Praise for *Lead the Work*

“The new world of work has new ways of working. Boudreau, Jesuthasan, and Creelman brilliantly capture the increasingly granular and customized work world where more employees will be free agents. This forward-thinking book offers creative and relevant insights for managing employees as agents. It has implications for leaders, human resources, rewards, and employees.”

—Dave Ulrich, Rensis Likert Professor of Business, University of Michigan, and Partner, The RBL Group

“Anyone leading an organization through the rapidly changing and challenging landscape of today’s workplace will find *Lead the Work* tremendously valuable. Boudreau, Jesuthasan, and Creelman expertly chronicle how work has evolved into multiple methods of employment, focused less on managing employees and more on providing work-based leadership. They give concrete advice on how organizations can thrive in this environment. The concept of ‘beyond employment’ will soon be commonplace to business leaders.”

—Henry G. Jackson, President and Chief Executive Officer, Society for Human Resource Management

“*Lead the Work* invites business leaders to free their minds from the shackles of traditional regular full-time employment. The book provides a framework that enables us to embrace examples like Elance-oDesk, Tongal, and Khazanah not as anomalies but as potential solutions to getting the work done and sourcing the best talent. *Lead the Work* pushes the boundaries of flexibility in work arrangements to a future where we not only just build or buy talent but also borrow and share talent.”

—Johan Mahmood Merican, Chief Executive Officer, TalentCorp

“How leaders and organizations assemble the right teams of talent today is rapidly evolving to utilize teams of much more than just permanent employees, temporary help, and outsourcers. I have seen this to be true across the globe...a globe that has fewer and fewer borders when it comes to customers and talent. The focus on the ‘workers,’ the ‘client,’ and the ‘work’
in *Lead the Work* brings all the pieces together of how organizations need to deliver value to their customers, both today and tomorrow. Innovation of how to find and utilize talent is going to be a differentiator, both in professional services organizations and beyond. *Lead the Work* does an excellent job of describing what the trends are, brings them to life by showcasing real examples that expand your thinking, and helps to alleviate any fears about this new talent marketplace.”

—Jill Smart, President, National Academy of Human Resources, and retired Chief Human Resources Officer, Accenture

“The world of work is changing fast—creating more complexity and breeding disengagement. Boudreau, Jesuthasan, and Creelman take a comprehensive look at the changes happening outside our companies that are affecting how we get work done together inside our companies. After exploring the diverse ways in which we now connect people with the work we need done, they offer us a convincing framework for designing our enterprises, organizing work, and constructing deals to offer workers. Fortunately, this framework clearly shows leaders the few critical levers to pull to create new work arrangements that deliver on the value agenda. Wisely, the authors also engage with tough questions about the impact this new framework will have on society and the roles of leaders, HR departments, and government. *Lead the Work* enlightens us all—as leaders, workers, and citizens—about how we can still accomplish great things together in the midst of this turbulence.”

—Sandy Ogg, Operating Partner, Private Equity Group, Blackstone

“*Lead the Work* explores a seismic shift in the very concept of work. For anyone looking for a fresh way to think about competing, innovating and leading, *Lead the Work* will stimulate your creativity and give you new ideas on how to tap into an emerging “free agent world.” This new virtual workplace being built by a diverse, multi generation workforce hinges on individuals leveraging their skills to build portfolios of work that seamlessly integrate into the lives they want to lead.

The new book by Boudreau, Jesuthasan and Creelman makes an intriguing argument that traditional employment approaches are migrating
to innovative and agile ways of tapping into new talent pools. The authors paint a compelling picture of workplace innovations that challenge convention to compete in an open, global and virtual talent marketplace. The challenge lies in how to lead in this new world.

The best managers in this new paradigm bring together flexible teams and distribute work to those best skilled to deliver, more quickly and cost effectively than traditional approaches. Convening and motivating a network of “followers” who you may never physically meet, requires new ways of leading, orchestrating and collaborating, along with new rules of engagement.

*Lead the Work* is a fresh, insightful way to think about work, how it is done and who does it. It challenges us to make potentially radical shifts in the way we need to lead and compete. The authors deliver a wake-up call with numerous real world business examples that make the case this is not a temporary trend, but rather a pivotal inflection point. The highest impact insight is that the basic concepts of work, employee and leader must be reinvented in a world where individuals seek to be the “CEO of me.”

As a former Chief HR Officer and alum of five global fast paced consumer and technology companies, *Lead the Work* challenged my thinking about new ways to lead and innovate with the talent of today and tomorrow.”

—Eva Sage-Gavin, Vice Chair, Aspen Institute’s Skills for America’s Future Advisory Board, formerly Executive Vice President, Human Resources and Corporate Affairs, Gap, Inc.

“Knowing how to manage the multitude of contractors, vendors, and temps who now work side by side with our regular employees is a crucial skill, and *Lead the Work* shows us how to do it right.”

—Peter Cappelli, George W. Taylor Professor of Management and Director of the Center for Human Resources, Wharton School of Business, University of Pennsylvania.

“The traditional employment relationship has evolved to a place of free agency where employees are the CEOs of ‘self, incorporated’ in a flat, interconnected, dynamic, and creative world. John, Ravin, and David take a new and refreshing look at how the relationship has evolved to better enable organizations and their leaders to achieve business objectives...
through employment relationships some may view as fickle, but which others appreciate as the new normal.”

—Scott Sherman, Executive Vice President, Human Resources, Ingram Micro

“The way in which work gets done, by whom, and how, is changing quickly and dramatically. Everything it seems is being “disrupted”, including the process of workforce planning. The models of employment and organization that have evolved slowly and predictably, are soon to be extinct or irrelevant in whole or in part. Lead the Work is a must read for business leaders, particularly Human Resources executives, who must adapt or wither, even if they don’t yet realize it. This book, greatly advances our understanding of what these changes are, what they will be, and most importantly, provides great insight into how to move your enterprise into this new world. This is an orientation to what is to become of HR and the management of human capital. A total “Aha” experience. I have seen no research which comes close to this.”

—James J. Duffy, Chief Human Resources Officer, Ally Financial Inc.

“Changing demographics, changing worker values and preferences, changing technologies . . . these all drive leaders to consider changing approaches to how work gets done in and through organizations. In Lead the Work, Boudreau, Jesuthasan, and Creelman detail how these trends have transformed work and caused many to question the traditional employment model. They provide examples of companies that have successfully leveraged innovative approaches to work arrangements to provide quicker, more efficient, and—more importantly—more effective means of competing. This book will give leaders strategies, tools, and ideas for how to do the same in their organization.”

—Patrick M. Wright, Director, Center for Executive Succession, and Thomas C. Vandiver Bicentennial Chair in Business, Darla Moore School of Business, University of South Carolina

“Lead the Work delivers revolutionary thinking about the emerging transformation in how work will be done in the future, as well as when, where, why, and by whom it will be done. This book contemplates a world beyond
traditional employment models. It asks and answers the crucial yet fright-
ening question—what would happen if the traditional employment model
gave way to more bite-sized, freelanced, project-based, shorter-term gigs?
It not only addresses this question, but also challenges us to rethink the
implications of blowing up and refashioning long-held assumptions about
leadership, organizational operating models, workforce engagement, culture
and purpose, and the future of the human resources profession, to name
a few.

“Imagine a world of work where most (or a significant percentage) of
the people doing the work are not our employees, but rather freelancers
who have complete control over what work they choose to do, when they
choose to do it, where they choose to do it, with whom they choose to do
it, and why they choose to do it. Imagine the implications of leading the
work rather than the employees doing the work.

“Boudreau, Jesuthasan, and Creelman get our attention, question our
assumptions, capture our imaginations, shake us up, and help us see all will
be all right—but not before they teach us what we have to do to reshape
the role of leaders and organizations. After reading Lead the Work, you will
never think about leadership, work, or the workforce in quite the same
way again.”

—Ian Ziskin, President, EXec EXcel Group LLC, and former
Chief Human Resources Officer of Northrop Grumman and
Qwest Communications

“Finally a book that takes us into the rapidly evolving nature of work and
how workers and organizations will respond! The authors have provided
the first book to enable HR leaders and organizations to better understand
where work is going and to create tools and methods to respond to these
changes.”

—Libby Sartain, former CHRO, Yahoo! and Southwest
Airlines, and Director, Manpower Group and AARP

“As a board member of the Institute for the Future and a former CHRO in
Silicon Valley, I have become very aware that we are moving from a world
of hierarchical organizational structures toward a world where human
resources can be digitally activated, deactivated, and reconfigured to come
together as needed and where needed. In its best form, workers from all over
the globe will be empowered to choose when, where, and how they work. Many will choose to be their own employers. Those who continue to align with a specific institution will expect equivalent opportunity and flexibility, and the challenge of building a productive work community in this kind of environment will call upon new forms of leadership. John, Ravin, and David’s look at the evolution of work has arrived not a moment too soon. It is time that every person who occupies a position of leadership or aspires to be a leader fully appreciates this new world of work, and this well-grounded research is an important step in that direction.”

—Debra Engel, board member, Institute for the Future, and former Senior Vice President of Corporate Services, 3Com

“The authors have very thoughtfully and clearly described the opportunity for companies to deconstruct work into ‘tangible deliverables,’ and then source the work from new and rapidly evolving labor pools. Those who are tracking the dynamics of these evolving labor pools understand that the ‘free-agent workforce’ is well represented by workers who are described as ‘creatives.’ Shopping in that labor pool is important if you believe creativity is critical to your future business performance. Executing these ideas will be nontrivial, and will require nontraditional thinking and methods. CHROs will have an important role in these transformations, but the success of changes of this scale requires the full alignment of the CEO and the executive team.”

—John S. Bronson, Bronson Consulting LLC; formerly Vice President of HR, Williams Sonoma, and Executive Vice President, Pepsi-Cola Worldwide

“Boudreau, Jesuthasan, and Creelman invite us into the new world of work, where technology disrupts markets and businesses, where the democratization of work empowers the individual employee and drives enhanced employee choice, and where work models emerge from other domains, such as sports or moviemaking, where ‘loaning talent,’ free agency, or assembling project-based production teams is the norm. They introduce this world through a series of contemporary, diverse examples ranging from the established infrastructure of IBM to Topcoder, an online community that ‘gathers the world’s experts in design, development, and data science to work on interesting and challenging problems.’ They urge today’s leaders to step boldly into this complexity and ambiguity, and provide a framework to
guide their journey. That framework is accessible and compelling, whether you are a chief executive officer, a business unit leader, an academic, or a human capital professional. As a former chief human resources officer, I suggest that HR leaders read this book with their CEOs, business unit leaders, and leadership teams. Use it as an organizational diagnosis and to develop a road map for this ‘brave new world of work.’”

—Kaye Foster-Cheek, Senior Advisor, Boston Consulting Group, and former Chief HR Officer for Onyx Pharmaceuticals and Johnson & Johnson

“Future organizational challenges require rethinking fundamental assumptions, and some of the most important assumptions have to do with work and workers. Achieving success through talent is the job of corporate officers, boards, managers, workers, citizens, and governments. Lead the Work offers CEOs a thoughtful framework for navigating the rapidly evolving nature of how work gets done. It is a forward-looking guide to the future, with useful, important, and practical insights for operating in today’s environment as well. CEOs should read this book together with their heads of HR, their extended leadership teams, and their boards. This book clearly describes a future that is approaching fast, with an important vision for leadership and human resource management.”

—Laurie Siegel, Director, CenturyLink and Volt Information Sciences, and former CHRO, Tyco International
Lead the Work
Lead the Work

Navigating a World beyond Employment

John Boudreau
Ravin Jesuthasan
David Creelman
To the free agents and free-spirited employees and colleagues, including my daughter and wife, whose stories bring life to a new world of work
— John Boudreau

To my colleagues at Towers Watson and the members of St. Paul and the Redeemer Church in Chicago who continually inspire me with their random acts of kindness and love
— Ravin Jesuthasan

To the free agents of the world who are striving, not without difficulty, to invent a new way of work.
— David Creelman
## Contents

*Foreword* xvii  
*Acknowledgments* xxii  

### PART ONE  
**The Background**  

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Leading Work—Not Managing Employees</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>Free Agent World</td>
<td>23</td>
</tr>
<tr>
<td>3</td>
<td>Outsourcing and Alliances</td>
<td>35</td>
</tr>
<tr>
<td>4</td>
<td>The Talent Platforms</td>
<td>50</td>
</tr>
</tbody>
</table>

### PART TWO  
**The Model**  

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Leading the Work Beyond Employment: A Decision Framework</td>
<td>83</td>
</tr>
<tr>
<td>6</td>
<td>How IBM Leads the Work</td>
<td>92</td>
</tr>
<tr>
<td>7</td>
<td>The Assignment: How Much to Deconstruct, Disperse, and Detach?</td>
<td>111</td>
</tr>
<tr>
<td>8</td>
<td>The New Organization: Permeable, Interlinked, Collaborative, and Flexible</td>
<td>135</td>
</tr>
<tr>
<td>9</td>
<td>The Reward: Short-Term, Individualized, and Imaginative</td>
<td>153</td>
</tr>
</tbody>
</table>
### Contents

**PART THREE  Implications** 175

**Chapter 10** Future HR Practices in Leading the Work 177

**Chapter 11** Future HR Outcomes in Leading the Work 206

**Chapter 12** Governance and Stakeholders 219

**Chapter 13** Nations, Citizens, and Children 238

*About the Authors* 255

*Index* 257
A few years ago I attended an HR conference where I found myself on a panel with a freelancer. He had no desire to work for a corporation, nor a manager for that matter. And he was clearly very good at his craft—someone my company would want to hire.

“I get that you love the independence,” I said. “But what about your training and development? How do you stay on the leading edge of your craft?”

“Meet-ups,” he said. Seeing my uninformed gaze, he went on. “We get together online and arrange festival-like gatherings, often on the campuses of Bay Area companies, inviting the best players to come and speak. Great for networking too.”

I tried another tack. “What about a sense of community? Don’t you get bored or stale working alone all day?”

“Co-working,” came the reply. There are really cool workspaces that can be rented with other freelancers, and a Starbucks downstairs for meetings.

I was getting rather desperate at this point. “What about benefits?” I inquired. “What happens if you get sick?”

“The Freelancers Union,” was the answer.

So there it was: a new and compelling paradigm for getting work done, no longer for those who are marginally employed, but for the very best talent in our industry, and pouring out of our universities every day. It forces all of us in corporations to rethink our value propositions, to provide the same kind of ad hoc opportunities to grow and expand skills inside our companies, and to incorporate alternative work arrangements into our talent strategies.
To be sure, the “organization” itself has been evolving. Once you could neatly distinguish insiders from outsiders, but today, the relationship between an organization and all its constituents is becoming more permeable and flexible. Its structure is evolving from a hierarchy to a network model of deep collaboration across the entire value chain, including suppliers, partners, and customers. Leadership is more collective and democratic, defined increasingly by expertise and the ability to energize others. Authority is increasingly bestowed by the community, not by a position.

Leadership still means achieving a mission through the efforts of talented people—but how you lead is changing.

This new form of organizational openness offers tremendous upside potential—empowered employees, free-flowing ideas, more creativity and innovation, happier customers, and better results. But with more openness also comes more risk. As rigid controls loosen, organizations need a strong sense of purpose and shared beliefs to guide decision making. Teams will need processes and tools that inspire collaboration on a massive scale. Skills need to be validated in some reliable way. Perhaps most important, organizations must help employees develop the capabilities to adapt and excel in this type of environment.

As you navigate these shifts, finding and developing the right talent and leadership is challenging. John Boudreau, Ravin Jesuthasan, and David Creelman pull together compelling evidence and tools to help you find your way. I’m pleased to say that you’ll find a chapter in the book about our journey at IBM, and you’ll read about other innovative organizations as well.

One of their key observations is about the changing nature of work. The talented people you lead will engage in new ways that look very different from regular full-time employment. They will work on tasks, projects, and assignments, not only in traditional jobs. They will contribute through a global network connected to your organization through remote platforms, alliances, contracts, and even online games. Sometimes, the best talent won’t be your regular full-time employees, but freelancers, contractors, or even volunteers. One IBM study found that independent workers were actually more engaged with the organization they worked for than regular full-time employees. Your organization’s transition toward work beyond employment will depend on your industry, region, size, and other variables. Yet, this evolution promises significant changes even for your regular full-time employees.
The book also explores the changing expectations of employees. Even regular employees want to work on projects they choose, much like freelancers. They expect careers that reach beyond your organization, just as contractors experience a wide array of industries and environments. They want discretion about where and when they work, and while they still value the security and stability of regular employment, they also know that nothing lasts forever, and the half-life of capabilities is constantly shrinking. Winning enterprises will help employees anticipate these shifts and adjust to them.

There are other interesting examples of innovative approaches to getting work done—a crowdsourced advertisement, a smartphone app built entirely by freelancers, an intriguing alliance of employees between two companies, a drug breakthrough discovered by volunteer online gamers.

Taken individually, these are interesting anecdotes, but string them together, and this book signals that something meaningful is happening. The convergence of the digital, social, and mobile spheres is connecting customers, employees, and partners in new ways to organizations and to each other. Leaders are recognizing that this connected era is fundamentally changing how people engage, and this puts pressure on leadership to adapt.

Let this book be your navigation guide to the new world of work.

If you are a corporate officer, investor, or manager, read this book to understand how to lead and engage the new workforce. Share the book with your HR leaders, and discuss how you can work with them to optimize the opportunities, and avoid the pitfalls, of the new global workplace.

If you are an HR leader, read this book to be inspired and guided on how you can contribute in new ways, as the evolving world of work will alter virtually every element of your profession. Please share this book with your colleagues outside of HR, and together craft your unique vision of a new kind of strategic partnership.

If you are a professional, read this book and be inspired by the expanding options for you to craft an even more fulfilling and rewarding work life.

If you are a policy maker, read this book and consider the role of governments, nations, and societies in ensuring that this evolution is fair, inclusive, and sustainable.

—Diane Gherson
Senior Vice President
Human Resources, IBM
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This book is the result of tireless support from many friends and colleagues.

We thank our colleagues at Towers Watson, particularly Juliet Piekarski, who reviewed and read every chapter countless times, Jorn Janssens, who helped advance some of our original ideas, and Shatrunjay Krishna who helped us tell the intriguing story of Bharti Airtel.

We are also grateful for the sponsorship and support of Julie Gebauer, who embodies all the attributes of the engaging leader in her leadership of Towers Watson’s Talent and Rewards segment.

We wish to thank the executives at each of our case study companies for sharing their stories with us.

We are also grateful for the comments and feedback from many trusted colleagues, particularly John Bronson, Jim Duffy, Doug Milroy, Sandy Ogg, Scott Sherman, Laurie Siegel, and Mara Swann.

In addition, we wish to acknowledge the editorial staff at Wiley publishing; Karen Murphy, Shannon Vargo, Judy Howarth, Tiffany Colon, and Abirami Srikandan, for their support.
Lead the Work
PART ONE

The Background
We create boxes to make sense of the world. We talk about organizations and jobs as boxes. Employees sit inside jobs that sit inside organizations. This is how we think things get done. In practice, it’s never really so cut and dried, but the simple mental model works—or at least it used to.

Now we are seeing those comfortably familiar boxes begin to disintegrate.

Have you heard phrases like “nonemployment work arrangements,” “freelance talent platforms,” and “labor market intermediaries?” They reflect an emerging trend in which work and workers exist “beyond employment.” Many leaders have hardly noticed the rising frequency with which these terms crop up in discussions about the future of work. To leaders, “nonemployment work arrangement” may sound like something to be delegated to specialists in procurement or personnel. Or they might ask, “Are these new arrangements just simple extensions of cost-reduction techniques we’ve seen for years, such as outsourcing, temporary contract workers, and consultants?” Sometimes they sound familiar, but increasingly these new approaches to work are already fundamentally changing how you compete and achieve your organization’s mission. Leaders who overlook them risk making the
same mistake that taxi services made when they dismissed the emergence of
the Uber ride-sharing service.

A world where work moves “beyond employment” will challenge
fundamental strategic assumptions in virtually every industry and sector.
The world is changing, and the role of a leader is not to stand back, or marvel
at the change, or delegate the decisions to administrative rules. A leader’s job
is to achieve organizational goals through the work of others. Leaders must
develop the tools to grapple with this new world. Work is escaping the con-
fines of regular full-time employment, and it is leaving your organization.
These changes create opportunities that should not be ignored.

This shift is reminiscent of the diversity movement that seeks out talent
regardless of gender or ethnic origin. The beyond employment opportunity
is to seek out talent among free agents, anywhere in the world, who prefer
free agency to employment. In particular if you are looking for authentic
innovators and creative agents, this is where they are likely to be found.

The problem for leaders is that they face a bewildering array of stories
and examples of how work is changing, but no framework to guide their
decisions. It’s like seeing lots of bright shiny objects in the sky, with no
framework of astronomy to guide you. The stories and examples tend to
focus on two things, and have omitted a vital third element.

Many stories and examples focus on the Workers. You hear a lot about
the plight of contingent workers, the exploitation of part-time workers, but
also about the freelance coder who is earning $100,000 a year sitting on a
beach in Bali, or the crowdsourced gamers that solved a thorny riddle in
AIDS treatment. You wonder if you should be using such workers, or even
whether you should become one yourself.

Other stories and examples focus on the Client for the work. You hear
a lot about Netflix saying that “adequate performance gets a generous sev-
erance package,”\textsuperscript{1} companies like Colgate-Palmolive producing ads for the
Super Bowl through crowdsourcing,\textsuperscript{2} and early-stage companies that con-
sist of a few employees who lead the work by tapping a vast global network
of workers connected through cloud technology and personal technology.
You wonder if you should adopt some of these practices in your organization
when you are the client for the work.

These examples and stories can appear like the lights on a Christmas tree
in a dark room. If you can’t see the shape of the tree that holds the lights, it’s
often difficult to understand their pattern. What you need is to see the tree