

OUR PERSPECTIVES

Realities Impacting the People Side of Business and How Leaders Should Respond





Is your leadership future ready?

Workforce demographic shifts, the rise of AI, hybrid work – these are just a few of the realities facing the people side of business today.

In this deck, we unpack six potent realities that are driving new challenges and new choices for leaders today. How you choose to respond, prepare, and signal vision and action will be defining factors in the future success of your business.

Regards,



Cheryl

Cheryl Fields Tyler
Founder and CEO, Blue Beyond Consulting



A spotlight effect is shown in the top-left corner, casting a bright blue beam of light across the slide. The background is a dark blue gradient.

Six realities leaders can't ignore:

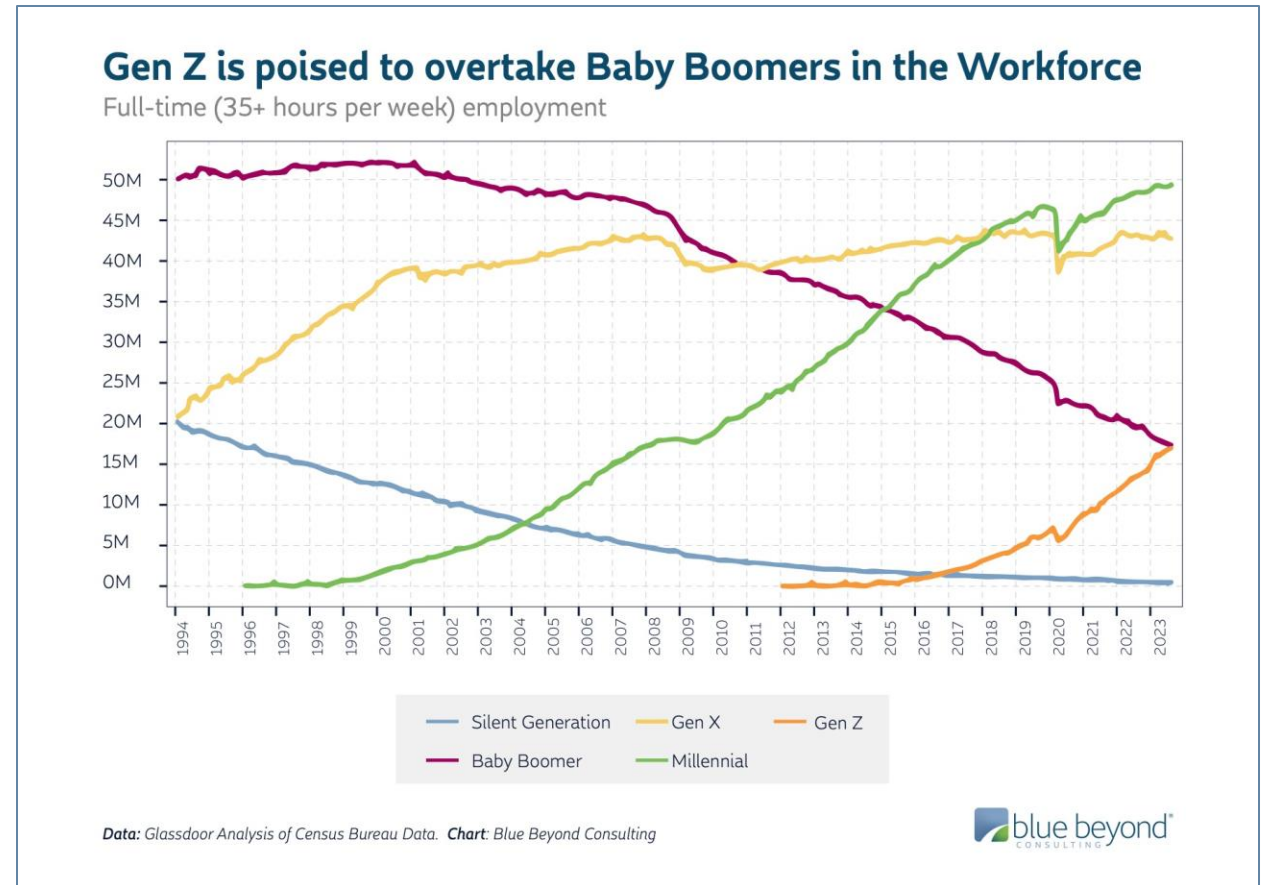
- 1 Demography is destiny
- 2 If work can be done anywhere, it will be
- 3 Well-being is not a fad
- 4 AI makes humans more essential, not less
- 5 Leader's #1 job: Amplifying signal and reducing noise
- 6 Your future is in the hands of your people managers



Demography is destiny

We are amid a generational handover – are we dropping the baton?

- Average age of CEOs: 59
- Average age of C-Suite Execs: 57
- Only 12% of companies report confidence in the strength of their bench
- “Achievement” means very different things for these generational cohorts
- Millennials and Gen Z rank well-being goals well above leadership advancement
- Worrying about developing the next generation of leaders keeps 50 percent of CEOs up at night

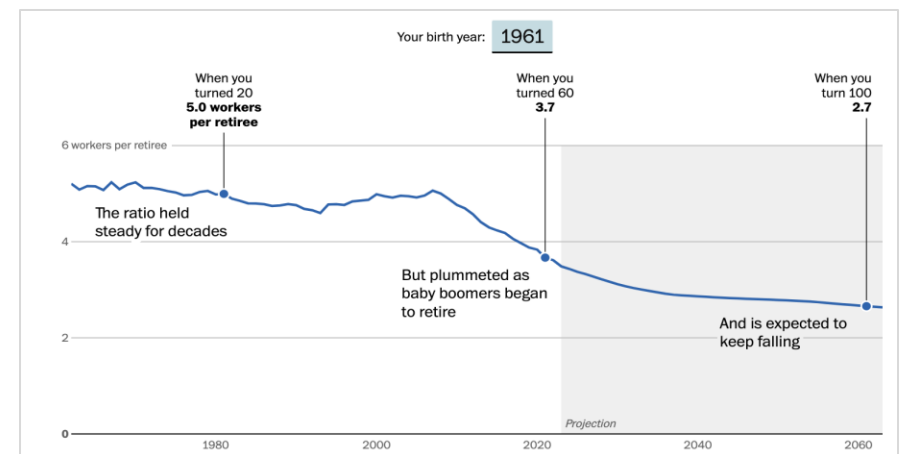
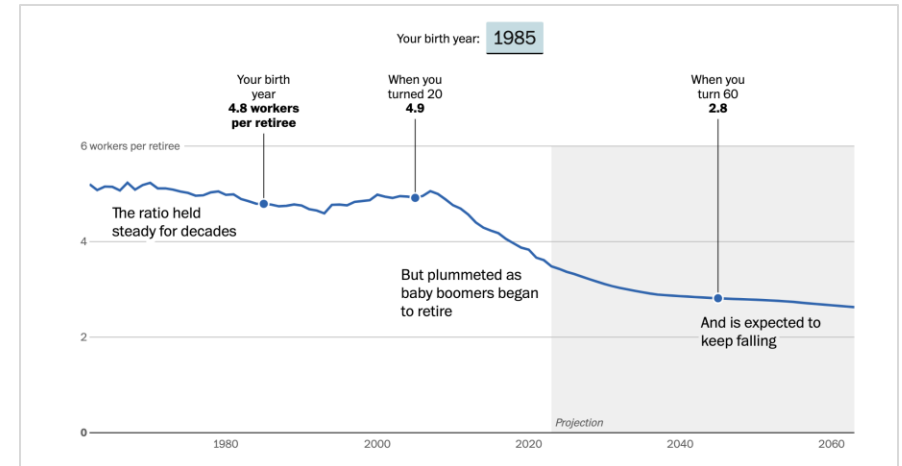


Millennials and Gen Z have reason to prioritize well-being

Key demographic trends converge to create very real challenges for younger generations

The financial realities facing Millennials and Gen Z are daunting:

- Cost of higher education and greater amounts of student loan debt
- Higher cost of home ownership
- Scarcity of lower-cost “market entry” homes in desirable locations
- >60% increase in cost to raise a child in the past 25 years
- Over 53% of US wealth is owned by Boomers (20% of the US population)
- Increasing pressure to carry the “future cost” of retirement – their own and “ours”



If work can be done anywhere, it will be – and should be

If it's knowledge-based, work is not a place – it's collaboration

- While 83 percent of CEOs want employees to return to in-person, **only 10 percent of employees want to come back to the office full time**
- 9 in 10 remote-capable employees prefer some remote work flexibility, with the **majority preferring hybrid approaches**
- At the beginning of 2023, 49% of companies were requiring employees to work in the office full-time. By the end of 2023, that number **dropped to 38%**, an 11%-point change
- **Autonomy makes people 2.3 times more likely to stay with the organization**, which is essential for winning the talent challenge and competing with fully staffed, talented teams
- When people have the chance to work flexibly, **87 percent of them take it**
- **People who have the option of working 2 or more days a week from home report:**
 - Better physical and mental health
 - More work-life balance
 - Cost savings of \$5-15K a year
 - Higher productivity
 - Higher levels of job satisfaction
 - Greater happiness



Knowledge work is not a “place” — it’s collaboration

Rethink how to structure and invest in “in person” work

Imagine if we could re-allocate 10% of the time and capital invested in work “places” to:

- ✓ Foster “lore-creating moments” of in-person collaboration
- ✓ Build deeper trust and strengthen communication
- ✓ Design and share breakthrough learning experiences
- ✓ Build boundary-spanning connections across teams and geographies
- ✓ Strengthen shared purpose

Office occupancy in America’s biggest cities:



Well-being is not a fad

Demographic, societal, and workplace factors have converged to make well-being paramount

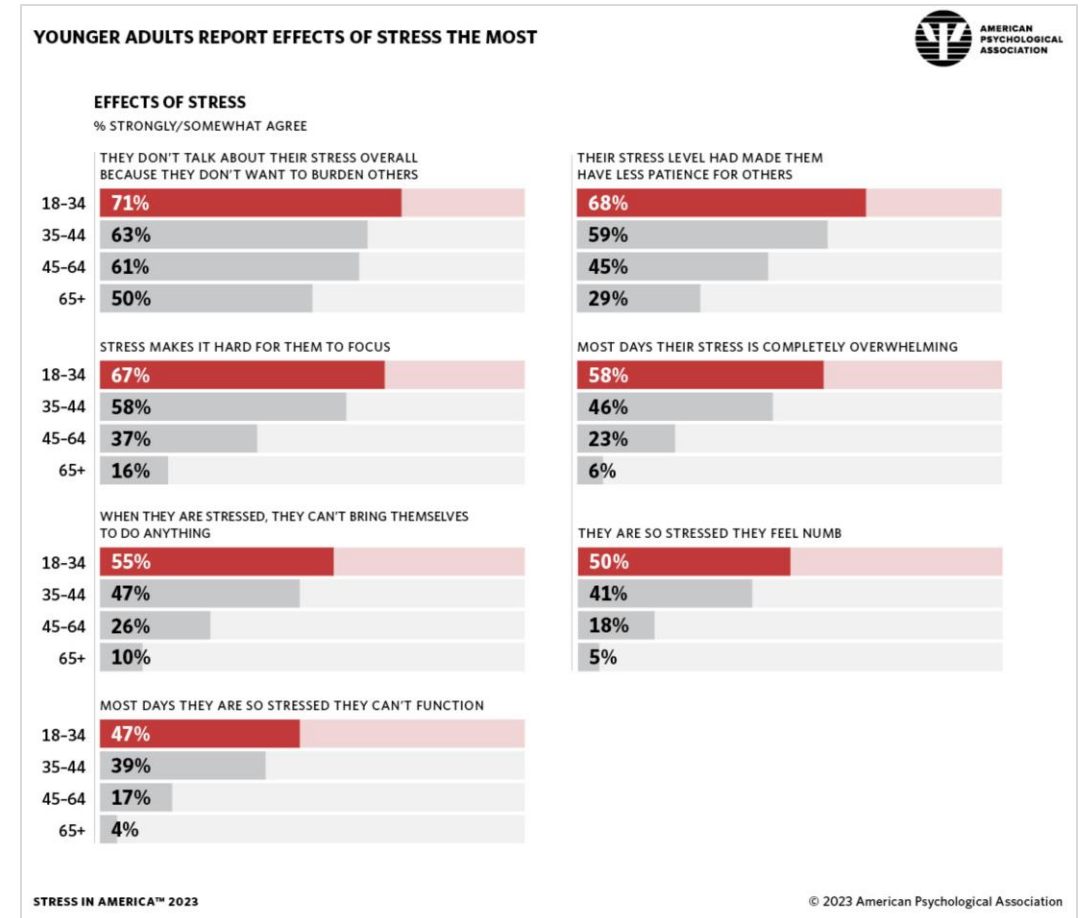
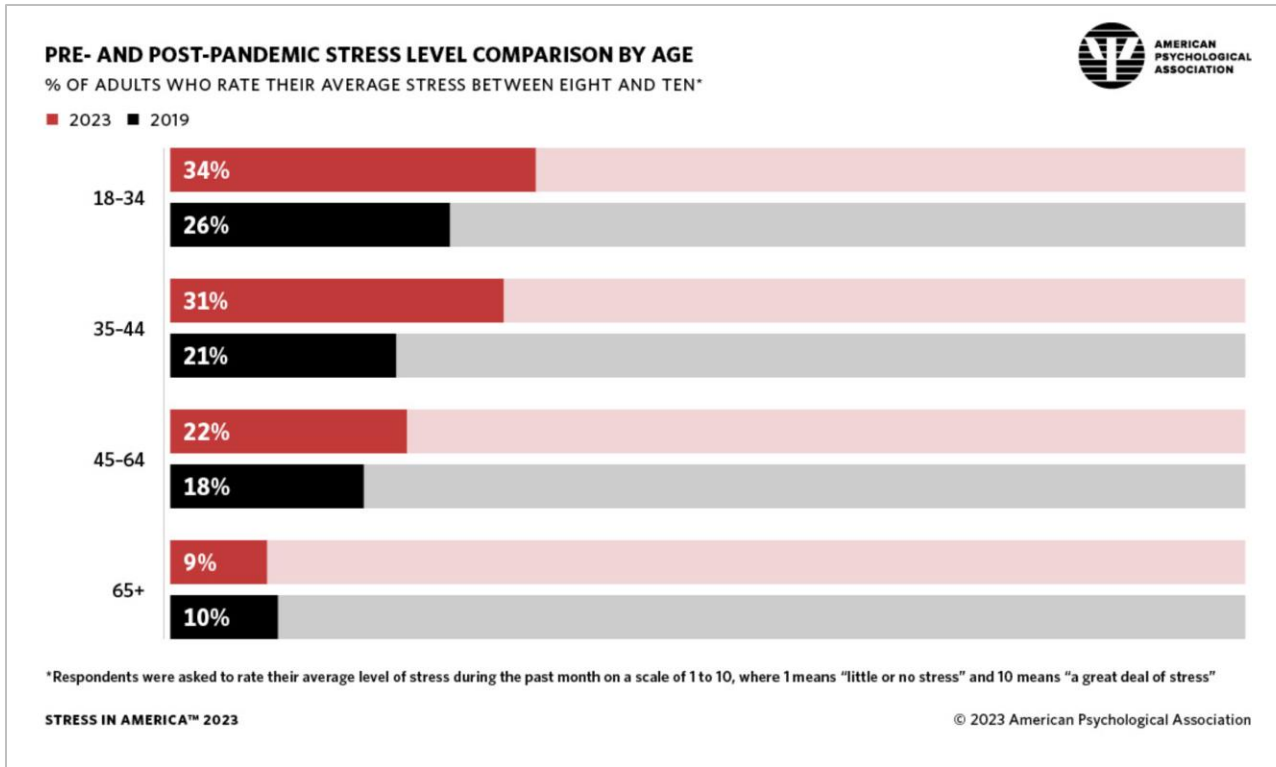
- 88% of all respondents who took our survey say **mental health and well-being are important** — and they top the list of important employee experience factors
- **Every four percent increase in well-being performance correlated to a one percent increase in company profit**, along with increases in employee satisfaction, customer satisfaction, and a decrease in employee turnover
- Employees that strongly agree that their organization cares about their overall well-being are nearly **70 percent less likely to actively search for a new job, and 71 percent less likely to report burnout**
- Executives believe that total **well-being is the workforce initiative that would deliver the second-highest business results** (second only to reskilling)

This is not new — as early as 2010, Gallup saw this trend



Well-being is the central issue for many of us

Those under 65 — and especially those with young and young adult children must prioritize well-being



AI makes humans more essential, not less

Ethical, smart, emotionally intelligent people are essential to help us navigate in a world with AI everywhere

- 82% of leaders globally said **employees will need new skills in an “AI-powered future”** – the top skills: analytical judgment, flexibility and emotional intelligence
- 9 out of 10 global executives agree that **soft skills (aka “human” or “durable” skills) are more important than ever**

In the US, the fastest-growing **in-demand skills** since November 2022 are:

Flexibility	+158%
Professional ethics	+120%
Social perceptiveness	+118%
Self-management	+83%



- 47% of US executives believe that using generative AI will increase productivity
- 40% of US executives think that using generative AI will help unlock more growth/revenue opportunities in the next year
- While 49% of employees are concerned AI will replace their jobs, **the promise of AI outweighs the threat: 70% of employees are more than willing to delegate to AI to lighten their workloads**



AI exponentially increases the need for goodness

Skills are key to goodness

- Ethical judgment
- Curiosity
- Empathy
- Communication
- Context setting
- Trust building
- Critical thinking
- Understanding and facilitating group dynamics
- Inclusion
- Coalition building
- Foresight
- Self-awareness
- Emotional regulation
- Perspective-taking
- Seeking and receiving feedback

AI will deliver its benefits to society as a whole in direct proportion to the standards we aspire to and the skills we build.

Business must take the lead.

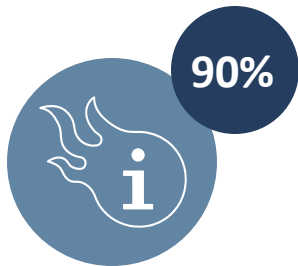


Leaders' #1 job:

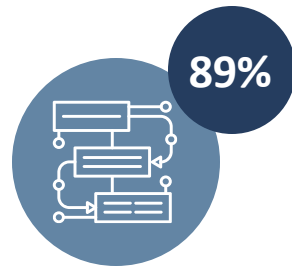
Amplifying signal and reducing noise

Seeing what is most important *now* and *next* and communicating in ways that make sense to your people is essential

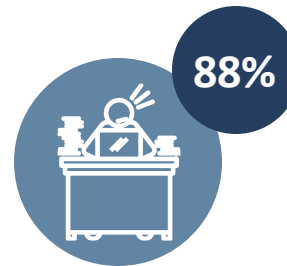
- Over 70% of global employees feel their job complexity has risen
- Employees report several factors that they believe are adding complexity to their jobs:



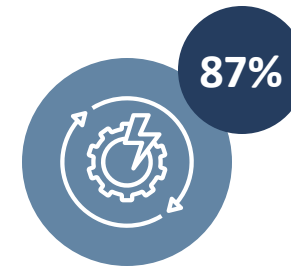
Navigating
information overload



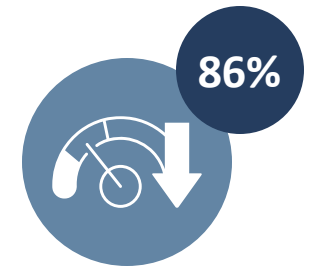
Managing internal
processes



Managing multiple
projects, teams,
and people



Keeping up with
rapid change



Limited
resources



Signal-boosting requires knowing what humans need

Humans are hard-wired to pattern spot and seek connection — between people, ideas, and content.

- We live in a Volatile, Uncertain, Complex, and Ambiguous (VUCA) world.
- Leaders can reduce stress, anxiety, and fear by providing clarity through:
 - Being contextually aware — market, organization, team, individual
 - Focusing on what's important
 - Demonstrating empathy and care
 - Communicating in a human, compelling, and visual way

Common leadership communication mistakes:

- *Lack of data or formal listening to 'lived experience' of employees*
- *Overuse of 'formal' communication and corporate jargon*
- *Too many communication channels*
- *Not put into context — What happened before? What comes next?*
- *No invitation for dialogue*
- *Underuse of visuals — to situate ideas, build alignment, convey emotion, and make meaning*

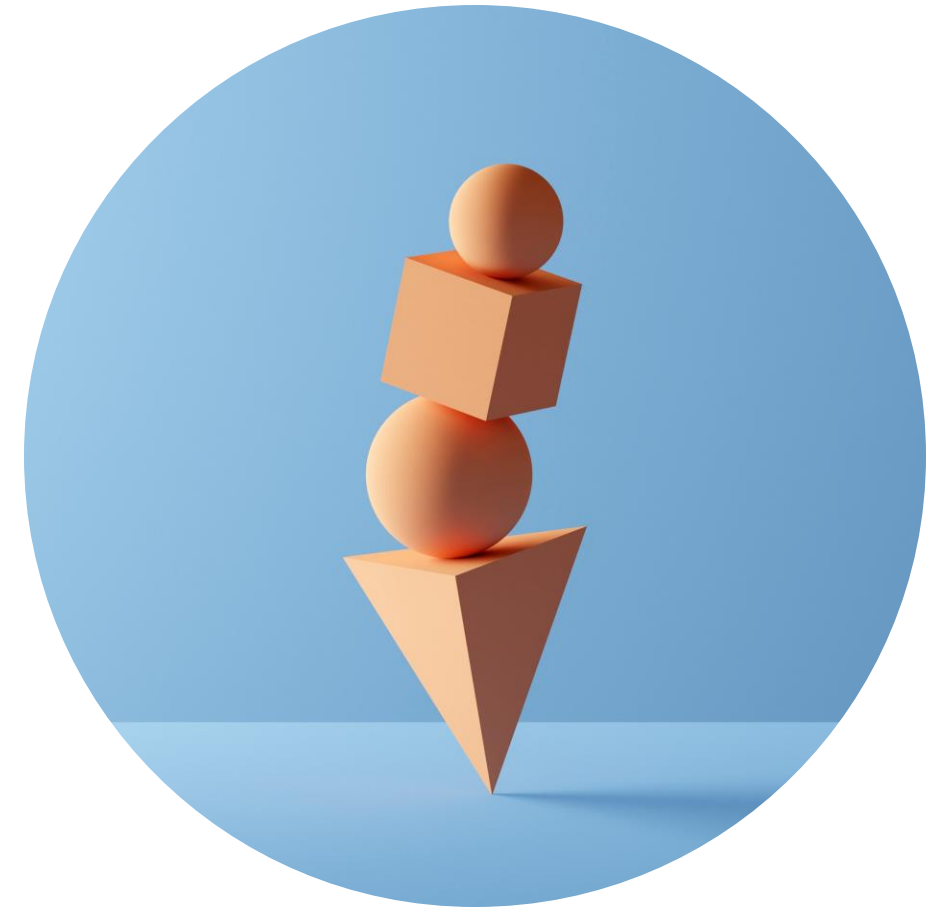


Your future is in the hands of your people managers

Managers are the pivot point — the key to actively and agilely balance the changing needs of your people and your business

All of these realities together make your people managers the pivot point:

- Adapting to the needs of a multigenerational workforce
- Orchestrating teams working together from many places
- Fostering lore-creating moments that fuel highly effective collaboration
- Actively supporting employee well-being
- Navigating complexities of AI application in ways you can trust
- Contextualizing the signals that leaders are sending — and sending feedback back to leaders that ensure they can learn and adjust



Highly effective people managers enable organizations to deliver exceptional results

Your future depends on agile, efficient, rapid, effective mobilization of talent — are your managers prepared?

- **77% of employees are placing increased importance on manager support**
- **Only 20 percent of managers strongly agree that their organizations help them to be successful people managers**
- **Managers have 51 percent more responsibilities than they can effectively manage**
- **70% of a team's engagement is influenced by managers**
- **Nearly 65% of managers are highly confident about their ability to lead, but only about 30% of employees share that confidence in their managers**

Effective people management must become less a “role” and more of a “practice”

A repertoire of capabilities and skills that is valued as distinct and valued vocation



Recommendations to future ready your organization



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Rethink leadership development

- Growth mindset cultivation and practice
- Rapid development acceleration experiences
- Human dynamics boot camps
- Wellbeing priorities for self and team
- Communication, communication, communication
- AI “intense interval workouts” relevant to role and goals



Recommendations to future ready your organization



Differentiate through exceptional people management

- Make managing people a sought-after role for top talent
- Make your managers a community — peer learning, peer support, peer feedback
- Cultivate a true community of “management practitioners” — people who genuinely excel at mobilizing the talents of others
- Provide lore-creating development experiences that mirror the kind of experiences you want your managers to create for their teams



Recommendations to future ready your organization



Make significant investments in work as collaboration, not a place

- Pressure test beliefs about how and where great work happens
- Champion those who “show how it can be done”
- Invest in lore-creating experience design to create team experiences that will deepen trust and establish high expectations
- Don’t be afraid of the dark empty office — what does that space make possible for your employees, collaborators, customers, stakeholders?



Recommendations to future ready your organization



Make employee well-being a business goal — and invest creatively and consistently to achieve it

- Goals and objectives for every senior leader – with clear accountabilities and metrics
- Understand the wellbeing “drains” and address them
- Celebrate people/teams who demonstrate great outcomes — for the business and for people simultaneously



Recommendations to future ready your organization



Establish an AI guidance, oversight, and rapid response team

- Include technology, business, ethics, communications, and human systems capabilities
- Clarify your non-negotiable standards and run through "what if" and crisis scenarios
- Engage broadly to learn from early adopters
- Establish "pathfinder" efforts where AI is most relevant and learn and adapt



Recommendations to future-ready your organization



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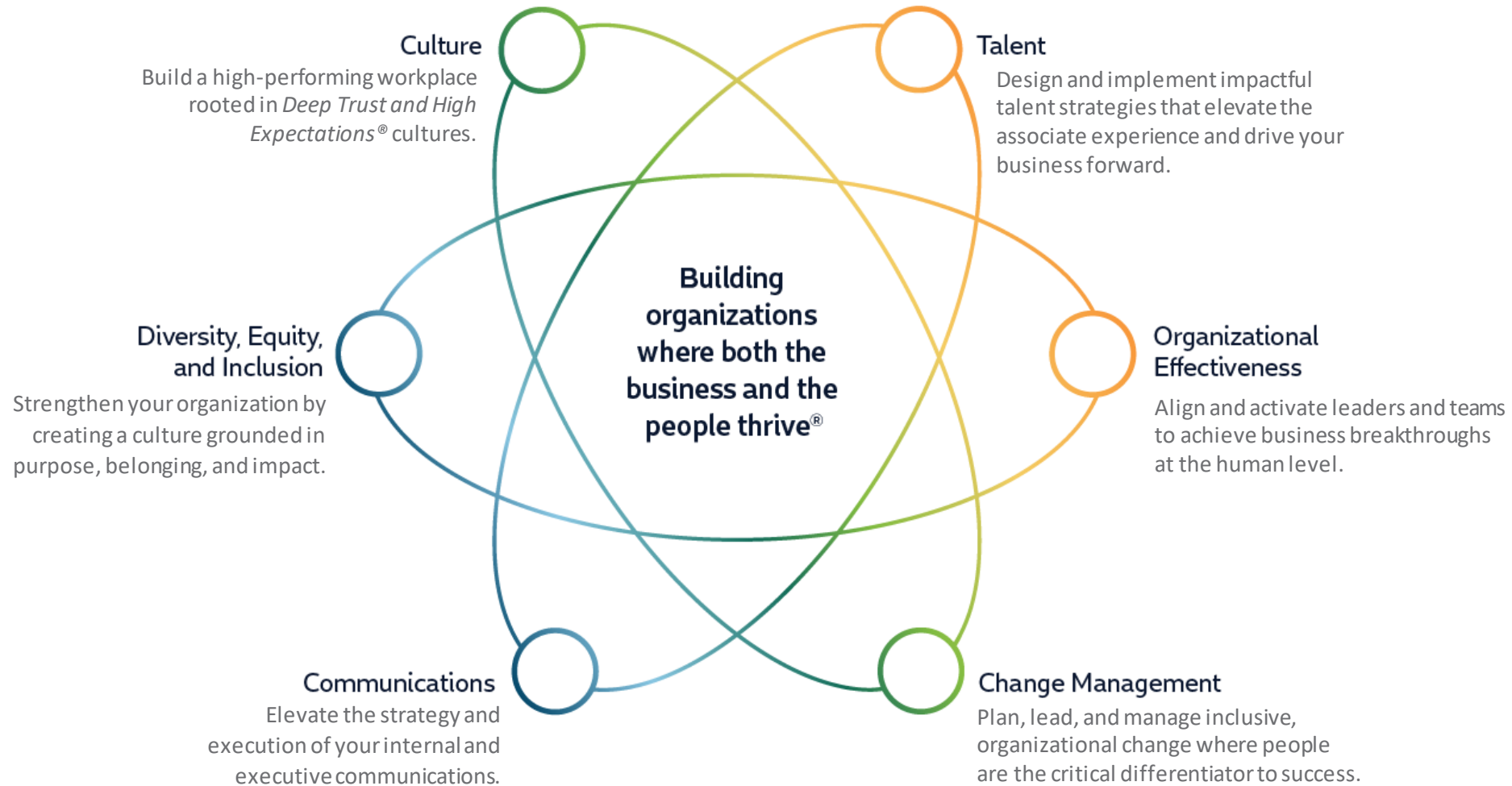
About Blue Beyond

**We build effective organizations
where both the business and the
people thrive**



Our core capabilities

We take a cross-disciplinary approach with a strong emphasis on doing what it takes to effect real and lasting change



Thank you



www.bluebeyondconsulting.com