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The rise of the social enterprise

2018 Middle East Human Capital Trends

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COVER AND CHAPTER ILLUSTRATIONS BY TRACI DABERKO

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Introduction

The rise of the social enterprise

Drawing on a survey of more than 11,070 HR and business leaders globally across 124 countries, represented by 427 based in the Middle East, the Deloitte Global Human Capital 2018 report describes the emergence of the social enterprise as a response to heightened societal expectations and rapid technological change—and the human capital implications for organizations to address today.

I N past Global Human Capital Trends reports, we have noted the movement of many organizations toward a "network of teams" operating model that aims to enable greater collaboration and internal agility.

The focus was on the work, the workforce, and HR; from how it should be designed, how the employee experience should be set up, how to empower and engage teams, how to build a culture of continuous learning, and how to leverage data, cognitive, AI and robotics.

This year, we are seeing increased pressure from the external environment on organizations to change on a faster timeline and do more by combining revenue growth and profit-making with the need to respect and support their environment and stakeholder network. This includes listening to, and actively managing the trends that are shaping today's world, act as a role model for their peers, and promote a high degree of collaboration at every level of the organization.

WHAT IS A SOCIAL ENTERPRISE?

A social enterprise is an organization 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 organization that shoulders its responsibility to be a good citizen (both inside and outside the organization), serving as a role model for its peers and promoting a high degree of collaboration at every level of the organization.

Figure 1. The evolution of the social enterprise
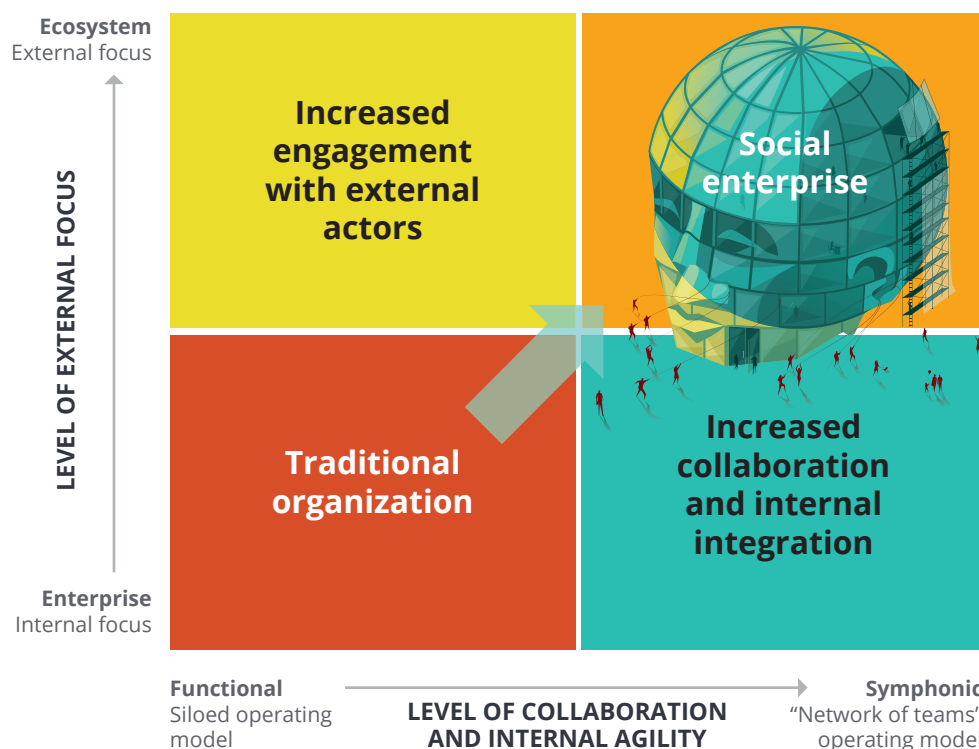
Source: Deloitte *Global Human Capital Trends* survey, 2018.

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There are three macro themes driving the need for the social enterprise.

First, the power of the individual is growing, with millennials at the forefront:

For the first time in mature markets, young people believe that their lives will be worse than those of their parents—and they are actively questioning the core premises of corporate behavior and the economic and social principles that guide it. 86% of millennials think business success should be measured by more than just financial performance.[1]

Second, businesses are being expected to fill a widening leadership gap in society:

There is a widespread perception that political systems are growing progressively polarized and scarcely effective at meeting social challenges.

Citizens believe that government is not making the world more equal or fair, and that it is failing to address critical issues such as income inequality, health care, diversity, and cybersecurity. They are looking to business to fill the gap, 52% trust in business "to do what is right," vs. 43% in government.[2]

Third, technological change is causing unforeseen impact on society even as it creates massive opportunities to achieve sustainable, inclusive growth: Advances in artificial intelligence (AI) and new communications technologies are fundamentally changing how work gets done, who does it, and how work influences society.

87% of C-level executives say that digital revolution will lead to more equality and stability, providing a greater ability than the governments' in influencing and shaping the future. [3]

How are leading companies responding to the rise of the social enterprise?

The 10 human capital trends we explore in this year's report come together to create an integrated view of the social enterprise.

TREND 1. THE SYMPHONIC C-SUITE: TEAMS LEADING TEAMS

Senior leaders cannot afford to work in silos in today's complex, dynamic environment. The goal is to act as a symphony of experts playing in harmony—instead of a cacophony of experts who sound great alone but not together.

TREND 2. THE WORKFORCE ECOSYSTEM: MANAGING BEYOND THE ENTERPRISE

The composition of the workforce is changing dramatically. As alternative work arrangements become more common, how can organizations appeal to, engage with, and drive value through workers of all different types?

TREND 3. NEW REWARDS: PERSONALIZED, AGILE, AND HOLISTIC

Why have rewards remained stuck in the past, when almost every other aspect of HR has undergone transformative change? Leading companies are now undertaking the hard work of creating personalized rewards programs based on understanding each individual's needs.

TREND 4. FROM CAREERS TO EXPERIENCES: NEW PATHWAYS

Rather than an orderly and sequential progression from job to job, 21st-century careers can be viewed as a series of developmental experiences, each offering the opportunity to acquire new kills, perspectives, and judgment.

TREND 5. THE LONGEVITY DIVIDEND: WORK IN AN ERA OF 100-YEAR LIVES

People are living longer, and organizations are shifting their attitudes toward older workers as a result. Organizations that can turn advancing worker age into an asset could gain a competitive advantage.

TREND 6. CITIZENSHIP AND SOCIAL IMPACT: SOCIETY HOLDS THE MIRROR

Stakeholders today are taking an intense look at organizations' impact on society, and their expectations for good corporate citizenship are rising. In an effort to meet these expectations, leading organizations are making citizenship a core part of their strategy and identity.

TREND 7. WELL-BEING: A STRATEGY AND A RESPONSIBILITY

Many employers are putting in place innovative programs for financial wellness, mental health, healthy diet and exercise, mindfulness, sleep, stress management, and more. The aim? To both increase worker productivity and meet new social expectations.

TREND 8. ARTIFICIAL INTELLIGENCE, ROBOTICS, AND AUTOMATION: PUT HUMANS IN THE LOOP

As AI and other advanced technologies permeate the workplace, skills such as critical thinking, creativity, and problem-solving gain in importance. Leading companies are recognizing that these technologies are most effective when they complement humans, not replace them.

TREND 9. THE HYPER-CONNECTED WORKPLACE: WILL PRODUCTIVITY REIGN?

Workplaces are being flooded with new and exciting communications tools, each promising to improve productivity. But management must still make important decisions about which tools to use and how to use them—including, perhaps, the decision not to use certain tools at all.

TREND 10. PEOPLE DATA: HOW FAR IS TOO FAR?

The use of workforce data to analyze, predict, and help improve performance has exploded over the last few years. But as organizations start to use people data in earnest, new risks as well as opportunities are taking shape.

Appendix A: Trend importance by region, industry, and organization size

Table 1. Trend importance by region

	Global	Americas		Europe, Middle East & Africa					Asia Pacific	
		Latin & South America	North America	Africa	Central & Eastern Europe	Middle East	Nordic countries	Western Europe	Asia	Oceania
The symphonic C-suite	**85.0%**	91.7%	84.8%	88.8%	81.5%	83.4%	80.1%	76.9%	90.6%	88.3%
People data	**84.8%**	88.2%	85.0%	89.3%	81.4%	86.4%	84.7%	77.2%	90.1%	85.6%
From careers to experiences	**84.1%**	87.2%	80.6%	84.7%	80.3%	81.3%	81.4%	79.8%	91.6%	87.3%
Well-being	**84.0%**	88.2%	78.9%	88.0%	75.1%	84.8%	83.3%	80.1%	91.6%	86.6%
The hyper-connected workplace	**82.1%**	85.5%	84.6%	85.0%	72.8%	79.9%	84.3%	78.9%	83.6%	89.0%
New rewards	**77.4%**	85.3%	71.1%	85.6%	74.8%	85.0%	58.8%	69.8%	87.5%	65.6%
Citizenship and social impact	**76.7%**	81.0%	76.1%	86.8%	63.6%	76.6%	67.8%	72.0%	83.0%	82.8%
AI, robotics, and automation	**72.4%**	70.4%	64.5%	70.7%	67.0%	74.5%	83.0%	69.2%	84.1%	73.2%
The longevity dividend	**69.1%**	74.8%	59.7%	73.2%	58.1%	70.5%	63.8%	69.2%	76.5%	66.7%
The workforce ecosystem	**65.4%**	72.4%	53.8%	71.2%	61.0%	70.3%	58.0%	60.1%	76.5%	61.5%

n = 11,070
n= 427 covering the M.E.
Note: Figures represent the percentage of respondents rating each trend "important" or "very important."
Source: Deloitte *Global Human Capital Trends* survey, 2018.

Globally, the symphonic C-suite is ranked first in terms of importance, with 85% of executives' surveyed rating C-suite collaboration as important or very important, followed by people data in second place and from career to experience in third place.

Middle Eastern companies ranked the importance of trends slightly differently. People data topped the list with 86.4% of respondents viewing it as the most important trend. Nevertheless, people data is mainly used in "operational reporting" (cost, utilization or compliance) and not for predictive analytics.

Companies can benefit a lot by heavily investing in programs to use data for workforce planning, talent management, and operational improvement. This will lead to data-driven decisions and a more strategic attitude towards HR.

On the Rewards practices side, organizations in the Middle East are still applying a one-size-fits-all approach. Although they recognize the need to change their rewards programs from strictly standardized to highly personalized and flexible solutions, they are still not ready to deal with this challenge.

Figure 1. Importance vs. readiness comparison in the Middle East
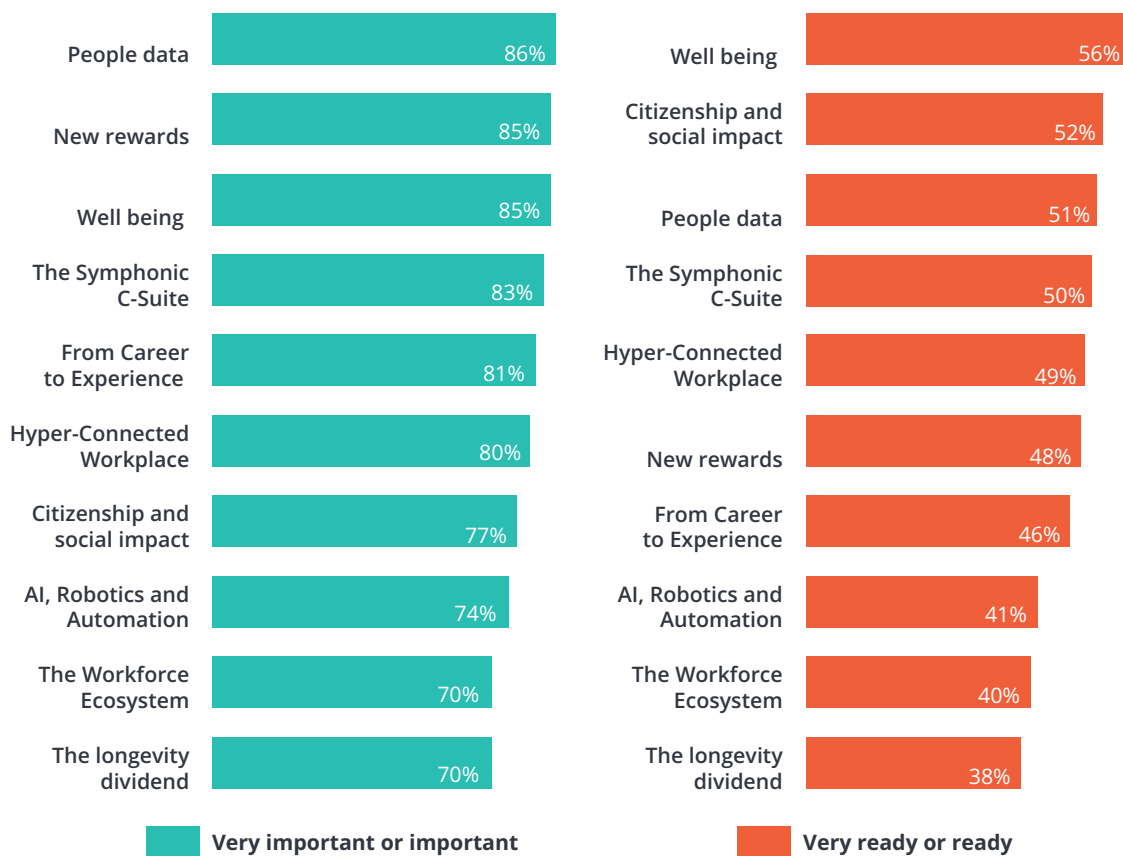
Gap analysis overall (n = 427)

Research shows that employees are looking for agile compensation programs that provide raises, bonuses, and other customized incentives more than once a year and beyond narrow tenure requirements. In a tight labor market, personalized and holistic rewards will be real differentiators in attracting and retaining talent. Organizations need to start thinking about a more agile rewards system to keep existing talent motivated and to appeal to future talent.

Despite the fact that 85% of respondents stated that well-being is very important for their organizations, the majority of them offer basic, traditional well-being programs that focus on safety, employees, and medical assistance. Empowering employees' well-being is a strategic imperative in today's social enterprise, and is a significant contributor to building an organization's social capital.

Well-being now encompasses everything from health assistance and financial wellness, to stress management and volunteerism. Organizations will need to focus on their employees' well-being to achieve an engaged and productive workforce that will lead the way to success.

> People today have less trust in their political and social institutions than they have in years; many expect business leaders to fill the gap.

Aligned with global results, Middle Eastern companies acknowledge that leadership collaboration is vital for organizations' continuous success and higher business growth; but in reality the majority of collaboration is steered around sharing ideas and troubleshooting problems and less on long-term interdependent work or partnering on strategic initiatives.

C-suite leaders must get out of their silos and take a symphonic approach to solve complex, cross-organizational challenges in the emerging social enterprise. Behaving as a social enterprise demands an unprecedented level of cross-functional vision, connectivity, and collaboration from C-suite leaders.

Current development programs focus on knowledge, skills, and competencies for advancements along defined career paths and less on key experiences and collaborative learning. Career paths generally progress up through the organization hierarchy based on both organizational need and employees' interest.

With advances in technology disrupting the workforce, organizations need to be prepared by focusing on continuous reskilling, new experiences, and building a culture of learning.

62% of Middle East respondents believe employees will spend more time on collaboration platforms, and 60% predict an increase in instant messaging. Organizations in the region are operating under different working models, not only with full-time employees, but also with associates, stakeholders, and clients across regions. Therefore, new communications tools coupled with flexible workspaces and integrated leadership approaches, are powering new ways of conducting business.

37% reported that social responsibility programs exist but are not well developed or invested in, and only a few reported that this is a priority reflected in their corporate strategy. On the other hand, 57% stated that the impact of social security programs has increased compared to five years ago. Nowadays, a company's ability to do good - for both internal and external stakeholders - is critical to the bottom-line.

Robotics and automation have gained great attention in the Middle East recently; 42% of respondents are redesigning work around automation with 24% using AI/robotics to replace repetitive tasks or eliminate duplicative work. As these technologies eliminate routine tasks and complement the human workforce, executives are placing a higher premium on essential human skills such as complex problem solving (58%), cognitive abilities (60%), and social skills (59%).

Companies must rethink their work architecture to maximize the value of both humans and machines, particularly since the deployment of AI, robotics, and automation is growing.

36% of respondents have a primarily traditional salaried and hourly workforce. The business environment is changing as is the traditional employer-employee relationship. Organizations need to start implementing effective measurement and hiring strategies in order to catch up. The sooner organizations align with the emerging alternative work arrangements, the sooner they will be able to face the challenges of the future.

The longevity dividend ranked last on the importance scale in the Middle East, and 59% believe that older age has no impact on employees' capabilities. However, amid shifting demographics, organizations should view the older labor pool as a committed, diverse set of workers who provide an important source of institutional knowledge.

In general respondents agree that, while each of the above-mentioned trends are important, most organizations, whether globally or in the Middle East, are not yet ready to meet expectations.

ENDNOTES

1. Bersin, Deloitte Consulting LLP, High-impact people analytics research, 2017.

2. Edelman, 2018 Edelman Trust Barometer: Global Report, 2018

3. Deloitte, *The Fourth Industrial Revolution is here—are you ready?*, Deloitte Insights, January 2018, pp. 3–4.

4. Deloitte, *The business case for inclusive growth: Deloitte Global's inclusive growth survey report*, January 2018.

5. Deloitte, *The 2017 Deloitte millennial survey: Apprehensive millennials: Seeking stability and opportunities in an uncertain world*, 2017.

The symphonic C-suite

Teams leading teams

As the business environment becomes more competitive and digital disruption continues, organizations have become more team-centric, networked, and agile. While these approaches are taking hold in sales, operations, and other functional areas, a big problem remains: The C-suite must change as well. Rather than behave as independent C-level functional experts, the C-suite itself must now operate as a team. We call this trend the "symphonic C-suite," and our respondents viewed it as the most pressing human capital issue facing organizations today.

BEHAVING as a social enterprise and managing the external environment's macro trends demands an unprecedented level of cross-functional vision, connectivity, and collaboration from C-suite leaders. To do this, they must behave as what we call the "symphonic C-suite," in which an organization's top executives play together as a team while also leading their own functional teams, all in harmony.

This approach enables the C-suite to understand the many impacts that external forces have on and within the organization—not just on single functions—and plot coordinated, agile responses.

The symphonic C-suite is the next stage in the ongoing evolution of leadership models. This new model is necessary to allow leaders to understand, manage, and respond to the complex social capital issues that organizations face, enabling them to tap opportunities, manage risks, and build relationships with internal and external stakeholders.

Being a leader in today's rapidly changing business environment is a challenge faced by many in key management positions. The rapid pace of change in technology and its impact on business results requires an informed and efficient response. Our global survey findings are aligned with this sentiment, considering the majority of respondents cited pressures or changes in their industry as a key driver for business transformation; the symphonic C-suite form of leadership is critical to appropriately addressing these changes. The symphonic C-suite enhances the organization's response to the challenges faced today by relying on a team-based leadership network.

This new collaborative approach incorporates various elements, providing expertise and viewpoints beyond that found in a single function. In essence, this approach allows leaders to incorporate a cross-disciplinary collaboration and deep functional expertise. Operating as a symphonic C-suite allows leadership to tackle issues that no single function can

satisfactorily address in a constantly changing environment.

The importance of C-suite collaboration has been clearly reflected in our survey results globally, with 85% of respondents rating it as important or very important. Additionally, we found that respondents at organizations with the highest level of CxO cross collaboration were the most likely to anticipate growth of 10% or more. Yet, surprisingly 73% of respondents mentioned that their C-suite leaders rarely, if ever, work together on projects or strategic initiatives.

> In the next few years, we expect the need for greater cross-functional collaboration will drive continued evolution in the C-suite and the leadership development pipeline that feeds it.

Figure 1. Key drivers for business transformation – global

Digital workplace/the future of work	AI/cognitive computing	Regulatory pressure	Shifting labor markets	Pressures/changes specific to my industry	Other
54.89%	24.14%	28.23%	33.96%	57.43%	5.35%
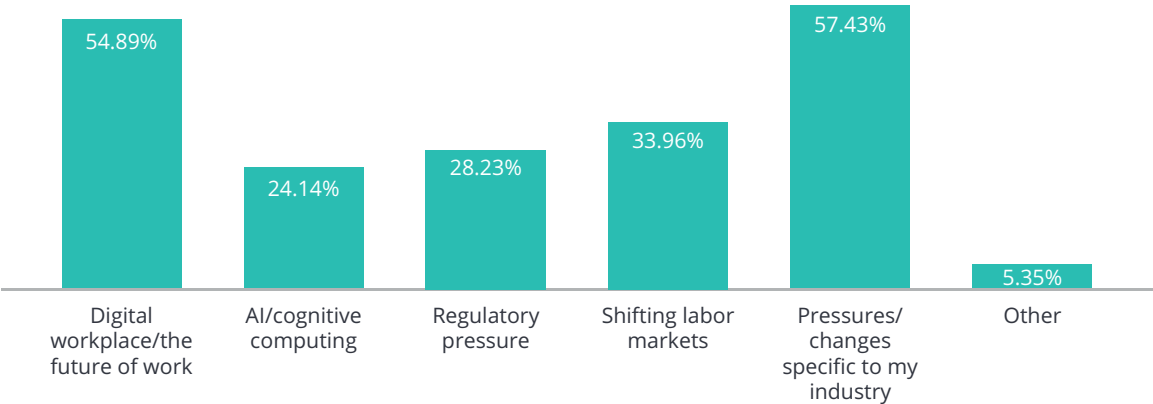
Figure 2. Key drivers for business transformation – Middle East

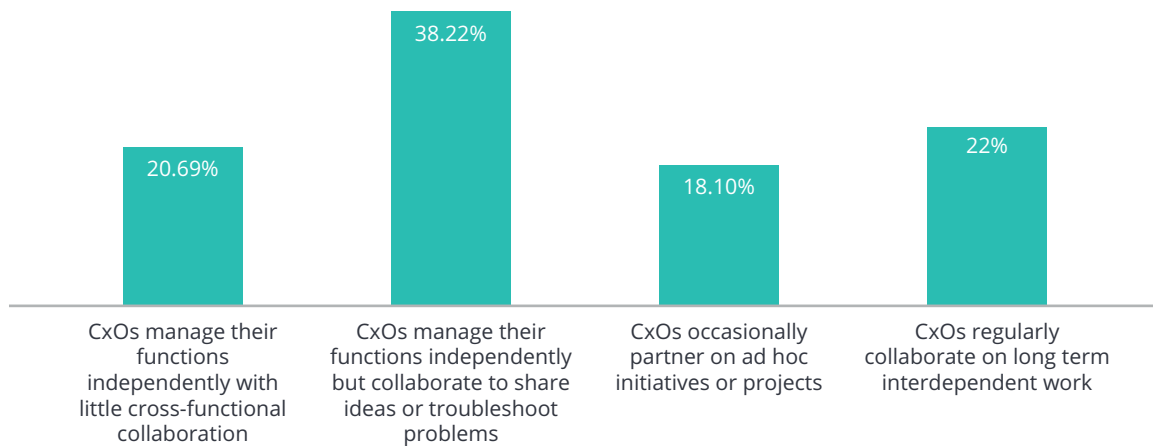| Digital workplace/the future of work	AI/cognitive computing	Regulatory pressure	Shifting labor markets	Pressures/changes specific to my industry	Other
64.47%	28.94%	24.91%	30.40%	38.83%	5.13%
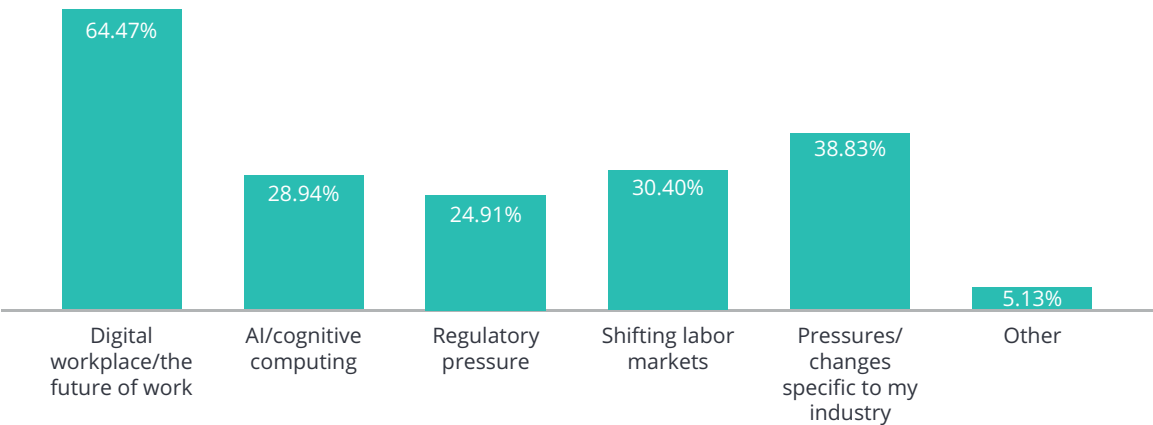
Middle East

In the Middle East region, changes in the workplace as a result of digital technology and disruptions in the industry clearly stand out as the most important drivers for business transformation. While organizations have been cognizant of the challenges they are facing, their response in the form of changes to leadership practices are slow to follow. Our survey findings from last year indicate that organizations were prioritizing leadership in the digital age. Unsurprisingly, 68% of survey respondents in the region last year believed it was either important or very important to focus on digital leadership. However, the concept of the symphonic C-suite remains in its infancy in the Middle East region with the majority of C-suite leadership reporting they manage their functions independently; collaborating when required to share ideas and troubleshoot problems.

Figure 3. Descriptions of C-suite leadership – Middle East

20.69%	CxOs manage their functions independently with little cross-functional collaboration
38.22%	CxOs manage their functions independently but collaborate to share ideas or troubleshoot problems
18.10%	CxOs occasionally partner on ad hoc initiatives or projects
22%	CxOs regularly collaborate on long term interdependent work

The message is clear: Senior leaders must get out of their silos and work with each other more. To navigate today's constantly changing business environment and address cross-disciplinary challenges, a company's top leaders must act as one.

KSA

For countries in the region with ambitious domestic agendas, the transformation to a more collaborative and team-based leadership structure is a key step in achieving their strategic agenda. However, in contrast to the global view these collaborations need to be both within and across organizations, as well as sectors. In KSA, the National Transformation Program (NTP) charts a pathway for development actions that require collaboration within distinct entities to achieve their strategic goals.[1] Nevertheless, the achievement of these goals will also require senior level collaboration across various government entities on related issues to ensure alignment and achievement of objectives.

UAE

Similarly, the government of the UAE believes leadership is key to the success of government initiatives and achievement of strategic plans such as the Vision 2021. Reflecting the importance of leadership in achieving this strategy, the government of the UAE established the UAE Government Leader Program.[2] The program emphasizes collaboration and access to innovation in the design of leadership development interventions.[3] This reflects a key tenant of the symphonic C-suite, which is collaboration to achieve strategic goals. However, similarly to the example of KSA cited above, this would need to be evident across public sector organizations in the service of overall government strategies.

Achieving the symphonic C-suite

In conclusion, our survey results indicate that:

- The majority of organizations in the region have yet to transition from functionally focused leadership styles to a symphonic C-suite style of leadership.
- Senior leaders need to get out of their silos and work with each other more to navigate today's constantly changing business environment and address cross-disciplinary challenges. Top leaders must act as one.
- Organizations must adopt and promote collaboration and teamwork not only at a middle management and junior level, but also at senior leadership level through joining some of their departments' KPIs and emphasizing the importance of working together for the better good of the organization.
- Achieving the symphonic C-suite style of leadership requires regular collaboration on long-term interdependent work.

THE BOTTOM LINE

The movement toward the symphonic C-suite is proving to be one of the most powerful and urgent trends for organizations worldwide. CxOs at leading companies understand that working, collaborating, and interacting as a team is now essential—and they are reorganizing around this model. We expect this trend to accelerate as organizations begin to recognize that the symphonic C-suite—teams leading teams—is the most effective way to tackle the complex issues businesses face today.

ENDNOTES

1. Saudi Arabia's National Transformation Program

2. UAE Government Leaders Program

3. Leadership development in governments of the United Arab Emirates: Re-framing a wicked problem, Mathias, 2017

The workforce ecosystem

Managing beyond the enterprise

Today's workforce has become a dynamic ecosystem, and employers expect to dramatically increase their dependence on contract, freelancers, and gig workers over the next few years. As alternative work arrangements become more common in the broader economy, HR and business leaders are rapidly trying to plan and optimize their own workforce and ecosystems, pressured by the need to improve service, move faster, and find new skills.

The changing global workforce

Business leaders and chief human resource officers (CHROs) recognize the need to actively and strategically manage relationships with workforce segments beyond the enterprise, which increasingly affect how an organization delivers services and interacts with customers. When asked to forecast the makeup of their workforce in 2020, 37% of survey respondents expected a rise in contractors, 33% foresaw an increase in freelancers, and 28% expected growth in gig workers. Organizations are finding ways to align their culture and management practices with these external talent segments—engaging the workforce ecosystem for mutual benefit.

In the past, business leaders and CHROs have focused on managing traditional workforce segments, which mostly included employees working for and within the enterprise (salaried employees). How-

> To drive real value through the new workforce ecosystem, organizations need to understand how to appeal to, and engage with workers of all kinds.

ever, globally we are witnessing dramatic changes in workforce segments with the rise of freelance workers, the advent of the gig economy, and the move to a more digitally connected workforce. The emergence of this more diverse workforce ecosystem offers employers greater flexibility and a choice of talented capabilities, sourced through a unique economic model.

This change is becoming more evident in various countries, with 34% of the national workforce in the United States performing freelance work. Moreover, twice as many freelancers in the U.S. have seen an increase in demand for their work in the past year, and 80% of non-freelancers reported a willingness to work outside their primary occupation to generate more income.[1]

Additionally, considering the new aspirations of millennials and Generation Z, a recent study found that 75% of workers in these generations plan to start their own business[2], more than 70% want their work to support their personal interests, and only 12% believe that an invention they created should belong to their employer.[3]

Changes in the composition of workforce segments is further evidenced in the global response to our survey; approximately 43% of respondents stated that they primarily relied on a traditional salaried workforce. The remainder utilized a variety of approaches to engage non-traditional workforce segments, from using them on an ad-hoc basis to incorporating them within a defined workforce strategy.

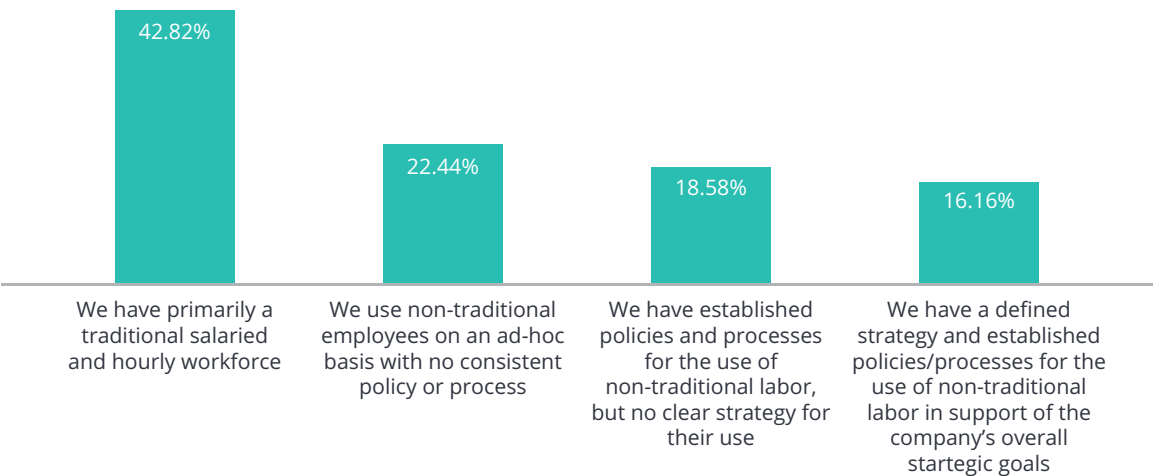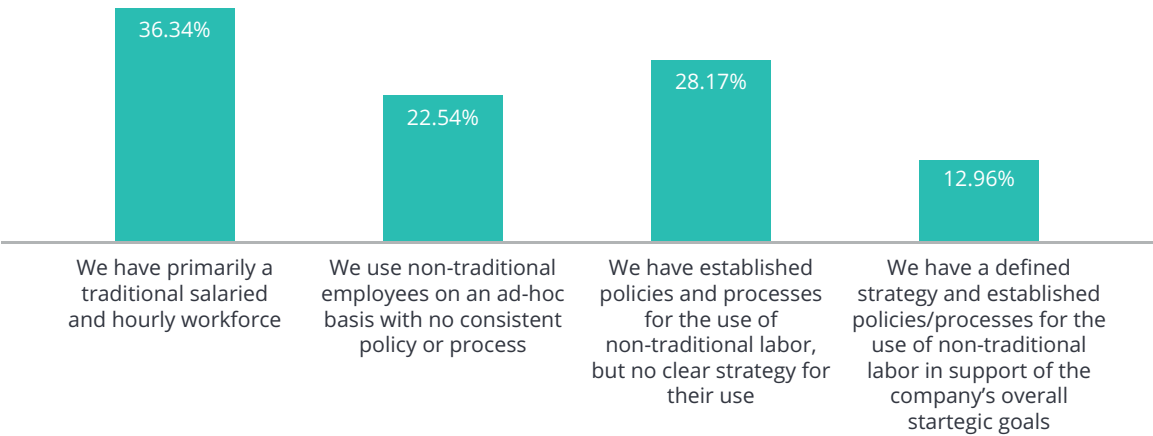**Figure 1. Use of non-traditional employees – global**

42.82%	We have primarily a traditional salaried and hourly workforce
22.44%	We use non-traditional employees on an ad-hoc basis with no consistent policy or process
18.58%	We have established policies and processes for the use of non-traditional labor, but no clear strategy for their use
16.16%	We have a defined strategy and established policies/processes for the use of non-traditional labor in support of the company's overall startegic goals

Figure 2. Use of non-traditional employees – Middle East

36.34%	We have primarily a traditional salaried and hourly workforce
22.54%	We use non-traditional employees on an ad-hoc basis with no consistent policy or process
28.17%	We have established policies and processes for the use of non-traditional labor, but no clear strategy for their use
12.96%	We have a defined strategy and established policies/processes for the use of non-traditional labor in support of the company's overall startegic goals

Middle East

The Middle East region in particular appears to rely primarily on traditional salaried workforce segments but seems to be more open to utilizing a non-traditional workforce to varying degrees: 28.17 % of respondents report that they have established policies and procedures for the use of a non-traditional workforce, with 12.96% having a defined strategy for the use of a non-traditional workforce.

There is a desire for companies in the region to use a non-traditional workforce, since the region is one of the fastest growing e-freelance markets.[4] The rise of companies such as Nabbesh, which ranks among the most prominent freelance job websites in the region with approximately 40,000 members, is evidence of the demand for a more flexible workforce.[4]

UAE

In the UAE, the majority of survey respondents reported a reliance on traditional workforce segments, this may be a reflection of the need to establish a trade license in order to work as a freelancer in the country. Employees interested in freelance work in the UAE can acquire a trade license through obtaining free zone visas from the likes of twofour54 and Media City Dubai, or obtaining a No Objection Letter (NoC), and a labor card if sponsored by family members. This can create financial barriers as a consequence of trade license fees, the requirement to rent office space, and other conditions stated by the respective licensing authority.

KSA

In KSA, the majority of respondents also reported a reliance on traditional workforce segments. The government has implemented a freelance program to increase self-employment statistics in the country. The program encourages young Saudi nationals to establish their own companies in a bid to increase their workforce participation numbers.[5] However, this focuses primarily on promoting entrepreneurship among Saudi nationals. While this is a vital aspect of KSA's domestic agenda, additional benefits such as sourcing of global talent who can work remotely from their home countries would greatly benefit companies in the country. This will allow the sourcing of top talent without the need to address visa and relocation issues.

Making use of a changing workforce

In order for the region to utilize changing workforce segments:

- Legislation and regulations need to reflect the changing labor market realities.
- Organizations need to develop innovative workforce strategies that address their talent needs in an efficient manner, and leverage the open talent workforce to meet the needs of a changing organization.
- Organizations need to understand the financial implication of the workforce ecosystem and work with business leaders to understand the financial benefits that can be achieved by managing this extended workforce.

THE BOTTOM LINE

The growth of new workforce models is redefining the employer-worker relationship, and many organizations have the opportunity to draw upon today's variegated labor market. HR and business leaders should proactively form new leadership alliances—especially between HR and procurement—to develop integrated workforce strategies and programs that can help an organization take advantage of the breadth of workforce options available today.

ENDNOTES

1. 53 million Americans are freelancing, new survey finds, Horowitz, Rosati, FreelancersUnion

2. Lovell Corporation, The 2017 change generation report: How millennials and Gen Z are redefining the future of work, 2017.

3. David Stillman and Jonah Stillman, GenZ@work: How the next generation is transforming the workplace (New York: HarperCollins, 2017)

4. Online freelance seen as tool to fight Middle East youth unemployment, The National

5. Ministry of Labor and Social Development, Kingdom of Saudi Arabia

New rewards

Personalized, agile, and holistic

For decades, designing rewards programs was a relatively straightforward exercise of finding the right mix of compensation and traditional benefits such as health insurance and vacation time. Those days are over. Leading organizations now understand that a personalized, agile, and holistic rewards system is essential to attracting, motivating, and developing talent. So why are so many companies falling short, even as they realize their rewards programs are outdated?

LEVERAGING their power as individuals, employees are asking for more personalized, agile, and holistic rewards, including a focus on fair and open pay. While companies recognize this overall shift, only 8% report that their rewards program is "very effective" at creating a personalized, flexible solution. Early experiments are exploring how to develop a holistic variety of rewards and match them to individual preferences across diverse talent segments and on a continuous basis.

Organizations around the world view rewards as a mechanism to attract and retain employees, through the provision of base compensation and structured performance-based rewards. However, in light of our research current traditional reward strategies no longer serve the required purpose. Moreover, organizations are increasingly aware of the urgency to transition from standardized to highly personalized rewards.

While the need for change is becoming more and more evident, in reality only a small percentage of organizations have taken steps to personalize their rewards in order to cater to individual needs and provide continuous incentives to their employees. Our global report notes that organizations which have transitioned to a more personalized compensation scheme, ensuring agility and the provision of holistic rewards, have already witnessed positive results in employee motivation, attraction, and retention. Moreover, companies which are providing continuous performance reviews and incentives have higher employee satisfaction and engagement in comparison to those which provide a one-off bonus (53% of the globally surveyed organizations).

However, only 8% of the organizations in this year's survey stated that their rewards were effective in providing personalized packages to employees. It is critical that more organizations follow suit and enact changes in reward strategies, considering that pay alone is no longer sufficient to attract, motivate and retain individuals.

Figure 1. Best description of your organization's reward strategy

Legend:
- Global
- Middle East
- UAE
- KSA

Middle East

In the Middle East region, we witnessed a high reliance on rewards professionals to turn around existing rewards strategies. Where most organizations have been focused on improving their performance management systems, their incentives and bonuses remain rigid and infrequent, which does not align with their employees' preferences. Organizations have recognized the need to change, given that the majority of survey respondents admit that their rewards strategies and company goals are not aligned. Furthermore, they believe that poor compensation schemes may hinder the achievement of short- and long-term company goals.

UAE

Although UAE is one of the leading countries in the Middle East in terms of innovation and flexibility of rewards strategies, yet very few surveyed organizations recognized the need to customize their reward schemes to align with individual preferences. This comes as a surprise given that hap-

piness is such an important theme in the UAE and one of the most important indicators, which are tracked nationwide. Moreover, due to a workforce consisting of largely expatriate employees, the attraction and retention of talent needs to align to global trends and address employee requirements to avoid additional recruitment costs. As such, the majority of organizations in both the public and private sectors need to assess employee reward preferences and establish personalized packages. These schemes also need to consider Emiratization strategies and ensure they are an additional tool in an organization's arsenal to attract and retain UAE talent.

KSA

KSA has been witnessing a tremendous change at the national level recently as a result of the introduction of the National Transformation Program (NTP). The program sets very ambitious development goals, chief among them being the reduction of national unemployment. Considering the stated nationalization targets, both the public and private sectors need to identify and address the needs of the

Companies at the forefront of this wave are creating rewards programs that are delivered more continuously, aligned more closely with individual preferences, and based more fully on an employee's whole contribution— to the team and the organization.

Saudi workforce they wish to attract and retain. A high percentage of surveyed organizations in KSA recognize that their reward schemes are outdated. Therefore, new holistic reward strategies will need to be established in order to keep up with corporate and national goals.

New rewards: Personalized, agile and holistic

In conclusion:

- Many organizations are still adopting conservative reward approaches and mainly benchmark against industry peers in order to match their compensation offerings.
- More and more organizations are recognizing the need to restructure their rewards schemes in order to ensure they are more personalized, agile, and holistic.
- Only a small percentage of organizations are already making the necessary changes to their rewards strategies to attract, motivate, and retain their employees.
- Organizations need to find innovative solutions related to personalization through gathering employee feedback, analyzing this feedback, and forming conclusions.
- Organizations need to better align their performance management systems to their reward systems to ensure effective recognition, which is then translated into rewards through incentives.

THE BOTTOM LINE

Most organizations now recognize the need to reshape rewards with a more personalized, agile and holistic approach, matching other talent management strategies. The few organizations that have translated recognition into action have expanded their definition of rewards and looked beyond traditional approaches to design and delivery. The field remains wide open for organizations to experiment and test new tools in the effort to boost rewards' efficacy by establishing a personalized relationship with each worker.

ENDNOTES

1. Bersin, Deloitte Consulting LLP, Performance management research, 2017.

2. Bersin, Deloitte Consulting LLP, High-impact total rewards research, 2018.

3. Bersin, Deloitte Consulting LLP, High-impact people analytics research, 2017.

From careers to experiences

New pathways

In the 21st century, careers are no longer narrowly defined by jobs and skills but through experiences and learning agility. The ongoing transformation of work, the need for people and organizations to constantly upgrade capabilities, and shifts in employee preferences demand new approaches to learning, job design, performance management, and career development.

IN a 21st-century career, the individual and his or her experiences take center stage. Instead of a steady progression along a job-based pathway, leading organizations are shifting towards a model that empowers individuals to acquire valuable experiences, explore new roles, and continually reinvent themselves. The world of work is changing rapidly, primarily driven by advancements in technology and team-centered business models. From a talent perspective, this raises new challenges for organizations, in particular challenges related to talent attraction, retention, and development. Hence, it is not surprising that 61% of our survey respondents stated they are actively redesigning their roles in light of Artificial Intelligence (AI) and robotics. As a consequence of these changes, a different perspective of career experiences and career development is emerging. Deloitte defines the 21st century career as a series of developmental experiences, each offer-

ing a person the opportunity to acquire new skills, perspectives, and judgement. This is supported by employee surveys such as the one conducted by Randstad, which found high percentages of Generation Y (those born between 1980 and 1987) are less likely to be interested in pay increases and more focused on learning new skills.[1] As such, while career development may adopt an upward trajectory, it will not resemble the stair-step model followed by previous generations but reflect greater experiences resulting in learning opportunities. However, based on our global survey findings, organizations have yet to adapt their human capital practices to match newly emerging employees' expectations. Only 20% of respondents reported the existence of flexible career paths that could be adapted to meet employees as well as organizational needs within their place of work.

Figure 1. Organization's current career model – global

28.18%	19.92%	25.95%	25.95%
Career paths generally progress up through the organizational hierarchy	Career paths are more flexible and can be adapted by the worker and the organization to meet needs	Career paths are based on both organizational need, worker interests and responsibilities/roles may change or rotate	Career paths are dependent on organizational needs, worker expertise, and availability

Careers in this century may follow an upward arc, with progression and promotion at various times—but they will look nothing like the simple stair-step path of generations ago.
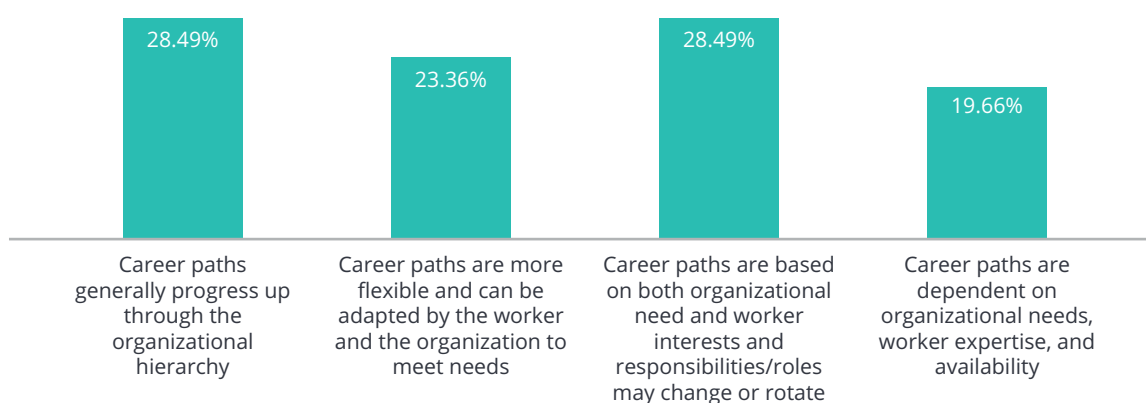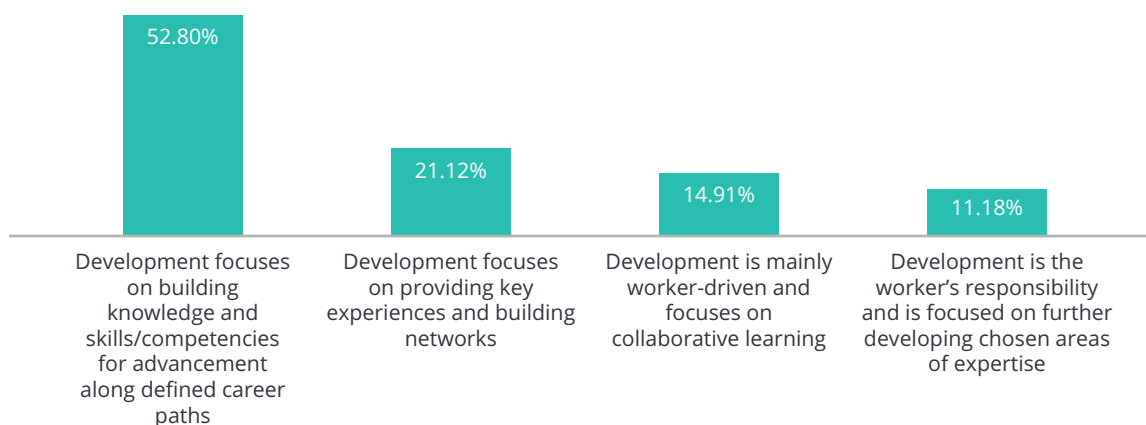
Career development in the Middle East region

The picture varies slightly in the Middle East, with 23% of survey respondents reporting that their organization's current career model can be adapted to meet employees and organizational needs. This aligns with the 22% of respondents who reported that their organization's development programs focus on providing key experiences and building networks. As such, significant effort is required to reassess career and learning experiences in the region, particularly in light of the youthful nature of the workforce.

Figure 2. Organization's current career model – Middle East

28.49%	23.36%	28.49%	19.66%
Career paths generally progress up through the organizational hierarchy	Career paths are more flexible and can be adapted by the worker and the organization to meet needs	Career paths are based on both organizational need and worker interests and responsibilities/roles may change or rotate	Career paths are dependent on organizational needs, worker expertise, and availability

Figure 3. Organization's employee development program – Middle East

52.80%	21.12%	14.91%	11.18%
Development focuses on building knowledge and skills/competencies for advancement along defined career paths	Development focuses on providing key experiences and building networks	Development is mainly worker-driven and focuses on collaborative learning	Development is the worker's responsibility and is focused on further developing chosen areas of expertise

UAE

Unlike regional results, very few UAE survey respondents felt their organizations allowed for flexibility in career development and progression in line with employees' and corporates' needs. Similarly, very few respondents focused their development efforts on providing key experiences, with the vast majority adopting the traditional view of developing skills, knowledge, and competencies. In a market known for seeking and acquiring global talent, adapting to global trends and addressing employee needs is vital. More importantly, in light of the competition for national talent, ensuring greater learning and interesting career opportunities would be a differentiating factor supporting the achievement of Emiratization targets. This is evident in the case of Cleveland Clinic in the UAE, which announced a new nursing career path through introducing new roles not known in the region. These roles provide employees greater responsibility, involvement in complex patient care, and clinical management experience, encouraging UAE nationals to take up the profession.[2]

KSA

In KSA, the progress in the transformation of perspectives related to career development and learning mirrors that of the UAE. However, in light of Vision 2030 and the National Transformation Plan currently underway in the country, a reassessment of careers and career expectations is vital. This is clearly depicted through a study by two Saudi national nurses titled "The journey between ideal and actual: Experiences of intern nurses "Becoming" as the transition into clinical interdisciplinary". A picture of misalignment of expectations arises with newly qualified nurses expecting greater involvement in treatment plans and patient care than what is offered as a result of current hospital practices.

Career development

In conclusion, organizations in the region need to reassess their current career paths and employee development programs in order to reflect:

- Agility and flexibility, allowing employees the opportunities to participate in varied activities that align with their interests as well as corporate needs.
- An expended effort to understand youth aspirations and expectations in the workforce, and design their talent attraction and retention practices with that in mind.

THE BOTTOM LINE

For organizations and business leaders, there is a new imperative: Examine, understand, develop, and implement a variety of solutions to support 21st-century careers. Only a focus on experiences, new career models, data-driven tools, and L&D offerings will enable companies to develop, retain, and reinvent the right talent at the right time.

ENDNOTES

1. *Developing Employee Career Paths and Ladders*, SHRM, 2015

2. Josh Bersin, "Catch the wave: The 21st-century career," *Deloitte Review* 21, July 31, 2017.

3. Bersin, "Catch the wave."

4. Josh Bersin, *HR technology disruptions for 2018: Productivity, design, and intelligence reign*, Bersin, Deloitte Consulting LLP, 2017.

5. Research currently underway at Bersin on Visa and Ingersoll Rand, 2017–2018, publication forthcoming; Josh Bersin, conversations with IBM and Walmart executives.

The longevity dividend

Work in an era of 100-year lives

Rising life expectancies and an aging global workforce present organizations with unprecedented challenges and untapped opportunities. Companies that plan, design, and experiment with workforce strategies, workplace policies, and management approaches for longer working lives can reap a longevity dividend. Those that lag behind face potential liability concerns and skill gaps. Creating ways for people to have meaningful, productive, multi-stage, and multidimensional careers is a major opportunity to engage workers across generations.

In the past few decades, life expectancy has increased tremendously, and this pattern is likely to continue, as life expectancy is expected to increase by 1.5 years per decade.[1] Additionally, the ratio of retirees per worker globally is expected to decline from 1:8 to 1:4 by 2050.[2] As a result, the issue of senior employees in the workforce and developing work models that address their specific issues is gaining a lot of attention both at a governmental policy level as well as among companies seeking to retain talent. This is evidenced in the responses to our global HC Trends survey, illustrating that the issue of age comes second only to gender.

Proactive organizations are tapping into the older talent pool by extending their career models, creating new development paths, and inventing roles to accommodate workers in their 50s, 60s, and 70s.

Figure 1. Organization's understanding of diversity and inclusion – Global
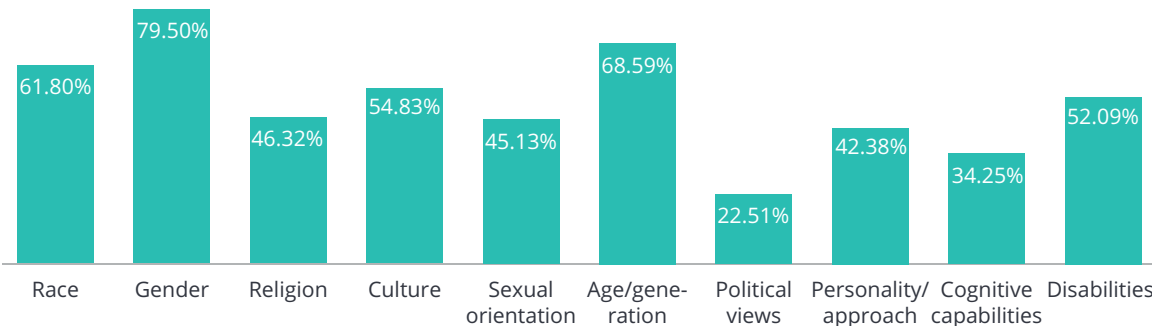
Category	Value
Race	61.80%
Gender	79.50%
Religion	46.32%
Culture	54.83%
Sexual orientation	45.13%
Age/generation	68.59%
Political views	22.51%
Personality/approach	42.38%
Cognitive capabilities	34.25%
Disabilities	52.09%

Note: Question applicable for respondents having an organizational level other than C-Suite.

Globally, new research is being conducted to help organizations shape their talent and business strategies for an era of longevity. The MIT AgeLab, for example, works with businesses, governments, and other stakeholders to develop solutions and policies aimed at engaging the elderly population. The AgeLab uses customer-centered thinking to understand the challenges and opportunities of longevity in order to catalyze innovation across business markets [3].

Yet, the transition towards senior talent can present challenges. Senior employees may have specialized workplace needs which organizations need to cater for, and they also have higher sala-ries because of their tenure. Organizations looking to assimilate a senior worker population may face the need to design new wage policies, create more flexible rewards programs, and train younger leaders to manage people across generations.

Although 61% of survey respondents believe that age has no impact on the perception of capability and 18% view age as an advantage, only 20% of this year's survey respondents said that they are partnering with older workers to develop new career models, and only 16% have created targeted roles for senior workers to leverage their expertise and accommodate work preferences.

Figure 2. Organization's culture perception of capability of workers over the age of 55 - Global
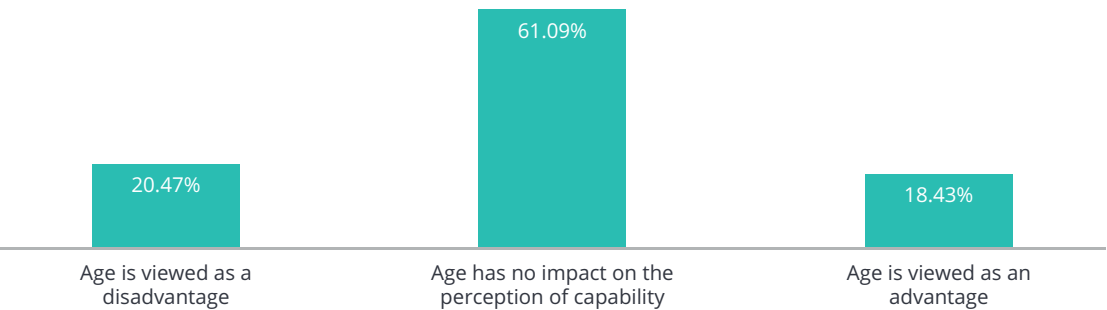
Category	Value
Age is viewed as a disadvantage	20.47%
Age has no impact on the perception of capability	61.09%
Age is viewed as an advantage	18.43%

Note: Question applicable for respondents having an organizational level other than C-Suite.

Figure 3. Describe your organization's current position towards age in the workforce - global

Older workers are viewed as an impediment to rising talent	Older workers manage their own careers within the existing job model	We partner with older workers to manage their career and retirement strategy	We have created targeted roles for older workers to leverage their expertise and accommodate work preferences
14.89%	49.41%	19.87%	15.83%
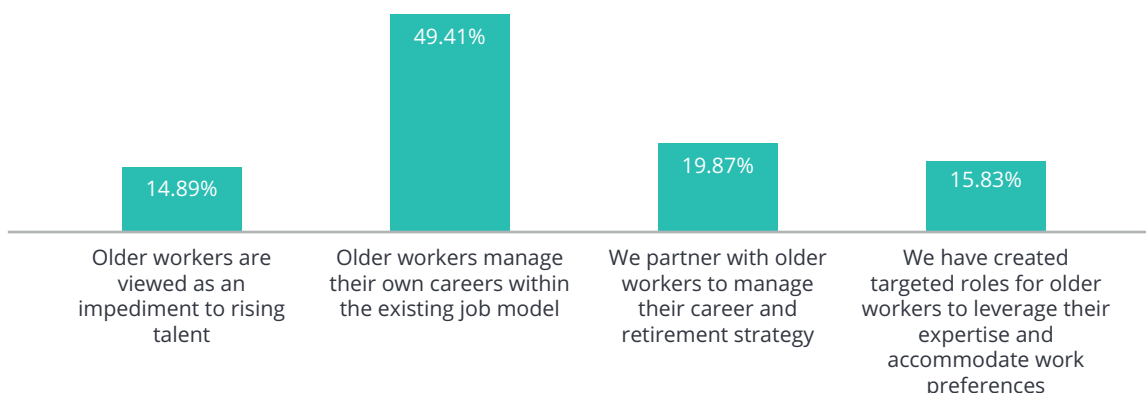
This longevity dividend enables companies to both address a pressing societal issue and tap into a proven, committed, and diverse set of workers. However, doing this requires innovative practices and policies to support extended careers, as well as collaboration between business leaders and workers, to tackle shared challenges such as age bias and pension shortfalls.

Middle East

In contrast, age in the Middle East is not one of the top three issues included by organizations in their understanding of diversity and inclusion. In-stead, in the region, when considering diversity and inclusion gender, race, and culture are often prioritized by organizations. This is a reflection of the demographic realities of the region, particularly in countries such as the UAE and KSA that rely on an expat workforce. A more critical demographic reality for the region is the issue of youth employment. The issue of youth employment in the region is a top agenda item for many policy makers and this was clearly evidenced in the World Government Summit. With an increasing youth population and an average youth unemployment rate of 28%,[4] the region is striving to overcome one of the most important challenges to its development.
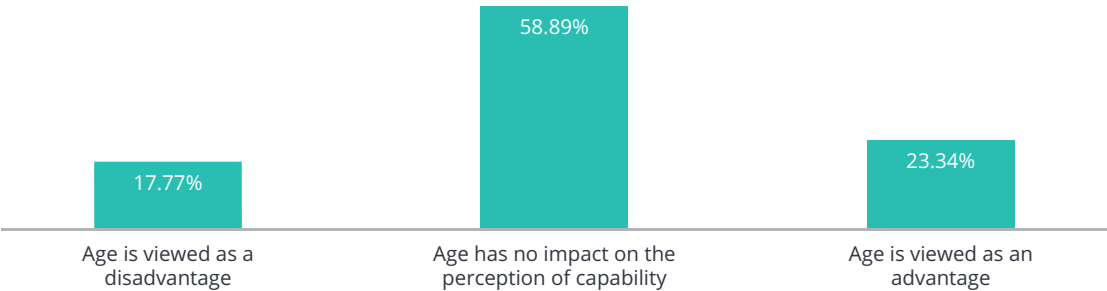
Figure 4. Organization's understanding of diversity and inclusion – Middle East
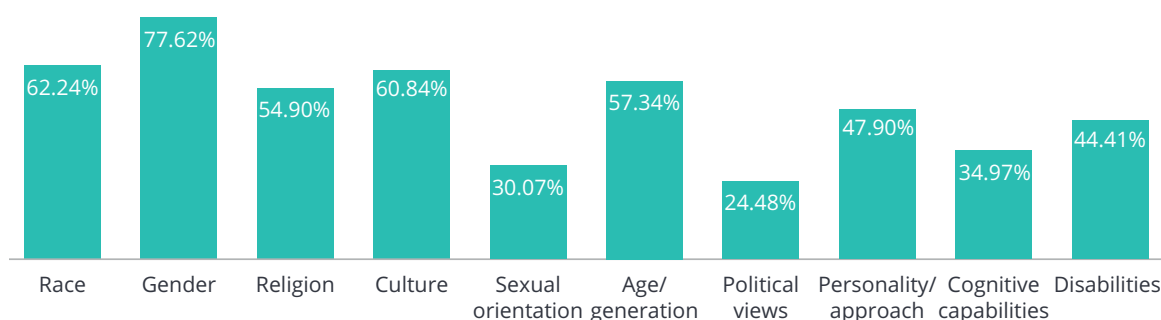
Race	Gender	Religion	Culture	Sexual orientation	Age/ generation	Political views	Personality/ approach	Cognitive capabilities	Disabilities
62.24%	77.62%	54.90%	60.84%	30.07%	57.34%	24.48%	47.90%	34.97%	44.41%

Note: Question applicable for respondents having an organizational level other than C-Suite.

Yet similarly to global results, 59% of our Middle East respondents believe that age has no impact on the perception of capability and 23% view age as an advantage. However, only 26% of this year's survey respondents said that they are partnering with older workers to develop new career models, and only 17% have created targeted roles for senior workers to leverage their expertise and accommodate work preferences.
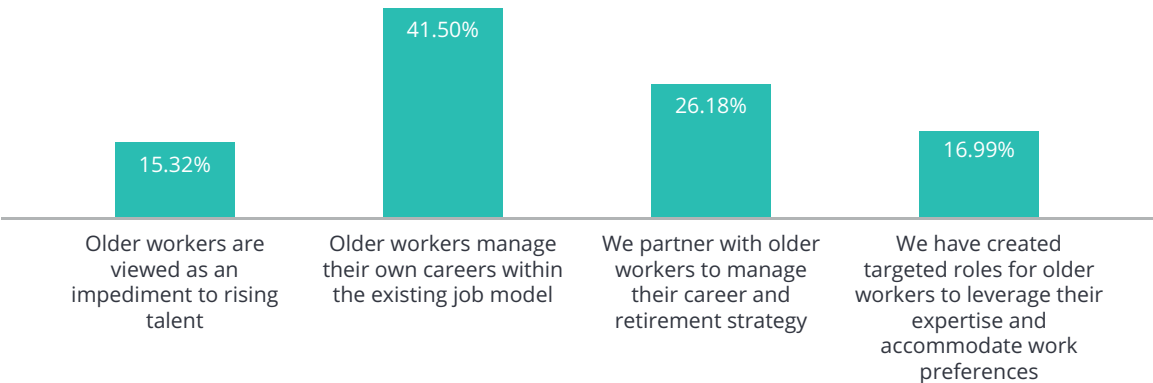
Although youth employment and gender inclusion should be a critical focus for our region, staying competitive in a world of unprecedented longevity demands that governments and organizations adopt new strategies to engage the senior workforce. Traditional assumptions that learning ends in one's 20s, career progression ends in the 40s, and work ends in the 60s are no longer accurate and sustainable. Rethinking workforce strategies across multiple generations and accounting for longer lives will require open minds and fresh approaches.

Figure 5. Describe your organization's current position towards age in the workforce – Middle East

Age is viewed as a disadvantage	Age has no impact on the perception of capability	Age is viewed as an advantage
17.77%	58.89%	23.34%

Note: Question applicable for respondents having an organizational level other than C-Suite.

Figure 6. Organization's culture perception of capability of workers over the age of 55 - Middle East

Older workers are viewed as an impediment to rising talent	Older workers manage their own careers within the existing job model	We partner with older workers to manage their career and retirement strategy	We have created targeted roles for older workers to leverage their expertise and accommodate work preferences
15.32%	41.50%	26.18%	16.99%

UAE

In the UAE the retirement age currently stands at 65, having recently been raised from the previous retirement age of 60. Increasingly varied options are being used to extend the stay of talented expatriates, whether through a one-year government extension of visas or through investor visas obtained by individuals. Nevertheless, this does not present an actual solution for talented expatriates to remain in the country and continue providing relevant skills and knowledge. In contrast, there are clear and tangible steps taken to engage young UAE nationals, such as the creation of a Minister of State for Youth Affairs and initiatives such as the "Youth Development and Wellbeing Index" aimed at addressing the issues of young citizens.

KSA

The same trend can be witnessed in KSA, which similar to the UAE, is characterized by a largely young population and a staggering youth unemployment rate. Initiatives aimed at bridging the perceived skill gap with the young workforce, such as the Saudi Alliance for Youth, and targeting women employment, such as the one launched by Alf Khair, address the dual challenges of youth and gender representation in the workforce. In light of this environment, while senior members of the workforce remain of value in organizations, initiatives and innovative solutions mainly focus on the engagement and increased participation of women and youth.

Realizing the benefit of older workers

In order for organizations to move forward and bring about potential appropriate changes, they first have to realize the potential benefits of incorporating older employees within their workforce through:

- Implementing forward-looking, inclusive and strategic changes, to better address the aging workforce paradox.
- Providing the right technical training to the senior workforce as more technology and automation is introduced at the workplace.
- Providing cross-generational sensitivity training to millennials and the senior workforce to promote mutual respect, foster complementing effort, and reduce generation conflict.
- Providing additional benefits to senior workers, which may include improved healthcare packages, additional retirement benefits and services, and opportunities for learning and development.
- Provide the appropriate environment for the senior workforce to advise and consult on matters important to the business.
- Provide the appropriate environment for younger workers to learn from senior workers.

THE BOTTOM LINE

Staying competitive in a world of unprecedented longevity demands that organizations adopt new strategies to engage with older talent. Traditional assumptions—that learning ends in one's 20s, career progression ends in the 40s, and work ends in the 60s—are no longer accurate or sustainable. Rethinking workforce strategies across multiple generations to account for longer lives will require open minds and fresh approaches.

ENDNOTES

1. World Bank, "Life expectancy at birth, total (years)," accessed January 18, 2018.

2. Caryl Rivers and Rosalind Barnett, *The Age of Longevity: Re-Imagining Tomorrow for Our New Long Lives* (New York: Rowman & Littlefield, 2016).

3. World Bank, "Fertility rate, total (births per woman)," accessed January 18, 2018.

4. World Economic Forum, *We'll live to 100—how can we afford it?*, May 2017, p. 4.

5. Sarah O'Connor, "World will have 13 'super-aged' nations by 2020," *Financial Times*, August 6, 2014.

Citizenship and social impact

Society holds the mirror

The social enterprise must evaluate its actions based on its impact on society, not just the bottom line. As stakeholder expectations rise, an inauthentic or uneven commitment to citizenship can quickly damage a company's reputation, undermine its sales, and limit its ability to attract talent. For organizations, a new question is becoming vital: When we look in the mirror held up by society, do we like what we see?

An organization's track record of corporate citizenship and social impact now has a direct bearing on its core identity and strategy. Engagement with other stakeholders on topics such as diversity, gender pay equity, income inequality, immigration, and climate change can lift financial performance and brand value; while failure to engage can destroy reputation and alienate key audiences.

Increasingly, corporations are expected to expand their efforts within their communities beyond Corporate Social Responsibility (CSR) programs in order to be truly deemed corporate citizens. "Citizenship" can refer to everything an organization does that impacts society, and is defined as a "company's ability to do social good and account for its actions – both externally, among customers, communities, and society, and internally, among employees and corporate stakeholders". To achieve this, CEOs need to drive social responsibility efforts which define their identity as part of the organization's strategy.

As such, our research determined that the social impact of organizations in the communities within which they operate has increasingly become a key area of focus; evidenced by the 43% of global survey respondents who ranked social responsibility high in their organization's list of priorities. This does not come as a surprise, considering the benefits generated by being socially impactful. This bears out in the success of the likes of the Body Shop,[1] as well as the percentage of consumers (55%) prepared to spend more on products and services from companies committed to social responsibility.[2]

However, a more critical analysis of our survey data signifies that the implementation of social responsibility programs is chiefly driven by a desire to improve an organization's employee and customer brand. This falls short of the intended aim of social responsibilities to "integrate social and environmental concerns in business operations and interactions with stakeholders".[3] Our research demonstrates that only a minority of respondents (17%) currently view social responsibility as a reflection of their corporate strategy, as illustrated in figure 1.

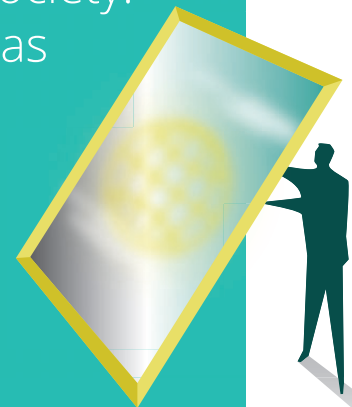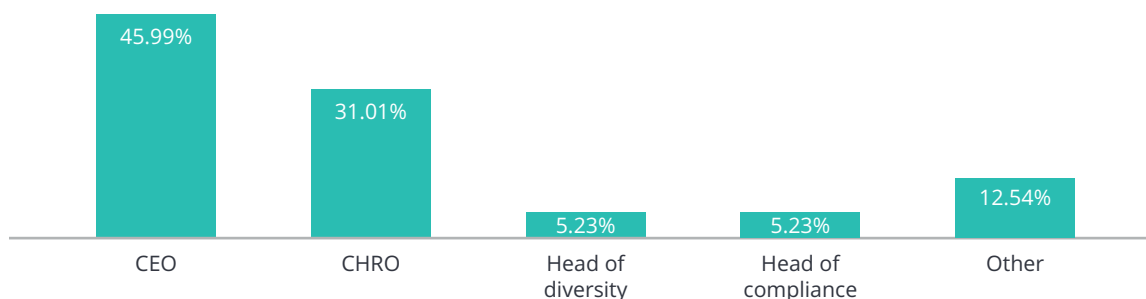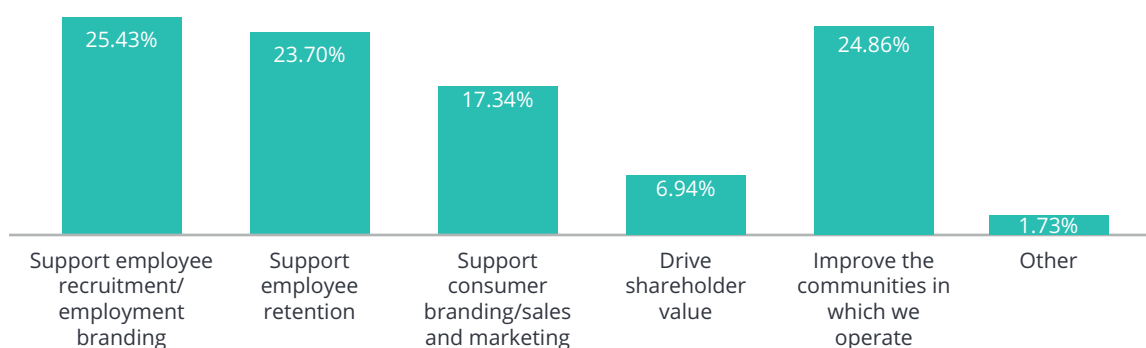**Figure 1. Organization's social responsibility programs – Global**

22.44%	33.68%	26.17%	17.70%
We do not focus heavily on social responsibility	Social responsibility programs exist but are not well-developed/ invested in	Social responsibility is high on our list of priorities as a driver of employee and customer branding	Social responsibility is one of out top priorities and is reflected in our corporate strategy
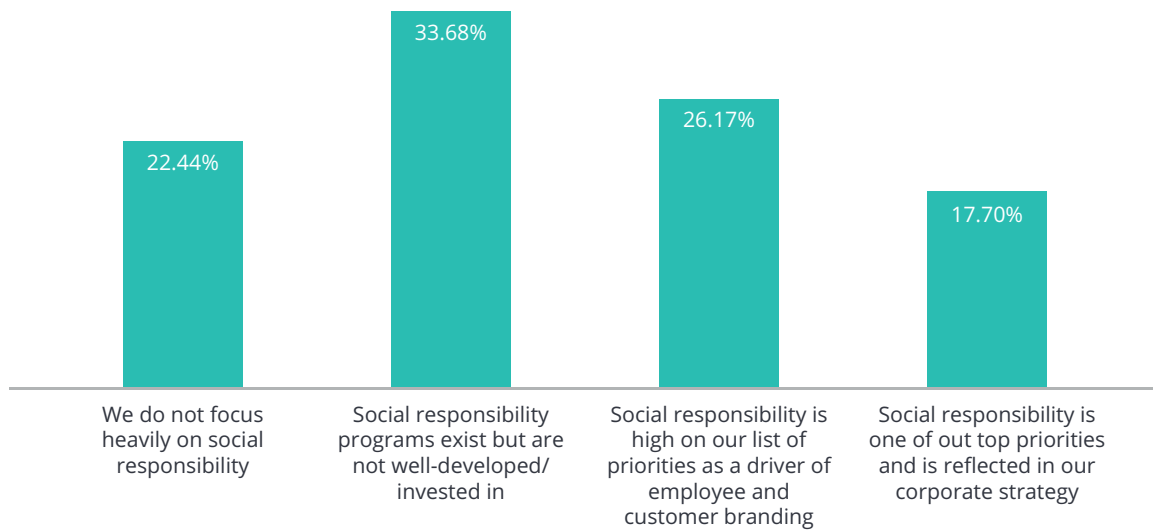
Social responsibility in the Middle East region

The picture does not differ much in the Middle East region, considering 37% of survey respondents reported that social responsibility programs are not well developed and/or do not receive sufficient investment. Moreover, while CEOs in the region predominantly appear to drive social responsibility within their organizations, the perceived aim of such initiatives is to support employee recruitment, employment branding efforts and improve communities in which they operate in rather than to reflect the organization's identity.

The term "citizenship" can refer to everything an organization does that impacts society. We define it as a company's ability to do social good and account for its actions.

Figure 2. Primary driver of the social impact efforts in an organization – Middle East

45.99%				
	31.01%			
				12.54%
		5.23%	5.23%	
CEO	CHRO	Head of diversity	Head of compliance	Other

Figure 3. Primary purpose of social impact programs – Middle East

25.43%	23.70%			24.86%	
		17.34%			
			6.94%		1.73%
Support employee recruitment/ employment branding	Support employee retention	Support consumer branding/sales and marketing	Drive shareholder value	Improve the communities in which we operate	Other

UAE

In the UAE, survey respondents reiterated overall regional trends, with only 12% stating that social responsibility is considered a strategic priority within their organization. Nevertheless, significant strides have been achieved in this area with many noteworthy examples originating from within the tourism and hospitality sector. Government-led initiatives, such as the Dubai Sustainable Tourism Initiative, and the Dubai government's efforts to partner with various private organizations to promote sustainable practices create fertile ground for

socially motivated corporations to operate.[4] Moreover, projects such as Kalba Eco-tourism developed by Shurooq demonstrate the value of placing social responsibility at the core of an organization's identity. Shurooq has been recognized for its efforts and credits its success to its ethos of environmental protection, which is a core strategic objective in its various projects.

Recently the UAE government announced that CSR will be mandatory and UAE companies will have to allocate funds and be involved in social responsibility initiatives.

KSA

In KSA, the progress in the development of socially responsible organizations mirrors that of the region and its close neighbor the UAE. Nevertheless, there have been considerable efforts expended in promoting socially responsible corporations and initiatives. Examples of this range from the King Khalid Awards for Responsible Competitiveness, to the establishment of the Council for Social Responsibility. However, despite these strides, significant efforts are required to overcome the absence of mechanisms and strategies related to social responsibility in most companies. This clearly comes through in the survey findings, with only a small minority of respondents in KSA reporting that social responsibility programs are reflected in their corporate strategy.[5]

Becoming a corporate citizen

In conclusion, organizations in the region have made significant strides through focusing on the development of a sense of community among their staff. However, if they aspire to progress beyond simply delivering corporate social responsibility programs, they need to:

- Embark upon socially responsible programs that reflect their identity.
- Incorporate citizenship strategy as part of the organization's strategic priorities and talent strategy led by the CEO, so that citizenship becomes more than a series of one-off programs.
- Make citizenship integral to creating an engaging experience for the workforce.
- Promote the corporate citizenship program across the organization and allow employees to participate in making a change and being part of the journey.

THE BOTTOM LINE

In the era of the social enterprise, stakeholders are taking an intense look at organizations' impact on society, whether it is how well a product meets people's needs, how a manufacturing plant affects the community, or how employees feel about their jobs. This mirror—held up to businesses by society—reflects an organization's identity for all to see, and burnishing that reflection is now vital for success.

ENDNOTES

1. *Study of Corporate Social Responsibility*, Brazelton, Ellis, Macedo, Shader and Suslow, 1999

2. *Doing well by doing good*, Nielson, 2014

3. *What is CSR*, UNIDO

4. *How impactful CSR initiatives are reshaping modern hospitality*, CSR Middle East Org, 2017

5. *CSR Disclosure of the Banking Sector in Saudi Arabia*, Alsahlawi, 2017

6. Deloitte, *The 2017 Deloitte millennial survey: Apprehensive millennials: Seeking stability and opportunities in an uncertain world*, 2017.

7. Deloitte, *The 2017 Deloitte millennial survey*.

Well-being

A strategy and a responsibility

As the line between work and life blurs, providing a robust suite of well-being programs focused on physical, mental, financial and spiritual health is becoming a corporate responsibility and a strategy to drive employee productivity, engagement, and retention. While organizations are investing heavily in this area, our research reveals there is often a significant gap between what companies are offering and what employees value and expect.

As the line between work and life blurs further, employees are demanding that organizations expand their benefits offerings to include a wide range of programs for physical, mental, financial, and spiritual health. In response, employers are investing in well-being programs as both a societal responsibility and a talent strategy. Over 50% of survey respondents view a variety of such programs as "valuable" or "highly valuable" to employees, but big gaps remain between what employees value and what companies are delivering.

Globally, organizations are increasingly investing in corporate well-being in order to bridge the gap between work and people's personal preferences and lifestyle. Well-being in organizations has become a business performance strategy that aims at driving employees' productivity, engagement, and retention. It is being addressed globally and particularly in the Middle East through various ini-
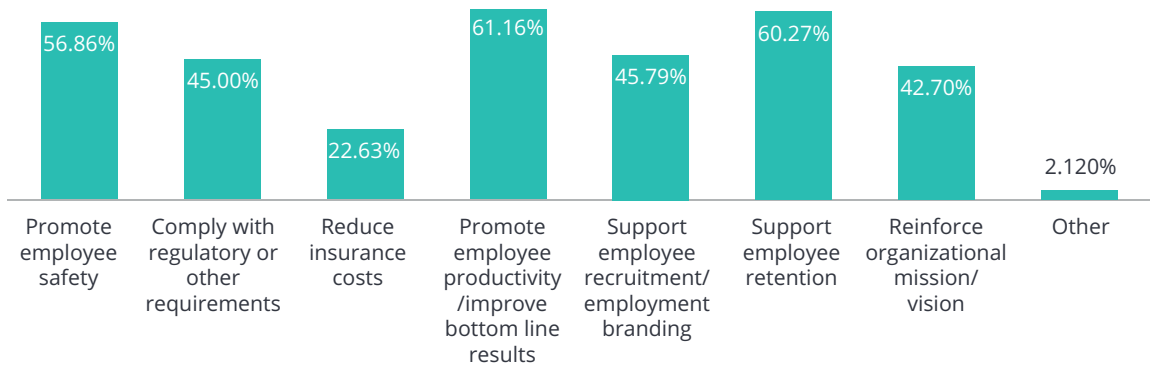
tiatives and programs focused on: physical, mental, financial, and spiritual health.

Globally, well-being ranks as the fourth most important human capital priority compared to the Middle East where it is ranked in third place.

When answering the question on the purpose of employee well-being programs in the organization, the promotion of employee productivity/improving bottom line results received 61.16%, to support employee retention received 60.27%, and promoting employee safety received 56.86%.
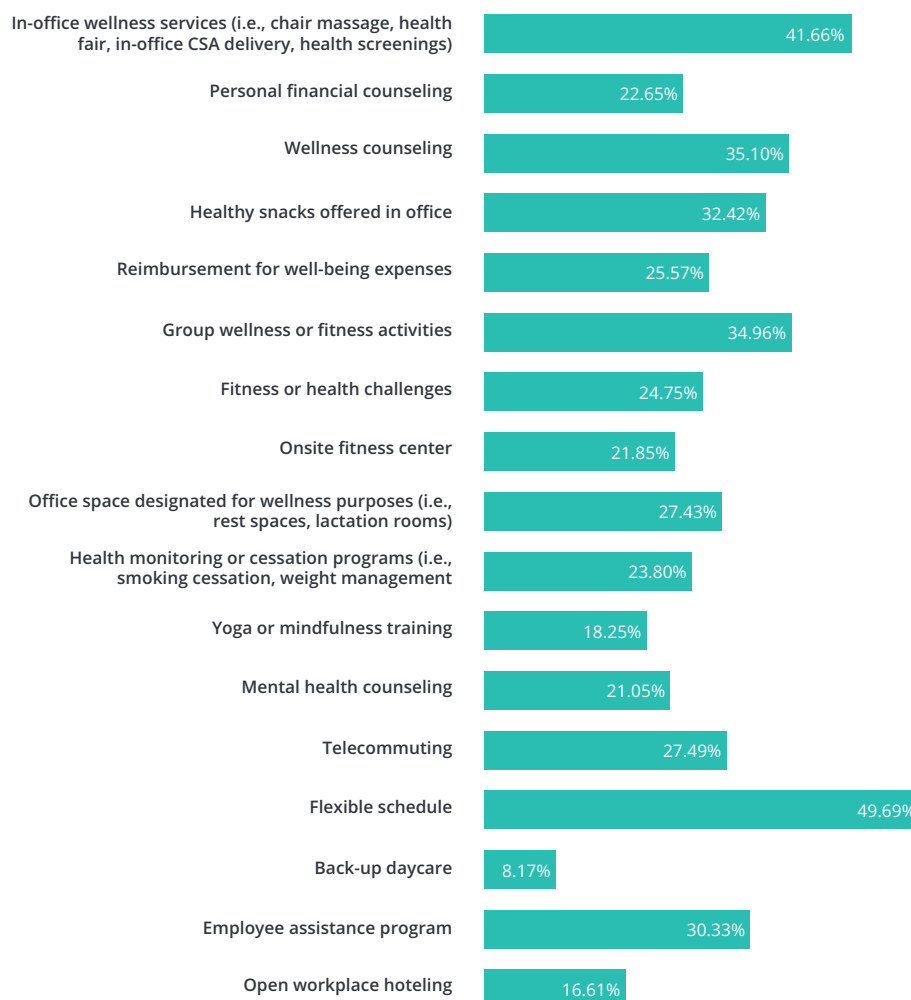
To dive deeper into the types of well-being programs, we notice that globally the top four most common employee wellness/ work-life balance programs implemented are: (1) flexible schedule, (2) in-office wellness services (i.e. chair massage, health fair, health screenings), (3) wellness counseling, (4) group wellness and fitness activities.

Figure 1. Purpose of employees' well-being programs in the organization - Global

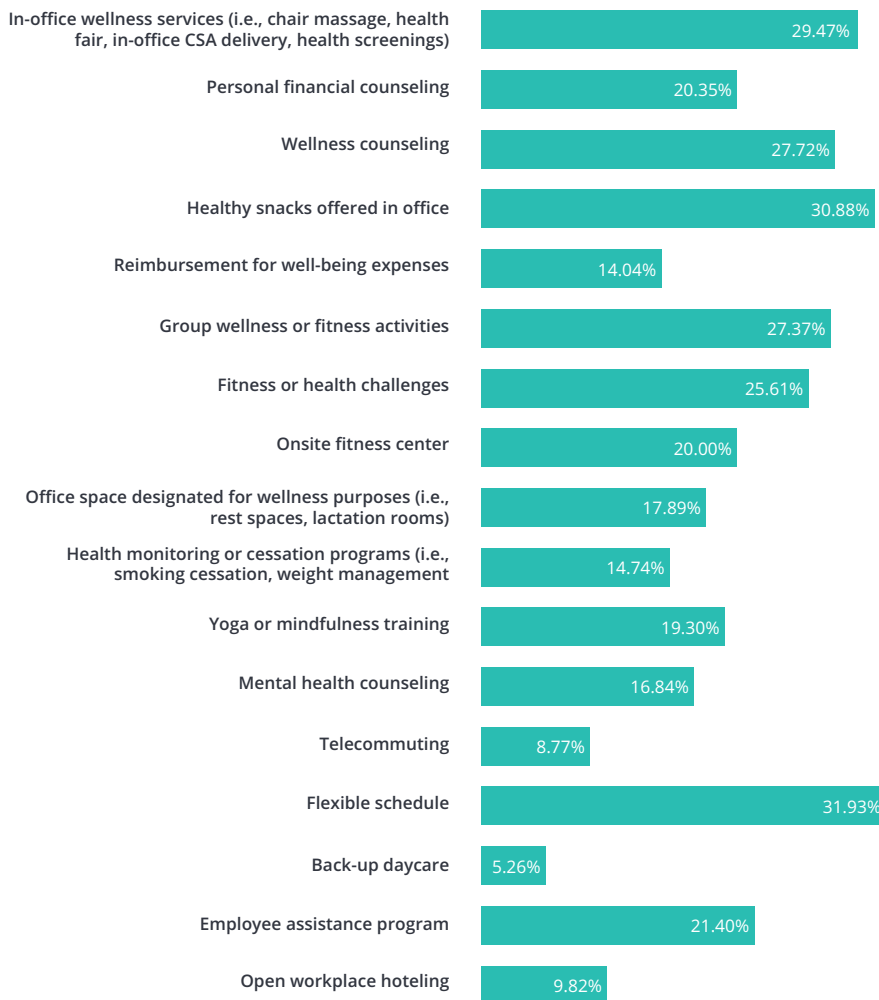| Category	Value
Promote employee safety	56.86%
Comply with regulatory or other requirements	45.00%
Reduce insurance costs	22.63%
Promote employee productivity/improve bottom line results	61.16%
Support employee recruitment/employment branding	45.79%
Support employee retention	60.27%
Reinforce organizational mission/vision	42.70%
Other	2.120%

Note: Question applicable for respondents having job function as HR and organizational level other than C-Suite.

Figure 2. Employee wellness/ work-life balance programs currently in place in the organization - global

Program	Value
In-office wellness services (i.e., chair massage, health fair, in-office CSA delivery, health screenings)	41.66%
Personal financial counseling	22.65%
Wellness counseling	35.10%
Healthy snacks offered in office	32.42%
Reimbursement for well-being expenses	25.57%
Group wellness or fitness activities	34.96%
Fitness or health challenges	24.75%
Onsite fitness center	21.85%
Office space designated for wellness purposes (i.e., rest spaces, lactation rooms)	27.43%
Health monitoring or cessation programs (i.e., smoking cessation, weight management	23.80%
Yoga or mindfulness training	18.25%
Mental health counseling	21.05%
Telecommuting	27.49%
Flexible schedule	49.69%
Back-up daycare	8.17%
Employee assistance program	30.33%
Open workplace hoteling	16.61%

Note: Question applicable for respondents having organizational level other than C-Suite.

> Today, the definition of wellness has expanded dramatically to include a range of programs aimed at not only protecting employee health, but also actively boosting performance as   well as social and emotional well-being.

Middle East

In the Middle East, the purpose of well-being programs for employees was viewed similarly to the global, results with promoting employee productivity/improving bottom line results and supporting employee retention being the top two reasons receiving equal importance (57.67%), followed by promoting employee safety at 54.60%.

Figure 3. Purpose of employees' well-being programs in the organization - Global

Category	Value
Promote employee safety	54.60%
Comply with regulatory or other requirements	33.13%
Reduce insurance costs	20.86%
Promote employee productivity/ improve bottom line results	57.67%
Support employee recruitment/ employment branding	47.85%
Support employee retention	57.67%
Reinforce organizational mission/ vision	38.04%
Other	1.84%

Note: Question applicable for respondents having job function as HR and organizational level other than C-Suite.

The top four most common employee wellness/work-life balance programs implemented in the Middle East are: (1) flexible schedule, (2) health snacks offered in the office, (3) in-office wellness services (i.e. chair massage, health fair, health screenings), (4) group wellness and fitness activities.

Figure 4. List of employee wellness/work life balance programs currently in place in Middle Eastern organizations.

Program	Percentage
In-office wellness services (i.e., chair massage, health fair, in-office CSA delivery, health screenings)	29.47%
Personal financial counseling	20.35%
Wellness counseling	27.72%
Healthy snacks offered in office	30.88%
Reimbursement for well-being expenses	14.04%
Group wellness or fitness activities	27.37%
Fitness or health challenges	25.61%
Onsite fitness center	20.00%
Office space designated for wellness purposes (i.e., rest spaces, lactation rooms)	17.89%
Health monitoring or cessation programs (i.e., smoking cessation, weight management	14.74%
Yoga or mindfulness training	19.30%
Mental health counseling	16.84%
Telecommuting	8.77%
Flexible schedule	31.93%
Back-up daycare	5.26%
Employee assistance program	21.40%
Open workplace hoteling	9.82%

Note: Question applicable for respondents having organizational level other than C-Suite.

The majority of survey respondents in the Middle East (45.51%) believe that their organizations offer well-being programs that are basic and focused on traditional well-being such as safety, employee assistance, or medical assistance programs. A minority of 4.21% of the respondents believe that organizations offer extensive well-being programs and work actively on analyzing the impact of those programs on the productivity and efficiency of work.

- Free yoga and meditation classes – In the case of Expo2020 over a quarter of the workforce participated to this event.[2]
- Make or break challenge – Employees are encouraged and incentivized to break bad habits such as high sugar and caffeine intake (Expo 2020).
- Sports activities and events such as:
    - Wellness runs (Saudi ARAMCO).

Figure 5. Description of Middle Eastern organization's current position towards employee well-being
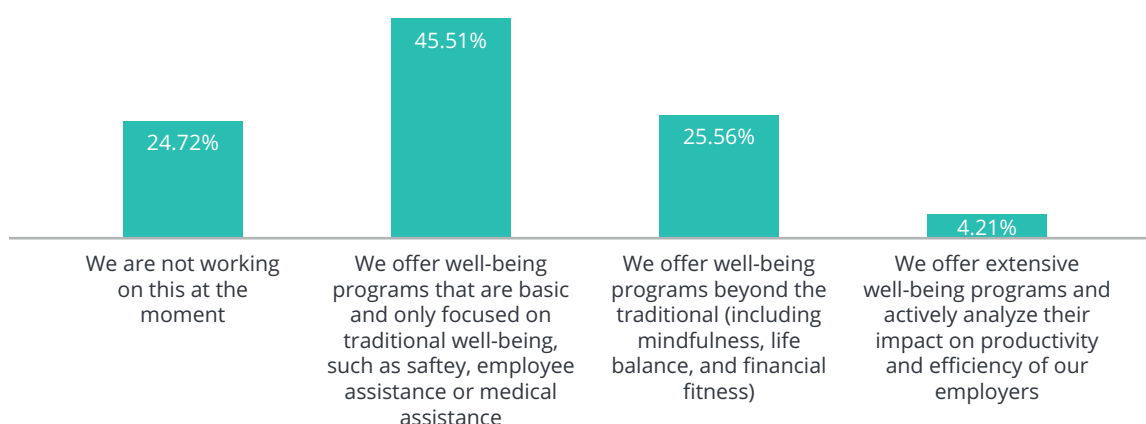
We are not working on this at the moment	We offer well-being programs that are basic and only focused on traditional well-being, such as saftey, employee assistance or medical assistance	We offer well-being programs beyond the traditional (including mindfulness, life balance, and financial fitness)	We offer extensive well-being programs and actively analyze their impact on productivity and efficiency of our employers
24.72%	45.51%	25.56%	4.21%

Research has found that one of the most valued well-being benefits globally is support for student loans as well as volunteerism and opportunities to give back to the community. Some global organizations give a "volunteer time off" to help their employees feel a sense of purpose at work.[1]

Regionally, when looking at distinguished organizations that offer out-of-the-box, extensive well-being programs, we notice that behind their success stories are some of the below activities:

- Games and team-building events that included table tennis matches and quizzes (Expo 2020).
- Sports and cultural events that bring together not only employees but entire families in relaxed and fun settings (Dubai Airports).
- Company football and tennis tournaments (Mubadala)..
- Health awareness campaigns on company premises

UAE

In the UAE, survey results, with well-being ranking as the top human capital trend, were reflective of the numerous government initiates that promote happiness and raise awareness about well-being.

Driven from an overarching public policy where happiness is a top priority on the national agenda,[3] and where the UAE is a major contributor towards the achievement of the UN sustainable development goal of 'Good Health and Well-being',[3] organizations in the UAE, whether governmental, semi-governmental or public, have been actively cascading down this policy into initiatives that stimulate people's productivity at work.

Daman, a semi-governmental healthcare organization in the UAE, launched an awards program to recognize the best government entities at promoting corporate wellness. Expo 2020 and Dubai Airports were rewarded for their distinguished approach toward achieving employee well-being objectives.[4]

KSA

Similarly, in KSA well-being is a top topic on the national agenda. Under the 'vibrant society' theme of the Saudi Vision 2030, the government aims at achieving happiness and citizen fulfillment through the promotion of physical, psychological, and social well-being.[5] We have noticed that organizations have begun to reflect this public policy in the workplace through corporate initiatives inspired by this theme. During a conference that gathered well-be-

ing practitioners from the Gulf Cooperation Council, Saudi Aramco's Director of Human Resources, Huda Al-Ghoson, clearly linked productivity and financial profitability to wellness at the workplace, stating that "as a human resources professional, I have seen first-hand the positive effects of healthy work practices on profitability and productivity".[6]

Cultivating well-being is a top priority on government agendas in the Middle-East, particularly in the UAE and KSA. Organizations have started to cascade down this theme into their corporate strategies through tangible programs and initiatives that aim to make the corporate environment in the Middle East healthier and happier, but most importantly, more productive and efficient.

How can Middle Eastern organizations better utilize employee well-being to drive corporate performance?

- Organizations should tailor their well-being programs based on the experience and needs of internal customers.
- Organizations should capitalize on existing and potential well-being programs to build their employer brand and image.
- Organizations should include well-being as a key pillar of their rewards philosophy and link it to performance.

THE BOTTOM LINE

Well-being is becoming a core responsibility of good corporate citizenship and a critical performance strategy to drive employee engagement, organizational energy, and productivity. It is also a growing expectation among the talent companies most want to recruit, access, and retain. No longer an optional or narrowly focused element of the rewards menu, well-being is now front and center as a business imperative for leading, high-performance companies.
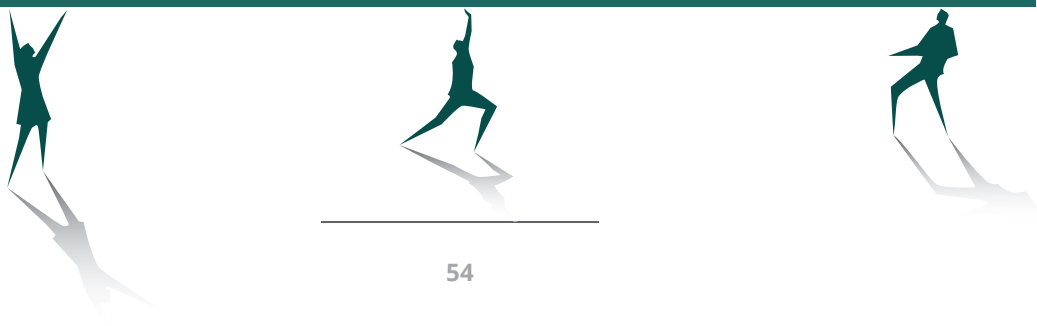
ENDNOTES

1. Research has found that one of the most valued well-being benefits globally is support for student loans and volunteerism

2. The National Newspaper, Well-being: Expo 2020 staff learn how to switch off and de-stress, https://www.thenational.ae/business/well-being-expo-2020-staff-learn-how-to-switch-off-and-de-stress-1.69813

3. The official portal of the UAE Government, https://government.ae/en/about-the-uae/leaving-no-one-behind/3goodhealthandwellbeing

4. The official portal of the UAE Government, https://government.ae/en/about-the-uae/leaving-no-one-behind/3goodhealthandwellbeing

5. Saudi Vision 2030, p 22, http://vision2030.gov.sa/en

6. Saudi Aramco official website, News, http://www.saudiaramco.com/en/home/news-media/news/workforce-well-being-investment-highlighted.html

AI, robotics, and automation

Put humans in the loop

AI, robotics, and automation have gained a rapidly expanding foothold in the workplace, faster than many organizations ever expected. While organizations are increasingly using these technologies to automate existing processes, true pioneers are radically rethinking work architecture to maximize the value of both humans and machines—creating new opportunities to organize work more effectively and to redefine the human workforce's skills and careers.

THE influx of AI, robotics, and automation into the workplace has dramatically accelerated in the last year, transforming in-demand roles and skills inside and outside organizations. Perhaps surprisingly, those roles and skills focus on the "uniquely human" rather than the purely technical: survey respondents predict tremendous future demand for skills such as complex problem-solving (63%), cognitive abilities (55%), and social skills (52%). This shows that human, innate skills seem to be growing more important as the need to devise, implement, and validate AI solutions becomes widespread.

To maximize the potential value of these technologies today and minimize the potential adverse impacts on the workforce tomorrow, organizations must put humans in the loop — reconstructing work, retraining people, and rearranging the organization. The greatest opportunity is not just to redesign jobs

or automate routine work, but to fundamentally rethink "work architecture" to benefit organizations, teams, and individuals.

> Leading companies increasingly recognize that these technologies are most effective when they *complement* humans, not replace them.

Figure 1. Ranking of the importance of workforce skills as AI/robotics become integrated into organizations - global

	Cognitive abilities	Complex problem-solving	Content skills	Physical abilities	Process skills	Psycho-motor abilities	Resource management	Sensory abilities	Social skills	Technical skills
Increase	54.98%	63.44%	50.47%	18.04%	53.94%	29.47%	53.25%	32.30%	52.19%	65.35%
Stay the same	39.46%	30.05%	42.96%	54.00%	34.55%	56.97%	38.48%	55.79%	37.33%	26.82%
Decrease				27.96%	11.52%	13.55%		11.91%	10.48%	
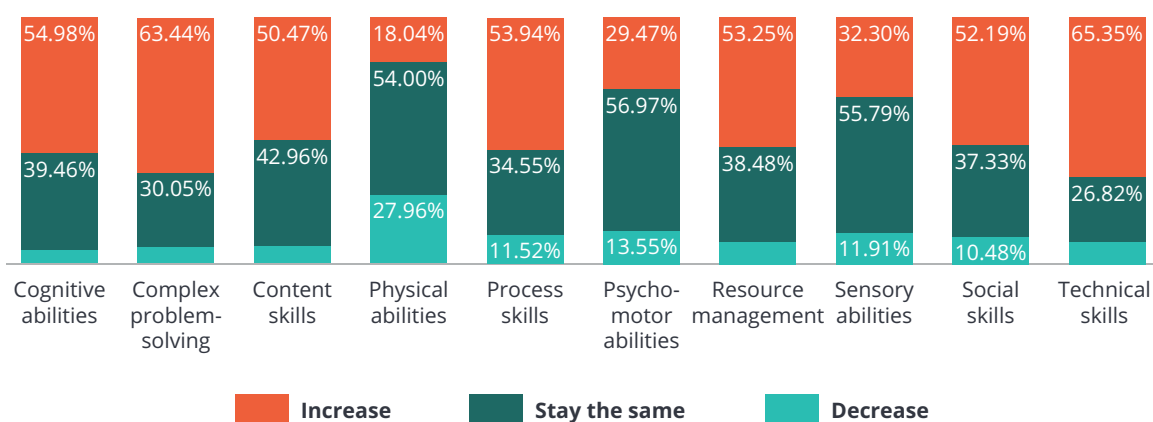
Past technological revolutions – mechanization, electrification, and computerization – redesigned work, jobs, and organizations. Today, the introduction of the Fourth Industrial Revolution - digital technology - has an impact not only on manufacturing and low skilled labor, but also on society and most economic sectors. Technology advancement - Artificial Intelligence, robotics, and automation - is reshaping the Future of Work though a different set of tools and methods, hence the need to clarify the way people and technology are coupled to complement or substitute one another.[1]

Worldwide, the adoption of automation, robotics, and artificial intelligence is accelerating dramatically. Globally, this newly introduced trend ranks as the fifth most important human capital trend and as the seventh in the Middle East.

The need for human involvement complicates the widely held view that AI will automate everything. If anything, humans and their innate skills seem to be growing *more* important as the need to devise, implement, and validate AI solutions becomes widespread. Understanding the unique capabilities that machines and humans bring to different types of work and tasks will be critical as the focus moves from automation to the redesign of work.

Middle East

Regionally, survey results show a considerable gap of 33% between the respondents' perception of the importance of integrating people, AI and robotics (74%) and the readiness of Middle Eastern organizations for this integration (41%). Despite this gap, research still shows that artificial intelligence (AI) will provide a significant economic contribution to the Middle Eastern economy within the next decade.

Technology advancement has become an increasingly recurrent topic and practice in certain countries in the region, where the economic community is already engaged in organizing forums and conferences to debate and discuss the latest trends. We can cite as an example the second Middle Eastern RPA and Intelligent Automation Forum, which took place in February 2018 in Dubai.[2]

Driven by the acceleration of technology, the nature of work in the Middle East is changing and organizations are forced to redesign most jobs. Technology is more than just transforming the way individual jobs are done, but it is changing the way companies source labor. The required workforce skills are becoming highly specialized and

"uniquely human". Survey respondents in the Middle East predict tremendous future demand for human skills such as cognitive abilities (60%), social skills (59%), technical skills (58%), and complex problem solving (58%). On the other hand, the demand for physical abilities shows a significant decrease (34%), as such abilities are the first to be replaced by technology.

Figure 2. Ranking of the importance of workforce skills as AI/robotics become integrated into organizations – Middle East
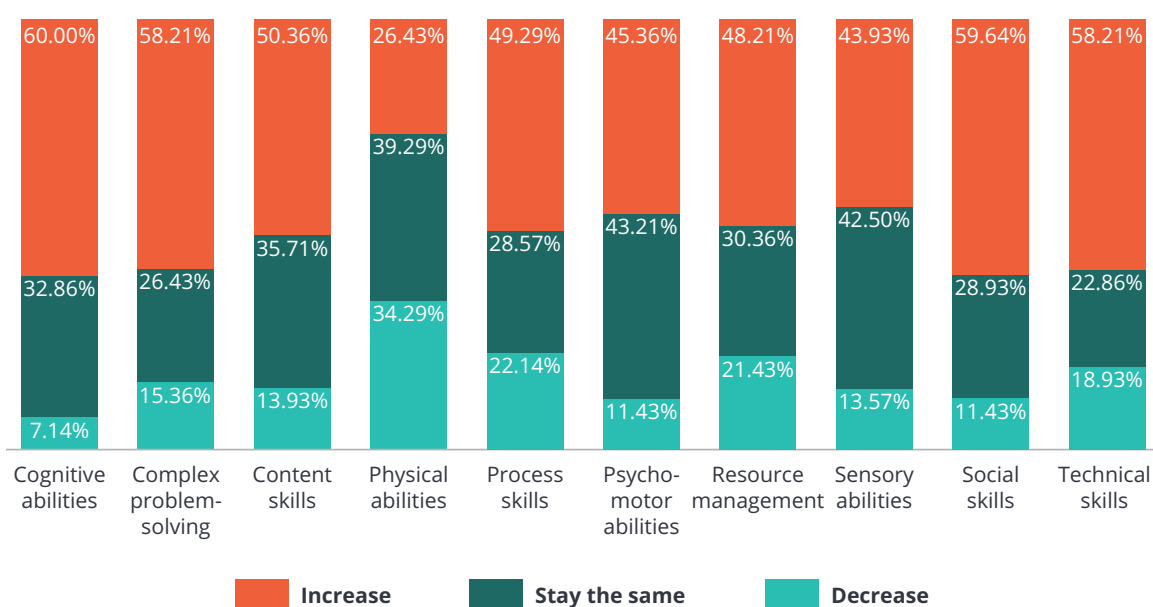
	Cognitive abilities	Complex problem-solving	Content skills	Physical abilities	Process skills	Psycho-motor abilities	Resource management	Sensory abilities	Social skills	Technical skills
Increase	60.00%	58.21%	50.36%	26.43%	49.29%	45.36%	48.21%	43.93%	59.64%	58.21%
Stay the same	32.86%	26.43%	35.71%	39.29%	28.57%	43.21%	30.36%	42.50%	28.93%	22.86%
Decrease	7.14%	15.36%	13.93%	34.29%	22.14%	11.43%	21.43%	13.57%	11.43%	18.93%

UAE

In the UAE, the majority of survey respondents perceive the integration of people with AI and robotics as either important or very important. Those results are potentially linked to the launching of the "UAE's 2031 Artificial Intelligence Strategy"[3] in October 2017 and the appointment of the first AI Minister in the world, His Excellency Omar Bin Sultan Al Olama.[4] The Government has clarified its objectives to invest further in the latest artificial technologies to boost its performance and provide efficient solutions in various sectors including, but not limited to, transportation, health, education, and renewable energy. Such public initiatives have clearly placed the UAE as a world pioneer in the area of artificial technology.

Government entities in the UAE have started to adopt AI technologies. Dubai police, for instance, is "investing heavily in AI to help predict crime and accidents, alleviate traffic congestion, and even power robocops".[5] The technology used will be able to predict and read human behavior to better teach drivers how to drive, as just one example, and Dubai Police is also working on deploying a robocop of its own.

KSA

Similarly, in KSA, the majority of survey respondents perceive the integration of people with AI and robotics as either important or very important. Worth noting is that KSA's Vision 2030 places digital transformation[6] as a national priority that will contribute to the reduction of the country's dependency on oil revenues.

When introducing Sophia during a large investment conference in Riyadh – Sophia is a robot integrating the latest technologies and AI, and the first robot to be awarded Saudi citizenship - Dr. David Hanson said: "Man and machine will create a better future for the world". Hence, the clear intent is expressed to couple human capabilities with advanced technologies.

Additionally, in KSA an interactive portal "Fekra Tech" has been launched, under the National Digitization Unit in collaboration with Saudi Telecom Company, aiming to enable citizens and residents to contribute to the digital transformation through their inspiring ideas and projects. This will prepare the Saudi workforce for new jobs that will be created in the future (an estimated 200,000 jobs by 2025 as per the National Digitization Unit) by giving them an opportunity to develop their skills in AI.

Organizations using AI/robotics in both the UAE and KSA unfortunately do not have a plan yet to cultivate the required skills to take advantage of technology. In order to achieve a better integration between technologies and people, it is recommended that organizations build a robust network to employ the best talent for specific work and ensure knowledge transfer within the organization, provide regular learning, enhance the performance of the resources, and develop the required future skills.

The rapid evolution of technology calls for an approach that will guide organizations in the Middle East and help them rethink the work architecture.

Organizations will need to put humans in the loop, adapt and ensure effectiveness of the implemented digital technologies to work needs, but, most importantly, they should pair the complementary abilities of human with the available AI, robotics and automation methods. In order to do so, organizations should:[1]

- Focus on identifying the most promising areas in which digital technology can increase employee performance and add value to their work.
- Build structures and processes that eliminate routine tasks and emphasize creative work with the implementation of a flexible structure, in order to accelerate performance improvement.
- Redesign the work environment, focusing on providing additional learning to improve the performance and bridge the gap between the workforce current skills and the future skillset requirements in the market.
- Build new approaches and strategies in order to establish a culture focused on employees' motivation, which will enable the creativity and innovation of business.
- Reassess rewards and performance management systems to motivate and retain talent.

THE BOTTOM LINE

In 2018 and beyond, we expect continuing rapid adoption and maturation of AI, robotics, and automation solutions. Leading organizations are working hard to *put humans in the loop*—rethinking work architecture, retraining people, and rearranging the organization to leverage technology to transform business. The broader aim is not just to eliminate routine tasks and cut costs, but to create value for customers and meaningful work for people.

ENDNOTES

1. Deloitte University Press – Navigating the future of work

2. 2nd Annual Middle East RPA and Intelligent Automation Forum, https://roboticprocessautomation.iqpc.ae/agenda/forum-day-one-monday-5-february-2018

3. UAE Artificial Intelligence Strategy - http://www.uaeai.ae/en/

4. United Arab Emirates Cabinet, https://uaecabinet.ae/en/details/cabinet-members/his-excellency-omar-bin-sultan-al-olama

5. The National, Robocops and Predicting Crime, https://www.thenational.ae/uae/robocops-and-predicting-crime-dubai-police-plan-an-artificial-intelligence-future-1.698034

6. National Transformation Program 2020, http://vision2030.gov.sa/sites/default/files/NTP_En.pdf

The hyper-connected workplace

Will productivity reign?

The sheer number and variety of communications tools continues to expand, all of them promising to make workers more efficient and productive. In an effort to realize this promise, smart organizations are reshaping work practices, physical workspaces, and leadership approaches to ensure that greater connectivity means greater productivity in a network of teams.

New communications tools are rapidly entering the workplace. 70% of respondents believe workers will spend more time on collaboration platforms in the future, 66% see growth in "work-based social media," and 62% predict an increase in instant messaging. But as these tools migrate from personal life to the workplace, organizations must apply their expertise in team management, goal-setting, and employee development to ensure that they actually improve organizational, team, and individual performance; and promote the necessary collaboration to truly become a social enterprise. Like the outside world, organizations are becoming hyper-connected; can they also become hyper-productive?

There has been a lot of focus on the influence of Millennials on the way talent is recruited and developed, given that by 2020 they will constitute 50% of the workforce. Today's generation of employees also bring in high expectations in regard to how their newly joined work environments should offer connected and collaborative means to conclude their responsibilities.

The workplace is evolving from fixed teams in common office spaces concluding their job duties with co-workers to versatile, self-managed teams scattered around different geographic locations, conducting interdependent work with co-workers, partners, and clients.

Deloitte's global Human Capital Trends survey results confirm this trend; 43.96% of respondents anticipated the use of face-to-face meetings as a communication channel to decrease over the next 3-5 years, whereas more than 60% of all survey respondents agree that the use of channels such as online collaboration platforms, work-based social media, and instant messaging will increase.

Figure 1. The status of communication channels in the next 3-5 years – global
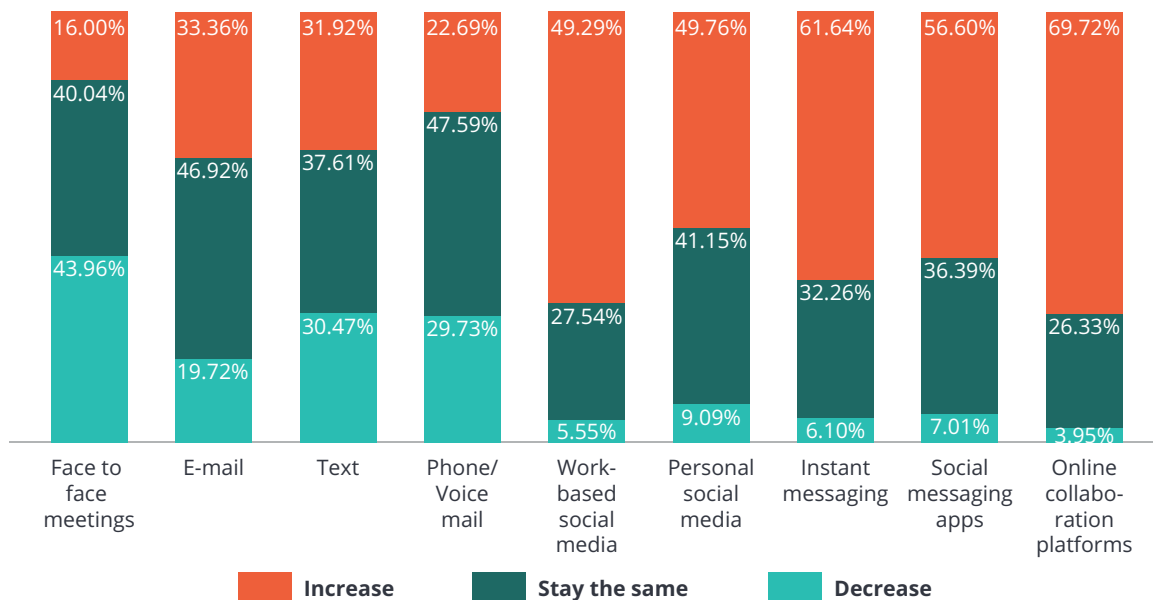
	Face to face meetings	E-mail	Text	Phone/ Voice mail	Work-based social media	Personal social media	Instant messaging	Social messaging apps	Online collabo-ration platforms
Increase	16.00%	33.36%	31.92%	22.69%	49.29%	49.76%	61.64%	56.60%	69.72%
Stay the same	40.04%	46.92%	37.61%	47.59%	27.54%	41.15%	32.26%	36.39%	26.33%
Decrease	43.96%	19.72%	30.47%	29.73%	5.55%	9.09%	6.10%	7.01%	3.95%

Legend: Increase · Stay the same · Decrease

Note: Question applicable for respondents having an organizational level other than C-Suite.

The number of both free and paid active users of business collaboration platforms such as Slack and Cisco Spark was 20 million in 2016, which is 193% greater than the figure in 2015. That figure is expected to rise to 160 million by 2021.[1]

Global technology giants have been quick to address the dramatically increasing demand for seamless collaboration and communication tools within their business clients. Slack, an increasingly resonating name among such firms in the recent years, has acquired tangible market share through offering a tool incorporating features such as voice and video conferencing and instant messaging, with the options to integrate with task management tools such as asana, CRMs such as salesforce, and cloud-based storage such as Dropbox and Google Drive. Slack users claim productivity has risen around 30% as a result of usage of the platform.[2] Truly, today's teams can devote time for more purposeful work that is directly linked to their productivity if the communication and collaboration tools they were using were more unified.

Solutions of the likes of Slack drove companies as large as Microsoft to announce their very own solutions like Microsoft Teams, which will later engulf their Skype for Business product, to deliver AI-backed communication and collaboration functionalities within a "hub for teamwork in Office 365".

Middle East

Figure 2. The status of communication channels in the next 3-5 years – Middle East

	Face to face meetings	E-mail	Text	Phone/ Voice mail	Work-based social media	Personal social media	Instant messaging	Social messaging apps	Online collaboration platforms
Increase	23.94%	44.01%	34.51%	36.62%	71.48%	56.34%	59.86%	58.45%	61.97%
Stay the same	39.79%	46.13%	43.66%	46.13%	22.89%	34.15%	28.87%	32.75%	28.87%
Decrease	36.27%		21.83%	17.25%					3.95%

■ Increase ■ Stay the same ■ Decrease
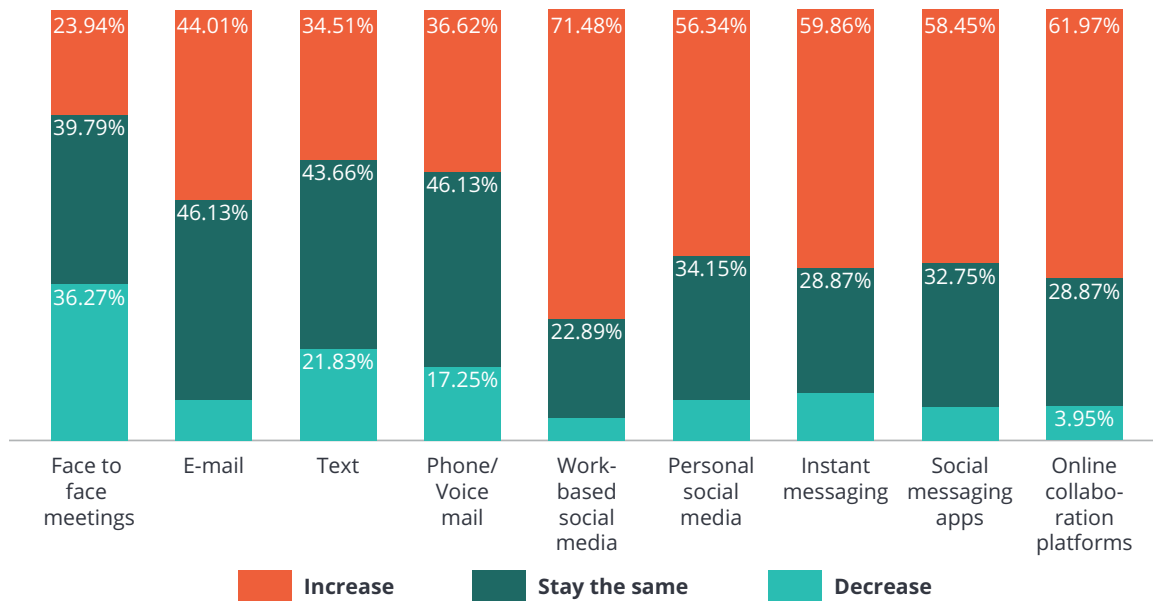
Note: Question applicable for respondents having organization level other than C-Suite

The Middle East is a region of no exception to the formula. While survey respondents from the region seem aligned with which channels are likely to decrease (36.27% of respondents anticipate the use of face-to-face meetings to decrease and 61.97%, 59.86% and 71.48% of respondents anticipate the use of online collaboration platforms, instant messaging and work-based social media respectively to increase), the Middle East stands out in regards to who might be the primary driver of adoption of these new communication channels and connected work tools. ME survey respondents believe HR and IT combined are more likely to be the primary adopters of the channels and tools compared to HR or IT alone, versus IT taking the lead in the global field.

> Managers must determine which tools are best for their organization, teams, and tasks based on a variety of factors, including culture, pace of communication, and level of formality.

Figure 3. Primary drivers of adoption of new communication channels and connected work tools – Global and Middle East
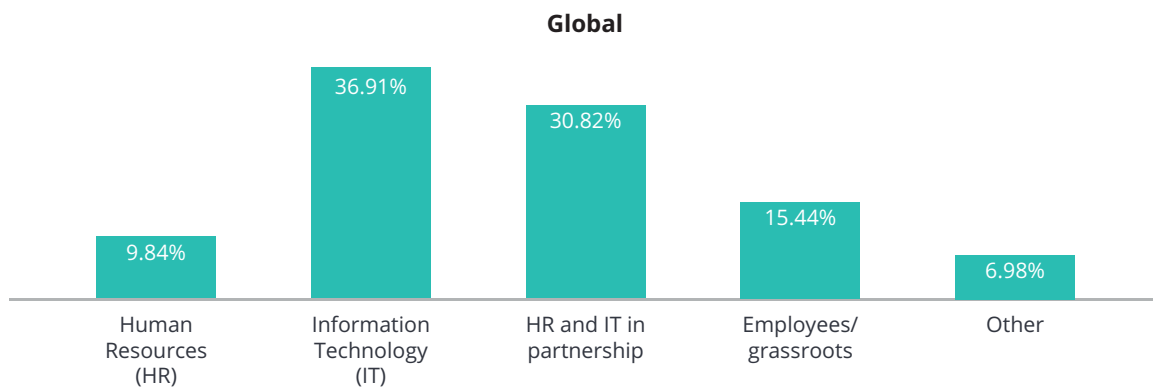
Global

Human Resources (HR)	Information Technology (IT)	HR and IT in partnership	Employees/ grassroots	Other
9.84%	36.91%	30.82%	15.44%	6.98%

Note: Question applicable for respondents having an organizational level other than C-Suite.

Middle East

HR	IT	HR and IT in partnership	Employees/ grassroots	Other
11.62%	29.58%	38.03%	14.44%	6.34%
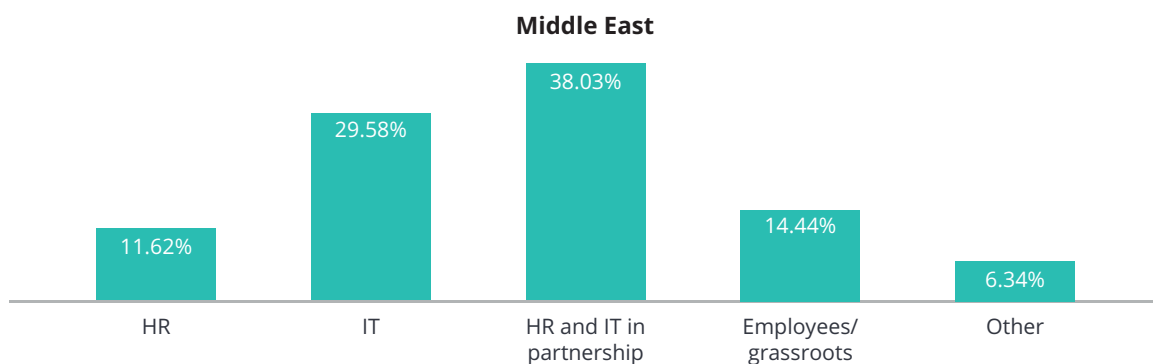
Note: Question applicable for respondents having an organizational level other than C-Suite.

But what does this actually say about the barriers to taking organizations in the Middle East from the traditional workplace to the hyper-connected workplace? Could IT hold HR back in a time when national transformation strategies like KSA's Vision 2030 and the UAE's Vision 2021 are taking both public and private sector entities through numerous projects where individuals need to be more connected than ever before?

UAE and KSA

Throughout several engagements with clients in the UAE, Deloitte witnessed the struggle within client organizations in finding the fine line between implementing open workplace style-communication and collaboration tools on one hand, and data security restrictions from IT on the other. These restrictions, resulting from fear of information leakage, encourage the workforce to revert to traditional means of communication, such as email, and access to basic resources, such as corporate intranet limited to on-premises resources. Some employees even revert to using non-corporate tools such as WhatsApp groups to discuss corporate affairs, which not only exposes sensitive information to risks of leakage, but also entails getting the users distracted into discussing non-work-related matters due to the social nature of these tools.

These restrictions have, at best, led to offering solutions such as virtual private network (VPN) access, which often heavily impact the user's experience and could lead to employees accessing protected yet important information only when necessary, if at all. Flexible IT policies, such as the ability to use technology to work from home or use social media, play a major role in overall employee satisfaction and retention.

If businesses are to compete in the war for talent and offer the degree of sophistication that employees expect, they need to invest in fundamental infrastructure like fast internet connections, adequate computers and IT support.

For KSA and the UAE, given their strategy which focuses on innovation, and on growing non-oil industries, having a robust information technology & communications infrastructure is a key ingredient to a more connected workplace. The pressure from employees on IT and HR is mounting to cater for a more connected workplace through the use of collaboration tools that can be accessed from anywhere. So how can businesses encourage collaboration in general? Technology is only part of the story: culture, workplace policies, and management structure are considered major blockers to collaboration.

How to respond to change

The emerging digital workplace can address these concerns by helping organizations:

- Support changes in working styles that enable employees to work more transparently and better leverage social networks.
- Unify offline and online communications by keeping employees connected through their mobile devices to provide anywhere, anytime access to tools and corporate information.
- Focus on the employee experience by providing them with user experiences they have outside the firewall. Provide choice, flexibility, and personalization.
- Support virtual work environments that allow employees to stay connected in distributed and virtualized work locations, while balancing customer privacy and operational risk.
- Minimize spending and enhance productivity by providing employees with the right tools and right information at the right time.
- Win the war on talent by offering the progressive and innovative environments that top candidates now expect.
- Manage across generations by taking into consideration the Baby Boomers still working often into their 70s and 80s.

THE BOTTOM LINE

Companies are concerned about a potential disconnect between new communications tools and organizational goals. To help ensure that personal connectivity translates to organizational productivity, they are adapting their practices, workspaces, and leadership styles to capitalize on the power of these tools while mitigating potential negative impacts.

ENDNOTES

1. 2017 Persistent Collaboration Spaces Worldwide Market Sizing & 5-Year Forecast – Wainhouse Research

2. The Slack Generation – The Economist

3. Josh Bersin, *HR technology disruptions for 2018: Productivity, design, and intelligence reign*, Bersin, Deloitte Consulting LLP, 2017.

People data

How far is too far?

The domain of people analytics is growing rapidly, offering new opportunities to better hire, manage, retain, and optimize the workforce. As organizations collect more personal and business data about their employees, however, they raise growing risks and ethical questions about data security, transparency, and the need to ask permission. Organizations now need robust security safeguards, transparency measures, and clear communication around their people data efforts—or they could trigger employee privacy concerns and backlash over data abuse.

Global people data analysis

The rapid increase in data availability and the advent of powerful people analytics tools have generated rich opportunities for HR and organizations—but they are now also generating a variety of risks. While more than half of our survey respondents are actively managing the risk of employees' perceptions of personal data use, and a similar proportion is managing the risk of legal liability, only a quarter are managing the impact on their consumer brand. Organizations face a tipping point: develop a set of well-defined policies, security safeguards, transparency measures, and ongoing communication around the use of people data, or risk employee, customer, and societal backlash.

Organizations are monitoring people data originating from various sources, including social media, surveys, and integrated data from HR and financial

systems in order to create a comprehensive "employee listening architecture" for a better employee experience.[1] In addition, leading companies are able to track and analyze more sophisticated data, such as the sentiment of employee emails, by using the organizational network analysis (ONA) software that interprets email traffic to monitor employees' stress levels and help spot fraud, abuse, and poor management.

However, going too far to obtain people data raises growing risks and ethical questions about data security and transparency. Based on this year's Human Capital Trends survey, 64% of respondents reported that they are actively managing the legal liability related to their organizations' people data, while only 25% reported that their organizations were managing the impact of these risks on their consumer brand.

Figure 1. Percentage of respondents actively managing HR data risks (globally)
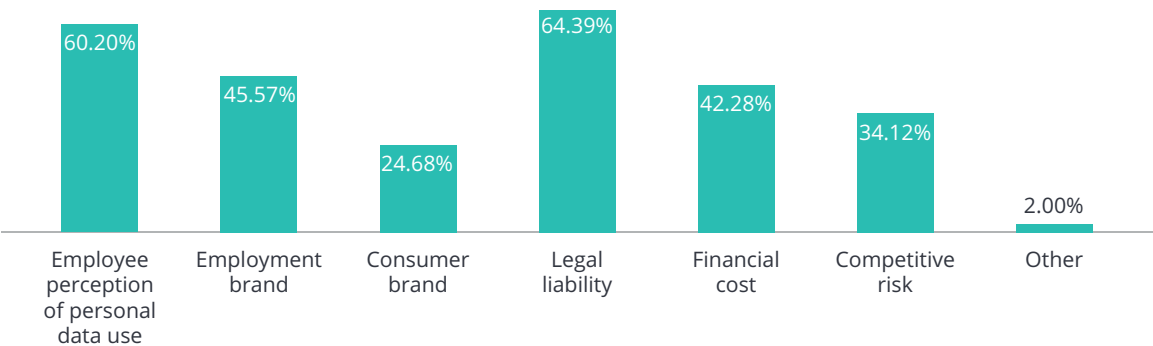
People data analysis in the Middle East

In the Middle East, based on the Human Capital Trends survey, 44% of organizations are able to measure and analyze employees' data for operational reporting in terms of costs, utilization, and compliance. However, a negligible number of organizations have the capabilities to conduct predictive analytics that would support in developing models for future planning.

> Organizations are approaching a tipping point around the use of people data, and those that tilt too far could suffer severe employee, customer, and public backlash.

Figure 2. Capabilities in measuring and analyzing talent data (ME)
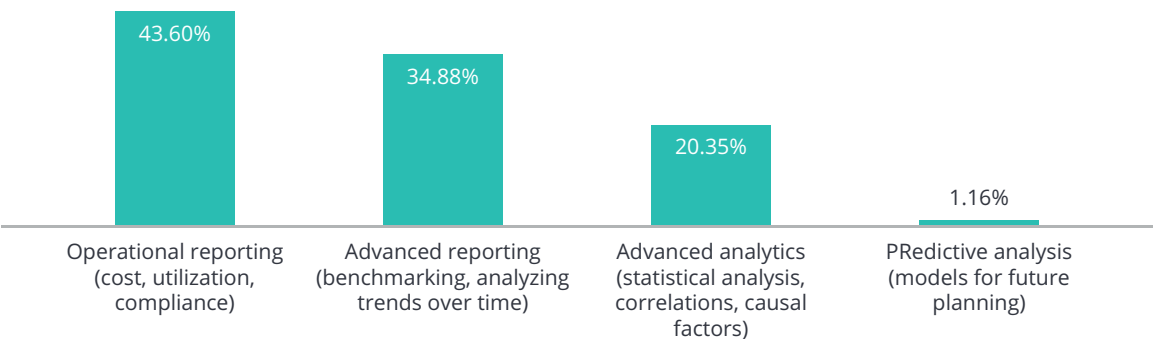
Nonetheless, to avoid the risk opportunities, 65% of the regional organizations reported that they were managing employees' perceptions of personal data use. Similarly to the global results, regional organizations reported the lowest percentage for consumer brand management (30%), which can have a serious impact on business.

Figure 3. Percentage of respondents actively managing HR data risks (ME)

65.12%	45.35%	30.81%	55.81%	46.51%	41.86%	2.33%
Employee perception of personal data use	Employment brand	Consumer brand	Legal liability	Financial cost	Competitive risk	Other
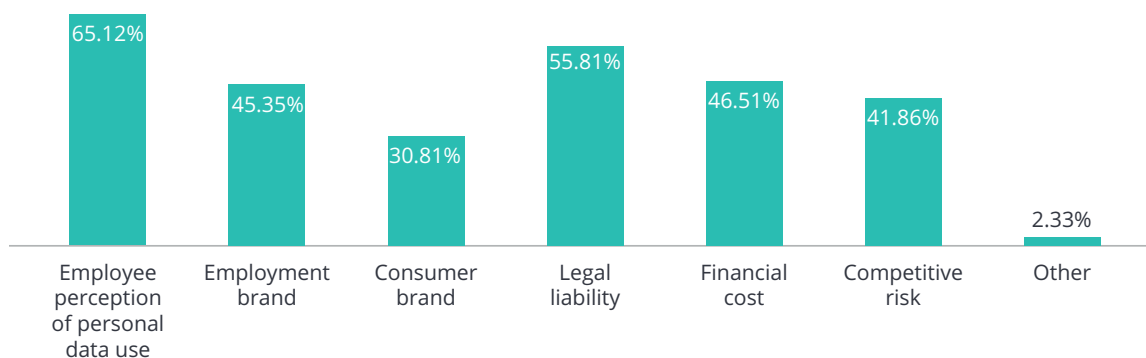
UAE

In the Middle East, we are witnessing an emergence of national big data strategies aimed at fulfilling governments' needs.[2] Dubai has launched its own open data portal in 2015 in order to enable the achievement of Dubai's Smart City Vision of becoming the happiest city in the world.

The Human Capital Trends survey reported that majority of the organizations in the UAE rated their HR data security as good. In fact, the Dubai Government has established a new strategy – the "Dubai Data Strategy" – based on 13 principles divided amongst data sharing and publication, and data use and re-use, as well as privacy, confidentiality, and intellectual property.[3]

KSA

In KSA as well, big data strategies are incorporated into national strategies aimed at addressing government needs.[2] As such, the Kingdom has established an open data portal, making government information related to various sectors available online for everyone to access and use for analysis. The Human Capital Trends survey reported that the majority of respondents rated their HR data security as fair, which highlights the need to enact practices in order to ensure data security and efficient use of people data.

Recently, KSA, aiming to diversify its economy away from oil, has been turning to big data analytics as an input into decision making in order to increase performance.[4]

Making use of people data

Finally, but importantly, people analytics is a key accelerator that can address many of the previous defined trends, such as analyzing people and organizations' rewards and providing career progression opportunities that will help retain and motivate talent and enhance employees' well-being; since it reports accurate, evidence-based, and non-biased data that will guide organizations to make better decisions.[5]

In order to enable efficient use of people analytics, organizations need to:[6]

- Identify what they really need to know.
- Develop a roadmap for investment to establish readable and accessible data, and educate stakeholders about data programs.
- Establish a multidisciplinary people analytics team.

- Focus on implementing actions based on analyzed findings to drive business forward.

In parallel, to protect privacy and maintain data security, organizations need to:[6]

- Take the appropriate measures through setting, developing, and providing proper communication of their clear policies regarding privacy and security.
- Conduct an assessment and compliance check to ensure alignment to these standards and regulations.
- Invest and establish security education and training programs to enhance users' information and security awareness, and to transfer knowledge on the importance and methods of data confidentiality maintenance.

THE BOTTOM LINE

Organizations need to understand the trade-offs involved in the accelerating collection and use of employee and workforce data. Most have good intentions in collecting and using this data, but these troves of data also raise significant risks. Companies must be vigilant about data quality, data security, and the accuracy of machine-driven decisions. While this is a relatively new challenge for HR, it is rapidly, and rightly, becoming a top priority.

ENDNOTES

1. Bersin, Deloitte Consulting LLP, High-impact people analytics research 2017

2. Deloitte Point of View – Big Data, mining a national resource

3. The official portal of the UAE Government

4. Saudi Arabia Vision 2030

5. Deloitte People Analytics brochure

6. Deloitte Point of View – Data privacy and security

7. Bersin, Deloitte Consulting LLP, *Predictions for 2018: Embracing radical transparency*, 2018.

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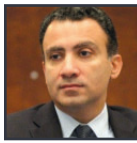
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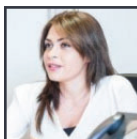
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