culture, mental health/well-being support, a sense of purpose, positive feedback/recognition, and a manager who will help advance their career. Many Gen Z also have side hustles. Our spring research showed that 70 percent of Gen Z and 67 percent of Millennials are looking for additional income through a side project or business, versus 59 percent overall.

We are yet to explore fully the different attitudes that Gen Z have towards work, but it's clear that they have a number of serious concerns related to the work environment.

ENRICHING WORK THROUGH TECHNOLOGY

Which new technologies do you see as being key to the hybrid environment?

— Automation and AI are the next big things, freeing people from mundane, repetitive tasks to engage with more interesting, strategic areas. How people get work done through these technologies will be at the heart of the future of work.

If approached correctly, the metaverse could also offer a new dimension in collaborative work environments. It is a shared digital space that brings people and places together. We try to create deeper connections between humans through the metaverse, giving a feeling of immersion and shared context.



Jared Spataro

Corporate Vice President
of Modern Work & Business
Applications at Microsoft

"Automation and AI are the next big things, freeing people from mundane, repetitive tasks to engage with more interesting, strategic areas."



**DR. TARIKA
BARRETT**
CEO

Girls Who Code



CARVING OUT A TECH CAREER PATH FOR WOMEN



Dr. Tarika Barrett is a STEM education champion who began her career as a community organizer and educator. She joined Girls Who Code in 2016, leading flagship Summer Immersion Programs and Clubs Programs, and drove the organization's international expansion. As CEO, she focuses on creating opportunities for women in STEM fields and spearheads initiatives to close the gender gap in entry-level tech jobs by 2030.

The Capgemini Research Institute spoke to Tarika about inspiring, educating, and equipping girls and young women to pursue a career in tech, expanding the pipeline of women entering the tech sector, and creating an inclusive environment that supports growth and longevity.

ADDRESSING THE GENDER GAP

Could you explain the extent of the gender gap in technology globally?

— Only 26% of computer scientists are women, with Black and Latinx women making up 5%. Many factors contribute to the gender gap in STEM, affecting girls and young women at every stage of their tech journeys. One critical early moment is known as the “middle-school cliff”; before girls are ten years old, they have already internalized cultural touchstones that dictate who belongs in tech and who doesn't.

More than half of our students at Girls Who Code come from historically underrepresented groups. They are motivated to learn but, in their previous environments, may have been denied the resources or opportunities given to their more privileged peers. Their circumstances might oblige them to work multiple jobs while carrying a full load of college coursework, perhaps even fitting in homework and study around caregiving responsibilities.



Dr. Tarika Barrett
CEO,
Girls Who Code

“

Before girls are ten years old, they have already internalized cultural touchstones that dictate who belongs in tech and who doesn't.”

"Our Girls Who Code programs have taught 500,000 girls computer science."



Computer science is one of the fastest-growing professions in the country, expected to grow 11% by 2029, adding another 500,000 new jobs to our economy. We can't afford to leave a single ounce of tech talent on the table. Organizations must make tools and resources democratically available and create inclusive hiring practices and work environments for women – particularly young women of color. This is the only way that they will have a chance of overcoming these barriers.

What is the root cause of the limited representation of women in technology roles in the private sector? How is Girls Who Code helping to address this?

— We understand the importance of creating an accessible pipeline into STEM for girls and young women. Accordingly, we've developed programs that start in elementary school and continue to support candidates through college and throughout their careers. We engage students at a young age to build their interest in STEM and inspire our high-school-aged students to pursue computer science in college, encouraging them to continue with their tech educations.

Executive Conversations

Our Technical Interview Prep program helps students develop the skills they need to succeed in their first technical interview and advance their careers. We've implemented workforce-development initiatives like the all-virtual Hiring Summit, which connects our students with top tech companies. Additionally, we've launched Work Prep to support tech pathways for college-aged women; it was imperative to ensure that our alumni and other young women were given the opportunity to enter the sector. Our Girls Who Code programs have taught 500,000 girls computer science. As a result, we now have 115,000 workforce and college-age women excited about the possibilities of STEM.

WOMEN IN THE TECH WORKFORCE



Why does a significant share of women graduating with degrees in science and engineering leave the tech workforce?

— The technology sector still exhibits too many characteristics of archaic work culture: perfectionism, power hoarding, and paternalism. These traits have an enormously negative impact, leading to burnout among young girls and women as they strive to distinguish themselves in a system that is prejudiced against them, causing them to feel alienated or powerless in their roles. Additionally, there is a disconnect between organizations' perceptions of the level of inclusivity they are offering and that which young women in the workforce experience. HR leaders are almost twice as likely (45%) to report positively on inclusive workplace practices than are women (25%) in the tech environment.

What can leaders and organizations do to promote diversity and narrow the gender gap?

— The data shows leaders in major tech organizations must broaden the scope of their hiring practices. Most employers gravitate towards graduates of four-year institutions or Ivy League colleges; however, this narrow, stereotypical approach alienates the strong flow of equally well-qualified and motivated talent from community colleges and state schools. Such a limited definition of success perpetuates a cycle that shuts out historically marginalized students. These tech companies not only deny opportunities to some of the most gifted students, but they are also denying themselves a much-needed injection of diversity.



"It isn't enough simply to fill diversity quotas; many workplaces must address a toxic work culture that alienates young women and people of color."

It isn't enough simply to fill diversity quotas; many

**THE TECHNOLOGY SECTOR
STILL EXHIBITS TOO MANY
CHARACTERISTICS OF
ARCHAIC WORK CULTURE.**



"There is a disconnect between organizations' perception of the level of inclusivity they are offering and that which young women in the workforce experience."

From the left: **Reshma Saujani**, Founder, Girls Who Code and **Dr. Tarika Barrett**, CEO, Girls Who Code

workplaces must address a toxic work culture that alienates young women and people of color. We encourage companies to reflect deeply on their practices and how they might be alienating these groups of people – or what they are doing to prevent them from being hired in the first place. Companies must keep an open mind regarding reassessing and remodeling hiring and promotion practices that hinder women in general, and women of color in particular, from competing for leadership roles and holding down tech positions.

COUNTRIES IN EASTERN EUROPE AND CENTRAL ASIA HAVE A HIGHER PROPORTION OF WOMEN GRADUATING WITH STEM DEGREES, INCLUDING KAZAKHSTAN (31.6%) AND GEORGIA (38.7%)."

Which countries are pioneering women's access to STEM fields and closing gender gaps in the workforce? Which policies and practices are they using to promote change?

— According to research conducted by the World Bank, countries in Eastern Europe and Central Asia have a higher proportion of women graduating with STEM degrees, including Kazakhstan (31.6%) and Georgia (38.7%). Technology and innovation are an important part of Europe's economy and there's a strong flow of students wanting to study technology. However, the proportion who are women remains comparatively small, with only around 25% of IT professionals being young women. In response, UN Women and the Business and Technology University created a free Coding School for Women, which I believe has contributed significantly to the increase in women STEM graduates in countries like Georgia.

In 2021, Statista published a report showing that, in Georgia, 55.6% of STEM jobs were held by women, with Mongolia, Kiribati, the Dominican Republic, and Cambodia making up the top five countries employing the highest shares of women in STEM. This positive trend will continue if more organizations commit to getting young girls and women involved in STEM.

EMBRACING THE NEW NORMAL

What does the future of women in tech look like?

— The future of tech should reflect the diverse talent interested in pursuing a tech career, as exemplified by the many young women who have come through our Girls Who Code programs. Women such as Karina Popovich, who founded Makers for COVID-19, an initiative to 3D-print PPE materials for medical professionals on the front line of the fight against COVID-19. Trisha Prabhu attracted investment of \$100,000 on Shark Tank (a US television program where entrepreneurs compete for funding and mentoring from established businesspeople) for her anti-bullying app. And Kamille Tipan created Aduenam, a website that raises awareness of the adverse effects of anti-immigration policies.

These young women show how the skills students learn in our programs can be used to solve real problems facing their friends, their communities, and the world. If we create a tech workforce that makes space for them to thrive, that's exactly what they will do.

What would be your advice to girls, women, and non-binary students who aspire to pursue a career in tech?

— “Be brave, not perfect.” Some students are striving so hard to be perfect while simultaneously being so afraid of failure that they stymie themselves. When women strive to be brave rather than perfect, they learn that failure's okay and that it might even be necessary to go beyond what's comfortable to make real progress.





Dr. Tarika Barrett
CEO,
Girls Who Code

"Be brave, not perfect."



JOSH BERSIN
Industry analyst



REDESIGNING JOBS AND WORKING ENVIRONMENTS AROUND EMPLOYEES

Josh Bersin is an industry analyst, author, educator, and thought leader who focuses on the global talent market and the trends and challenges affecting business workforces worldwide.

Josh is a renowned keynote speaker who frequently contributes to leading publications such as Forbes, Harvard Business Review, The Wall Street Journal, and CLO Magazine. Josh is the founder of the Josh Bersin Academy, the professional development platform, and The Josh Bersin Company, an independent research firm covering all areas of HR, learning, and HR technology.

The Capgemini Research Institute spoke to Josh about the changing world of work, HR practices and operating models, and how businesses can better engage employees.

PRESSING ISSUES FOR CHROs

What are the key people issues on the CHRO agenda?

— Automation is definitely a major topic. The World Economic Forum estimates that, by 2025, 85 million jobs will have been displaced by the shift in the division of labor between humans and machines, while an estimated 97 million new roles could emerge as labor-intensive work is delegated to machines and algorithms, and humans move into more strategic, value-adding roles.



Josh Bersin
Industry analyst

**ALMOST
ONE-THIRD
OF CURRENT
WORKERS
WERE HIRED
DURING THE
PANDEMIC**



The most pressing issue, however, is the shortage of workers in developed countries to fulfil newly created high-level design, consulting, and technology roles. Most developed countries will have shrinking populations over the next 20 years. Achieving sustained growth is challenging enough under normal market conditions, but throw in limited talent supply and low fertility rates and the situation becomes exponentially worse.

Another key issue is that almost one-third of current workers were hired during the pandemic. Companies are trying to bring people back into the office, so that they can reintegrate and re-engage with their teams – a trend we expect to continue over the next couple of years.

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Companies need to use talent-marketplace tools to facilitate internal mobility and better prepare managers to act as career coaches and advisors.”

Finally, the economic slowdown is putting pressure on organizations to improve productivity, an imperative that inevitably gets passed down to workers. Striving for efficiencies is a perfectly acceptable mindset but, rather than simply heaping more pressure on employees who are already working hard, organizations need to redesign talent strategies and individual roles.

What are the implications for HR?

— Companies need to use talent-marketplace tools to facilitate internal mobility and better prepare managers to act as career coaches and advisors, so that employees are equipped to move into high-demand jobs. In a squeezed labor market, it is much more cost-efficient and effective to develop talent internally, rather than trying to hire externally. For example, suppose an automobile company moves from internal combustion engines (ICEs) to electric vehicles (EVs), instead of laying off people from the ICE unit and hiring new people for the EV unit, the company can move workers internally across departments and retrain them relatively easily, as they will already be highly trained engineers and mechanics.

Lastly, if organizations promote employee well-being, as well as enhancing productivity, employees will become brand advocates and long-term retention will naturally improve.



"The smartest organizations are redesigning jobs and working environments around employees, making well-being, skills, and culture core to business design."

TRANSFORMING THE EMPLOYEE EXPERIENCE

How can organizations tackle burnout and improve employee engagement and productivity?

— The smartest organizations are redesigning jobs and working environments around employees, making well-being, skills, and culture core to business design.

US-based coffee chain Starbucks, when faced with union pressures in its stores, discovered that it offered 170,000 different drink options.¹ The numerous channels (phone and online orders, drive-through, delivery) added to this complexity; employees were overworked and tools and systems were not built to deal with it. In response, the company redesigned itself, focusing on the best-selling items and increasing productivity. Ultimately, customer experience is dependent on a strong employee experience.

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If organizations promote employee wellbeing, as well as enhancing productivity, employees will become brand advocates and long-term retention will naturally improve.”

¹ Starbucks website, “Customizing beverage at Starbucks stores”

Executive Conversations

In the healthcare sector, this is known as "working at the top of your license." For example, nurses shouldn't be emptying the trash, cleaning beds, or filling out forms. The most advanced companies have broken down nursing work into higher-level tasks and outsourced "non-strategic" work to machines or workers without nursing qualifications.

It's a case of going back to basics, assigning clear accountability for each task, and delegating work to the most appropriate machine, platform, or person.

QUIET QUITTING

What do you see as the root causes of "quiet quitting"?

— Quiet quitting is a symptom of an organization that is failing to listen to its employees. If an employee is overworked, underpaid, or not getting along with their boss or team, or feel that they lack psychological safety, it affects the employee experience. Several surveys have proven that the first thing people want from their employers is a sense of trust and belonging – the ability to be themselves at work and to have open conversations and relationships with peers, without any fear of negative consequences.

"Quiet quitting is a symptom of an organization that is failing to listen to its employees."



People quit quietly because they feel ignored; it takes a lot of courage to speak up when things aren't right at work. Microsoft calls this disconnect between employees and employers "productivity paranoia." [see our discussion with Jared Spataro from Microsoft]

But this is not healthy for the individual employee. Suppose they silently disengage because they feel too busy at home and don't have the energy or drive to do their job properly. In that case, the company will respond in similar fashion, "silently firing" the individual in question by labelling them low performers who should be taken out of growth programs. So, no one benefits from quiet quitting.

“

The company will respond in similar fashion, “silently firing” the individual quiet quitting by labelling them low performers who should be taken out of growth programs.”

THE FUTURE OF TALENT MANAGEMENT

What should organizations do to make it through the labor-market crisis?

— The HR department is often overly bureaucratic and, consequently, inefficient, with siloed, decentralized groups for recruiting, training, and developing employee experience. Organizations should draw on data and talent intelligence to create more attractive career paths and focus on internal recruiting. Organizations need to develop a “systemic HR” strategy that combines the four Rs: Recruit, Retain, Reskill, and Redesign.

“

It is at the lower levels of organizations where we see talent leaking out.”

Executive Conversations

The recruiting problem is clearly not just about filling slots, but involves understanding the capabilities, skills, and cultural and behavioral requirements of each position. Studies show that almost one-third of the workforce will change their employer this year, and more than 40% will also change industry. As well as internal recruitment, then, employers would be wise to look beyond their traditional talent pools.

Retention varies by industry. A software engineer might go for better pay or career prospects; a salesperson might leave because they don't believe in the product, or the company is failing to grow. Each case is subject to different factors, but it is at the lower levels of organizations where we see talent leaking out. Organizations should initiate early-career programs to engage younger workers, giving them more opportunities to progress within the company.

Reskilling is no trivial undertaking but requires leadership to understand both the skills that are integral to existing roles and to roles that are yet to be created. It involves bringing people together and setting career pathways, including tuition reimbursement, offering formal education (from both internal and external sources), and developmental support to transition people into new roles, rather than the more traditional cyclical training programs.

The fourth R, redesigning, can be initiated by implementing internal benchmarks. We found that high-performing organizations look to accountability teams to assess current work structures: What's the work? Who's accountable for it? And can it be automated? It comes down to building a more networked organization and connecting people across typical job hierarchies.

The job-design issue also stems partly from an outdated siloed approach, as managers ringfence their teams, meaning that individuals and their specialized skills are underused in terms of the wider organization. Democratizing of skills allows people to work where they are most required by the organization, regardless of departmental affiliation, broadening their own work horizons at the same time. It's a dramatic change in corporate culture, but the pandemic has convinced HR leaders that people are resilient enough to adapt.



Josh Bersin
Industry analyst

"Democratizing of skills allows people to work where they are most required by the organization, regardless of departmental affiliation."



Leadership lessons from the rugby pitch...

Leadership Lessons from the Rugby Pitch

Conversations
FOR TOMORROW



STACEY FLUHLER

New Zealand Rugby
Union international



BREAKING THROUGH RUGBY'S GLASS CEILING

Stacey Fluhler was first selected for the Black Ferns (New Zealand's women's rugby union side) Sevens team in 2016, and won the HSBC World Rugby Women's Sevens Series thrice ('16/'17, '18/'19, and '19/'20) and the Rugby World Cup in 2017 and 2022 with the full squad. Stacey was named International Women's Player of the Year in the 2021 NZ Rugby Players' Association Players' Awards [voted for by the players]. In Sevens, she won a gold medal at the 2020 Tokyo Olympics, gold at the Gold Coast (2018), and bronze at the Birmingham (2022) Commonwealth Games.

Stacey holds a bachelor's degree in Health, Sport, and Human Performance and is currently completing a postgraduate diploma in Business Studies from Massey University, New Zealand.

The Capgemini Research Institute spoke to Stacey about breaking down the barriers in the male-dominated world of professional sport, sustaining high physical performance, and the lessons business leaders can take from the sporting environment.



I've been successful, but few people know the price I've paid for it: the injuries, the blood, sweat, tears – everything that goes on behind the scenes."

EMERGING AGAINST THE ODDS

Which challenges did you face as a female athlete in professional rugby?

— In New Zealand, rugby is a male-dominated sport. I know a lot of girls whose families are unhappy about their daughters joining a rugby team; it's viewed as too aggressive and physical. Luckily, I did not face this challenge – rugby runs in my family. But getting the wider support, including financing, was challenging while I was still at school. It took a number of wins against bigger, more established schools to convince the school or the board of our talent as a female team.

Furthermore, I experienced body-image issues, with people in my community looking at me weirdly because of my shape. This can be traumatic for some girls and young women. It is important to have a good support network of family members, friends, and coaches who are on your side and will help you ignore the negative comments and behavior. Another issue was that I had to undergo five or six surgeries during my 10 years in professional rugby. The pain and recovery time are very testing for an athlete; and you need to draw strength from within and without, by sharing your anxieties openly with your support network.



"It took a number of wins against bigger, more established schools to convince the school or the board of our talent as a female team."

Leadership Lessons from the Rugby Pitch

Who or what are your biggest sources of inspiration, on and off the field?

“

I had to undergo five or six surgeries during my 10 years in professional rugby.”

— My biggest inspiration is just to enjoy life – if I'm having fun doing what I'm doing, I don't feel like it's work. I have other motivations as well, of course: I get paid; I get to represent our country; I make my family proud, wearing my last name on the back of my shirt. But my biggest inspiration is to do myself justice and make sure I'm enjoying the journey.

What is the most important thing that life as a successful rugby player has taught you?

— I have lived by the motto, “Nothing worth having comes easy.” I've been successful, but few people know the price I've paid for it: the injuries, the blood, sweat, tears – everything that goes on behind the scenes.

Of course, there have been losses along the way. But you never fail completely; losing can teach you a lot. Every time we've lost in the black jersey, we've grown from the experience and, ultimately, become better as players and as a team. There have been times when it hasn't been easy, but I never forget that I have been given this opportunity to show the world who I am and what I can do. I remember that when I walk out onto the pitch to play in front of thousands of people in the ground and millions more on television.



STRIVING FOR GENDER PARITY IN SPORTS AND BUSINESS

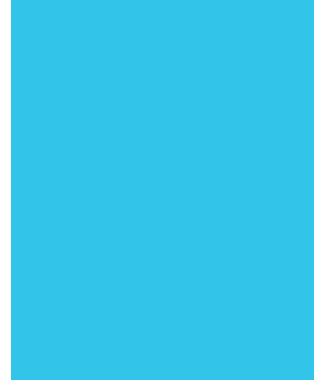
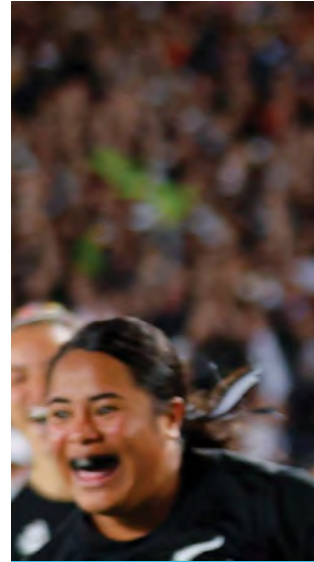
Is it easier now to make a career as a woman in professional sport? What advice would you give to a talented young sportswoman?

— Women's sport has gained considerable momentum over the last 5-10 years. This success is down to a strong talent pool, greater availability of funding, increased public interest, and, as a consequence, higher spectator numbers. On the back of this increased support, we've been able to break down barriers in terms of asking for adequate salaries and getting more opportunities to play in different locations around the world. It is our responsibility to showcase to younger girls and boys that your dreams are achievable if you focus and persevere.

I would suggest younger players work hard on keeping up their internal motivation: be persistent, be passionate, and never be afraid. Those three qualities are a big part of my success.

What do you think business leaders can learn from the rise of women's rugby?

— My biggest takeaway is to develop a clear vision: find something you really want to fight to achieve. In terms of teamwork, ensure that everyone is aligned through constant communication. There's no real hierarchy in our team, and it gives us confidence to be treated as being on a par with our management and coaches. We senior players, especially, really interact with them as equals, discussing strategy and tactics with the same weight given to our opinions. For example, if we feel training is going on for too long, or there's something in our schedule we want to change, we have the confidence to speak with the management or coaches and effect a change through frank and open dialogue.



Leadership Lessons from the Rugby Pitch



"There's no real hierarchy in our team, and it gives us confidence to be treated as being on a par with our management and coaches."



MAKING A WINNING TEAM

How does the New Zealand rugby team instill a sense of belonging in new players?

— When we have a new team member, we try to get to know the person before we get to know the player. We have several ice-breaker sessions in which they introduce themselves, answer a couple of fun questions, maybe perform a song or dance routine, then talk a little about where they're from and their family.

We want people to come into the playing environment and not be afraid to speak up or to be themselves. New players might initially be a bit starstruck, suddenly playing with older teammates who were their idols not long ago, so we need to break down the “awe” barrier and connect with them.

WHEN WE HAVE A NEW TEAM MEMBER, WE TRY TO GET TO KNOW THE PERSON BEFORE WE GET TO KNOW THE PLAYER.

We have a buddy system in the team to help new players settle in. We have a set time where we take turns to share our personal stories, going more in-depth about the type of person we are, how we react to certain situations, why we talk the way we do, why we're shy or outspoken. This helps us to understand each other better and nurtures a sense of togetherness.

Our team is more successful because of this togetherness. We know how to deal with each other on and off the field. An example is how best to react when someone makes an on-field error. Some people like instant feedback, and we try to talk them through the issue straight away, so they can put it right. Others prefer some time to get over it before we go into why it happened.

Our management understands we require a personal life outside of work. When players are struggling, there's always support, and time off if we need it, because being a professional athlete is a pretty hard life, at times.

“

Our team is more successful because of this togetherness. An example is how best to react when someone makes an on-field error.”

Leadership Lessons from the Rugby Pitch



How can businesses learn from sporting setups in terms of boosting performance and keeping motivation up?

— Our success is based on honest discussions - and, when necessary, tough conversations - through the right feedback channels. Of the 21 girls in our squad, eight are part of the leadership group. So, a third of the team is in

constant communication with each other and, every few weeks, with the management. Having regular review sessions helps everyone, too. After every tournament we play, we discuss what went well, what didn't, and how can we fix it? And that includes team management and leadership; they make the rules, but they're open to feedback, too.

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Our success is based on honest discussions - and, when necessary, tough conversations - on-field error.”

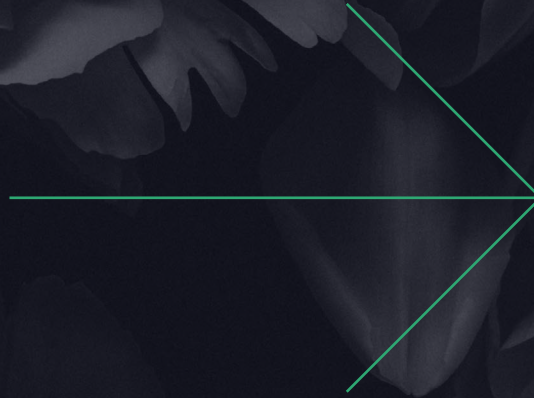
The central point is that we all understand why we are playing and that we want to do our country proud, play well, and win. Once every team member understands their individual and team motivations – and has those aligned – you have a powerful force for success.



Stacey Fluhler

New Zealand Rugby Union
international

"Once every team member understands their individual and team motivations – and has those aligned – you have a powerful force for success."



From the desk of...



LINKEDIN

What the rise of female founders tells us about the state of the labor market

Sue Duke, Global Head of Public Policy and Economic Graph at LinkedIn

→ p.148



OECD

AI and work: Will it be different this time?

Stijn Broecke, Senior Economist, OECD

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Sue Duke

Global Head of Public
Policy and Economic
Graph at LinkedIn

WHAT THE RISE OF FEMALE FOUNDERS TELLS US ABOUT THE STATE OF THE LABOR MARKET



Sue Duke leads and manages the rollout of the LinkedIn Economic Graph team globally. Her team focuses on uncovering actionable insights around skill gaps, AI and emerging technologies, talent migration, gender parity, and education. Prior to joining LinkedIn, Sue worked as head of public policy at Google Ireland. Before that, she was a special advisor to the minister for communications, energy, and natural resources in the Irish government.

Sue holds a BA in European studies from Trinity College Dublin and a Master of Philosophy in international relations from the University of Cambridge.

From the Desk of

As we head into a period of economic uncertainty, new data reveals the systemic challenges facing women in the global labor market. The recent [Global Gender Gap Report](#) from the World Economic Forum (WEF) shows that the gender gap hasn't bounced back from the enormous damage done during the COVID-19 pandemic. The report benchmarks the evolution of gender-based gaps in four areas: economic participation and opportunity, educational attainment, health and survival, and political empowerment. Scarily, pandemic disruptions and a weak recovery mean it's now going to take another 132 years to close the global gender gap.

LinkedIn partnered with WEF on the report – our unique data highlights a number of challenges facing working women and what we can do to make workplaces and societies more equal. Here's what the data says.

Working women face systemic challenges



First, the bad news.

We saw clearly during the pandemic that women's careers are more vulnerable to systemic shocks and women pay a high price when there are economic upsets. That is particularly concerning when we consider what may lie ahead.

During the pandemic, female-dominated service industries like retail and hospitality bore the brunt of national lockdowns. Meanwhile, many women bore the double burden

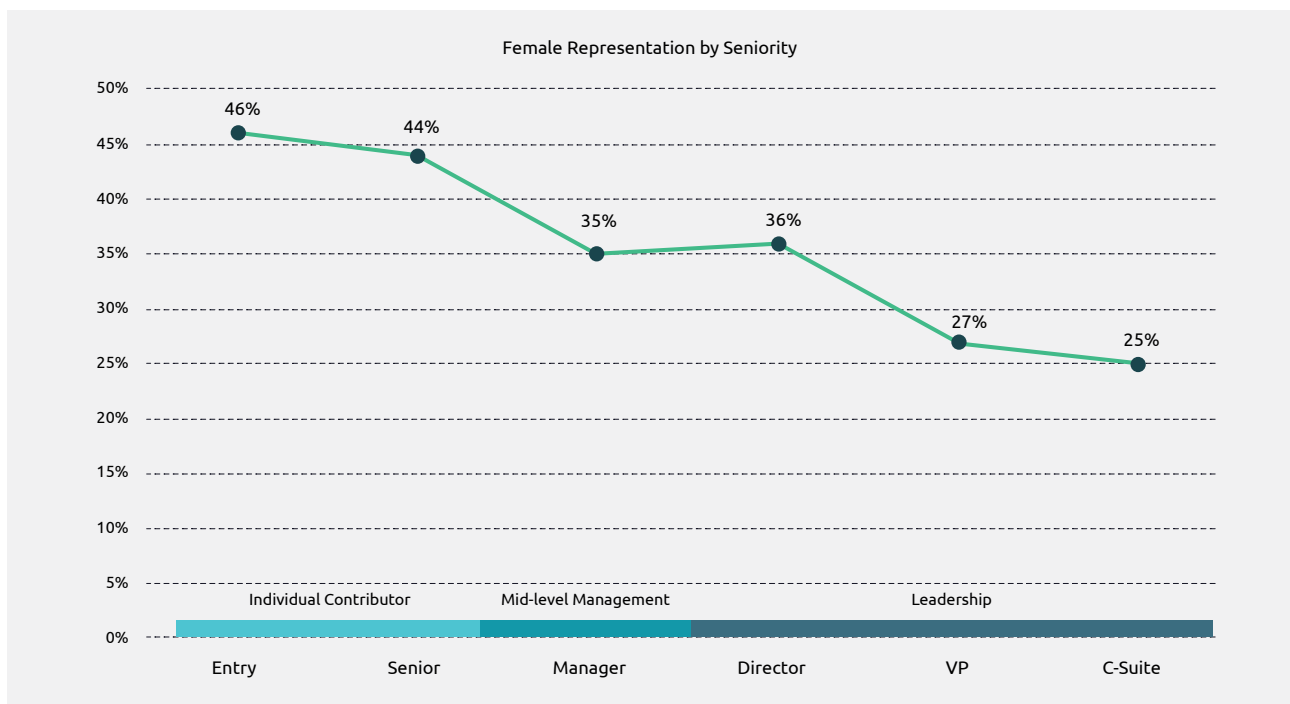


Women pay a high price when there are economic upsets."

of work and caregiving and were forced to step back from the workplace altogether. Not nearly enough employers stepped in to meet them halfway and offer the flexibility they needed.

LinkedIn's data, featured in the report, also shows that the world has a gender imbalance in leadership roles in almost every country and industry. Women are severely underrepresented in leadership, holding less than a third of leadership positions globally. There is a narrow pipeline of female talent that shrinks with seniority.

Figure 1: Female representation at organizations by seniority



WOMEN ARE SEVERELY UNDER REPRESENTED IN LEADERSHIP, HOLDING LESS THAN A THIRD OF LEADERSHIP POSITIONS GLOBALLY

What is equally concerning is that [LinkedIn's new data](#) reveals men have a significantly higher chance of being promoted into leadership roles than their female colleagues. Comparing the global average for men and women in 2021, men were 33% more likely to receive an internal leadership promotion than women. In countries like the Netherlands and Spain, men are 69% and 65% more likely to get promoted internally.

It's very clear that women are facing systemic challenges in the workplace, preventing them from achieving full and equal participation in the labor market.

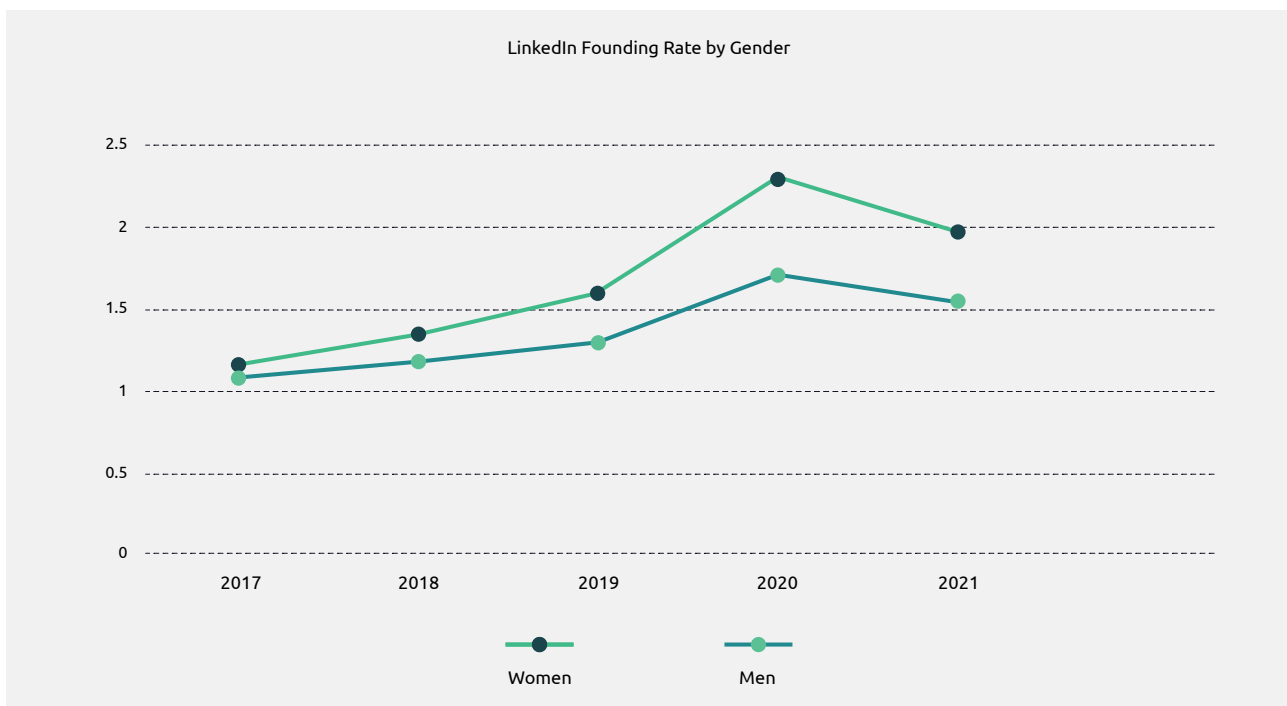


Systemic challenges have contributed to a rise in female founders

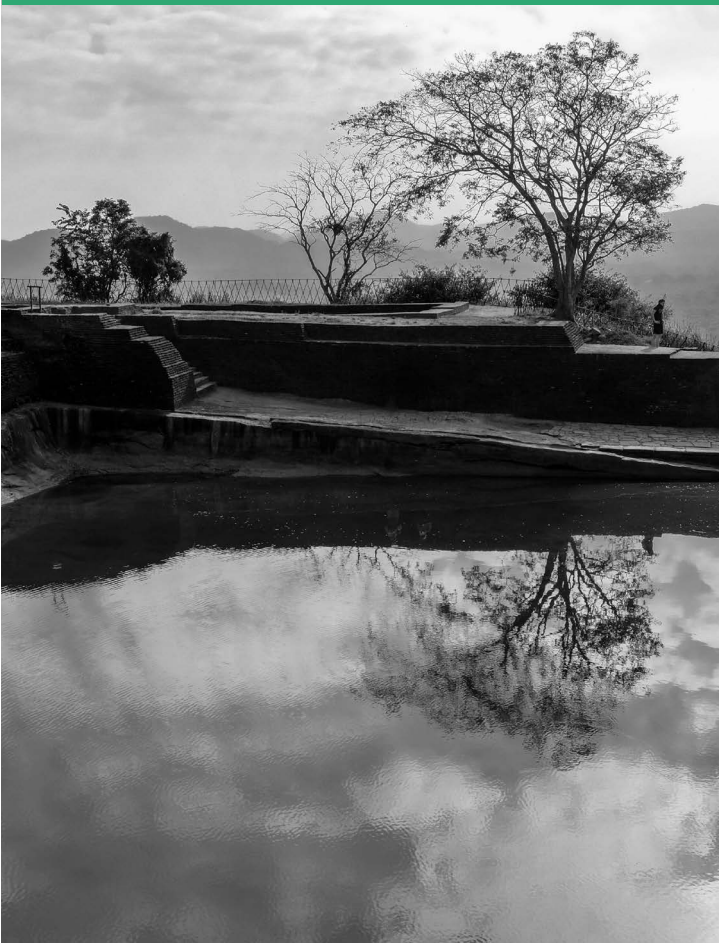
The data paints a difficult picture for working women and their ability to make it to the top, but there was another trend in LinkedIn data that particularly stood out: a surge in female founders.

Women are starting their own businesses at a faster rate than men, with a marked increase during 2020. Globally the share of founders grew by 45% in 2020 for women and by 32% for men, compared to the previous year, an acceleration of a longer-term labor market trend.

Figure 2: LinkedIn founding rate by gender



Men were 33% more likely to receive an internal leadership promotion than women.



Why did so many more women choose to start a business – which would be daunting enough in normal times – during all the uncertainty and instability of a global pandemic?

While some undoubtedly started businesses to pursue long-held passions, many in this period likely became “necessity entrepreneurs.” In the face of economic headwinds and inequitable workplaces, these female founders sought to take more control of their careers – fueled by a need for income, for greater flexibility, or because of a lack of opportunities at work.

Ultimately, we don’t know enough yet to say if this trend is a good or a bad thing for women. We uncovered some truly inspiring stories of resilience and entrepreneurialism as women struck out on their own. But we need to face the fact that many likely had their hand forced by inequitable working structures. At LinkedIn, we will continue to monitor this trend so that we can better understand its impact on women and the labor market.

There is some better news: the data shows that progress is possible but it is happening extremely slowly. Women have been hired into leadership roles in increasing numbers since 2016. While progress stalled during the pandemic – with the annual share of women hired into leadership positions holding at 35% between 2019 and 2020 – it increased to 36% in 2021 and 37% in 2022. While the numbers are going in the right direction, it's from a low base and we're not going anywhere near fast enough to make a meaningful difference.

“

Many in this period likely became “necessity entrepreneurs.”

**WOMEN ARE
STARTING THEIR OWN
BUSINESSES AT A
FASTER RATE THAN
MEN, WITH A MARKED
INCREASE DURING
2020.**

Targeted action is needed to address the global gender imbalance

**24%
MORE**

Women are 24% more likely than men to apply to remote roles.

“
LinkedIn has introduced dedicated filters for remote, hybrid, and on-site roles.”

The data is deeply troubling on many levels. But it also shines a light on where improvements can be made.

What can we do to solve the disproportionate challenges facing working women and turn the tide on the inequality that prevents them from participating fully in the global economy?

We know that the problems are systemic – which means we need a systemic response. Urgent, targeted action is needed to make workplaces fairer and more equal. Governments and businesses need to go further, faster, to help women overcome the imbalance that they face every day. There are three key areas where we must do more: inclusive hiring, internal mobility, and flexibility.

We need to take a hard look at hiring practices, which must be inclusive and fair. Practical steps include removing bias from job descriptions, including women on interview panels, and having representative candidate shortlists.

There should be more support for women’s internal mobility and progression. This means creating targeted mentoring and training programs for women – in particular at the pre-manager level – and increasing awareness about unconscious bias within organizations.



Urgent, targeted action is needed to make workplaces fairer and more equal.

And with LinkedIn data showing women are 24% more likely than men to apply to remote roles, we need to make flexible working the norm for everyone if we want a diverse pool of talent. To help people find the job that suits their needs, LinkedIn has introduced dedicated filters for remote, hybrid, and on-site roles.

We cannot ignore the inequity that persists in the workplace and the devastating impact this can have on women's lives and careers. Now is the time to step up and do what is necessary to address the global gender imbalance so that working women around the world can achieve their potential and play their part in driving our shared economic recovery.



Stijn Broecke

Senior Economist,
OECD

AI AND WORK: WILL IT BE DIFFERENT THIS TIME?

Stijn Broecke is a senior economist at the OECD, where he leads the organization's Future of Work initiative. He holds a PhD in Economics from the University of London and has over 15 years' experience working in government (Mozambique and UK) and international organizations (African Development Bank and OECD).

From the Desk of

In 2019, fueled by concerns about robots and automation taking over, the OECD dedicated its flagship [Employment Outlook](#) report to the hot topic of the future of work. The publication reviewed the evidence and concluded, reassuringly, that, “We are not heading for a jobless future anytime soon.”

A steep learning curve

The OECD did, however, ring an alarm bell for lowly educated workers, many of whom find themselves in roles where their primary responsibility is for routine tasks that could be targeted for automation. The manufacturing sector was most heavily subject to this phenomenon, with employment having declined by 20 percent over just the past two decades.

In parallel, the share of highly skilled jobs has risen by 25 percent over the same time period, presenting opportunities for highly educated workers. Understandably, the OECD subsequently classified the promotion of education and skills development as a key policy priority for smoothing the transition to the future world of work.



AI starts to rival human intelligence

Fast-forward just a few years and the OECD is re-investigating the same issue in light of the appearance of a new kid that has appeared on the block: artificial intelligence (AI).

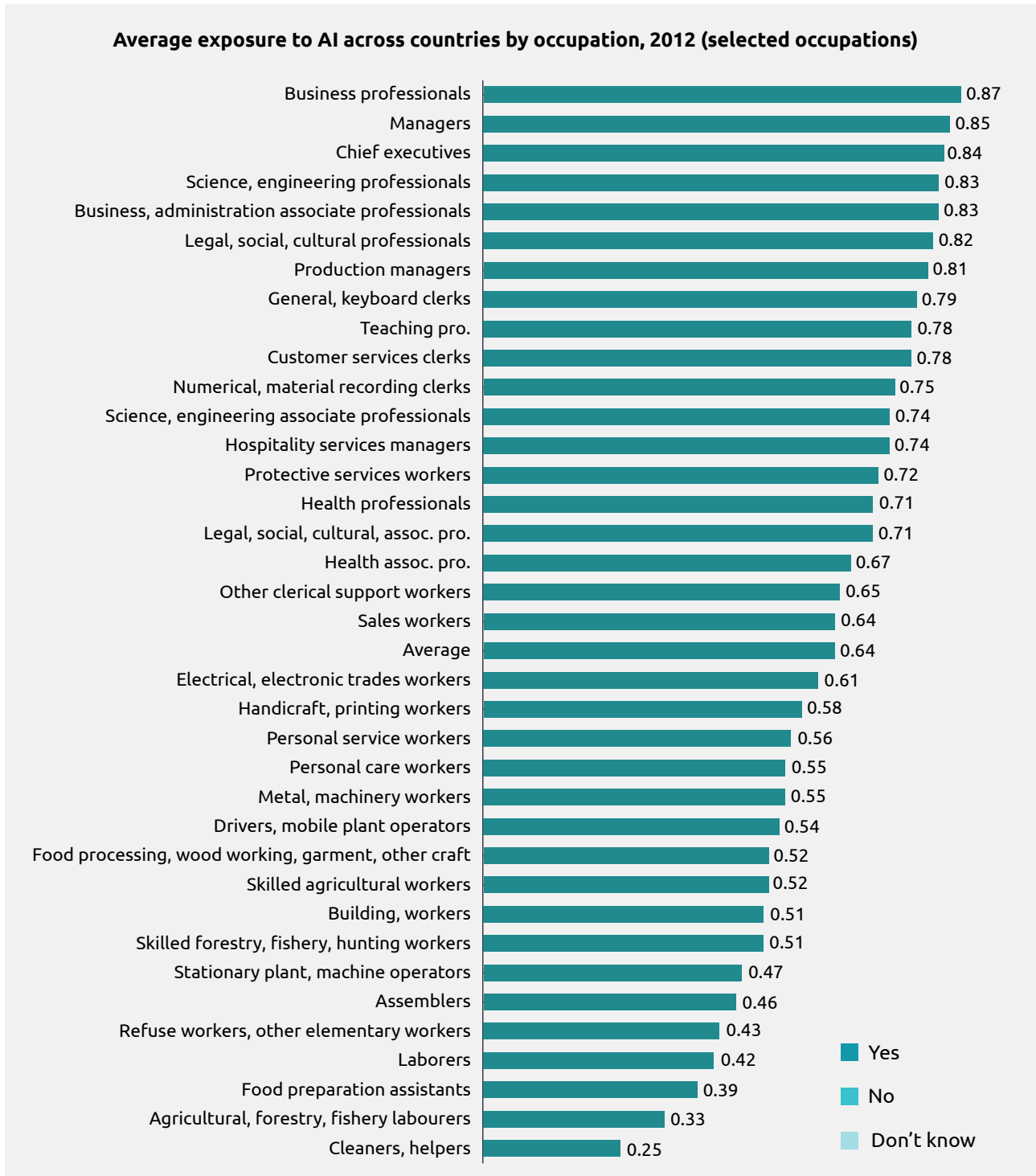
AI comprises a range of new technologies that automate the processing of vast quantities and all types of data, often combined with the ability to learn, analyze, make recommendations, and decision-making assistance, rapidly and at scale.

AI has made possible tremendous progress across a range of applications, such as: information ordering, memorization, perceptual speed, and deductive reasoning. All of these are related to non-routine, cognitive tasks. As a result, the occupations that have been most exposed to the recent advances in AI have been in the highly skilled category: business professionals, managers, science and engineering professionals, and legal, social, and cultural professionals ([Georgieff and Hye, 2022](#)) (see Figure 1).

This contrasts markedly with the impact of previous waves of automating technologies, which have primarily taken over the routine tasks performed by lower-skilled workers.

In a highly competitive labor market, organizations cannot afford to use biased AI tools that may filter out highly eligible but non-traditional candidates.

Figure 1: Highly-educated occupations are the most exposed to developments in AI

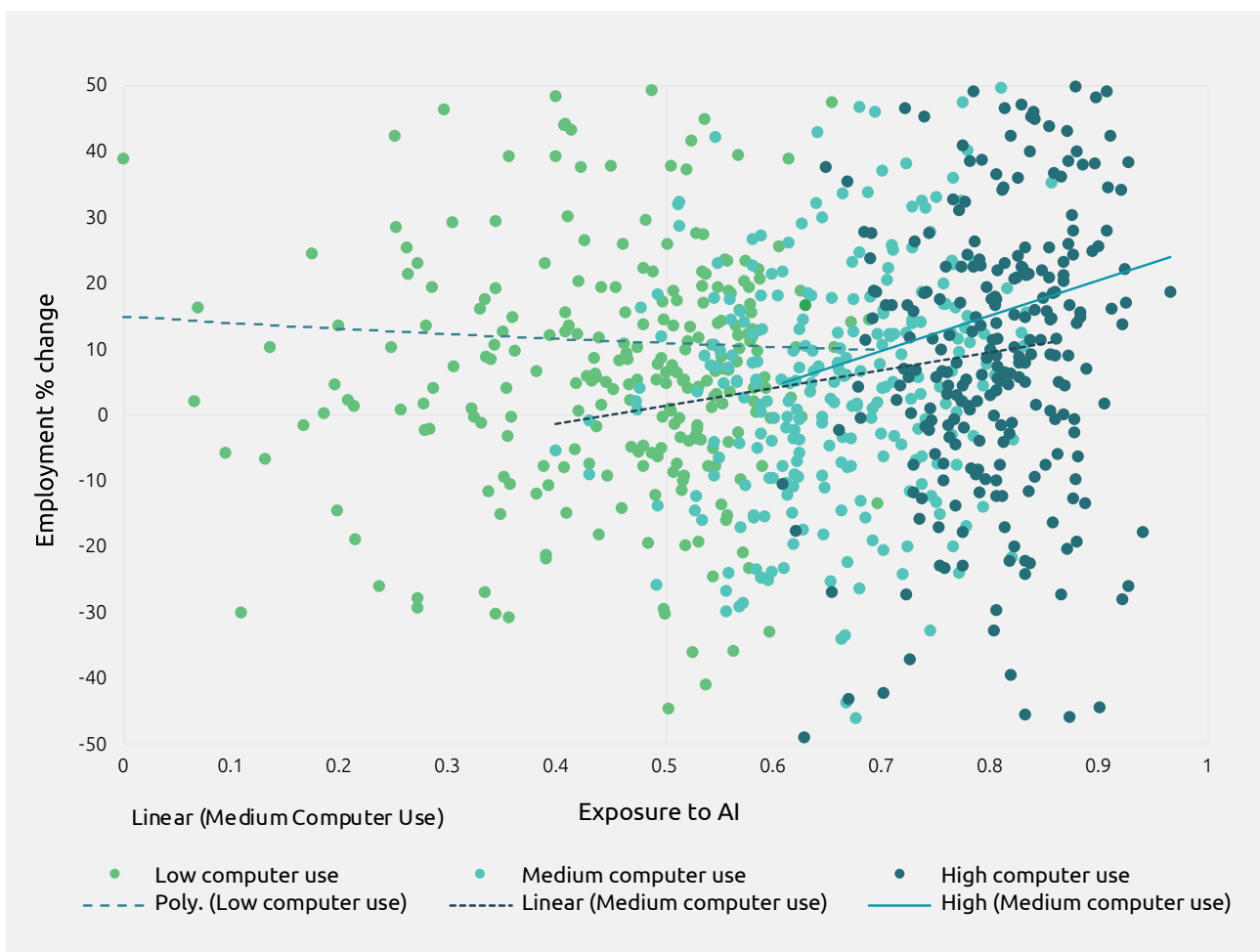


Note: The averages presented are unweighted. Cross-country averages are taken over the 23 countries included in the analysis.
Source: Georgieff and Hye (2021)

The robots are not taking over

Despite widespread fears, higher exposure to AI may not necessarily be a bad thing for workers, provided they possess the skills to use these technologies effectively. Recent OECD research found that, in 2012-19, greater exposure to AI was associated with a higher rate of employment in occupations that involve high computer use [\(Georgieff and Hye, 2022\)](#) (Figure 2).

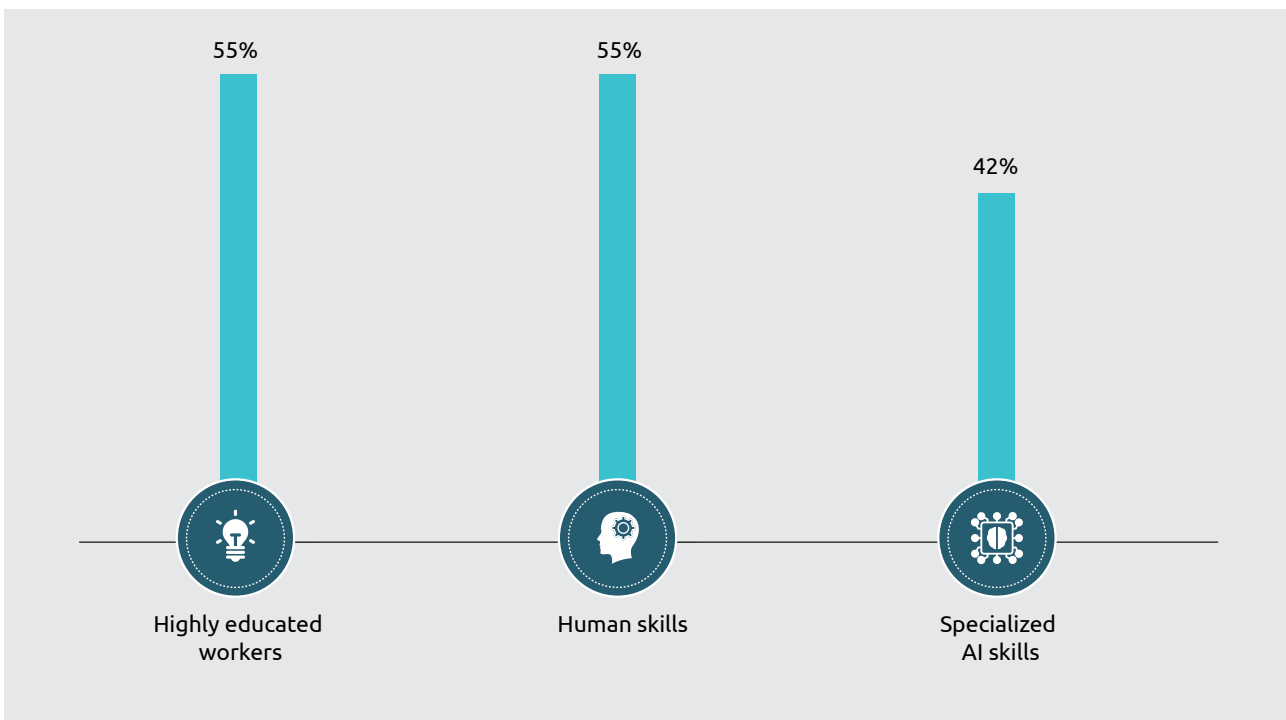
Figure 2: AI exposure is associated with higher employment growth in occupations where computer use is high



From the Desk of

Evidence collected by the OECD among employers in the manufacturing and finance sectors of seven OECD countries appears to confirm that the demand for highly educated workers and “human skills” increases when AI is adopted in the workplace (Figure 3). (Broecke, Lane, and Williams, forthcoming.)

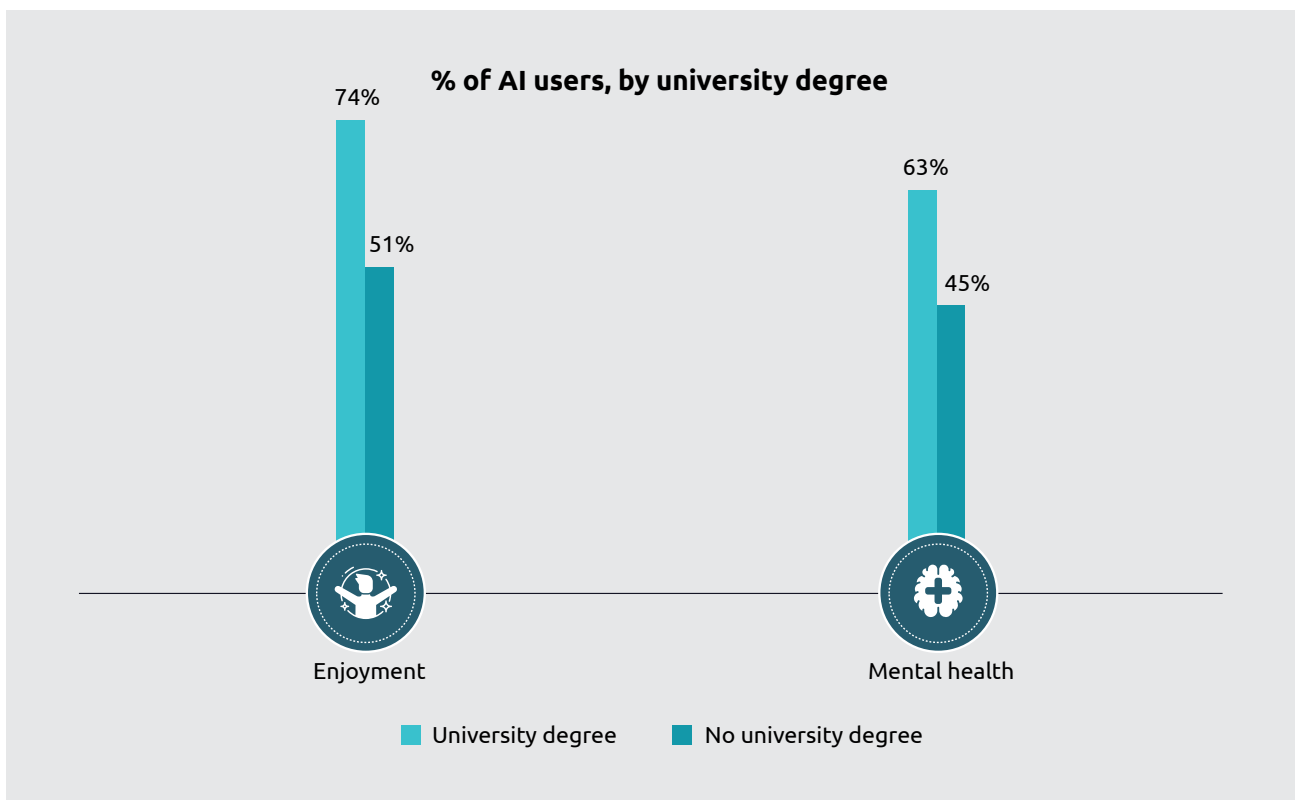
Figure 3: Employers say that AI has increased the importance of highly educated workers and of human skills (% of employers agreeing that the implementation of AI has increased the importance of the following elements).



Source: OECD employer survey on the impact of AI on the labour market (2022), N=743

As well as being in high demand, highly skilled workers may also benefit more from AI in terms of work satisfaction. In a survey of workers in the manufacturing and finance sectors, AI users with university degrees were more likely to report that AI had improved their enjoyment of work and their mental health, compared to AI users without a university degree (Broecke, Lane, and Williams, forthcoming) (Figure 4).

Figure 4: AI users with a university degree are more likely to report that AI improved their enjoyment of work as well as mental health (% agreeing that the introduction of AI has improved the following aspects).



Source: OECD worker survey on the impact of AI on the labour market (2022), N=2,143

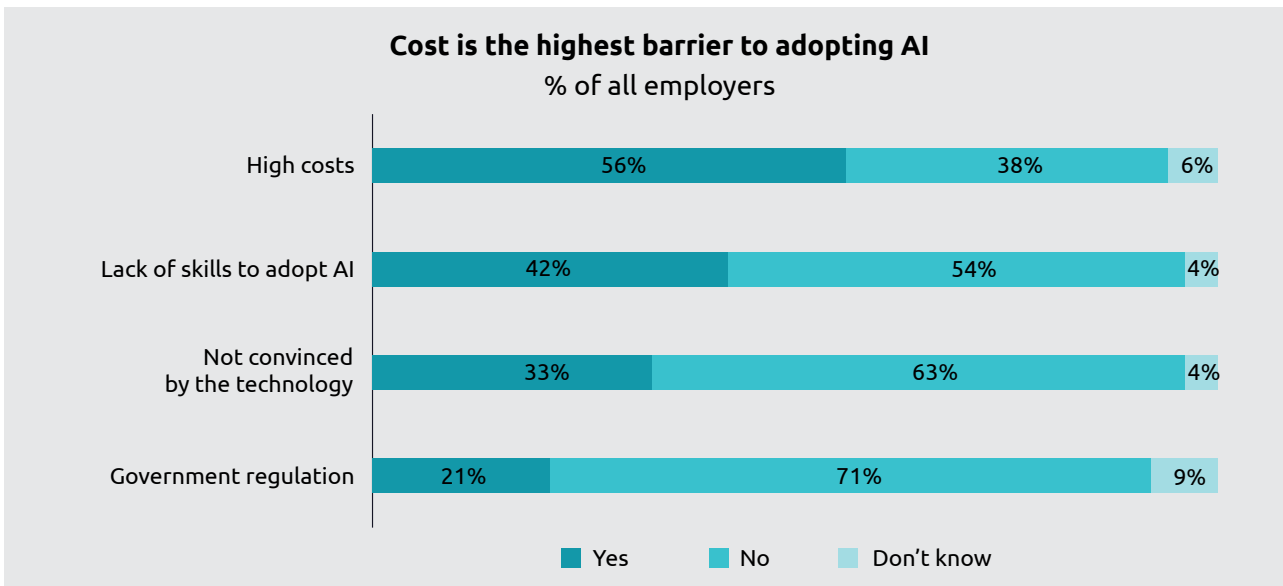


"In a significant majority of case studies, the implementation of AI technologies had no reported impact on the quantity of jobs in the most affected areas."

From the Desk of

These findings suggest that highly skilled workers may adapt more easily to the use of AI at work and consequently be better positioned to reap the benefits. Moreover, their jobs may not be at risk from high exposure to AI because they may possess skills and abilities that cannot yet be automated, such as skills related to complex problem-solving, high-level management, and social interaction (Lassébie and Quintini, forthcoming).

Figure 5: A lack of skills is an important barrier to the greater adoption of AI



Source: OECD employer survey on the impact of AI on the labour market (2022), N=2,053

Instilling the right skillsets

From a company perspective, along with the cost of the AI technology, a lack of skills is the principal barrier to the adoption of AI and is considered far more important a factor than government regulation or lack of corporate buy-in (Broecke, Lane, and Williams, forthcoming) (Figure 5).

Around two-thirds of companies say they address the evolving demand for different skills through training, while fewer than half say they do so through recruitment. Fewer than one in five, moreover, use attrition or redundancies to rebalance their workforces (Broecke, Lane, and Williams, forthcoming).

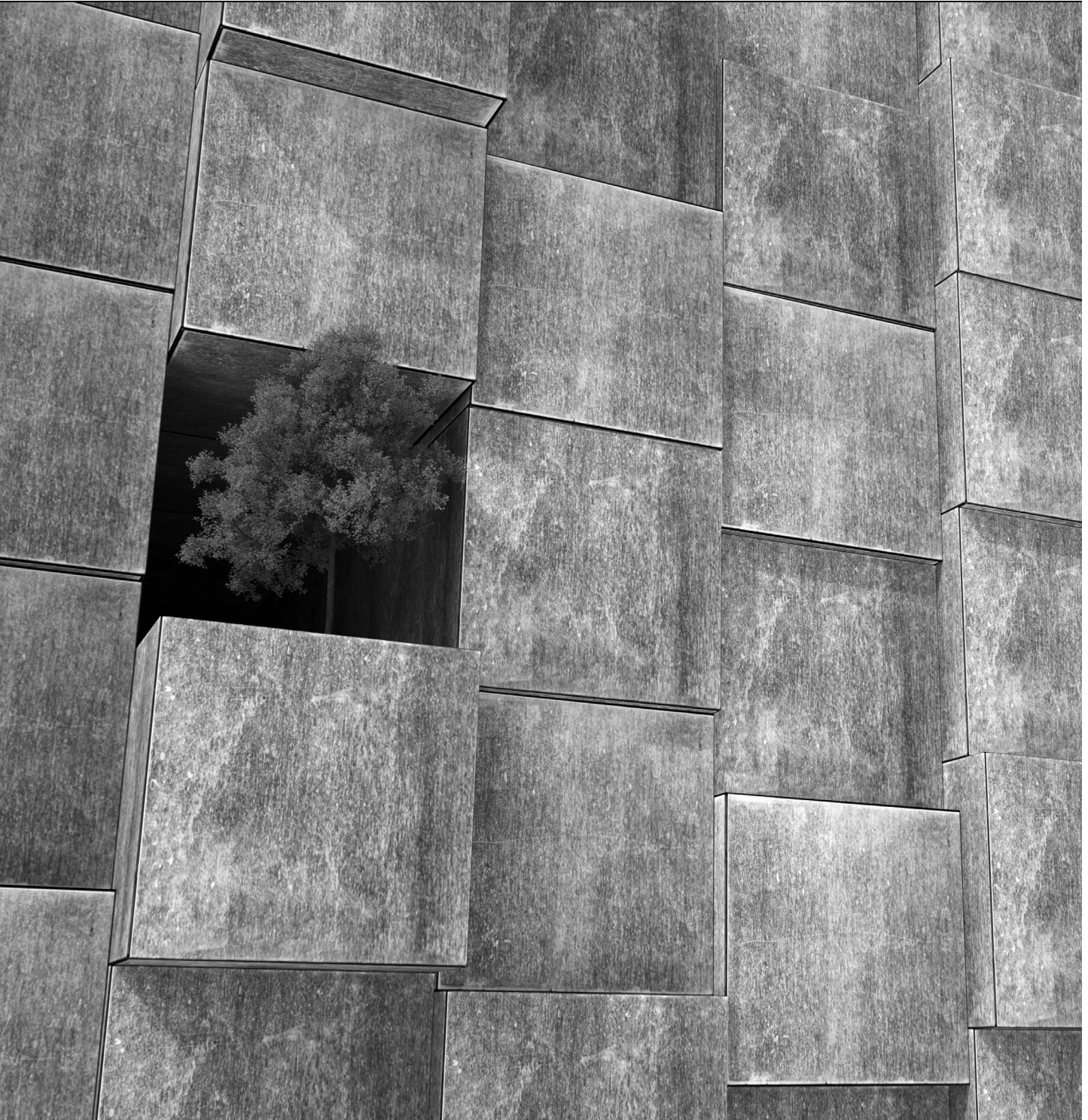
A broad reluctance on the part of organizations to make workers redundant emerges from another OECD study, which made detailed case studies of the use of AI in the manufacturing and finance sectors. In a significant majority of case studies, the implementation of AI technologies had no reported impact on the quantity of jobs in the most affected areas.

Where AI implementation did lead to a reduction in the quantity of jobs, firms said they managed the reduction in available positions through reallocation to other roles or business areas, or through attrition, allowing employment in specific occupations to diminish gradually over time by declining to fill vacant positions (Milanez, forthcoming).

The provision of adequate training not only ensures that companies have the skills they require to adopt AI effectively, it also makes workers more likely to report that AI has had a positive outcome on their performance. Ninety percent of workers who had received training to work with AI said that AI had improved their performance, compared to just 70 percent of those who hadn't received training (Broecke, Lane, and Williams, forthcoming).

“

Workers in companies that consulted workers were nearly 20 percentage points more likely to say that AI had improved their work performance, compared to workers in companies that did not.”



Similarly, forthcoming OECD research has found that organizations that make a concerted effort to survey and consult their workforces experience better outcomes in terms of productivity, and perceptions of working and employment conditions. In relation to AI, workers in companies that consulted workers were nearly 20 percentage points more likely to say that AI had improved their work performance, compared to workers in companies that did not (Broecke, Lane, and Williams, forthcoming). One manager in a US manufacturing company argues that co-creation improves outcomes: “We [bring] all stakeholders together in the early stages of a project to get buy-in. Things go better that way.” (Milanez, forthcoming).

AI technologies do, however, present other challenges for employers, raising questions around: data protection and privacy, transparency and explainability, bias and discrimination, and accountability (Salvi del Pero, A., P. Wyckoff, and A. Vourc'h, 2022).

While these issues are not necessarily new, they have been exacerbated by the advances in AI, meaning employers must address them as a matter of urgency, both from an environmental, social, and governance (ESG) perspective and in terms of maintaining market competitiveness.

Take, for instance, concerns about bias and discrimination in AI recruitment tools. While such bias may negatively impact certain groups of workers, it is also a question of lost efficiency. In a highly competitive labor market, organizations cannot afford to use biased AI tools that may filter out highly eligible but non-traditional candidates before the recruitment team even notices they applied.

Get ready for regulation

While employers and workers can make progress in finding solutions to some of these issues through social dialog (Krämer and Cazes, 2022), policymakers across the OECD are grappling with these issues in earnest. Recent developments include the proposed EU AI Act and the forthcoming “bias audits” of AI tools in New York.

In the meantime, the development and use of AI must be guided by non-regulatory and non-binding initiatives such as the [OECD's Artificial Intelligence Principles](#), which aim to promote innovative and trustworthy use of AI in a way that respects human rights and democratic values.

Perspectives from Capgemini



REIMAGINING THE PEOPLE EXPERIENCE: THE ROLE OF HR

Stephan Paolini, Global Head of Intelligent People Operations, Capgemini Business Services
 Claudia Crummenerl, Managing Director, Global Practice Lead of Workforce and Organization, Capgemini Invent

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BUILDING A FUTURE-READY TALENT ORGANIZATION

Anne Lebel, Group Chief Human Resources Officer, Capgemini
 Natalie Hughes-Jacquemin, Group Head Talent and Learning Officer, Capgemini
 Pallavi Tyagi, EVP and Group Head – People Experience Design and Future of Work Expertise Hub, Capgemini

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TECH @ WORK: A KEY ENABLER OF THE AMAZING PEOPLE EXPERIENCE

Jon Harriman, Vice President, Employee Experiences, Capgemini Group Portfolio
 Alan Connolly, Global Head of Employee Experience Portfolio, Cloud Infrastructure Services, Capgemini

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UNLOCKING WORKFORCE POTENTIAL THROUGH DIVERSITY AND INCLUSION

Shobha Meera, Chief CSR Officer, Member of Group Executive Committee, Capgemini

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Claudia Crummenerl
Global Practice Lead
and Managing Director,
Workforce and Organization,
Capgemini Invent

Recognizing the importance of people in business transformation, Claudia works with clients to reinvent the employee experience through data and technology. She uses her expertise in the people perspective of digital to understand how leadership in the digital age is evolving, how talent and workforce productivity can be transformed through automation and AI, and how to effectively engage employees throughout the transformation process.



Stephan Paolini
Head of Intelligent
People Operations,
Capgemini Business
Services

Stephan is recognized as a people levers specialist, enhancing and sustaining transformation effectiveness through various actions on leadership & performance, management innovation, digital HR, culture change, talent & organization performance or change dynamics in complex environments. With strong expertise in many sectors, he has contributed to significant digital transformations.

REIMAGINING
THE PEOPLE
EXPERIENCE:
THE ROLE OF HR



How effective can HR strategy be in building resilience, enhancing workforce engagement, and instilling organizational flexibility?

Work will never be the same again. Pre-pandemic, the mindsets of both employer and employee were often binary, dividing working conditions into **must-haves** and **nice-to-haves**.

For employees, the must-have was a role that they could fulfil and that paid the bills. For employers, the must-have was filling most roles with adequately skilled and qualified candidates, with costs under control, to ensure that all required work was being done, to ensure business was delivering on its baseline expectations.

If asked to name their nice-to-haves, employees would have mentioned finding interest and variety in their work; a pleasant work environment in which they enjoy spending time; benefits and perks beyond basic salary (e.g., private healthcare and pension); and exciting potential career-progression opportunities with clear requirements and a fair process. For employers, the typical pre-pandemic nice-to-have was the chance to build a work and performance culture that supported the organization's ambitions.

OFFERING A POSITIVE EMPLOYEE EXPERIENCE SHOULD BE AS MUCH OF A FOCUS AS PROVIDING A PREMIUM EXPERIENCE FOR CLIENTS.

That world is now gone

Running a business-effective HR function has become harder than ever. The concept of the workplace has been redefined, imposing new pressures not only on existing HR models, but on current work processes and digital workspace environments, with immediate impacts on the workforce lives, mindset, and engagement.

Employees have reset their priorities and expectations as the concept of strictly defined work and “home” time, first encouraged by employers for business continuity, has blurred. For employees in Europe and North America, relationships with their employers are evolving radically, perhaps even more so than when labor laws came into force in the 19th century. Employers have much to do to cope with the growing employee dissatisfaction; the first step is for organizational leaders (HR and business) to make themselves fully aware of the scale of the problem. Only 28% of employees say they are satisfied at work today, compared to 80% of leaders believing their employees to be satisfied, according to a Capgemini Research Institute report.¹

¹ Capgemini Research Institute, “The people experience advantage: how companies can make life better for their most important assets,” October 2022.

To re-engage your people, it is critical to design, promise, and deliver a positive employee experience; this should be as much of a focus for employers as providing a premium experience for clients. And the advantages are clear; our study states: “Ninety-six percent of employees reporting a positive experience also report feeling engaged, motivated, and energized at work.”

- *The HR function at Airbnb aimed to build a welcoming and inclusive culture for the organization’s new hires. After listening to the needs of its employees, Airbnb introduced a “live and work anywhere initiative,” where employees are given the flexibility to work from anywhere remotely in 2019, well before the pandemic.²*

Organizations implementing a frictionless, consumer-grade employee experience can then reap significant benefits, such as a 35–40% increase in productivity across five years, over 95% resolution of issues on first contact, 30% fewer HR queries, optimization of resources and human capital, and improved upskilling, loyalty, and engagement among employees.

Yet, the employee experience ambition cannot be solely dependent on the HR function. Operational managers along with marketing, internal communications, and IT have a bearing too. A successful employee experience is made up of numerous granular moving parts and continuous improvements to the daily, weekly, monthly, and annual work cycles of each individual employee.



Only 28% of employees say they are satisfied at work today, compared to 80% of leaders who believe their employees to be satisfied, according to a Caggemini Research Institute report."

² Livingroom Analytics, “How Airbnb became the world’s best place to work,” 2019.

"For employees in Europe and North America, relationships with their employers are evolving more radically with the Labor laws landscape into force in the 19th century."



“
Only 28% of employees have access to the technology and equipment they need to do their job well.”

In it together

Organizations now need to move beyond basic notions of providing their teams with a digital workplace to something more holistic that incorporates the must-haves and nice-to-haves for each employee. In the aftermath of the pandemic, facility management and the IT function must combine to rethink the role of the office – in close alignment with HR and business needs – to redefine their employees’ experience, reshaping the purpose, layout, and equipment of such facilities, as well as providing the infrastructure required for transition to the metaverse. It’s time for a digital workspace!

- *At HSBC, hybrid working model has enabled it to reduce its office real estate footprint by around a third since the start of 2020. In the US, the bank is experimenting with office redesign, by trying various spatial arrangements and furniture designs to facilitate collaborative work.*³

As our study confirms, “Only 28% of employees have access to the technology and equipment they need to do their job well.” If organizations can address this key issue with flexible, meaningful solutions to organizations, ways of working, and various roles, the benefits are immediate, and everybody wins. The needs of the business and its employees are not mutually exclusive, but closely intertwined.

³ QZ.com, “How Salesforce, IBM, and HSBC are approaching return to work now,” January 2022

Perspectives from Caggemini

- *Automotive group Volkswagen adopted a refreshed HR strategy which looks at employees and their needs throughout the entire work experience: “Me” (what motivates me to do my job and how do I sustain my fitness to work?), “My team” (what helps us to achieve the best team performance?), “All of us at Volkswagen” (what makes Volkswagen unique and why do we love to work here?) and “Volkswagen in society” (how do we convince our customers and stakeholders that Volkswagen is corporately responsible?).⁴*

And organizations now have to treat employees and contingent workers as equally valuable members of their broader talent ecosystem. The people experience must now serve the needs of all talent involved within an organization’s ambit.

To build the foundations of such an engaging people experience, organizations can set four key objectives:

- **A clearly articulated “people promise”** – mirroring the aspiration for customer experience, this should incorporate company purpose and values, up to flexible ways of working – translated concretely in a way that answers all employee expectations.
- **A seamless, personalized employee experience** – remodeling traditional inter-employee interactions over the entire talent lifecycle (from recruitment to off-boarding), developing globalized and seamless HR operations (standardize, digitize, and automate HR processes wherever possible), and using high-quality people data that provides reliable analytics to allow leaders to treat their workforces – real-time – in a manner that is both standardized and personalized.
- **A holistic and user-friendly technology architecture** – connecting core HR solutions and core work/digital workplace systems through an intuitive front-end interface, giving the employee experience greater agility through the use of more nimble applications that serve specific people needs and make work life simple and easy.
- **A supportive, inclusive work culture** – built on collaboration, engagement, mutual support, and care, and empowered by continuous monitoring of employee engagement, and matched by swift and appropriate actions that are part of a concerted effort to meet evolving employee expectations.

⁴ Volkswagen website, “People in the transformation”

Integrating stakeholder views – what do CXOs need from their people?

The key to a resilient, talent-centric organization is having the right person in each role. However, for those around the boardroom table, the emphasis is likely to overlap in some areas, and diverge in others.

Figure 1: Questions asked from the different corners of the C-suite on the future of work

CEOs	<ul style="list-style-type: none"> • How do we design an organization fit for the future? • How do we attract talent we require, without incurring excessive cost or overstressing resources?
CFOs	<ul style="list-style-type: none"> • How do we determine what the right workforce size, quality, and cost should be? What are must-haves and what are nice-to-haves? • How do we mobilize our insights into profit-generation and customer satisfaction and apply them to improving our employee-satisfaction rate? • How should we define and measure the ROI in our people?
CMOs	<ul style="list-style-type: none"> • How do we adapt the learnings from our customer experience to improve our employee experience? • How do we apply insights derived from interactions with our customers to our employees?
CIOs/CTOs	<ul style="list-style-type: none"> • How do we adapt our technologies to the new ways of working without disrupting business models and our services to clients? Which investments should we prioritize? • How do we harness our people data for effective insights?
CHROs	<ul style="list-style-type: none"> • How do we meet the current requirements of the business while living up to the employees' rising expectations? • How do we monitor the organization's direction of travel, so we can continue to upskill our workforce and hire/engage the right people?

The founding principles for an amazing people experience

An amazing people experience starts with the following foundational principles, 1) put your **people first and customize HR services accordingly**; 2) design a **customer-grade employee experience** – user-interfaces design, virtual agents, personalization of services to the needs of individual employees, and prioritized first-contact resolution; 3) leverage an **outsourcing approach** to fill in any gaps in capabilities such as data analytics or AI or services-at-scale; 4) **transform while transitioning** – start by building in small efficiencies and use those as a base to gain momentum, demonstrate it works, and build scale; 5) implement **continuous innovation** – refreshing your HR and learning solutions portfolio regularly (at least annually) will ensure regulatory and technological relevance.

To bring the above principles in effect, organizations need to move away from a process-centric approach to one that designs a **holistic and digital experience** you need. Its key components must include:

- new ways to **collaborate, interact and manage**, fitting your new hybrid work environment;
- an adapted, future-ready **HR technology stack** to support both the processes with which the workforce engages day to day and the workforce-management processes at the HR function;
- a **digital employee helpdesk** – to provide an intelligent, multi-channel helpdesk which can effectively and efficiently interact with the workforce;
- **frictionless HR operations** – enabling innovation and automation to come together and deliver an inclusive HR experience that visibly puts the employee at the center;
- **Digital learning and knowledge services** – featuring learning platform services, machine learning, and a learning content factory to upskill and inform the workforce at scale and groom the talent you need.

In the current talent market, the people experience is key to securing both engagement and loyalty from your talents. Your brand as an employer can reflect your aspirations for your business and your industry – but it does start with taking the best care of your people.



Anne Lebel

Chief Human Resources Officer, Member of the Group Executive Board

Anne Lebel is Capgemini's Chief Human Resources Officer and a member of the Group Executive Board since July 2020. Prior to joining Capgemini, Anne was Chief Human Resources and Corporate Culture Officer for Natixis and a member of the Senior Management Committee. She is a graduate of the Institut d'Etudes Politiques in Strasbourg (France) and the Institut d'administration des entreprises (IAE) Paris.



Natalie Hughes-Jacquemin

Group Head Talent & Learning Officer at Capgemini

Natalie joined Capgemini as Chief Talent & Learning Officer in May 2021. She drives the Talent, Learning and Development strategy for the Group. She has a Degree in Systemic Coaching and Organizational Development Consulting from ISB Wiesloch and a Masters in Organizational Psychology from RWTH University of Aachen.



Pallavi Tyagi

EVP and Group Head -
People Experience Design
and Future of Work
Expertise Hub

Pallavi heads Capgemini's People Experience Design and Future of Work Expertise Hub. Her profile spans the entire gamut of HR function, including strategy, leadership pipeline development, manufacturing operations, compensation and benefits, talent management & acquisition and Diversity & Inclusion; with a strong focus on high emotional quotient, interpersonal capability, and strategic stakeholder management.

BUILDING A FUTURE- READY TALENT ORGANIZATION

Perspectives from Capgemini

Over the past few years, a range of factors have seriously disrupted global talent markets, which have been rocked again more recently by high inflation and rising economic uncertainty. In this context, digital skills are at a premium as organizations scramble to ensure they have the resources to conduct a smooth, successful transition.

Resilience, speed, and agility are required of HR solutions to create value for the business and for employees. Traditional recruitment methods, as with traditional forms of employment, require remodeling to meet the demands of the new business environment. Similarly, the convention of permanent employment is breaking down as employee work models change, meaning that organizations need to accept and tap into the gig economy and other unconventional pools of talent as a legitimate source of talent.



AN ENLARGED TALENT POOL IS A REQUIREMENT TO FUEL OUR CONTINUED GROWTH.

How can HR help organizations to overcome these key talent challenges?

The pandemic has accelerated digital transformation in response to widespread digitization of jobs across industries, leading to a high demand for skilled workers.

These pressures are leading organizations to rethink their talent-management strategies.

The following three priorities underpin Capgemini's talent transformation:

1. Create highly energizing people experiences
2. Expand our talent ecosystem
3. Transform into a skills-based organization

1. Create highly energizing people experiences

The Capgemini People Ambition initiative is designed to help Capgemini become a true leader and "talent magnet." As part of our transformation, we have created a People Design Hub, a mechanism to allow the HR value chain to implement the changes to the people experience that we perceive to be a necessary response to evolving business requirements.

It is focused on enhancing the people experience in the four main stages in our employee life cycle (Join, Daily Experience, Grow & Develop, and Next Steps). Unlike traditional employee experience programs, which typically

"During COVID-19, we launched a program in India called Sakhi Drishtikon ('friendly foresight') to train marginalized women in rural communities in IT skills."



take a top-down approach to changing the experience, our program is built according to the moments that matter for our people, with the support of our people and sponsored by our leadership.

We are aiming to build a culture of trust, nurturing a sense of community and belonging. We are doing this by elevating listening, enabling engagement, and embedding enthusiastic acceptance of innovation and change. We are also focusing on our organizational leadership as the nucleus of innovation, designing best-in-class experiences for our colleagues. The Hub is researching best practices in the marketplace and leveraging internal best practices, and is bringing to its employees a cutting-edge experience while using the latest technologies.

An example of creating a One Capgemini experience is our employee journey during the first nine months at Capgemini, which we call Melting Pot. It helps our new hires acclimatize via an immersive experience, allowing them to align their own purpose, ambition, and values with those of Capgemini. The workshop is conducted in the second month after joining. It focuses

on Capgemini's purpose, values, and ambition, and also includes reflection on the individual's positive work and career experiences of the past and their expectations going forward with Capgemini.

2. Expand our talent ecosystem

With the current scarcity of skilled talent, an **enlarged talent pool** is a requirement for fueling our continued growth. From a business perspective, offering a more flexible employment framework that incorporates the gig economy not only helps attract new talent by allowing employees to work in a **culture of trust and flexibility** and offering a better **work-life balance**, but it also **reduces attrition**, giving us a competitive edge over our peers as an **innovative and agile organization**.

Managing these "alternative" relationships no longer falls solely to procurement teams or department heads. We have to adopt a strategic approach to talent management, developing an in-depth understanding of our talent requirements, creating employee stickiness, and managing capability and capacity in line with these in a more responsive way than is provided by the conventional employer-employee relationship.

By enlarging the dimensions of our talent ecosystem, we give ourselves access to flexible talent pools of remote workers, part-time staff, internal and external gig workers, and "on-demand talent." This also means getting access to a much wider range of qualifications, experience, and specialist skills.

As an example, during COVID-19, we launched a program in India called Sakhi Drishtikon (Friendly Foresight) to train marginalized women in rural communities



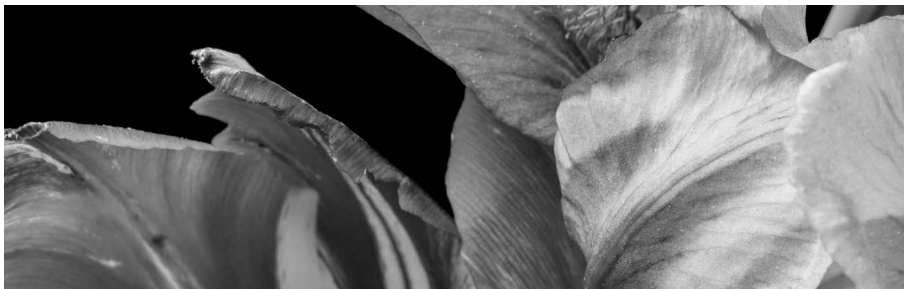
Offering a more flexible employment framework that incorporates the gig economy gives us a competitive edge over our peers as an innovative and agile organization."

TALENT COMMUNITIES AND SOCIAL MEDIA ARE FACILITATING A MORE FLUID RELATIONSHIP

in IT skills, allowing them to bridge the digital-skills gap. This has been achieved through collaboration with colleges in these rural areas and non-governmental organizations (NGOs), which can provide counselling on soft skills and cybersecurity. To date, we have onboarded almost 700 women and trained them to use platforms including **ServiceNow, PowerShell, Python, SAP Basis, SQL, and Big Data**. More than **200 Saksi Associates** have attained a certified skill level in data-center, cloud, and cyber operations.

Careers are increasingly focused on gaining a breadth of experience, contributing to interesting projects, and personal development, rather than the status- and salary-based goals of the past. As a result, employer-employee relationships are evolving and are no longer necessarily structured via a specific job application and a permanent contract.

Rather, talent communities and social media are facilitating a more fluid relationship so that employers can make contact before a work opportunity arises, as well as stay in touch after completing an engagement. The increased mobility of employees, as well as a rise in the number of contingent and project-based assignments, means that talent can be a regular feature without the need to be ever-present.



Capgemini utilizes a set of **Talent Ecosystem Parameters**:

- Time commitment: full-time/part-time
- Location flexibility: Medium (hybrid) – High (work from anywhere)
- Time flexibility: Medium (new normal) – High (select the projects you want to work on)
- Exclusivity of contract: permanent employee/freelance
- Familiarity: High (retirees, alumnae) – Low (new relationships)

"We have developed non-linear career framework that supports reskilling, upskilling, cross-skilling, and provides clear pathways to career growth and acquisition of in-demand marketable skills."

3. Transform into a skills-based organization

According to Korn Ferry, this digital-skills gap could cost the global economy \$8.5 trillion in unrealized annual revenue. Capgemini is shifting to an innovative skills-first approach, to protect our future competitiveness and meet the market demand for digital expertise.

Instead of looking backwards to solutions that worked in times past, Capgemini is transforming performance-management, hiring, career-management, workforce-deployment, rewards, and talent-management processes to craft a skills-based talent strategy.

Our initiatives include the following:

- Level of skills maturity is now included as a measure of performance for every employee
- Non-linear career framework that supports reskilling, upskilling, cross-skilling, and provides clear pathways to career growth and acquisition of in-demand marketable skills. According to Capgemini research, “Upskilling can help a 50,000-strong organization save \$278 million over three years, compared with organizations that are yet to upskill their workforces at scale.”

“

The digital-skills gap could cost the global economy \$8.5 trillion in unrealized annual revenue.”

- A dynamic skills-based culture to optimize workforce planning and nurture global professional communities

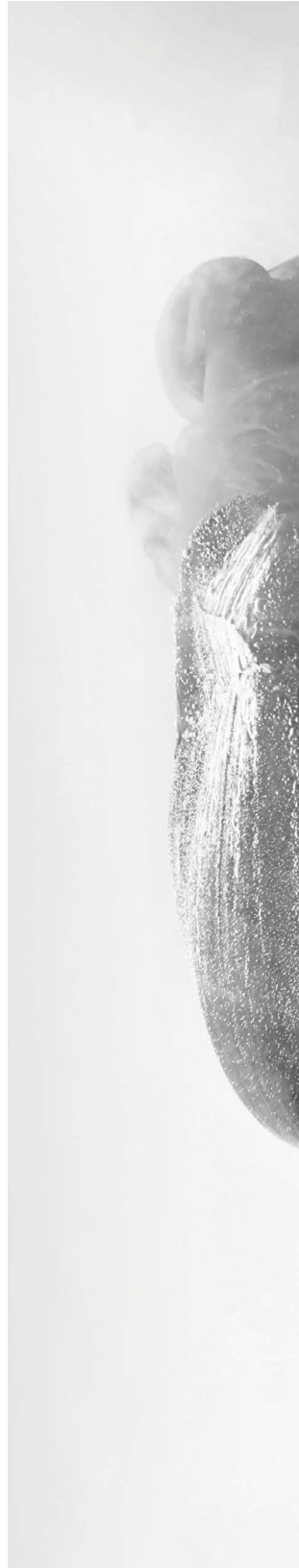
- Employer as educator: the employer takes the lead on training and education for internal employees and the broader talent ecosystem, promoting and enabling readiness for the jobs that will come out of the digital transformation


- Prioritizing individual well-being as a foundation of organizational health and productivity and a prerequisite of personal and professional progress

- Removing traditional barriers to entry-level job applications to allow consideration of non-traditional skills and experience

- Boosting retention and motivation by rewarding employees based on skills and performance, rather than position, tenure, status, or relationships

Capgemini has always been a strong advocate of digital-skills development and we have increased the employability of millions of our people by helping them to develop stronger digital skillsets. According to Capgemini Research Institute research, only 56% of organizations are currently taking adequate steps to adapt their employees’ skillsets to the changes engendered by the automation trend. We are enabling the transition to the digital economy on many levels, for our workforce as well as our clients, and contributing to the digital skills pool for a more enabled business ecosystem.





"Prioritizing individual wellbeing as a foundation of organizational health and productivity and a prerequisite of personal and professional progress."



Jon Harriman
Vice President and
Group Portfolio
Executive at Capgemini

Jon Harriman is a Vice President and Group Portfolio Executive at Capgemini, leading offers related to employee experiences through integrated sales and delivery enablement tools. With deep sector and industry knowledge, Jon helps organizations meet their business goals by transforming and managing their IT infrastructure landscape.



Alan Connolly
Global Head of Employee
Experience Portfolio,
Cloud Infrastructure
Services, Capgemini

Alan Connolly is the Global Head of Employee Experience Portfolio, Cloud Infrastructure Services, Capgemini. He focuses on building relationships across all levels to understand key challenges, delivering compelling IT solutions that create business value, and identifying opportunities to enhance employee experience and digital journeys across the workplace.

TECH @ WORK:
A KEY ENABLER
OF THE PEOPLE
EXPERIENCE

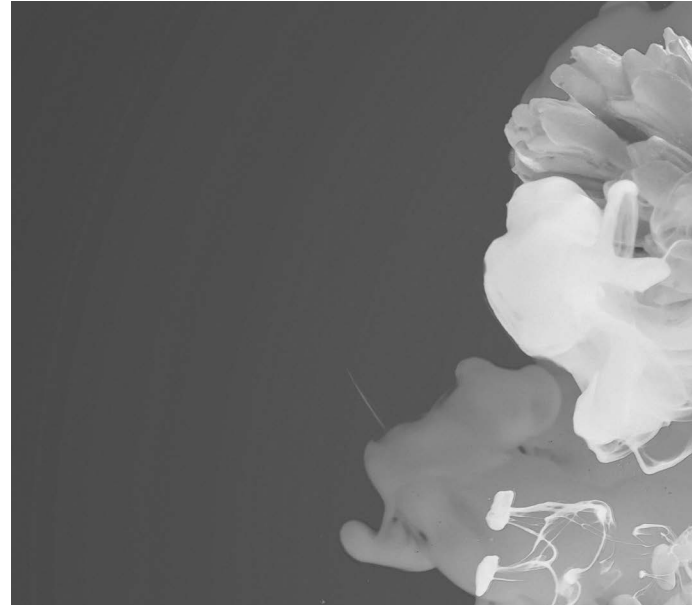
Paying attention to tech as the primary EX enabler

While, historically, companies have focused on designing a suitable physical workspace and perhaps throwing in a few communication tools, not enough attention has been paid to which technologies will enable employees to perform and engage. Many product and service organizations focus on deploying the latest technologies to benefit their customers; however, they fail to look inward at the benefits of technology for, nor the experiences of their employees.

The recent study from the Capgemini Research Institute indicates that many employees are underwhelmed by their current work-related technology experiences; moreover, we found that only 28 percent of employees agreed that they have access to the technology and equipment they need to do their job optimally. Below, we identify the possibilities provided by some of the technological solutions that could bring organizations' requirements and their employees' expectations into closer alignment.

GO TO CLOUD

Cloud enables work from anywhere:
Cloud enables applications and data to be accessed now from any device, which means



“
Many organizations fail to look inward at the benefits of technology for, nor the experiences of their employees.”



that employees are no longer tied to a single location. They don't need to be in the office; they can work from home or while commuting, facilitating the hybrid work models that are increasingly the post-pandemic norm. Cloud also promotes "tech agnosticism," meaning employees are free to use their preferred device to access work systems, rather than being obliged to use a prescribed one.

AUTOMATE

Artificial intelligence and automation augment employee productivity:

Irrespective of the role of an individual employee, AI and automation technologies can dramatically boost their productivity, freeing up time for more strategic, value-added activities. This ranges from the more obvious assistance in technical roles to the AI-based tools including Jasper and Grammarly that can help employees in the content-creation process.

MAKE EVERYTHING SMART

Internet of Things (IoT) – a seamless connection to business

infrastructure: – Every day, more office devices become network enabled. This is a trend that started with network-connected printers but, today, with the advent of beacons and sensors creating new use cases, offices and factories are "turning smart" in a way that was not previously possible.

CLOUD ENABLES WORK FROM ANYWHERE

"Microsoft's Viva latest release, for instance, has rebooted the concept of the intranet by moving siloed information to a single central location so that it can be accessed democratically by whoever needs it within the appropriate divisions of the organization."

Employees can then interact with their smart spaces digitally to undertake day-to-day tasks such as booking desks or rooms, locating their colleagues, and connecting digitally to servers and networks. All of these greatly enhance the potential for collaboration and employee productivity in the world of hybrid work.

DIVE INTO VIRTUAL

Mixed reality brings an immersive

element: Mixed reality (MR) is the term used to describe the combined use of virtual reality (VR) and augmented reality (AR) to allow a more immersive experience in continuous learning or daily tasks. For example, by using smartphones, tablets, or wearable devices such as the Oculus VR headset, factory employees can access a "digital twin" of the appliance that they are manufacturing, permitting practical training and diagnosis of faults without interrupting or otherwise negatively affecting the production process (*see insert for more details*).

MAKE IT TOGETHER

Collaboration tools are key to thriving in

the new normal: As the world adjusts to new post-pandemic work models, hybrid working is a predominant request. In such distributed environments, the role of tools that facilitate collaboration has become critical. Our research finds that less than one-third of employees (29 percent) are happy with the collaboration tools to which they have access to at work, often relying on outdated video-conferencing equipment. There are several contenders on the market to allow organizations to upgrade to a comprehensive collaborative experience; Microsoft's Viva latest release,

for instance, has rebooted the concept of the intranet by moving siloed information to a single central location so that it can be accessed democratically by whoever needs it within the appropriate divisions of the organization. This centralization of data also facilitates cross-organization collaboration. It does require to rethink the ways of working, interactions, and managerial connections, but technology can help in this challenge that needs to be addressed anyway.

TESTING THE METAVERSE

By harnessing the metaverse and the VR, AI, and social-media channels it opens up, organizations can address two main employer concerns: firstly, the need for enhanced networking and collaboration in the hybrid world of work; and, secondly, the fact that Generation Z constitutes as much as 60 percent of metaverse users. In order to attract the top talent of the future, organizations must recognize and tap into such preferences and provide them with the tools which they are accustomed to using in both their private and working lives. Making this effective across generations is the main challenge, hence the need to start testing.

28%

28 percent of employees agreed that they have access to the technology and equipment they need to do their job optimally.

"Allianz's adjusters conduct live video assessments of claims damage from remote locations, using AR and AI to collect required data such as photos, signatures, and geolocation."





The benefits of the immersive experience

Aerospace & Defense: Airbus harnesses AR, VR, and MR tools across its operations. It has designed and deployed VR tools in its aircraft-design process, for instance. Airbus engineers can use VR to view, interact with, and even adjust 3D digital models of aircraft before they begin to develop the parts. This allows them to simulate scenarios in a safe environment. Similarly, using AR glasses, electrical engineering teams can examine the various cable-configuration options, superimposed on the physical aircraft. This kind of hands-free guidance allows up to 25-percent quicker installation.¹

Automotive: Ford and Bosch have developed a VR training tool that allows Ford to train its technicians in servicing and maintaining the all-electric Mustang Mach-E. Ford uses VR headsets to train its engineers in diagnosis and tasks such as installation, removal, and servicing of the main battery.

Healthcare: US-based startup SentiAR is working on an AR tool that can guide surgeons during cardiac and other invasive interventions. Via a headset, the system presents the surgeon with a 3D image of the patient's heart, allowing them to see the position of catheters within the organ. Use of the tool has demonstrated an improvement of up to 50 percent in surgical precision.²

Insurance: Allianz, a German multinational financial services firm, has used AR to improve its claims process. Allianz's adjusters conduct live video assessments of claims damage from remote locations, using AR and AI to collect required data such as photos, signatures, and geolocation. Within less than a year of adopting this process, the company has processed over 100,000 remote video claims, reducing employee travel by more than 6 million kilometers, shrinking the organizational carbon footprint, and improving claim-resolution time.³

1 Airbus, "Virtual reality with real benefits," September 25, 2017.

2 Washington University in St. Louis, "SentiAR raises \$5.1 million for holographic cardiac ablation guidance system," April 13, 2021.

3 Allianz Success Story. (January 20, 2022.). SightCall. Retrieved September 22, 2022, from <https://sightcall.com/case-studies/allianz>

TECHNOLOGY IS ONE OF THE KEY ENABLERS THROUGH WHICH ORGANIZATIONS CAN IMPROVE THEIR PEOPLE EXPERIENCES.

Where should organizations start?

Every organization contains variations in ways of working and dozens of roles, each with its own specific responsibilities and critical tasks to be effectively and sustainably performed. Correspondingly, it is important to understand the needs of each one in their role fulfillment by mapping their digital user journeys in performing their daily work. In doing so, two key things can be achieved:

1. Organizations can identify the critical moments that need to be improved, facilitated, and measured.
2. They can adapt or redesign operating processes, tasks, and ways of working through the appropriate and relevant use of technology, thus increasing efficiency, productivity, and user-satisfaction.

Technology is one of the key enablers through which organizations can improve their people experiences, affording an attractive connection with the work and life experiences of younger-generation workers. Cloud technologies enable flexible working, from any location and on a device of the employee's choice. MR, the metaverse, and collaborative working support a global, connected workforce, facilitating immersive learning and mentoring on a daily basis. Similarly, self-help and AI technologies allow employees to maintain productivity levels, with issues resolved automatically, or even pre-emptively, with little or no downtime as a result. The organizations that have grasped the importance of improving their employee experience are already receiving the benefits in terms of improved productivity, greater retention of talent, and a distinct competitive advantage.

By taking an experiential approach to defining and implementing their technology portfolio strategy, organizations can avoid unnecessary technical piling-up, debt, and waste, and improve the overall impact on their employees' ability to perform their jobs, and, in the process, help them to derive greater satisfaction from doing so. This is how amazing people experiences are implemented.

"Less than one-third of employees (29 percent) are happy with the collaboration tools to which they have access to at work."





Shobha Meera
Capgemini Group Corporate
Responsibility Officer,
Member of the Group
Executive Committee

Shobha Meera is the Director of Corporate Responsibility (CR) for Capgemini Group, and member of the Group Executive Committee, since April 2020. In this capacity, she is responsible for the Group strategy on Environmental Sustainability, Digital Inclusion and Diversity & Inclusion, its deployment, and its implementation.

Committed to working in the collective interest, Shobha Meera uses her skills and experience in corporate leadership to accelerate the deployment of Capgemini's CSR initiatives focused on a healthier planet and reducing inequalities. She is a member of the board of directors of Capgemini India, of Purpose PBC and the American local network of the United Nations Global Compact, and the Global Compact Network USA.

UNLOCKING
WORKFORCE
POTENTIAL
THROUGH
DIVERSITY AND
INCLUSION

One in four employees does not feel valued at work. This is a key finding from a recent International Labor Organization (ILO) report on diversity and inclusion.¹ Research has consistently shown that high levels of diversity, equality, and inclusion (DEI) are closely associated with a variety of business-related benefits, including higher levels of productivity, stronger innovation, improved performance, and better talent retention. However, less than one-third of organizations actively measure inclusion. This notwithstanding, the days of regarding DEI as a nice-to-have initiative are long gone; today, it is front and center. Efforts around DEI directly impact organizational performance and ability to attract and engage talent (including from previously untapped pools), as well as the wellbeing of external communities. A strong DEI commitment is part of fulfilling overall organizational purpose.

"Diversity has many dimensions: gender, age, disability, social and cultural origins, sexual orientation, personal and professional experience, ways of communicating, and even personality."



¹ ILO, "Transforming Enterprises through Diversity and Inclusion," April 2022.

Diversity is a key driver of innovation and performance

“
One in four employees does not feel valued at work.”

Diversity has many dimensions: gender, age, disability, social and cultural origins, sexual orientation, personal and professional experience, ways of communicating, and even personality. A diverse workforce, with varied experiences and skills, can provide a variety of approaches to the same problem, generating more creativity and a range of original solutions, as well as insight to help decision-makers get to the best solution faster.

In technology and design, this diversity is critical to preventing biased solutions that fail to address customers’ needs from predominating. Diverse and inclusive tech teams lead to more inclusive tech design. Research from the Capgemini Research Institute has found a clear and direct positive correlation between organizations that perform strongly in terms of developing inclusive culture and practices and those that score highly in inclusive design practices (see Figure 1).²

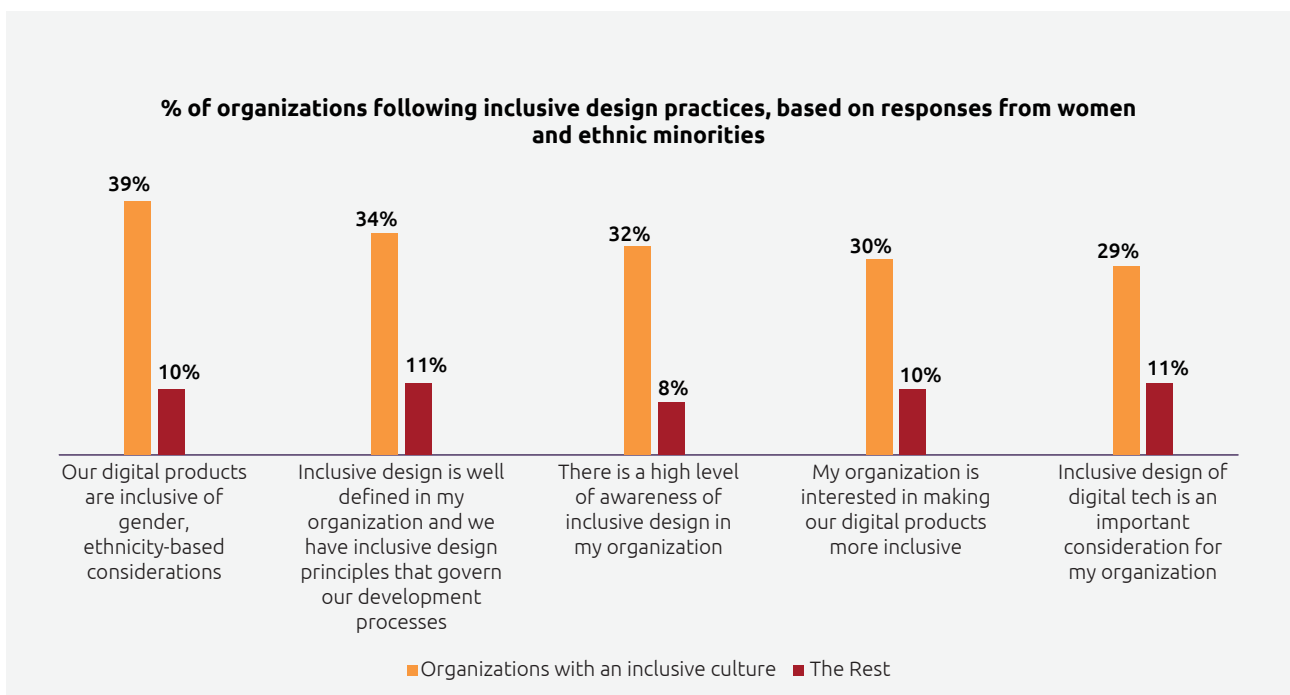
Some frontrunners are already beginning to see a competitive edge emerge as a result of nurturing a diverse workforce. As pointed out by Xavier Chéreau, CHRO of Stellantis, in his interview for this edition, his organization sees diversity as a “real competitive advantage,” with strong commercial benefits.

² Capgemini Research Institute, *The key to designing inclusive tech*, July 2021.

Diversity and inclusion play a key role in attracting and engaging talent

In an increasingly competitive, fast-paced marketplace, organizations must seek to attract talent from new and more diverse sources. Indeed, diversity and inclusiveness can make the difference between someone wanting to work for an organization or not. Research suggests that about one in three job seekers would not apply to an organization with a less diverse workforce.³

Figure 1: Organizations with an inclusive culture have better inclusive design practices

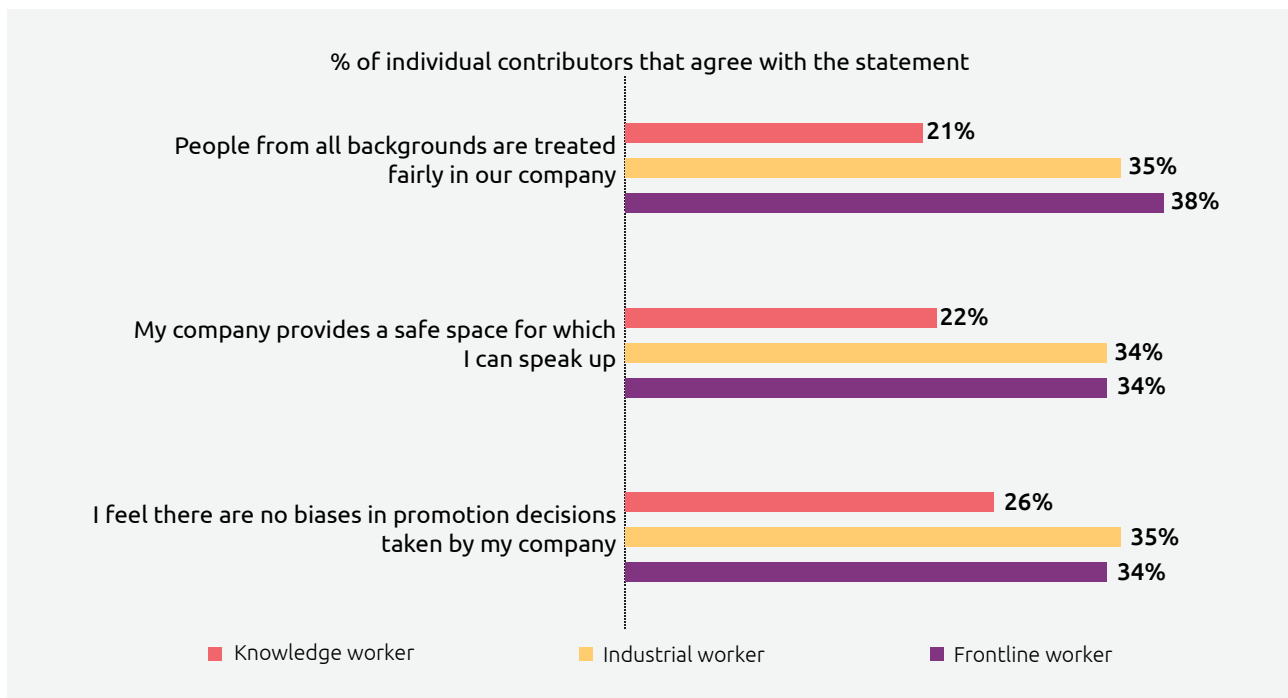


Source: Capgemini Research Institute, Inclusive workforce, and inclusive technologies survey, March–April 2021; N = 418 ethnic-minority and women employees in tech functions from N = 418 organizations under consideration with N=102 organizations with an inclusive culture.

Organizations must provide a working environment that makes everyone feel welcome and offers equal opportunities to thrive. Our recent research shows that, at leading organizations, less than 35% of employees feel there are no biases in promotion decisions (see Figure 2).

³ Glassdoor, “Diversity & Inclusion Workplace Survey,” September 2020

Figure 2: More industrial and frontline employees believe employees from all backgrounds are treated fairly



Source: Caggemini Research Institute, Employee Experience Survey, April–May 2022, N = 989 individual contributors.

“
Less than 35% of employees feel there are no biases in promotion decisions.”

Employees today expect to derive a sense of purpose from their work and to gain a sense that their organization cares about sustainability and inclusion. Other research also drives home the importance of DEI efforts to employee engagement. A SurveyMonkey research executive comments: *“Workers who are satisfied with their company’s efforts on [DEI] issues are actually happier with their jobs. They are more likely than others to say that they have good opportunities to advance their careers, and to feel like they are paid well for the work they do.”*⁴

4 CNBC, “Majority of employees want to work for a company that values diversity, equity and inclusion, survey shows,” April 2021.

Conversely, a lack of representation of women or minorities in core functions or managerial positions, and a generally non-inclusive culture, can be detrimental to the organization and to employees, leading to significant erosion of talent reserves.

Through right-skilling programs, under-represented groups can form the next untapped talent pool for large organizations

The digital economy is evolving so fast that it is estimated that 85% of jobs that will exist in 2030 have yet to be invented.⁵ AI and robotics will transform existing jobs and required skillsets; employees will need to be agile, flexible, and equipped with a strong set of soft skills, on top of a STEM (science, technology, engineering, and mathematics) background. Under-represented minorities and women are at risk of being left behind. Failing to inspire interest in STEM subjects among girls and young women will result in fewer women gaining access to well-paid, rewarding careers.

By designing skills programs that target under-represented minorities, organizations can unlock a global talent pool. As pointed out in this edition by the European Commissioner for Jobs and Social Rights, in Europe alone there are 700,000-1 million digital-skills vacancies. Capgemini CEO Aiman Ezzat and CHRO Anne Lebel highlight (also in this edition) that Capgemini has seen great success in upskilling Uber drivers in Brazil and marginalized women in rural communities in India, allowing them to take up technology roles with Capgemini or elsewhere in the sector.

⁵ Institute for the Future of Work, "Emerging Technologies' Impact on Society & Work in 2030," July 2017.

BY DESIGNING SKILLS PROGRAMS THAT TARGET UNDER-REPRESENTED MINORITIES, ORGANIZATIONS CAN UNLOCK A GLOBAL TALENT POOL.

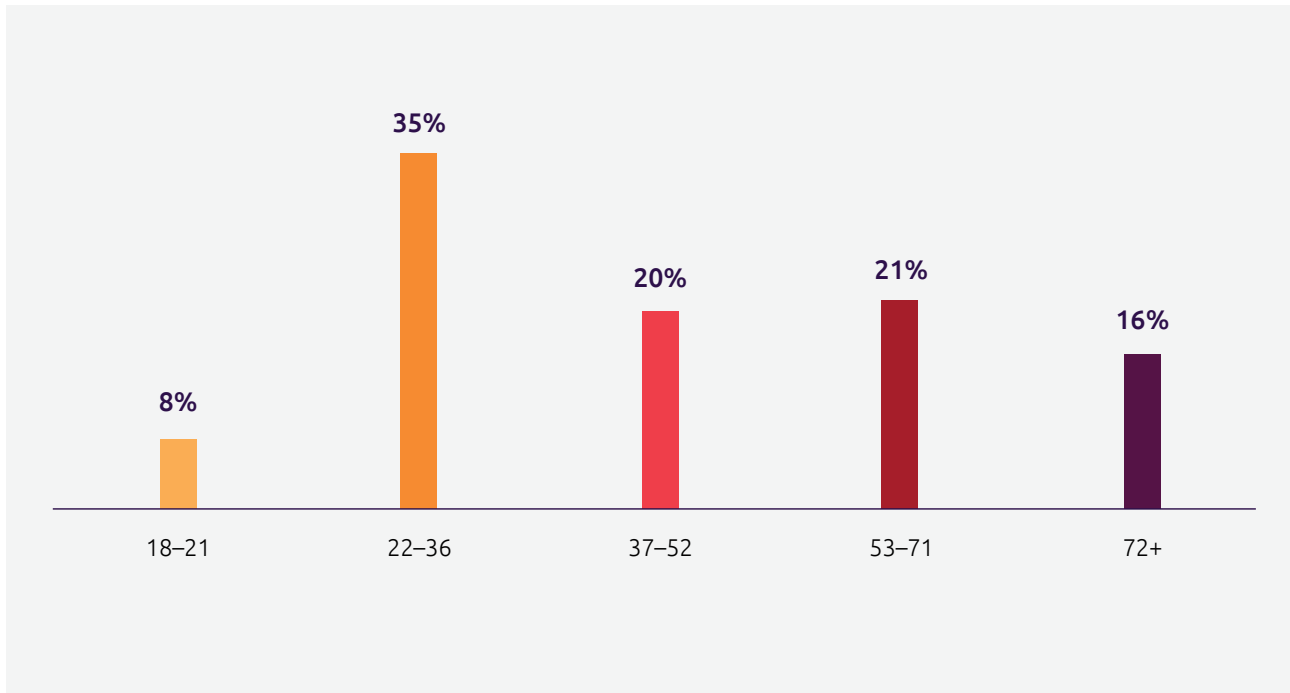
DEI initiatives impact external communities and broader society

Equipping everyone with the skills they need to thrive in a digital world and bringing more diverse talent to high-paying and rewarding jobs in tech should be at the core of every organization's corporate social responsibility (CSR) policies.

Digital empowerment is a key factor in inclusivity. Organizations should, therefore, not only address the requirement to educate disadvantaged and excluded people in basic digital skills, but also enable them to overcome social exclusion.

Socio-economic inequalities pervade communities, and an inability to access or use the internet effectively is one of the most devastating for the daily lives of many – while also being one of the most straightforward to rectify. The internet is no longer a “nice-to-have” luxury; it is a necessary tool for social and governmental interaction. Private organizations and governments must collaborate in the fight against digital exclusion. Our research shows that younger people – those that have the most to lose and, at the same time, can contribute the most to the future economy, constitute a large share of the offline population.

Figure 3: Percentage of offline population by age group



Source: Capgemini Research Institute, Digital Divide Research, Offline Population Survey, December 2019–February 2020, N = 1,304 offline respondents.

DEI is today tightly interwoven with an organization’s competitive positioning and ability to attract and retain talent. Intel CEO Pat Gelsinger sums this up: "Diversity, equity, and inclusion accelerate innovation, attract top talent, deepen employee engagement, and improve the bottom line. Capturing such benefits requires fostering that culture throughout the industry."⁶

"Digital empowerment is a key factor in inclusivity."

⁶ Fortune, "I asked the world’s top CEOs if they’re taking diversity seriously. Here’s why their answers could change your life," November 2022.



Capgemini's Diversity, Equality and Inclusion Initiatives

- We are committed to reducing the gender gap in tech by increasing the representation of women in our workforce to a minimum of 40% and that of women in executive positions to 30% by 2025
- In 2021, the number of people with disabilities joining the group increased by 26%
- We aim to support 5 million beneficiaries through our Digital Inclusion programs by 2030
- We operate 44 digital academies globally, in which we train socio-economically disadvantaged women, people with disabilities, refugees, and racial and ethnic minorities in in-demand technology skills including DevOps, coding, Java, full stack development, software testing, cloud web services, and cybersecurity, with the objective of drastically improving access to the tech job market for these demographics
- Examples of Capgemini initiatives include the Sakhi Drishtikon program in India, Code your Future in the UK, and the partnership with Pôle Emploi in France

Insights
from the
Capgemini
Research
Institute

THE PEOPLE EXPERIENCE ADVANTAGE

HOW COMPANIES CAN MAKE LIFE BETTER FOR
THEIR MOST IMPORTANT ASSETS

For details on the research methodology and to read the full report, please visit:
<https://www.cappgemini.com/insights/research-library/the-people-experience-advantage/>

People experience matters – Now more than ever

This research defines the “people experience” as the nature of the relationship and the cumulative interaction and professional journey that an employee has with their employer. This encompasses interactions with other people, organizational culture, operational systems, policies, and the physical and virtual workspace. The people experience involves day-to-day work, interactions with other departments or functions, and occasional events employees might be requested to attend. It is the overall impact of the job and the organization on the individual: how this makes the employee feel over time, how they perceive their potential and abilities, and the effect on their engagement and well-being.

A positive people experience...

Encourages retention

97%

of employees with a positive experience intend to stay with their company for the next year, compared to 49% of other employees

Results in higher engagement

96%

of employees with a positive experience feel engaged at work, versus 25% of other employees

Turns employees into promoters

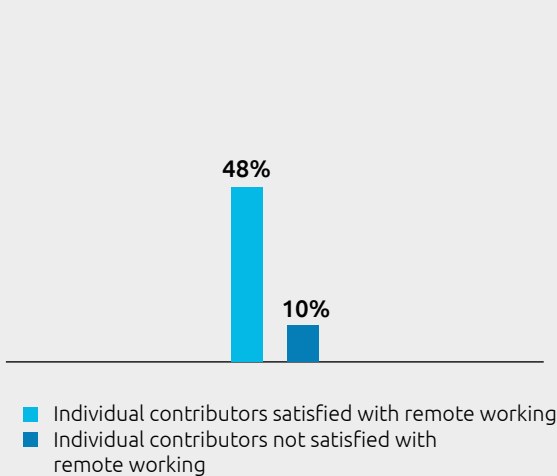
94%

of employees with a positive experience are likely to recommend their organizations as a place to work, compared to 17% of other employees

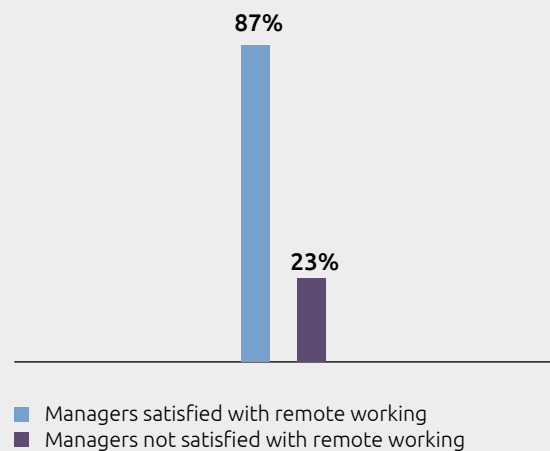
Additionally, **48%** of leaders from organizations where managers report positive experiences say they have realized improved customer satisfaction, versus 30% of leaders from companies whose managers have an inferior experience.

Satisfaction with remote work contributes to employee happiness

% of individual contributors who are happy at work



% of managers who are happy at work

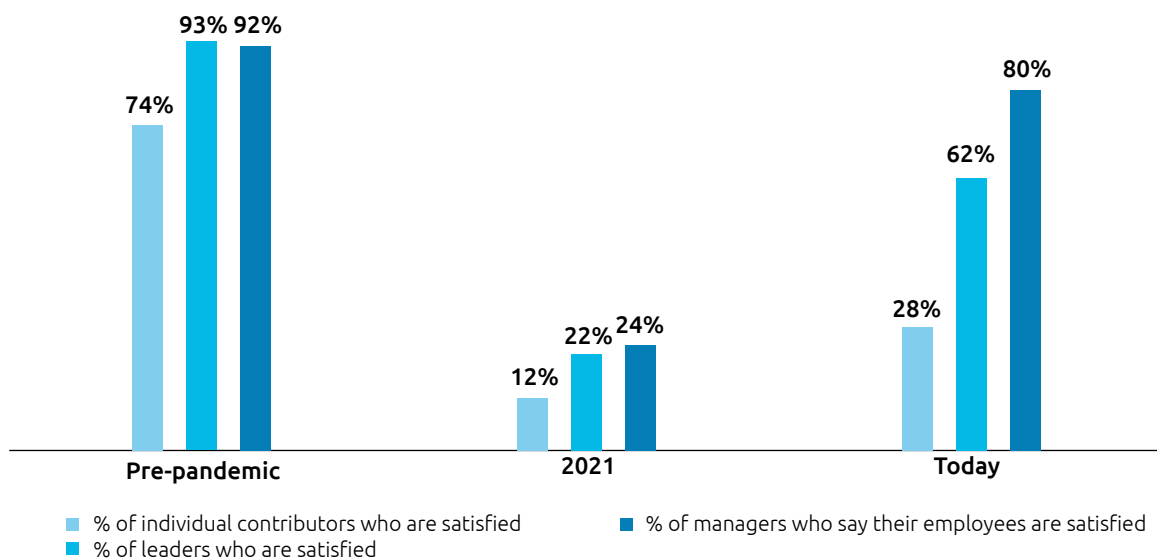


Source: Capgemini Research Institute, Employee Experience Survey, April–May 2022, N = 126 individual contributors satisfied with remote working, N = 200 individual contributors not satisfied with remote working; N = 218 managers satisfied with remote working, N = 82 managers not satisfied with remote working.

The perception gap in employee satisfaction

Employee satisfaction plummeted during the pandemic – and is yet to recover

Overall satisfaction with the experience at their current organizations



Source: Capgemini Research Institute, Employee Experience Survey, April–May 2022, N = 989 individual contributors, N = 511 managers, N = 750 leaders.

Leaders are overly optimistic about their employees' happiness

30%

of individual contributors say they are happy at work

65%

of managers say they are happy at work

92%

of leaders say their employees are happy at work

Source: Capgemini Research Institute, Employee Experience Survey, April–May 2022, N = 989 individual contributors, N = 511 managers, N = 750 leaders.

34% of all employees say they have plans to leave their current company within a year

- **49%** of Gen Z employees – those aged 18 to 24 – say they have plans to leave
- Of all employees who intend to leave, **66%** plan to do so within the next 3-9 months

What is lacking in the current people experience?

Many employees fail to see how they are contributing to the team effort, feel they are not being offered the necessary skill development, or feel they lack autonomy in their roles

% of individual contributors that agree with the statement



Source: Capgemini Research Institute, Employee Experience Survey, April–May 2022, N = 989 individual contributors.

Employees are not satisfied with their workload and flexibility

29% of employees find their workload manageable and feel they can take time off when they want

Managers are failing to demonstrate empathetic behavior

% of individual contributors that agree with the statement



Source: Capgemini Research Institute, Employee Experience Survey, April–May 2022, N = 989 individual contributors.

Pay is an issue

30% of employees believe they are adequately paid

Employees feel they lack the necessary technology and data to carry out their work

29% of employees are happy with the selection of tools to collaborate with their manager or team

How can companies improve their people experience?

10 key actions for companies to improve their people experiences

ORGANIZATION

- Develop a centralized people strategy that offers an inclusive people experience
- Ensure employees feel that their views are heard and considered
- Offer a balance of monetary and non-monetary recognition and benefits



CULTURE

- Foster a culture of emotional well-being and accessibility that meets the needs of all employees
- Encourage continuous learning
- Ensure the onboarding experience is effective in making employees feel welcome and equipped and ready to start work



PEOPLE

- Develop an "employer promise" that links job roles to outcomes and articulates career growth potential
- Coach leaders to be genuinely empathetic and to listen to employees



TECHNOLOGY

- Use technology as an empowering element and provide employees with the correct tools with which to work efficiently
- Harness technology to nurture a collaborative culture



Source: Capgemini Research Institute analysis.

We are grateful to all our guest contributors for sharing their experience and insights as well as to their teams and in particular Jean-Pascal Tricoire (Schneider Electric), Sarah White (Schneider Electric), Elizabeth Tieman (Schneider Electric), Sir Christopher Pissarides, (Nobel Prize laureate), Elaine Arden (HSBC), Lexi Means (HSBC), Martin Kornicki (HSBC), MajBritt Arfert (Ericsson), Xavier Chéreau (Stellantis), Estelle Rouvrais (Stellantis), Amy Edmondson (Harvard Business School), Nicolas Schmit (European Commission), Siobhan Millbright (European Commission), Kathryn van der Merwe (ANZ), Jared Spataro (Microsoft), Maryleen Emeric (Microsoft), Dr. Tarika Barrett (Girls Who Code), Josh Bersin (Industry analyst), Stacey Fluhrer (New Zealand Rugby Union international), Sue Duke (LinkedIn), Mirek Pospisil (LinkedIn), and Stijn Broecke (OECD) for their contributions to the journal.

We would also like to thank all our Capgemini colleagues who have been supporting this project throughout and in particular Anne Lebel, Pallavi Tyagi, Natalie Hugues Jacquemin, Shobha Meera, Stephan Paolini, Claudia Crummenerl, Jon Harriman, Alan Connolly, Karine Vasselin, Riddhima Cannappane, Anna Rabinovich, Jaydeep Ugra, Senol Mehmet, Linda Asplund, Clément Portier, Meher Mehta, Charlotte Sarran, Tracy Gawthorne and the Capgemini Research Institute team – Jerome Buvat, Subrahmanyam KVJ, Gaurav Aggarwal, Vaishnavee Ananthanarayanan, Dominique Banon, Aparajita Paul, and Punam Chavan.

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Conversations for tomorrow: The Future of Work Starts Now



Conversations for Tomorrow: A sustainable future calls for collective action, bolder leadership, and smarter technologies



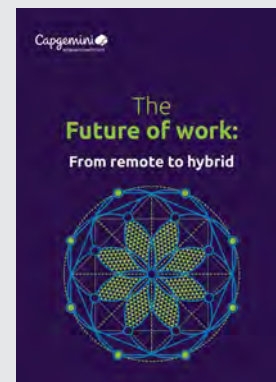
The People Experience Advantage: How companies can make life better for their most important assets



The fluid workforce revolution: How a blended workforce strategy is key to success in the age of AI and automation



Re-learning Leadership: Creating the hybrid-workplace leader



The Future of Work: From remote to hybrid

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Capgemini is a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided everyday by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of over 340,000 team members in more than 50 countries. With its strong 55-year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fueled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering and platforms. The Group reported in 2021 global revenues of €18 billion.

www.capgemini.com

About Capgemini Research Institute

The Capgemini Research Institute is Capgemini's in-house think tank on all things digital. The Institute publishes research on the impact of digital technologies on large traditional businesses. The team draws on the worldwide network of Capgemini experts and works closely with academic and technology partners. The Institute has dedicated research centers in India, Singapore, the United Kingdom, and the United States. It was recently ranked number one in the world for the quality of its research by independent analysts.

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