

Chapter 5

The Future of Work: Implications for Organisational Design and the Psychological Contract



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'It is not necessary to change. Survival is not mandatory.'

—W. Edwards Deming

5.1 Introduction

As we entered 2020, none of us could have predicted that the work landscape would be changed forever. Authors on the future of work, who often focused on the rise of the Fourth Industrial Revolution, could not have foreseen that a global pandemic in the form of COVID-19 would change the global economy and the world of work in a matter of only a few weeks. Traditional organisations were forced to implement work-from-home policies using unsupportive and ageing technology, retailers were forced to explore online avenues of sales, and entire industries, such as the hospitality industry, are now facing an existential crisis. As humans, we have been focusing on 'the rise of the robots', while we should have spent more time devising incremental improvements by accessing and implementing new ways of working that would have prepared us to be sustainable amidst this crisis.

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5.2 Chapter Objective

The purpose of this chapter is to explore the changing psychological contract and the implications thereof for work design in the future. The chapter starts with an overview of current and future trends, followed by the impact these will have on the way in which organisations are designed. The chapter further explores three questions within this context:

- What are the major trends in organisational design that will influence the psychological contract and employer–employee relations?
- How are these trends already impacting the workforce, and how will this change our understanding of organisational design and the psychological contract?
- What are the critical lessons we need to take into the future to optimally design organisations to enable human flourishing, aligned to the reality of a changing psychological contract?

The chapter concludes with a discussion of a case study that highlights a more integrated, human-centred organisational design process. The method used was the creation of representative employee personas from information collected through interactions such as focus groups and interviews, which provided the basis for the revised organisational design method. The chapter draws conclusions about our view of what the new normal could entail and evaluates these circumstances against the backdrop of an organisational design process within a global insurance business.

5.3 The Changing World of Work and Its Impact on Work

Since the year 2000 and the establishment of the World Wide Web, the nature of work and industry has changed significantly (Nasereddin & Faqir, 2019). New business ventures came to the fore, and traditional industries, such as retail, have had to adapt in order to become more relevant in a new market and to a consumer with vastly different expectations. Looking ahead, various trends are predicted for the coming 20 years, trends that will again have a major impact on how we view the world and, importantly, how employers need to respond to this changing external context. Figure 5.1 (adapted from Atkinson, 2017; World Economic Forum, 2020) highlights some of the predicted trends that will play a role in setting the tone for what the future world of work will entail and speculates on how these will change the world of work going forward:

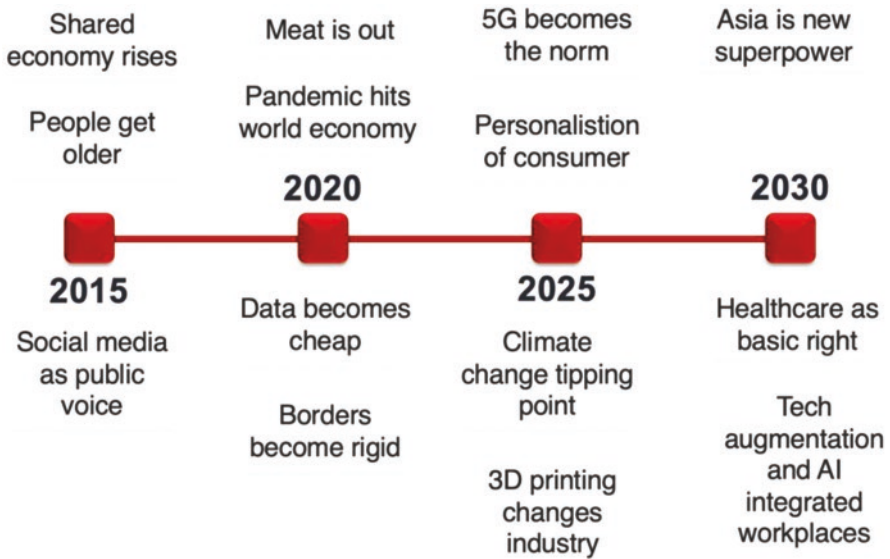


Fig. 5.1 Trends impacting the future of work. (Source: Authors' own work)

5.3.1 2015 to 2020

This period saw three major trends that influenced the way we work. Firstly, the shared economy came to the fore, with companies such as Uber and Airbnb fundamentally disrupting the traditional taxi and hotel industries (Ritter & Schanz, 2019). We were also faced with an ageing population, with most countries increasing the age of retirement (Makarski & Tyrowicz, 2019) or implementing additional measures to care for the ageing population, whilst also being faced with the challenge of growing youth unemployment (Kola, Abdulrahman, & Azeez, 2019). Social media probably had the biggest impact during this time, with an exponential increase in human connections through online platforms. The dark side of this movement was concerns regarding data privacy. Scandals such as Cambridge Analytica demonstrated that current regulatory and governmental policies were not able to keep up with the ever-increasing speed of change (Venturini & Rogers, 2019).

During this period, the impact on the world of work was profound, with the new shared economy resulting in a range of new jobs. Owning a car made you a potential Uber driver, owning property could make you a rental host, and the rise of digital work led to a distributed workforce of employees, starting the gig economy (short-term contract or freelance work). Traditional employers started changing their perception of the employment contract, resulting in multi-pronged workforces made up of permanent staff, sub-contractors, and gig workers (Lo Presti, Manuti, & Briscoe, 2019). The first implications of the Fourth Industrial Revolution were also evident in the greater augmented technologies and automation of processes replacing

routine jobs, whilst skills within the arena of big data, as used in data science and machine learning, came to be considered scarce.

5.3.2 2020 to 2025

A global pandemic (predicted in recent years) has hit the global economy and will have a fundamental impact on how organisations operate (Rose & Wei, 2020). Working from home due to forced self-isolation and restrictions on gatherings will not only change industries but will also fundamentally shift our thinking about how work gets done (Christensen, 2019). Organisations will be challenged to rethink physical workplaces and will have no alternative but to engage via digital platforms. During this time, platforms such as Zoom, Skype, and Microsoft Teams will become the way in which organisations communicate internally, and innovative applications (apps) such as House party will change how human beings connect and interact with one another. Competition will force telecommunications providers to reduce data prices—Vodacom South Africa has already been forced to do so (Meyer, 2020). Even before the global COVID-19 pandemic hit, a bent towards rigid borders saw countries starting to close their borders, and the refugee crises in North Africa and the Middle East were intensifying. In Syria alone, millions of people became refugees when they left the country in search of greener pastures, while countries such as the United States of America, under the Trump administration, and the United Kingdom, with Brexit, adopted a nationalistic approach, first tightening their borders (Born, Müller, Schularick, & Sedláček, 2019).

This period will see dynamic shifts in how organisations think about traditional workplaces, with a rise in ‘hot desking’ (desks assigned to employees as needed) and ‘co-working spaces’ (organisations sharing office space and equipment). Organisations that offer such spaces, such as Regus, will become popular, and, within these hubs, freelancers and entrepreneurs will meet, engage, and collaborate. Always-connected employees will become the norm, and this period could spell the end of the traditional nine-to-five workplace (Spreitzer, Bacevice, & Garrett, 2019). Political instability around the world will make talent mobile, but, rather than immigration, talent will start considering opportunities that are location-agnostic, working anytime and from anywhere.

5.3.3 2025 to 2030

This period will see the introduction of 5G across the world, which implies that the era of ‘unconnectedness’ will start coming to an end, and that the online industry will experience a second boom in terms of capacity (WEF, 2020). The race towards 5G will be contested between Chinese and American providers and will be an important milestone in solidifying the next superpower from a global economy

perspective (Hsu, 2019). The consumer will demand more personalisation, with on-demand services becoming the norm. Organisations will need the ability to customise products to clients' personal needs, as well as technological interfaces able to learn and adapt to habits (Custers 2019). Already in the early 2020, we saw the use of these technologies on the rise in companies such as Amazon, Apple, and Netflix, to name a few.

Consumers will become accustomed to tailored solutions that can be delivered on demand, in real time, and to personal specifications. The climate change crisis will also reach a tipping point (Aron, 2019), and the results of actions taken in the preceding 20 years will come to fruition—the jury is still out as to whether these will result in a positive or negative outcome for the planet. The green economy, however, will be in full swing, with most organisations already having converted to this agenda in 2015. Traditional industries such as big oil companies, supply chains, and manufacturing will feel the impact of these changes the most, and a global world demanding change will become the norm, driven by a youthful global movement, initiated by Greta Thunberg in 2020 (Thunberg, 2020), to address climate change through a green economy. Aligned to these shifts, the consumerisation of 3D printing will also change various industries, such as medicine and manufacturing, with a knock-on effect on the transport industry. The ability to 'print' machine parts, organs, and everyday necessities will change how logistics industries operate and how goods are moved across the world. Digitally, the application-based economy will create new ecosystems where organisations have to work together to produce products and services—owning the end-to-end value chain will become a thing of the past.

From a work perspective, these changes will have a considerable impact on a number of jobs. Logistics, manufacturing, and repetitive and routine jobs will disappear, and many organisations will start co-opting parts of their value chain. A new economy of business-to-business (B2B) transactions will come to the fore, which will be largely driven by digital progress brought by the Fourth Industrial Revolution.

In conclusion, events in the years leading up to 2030 will have a significant impact on the concept of work and how organisations design business models to accommodate changes in the operating ecosystem. From an individual point of view, new jobs will be introduced, some jobs will become obsolete, and the manner in which organisations contract with employees will change forever.

5.4 Responding to These Changes from an Organisational Design Perspective

While various schools of thought exist on the concept of organisational design, there is agreement that it refers to the process of aligning the organisation's structure to its strategy (Defee & Stank, 2005). This includes looking at the relationships between tasks, workflow, accountability, responsibility, and authority, and aligning

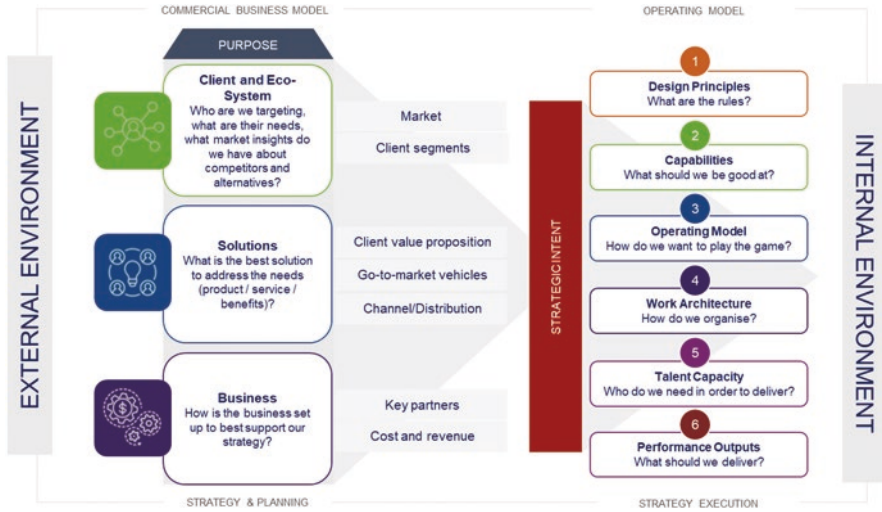


Fig. 5.2 The organisational design canvas. (Source: Authors’ own work)

these within the context of the business objectives and strategy, all with consideration of the external environment (De Sousa, 2019). The purpose of this chapter is not to discuss the various methodologies related to organisational design, but rather to take a holistic perspective on how this discipline needs to respond to remain relevant amidst the expected changes. From a macro-perspective, the organisational design canvas below is an end-to-end depiction of the key considerations that will now form part of organisational design processes. Figure 5.2 is discussed in terms of the external environment and how this translates to the internal way of work.

5.5 The External Environment as Influencing Factor

The organisational design canvas starts (on the left of the figure) with an outside-in perspective that first acknowledges the reason for the organisation’s existence in the context of the client and the ecosystem within which it operates. This shift in focus brings to the fore the following key questions that need to be answered in embarking on the design process: ‘Who is the client?’, ‘What need are we fulfilling (our client value proposition)?’, and ‘How do we optimise the client experience?’. Go-to-market channels (digital channels enabling online sales) will be multi-pronged, with these digital channels becoming both direct-sales vehicles and enablers of back-office support for traditional face-to-face engagement with clients. The cost of doing business will become key, as only a few players will own an end-to-end value chain, with most organisations starting to operate in the application program interface (API) economy (where two programs communicate with each other), where a company is a specialist in a small part of the value chain and partners with others to provide solutions.

This approach is vastly different from traditional approaches, which often took an internal, process-driven perspective in organisation design. While this led to efficient organisations, it often neglected clients' needs and experiences, as well as partnerships, which should be the starting point in designing the internal organisation model. This change in perspective has also seen a shift away from the traditional 'process-orientated' organisation model to an experience-driven model that, at its core, focuses on creating memorable moments and interactions, in order to drive loyalty and engagement. Modern organisations already adopting this type of model include Amazon, Zappos, and Southwest Airlines.

5.6 Defining the Internal Way of Work

The right-hand side of the figure lists the fundamental design choices that organisations need to make during the design process, all while exploring the external context. First, the philosophy underpinning the organisation's strategic intent needs to be determined. This philosophy determines the organisation's world view and guides decisions-making in order to enhance its competitive advantage. These choices are vast and will have long-term implications, as the design philosophy will become embedded in all organisational practices. Table 5.1 indicates how these decisions influence the way in which the organisation is structured. The list is not comprehensive but provides an indication of how the parameters of product, market, and client influence the design philosophy. Designing an organisational model that is in contrast with the philosophy is a recipe for failure, and, while there is no ideal solution, it is important that the organisation obtain clarity on how this decision will influence the way work is done.

Table 5.1 indicates how organisational design choices influence the ultimate model.

Once an organisation's strategic intent has been clarified and its design philosophy determined, the following six questions need to be asked, the answers to which will then inform its design (Table 5.2):

The internal (right side) and external (left side) of the model are then connected, to determine if the organisational model and decisions are consistent, which is required to deliver on organisational purpose. This is a continuous process of design-thinking in order to ensure alignment in terms of who the organisation is (identity), why it exists (purpose), and how it operates (design).

At a micro-level, this design process has fundamental implications for how work at the individual level will be designed. As the concept of work changes, so does the psychological contract and how the expectations between employee and employer are managed.

Table 5.1 Underpinning organisational philosophy

Choice 1	Choice 2	Choice 3	Type of organisation	Example
Product	Client	Market	This organisation creates impressive products to sell to a client in a particular market. Its competitive advantage lies in its product design, and such organisations tend to possess high-level technical expertise. While the organisation's products may be superior to those of the competition, it has a potential blind spot: poor client service and sales engagement	Microsoft
Client	Product	Market	This is a client-centric organisation that operates very close to the client ecosystem and competes in the domains of client service and sales. The organisational expertise lies in client engagement. Its products are comparable to those of competitors, but the external narrative is focused on clients, not product features. This model has a blind spot: product innovation, and the organisation will probably not enjoy the first-mover advantage	Starbucks
Market	Product	Client	This organisation has expertise in terms of a particular market persona, e.g. high-income individuals, and builds niche products only for this market. These products meet the needs of a particular client segment and may not be transferable to other segments. This organisation's value proposition lies in exclusivity, as opposed to scale. The blind spot of this organisation is that it is not equipped to expand into other segments and build scalable products and has to protect its client segment from takeover by the competition	Investec

Source: Authors' own work

Table 5.2 Design questions

Design choice	Design question	Example
Design principles	What are the rules we don't want to break?	Client care is more important than efficiency
Capabilities	What do we want to be good/best/equally good at?	Competitive product design and access to the skills required
Operating model	How do we want to play the game?	Choosing an operating model blueprint, e.g. hub-and-spoke blueprint
Work architecture	What does work look like?	Team and role design, and how the organisational model is applied between functions
Talent demands	Who will deliver the work?	View of external and internal talent requirements to determine what the organisation wants to own, borrow, in-source, or contract in terms of workforce requirements
Performance outputs	What does success look like, and what do we measure?	Method of delivering; outcomes of success in line with performance requirements

Source: Authors' own work

5.7 How the Changing World of Work and Organisational Design Canvas Are Changing the Psychological Contract

The psychological contract has its origin in social exchange theory and refers to the power of perception. In essence, it is the sum of expectations between employee and employer of each other (Cullinane & Dundon, 2006). Given the changes covered in this chapter at the macro- (environmental trends), mezzo- (organisational design), and micro- (individual work) level, certain changes to the psychological contract are to be expected.

5.8 How Environmental Trends Will Impact the Psychological Contract

As global trends unfold, we can expect that the psychological contract will be impacted in various ways. Table 5.3 recaps global trends and indicates the influence of these, over time, on the psychological contract.

On the mezzo-level, the organisational canvas will impact the psychological contract by extending the definition of what employment entails. The definition of talent capacity will include gig workers, cross-located employees, contractors, and in-sourced employees who form part of the organisational ecosystem only for a limited period. In this context, the employee contract will become more choice-orientated and personal in nature. This implies that elements such as office space, safe work environments, employee benefits, and other inherent hygiene characteristics that used to form part of the psychological contract will become irrelevant. At best, organisations will have to provide access to the resources that employees require in order to deliver expected outcomes, but this will not be permanent in nature, and, as such, employee care will shift to the individual. This will give rise to a new type of organisation, one where temporary employees can feel they belong and, for a fee, enjoy some of the benefits that traditional organisations used to provide. Employees could become nomads, and the rise of platforms such as [Freelancer.com](#) and Nomadnow are already examples of how ‘skills for hire’ will become the norm. Organisational models are not geared to manage this type of complexity in the workforce and will have to adapt or risk losing access to the talent of the future.

At the micro-level, the expectation of individuals in terms of work will also change. Careers will be built around experiences, hierarchies will become a paper-based exercise that carries no real authority, and development will be based on on-demand and just-in-time models whereby individuals take responsibility for their own development. Employment will become temporary, and individuals will belong to more than one organisation at the same time and will also exercise choice in terms of how, where, and how much they want to work. At an organisational level, the employee experience will become paramount and will need to evolve in terms of contents of the job, the design of the work itself, and how the work is positioned as

Table 5.3 The impact of global trends on the psychological contract

	2015–2020	2020–2025	2025–2030
External environment	<ul style="list-style-type: none"> • Shared economy • Ageing population • Organisations used social media as a public voice 	<ul style="list-style-type: none"> • Vegetarianism/veganism • Pandemic hits the world economy • Data becomes cheap • Borders become rigid 	<ul style="list-style-type: none"> • 5G becomes the norm • Personalisation and customisation of products • Climate change reaches the tipping point • 3D printing changes industry
Impact on contents of psychological contract	<ul style="list-style-type: none"> • Public and social image became important, and employees wanted to understand its moral purpose and what it stands for • The ageing population necessitated changing policies on retirement, career management, and career progression, to allow for a multi-generational workforce with different needs 	<ul style="list-style-type: none"> • Remote work will become a basic right and not a privilege • Employee well-being and care will become paramount, and employers will be evaluated in terms of their ability to care for all employees and ensure their physical, financial, and mental well-being • Employers will need to cater for changing needs of employee groupings, and will be forced to take a stance on environmental issues • Diversity will become a key focal point • Organisations will need to have a voice in the public domain • Sense of belonging will become important as nationalism becomes topical, and cross-border identities of organisations will become important 	<ul style="list-style-type: none"> • Digital ways of work will become paramount, and location will no longer be a key job criterion, with time zones starting to play a more prominent role • Organisations will have to become socially conscious and show how they are being responsible; sustainable investment and business will become the new normal

Adapted from Atkinson (2017), NIC (2020), and World Economic Forum (2020). (Source: Author's own work)

part of a longer-term plan for growth. Organisations will have to meet employees' needs in different ways in order to gain access to a talent pool, members of which will have their choice of membership of various organisations at the same time. The term *employee* will be replaced with terms such as *associate* and *member* as a neutral way to refer to the partnership between organisation and individual, as individuals will no longer be employed by organisations in the traditional sense.

5.9 Practical Implications for the Future

This section provides an overview of the new normal that every organisation will face in the coming years—a changing external context that will lead to a redefinition of work, the employer–employee relationship, and the concept of organisational membership and belonging. Organisations will have to design, not just for the client experience, but for an intentional employee experience. Organisations will have to provide a work environment to which employees want to belong due to the nature of the work and the environment, as opposed to having to work there as their only option. The case study below highlights such a process, where the organisational design canvas was utilised to explore a new way of work, one that is more relevant to the workplace of the future.

5.10 Case Example: Applying These Insights to the Design Process in a Global Insurance Organisation

5.10.1 *Overview of the Business*

The setting of the case study is a multi-national insurance company with operations in South Africa, India, the United Kingdom, Lesotho, Namibia, Botswana, Kenya, and Ghana. The case study focuses on the *Business of Tomorrow* (BoT). The business provides client-centric financial solutions with a focus on the lower- to middle-income market. The organisation plays across the insurance spectrum, offering cover—funeral, life, risk, and disability, as well as products for amassing savings and investing for retirement. The business has a large geographical footprint with more than 140 branches, supported by two head offices.

5.10.2 *The Case for the Change*

Operating in strenuous economic times, with changing client expectations and internal cost pressures, the business relooked its organisational design with the aim of aligning it to its strategic intent and to remain relevant in the market. The organisational design process highlighted that the business had grown over time, that functions had evolved, and that its innovation efforts were being hampered by outdated traditional mainstream systems and processes. Against this backdrop, a new organisational design was needed to create a mainstream business focused on operational excellence and continued income, with a view to the business of tomorrow—an innovative business focused on disruption, with the goal of diversifying income streams. The problem statement detailed the following questions that had to be resolved through the design:

- What type of business model would be best suited to driving disruption in this context?
- How should the business be designed around human experiences to attract a Millennial workforce with the ability to design products for a previously unexplored market?
- What employee experiences will drive employee productivity, and how should these be packaged as part of a broader employee value proposition to create a psychological attachment to the organisation and its brand?

5.11 Applying the Design Canvas as Part of the Design Process

The process was run over several months, to allow enough time for design decisions to be implemented and stabilised before proceeding with the next phase. The steps followed are discussed below.

5.11.1 Step 1: Defining Purpose and Reason for Existence

The process started with market research on the external environment, focused on understanding client needs through both desktop research and consumer interviews. Semi-structured interviews and open-space workshops were conducted with team members, to define the core value proposition, client ecosystem, and the right to win in the market. BoT's reason for existence was to provide digital insurance and debt solutions for the Millennial market through a coaching and advisory methodology. The team also agreed on a core mantra that represented the type of organisation they wanted BoT to become: boundaryless and open-minded, with employees who are not afraid of failure. This was articulated formally as follows for shareholders:

Identify and pursue profitable business opportunities on the fringe of innovation that prepare us for the business of tomorrow

To make this mantra real for them, they wrote the manifesto below as a commitment from each organisational team member to the common purpose and type of organisation they wanted to create and be a part of:

This is it...

This is the space where I can bring my best
 I am the master of my own fate
 I show up, dressed in confidence and armed with skills
 I know that I can't succeed without my tribe
 It's not about what I can do, it's about what we can achieve
 Together, we step out of our boxes and work towards a common goal
 We use our collective talents and creativity to make a difference
 We are open-minded, proud, and committed

To achieve our goals, we communicate, apply discipline, consistency, and *swag*
 We share our successes and failures
 And when we win, we own our bragging rights
 Our foundation is transparency, trust, and integrity
 Through collaboration, we can achieve greater things
 Though sometimes we may trip over ourselves, we always get up
 How we get up determines our success
 We are convicted, but can be flexible
 We are diverse, but unified
 We know when to follow the rules and when to disrupt
 We actively listen, but we can also speak our minds
 Our purpose is to create value by putting our clients first
 Welcome to the future.

5.11.2 Step 2: Defining the Design Principles and Rules of the Game

Based on the mandate and purpose of BoT, the next step was to focus on the organisational design principles to be adopted by the business, as well as the key organisational capabilities required. Design principles act as a compass indicating true north throughout the design process and facilitate strategic choices and key decisions the business needs to make, e.g. ranking the importance of speed to market vs quality, or cost vs speed. Design principles should clearly articulate strategic choices and how these will be lived through the organisational processes and ways of work. BoT's design principles were the following:

- The design should allow for flexibility and adaptability, to ensure responsiveness to a changing environment and product set.
- We will gain a competitive advantage by growing key talent and skills internally.
- Insight into clients is a differentiator in our business, and should inform everything we do.
- Digital capability is crucial in product development and distribution.

5.11.3 Step 3: Articulating the Core Capabilities and What BoT Needs to Be Good At

In articulating the core capabilities of BoT, clients' experience and their desired journey were utilised as the base to inform decisions. For BoT, there were three critical memorable moments in creating a meaningful client experience: a cognitive interaction when selling, and two emotive interactions—changes to a policy and lodging a claim. Clients' experiences of these touch points differ vastly. In the sales process, the client engages in a cognitive process to understand the product features, benefits, and price, and makes a decision whether to purchase the product. On-going

service interactions typically occur when the client interacts with BoT to update policy details, add or remove dependants, or purchasing additional benefits due to a life or health change. The final emotive interaction is the claims process. This typically occurs when something went wrong in the client’s life, necessitating access to the policy benefits. With this in mind, the key capabilities of BoT needed to reflect an understanding of the market and clients (insight), solution design (concept creation, product), sales (business development), phygital (refers to physical and digital omnichannel), and service (phygital omnichannel). These capabilities were sorted into three categories:

- Innovate: We want to be different and push the boundaries.
- Differentiate: We compete to be better than others and differentiate ourselves.
- Maintain: We need to optimise at a basic level to be able to operate our business.

The core capabilities required were then plotted onto a capability map and assigned a current and desired level of maturity. This crystallised what was currently available and what would have to be grown or acquired over time. The capability map is shown in Fig. 5.3.

5.11.4 Step 4: Defining an Operating Model Blueprint

A number of organisational design blueprints were created for BoT, with a core focus on alignment to the core purpose of the company and finding a model that would enable its philosophy. Figure 5.4 depicts some of the models that were explored in this process, with each entailing the acceptance of a number of limitations and the pursuit of benefits that the model could offer.

BoT decided to adopt a honeycomb operating model, as it would allow for faster decision-making. It is a prototyping-based design model that allows rapid testing of whether a product is successful, thus enabling faster and shorter iterative speed-to-market cycles. The limitation in employing this model was that BoT was a business

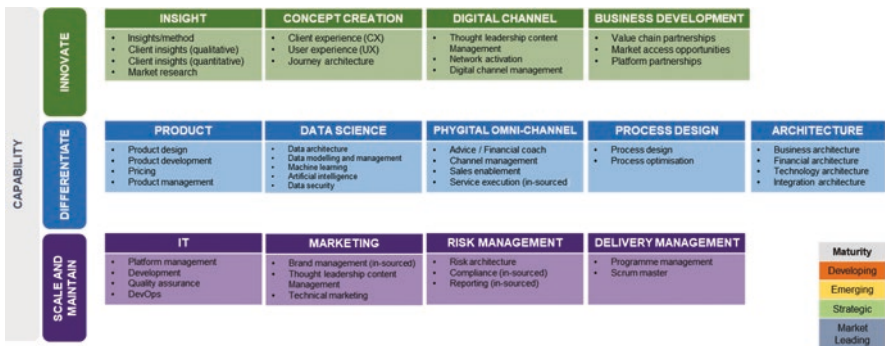


Fig. 5.3 BoT’s capability map. (Source: Van der Merwe, 2020)

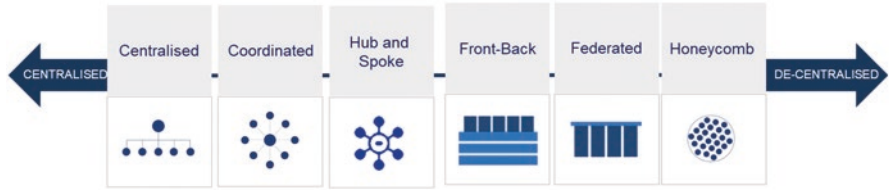


Fig. 5.4 Continuum of blueprints of operating models explored. (Source: Authors’ own work)

designed for a Millennial market as a stand-alone business, separate from the parent company. This impacted the availability of resources and other benefits, such as brand equity and leveraging existing technology solutions developed elsewhere in the group.

5.11.5 Step 5: Creating a Supply of Skills to Meet Capacity Demands

This step helped BoT organise talent demands in terms of scarcity and priority, aligned to the requirements identified in the capability map. Practically, this meant using external talent platforms (such as LinkedIn) to gain insight into scarce skills and the best way to gain use of these, and to rank skills according to criticality, based upon the BoT mandate and strategic plan.

The segmentation approach illustrated in Fig. 5.5 was utilised to visualise these skills requirements, followed by overlaying it on current internal availability.

5.11.6 Step 6: Creating Internal Employee Personas and an Employee Value Proposition

This step entailed creating a profile of the current BoT workforce by analysing its current composition using demographic data analysis techniques. Two broad personas, representing BoT employees, were created as a basis for creating a BoT-specific employee value proposition. The purpose of creating personas was to apply context to the lens through which we designed, but to allow for aggregation, so that we did not create solutions for individuals, but for the needs of characters, and therefore broader groups of employees. The characteristics of the personas are listed in Fig. 5.6.

The personas provided insight into what the employee value proposition needed to include to meet the different needs and expectations of the two personas. The two personas therefore provided the basis for the design of the employee value proposition and the parameters of the psychological contract. Focus groups were conducted

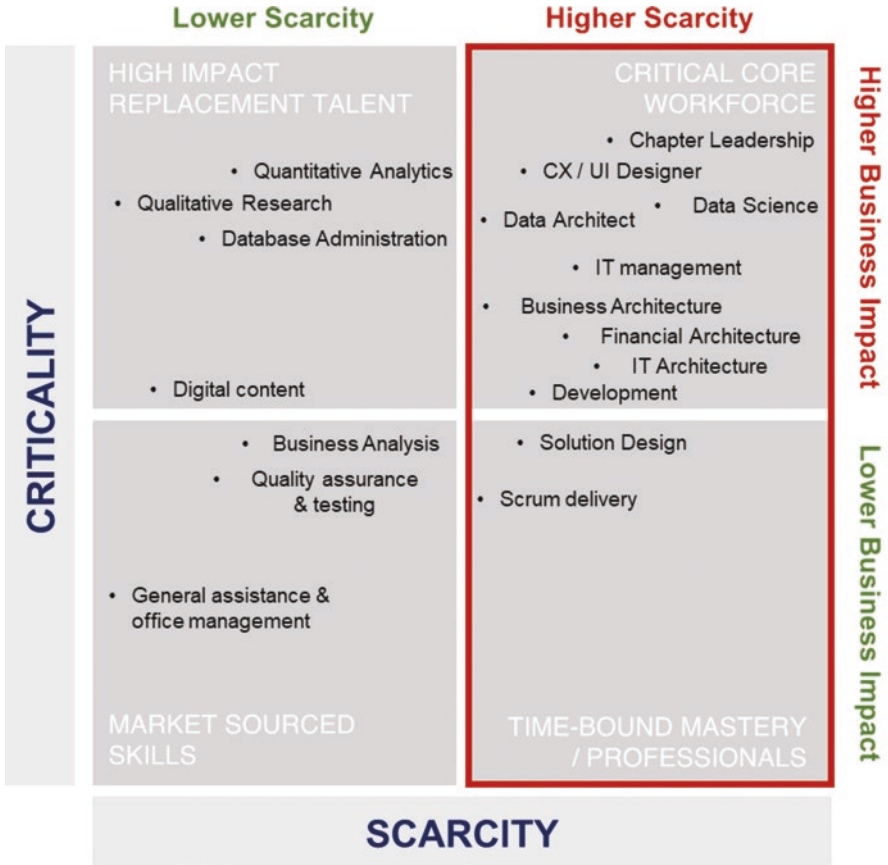


Fig. 5.5 Talent segmentation and demand matrix. (Source: Van der Merwe, 2020—reprinted with permission)

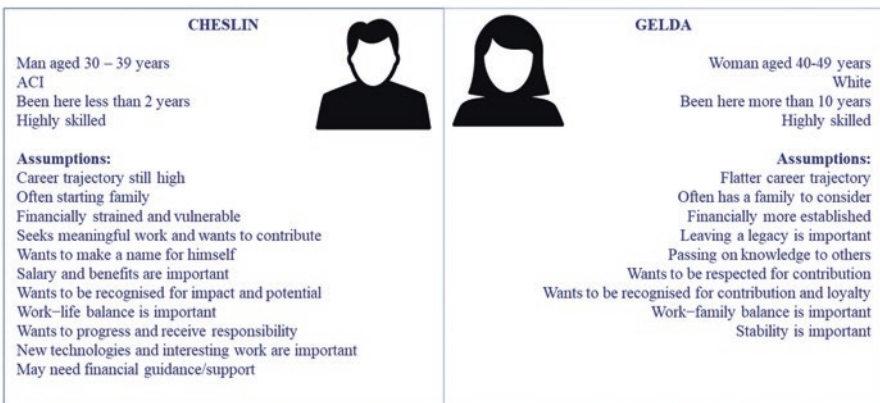


Fig. 5.6 BoT personas. (Source: Authors' own work)

to determine the wants and needs of these two personas, and the data were validated through interviews with a sample of the current workforce. Five key areas to be included in the employee value proposition were identified: (1) workspaces (physical and remote), (2) opportunities for growth, (3) reputation of the organisation, (4) benefits, and (5) reward and recognition. While these five categories were applicable to both personas, how they were lived was vastly different. For Cheslin, recognition may refer to opportunities to attend international conferences, whilst, for Gelda, it might refer to a long-service award presented by the CEO. Based upon these insights, employee value proposition priorities were ranked according to impact and difficulty of execution. The result of this exercise is shown in Fig. 5.7.

5.11.7 Step 7: Monitoring and Listening in Order to Adapt

Monitoring the effectiveness of a design and employee experience is critical. Understanding how employees experience working according to the model and how the EVP is contributing to the well-being and engagement of employees becomes key insights into the effectiveness of the organisational design. BoT implemented pulse surveys and retrospective discussions following interventions, to measure specific elements aligned to the model and identify the changing needs of employees. Poll surveys provided rapid feedback, which allowed the business to significantly increase its responsiveness to organisational concerns and employee needs.

Even though BoT was still in its infancy, it was apparent that the design process followed allowed for a clearer articulation of business purpose, the crafting of an aligned business model, and establishment of a human-centred culture that set the

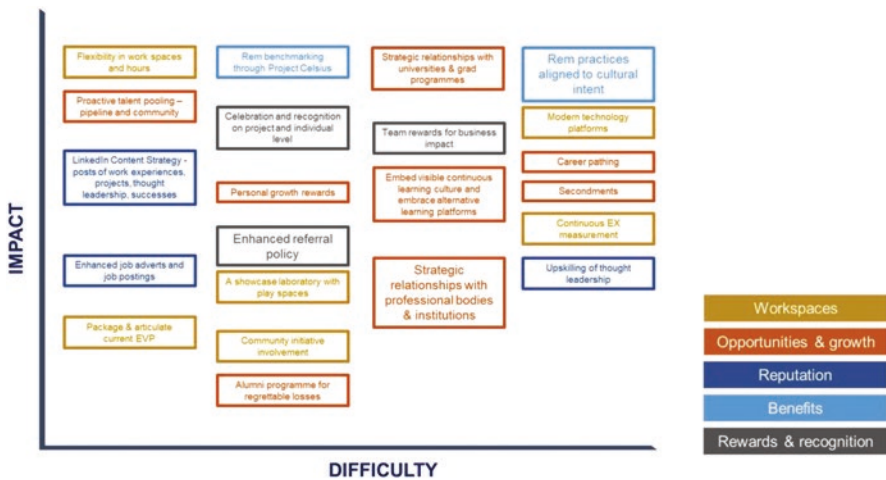


Fig. 5.7 Prioritising EVP levers. (Source: Authors’ own work)

business up for success. The outside-in approach of designing the business around memorable client touch points also yielded value, allowing the organisation to become more in touch with the real needs of their clients, which led to better and more relevant product design. In terms of the trends identified earlier in this chapter and the subsequent impact on the psychological contract, the BoT design process responded as follows in Table 5.4.

Table 5.4 The BoT design process response to changing trends and the impact on the psychological contract

	2015–2020	2020–2025	2025–2030
External environment	<ul style="list-style-type: none"> • Shared economy • Ageing population • Social media as public voice became the norm 	<ul style="list-style-type: none"> • Vegetarianism/veganism • Pandemic hits the world economy • Data becomes cheap • Borders become rigid 	<ul style="list-style-type: none"> • 5G becomes the norm • Personalisation of consumer • Climate change reaches the tipping point • 3D printing changes industry
Impact on psychological contract parameters	<ul style="list-style-type: none"> • Public and social image became important, and employees wanted to understand what the organisation stood for and the moral purpose of the organisation • An ageing population necessitated changed policies on how organisations view retirement, career management, and career progression, to allow for a multi-generational workforce with different needs 	<ul style="list-style-type: none"> • Remote work will become a basic right, not a privilege • Employee well-being and care will become paramount, and employers will be evaluated in terms of their ability to care for all employees and ensure their physical, financial, and mental well-being • Employers will need to cater for changing needs of employee groupings, and be forced to take a stance in terms of environmental issues • Diversity will become a key vocal point, and organisations will need to have a voice within the public domain • Sense of belonging will become important as nationalism becomes topical, and cross-border identities of organisations will become important 	<ul style="list-style-type: none"> • Digital ways of work will become paramount, and location will no longer be a key job criterion, with time zones starting to play a more prominent role • Organisations will have to become socially conscious and show how they are being responsible. Sustainable investment and business will become the new normal

(continued)

Table 5.4 (continued)

	2015–2020	2020–2025	2025–2030
Response in the BoT design process	<ul style="list-style-type: none"> • A strong purpose statement and mantra were co-created with organisational members and centred around an actual client need • Personas were created to accommodate the different generational needs of the workforce 	<ul style="list-style-type: none"> • Remote work will be adopted as the norm, not the exception • Strong access to employee well-being processes and practices will be incorporated into the broader employee value proposition • The aim of the design is to create a strong sense of belonging with regard to the organisational identity 	<ul style="list-style-type: none"> • A diverse and digital workforce will spread across geographical boundaries (not yet global)

Source: Authors’ own work

5.12 Implications for the Future

This chapter highlighted the trends that will impact the world of work to varying degrees in the near future. For organisations to remain relevant, a different approach to organisation design is required, one that starts with an outside-in approach that organises the business around memorable moments that need to be created to achieve value for the client, in alignment with the organisation’s purpose. In essence, a more human-centred organisational design approach is required, designed around client needs and requirements, while also taking cognisance of the internal organisation through a targeted employee value proposition. This value proposition should be aligned to the critical skills required to execute the organisational design, specifying the type of talent that needs to be attracted or grown.

The organisational design canvas was the method used to incorporate these elements into the organisational design process. The BoT case study highlights that the use of the organisational design canvas requires a more integrated human-centred organisational design process going forward. The creation and definition of employee personas were critical success factors in the design process; however, from the literature, it would seem that traditional organisation design methods neglect to incorporate these steps as part of organisational design. Traditional design approaches tend to focus more on the process and structural aspects—how work will be organised and delivered—and not necessarily on what type of human-centred environment needs to be created to achieve these outcomes.

This case study was limited to one organisation and should be replicated to validate the organisational design canvas as a method of designing for the psychological contract. The case study also needs to be replicated with different types of teams and skills to ensure its relevance and generalisability. The case study however does contribute to the current literature regarding the psychological contract by positioning the organisational design process as a catalyst to intentionally craft the psychological contract through personalised employee experiences.

5.13 Conclusion

The world of work is changing and demands a response from organisations if they are to survive and thrive in this environment. Organisations have to intentionally craft a psychological contract aligned to employee characteristics, in line with talent and capability requirements in order to participate in the talent war. This requires a shift in methodology and designing organisations that are more relevant to modern clients and provide a platform for productive and engaging employee experiences.

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