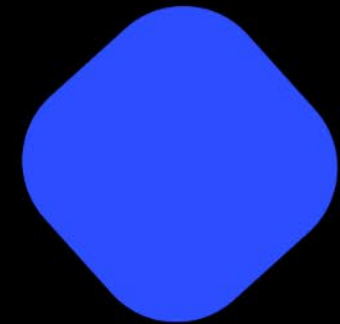


PROPHET

The Future of Work is Now. Is Asia Ready?

Key Takeaways from Catalysts: A Global Research Report

Webinar
October 26, 2021



Hello!



**JACQUELINE
ALEXIS THNG**

Partner, ASEAN Lead



**TONY
FROSS**

**Partner, Organization &
Culture Practice Co-Lead**



**AMANDA
BHALLA**

Associate Partner



**ERIN
MYERS**

Engagement Manager

Growth Through Transformation

We believe that unprecedented levels of change and disruption require new thinking and transformative approaches to growth.

Digital transformation—of businesses, and of people—is creating a perfect storm of disruption.

The pace of disruption is accelerating, changing the definition of what good growth looks like and stakeholders' expectations for how it is created.

Achieving growth in this era of change requires a transformative, human-centered and durable vision.

From purpose to product, brand to experience, customers to operations, we bring the insight, rigor and expertise needed to both see and realize transformative opportunities.

Helping you to realize **uncommon growth.**

What we do

Prophet is a growth and digital transformation partner

Within our Organization & Culture platform, we help our clients address four key questions:

How might we define and harness a compelling purpose to **drive performance?**

How might we develop a culture that **thrives on change?**

How might we build and sustain the capabilities we need to **win in a digital world?**

How might we transform our organization to **power growth?**

Agenda

01

**Culture as a catalyst:
more relevant than ever**

02

**Impact of external forces
on the future of work**

03

**Building resilience and
fitness for future change**

04

Q&A

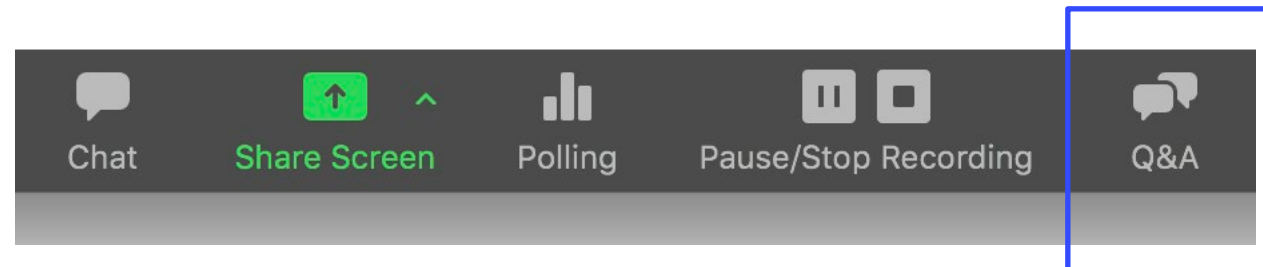
Use the “Q&A” function to submit your questions along the way, which we’ll address later during this webinar

01 CULTURE AS A CATALYST: MORE RELEVANT THAN EVER

02 IMPACT OF EXTERNAL FORCES ON THE FUTURE OF WORK

03 BUILDING RESILIENCE AND FITNESS FOR FUTURE CHANGE

04 Q&A —————



First, let's learn a bit
more about this group

Culture as a catalyst:
more relevant than ever

Too often transformation efforts struggle to gain traction

WHAT ORGANIZATIONS TYPICALLY DO:

- Rush to “technology” as the priority
- Try out “new” without understanding where and how it fits in
- Underinvest in leadership alignment – especially in the “middle”
- Talk about the barriers and challenges rather than celebrating small breakthroughs

ISSUES THEY ENCOUNTER ALONG THE WAY:

- ✗ Employees don't have clarity on the vision for transformation
- ✗ Middle management is tough to galvanize
- ✗ Different parts of the business adapt at different speeds and show different willingness to learn
- ✗ Disappointed (and increasingly cynical) employees sit back and wait
- ✗ Goals and incentives are disconnected

WHAT HAPPENS TOO OFTEN:

**Nothing
changes**

Transformation requires a holistic approach, aligning across organizational 'elements' to drive sustained change



PROPHET'S HUMAN-CENTERED TRANSFORMATION MODEL™



DNA – Define

What is our destination and direction of travel?



SOUL – Motivate

How might we ignite belief in the change needed?



MIND – Enable

What new skills are required to drive the change?









BODY – Direct






What might need to change in our operating model?

Prophet's 2019 global research identified key levers of cultural change through the lens of human-centered transformation

FUNDAMENTALS

-  Clarify **which leaders would lead** and / or align top **leaders to role model** changes
-  Develop a clear **roadmap**
-  Push **decision rights** downward
-  Develop **KPIs**
-  Identify the **skills, capabilities, and roles needed**, and develop **training to re-skill** existing talent
-  Develop meaningful mechanisms to **enable employees to adapt**

ACCELERATORS

-  Set a powerful, actionable **ambition**
-  Align **incentives to drive cross-functional work**
-  Align **talent systems** in service of the transformation
-  Rapidly share **successes and lessons learned**
-  Recognize and reward **progress**, not just outcomes



DNA



SOUL







MIND



BODY

2020's research revealed four pathways of cultural change to help organizations focus their efforts and make progress

CHANGE FOCUS	WHAT IT MEANS	PRIMARY CULTURAL ROADBLOCK
 DEFINING THE TRANSFORMATION	Establishing the destination and leadership for the transformation (DNA)	Lack of clarity
 DIRECTING THE TRANSFORMATION	Building an operating model that makes the transformation real (BODY)	Legacy operating model
 ENABLING THE TRANSFORMATION	Identifying, sourcing, and developing required capabilities for transformation (MIND)	Legacy talent model
 MOTIVATING THE TRANSFORMATION	Igniting belief among leaders and employees in the transformation needed (SOUL)	Lack of alignment

Our 2021 report identifies which societal forces of 2020 will shape transformation in years to come, and introduces a new model of change fitness that will enable leaders to drive human-centered transformation

2021 RESEARCH QUESTIONS

1

Which **societal forces** from 2020 are expected to create enduring changes in organizational culture?

2

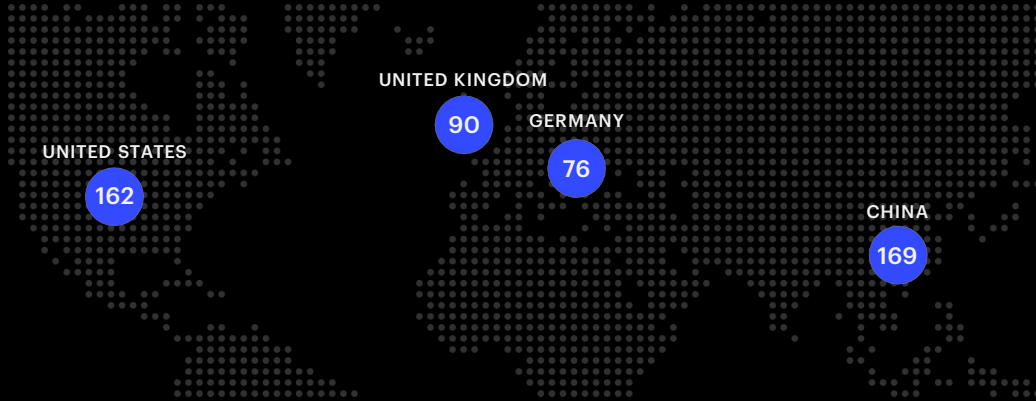
What does it take for **organizations to be fit for the change** that will be required of them in this dynamic environment?

3

How does change fitness enable organizations to **drive successful and lasting transformation?**

Methodology

AND PARTICIPANTS



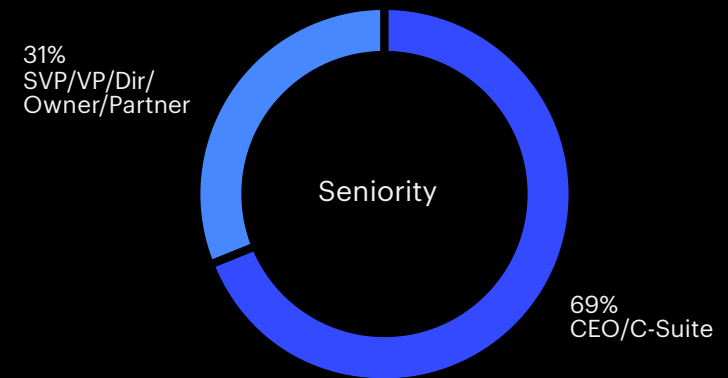
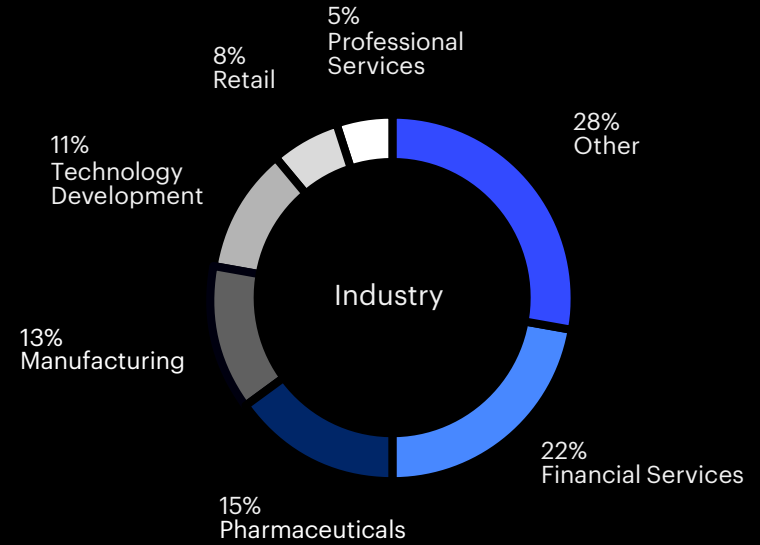
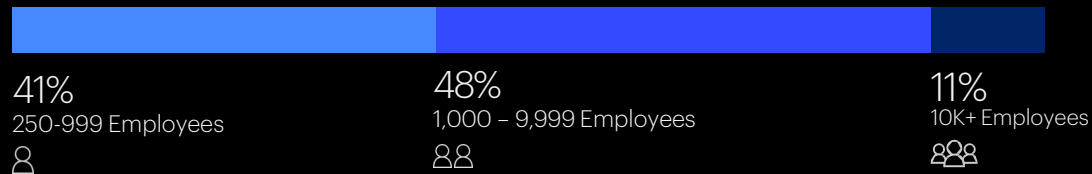
Executive Interviews

32 Across industries, functional role, and geographies

Survey Participants

497 Across the U.S., U.K., Germany and China

Number of Employees



Report highlights

1.

Seismic change – with future aftershocks

Many of the external forces that required organizational cultures to adapt in 2020 had been gaining traction over the last decade. A close reading of events reveals which forces of change will continue to grow in importance, shaping transformation for years to come.

2.

A new perspective: change fitness

We are introducing a new model of change fitness that tracks an organization's capacity to transform across multiple measures. This emerged from our finding that successfully driving culture change in the current era is about absorbing multiple significant forces rather than responding well to a single powerful one.

3.

Evolving our capacity for change

Improving organizational fitness for change is not a light undertaking. Why commit to it? Because using the levers of Prophet's Human-Centered Transformation Model™, we see that organizations which are fit for change are financially healthier, too.

Impact of external forces on the future of work

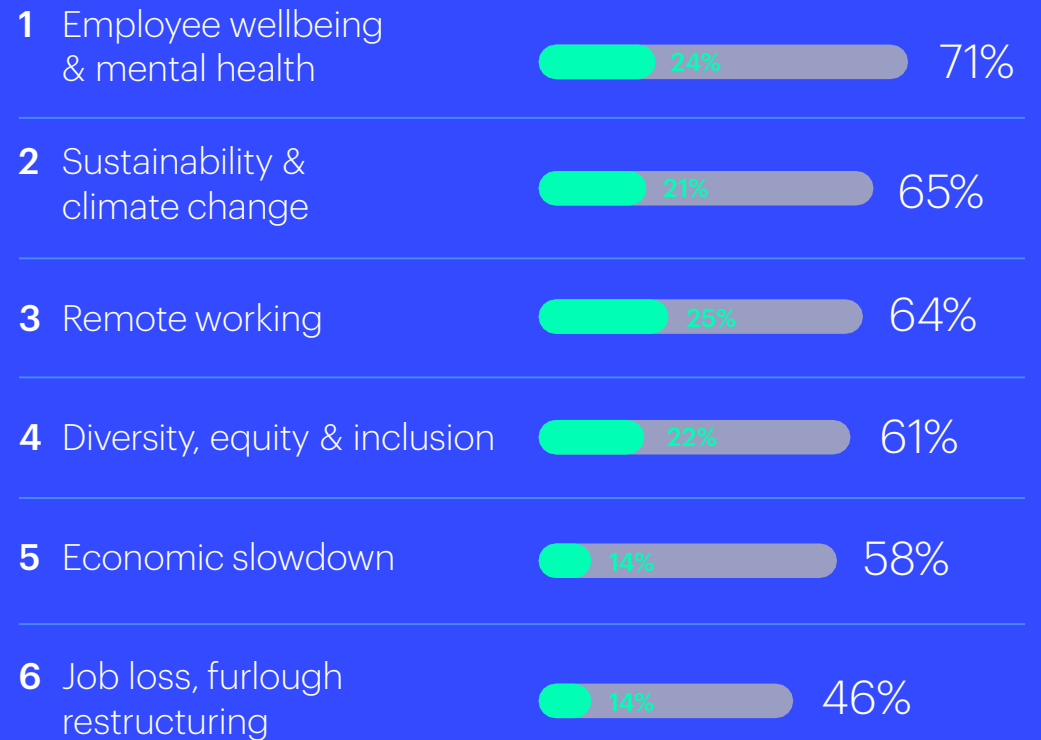
1. SEISMIC CHANGE – WITH FUTURE AFTERSHOCKS

Leaders largely believe the forces that intensified in 2020 are going to continue to increase in importance over the next 3 years

FORCES ANTICIPATED TO INCREASE IN IMPORTANCE IN THE NEXT THREE YEARS

QUESTION: Over the next three years, do you expect [FORCE] to increase, stay the same, or decline in importance for your organization?

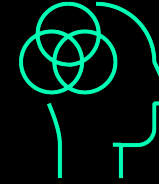
● Increase a lot ● Increase somewhat



Organizations must continue to invest in three primary areas to become fit for this future working landscape

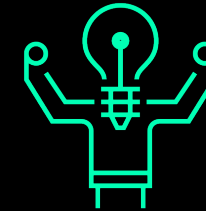
01

Conscious
Commitment



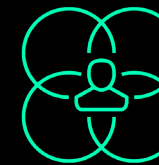
02

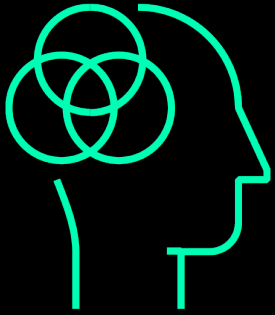
Empowering
Talent
Experiences



03

Dynamic Ways
of Working





01

Conscious Commitment

“When we shifted to think about the world post-COVID and what would be universally true we have to consider social aspects as well. What is the role of our company—is it to make profits, support the community, provide employees with stability?”

APAC Business Leader

Expand the organizational focus and accountability across multiple stakeholders beyond delivering profit. Diversity, equity, and inclusion, employee wellbeing and mental health, and sustainability initiatives must all become central to how the company operates.



Conscious Commitment

41%

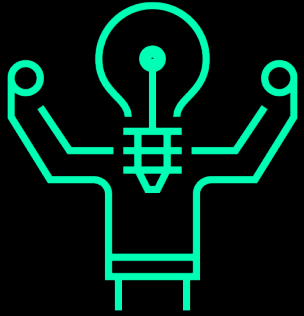
of workers globally are considering leaving their current employer this year¹

Source: (1) [Microsoft Work Trend Index](#); (2) [PProvokeAP](#)

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“We’re calling this the great reshuffle: **employees are rethinking not just how they work but why they work.** According to our recent survey of top executives, flexibility and trust are top of mind.”²

– Dawn Chia , Head of Employee Communications, APAC & China at LinkedIn



02

Empowering Talent Experiences

“Moving forward, most conversations will not focus on the need to transform; now, they will focus on the fundamental skills necessary to successfully transform.”

APAC Business Leader

Create relevant and valuable employee experiences that evolve over time. Needed evolutions include increasing flexibility around where, how, and / or when work is completed; creating mechanisms to instill greater autonomy for teams and individual contributors; and investing in employee upskilling and reskilling for new working environments. Together, these employee-empowering moves promote greater employee wellbeing and productivity.



Empowering Talent Experiences

88%

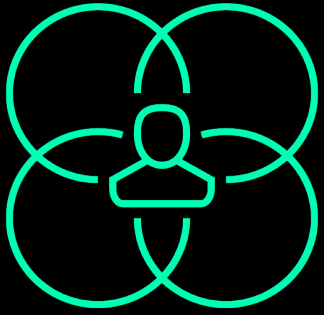
of employees are looking for collaborative technology and agile learning when searching for a new position¹

“Employee expectations are changing, and we will need to **define productivity much more broadly — inclusive of collaboration, learning, and wellbeing** to drive career advancement for every worker. All this needs to be **done with flexibility in when, where, and how people work.**”²

Source: (1) HBR; (2) [Microsoft Work Trend Index](#)

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– Satya Nadella, CEO at Microsoft



03

Dynamic Ways of Working

“No matter how digital it is, digital should serve the purpose of a physical. Every issue coming from physical should be enhanced, served, solved by digital.”

APAC Business Leader

Identify ways to bring the benefits of a digital work environment to life. This involves reducing hierarchical behaviors, fostering interaction across levels, and preparing to pivot to new business models more quickly in future times of crisis. All of which will build resilience, as speed and agility reduce fragility and nullify future shocks.



Dynamic Ways of Working

80%

of Chinese executives surveyed indicate their organization's traditional business model is no longer sustainable¹

Source: (1) [IBM Institute for Business Value](#); (2) [Inc.](#)

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"My whole career has been about identifying those **transition points where technology was just going to rewrite the rules and give power to the people, and this is one of those moments.** Just as it's offering some businesses [such as Zillow] real opportunity, it's also **an opportunity to rethink and revolutionize culture.**"²

– Rich Barton, co-found of Expedia, Glassdoor, and Zillow

Building resilience and fitness for future change

What is the biggest barrier to change you're facing today?

2. A NEW PERSPECTIVE – CHANGE FITNESS

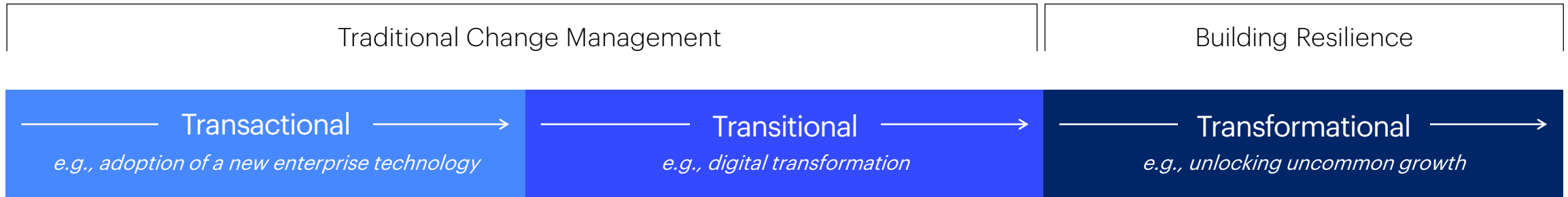
Leaders believe that not adopting an enterprise mindset is the primary barrier to drive lasting change within their organization

TOP 5 BARRIERS TO FUTURE CHANGE

QUESTION: Going forward, which of these factors do you believe will hold your organization back from change? Select all that apply.

- Lack of cross-functional coordination required for more transformational initiatives
- Lack of understanding or appreciation for the need for managing organizational change
- Failure to achieve the necessary leadership alignment
- Overemphasis on technology as the solution, without adequate consideration for the human factors involved in driving change
- Loss of attention or priority placed on change initiatives, as new opportunities and initiatives arise

Traditional change management will not be enough to help organizations thrive in the face of many unpredictable forces



Change is seen as a **single obstacle** to be overcome or milestone to be achieved

Change is more complex and multi-dimensional, and is **seen as a journey**

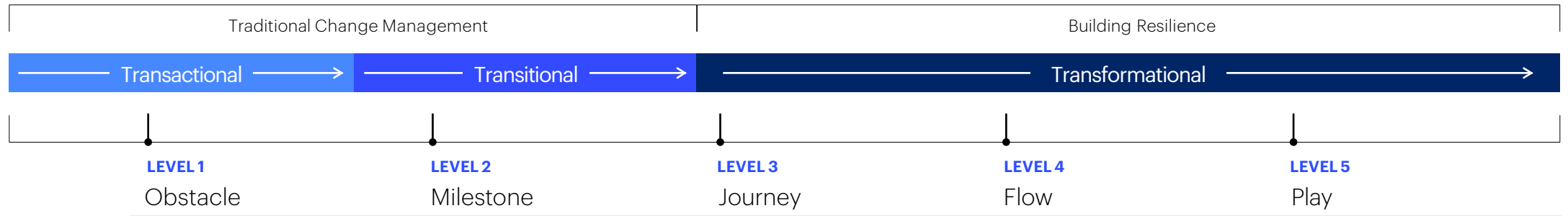
A compelling vision and multi-disciplinary workstreams help to reach the destination

Transformational change management proactively shifts the organization into a **growth mindset**, seeking to ensure that stakeholders truly thrive within the process of transformation itself

These methods are a **critical evolutionary step** towards transformational change management

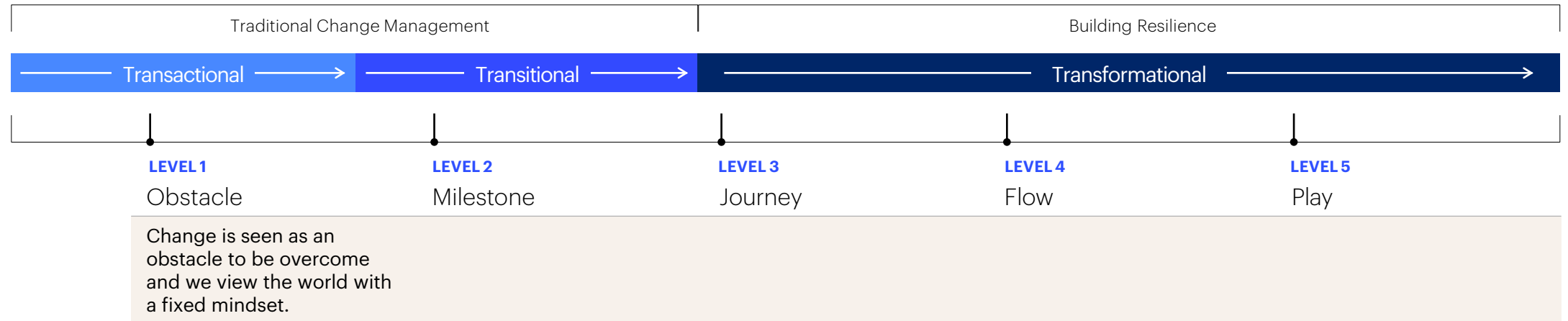
2. A NEW PERSPECTIVE – CHANGE FITNESS

Change fitness enables companies to drive transformational change management, a key to adapting culture in the face of dynamic forces



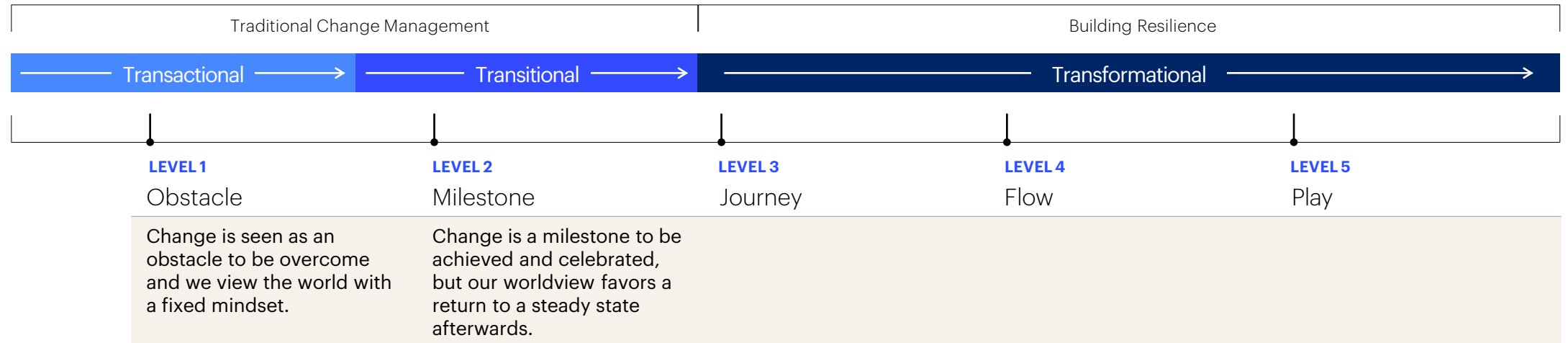
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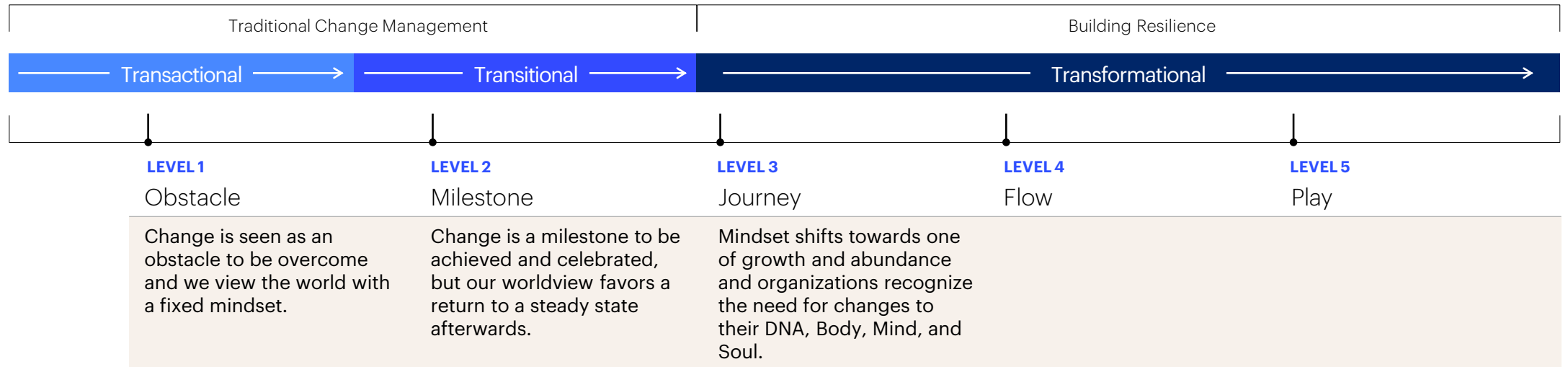
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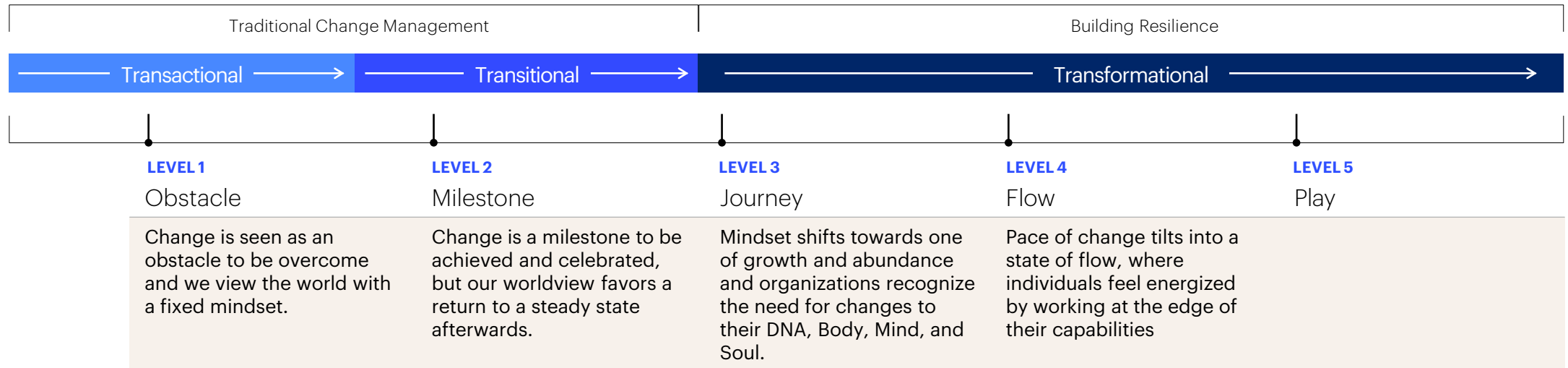


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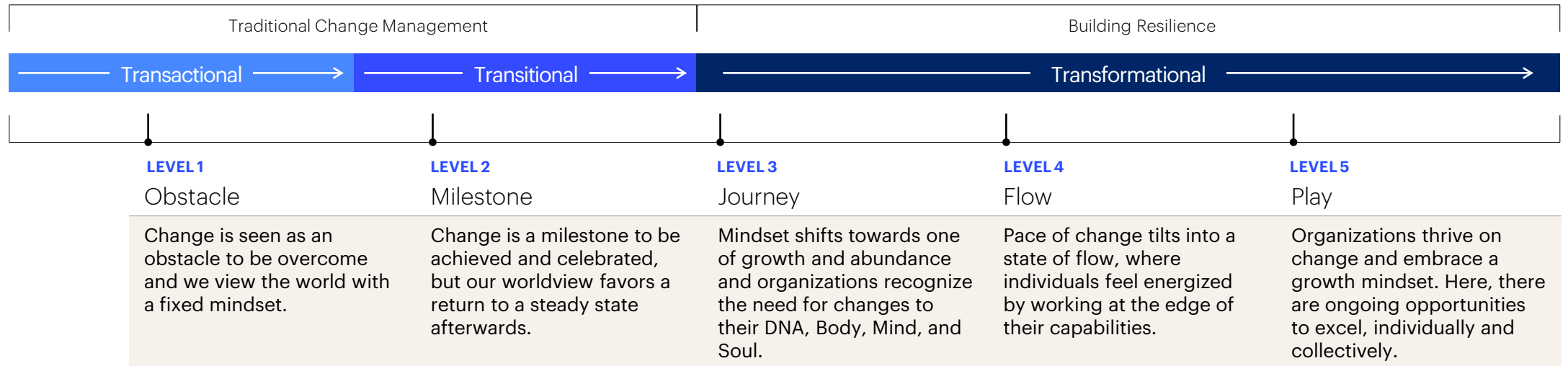


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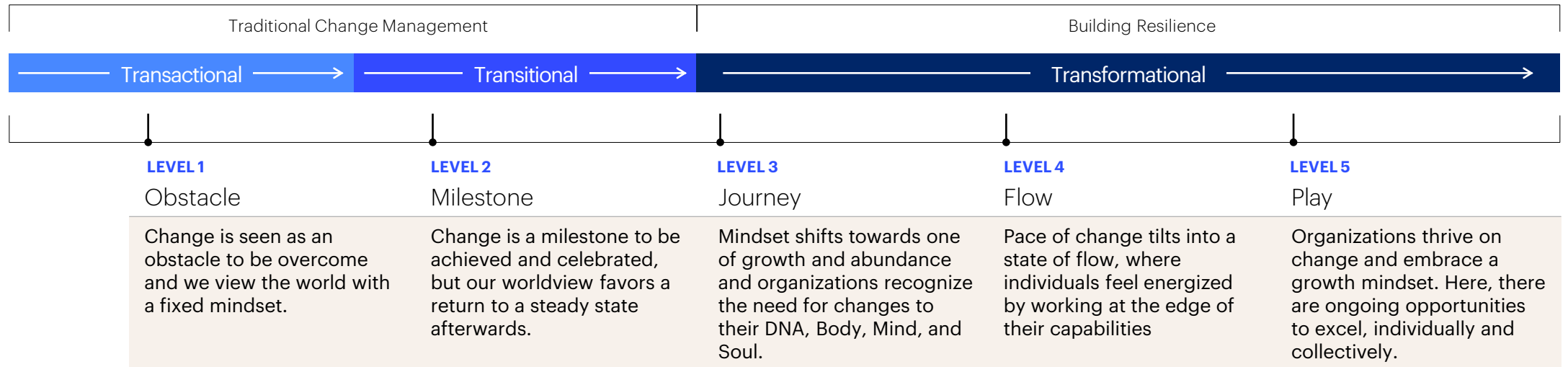


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Organization

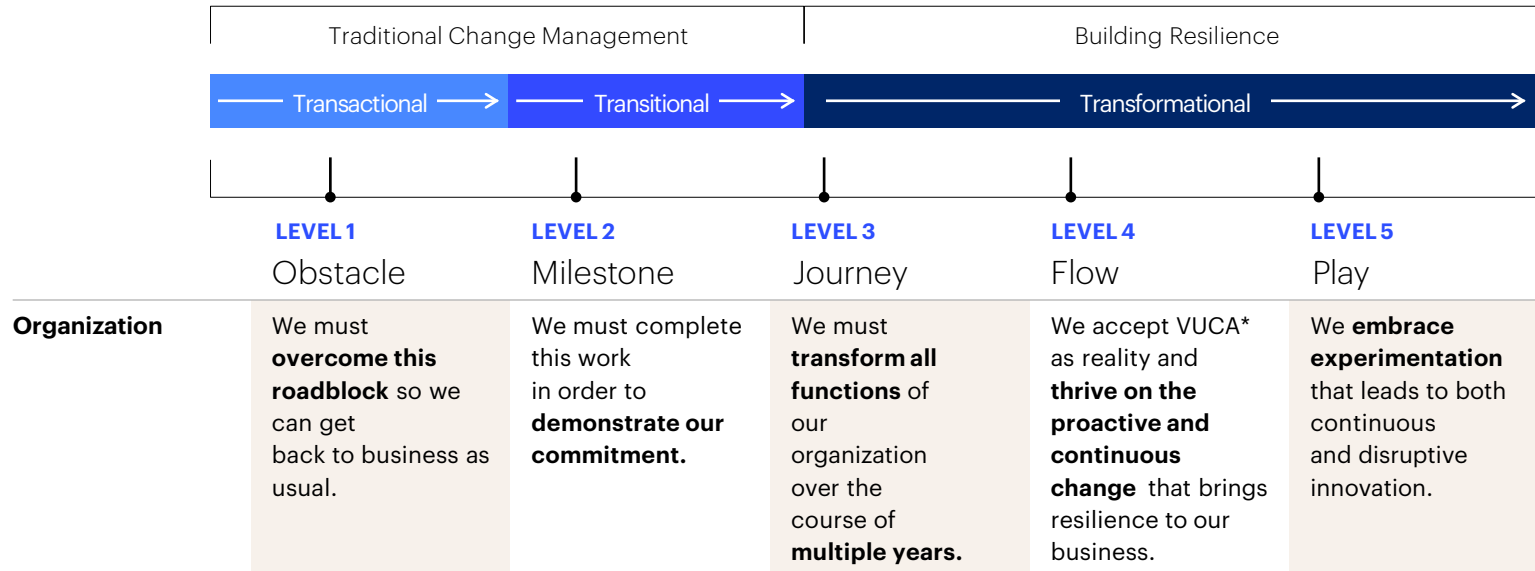
Leaders

Teams

Individual Contributors

2. A NEW PERSPECTIVE – CHANGE FITNESS

At the organizational level, change fitness is best enabled by embracing experimentation



“We worked with a behavioral scientist to **understand experimentation, which we see as the best way to get culture to change.** Rather than having a big program, we wanted to do **precise, small tests to make sure it works and scale it.**”

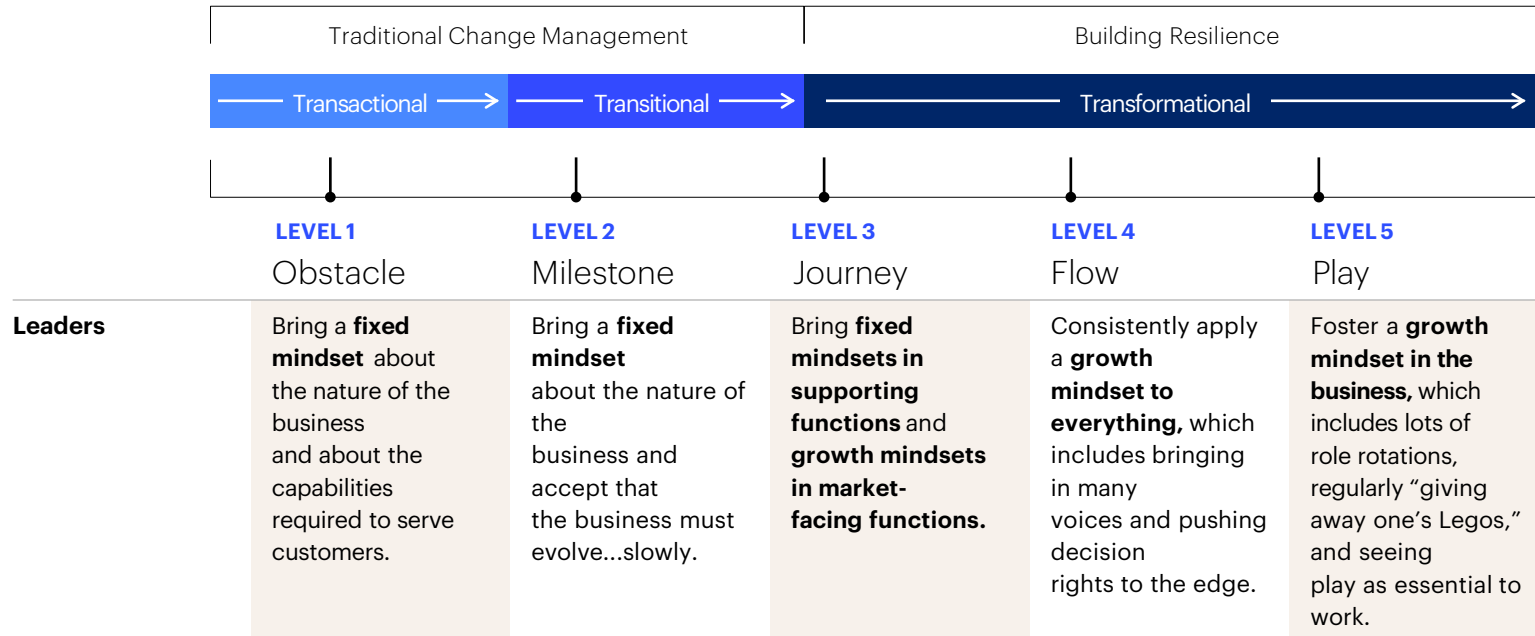
* Volatility, Uncertainty, Complexity, Ambiguity

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– Faye Whitmarsh, People & Strategy
Experience Lead at Nationwide
Building Society

2. A NEW PERSPECTIVE – CHANGE FITNESS

Leaders increase their change fitness as they learn to “give away their Legos”



“Everyone’s first instinct is to grab back the Legos that the new kid took — to fight them for that part of the tower. **One of the secrets to succeeding in a rapidly growing company...is to find a bigger and better Lego tower to build.** Chances are if you pick your head up and look around, there’s a brand-new, exciting pile of Legos sitting right next to you.”

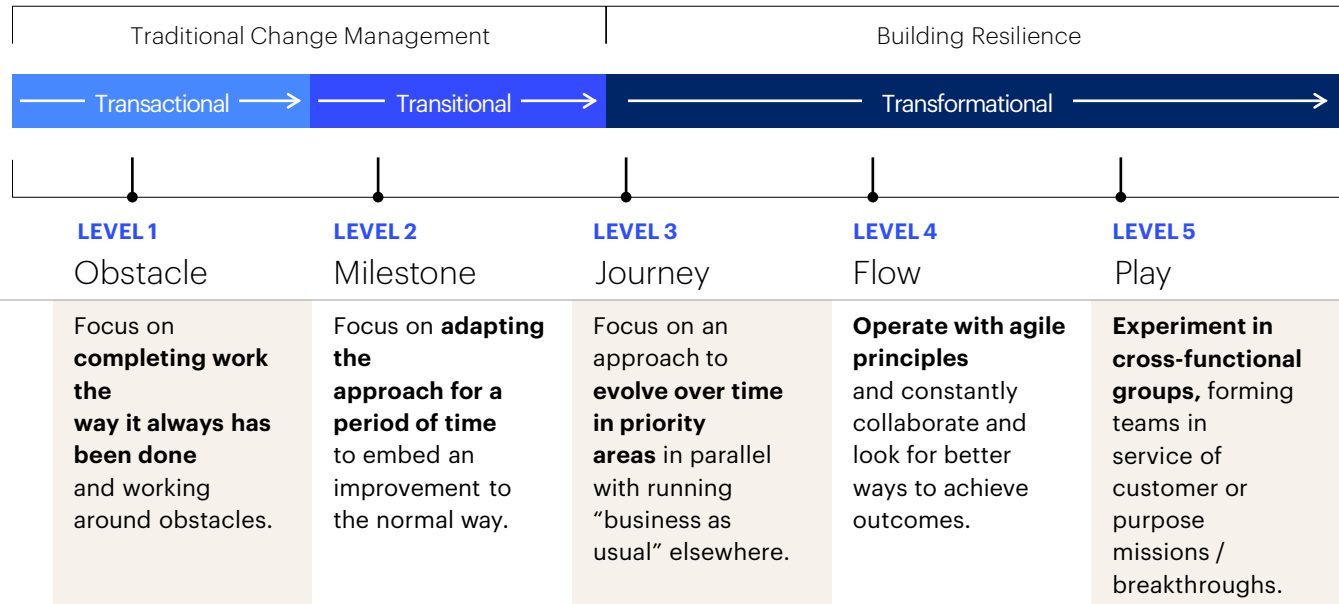
* Volatility, Uncertainty, Complexity, Ambiguity

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– Molly Graham, COO, Lambda School
(Facebook, Google, Chan Zuckerberg Initiative, Quip)

2. A NEW PERSPECTIVE – CHANGE FITNESS

Teams build resilience by creating new forms of cross-functional groups



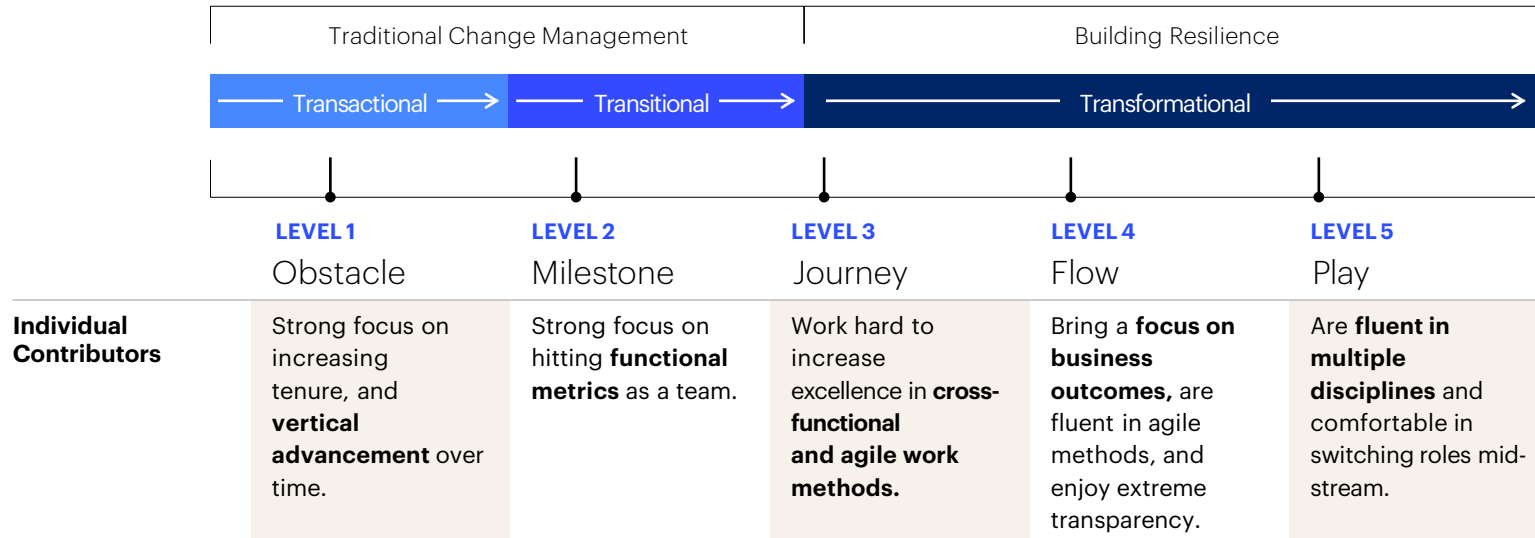
"MX [Member Experience unit] has been an **unbelievably large change to our company**. The concept was rather than have our members face off against different parts of the organization or multiple people, let's have a common front door engagement process for our members and everything that touches them."

* Volatility, Uncertainty, Complexity, Ambiguity
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- Daniel S. McNamara, President, USAA Investments*
 *As reported in MIS Quarterly Executive, "How USAA Architected Its Business for Life Event Integration"

2. A NEW PERSPECTIVE – CHANGE FITNESS

Individual contributors can increase their change fitness by **building fluency across multiple disciplines**



“One of the key traits I look for in leaders is the **learning agility that will help them thrive within the ‘new next.’** Learning agility is modeled in leaders who are curious, who ask a lot of questions, and **who actively reflect on their failures and their journeys** coming out of these.”

* Volatility, Uncertainty, Complexity, Ambiguity

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– Lisa Rometty, President, CVS Kidney Care, CVS Health

The cultural levers of our Human-Centered Transformation Model™ remain central to helping a company strengthen its change fitness

TOP DRIVERS OF CHANGE FITNESS



DNA

Accelerator: Set a powerful, actionable ambition that 'imagines the future'



MIND

Fundamental: Identified the skills, capabilities and roles needed to drive the change, and assessed talent capability to deliver



SOUL

Fundamental: Developed meaningful mechanisms to enable employees to feel comfortable/trust trying new behaviors and ways of work



BODY

Fundamental: Pushed decision rights downward to reduce hierarchical decision making and improve resource allocation

KEY INSIGHTS

Organizations with higher change fitness are better able to drive greater volumes of transformation activity

They are also pulling levers that span our Human-Centered Transformation Model™.

Fundamentals are most associated with higher change fitness

Getting the Fundamentals right will help an organization progress on its journey to organizational resilience

Activities focused on employee motivation and enablement were more important this year

Organizations with higher change fitness focus on helping employees adapt to remote work while protecting their mental health and wellbeing

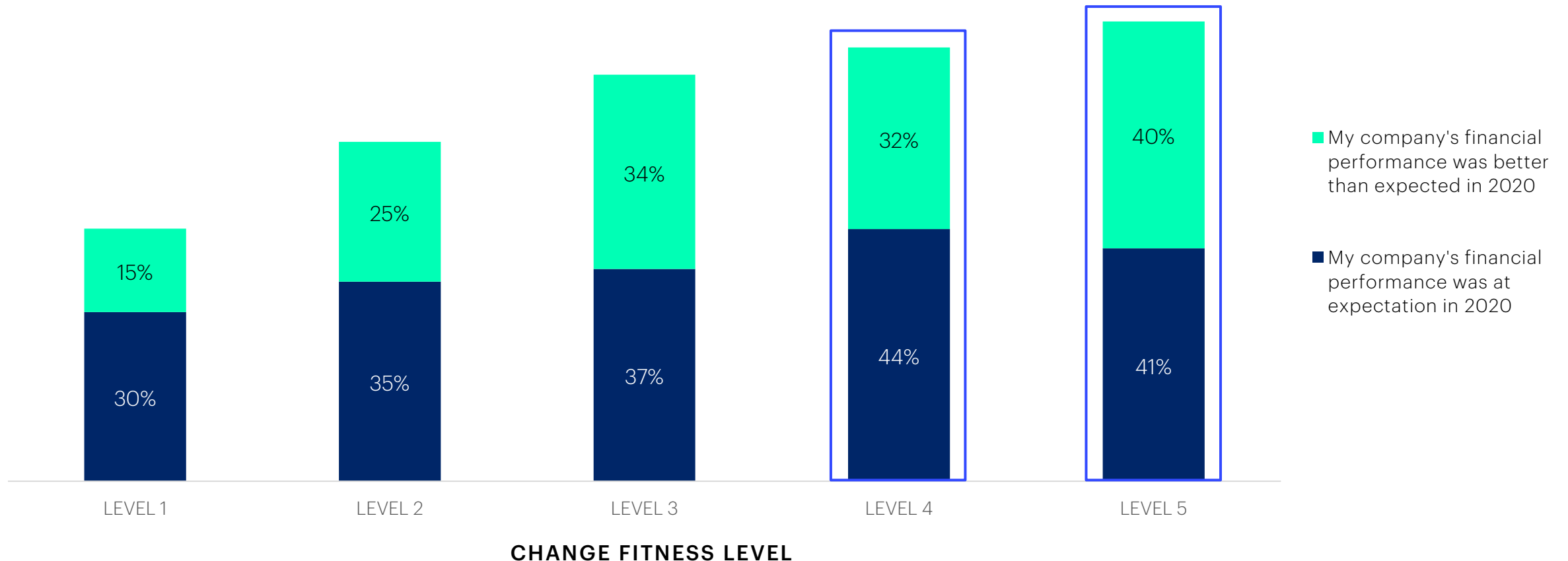
The top driver of high change fitness is an Accelerator

Setting a powerful, future-facing ambition is one of the most important steps a business can take to set it up for a successful transformation

3. EVOLVING OUR CAPACITY FOR CHANGE

Finally, change fitness helps companies align with and perform against commercial goals

FINANCIAL PERFORMANCE BY CHANGE FITNESS SCORE



Ultimately, organizations seeking to increase their change fitness should keep in mind the following guidance

1 **Set a clear ambition to give purpose and meaning to change and transformation activities**

Consider an ambition that is specific, timebound, measurable, and actionable, to clarify where the business intends to move. Visibly link your transformation roadmap to this ambition to help employees make the connection to their individual purpose and roles and to create coherence between otherwise-disparate activities.

2 **Approach change holistically across your organization's DNA, Body, Mind, and Soul**

No matter how digital they may be, all organizations are made up of people, and those people must evolve what they do in a sustained and consistent way for the organization to change. For an organization to be transformed – for it to be changed both radically and sustainably like a human – all these elements must be reimagined and realigned.

3 **Lay the foundation for greater change maturity by ensuring Fundamentals of change are firmly in place**

These are, as the name suggests, essential for change. Neglect them at your peril. In some parts of the world, we might call these “table stakes” or “minimum bets” – nonetheless, they are relevant globally.

WHAT DON'T YOU KNOW THAT YOU WANT TO KNOW?

Through the Q&A feature, submit the questions you'd like to be discussed during the webinar

To download the full report, see the link in the chat

We'd love to hear from you!
To discuss your observations and opportunities, please contact:

Tony Fross

Partner, Organization & Culture Practice Co-Lead

tfross@prophet.com

Jacqueline Alexis Thng

Partner, ASEAN Lead

jthng@prophet.com

Amanda Bhalla

Associate Partner, Organization & Culture Practice

abhalla@prophet.com

Erin Myers

Engagement Manager

emyers@prophet.com



Thank you