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Global Human Capital Trends 2016

The new organization: Different by design

Is it Time to Do Away With the Organization Chart? Pretty much.

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This week we are launching the [2016 Deloitte Global Human Capital Trends](#) study, a 9-month effort which surveyed more than 7,000 organizations in over 130 countries. I'll be publishing more details on the findings in the coming days, but let me start the dialogue with one simple message:

The #1 trend this year, cited by 92% of all respondents, was the need to "**redesign the organization**" to meet the needs of the new digital world of work.

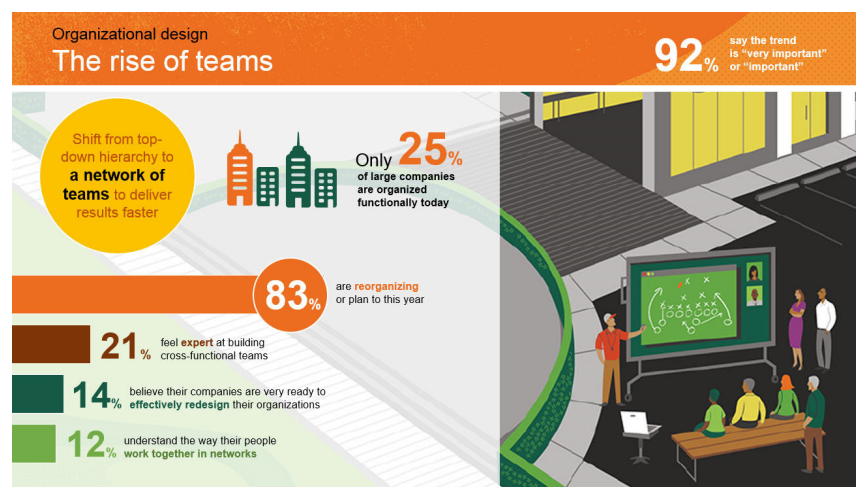


Fig 1: The New Organization: The Rise of Teams

What our research discovered, after talking with dozens of companies around the world, is that the high-performing companies of today are not functional hierarchies. They are



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While "positional leadership" continues to be important, our research shows it is going away - becoming replaced with a new world of work, where leaders operate as team mates, positions change regularly (like the military), and people are rewarded for their skills, contribution, and relationships - not their job title. The org chart, something we all think is important, means less and less every day - ultimately replaced by relationships, networks, and data about who's doing what.

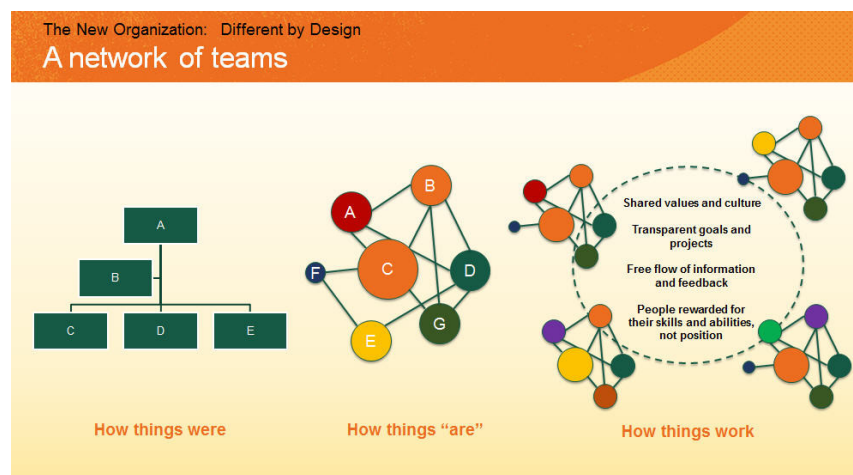


Fig 2: A Network of Teams

Here are a few of the things we've learned about how this works:

- In the digitally enabled organization of today, shared values and culture are key to alignment, communication, and common focus. This is why [Culture has become the Hottest Topic in Business](#).
- Teams have to know what other teams are doing, so shared goals, transparency about projects, and digital information centers are key to success. The New York City Fire Department (a team), for example, found that fires were much more likely to be started among low income houses with certain crime patterns (another team). When they shared this information, fire protection improved dramatically. (From The Silo Effect, by Gillian Tett.)

New software tools for goal sharing (ie. BetterWorks), information sharing (ie. Slack), project sharing (ie. Asana, Workboard, Basecamp), are all part of this new digital workplace.



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for "liaison officers" who made sure teams were aware of what other teams were.

Organizational Network Analysis now helps us identify who these "connectors" are and where we have silos of information.

- We must reward people based on skills, not position. When a project, program, or customer need arises, we need to be able to move people into that team quickly - without worrying about job titles and levels and promotions. This changes reward systems, career strategies, and the way we manage.

Think for a minute about how we evaluate and reward people in business. It's all focused on the individual: their goals, their competencies, their behaviors as a person. If we seriously look at optimizing the *team*, not the individual, we should be looking at things like:

- What is the right makeup of this team and why is it not performing at its best? Perhaps it's the mix? The leader? The goals? The connectivity to other teams?
- How do we reward an individual for their contribution if the team is not performing well? And vice versa - should every individual be rewarded equally for team performance? What percentage of a bonus or raise should be team-based?
- How do we measure the effectiveness of the team in helping other teams?
- Do we have the right HR Technology (ie. software) to manage teams, when they are constantly being reconfigured, disbanded, and recreated?

These are important questions, many of which have to be further explored in the years ahead. *(I personally think the HR technology market is in for quite a shakeup.)*

This is just the beginning of this research, watch for a more detailed analysis of the report coming soon. There is a lot to learn here, and I hope this report gives you a guidebook and roadmap for planning your leadership, talent, and HR strategies in the year ahead. You can [download the report here](#), I look forward to sharing more in coming days.

Josh Bersin

About the Author: Josh Bersin is the founder and Principal of [Bersin by Deloitte](#), Deloitte Consulting LLP, a leading research and advisory firm focused on corporate leadership, talent, learning, and the intersection between work and life. Josh is a published author on Forbes, a LinkedIn Influencer, and has appeared on Bloomberg, NPR, and the Wall Street Journal, and speaks at industry conferences and to corporate HR departments around the world. You can contact Josh on twitter at [@josh_bersin](#) and follow him at <http://www.linkedin.com/in/bersin>. Josh's