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Why building the workforce you need for tomorrow means giving them wings to fly today

A report from the Center for the Edge's worker passion series

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CONTENTS

Executive summary | 2

Introduction | 4

“The skillset has changed”

Worker passion | 6

The antidote to increasing pressure

What’s holding back your workforce? | 11

Beyond engagement | 17

How to turn employees into explorers

Conclusion | 23

Opportunities, everywhere

Endnotes | 25

Executive summary

AMERICAN companies will spend over $1 billion on employee engagement in 2017[1] and over $100 billion on training and development activities. Yet despite this investment, employee engagement remains low, at 34 percent.[2] Perhaps more troubling: In an increasingly unpredictable business environment, most US workers, even those who are engaged, lack the disposition to embrace unexpected challenges and opportunities.

In fact, in a recent survey of US workers, only 35 percent had the disposition to seek out challenges; even among engaged employees, only 38 percent reported seeking challenges.

An even smaller number, 13 percent, have what we call "the passion of the explorer," meaning not only do they seek out difficult challenges—they are committed to making a significant impact and regularly connect with others to gain the skills and insights to do so. The lack of passion for taking on challenging problems exists at all levels and job types, with 64 percent of all surveyed workers, including half of executives and senior management, being neither passionate nor engaged.[3]

Does it matter? We believe it does. In the face of rapid technological change and global competition for talent, capital, and customers, we're focused on the wrong thing, or at least too narrowly, if the intense investment in employee engagement has not produced employees willing and able to take on challenging issues and pursue new opportunities.

In this environment, the answer to improving performance is not to squeeze harder. At best, that's a short-term answer—the gains will likely be competed away. A more sustainable advantage will likely come not from squeezing harder but from learning faster: learning what customers need and want, learning how to create more value for the customer, learning how to better and more profitably deliver and capture value. This isn't "learning" in the classic training-program, knowledge-management sense of the word: The learning that matters, that can create real value in this environment, is about *creating new knowledge*. The scary thing about this type of learning is that it is inherently high-risk—it requires the willingness to fail as one seeks out new approaches that work.

The three attributes of worker passion—the tendency to seek out difficult challenges, the tendency to connect with others to find better solutions, and the desire to make a significant impact—drive the risk-taking that is necessary for this type of learning. They are crucial for a workforce that can think flexibly, learn quickly, and create new tools and approaches for new contexts. And we believe that without that passion, companies won't find sustained performance improvement.

The next question is why workers lack this passion for taking on challenges. Broadly, three factors contribute to this gap. First, the same technological trends and sense of instability putting pressure on firms are also increasing the pressure felt by individual workers. For many, this leads to defensive, risk-minimizing behaviors oriented toward the short term.

Second, many American employees are still in work environments that do not encourage—and in some cases actively discourage—people from experimenting and feeling invested in exploring a range of alternatives for solving difficult challenges. Despite layers of new technology and fresh paint, many work environments have not meaningfully departed from the command-and-control structure of the last century. Too many managers still expect workers to perform the rigidly specified and highly standardized tasks laid out in process manuals.

Third, as companies and other organizations come under pressure, they, too, are reacting with short-term, risk-averse behavior, demanding that employees deliver results quickly—"and don't mess it up." Failure is unacceptable. Employees acting out of fear don't take risks or seek challenges.

In this report, drawing on the findings from a survey of 3,059 US workers, we explore why employees may be unwilling or unable to take on problems and pursue new opportunities that might improve performance. We will show data that suggests a need both for greater latitude and flexibility and for the scaffolding and tools to use that license effectively. Further, we propose actionable ways that leaders can begin to cultivate a workforce that is ready, and enthusiastic, to step up to tomorrow's challenges:

Lead by example. With the majority of surveyed executives and management neither engaged nor passionate, the first step is to commit to making a personal change, not just an organizational one. Ask yourself: What is keeping *me* from stepping up with enthusiasm for the challenge rather than fear of failure? Find the passionate people in the organization, and shine a light on their efforts—and your own—to build acceptance for risk-taking and experimentation.

Provide focus. Understanding what matters and *where* to direct our efforts is a prerequisite to making effective use of autonomy. Workers often lack visibility into the impact of their efforts. Specialization and silos further prevent employees from gaining the perspective needed to address, or even be aware of, challenges. Help employees frame powerful questions and recognize what's interesting or important about new challenges.

Create the environment. If organizations are what they measure, they are also what they celebrate. Providing space and sufficient latitude to encourage and develop self-direction and challenge-seeking at different levels of the organization cannot be accomplished without also rethinking the way a group or unit is measured. Encourage employees to work with others with whom they can learn and let these workgroups begin to take on more responsibility and autonomy in doing the work of the organization. Celebrate efforts that create knowledge that might lead to higher performance, and eliminate the real disincentives that prevent all but the bravest from taking risks.

Introduction

"The skillset has changed"

COMPLEX and ever-changing challenges are pervasive today, not confined to specific industries or roles that have been classified as knowledge work. Difficult problems that require creativity, resourcefulness, and new skills can be found everywhere, for frontline workers and support teams, in business, government, and other public- and private-sector organizations. Consider the case of the captive logistics business of a heavy-industry manufacturer based in the Midwest.

The company's logistics group employs drivers and contracts with third-party partners to move a range of flatbed freight as well as "over-dimensional" loads requiring specialized equipment across the country for the manufacturer's own business units as well as for external customers. Flatbed drivers must safely load and move everything from storage tanks and guardrails to windmill parts, generators and utility poles; each load is unique, and it is the driver who ultimately ensures it is delivered safely and unloaded at its destination, dealing with unique location-based and equipment challenges along the way while also being the company's face to the customer and to the public. As the company has diversified, the variety and number of special load exceptions have grown, increasing the company's need for highly skilled drivers who are also adept at solving tough problems on the fly.

As the pace of technological change ramps up, firms continue to experience increasing unpredictability and mounting performance pressures.

In 2015, the logistics group, which had historically been a cost center, reorganized its operations, assigning logistics coordinators to serve groups of customers or drivers rather than dispatchers serving regions. Where previously the dispatchers might have used a fairly simple assignment system to move freight across a region with the available truckers within that region, today—with the trucking sector struggling with high churn and variable quality—companies that rely on their logistics as a competitive advantage have needed to pay more attention to driver retention and satisfaction. As a result, a dispatcher today has a more complex challenge: to make sure not only that all of the disparate loads that need to be moved from point A to point B get there but, also, that the assignments optimize driver satisfaction metrics such as "driving miles" and "home time" as well as the group's profitability. As the logistics group's president put it, "Our specialized drivers are basically engineers without degrees now, and the dispatch job has changed entirely. It used to be a job you could do with a high school degree, and that was what most of our staff had. Now it's completely different."

As the pace of technological change ramps up, firms continue to experience increasing unpredictability and mounting performance pressures, as evidenced by US companies' decades-long decline in return on assets.[4] Entire industries face new competitors and new approaches that swiftly rewrite the rules and render old models obsolete. At the same time, trends such as automation, augmentation, virtualization, and gig employment are opening up new opportunities for the companies that can exploit them. Research from Deloitte's *Global Human Capital Trends* shows that 88 percent of respondents expect their companies to be "redesigned for the digital age," with a focus on teams, flattened organizations, and less hierarchy. Yet only 11 percent feel "ready" for this change, and the sense of urgency is growing.[5]

In this environment, companies will continuously need to find new ways to be competitive and deliver value for customers, new and old. For that, they will need employees who can solve challenges in a rapidly changing environment, think flexibly, learn quickly, and create new tools and approaches or adapt old tools and approaches to new contexts.

Yet many workers are under significant pressure just to perform, right now. With the ongoing march of technological change and globalization, workers face the disappearance of some types of jobs and transitions to others that require new tools and in many cases, new skills and understanding. At the same time, workers are feeling the effects as companies react to these pressures with cost-cutting, tighter controls, and intense focus on short-term results. In this environment, mounting performance pressures lead to cognitive biases—such as shortened time horizon, zero-sum thinking, heightened sense of risk, and diminished expectation of reward—that get in the way of effective action for both organizations and individuals.

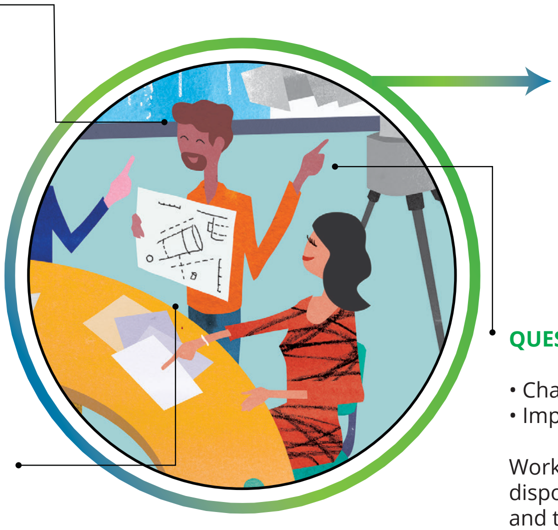
Worker passion

The antidote to increasing pressure

PASSION, what we define as the passion of the explorer, is the antidote to the types of short-term, defensive reactions—at both the individual and organizational levels—that tend to undermine an organization's ability to respond effectively to mounting performance pressures of the Big Shift. The world is changing too quickly to predict the shape of the next challenge or to forecast all of the skills your employees will need, even in the near future. But through cultivating passion in the workforce, you may develop people who can spot new opportunities and quickly acquire the skills and other resources needed to pursue those opportunities.

The passion of the explorer has three components: a long-term commitment to making a significant and increasing impact in a domain, a questing disposition that actively seeks out new challenges in order to improve faster, and a connecting disposition that seeks to build trust-based relationships with others who can help passionate employees get to a better answer (see figure 1).

Figure 1. The passion of the explorer



CONNECTING

- Trust-based relationships
- New insights

Individuals with ***connecting*** dispositions seek out others both inside and outside the organization to help find solutions to their challenges. They build deep, mutual connections not to advance their careers but to gain insights from related domains and to build new knowledge and capabilities.

COMMITMENT TO DOMAIN

- Context
- Increasing impact

Commitment to domain is a desire to make a significant impact in a particular area. This commitment provides focus and structure for people's efforts and allows them to develop deep context.

TOGETHER, THESE ATTRIBUTES DRIVE:

- Constant learning
- Faster learning
- Sustained performance improvement

QUESTING

- Challenges
- Improve performance

Workers with ***questing*** dispositions constantly probe and test boundaries. They experiment with the tools they have and seek new ones. They actively seek out challenges—the more difficult the better—as a means of learning and pushing themselves to the next level.

Source: Deloitte analysis.

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Individuals who have all three attributes have worker passion—a characteristic that's surprisingly uncommon among US employees. In our most recent survey (see sidebar "Survey and analysis methodology"), only 13 percent of workers emerged as having the passion of the explorer. An additional 39 percent of workers have one or two attributes of passion (see figure 3).

This concept of worker passion grew out of our research for the book *The Power of Pull*. In researching environments where organizations and groups were achieving accelerating performance improvement under conditions of rapid change, we kept seeing these same three attributes. A lot of workers have one or two attributes, each of which can be helpful, but the combination of all three creates a drive to take on difficult challenges that is particularly suited to succeeding in today's changing environment.

Tapping into this kind of passion can shift individuals from the fear of change or failure to excitement about the opportunity to test boundaries, to expand skills more rapidly, to apply creativity to meaningful problems, and to have a significant impact. For example, not only do passionate workers report seeking additional skills and knowledge from a much wider variety of sources—they report spending significantly more time outside of work in gaining new skills and knowledge.

The organization further benefits when workers are committed to finding solutions despite—or even because of—obstacles and constraints. In fact, 71 percent of passionate workers find themselves working extra hours even though they are not required. Yet, far from just grinding through more hours at work, 89 percent of those with the passion of the explorer report feeling focused, immersed, and energized in their work, conditions associated with a "flow" state, in which individuals feel that what they are doing makes life meaningful and is worth doing independent of remuneration or reward.[6] This suggests that, for the passionate, work doesn't feel like "work," and that the extra hours reflect an intrinsic desire to figure out puzzles or find better solutions.

While we can't speak to causality, it is also interesting to note that more than two-thirds of passionate workers believe that their company's future is bright. Employees who are optimistic about the future and focused and energized in their work are a powerful resource for companies that will need to continuously invent the future.

Without connecting to this passion, the continuing stress of the changing work environment will take a toll on the workforce and the organization; management may squander employees' human potential. Those without passion will likely become increasingly apathetic, fearful of change, stressed by the environment, and disconnected from the organization's goals. Meanwhile, if companies' practices squelch rather than nurture passion, workers who recognize their own need to keep learning and developing will move on to environments where they can have the experiences and make the connections needed to learn faster and have a greater impact.

When we talk about worker passion, passionate workers, or explorers, what we mean is a worker who exhibits three attributes—*questing*, *connecting*, and *commitment to domain*—that collectively define what we have termed the "passion of the explorer." We will use these terms interchangeably throughout this article.

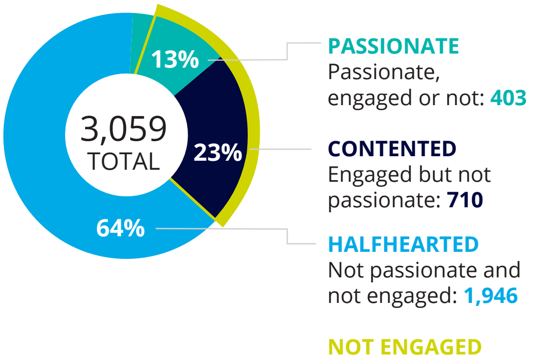
SURVEY AND ANALYSIS METHODOLOGY

In spring 2016, the Deloitte Center for the Edge surveyed more than 3,000 full-time US workers from 15 industries across various job levels. The purpose was to explore how the attributes of the explorer manifest in the workforce—and how they relate to traditional measures of employee engagement, to gain insight into the impact of employee engagement initiatives on passion. This large sample size allows us to detect relatively small differences between different populations and gives us confidence in our results.

The 2016 analysis explored the differences between three distinct clusters that comprise the worker passion survey population: the *passionate* (those respondents who have all three attributes of worker passion), the *contented* (those respondents who score high on an index of engagement indicators but who do not have all three attributes of passion), and the *halfhearted* (those respondents who lack all three attributes of worker passion and score low on engagement). Our findings build on prior years' findings to consider why the large cluster of contented workers lack passion and, specifically, why they tend to lack the questing disposition. Additionally, the majority of our findings in this report are based on inferential statistics and predictive analytics to bring more durability and robustness in insights.

Figure 2. The passionate, the contented, the halfhearted

Surveys were broken into three clusters for analysis:



Source: Deloitte analysis.

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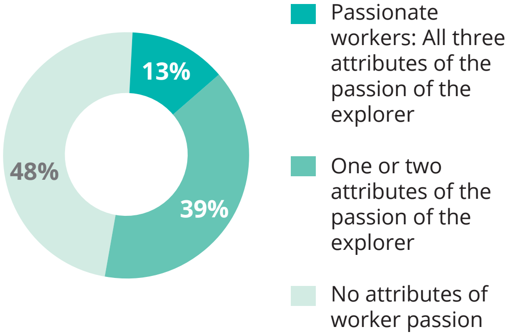
Figure 3. Many workers have some attributes of passion



Source: Deloitte analysis.

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Engagement is a good start but alone is not enough

In the nine years that we have been measuring worker passion, the percentage of US workers exhibiting it has remained consistently low, with no statistically significant change over the past three years. During this same time, employee engagement, although higher, has also remained stagnant at around 32 percent, according to organizations such as Gallup and Glassdoor. The low scores persist despite significant investment from US companies in strategies and initiatives to engage workers.[7] This led us to ask: How are passion and engagement related, and what can we take from these efforts to close the passion gap?

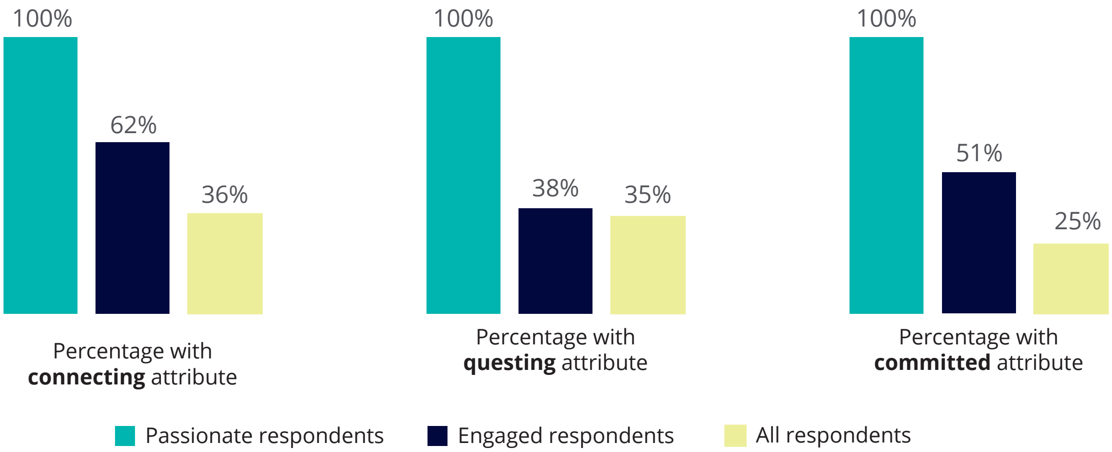
Research has shown that employee engagement is a key indicator of an organization's health, a proxy for employees' satisfaction and willingness to work toward the firm's goals rather than against them. Engagement is seen as a key tool in retention and has been associated with reduced downtime, improved productivity, and better customer service, all of which can help improve overall financial performance.[8] In an increasingly unpredictable world, however, efforts that target these measures may reduce costs but fall short of driving the behaviors that will generate the growth and innovation that companies will need in the future.

Engagement may improve retention, but the people who stick around may not be the people you need; consider that government employees topped the list for retention in a recent study based on Glassdoor data.[9] Our sense is that it isn't either one or the other: Companies will need to focus on passion plus engagement to develop and retain the talent they will need to navigate and succeed in a rapidly changing business environment. This year's survey focused on exploring this idea further (see sidebar, "Survey methodology and analysis").

What we found is that being engaged is hardly a guarantee of passion: 69 percent of engaged workers are not passionate. Engaged employees most often lack the *questing* disposition, the inclination to take on difficult challenges with a desire to learn (figure 4). Only 38 percent of engaged employees have the questing disposition—comparable to the overall population, suggesting that whatever else they do, engagement initiatives are not encouraging people to embrace challenges. Nearly half of engaged workers also lack a desire to make a significant impact in their industry, function, or specialty (*commitment to domain*), although their commitment is higher than the overall population's. Engagement seemed to have the most significant effect on workers' tendency to reach out to others to solve challenges and improve their own performance (*connecting*).

Both engagement and passion are more common at higher levels, although engagement is also more heavily represented in middle management and manufacturing roles, each of which scores below average on passion.

Figure 4. Comparison of attributes of passion in the engaged as compared to the overall population



Source: Deloitte analysis.

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The spirit is willing—employees *want* to be the type of worker you need

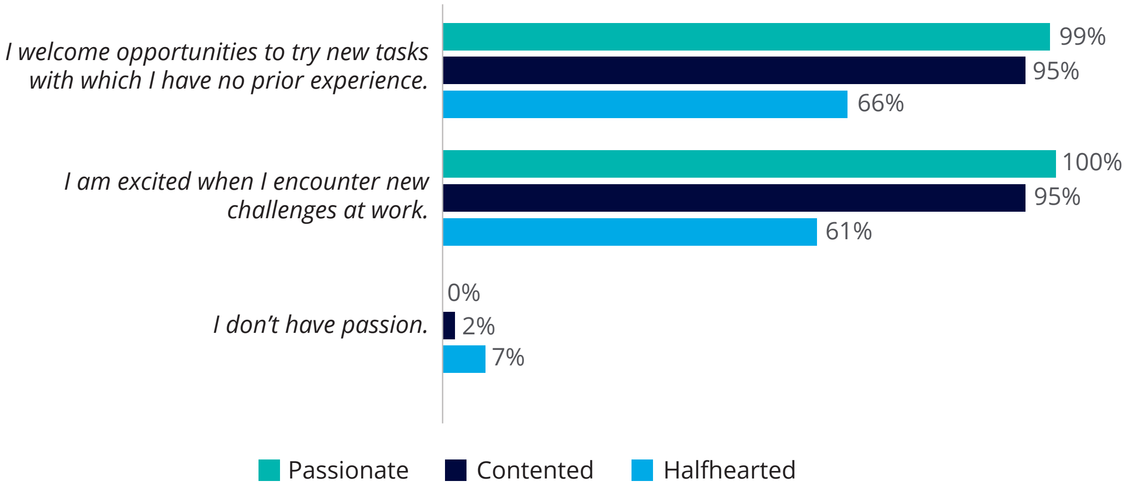
The statistics might seem to tell a fairly negative story, one of a dispirited and apathetic workforce at odds with the organizations that employ them, passively awaiting their own irrelevance. This is far from the case. While managers should see the data as a wakeup call, it also contains a more hopeful story: Not only do many people want to be passionate—they want to learn and make a positive impact. They believe themselves to be open to challenges and opportunities. For example, 66 percent of the *half-hearted* express at least some agreement that they welcome opportunities to try new tasks, while 61 percent suggest that they are excited to encounter new challenges at work (see figure 5). They aspire to be better. In fact, when asked specifically about their passion, only 5 percent of respondents actually said that they didn't have a passion. Even though much of the self-reported passion doesn't meet the level of *passion of the explorer* and is often unconnected to people's current work, the widespread interest in passion reveals untapped potential for creativity, imagination, and enthusiasm.

The passion of the explorer is defined by *behavior*, however—a propensity to act in certain ways. When asked questions that get at actual behavior, respondents show a gap between what they believe about taking on challenges and how they actually behave: for instance, whether they actively seek out challenges in order to develop their skills and make more of an impact.[10] So while the data suggests that there is a foundation on which to build, the passion must be *activated*.

Fortunately, the three attributes of passion reinforce each other in ways that can activate passion. So although the *contented* often lack the questing disposition—the tendency to seek out challenges—they may, in the right environment, be propelled into questing behavior if they are strongly committed to making an impact. Similarly, those strong in *connecting* (as the contented tend to be) may discover both greater commitment and increased capacity for questing through the example and support of others who are dedicated to seeking out challenges in order to improve and make an impact faster. In this light, those 39 percent of workers who have at least one attribute of passion—and particularly those engaged who have at least one attribute of passion—have great potential to be developed.

Figure 5. Are you excited by new challenges?

Respondents "somewhat" to "strongly" agree with the following statements:



Source: Deloitte analysis.

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What's holding back your workforce?

EVERYONE, we believe, is capable of having the passion of the explorer. But it's too much to hope that employers can activate every worker's passion in her current position. For some, work is just the source of a paycheck, not a place for learning, growth, and enthusiasm. In other cases, some jobs—among them, the likeliest targets for automation—may currently be such that almost no one could be passionate doing them. But for the rest, it is the organization itself that is conspiring against the workers' passion.[11]

When it comes to developing passion, both the work itself and the work environment matter. A majority (56 percent) of passionate employees report having discovered their passion through work, compared with a third of the contented and 13 percent of the halfhearted.[12] Far fewer—28 percent—of the passionate chose a profession that matched their passion, in part because, as we discuss in greater detail in *Passion at work: Cultivating worker passion as a cornerstone of talent development*,[13] it is relatively rare to have a passion that sustains itself into a job without some trial and error.

In other words, we discover passion through practice. Yet many organizations fail to support—and sometimes squelch—the behaviors we associate with passion. And, as we'll discuss, these organizations, both the leadership and management, as well as the systems and policies that make up the work environment, don't encourage the types of behaviors that might lead to the development of passion in the contented or the halfhearted—particularly those behaviors that have to do with taking on difficult challenges and pushing past the tried-and-true. This gap between potential passion and the demands of the job highlights how, in the war for talent and search for performance, organizations may need to find ways to reorganize to better tap into and activate individuals' passion, rather than expect only that individuals fit into the organization. That might mean focusing on different organizational structures, such as teams or workgroups, that support the peer-based learning and curiosity that feed and amplify passion.

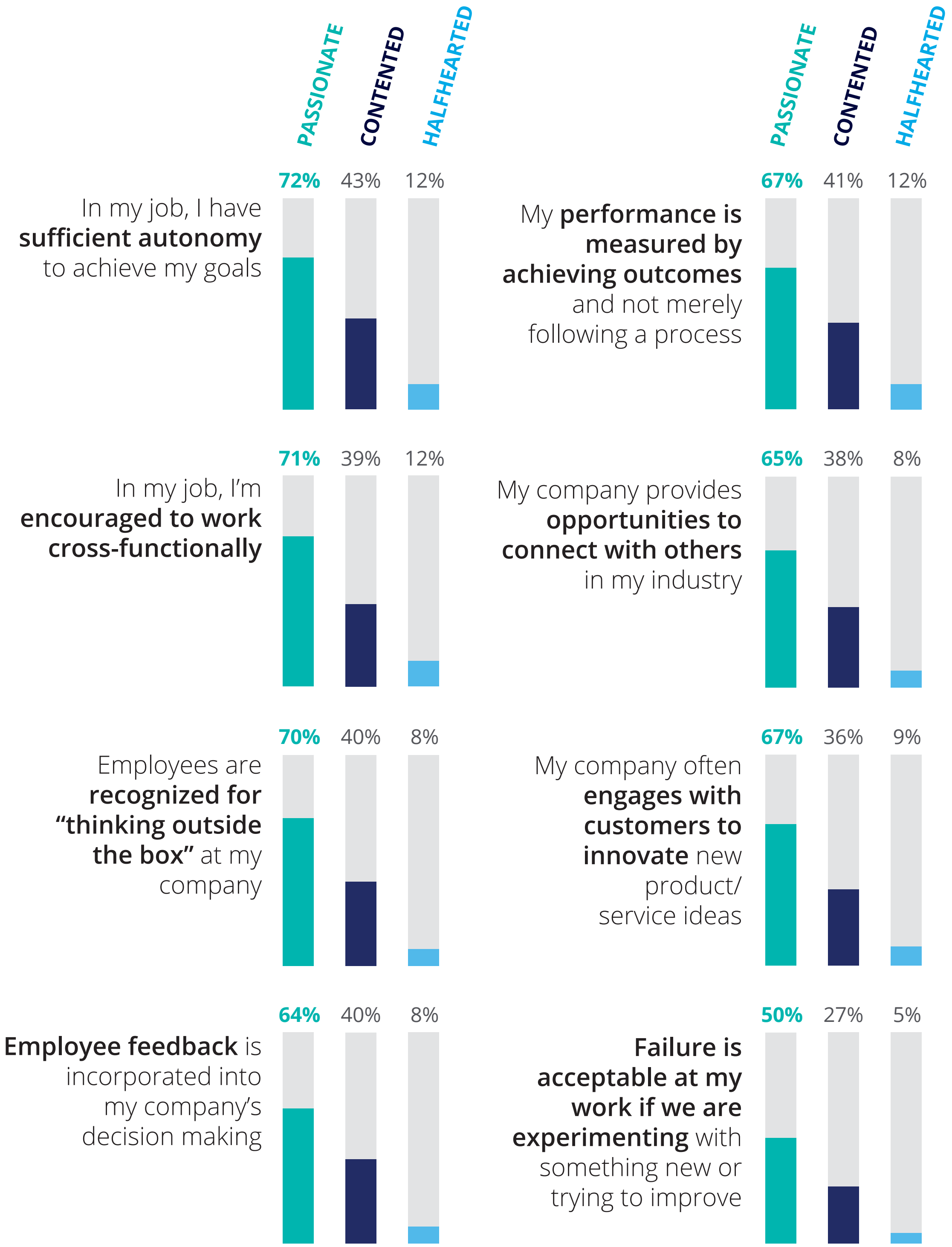
In previous reports, we've focused on identifying and supporting the passionate employees already in the workforce. However, considering the persistent scarcity of passion and the finding that even most engaged employees aren't passionate, it seems worthwhile to shift and examine why employers' efforts aren't paying off. Given the investment in engagement efforts, why are so few employees seeking out challenges and opportunities to create the new tools, approaches, and ideas that the organization will need for the future? What can we learn that might point to useful actions to start shifting workers, of all kinds, toward passion?

The passionate, the contented, and the halfhearted differed significantly in their answers to several questions about their perceptions of the work environment; figure 6 shows some of those.

In analyzing the responses of the three clusters, as well as overall, some themes emerge that suggest what might be getting in the way of workers who would like to behave with passion but currently don't. The first is basic: They don't know how to convert their good intentions into action and don't get the workplace opportunities to pursue challenges effectively. Others may lack meaningful autonomy at work and have a sense that the risk of taking on a new challenge might not be worth the effort.

We'll explore these obstacles and then look at what a leader can do to change that dynamic.

Figure 6. The passionate differ from the contented and the halfhearted in actionable ways



Source: Deloitte analysis.

Problem: Workers don't know how to pursue challenges and aren't getting a chance to learn

When we consider the significant differences in responses to questions about work environment, motivation, and opportunity, it raises the question: Are the passionate in our survey simply employed in environments that encourage them to bring out their passion? Or do the passionate perceive the environment and opportunities around them differently because of their dispositions and skills?

It's a question that deserves more study, but the short answer is likely a bit of both. We know that not all passionate employees have passionate co-workers (although 82 percent of the passionate believe their co-workers are committed to doing good work), but being around others who are passionate is both inspirational and educational.

> "Passion and enthusiasm are one thing, but there's also skills. Some of them you get through experience."
>
> — ***Tech executive***

Some people, by personality or experience, may be more prone to the attributes of passion: They already have a tendency to connect, a desire to learn and challenge themselves, or a dominant area of interest in which they are committed to making a significant impact. For the passionate, these dispositions are strong enough that they can persevere past some organizational deficiencies, inadequate tools, and knowledge gaps. While they seek out learning more often and report seeking learning from a wider variety of sources, the passionate also have a mind-set to see everything as a resource and look to figure out how to gain the skills and support they need in pursuit of their passion.

For the rest of the workforce—the contented and the halfhearted—beyond the disincentives and structural barriers, lack of guidance, skills, and perspective can be significant barriers to taking on challenges with creativity, imagination, and determination. Telling someone to experiment, to "fail fast," might produce, well, failure. And frustration. Giving employees tools to have visibility and connect to others in the organization might create only noise and distraction—or, worse, no noise, if no one finds value in it.

Crafting productive experiments, harvesting learnings from failures, amplifying successes into the organization—these are not trivial skills. Neither are finding the most relevant resources, participating effectively in professional forums, or deploying social media tools. And while all workers may have the capacity for passion, the skills to pursue passion might not be so innate. As the following sections discuss, overbooked schedules, constant pressure to deliver results, and lack of opportunity to work outside of silos prevent workers from getting experiences in which they could learn the tacit skills of being a questing, connecting, committed worker.

Problem: Workers lack the autonomy to try new approaches or pursue promising opportunities

Taking on a difficult new challenge almost by definition means deviating from the standard, the accepted, and the proven. Actively pursuing these challenges, and acquiring the resources and perspectives to address them, requires some degree of autonomy and flexibility. While the appropriate degree of autonomy depends on the nature of the work, the experience of the worker, and the complexity of the organization, the survey reveals that contented employees are far less likely than the passionate to believe that they have sufficient autonomy to achieve their goals. If the freedom to deviate, whether explicit or implicit, is not workers' "lived experience," only the most committed will exercise and sustain a desire to take on difficult challenges. What's getting in the way?

First of all: The behaviors that are central to embracing the challenges and discovering the opportunities in an unpredictable business environment can't flourish in a rigid, process-bound, command-and-control environment. A hierarchical organization that focuses on process compliance, reporting, and getting things right the first time implicitly denies permission to experiment or share and learn with others outside the chain of command. Micromanagement, a side effect of this culture, at a team or unit level can also frustrate the impulse to seek and experiment, irrespective of broader directives. Punitive measures or a perception that deviation is not accepted can also get in the way. Consider that only 27 percent of the contented and 5 percent of the halfhearted believe that failure is acceptable if they are trying to improve or do something new. Given that only 12 percent of middle managers and 11 percent of frontline managers have passion, it is easy to see how those who work for and with them might not feel they have the latitude to take risks.

And keep in mind that a culture of overscheduled calendars and frequent fire drills is its own confinement. No amount of autonomy matters if workers lack the time to consider a challenge or opportunity and address it in any way other than the standard response. Combine that with pressure for short-term results and a fear of failure, and workers won't seek out challenges with a goal of improving personal and organizational performance—no matter how much their leaders tell them to be more innovative.

Problem: Workers don't believe the challenge is meaningful

Creating new approaches and uncovering new opportunities require motivation and commitment to making an impact. Belief in the potential impact can create higher expectations—of self and others—and help individuals persevere past setbacks and past the comfort of the tried-and-true to achieve better performance. If the challenge doesn't seem meaningful, workers won't put forth the effort.

In a heads-down, pressure-filled workplace, workers often lack visibility into the impact of their efforts that would help them find meaning in a challenge. Especially in a large organization, individuals may have trouble seeing how their own work or the work of their group affects how the organization delivers value. Specialization and silos further prevent employees from gaining perspective to even be aware of challenges that have significant implications for the organization or its customers. Hierarchical environments further discourage reaching out to other functions or business units except through the chain of command and tend to encourage "logging" of issues rather than recognizing them as opportunities. In these environments, employees are unlikely to gain the information or insight to recognize the significance of the challenges they encounter, which is critical to developing and acting with passion. Consider that only 39 percent of the contented report being encouraged to work cross-functionally (versus 71 percent of the passionate), and only 36 percent say that their company collaborates with customers (versus 67 percent of the passionate).

Shared service and agency models can also often remove the personal connection with internal customers and partners that traditionally provided a line of sight to impact and strengthened the emotional component of meaning. The increased number of permanently remote and geographically removed workers can also weaken that connection to the downstream impact of our efforts even while engagement metrics derived from connection to team members might be strong. For example, our own data analysis colleagues were supporting a visualization initiative for the Center. Several months into the effort, when the effort had shifted to the back burner, the project lead pointed out that the lack of feedback or sense of impact was draining their passion for pushing through the project's many programming challenges. It wasn't about the impact of their work on firm performance so much as knowing what impact they had on our work and hearing about that directly.

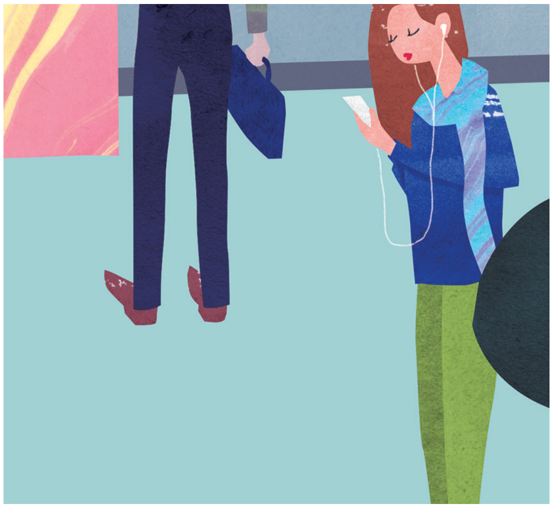
In a recent recruiting video for Transport for London (TfL), the government entity responsible for the roads, rails, and transit of the greater London area, employees from the data analytics group talked about what got them excited about TfL. With a rapidly growing population and changing transit needs, the organization operates with a sense of urgency, speed, and opportunity. Despite not interacting directly with the average transit customer, employees have a strong sense of having a tangible effect on the daily lives of 8 million Londoners. The challenges they face are also meaningful to their personal development because they get to use cutting-edge tools that aren't yet tested.[14] As a government agency, TfL, like many large legacy companies, might be considered to be at a disadvantage in attracting top talent in hot fields such as data science. Given the constraints, TfL had to focus on making the challenge—the enormous task of moving an ever-growing population smoothly—meaningful to make the job compelling.

Problem: The risk of taking on a challenge doesn't seem worth the effort

Taking on challenges and facing uncertainty with enthusiasm also require a degree of confidence, in oneself and in the organization, that the outcome will be worth the effort. Without that belief, if the potential personal risk outweighs the perceived benefit—or if the organization has not demonstrated that it has the resources, capabilities, and commitment to take advantage of successful new approaches and to learn from unsuccessful attempts—employees may become cynical. Over time, cynicism eats away at workers' sense of agency, optimism, and the potential for passion.

We've already noted the pervasive sense that failure is unacceptable, but workers also consider potential benefits—such as learning relevant, valuable skills or getting the types of opportunities and experiences that will move them closer to their goals—to weigh against the risks. Passionate workers generally perceive greater benefit and support from their organizations than do their contented co-workers. Just 40 percent of the contented believe their organizations reward those who "think outside the box," compared with 70 percent of the passionate, and only 41 percent believe they are measured based on outcomes rather than adherence to process (compared to 67 percent of the passionate). The passionate are motivated intrinsically, learn more quickly, and tend to perceive personal benefits more broadly in the context of opportunities to learn and lack of punitive measures; 88 percent of the passionate believe that the organization supports their developing new skills to help them achieve long-term goals. However, for the contented who don't yet have passion, the lack of acknowledgment or appreciation for attempting to use new tools or develop new approaches might be more of a deterrent to taking on challenges, particularly if managers regularly shut down or punish these efforts.

Passion sputters for workers who don’t believe their companies seriously consider their ideas and feedback or who have seen ideas and promising opportunities disappear into the slow death of approval processes and review committees.



The second part of deciding if a pursuit is worth the effort depends upon whether the group or organization has demonstrated the will or ability to act on it. Passion sputters for workers who don’t believe their companies seriously consider their ideas and feedback or who have seen ideas and promising opportunities disappear into the slow death of approval processes and review committees that either indefinitely stall the initiative or modify it beyond recognition. This isn’t to say that approvals and reviews don’t play an important role, but they also have a significant impact on the motivation and agency that workers feel as the environment becomes more challenging.

Paradoxically, confidence in the organization’s abilities can also work against passion. In a recent article, Facebook reported that optimism about the company’s future is a key driver of employees internalizing organizational goals.[15] On one level, it makes sense that an organization with a promising future will attract better talent, and that employees will internalize that organization’s success and commit to its goals. Yet while the passionate were more likely to express this optimism, it is also strongly associated with engagement. Without the passionate attributes of questing and commitment, the risk of optimism is that too much confidence in the organization’s outlook, based on current performance, and a commitment to the organization rather than impact, can lead to complacency, denial, and an inability to recognize the need for change or the will to challenge and invent.

Returning to the idea of failure, researchers have found that the more we have riding on our judgments, professionally or psychologically, the more likely we are to ignore, reinterpret, and redirect our failures rather than learn from them, to question anything that casts doubt on our assumptions rather than question the assumptions themselves.[16] In such an environment, organizations that continue to measure and reward traditional performance indicators encourage workers to preserve the status quo, even as the status quo becomes less sustainable.

Beyond engagement

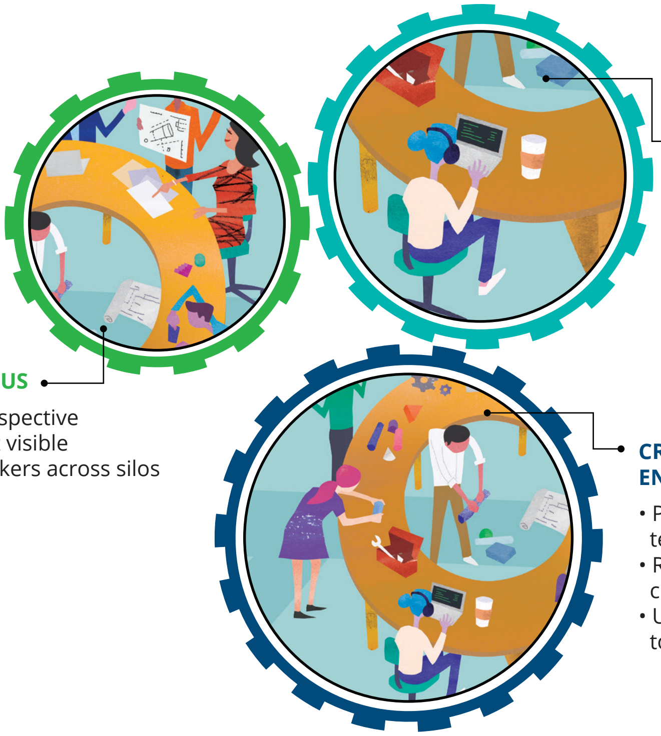
How to turn employees into explorers

WE'VE discussed several possible reasons why, despite companies' investment in employee engagement, most workers still aren't embracing challenges and pushing boundaries to improve performance. The problems are related and point to three ways in which executives can change the dynamic to begin to activate the latent passion in their workforce. Conveniently, these actions may also bolster those who are already passionate in your organization and will likely create a more encouraging environment for the halfhearted as well.

1. Lead by example

If you act with passion, people will notice. Passion is contagious. This serves two purposes: First, by making your own passion visible, through action, you begin to create a culture that encourages others around you to embrace difficult problems and take risks. More than words or mission statements, workers learn how work gets done by observing how their managers and leaders work. Perhaps more important than making experimentation and risk-taking acceptable or even expected is the practical

Figure 7. Three steps to activate the passion of your workforce



LEAD BY EXAMPLE
- Act with passion
- Connect the passionate

PROVIDE FOCUS
- Broaden perspective
- Make impact visible
- Connect workers across silos

CREATE THE ENVIRONMENT
- Provide latitude at the team/work group level
- Revisit metrics: knowledge creation over status quo
- Use team/group structure to maximize learning

Source: Deloitte analysis.

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The passionate are not likely to be the ones on official task forces, seeking approvals and buy-in and navigating the formal structures of the company.

value of providing examples for workers in real time. Remember that once passion is activated, learning becomes more and more self-directed, but the hesitant worker who hasn't yet found her passion may be encouraged by observing how to quest and connect more effectively within the organization.

Second, your actions will start to attract other passionate workers. Find and connect with others who are behaving with passion in the organization, and connect them with each other as well. They can draw support from each other and share approaches for getting around certain types of obstacles even if they won't necessarily have the specific skills and experience to actually help with each other's projects. Shine a light on their efforts, and your own, to demonstrate risk-taking, experimentation, and failing productively. Make their efforts more visible to your organization so that they, too, can lead by example. Drawing on your unique experiences with questing, connecting, and making an impact, brainstorm ways to spread passion, and work to build a culture of taking on challenges and learning.

If you haven't found your passion yet, reach out anyway and surround yourself with others who are passionate. Learn from the way they approach problems and opportunities. Ask yourself: What would motivate me the same way these people are motivated? What would inspire this same level of commitment from me?

How do you identify the passionate? Besides acting with passion yourself, which will tend to draw out other passionate workers, look for where someone is making waves or leading the charge, regardless of whether she has the title or role to do so. The passionate are not likely to be the ones on official task forces, seeking approvals and buy-in and navigating the formal structures of the company. Others in the organization who are closer to the challenge will tend to know who is deeply interested in and committed to it, even if they view those people as obstacles or nuisances.

Over time, connecting and elevating the passionate can create a positive feedback loop. The passionate draw in more people, and from this growing group, you can pull examples of efforts, successes, and failures and make them visible to the organization. Others will begin to exercise their own passionate behaviors. Passion spreads.

With the majority of executives and management neither engaged nor passionate, commit to making a personal change, not just an organizational one. Look inward. Ask yourself: What is keeping *me* from stepping up with enthusiasm for the challenge rather than fear of failure?

2. Provide focus

Providing focus might seem a strange directive—aren't we advocating freedom to explore and self-direction for the workforce? Understanding what matters (not just to the customer, the product, or the company but to our partners, collaborators, and society) and *where* to direct our efforts to create an impact is a prerequisite to finding meaningful challenges and making effective use of autonomy.

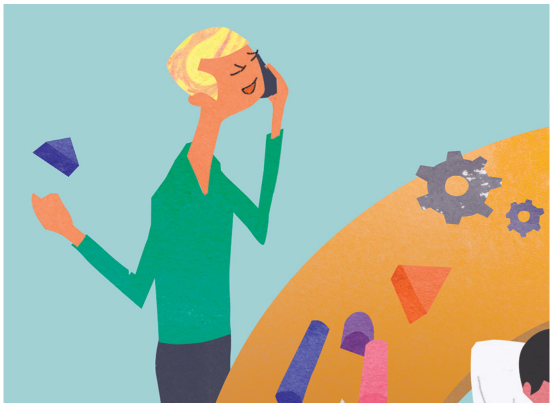
One key to providing the focus that can encourage employees' risk-taking and experimentation is *broadening their world*. This is important given that most survey respondents see their workplaces as siloed. Managers should help employees get a sense of the organization beyond their day-to-day tasks—how their work fits into the unit's goals and how the work of the unit aligns with the company's goals—to help develop perspective and connection to impact. Cross-functional work and more direct collaboration with internal and external customers help workers to understand not only what the formal goals are but how smaller impacts add up to bigger ones. They get a better sense of why their individual projects matter, which can result in increased commitment; more importantly, seeing the bigger picture allows them to think about what they know and how to apply it to a potentially bigger issue. There are many ways to encourage workers to work cross-functionally, but creating special teams to address specific challenges, such as a particular product constraint or a unique customer issue, is one way to kickstart that behavior in a way that is relevant and rewarding.

Leaders can help employees frame powerful questions by being explicit about challenges and setting stretch goals. Meaningful challenges might be aligned with specific company goals. They might attack a key operating metric that drives cost; they could aim to drive revenue in a market or segment the company has targeted for growth. In high-growth companies, high-impact challenges might address constraints or other obstacles to rapid growth. The goal's sheer size and audacity can create its own meaning. With strong overarching goals, opportunities to gain perspective, and the right examples, more employees—beyond those who are initially passionate—will likely become better at recognizing what's interesting or important about challenging problems and identifying the potential opportunities for new growth embedded in those challenges.

In a recent CNN Money interview, Lori Goler, Facebook's head of people, explained how the company expects managers to set context and goals for their teams and then "set them free" to accomplish those goals in the way that makes sense to the employees, not necessarily the way the manager would have done it. Setting useful context around significant challenges and providing clear overarching goals is critical in a company that still maintains much of the *move fast, break things* ethos it adopted as a start-up.[17]

Leaders can also help provide focus by acknowledging the emotional component that contributes to a worker's ability to find meaning in a challenge and by helping workers maintain an emotional connection to their work's downstream impact. The emotional link can propel them past setbacks or obstacles and may help them develop a commitment to make an impact greater than just "doing my job." For some organizations—think of health care, education, or relief work—the emotional connection is integral to the cause or mission, but creating emotional meaning doesn't require saving lives. It's enough to create an understanding of, and stronger connection to, the impact a piece of work has on the lives of customers or downstream colleagues. When asked what they would improve in their work environment, 34 percent of contented workers prioritized "greater visibility into what others in the organization are working on, or have worked on."

For example, when the logistics company mentioned earlier reorganized its dispatchers to align with either groups of drivers or groups of customers rather than regions, the sense of impact and accountability changed. While the dispatch group had long tenure and was generally engaged, for years the dispatchers' role had been focused just on moving the company's materials and products across the region. To support the growing business that was now serving external customers in a tight labor market, the leadership implemented new metrics focused on operations and profitability as well as customer service and driver satisfaction. In their expanded role, the dispatchers also get to know the drivers or customers they are supporting and have better visibility into the impact of decisions both upstream and downstream.



For some organizations—think of health care, education, or relief work—the emotional connection is integral to the cause or mission, but creating emotional meaning doesn't require saving lives.

We should note that even audacious or emotionally significant challenges won't typically be enough to get people to question the assumptions under which they have been working, no matter how well framed. That type of frame-breaking is more difficult but can be aided by physical experiences and exposures to very different contexts that shake the comfortable base of expertise on which we tend to rely. For instance, a learning journey that takes a team into the operations of bootstrapping start-ups or the floor of an electronics market in Shenzhen or onto the street to understand the entrepreneurial hustle of the homeless can serve to shake assumptions, and it's likely to broaden perspectives more effectively than a training course or a presentation or even a compelling talk delivered in the comfort of a corporate conference room.

Facebook has a mechanism for busting silos and exposing employees to more perspectives that might also help them become more open to questioning their assumptions. As Gillian Tett describes in her book *The Silo Effect*, through a special version of a rotation program the company calls "Hackamonth," every employee gets pulled out of his role every 12 to 18 months to spend a month on a cross-functional team to work together on a particular challenging problem or interesting opportunity. When people return to their old teams, the result has thus far been increased informal sharing of ideas and information between teams. Tett suggests that this type of mental "travel" can be an effective way to broaden people's minds and free them from silos.[18]

There is a well-known parable, often referred to as "The Three Bricklayers," that tells the story of a traveler who comes upon three people laboring and asks them what they are doing. "I am laying bricks," says the first worker. "I am building a wall," says the second. But the third worker answers, "I am building a great cathedral that will host monumental events: marriages, baptisms, funerals, coronations." Help your employees to see the monumental events, as well as the walls and cathedrals, and they might just create a better brick, or no brick at all.

3. Create the environment

Beyond setting an example and helping make meaningful challenges more visible, cultivating a workforce that will take on the challenges of tomorrow requires more than just getting out of the way. Removing the factors that squelch passionate behaviors—overly prescriptive processes, mind-numbing reporting requirements, soul-crushing micromanagement—will help the passionate, and everyone else, but it might not be enough to cultivate passion.

Experimenting with relinquishing some control is a good way to start, though. We aren't advocating giving up control and letting employees do whatever they want—rather, we suggest pushing more of the decision making about how to do work down to the teams and individuals responsible for doing it. Technology executive and investor Maynard Webb notes that relaxing control at then-start-up eBay was uncomfortable but worth it: "As a SW executive who was still the one accountable for deadlines, I was nervous when we went from waterfall to agile. But it was amazing how suddenly without our control structure, the engineers really took responsibility for deadlines."[19] It was the first in many experiments with giving more freedom to different types of workers and, as in the next company Webb founded, LiveOps, giving the tools and environment to support workers in learning and developing the skills to exercise autonomy.

For executives and leaders, this is an opportunity to give teams more autonomy to achieve the organizations' goals and get better results. An important element of giving up some of the command-and-control mind-set is to help managers, especially those middle- and frontline managers who tend to lag in passion, to take on more of a coaching role and to help their teams learn how to experiment and explore more effectively.

How can you provide space and flexibility that are appropriate and useful at different levels of the organization? Create an environment that offers more opportunities for learning, but focus on the types of learning that create new knowledge. Those who bring passion also need to continue to develop the skills to sustain it; those lacking passion need to develop the confidence and perspective that helps foster passionate behavior.

Does this mean that companies need to offer training programs in how to have passion? The answer is an emphatic *no*. Passion can't be taught but only discovered, through practice. However, some portion of your workforce might benefit from more guidance—and from role models who can serve as practical examples of how to quest, connect, and create impact. It turns out that the skills to effectively quest and connect need not just space and permission but also some know-how, and much of that know-how is tacit and best learned through day-to-day interaction: *Where do I find challenging opportunities? Could this bug I keep fixing in the marketing data be pointing to some useful insight on a new trend in social media campaigns? Or to an opportunity in the cloud software?*

A class on networking might provide a few tips for making contacts, but you will learn more about using other people's skills and knowledge to gain insight and address challenging problems by spending time with a colleague who has a strong connecting disposition (oriented toward talent, rather than social, leverage). Similarly, a team member with a strong questing disposition can demonstrate through daily interactions how to frame a problem or design a small experiment to quickly test assumptions. Although the widespread preference across all clusters for on-the-job training points in the direction of more mentoring and opportunities for sharing and tacit learning, managers should encourage employees to seek learning from a wider variety of sources—for instance, the passionate were far more likely than the contented to rate informal networks, professional social networking sites, internal social platforms, and external boot camps and meet-ups as important sources of learning. In this regard, the halfhearted fall far behind in recognizing the many informal learning opportunities in each workday.

The way companies accelerate the learning that most often comes through experience will vary significantly, depending on the type of work and the skill level and experience of workers involved. Consider, for example, the logistics company that wants to grow its fleet. In an industry characterized by high turnover and concerns about safety and qualifications, the company has traditionally hired only drivers with two years of flatbed experience. To meet the group's growing demand for drivers—especially as many lifelong truckers are reaching retirement age—the company is considering ways to accelerate skills acquisition through scaffolding: for example, two weeks of ride-along in the cab of an experienced driver, followed by two weeks of driving a truck in convoy with the veteran.

On the other end of the spectrum, GE, the company long synonymous with Six Sigma, has faced the need to, as GE culture leader Janice Semper puts it, learn how to take risks and accept mistakes as part of its transformation to refocus on the industrial Internet. In environments with a particularly strong culture of results and fear of failure, shifting attitudes might revolve first around eliminating disincentives: changing the punitive measures and pay structures, the rigid processes and performance management systems that reinforce hierarchy and

> Creating an environment that leaves room for the possibility of failure might be an easier pill to swallow if we took the time to understand what it means to experiment effectively, with a goal in mind—to take risks intelligently and to fail productively.

aim to eliminate variance and uncertainty. Practice is important to developing not just the specific skills needed to support autonomy but the ability to quest and connect effectively. But it's difficult to give workers more practice in businesses—such as software or engine manufacturing—in which the consequences of shipping a failure are high. In such cases, tinkering might be an effective way to help employees get the practice to develop their passion.

Of course, at organizations such as GE, creating an environment that leaves room for the possibility of failure might be an easier pill to swallow if we took the time to understand what it means to experiment effectively, with a goal in mind—to take risks intelligently and to fail productively. It helps to clarify what types of failure are acceptable and minimize those that are not. As Amy Edmondson wrote in a 2011 *Harvard Business Review* article, executives and managers tend to think that "accepting failure" means saying that "anything goes." Edmondson lays out a spectrum of failures, from blameworthy to praiseworthy, and suggests that with a more sophisticated view of failures and their contexts, companies can learn from failure to gain new insights (not just avoid future failures) while also continuing to eliminate the blameworthy failures.[20]

One of the obstacles to workers, managers, and leaders being comfortable with experimentation and failure is the fear of setting precedent. When the world is knowable, stable, and controllable, then each experiment, each decision, is creating a new normal. Everything becomes what Jeff Bezos calls Type 1 decisions, requiring certainty and deliberation because they are permanent.[21] On the other hand, in an environment where nothing is permanent, you can afford to become very flexible in the way you think about things and react. In a broad environment that is moving rapidly in the direction of constant, accelerating change, how can you make the work environment for your unit or team reflect a world where precedents are less important and most decisions are assumed to be Type 2, subject to reversal or modification as new information becomes available? How can you shift the mind-set to focus not on a whole new world each time but on just another iteration?[22]

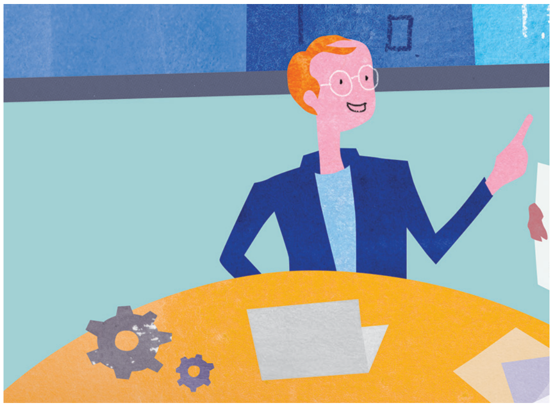
Conclusion

Opportunities, everywhere

IN the face of rapid technological change and global competition for talent, capital, and customers, the answer to improving performance is not to squeeze harder. Companies will need to learn faster, and the learning that will matter most will be that which creates new knowledge.

To learn faster, companies will need employees willing and able to take on challenging problems and pursue new opportunities. To attract and retain this talent, companies will have to offer workers the opportunity to learn and develop themselves faster. The three attributes of worker passion—the tendency to seek out difficult challenges, the tendency to connect with others to find better solutions, and the desire to make a significant impact—drive the risk-taking that is necessary for this type of learning. They are crucial for a workforce that can think flexibly, learn quickly, and create new tools and approaches for new contexts.

Engagement alone, as it is often defined, will not develop this challenge-seeking, boundary-pushing behavior that will create new knowledge and new opportunities for the organization and the individual. In this article, we've detailed some of the ways in which organizations may be standing in the way of their employees, even engaged employees, taking on difficult challenges and pursuing new opportunities. Beginning to address these obstacles should help activate workers to discover their own passions and help to create a critical mass of passion that can gradually spread through the workforce.



A final point here comes in how we think about the environment itself: both the work environment and business environment. The tendency for many leaders and managers will be to read and accept these recommendations about encouraging experimentation and accepting failure and yet resist challenging their traditional, scalable command-and-control understanding of business. This is what many of us grew up with and were trained to manage. It is hard to displace the ideas that a well-run business will have highly standardized and repeatable operations that can execute to plan, and that advantage will go to those that reduce variance, eliminate waste, and reduce costs. Within that context, the ideas around worker passion seem surprising or, at best, nice to have—feel-good tactics that may improve morale and look good for recruiting but won't have a significant impact on the organization's future. For many executives, the form of passion we have been describing may actually seem deeply suspect: Passionate workers often don't stick to the script, and they are willing to take risks in environments that insist that failure is not an option. However, if you truly understand the extent to which the world is changing and companies will need to be redesigned for the digital age, as 87 percent of executives claim to,[23] the need for workers with the passion of the explorer becomes critical.

Passion isn't nice-to-have even though, with the focus on "learning," it might be tempting to think so. Passionate workers want to learn. Most importantly, they want to learn through action that leads to higher and higher levels of impact, taking them beyond the known and the proven. This is why they are so focused on learning by creating new knowledge rather than simply accessing existing knowledge. They are not content to just read books or listen to lectures. Workers who aren't yet passionate may develop passion through learning. But the learning opportunities they crave, the learning opportunities you are providing, aren't "perks"—they are the growing imperative to identify new customer needs, to create new approaches for meeting customer needs; they are the opportunity to create new delivery models, to build new tools and deploy new technologies. Companies need workers who want to learn faster and continuously, who will be developing their own skills while propelling the company forward. Passionate workers will stay with your organization because of the opportunity to learn.

The low incidence of passion in today's workforce might be discouraging. But executives have the power to make small changes that can start to move the workforce beyond engagement into connecting with their passion. It begins with the example they set, the priorities and challenges they talk about and the ones they measure. More than anything: To cultivate passion in the workforce, guard against the organizationally fatal disease of cynicism. Try to make the work environment—your management practices, your policies and informal directives—consistent with the stated goal of experimentation and challenge-seeking. Be transparent about the inconsistencies, and try to reduce them so that cynicism doesn't creep in to kill passion.

ENDNOTES

1. Corporate spending on employee engagement may include surveys and other monitoring, and measurement tools, as well as the spending on formal initiatives to address employee engagement and the many other programs and initiatives that are expected to have an indirect impact on engagement. This number is likely conservative and represents expenditures on surveys, measurement, monitoring and analysis.

2. Definitions for employee engagement vary, as do estimates of its prevalence in the workforce. In Deloitte's 2016 worker passion survey, 33.8 percent of respondents were "engaged," using criteria that approximated Gallup's definition. Gallup reported daily engagement rates among US workers ranging from 32 to 36 percent during 2016. The most recent reported number was 33.4 percent in May 2017. Gallup, "Gallup Daily: U.S. employee engagement," www.gallup.com/poll/180404/gallup-daily-employee-engagement.aspx.

3. "Engaged" based on our own survey findings. Our definition of engagement hewed closely to the widely reported Gallup survey on engagement, which reported "stagnant" engagement for 2015 at 32 percent of US workers. Amy Adkins, "Employee engagement in U.S. stagnant in 2015," Gallup, January 13, 2016, www.gallup.com/poll/188144/employee-engagement-stagnant-2015.aspx.

4. John Hagel, John Seely Brown, Maggie Wooll, and Andrew de Maar, *The paradox of flows: Can hope flow from fear?*, Deloitte University Press, December 13, 2016, https://dupress.deloitte.com/dup-us-en/topics/strategy/shift-index.html.

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8. Sulaksha Nayak and Harisha G. Joshi, "Employee engagement—a global perspective," *International Journal of Exclusive Management Research* 4(7), July 2014, pp. 1–10, http://ijemr.in/Employee%20Engagement-A%20Global%20Perspective.pdf; Perry Daneshgari and Heather Moore, "Organizational transformation through improved employee engagement—'How to use effective methodologies to improve business productivity and expand market share,'" *Strategic HR Review* 15(2), 2016, pp. 57–64, www.mca.net/media/Pdf/Organizational%20Transformation%20HR%206-16.pdf.

9. Jeff Kauflin, "The industries where people stay in their jobs the longest," *Forbes*, February 15, 2017, www.forbes.com/sites/jeffkauflin/2017/02/15/the-industries-where-people-stay-in-their-jobs-the-longest/.

10. Our study treats the attributes of passion as binary. Therefore, although a respondent might indicate some agreement with the statement, "I actively seek out new challenges in my work," for our purposes she lacks the questing disposition needed for worker passion unless she expresses stronger agreement and also shows similarly strong inclination on other filters.

11. While passion is higher among the self-employed and independent contractors—18 percent have passion and 24 percent are engaged without passion—there are obstacles outside the organization as well. Fewer resources and the financial pressures of operating independently may work against passion in some cases.

12. We discuss this in greater detail in John Hagel, John Seely Brown, Alok Ranjan, and Daniel Byler, *Passion at work: Cultivating worker passion as a cornerstone of talent development*, Deloitte University Press, October 7, 2014, https://dupress.deloitte.com/dup-us-en/topics/talent/worker-passion-employee-behavior.html.

13. Ibid.

14. Transport for London, "Customer analytics team," YouTube, April 27, 2015, https://youtu.be/btU2rPp_3oM.

15. Lori Goler, Janelle Gale, Brynn Harrington, and Adam Grant, "The power of pride at Facebook," *Fast Company*, April 11, 2017, www.fastcompany.com/3069200/heres-what-facebook-discovered-from-its-internal-research-on-employee-happiness.

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17. CNN Money, "How to get hired at Facebook," YouTube, October 22, 2015, https://youtu.be/YmbLXgmZBrc.

18. Gillian Tett, *The Silo Effect: The Peril of Expertise and the Promise of Breaking Down Barriers* (N.Y.: Simon & Schuster, 2015), pp. 178–80.

19. Maynard Webb, conversation at Center for the Edge research workshop, March 24, 2017.

20. Amy C. Edmondson, "Strategies for learning from failure," *Harvard Business Review*, April 2011, https://hbr.org/2011/04/strategies-for-learning-from-failure.

21. Jeff Bezos, "2015 letter to shareholders," www.sec.gov/Archives/edgar/data/1018724/000119312515144741/d895323dex991.htm. Note that, of course, Bezos is hardly the first to distinguish between Type 1 and Type 2 decisions.

22. Synthesized from ideas shared by executive participants in Center for the Edge Research Workshop on Business Practice Redesign, March 24, 2017, Menlo Park, California.

23. Josh Bersin, Tiffany McDowell, Amir Rahnema, and Yves Van Durme, *The organization of the future*, Deloitte University Press, February 28, 2017, https://dupress.deloitte.com/dup-us-en/focus/human-capital-trends/2017/organization-of-the-future.html.

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ABOUT THE CENTER FOR THE EDGE

The Deloitte Center for the Edge conducts original research and develops substantive points of view for new corporate growth. The Center, anchored in Silicon Valley with teams in Europe and Australia, helps senior executives make sense of and profit from emerging opportunities on the edge of business and technology. Center leaders believe that what is created on the edge of the competitive landscape—in terms of technology, geography, demographics, and markets—inevitably strikes at the very heart of a business. The Center for the Edge's mission is to identify and explore emerging opportunities related to big shifts that are not yet on the senior management agenda but ought to be. While Center leaders are focused on long-term trends and opportunities, they are equally focused on implications for near-term action, the day-to-day environment of executives.

Below the surface of current events, buried amid the latest headlines and competitive moves, executives are beginning to see the outlines of a new business landscape. Performance pressures are mounting. The old ways of doing things are generating diminishing returns. Companies are having a harder time making money—and increasingly, their very survival is challenged. Executives must learn ways not only to do their jobs differently but to do them better. That, in part, requires understanding the broader changes to the operating environment:

- What is really driving intensifying competitive pressures?
- What long-term opportunities are available?
- What needs to be done today to change course?

Decoding the deep structure of this economic shift will allow executives to thrive in the face of intensifying competition and growing economic pressure. The good news is that the actions needed to address short-term economic conditions are also the best long-term measures to take advantage of the opportunities these challenges create. For more information about the Center's unique perspective on these challenges, visit www.deloitte.com/centerforedge.

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