The rules of engagement have changed.

As economies around the world bounce back from the financial crisis, millions of people are starting to think about their next career move. Our research in conjunction with the Centre for Economic Business Research, forecasts that almost a quarter of employees worldwide will change jobs by 2018.

At the same time, the world is undergoing unprecedented change. Six ‘megatrends’ are transforming societies and the global business environment as we know it. Our ground-breaking Leadership 2030 research shows that these developments are changing how people work, what they care about in the workplace and what they need from their employers.

To succeed, businesses must rethink how they engage and enable their people and earn the loyalty of their employees. For engagement professionals this means the future looks very different, but the time to act is now.

Our whitepaper, the new rules of engagement, sets out in detail what the megatrends mean for businesses and for engagement, and what you can do to adapt to them today.
The Megatrends

1. **Globalization 2.0**
   Economic power is shifting from ‘old’ Western economies to emerging markets.

2. **Environmental crisis**
   The world faces a disruptive combination of climate change and scarce raw materials.

3. **Demographic change**
   The global population is growing and ageing, putting pressure on societies and welfare systems.

4. **Individualism**
   Globalization 2.0 is boosting the wealth and freedom of choice of consumers in emerging markets.

5. **Digitization**
   Work is going remote, and the boundaries between the professional and the personal are blurring, as people increasingly live life online.

6. **Technological convergence**
   A combination of nano, bio, information and cognitive (NBIC) sciences is set to spur a wave of powerful technological breakthroughs.

Lost in translation:
**Globalization 2.0**

What does it mean for businesses?
- A new global middle class is emerging, creating intense competition for new markets with highly localized dynamics.
- To take advantage, multinational businesses must increase local participation in strategic and operational decisions.
- This will mean closer collaboration between corporate functions and with regional divisions.

What does it mean for engagement?
The talent market has gone global. You now have to battle with competitors the world over for valuable skills. This means thinking creatively about how to attract, engage and retain talent worldwide.

What can I do about it?
- **Strike the right balance.** Inject a measure of local autonomy into engagement. Give managers the freedom to adjust action plans at a local level.
- **Stay aligned.** Don’t jump blindly into localization. Your engagement strategy must remain aligned with business objectives.
- **Promote collaboration.** Equip people with the emotional attributes, cultural awareness and linguistic skills to collaborate globally.

Less is more:
**Environmental crisis**

What does it mean for businesses?
- The environmental crisis will drive heightened volatility, inflated costs, squeezed margins and investor frustration.
- It will foster a growing concern for the environment among stakeholders, including employees. Eco-responsibility will become business critical.

What does it mean for engagement?
Businesses must respond to the demand for sustainability. Failure to do so will damage employee engagement and commitment, and put you at a disadvantage in the war for talent.

What can I do about it?
- **Make it your purpose.** Commitment to the environment should be part of your strategy and employee value proposition. Set environmental objectives, and announce them internally and externally.
- **Gauge sentiment.** Use your engagement survey to understand your employees’ expectations of your sustainability efforts.
- **Make it real.** Give your employees clear ways to support environmental policies.
Social Insecurity: Demographic change

What does it mean for businesses?
- An ageing population means a growing skills shortage and intense war for talent.
- This will force younger workers to quickly become mature and skilled leaders; organizations need to invest now in developing the next generation.
- Workforces are becoming increasingly age-diverse. Businesses need to understand, lead, manage and motivate teams made up of four generations.

What does it mean for engagement?
You will need to engage employees from different age groups in different ways. Intergenerational learning and understanding will be essential to help an age-diverse workforce to work together, and to foster a crucial two-way knowledge exchange.

What can I do about it?
- Understand people's motives. Find out what drives the different age groups in your workforce.
- Adapt policies. Understand the needs and aspirations of each group. Adapt reward strategies, learning and development programs and career paths accordingly.
- Plan for the future. Identify your most critical roles and skills gaps, and create a strategic plan to fill them.

Power to the person: Individualism

What does it mean for businesses?
- Growing wealth will transform people's motives as consumers and employees.
- Factors like fulfilment, meaning, recognition and work-life balance will increasingly influence life and career decisions.
- People will demand that their employers take note of their individual needs and preferences.

What does it mean for engagement?
Individualism will create huge complexity: engagement will need to be more tailored to each employee's needs, drivers, outlook and expectations.

But you can also harness its power, by encouraging people to manage their own development and career progression. Employees will expect this sort of accountability. For their part, managers must learn to be 'people engagers', not just team supervisors.

What can I do about it?
- Delegate ownership. Give the people the tools to manage their own development.
- Set boundaries. Make sure individuals don't put their personal objectives above those of the business.
- Understand the individual. Train managers to be coaches and mentors to their teams. Equip them to understand team members as individuals, and adapt their leadership style to the needs of each person.

Remote possibilities: Digitization

What does it mean for businesses?
- Digitization challenges the need for conventional workplaces and hierarchies: it creates an 'always-on' culture, and blurs the boundaries between private and professional life.
- It gives younger workers a technological edge over older colleagues, who weren't brought up with digital technology.

What does it mean for engagement?
You will need to monitor the effects on people of being 'always-on'. What's more, digital technology creates a climate of transparency that skews the balance of power between employers and employees.

People can instantly share information with the world at large. Social media allows them to promote their abilities and achievements to the competition, while the internet makes it easier to compare compensation and find new career opportunities.

What can I do about it?
- Protect work-life balance. Keep tabs on working habits, and make sure your managers lead by example.
- Maintain face time. Encourage managers to bring their teams together in person on a regular basis.
- Reward impact: In the digital era, people won't always work conventional hours. Performance measures need to recognize their achievements, not how and when they work.

Great leaps forward: Technological convergence

What does it mean for businesses?
- A wave of disruptive innovation will result from the powerful combination of nano, bio, information and cognitive (NBIC) sciences.
- This will give rise to new product markets, leaving others obsolete.
- Highly technical NBIC research will demand new forms of collaboration – 'big' collaboration – between business functions, companies, competitors and whole scientific fields.

What does it mean for engagement?
It will be hard to stay ahead of the innovation curve, and to know which new technologies to invest in. This will make knowing – and communicating – where your organization is heading more difficult than ever.

Engagement can suffer during such times of uncertainty. Yet this is when you need your people most, to help get the company through periods of change.

What can I do about it?
- Be transparent. Communicate clearly, honestly and regularly. Understanding where the company is and where it's heading will generate confidence in the future.
- Be inclusive. Involve employees in the journey of change. And make sure they're trained on how to use new technology.
- Be collaborative. Establish the right climate, processes and platforms for 'big' collaboration, and equip people with the necessary skills and attributes.
If you only do five things

With a quarter of employees worldwide set to change jobs by 2018 and the megatrends already reshaping employee engagement, here are five key steps you can take now to start future-proofing your engagement strategy:

1 Know what you’re up against
   Assess the implications of the megatrends for your organization and your workforce.

2 Audit where you are now
   What changes do you need to make to protect employee engagement?

3 Build the business case
   Put the future of engagement on your board’s agenda. Gather evidence on the megatrends and make the business case for change.

4 Find allies
   Build networks internally with the right people in the right functions to help make change happen.

5 Keep in touch
   Gather views throughout the employee lifecycle to keep abreast of how engagement is evolving in light of the megatrends.

Are you fit for the future?

Find out more about what’s transforming engagement, what the world’s best organizations are doing about it, and the steps you can take to respond.

Download the full whitepaper, the new rules of engagement, at www.haygroup.com/ww/newrulesofengagement