

Viewpoints

Q & A

Workplace culture in the future of work

How to create a compelling organisational culture for an evolving ecosystem of work

With the advancement of digital technologies, both companies and workers have access to global talent markets, regardless of location. To take advantage of these changes, organisations must strive to create a compelling culture for competing in this all-inclusive global talent marketplace.

In this discussion, Willis Towers Watson's regional experts in talent management and organisational culture discuss what companies need to do to be more effective in this changing world.



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Q Brown: To begin with, can you share a definition of culture?

A Deery: Traditional definitions often refer to culture as “how things are done around here”, or as the “shared set of values, principles, assumptions, beliefs, symbols, and behaviours that reflect how an organisation functions”. Culture is also experienced or observed in leadership, management and people processes, such as what leaders pay attention to, what behaviour is rewarded, and how customers are served.

A Mittal: The last point is especially important. When working to define or change culture, we see the need to consider the broader organisation systems and processes, as they set the context in which beliefs and behaviours operate. You can't change behaviour without changing the context.

Q Brown: To what degree do you see organisations focusing on culture, and what are some of the drivers or reasons?

A Deery: Although culture is sometimes described as hard to understand or manage, the current pace of change driven by disruptions in technology and global markets is leading companies to place a much greater

emphasis on culture. CEOs and executive teams are seeing that to compete in this changing external environment, they require a workforce with different mindset and behaviours. There can be a range of drivers, although one of the most common is technology disruption and digitalisation.

Q Brown: As these digital advancements disrupt the world of business, how do you see organisations defining a successful culture?

A Mittal: According to our research, organisations across Asia plan to shift their strategic priorities over the next three years to place a greater emphasis on agility, innovation and personalised customer experiences as they embrace the use of data and digital technologies. Organisations are rethinking the type of operating model that would best support the digital shift. The focus is on maintaining a deep understanding of customer needs, accelerating the speed to market of new products or services, improving operational efficiency, and ensuring seamless flow of information within the organisation.

Companies must enable digitalisation from a perspective of having the right work environment and tools, talent lifecycle management, and digital capability to deliver a good employee experience.

A Ichikawa: In Japan, companies are discussing how they can become more efficient and prepare for the future of work. The Japanese government is also promoting the future of work, but the discussion is focused more on work efficiency or reduction of overtime work supported by digitalisation and seldom about culture.

Although many companies are discussing work-style reform, we don't see any drastic changes yet. For example, one company wanted to promote paperless meetings, but they used piles of paper in the Board of Directors meeting just to explain how they can use the tablet devices in front of them!

Q Brown: Is this shift in how companies are thinking about culture impacting what is required to attract, retain and keep talent engaged?

A Deery: As organisations think about broader talent pools, they must also rethink the culture that people want to work in, whether it's in full-time roles or in other capacities, such as contingent work arrangements. For example, doing interesting work for an organisation that is purpose-driven, and where employees can grow and develop, are common reasons for employees to join or contract for a company. Culture is also increasingly seen as a differentiator in attracting and retaining talent.

It is also important to highlight that organisations are increasingly bringing an inclusion and diversity lens to culture in order to attract and retain talent. They recognise that this is not only the right thing to do but a business imperative; that their workforce needs to reflect their increasingly diverse customer base, and that it is needed to access the best talent and ideas in and outside the organisation's traditional boundaries. Being able to articulate that as a part of the employee value proposition is really fundamental to attracting a diverse talent pool.

A Mittal: We know from our research that if an organisation is to build a more diversified talent network, including freelancers, gig workers, part-time contractors and robots, they need to provide a consistent experience across their talent ecosystem.

Workers are essentially customers who want to buy interesting experiences from employers, using the currency of time, and these "interesting experiences" are highly related to culture. When we study high-performing organisations, we find they focus on baseline enablement factors, which come through teamwork, performance management, clear goals, and empowerment. However, a high-performing organisation truly differentiates itself around leadership, purpose, and also a deep focus on customers. All these elements are very important from a culture perspective, and leaders, managers and HR have a role to play.

A Ichikawa: Our clients are increasingly paying attention to the engagement level of different types of workers, especially if they have direct contact with customers. The engagement level of these non-traditional workers are often lower when we undertake engagement surveys, a risk for the experience customer have when dealing with these companies. Most companies do not have well established process for leading and engaging this contingent workforce .

The engagement level of the non-traditional workers are often low, but most companies do not have well established process for leading and engaging them.

Q Brown: Where should companies start as they focus on creating a compelling organisational culture for the future of work?

A Deery: Leaders should be at the centre of the defining and changing the culture that shapes the employee experience. It is well known that leadership has the biggest impact on culture, some claim as much as 80%. Our recent *Future of Work pulse survey* identified that the role of leaders and managers is expected to change dramatically over the next three years. They'll be much more in the role of the "orchestrators of work" - communicating, coordinating, and engaging talent across a range of work arrangements. The capabilities of leaders and managers are critical to success.

A Ichikawa: I agree. Strong leadership plays a very important role in promoting cultural change. However, according to employee surveys conducted at Japanese companies, leadership and innovation are almost always the critical areas for improvement. Many employees say that leadership does not understand how they should change, or how they should communicate change to employees. Evolving or developing culture is increasingly a topic of focus. Recently, more clients started encouraging employees to think big, take risks, and be open to something new. It could be the first step to foster a new culture.

Q Brown: What are some of the ways that employers can understand how employees experience organisational culture?

A Mittal: Forward-looking organisations focus on "continuous listening" to understand what is working from people process and culture perspectives. A key element of agility is rapid iterations, and a continuous listening strategy will enable organisations to be quick to respond to employee feedback. Pulse surveys and virtual focus groups are useful tools that can be deployed to understand what is working and what is not.

Organisations can also consider social media scans and website reviews, where employees share feedback about their working experience. Actively moderating and responding rather than just passively receiving the feedback is important. For example, a client in the education sector in Singapore sought feedback from across the organisation, including employees, students and alumni as it sought to define its core values and culture. This is a very inclusive way of getting input.

A Deery: Organisations traditionally have thought about cultural change as a top-down process. Leaders would design and craft the culture and values, and inculcate the right behaviours on a day-to-day basis, often through an engagement or cascade process with the workforce. Now, we are seeing a trend, reflective of technology, involving a crowdsourcing element, or bottom-up approach where leaders use the tool Mittal described to capture input. Organisations are wanting to access real-time input from employees on the frontline about what success looks like in the future, and what behaviours are needed to drive the business. That is a shift in thinking from where organisations were three to five years ago.

Brown: There are exciting times ahead as we continue to see disruption and organisations really embarking on creating a compelling organisational culture that will support that new way of working and new ecosystem of work.

Do you want to create a compelling organisational culture in the future of work?
Contact our experts who can power your ambition.

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Q Brown: What are some of the things HR needs to focus on? What is their role in this transformation?

A Deery: HR should position itself to be in the driver's seat as the "architect" or key partner to the business, and in designing the culture and the enabling talent systems and processes. If HR is not an architect, or in a leading role, then the business will simply acquire the most readily available talent without having a more holistic approach - whether it has the right information to make hiring decisions, ensuring the reward and performance programs are aligned, or whether the leaders have the right capabilities to drive change.

A Mittal: As organisations go through digital transformation, what HR needs is a mindset shift, which is key to digital transformation success. We need to realise that technology alone is not the key to the success of digital transformation. We also need a shift in the culture, mindsets and in the way we work, to achieve success. HR needs to educate business leaders that these two aspects – technology shifts and mindset shifts – need to go together.

HR should facilitate this conversation on what is the right culture to support the strategic priorities of the organisation, and make changes to HR strategy to reinforce people processes and culture. For example, when building an agile culture, we need to consider what capabilities are required, and whether they are reflected in the organisation's competency frameworks. Also, are these competencies further integrated into performance management, to make it clear to employees that these competencies are what the organisation values and expects of them? Organisations need to think about the total talent experience they are providing to employees, to make sure it is reinforcing cultural change. Do employers understand what stories employees are going to tell about the organisation? Leaders and HR need to shape the culture, and in turn shape that story.

A Ichikawa: It will be more important for HR to think about what should be required to support the changes, and what kind of HR systems or training will be effective to enable employees. Otherwise, many employees will fear change, wondering how they can adjust themselves to the new working environment. HR's role will be to support employees, and help them feel they can follow the changes. They should be a bridge between management and the employees, or a bridge between different business units, so that everyone can keep pace with the changes.



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WTW-AP-19-ICP-305224854

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