

Reinventing the employee experience to succeed in a more fluid world

Johannesburg, South Africa – 20th June 2016 – [The Deloitte 2016 Human Capital Trends Report for South Africa](#) highlights how global changes, such as the expanding generation gap, technological advancements and new employer-employee social contracts, are disrupting traditional business models.

South African organisations are being compelled to relook organisational design, the employee experience and existing leadership paradigms to successfully compete and innovate in an increasingly complex business ecosystem. The report shows that many of them are not well prepared for the challenges they face.

Globally, the Deloitte survey garnered feedback from over 7 000 business and HR leaders in 130 countries, with 213 of the responses from South African respondents across all industry groups.

The top five trends identified by South African participants related to organisational design, shape culture, engagement, leadership awakened and learning. This differs slightly from the global report where organisational design was also the number one trend, with leadership awakened second, shape culture third, engagement fourth and learning fifth.

An overwhelming 92% of the global survey participants rated organisational design as very important. The “new organisation”, as it has been termed, is built around empowered teams that are driven by a new model of management and led by a breed of younger, more globally diverse leaders.

This result was mirrored by South African respondents, with 91% of participants rating organisational design as very important or important. However, 54% say that they are not ready for the trend, which has two main drivers, namely the need to get products to market quickly and the digital technologies that help teams to stay connected.

Globally, for the first time, nearly half of respondent companies (45%) are

either in the middle of restructuring (39%) or are planning to restructure (6%). In South Africa, 41% are busy restructuring, while the same number do not have any plans to do so in the next 18 months.

Human Capital Leader for Deloitte South Africa, Werner Nieuwoudt, concurs that organisational design is an important focus for organisations to become more agile and customer-focused, but he is concerned that few know how to achieve this goal. “Most South African respondents feel that they are weakest at creating cross-functional teams and only 15% believe that the company they work for is ready to effectively redesign itself.”

Notably, 82% of executives globally believe culture is a potential competitive advantage, while only 69% of South African leaders feel the same way. That said, 90% of South Africans rate culture as very important or important, but only 47% are ready to deal with this issue.

Nieuwoudt says culture “The way things work around here” and engagement “how people feel about the way things work around here” are rated as more important than leadership in South Africa as they form the glue that holds organisations together. “If the culture is not well-developed in an organisation, then the network of teams cannot operate well together.

“The concept of creating unified organisational cultures in South African organisations becomes even more complex when we consider that South Africa has a diverse population and 11 official languages. These may result in cultural and employee engagement differences across provinces, which would ultimately also impact on organisational design.”

Leadership is the second most important issue facing organisations worldwide and the fourth most important issue for South African survey respondents. [The 2016 Global Human Capital Trends report](#) shows that leadership models are changing, with companies dismantling the classic management pyramid.

The South African responses regarding leadership indicate that only 13% of organisations are making substantial investments in female leaders

and 28% in top corporate leaders. In addition, 29% of respondents say they have no employee engagement programmes for Millennials where only 31% globally do not have such programmes in place.

Nieuwoudt says the world of learning is another rapidly changing area for organisations. “While employees are keen to learn, grow and increase their income, the way in which they learn is changing, as is the amount of time they spend on learning. Traditional training is the least desirable way they want to learn. Employees are now looking for learning materials on demand, which they can consult when they need the information.” Only 8% of South African companies are excellent at the use of Massive Open Online Courses (MOOCs), where globally the 13% of companies are excellent at this.

Nearly one-quarter (22%) of South African respondents see learning as the primary driver of employee development. The majority (87%) rate learning as very important or important, while 59% report that they are not ready for it.

Importantly, a new trend in 2016 – design thinking – is shifting HR’s focus from programmes and processes to designing solutions that drive employee satisfaction, productivity and enjoyment. Companies are now putting employees in charge of their own learning experience.

Nieuwoudt says as HR departments work to upgrade their skills, they should incorporate key design thinking concepts such as digital, mobile app, user experience design and behavioural economics. “Our research indicates that companies that deliver the highest levels of value from HR are three times more likely to be using design thinking in their programmes.”