



NEW WAYS OF WORKING

JANUARY 2015

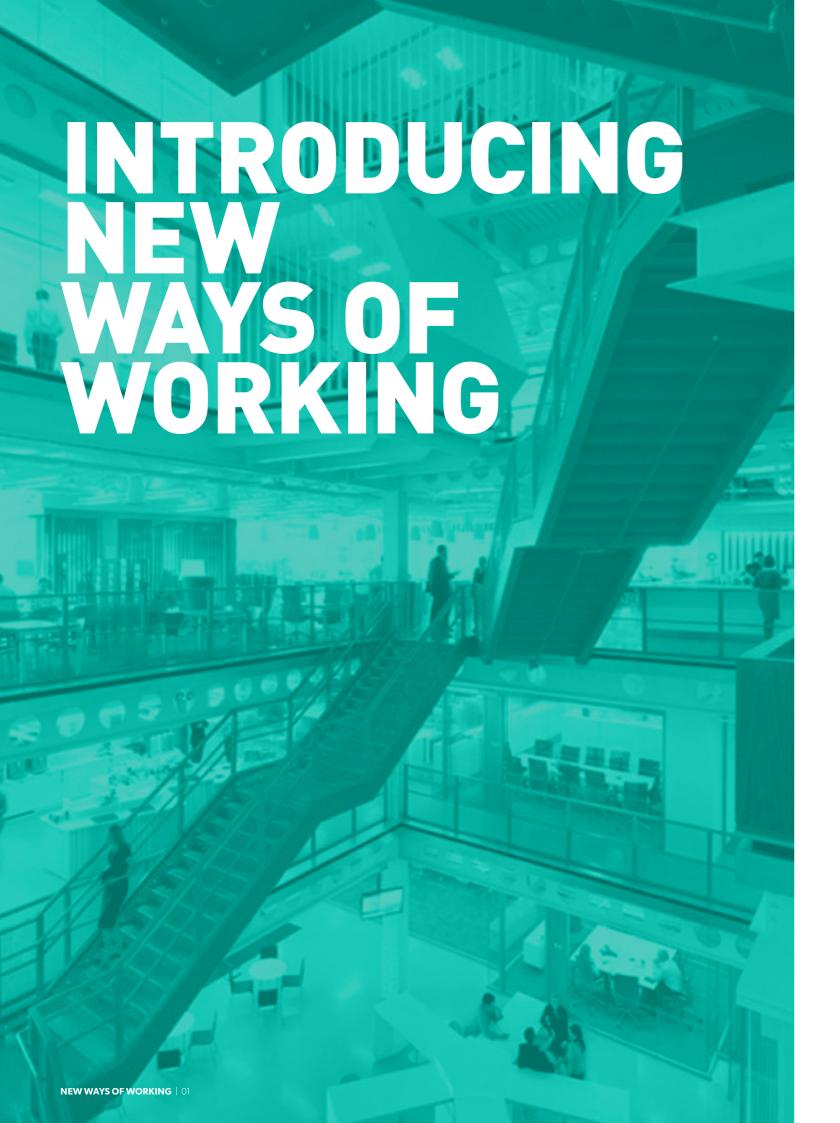
CREATE THRIVING COMMUNITIES: LISTEN TO THE NEEDS OF YOUR EMPLOYEES AND CREATE AN ENVIRONMENT THAT HELPS THEM

JOIN US.

TO THRIVE.

WHAT'S INSIDE

1.	Introducing New Ways of Working	01 - 04
THE DRIVERS		05 - 16
2.	. The Tech Revolution	07 - 10
3.	. Global Changes	11 - 12
4.	. Meet the Multigenerational Workforce	13 - 16
THE K	EY CHANGES	19 - 66
5.		19 - 26
6.	. Lifelong Growth	27 - 32
7.	. Future of Leadership	33 - 40
8.	. Welcoming Wellbeing	41 - 46
9.	. Tearing up the Org Chart	47 - 52
10	O. Rethinking the Pipeline	53 - 56
11	l. Reimagining the Office	57 - 64
12	2. Mind the Gap	65 - 66
TO CONCLUDE		69 - 74
13	3. New Definitions of Success	69 - 70
]∠	4. Further Reading	71 - 72
15	5. Acknowledgements	73 - 74



"SMART, COMMITTED PEOPLE. THEY ARE OUR MOST PRECIOUS AND POWERFUL RESOURCE. AND MANY OF THE INNOVATIONS THAT PEOPLE HAVE CREATED RECENTLY ENABLE EVEN MORE PEOPLE TO CONTRIBUTE IN EVEN MORE SUBSTANTIAL WAYS. THAT'S A SIGNIFICANT PART OF WHY I'M SO OPTIMISTIC ABOUT OUR FUTURE."

Wendy Woods / Senior Partner & Global Head of BCG Social Impact Practice, The Boston Consulting Group

What an exciting time we live in – where the world of work is changing, putting more focus on people. We've been fortunate to be part of the B Team, a group of global business leaders and a collective catalyst for a better way of doing business for the wellbeing of people and the planet. As part of this group, we've been working with a community of over 30 businesses that are part of a People Innovation Network, a collective who are passionate about re-defining work to help people thrive (see page 73 for a list of members of this extraordinary group).

Under this umbrella a number of initiatives are underway – helping to create thriving communities in our companies. They range from changing the conversation about diversity and changing the language of business, to ensuring that we treat people throughout our companies and supply chains with the dignity they deserve.

This report helps share some of the People Innovation Network's insights – as well as thoughts from many other businesses. There is some great work happening in this area so, instead of duplicating, we've tried to search for the best of the best and bring their thinking into one report. We hope you enjoy it.

We welcome your feedback as this will be a constantly evolving piece of work. To input in to the next evolution of the report, or to learn how your company can get involved, contact Anna at anna.gowdridge@virginunite.co.uk.

This report is all about people – so we wanted to take a moment to say a big thanks to Anna Gowdridge, Bryony Harrison and Benjamin Hay who have worked to pull this report together. Thanks also go to Arianna Huffington, Ajaz Ahmed and Blake Mycoskie, who helped catalyse the People Innovation Network, and to the rest of the B Team Members, Rajiv Joshi and the team.

We look forward to working with all of you to change work for good.

Warm wishes,

Richard Branson

B Team Member and Co-Chair Virgin Group, Founder and Chairman Jean Oelwang

B Team, Senior Partner Virgin Unite, CEO Virgin Group, Partner

LET'S RUN THE EXPERIMENT

Whenever I am called on to speak about joy in the workplace and I describe some of the crazy things we do at my company to achieve the joy I've written about, I will often hear afterwards... "Rich, that was a great talk and I love the ideas you have, but our company is too ____ to change. We could never do what you've done." Fill in the blank with: new, old, big, small, regulated, dynamic, set in their ways, distributed, silo'ed, hierarchical, academic, hyper-competitive ...well, you get the point.

My first advice to people who talk to me is this: If there is any hope of change, it must first start with you. YOU must change. Yet, in most discussions I have with leaders they say they don't think they can get their teams to go along with change. And when I talk to their teams, most say their leaders would never buy into the ideas I present. I can assure you, my life was not always like it is now at my company. The first person who needed to change was me.

If I can convince them of this simple (not easy) point, then I predict the next obstacle they must overcome. It's probably one that you've already encountered: you read a book, attend a conference, hear a speaker, watch a TED talk, and in that moment you are inspired! You have an idea and you can't wait to get back to the office to share your idea and try it out. You grab the first person you see and tell them about your great idea and then you hear it: "Oh yeah, that. That won't fly here. You'd never get anyone to buy into that." And poof, back to reality and the idea dies, right in that moment.

I have an antidote for that moment ... I want to arm you with one simple phrase:

"Yup! I know, but instead of defeating the idea before we even try it, let's run a small experiment and see what happens."

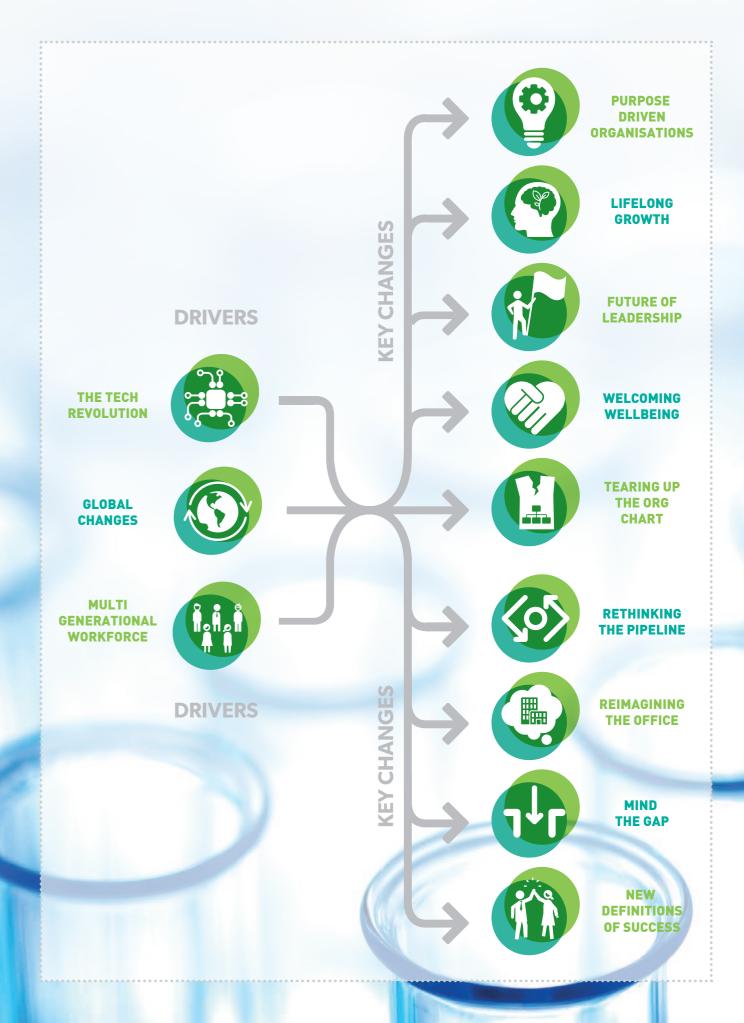
The results could be world changing.

"It's not an experiment if you know it's going to work." **Jeff Bezos**



Rich Sheridan

CEO, Chief Storyteller, Menlo Innovations Author of Joy, Inc. How We Built a Workplace People Love





THE TECH REVOLUTION

The evolution and growth of digital and mobile technologies has radically changed the way we work – and the way we think about business.

GLOBAL CONNECTIVITY

The Institute for the Future's report, Future Work Skills, shows that technology has created entirely new industries that have boosted economic growth. It's inspired innovative online platforms that allow project teams to work anytime, anywhere.

Along the way, cloud computing and the growth of smart connected devices are redefining scale, and creating new ways to solve problems. So individual teams and large organisations can share ideas, collaborate and benefit from crowd intelligence.

Throughout this report we'll see just how important these models of collaboration, with a new approach to competition, can be.



"TECHNOLOGY IS NOTHING. WHAT'S IMPORTANT IS THAT YOU HAVE A FAITH IN PEOPLE, THAT THEY'RE BASICALLY GOOD AND SMART, AND IF YOU GIVE THEM TOOLS, THEY'LL DO WONDERFUL THINGS WITH THEM."

Steve Jobs / Co-Founder, Apple Inc and Pixar

WORKING HARDER – OR SMARTER?

Technological innovation has caused a shuffling of work time and play time. People are using a variety of personal devices to keep up with their work wherever they are.

In an article on smartphone stress, the BBC discusses how this can blur the boundaries between personal and professional lives – never giving 'always on' workers a chance to disconnect and relax.

As we'll see later on in this report, future companies will need a renewed focus on wellbeing to make sure workers don't suffer tech-related burnout. On the flip side, ultra-connected technology can build the foundation for a better work / life balance.

The Institute for the Future argues that rather than being 'always on', workers can use evolving technology to work more productively and achieve better results in a shorter time. Its The Future of Work report highlights how technology can set people free "from many of the fixed time, location, and work

flow constraints that typify a traditional job. Mobile digital networks and collaboration software can help individuals create a better flow between work and everyday life – ideally enabling anyone to 'escape the 9–5, live anywhere, and outsource your life'."



MAKING BYTES NOT WIDGETS

As the McKinsey Global Institute (Mckinsey) points out in Artificial Intelligence Meets the C Suite, technology is not only changing the goods and services we produce but also the skills and techniques we use to produce them. Automated and additive manufacturing processes – like 3D printing or artificially intelligent machines that think, hear, speak and write – will disrupt traditional human roles, from the shop floor to the boardroom.

The challenge is to take productive gains from these technologies and create new jobs, provide better training and encourage entrepreneurial thinking at the same time.

McKinsey also highlights that as traditional roles become more digitised, networked and automated, we will need new roles that call for expertise in multiple disciplines. The next generation of talent must be equipped with the digital aptitude and new skills they need to deliver.

In an article on technology and jobs, The Economist highlights the need to consider what might happen if mid-level skilled jobs become automated. It could create a workforce where 'good' roles are held by the tech-savvy elite - while the rest of the workforce is relegated to service jobs with poor pay and conditions. We'll look at this in more detail in Mind the Gap on page 65.

RADICAL TRANSPARENCY

"Technology is the campfire around which we tell our stories.'

Laurie Anderson

Our globally connected world will massively disrupt the way employers interact with employees.

The growth of social networks means people can instantly provide insights, share knowledge and shape opinions. Employees can share thoughts on their employers and campaign against bad practices.

If social media can help overthrow governments and political regimes then - employers beware - bad behaviour will become public.

In an article for Forbes, Juliet Barbara explains that this behaviour may not only negatively affect a company's ability to hire the best people, but also its brand and bottom line. On the other hand, this radical transparency means the best employers can become world renowned for good practice - recognised and celebrated online by their customers and communities.

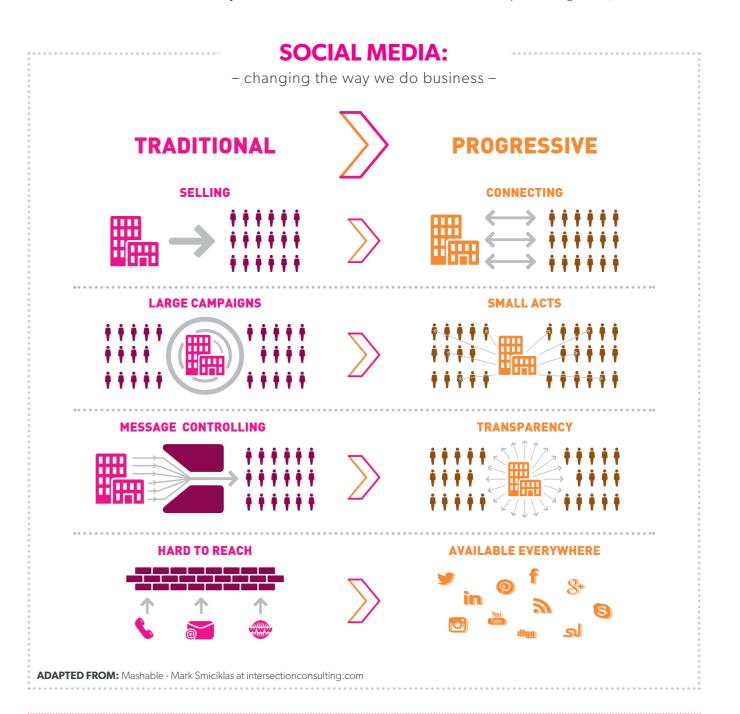
As Deloitte underlines in its Human Capital Trends report, this shift of power from centralised brand teams to cocreation will allow authentic and open organisations to shine. Future employees will be better informed about what it's like to work for different companies, making them more selective about who they want to work for.

VIVA LA REVOLUTION

Despite the challenges of this tech revolution, for forward-thinking organisations it's a huge opportunity. It will allow people to drive innovation. It will encourage agile companies. Companies that solve problems quickly and employ multitalented global teams to create new products and services that make people's lives better.

"TECHNOLOGY IS IMPACTING EVERY CORNER OF OUR WORLD INCLUDING THE WORKPLACE. IT HAS AND WILL CONTINUE TO RESHAPE THE WAY WE COMMUNICATE, COLLABORATE AND DO BUSINESS. THAT SAID, AS COMPANIES RACE TO FIND NEW WAYS TO LEVERAGE TECHNOLOGY, THEY MUST KEEP IN MIND THAT OURS IS STILL A PEOPLE BUSINESS – HUMAN INTERACTION, CONNECTIONS AND RELATIONSHIPS MATTER."

Edith Cooper / Executive VP and Global Head of Human Capital Management, Goldman Sachs



FIND OUT MORE

Deloitte, Human Capital Trends Report 2014, 2014 Institute for the Future, Future Work Skills 2020, 2011 Juliet Barbara, Is social media bad for business?, Forbes, Nov 2012

Matthew Wall, Smartphone stress: Are you a victim of 'always on' culture?, BBC News, August 2014

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The Economist, Coming to an office near you, January 2014

GLOBAL CHANGES

To stay successful, companies must constantly adapt how they do business and manage their workforce, in response to global changes.

THE CURRENT CLIMATE

In Now for the Long Term, The Oxford Commission for Future Generations outlines how changes throughout the world – such as population growth, the rise of megacities, shifting economic power, climate change, natural resource degradation and food security – will have significant effects on business. These challenges not only demand new thinking, but will also change how businesses and communities work together.

Deloitte predicts that developing countries will contribute 55 percent of global GDP by 2018. As Douglas Ready and his co-authors highlight in Harvard Business Review, talented workers in these developing countries are set on success. Some have known poverty first-hand, and they're determined to seize opportunities to benefit their communities and foster a sense of pride in their country.

The authors point out that many organisations are therefore developing talent in emerging markets – as these regions will also provide the consumers of the future.

This shift means companies must develop a global and local approach to managing and developing their people.

COLLABORATION AND INNOVATION

For future business, collaboration will be a key driver to success.

In an article for *The Guardian*, Neville Isdell and Clare Melford point out that as the world changes, new collaborations will emerge between governments, businesses and notfor-profit organisations. We will look later on at what this will mean for our leaders of the future.

With limited public finances, some experts see the need for more public-private investment and partnerships. Price Waterhouse Cooper (PwC) envisages one possible future where large corporates transform into mini states – taking a prominent role in society, considering not only their staff but also the communities in which they do business.

"IMAGINE A BUSINESS THAT IS BORN OUT OF A DREAM ABOUT HOW THE WORLD COULD BE AND SHOULD BE. THE FOUNDERS ARE ON FIRE TO CREATE SOMETHING OF RELEVANCE, RESONANCE, AND PERMANENCE – A BUSINESS THAT WILL FAR OUTLIVE THEM, THAT DELIVERS REAL VALUE OF MULTIPLE KINDS TO EVERYONE IT TOUCHES."

John Mackey & Raj Sisodia / Conscious Capitalism: Liberating The Heroic Spirit Of Business (Boston: Harvard Business Review Press, 2013).

CHANGING BUSINESS FOR GOOD

Since the banking crisis and numerous environmental catastrophes, bad business practice has become more exposed. Around the world, there is pressure on businesses to operate more responsibly. Workers are now highly aware of ethical issues, and boundaries between business and social issues have blurred.

Employee engagement and attracting new talent is becoming more and more linked to an organisation's 'Purpose' – as well as its contribution to society, locally and globally. Future employees will take this into account and choose employers whose values they respect.

The global challenges we face give organisations an opportunity to make a positive contribution to society: to harness the power of business for good and, working with government and not-for-profits, create innovative solutions to these issues.

Part of this evolution will involve companies building long-term sustainability into their business plans, rather than chasing short-term profit. A report for the Oxford Commission for Future Generations illustrates how growth often benefits too few people. Meanwhile, rising consumption of food, water and energy is putting the planet in danger.

To create a better future, businesses must act as stakeholders in the planet – they can only succeed if resources are protected and communities flourish.

As Raj Sisodia and his co-authors write in Firms of Endearment: "The pressure on companies to play larger roles in addressing social concerns will mount as we become less of a 'having' society and more of a 'being' society."

FIND OUT MORE

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Douglas A. Ready, Linda Hill & Jay A. Conger, Winning the race for talent in emerging markets, Harvard Business Review, November 2008

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PwC, The Future of Work: A journey to 2022, 2014

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MEET THE MULTI-GENERATIONAL WORKFORCE

In an era of unprecedented diversity in our workforce, the changing age demographic is one of the strongest trends to emerge.

In Generations At Work. Herman Miller called this a 'generation-bending' era. As the overall population ages in industrialised countries, mature workers are staying in employment longer. Yet, at the same time, Millennials will eventually make up the majority of the workforce.

The challenge will be to accommodate age and experience, while catering to Millennial employees' expectations for Purpose-driven organisations, innovation, leadership roles and entrepreneurial opportunities. We'll explore all of these issues in more detail later on.





THE END OF RETIREMENT?

A recent Deloitte study showed that 48 percent of Baby Boomers expect to keep working past the age of 65 and 13 percent believe they will work into their 70s.

According to Deloitte's The Ageing Workforce, these workers may be in better health than previous generations, but they have lower-than-expected retirement savings. And the age they're entitled to claim a state pension has risen.

This presents both a challenge and an opportunity for employers.

For one thing, companies will need to retain older workers to keep their businesses going. As the CIPD states, "we are running out of workers: current employer plans suggest we will need to fill 13.5 million job vacancies in the next ten years, but only seven million young people will leave school and college" with the right skills to fill the gap.

Companies will need experienced employees to plug this skills gap. As Deloitte illustrates, 67 percent of US manufacturers report a shortage of available and qualified workers. And 56 percent predict that this shortage will grow over the next three to five years.

"EACH GENERATION DIFFERS IN VIEW OF WHOM THEY ARE LOYAL TO AND HOW THEY VIEW THEIR CAREER PROGRESSION. THEIR VIEWS ARE DEFINED BY THEIR FORMATIVE YEARS AND THE NATURE OF THE ECONOMY WHEN THEY JOINED THE WORKFORCE."

Herman Miller / Generations At Work, 2010



Veterans / **Traditionalists**

70 year olds -80+

Want opinions and ideas to be valued. Want to be rewarded for loyalty and experience. Want clarity about roles and responsibilities and authority to make decisions. Need more explicit direction. Will work beyond retirement if they have flexible hours. Desire to coach and advise others.



Baby **Boomers**

- late 60s

Want to be rewarded for long hours. Want authority to make decisions. Work / life balance is important. Value social responsibility, and personal development opportunities in organisations.



Gen X

late 30s

- late 40s

50 year olds

Highest priority on work / life balance. Value flat organisations, matrixed responsibilities, challenging work, responsibility for own personal development, flexible work, collaboration and teamwork. Want authority to make decisions. Loyal to people, not organisations. Most stay at least 5 years with current employer.



Gen Y / **Millennials**

20 year olds - early 30s

Value empowerment to get things done, challenging work, collaboration. teamwork and fun, responsibility for own personal development. Work / life is blurred. Feel benefits packages don't meet their needs. Like to participate in and contribute to talent communities. Don't understand the concept of a career ladder. Most have been with current employer less than 3 years. Want to start their own businesses.



Gen Z / **Digital Natives**

born now late teens

Value remote work options, personal development, continual feedback. rapid career progression and flexibility. Resultsdriven. Less face-toface communication, more through social media. Most socially networked in history. Able to instantly access, consume and digest large quantities of information. **Expect immediate** responses to questions and will go directly to decision makers. Likely to change jobs frequently and be interested in starting their own business.



Deloitte predicts this will lead companies and staff to 'retire retirement'.

This means older workers will adopt a variety of work patterns – such as portfolio careers, consulting, non-linear career paths, flexible working, part-time working and job sharing – popular with younger workers.

Working for longer can benefit employees as well as the economy. In Great Jobs for Everyone at 50, Kerry Hannon explains that older workers can have the satisfaction of engrossing work – and tend to spend more than retirees, keeping the economy ticking over.

But for some companies, delaying retirement may increase payroll and benefits costs. It could also create a leadership and progression ceiling for younger workers, and older workers will need to keep their skills up to date.

GENERATION WHY?

According to PwC's *Millennials at Work* report, Millennials are expected to make up 50 percent of the workforce by 2020 in a number of countries, and 75 percent of the global workforce by 2025.

But their talent can be hard to harness. PwC reports that hiring and retaining younger workers remains one of its biggest challenges.

In part, this is because Millennials have different attitudes, expectations, values and approaches to work, that contrast with current common practice. As Jacob Morgan writes in The Future of Work, Millennials grew up with smartphones and social media – and have already internalised the widespread changes these innovations have created.

He argues that Millennials question the value of universities, demand sustainability and want to be more of a 'learning worker' than a 'knowledge worker' – learning and teaching on demand. For them, it is increasingly important that companies they work for see the world as they do, and have Purpose. This is likely to significantly affect who they work for and how they're employed. There's more on this later.

PERFECTING THE BLEND

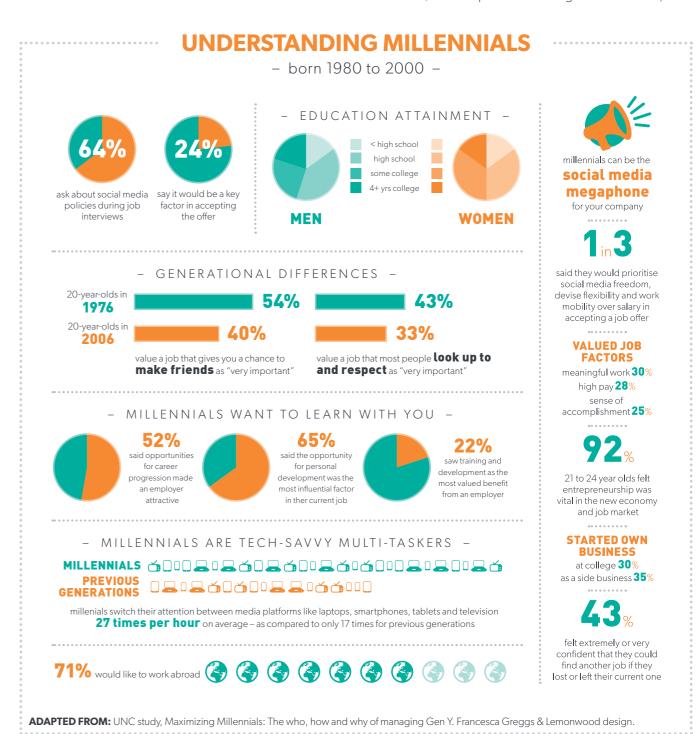
As PwC reports, a multigenerational workforce blends different experiences, skills and approaches for a greater diversity of thinking. To fully benefit, companies will need to make operational and structural changes to support workers in all stages of life. These include changes in compensation, promotion and training structures, as well as output and productivity expectations.

"FOR MILLENNIALS AND YOUNGER GENERATIONS, WORK IS A SIGNIFICANT PART OF THEIR LIFE, BUT THEY DON'T COMPARTMENTALIZE IT LIKE THE BABY-BOOMERS TEND TO. THE FOCUS IS NOT ABOUT BALANCING WORK-LIFE ... IT IS ABOUT INTEGRATION."

Felix Stellmaszek / Partner and MD, The Boston Consulting Group

"EACH GENERATION DIFFERS IN VIEW OF WHOM THEY ARE LOYAL TO AND HOW THEY VIEW THEIR CAREER PROGRESSION. THEIR VIEWS ARE DEFINED BY THEIR FORMATIVE YEARS AND THE NATURE OF THE ECONOMY WHEN THEY JOINED THE WORKFORCE."

CIPD & Penna / Gen Up: How the four generations work, 2010



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PwC, Millennials at work: Reshaping the workplace, 2011



PURPOSE DRIVEN ORGANISATIONS

WHAT ARE WE DOING HERE?

This is not just a philosophical question but a business imperative, and it demands an answer. Tim Brown, CEO and President of innovation and design firm IDEO, believes that only businesses with a clear 'reason for being', or Purpose, will be innovative and truly sustainable in the future.

Purpose in business means embedding a shared philosophy into the DNA of an organisation – one that is both the driver and the sustaining force for its success. As leadership expert Simon Sinek puts it, a Purpose-driven organisation is a group of people "who show up for the same reason, who work together to achieve something... those are the organisations and the people that will change the world".

THERE'S MORE THAN ONE 'P' THAT MATTERS

In the past, profit and shareholder value dominated the corporate agenda.

Now, savvy organisations are putting 'people and planet' alongside profit at the very core of how they do business. Successful companies need a Purpose that is about more than just making money.

The Deloitte Millennial Survey and EIU Societal Purpose Survey revealed "a resounding message that the success of business should not be measured on profit alone". In fact profit as a sole measure of success was rejected by 92 percent of Millennials and 71 percent of business leaders. In its Meaningful Brands study, Havas Media also found that people would not care if over 70 percent of today's brands disappeared.

Where an organisation's Purpose benefits people and planet, profits follow. Havas Media found that 'Meaningful Brands' (brands that improve the wellbeing of people's lives in a tangible, significant and fulfilling way) have enjoyed better financial returns than top hedge funds.

Outdoor clothing company Patagonia's 'reason for being' is to "build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis". In 2011, it famously urged its customers to buy less, with a full-page advert in the New York Times that read, "Don't buy this jacket". Over the next two years, Patagonia's sales grew almost 40 percent.

"THE GREATEST COMPETITIVE ADVANTAGE IS TO ALLOW YOUR EMPLOYEES TO BE PART OF SOMETHING. SOMETHING BIGGER THAN WHAT YOU'RE DOING."

Blake Mycoskie / Founder and Chief Shoe Giver, TOMS / Leader, B Team

RE-FRAMING RESPONSIBILITY

If organisations are to be seen as 'Purpose-driven' they will no longer be able to rely on limited Corporate Social Responsibility initiatives.

As Rosabeth M. Kanter noted in an article for Harvard Business Review, companies "command enormous resources that influence the world for better or worse... their strategies shape the lives of the employees, partners and consumers on whom they depend." In her view, the best companies acknowledge that business is integral to society while "invest[ing] in the future and being aware of the need to build people and society."

This is emphasised by Raj Sisodia, and his co-authors, in the previously mentioned *Firms of Endearment*. They describe a future in which society is the ultimate stakeholder in any business, and should be taken into account during every decision.

This view on Purpose in the world requires a radical shift in business strategy and leadership – from a culture of competition to a culture of collaboration, where 'hybrid leaders' can work across sectors. We will explore this more later on.

At IDEO, purpose is reciprocal. As an organization, we have a purpose in the world that informs our offer, the kinds of talent/people we hire, and the work we do. And, our employees each have a sense of purpose that drives them.



We seek a way to meet in the middle, a healthy dialog between the individual and organization: Is an individual's purpose aligned with IDEO's? What are the ways that the work we do, the environments we work in and the teams we build enable a conversation around purpose?

From an organizational perspective, we try to enable this conversation at a couple of different levels. First, IDEO as a whole has a very broad purpose statement: "positive and disproportionate impact in the world through design." That's intentionally broad because our work - and our methods to achieve that work - are ever-changing as we stay nimble and flexible to the kinds of questions and challenges our clients (or the world) ask of us

But every IDEO location brings clarity to that holistic purpose statement through the ways they engage their local markets (in terms of both clients and talent). In other words, all of our locations have a focused purpose statement that adapts IDEO's broad purpose to the needs of local clients, aligned with the capabilities and passions of the local talent. Take our Singapore studio, for example, who's purpose is "building towards a creatively confident country." It's a much more granular statement than IDEO's purpose, supported by an understanding of the location's aspirations, offer and talent needs.

So why do this? Simple: to help our employees align their personal aspirations to the work of the firm, to know whether they are focused on the right things, and to have a healthy debate within their locations to push the work in new directions. Purpose as a driving factor behind your work and your impact is, in our experience, incredibly powerful and enabling.

Duane BrayPartner

WORK OUT OR LOSE OUT

NEW WAYS OF WORKING | 21

Society is looking to more forward-thinking organisations. So companies that don't see the opportunity in changing the way they do business, or realise the power of consumers, are likely to be left behind.

Increased transparency about business – brought about by social media and campaigning sites such as SumOfUs and Change.org – means consumers, like future employees, are better informed than ever before about corporations and their business practices. Companies today are more exposed, and often forced to defend their actions or change the way they do business to meet society's demands.

As Dr. Mo Ibrahim, founder of Celtel International and B Team Member, commented at the launch of the B Team "if we're all naked, we had better look good".

For Purpose-driven organisations, this shouldn't be a problem – their core Purpose should manifest itself in everything they do. For those less forward-thinking, increased scrutiny will mean they either get into shape or risk consumer backlash against practices with a negative impact on society.

What's interesting is that consumers don't expect corporations to get it right all the time. According to Cone Communications, 85 percent of people surveyed said it's OK if a company isn't perfect, as long as it's honest about its efforts.

UNILEVER

LONDON, UK

Unilever's Sustainable Living Plan was introduced in 2010, and is the company's 'blueprint' for sustainable growth. Unilever aims to improve the health and wellbeing of their employees, reduce their environmental impact and enhance the livelihoods of their staff across the globe. These goals are underpinned by 9 'commitments' to be achieved by the year 2020, including a promise to source 100% of their raw agricultural materials sustainably, and empower 5 million women by providing training and expanding opportunities in global communities.

www.unilever.com

ESCAPE THE CITY

LONDON, UK

Within 5 years, Escape the City created a community of nearly 200,000 people looking to find new careers or start their own businesses both in the U.K and worldwide. Escape the city aims to "Connect our members with the world's most exciting non-corporate employers". There's a focus on four key 'buzz' words, Exciting, Entrepreneurial, Positive Impact and Exotic. The site has become incredibly popular with talented individuals seeking a change from the '9 to 5' whilst making an impact in the world. Escape the City works hard to support its community of members and enables likeminded people to connect via their website, they also host festivals to inspire and inform those thinking of making a change.

www.escapethecity.org

CSR VS. CONSCIOUS CAPITALISM

CSR	CONSCIOUS CAPITALISM		
Shareholders must sacrifice for safety	Integrates interests of all stakeholders		
Independent of corporate purpose / culture	Incorporates higher purpose and caring culture		
Adds an ethical burdon to business goals	Reconciles caring and profitability through higher synergies		
Reflects a mechanistic view of business	View business as complex, adoptive system		
Often grafted onto traditional business model, usually as separate department or as part of PR	Social responsibility is at the core of the business through the higher purpose and viewing the community and environment as key stakeholders		
Sees limited overlap between business and society, and betweenbusiness and the planet	Recognises that business is a subset of society and that society is a subset of the planet		
Easy to meet as a charitable gesture; often seen as 'green washing'	Requires genuine transformation through commitment of four principles– higher purpose, stakeholder orientation, conscious leadership and conscious culture		
Assumes all good deeds are desirable	Requires that good deeds also advance the company's core purpose and create value for the whole system		
Implications for business perfomance unclear	Significantly outperforms traditional business model on financial and other criteria		
Compatible with traditional leadership	Requires concious leadership		
ADAPTED FROM: John Mackey & Raj Sisodia, Conscious Capitalism: Liberating The Heroic Spirit Of Business, (Boston: Harvard Business Review Press, 2013).)			

BEHIND THE SCENES

B MEANINGFUL

TORONTO, CANADA

A careers website for Social Impact opportunities. As we've covered in the report, "30 percent of millennials identify meaningful work as the single most important factor for a successful career". B Meaningful was created in reaction to this change, and is a portal for those looking for Purpose-orientated new careers.

www.bmeaningful.com

ON PURPOSE

Unilever

LONDON, UK

On Purpose believes that society's biggest challenges deserve the best talent. To enable this, they select talented and purposeful professionals from the business world (including lawyers, consultants, financiers) and facilitate their transition into the Social Enterprise world. These individuals then have the tools, business acumen and network to become a real force for good, and lead with Purpose and clarity.

onpurpose.uk.com

COMPANY FOCUS

LEADERSHIP LABORATORIES

LONDON, UK

'Intrapreneur Labs' are for high performers from large companies, who have business ideas that can benefit society and the bottom line.

They provide a unique support structure of coaching, consulting, networking and subject-matter expertise to help individuals deliver profitable projects that create social impact...

...and in the process develop into innovative, resourceful, 'intrapreneurial' leaders.

Leadership Laboratories

COMPANY FOCUS

NOT JUST THE 9–5

As mentioned earlier, for many people work is not only about being successful and making money. It's also about working somewhere that aligns with their values, where they believe in the social and environmental benefit of their work, and feel part of the positive impact a business is making.

More and more people are leaving corporate jobs to search for greater meaning and impact at work. In the UK, organisations such as On Purpose help talented professionals move from accountancy, investment banking, law, strategy consulting and other sectors into roles with social enterprises. Similarly, Escape the City helps people who want to 'do something different' find new career opportunities that feel more 'Purpose-oriented'.

This suggests that to attract, retain and get the best out of top talent, Purpose-led organisations will need to make a positive social impact – and make sure their employees feel actively part of it.

Supporting staff to understand their own values and personal Purpose in life, and how that fits with their role in the organisation, will be a key part of this. And, where an employee's values do not fit, it will mean supporting them into roles or organisations more aligned with what they hold dear.

Many organisations are now embedding Purpose and social good into their performance reviews, and training and development activities. Unilever's Performance Culture means its employees have three business goals and one development goal linked to the organisation's Sustainable Living Plan. So they are measured and rewarded by the impact they are having on people and planet as well as the company's financial performance.

There is also considerable focus on new approaches to leadership development.

BCG RESPONSIBLE LEADERSHIP INITIATIVE

MASSACHUSETTS, USA

BCG is gathering 100 emerging leaders from different sectors, to participate in a (part-time) 18-month programme to develop as responsible leaders. It will help them to:

- Broaden their perspectives think longer-term and more broadly; seeing beyond the boundaries of their organisation, broadening their network and engaging with new ideas and ways of thinking
- Build their view of the role of business in society go beyond traditional notions of CSR to develop their own understanding of the purpose of business, its relationship to society and the implications of this in the workplace
- Deepen their self awareness explore and strengthen their personal motivations, value system and "moral compass", and how it applies in the environments they operate in
- Develop as courageous and adaptive leaders
 build their capability to lead change,
 including challenging orthodoxy



ALLIANZ SOCIAL OPEX

MUNICH, GERMANY

Allianz Social OPEX is a unique global talent development programme that nurtures top employees, while addressing operational challenges in social enterprises.

To succeed in this changing economy, companies need to understand the social dimensions of doing business, gather insight from working with leading innovators, and deliver products and services with limited resources.

Through the talent development programme, Allianz employees develop their leadership skills, and have the opportunity to create innovative solutions to emerging problems, understand new markets and experience, first-hand, new ways to do business.

As part of the initiative, 120 employees spent a week working alongside social entrepreneurs from over 50 projects globally, to achieve set tasks. For example, financial education organisation MyBnk, was guided through the process of securing £150,000 in funding by Allianz employees.

On the programme, staff benefit from experience and gain qualifications – at the end of the course they are awarded a Certification in the Social OPEX methodology. The programme has been received very positively, earning it a net promoter score of 87 percent, placing it in the 'World Class Loyalty' group.

www.allianz.com



ENDING MYOPIA

We are witnessing an increasing shift towards 'long-term capitalism' and a move away from quarterly profit reporting. In 2009, Unilever, under CEO and B Team Member Paul Polman, dropped quarterly reporting and launched an ambitious growth plan. In an interview with Harvard Business Review he commented that it "has allowed us to focus...on a mature discussion with the market about our long-term strategy".

Similarly, the European Union passed a directive requiring Member States to end, by November 2015, the obligation for public firms to release interim management statements – something the UK has already done.

Taking a longer-term approach is likely to favour purpose-driven organisations, giving them the time and space to flourish. As Polman explained in an article for Mckinsey, if profit and quarterly reporting is no longer the primary business driver, organisations can radically reframe management incentives for the long term, and invest heavily in R&D and innovation. This may include minimising resources in production, developing 'closeloop' systems so one organisation's waste becomes another's raw material, or simply developing a product that makes people's lives better.

FIND OUT MORE

Cone Communications & Echo Global, Global CSR study, 2013

Deloitte, The millennial survey 2011, 2011

Deloitte & Economist Intelligence Unit, Societal Purpose: A journey in its early stages, 2012

Havas Media, Meaningful Brands, 2013

McKinsey & Company, Long-term capitalism series

Rajendra S. Sisodia, David B. Wolfe & Jagdish N. Sheth, Firms of endearment: How World-Class Companies Profit from Passion and Purpose, 2nd Edition (Pearson FT Press. 2014)

Rosabeth M. Kanter, How great companies think differently, Harvard Business Review, 2011

INNOCENT UK

Make natural, delicious food and drink that helps people live well and die old

TATA GROUP

to improve the quality of life of the communities we serve

ECONET WIRELESS

To serve by pioneering, developing and sustaining reliable, efficient and high quality telecommunications of uncompromising world class standards and ethics.

PATAGONIA

Build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis

GOOGLE

to organise the world's information and make it universally accessible and useful

BRIDGEWAY CAPITAL MANAGEMENT

Partners effecting extraordinary community and world change

VIRGIN

Changing Business for Good

UNILEVER

to succeed requires the highest standards of corporate behaviour towards our employees, consumers and the societies and world in which we live

preserving life.

TOMS

With every product you purchase, TOMS will help a person in need. One for One.®

KERING

to allow our customers to express, fulfil and enjoy themselves through our products. This is in line with underlying societal trends: increases in purchasing power, people seeking to affirm their personality and the desire to look and feel good.

BROAD GROUP

BROAD Group is an enterprise based on the vision of unique technologies and the tenet of

MENLO INNOVATIONS

Our mission as an organization is to end human suffering in the world as it relates to technology™

NATURA

By being well in ourselves, we can feel well with the world, the environment, other people and society

IDEO

positive and disproportionate impact in the world through design.

NIKE

To bring inspiration and innovation to every athlete* in the world

"LIVE AS IF YOU WERE TO DIE TOMORROW. LEARN AS IF YOU WERE TO LIVE FOREVER."

Mahatma Gandhi

LIFELONG GROWTH

Employers and workers need a lifelong growth mentality about skills, instead of fixed ability, qualification-based concepts.

THE NEVERENDING STORY

As we've seen, future demands will make much of the traditional training model redundant. Deloitte pinpoints this change, in its *Global Human Capital Trends* report, as a shift from a 'push' to a 'pull' model of learning.

Previously, employees would be invited to training sessions at a certain time where learning was 'pushed' upon them, and then sent back to work. For generations who are growing up sourcing knowledge through search engines as and when they need it, and accessing Massive Online Open Courses (MOOCs), this will seem unnatural.

Deloitte reports that, instead, learning will become a "continuous process, with training 'pulled' seamlessly through computers or mobile devices anywhere, anytime", or from those around us.

As the Institute of Employment Studies puts it: "L&D activities are not seen as purely remedial for fixing people's weaknesses but [need to be] regarded as an integral part of people's ongoing growth and contribution".

This means creating a workplace culture where learning isn't just an add-on, but where employees work together to create the perfect conditions for it to flourish as part of people's everyday roles.

70:20:10 NOT 123

This approach is captured in the 70:20:10 Framework. Charles Jennings discusses this in his book *The 70:20:10 Framework Explained* – which reflects that 70 percent of learning comes from doing tasks on the job, 20 percent from other people's feedback and peer-to-peer learning, and 10 percent from formal training.

As Cisco highlights in its *Transitioning to Workforce 2020* report, businesses are beginning to understand that the best learning happens through a mix of both "planned experiences and unplanned opportunities."

So an employee might discover how to use a new application through an official mentoring session – a planned experience. But they might learn how to communicate better with peers by leading a team through a demanding project and then informally chatting with them about it afterwards – an unplanned opportunity.

In an article for The Institute for Employment Studies, Paul Fairhurst observes this can also help create 'T-shaped' employees, who have a specific deep set of skills. For example coding (which represents the vertical shaft of the 'T') alongside a broad understanding of the aims of the business (which represents the horizontal part).

Another future trend may be the 'gamification' of learning. According to Cisco, some experts believe employees could use elements of multi-player games, like World of Warcraft, to communicate relevant information and learn in a dynamic online environment.

CHANGING THE FEEDBACK CYCLE

Cisco's Transitioning to Workforce 2020 found that future workers will no longer be satisfied by an annual conversation about their performance. People used to instant responses on Twitter will want more regular feedback. Crucially, staff will expect feedback to be a two-way process: employees won't just receive feedback, they'll give it too.

As discussed by Jenny Dearborn (VP and Chief Learning Officer for Success Factors) in an article for Forbes, there will also be a move towards measuring results over input. So, rather than measuring how many client meetings an employee attended, the focus will be on what value they added. This can be harder to measure, but gives employees a deeper sense of how they're performing.

BEHIND THE SCENES

MOZILLA

CALIFORNIA, USA

Open Badges is software for companies to issue portable skill badges for skills you have learned and courses you can teach.

www.openbadges.org

VIZIFY

CALIFORNIA, USA

Tool to create an alternative CV through graphical biographies that turn social media data into interactive infographics, videos and more. Recently acquired by Yahoo!

TREEHOUSE

ORLANDO, USA

A web interface which makes it easier for people to learn website design, how to build apps and learn about tech in general.

ACTIVATING CONTINUAL DEVELOPMENT

Our raison d'être at Everwise is to help employees connect to the people and insights that will help them develop at every stage of their career. We spend most days and nights thinking about talent development and designing solutions to help organizations like salesforce.com, eBay, Genentech, Twitter, HP, VISA, and many others do a better job of developing their people...

From an investment perspective alone it is clear that organizations understand the value of investing in their people.

- The average direct expenditure on L&D per employee has increased more than 50% since 2001
- ---> In 2012 total L&D spend in the US came in somewhere around \$150B

We know that when it is done right Talent Development has the potential to increase bench strength, drive greater productivity and competence, unlock innovation and accelerate business growth. But there are a number of questions regarding the effectiveness of the solutions we have put in place to date.

- --- Are employees getting the blend of development resources that they require for effective learning?
- Are the development solutions driving the outcomes required by the business?

Unfortunately for far too many organizations – the answers to each of these questions is a resounding "not really". Year over year, cross-industry reports from organizations like Corporate Executive Board, Bersin by Deloitte, The Boston Consulting Group point to sub-optimal outcomes for most learning and development programs. So there is clearly a disconnect.

We do not believe that this is from lack of effort or focus on behalf of the folks driving L&D efforts... Rather the approach, programs, tools, and technologies that we have in place today were designed for a very different time, for a very different workforce, and for a very different set of requirements... We've simply outgrown our old shoes...

So what is a conscientious People Leader to do?

- Divesting is not an option for any organization that wants to remain relevant and competitive.
- And we can all agree it is not about throwing more money at the issue, even if we had it to spend.

Progressive Talent Development Organizations are using a series of strategies that are helping them optimize their talent development solutions and drive positive learning outcomes.

We have distilled these emerging strategies down into four key components of a Continual Development Architecture.

- 1. Using workforce science and talent analytics to assess requirements and drive realtime development decisions for individuals, teams and organizations;
- 2. Leveraging simple and elegant technology to instrument and guide continual development experiences throughout the entire year;
- 3. Mass-customizing content and resource from inside / outside the organization to support a variety of learning styles, interests, capability, and specific development needs; and
- 4. Putting real people back into the development equation to support, encourage, and motivate employees throughout their learning journey.

Taken together these four components make up the foundation of a Continual Development Architecture and indeed inform the direction that leading organizations are taking around the world to develop their people and maximize learning outcomes...

EVERWISE

lan Gover

Co-Founder, Everwise

"THE WORLD IS CHANGING SO QUICKLY THAT BY THE TIME **NEW COLLEGE STUDENTS GRADUATE, MUCH OF WHAT THEY** HAVE LEARNED IS FAR LESS RELEVANT AND IN MANY CASES **OBSOLETE. THIS MEANS KNOWLEDGE AND EXPERIENCE ARE** NO LONGER THE PRIMARY COMMODITY. INSTEAD WHAT IS FAR MORE VALUABLE IS TO HAVE THE ABILITY TO LEARN AND TO APPLY THOSE LEARNINGS INTO NEW AND UNIQUE SCENARIOS"

Jacob Morgan / The Future of work: Attract New Talent, Build Better Leaders, and create a Competitive Organization (Wiley, 2014)

APPROACHES TO PERSONAL GROWTH

MENTORING COACHING

TRAINING

- > On job or off job
- > Delivered by trainer or expert
- > Often one-off
- > Learning 'pushed' to learner
- > Tends to be guite structured

COUNSELLING

- > Focussed on personal issues which affect someone's work performance
- > Carried out by someone with professional training
- > Confidential

FIND OUT MORE

Charles Jennings, 70:20:10 Framework Explained (70:20:10 Forum, 2013) Cisco, Transitioning to Workforce 2020, 2011

Deloitte, Global Human Capital Trends Report 2014, 2014

Institute of Employment Studies, Learning and development: perspectives on the future, 2010

Jenny Dearborn, Redefining Workplace Learning For The 21st Century, Forbes,

Paul Fairhurst, The Changing L&D skillset, The Training Journal, September 2009

NEW WAYS OF WORKING | 30 NEW WAYS OF WORKING | 29

COMPANY FOCUS

People-centric organisations know their most valuable asset is their people. And one of the best ways to empower people is to share their skills with others through mentoring.

However, in the future, mentoring relationships won't just be one-way. According to Cisco, in multigenerational workforces, reverse mentoring will become increasingly popular, with younger people mentoring older people and vice versa. Mentors might not even be from the same organisation. Cisco highlights how 'anonymous mentoring' can connect employees with mentors from different companies, or even entirely different disciplines.

Companies will also find themselves working more closely with schools and universities, to help students develop the skills they need as the roles of public and private institutions increasingly blur.

As Cisco suggests, "multi-stakeholder educational partnerships accelerate transformation and innovation by allowing private-sector organisations to take over roles traditionally assumed by public institutions".

ADAPTED FROM: Institute for the Future Future Work Skills 2020 2011

BEYOND THE DEGREE

Traditionally, students study for a degree or other qualification to earn entry into their chosen industry. But in the future, as the internet continues to give them open and instant access to knowledge – plus a global showcase to display their talents – formal qualifications could become a lot less important.

For instance, entrepreneurs can use YouTube to learn how to design an app. Then, through Apple's app store, they can release it to the world. This way, global employers can see what people can actually do, rather than take a chance based on what they've studied. Companies of the future might not necessarily care how talented people have learned their skills, only that they can prove their expertise.

COMPUTATIONAL WORLD Another recover in records the world a more programmable system COMPUTATIONAL WORLD Another recover in records the world a more programmable system COMPUTATIONAL WORLD Another recover in records the world a more programmable system COMPUTATIONAL WORLD Another recover in records the world a more programmable system COMPUTATIONAL WORLD Another recover in recover in records the world a more programmable system COMPUTATIONAL WORLD AND COMPUTATIONAL COM

Run with Purpose: Career Development at SAP

At SAP, everyone is a talent. Our people, who represent our greatest asset, are the secret behind our continued success. That's why we want to empower you with career development tools and resources to help you shine.

How can you create an amazing career at SAP?

Choose your own direction.

Development goes beyond your current role. It even extends beyond SAP. But when you understand your goals, aspirations, and motivation, we can help provide opportunities that assist you in building the work life you want.

Talent and Passion + Opportunities = A Best-Run Career at SAP

WE SUPPORT YOU.

Although your future is in your hands, we are here to help you make your career dreams a reality.

SAP provides a career framework and tools to guide you through your journey and help you discover who you are,
identify where you want to grow, and develop an action plan to get there.

Know yourself and identify

your passions.

Use personalized resources to help you assess your skills and strengths, understand your potential, and build your personal brand.



GAPS analysis and assessment options

Identify your goals, abilities,



Build your brand

Discover how to develop your personal and professional brand.

Take charge of your future with new opportunities.

Explore your career potential and choose from a variety of opportunities for career enrichment at SAP. Your best-run caree is waiting for you!



Development direction

arch for regional offerings or explore lowship opportunities.



Career navigator tool

Define your preferences and consider career path opportunities using Pathfinder

Chart vour course.

Create a balanced personal development plan with a 70-20-10 approach to career development, using tools and resources provided by SAP. And remember, you own your professional future. Your manager stands ready to support you.



On-the-job experiences

Learn by doing



20%
Mentoring and coaching

engagements plus networking opportunities



Learning for you

Take advantage of formal training opportunities, courses, and seminars.

earn from others.

Start Your Journey

We encourage our employees to facilitate their career development by asking three questions:

- Who am I? Identify your skills, passions, and brand.
- Where do I want to grow? Explore your career potential.
- How can I get there? Create a plan that works for you.

We offer a **Development Playbook** that helps our valued talent navigate through these questions, so you can run at your best and achieve your most fulfilling career at SAP.

To learn more, read career advice from SAP employees at

http://www.sapcareeradvice.com/.



FUTURE OF LEADERSHIP

In a future where disruption is the new normal, businesses will need a different kind of leader to survive and thrive.

The future of leadership will see employees being given far more freedom and opportunity. The days of successful leaders being overly controlling are numbered – new ways of working mean flexibility and empowerment will become central to businesses large and small.



One of the easiest ways to instil this enabling spirit is to practice the art of delegation. By setting an example of a happy worklife balance, spending time with loved ones while also working incredibly hard, leaders will set the tone for productive, progressive working environments.

As ever, to be successful leaders will need to be passionate about their work's purpose, and even more passionate about their team. Going out and meeting your employees, asking them questions and getting feedback will be key factors for finding ways to improve companies. Effective leaders should listen more and talk less.

Finally, leaders will need to think less about bottom lines and more about making a positive difference to the world. By focusing upon people and the planet alongside profit, businesses can become a real force for good. This starts at the top, with leaders committed to strong purposes. From there, real change across entire businesses, sectors and countries can begin to take shape.

Richard Branson

Founder and Chairman, Virgin Group

"THE COMPANY OWNER DOESN'T NEED TO WIN. THE BEST IDEA DOES"

John C. Maxwell / The 360 degree leader: Developing Your Influence from Anywhere in the Organisation

Thomas Nelson. 2011

As we've seen throughout this report, the world of work is evolving faster than ever before. Employees of the future are set to demand transparency, flexibility in how they perform their roles, and the right to have their opinions and ideas heard – wherever they stand in the organisation.

Meanwhile, the technology powering this evolution is also helping entrepreneurs disrupt entire industries as the global village gets ever smaller.

GOODBYE GATEKEEPERS

As Malcolm Gladwell points out in an article for Forbes, 10 Ways Millennials are Creating the Future of Work, Millennials are more about 'the network' than 'the hierarchy'. And a generation weaned on leaderless platforms like Reddit and Twitter will naturally care more about collaboration.

According to one report from IdeaPaint, 38 percent of Millennials feel that outdated collaboration processes hinder their company's innovation – while 74 percent prefer to work in small groups.

In Cisco's *Transitioning to Workforce 2020*, the authors suggest leaders can achieve this by building a supportive and immersive environment, where decisions are made without a "command and control" management structure.

As Charlene Li, author of *Open Leadership* puts it, "middle managers were traditionally the gatekeepers between the top echelons and the front lines. [Now] They have to become facilitators".

One casualty of this new flatter reality could be job titles. Gary Hamel says, in *Moon Shots for Management* in Harvard Business Review, an employee's status within a company shouldn't be decided by a pre-determined job title, but from the value of the contributions they make to the business. He believes this can make sure power flows to the people who're adding value, and away from those who aren't.

NEXT PRACTICE LEADERSHIP

According to leadership expert Tamara Erickson, the qualities we used to demand of leaders are becoming fast-redundant. For instance, leaders were once expected to have all the answers. Now it's more useful for them to ask the right questions.

One way to encourage innovation is to create an agile workplace, where employees who question the status quo, seek opportunities and take risks are rewarded rather than rejected.

In times of change, authenticity is the glue that will hold companies together. As PwC acknowledged, authentic leaders create the clarity to navigate a complex global market by having the courage and confidence to build a clear sense of Purpose.

Some commentators also see a trend away from the brash 'superstar CEOs' of the past towards more humble leaders. Jeanine Prime and Elizabeth Salid, in an article for the Harvard Business Review, suggest that humility, demonstrated by things like admitting mistakes and taking risks for the greater good, is critical.

They outline how these acts help build an environment where everybody can feel included. Also, they highlight that "employees who perceived altruistic behaviour from their managers reported being more innovative, suggesting new product ideas and ways of doing work better".

"TECHNOLOGY LEADERSHIP IS NOT DEFINED BY PATENTS, WHICH HISTORY HAS REPEATEDLY SHOWN TO BE SMALL PROTECTION INDEED AGAINST A DETERMINED COMPETITOR, BUT RATHER BY THE ABILITY OF A COMPANY TO ATTRACT AND MOTIVATE THE WORLD'S MOST TALENTED ENGINEERS. WE BELIEVE THAT APPLYING THE OPEN SOURCE PHILOSOPHY TO OUR PATENTS WILL STRENGTHEN RATHER THAN DIMINISH TESLA'S POSITION IN THIS REGARD."

Elon Musk / CEO of Tesla Motors

AMBASSADORS FOR CHANGE

Future leaders may be humble – but they still need to be visible

From Apple's Tim Cook to Starbucks' Howard Schultz, top CEOs are more than simply chief decision-makers. They're also brand ambassadors who, having created a strong company culture, champion that culture in the world at large.

And as the business world becomes more competitive, it's these figures who will empower staff through leading by example.

Giles Hutchins, writing in *The Guardian*, identified that in a less hierarchical future the need to 'micromanage' will disappear. Inspired by leaders who live the company's values, staff will have the freedom and support to 'become the change they want to see'.

HYBRID LEADERS

One set style of leadership won't be enough for leaders of the future to meet global challenges.

Instead, they'll need a range of perspectives – across private, public and not-for-profit sectors – as organisations become more of a hybrid, as identified by Accenture in its report *Best of All Worlds*.

CEOs' decisions will be informed as much by the environment as the bottom line, as sustainability becomes more important. Making the best of finite resources will mean a different approach to competition too. Increasingly future leaders will encourage their teams to collaborate with other organisations and share information and knowledge while also learning from others, whoever they might be.

Applying this approach to their teams and fellow workers, these 'hybrid' leaders of the future will think more like a coach than a boss – to nurture a growth mind set.

And yet, in the future, what some experts believe is a stereotypically 'female' trait of naturally high emotional IQ, will see leaders with this quality sought after for high-profile positions.

The University of Bonn conducted a study that found that people with high emotional IQs were considered "more socially and politically skilled than others and make better decisions".

Future leaders, both male and female, will need a repertoire of what we currently call 'soft skills' – from motivating team members to showing empathy.

There's plenty of evidence that soft skills create hard and fast results too. A 2008 McKinsey report Women Matter 2: Female Leadership, A Competitive Edge for the Future, found that women applied five leadership behaviours associated with improved organisational performance (such as participative decision-making) more than men in the workplace.

With this in mind, from a future perspective it will appear surprising that, according to Catalyst, in 2015, only 5 percent of Fortune 500 positions go to women, despite their leadership strengths.

After all, as McKinsey found in their report Women Matter: Gender Diversity as a Corporate Performance Driver, as women around the world achieve more freedom as consumers they'll expect to be represented on the boards of the brands they buy.





"CEOS WILL NEED TO BE ABLE TO THRIVE ON COMPLEXITY, GENERATE NEW IDEAS, AND CHANGE DIRECTION QUICKLY IF THEY HAVE TO. IN OTHER WORDS, THEY'LL HAVE TO LEARN TO LOVE DISRUPTION, BECAUSE THAT'S ALREADY BECOMING THE NEW NORMAL."

David Lancefield / Collaboration and Empowerment: New styles of leadership for a digital age

Huffington Post April 2014

THINK GLOBAL

According to executives who took part in the Economist Intelligence Unit's worldwide survey, a global perspective is one of the most important qualities for modern leaders. But what exactly is a global perspective? It depends where you live.

For instance, a Brookings Institute report found that in 2009, two fifths of countries announced an increase in per capita income, despite the global recession. If you were doing business in Europe during that time, you might have had a tough year. Yet elsewhere your business could well have grown.

As the world shrinks, leadership that emerges from a single global headquarters will seem old-fashioned. Instead, successful leaders will gain that all-important global perspective by understanding local trends on a global level and so gaining insight into new markets.

COMPANY FOCUS

ERNST & YOUNG

LONDON, UK

EY have developed a new program designed to tap into the leadership potential of elite female athletes and Olympians after their retirement from competitive sport. Also run a Women Enabler blog.

www.ey,com



Forbes Insight's Global Diversity and Inclusion: Fostering

With this in mind, a big challenge for future leaders will be how to engage and inspire people from cultures that don't necessarily match their own.

'Flexing' is an emerging technique to tackle this problem head on. In their Forbes article, *Switch Your Leadership Style to Manage Diversity*, Dan Schwabel, Jane Hyun and Audrey Lee write that, by flexing their approach, leaders can switch their styles and behaviours to better meet the needs of people from cultures all over the world.

COMPANY FOCUS

GENERAL ELECTRIC

CONNECTICUT, USA

GE's global leadership institute was created in 1956 as a nexus of innovation, ideas, and learning. GE recognize, as they leverage their scale to redefine digital in their industries, that big is the next big thing.

www.ge.com

"THE SYSTEMATIC AND INTENTIONAL MOVE AWAY FROM USING FEAR AS A TOOL OF MANAGEMENT"

Richard Sheridan / CEO & Chief Storyteller, Menlo Innovations

DATA INSTINCT

In *Transitioning to Workforce 2020*, Cisco notes that, thanks to the rise of online activity, leaders now have more data at their disposal than ever before. 'Big data' gives us instant insights into everything from what customers are eating for lunch to which management initiatives have directly improved employees' wellbeing.

In the future, leaders who can interpret the wealth of facts and stats to make sound decisions will be in high demand. Rather than rely on 'gut instinct', these leaders will be able to check that their decisions have been successful by analysing data.

Systems will emerge to help them do this. Amazon can already recommend a book based on customers' previous choices. Cisco predicts that artificial

intelligence-style systems could be used to suggest solutions to leadership questions based on what's worked before, and what hasn't.

However, with this increased complexity, a core strength for any leader will be their ability to simplify the landscape for both their employees and themselves.

As Chris Zook comments in an article for the Harvard Business Review, "today, complexity has become the silent killer of profitable growth in business, and sometimes of CEO careers". He goes on to discuss a recent Bain & Company study; "we found an increasing premium to simplicity in the world of today — not just simplicity of organisation, but more fundamentally to an essential simplicity at the heart of strategy itself".

BEHIND THE SCENES

THE MANAGEMENT INNOVATION EXCHANGE

The Management Innovation eXchange (MIX) is an open innovation project aimed at reinventing management for the 21st century. The premise: while "modern" management is one of humankind's most important inventions, it is now a mature technology that must be reinvented for a new age.

www.managementexchange.com

RELUME

LONDON, UK

Relume is a small research and advisory firm, advising large corporations including BP, Deutshe bank and Aviva. They aim to help those who they advise 'challenge the status quo in themselves and their market by developing a challenger spirit' through coaching, retreats and other tools. The founders of Relume have also written a book which looks at the recurring principals of 'Challenger Organisations' which they define as 'those companies which are disrupting their market and taking serious market share from their more established competitors'

www.relume.co.uk

HARVARD LEADERSHIP INITIATIVE

MASSACHUSETTS, USA

Undertake research and course development projects about leadership and leadership development, both within Harvard Business School and through collaborations with other organizations.

www.hbs.edu

CENTER FOR CREATIVE LEADERSHIP

USA, BELGIUM, MALAYSIA

The Center operates as a training facility. The Company provides services such as leadership ability, skill development, and perspective, as well as research, publication, and product development.

"TRANSFORMATIVE LEADERSHIP IS NOT FOR LIGHTWEIGHTS. IT IS PERHAPS THE MOST CHALLENGING APPROACH TO LEADING PRACTICED TODAY. IT REQUIRES CHARACTER AND COMMITMENT, COURAGE, IMAGINATION, AND UNRIVALED STAYING POWER."

Cleve W. Stevens / The New Kind of Leadership for tomorrow's leaders, Forbes, *June 2014*

TRADITIONAL LEADERS



COLLABORATIVE LEADERS



Believe **Power** comes from their **Position of Authority** Believe **Power** is greatest in a **Collective Team**





Maintain **Ownership** of **Information**

Openly Share Information and Knowledge





Sometimes Listen to Suggestions and Ideas from their Team 3

Encourage
Suggestions and
Ideas from their Team





Deliver the **Approved Solution** to their Team

4 E

Facilitate
Brainstorming
with their Team





Allocate Time and Resources **Only when Proven Necessary**



Enable their Teamby Allocating Time and
Resources Right Away





Adhere to Specific Roles and Resposibilities

6

Allow **Roles and Resposibilities** to
Evolve and Fluctuate





Fight Fires and Focus on Symptoms

7

Seek to Uncover the **Root Causes** of Issues





Review Staff Performance Annually According to Company Policy 8

Offer **Immediate** and **Ongoing Feedback** and Personalised Coaching



ADAPTED FROM: Collaborative lead training co.

WHOLEFOODS – SERVANT LEADERSHIP

TEXAS, USA

Servant leaders are those that are people focused, humble, and haven't forgotten what it's like to be an employee. In the words of John Mackey, Co Founder and Co-CEO of Wholefoods "Servant leaders [...] serve the higher purpose of the organisations and try to consciously create more value for all stakeholders". Mackey is also the founder of the Conscious Capitalism movement, which aims to bring a sense of self-awareness to business.

Servant leaders lead by example, which is exactly what John Mackey did when he cut his own pay to \$1 in 2006. His reasoning was that he wanted to continue to work for the company "out of a passion to see the business realize its potential for deeper purpose, for the joy of leading a great company, and to answer the call to service he feels in his heart". Wholefoods also operates on a Pay Cap principal for all its senior management, meaning that those at the top can never earn more than 19 times the salary of the lowest paid member of staff at the supermarket.

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WELCOMING WELLBEING

"In the year since **Thrive** was published, as I've gone around the world speaking about the themes in the book, I've been thrilled to see firsthand evidence of a global awakening. More and more people, of all ages and from all walks of life, are coming to realize that there's more to life than climbing the ladder, that we are more than our résumés, and that we don't have to buy into the collective delusion that burnout is the necessary price we must pay for success.

Wherever I go I see the same hunger to live our lives with more meaning and purpose, more happiness and joy, and less unnecessary stress and burnout.

Hundreds of people have told me personally or through social media either how exhausted and stressed they are all the time or how transformed their lives have been after their own wake-up calls, when they realized that what they truly valued and what they were spending their time on were out of sync.

And this same sea change can be seen in our media coverage as well. This has been the year in which the discussion about well-being and mindfulness broke through in a big way—going from health and lifestyle magazines to the business pages, the sports pages, and even the front pages. Much more today than even just a year ago when *Thrive* was first published, these discussions are no longer considered "alternative" or new age—y—they are now firmly part of the mainstream. Every day brings fresh scientific findings on the benefits of meditation and mindfulness, on the dizzying array of harmful effects of stress, and on how integral sleep is to every facet of our lives.

Clearly it's time to go from awareness to action.

And what I've seen in the last year is that the desire for change is strong. We may have hit the snooze button a few times, but that wake-up call is gradually being heard. And today, in addition to having the will, we have the tools—tools that are both timely and timeless."

THE HUFFINGTON POST

Arianna Huffington

Chair, President & Editor In Chief, Huffington Post

"I HAVE CHOSEN TO BE HAPPY BECAUSE IT IS GOOD FOR MY HEALTH."

Voltaire

AN UNHEALTHY WORKFORCE

Dysfunctional companies can negatively impact the health of their employees in many different ways: from tolerating bad management to ignoring employees' work / life balance. It's well documented that one of the biggest drivers of unhappiness at work is stress. According to BUPA, it's one of the main causes of sickness absence, which costs employers in the UK £477m every year.

Feeling a lack of Purpose also affects wellbeing, leaving employees frustrated that their company and their work doesn't add any value to the world.

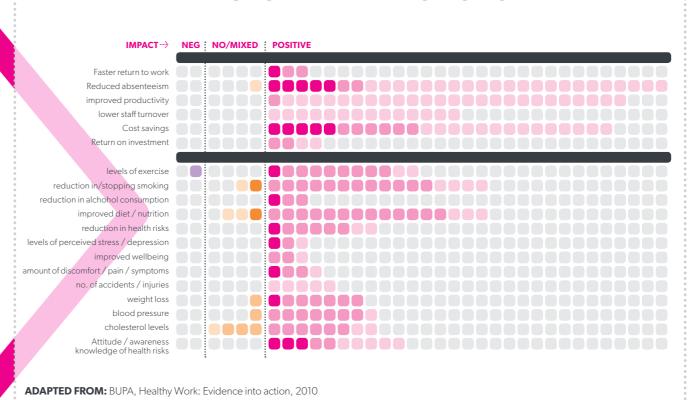
Governments have also recognised the importance of wellbeing, and the way that trust, security and physical

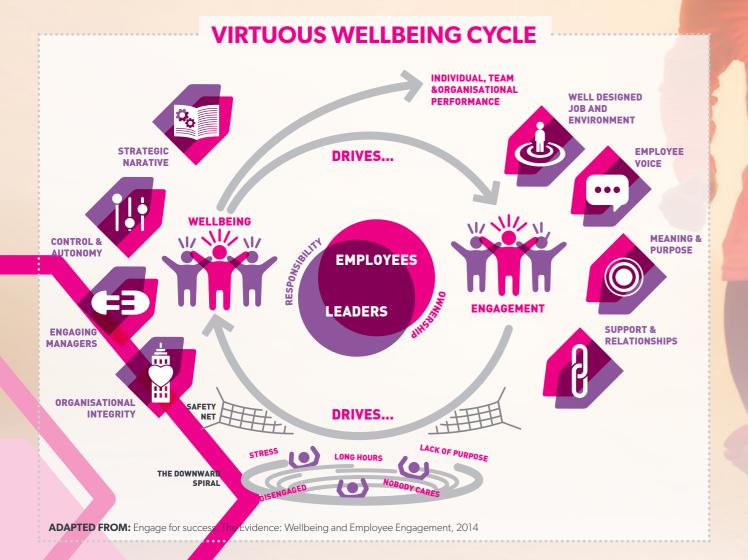
and mental health are vital for cohesive societies. As British Prime Minister David Cameron has said: "We have an instinct that the purpose of a job is as important to the soul as it is to the bank balance."

A Workplace Wellness Programs Study by RAND Health, sponsored by the US Departments of Labor and Health & Human Services, also found that an "epidemic of 'lifestyle' diseases" has developed in the US over the last decade, such as diabetes and heart disease. This also links back to the fact that workers around the world will be staying in work much later in life.

Therefore, employee wellbeing is a big challenge for employers.

IMPACT OF HEALTH PROMOTION





ETSY'S HAPPINESS INDEX

We believe it is our responsibility to offer our employees challenging, meaningful work and a clear sense of how their efforts connect to the company at large. We work hard to foster a culture of respect, blamelessness, honesty, transparency, and direct communication. We believe the best work is born from happy, inspired, and empowered people.

We have a data-driven culture and decided the best way to determine how well we were meeting these ambitions was to measure them. In 2012, we developed a unique approach to calculating the overall well-being and connectedness of our employees, which we call the Gross Happiness Index.

Our Index differs from most employee engagement surveys in that we evaluate the company as a whole ecosystem. We first look at the individual well-being of our employees by using the PERMA framework developed in conjunction with the Center for Positive Psychology at the University of Pennsylvania.

We then look at our employees' relationship to one another, their sense of belonging, community, and their level of connectedness to co-workers, managers, and senior leadership.

Finally, we evaluate the relationship our employees have to the institution. Do they feel they have agency to make changes, and the freedom to do their job to the best of their ability? Do they feel supported by the company? Through this we hope to gather a holistic view of the health of our organization and an actionable understanding of where we can improve.

Since launching the index - we have found our employees are inspired, challenged, and enjoy their work. Our scores across all of the index's categories have been high since we started measuring. We have been excited to see continuous improvement year over year, despite starting with a very high baseline.

In 2014, 92% of employees participated in the survey. Our overall engagement score was 85% positive, compared to the national average of 60%.

Our overall 2014 Happiness Survey results will be shared publicly in our annual progress report, launching in March 2015. Stay tuned.

Etsy

Katie Hunt-Morr

Senior Manager, Value and Impact, Etsy

THE FUTURE IS ROSY

But let's switch that around and take a look at the opportunities there are for organisations that place a premium on employee wellbeing.

According to Engage for Success, employees that described themselves as having 'high wellbeing' were 35 percent more attached to their organisations than anyone else – typically the kind of companies that frequently outperform the FTSE 100.

When people feel connected to what they do, they feel better in their lives outside of work too. One 2013 Gallup survey reported that when employees feel engaged and productive at work, they assessed their overall lives more highly.

Because happy employees are also high performers, companies are competing to make sure wellbeing takes centre stage at work. In the UK alone in 2013, the CIPD and Simplyhealth found 85 percent of employers were taking steps to improve working patterns, while efforts to reduce long-term absence rose by 20 percent.

In its 2013 report, *State of the Global Workplace*, Gallup found that when employees are engaged and thriving, they're more likely to be agile and resilient. So major organisational changes or disruptions in their personal lives are unlikely to throw them off course.

GET WITH THE PROGRAMME

As you will see in our case studies, employers are taking this seriously and there are a host of wellbeing programs being developed around the world. It is becoming a priority in the boardroom.

According to HR and Consultancy company Aon Hewitt, 80 percent of mid-size and large US companies now offer incentives to workers who take part in company-wide health programmes.

UK retailer Marks and Spencer has shown how effective these programmes can be, both for boosting staff's health and beating absenteeism. After initiating its own scheme, which included a focus on diet and exercise, turnover rates improved and sickness absence fell 7 percent in one month.

RAND Health's study also found 'statistically significant and clinically meaningful' improvements in the health-related behaviors of wellness program participants that were sustainable over four years.

WELLBEING AS A RESOURCE

Traditional wellbeing initiatives have been seen as crisismanagement tools designed to stop people burning out or succumbing to issues like stress.

Yet, increasingly companies are viewing stress management, resilience and mindfulness as resources every bit as essential to productivity as a smartphone or a computer.

These resources will become ever-more important. We've already seen that, in the future, innovation, and going beyond 'business as usual', is going to be key to thriving in a globally competitive workplace.

This means nurturing employees who are healthy, secure and stress-free enough to come up with game-changing creative ideas.

SAS

NORTH CAROLINA, USA

US Software company SAS is well known for its innovative employee wellbeing practices.

Its voluntary employee turnover is 4 percent, and it accredits this in part to its wellness programs. The initiative includes the SAS on-site recreation center featuring a swimming pool which has been described as a 'Gymnasium on water' – due to its ability to double up as an 'aqua' court for pretty much any sport.

There are also free on-site health care facilities which are used by 90 percent of the staff. And 73 percent of those use the resource as their primary health care provider due to the quality of the services. The business case for on-site health care is clear – in 2009, SAS saw savings of \$1.41 for every \$1 they had invested.

The company runs its year-round 'Your Way to Wellness' incentive programme alongside its on-site facilities. It includes seminars on wellness, yoga, reading on the subject and annual health check-ups. Employees receive 'points' for each task they complete.



COMPANY FOCUS

AETNA

CONNECTICUT, USA

The CEO of health insurance provider Aetna, Mark Bertolini, suffered a broken neck during a ski accident in 2004. As part of his recovery process, he vowed to introduce what he calls "mindful benefits" to his 35,000 employees.

His vision put in place the wellness programme at the company today. It includes yoga and meditation coaching for all employees, and cash incentives for healthy behaviours such as exercise and healthy eating.

The return on investment (ROI) has been impressive, with an initial 12-week yoga and meditation programme showing a 500 percent decline in heart variation amongst staff, and an additional 69 minutes of productive time for each employee per day. Overall, Bertolini believes the programme has produced an 11:1 ROI.

As a consequence of these initiatives, Aetna hopes to change the perception of health Insurers in the US, who have been less than favourably looked upon up until now.











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TEARING UP THE ORG CHART

Never before have there been so many unprecedented and innovative approaches to organising people and structuring organisations.

Is the traditional org chart set to become a thing of the past? Traditionally, a one-size-fits-all, top-down structure was assumed to be the most efficient.

But things are changing fast. We've already seen how the new workplace has opened up to fresh models of collaboration, openness and information sharing.

This evolution has been slowly happening for the last decade, and is being further driven by Millennials who, as we've seen, value a high level of autonomy and expect to have a say in decisions that affect them. It's also being shaped by new visions of leadership, which means fewer middle managers and more empowered employees.

Mix in the technological innovations which mean employees can work from anywhere, and there's a serious argument for ripping up the org chart and starting again.

Some of the approaches we're talking about are experimental and still evolving, and we're certainly not at the stage yet where traditional hierarchical organisations no longer exist.

However, forward-thinking companies are already changing shape and flattening out. This not only reflects the new business reality, but is a bid to find the structure that gives them the best competitive edge for the future.

"FAR FROM REDUCING INFIGHTING AT SENIOR LEVEL, HIERARCHY EXACERBATES IT. THE KEY TO MAINTAINING GOOD RELATIONS BETWEEN SENIOR COLLEAGUES IS NOT NECESSARILY TO FLATTEN OUT ALL DIFFERENCES IN RANK, BUT TO FOSTER MUTUAL APPRECIATION OF INDIVIDUALS' SKILLS IN FULFILLING THEIR CLEARLY DEFINED JOBS [LIKE] KING ARTHUR'S ROUND TABLE, WHERE INDIVIDUAL KNIGHTS EACH HAD A SPECIFIED ROLE."

Andrew Hill / Zappos and the collapse of corporate hierarchies, Financial times January 2014

SURFING THE CROWD

As Mohanbair Sawhney and Davel Parikh point out in the Harvard Business Review, understanding how networks operate, and harnessing the intelligence that flows through them, will be vital for future businesses.

The authors describe how, in a networked world, businesses can make use of the skills and capabilities of people across the globe. Wikipedia is one of the outstanding examples of this ability to harness global knowledge.

Another example is that companies can use intelligent storage facilities on the other side of the planet rather than building warehouses in their own country. Equally, entrepreneurs don't have to design an internet platform to sell their product – they can simply use Amazon or Etsy. The authors talk about this as a 'plug–and-play' approach where different companies collaborate to distribute services that used to be centralised.

Sawhney and Parikh point out that in the future it might make more sense to talk about a company's 'distributed capabilities' rather than 'core capabilities'.

This networked approach is changing the relationship between workers and employers too. Some figures suggest that Millennials prefer freelancing to jobs for life, with one study from Elance oDesk and Millennial Branding suggesting 79 percent would quit a traditional job to make the switch.

In the future, relationships with talent can be supported and enhanced by new 'open source talent' initiatives. As Deloitte pointed out in its *Open Talent Economy* report, the emphasis will be more on connecting to talent, as opposed to owning it.

But the possibilities of technology go much further. As well as sourcing talent, 'noded' working allows companies to use customers' unique specialist knowledge to solve problems too. It's an approach Accenture calls 'borderless enterprises'.

This can mean companies asking consumers for new product ideas on social media, or getting customer input on designing fresh advertising campaigns. It can even mean crowdsourcing help from customers on building the products themselves.

For instance, Accenture highlights how one motoring start-up, Local Motors, used a global community of mechanics, designers and enthusiasts to build an entire vehicle, breaking down tasks and allocating them, using cloud technology.

This collaborative philosophy allows access to greater expertise and global capabilities from the start, leading to enterprises that are 'born globally' or 'micromultinational'.

An era when remote working is the norm is also inspiring new organisations in which all tasks and functions take place off-site.

For instance, the San Francisco-based web company Automattic has more than 100 employees but is completely distributed, with all staff working remotely and coming together once a year. They successfully organise tasks using email, chat-rooms and Skype.

TURNS OUT THE WORLD IS FLAT

As business writer Jacob Morgan highlights in his book *The Future of Work*, future organisations are likely to be flatter. As we've seen, flatter structures not only make sure everybody's voice is heard, they allow companies to make decisions quicker and innovate faster.

However, as Morgan says "...it's safe to presume that most organisations will retain some form of structure.

After all, creating flat (or flatter) organisations doesn't have to mean removing all structure. Many companies such as Google, KPMG, Starbucks, Schneider Electric and others are all trying to 'flatten' even though they still have somewhat hierarchical structures."

Morgan says that the key to flatter organisations is giving employees the power to make their own decisions. "Flattening an organisation isn't just about rearranging an organisational chart," he writes.

"It's about empowering employees to make and participate in decisions and communicate with everyone across the company."

"It's about empowering employees to make and participate in decisions and communicate with everyone across the company."

One radical way to achieve this is by building a 'Holacracy'. A Holacracy is a distributed authority system which uses a set of rules to knit the empowerment of individual employees into the core of an organisation. Unlike conventional top-down or progressive bottom-up approaches, it integrates the benefits of both. Everyone becomes a leader of themselves and their role.

In a Holacracy, teams organise themselves by using regular task and governance meetings to identify backlogs and conflicts. Rather than being assigned to projects, employees find which projects need their support, based on their agreed job role, not their job title.

CHANGING THE CORPORATION

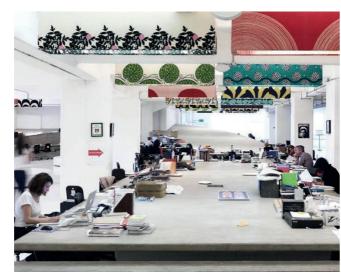
Often, innovations like flatter structures and noded working are associated with small start-ups rather than big business. As Ernst & Young notes in its 2010 report Ambitious, adept and agile: How global entrepreneurs are changing the world, some people believe these changes will see small, agile companies overtake global multinationals in the future.

But, as PwC illustrates in its *Future of Work* report, big corporations will still exist, they'll just change their ways of working. Big departments, such as HR administration and Finance, could be outsourced in the ways we've examined above. Meanwhile, small and large companies will develop different employment 'offers' to attract the right people.

BREAKING DOWN BARRIERS

These new working structures will naturally build more flexibility in the ways we all work. They mirror the development of the 'sharing economy', creating new opportunities for 'shared employment', taking part-time working and job sharing to the next level.

They also break down geographic and physical barriers to employment. This gives more people access to good jobs, and the wellbeing and prosperity that goes with them. This means in the future more people will be able to attain the dignity that comes from sustainable work – anywhere in the world.

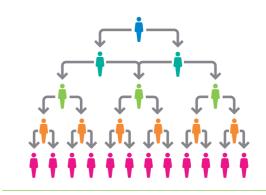


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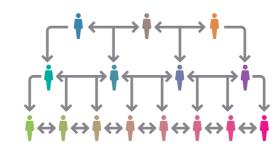
"I BELIEVE THERE WILL BE A CONTINUED TREND TOWARD DISTRIBUTED AND FLEXIBLE WORK PLACES TO ATTRACT THE INCREASINGLY MORE CONSCIOUS WORKFORCE, WHICH WILL MAKE CULTURAL AND OPERATIONAL ALIGNMENT MORE CHALLENGING. WE WILL NEED NEW ENGAGEMENT PARADIGMS."

Mike Mulcahy / President and COO, Bridgeway Capital Management

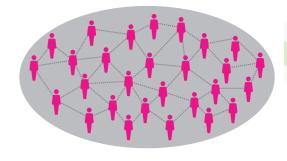
COMPANY STRUCTURES ON A SLIDING SCALE



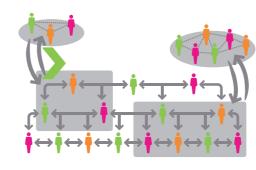
1. Hierarchical Organisation



2. Flatter Organisation



3. Flat Organisation



4. Flatarchies



5. Holacratic Organisation

ADAPTED FROM: Jacob Morgan, The Future of work: Attract New Talent, Build Better Leaders, and create a Competitive Organization (Wiley, 2014)

We all know the workplace is so different today in this new time I call the Age of Entrepreneurship. First, we have to contend with the fact that most young people don't want to work for companies; they want to start companies. Generation Y is said to be the most entrepreneurial generation ever¹ and MBAs from Stanford prefer to work for smaller companies or start-ups—places with an entrepreneurial culture, with structures they describe as "flat" and "nonhierarchical".2 Then, once we do get them in the door, it's with the understanding that they might not stay very long. Online platforms and services like LinkedIn have made it impossible to keep the world from knowing and recruiting every organization's most talented stars and individuals are building a portfolio of jobs, not staying in one job for life.

Therefore, in order to attract and retain the best talent, we have to do much more than create new, desirable products and services. We must think differently about how we treat our employees. This is not something to fear, but to embrace—when everyone opts in and employees are happier, companies are more successful.

A few new management hacks for the Age of Entrepreneurship:

- ··· Give frequent feedback. Today's employees want to see the difference they make in their organization and be recognized for it. Millennials grew up on social media and expect similar feedback channels; fortunately, a new generation of performance management software can help achieve this.
- \Rightarrow Grant flexibility that puts people in charge of their fate and gives them the opportunity to make a difference. It's important to create "step-up opportunities," or roles that have room for constant expansion and the opportunity to push the boundaries. Facebook has done an excellent job by offering everyone the same chance to make a meaningful contribution. Every new engineer, whether a former VP from VMware or a recent college graduate, experiences the same six-week on-boarding program and at the end, engineers aren't assigned a team; they choose one.
- Coach, coach and coach some more. Companies have an obligation to coach their employees and grow their potential for success. Provide them access to executives and others inside and outside of the organization who can serve as mentors to keep them challenged and help them reach their potential. The world has a dearth of top talent, which means companies should do everything possible to not only identify and augment that talent where it exists, but help others join that echelon.
- Include everyone. Let employees collaborate with their peers and give them access to executives. They want to be included in the conversation and feel as if they are a part of something.
- Say "thank you". Often, employees don't feel valued and appreciated. It's simple, but employers should never forget to say "thank you".
- Rethink the send-off. Too many employers seek to exact retribution when a talented employee leaves the company. Then, in a strange twist, fired employees are given severance packages to dissuade a lawsuit. That system is backwards, and can create more problems for a company than it solves. Sometimes great performers leave—it happens. But they also, on occasion, don't like the new job as much as they hoped they would. Why not seize the opportunity to welcome them back? Salesforce.com has gained back great executives by allowing them to leave and then return.

Maynard Webb

Chairman, Yahoo!, Co-founder, Everwise, Founder, Webb Investment Network, Former COO of eBay, bestselling author of Rebooting Work

- 1. http://usatoday30.usatoday.com/money/smallbusiness/story/2012-05-07/generation-y-entrepreneurs-smallbusiness/54814472/1
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"FLATTENING AN ORGANISATION ISN'T JUST ABOUT REARRANGING AN ORGANISATIONAL CHART, IT'S ABOUT EMPOWERING **EMPLOYEES TO MAKE AND PARTICIPATE IN DECISIONS AND** COMMUNICATE WITH EVERYONE ACROSS THE COMPANY"

Jacob Morgan / The Future of work: Attract New Talent, Build Better Leaders, and create a Competitive Organization (Wiley, 2014)

COMPANY FOCUS

VALVE Washington, USA



Valve is \$4 billion video game company that uses a modular work model that stems from the 'freelancer economy', whereby they are free to work on any of the company's projects that they may find interesting. Additionally, Valve has a flat structure and doesn't have any defined managers.

www.valvesoftware.com

COMPANY FOCUS

COMPANY FOCU

BOEHRINGER INGELHEIM

Ingelheim, Germany

The Boehringer Ingelheim group is a leading pharmaceutical company. Kaggle is a predictive modelling company that hosts big data analysis competitions based on real business problems. In 2012, Boehringer Ingelheim partnered with Kaggle to crowdsource knowledge from the scientific community. The company wished to create a new model that would help its scientists to accurately predict the biological response of molecules. They asked participants to come up with an algorithm in order to share a prize pool of \$20,000.

In all, more than 800 data scientists submitted nearly 9,000 entries to the competition.

us.boehringer-ingelheim.com

www.kaggle.com

THE MORNING STAR WIRKING STA **PACKING COMPANY**



California, USA

Food packing company and is built on a Self-Management philosophy.

The company is operated by colleagues without titles or an appointed hierarchy of authority. Authority relative to other colleagues' activities is lateral, with each colleague's Mission as their guiding principle of action. Respect, influence and success is based on each colleague's competency, integrity, effort, persistence and straight-forward persuasiveness. They maintain a culture of individual responsibility and self-management.

FIND OUT MORE

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NEW WAYS OF WORKING | 51 NEW WAYS OF WORKING | 52

RETHINKING THE PIPELINE

As we have seen in the previous chapter, employer / employee relationships will take many different forms in the future, and will have lots of different structures. To cope with this, employers will need to rethink how they find future talent, because traditional recruitment models will be less effective. As skills become scarcer, organisations will need to nurture dedicated communities to access top talent.

In the future, people with the top-tier skills needed to drive innovation will be in high demand. Significant research has shown that, because of this trend, there may be an ongoing shift from a buyer's to a seller's market in recruitment for skilled workers.

So the concept of being an 'employer of choice' will be vitally important, because, as mentioned earlier, employees choose employers based on their values, Purpose, options for flexible working and pathways for personal and professional development.

CONNECTING WITH COMMUNITIES

As Deloitte outlines in its *Courting the Candidate Customer* report, forward-thinking companies don't see recruitment as simply a way to fill empty desks. Instead it's an opportunity to showcase their brand and present their company as an innovative, exciting place to work.

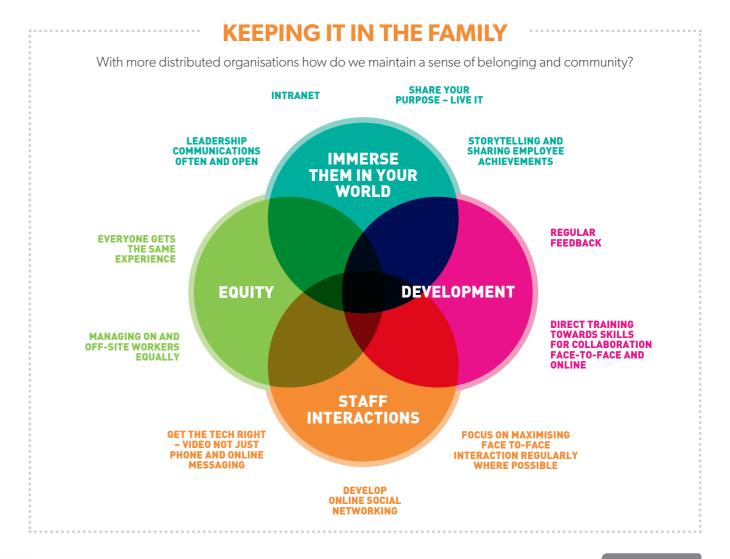
As the report states: "Brand-conscious companies are beginning to interact with potential employees with the same care they give customers." With this in mind, it illustrates how future organisations will see the value in developing recruitment experiences which benefit candidates "from start to finish" – even if candidates don't get a job at the end of them.

And instead of targeting immediate vacancies, companies will nurture and engage communities of talent, often through social media, they can harness as and when required.

As Kes Thygesen, co-founder of RolePoint, explains, these communities used to be called 'talent pools' or 'talent pipelines' – but the evolution of the web has supercharged this concept, making large-scale community building simple.

"EMPLOYERS OF CHOICE TREAT THEIR EMPLOYMENT BRAND LIKE THEIR CONSUMER BRAND. THEY ANALYSE IT, UNDERSTAND IT, CULTIVATE IT, AND CAREFULLY MANAGE IT."

Deloitte / Human Capital Trends Report 2014



COMPANY FOCUS

ENVISION ENERGY

ENVISION

SHANGHAI, CHINA

Lei Zhang , the founder of Chinese Energy company Envision Energy wanted to ""help solve the challenges of a sustainable future for mankind." To achieve this it was clear that the company needed to recruit the brightest and the best of the Energy world, with less emphasis on the cost of wages, and more on the skills and innovation that the company could harness and bring to the marketplace.

With this in mind, highly skilled workers were pinpointed and sourced though a targeted global campaign. The search travelled to countries known for their excellence in niche areas, such as Denmark who have a reputation as leaders in alternative energy innovation

By successfully attracting and attaining such a diverse and highly skilled team, Envision went on to become the largest smart energy management company in the world, overseeing 10 million kilowatts of global alternative energy assets.

Rather than a one-off recruitment process, the emphasis will be on creating a continued conversation with these talent communities. The communities could include full-time employees, retired workers, independent contractors and everyone in between. For example, AT&T's talent community already attracts potential team members by providing a forum to talk about mobile computing and telecommunications in a fun and exciting way.

Plus, in the future the role of coordinating and utilising these communities will be key. Already, companies are using 'company ambassadors' who are encouraged to form and maintain relationships with different talent pools – like students or online forums.

This long-term approach will in turn create a new type of employee who understands the importance of community, and treating customers and clients as partners. This will inspire a new wave of organisations that are able to focus on 'cocreation' and being community-led.

Already, online tools like LinkedIn have made this two-way conversation possible – and future platforms will make it even easier.

COMPANY FOCUS

ZAPPOS

LAS VEGAS, USA

Retailer Zappos seeks to nurture long-term relationships with potential employees from the get go via Inside Zappos, its alternative careers micro-site, and to create a genuine talent pipeline. Instead of evaluating current and future applicants for a specific job and discarding their original application if they're unsuccessful, as is common practice elsewhere, they treat possible applicants like customers.

Potential applicants can sign up to Zappos Insider and connect directly with the company, learn about its internal culture from its employees, be kept abreast of the company's activities via a newsletter and receive specific updates about the department they're interested in joining e.g. creative services, human resources, merchandising.

A unique aspect of Zappos' recruiting approach is harnessing social media to add the personal touch to the candidate experience. Department ambassadors serve as a point of contact for any questions potential employees may have, as well as keeping them up-to-date with the latest information.

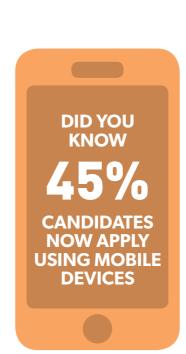
www.zappos.com

Zappos

"I BELIEVE THE INCREASING FLUIDITY OF OUR WORKFORCE WILL HAVE AN INCREDIBLE IMPACT ON OUR WORKPLACES THE RISE OF THE CONTINGENT WORKER, THE MOVE TOWARDS MORE DISTRIBUTED TEAMS AND GLOBAL COLLABORATION,
THE NEED TO LEVERAGE NETWORKS BEYOND A SINGLE COMPANY OR ORGANIZATION TO SOLVE CHALLENGES. ALL OF THESE FACTORS WILL PLAY A ROLE IN RESHAPING THE WORKPLACE AS WE KNOW IT TODAY, AND ALL OF THESE FACTORS REQUIRE A LEVEL OF DESIGN TO BEST PREPARE FOR THEM AND TO MAXIMIZE THE POTENTIAL BENEFITS"

Duane Bray / Partner, IDEO

ATTRACTING AND RETAINING TALENT



TREAT RECRUITING LIKE MARKETING

Build integrated branding and communications

stategies that attracts candidates.

INNOVATE - WHO AND WHERE:

Extend the targets for strategic recruiting. Who are you looking for? Are there new talent pools?

GO BEYOND FACEBOOK - WAY BEYOND:

Leverage social media channels to build broader, more robust talent communities

USE BIG DATA TO DEEPEN TALENT NETWORKS

Vendors such as LinkedIn, Facebook etc identify and source quality candidates around the world

MAINTAIN AN ACTIVE & DEEP CANDIDATE BENCH

Use candidate relationship management to cultivate prospects and keep people engaged

ADAPTED FROM: Deloitte, Human Capital Trends Report 2014, 2014

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REMAGINING THE OFFICE

In the last decade, the way we work may have dramatically changed, but the blueprint for the place we do that work has largely stayed the same.

The traditional office is built around an assumption that people are most productive at their desks. And yet, the rise of remote working and Bring Your Own Device schemes means having access to a desk is no longer essential.

In fact, a survey from Citrix found organisations expect a third of employees to access corporate applications from outside the office over the next three years. As this trend continues, remote working will become the norm.

So what's the future of the office when people can work anywhere?

Thanks to clever design that's based around people, not desks, the space is set to be reborn – as a creative place where people meet, collaborate and generate the innovative ideas, key to future survival.

More than places to simply do tasks, future offices will carefully communicate corporate culture – and be a global window into each unique brand.

WHY BOTHER WITH AN OFFICE?

In the desk-bound past, social interaction in the office used to be seen as something people did instead of work.

However, in the future, more businesses will realise that personal interaction is an essential element of the work itself. In fact, it might be the main reason the office as physical space ultimately survives.

In a report for BT, Dr Nicola J Millard and her co-authors highlight how a decade ago work was 20 percent collaborative, and 80 percent down to the individual worker – a ratio that they expect to see reversed in 10 years' time. This means future offices must evolve to inspire the positive personal interactions that make collaboration productive, rather than stifle them.

Furniture design company Herman Miller has identified drivers that will shape how collaboration plays out in future offices, including complexity, speed and insight. It points out that workers need to solve complex issues that require multiple inputs from team members, often to tight deadlines. They also need groups to provide the kind of expert insight that produces better decision-making.

To create the kind of collaboration-friendly offices where this can happen, Alex Pentland, writing in the Harvard Business Review, suggests that "highly networked, multipurpose spaces that redefine boundaries" are the answer. He notes the importance of random, unplanned 'collisions' among staff from different disciplines as a hallmark of better collaboration.

"BUZZ – CONVERSATIONAL NOISE AND COMMOTION – IS GOOD. PRIVATE OFFICES AND EXPRESSIONS OF HIERARCHY ARE OF DEBATABLE VALUE. DAYLIGHT, LOTS OF IT, IS INDISPENSABLE. CHANCE ENCOUNTERS YIELD CREATIVE ENERGY. AND MOBILITY IS ESSENTIAL. STAYING COMPETITIVE REQUIRES COMING UP WITH THE BEST IDEAS, AND THE OFFICE ENVIRONMENT CAN BE THE INCUBATOR FOR THEM."

Lawrence Cheek / In New Office Designs: Room to Roam and to Think

The New York Times, March 2012

WE WORK - Washington DC



His research highlights one company that found that sales staff's performance improved 10 percent if they increased interactions with people from other departments. To capitalise on this, they reduced the number of coffee machines in the office complex and created a larger cafeteria. The result: more random interactions across departments and a \$200 million rise in sales.

NEW WAYS OF WORKING | 58





way people in contemporary offices dress, but they'd probably feel right at home with the design.

This is despite the fact, according to Dr Millard, that the "one size fits all office" doesn't meet our needs. For instance, just because we've got computers on our desks (a design which comes from the 1920s-style 'typing pools' featuring rows of typewriters), doesn't mean we perform better by sitting in front of them for eight hours at a time.

For the future, she advocates a ROWE (Results-Only Work Environment) in which "each person is free to do whatever they want, whenever they want, as long as the work gets done".

Dr Millard identifies different 'modes' of work, including 'collaborative mode' (brainstorming a report with colleagues), 'contemplative time mode' (reflecting on a presentation) and 'recovery mode' (recharging after a deadline).

With this perspective, the campus-style office approach, led by companies like Google, makes a lot of sense. Different spaces are designed to enable various modes of work - like 'snugs' where staff can relax, and huge semi-circle sofas where people can easily collaborate as a team. Millard says this approach can achieve a 50 percent increase in productivity.

One of the main functions of the old-style office was to reinforce the company hierarchy. Workers were out in the open, where they could be seen by everybody, while executives got the privacy of a corner office.

In a flatter future where hierarchy is less important, this will likely disappear. There'll be no coveted corner office or closed off spaces where only executives can interact.

Instead, more space will be shared space to put the emphasis on universal collaboration, rather than leaders 'commanding' from a distance. Some organisations such as Valve Software, IDEO and Menlo Innovations are even giving employees the ability to shape their own working environments to suit their current needs. With moveable furniture and equipment, and the autonomy to make changes, project teams can physically shape the ideal environment in which to work. The physical space becomes part of the creative process.

But in the commotion of all of this 'buzz and noisy collaboration', we must remember that not all of us are extroverts. In Susan Cain's book Quiet: The Power of Introverts in a World That Can't Stop Talking, she points out that "we make a grave mistake to embrace the Extrovert Ideal so unthinkingly. Some of our greatest ideas, art, and inventions—from the theory of evolution to Van Gogh s sunflowers to the personal computer—came from guiet and cerebral people who knew how to tune in to their inner worlds and the treasures to be found there". We will need to make sure our offices of the future allow for this.

BIOPHILIA BOOSTS

In a future where we can all work from home. collaboration and face-to-face interaction won't be the only reasons to go into the office. Beautifully designed spaces will play their part too.

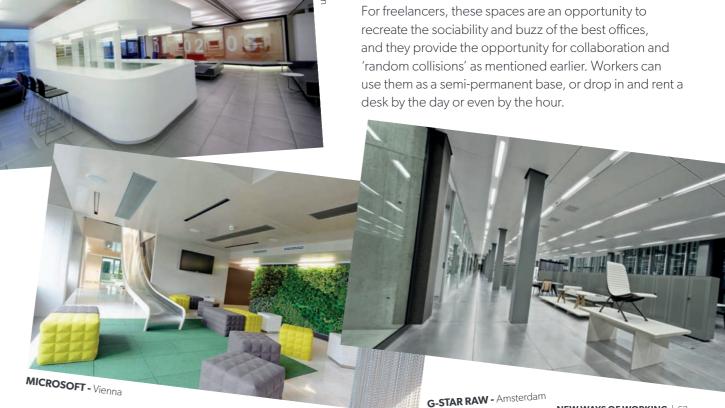
As outlined in Professor Cary Cooper's Human Spaces report, the Biophilia Hypothesis could present the blueprint for future offices. This hypothesis states that there's an instinctive bond between human beings and other living systems. And bringing offices to life by reconnecting workers to natural elements not only creates unique spaces, it improves productivity as well.

Biophilic elements in the office environment could include: natural light, the view from the office, plant life or the presence of water, the design and texture of furniture and décor, or sounds and airflow. Professor Coopers' study reports there are proven links between workspaces that use biophilic design and reduced turnover and sickness absence rates.

THE RISE OF **CO-WORKING SPACES**

Traditionally, remote workers have used the spare room, kitchen table or local coffee shop as an ad-hoc office. But as the trend for remote working grows, a different space will evolve to meet this demand - the co-working office.

Co-working spaces are already big news. According to a survey for www.deskmag.com, 75 percent of co-working spaces can't cope with current demand.





DEFINITION: MCJOB, A LOW-PAID JOB WITH FEW PROSPECTS

Oxford English Dictionary

MIND THE GAP

What do you think of when you imagine the workforce of the future?

For many people, it'll be a young programmer tapping on a laptop between sips of complementary smoothie at the funky offices of her new start-up.

Yet, not everybody can write code – or perform any of the other high-skilled, high-tech roles that will be in demand by 2030. And for members of this lower-skilled workforce, tomorrow might not be looking so bright.

Future companies will have to innovate to make sure the gap between 'good' and 'bad' jobs doesn't become a

Forward-thinking companies have got plenty of ideas on how to make good jobs great.

But what about people on the lower rungs of the job ladder? As touched on in The Tech Revolution earlier, there's a danger that 'bad jobs' will get worse.

In fact, bad jobs could be considered a social problem in themselves. They create stress through poor working conditions. They're also insecure – sometimes employing 'zero hours'-style contracts which leave employees unsure when, or even if, they're working from one rota to the next. And typically they're low-paid.

Some businesses would argue that poor conditions, insecurity and low pay are the inevitable consequences of a highly-competitive, globalised economy, and consumer demand for cheap goods.

But the future doesn't have to look like this. Leading companies are already showing how businesses can stay lean while making sure all their employees feel valued, fulfilled and secure.

BAD JOBS, BAD LIVES

In her influential book, The Good Jobs Strategy, Zeynep Ton warns that "bad jobs are not going away".

She cites figures from the Bureau of Labor Statistics that show that a significant number of the fastest-growing occupations over the next seven years, in the US, will be low-wage jobs.

However, Ton argues that these jobs don't have to be bad for employees. She shows that by offering decent working conditions and paying good wages, companies can actually gain a competitive advantage, while creating loyal, committed workers.

"The assumed trade-off between low prices and good jobs is a fallacy," she writes. "There is, in fact, a good jobs strategy, even in low-cost retail, that combines high investment in employees with a set of operational decisions that deliver value to employees, customers, and investors."

Ton says that the key to building better jobs is to reframe roles around people. She argues that model retailers can design and manage their operations "in a way that make[s] their employees more productive, reduces the costs of doing business, and puts employees at the centre of the companies' success".

PUTTING PEOPLE FIRST

US convenience retailer QuikTrip is one example of how this can work. The company has a reputation for offering job security and above-average wages, while still operating in a competitive sector.

One of the ways it's achieved this is by making clever operational efficiencies and standardisations. For instance, QuikTrip uses an identical store layout all over the US. This reduces errors and increases productivity. The rota system, which can be stressful in retail, has also been simplified by investing in 'relief employees' who aren't affiliated with a specific store, but can step in to help anywhere when workers are sick or on holiday.

The company won't tolerate employees who deliberately underperform. But because staff feel secure and invested in, they're more likely to go the extra mile for the company and its customers. For example, stores don't have daily lists of tasks attributed to different workers – staff simply find out what needs doing and organise themselves.

This philosophy has made investors happy, as well as staff: Quik Trip has reported its by-store profits are almost double the top quartile of competitors.

TRAINING MATTERS

Meanwhile, in Spain, the discount Spanish supermarket chain Mercadona also shows how investing in staff means better profits for the future.

Each staff member receives 20 times more training than at the average American retailer. This may sound expensive, but the pay-off is that employees make 18 percent more sales than similar supermarkets.

Part of this investment is in cross-training employees. In most retail jobs, workers are paid to fulfil just one role. At Mercadona staff have the skills to fill in for each other, so cashiers can merchandise products when things are slow, then hop on the till when the store gets busy.

Like QuikTrip, the store doesn't change staff schedules at the last minute: they're allocated a month in advance to help employees balance work and home life.

TOWARDS A FAIRER FUTURE

As businesses get ever-more Purpose-driven, making sure the benefits and innovations they offer filter down to all levels of the workforce will become essential.

Ton's work has started to show how companies can actually boost profits and impress shareholders by treating their staff well. However, there will be a real challenge to take this further and for employers to overcome the two-tier workforce.

JOHN LEWIS

John Lewis LONDON, UK

The John Lewis Partnership is the largest employee-owned company in the UK. The model gives co-ownership to every member of staff in the organisation, from shop assistants to the CEO. It's widely considered to be the reason behind the superior customer service provided at the stores, with staff showing high levels of engagement, service and knowledge of products. The brand has earned a huge level of trust with UK consumers, enabling it to remain incredibly successful throughout the recession

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NEW WAYS OF WORKING | 65 NEW WAYS OF WORKING | 66



Albert Einstein

NEW DEFINITIONS OF SUCCESS

In the future, the idea of 'making it to the top' will change as people take different paths to reach their full potential.

WHAT WILL FUTURE CAREERS **LOOK LIKE?**

In the past, career paths were often limited to joining a corporation after a period of education, and staying there until the next opportunity came along.

In the future, paths to success will be as individual as the people who take them. As we've seen, many future workers will continue the trend for working freelance, or on a project-by-project basis. According to Intuit 'contingent' workers (including part-time, contractors, temps and the self employed) are expected to make up 40 percent of the U.S. workforce by 2020.

Meanwhile, more young people, inspired by a new generation of entrepreneurs who bypassed traditional career paths to the top, will set up their own businesses. This is already happening, as research from RBS reveals a quarter of young people expect to become their own boss in the next five years.

Therefore, how we define success will also evolve. Deloitte's 2014 Millennial Survey showed that success won't just be measured in monetary terms. Instead, it could mean inventing a cure for diabetes, mentoring others or simply spending more time with family and friends.

LATTICES, NOT LADDERS

In a world of multiple career paths, large companies will still be important. The prestige and experience they represent can act as a springboard for a young person's career. Many people will want to work for a well-known and respected employer early on, who will offer appealing development opportunities. Later, they can then leverage their track record and sell their expertise to multiple employers, according to Cisco.

Meanwhile, forward-thinking organisations are re-visioning career ladders as lattices, or webs, that allow lateral movement and multiple paths to leadership. So, rather than slowly climbing the career ladder, employees are given opportunities to shine across the company in many different roles. PwC's Nextgen: A Global Generational Study found that employees will gain responsibility by providing innovative ideas, or adding value in a clever way, rather than as a reward for time spent at their desks.

FRESH WAYS TO MEASURE SUCCESS

Similar to now, future employees will want to showcase their accomplishments as a way to raise their market value, or simply to communicate their achievements.

But achievement no longer means simply having the biggest office or the largest salary. Future workers will have many different ways of measuring success. For example, Arianna Huffington, in her book *Thrive*, has written about how a new generation can move on from a definition of success based solely on money and prestige. She believes that any definition should include a third metric: "well-being, wisdom and the ability to wonder and give back."

Other definitions of success could include:

- the extent people have achieved work / life balance
- pride in what they have delivered
- the extent of their social influence and personal networks
- the societal and environmental impact they have in their lifetime.

Meanwhile, Cisco predicts these achievements will no longer remain static on a paper CV, but be part of people's dynamic online presence – instantly broadcast to potential collaborators, and employers, across the globe.

SUCCESS FOR SOCIETY TOO

As we've seen in previous chapters, there's a danger that, as jobs for life disappear, a system will emerge where a shrinking pool of top talent gets 'good' jobs, while conditions in unskilled roles get worse.

To avoid the creation of a two-tiered society – in which those in work enjoy greater flexibility, autonomy and challenge, while others struggle to find paid employment - there will be an imperative to source solutions. This will start in our education system, which will need to make sure the next generation leave school and university with the right skills for future jobs.

However, there is also an obligation for businesses to define their own success in terms of their ability to provide jobs, and develop their workforces to meet the challenges of future work. As our chapter on 'Purpose' shows, the effect on society must be included in any workable future definition of success.

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B TEAM

The B Team is a not-for-profit initiative formed by a global group of business leaders to catalyze a better way of doing business, for the wellbeing of people and the planet.

Founded in the belief that the private sector can, and must, redefine both its responsibilities and its own terms of success; The B Team is developing a 'Plan B' - for concerted, positive action that will ensure business becomes a driving force for social, environmental and economic benefit.

Plan A - where business has been motivated by profit alone - is no longer an option

The B Team is focused on driving action to meet a set of global business Challenges that underpin Plan B – by starting 'at home' in their own companies, taking collective action to scale solutions and using their voice where they can make a difference.

Leaders include Sir Richard Branson, Arianna Huffington, Dr. Mo Ibrahim, Guilherme Leal, Strive Masiyiwa, Blake Mycoskie, François-Henri Pinault, Paul Polman, Ratan Tata, Zhang Yue, Professor Muhammad Yunus, Jochen Zeitz

For more information go to www.bteam.org

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VIRGIN UNITE

Virgin Unite is the entrepreneurial foundation of the Virgin Group. We unite people and entrepreneurial ideas to create opportunities for a better world.

We use the convening power of the Virgin Brand and Richard's voice to shine a spotlight on unacceptable issues and entrepreneurial approaches. We incubate disruptive collaborations such as The Elders, Carbon War Room and The B Team, and we empower entrepreneurs to change business for good. In everything we do, we are connecting a community that shares our belief that entrepreneurial ideas united with the right people can change the world.

Virgin Unite's overheads are covered by Sir Richard Branson and the Virgin Group so 100% of donations received go directly to the frontline where they are needed most. To learn more, visit www.virginunite.com.

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