



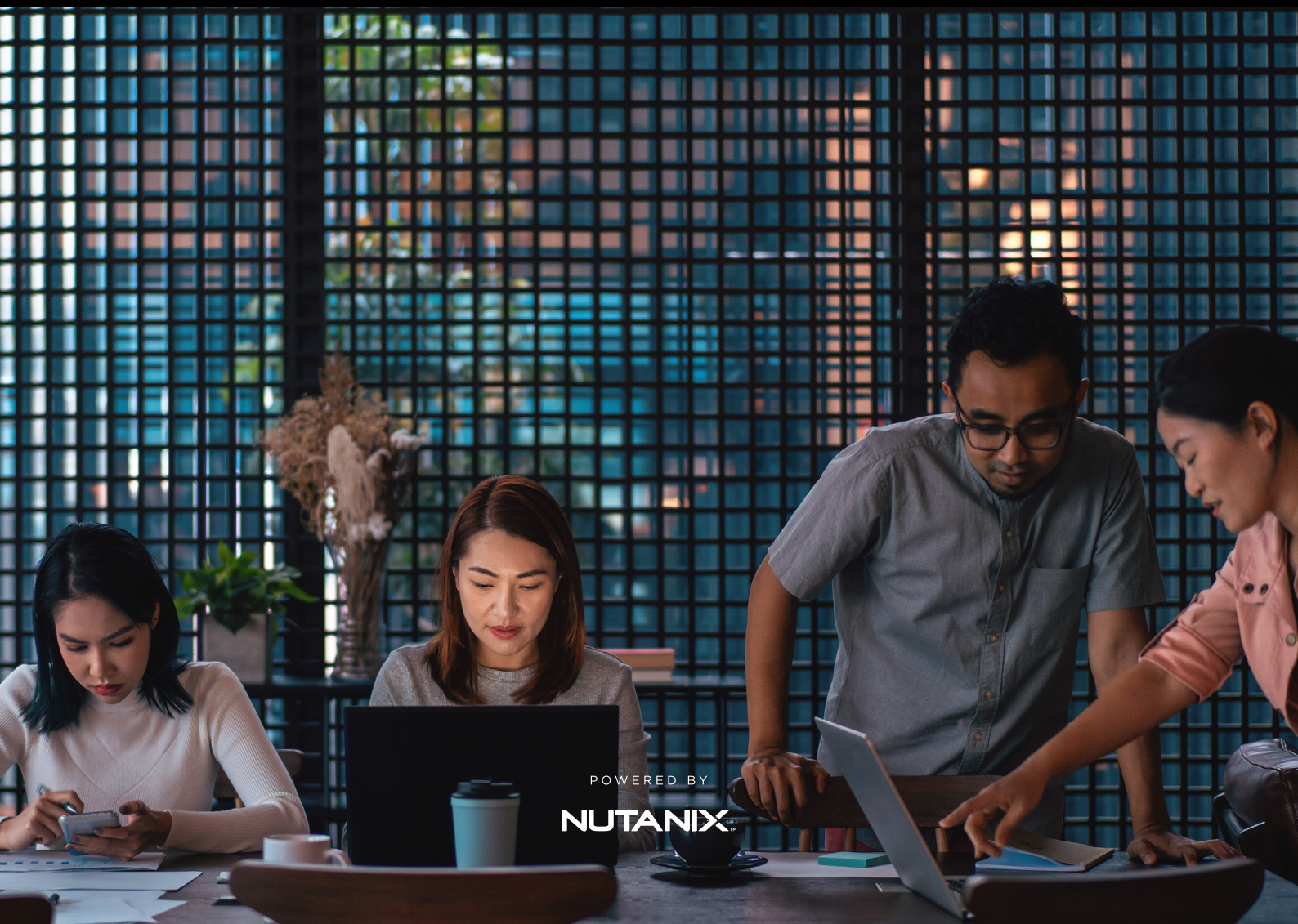
CXO FOCUS

# THE FUTURE OF WORK IS ALREADY HERE

EMPLOYEES WANT A NEW DEAL FROM EMPLOYERS

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JULY 2023



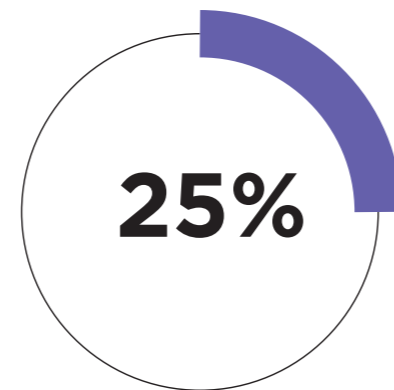
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Together, the global skills shortage and the impact of the Covid-19 pandemic have reconfigured the recruitment and working environment. In turn, this is reshaping the future of work, training, leadership, and business outcomes. CXOs need to act now in order to prepare for the future of work.

“Employees are on the move,” says Dr. Art Langer, Vice Chair of Faculty and Executive Advisor to the Dean at Columbia University. According to accountancy and business advisory organization PWC, 25% of employees are considering changing roles, and three million women have dropped out of the workforce. “We are not creating environments that can cater to those individuals, who are so important to our workforce,” Dr. Langer says. “Companies are experiencing a skills deficit as

people are moving around just as there is an explosion of skills necessity,” he says.



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Due to the high demand for skills, employees are in control and taking advantage of the situation to find roles that are closer to home, provide flexibility, training, and opportunities, and have a much-improved working environment. “We are not prepared as a community to deal with the new generation of employees, as we continue to work in the ways we always have done,” says Stuart Kippelman, CIO with Parsons Corporation, a civil engineering business. Dr. Langer agrees and says: “The skills shortages are going to continue; they are not local issues; they are global issues. Organizations must invest more and change their models.”

The young digital companies are now a major disruptor of CXOs’ recruitment and retention abilities; Dr. Langer says: “Your competitors in the

digital firms are spending good money on our graduates...We know the Internet of Things (IoT) and 5G are coming, and therefore we know that there will be a skills shortage.” Dr. Langer is concerned that CXOs know what technologies are coming down the line but are not preparing existing and future employees with the skills they will need to develop and deploy these technologies. As a result, organizations will all be fighting over a small number of experienced and trained employees.

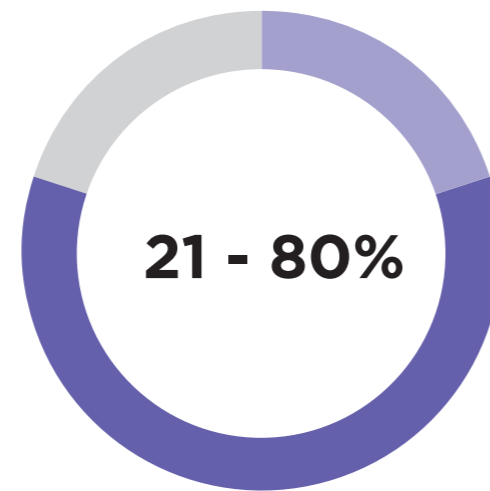
The future of work requires organizations to be investing in training; Dr. Langer says: “This is a return to the 1950s and 1960, of a sense of responsibility towards the employees and their training, rather than leaving that to them.”

## Time to rethink

“Business leaders need to understand what employees need and want and plan to give them more flexibility, personalization, support their health and support them to come back to work in different ways,” Dr. Langer says of how leaders and organizations must rethink ways of working and leading. In terms of the enterprise, both Dr. Langer and Kippelman agree that the hybrid way of working is here to stay, which again requires a rethink of the work offering and leadership methods. “In an organization, you have to offer all types of experience, so employees can be in the office when they need to be, as opposed to when they are required to be,” Dr. Langer says. “Leaders must take advantage of the multiple different ways that we can have relationships with the people that we are calling employees,” he adds.

“It is a balance. We have some customers and projects that mandate that you have to be on-site, so we are not looking at this as a one size fits all or as one policy,” Kippelman says. Dr. Langer says: “Hybrid is here to stay, and there is no clear cut understanding of the ratios, but McKinsey is predicting between 21 and 80% will have on-site requirements, that is a huge variance.”

This change in working styles requires a new approach to leadership. “Some organizations are allowing the direct managers to make the decision, which was started by Amazon and Salesforce. Instead of measuring productivity, they are measuring the output, the ultimate results. If the results are there, does it really matter how much time people are working,” Dr. Langer says.



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“This is about results-driven leadership through the capabilities and flexibility of the managers to make the best decision, as they are closest to the customer,” Kippelman says. Dr. Langer adds: “The whole aspect of working nine-to-five is being completely challenged, as in a global world, it may even be better to have staggered hours of participation. In addition, these people are often putting in more time, but they are doing it at times that are more reasonable to them to do that.”

Kippelman at Parsons Corporation says leaders will have to adapt to managing teams that are often permanently remote: “We cannot take the managing of remote employees and do it the way we did for someone who was on-premises. It is a different way to view people, to manage them, and therefore communicate and interact with them.





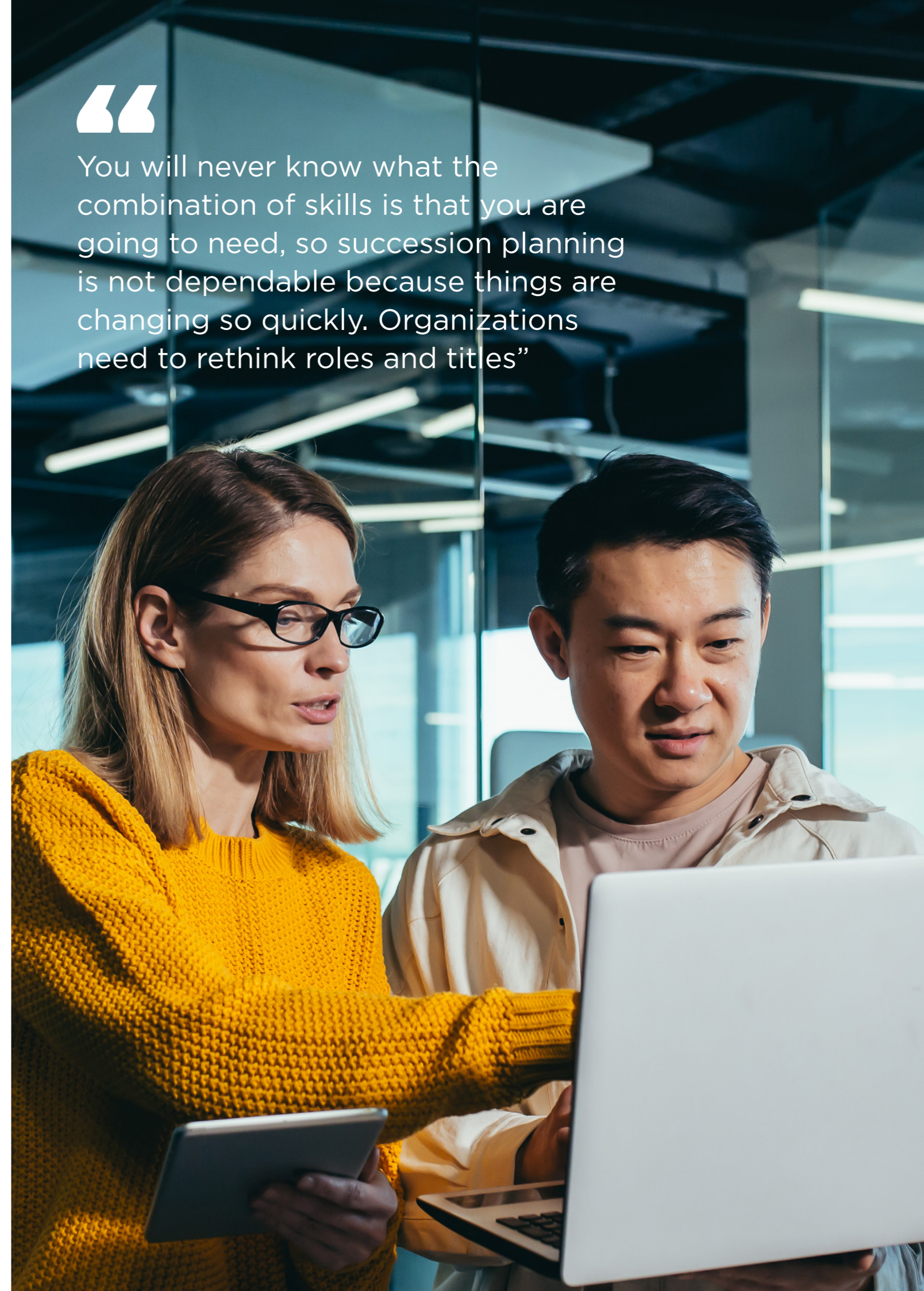
“At Parsons, we put a lot of effort into communicating and making sure that somebody who is remote has the ability to communicate just as if they were local. If they are always remote, then everything has to be remote and done in a sensitive and respectful way.”

However businesses organize their workforce, Dr. Langer is clear about one thing: “Employment needs to be completely redefined.” He advises organizations to learn from the new digital firms,

which give their staff time to be creative, and he has a major question mark over the validity of succession planning in the near future. “You will never know what the combination of skills is that you are going to need, so succession planning is not dependable because things are changing so quickly. Organizations need to rethink roles and titles; an example of this is the customer success manager. It is a brilliant concept, making sure that your customers implement it properly,” he says.

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## New considerations

A key part of redefining employment is the need to understand and reflect new attitudes in society. Diversity, equity, and inclusion (DEI) are vitally important now and for the future of work. “It is appreciating the value of having diversity; executives and general managers need to understand that. There is a greater sensitivity to gender issues, and we are seeing a rethinking of the role of the corporation,” Dr. Langer says.

DEI is not a burden on organizations, says Kippelman: “It has helped with recruitment and retention, and it works for full-time through to internships.” Alongside DEI, organizations need to address their environmental, social, and governance (ESG) culture and outcomes. “Generation Z is very concerned about the environmental and social aspects of what companies are doing around the world,” Dr. Langer says. It is not just the future employees; Dr. Langer says investors, too, expect good ESG credentials.

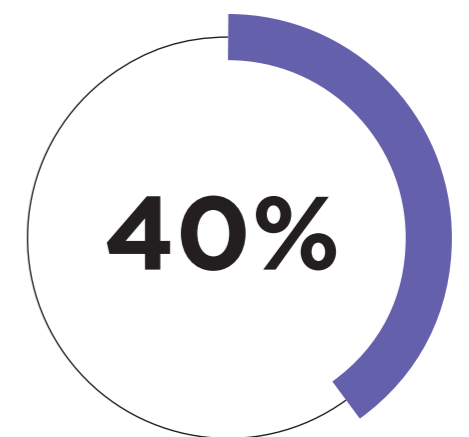


The future of work will also require a new recruitment approach. “There is an expansion of recruitment beyond geographies. So 40% of companies have already begun to redesign hiring practices,” Dr. Langer says. This is leading to organizations looking at employees as part of the capital a business holds. As capital, organizations need to take a platform approach to manage that capital, just as they would the revenue the business holds, hardware, or locations. With a platform approach, organizations are able to consider talent as Lego bricks that can be built into a series of different business outcomes. Organizations will therefore need to be able to collate, store and easily assess the skills, qualifications, awards, affiliation, experience, and expertise of its people. Dr. Langer says this is a major technology and business change for all organizations in all sectors.

For recruitment, this will require organizations to change their mindset from hiring to filling roles and instead hiring talent and then looking at how they are utilized across the organization.

The global skills shortage and the impact of the Covid-19 pandemic have reshaped the existing recruitment and working environment across the

world; Kippelman says Parsons Corporation has 1239 open positions, a situation many CXOs would recognize. To remain successful in the future of work, training, leadership, and business outcomes will have to modernize. CXOs need to act now in order to prepare for the future of work.



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