

DIGITAL TSUNAMI

When you are up against 5-year-olds or bots

A look at the trends shaping the new world of work, workers and the workplace

ABHIJIT BHADURI

The headlines scream, 'IT firms in India are in the midst of the industry's largest retrenchment drive, with seven of the biggest companies, including Infosys, Wipro and Cognizant, planning to lay off 56,000 engineers this year.'

In November 2016, Larsen & Toubro, India's biggest engineering firm, shed 14,000 employees, or 11.2 per cent of its workforce, in one of the biggest corporate retrenchment exercises in recent times. The \$16-billion giant explained it as an attempt to "right size" its strength in the face of "business slowdown caused by digitisation of operations".

What's happening? When the topper gets a C+ in his or her grade sheet, the teacher pauses to ask why. It is that C+ moment in the world of work. IT jobs had it all: money, gadgets, tenures abroad and everything else that middle-class India dreams of.

The tech disruption

If you think the disruption is a problem for the tech sector and techies alone, think again. Every sector - from farming to fashion - is getting redefined by digital technology. So, every sector is a tech sector. Business models will be redefined by digital tech. If you are not doing it, your competitor will force you to.



Traditional models of work, workers and workplaces are getting replaced with new formats that decision-makers and leaders need to understand. The pace of change is exponential. Airbnb, which started in August 2008, has a market capitalisation of \$31 billion, and is in more than 65,000 cities in close to 200 countries. The market capitalisation of Hilton and Marriott is around \$20 billion and \$34 billion, respectively.

The changing workplace
Every company expects productivity improvements of about 30-40 per cent every year.

The only way to deliver it is to use digital technology: Artificial Intelligence, 3D printing, Virtual Reality, Augmented Reality, chatbots and so on are now terms every business has to grapple with.

Pay-as-you-go makes it possible to use services without owning assets. For the enterprise, software and hardware no longer need to be owned. It resides in the cloud and everything from upgrades, applications and maintenance can be distributed to any company around the world. From hotel rooms to movies to relationships, everything is moving to a subscription model.

Technology is making online work similar to local work, with added speed, cost, and quality advantages. The new workplace is heavenly - it is in the cloud. Talent communities are becoming the new office where everyone hangs around.

To be able to keep pace with fickle customer taste, companies will need to run fast and be agile enough to change direction all the time. That can happen only when a team of experts come together to accomplish an outcome even as they race against the stopwatch.

That means we may need AI-powered platforms to pull together individuals into the

dream team that will succeed. Performance appraisals have been historically designed to evaluate individuals while employers pasted slogans of teamwork and collaboration in the cafeteria. We may need new approaches to hiring, performance management, reward and recognition.

It is interesting to see that Apple is building a physical office at a cost of \$5 billion even as the Apple Watch makes it possible to read e-mail, get updates, make calls and so on. On the other hand, entrepreneurs are opting for co-working spaces. It is the pay-per-use version of an office and can be scaled up or down as needed.

The implications are clear. We have to rethink what it means to work in a workplace.

Rethinking careers

Technology has blurred the line between what is possible online and in the physical workspace. It is making online work similar to local work, with added speed, cost, and quality advantages. It is possible to be location-agnostic. Work can be sliced and diced like a pizza and shipped to the expert.

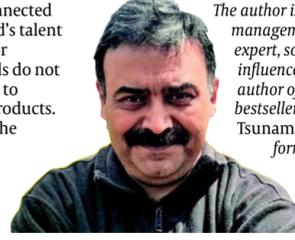
In a Hyperconnected world, the world's talent pool is on tap for everyone. Brands do not need celebrities to endorse their products. Employees are the greatest brand ambassadors of the brand. Employees' negative

feedback on job sites can impact the quality of talent the employer can reach out to.

In the physical world, you need to be 18 to be employed. Not so on social media, where influencers are getting younger and younger. Nikki Christou makes YouTube videos about baking and make-up for her 2 million followers. She is 12 years old. But not everyone is that old. Five-year-old Ryan has almost 5 billion views on his YouTube channel Ryan Toys Review. That's way more than what some movie stars can claim.

Career-hopping is the hot new trend. My father worked for one employer. I worked in HR for several employers before becoming an entrepreneur. The next generation will pursue different careers moving from blogger to coder to counsellor - maybe all of it on the same day.

As work, worker and workplace all transform, we have to understand why this digital tsunami is different. All variables are changing simultaneously and at a rapid pace. The Human Resources function will need to be reimagined, not just tweaked. That's a good place to start.



The author is a talent management expert, social media influencer and the author of the bestseller The Digital Tsunami. He was formerly chief learning officer at Wipro.

ONLINE/OFFLINE

Doing the small things really well

Decoding the secret sauce of start-up founders

In 2011, Rohan Bhargava, along with his wife Swati, started a B2B cashback business in the UK called Pouring Pounds. Two years later, the couple shifted to India and set up CashKaro and it's been virtually raining rupees for them: their cashback and coupons site has caught the eye of investors like Kalaari Capital and Ratan Tata. Bhargava, 36, says Cashkaro.com is now India's largest cashback site with 1.5 million customers and working with a Gross Merchandise Value of ₹75-100 crore. Here's how the Gurgaon-based entrepreneur deals with...

Investor expectations

The only way to deal with investors is to be completely honest and transparent. Most investors have been entrepreneurs, so they understand the ups and downs of a start-up. We give a monthly feedback to our investors. But we are very close to our investors at Kalaari Capital, and can call up any time there is a need.

An employee who is older

Our CTO is probably older than me. There is perhaps an automatic sense of respect to somebody older, and the initial instincts may be to take their ideas more seriously. But some of the best ideas in our organisation have come from people who interned with us. There is really not a mass of difference in the way we treat people we work with, whatever the age.

Scaling up and keeping culture intact

Last year, we were sub-40 employees, now we are at 75. I think we did the small things really well when we were a small company. For instance, when we were just a five-member team, we would go on quarterly outings, and have frequent dinners together. We still do those. That way everybody knows everybody else. When we moved to our new office, we created a massive cafeteria where everybody could eat together. The fact that everybody is eating together automatically gets people closer together. Swati and I also do not have separate cabins, but sit together with the teams that belong to our role.

Social networks

I am on all the networks, but I am super active on LinkedIn: 50-60 per cent of the new relationships I forge are through LinkedIn. If you look at some of our partnerships, ICICI, Jio or YES Bank, the initial contacts originated through LinkedIn. On other networks, I may not initiate conversations, but I am always there to answer questions.

Stress and pressure

When Steve Jobs once talked about entrepreneurship, he said you really need to enjoy it. Now that I am on this journey, I truly appreciate what he said. The only way to survive setting up a company is if you are excited and enjoy the challenges. I treat every day as a fun day. I also believe it's important to stay physically fit and make time for the gym or a swim.

Husband and wife working together

The bad part is there is no line between business and personal talk. In the midst of a family event, we may start discussing work. But the upside is we understand each other well and draw on each other's strengths at work. We know what situations each of us can handle. In many ways, it has brought us a lot closer to each other. I can't imagine doing it any other way.

Rohan Bhargava, Co-founder, Cashkaro.com

OFFICE BUZZ

Tech is best at attracting talent

Who are the top attractors of job candidates? LinkedIn has released its list of top companies for 2017, and tech firms are the most popular, both in the US and India. In the US, the top five companies are Alphabet (Google), Amazon, Facebook, Salesforce and Uber. In India, it's Flipkart, Amazon, KPMG, One97 Communications (Paytm) and Ola. A few surprises there, given that Uber has come in for adverse publicity recently over its discriminatory practices, and Flipkart has been witnessing an exodus of top talent. Perhaps it's time to do a Top Retainers list.

Don't ask salary history

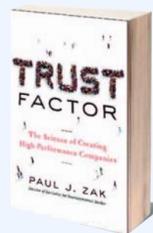
From October, recruiters in New York City can no longer ask candidates what they made in their last job. A new bill introduced early this

May makes it unlawful for hirers to ask an applicant's salary history. It's a measure that is aimed at fixing the gender pay-gap. In the US, women earn 79.6 cents for every dollar made by men. The world over, the paycheck fairness movement is gathering momentum; hopefully it will make its way to India as well.

High-growth HR Software market

Rise of the cloud and mobile deployment, increase in automation in HR processes and a growing adoption by small and medium-sized enterprises (SMEs) will help the Core HR Software Market to gain major traction in the next five years. According to a new report by Markets and Markets, the market size of Core HR Software is expected to touch \$9.89 billion in 2022 from \$6.47 billion in 2017 at a CAGR of 8.8 per cent. North America will be the largest market due to increased use of cloud platform and smartphone usage. Among the various sectors, governments are expected to be the largest user.

BY THE BOOK



Trust Factor: The Science of Creating High Performance Companies
By Paul J. Zak
American Management Association
248 pages; \$15.90

Brain, Behaviour and Best Practices: Why 'chemistry' matters at work

CHITRA NARAYANAN

There have been plenty of books on organisational culture and building engagement at the workplace. But *Trust Factor* comes at the subject from a different angle. Paul J. Zak, founding director of the Centre for Neuroeconomics Studies, combines neuroscience with economics and psychology to decode what makes for a winning culture.

It's not just any culture, but a culture of trust that generates powerful leverage on organisational performance, writes Zak.

When a person trusts another,

the brain synthesises the chemical oxytocin. When there is more trust, there is more oxytocin, he explains.

"I call Oxytocin the moral molecule," says the neuroscientist, "because when the brain releases it, we treat others well."

Oxytocin and Zak's lab studies around it are the starting point to this highly readable book. Zak uses oxytocin not only as the chemical reaction for trust but also as an acronym that binds the eight factors - Ovation, eXpectation, Yield, Transfer, Openness, Caring, Invest, Natural - that go into creating a high-trust, high-performance culture.

Each of these factors is a chapter in itself.

It's an attention-grabbing technique, no doubt, to use Oxytocin as an acronym, but then each of these factors is explained convincingly through anecdotes and case studies. Each chapter has stories from companies such as The Container Store, Zappos, Herman Miller, Semco, Google and others to illustrate the point.

At every step, there is also a scientific explanation to what happens when you initiate something. Take the first factor, **Ovation**, which is the art of rewarding.

When an employee is rewarded, Zak says, there is direct

release of the neurotransmitter dopamine in the brain. Dopamine increases focus and energy and provides a feel-good mood boost. So how do you increase the dopamine? Zak's prescription is to make Ovation unexpected, tangible and personal, deliver it consistently and in a timely fashion.

eXpectation is all about setting goals and the brain's way of dealing with it. Is there stress? How much does your testosterone - the body's way of responding to challenges - go up? But challenge stress is good, one learns, when the brain blocks out distractions and focus. However, after a period of

hyperfocus, there needs to be a break, before you take on the next challenge. Else, it could lead to chronic stress.

The next step is **Yield**, which is all about delegating and letting employees own the goal and control the work. Here, we have examples from Amazon, Ritz-Carlton and Whole Foods Market to show how autonomous functioning can improve performance.

Transfer is all about allowing employees to craft their own jobs and choose their teams. **Openness** is about a culture of transparency, and **Caring** is about building relationships. The final two elements, **Invest** and

Natural, are about investing in employees' personal growth and letting the leader's natural persona, warts and all, shine through.

According to Zak, OXYTOCIN factors can explain 100 per cent of the variations we see in organisational trust. It's a fascinating book because it gets into the chemistry and the science of how mood can affect behaviour and performance, and then offers prescriptions for every situation. The book ticks all the boxes: it's got actionable insights. It's got relatable case studies. It's highly original. And it's an enjoyable read.