

Top Three Trends in Human Capital 2017: *Direct. Personal. Fast.*

The constant advance of digital technologies and smart data makes direct, personalized and fast customer experiences an expectation. It is time for leaders to take the same approach to their workforces.

From digital pioneers to corporate titans, many leaders are expanding their relentless focus on customers and shareholders to include their own employees' overall experience. The war for top talent is in full swing; companies either adapt their talent strategy or lose top talent to the competition. With Gallup reporting that less than one-third of US employees are fully engaged at work¹, expectations are clearly not being met.

This year's top three human capital trends center on the employee, each revealing that leaders who focus on an innovative employee experience and talent strategy get productive workforces, better customer interactions, and reduced turnover costs. To improve the employee experience—and business performance—companies must reshape their cultures and workplaces for an ever-changing, on-demand world.

1 Amy Adkins, "Employee Engagement in U.S. Stagnant in 2015," <http://www.gallup.com/poll/188144/employee-engagement-stagnant-2015.aspx>

For more information, please contact:



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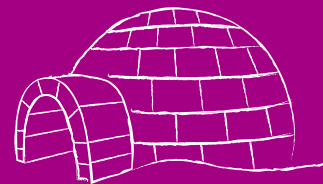
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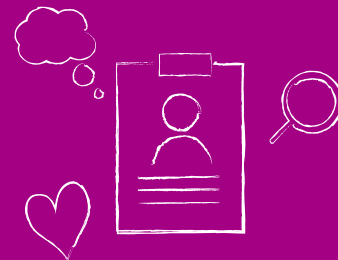
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Airbnb lets you book a two night stay in an **igloo**.



Google **knows more** about you than your best friend does.



Amazon delivers a package **two hours** after you order.

TREND 1

Direct: "I need to know."



The big picture

Always plugged-in, we go right to the source to get what we want. Twitter is a direct one-to-many communication line to the world. Uber connects us straight to drivers, not dispatchers. Airbnb links us to homeowners, not hotels. Etsy introduces us to craftspeople, not catalogs. Direct access. Constantly connected.

Employee experience impact

Employees want a direct and open communication line at work. They expect clear, frequent messaging about where the organization is going, direct access to leadership, leaders who welcome and act on employee feedback, and tools for collaborative work every day.

— 47 percent of working age
Americans do not know or are not
sure of their company's core values. —

Eagle Hill Consulting Core Values Survey, 2016

Meet the innovators

- **Crowdsourcing core values.** One of the secrets to General Electric's longevity is its evolving culture, argues *Harvard Business Review*.² As the company re-imagined itself as a digital industrial leader, its "GE Beliefs" not only stress agility and speed, but this new value system was developed directly from employee contributions and feedback via a crowdsourcing process.
- **Tearing down walls.** *Fast Company* tells the story of how Facebook built its physical working environment to reflect its core values.³ When the company moved its headquarters, it kept the open workspaces from its start-up years for everyone, including Mark Zuckerberg and Sheryl Sandberg. The walls have signs with short, culture reinforcing messages that employees created.

Move forward

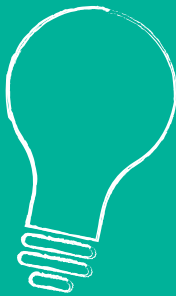
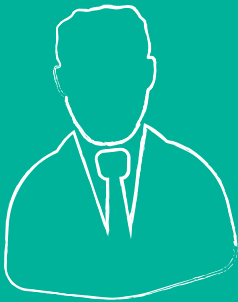
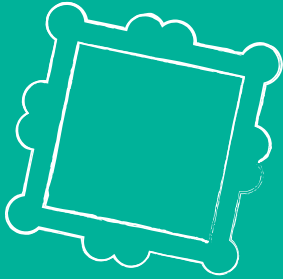
- **Make core values the compass.** On a daily basis, find ways to bring core values to life beyond words on a page so that employees integrate them into their everyday experiences.
- **Roll out the red carpet for ideas.** Foster a "no-bad-ideas" culture by actively collecting ideas using idea management platforms like Idea Drop. Create feedback loops so employees see that their contributions don't end up in a bureaucratic black hole, but are considered and acted on.
- **Strike up the conversation.** Provide a direct line for two-way communication with leadership. Spur employee-to-employee dialogues through internal social media like Slack, Salesforce Chatter, and Yammer so people can easily stay connected, share thoughts and recognize accomplishments.

² Raghu Krishnamoorthy, Harvard Business Review, "GE's Culture Challenge After Welch and Immelt," <https://hbr.org/2015/01/ges-culture-challenge-after-welch-and-immelt>

³ Harry McCracken, Fast Company, "How Facebook Keeps Scaling its Culture," <https://www.fastcompany.com/3053776/behind-the-brand/how-facebook-keeps-scaling-its-culture>

TREND 2

Personal: "I do it my way."



The big picture

From selfie obsession to social media oversharing, the “me generation” thrives in the digital era. One-size-fits-all is out. We consume information, experiences, content, and products on our own terms. Spotify creates personalized playlists. Stitch Fix curates our clothing for personal styling without leaving home. GoPro cameras capture the world as only we see it. What we like. How we like. Where we like.

Employee experience impact

Employees want the freedom to design “choose your own adventure” work experiences that allow them to deliver on expectations while supporting their personal and evolving definition of work-life balance.

Employees say financial security is the #1 factor for maintaining work/life balance.

Eagle Hill Consulting Work/Life Balance Survey, 2016

Meet the innovators

- **Freedom to be responsible.** Zillow trusts its employees to make good decisions that are mutually beneficial for them and for the company, reports *GeekWire*.⁴ Employees have the freedom to choose how they want to be compensated. And within some guidelines, they decide how much vacation time they take. Zillow gives people the benefit of the doubt that they won't let work responsibilities suffer.
- **Time out for adventure.** REI hires people who enjoy the great outdoors and encourages them to get back outside. REI provides employees with deals on trips booked through its travel company and discounted classes at its outdoor school. Employees get one day off every six months—Yay Day—to play. Challenge grants fund personal adventure goals like summiting a mountain or biking the coast.⁵

Move forward

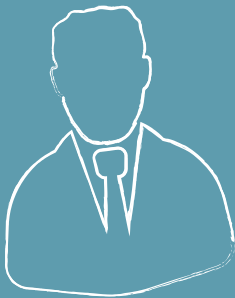
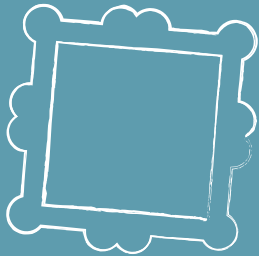
- **Know employees like Google does.** Fuse new world data analysis with old school goal setting to understand what matters to people in their daily work environment and for their career path over time.
- **Be flexible with flexibility.** Go beyond flexible work arrangements to provide employees with creative ways to individualize their work experiences such as options to define their own career paths, student loan repayment, and paid educational sabbaticals.
- **Let them go with their gut.** Loosen the reins where possible to support and reward employee autonomy, self-direction, and entrepreneurial spirit that supports business goals. Help people channel their passions and pet projects, rather than stifle them.

⁴ Taylor Soper, *GeekWire*, “How Zillow Built a Culture Around These 6 Core Values that Empower Employees,” <http://www.geekwire.com/2016/zillow-built-culture-around-6-core-values-empower-employees/>

⁵ REI Co-op Pay and Benefits, <http://rei.jobs/portal/11/docs/rei-pay-and-benefits.pdf>

TREND 3

Fast. "I want it now."



The big picture

Waiting is a lost art. It is the era of now, of immediate gratification. Messages are instant. Food is fast. Paying takes a tap. We get content, products, services and answers on demand. In real time. We watch shows on Netflix by entire seasons, not individual episodes. Amazon Prime Now delivers packages in hours, not days. And behind the scenes, data is being collected and analyzed at lightning speed.

Employee experience impact

Employees are impatient for anything but real-time responsiveness at work. They want to be in a forward-thinking, forward-doing atmosphere where action is swift and smart—and calculated risk-taking is encouraged.

55 percent of employees
say they want feedback on their
work on a daily or weekly basis,
according to Eagle Hill Survey.

Eagle Hill Consulting Feedback Survey, 2015

Meet the innovators

- **Numbers not guesswork.** Google is pioneering data analytics for HR processes and decisions with a “people analytics” approach that uses algorithms and predictive modeling to address staffing, planning, hiring and more.⁶ Google empowers employees to experiment and innovate, and rigorously collect and analyze data—and it uses that data to make smart, fast decisions.
- **From yearly to daily.** Adobe eliminated annual performance reviews and moved to more frequent, one-on-one check-ins for faster, regular performance feedback.⁷ This has eliminated heavy review related workloads for managers and energized employees, making them feel less isolated and more in tune with their performance goals.

Move forward

- **Explore uncharted territory.** Encourage experimentation, prototyping and piloting of new ideas in human capital—from market-leading compensation structures for high performers to on-site health and wellness activities.
- **Up the frequency on feedback.** Replace annual performance reviews with daily, weekly or monthly check points to solicit employee feedback. Have casual conversations and/or measure engagement easily and frequently with tech tools like TinyPulse, WooBoard or HappyMeter.
- **Bring HR into the digital age.** Ensure that the HR department has the data and capabilities necessary to stay ahead of the market. Apply what works in understanding customer and market trend data to employees and workplace data. Make bold changes—and quickly—when necessary.

⁶ Dr. John Sullivan, Talent Management and HR, “How Google is using People Analytics to Completely Reinvent HR,” <https://www.eremedia.com/tint/how-google-is-using-people-analytics-to-completely-reinvent-hr/>

⁷ About Adobe Check-in, <http://www.adobe.com/check-in.html>