

J W T

**WORK IN PROGRESS**  
**THE NEW FACE OF WORK**

**A JWT TRENDLETTER SEPTEMBER 2009**

## EXECUTIVE SUMMARY

Business culture is being upended by advancements in technology, a generational shift in workplace attitudes and the global financial crisis.

The global downturn has forced organizations to rework their business models as well as their physical space. It's also changed people's attitudes toward the role of work in their lives. And for many, it's changed how and how much they work. These shifts will translate into new workplace values and new ideas about worker productivity.

Trends including the rise of telecommuting and freelancing, the growing influence of the Millennial mind-set, and the adoption of mobile devices and Enterprise 2.0 tools will translate into an office culture that's a marked contrast to what we've seen before.

This *Work in Progress* explores the evolution of the traditional 9-5 grind, the next generation of office design, how Millennials will change the workplace and what Web 2.0 means for the workplace.

### Key Questions

- How will the recession and new ideas about worker productivity affect the traditional eight-hour day and five-day workweek?
- How will the shifts we're seeing in office culture affect workplace design and the physical office space?
- What factors are contributing to the growing rise of freelancing and contract work?
- How will companies need to change to accommodate Millennials? How are Millennials redefining professional success?
- How will Enterprise 2.0 tools help to drive changes in workplace culture?

### Key Findings

Today's always-connected workers, the recession and new ideas about worker productivity are changing the traditional 9-5 workday. The recession has prompted some workers to reassess the why behind work and seek greater work-life balance. Meanwhile, companies are reassessing scheduling—instituting shorter workweeks or ultra-flexible hours—and focusing more on what people get done rather than how long they spend doing it.

Work-life balance is one factor fueling the rise of freelancing—today, a long-term career may consist of multiple short-term gigs. While freelancers once mostly took on small odd jobs, now they fill contract positions for a growing range of specialties.

With more workers freelancing, telecommuting and working non-standardized hours, businesses are increasingly open to flexible workspaces and virtual offices; design focuses on easing flexibility and collaboration. Cost-cutting has also forced many companies to rethink their operations from the brick and mortar up. By allocating space more smartly, businesses will be able to shrink physically and make better use of their real estate.

Millennials, the newest entrants to the workforce, are motivated more by their passions than by paychecks or promotions. Given the sheer size of the generation, they are certain to force changes in the workplace; many businesses are already adjusting in order to retain the strongest young workers.

Millennials are helping to drive adoption of Web 2.0 tools in the workplace; what's known as Enterprise 2.0 will be key to the flatter, faster and more flexible business of the future. Smart organizations will put as much focus on evolving a 2.0 culture as adopting the tools that go with it.

**V**isitors to the Hyatt Regency hotel in Santa Clara, California, are greeted by the world's first virtual concierge. "Virtual Anna" dates back to 2000, when a pregnant Anna Mariano-Morris was debating whether to give up her position as chief concierge, a job she loved, or continue making the five-hour commute and sacrifice time with her family.

She realized she may not have to choose. The hotel responded to her idea to go virtual by investing in a sophisticated video conferencing system that links Mariano-Morris' home with the concierge desk. Without leaving her home, Mariano-Morris can interact with guests much as she did in person. "She's a phenomenal concierge and it doesn't matter that she's 85 miles away," the hotel's general manager told MSNBC.com.

A virtual concierge may be a rare sight, but the fact is that today the rules dictating how, where and when we work are being upended for most of us. For one thing, like "Virtual Anna," many more people are working from home. IDC, a global market intelligence provider, estimates that 58 million people worldwide will be doing so by 2011, up from 45.4 million in 2006, according to a March 2008 report.

The rise of telecommuting and other changes—including the shift to freelancing, the growing adoption of mobile devices and Enterprise 2.0 tools, and the rising influence of the Millennial mind-set—will translate into an office culture that's starkly different from anything we've seen before.

The global downturn is serving as a major driver of current shifts in the workplace. It has accelerated corporate cost-cutting and forced organizations to rework their business models as well as their physical space. It's also changed people's attitudes toward spending, earning and the role of work in their lives. For some workers, it has forced a shift from full-time to freelance; for others it's meant longer hours and for some it's meant reduced hours or furloughs. These shifts will translate into new workplace values and ideas about worker productivity.

This *Work in Progress* explores the evolution of the traditional 9-5 grind, the next generation of office design, how Millennials will change the workplace and what Web 2.0 means for the workplace. We take a look at how cultural changes are manifesting in workers' attitudes, how these will evolve in the near future and what this means for companies looking to attract and retain talent.

## GOODBYE 9-5

The traditional notion of the eight-hour day and five-day workweek is slowly being upended by today's always-connected workers, the changing realities and values ushered in by the recession, and new ideas about worker productivity.

For some time now, we've realized there are no more neat lines around the workday and leisure time. Always-on connectivity means we may be working while having dinner with the family or on a train out of town; advancements in mobile technology are only accelerating this trend. And as more of us telecommute, it's increasingly common to rearrange the workday according to personal preferences.

With the advent of the recession, traditional schedules have been further disrupted. Some workers have had to take pay cuts in exchange for working fewer hours or taking furloughs (a short period of unpaid leave). The result may be a shift in attitudes toward work: Employees who once worked over and above the 40 hours a week expected of them may conclude that they should stick to the hours specified by their employer and do other things with their free time (that is, disconnect from their BlackBerry).

"Companies will lose that sense of total dedication—the sense that what I produce on my own time is theirs, that I have a responsibility to answer e-mails whenever they arrive or participate in odd-hour phone calls," wrote Tamara J. Erickson, author of multiple books on workplace culture, in a June post on the Harvard Business School blog.

For some, the recession has meant a wholesale reassessment of values, lifestyles and the why behind work—leading to less interest in being tied to a desk day and night.

Workers living in an economy fueled by easy credit and the pursuit of material possessions tend to become part of a vicious cycle: The more they work, the more they earn and the more they consume, often as a reward for their hard work. Sometimes they spend more than they earn and accumulate debt, meaning they must work longer and harder to stay afloat, which only starts this cycle again. (It's no surprise that workers in the asset-based economies of the U.S. and the U.K. work an average of 1,792 and 1,653 hours per year, respectively, versus 1,542 hours in France and 1,432 in Germany, according to 2008 figures from the Organisation for Economic Co-Operation and Development.)

People are now thinking hard about this cycle. A new normal is being established in which sober consumers are spending less, saving more and shopping smarter. This shift in focus away from consumption and toward appreciation of simple pleasures is likely to change attitudes toward work. As Americans and others in work-obsessed nations rack up less debt, they may be inclined to adopt more European work and leisure habits.

Employees working fewer hours may even be a good thing for employers: Scaling back hours increases productivity and decreases the number of employee sick days. Employees in nations with shorter workweeks tend to get more accomplished each hour they are working. According to the 2008

Organisation for Economic Co-Operation and Development (OECD) Factbook, “Relative to the United States, most OECD countries had higher levels of GDP per hour worked than GDP per capita.”

One explanation for this counterintuitive finding is that humans don’t work well in extended blocks of time. “The longer you work, the less efficient you are,” Bob Kustka of Fusion Factor, a productivity and time-management consulting firm, told *The New York Times*. This may be why American workers confess to wasting nearly 20 percent of the day gossiping and surfing the Web, according to a 2008 survey by Salary.com. Kustka advocates working hard on a few focused activities and taking short breaks in between.

“Since we have eight hours to fill, we fill eight hours,” argues Tim Ferriss in his 2007 book *The 4-Hour Workweek: Escape 9-5, Live Anywhere, and Join the New Rich*. “If we had 15, we would fill 15. If we have an emergency and suddenly need to leave work in two hours ... we miraculously complete assignments in two hours.”

New ideas about worker productivity are changing traditional work schedules, leading companies to institute shorter workweeks or ultra-flexible schedules. Doing so forces employers to focus on the bigger picture: what people get done rather than how many hours or days they spend doing it.

One successful case study in this realm comes from Best Buy, which in 2002 implemented a program that allows employees in its headquarters to work whenever and wherever, with no mandatory time in the office. Participating teams showed as much as a 41 percent increase in productivity and a 90 percent reduction in voluntary turnover, according to Cali Ressler and Jody Thompson, the two Best Buy HR professionals who developed the program, called Results-Oriented Work Environment (ROWE).

Phyllis Moen, a sociology professor at the University of Minnesota who studied the ROWE program, believes most companies are stuck in the 1930s when it comes to ideas about time and work. “Our whole notion of paid work was developed within an assembly line culture,” said Moen in a 2006 interview with *BusinessWeek*. “Showing up was work. Best Buy is recognizing that sitting in a chair is no longer working.”

Employers are increasingly becoming more flexible about how employees use their time. Netflix, for example, did away with its vacation policy in 2004 after an employee pointed out that the company did not track hours worked per day or week and asked why vacation days should be tracked. Now, salaried employees take off as much time as they feel they need. “I’ve never terminated a salaried employee for being tardy or being absent,” chief talent officer Patty McCord told *The Oakland Tribune* in 2007. “There have been issues when people didn’t come to work—but the issue is the work, it’s not the time off.”

## THE NEXT- GENERATION OFFICE

The traditional office is a remnant of an industrial-era framework in which all employees had to work together at the same place and the same time for maximum productivity. But today, as *Time* recently pointed out, “Employers no longer need to pay you to drive to a building to sit and type.”

Since technology now allows many workers to complete all or most of their tasks from anywhere at any time, the office is gradually evolving. While businesses have been slow to update their spaces in light of location-independent workers, they are becoming increasingly open to flexible workspaces and virtual offices.

Tomorrow’s offices will focus on easing flexibility and collaboration—and couldn’t be more different from the boxed-off cubicle farms of the 1980s. The rise of telecommuting and non-standardized work hours means there will be more empty workstations. And when workers are in the office, the organization will want to encourage interaction and collaboration. So by rethinking the ways in which space is allocated, businesses will be able to shrink their offices and make better use of their space.

Hot-desking—which eliminates fixed seating arrangements—is an idea that’s growing in popularity after some unsuccessful experiments in the early 1990s. Workers simply choose any open desk in the office. (Some companies require departments to sit together in “neighborhoods.”) “Head offices and individual desks are likely to disappear” over the next two decades, the BBC reported in July, as hot-desks and collaborative spaces such as lounge areas or big open tables become more common.

Deloitte’s chic new London headquarters is a good example of the flexible office of the future. Instead of individual desks, employees who regularly cycle in and out of the office can reserve a workstation online. (A section of open workspaces is set aside for employees who fail to book ahead.) These workstations are designed to give a sense of openness while maintaining privacy. Throughout, designers McKay and Partners emphasize open spaces that have multifunctional uses. Each floor features casual seating arrangements to encourage employee interaction and teamwork, as well as secluded meeting spaces.

Another example is Siam Cement Group, one of Thailand’s biggest industrial conglomerates, which all but eliminated personal workspace in a recent renovation. Only the top six executives have offices, while managers sit alongside staff in a flexible seating arrangement. By having more staff work remotely and overseas, the arrangement has helped the company absorb more employees without complications, according to *The Nation* (Thailand).

Virtual offices are an increasingly popular option. These are spaces that a person or business can lease on a monthly basis and use for their business address, mail reception and client meetings while carrying out day-to-day work off-site. According to U.K.-based Officebroker.com, there was a 41 percent increase in inquiries about virtual offices in June compared to the same period in 2008.

Eliminating a traditional office in favor of a virtual one translates into huge savings on real estate costs and payroll. A virtual office in London—where

traditional office space is priced at about £30-£62 a month per square foot, according to *The Guardian*—costs around £150 a month from Davinci Virtual Office Solutions.

Recession-related cost-cutting has forced many companies to rethink their operations from the brick and mortar up. Some companies are asking more workers to telecommute and downsizing to a smaller space. Guidant Financial Group in Washington, for example, recently arranged for 20 members of the 110-person staff to work remotely and began a four-day, 40-hour workweek for some administrative staff, who now share desk space on rotating schedules. According to *Inc. Magazine*, these changes allowed the company to downsize from a roomy 11,000-square-foot office to a 3,000-square-foot space, saving about \$48,000 a year.

Certainly, eliminating offices can lead to significant cost savings. Sun Microsystems estimates it saved \$400 million in real estate costs between 2000 and 2006 by having nearly half its staff work remotely. And, according to *Network World Middle East*, Cisco Systems yielded roughly \$277 million in productivity savings between January 2008 and June 2009 by allowing 20,000 of its roughly 66,000 employees to telecommute. (A Cisco survey of 2,000 employees in late 2008 found that 69 percent felt more productive when working from home and 75 percent said the timeliness of their work had improved.)

Technology has made it increasingly easy to work remotely, and as the mobile device evolves into a hub for all things digital, it's becoming even easier. Manufacturers are developing more IT solutions for mobile workers and continuing to expand the functionality of smartphones. The mbPointer iPhone application, for example, allows users to turn an iPhone into a PowerPoint presentation pointer as well as a virtual touch pad/mouse for a PC.

Perhaps most important is the integration of cloud computing into the mobile world—accessing digital data and tools from the Internet (the “cloud”) rather than a PC or local server. With mobile cloud computing, people can use mobile devices to tap into the power of large networked servers, and access data and applications from anywhere. For example, Hewlett-Packard's Cloudprint allows users to print documents from virtually any printer without a computer. Using a mobile device, the user uploads documents to HP's server; when ready to print, the user accesses the documents with a code and they're sent to a local printer. A Google Maps link points the user to publicly available printers.

Working in the cloud represents a “fundamental shift” in connecting people within organizations, notes Forrester, the technology and market research firm. ABI Research estimates that by 2014 mobile cloud computing will be an industry worth nearly \$20 billion, becoming the dominant way in which mobile applications operate.

## THE RISE OF FREELANCE NATION

A new freelance way of life is emerging, one in which a long-term career consists of multiple short-term gigs. Fueled by the recession and years of corporate cost-cutting before that, the trend is also being driven by changing attitudes toward freelance lifestyles as people seek greater work-life balance.

The freelance class has been growing in markets across the globe. In the U.S., freelancers now comprise about a quarter of the workforce, up from 19 percent in 2006, according to a May 2009 survey by human resources consulting firm Kelly Services. The U.S. Bureau of Labor Statistics estimates that as many as 4 in 10 American workers will be freelance in another decade.

Temporary agencies employed 9.6 million people worldwide in 2007, up from 4.5 million a decade earlier, according to the European Confederation of Private Employment Agencies. The Confederation's research shows that some countries saw an especially sizable jump: Germany, for instance, had 180,000 temp agency workers in 1997 versus 614,000 in 2007. And government estimates suggest that roughly 28 percent of India's 459 million workers are contract employees.

In Japan, an interesting case study, as much as 35 percent of the workforce is made up of temporary or contract employees, compared with 24 percent in 1998 and 18 percent in 1988, according to *The Wall Street Journal*. Starting in the 1950s, large Japanese companies had an implicit guarantee of "lifetime employment"—workers were hired in entry-level jobs and stayed until reaching a mandatory retirement age. But in the late 1990s, during the country's deep recession, government deregulation allowed corporations to bring in part-time and temporary workers, lowering labor costs for businesses and making them more competitive.

Experts point to Japan as an example of what the post-recession labor market may look like in other parts of the world. As businesses become increasingly lean, freelancers allow companies to get the work done in accordance with demand while cutting back on benefits and payroll costs. It's unlikely that economic recovery will reverse the trend—in the workplace of the future, "there's going to be a huge focus on finding the essential people and outsourcing the rest," *Time* recently reported.

Companies will have plenty of freelancers to choose among, given how many skilled people have lost full-time jobs during the downturn. And while a freelance-heavy workforce has little sense of company history and culture, it also brings fresh perspectives into once-insular organizations.

In the past, freelancers generally took on small odd jobs that other employees didn't have the time or skills to handle. Today, they fill contract jobs for a growing range of specialties in traditionally freelance-friendly sectors—including IT, engineering, media and the arts—as well as areas like health care and law. Locum tenens physicians (temp doctors), for example, have increased by 61 percent in the U.S. since 2001, to approximately 43,000, according to the National Association of Locum Tenens Organizations. In the U.K., anecdotal evidence suggests that reliance on such physicians is on the rise; currently an estimated 15,000 work within the National Health Service, according to the National Association of Sessional GPs.

In the field of law, freelancing is becoming more popular as attorneys opt out of the “big law” track—the industry’s traditional marker of success—in order to take greater control of their career path and their work/life balance. Many of today’s freelancers are driven by similar motivations, especially twentysomethings. And fewer people want to put their fate in the hands of the HR department as organizations slash their workforces and the notion of a long career at a single company becomes obsolete. As *The Economist* pointed out in a March 2009 survey, “If a job in a big organization can so easily disappear, it seems less attractive. Better to create your own.”

Millennials, the youngest group of employees in the workforce, don’t want work to rule their lives, and they tend not to define themselves by job or company affiliation. Contract labor fits well with this attitude. Freelancing also allows them to take time off to pursue their passions or to try their hand at something new—an alluring option for a generation that views the 20s as a time to experiment and sort things out.

The recent proliferation of low- and no-cost business solutions has also contributed to the rise of freelancing. For those who freelance from home, it’s much simpler and cheaper to get an office off the ground than it used to be—opting out of a traditional career path has never been easier.

Indeed, when the labor market recovers, businesses will have to work to keep talented employees from leaving to go the freelance route. Of course, a full-time job offers at least one undeniable advantage: benefits. Freelancers, by contrast, often lack the social nets afforded to regular employees.

There are efforts to change this: In the U.S., the Freelancers Union has been pushing for a system in which self-employed workers receive government-matching funds when they put away savings. In the U.K., the Professional Contractors Group—which works to influence government policy in favor of freelance workers—has declared November 23, 2009, the first National Freelancers Day, to bring attention to the needs of this population. In Spain, recently enacted legislation entitles independent workers to unemployment benefits as of 2011. And in late 2008, the EU approved the Temporary Agency Workers Directive, aimed at protecting vulnerable temporary workers by guaranteeing pay and working conditions that are equal to what permanent staff get.

Many freelancers who work at home also dislike the isolation factor and lack of creative exchange and camaraderie. Some are finding ways around this. Jelly is a group that organizes casual semiweekly “coworking” sessions in homes, coffee shops or offices around the globe. These are open to anyone, although Jelly says it mostly attracts designers, developers and “Internet types.” One Manhattan ad agency has recently played host to a similar gathering, with an open-door policy allowing unemployed agency workers to use the office as a base for job-hunting. People with varied backgrounds have ended up brainstorming about the agency’s challenges, and the sessions have produced some creative ideas for the agency’s clients, as well as new contacts for the workers.

In downtown Brooklyn, Treehouse is a workspace for businesses and freelancers who share sustainability and eco-design as core values. Whereas commitment to the company mission unified employees in the past, today’s freelancers may bond over various commonalities. Indeed, workers will align in different ways

## MILLENNIALS REDEFINE PROFESSIONAL SUCCESS

once they no longer have a defined set of co-workers and discover novel ways to connect. As the freelance sector grows and fewer workers identify with one employer, company affiliation will become less significant than the type of work being done or the values espoused.

Driven by a “we vs. me” mind-set and the realities of the recession, the newest entrants to the workforce are motivated more by their passions than by paychecks or promotions. Usually referred to as Millennials or Gen Y, this generation—born between 1978 and 2000—can be characterized by a preference for meaning over money.

In a 34-country poll of around 100,000 people aged 18-65, half of Millennials said they are prepared to accept a lower wage or a lesser role if their work contributes to something more important or meaningful. The survey was conducted between November 2008 and January 2009 as part of the Kelly Global Workforce Index. The Center for Work-Life Policy found that 88 percent of American Gen Y women and 82 percent of men believe it’s important to give back to the community through work.

Millennials, especially those in the U.S., tend to be more civic- and community-minded than their immediate predecessors. And with junior-level workers hard-hit by a tough job market and few opportunities to make big bucks, many in this generation are defining professional success as doing work that does good.

Teach for America, the volunteer program in which recent college graduates and professionals commit two years to teaching in urban and rural schools, received a record 35,178 applications for 4,100 positions this year, up from 24,718 for 3,700 positions in 2008. (Most of those chosen were 2009 college graduates.) AmeriCorps, which matches people with nonprofits for long-term volunteer projects, received 112,000 applications between December 2008 and June 2009, nearly triple what it got in the same period last year. Most of the applicants were soon to graduate college or recent graduates, according to MSNBC.com.

Millennials are gravitating toward sectors such as public service and government that generally don’t offer much in the way of money but rather the chance to make a difference, according to early indications from graduate school applications and accounts from students and professors. An April 2009 survey by the National Association of Schools of Public Affairs and Administration found that 82 percent of government and public policy graduate schools were seeing an increase in applications, and 60 percent of these planned to increase enrollment to meet demand. In the U.K., the public sector remains the top choice for Millennials for the second consecutive year, according to an online survey of 87,000 college students released in May by TARGETjobs.

The election of President Obama and his call to public service has undoubtedly played a role in the rise of this Millennial mind-set, at least in the U.S. By tapping into the idealistic and communal aspects of the Millennial spirit—a “We’re all in this together” ethos—Obama is helping to make the collective-

driven notion of working for the greater good more widespread and mainstream. At the same time, the zeitgeist is turning against some big-money sectors. As Richard B. Freeman, director of the labor studies program at the National Bureau of Economic Research, told *The New York Times*: "In choosing careers, young people look for signals from society, and Wall Street will no longer pull the talent that it did for so many years."

Some corporations are implementing service-oriented programs that allow young workers to give back without taking a full career break. The consulting company Accenture has instituted Accenture Development Partnerships, through which employees can take assignments of up to one year assisting nonprofits in developing countries. Kraft Foods employees can participate in two-week volunteer assignments in developing nations through the United Nations Volunteers Corporate/Private Sector program. And financial services firm UBS allows new hires to defer their start date for up to a year in order to pursue community-service activities; they receive half their base salary and a stipend for health benefits.

Corporations are increasingly catering to Millennial preferences and attitudes, given the sheer size of the generation (in the U.S. alone, there are 80 million Millennials). While the recession has slowed their influx into the corporate world, it's clear that this generation's personality profile will force some shifts in business culture; many businesses are already changing in a bid to retain the strongest young workers.

One key trait that corporations are adjusting to is Millennials' rejection of the all-or-nothing work lifestyle once worn as a badge by their predecessors. This generation has looser attitudes toward the workplace than any before it and a firm belief that workplace flexibility should be a right. In response, companies are adopting policies that facilitate flexibility and balance so that employees have more opportunities to pursue outside interests.

Deloitte's Mass Career Customization initiative, for example, includes a Personal Pursuits program that allows employees to leave for up to five years while still receiving training, career counseling and ad hoc assignments to maintain professional skills. PricewaterhouseCoopers offers social service and personal growth sabbaticals of up to a year; participating employees receive 20 to 40 percent of their salary and maintain most of their benefits.

Millennials are probably most different from previous generations of twentysomethings in their high self-esteem. Doting Boomer parents told them they were special from the moment they were born, earning Millennials a reputation as narcissistic as well as unbending in adapting to corporate culture. And having grown up in a culture of praise, this generation expects constant feedback and support from supervisors. Accenture's Celebrating Performance program caters to this need: Employees in a managerial role can recognize hard-working colleagues by giving out points that can be redeemed for gifts such as bikes, iPods, computers, even donations to charity.

Because this generation grew up in a horizontal and networked culture, they tend to expect fast and easy access to upper management; in return they show

their commitment and engagement by offering opinions to colleagues at all levels. The Millennial work style aligns with a 2.0 mentality: These employees do best when working in teams and within flatter hierarchical structures. As we note in the section on Enterprise 2.0, Millennials will push companies to embrace internal use of Web 2.0 tools such as wikis and social networks, which encourage collaboration, give employees a greater voice and flatten hierarchies.

While companies are slowly adapting to this generation, Millennials are having to adapt their expectations and outlook in response to the global economic downturn. Before the financial crisis, this generation approached careers with a sense of exploration, often hopping from job to job. It was the ideal scenario for a generation that views the 20s as a time to “figure things out.”

Today, however, young people have to accept whatever they can get, often unpaid internships or relatively menial or temporary jobs that may not align with their long-term career goals. The European Union estimates there are 5 million unemployed young Europeans, or about 20 percent of the continent’s under-25 population. According to a July *BusinessWeek* article, about 17 percent of twentysomethings in the U.S. are unemployed.

Even as Millennials trickle into the workplace more slowly, the days of the anonymous worker bee who sits and waits to take orders are inevitably coming to an end. This is a generation that has been encouraged to retain the impulses and instincts of adolescence—playfulness, self-gratification, self-centeredness, a desire to learn and experiment—not to sit quietly in a cube. Millennials expect to be heard and feel valued, and to be treated as individuals with specific needs, not as part of a “one size fits all” cohort.

## A CLOSER LOOK Q&A WITH PENELOPE TRUNK, CEO OF BRAZENCAREERIST.COM

*BrazenCareerist.com is a year-old career-focused social networking site that bills itself as a “career management tool for next-generation professionals.” Based in Madison, Wisconsin, the company aims to help young professionals build connections and a professional brand. We chatted with BrazenCareerist’s co-founder and CEO, Penelope Trunk, on Millennials and trends in the workplace.*

**What will be the biggest changes in the workforce and business operations after the recession subsides?**

Organization and workforce changes are happening independently of the recession. People have to recognize that the recession is impacting older people inordinately, and they aren’t driving workforce change anyway. You never hear about those industries where they’re crawling with 25-year-olds, right? The demand for community

managers, social media experts and pipeline recruiters is huge, and it’s all Generation Y.

**How are Millennials handling the recession?**

Great. The defining thing about Millennials is that they have amazing parenting. They trust the world to take care of them, and they trust that good things will come to them, because their childhood experience was so good. They also have an undying belief

that life has meaning and our job is to go find the meaning, because their parents kept saying, “Do meaningful work; learning is most important; don’t waste your time in front of a TV.” Generation Y comes into the workforce with the most optimism we’ve seen since World War II. Those expectations make everyone a better person. Because Generation Y won’t take a job that sucks, we all have to be better about what we offer up to the world.

## A CLOSER LOOK

### Q&A WITH PENELOPE TRUNK, CEO OF BRAZENCAREERIST.COM

(continued)

**Our research suggests that Millennials are adopting the mantra “Doing good is good,” and they are increasingly looking for careers that allow them to act on this. Have you seen this?**

It’s not a revolutionary feeling to want to be a good person. It’s just that there’s been no place in the workforce to be able to say it. It’s revolutionary that because of Millennials, the workplace has to put up with that now. Since Generation Y is so huge, we have to do what Generation Y wants if we want to hire anyone. What’s revolutionary is that people in power have to listen to young people. When Baby Boomers were running the show, they could just dismiss Generation X as slackers and ignore them. Generation X and Generation Y both want the same things at work, but Generation X had no pull.

**Do you think the downturn has changed Millennial perspectives on work?**

No. Their parents sold their whole life to climb the corporate ladder, and they put everything into buying ostentatious expressions of wealth and success. Then they got laid off in the ‘80s. Generation Y never thought for one second that Corporate America would take care of them, and they never thought they would need to have the ostentatious wealth that their parents had. Their parents gave them values that did not reinforce materialism as good. Instead, Generation Y is looking for experience, interestingness and learning. You don’t need extremely high salaries or perfect corporate ladders for that.

**Do you think the workplace will become increasingly family-flexible?**

No. We already know what the workplace is—it can’t be [more flexible], it’s not set

up that way. Individuals can be family-flexible, which is great. The way to get a family-flexible career is to manage your personal brand. It used to be that people’s careers were tied to the company they were with, so their personal identity was tied to their company. Then people would get unemployed and they’d have an identity crisis.

Generation Y will manage their personal brand on their own online. They’re already extremely good at managing their online identity, they just haven’t started managing their professional identity. If Generation Y manages their professional identity and it’s not tied to any employer, then when they take work gaps, they don’t have an identity crisis. It’s not that employers or the workplace will become more family-friendly, it’s that Generation Y will be better at taking control of their work so that their life is more family-friendly without taking a big hit at their career.

**What will be the most significant effects of Web 2.0 technologies being adopted in the workplace?**

There will be a more transparent, authentic workplace, because information is so available, and companies will lose control of the flow of information. One example is in recruiting. Young people are managing their professional identities online and talking about all their employers. If employers are just putting out press releases, the conversation is happening around them.

It used to be the conversations about employers were happening in *The New York Times*, and employers could get to *The New York Times* a lot easier than a 23-year-old. Today, 23-year-olds own the

social media mechanisms for getting information to the top of Google ranks. That means corporations don’t own the spigot that lets information flow. Here’s a great statistic: 85 percent of all communication right now is through social networks, not through e-mail. That means if companies are even being relevant in the conversation, they have to be using social media to talk about themselves.

**How do you think Web 2.0 adoption is changing interaction among employees and managers?**

Social media doesn’t change who we are. If you’re an asshole to your employees, you’re still going to be an asshole to your employees. The difference is people will know it faster. There’s a great example of a banker who wrote an e-mail to his employees [stating] that no one in his team had ever displayed tendencies toward being very religious, so everyone better work on Good Friday. Someone sent that e-mail to four blogs, and then it was all over the blogosphere. The guy got fired.

Generation Y already has good social skills because they are the only generation that was taught social skills in school. Baby Boomers are never going to learn it. You can always tell a Baby Boomer on Twitter—they’re doing insanely self-serving things, which is not what Twitter’s for. After 40 years of clawing their way to the top, social media is going to force Baby Boomers to be kind and giving at work. Everyone is better if corporations are more transparent and authentic. I mean, we’re all better in our personal lives with more transparency and authenticity.

## FAST AND FLAT BUSINESSES OF THE FUTURE

The flatter, faster and more flexible business of the future will adopt the collaborative, open-source, self-publishing and social networking technologies that characterize Web 2.0. In the corporate setting, these tools—everything from blogs to wikis to social networks to microblogging—are collectively known as Enterprise 2.0.

As a recent report from Nielsen Norman Group puts it, however, “Enterprise 2.0’s power is not about tools, it’s about the communication shift that those tools enable.” Enterprise 2.0 is associated with a workplace culture that’s distinctly modern. As outlined by the organizers of the Enterprise 2.0 Conference, this culture tends to be bottom-up vs. top-down, flat rather than hierarchical, agile rather than bureaucratic, open vs. siloed and distributed vs. centralized. It’s characterized by flexibility, simplicity and transparency, and by “free-form” technologies that are informal and participatory.

“As people embrace social media in their private lives, they naturally expect to use similar tools within the enterprise,” writes Jakob Nielsen, principal and co-founder of the Nielsen Norman Group. “This is especially true for younger workers who use these tools in everyday life. Open communication, collaboration and content generation are as much a part of their standard toolkit as using a computer or mobile phone.”

Millennials not only expect these tools in the workplace, their work styles fit with the flat, open Enterprise 2.0 culture. Tools like wikis and social networks are also well-suited for today’s increasingly decentralized workplaces, where geographically dispersed teams of employees, partners, suppliers and outsourced labor may seldom or never interact; some of these tools simply serve as digital alternatives to the old water cooler. Plus, wikis and blogs help to capture and preserve knowledge from workers, an important consideration in the emerging freelance economy.

Logistically, these technologies help companies reduce redundancies in office procedures and information sharing. By helping to make people and knowledge more accessible, they promote efficiency and productivity. Operationally, open source 2.0 tools will facilitate teamwork in companies short on physical office space or large organizations spread across offices and time zones.

The tools deployed will depend on the needs of the organization. The pharmaceutical giant Pfizer has a wiki that charts its myriad research efforts across the organization, and the U.S. Army recently set one up to get soldier input on the rewriting of several training manuals. American electronics retailer Best Buy has a social network, Blue Shirt Nation, which helps connect employees across the country and allows management to better engage with sales floor staff. The consulting firm Booz Allen Hamilton uses an intranet that includes individual profiles, communities, forums, blogs, wikis and social bookmarking.

The U.S. Army project is a stark demonstration of how a highly hierarchical organization can take steps to become more open and flat. “Soldiers who have been trained all their military career to follow orders are now being encouraged to help write the base documents of our profession that guide the leaders who issue the orders,” retired colonel Clinton Ancker, who helped create the wiki

project, told Human Resources Executive Online. According to the publication, another 200 field manuals may be “wikified” if the current undertaking goes well.

The Booz Allen intranet, which won the Open Enterprise Innovation Award at the 2009 Enterprise 2.0 Conference, is also helping to flatten the large U.S. firm. “An individual who joined Booz Allen two weeks ago now has the ability to make the same connections as someone who has been here for 25 years,” says senior associate Walton Smith in a story on the Booz Allen site. When small teams initiate narrowly focused communities on the intranet, they’re encouraged to open up the topic to a wider community so that information is shared more broadly, according to the Enterprise 2.0 Conference blog.

The Booz Allen site, [hello.bah.com](http://hello.bah.com), also serves to connect employees who are not physically centralized—many work on projects in clients’ offices—and helps them find mentors, promote their subject matter expertise and network. Staffers can find others with similar hobbies, educational backgrounds or areas of interest (there are 50-plus Technology Focus Groups, communities centered around topics such as wireless communications and emerging technologies).

“Widespread use of internal social media breaks down communication barriers,” observes Nielsen. “That sounds good, but it can threaten people accustomed to having a monopoly on information and communication.”

Political change is therefore a prerequisite. Since these tools empower stakeholders at all levels, Enterprise 2.0 requires leaders and managers to cede some control. The business of the future will need to be willing to place more trust in its workers and open itself up to a range of internal voices and maybe dissent. It will need to have enough confidence in its stakeholders to empower them with these tools. And it will need enough confidence in the business itself to make its workings more transparent.

Smart businesses will put as much focus on evolving a 2.0 culture as adopting the tools that go with it.

## WHAT IT MEANS

One important ramification of workplace trends is the impact they make on the environment. If Americans cut back their working hours to European levels, the U.S. would reduce its energy usage by as much as 25 percent, according to John de Graaf, author of *Affluenza: The All-Consuming Epidemic*. And if developing nations adopt American rather than European work habits, the additional carbon emissions resulting from longer workweeks would raise the global climate one to two degrees Celsius by 2050 (all else being equal), according to a 2006 study from the Center for Economic and Policy Research.

Sustainability concerns may become a bigger part of the conversation about the future of the workplace. In July 2008, Utah switched to a mandatory four-day workweek for most state employees in an effort to save money, energy and resources. Utah governor Jon Huntsman told *USA Today* the change will help the state reach its goal of cutting energy use by 20 percent over the next six years. (And according to a Utah state analysis reported by the Associated Press in August 2009, Utah has already cut its energy use 13 percent by closing state buildings on Fridays.)

Working fewer hours certainly suits the Millennials coming into the workplace and those who've adopted a new outlook on work and life during the downturn. Workers will increasingly want more control over the way companies utilize their time, their talents and the direction of their careers. They will demand flexibility and the freedom to decide where they work and when. (Although not everyone will have this luxury: Princeton economist Alan Blinder sees a critical labor divide developing between those whose work can be delivered remotely with little or no sacrifice in quality and those who perform hands-on work.)

This may sound daunting to businesses, but the evidence seems to show they will benefit from these changes. Fewer hours worked generally results in greater productivity, as do flexible schedules and telecommuting; giving employees more freedom and facilitating balance in their lives helps to retain top talent. But corporate culture will have to become more focused on results than face time at the office. It will also have to become more democratic, with managers ceding greater control and more of a voice to employees in a 2.0 workplace filled with Millennials.



466 Lexington Avenue  
New York, NY 10017  
[www.jwt.com](http://www.jwt.com)  
[www.jwtintelligence.com](http://www.jwtintelligence.com)  
[www.anxietyindex.com](http://www.anxietyindex.com)

#### WORK IN PROGRESS

<b>Editor-in-Chief</b>	Ann M. Mack
<b>Editor</b>	Marian Berelowitz
<b>Written By</b>	Jessica Vaughn
<b>Contributors</b>	James Cullinane Katie Fitzgerald Alyson Valpone
<b>Proofreader</b>	Katerina Petinos
<b>Design</b>	Paris Tempo Productions

#### CONTACT:

Ann M. Mack  
Director of Trendspotting  
JWT Worldwide  
212-210-7378  
[ann.mack@jwt.com](mailto:ann.mack@jwt.com)

(c) 2009 J. Walter Thompson Company.  
All Rights Reserved.

**ABOUT JWT:** *JWT is the world's best-known marketing communications brand. Headquartered in New York, JWT is a true global network with more than 200 offices in over 90 countries employing nearly 10,000 marketing professionals.*

*JWT consistently ranks among the top agency networks in the world and continues its dominant presence in the industry by staying on the leading edge—from producing the first-ever TV commercial in 1939 to developing award-winning branded content for brands such as Freixenet, Ford and HSBC.*

*JWT's pioneering spirit enables the agency to forge deep relationships with clients including Bayer, Cadbury, Diageo, DTC, Ford, HSBC, Johnson & Johnson, Kellogg's, Kimberly-Clark, Kraft, Microsoft, Nestlé, Nokia, Rolex, Royal Caribbean, Schick, Shell, Unilever, Vodafone and many others. JWT's parent company is WPP (NASDAQ: WPPGY).*