IDEAS MADE TO MATTER
Welcome to IM2M Talks
Stephanie Tan, SM ’98
Chair, MIT Sloan Alumni Board
Barry Stein, EMBA ’17
Member, MIT Sloan Alumni Board
IDEAS MADE TO MATTER
Juan Higueros, EMBA ’17
Co-Founder and Chief Operating Officer, Bear Robotics
Welcome to Our Food Service Robot Future
Restaurant Battlefield
US restaurants workers are quitting in record numbers

More restaurant employees are quitting than in any other industry, recent data shows.
BIG Industry

SALES $898B

WORKFORCE 14.9M

2022 State of the Restaurant Industry, National Restaurant Association
Restaurant employees are exhausted.

<table>
<thead>
<tr>
<th>Employee Concerns</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restaurant understaffed</td>
<td>43%</td>
</tr>
<tr>
<td>Considering leaving their job</td>
<td>55%</td>
</tr>
<tr>
<td>Difficult to take time off</td>
<td>56%</td>
</tr>
<tr>
<td>High stress</td>
<td>65%</td>
</tr>
</tbody>
</table>

Technomic 2021 “Crisis on the Front Lines”
Restaurant owners are struggling.

<table>
<thead>
<tr>
<th>OWNER CONCERNS</th>
<th>82%</th>
<th>86%</th>
<th>89%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recruitment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retention</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Technomic 2021 FoodService Operator Planning Program Surveys
Bias to Action
Up Ahead

Tray Size (in)
16.9 × 12.99 × 1.96

Water Bottle Size (in)
5.7 × 9.1 × 8.6

Brown Bag Size (in)
11 × 11 × 6.8
“A life is not important except in the **impact** it has on other lives.”

*Jackie Robinson*
Impact
The mission of the MIT Sloan School of Management is to develop principled, innovative leaders who **improve the world** and to generate ideas that advance management practice.
Thank you.
IDEAS MADE TO MATTER
WORKFORCE ECOSYSTEMS
A STRATEGIC APPROACH TO THE FUTURE OF WORK

DR. ELIZABETH J. ALTMAN
Manning School of Business, University of Massachusetts Lowell
Guest Editor, Future of the Workforce, MIT Sloan Management Review

MAY 2022
MIT Sloan Reunion

CO-AUTHORS
David Kiron (MIT Sloan Management Review)
Jeff Schwartz (Deloitte retired; Gloat)
Robin Jones (Deloitte)
Future of the Workforce

*MIT SMR* and Deloitte continue their research on the future of workforce for a third consecutive year in 2022.

In 2020, the research team focused on *opportunity marketplaces*: internal platforms that help organizations develop, engage, and retain talent. In 2021, the team published on *workforce ecosystems*: structures that consist of interdependent actors, from within the organization and beyond, working to pursue both individual and collective goals.
When we say *workforce*, what do we mean?
SUBCONTRACTORS …
Owning an Amazon delivery business: The risks, rewards and economic realities of the tech giant’s new program for entrepreneurs

Amazon has a new idea for anyone who has ever dreamed of owning and running a small business, but was daunted by the hurdles, or didn’t know where to start: Launch and run an independent company of your own to deliver its packages.

Intrigued? As with any new business, it won’t be easy. That’s why Amazon promises to help you get started, and provide a steady source of revenue once your company is up and running. It’s a rare opportunity to hitch your entrepreneurial fortunes to one of the fastest-moving companies in the world.

COMPLEMENTARY BUSINESSES (LIKE APP DEVELOPERS) …
MARKETPLACE SELLERS…

Become an Amazon seller

More than half the units sold in our stores are from independent sellers.

$39.99 a month + selling fees
... AND CHATBOTS, ROBOTS, AND OTHER TECHNOLOGY.
The Future of Work Is Through Workforce Ecosystems

Workforce ecosystems can help leaders better manage changes driven by technological, social, and economic forces.

Elizabeth J. Altman, David Kiron, Jeff Schwartz, and Robin Jones  •  8 hours ago
THE 2022 RESEARCH REPORT:
ORCHESTRATING WORKFORCE ECOSYSTEMS
WE DEFINE…

work·force  ec·o·sys·tem
noun /ˈwɜrkfɔrəs/ /ˈēkōˌsɪstəm/

A structure focused on value creation for an organization that consists of complementarities and interdependencies.* This structure encompasses actors, from within the organization and beyond, working to pursue both individual and collective goals.

*By complementarities, we mean that some members of the system (workers or organizations) work independently yet together offer value for their mutual customers. By interdependencies, we mean that some members rely upon one another for their shared success (or failure); they win or lose together.
Our customers don’t perceive the contingent workforce to be hired help. They perceive them to be a reflection of our brand.

Michael Smith
CEO, Randstad Sourceright
ABOUT THE 2021 RESEARCH

5,118
SURVEY RESPONDENTS

Survey of business executives, managers, and analysts from global organizations to understand how the relationship between the organization and the workforce is evolving

138
COUNTRIES

28%
respondents from UNITED STATES

More than 2/3 of respondents from outside the UNITED STATES

27
EXECUTIVE INTERVIEWS

C-suite and other executives, academic leaders, and other subject matter specialists

29
INDUSTRIES

26%
REVENUE @$1B

More than 2/3 United States respondents from outside the United States
DRIVERS OF WORKFORCE CHANGE

Nature of work is changing

Workers’ preferences are shifting

Technology is transforming how we engage & manage the workforce

Many workers consider themselves “free agents” vs. loyal employees
More than eight out of 10 respondents consider external contributors to part of their workforce.

87% consider their workforce to encompass more than their employees

13% consider their workforce to encompass only full-time and part-time employees

Percentages are based on 4,761 total responses and exclude those who responded don’t know or not applicable
We will manage the external workforce even more actively, not only to attract labor, but also for **access to skills** that we may not have enough of internally.

It’s becoming even more important in tech-related work, where **skilled talent is less inclined to join a traditional workforce.**

Markus Graf  
VP of HR and Global Head of Talent, Novartis
In 2021, every category expected to grow over 18-24 months. Tech for workforce augmentation and developers and/or accessory providers expected to grow most.

Workforce Participation Growth by Category

Respondents expect the following categories of workforce participants to increase over the next 18-24 months:

- Technology for workforce augmentation (e.g., AI, robots, chatbots, etc.): 56%
- Developers and/or accessory providers (e.g., offering apps through an app store): 38%
- Contractors (e.g., gig workers, temporary workers): 32%
- Full-time/part-time employees: 29%
- External contributors (e.g., crowdsourcing innovators, lead user innovators): 28%
- Service providers (e.g., PR agency, management consultants): 24%
RETHINKING WORKFORCE MANAGEMENT PRACTICES

Traditional Employee Life Cycle

Workforce planning  Talent acquisition  Performance management  Compensation & rewards  Learning & development  Career paths  Organization design

Workforce Ecosystem Approach
Workforce Ecosystems describe how leaders can foster an equitable and inclusive working environment

You have to think about it holistically, and you have to really harness the power that is your entire workforce to be successful. I’ve got to make sure that we’re building an entire team and that it’s inclusive. You have to find a way to build trust within the ecosystem at all levels.”

“It’s about pulling everybody in. We can’t have people who are not inside the family being treated differently: They’re here. Somebody brought them to the family reunion.”

Major General Ronald Clark
U.S. Army
ABOUT THE 2022 RESEARCH

Research findings based on a global survey and interviews with industry and academic thought leaders

IN THE FALL OF 2021, WE SURVEYED

4,078 MANAGERS
129 COUNTRIES
29 UNIQUE INDUSTRIES
19 THOUGHT LEADERS
93% of managers view some external workers as part of their organization’s workforce.

74% of managers agree that effective management of external contributors is critical to their organization’s success.
58% of managers agree their organizations take an integrated approach to managing employees and external contributors.

30% of managers agree their organization is sufficiently preparing to manage a workforce that will rely more on external contributors.
Our research shows companies that are most intentionally orchestrating workforce ecosystems have five common characteristics. They are far more likely than other organizations to:

- Closely coordinate cross-functional management of internal and external workers
- Hire and engage the internal and external talent they need
- Support managers seeking to hire external workers
- Have leadership that understands how to allocate work for internal and external contributors
- Align their workforce approach with their business strategy
49% of Intentional Orchestrators agree leadership in their organization understands which types of work are suitable for internal or external workers.

10% of Non-Orchestrators agree leadership in their organization understands which types of work are suitable for internal or external workers.

Intentional Orchestrators are roughly five times as likely as Non-Orchestrators to report that their leaders understand how to distribute work among internal and external workers.
WHO IS RESPONSIBLE FOR THE WORKFORCE?

A business unit leader’s job is to get the work done. It’s not their job to figure out how they develop all the skills needed for all of the players sustainably over time. Nobody owns that. The project guy doesn’t own it. HR doesn’t own it. Accounts payable doesn’t own it. **Who owns it?**

Cathy Benko  
Board Member, Nike
WORKFORCE ECOSYSTEM ORCHESTRATION FRAMEWORK

- Human Resources
- Information Technology
- Procurement
- Finance/Legal
- Senior Leaders
- Business Unit Leaders

Management Practices

Leadership Approaches

Integration Architectures

Technology Enablers

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THINKERS50 E–BOOK – AVAILABLE NOW

The Power of Ecosystems
Making sense of the new reality for organizations

Orchestrating workforce ecosystems
Elizabeth J. Altman, Katherine C. Kellogg, and David Kiron
From Management on the Cutting Edge

Workforce Ecosystems
Reaching Strategic Goals with People, Partners, and Technologies

By Elizabeth J. Altman, David Kiron, Jeff Schwartz and Robin Jones

A pioneering guide to understanding and leading workforce ecosystems, which include not only traditional employees, contractors, and gig workers, but also partner and complementor organizations that work with companies to accomplish enterprise and individual goals.

Overview

Summary
A pioneering guide to understanding and leading workforce ecosystems, which include not only traditional employees, contractors, and gig workers, but also partner and complementor organizations that work with companies to accomplish enterprise and individual goals.
THANK YOU

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Twitter  @lizaltman
LinkedIn  https://www.linkedin.com/in/lizaltman/
IDEAS MADE TO MATTER
Thank you.

Join the conversation by using #SloanieReunion online!