

Leading the social enterprise: Reinvent with a human focus

2019 Deloitte Global Human Capital Trends A Mining & Metals Perspective

2019's 10 human capital trends

This year's selected human capital trends leverage findings from Deloitte's [2019 Global Human Capital Trends survey](#), which had nearly 10,000 respondents across 119 countries. The 10 individual trends align to the theme of leading the social enterprise with a human focus, and are bucketed into three categories:

The future of the workforce: How organizations should adapt to the forces restructuring job and work design, the open talent economy, and leadership

The future of the organization: How teams, networks, and new approaches to rewards are driving business performance

The future of HR: how the function is stepping up to the challenge of redesigning its capabilities, technologies, and focus to lead transformation in HR and across the enterprise.

The 10 individual human capital trends for 2019 are bucketed into three categories

Three Categories

2019 Human Capital Trends



The Future of the Workforce



The alternative workforce:
It's now mainstream



From jobs to superjobs



Leadership for the 21st century:
The interaction of the traditional and the new



The Future of the Organization



From employee experience to human experience:
Putting meaning back into work



Organizational performance:
It's a team sport



Rewards:
Closing the gap



The Future of HR



Accessing talent:
It's more than acquisition



Learning in the flow of life



Talent mobility:
Winning the war on the home front



HR cloud:
A launchpad, not a destination

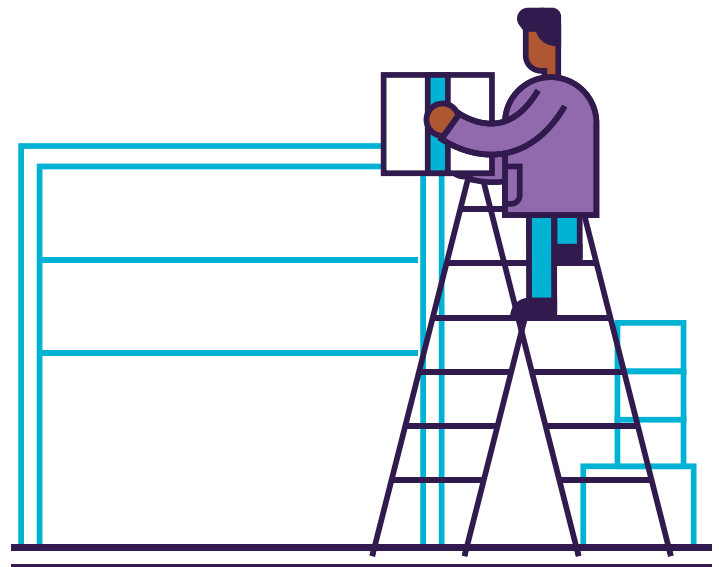
Executive summary

The top human capital issues facing the Mining & Metals industry are arising in a whole new context: the social enterprise. In [2018's Global Human Capital Trends](#) report, we described the rise of the social enterprise—organizations whose mission combines revenue growth and profit-making with the need to respect and support its environment and stakeholder network. This year, we believe the pressures that have driven the rise of the social enterprise have become even more acute. They are forcing organizations to move beyond mission statements and philanthropy to learn to lead the social enterprise—and reinvent themselves around a human focus.

Mining & Metals leaders have recognized the issue but haven't solved for it. That's because leading a social enterprise is not the equivalent of practicing corporate social responsibility. Nor is it about engaging in social impact programs or defining a purpose or mission statement—though all of these are also important in their own right. Leading a social enterprise is about recognizing that, while businesses must generate a profit and deliver a return to shareholders, they must do so while also improving the lot of workers, customers, and the communities in which we live. And in today's world, with today's societal challenges, fulfilling this aim requires reinvention on a broad scale: This is not about tinkering at the edges. Why? Because with regard to work, the workforce, and the workplace, there is much work to be done.

This paper provides a Mining & Metals industry-specific perspective on the [2019 Global Human Capital Trends report](#). Of the 10 trends presented in the full report, five are of utmost importance to the survey's Mining & Metals respondents: Optimizing and leveraging the alternative workforce; developing leaders who can draw on critical new competencies to lead through change; addressing the human experience by connecting employees' work to the impact it has on the organization and society as a whole; developing an employee rewards strategy that is aligned to company strategy; and enabling talent mobility.

We recognize that reinvention can be a daunting prospect, especially when our survey shows that many organizations are not ready to address the changes our 10 trends describe. That is why, this year, we have focused not only on the *why* and the *what*, but also the *how*. Depending on your organization's readiness and need to change, reinvention can happen in one of three ways. You can refresh: Update and improve the way things happen now. You can *rewire*: Create new connections that change the strategic direction. Or you can *recode*: Start over and design from scratch. Either way, there are two aspects of the reinvention that remain constant: (1) it must involve technology in some way—there is no path to reinvention without it; and (2) it must be a bold enough change to meet the challenges that the social enterprise presents.



Top human capital trends in Mining & Metals

The global longitudinal Human Capital survey included 1,157 Energy, Resources & Industrials (ER&I) industry respondents across 100 countries, of which 154 were Mining & Metals respondents across 40 countries.

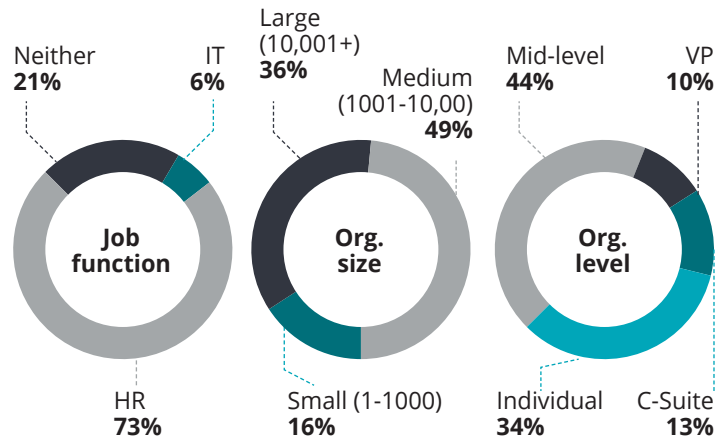
2019 HC Trends Report: Mining & Metals



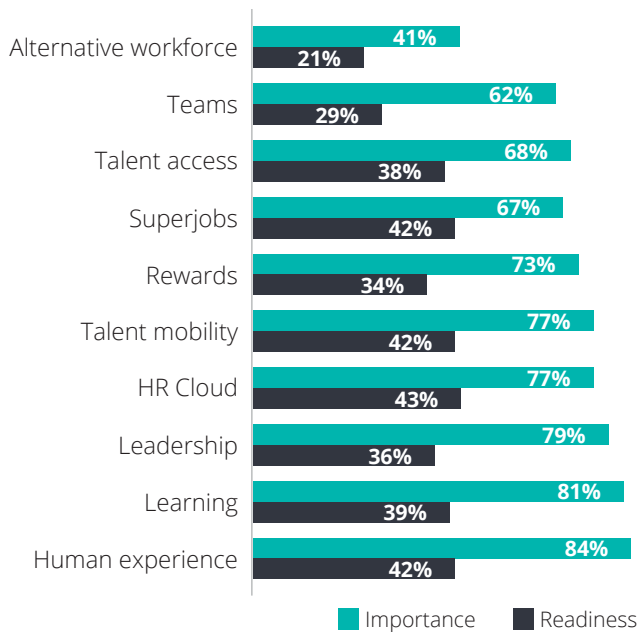
The global longitudinal Human Capital survey included **154 Mining & Metals** respondents across **40** countries

Human Capital Trends Survey

Total respondents for Mining & Metals = 154



Top 10 Human Capital Trends: The perspective of Mining & Metals



Mining & Metals survey respondents identified five 2019 trends that are of utmost importance to their organizations.

The Future of the Workforce

The alternative workforce: It's now mainstream

Leadership for the 21st Century: The intersection of the traditional and the new

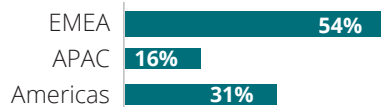
The Future of the Organization

From Employee Experience to Human Experience: Putting meaning back into work

Rewards: Closing the gap

The Future of HR

Talent Mobility: Winning the war on the home front



The Future of the Workforce

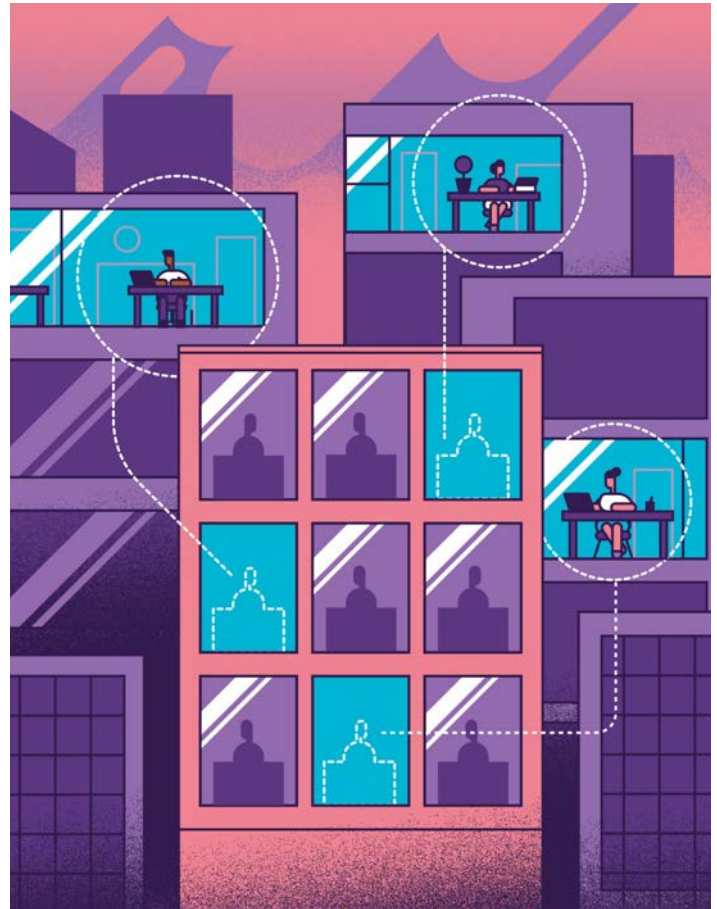
The alternative workforce: It's now mainstream

Mining & Metals companies that want to grow and access critical skills in a tightening talent market will need to look strategically at all types of work arrangements, from full-time employment to alternatives including contract, freelance, and gig positions.

Survey results about the alternative workforce trend were mixed: Mining & Metals respondents ranked the trend lowest for overall readiness (21%) but they also ranked it low in importance (41%)—perhaps because companies feel they have been properly managing contingent workers for years. However, the landscape is changing; younger generations are less willing to work at mine sites' remote locations, making it challenging to attract enough workers with the right skillsets. Companies have much to learn as they move beyond managing contractors and freelancers to optimizing and leveraging the alternative workforce deliberately and well.

Opportunities

- Introduce flexibility into operating and employment models to adapt to new work arrangements that can help fill current and anticipated skill gaps.
- Identify opportunities to centralize organizational functions and employee roles at a desirable location while also maintaining a presence at the mine sites.
- Provide unique learning opportunities and high-value incentives to encourage workers (especially younger ones) to accept assignments at remote locations.
- Retain experienced hires with desirable skillsets by offering them positions as long-term contractors.



Only 50% of respondents said that they are doing a good job of sourcing and managing their alternative workforce. And, only 13% indicated that their organization had best-in-class processes and strategies in place for alternative workers.

Leadership in the 21st century: The intersection of the traditional and the new



21st-century Mining & Metals leaders are being challenged by disruptive digital business models, alternative workforces, flattened organizations, and an ongoing shift to team-based work practices. To be effective, they must take a nuanced approach to pursuing traditional business goals; drawing on critical new competencies, including leading through change, embracing ambiguity and uncertainty, and understanding digital, cognitive, and AI-driven technologies.

Developing high-quality leaders is a top priority for Mining & Metals companies. More than three-quarters (79%) of survey respondents viewed leadership as a key trend this year; however, only 36% reported feeling equipped to make a change. Organizations should be developing and deploying skill-building programs that will help their leaders effectively engage with stakeholders and manage the workforce of the future.

Opportunities

- Provide education, experience, and exposure to help leaders: gain different perspectives on the organization's people, processes, and technologies; manage a diverse, multi-generational, and complex workforce; and be inclusive, connected, and agile to drive collaboration among teams, functions, and the business.
- In the face of flattened and changing hierarchies, hire and develop leaders with the ability to model greater cognitive complexity, challenge the status quo, and be comfortable with failing early, failing fast, and learning faster.
- Look to peer companies and other industries for innovative leadership development programs.

The Future of the Organization

From Employee Experience to Human Experience: Putting meaning back into work

We see an opportunity for Mining & Metals companies to refresh and expand the concept of “employee experience” to address the “human experience” at work—building on an understanding of worker aspirations to connect work back to the impact it has on not only the organization, but also society as a whole.

The Mining & Metals industry is facing a changing talent landscape: Digitalization is necessitating new skillsets; a massive generational shift is impacting C-suite succession planning; and younger workers are measuring loyalty to an employer in months instead of years. Not surprisingly, survey respondents rated the human experience as the most important human capital trend (84% rated it as Important or Very Important).

To prepare for this imminent future, organizations need to clarify not only their business goals and aspirations, but also the role that their talent strategy should play to deliver on them. They will also need to identify the workers of the future by considering what the employee experience will look like, and the role that innovation will play in that experience. Finally, they must reconceive how employees will interact with each other and conduct their work, be it in a physical location or remotely.

While survey respondents agreed that there is value in measuring the correlation between human experience and employee productivity, it can be difficult to do so because employee values and motivations differ. Workplace culture, labor union involvement, safety considerations, and government oversight add to the challenge.

Opportunities

- Embed a commitment to the human experience in the organization’s business strategy, performance metrics, HR programs, and corporate branding.
- Build on an understanding of worker aspirations to connect work back to the impact it has on not only the organization, but on customers and society as a whole. Create a relationship with workers, so they want to stay.

- Use benchmarking data to determine effective ways for workers and the company as a whole to be creative and differentiate.
- Remove people, process, and technology obstacles so workers can perform their jobs effectively.

"Global Implication: “Consumers, governments, and communities are becoming more vocal and irrevocably altering industry dynamics around the world. As a result, corporate social responsibility (CSR) initiatives are now morphing into stakeholder engagement programs, and social license to operate is becoming a pivotal strategic issue that will either differentiate mining companies or derail them.”

Jonathan Moore, Managing Director, Mining & Metals

More than half of respondents (58%) stated that they do not measure the correlation between employee experience and productivity. But, of those that do, 56% indicated that the two were very correlated.

Rewards: Closing the gap



Only 7% of respondents said that their rewards strategy is highly aligned to their company strategy, and 36% indicated that they do not understand what their employees value.

Based on findings from the trends survey, and conversations with Deloitte Mining professionals, we have found that Mining & Metals organizations are exploring a dizzying array of perks and rewards to motivate their people, but these offerings often don't map to employer's expectations and employees' values. Companies need to develop metrics that emphasize performance quality/value over volume (e.g., mining and processing higher-quality rock) and a differentiated suite of rewards that align with generational preferences (e.g., younger workers value work/life balance over money).

How can organizations develop rewards that align with more agile models for performance measurement and also address workers' expectations and needs?

Opportunities

- Focus on building relationships with workers to identify what they value; include employee representatives in reward program planning, budgeting, and execution.
- Eschew external benchmarking in favor of curating a differentiated suite of rewards that map to organization and employee values.

The Future of HR

Talent Mobility: Winning the war on the home front

Even as the Mining & Metals industry anticipates a massive generational shift triggered by older workers' retirements, it is seeing declining interest in mining-related disciplines among younger generations. Organizations in this increasingly tight talent market can no longer expect to source enough people with the capabilities they need; they must move and develop people internally. However, many companies will need to establish a new set of norms to do this well.

Talent mobility is more than talent acquisition: It's about tapping into and developing the resources that exist within the organization so that employees are equipped with the capabilities they need to address future opportunities and challenges. Company leaders and Human Resources (HR) staff may need to reimagine and rebuild their employee training and talent mobility programs to retain and strengthen their current workforce.

Opportunities

- Model what the workplace of the future will look like and reimagine how employees will perform their jobs and interact with each other. Examine specific tasks within each role and determine whether they could be disrupted by technology; identify current and anticipated capability gaps that must be bridged to support the future direction of the business.
- Identify what the future employee experience will look like and the role innovation will play in that experience. As part of this process, consider how employee needs are changing and which needs remain unmet; use this to guide the organization's strategies for attracting and retaining talent, leveraging partnerships to access in-demand talent, and leading/managing the workers of the future.

- Eliminate common barriers to talent mobility: Lack of consistent processes for moving employees within the organization; lack of willingness of current leader to move employees. Reward leaders for being talent exporters; encourage departments to share information on current talent needs and opportunities.

"Observation: The mining industry does not seem to be attracting sufficient numbers of diverse candidates. To shift this balance, companies will not only need to change their talent attraction and retention policies, they will also need to change historical perceptions about the mining industry."

The potential for greater employee mobility within Mining & Metals companies appears promising. Although just 5% of respondents indicated that their organization's effectiveness at enabling internal mobility is excellent, 80% stated that opportunities for internal mobility will increase in the next three years.

Authors

Jonathan Moore

Managing Director
Deloitte Consulting LLP
jonmoore@deloitte.com

Ron Harman

Principal
Deloitte Consulting LLP
jharman@deloitte.com

Contributors

Marty Brotschul

Principal
Deloitte Consulting LLP
martinbrotschul@deloitte.com

Thomas Jackson

Principal
Deloitte Consulting LLP
thjackson@deloitte.com

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Contacts

**Global Industry Leader—Energy,
Resources & Industrials**

Rajeev Chopra

Deloitte Touche Tohmatsu Limited
+44 20 7007 2933
r chopra@deloitte.co.uk

**Global and Canada Sector
Leader—Mining & Metals**

Andrew Swart

Deloitte Touche Tohmatsu Limited
+14 16 813 2335
aswart@deloitte.ca

**Global Leader, Future of Work—Energy,
Resources & Industrials**

Janine Nel

Deloitte Touche Tohmatsu Limited
+27 112 098 639
jnel@deloitte.co.za

Andrew Lane

Deloitte Africa
+27115174221
alane@deloitte.co.za

Lee Barter

Deloitte Chile
+1 416 601 4853
lbarter@deloitte.ca

Tim Biggs

Deloitte UK
+44 20 7303 2366
tbiggs@deloitte.co.uk

Ian Sanders

Deloitte Australia
+61 3 9671 7479
iasanders@deloitte.com.au

Kevin Bin Xu

Deloitte China
+86 10 85207147
kxu@deloitte.com.cn

Patricia Muricy

Deloitte Brazil
+55 21 3981 0526
pmuricy@deloitte.com

Karla Velasquez

Deloitte Peru
+5112118559
kvelasquez@deloitte.com



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