The Future of Work podcast is a weekly show where Jacob has in-depth conversations with senior level executives, business leaders, and bestselling authors around the world on the future of work and the future in general. Topics cover everything from AI and automation to the gig economy to big data to the future of learning and everything in between. Each episode explores a new topic and features a special guest.

You can listen to past episodes at www.TheFutureOrganization.com/future-work-podcast/. To learn more about Jacob and the work he is doing please visit www.TheFutureOrganization.com. You can also subscribe to Jacob's YouTube channel, follow him on Twitter, or visit him on Facebook.

Jacob Morgan 00:01
Hello, everyone, I hope you were doing well. Your families are safe, healthy, everyone is happy. As I'm recording this, it is Friday at 11:22am Pacific Standard Time, the elections are still going on. And it's literally at the point where everything is neck and neck. And hopefully at some point later today, a decision will be made to officially announce who the next president of the United States is.

Jacob Morgan 00:30
So that's what's going on as I am recording this just to give you guys a little bit of context. That's that's sort of the situation now. And a couple a couple months ago, actually, I think it was a few weeks ago, even I wrote an article it was in September. And it was called the 14 Principles of the Future Organization. And this was actually one of the most popular articles that I've written over the past few months. And so what I wanted to do today is to share a little bit about what those 14 principles are, and to give a little bit more context around those 14 principles.

Jacob Morgan 01:08
And I think this is a very, very important topic. It's something that I actually looked at, in my book, the Future of Work, which, oddly enough came out in 2014, I believe. And these principles were written as a way to help organizations understand what they should be aiming for what they should be striving for. And we've made some progress over the years. But I'd say by and large, these 14 principles are still very, very relevant for current and future organizations. But we still have a long way to go, before we can fully implement in practice these 14 principles.

Jacob Morgan 01:42
Now, I'm willing to bet that your company does not look or operate the same way today, as it did a few months ago, or a few years ago. If you were to even not consider things like COVID, or Black Lives Matter or any of the other stuff that's happening in the world today, you would still see that our organizations are changing, and evolving and transforming, which honestly, I think is a good thing. And today, as I mentioned, I want to talk about these 14 principles of the future organization. And I think that right now, we're seeing a very amazing and exciting time and exciting evolution around how we work, how we lead, and even how we structure our companies.

Jacob Morgan 02:29
So I'm going to quickly list out what these 14 principles are. And then I'm going to talk a little bit about each one in more detail to give you some context. So number one, globally distributed with smaller

teams. Number two connected workforce, three intrapreneurial. Number four operates like a small company. Number five focuses on want instead of need six, adapt to change faster, seven innovation anywhere eight runs in the cloud. Nine more women in senior leadership roles, number 10, flatter structure 11 tells stories 12 democratizes learning 13 shifting from profit to prosperity, and number 14 adapts to the future employee and the future leader. And I'll give a little bit more context around that one when we get to it.

Jacob Morgan 03:18
So let's jump into the first one which is globally distributed with smaller teams. We are absolutely seeing a shift away from organizations and their command and conquer approach. And instead we're seeing a very heavy emphasis and focus on small, more widely distributed teams around the world, especially as a result of COVID. Now we are all very globally distributed. I think the teams are becoming smaller, more agile and more nimble now than ever before. Even prior to COVID It wasn't that unusual to see, for example, a single employee working in a remote location, just so that the company could say they have an office there. Talent is no longer dependent on proximity to the corporate headquarters.

Jacob Morgan 04:08
And this to me, I think is one of the most exciting things. Even in my business, I have a team of 12 people, I've only met one of the people that I've worked with in person ever once. And everybody else is spread out around the world. I have people in Macedonia in the United States, in India, in the Philippines even. And so what this global distribution supported by technology really means is that as an organization, and even just as an individual, as a small business owner, even you are able to tap into top talent regardless of where they might be located in the world.

Jacob Morgan 04:47
So for me, you know, I have an amazing designer who lives in the Philippines. And he he's the best designer I've ever worked with. And because we are so globally distributed because we use technology I'm able to use amazing talent and it doesn't need to be near me. I also find it interesting that a lot of organizations like Amazon, and you may have heard of this, they have this famous two pizza rule, where if a team can't be fed by two large pizzas, then the team is too big. So the first principle is that we're seeing more globally distributed and smaller teams. If you jump on a conference call with your team, and there's 40 people on that conference call, your team is too big, it is too big. So we're definitely seeing this shift towards more global distribution, smaller, more agile and nimble teams.

Jacob Morgan 05:35
Number two, the connected workforce, a company can't have a distributed workforce unless that workforce is able to stay connected with the right people information anywhere, anytime and on any device. And of course, this means that you need to have the right technologies in place to make sure that this can happen. And as I always say, technology is the central nervous system of any organization. And especially now, every company today is a technology company. Some of you may have seen this article that I wrote on LinkedIn on my LinkedIn profile. And it was called the 12 principles of collaboration, were really what I did is I laid out this framework, these 12 principles for what what it

takes to create a successful connected organization, I won't go into all 12 of those now. But if you want to find that article, you could just Google 12 principles of collaboration, Jacob Morgan, and you'll find it.

Jacob Morgan 06:32
So the second principle, again, is this connected workforce. Of course, we're seeing this today more than ever, as a result of COVID. How many organizations out there and investing so heavily in these technologies to keep their employees connected? Right, we hear a lot about this in the conversation around digital transformation. And what companies have been trying to do over the last 10 years, they now have been able to figure out in the last 10 weeks. I mean, how long have we talked about creating the connected workforce, this stuff isn't new. We've talked about this for many, many years.

Jacob Morgan 07:03
But now finally, because employees around the world are forced to work from home. Organizations are forced to create and invest in the technologies to create that connected workforce. As I always say, you should be able to work anywhere, anytime and on any device.

Jacob Morgan 07:24
Number three is intrapreneurial, not entrepreneurial intrapreneurial. And really, what this means is taking this same concept of being an entrepreneur, and bringing it inside of your organization. The same spirit, passion, creativity that entrepreneurs have, must also be fostered inside of organizations. In other words, you don't need to be a entrepreneur, to be an entrepreneur, if that makes sense. You can be an employee at an organization, you can have a regular full time job, and still be an entrepreneur inside the company. Right?

Jacob Morgan 08:01
Think like an entrepreneur be an intrapreneur. What this means is that employees should be able to test out ideas, run experiments, pitch new projects, and run with the ones that have potential, they need to have the scrappiness and the resourcefulness that entrepreneurs have. there been a lot of organizations that have been testing this out. You know, I heard stories of LinkedIn, they have an internal incubator, where employees can pitch ideas. AT&T has something like this.

Jacob Morgan 08:29
A couple years ago, I wrote an article about Adobe, and they had a program called kickstart, which I don't know if it's still around or not. In the kickstart program, basically, any employee can sign up, they take, I believe it's a three day innovation workshop. And then they're given a prepaid credit card with $1,000 on it. And for that thousand dollars, you as an employee can come up with something new you design, you build something you become the entrepreneur, and then you pitch it to executives. And if one of the executives likes your idea, and they're willing to greenlight it, then you can get funding for it.

Jacob Morgan 09:01
So this idea of being an entrepreneur is crucial. Cisco, I also heard has been doing this quite a bit, where they allow employees to even leave the company, go build their dreams, build their products, build their services, whatever it is that they want. And then Cisco as an organization is willing to then

acquire them and bring them back in house. So this entrepreneurial intrapreneurial mindset is very important. I think we're only going to see more of this.

Jacob Morgan 09:31
So for you as an individual. If you are in that mentality of I'm only going to do things that I'm told I'm going to wait for my leader to tell me to do something. I'm just going to focus on my job description. You are going to be at a disadvantage. You have to be scrappy, you have to be resourceful. You have to be willing to test out ideas and run with them.

Jacob Morgan 09:50
Next is operates like a small company. A small company makes decisions quickly. It's not bogged down by bureaucracy. It's more agile. more adaptable. And in this rapidly changing world that we're all a part of organizations can't operate as their stereotypical larger selves, where employees spend all of their time checking emails, having meetings about having meetings, and basically operating at the speed of sludge. Every company has to operate like a small company.

Jacob Morgan 10:22
I think we've been seeing more of that happen as a result of COVID. Because so many organizations around the world had to quickly pivot, go from having a workforce where everybody's showing up to an office, to within a couple days having a workforce where everybody can work anywhere. So it's being able to make decisions quickly. And really what this showed us is that organizations can move quickly, they can do all the things that we've been talking about for decades, if they put a sense of urgency and priority around it.

Jacob Morgan 10:58
So don't tell me that your company can't do something, it doesn't have money to do something, you don't want to do something, it's priority. If your company, if you as a leader want to make it happen, you'll make it happen, nothing to do with anything else. If it's a priority, it will happen. That's how small companies think that's how your organization needs to think that's how you as a leader need to think if it's a priority, it will happen.

Jacob Morgan 11:26
Next is this idea of focusing on want instead of need. This has been a very interesting trend, I think that we've seen over the years. And I think you'll agree with me that for many, many decades, organizations have always assumed, leaders specifically, we've always assumed that people need to work for our company, because they need a job. They have expenses, they have bills to pay, they have mortgages, they have kids, they got to put food on the table, and so they need a job. And because we assume that everybody needs a job, we also assume that we can treat people however we want, because they need the company more than the company needs them.

Jacob Morgan 12:11
And this has been the assumption that we have had for decades, many, many decades. And the proof in this is that if you were to put up a job posting on a job site, or you know back in the day in a newspaper or on a job board somewhere, what would happen? You would have a lot of prospective

candidates show up one by one. And they would try to convince you why they should work at your company. They will talk about their accomplishments, the schools that they went to all the wonderful things that they've done. And then you is the mighty organization would decide, are these people worthy of being at your company.

Jacob Morgan 12:47
And today, what happens when you put out a job posting? Today what happens when you have positions you want to fill? You get these prospective candidates that come in. And all of a sudden they're asking you the questions. What does it like to work here? What's the leadership style like? Is there going to be a sense of purpose and meaning? Where's my career going to go? So they are asking you the questions. In other words, we've seen a 180.

Jacob Morgan 13:13
And what this means is that as an organization, as a leader of an organization, you can't assume that people need to work for you, you genuinely have to create an organization where people want to work with and for you. This is why the concept of employee experience is so crucial. This is why this year, LinkedIn identified employee experience as the number one talent trend, because we have to create organizations where people want not where they need to show up to work each day.

Jacob Morgan 13:47
I think this is especially true if you have talented employees, high performing employees, which of course not everybody is going to be high performing not everybody is going to be at the same level but especially for those higher performing those talented employees that everybody's trying to go after the want component is essential. So I think this is a core principle of the organization and this is something that your company and that you as a leader need to wrap your mind around.

Jacob Morgan 14:15
What are you doing to create an organization? What are you doing to create an environment? What are you doing to be a leader that other people want to work with and for.

Jacob Morgan 14:27
The next one we see is adapt to change faster. Adapts to change faster, this is number six. Really what this means is that today, late follower means out of business. I'm sure you remember there used to be a time when if a new technology emerged and you workplace practice and you know whatever. You had the luxury of waiting and seeing how that technology would be used. What what happened with other organizations. Are there going to be more productive? Is it going to hurt them? Is it going to benefit them? And then you would have the luxury to decide, well, you know, we saw what happened over there. And so I think we'll take a shot. And you know, we'll try to do it here too.

Jacob Morgan 15:11
Years ago, that was acceptable. You could be the the fast follower, you can't do that today. Decisions have to be made faster, and actions need to be more Swift. This isn't just an adaptation to technology, either. This is about new behaviors entering the workforce. Remember that things will never be as slow as they are now. I saw this too firsthand with two executives that I interviewed, I think it was three years

ago two executives at big global organizations. And they I'm not gonna go into the full story I wrote, I wrote a little article about this a little while ago, a post on LinkedIn. But basically what happened is, as a result of things like COVID, like Black Lives Matter, they were not able to adapt to the changes that we're seeing, they didn't take them seriously enough. And they paid the price.

Jacob Morgan 16:07
One of these executives, she ended up getting fired from her company. Because the employees basically rose up and said, Look, you're not taking this stuff seriously. We don't want to work for you, you're not adapting, you're not understanding that the world is changing, the business is changing, and they use a leader need to change. And hundreds of employees basically said, it's either this executive or it's us. And the leadership team said, we're gonna pick the employees, and you need to go. And again, billion dollar company, thousands of employees around the world, I'm not talking about a tiny startup.

Jacob Morgan 16:41
Second executive, her business just went bankrupt. Poof, entire business, bankrupt, thousands of employees disappeared. And again, because they did not adapt to change fast enough. I talked to Marc Randolph, for a podcast episode a little while ago, he was actually the first CEO of Netflix. And we talked at length about the challenges that Blockbuster had, they too, were not able to adapt fast. And Marc was telling me all these stories of how quickly Netflix was testing and experimenting. And you know, if something worked, and it didn't work, how quickly they were moving. And he told the story of how they actually went to Blockbuster, to try to sell the company to them.

Jacob Morgan 17:29
They got an a jet and they went to Blockbuster. And Netflix said we would like to sell our company to you. And Blockbuster, complete blinders on, didn't even see what was going on in front of them and said, No, we don't want to buy you get out. And now of course, we all know what has happened to Blockbuster and what has happened to Netflix. And again, if you want to hear that full conversation with Marc Randolph, which is really a fascinating one, you can go to my podcast page, just go to future of work podcast, and I think it's like three or four episodes back.

Jacob Morgan 18:06
So decisions today have to be made faster. Actions need to be more swift. If you need to get an approval to buy a pen, or to buy a stapler or a new office chair, what the hell's going on over there? It's crazy. We see a lot of this with vacation time as well. I mean, do people realize, I mean, think back at your company, I get like angry when I hear these stories of just the processes that some organizations have to submit an expense to request a vacation time to do anything. It's insane.

Jacob Morgan 18:41
We have to be able to move quicker, we have to look at our processes, and see where improvement can happen. And again, it's not just about technology, it's about new behaviors entering the workforce, it's about things like Black Lives Matter, it's about things like COVID is about change. And change is only going to speed up. And we're only going to see more of it.

Jacob Morgan 19:03

Next is innovation everywhere, number seven. There used to be a time when you would just have an r&d department. And some of you might remember this research and development department it was usually on a floor in the company, some secretive floor, you needed to get top secret clearance to be able to go to the research and development department. It was hidden away somewhere it was locked away somewhere. And there would really just be a couple people inside the company who responsible for innovation. Just a few people maybe at the top of the food chain, so to speak, this crack squad of people who are just trying to come up with ideas all the time.

Jacob Morgan 19:45

But in order to succeed in a rapidly changing world, innovation has to be able to come from anywhere, including even outside the company. We also need to remember that an idea and innovation are two different things. Ideas happen all the time. I mean, I get like 1000 ideas a day. But the process of taking that idea and turning it into something, is what innovation is.

Jacob Morgan 20:10

So think about your organization, think about yourself as a leader. Does your organization and do you enable anyone to come forward with an idea, and you give them the opportunity to turn that idea into something? If your employees have a suggestion, if they have feedback, if they have an idea, do they have the potential to do something with it?

Jacob Morgan 20:33

I mean, I'll give you an example. Again, I have a small company, 12 people. And I have folks who do video editing who do podcast editing. And I asked them all the time, whenever we do our meetings, is there something that you want to try? Is there something that you want to do, just to test it out. And those of you who subscribed to my YouTube channel, and if you don't shame on you, but those of you who do subscribe to my YouTube channel, you'll know that we test out things all the time, different thumbnails, different styles for videos, on the BYOB podcast, which is the one that I have with my wife, we do hilarious thumbnails, we take scenes from movies, you know, like a scene from Star Wars. And we photoshopped my wife, my wife's face on it, and my face onto the characters instead of somebody like an Obi Wan Kenobi or Yoda.

Jacob Morgan 21:27

Again, we just want to have fun with stuff, we're testing it out. My team had this idea, and we're trying it. Again, silly, funny example. But the same concept applies, I'm willing to bet that you have a lot of employees on your team. And inside of your company. These are people who interact with your customers, they sell your products and services. They help build the business, they have lots of ideas for how things can be improved. But if you as a leader, don't allow those employees to speak up to come forward with those ideas, then what's the point?

Jacob Morgan 22:05

So this is a core principle for the future organization. Innovation everywhere, not just the research and development team, not just the executive team, any employee from the janitor to the CEO should be

able to come forward with an idea with feedback and to be able to try to make something happen with it.

Jacob Morgan 22:24
Next principle is running in the cloud. I know that we've talked about this for a long time. But especially now with COVID. And what it's forced a lot of organizations to do, I think it's clear that a lot of onpremise technologies have a shelf life, and their days are surely numbered. And on premise technologies for the few not familiar with that concept, basically means that the technology is powered from something that sits in your basement. Okay, so think about how you access something like LinkedIn, Google, Facebook, these are all cloud based technologies, meaning that you don't actually have a server in your basement, you just plug in. And all of a sudden you get access to this software. And there are a lot of workplace and workforce technologies out there as well that run in the cloud, meaning that your team just plugs in and you're up and running.

Jacob Morgan 23:18
Your organization doesn't have to have 100 servers and storage coolers and a bunch of people in white lab coats running around making sure that everything is being operating. That's everything's operating properly. You run in the cloud, and allows you to quickly scale up to quickly scale down. How much longer do you think your company or How much longer do you think organizations in general would be able to sustain running purely on premise, before falling behind every other single company and every other competitor that's out there, three years, one year, five years, maybe ten years? Delay as much as you want. But the future organization will run in the cloud.

Jacob Morgan 24:05
The next one, this is a big one. And I could spend an hour just talking about this next one. More women in senior leadership roles. I think the most recent statistic that I came across was in the fortune 500, and these are American companies in the fortune 500 I believe the number is less than 8% of Fortune 500 CEOs are female, less than 8%. Now I was actually very proud because when I wrote my new book, The Future Leader, I was able to get around 23% right around there around 23 to 25% of the CEOs I interviewed were female.

Jacob Morgan 24:47
So three times what we have in the fortune 500 it's much better but of course I mean it's still not 50/50 so we don't have enough women in senior leadership roles. All of you who listened to the podcast, I can't tell you how many emails I've gotten. How many comments I've gotten from listeners who say, Jacob, we love your show, we learn a lot. But most of the people who you're interviewing are men. And I say, Look, I know. It's not for lack of trying.

Jacob Morgan 25:27
Myself, my team, we prioritize, I try very, very hard to bring in diverse executives, senior leaders to be guests on the show. But the reality is that there are very few CEOs, or other top executives at that level, who are female. That's just the reality. Very few, I have a couple others, you know, I have some more diverse guests who are coming on the show over the coming weeks. But honestly, this is something

that I have, you know, completely struggled with, is bringing on more diverse guests who are senior executives, especially female CEOs, when there are just not that many of them out there.

Jacob Morgan 26:18
Of course, I'm going to continue to push continue to work on this. But I just want all of you to know that it's not for lack of trying, it's not as if I'm not aware of this issue that I don't want to have more diverse guests on the show. But when you look at the CEO level for organizations, there is not as much diversity there as there needs to be, but I'm working on it. And this is why I bring in authors, or you know, other famous business celebrities, because there's a lot more diversity with that group. But I digress.

Jacob Morgan 26:54
So what this means is that most companies are missing out on a huge talent pool that brings with it a new set of skills, mindsets, and perspectives. Consider that women still have the majority of purchasing power. And soon they're going to become the majority of the world's population. And they will soon earn more than men. And quite frankly, I think they're going to be crushing it over men over the next few years, even more than they are now. So for the for the forward thinking organization, it's really about recognizing the value of having more women in senior leadership roles and taking action to help encourage this.

Jacob Morgan 27:32
I think today, I just saw an article that CVS is now going to have a female CEO. Still, the number of women in senior executive positions at CEO levels and fortune 500 is very low. But at least now we have one more. And this is crucial, because like I said, it's different perspectives, it's different ideas. You want to make sure that you are properly being able to service your customers create products and services. How can you do that if everybody on the executive team is a guy? Doesn't make sense. Having more women in senior leadership roles, I think is going to be a core principle for the future organization.

Jacob Morgan 28:17
Next, is having a flatter structure. I have yet to remember a time when an organization called me or emailed me and said, Hey, Jacob, we'd love to work with you on a big project for our company. And I would say yes, executive, what is it that I can help you with? Not once have I had anybody say, Well, what we're really trying to do here is to add more layers. You know, we have 15 layers in the company. We want to see if we can get to 30. Can you work with us so that we can create a bigger, taller pyramid than we have now? Can you work with us to create more distance between our employees and help create more structure, more hierarchy, more bureaucracy, more red tape?

Jacob Morgan 29:03
I've never gotten a phone call like that. Never got an email like that. And I don't think I ever will. flatter structure means that, you know, let me first start with the stereotypical idea of what a hierarchy looks like and how it operates, right? I mean, we see this very tall pyramid. Now, I'm not saying that structure is all bad. Some structure within the organization is good. But there needs to be a balance between being completely flat. Like some organizations are like Valve, the gaming company, they're completely

flat company, no hierarchy nor no structure. Nobody in an executive role. Everybody kind of does what they want.

Jacob Morgan 29:44
There needs to be a balance between something like that. And like the stereotypical hierarchical pyramid organization that's out there, something in between. In other words, structure is fine provided that it serves the purpose of helping employees understand where are they fit within the company, and what that relationship looks like. But it doesn't mean that everything has to flow top down. Communication and collaboration should flow up downside decided Left, Right doesn't matter. So some structure is okay, but it needs to be flatter, not flat, but flatter.

Jacob Morgan 30:21
Removing layers, making it easier for employees to stay connected to each other and to everyone else inside the company. I think that's a core principle for the future organization, because it helps with agility, with speed with nimbleness. I think it helps create a sense of purpose and meaning because you have more insight into what's happening. You know, instead of 30 layers, maybe you have five, and you get more insight, you see what's happening because you don't have to peer as far in.

Jacob Morgan 30:50
Next, is the principle of telling stories. And this ties very well into this concept of purpose and meaning. I find it very interesting that oftentimes, we like to tell stories, to customers to build relationships with them, right, we tell stories to our customers all the time, we put stories on our websites, we spend millions of dollars to create ads that we put up on TV that are all about stories, because we want to elicit some sort of emotional response, we want to align the values of our company with the values of the customer, and we want to get the customer to buy something.

Jacob Morgan 31:29
But we need to remember that it's also crucial to tell stories to employees as well. Employees want to work for an organization that they believe in, and whose values align with their own. And there's no better way to do this than through stories, how the company started, why it started, why it exists, where it's going. One of my favorite examples, and I think Lego still does this. But those of you who don't know the history of Lego, when it first started off, the company burned down, you know, it started off, there was a small woodshop. And the creator of Lego was selling wooden toys. And the company was doing well and in the burn and burn down the whole workshop, burned down, rebuilt it. And I believe there was even a second fire that burned it down again.

Jacob Morgan 32:19
And this became a part of the Lego story of overcoming obstacles, right, the entire company basically burned down and it had to be rebuilt twice. And for a lot of new employees, when they join Lego, they're told that story. Many of them I understand are even shown the site where the first wood shop was how it burned down, they see the actual place of where all this happened. And so when they work at the company, they have that sense of history, they have the story, where it came from the challenges that had to be overcome. That is much more meaningful than saying you work at a toy company. And we make little plastic, Lego bricks that snap into each other.

Jacob Morgan 33:03

I can share another story firsthand. And I may have shared this story. A couple months ago, I used to work in a movie theater. Way back when not last year, 10 years ago, 15 actually 18 years ago, probably 18 to 20 years ago, I worked at a movie theater, I worked at AMC movie theaters. And then I worked at another movie theater shortly after that. But anyway, this is way back in the day. And the movie theater used to have a contest, where if you can upsell the most amount of customers that you would be given a gift card.

Jacob Morgan 33:44

And so imagine you come to the concession stand and you say hi, I'd like a medium popcorn and a medium drink. And I would say Well, sir, or Ma'am, for $1 more, you can upgrade both of those to a large. And if you would say oh sure that's a good idea. I would get credit for one upsell from a medium to large. And at the end of the week, the person who sold the most or upsold the most amount of those would be given a gift card. This would be like I don't know, a $50 gift card or $25 gift card. And so I won a bunch of these things. Because I was you know, talk a lot as you probably know.

Jacob Morgan 34:24

But the challenge for me is I had no idea why I was doing this. I you know where was the money going? Why is this contest being run? Is the company in trouble like nothing, no context, just basically sell this and you'll get a gift card. So it's basically just hanging the carrot in front of my nose. And so me as the concession stand donkey, I would just be chasing that carrot.

Jacob Morgan 34:49

The San Diego Zoo has a similar program where when somebody comes to the concession stand at the San Diego Zoo. They buy something. It's your job as an employee to try to get the customer to walk away with something else, a stuffed animal, a toy, you know, go from a medium to large drink. But the difference is that employees at the San Diego Zoo know why they're doing this. Because the San Diego Zoo tells stories to their employees about how the extra money, they're bringing in goes to help fight extinction of animals.

Jacob Morgan 35:23

They tell stories of how the extra money that these employees are bringing in are going to conservation efforts for animals. So as an employee at the San Diego Zoo, if you work behind the concession stand, you know why you're doing this, you have that purpose, you have that meaning you have some insight into how the work that you're doing, how the revenue that you're bringing in, is going to contribute to the business.

Jacob Morgan 35:47

Telling stories is crucial. I don't care if you work behind a concession stand. Or if you're writing code, or if you are in HR, you need to tell stories, how is the work that you're doing, making an impact, I believe it was KPMG. This was another story. And I may get some of the facts wrong. But if memory serves, they were trying to improve engagement at the company. And this was I don't know, five, maybe eight

years ago, they were trying to prove and improve employee engagement at the company. And they were struggling with this for a while.

Jacob Morgan 36:26
And they came up with this really great campaign that was all around stories. And KPMG has a very rich history of how they participated in various historic events over the years over the decades. And so they told stories, and they created banners, and they put like, faces of employees on there. And they would say things like, you know, I helped stop a war, or, you know, I helped, you know, free or contribute to freedom for for this group of people. And so there's really powerful stories with faces of actual employees on there, to remind all the employees about the history of KPMG the stories that were there, and the impact that the company has had on history and on the world over the years, that's much more meaningful than saying, hey, go sell that customer something, or do better job on, you know, that project you're working on. So telling stories is a crucial part of it.

Jacob Morgan 37:22
Next, the next principle is democratizes learning. And we just have a couple left here democratizes learning. And learning in most companies today, it's still like this, where if you want to learn something, you book a class, you sign up for a training session. Usually you do this a couple of days weeks in advance. And learning is a very structured linear process, which I think is completely outdated today. Most corporate learning management systems are virtually obsolete. The content stored on them is scripted, it's boring, it's outdated.

Jacob Morgan 37:58
And for the future organization, any employees able to act as both the teacher and the student, any employee should be able to learn from or teach anybody else at the company anytime, anywhere. And of course, this is largely facilitated through the use of collaborative technologies. But why should learning only be something that a couple people inside the organization do? Why does learning have to be watching a outdated or scripted video about you know, some old white guy with a suit and tie? Is that the world that you live in? Is that the world that your company operates in? I hope not.

Jacob Morgan 38:36
Learning should reflect the year that we live in. If it's so easy for me to learn anything I want on something like YouTube, or Khan Academy or Coursera. Then why is it if I want to access a company training program or a company learning module why do I need to be teleported back to the 80s? This isn't Back to the Future. It's nuts. Most company learning and training programs are for lack of a better word and to put it nicely, outdated, obsolete.

Jacob Morgan 39:09
Learning has to be democratized. learning needs to be put into the hands of every employee at your company. Because every employee has something to teach, and every employee has something to learn. And I think this is very much the direction that we're going down. This is an important principle of the future organization. Learning is democratized.

Jacob Morgan 39:30

Next, and this is a big one. Again, another one that could easily be turned into an hour long conversation is shifting from profit to prosperity. Profit is the financial gain that an organization receives. It's the primary measure of success. And this is the primary measure of success for a lot of organizations. And prosperity, on the other hand, looks at how much money a company makes, but it also looks at things like employee health and wellness. It looks at things like community involvement. It looks at things like sustainability, diversity and inclusion. It looks at much more than just the dollars and the cents, much more than the dollars and the cents shifting from profit to prosperity.

Jacob Morgan 40:26

And I think we've actually seen there was a recent announcement, I believe it was last year, or maybe it was earlier this year from the Business Roundtable. And the Business Roundtable was it's a collection of some of the largest and most known organizations in the United States. In the Business Roundtable basically, the the leaders came together. And they said that they changed the definition of what the purpose of a business's and they said that the purpose of a business is no longer just about making money. It's about impacting all stakeholders, not shareholders, stakeholders, everybody who has a stake in the success of the business. The community, partners, suppliers, employees, everybody.

Jacob Morgan 41:15

It's about making the world a better place. I interviewed Paul Polman. He was one of the CEOs who I talked to in the book. And you know, I won't share the full quote from him. But he was extremely, he's one of the CEOs who was extremely, extremely passionate about this topic, creating a sense of purpose and meaning, understanding that the purpose of a business that your job as a leader is not just to bring in a lot of money. But it is to leave the world in a better place, better place than you found it. So this is crucial.

Jacob Morgan 41:53

I'll actually leave you or read you a quote, this is from the former CEO of Kaiser Permanente, Bernard Tyson. He passed away shortly after I spoke with him. But he gave me this quote, and he said "Companies of the future can no longer think that they just exist. Significant companies of the future cannot just exist in this little breadbox. In this isolated place. We are a part of a greater society and a greater society is a part of us. The trend of when and how we engage in the bigger societal issues will continue to be part of the future of leadership".

Jacob Morgan 42:31

And I love that quote of you cannot just exist in this little bread box. So we have to shift from profit to prosperity. So what is your organization doing to positively impact the world? What is your organization doing to move beyond dollars and cents? What are you doing as a leader to move beyond dollars and cents.

Jacob Morgan 42:55

And the last principle we have here is adapting to the future employee and to the future leader. You know the future employee in the future leader. These are both separate articles that I've done, the seven principles of the future employee and 10 principles of the future leader. If you want to Google

what those things are, just go to Google type in seven principles, future employee, Jacob, or 10, principals, future manager or future leader, Jacob. And really what this means is that employees are changing, leaders are changing.

Jacob Morgan 43:31
And that what that means for your organization is that your organization too, needs to change. And it needs to change based on how employees are changing based on how leadership is changing, it goes back to this idea of your organization needs to adapt. And again, this probably doesn't have a lot of context in it. But if you read those articles that I mentioned, you'll get a sense of exactly what I'm talking about.

Jacob Morgan 43:56
So these are the 14 principles of the future organization--globally distributed with smaller teams, connected workforce, intrapreneurial, operates like a small company, focusing on want instead of need, adapts to change faster, innovation anywhere, runs in the cloud, more women in senior leadership roles, flatter structure, tells stories, democratizes learning, and shifts from profit to prosperity.

Jacob Morgan 44:26
So think about how many of these 14 principles does your organization put into practice? For you as a leader how many of these 14 principles are you trying to put into practice in your company? I think that for the future organization, the organizations that are going to succeed, the organizations are going to shape society, culture, the world at large. Those are going to be the organizations who practice these 14 principles.

Jacob Morgan 44:59
So that's it. That's really all I wanted to go over in this episode of the podcast. I thought this was a very, very important topic. So let me know what you think. If you have questions comments about this, you're more than welcome to reach out to me at any point. My email is Jacob@thefutureorganization.com, it's Jacob@thefutureorganization.com.

Jacob Morgan 45:23
And I'll also give you a plug into a resource. If you want to get a PDF that looks at the notable nine which are the nine skills and mindsets that the world's top CEOs say are crucial for leaders, you can go to theleadershipdigest.com so let me know what you think of this topic of these types of episodes. I'd love to hear from you.

Jacob Morgan 45:44
And of course if you get a couple seconds, please rate and review the podcast on Apple podcasts and I will see all of you very soon. I hope you're having a wonderful day and that you and your family are happy, healthy and safe. Until next time, this is Jacob