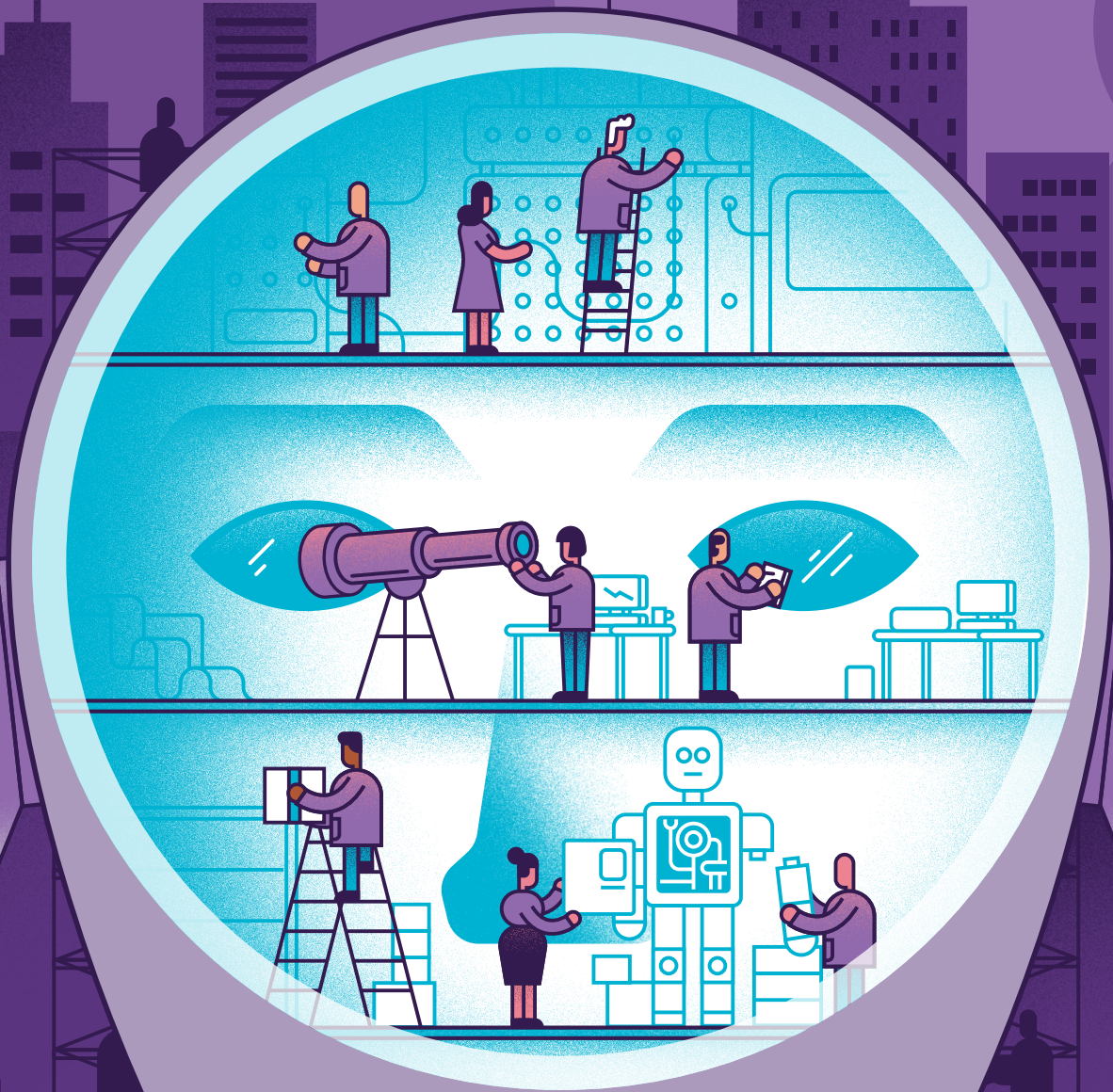


Deloitte.



Leading the social enterprise: Reinvent with a human focus

2019 Deloitte Human Capital Trends Report for South Africa



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Foreword

I am pleased to share the 2019 Deloitte Human Capital Trends report for South Africa, Leading the social enterprise: Reinvent with a human focus.

This year's report comes with a bold call to action: Now is not the time to tinker at the edges of your organisation—it's time to reinvent it.

Why reinvent? Last year's report identified the rise of the social enterprise, with business increasingly expected to play a pivotal, stewardship role in society and communities as well as with workers. This year, intensifying economic, social, and political disruption are forcing organisations to move beyond mission statements and social impact programmes to putting humans at the centre of their business strategies and learning to lead the social enterprise. To bring meaning back into the workplace and a human identity back to the worker, it's clear that traditional human capital programmes and processes must be fundamentally reinvented.

That is why, this year, we have focused not only on the why and the what, but also the how. Depending on your organisation's readiness and need to change, reinvention can happen in one of three ways:

- You can refresh: update and improve the way you work now
- You can rewire: create new connections that change the way you work, or
- You can recode: start over and redesign from scratch.

The global report draws on insights from over 9 000 global survey respondents, including 345 respondents from South Africa and includes actionable strategies and stories from companies that are at the forefront of reinvention. We hope you will find this country report and the full global report useful and insightful as you navigate the challenges these changes bring into your workplace.

Special thanks to Sasol and MTN for participating and showcasing their client success stories this year, these videos are showcased in the trends app. I encourage you to explore the trends and accompanying videos, on our app and hope you'll reach out with any questions you might have.

The paradox of today is that while we live in a world of amazing technology, it is – and always will be – human potential that moves us forward.

Regards



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Introduction

Leading the social enterprise

In last year's *Global Human Capital Trends* report, we described the rise of the social enterprise – organisations 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 organisations to move beyond mission statements and philanthropy to learn to lead the social enterprise – and reinvent themselves around a human focus. While these may seem like timeless human capital problems, today they are arising in a whole new context: the social enterprise.

While technology is helping organisations to gain a competitive advantage, if not managed appropriately, it can simultaneously mean that workers lose their identity in the workplace.

To bring meaning back into the workplace and a human identity back to the worker, it is clear that traditional human capital programmes, processes and policies should be fundamentally reinvented, to create opportunities for continuous learning, accelerated development, and professional and personal growth. Human potential is and always will be what moves us forward.

Eighty-four percent of global respondents told us they need to rethink their workforce experience to improve productivity. Moreover, in the face of new pressures to move faster and adapt to a far more diverse workforce, 80 percent believe they need to develop leaders differently.

The 2019 Deloitte *Human Capital Trends* report examines ways in which organisations can drive the reinvention of the workforce, the organisation, and HR on a broad scale, and change every aspect of how they interact with, motivate, and create meaningful experiences for their workforce.

What is a social enterprise?

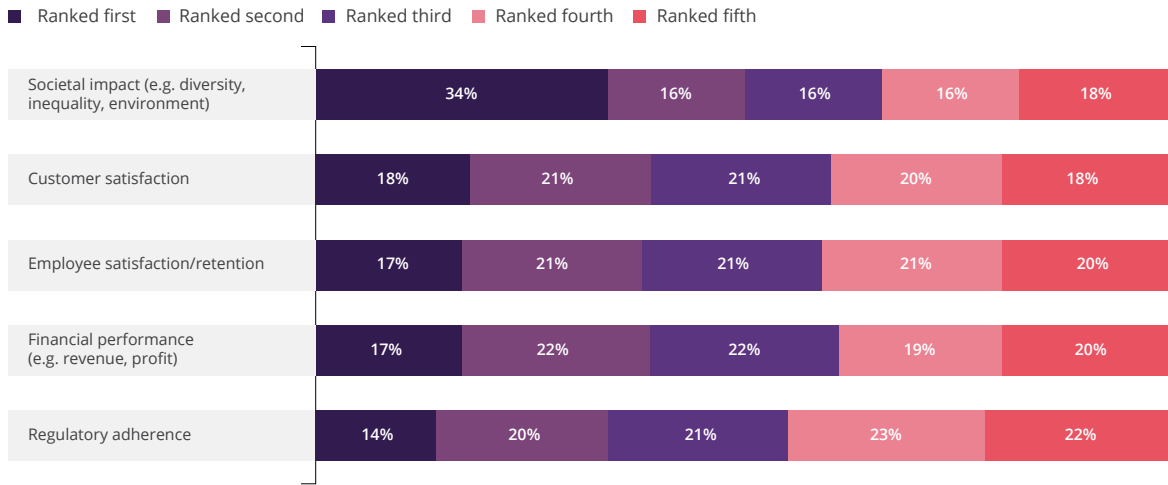
A social enterprise is an organisation whose mission combines revenue growth and profit-making with the need to respect and support its environment and stakeholder network. This includes listening to, investing in, and actively managing the trends that are shaping today's world. It is an organisation that shoulders its responsibility to be a good citizen (both inside and outside the organisation), serving as a role model for its peers and promoting a high degree of collaboration at every level of the organisation.

Leading the social enterprise

When CEOs were asked to rate their most important measure of success in 2019, the number-one issue they cited was “impact on society, including income inequality, diversity, and the environment”, showing the urgency of this issue (refer to Figure 1: Respondents cited societal impact most often as the top factor used to measure success when evaluating annual performance).

FIGURE 1

Respondents cited societal impact most often as the top factor used to measure success when evaluating annual performance



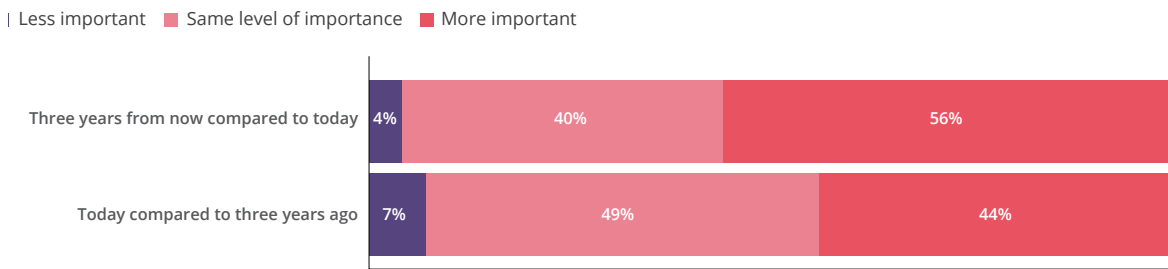
Note: Some percentages may not total to 100 percent due to rounding
 Source: Deloitte and Forbes Insights, Success personified in the Fourth Industrial Revolution: Four leadership personas for an era of change and uncertainty. Deloitte Insights, January 20, 2019.

This year’s *Global Human Capital Trends* survey, which polled nearly 10 000 respondents in 119 countries, not only confirmed this trend by showing accelerating growth in the role of the social enterprise (refer to Figure 2: The social enterprise is becoming

more important to organisations over time), but also supported the social enterprise’s positive link to financial performance (refer to Figure 3: More mature social enterprises anticipated greater growth in the year ahead).

FIGURE 2

The social enterprise is becoming more important to organisations over time



Source: Deloitte Global *Human Capital Trends* Survey, 2019

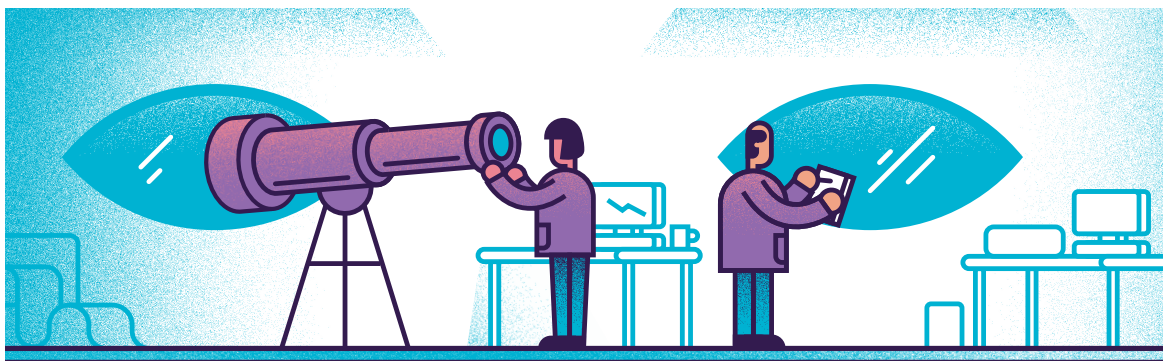
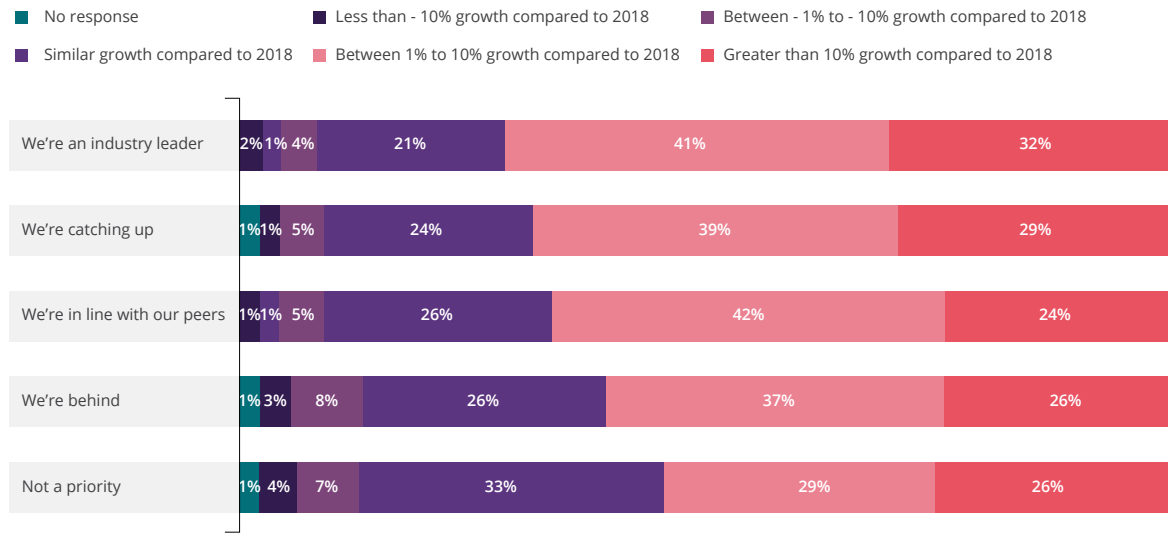


FIGURE 3

More mature social enterprises anticipated greater growth in the year ahead



Note: Some percentages may not total to 100 percent due to rounding. Source: Deloitte Global Human Capital Trends survey, 2019

Reinvent with a human focus

There is no question that the fourth industrial revolution is bringing disruption to the political, economic and social fabric – and this disruption is having an impact on work, workers, and employers as never before. Issues such as income inequality, wages and the role of businesses in society are all under debate, and the tensions underlying the social enterprise are being reflected in labour, regulatory and community concerns around the world.

The magnitude of the disruptions to the workforce and the workplace – and their consequent impact on employers – are why we have deliberately chosen the word “reinvent”. Reinvention goes back to the core – the foundation of an organisation. 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. Eighty-five percent of employees around the world are not engaged or are actively disengaged from their jobs. People are working more hours, and problems of financial and mental stress seem to be at a peak, but productivity is not showing a marked increase.

Thirty-nine percent of South African respondents tell us they think their employees will have an easier time finding a new job with a new employer than within their current organisation. Moreover, research now shows that the number-one reason people quit their jobs is the “inability to learn and grow”.

Finally, as automation becomes more prevalent in the workplace, we see a need to put meaning back into work. Whether it is algorithms figuring out what tasks workers should perform, nudges encouraging workers to behave a certain way, or data indicating who a worker is and what matters to them, technology has not only invaded the work but is influencing and monitoring individuals’ identities at work. In many ways, technology has moved ahead of leaders and organisations, and the human element needs to catch up.

To help guide organisations through the reinvention, we put in place a set of human principles for the social enterprise (refer to Figure 4: Human principles for the social enterprise: Benchmarks for reinvention). These five principles frame the “human focus” for the social enterprise and serve as benchmarks against which we can measure any action or business decision that could potentially affect people. The paradox of today is that while we live in a world of amazing technology, it is – and always will be – human potential that moves us forward.

FIGURE 4

Human principles for the social enterprise: Benchmarks for reinvention

Design principle	What it means
Purpose and meaning	Giving organisations and individuals a sense of purpose at work; moving beyond profit to a focus on doing things for individuals, customers, and society
Ethics and fairness	Using data, technology, and systems in an ethical, fair and trusted way; creating jobs and roles to train systems and monitor decisions to make sure they are fair
Growth and passion	Designing jobs, work and organisational missions to nurture passion and a sense of personal growth; affording people the opportunity to create and add their own personal touch
Collaboration and personal relationships	Building and developing teams, focusing on personal relationships, and moving beyond digital to build human connections at work
Transparency and openness	Sharing information openly, discussing challenges and mistakes, and leading and managing with a growth mindset

Source: Deloitte Global *Human Capital Trends* report, 2019

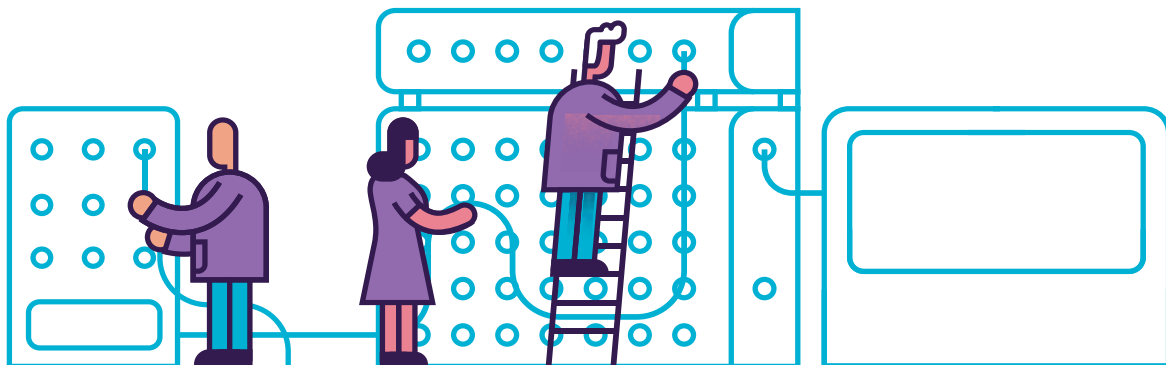
2019's 10 human capital trends

The five design principles for the social enterprise give us the “why” for reinvention. However, where we can direct our efforts to make a meaningful impact? To address this question, **we have organised our human capital trends in 2019 into three actionable categories.**




The first deals with ***the future of the workforce:*** how organisations should adapt to the forces restructuring job and work design, the open talent economy, and leadership.

The second deals with ***the future of the organisation:*** how teams, networks, and new approaches to rewards are driving business performance.

The third deals with ***the future of HR:*** how the function is stepping up to the challenge of redesigning its capabilities, technologies, and focus on leading transformation in HR and across the enterprise.





Leading the social enterprise: Reinvent with a human focus

3 CATEGORIES		2019 HUMAN CAPITAL TRENDS			
	The future of the workforce	...is <u>diverse</u> , not just from a race, ethnicity, gender standpoint, but from how work is defined	...is <u>hungry</u> for opportunities to play bigger and more expansive roles at work	...is complex to manage and lead	
	The future of the organisation	...is <u>experience-focused</u> and centered on putting meaning back into work	...is <u>team-oriented</u> vs. being structured around the traditional hierarchy	...is <u>personalised</u> to the way in which individuals want to be recognised and rewarded	
	The future of HR	... <u>accesses capabilities</u> , not just people	...embeds learning into every aspect of a workers' day-to-day life	... <u>promotes mobility</u> as a primary means of development and engagement	... <u>leverages technology</u> to drive continuous reinvention of core processes

Source: Deloitte Global *Human Capital Trends* report, 2019

Leading the social enterprise

3 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 intersection of the traditional and the new	
	The future of the organisation	From employee experience to human experience: Putting meaning back into work	Organisational 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 launch pad, not a destination

Source: Deloitte Global *Human Capital Trends* report, 2019

Leading the social enterprise: Reinvent with a human focus

2019 Deloitte Global Human Capital Trends

Intensifying economic, social, and political disruptions are forcing organisations to move beyond mission statements and social impact programmes to bring meaning back into the workplace and a human identity back to the worker.

The future of the workforce



The alternative workforce: It's now mainstream. For organisations that want to grow and access critical skills, alternative forms of employment have become critical. Companies have to move beyond “managing” contractors and freelancers to “optimising” and “leveraging” the alternative workforce deliberately and well.



From jobs to superjobs. Paradoxically, to take full advantage of technology, organisations must redesign jobs to find the human dimension of work. This will create “superjobs” that combine parts of traditional jobs into integrated roles that leverage the significant productivity and efficiency gains possible when people work with technology.



Leadership for the 21st century: The intersection of the traditional and the new. Leaders must take a nuanced approach to pursuing traditional business goals, taking into account the new context for such goals and drawing on critical new competencies, including leading through change, embracing ambiguity and uncertainty, and understanding digital, cognitive, and AI-driven technologies.

The future of the organisation



From employee experience to human experience: Putting meaning back into work. We see an opportunity for employers 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 organisation, but also society as a whole.



Organisational performance: It's a team sport. The shift from hierarchies to teams is well underway. Yet most have not yet refreshed leadership, job design, and rewards to adapt. In 2019, technology is making team models of work easier: We must now refresh the rest of our talent practices to keep up.



Rewards: Closing the gap. Organisations are exploring a dizzying array of perks and rewards to motivate their people, but they are not keeping up. A focus on building relationships with workers —and eschewing external benchmarking in favour of curating a differentiated suite of rewards — can help organisations close the gap.

The future of HR



Accessing talent: It's more than acquisition. As the job market remains competitive and skills requirements undergo rapid change, it's time for organisations to think about how they can continuously “access talent”: mobilising internal resources, finding people in the alternative workforce, and strategically leveraging technology to augment sourcing and boost recruiting productivity.



Learning in the flow of life. Learning is becoming more integrated with work and more personal, and it is shifting — slowly — towards lifelong models. Effective reinvention along these lines requires a culture of continuous learning, incentives that motivate people to learn, and a focus on helping individuals identify and develop new, needed skills.



Talent mobility: Winning the war on the home front. Organisations can no longer expect to source and hire enough people with all the capabilities they need; they must move and develop people internally to thrive. A new set of norms governing internal mobility is needed to do this well.



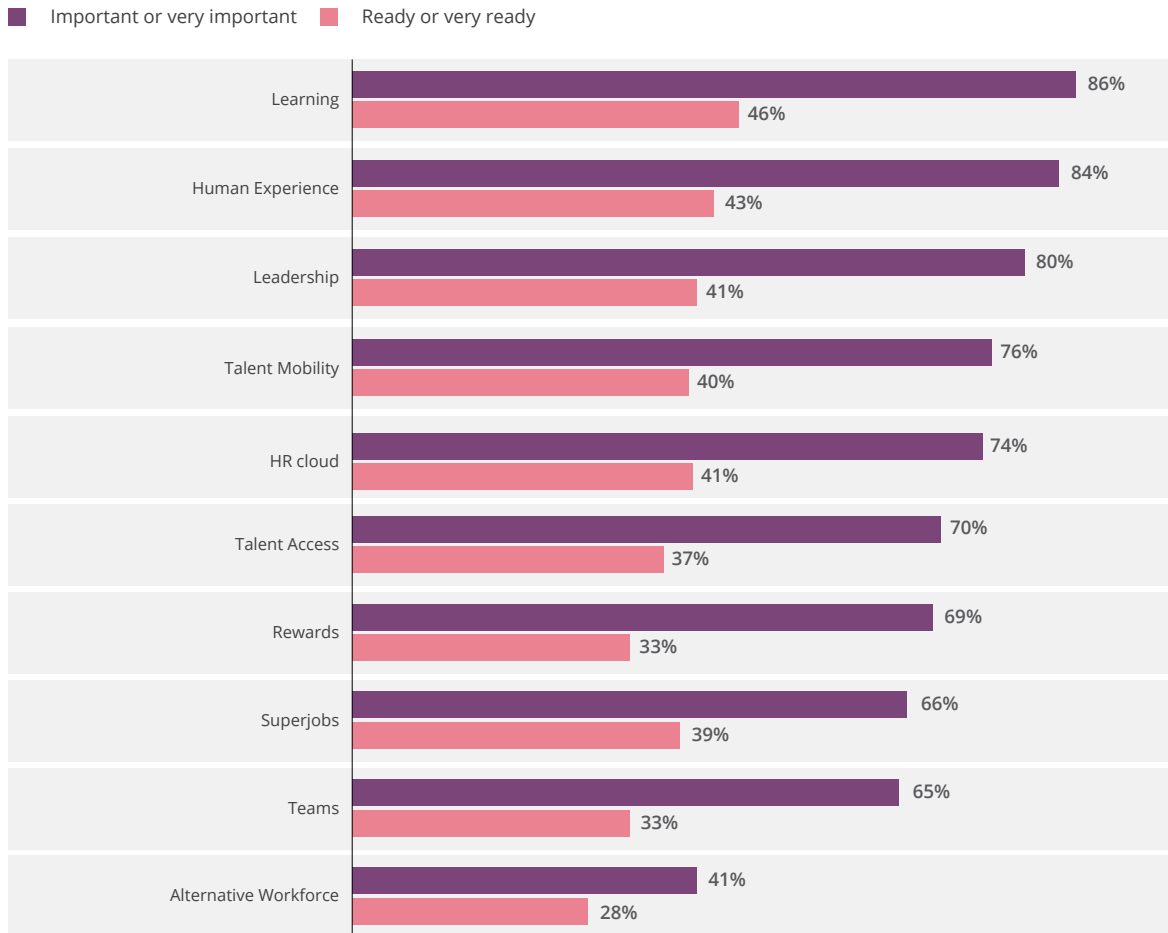
HR cloud: A launch pad, not a destination. Cloud systems have gone a long way towards integrating the messy back office of HR. But to better support innovation, raise employee productivity, and lower cost, organisations must rethink their HR technology strategy, considering cloud as a foundation and complementing it with new platforms, automation, and AI-based systems.

We recognise that reinvention can be a daunting prospect, especially when our survey shows that many organisations are not ready to address the changes our ten trends describe (refer to Figure 5: Importance outstrips readiness for all ten trends).

That is why, this year, we have focused not only on the “why” and the “what”, but also the “how”. Refer to Figure 6 for the 2019 top 10 human capital trends scores for South Africa.

FIGURE 5

Importance outstrips readiness for all ten trends (global scores)



Source: Deloitte Global Human Capital Trends Survey, 2019

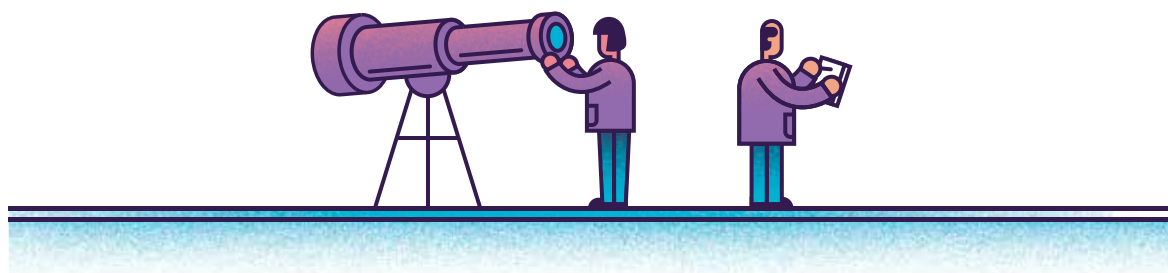
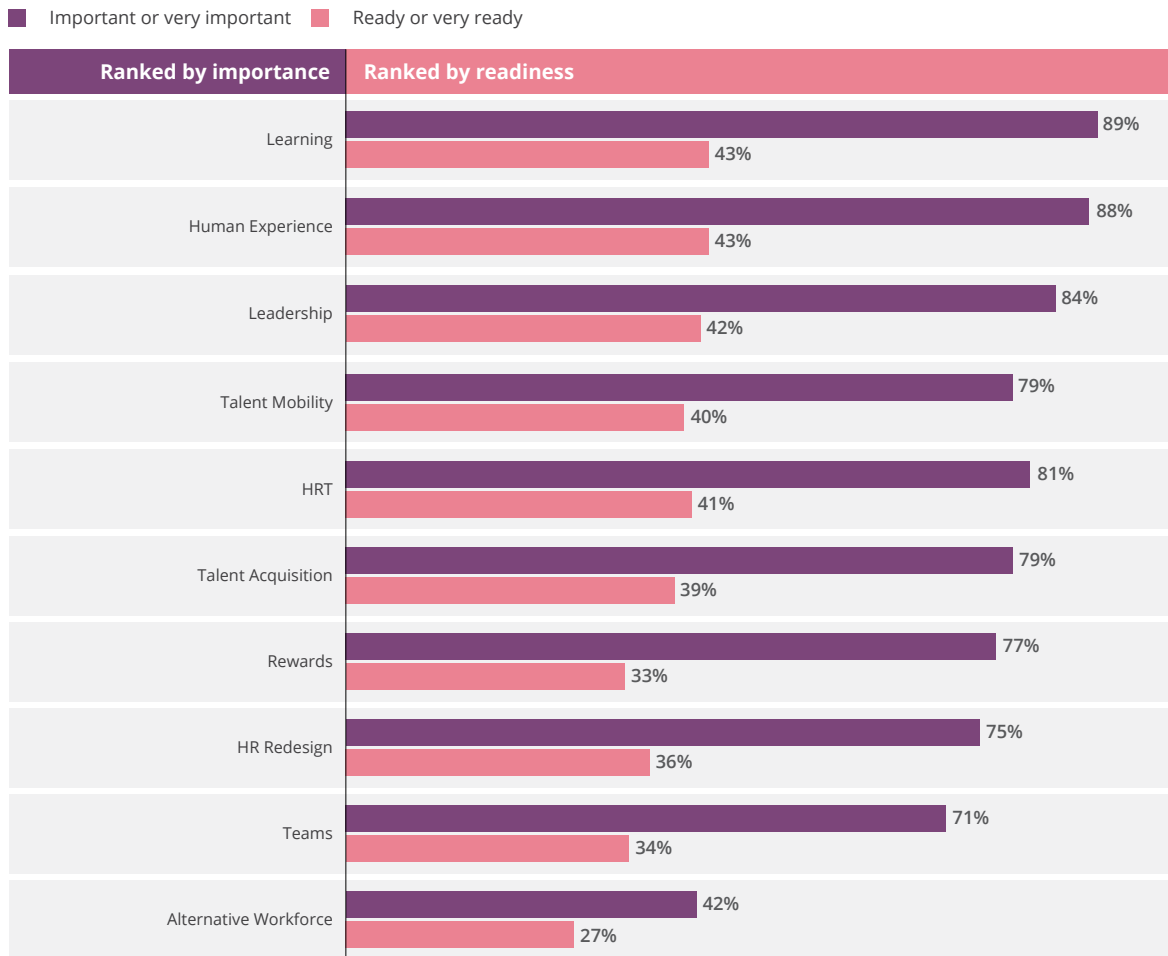


FIGURE 6

2019's top 10 human capital trends for South Africa: Importance and respondent readiness



Source: Deloitte Global Human Capital Trends Survey, 2019

Depending on your organisation’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. Alternatively, 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; remember, this is not about tinkering at the edges.

In each of the following chapters, you will find one of these three modes of reinvention noted as a suggested starting point.

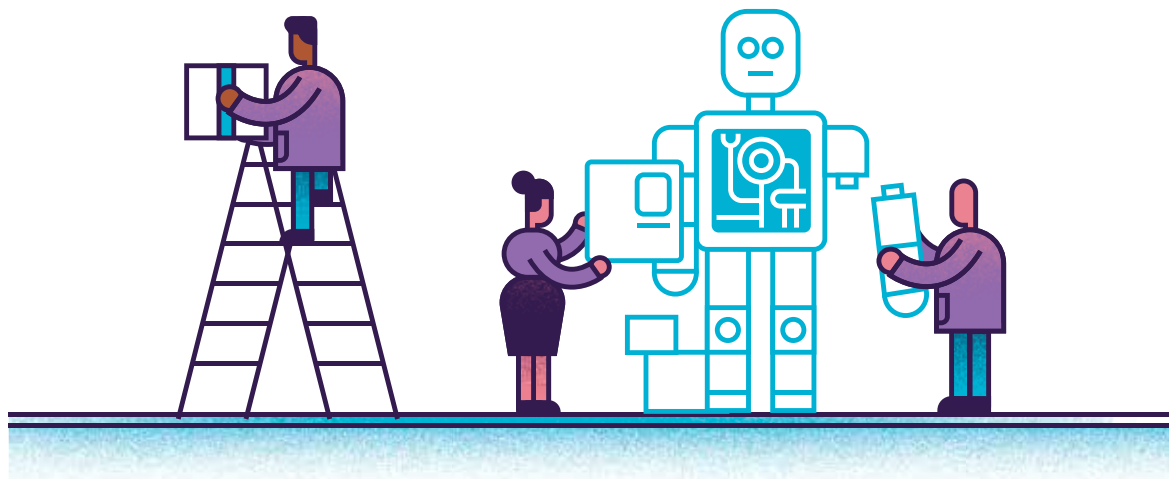
Which of these efforts is best to undertake in which domain for any particular organisation is a conversation for leaders across the enterprise to have (refer to Figure 7: Three domains for reinvention, three approaches to change). Regardless of the path taken, the aim should remain constant: a renewed human focus in a world where profits meet purpose, talent trumps technology, and the social enterprise reigns supreme.

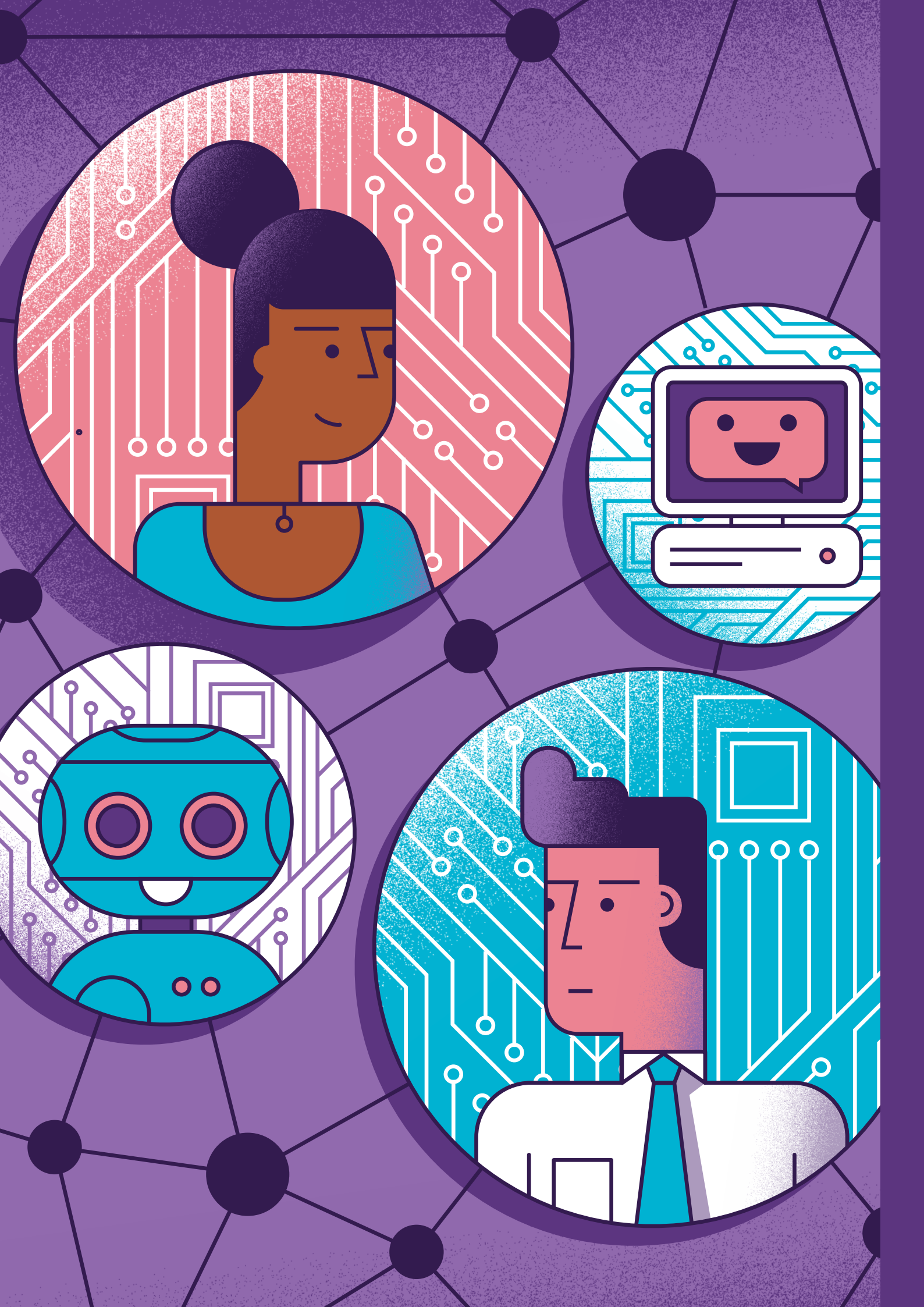
FIGURE 7

Three domains for reinvention, three approaches to change

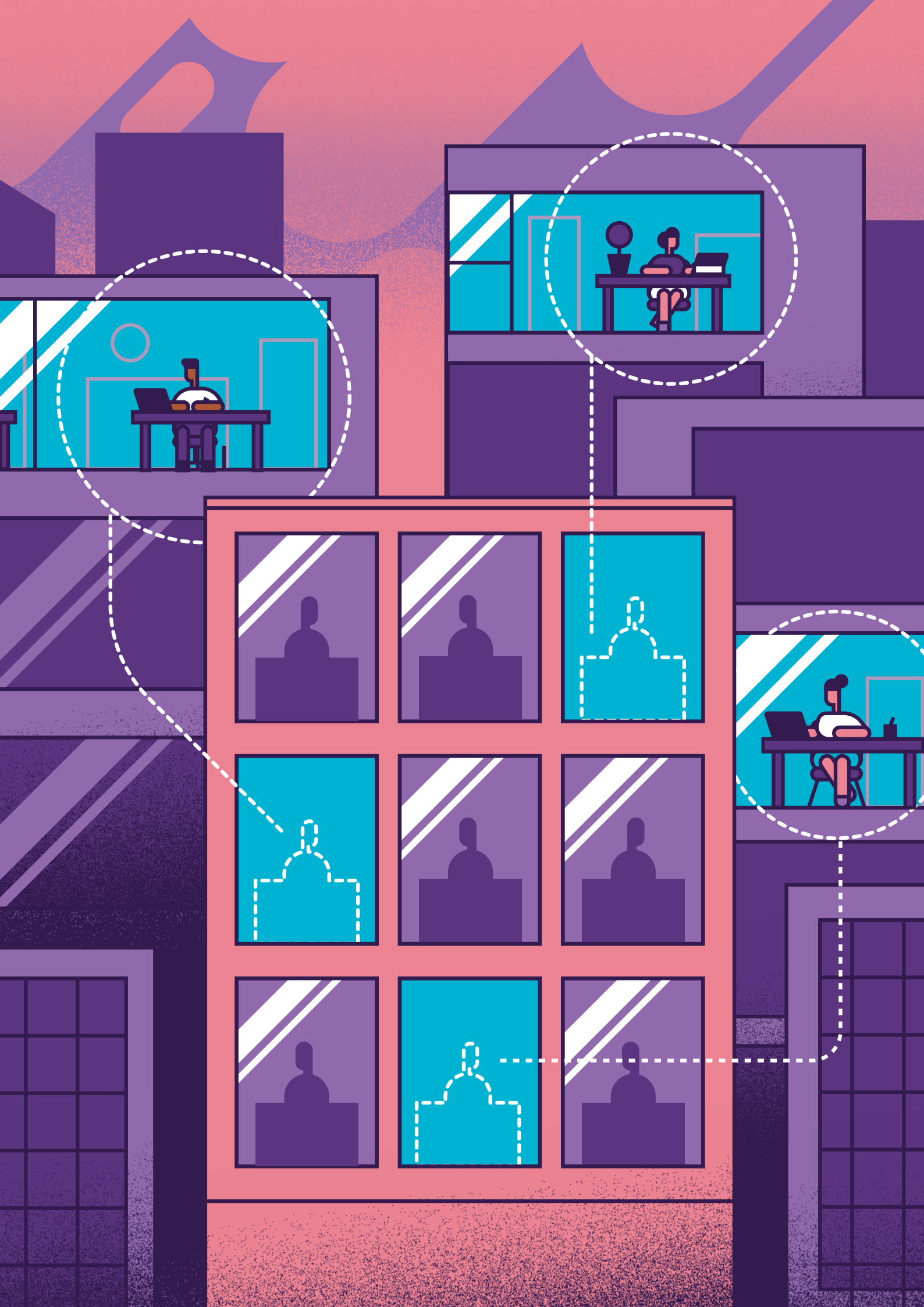
	 Refresh	 Rewire	 Recode
Future of the workforce	<ul style="list-style-type: none"> • Leadership 	<ul style="list-style-type: none"> • Alternative workforce 	<ul style="list-style-type: none"> • Superjobs
Future of the organisation	<ul style="list-style-type: none"> • Human experience • Rewards • Teams 		
Future of HR		<ul style="list-style-type: none"> • Talent access • HR cloud 	<ul style="list-style-type: none"> • Talent mobility • Learning

Source: Based on the Deloitte Global *Human Capital Trends* report, 2019



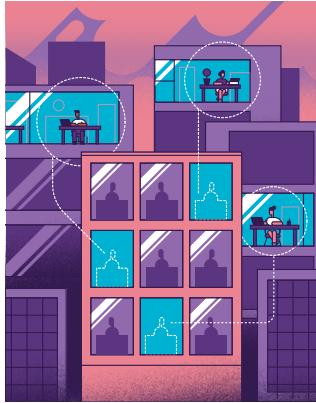


| The future of the workforce



Future of the workforce

Trends



The alternative workforce: It's now mainstream.

For organisations that want to grow and access critical skills, alternative forms of employment have become critical. Companies have to move beyond “managing” contractors and freelancers to “optimising” and “leveraging” the alternative workforce deliberately and well.



From jobs to superjobs.

Paradoxically, to take full advantage of technology, organisations must redesign jobs to find the human dimension of work. This will create “superjobs” that combine parts of traditional jobs into integrated roles that leverage the significant productivity and efficiency gains possible when people work with technology.



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

Organisations are exploring a dizzying array of perks and rewards to motivate their people, but they are not keeping up. A focus on building relationships with workers — and eschewing external benchmarking in favour of curating a differentiated suite of rewards — can help organisations close the gap.

The alternative workforce

It is now mainstream

For many years, people viewed contract, freelance and gig employment as “alternative work” options, considered supplementary to full-time jobs. Given the growing skills shortage in South Africa, leveraging and managing “alternative” workforces will become essential to business growth in the years ahead.

Organisations should look strategically at all types of work arrangements – traditional and alternative – to redesign jobs, in order to leverage strengths across all workforce segments, from gig workers to those with superjobs. The alternative workforce has gone mainstream, and it needs to be managed with this future focus in mind.

Despite the challenges, the alternative workforce is now a critical mainstay of the workforce. Organisations that take this workforce seriously can build strategies and programmes to access and engage these talented people wherever they are, driving business growth and organisational performance, and extending the diversity of the workforce.

Alternative work comes in many shapes and sizes

- **Alternative workforce:** Includes contractors, freelance/independent workers, gig, and crowd workers.
- **Freelance/independent workers:** Workers who extend the core employee workforce and are typically paid by the hour, day or other unit of time.
- **Gig workers:** Workers paid by the task (or microtask) to complete a specified piece of work.
- **Crowd workers:** Workers who compete to participate in a project and are often only paid if they are among the top participants in a competition.

The breadth of the alternative workforce

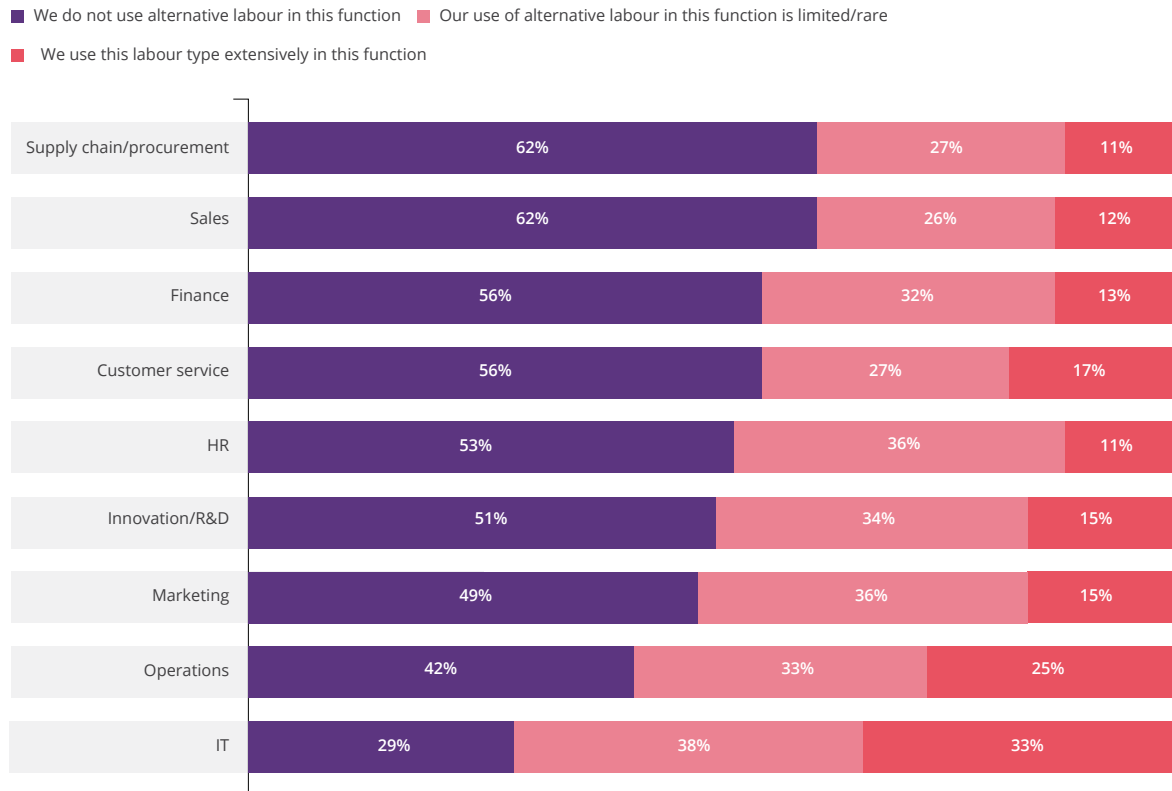
Once considered a workforce for IT or other technical or repeatable tasks, alternative workers now perform a broad range of activities.

In this year's Global Human Capital Trends survey, 33 percent of respondents report extensively using alternative arrangements for IT, 25 percent for operations, 15 percent for marketing, and 15 percent for innovation/research and development (R&D) (refer to Figure 8: The use of alternative labour is spreading beyond the IT function (global figures)).

FIGURE 8

The use of alternative labour is spreading beyond the IT function (global figures)

Please select the extent to which you use alternative workforce in each of the following functional areas.



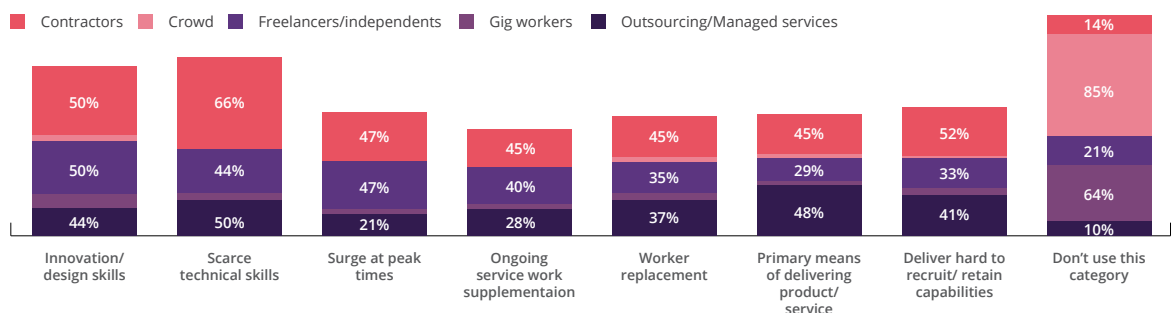
Note: Some percentages may not total to 100 percent due to rounding. Source: Deloitte Global Human Capital Trends survey, 2019

With reference to Figure 9: reasons for employing different workforce categories, we see that 66 percent of South African respondents say they use contractors because of scarce technical skills, 50 percent use contractors because of scarce technical skills, 50

percent use contractors and independents due to innovation and design skills, and 52 percent use contractors to deliver hard to recruit/retain capabilities.

FIGURE 9

Reasons for employing different workforce categories

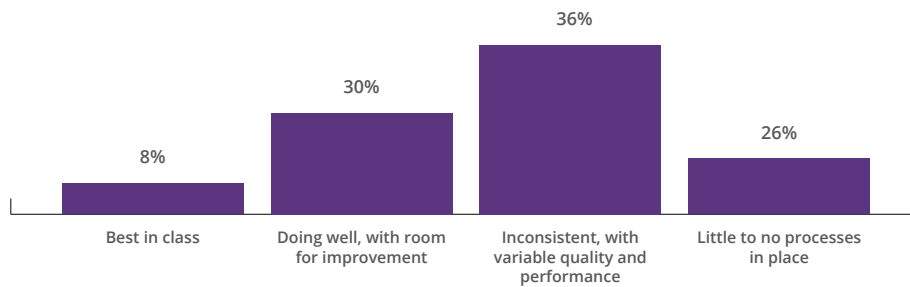


Note: Some percentages may not total to 100 percent due to rounding

Considering the Effectiveness of your organisation in sourcing and managing alternative workforce sources, we see that 36 percent of South African respondents say they are inconsistent, with variable quality and performance, while 30 percent feel they are doing well, with room for improvement. (Refer to Figure 10). South African companies are not new to alternative workforce arrangements. South Africans

have been using contractors, temps and part-time workers with some success for many years now. According to Stats SA and local estimates, freelance, temporary and part-time workers make up between 16% and 20% of the 16.5m working population in South Africa. (Source: <http://www.holbourne.co.za/thoughts/2019/4/20/south-african-companies-alternative-workforce-options>)

FIGURE 10
Effectiveness of your organisation in sourcing and managing alternative workforce sources



Note: Some percentages may not total to 100 percent due to rounding

Rewiring the approach to the alternative workforce

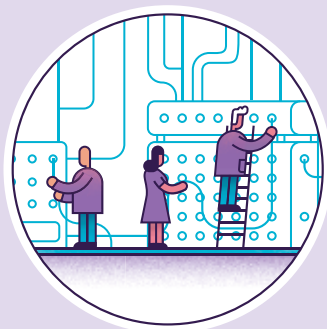
Engaging alternative workers strategically is harder than it looks. To do so, organisations need to move beyond “managing” contractors and freelancers to “optimising” and “leveraging” the alternative workforce deliberately and well. Not many do.

Even among organisations with policies and standards, our experience suggests that a strategic, enterprise-wide approach is rare. What is needed is a wholesale rewiring of how organisations operate in terms of alternative labour – one that allows it to connect the appropriate talent with the appropriate roles, no matter how that talent is sourced. Part of the answer lies in connecting the various parts of the enterprise involved, often in a fragmented manner, when hiring alternative workers. This includes procurement, IT and, increasingly, HR. (Source: Deloitte Global Human Capital Trends report, 2019)

Questions South African organisations should ask to determine actions to take

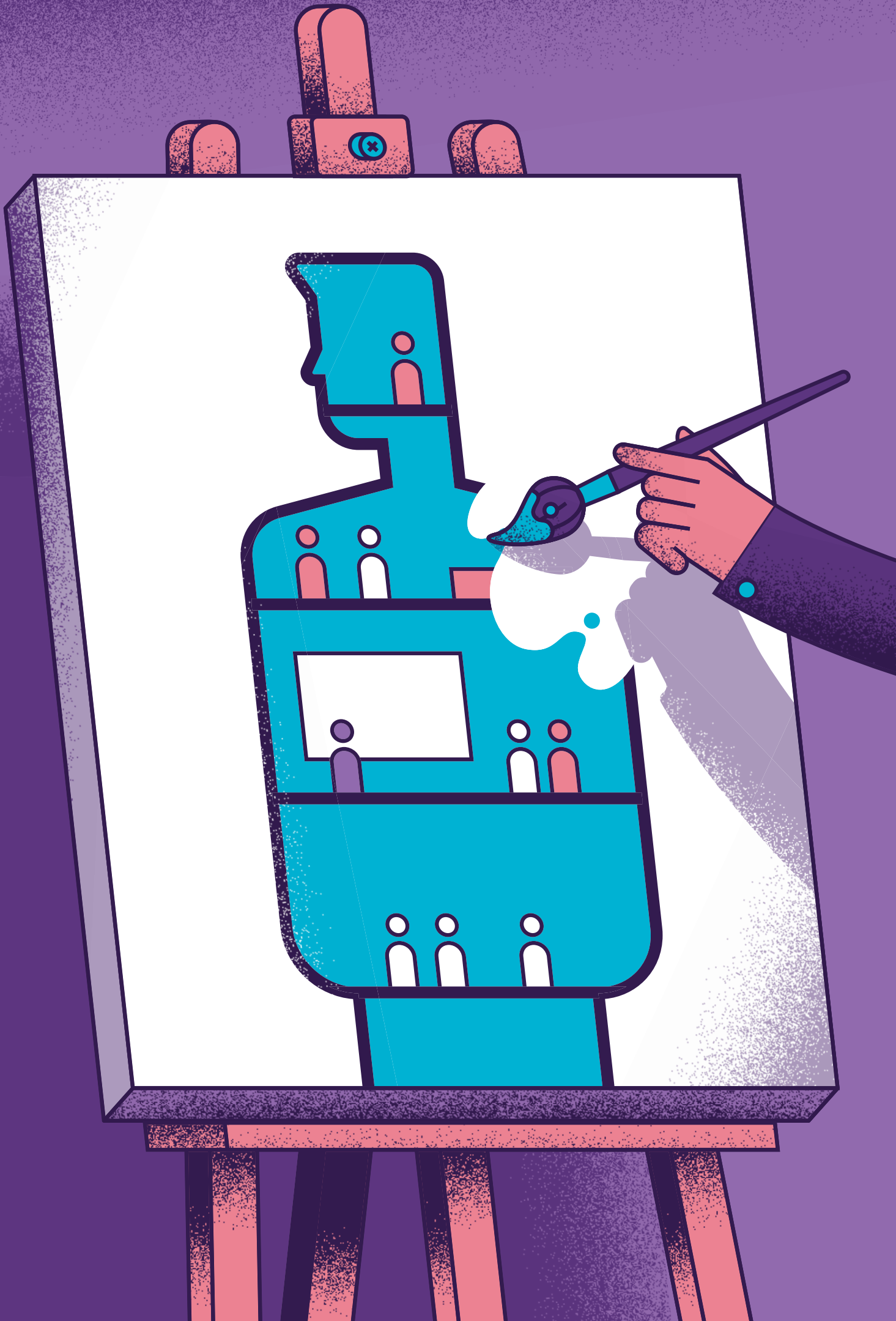
South African organisations should ask the following questions to determine what actions they should take to address this trend:

- What are our current and future outcomes of work that our organisation needs to deliver?
- How can our organisation reimagine and recompose the workforce to effectively deploy talent using the full range of traditional and alternative work arrangements?



Level of effort: The alternative workforce **Rewire**

As the alternative workforce moves into the mainstream, organisations need to take a strategic approach to tapping into this important source of talent. Organisations can use innovative approaches to move beyond “managing” these people to “optimising” and “leveraging” them, creating new connections between HR, the business, procurement, and IT, amongst others, to do so effectively.



From jobs to superjobs

A vast majority of organisations told us they expect to increase or significantly increase their use of AI, cognitive technologies, robotic process automation, and robotics over the next three years.

As organisations adopt these technologies, they are finding that virtually every job must change and that the jobs of the future are more digital, more multidisciplinary, and more data- and information-driven. Paradoxically, to be able to take full advantage of technology, organisations must redesign jobs to focus on finding the human dimension of work.

This will create new roles that we call “superjobs”: jobs that combine parts of different traditional jobs into integrated roles that leverage the significant productivity and efficiency gains that can arise when people work with technology. (Source: Deloitte Global Human Capital Trends report, 2019)

The evolution of jobs

- **Standard jobs:** Roles that perform work using a specified and narrow skill set. Generally organised around repeatable tasks and standard processes.
- **Hybrid jobs:** Roles that perform work using a combination of skill sets drawing on both technical and soft skills. Historically, these types of skills have not been combined in the same job.
- **Superjobs:** Roles that combine work and responsibilities from multiple traditional jobs, using technology to both augment and broaden the scope of the work performed and involve a more complex set of domain, technical and human skills.



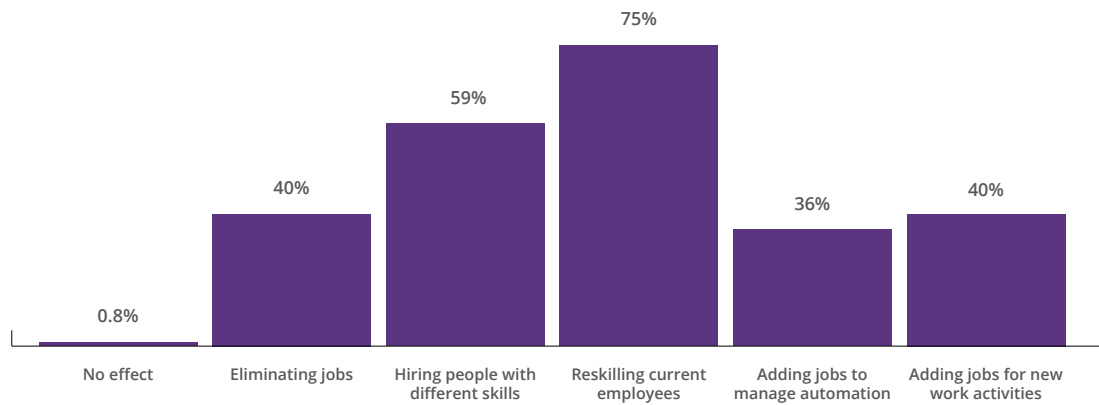
Jobs are changing

We need to put the “robot-apocalypse” theme to rest for good: instead of displacing human workers and redesigning jobs, organisations are “recoding” work and finding that humans and bots are working side by side to improve output and productivity for society and the business.

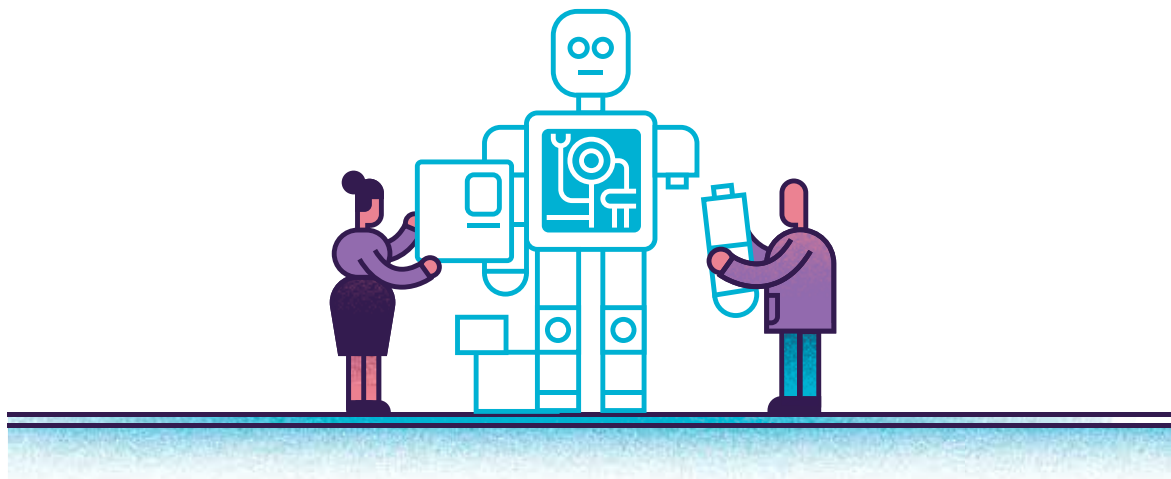
Today’s jobs are machine-powered, data-driven, and require human skills in problem-solving, communication, interpretation and design. As machines take over repeatable tasks, jobs will become less routine, setting up superjobs.

When we look at the effect of automation on the workforce in the next five years (refer to Figure 11: Effect of automation on your workforce in the next five years), 75 percent of South African organisations state that they will be reskilling current employees, 59 percent will be hiring people with different skills, and 36 percent see themselves adding jobs to manage automation. This will have a significant impact on the learning and talent management function within South African organisations. Greater use of predictive analytics will be required to determine where and when to upskill and/or hire.

FIGURE 11
Effect of automation on your workforce in the next 5 years



Note: Some percentages may not total to 100 percent due to rounding

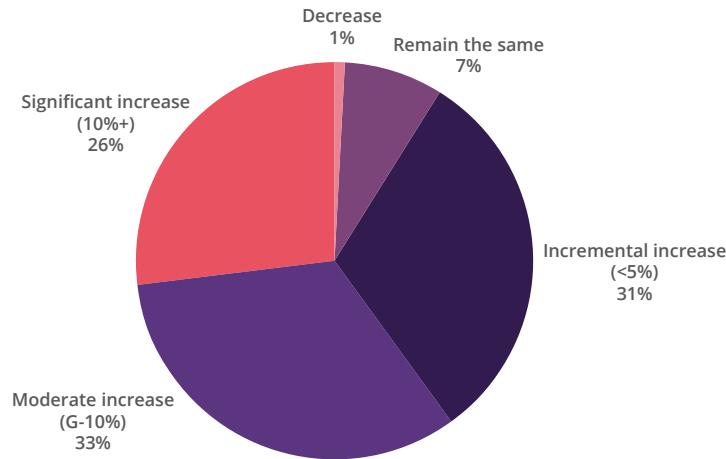


Thirty-three percent of South African respondents anticipate a moderate increase in investment in reskilling, while 26 percent anticipate a significant

increase in investment in reskilling their workforce (refer to Figure 12: Many organisations are increasing investments in reskilling their workforce).

FIGURE 12

Many South African organisations are increasing investments in reskilling their workforce



Note: Only respondents who said that automation would require reskilling at their organisation answered this question. Some percentages may not total to 100 percent due to rounding. Source: Deloitte Human Capital Trends survey, 2019.

Recoding work

Recoding work for the future demands a new approach: not just rewriting job descriptions, but instead starting with a broader canvas and then composing the work so it can take advantage of machines, workers in alternative work arrangements, and – most importantly – unique human capabilities such as imagination, curiosity, self-development and empathy. This contrasts with the traditional approach to creating job descriptions, which have typically been defined by a narrow view of the skills, activities, tasks and expectations of workers in highly specific roles. In many organisations, this has led to a proliferation of hundreds of very detailed and formulaic – and some would say deadening and uninspiring – job descriptions and profiles. A job canvas, on the other hand, takes a more expansive, generative and meaningful view. (Source: Deloitte Global Human Capital Trends report, 2019).

In the future, work will be defined by:

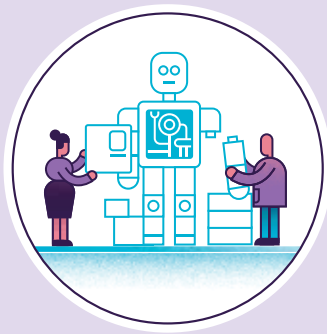
- the outputs and problems the workforce solves, not the activities and tasks they execute;
- the teams and relationships people engage and motivate, not the subordinates they supervise;
- the tools and technologies that both automate work and augment the workforce to increase productivity and enhance value to customers; and
- the integration of development, learning and new experiences into the day-to-day (often real-time) flow of work.

The shift from the redesign of jobs to the re-coding of work – integrating machines and humans in the flow of work and creating meaningful roles for people – is a substantial challenge in front of every business and HR leader. It will require fresh thinking and high levels of collaboration across the business, including the IT, finance and HR functions, among others. Moreover, it will take a deliberate plan to get in front of the challenge. (Source: Deloitte Global Human Capital Trends report, 2019)

Questions South African organisations should ask to determine actions to take

South African organisations should ask the following questions to determine what actions they should take to address this trend:

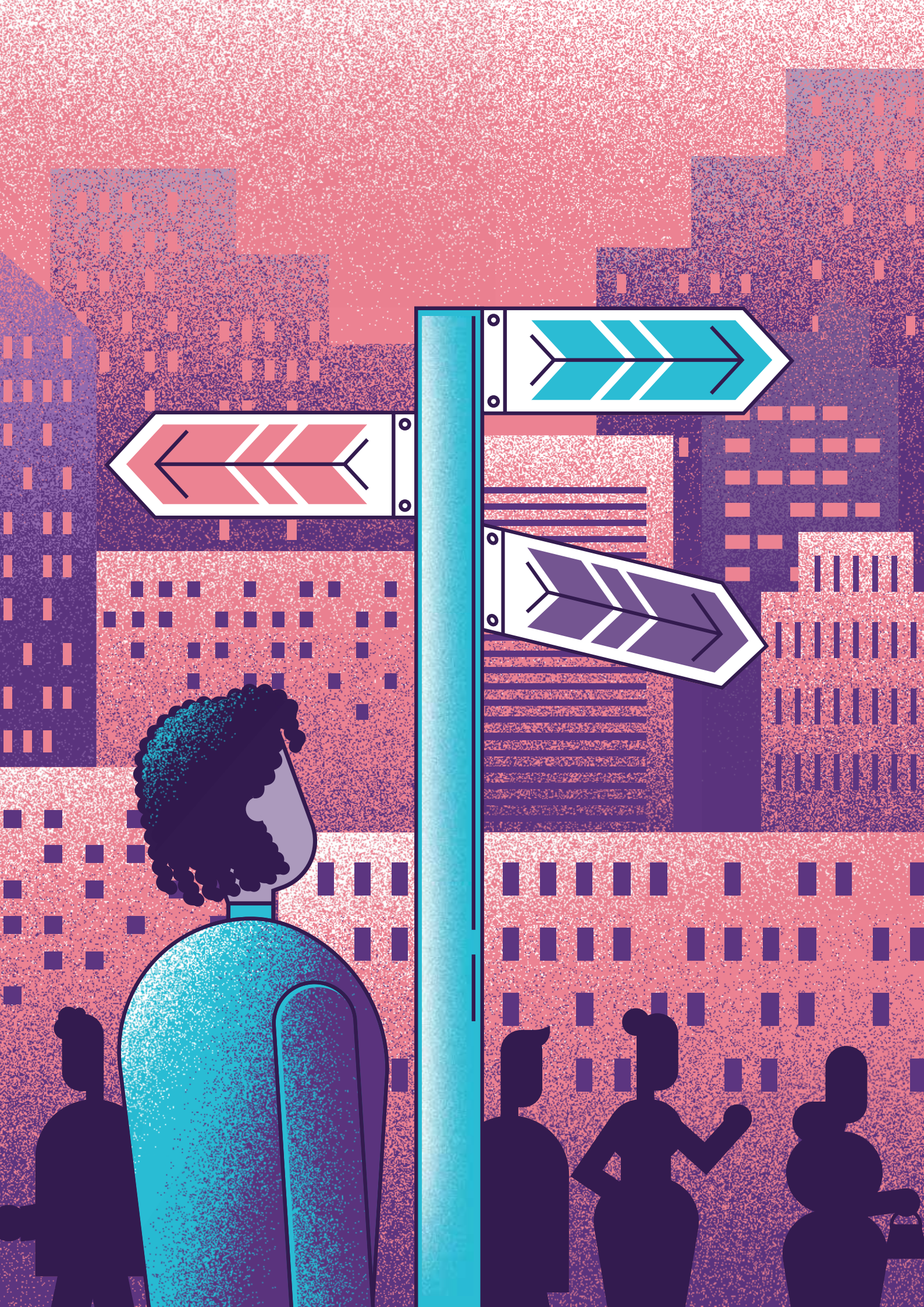
- What are the current and future work outcomes that the organisation needs to deliver?
- How can the organisation reimagine and recompose work to automate and augment the workforce with robotics and AI?
- How can the organisation activate its leaders and talent processes to integrate people and machines into a new way of working?



Level of effort: From jobs to superjobs **Recode**

Reimagining work and jobs to integrate new technologies is among business and HR leaders' most important and growing priorities. To remain sensitive to stakeholder and societal expectations, organisations will be challenged to reimagine work in ways that meet the needs of workers in all types of jobs – including service and gig workers as well as those with superjobs.





Leadership for the 21st century

The intersection of the traditional and the new

Developing leaders is the perennial issue of our time. Globally, 80 percent of survey respondents tell us that leadership is an important or very important issue, and 80 percent of respondents say that “21st-century leaders” face unique and new requirements.

We see leadership pipelines and development at a crossroads at which organisations must focus on both the traditional and the new. Organisations know that they must develop leaders for perennial leadership skills, such as the ability to manage operations, supervise teams, make decisions, prioritise investments and manage the bottom line.

Moreover, they know that they must also develop leaders for the capabilities needed for the demands of the rapidly evolving, technology-driven business environment – skills such as leading through ambiguity, managing increasing complexity, being tech-savvy, managing changing customer and talent demographics, and handling national and cultural differences. (Source: Deloitte Global Human Capital Trends report, 2019).

The South African context

Leadership competencies such as inclusion, fairness, social responsibility, understanding the role of automation and leading in a network were not part of the leadership manifesto in 2018.

However, South African organisations have new leadership needs in 2019.

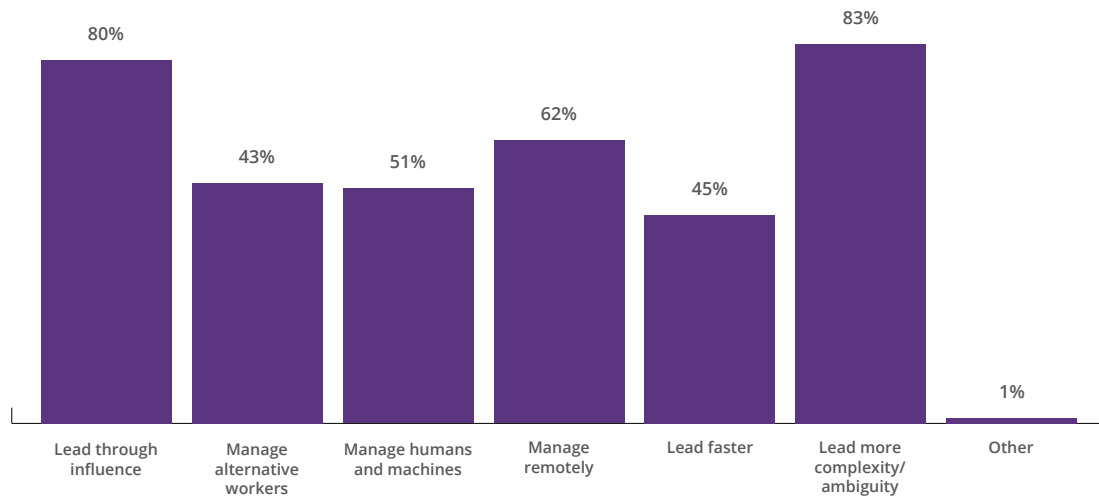
Seventeen percent of South African organisations say they are not effective at developing leaders to meet evolving challenges. Forty-six percent report that they are only somewhat effective in identifying leaders to move rapidly to the digital economy. This reflects as a significant percentage of South African companies not effectively developing leaders.

South African respondents were asked for their views on the new requirements for 21st-century leaders compared to leaders of the past. The findings reflected in Figure 13 show that the most important new requirements for 21st-century leaders are: lead through influence (80 percent), lead more complexity/ambiguity (83 percent) and manage remotely (62 percent).

FIGURE 13

Many respondents believe that organisations have new leadership needs

What do you think are the unique requirements for 21st-century leaders? Select all that apply.



Note: Only respondents who believed that 21st-century leaders faced new and unique requirements answered this questions. Some percentages may not total to 100 percent due to rounding. Source: Deloitte Human Capital Trends survey, 2019.

Coming of Age Digitally (a report by MIT: Deloitte Insights) asked what leaders should have more of to navigate digital trends. Respondents rated direction: providing vision and purpose (26 percent); innovation: creating the conditions for people to experiment (18 percent); and execution:

empowering people to think differently (13 percent) as the top three traits.

Refer to Figure 14: What would you like leaders to have more of to navigate digital trends?

FIGURE 14

What would you like leaders to have more of to navigate digital trends?

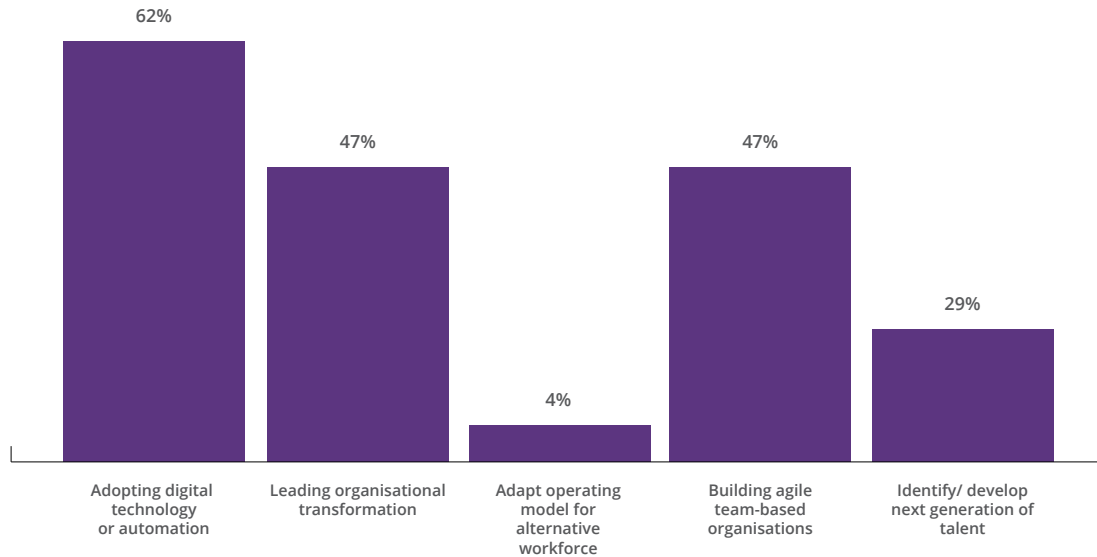
Direction: Providing vision and purpose	26%
Innovation: Creating the conditions for people to experiment	18%
Execution: Empowering people to think differently	13%
Collaboration: Getting people to collaborate across boundaries	12%
Inspirational leadership: Getting people to follow you	10%
Business judgement: Making decisions in an uncertain context	8%
Building talent: Supporting continuous self-development	7%
Influence: Persuading and influencing stakeholders	5%
Don't know / not sure	1%

Source: MIT Sloan Management Review, Deloitte Insights: <https://www2.deloitte.com/insights/us/en/focus/digital-maturity/coming-of-age-digitally-learning-leadership-legacy.html>

It is clear that given the types of business initiatives reflected below in figure 15 that a new set of skills for leaders is now a priority.

FIGURE 15

What are the top two types of digital and business transformation initiatives that leaders at your organisation are driving?



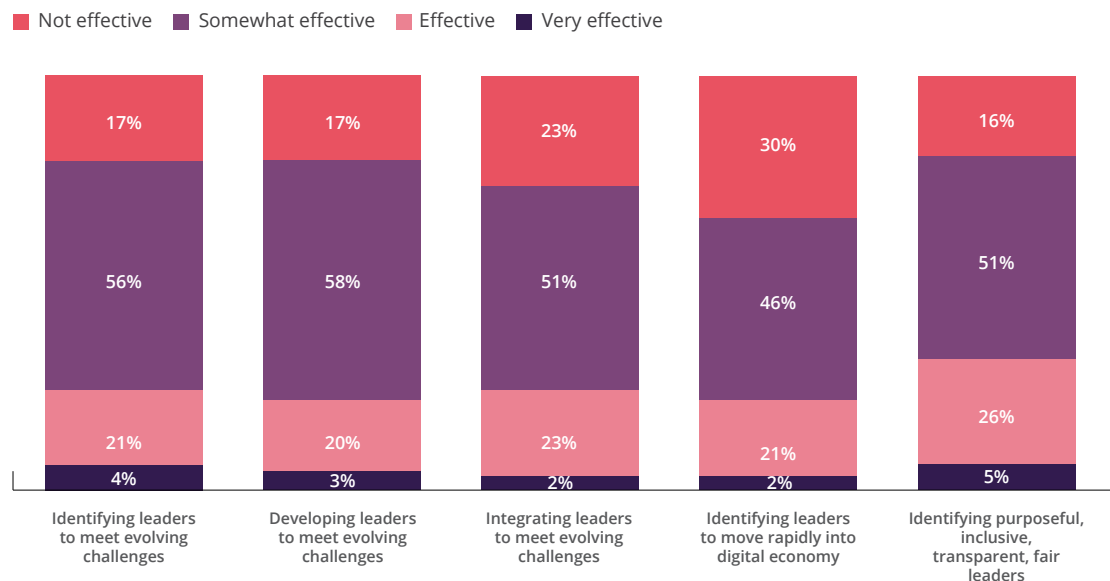
Note: Some percentages may not total to 100 percent due to rounding

Over half of South African respondents see their organisation’s leadership programmes as being effective in terms of developing leaders to meet evolving challenges (58 percent); identifying leaders to meet evolving challenges (56 percent); integrating leaders to meet evolving challenges (51 percent);

and identifying purposeful, inclusive, transparent, fair leaders (51 percent). (Refer to Figure 16: Please indicate to what extent you agree with the following statement: Leaders at my organisation generally are very effective in leading and managing their teams).

FIGURE 16

Please indicate to what extent you agree with the following statement: Leaders at my organisation generally are very effective in leading and managing their teams



Note: Some percentages may not total to 100 percent due to rounding

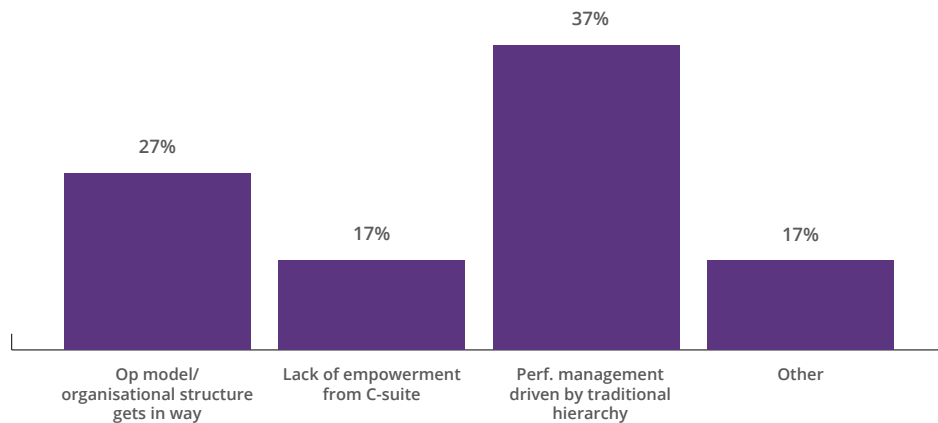
With regard to the primary drivers of why leaders are not effective, 37 percent of South African respondents state that performance management is driven by a traditional hierarchy, 27 percent report that the operating model/organisational structure gets in the way, and 17 percent feel that it is a lack of empowerment from the C-Suite

(refer to Figure 17: Please indicate to what extent you agree with the following statement: Leaders at my organisation are generally effective in leading and managing their teams).

FIGURE 17

Please indicate to what extent you agree with the following statement: Leaders at my organisation are generally very effective in leading and managing their teams

If you disagree that leaders are effective, please indicate the primary driver of why they are not effective



Note: Some percentages may not total to 100 percent due to rounding

Refreshing leadership from within

Many organisations continue to struggle to place leaders with the experience, capabilities and

motivation to take on both old and new business challenges. We suggest starting by taking a fresh look at the context in which leaders need to operate today, as it offers the key to cultivating the leaders of tomorrow, see Figure 18.

FIGURE 18

Leadership today involves a combination of traditional expectations and new competencies

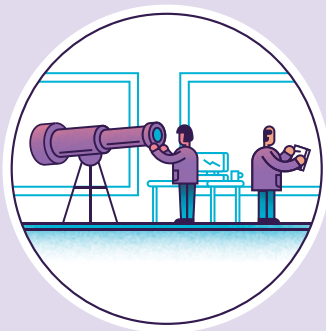
Traditional leadership expectations and outcomes		New leadership competencies	New context
Focus on individual leaders and their personal performance	+	Focus on leaders as members of leadership teams (the symphonic C-suite) and their ability to develop and foster team performance	The <i>pace of change</i> that leaders work more closely with one another to be able to come up with integrated solutions in a more rapidly moving environment
Business financials and shareholder returns are the primary outcomes	+	Pursuing business success as part of the broader social context; ability to create and communicate purpose to multiple stakeholders	<i>Changing demographics and employee expectations</i> , in particular amongst millenials, have challenged organisations to focus on profits and purpose instead of just profits
Executing financial and investment stewardship	+	Ability to set direction and adapt to fast-changing markets and conditions through sensing	The <i>pace of change</i> demands that organisations be able to sense, lead, and extend their capabilities to meet and exceed financial goals
Delivering consistent and stable results	+	Confidence leading in complex and ambiguous situations	The constant <i>influx of new technologies</i> means that organisations need to be able to operate and lead in an environment of continuous innovation where what is coming next is often uncertain.

Questions South African organisations should ask to determine which actions to take

South African organisations should ask the following questions to determine what steps they should take to address this trend:

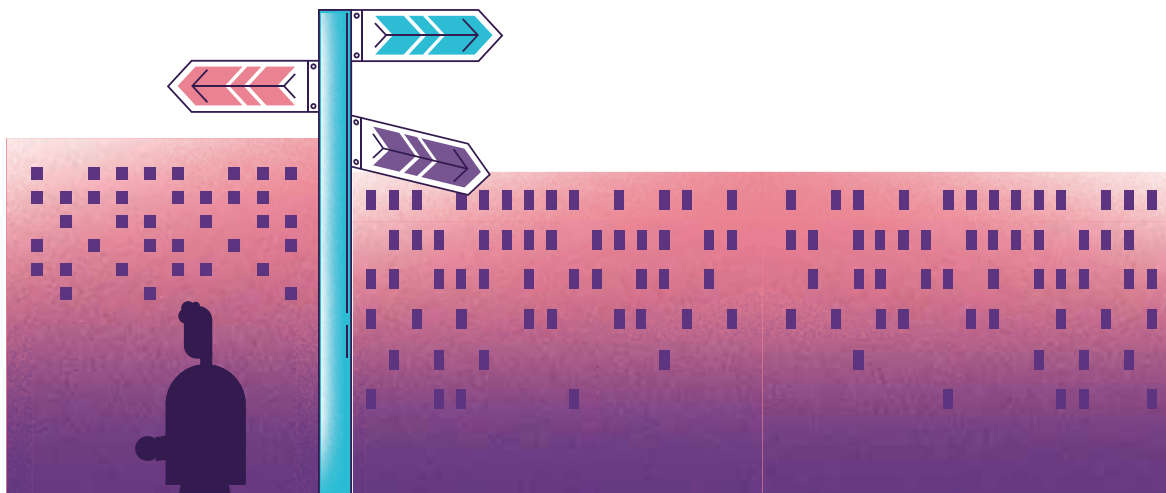
- How can we reimagine and redeploy leadership talent with the capabilities to manage our workforce of the future?

- How can our organisation activate its leaders to manage a redesigned workforce, including traditional and non-traditional work arrangements?
- How can our organisations develop leaders who have the mindsets, attitudes and experiences needed to drive different organisational forms?



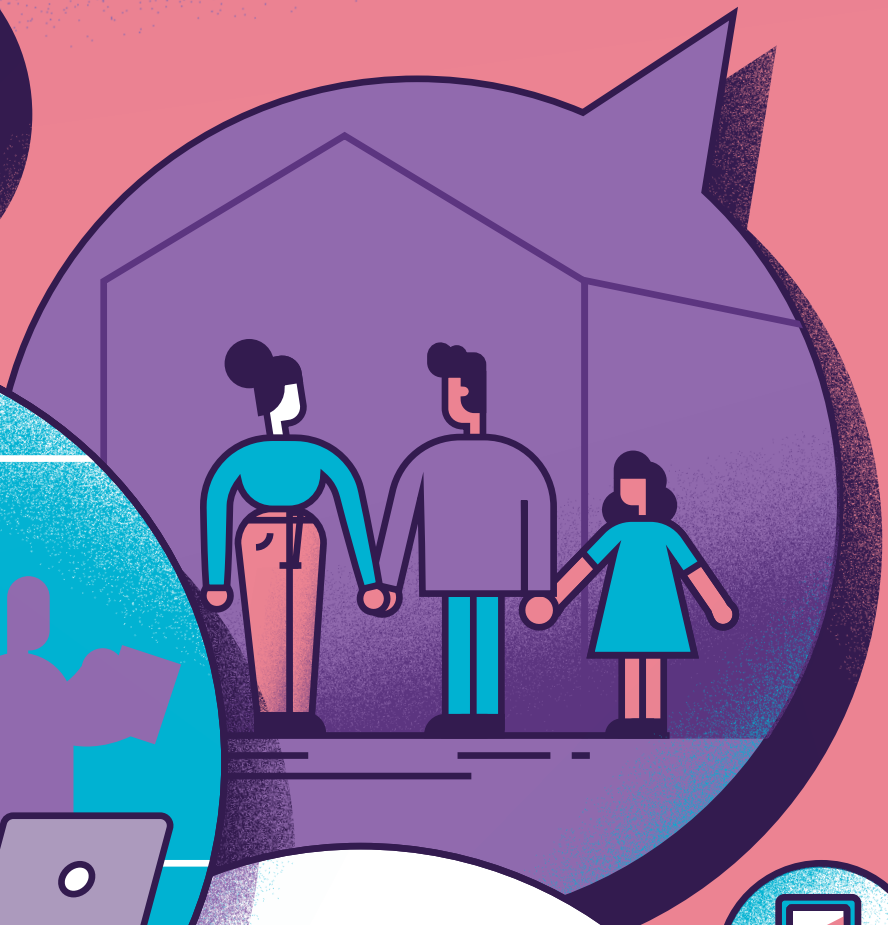
Level of effort: Leadership for the 21st century **Refresh**

Effective leadership in the 21st century means operating in a new context characterised by changing demographics and customer expectations, the influx of new technologies, and a rapid pace of change. Refreshing one's view of this context is essential to determine how leaders can combine traditional expectations with new leadership competencies to help their organisation pursue success.



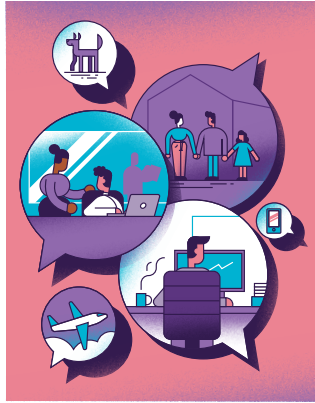


| The future of the organisation



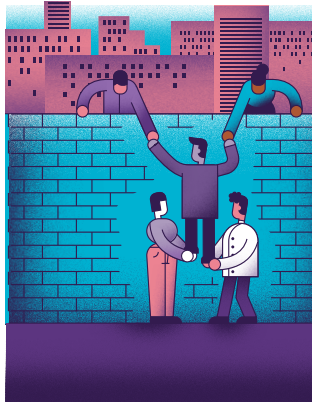
The future of the organisation

Trends



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

We see an opportunity for employers 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 organisation, but also society as a whole.



Organisational performance: It’s a team sport

The shift from hierarchies to teams is well underway. Yet most have not yet refreshed leadership, job design, and rewards to adapt. In 2019, technology is making team models of work easier. We must now refresh the rest of our talent practices to keep up.



Rewards: Closing the gap

Organisations are exploring a dizzying array of perks and rewards to motivate their people, but they are not keeping up. A focus on building relationships with workers — and eschewing external benchmarking in favour of curating a differentiated suite of rewards — can help organisations close the gap.

Human experience

Putting meaning back into work

One of the biggest challenges we identified this year is the need to improve what is often called the “employee experience”. However, the concept of employee experience falls short in that it fails to capture the need for meaning in work that people are looking for.

We see an opportunity for employers 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 organisation but society as a whole.

While the employee experience journey may start with a focus on the workplace, perks and rewards, in time it must focus on the more human elements of work itself to create meaning. An authentic human experience is one that embeds meaning into work and enables every employee to contribute in their most positive, supportive and personal way. (Source: Deloitte Global Human Capital Trends report, 2019).

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

Organisations are being challenged to up their game when it comes to employee experience, adopting a human focus, personalising the workforce experience, removing the hierarchical structure and developing leaders from within.

Research done by Bersin in 2018 asked respondents which three actions improved their work experience most, and they identified perks and events, rewards and work-life balance as essential aspects of work. Perhaps the research put it best by saying that many

employers fall short by failing to capture the human side of workers. (Source: HR Technology Market 2019: Disruption ahead, Bersin)

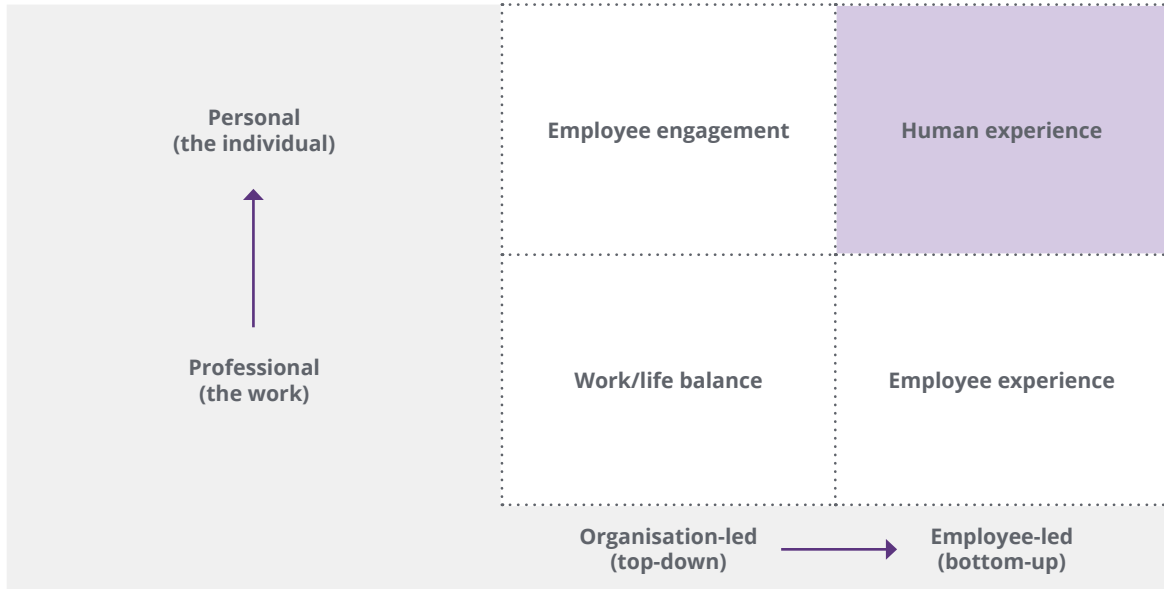
The idea of the changing employee experience has evolved further than just implementing new programmes. It is about creating meaningful work for your people. The employee experience extends beyond work processes to focus on the meaning of the work itself, thereby targeting the most personal question that can exist in the workplace: Am I making a difference?

One of the biggest challenges we see this year is the need to improve the employee experience, with 84 percent of respondents rating this important or very important and 28 percent rating it urgent – showing that most organisations are not currently making work meaningful.

When employee experience comes from the work they do (bottom-up), it is designed starting with the employee’s pre-existing tendencies to enable them to do their best work in the way that works for them. When experience is focused on the individual (personal), it is designed to incorporate all of the psychological needs that must be met for someone to perform their work well. At the intersection of both is where the optimal experience can be found – something that few, if any organisations, have yet to achieve (refer to Figure 19: When experience is bottom-up and personal, it becomes focused on the human experience).

FIGURE 19

When experience is bottom-up and personal, it becomes focused on the human experience



Source: Deloitte analysis

The South African context

South African respondents rate growth opportunities (78 percent), a positive work environment (75 percent) and meaningful work (71 percent) as the top three contributing factors to defining their employee experience. The concept of creating unified employee experiences in South African

organisations becomes even more complicated when we consider that South Africa has a diverse, multicultural population. This may result in cultural and employee engagement differences across teams and provinces, which would ultimately have an impact on culture and the human experience. (Refer to Figure 20: Factors your organisation includes in its definition of the employee experience.)

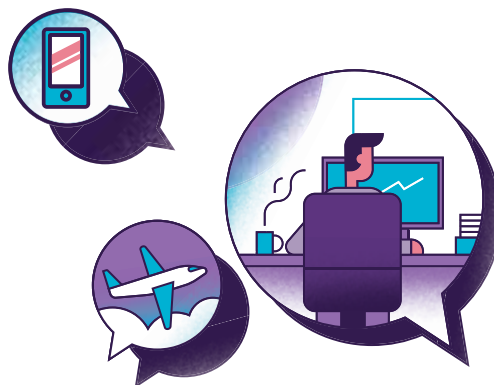
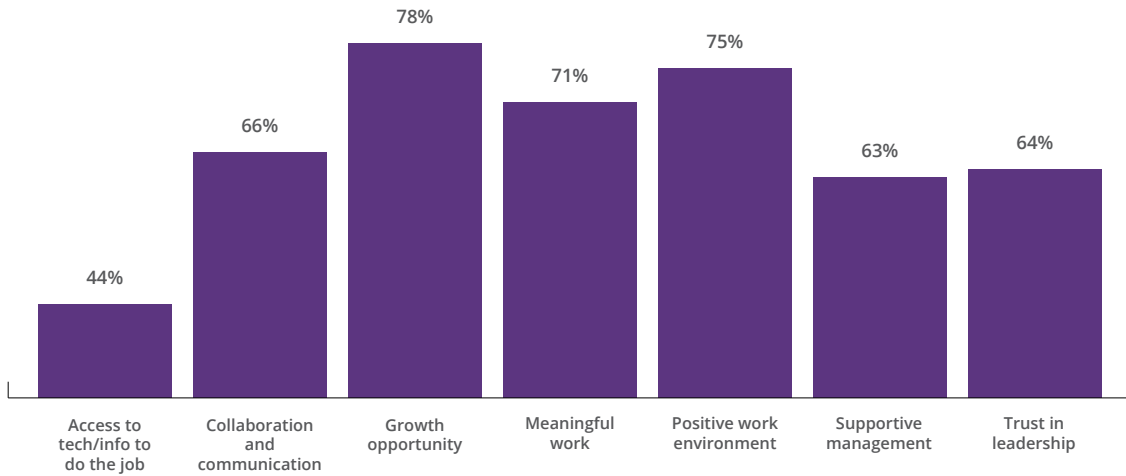


FIGURE 20

Factors your organisation includes in its definition of the employee experience



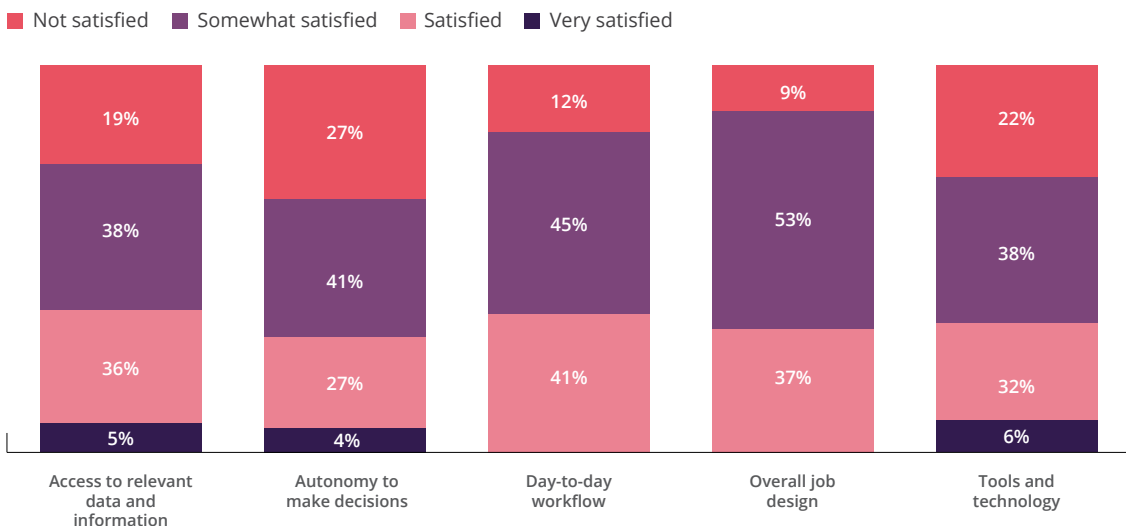
Note: Some percentages may not total to 100 percent due to rounding

When we look at overall job design in South Africa, 53 percent of respondents are somewhat satisfied, while 22 percent are not satisfied with workplace tools and technologies. Only 36 percent are satisfied with access to relevant data and information. Forty-five percent are somewhat satisfied with the day-to-day workflow of their job. (Refer to Figure 21: Level

of satisfaction of employees in your organisation with the design of their jobs.) The results clearly show that a lot of work is needed to improve the actual job design, workflow and technologies available to employees in South African companies.

FIGURE 21

Level of satisfaction of employees in your organisation with the design of their jobs



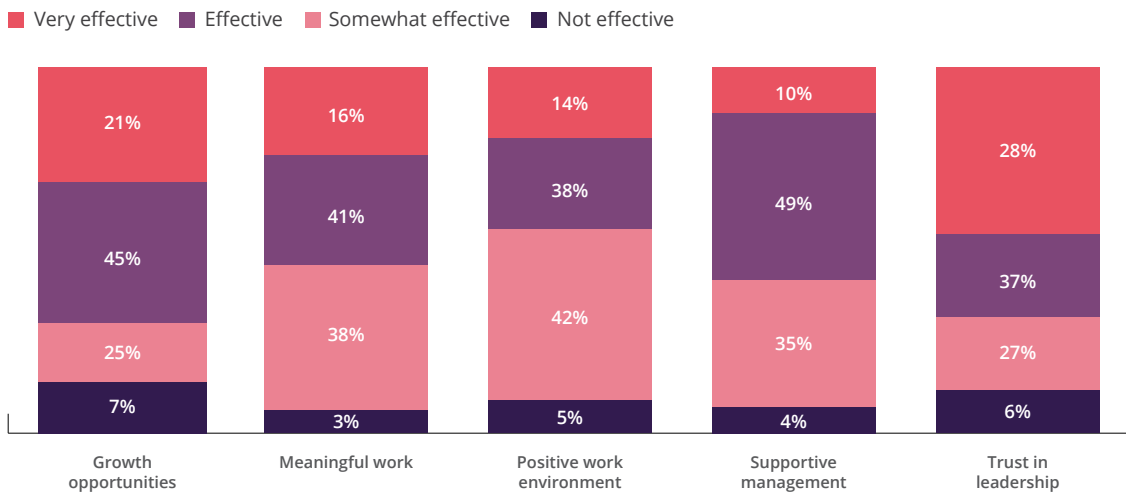
Note: Some percentages may not total to 100 percent due to rounding

Only 35 percent of South African respondents state that supportive management is effective in engaging employees (refer to Figure 22: Effectiveness of your organisation in engaging employees).

It is more likely to be meaningful work (38 percent) and a positive work environment (42 percent) that leads to engaged employees than management supporting engagement activities.

FIGURE 22

Effectiveness of your organisation in engaging employees



Note: Some percentages may not total to 100 percent due to rounding

Bring a refreshed sense of meaning to work

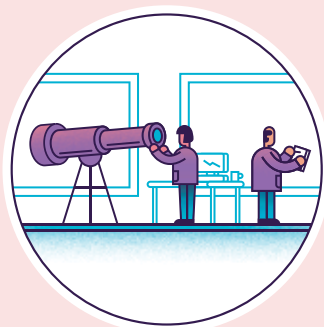
Meaning is an aspirational driver that seeks to support others in making a difference that matters and motivates people to continue to do better. To start, it is about more than creating a qualitative mission statement or purpose. Also, it goes beyond corporate social responsibility, and it does not necessarily equate to doing something “good” or socially desirable. It starts by asking: What are the aspirations of our customers, employees and partners? Meaning refers to connecting work back to a deeper understanding of the participants involved – customers, workers and other stakeholders – and the more significant impact the work will have on helping them achieve their aspirations.

While the employee experience journey may start with a focus on the workplace, perks and rewards, in time it must focus on the more human elements of the work itself to truly create meaning. (Source: Deloitte Global Human Capital Trends report, 2019)

Questions South African organisations should ask to determine actions to take

South African organisations should ask the following questions to determine what steps they should take to address this trend:

- How can our organisation improve the overall work experience of employees by considering perks and events, rewards, and work-life balance?
- How can our organisation improve the measurement of productivity and engagement to test the effectiveness of engagement programmes?
- What needs to be done to change the way that work is done to create more meaning for individuals in their work and higher levels of engagement?



Level of effort: The human experience Refresh

Organisations have an opportunity 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 will have on helping people achieve their aspirations.



Organisational performance

It is a team sport

The shift from hierarchies to teams is well underway. Globally, 31 percent of survey respondents tell us they now operate mostly or almost wholly in teams, with another 65 percent saying they are primarily hierarchical but with some cross-functional team-based work. Most organisations have not yet refreshed leadership, job design and rewards to adapt.

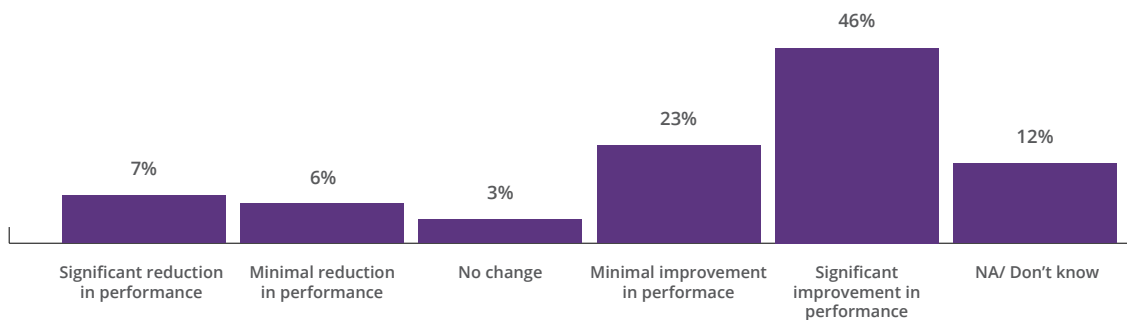
Our research shows that many leaders do not know how to effectively operate in teams and have not yet adopted the team model of engaging with each other. Deeper in the enterprise, many organisations are still struggling to build programmes and incentives that support teaming as well. In 2019, technology is making team models of work easier: Organisations must now refresh the rest of our talent practices to keep up. (Source: Deloitte Global Human Capital Trends report, 2019).

Most C-suite leaders, tools, cultures and incentives are still struggling to shift to the team-based model.

With the advent of new technology, organisations can use data and insights to complete this shift. Moving towards a team-based organisational model improves performance, often significantly. Of global respondents whose organisations work at least partially in cross-functional teams, 46 percent saw a significant increase in improvement. This number is higher in South Africa at 53 percent (refer to Figure 23: If work is done in teams, what has been the impact on organisational performance of the transition to a team-based organisation?).

FIGURE 23

If work is done in teams, what has been the impact on organisational performance of the transition to a team-based organisation?

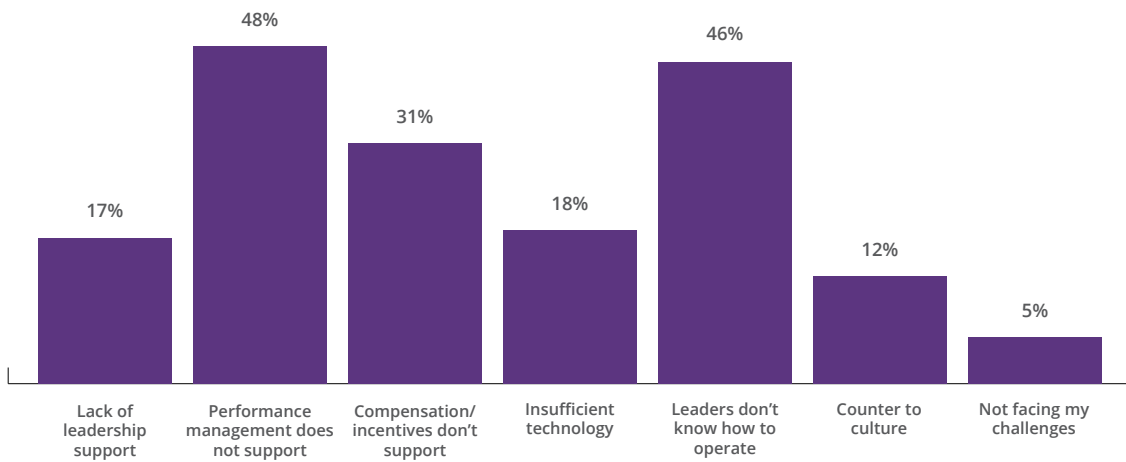


Note: Some percentages may not total to 100 percent due to rounding

Two of the top challenges expressed by South African respondents when moving to a team-based model are performance management not supporting a team-based model (48%) and leaders not knowing

how to operate in a team-based model (46%) (refer to Figure 24: The top two challenges in moving to a team-based model).

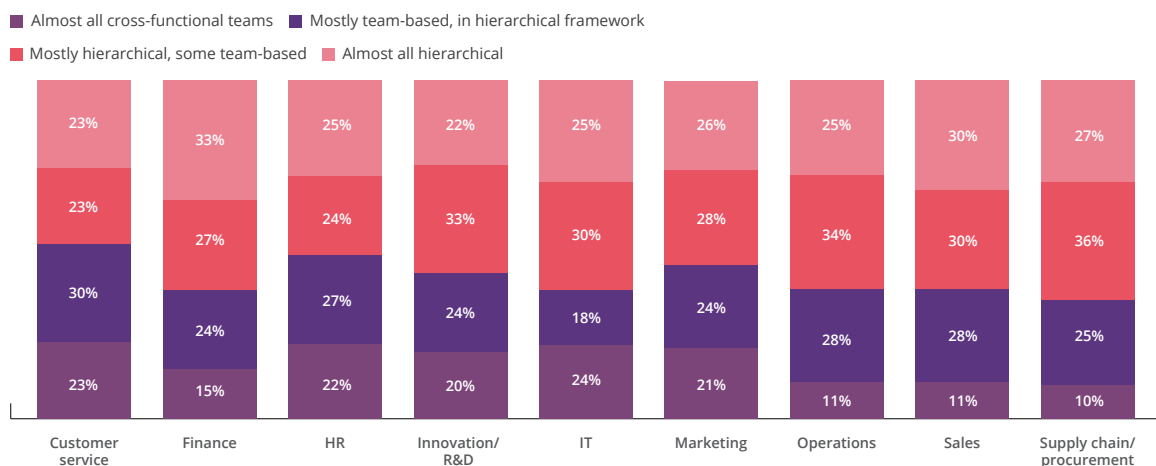
FIGURE 24
The top two challenges in moving to a team-based model



Note: Some percentages may not total to 100 percent due to rounding

Teams are now increasingly being used in some form across functions in South Africa but hierarchal forms still dominate (refer to figure 25).

FIGURE 25
The utilisation of teams in day-to-day work across functions



Note: Some percentages may not total to 100 percent due to rounding

Managing business and work in a network is not just a matter of creating agile workplaces and scheduling stand-up and scrum meetings, it is also about changing the way organisations allocate budgets, train people and reward workers. It means cultivating greater collaboration at senior leadership levels, including the C-suite. It also means radically changing career models to facilitate

employee mobility within the organisation, to put the right people on the right teams at the right time – no matter where they may sit. To tackle these challenges, organisations need to embed team-based thinking internally and in the broader ecosystem in which today's social enterprise finds itself.

To help accomplish this, there are five layers in which team-based thinking should be embedded:

- **The ecosystem.** Define purpose-driven teams in the context of the missions they serve within the organisation and externally, relative to customers, partners and society at large.
- **The organisation.** Design “front-led” networks of teams that promote multidisciplinary collaboration and empowered decision-making.
- **The team.** Build teams that demonstrate new agile and collaborative ways of working.
- **The leader.** Select and develop team leaders who have a growth mindset that creates the conditions for teams to be iterative, open, inclusive and effective.
- **The individual.** Challenge conventional talent management interventions, from succession and performance management to rewards and learning, to enable individuals to change their focus from “climbing the ladder” to growing from experience to experience.

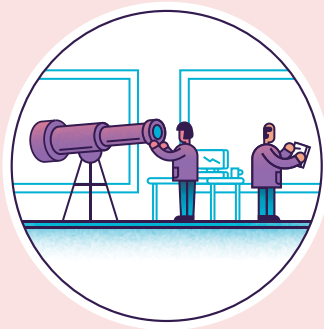
The global trend towards team-based organisations is growing for a reason: It is a more effective model for operating in the dynamic, unpredictable business environment typically seen today. In the long term, we believe there will be no leading organisation that does not work primarily based on teams. “Agile at

scale” or other frameworks that push all teams in the organisation towards multifunctional networks may be one step too far for some. Striving for a culture of collaboration and aligning incentives with team performance can enable organisations to take the first step, build adaptive muscle and confidence, and start their journey towards becoming an authentic team-based culture. (Source: Deloitte Global Human Capital Trends report, 2019).

Questions South African organisations should ask to determine actions to take

South African organisations should ask the following questions to determine what steps they should take to address this trend:

- How can our organisation create informal systems to take advantage of the way people naturally behave, to drive experimentation, innovation and idea generation?
- How can teams be placed at the centre of our organisation’s performance and development programmes?
- How can our organisation design jobs, work experiences and work environments that allow individuals to grow and find meaning in their work and their relationship with the organisation as a whole?



Level of effort: Organisational performance and teams Refresh

New mindsets and technologies are easing the shift to new team-based models of work. However, many leadership and talent practices and behaviours continue to raise significant barriers to fully supporting a teams-based operating model.





Rewards

Closing the gap

Organisations are exploring a dizzying array of perks and rewards to motivate their people. However, they are not keeping up: In our Global Human Capital Trends survey, only 11 percent of respondents report that their rewards systems are highly aligned with their organisational goals, and 23 percent say that they do not know what rewards their workers value.

How can organisations develop rewards that align with more agile models for performance measurement and management, and at the same time address workers' legitimate expectations and needs? A focus on building relationships with workers – and eschewing external benchmarking in favour of curating a differentiated suite of rewards – can help organisations close the gap. (Source: Deloitte Global Human Capital Trends report, 2019).

The South African context

Multiple generations in the South African workforce, all with differing wants and needs, make it extremely difficult for organisations to keep up. This is confirmed by our 2019 Global Human Capital Trends survey, where fewer than 11 percent of respondents report that their rewards strategy is aligned with the organisation's goals (refer to Figure 26: Extent of alignment between rewards strategy and organisations goals).

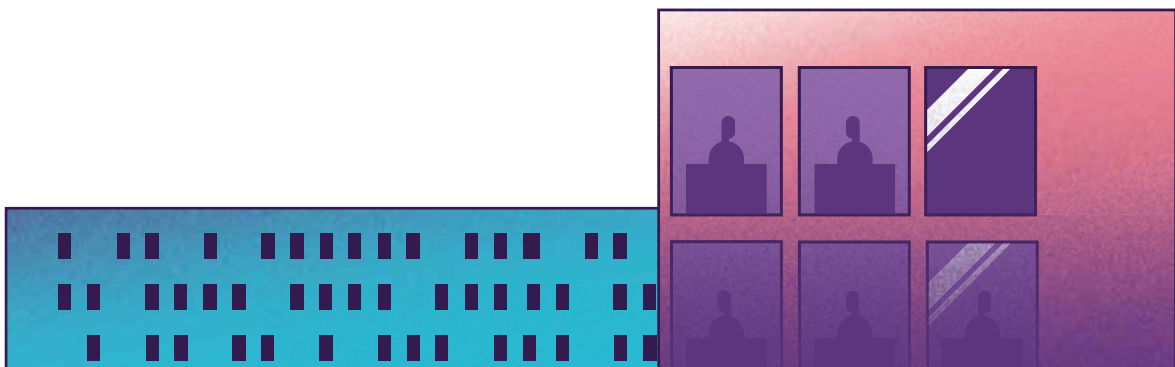
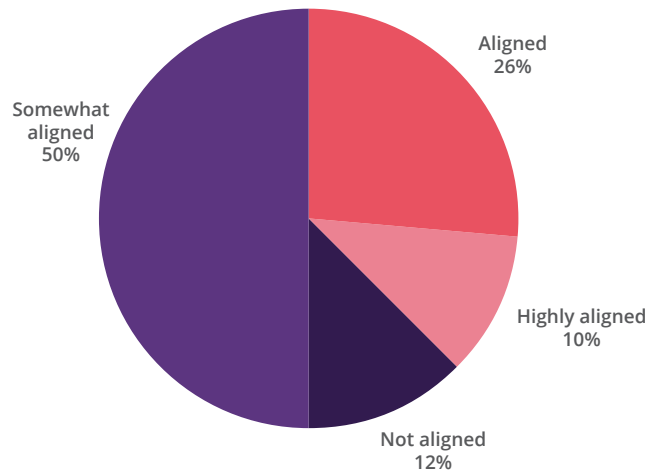


FIGURE 26

Extent of alignment between rewards strategy and organisations goals



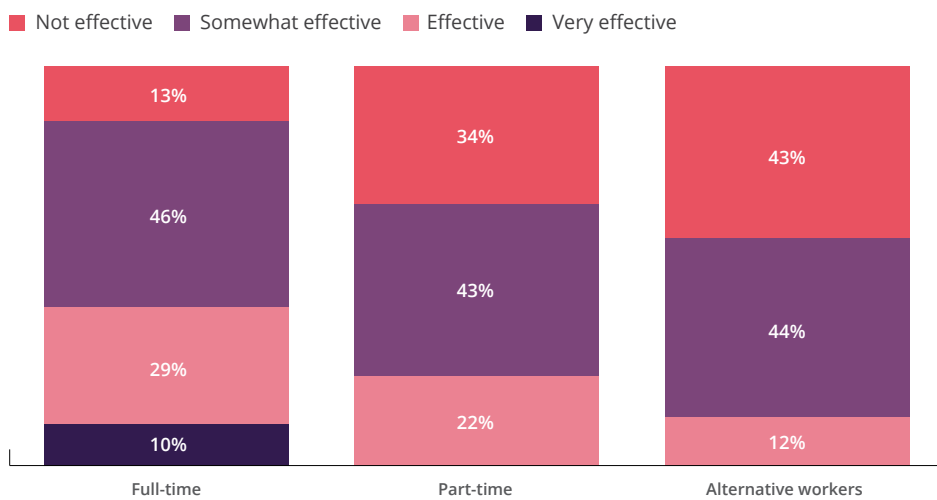
Note: Some percentages may not total to 100 percent due to rounding

Fewer than 40 percent of South African respondents note that their rewards are effective or very effective in accommodating the needs of full-time workers. This response falls to less than 23 percent and 13 percent in the case of part-time workers and alternative workers respectively; however, reward expenditure is often the most

significant item on the expense statement. The result is that firms are not leveraging their biggest cost item effectively – something that organisations can ill afford to do in any economic climate. (Refer to Figure 27: Effectiveness of your organisation’s rewards at accommodating the diverse needs of different types of workers.)

FIGURE 27

Effectiveness of your organisation’s rewards at accommodating the diverse needs of different types of workers



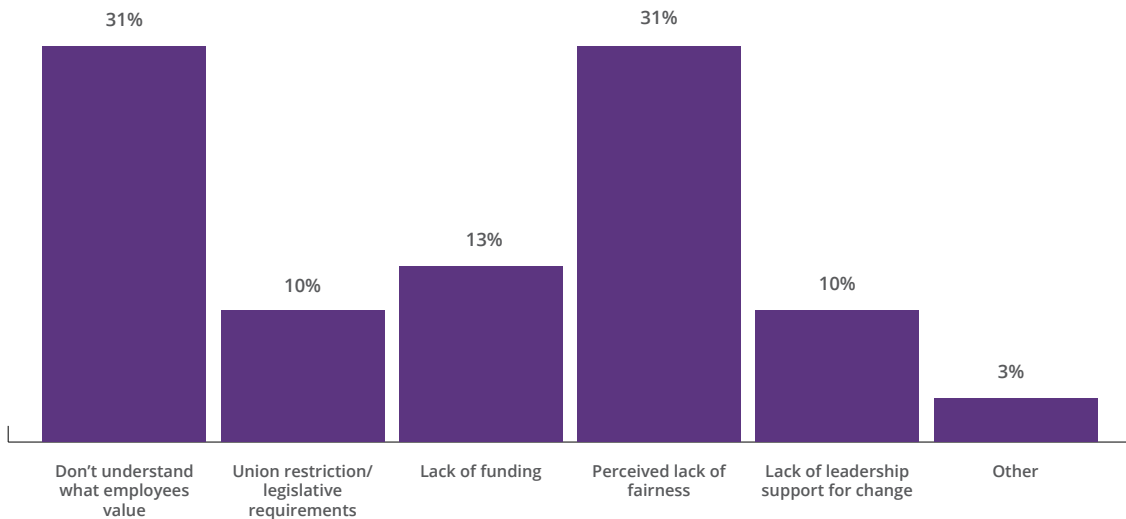
Note: Some percentages may not total to 100 percent due to rounding

South African respondents mention that perceived lack of fairness and not understanding what kinds of rewards employees value (both coming in at 31 percent) are the most significant barriers to their

organisation’s rewards strategy (refer to Figure 28: Greatest barrier to changing your organisation’s rewards strategy.)

FIGURE 28

Greatest barrier to changing your organisation’s rewards strategy



Note: Some percentages may not total to 100 percent due to rounding

In the world of the social enterprise, where workers are seeking deeper meaning in their work and organisations are striving to create a more meaningful human connection with their workers, rewards can either be an incredible motivator or a

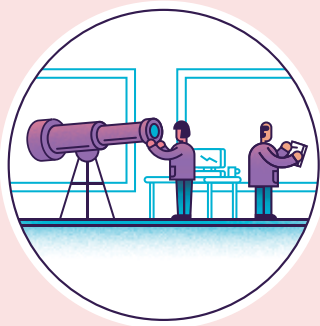
topic of contentious debate. To help avoid the latter, organisations must expand their view of rewards, engage their workers, and enter a new world of work where perks and pay are just the beginning. (Source: Deloitte Global Human Capital Trends report, 2019)

Questions South African organisations should ask to determine actions to take

South African organisations should ask the following questions to determine what steps they should take to address this trend:

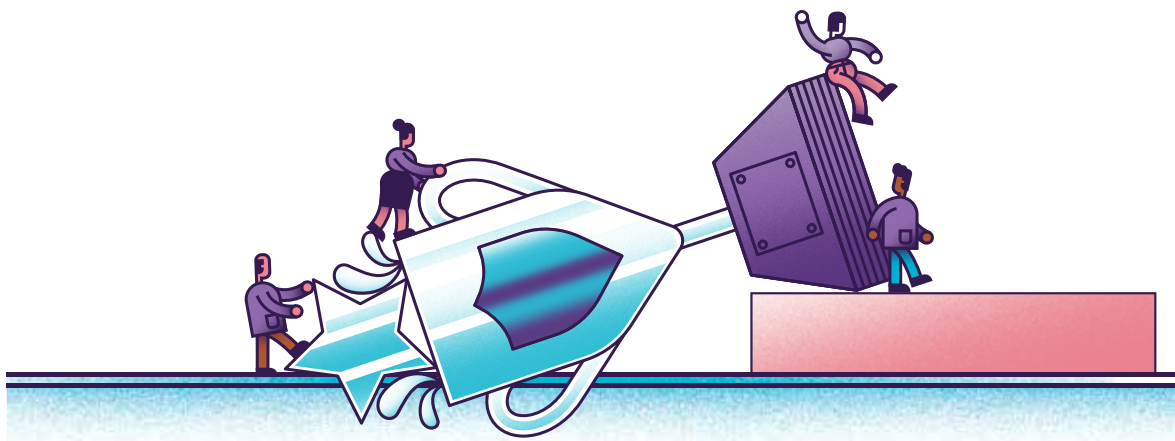
- How can our organisation align its rewards to more agile performance management models, while ensuring that it addresses or exceeds workers' legitimate expectations and needs and maximises value versus expenditure?

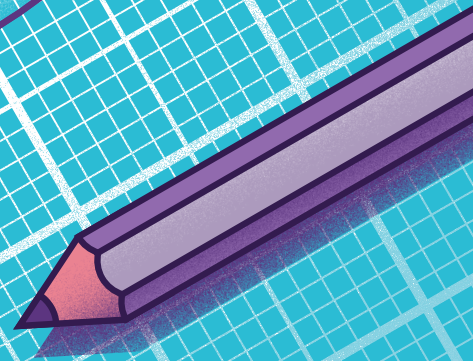
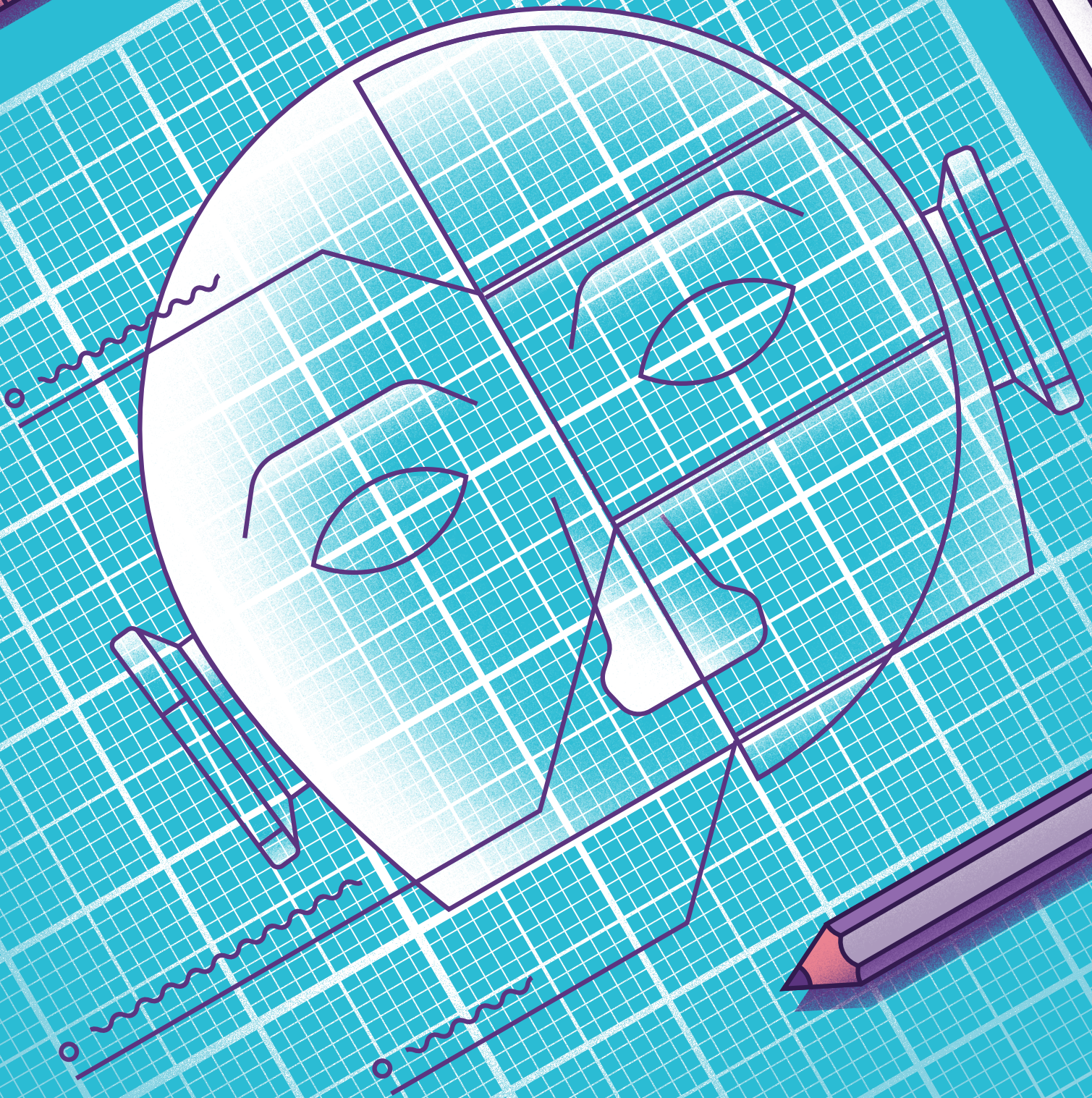
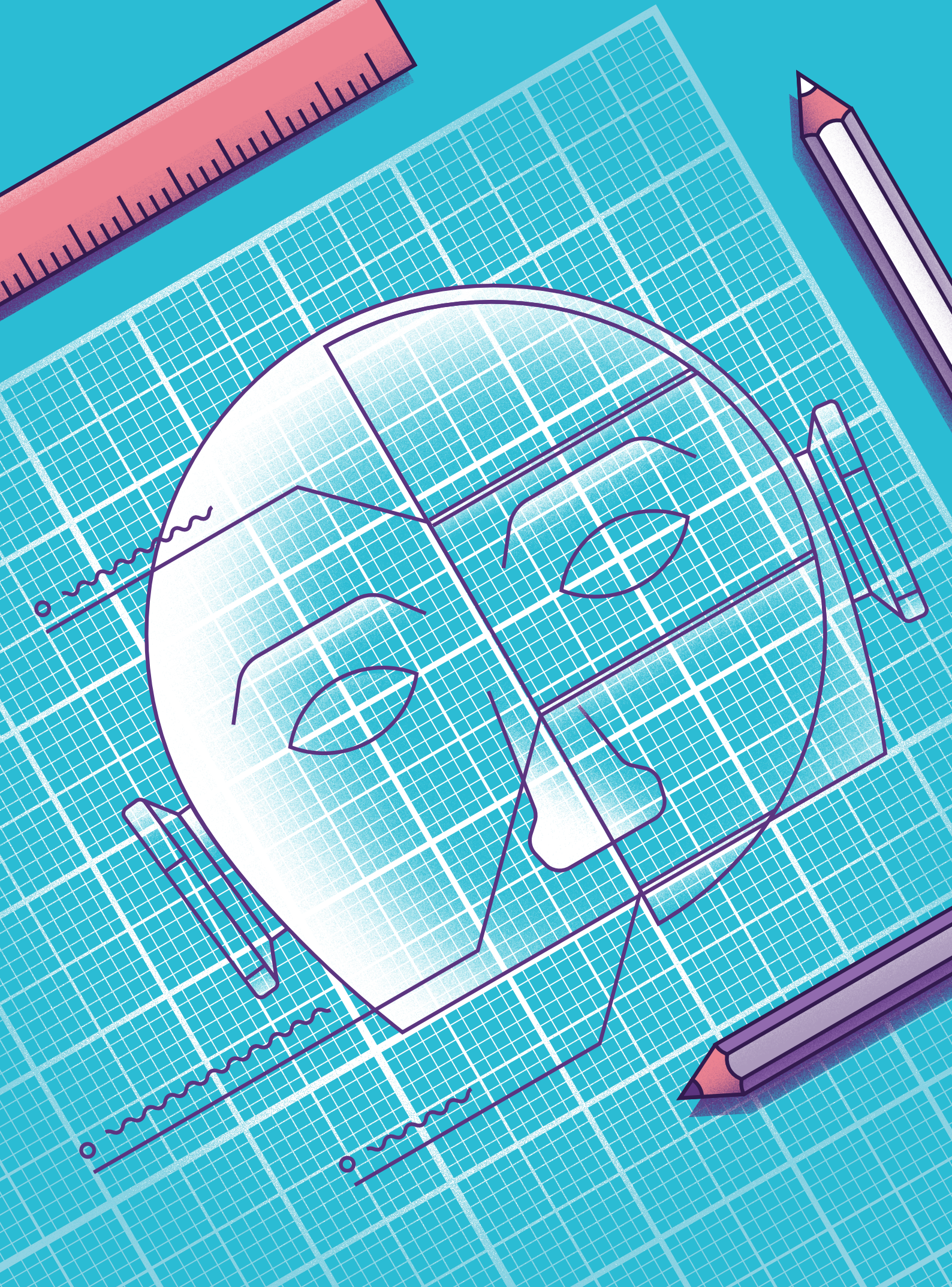
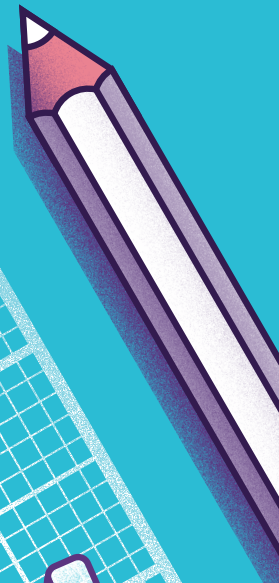
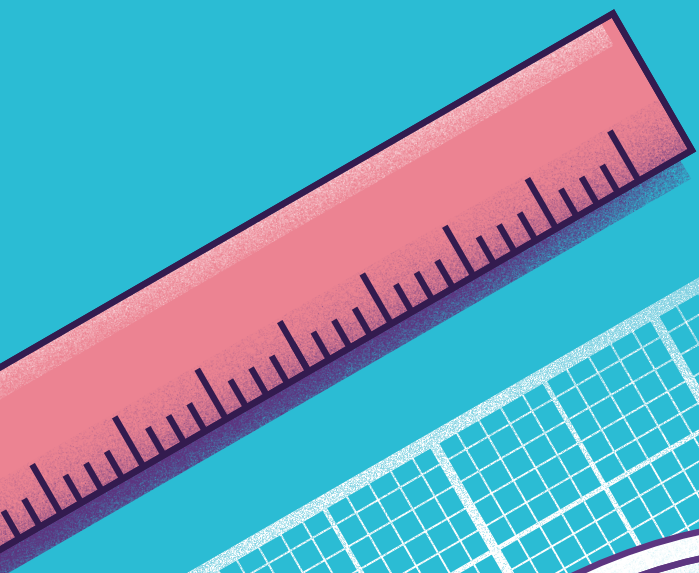
- How can our organisation better understand what employees want and value?
- How can our organisation implement a differentiated rewards strategy that is fair and equitable to all workers?
- What can our organisation do to enhance reward experiences without incurring additional costs?



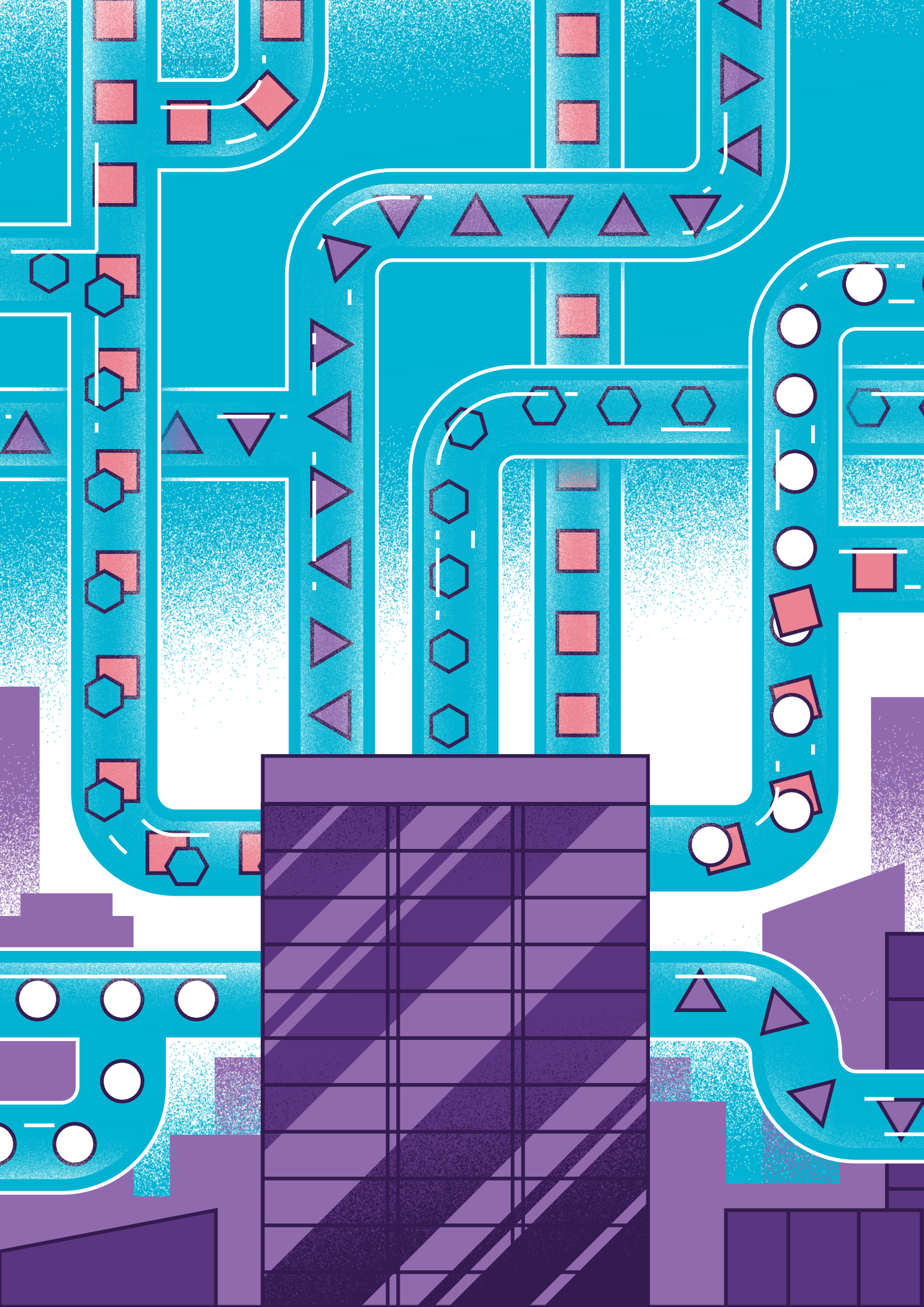
Level of effort: rewards **Refresh**

In a world of evolving worker expectations, high-performing organisations go beyond aiming to meet industry and regional benchmarks for compensation and benefits. They focus on building relationships with workers to understand their values and needs, and delivering rewards that address these values and needs in ways that support teaming and motivate performance.



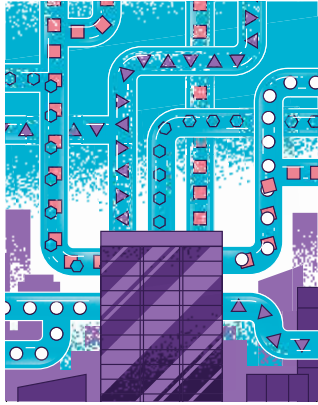


| The future of HR



The future of HR

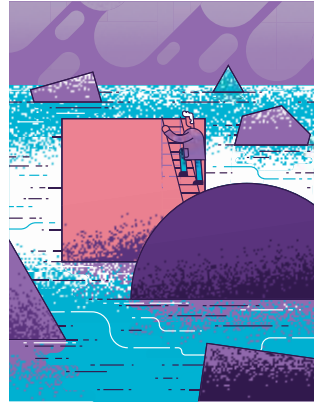
Trends



Accessing talent:

It's more than acquisition

As the job market remains competitive and skills requirements undergo rapid change, it's time for organisations to think about how they can continuously "access talent": mobilising internal resources, finding people in the alternative workforce, and strategically leveraging technology to augment sourcing and boost recruiting productivity.



Learning in the flow of life

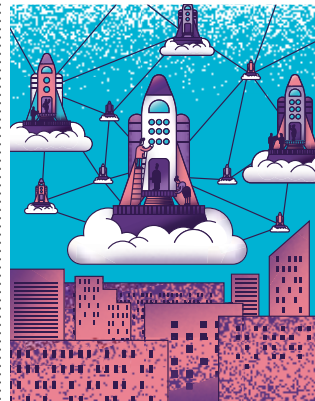
Learning is becoming more integrated with work and more personal, and it is shifting — slowly — towards lifelong models. Effective reinvention along these lines requires a culture of continuous learning, incentives that motivate people to learn, and a focus on helping individuals identify and develop new, needed skills.



Talent mobility:

Winning the war on the home front

Organisations can no longer expect to source and hire enough people with all the capabilities they need; they must move and develop people internally to thrive. A new set of norms governing internal mobility is needed to do this well.



HR cloud: A launch pad, not a destination

Cloud systems have gone a long way towards integrating the messy back office of HR. But to better support innovation, raise employee productivity, and lower cost, organisations must rethink their HR technology strategy, considering cloud as a foundation and complementing it with new platforms, automation, and AI-based systems.

Accessing talent

It is more than acquisition

In 2019, recruiting has become harder than ever. As the job market remains competitive and organisations' skill requirements undergo rapid change, it is time for organisations to think about how they can continuously "access talent" in varying ways: mobilising internal resources, finding people in the alternative workforce, and strategically leveraging technology to augment sourcing and boost recruiting productivity. (Source: Deloitte Global Human Capital Trends report, 2019).

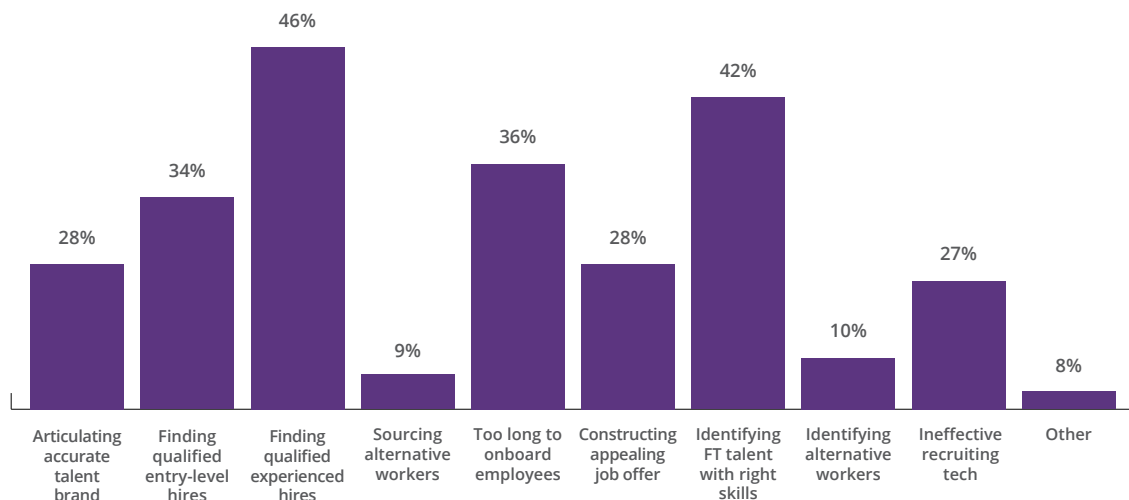
The South African context

South African respondents state that finding qualified, experienced hires (46 percent) and identifying future talent with the right skills (42

percent) are the two biggest challenges in the talent acquisition process, followed by it taking too long to onboard employees (36 percent) (refer to Figure 29: Biggest challenges with the talent acquisition process).

FIGURE 29

Biggest challenges with the talent acquisition process



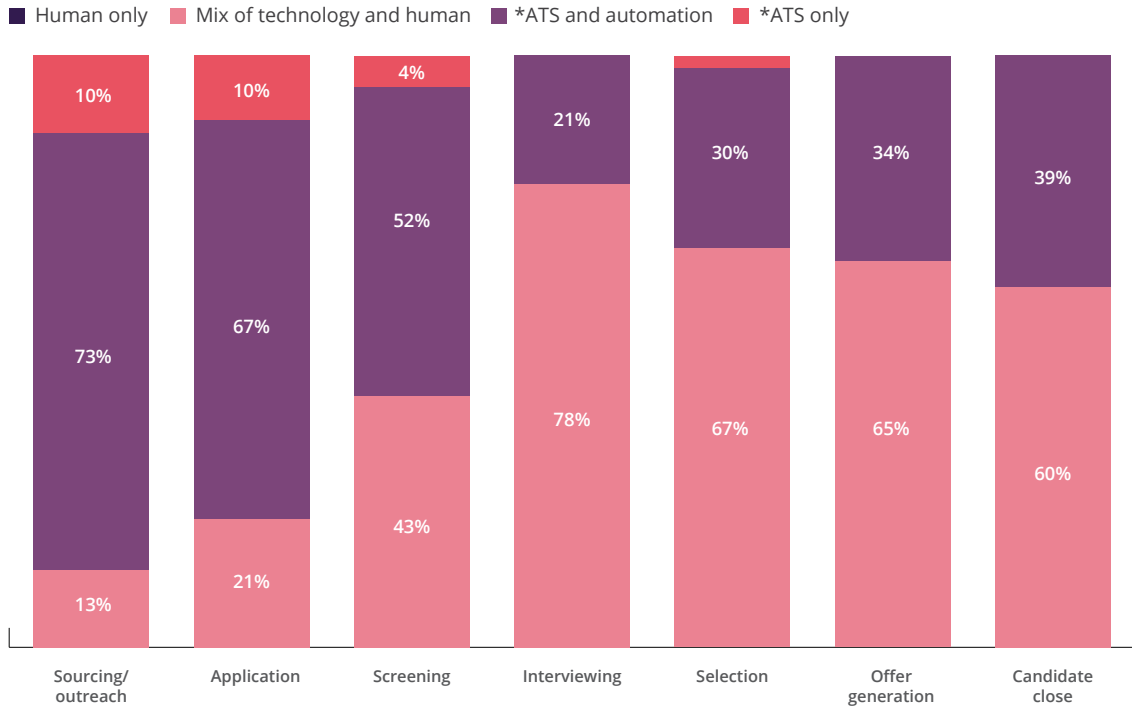
Note: Some percentages may not total to 100 percent due to rounding

With regard to the talent acquisition process, 73 percent of South African respondents use a mix of technology and the “human touch” for sourcing, and 13 percent use the “human touch” only. Sixty-

seven percent utilise both the “human touch” and technology in applications. (Refer to Figure 30: Utilisation of technology in the talent acquisition process, from outreach to candidate close.)

FIGURE 30

Utilisation of technology in the talent acquisition process, from outreach to candidate close



Note: Some percentages may not total to 100 percent due to rounding
 * ATS refers to Applicant Tracking System

According to South African respondents, the top two purposes for internal mobility in the organisation are to attract the best talent (40 percent) and to support business expansion (35 percent).

Increasing employee engagement (34 percent) comes in as a close third so it cannot be ignored. (Refer to Figure 31: Top two purposes for internal mobility in your organisation.)

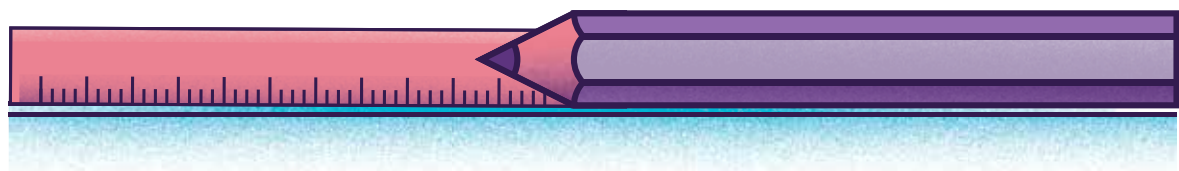
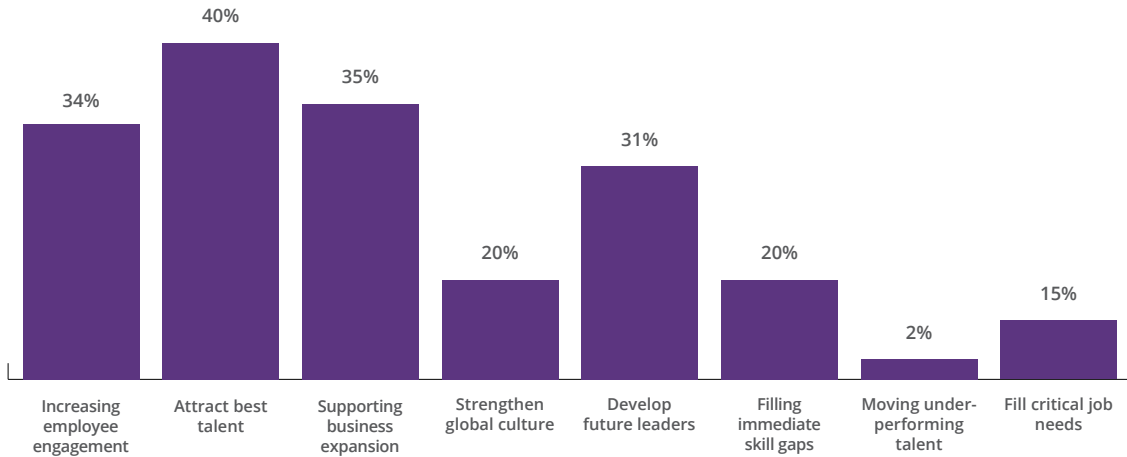


FIGURE 31

Top two purposes for internal mobility in your organisation



Note: Some percentages may not total to 100 percent due to rounding

Organisations now face a variety of talent challenges. A new generation of tools and technologies has arrived – many are innovative, creative and AI-based. The alternative workforce is likely to continue to grow each year as organisations seek to expand the reach of their workforce, and individuals, especially millennials, carve out different modes of working.

As a result, organisational leaders should look beyond traditional resumés and employment models to find talent. For example, when hiring for the alternative workforce, limiting the application criteria to formal qualifications could overlook talented workers who are very knowledgeable and experienced in a particular skill or trade, without any formal training.

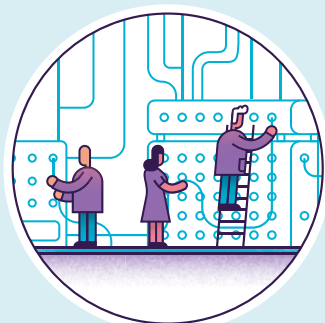
Also, organisations have an opportunity to attract and retain alternative workers by offering them what they seek in terms of financial benefits and learning and development (L&D) prospects.

(Source: Technology and the future of work: Millennials in the gig economy, Deloitte Insights)

Questions South African organisations should ask to determine actions to take

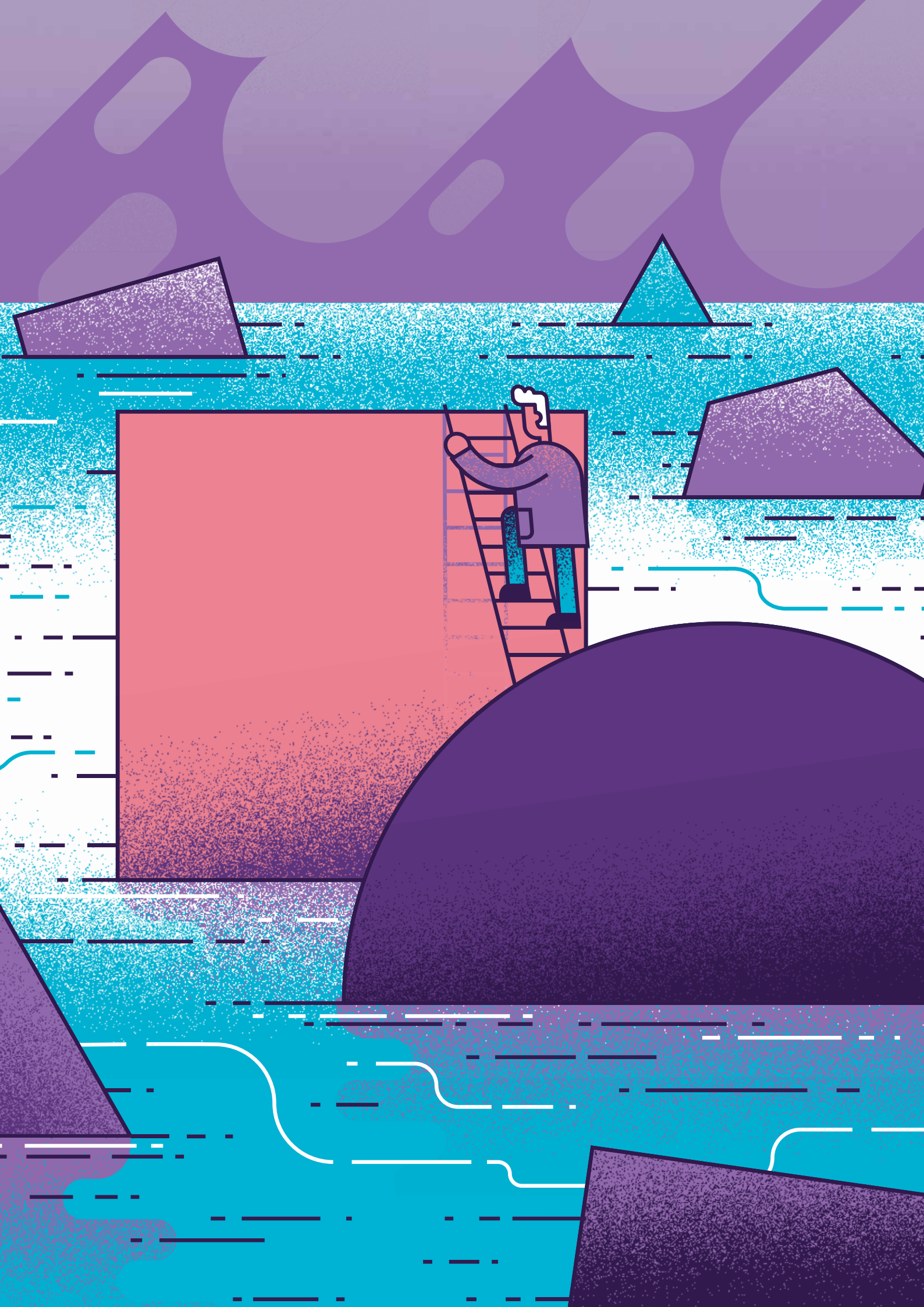
South African organisations should ask the following questions to determine what steps they should take to address this trend:

- With the rise of the social enterprise, how does our organisation’s talent brand relate to its corporate brand?
- How will our HR talent management processes be reimagined in a world of shifting networks and teams?
- How will our talent acquisition and HR operations need to change to access and engage both traditional and alternative types of workers?



**Level of effort: Accessing talent
Rewire**

Talent acquisition is shifting beyond a predominant focus on recruiting full-time hires to accessing people with the right capabilities in new ways. Looking to internal mobility, the alternative workforce, and new technologies to facilitate access to talent is essential.



Learning in the flow of life

The number-one trend for 2019 is the need for organisations to change the way people learn. In South Africa 89 percent of respondents cite this as an important or very important issue. It is not hard to understand why.

Evolving work demands and skills requirements are creating an enormous demand for new skills and capabilities, while a tight labour market is making it challenging for organisations to hire people from outside. Within this context, we see three broader trends in how learning is evolving: It is becoming more integrated with work; it is becoming more personal; and it is shifting – slowly – towards lifelong models. Practical reinvention along these lines requires a culture that supports continuous learning, incentives that motivate people to take advantage of learning opportunities, and a focus on helping individuals identify and develop new, needed skills. (Source: Deloitte Global Human Capital Trends report, 2019)

Reskilling has become a growth imperative for organisations, many of which have seen positions go unfilled for months or years due to a lack of the right talent to fill them. It is becoming increasingly apparent that organisations in today's tight talent market cannot depend solely on recruitment for such roles.

The South African context

In the South African context, 89 percent of respondents rate this trend as important. This is slightly higher than the global response at 86 percent. Forty-three percent of South African respondents say they are not ready for this trend.

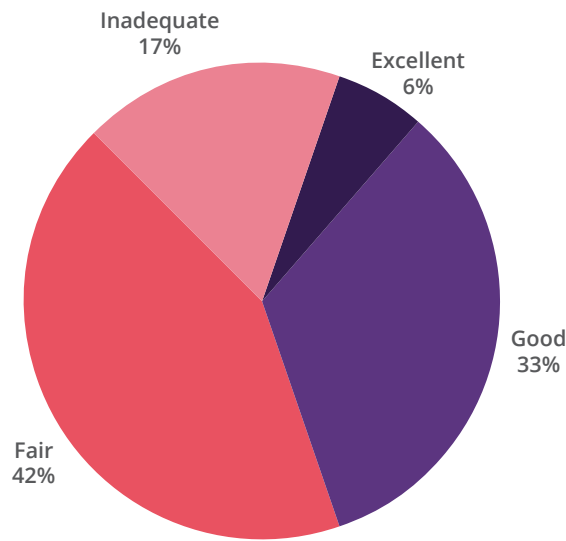
learning featured in the top five trends in 2015, 2016 and 2017. In 2017, 81 percent of South African respondents rated Learning as important, while 58 percent were not ready for it. Rapid and ongoing changes in the nature of work are changing the relationship between learning and work, making them more connected than ever before.

Only 6 percent of South African respondents indicate that their learning function is excellent at quickly identifying and meeting evolving workforce needs. Organisations can no longer look at learning as a set of prescribed programmes: Today we need both skill academies and an entire culture of learning, one which gives every employee the opportunity to learn every day.

The demand for learning is increasing because every job is changing. Building a strong learning culture is not only expected to close the talent gap, but it may also give workers meaning and connect them to employers in a more vibrant, more substantive way. If garnered, this will enhance both retention and the employment brand. (Refer to Figure 32: Ability of your learning function to quickly identify and meet evolving workforce needs.)

FIGURE 32

Ability of your learning function to quickly identify and meet evolving workforce needs



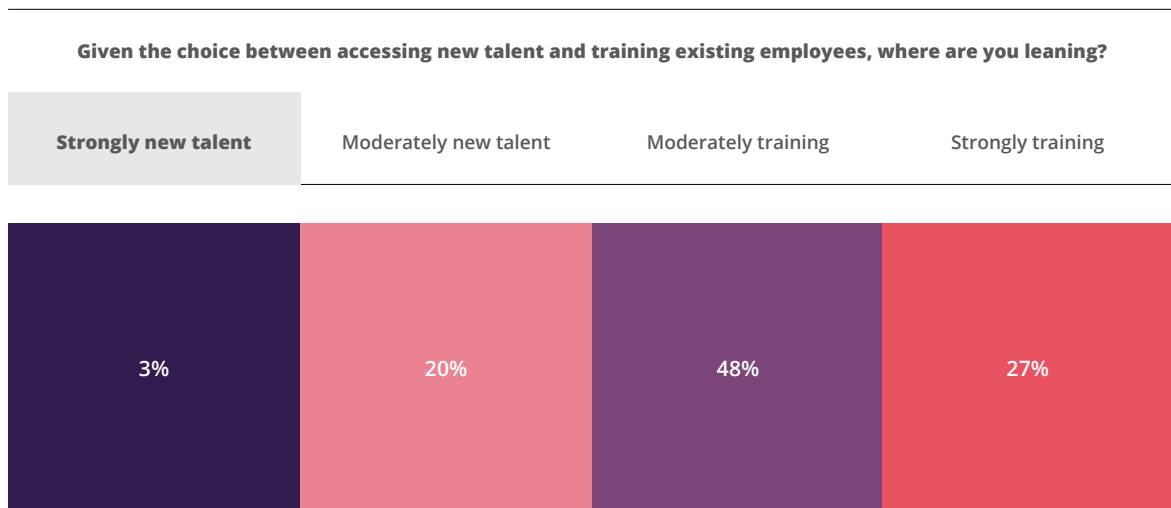
Note: Some percentages may not total to 100 percent due to rounding

Twenty percent of South African organisations lean moderately towards accessing new talent, while 27 percent lean strongly towards training existing

talent (refer to Figure 33: Your organisation’s preference for accessing new talent or training existing employees).

FIGURE 33

Your organisation’s preference for accessing new talent or training existing employees

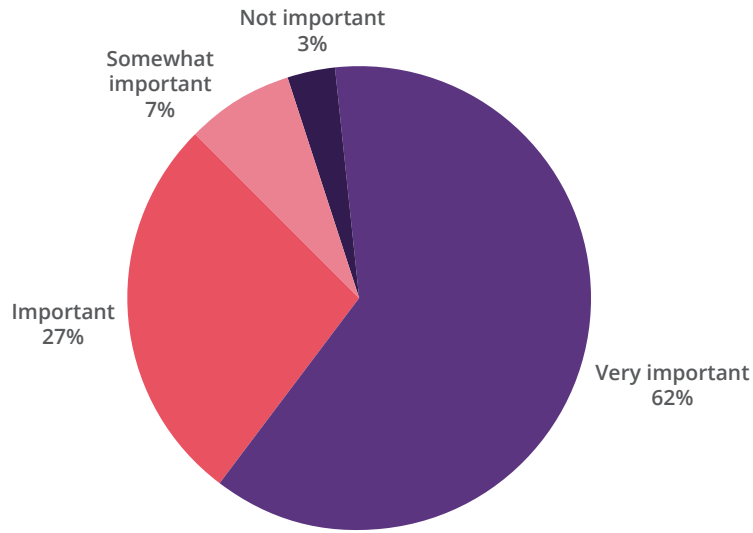


Note: Some percentages may not total to 100 percent due to rounding

What employees need are new challenges, new ways of working, and new environments to work in. Some changes may be about providing the right training, but many more are about creating the type of situation where employees are encouraged and able

to develop their skills as part of their work. Sixty-two percent of South African respondents report that learning is very important in driving employee engagement (refer to Figure 34: Importance of learning to drive employee engagement).

FIGURE 34
Importance of learning to drive employee engagement



Note: Some percentages may not total to 100 percent due to rounding

Many organisations invest in learning interventions that narrowly focus on short-term skills training at the expense of cultivating a culture that enables employees to embrace learning as an ever-changing imperative. (Source: Manpower Group, 2018)

With careers now spanning 50 to 60 years, lifelong learning has evolved from a matter of career advancement to commonplace survival in the

workplace. The challenge for business leaders is to integrate ongoing learning with this natural flow of life. Organisations should aim to incorporate development and work, and then utilise shared ownership and accountability between workers and leadership to excel in life-long learning strategies. The demand for learning is increasing because every job is changing. (Source: Deloitte Global Human Capital Trends report, 2019)

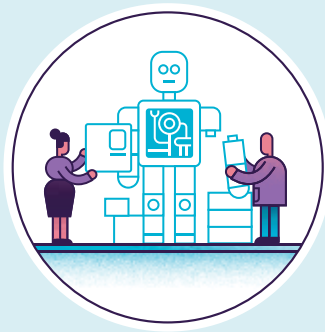
Questions South African organisations should ask to determine actions to take

South African organisations should ask the following questions to determine what actions they should take to address this trend:

- How far has our organisation gone to explore non-traditional L&D channels such as mobile learning, social platforms, adaptive learning, virtual reality learning and gamification?
- How are our organisation's learning priorities changing to cater to new technologies and the new skills that will be needed for jobs?

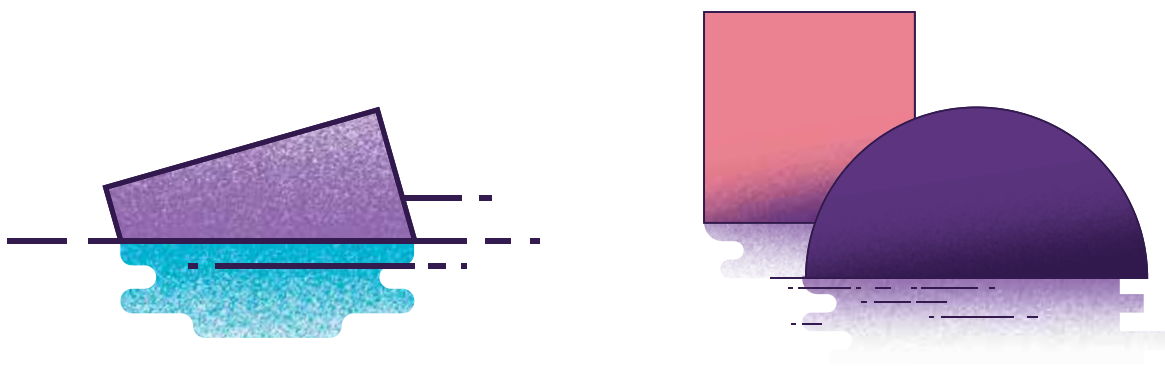
- Has our organisation mapped its digital future and organised learning programmes for the various jobs and skills required in the short and medium term?

In a world where technology is changing jobs and people are living longer lives with more diverse careers, organisations have not only an opportunity, but a responsibility, to reinvent learning so that it integrates into the flow of work – and life. In the age of the social enterprise, organisations will realise that creating and maintaining a culture of lifelong learning is not just part of their mission and purpose but is what gives their workers meaning both in and out of the workplace. (Source: Deloitte Global Human Capital Trends report, 2019)



Level of effort: Learning in the flow of life **Recode**

Integrating learning into the flow of work and life, and empowering people to actively develop throughout their lives, are significant challenges that will require leaders to dramatically rethink their approaches to learning, reskilling and capability development.





Talent mobility

Winning the war on the home front

As organisations globalise and compete aggressively for top talent, the importance of internal, enterprise-wide talent mobility has become paramount. Organisations can no longer expect to source and hire enough people with all the capabilities they need; they must move and develop people internally to thrive. A new set of norms governing internal mobility is needed to do this well.

At leading organisations, mobility will be perceived as a natural, normal progression instead of as a major change in one's career; opportunities to move will be extended to workers at all levels, not just managers and team leaders; and technology will enable a streamlined mobility process for moves between functions, jobs and projects as well as geographies. (Source: Deloitte Global Human Capital Trends report, 2019)

The South African context

There are many new types of worker categories emerging, such as part-time workers, freelancers, long-term contractors, independent workers, and other workers who rely on platforms, apps or websites to generate work opportunities. What changes does the organisation need to make to source, hire and recruit from these categories?

The need for talent is changing at a rapid rate, and the need for employees to consider different job and employment opportunities is also rapidly changing. Contract, contingent and gig work is here to stay. The economy has become a workforce of imaginative entrepreneurs, often working full-time and part-time to make ends meet.

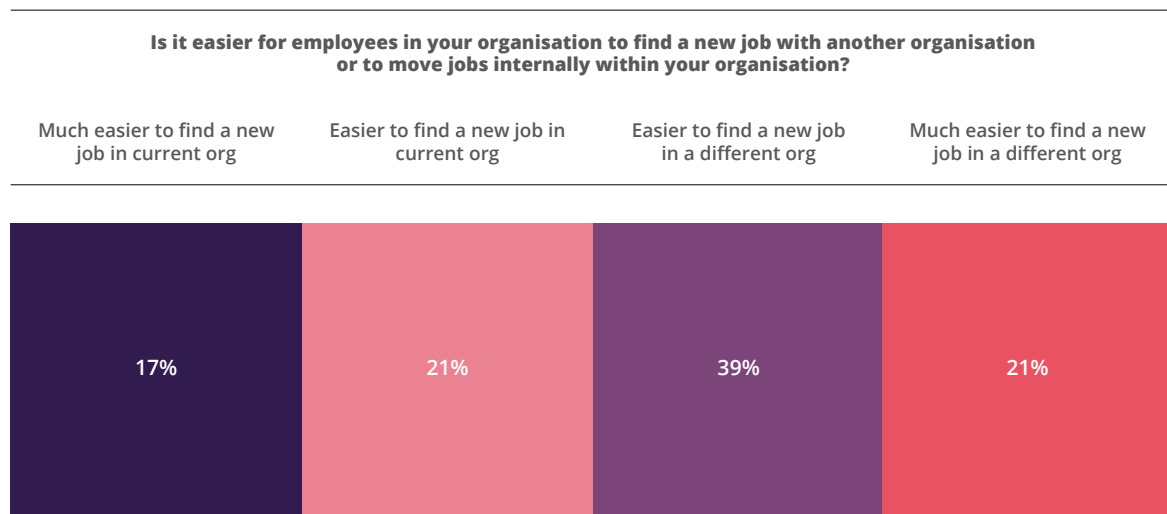
Today, contractors and freelancers have become key players in many organisations' strategies. Some workers move off the balance sheet for flexibility or out of necessity, but we should ask what impact this has on the organisation and the individual worker. (Source: Purpose, passion and independent work, Deloitte Insights)

In South Africa, 54 percent of respondents state that employees are somewhat mobile within divisions. Fourteen percent are highly mobile across projects and assignments, while 11 percent are highly mobile across countries.

The most significant potential source of talent for many organisations is access to the enterprise's **own workforce and internal talent market**. This market is the most overlooked and undervalued, with many organisations finding it amazingly difficult to access. Thirty-nine percent of South African respondents say it is easier to find a new job in a different organisation than in their current organisation (refer to Figure 35: Ease of finding a new job in another organisation versus moving jobs internally).

FIGURE 35

Ease of finding a new job in another organisation versus moving jobs internally



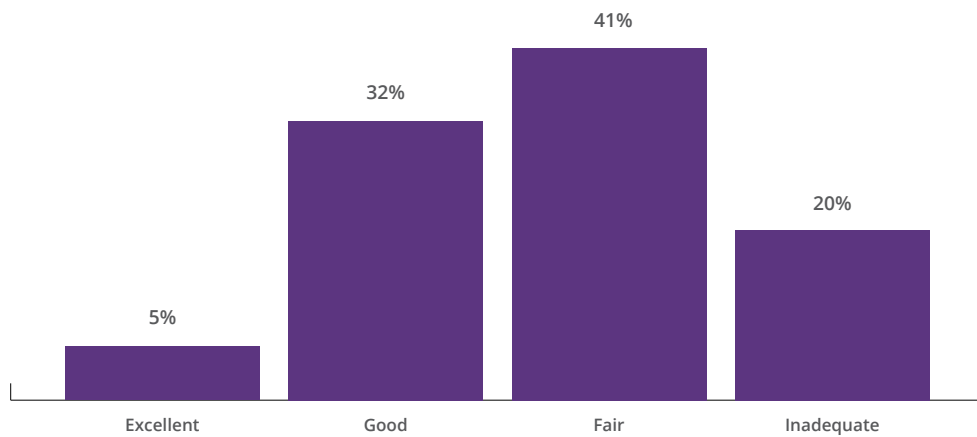
Note: Some percentages may not total to 100 percent due to rounding

Forty-one percent of South African respondents feel that their organisation is reasonably effective at enabling talent mobility, which is a positive outcome in the context of this trend.

Only 20 percent report that their organisation is inadequate. (Refer to Figure 36: Effectiveness of organisation at enabling internal talent mobility.)

FIGURE 36

Effectiveness of organisation at enabling internal talent mobility

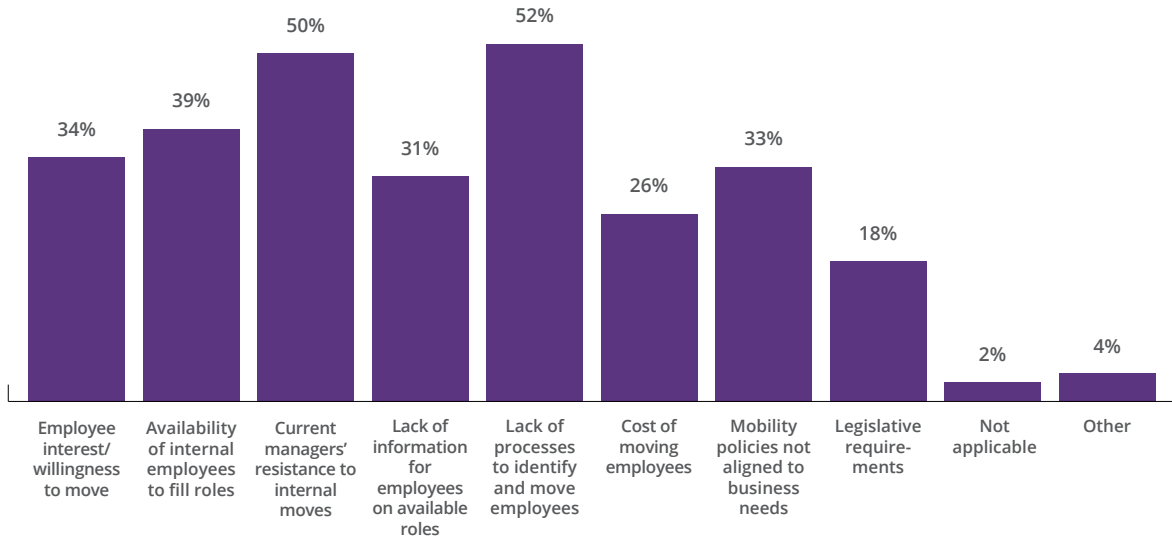


Note: Some percentages may not total to 100 percent due to rounding

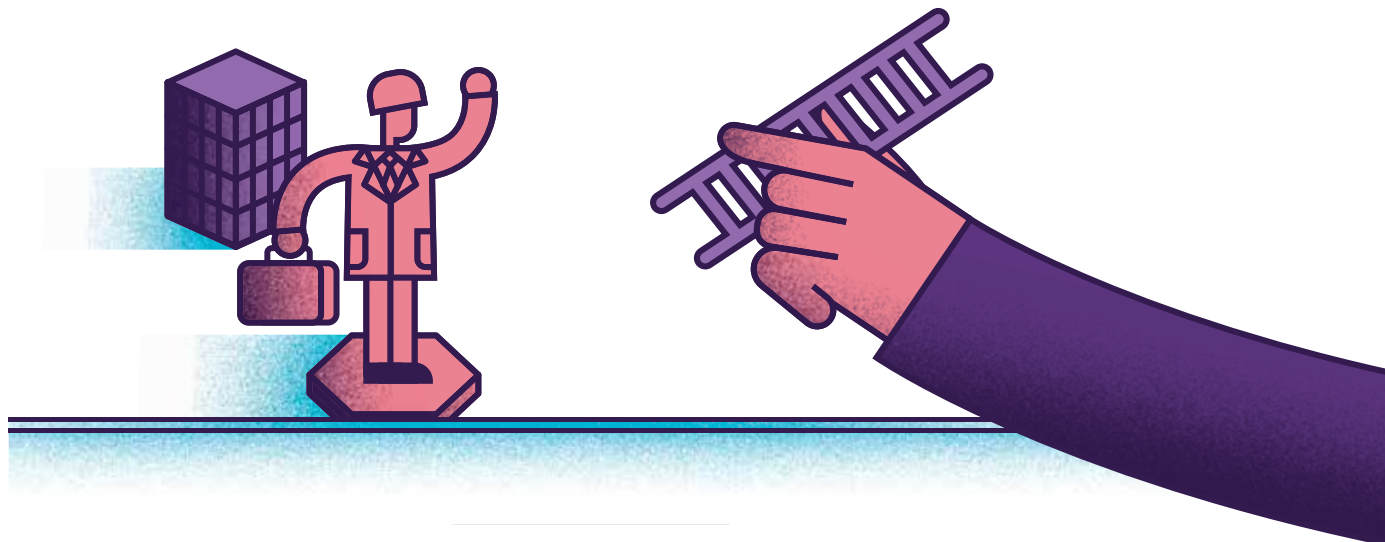
The top three barriers that South African respondents identify in terms of internal talent mobility include a lack of processes to identify and move employees (52 percent), a current manager’s

resistance to internal moves (50 percent) and the availability of internal employees to fill roles (39 percent) (refer to Figure 37: Top three barriers to internal talent mobility).

FIGURE 37
Top three barriers to internal talent mobility



Note: Some percentages may not total to 100 percent due to rounding



Why is internal mobility hard?

Although internal mobility is a high priority, it is not easy to do well. Globally, only 6 percent of respondents believe they are excellent at moving people from role to role. In South Africa, only 5 percent feel the same way, tracking the global trend closely.

One reason why internal mobility is difficult is that most organisations are modelled around hierarchical structures, with systems that people enter at the bottom and spend time working their way up for increased influence, impact and rewards. However, while organisations have spent decades building career and promotion models to help people move up the pyramid, it is not the same as having a vibrant, easy-to-navigate internal mobility market and culture across the organisation.

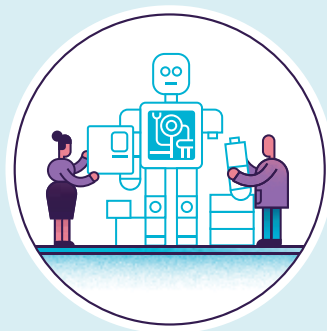
Incentives are rarely set up to encourage hiring from within. Unless hiring managers are actively encouraged and rewarded for hiring internal candidates, they may just pass over existing employees who are looking to change roles in the organisation. Managers should also be discouraged from resisting other departments' or managers' efforts to recruit candidates from their teams. (Source: Deloitte Global Human Capital Trends report, 2019)

Questions South African organisations should consider to determine actions to take

South African organisations should ask the following questions to determine what steps they should take to address this trend:

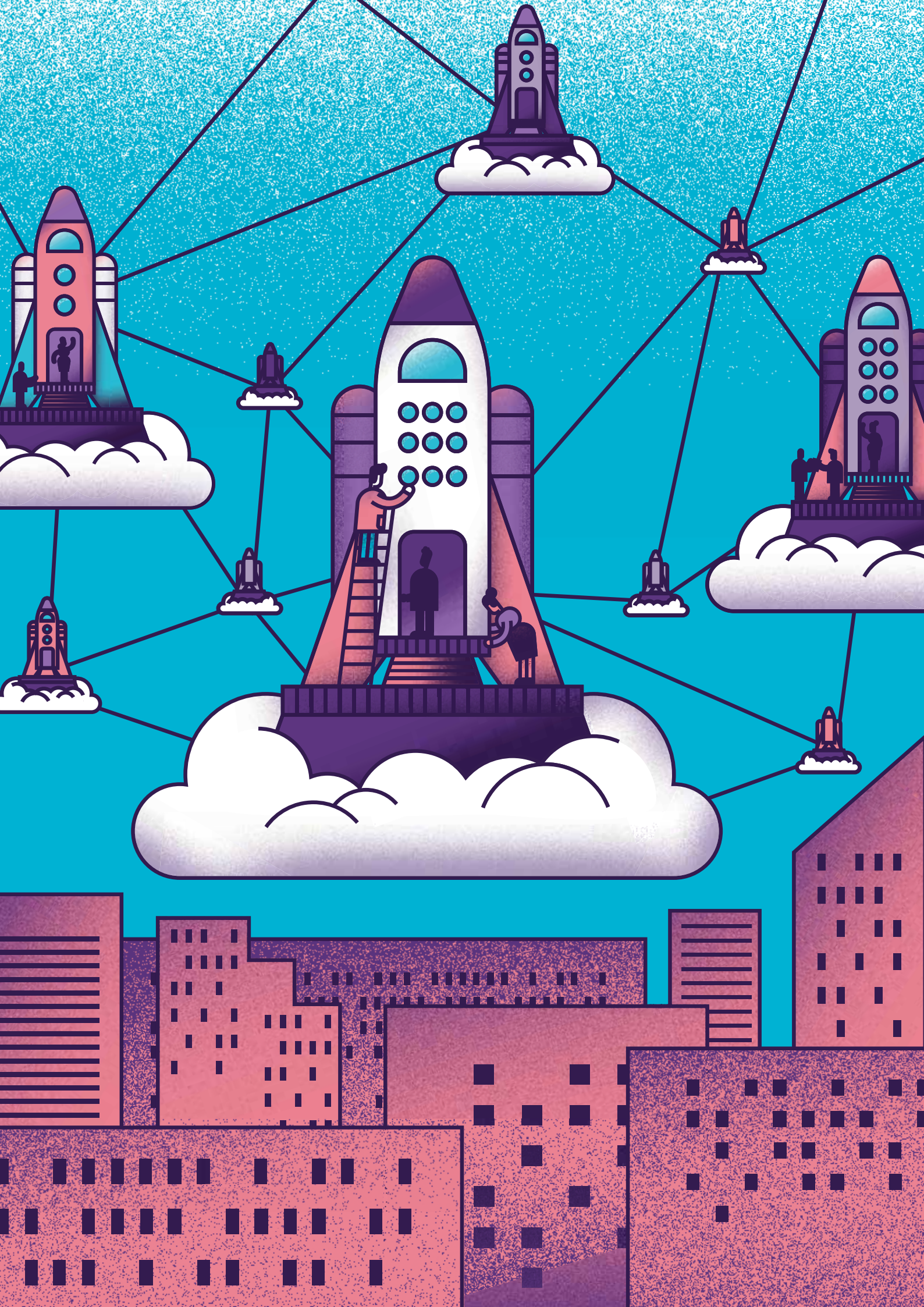
- What programmes are in place to manage the mobility of new types of worker categories that are emerging?
- How is our organisation reimagining and rebuilding internal mobility and career strategies and programmes?
- What is our organisation doing to create an internal talent and career marketing environment that is as dynamic as the external market?

Internal mobility, in short, can be a significant source of critical talent and competitive advantage. To do it well requires investment and a focus on culture, infrastructure and incentives – but it is an investment well worth considering for leaders looking for ways to bridge the talent gap. In an economy where outside talent is becoming more and more difficult to find and attract, looking within can make the crucial difference between struggling and succeeding.



Level of effort: Talent mobility **Recode**

To create an internal talent and career market that is competitive with dynamic external talent markets, many organisations need to completely reimagine and rebuild their internal mobility and career strategies and programmes. A starting point is to recode prevailing norms about mobility to support movement between teams, jobs, functions, and geographies as a natural step in a worker's career.



HR cloud

A launch pad, not a destination

New digital and cloud solutions force organisations to consistently review and adapt to new ways of working. This constantly challenges us to examine the way we work, the workforce structure and, of course, our roles within this new way of working.

Organisations have started this move to digital cloud-based solutions, which is set to accelerate in 2019. Cloud-based human capital systems are evolving exponentially, considering the incorporation of automation, robotic process automation, chatbots and artificial intelligence, and the benefits to organisations are significant. (Source: Deloitte Global Human Capital Trends report, 2019)

The South African context

Over the last few years, significant progress has been made in HR's move to the cloud. Although cloud computing platforms have, in general, been wildly successful, many vendors have faced challenges in keeping up with innovative talent management practices, which has driven organisations to adopt best-of-breed solutions to fill the gaps.

Also, many organisations adopting cloud-based human capital management (HCM) systems are not placing enough emphasis on complementary transformational activities, such as redesigning their operating model, data architecture and user experience. This is leading to technology implementations that are not delivering their full potential. Nonetheless, cloud-based HCM is establishing a foundation for change and innovation, enabling organisations to shift their energies towards more pressing challenges. (Source: Deloitte Global Human Capital Trends report, 2019)

If we look at human capital within the South African context, several challenges highlight the pitfalls to avoid when moving to digital solutions:

First, many organisations still have mixed HR systems in place. Only 7 percent of South African respondents feel they have a fully integrated HR platform in place, with 36 percent indicating that they still use manual spreadsheets.

Second, most cloud vendors have not been keeping up with rapid business innovation and technological advancements. The average HR department has more than nine systems of record – up from eight a year ago – demonstrating that organisations continue to buy more and more solutions to meet their needs.

Third, cloud vendors have, in some cases, oversold their systems' capabilities. When asked what they expected versus what they had realised from the cloud, respondents' results were mixed.

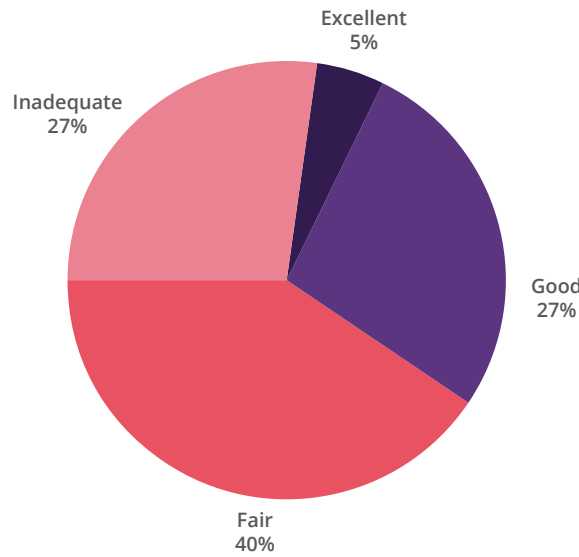
Five percent of respondents believe their current suite of HR technologies is excellently positioned to meet the needs of their business. Twenty-seven percent of respondents indicate that their HR technology is inadequate.

This points to the fact that organisations' HR technologies are no longer supporting the execution of the overall business strategy. Organisations need a new framework to navigate an uncertain future, to stay relevant and to adapt to an ever-changing

business climate and younger employees. (Refer to Figure 38: Extent to which your current suite of HR technologies is positioned to meet the needs of your business.)

FIGURE 38

Extent to which your current suite of HR technologies is positioned to meet the needs of your business



Note: Some percentages may not total to 100 percent due to rounding

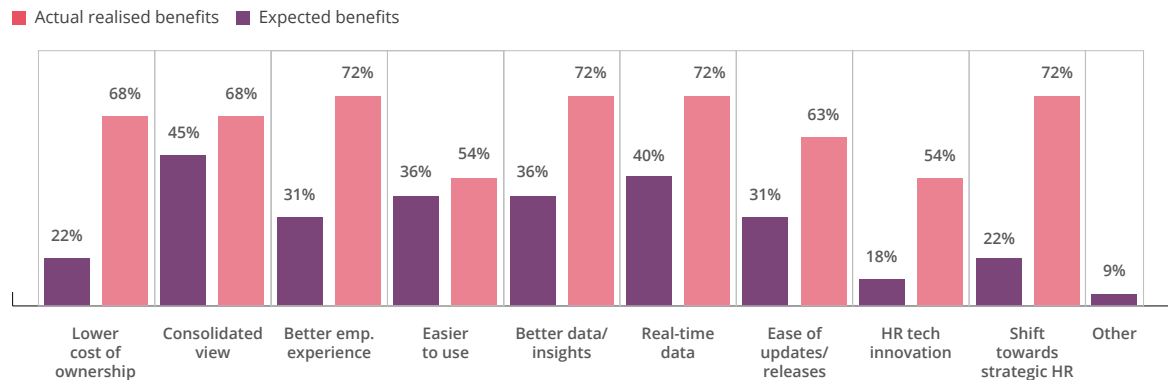
If we consider companies' expectations from cloud-based HCM, respondents expect the following:

- A consolidated view of data (45 percent)
- Real-time data (40 percent)
- Ease of use (36 percent)

- Better employee experience (31 percent) (Refer to Figure 39: Expectations from moving to cloud-based systems.)

FIGURE 39

Expectations from moving to cloud-based systems



Note: Some percentages may not total to 100 percent due to rounding

Thirty-six percent of respondents report that the move to cloud impacted roles and the ways of working in the HR operating model by:

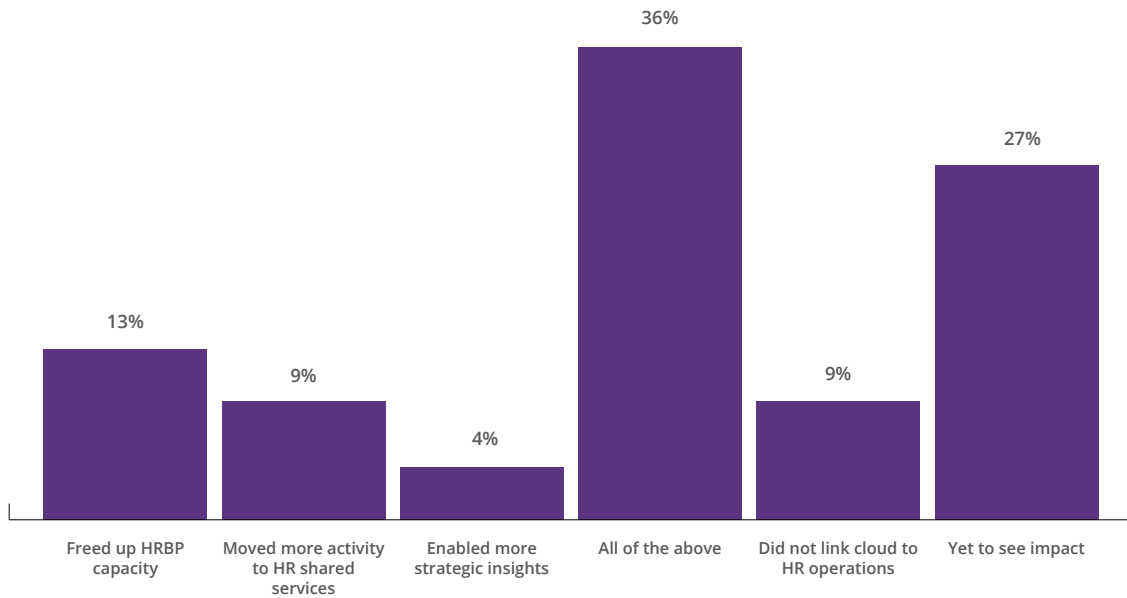
- freeing up HR business partners' capacity (13 percent);
- moving more activity to HR shared services (9 percent); and

- enabling more strategic insights by aligning the workforce to the organisational strategy through improved line of sight (4 percent)

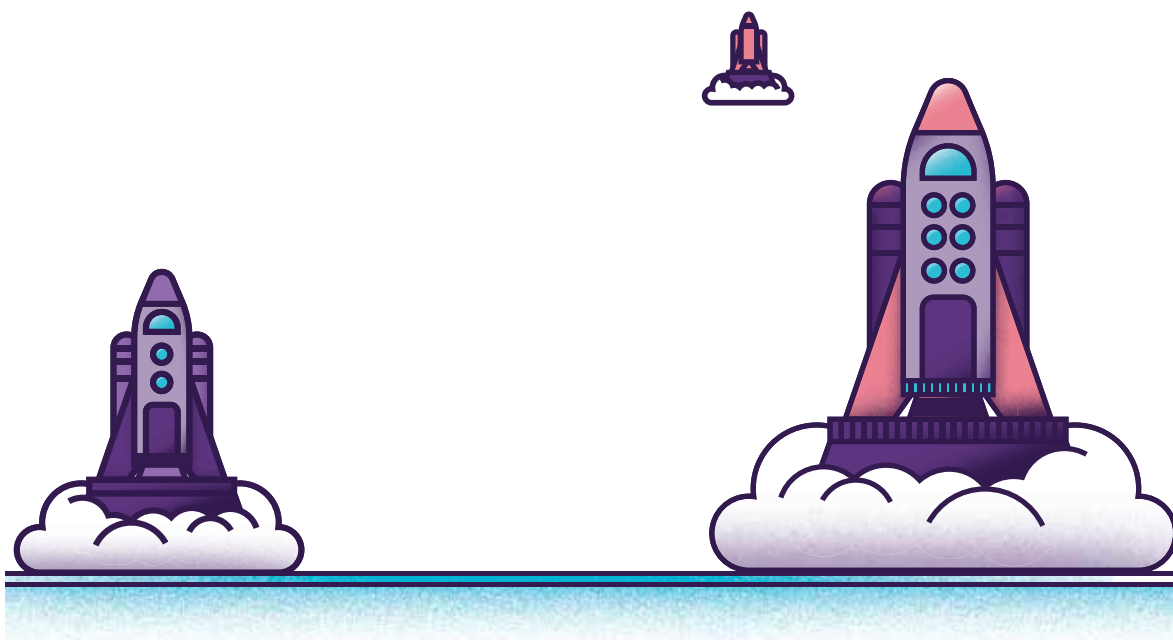
(Refer to Figure 40: If cloud-based, how did the move to cloud impact roles in an HR operating model?)

FIGURE 40

If cloud-based, how did the move to cloud impact roles in an HR operating model?



Note: Some percentages may not total to 100 percent due to rounding



It is significant that 52 percent of respondents indicate they will prioritise employee experience platforms as part of their HR technology investment, showing the importance of this as an emerging HR priority. Organisations need to revisit their strategy, their roles and their workforce, to enable a move into this digital and highly technology-driven way of working. This includes reviewing existing skills and those required for the future – **and the future is NOW.**

Questions South African organisations should ask to determine actions to take

South African organisations should ask the following questions to determine what steps they should take to address this trend:

- How far has the organisation gone in terms of moving HR to cloud-based platforms and consolidating HR systems?

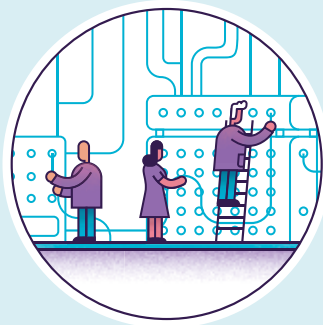
- To what extent has the organisation integrated cloud-based HR systems with cognitive technologies, AI, and robotics?

- How could the organisation upskill and reskill employees to make the best use of digital HR platforms, for a more efficient talent management and employee experience?

- How will HR use technology, including AI, to reinvent itself and its operations as a whole?

- What will the future HR organisation be responsible for?

The bottom line: While many of the challenges with HR technology remain, the pace of development has quickened, giving organisations a tremendous range of options in their plans for the future. The idea of a single, integrated cloud platform has not solved everything – but it has given organisations a solid foundation on which to build. (Source: Deloitte Global Human Capital Trends report, 2019)



Level of effort: HR cloud **Rewire**

Organisations have made progress with implementing cloud-based HR systems. The next step is to integrate cloud platforms with cognitive technologies, AI, and robotics, and to deploy technologies that improve a worker's digital experience by giving them a single consistent interface through which to access HR services and information.

Appendix A

Trend importance and urgency

FIGURE 41

Trend importance by region

	All respondents	Africa	Asia	Central and Eastern Europe	Latin and South America	Middle East	Nordic countries	North America	Oceania	Western Europe
Learning	86%	90%	86%	84%	90%	88%	89%	88%	91%	81%
Human experience	84%	88%	86%	82%	89%	90%	86%	85%	85%	75%
Leadership	80%	85%	86%	81%	79%	84%	81%	83%	81%	72%
Talent mobility	76%	81%	79%	71%	81%	78%	74%	75%	78%	70%
HR cloud	74%	82%	75%	71%	78%	85%	68%	75%	77%	68%
Talent access	70%	79%	74%	67%	73%	77%	71%	68%	75%	64%
Rewards	69%	78%	75%	67%	79%	76%	54%	63%	65%	59%
Superjobs	66%	79%	72%	63%	70%	75%	55%	62%	61%	60%
Teams	65%	72%	65%	56%	74%	69%	63%	57%	71%	62%
Alternative workforce	41%	43%	45%	35%	52%	52%	28%	32%	44%	35%

Note: Percentages represent the percentage of respondents who said the topic was important or very important to their organisation's success in the next 12 to 18 months.

Source: Deloitte Global *Human Capital Trends* survey, 2019

FIGURE 42

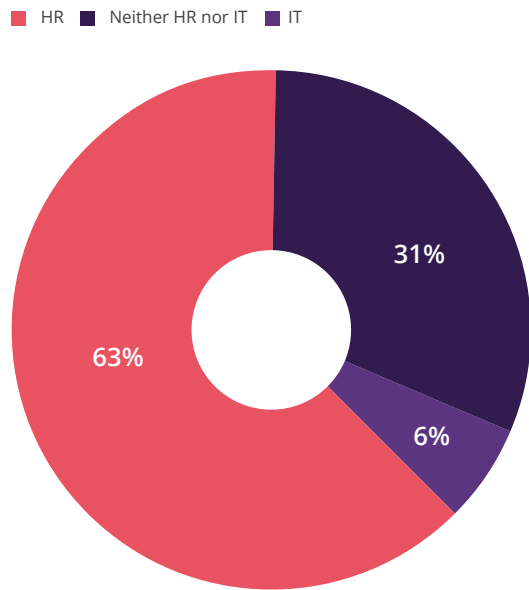
Trend importance by industry

	All industries	Consumer	Energy, resources, and industrials	Financial services	Government and public services	Life sciences and health care	Professional services	Technology, media & telecom
Learning	86%	86%	85%	89%	84%	82%	87%	89%
Human experience	84%	85%	83%	86%	80%	83%	85%	85%
Leadership	80%	80%	81%	81%	72%	79%	79%	82%
Talent mobility	76%	75%	78%	80%	73%	75%	75%	79%
HR cloud	74%	76%	74%	79%	72%	70%	73%	76%
Talent access	70%	70%	67%	75%	69%	70%	71%	73%
Rewards	69%	72%	68%	72%	55%	67%	70%	72%
Superjobs	66%	69%	69%	68%	65%	63%	64%	65%
Teams	65%	63%	60%	71%	56%	60%	71%	70%
Alternative workforce	41%	38%	37%	38%	34%	34%	55%	44%

Note: Percentages represent the percentage of respondents who said the topic was important or very important to their organisation's success in the next 12 to 18 months.

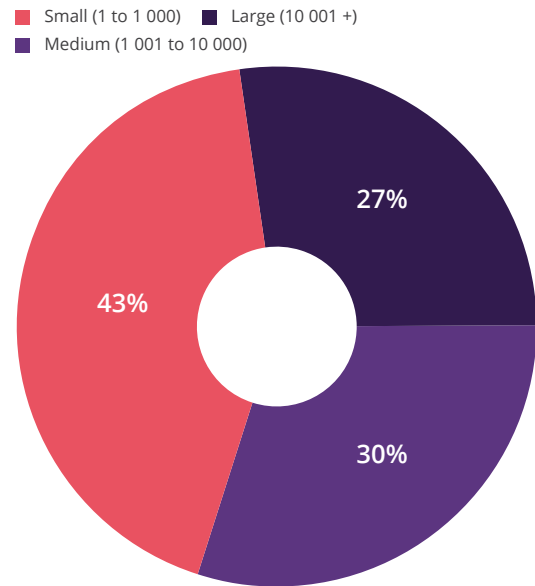
Source: Deloitte Global *Human Capital Trends* survey, 2019

FIGURE 43
Respondents by function



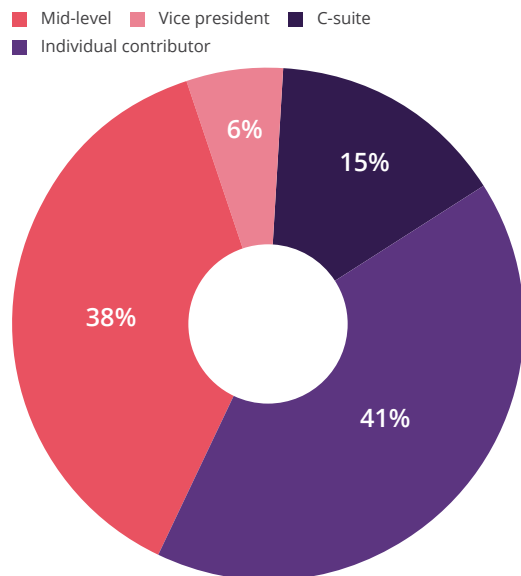
Source: Deloitte Global *Human Capital Trends* survey, 2019

FIGURE 44
Respondents by organisation size (number of employees)



Source: Deloitte Global *Human Capital Trends* survey, 2019

FIGURE 45
Respondent by level



Source: Deloitte Global *Human Capital Trends* Survey, 2019

FIGURE 46

Respondent by country

	Number of respondents		Number of respondents		Number of respondents
United States	844	Chile	232	Turkey	164
Germany	606	Ukraine	232	Norway	148
Belgium	455	India	225	El Salvador	140
Japan	375	People's Republic of China	215	Peru	139
Mexico	368	Brazil	194	Guatemala	134
South Africa	345	France	189	Netherlands	134
Poland	300	Finland	188	Australia	122
Costa Rica	261	United Kingdom	185	Argentina	120
Ecuador	246	Colombia	184	Indonesia	116
Canada	240	Russian Federation	175	Denmark	113
				Other	2 064
				Total	9 453

Source: Deloitte Global Human Capital Trends survey, 2019

FIGURE 47

South African respondents - 345

■ HR ■ Neither HR nor IT ■ IT

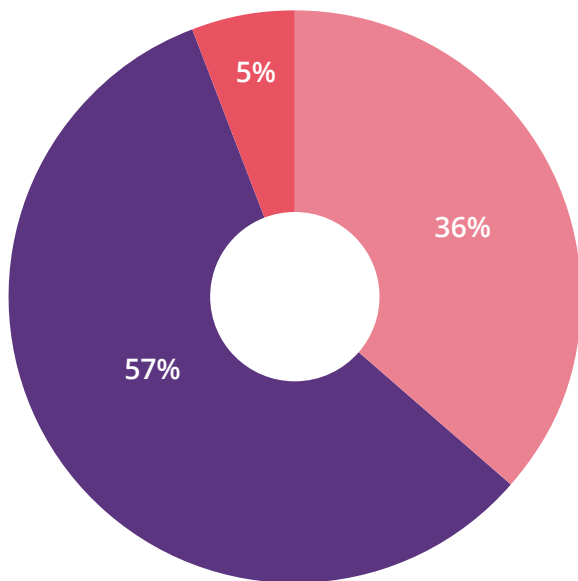


FIGURE 48

Total respondents - 9 453

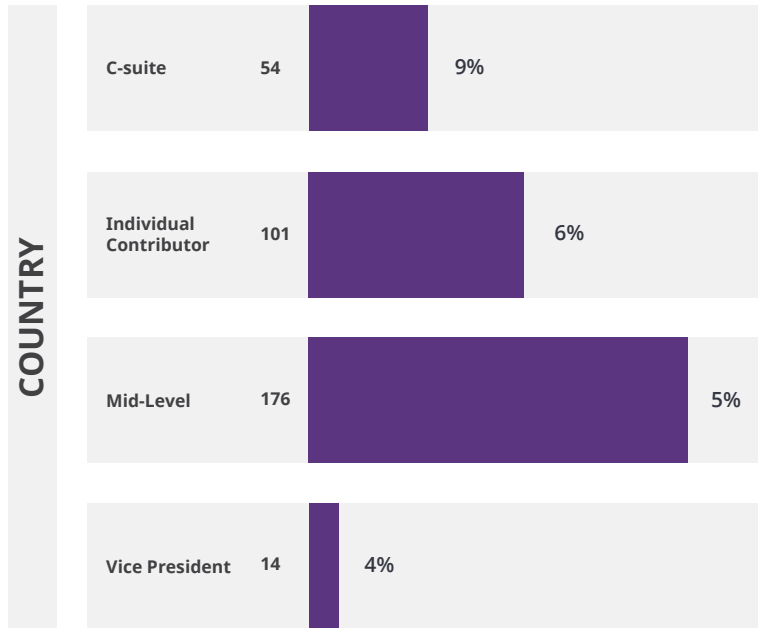
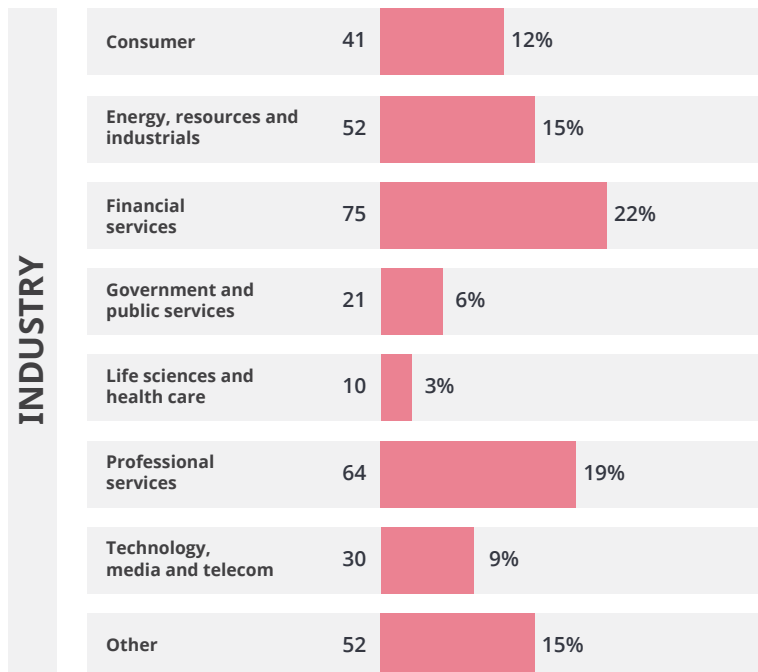


FIGURE 49

Total respondents - 345 (industry breakdown for South Africa)



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