The Future of Work

This piece was ghost-written for Louis Grenier, Content Lead at Hotjar. You can access the live version here.

The future of work: what innovative companies can teach us about succeeding in tomorrow's workplace

Here's one prediction that has a 100% chance of coming true: throughout 2019 and 2020, a bunch of blogs will philosophize about 'the future of work' and what it means for humanity. Some will predict a workplace utopia, while others will paint a picture of doom, gloom, and job-killing robots.

To keep things interesting, we've chosen a different angle. Instead of exploring what the future of work *might* look like and labeling it good or bad, my colleagues and I have asked some innovative companies what they're doing *right now* that's ahead of its time. The result? Practical, actionable advice to help you (and your company) succeed in the decades to come.

What is the future of work?

The 'future of work' describes predictions about what work habits, places, and practices might look like in the coming decades. Opinions vary, but business and tech leaders agree that massive changes are on the horizon—changes that will likely be driven by technology and enable machine learning, full automation, seamless communication, creating a completely new idea of what 'work' even means.

The future is now: 9 trends that are likely to grow

Being in the tech space, we meet a lot of people who do innovative work. No single company is ahead of its time in every respect, but many of our customers and people in our networks are experimenting with things like open salaries, self-management, and remote work... all stuff that sounded like 'crazy talk' just a few years ago.

We spoke with some of these forward-thinking companies, and nine trends emerged that we think will become more and more relevant in the coming years and decades.

1. Transparency

<u>Greater transparency in business</u> can create healthier work environments and stronger companies, and here are three examples of what that *actually* looks like.

Open salaries

Sharing salaries may still be considered taboo, but some companies have made open salaries a core feature of their organization.

Bridget Harris, Founder and CEO of <u>YouCanBookMe</u>, believes open salaries hold companies accountable to their employees. The practice "makes you review what you're paying," she says, "and helps avoid under-paying existing staff by ratcheting up as you get bigger. It also helps with gender pay differences, and it keeps us from unfairly favoring personality types that are the best negotiators."

Radical candor

<u>Radical Candor</u>, the best-selling book by Kim Scott, introduced a model for communication that we at Hotjar (and many other companies) have adopted. One of the core principles of radical candor is direct, empathic communication, which happens when people combine personal care with a willingness to challenge colleagues directly and offer honest feedback. Note that we're talking about challenging *anyone*, whether it's your next-desk colleague or the CEO. If the emperor has no clothes, radical candor encourages the intern to point it out.

When teams don't practice radical candor, the only available options are silence combined with personal care (ruinous empathy), direct challenge without personal care (obnoxious aggression), and silence without personal care (manipulative insincerity). None of these other choices sounds particularly appealing or conducive to future growth.

Melissa Halim, who recently started her job as Enterprise Marketing Manager at Miro, listed the company's respect for radical candor as a key selling point. She says: "From the first round of interviews, I could tell they practiced radical candor. It was obvious they truly lived one of their many company values: 'say yes to passion and no to BS.'"

Information accessible to all

Here at Hotjar, we use applications like Trello and Asana to document our work, and services like Google Drive to make all the files we're working on accessible to anyone who needs them. This is a significant change compared to the old way of doing things, where team

members stored files on individual computers: full transparency means anybody can access anybody's work at all times.

We also record most of our internal meetings so anybody can catch up in their own time and no important information is ever lost. And in a similar fashion, nearly every external conversation that Smooth employees have with prospects, partners, and customers also gets recorded on Zoom (with everyone's permission, of course). They then upload these files to Slack and Google Drive so everyone on the team can watch and learn something.

Editorial Director Dan Levy says, "From a marketing perspective, this provides invaluable context and endless ideas for content, campaigns, and optimization opportunities. It also ensures that everyone in the company has their ear to the ground when it comes to customer pain points and how we talk about Smooch in the wild."

2. Customer obsession

As a customer, you know this: if you've had a negative experience with a company, chances are you're not going to repeat the experience again—unless that company *really* shows they care by getting in touch, fixing the issue, and going the extra mile to make you feel heard.

At Hotjar we call this attitude 'obsessing over our customers' and really believe that success in today's *and* tomorrow's customer-driven world rests with companies who do the same and consistently obsess over the <u>customer experience</u>.

Again, let us give you three examples of what this looks like in practice:

Getting live, voice-of-customer feedback

<u>Made.com</u> offers high-end home furnishings at an affordable price. Although they sell plenty of furniture online, they also have showrooms in major cities across Europe. One of those showrooms is near their headquarters, so they regularly go there to speak with users and conduct 20-minute <u>user tests</u> on upcoming products.

"This practice gives us insight about any potential usability issues with a particular prototype, and users typically give us other insights about their general shopping experience," says Spencer Wong, Head of Digital Experience. "This helps us iterate quickly and get to a final working design."

This level of focus on customer satisfaction has paid off, as Made.com grew 37% in 2018 alone.

Observing customers in action

<u>Smallpdf</u> is a free, straightforward web app that makes it easy for users to edit and convert PDF files into a variety of formats. To better understand their customers, the team started by placing an on-page survey on their website, which showed how some of the tool's biggest users were students, teachers, and administrative assistants.

With this knowledge, Smallpdf made arrangements to conduct <u>in-person observation</u>sessions of administrative assistants at work. Kristina Wagner, Smallpdf's Interaction Designer, sat with admins and watched them in action as they performed key tasks like converting PDF docs into Word files.

You can <u>read the full case study here</u>, but the point is that by sitting with customers Kristina learned way more about their needs and challenges than a standalone survey (or, worse, a set of assumptions) would have taught her. In fact, as a result of the customer observation, Smallpdf applied a few key changes to their tool and increased the success rate of their PDF-to-Word conversion tool by 75%.

Obsessing over Net Promoter Score (NPS®)

Another way to obsess over users is by tracking metrics that are directly related to customer satisfaction and loyalty. Enter Net Promoter Score, a method of surveying customers that asks them to evaluate how likely they are to recommend a company to their friends or colleagues on a scale from 0 to 10. You can read all about it in our Net Promoter Score Guide if you're new to NPS, but the idea is to benchmark customer loyalty and work to improve it.

Taylor & Hart, a London-based jeweler specializing in bespoke wedding rings, started off measuring their success by looking at the raw number of sales they were making. They later realized they needed a different metric to keep the pulse on customer loyalty and engagement, so they switched over to tracking NPS and making continual, calculated changes to boost customer satisfaction.

You can <u>read their full story here</u>, but in the end (spoiler alert!) they grew their startup's annual revenue to €4.5 million in *just four years*.

3. Small teams and 'tribes'

The Agile system introduced the concept of workplace tribes—small, interdisciplinary groups of employees who work on a specific component of a business. For example, you could have one tribe for Activation and another for Acquisition, and each might consist of a

UX Designer, a Marketer, a Product Designer, and others. This breaks up group-think and reduces in-group bias along departmental lines.

In general, <u>smaller teams tend to function better</u> for several reasons:

- As group sizes increase, individual contribution decreases: it's harder to evaluate individual performance as teams grow. As a result, some team members could take advantage of this and produce less.
- Loss of relationship: as a team's size grows, individuals get less support from their supervisors because there are just too many people to manage.
- **Loss of efficiency**: studies repeatedly find that small groups work more efficiently than larger groups.

That's why Amazon, all the way back in 2011, had a 'two pizza rule'. If a team can't be fed by two large pizzas, that team has become too big.

4. Self-managed teams

Studies have repeatedly found that job satisfaction is more strongly tied to autonomy than any other metric, including money. Companies obviously have to pay their employees a competitive wage or they'll lose their best and brightest—but trust and empowerment have the strongest impact on job satisfaction.

Self-managed teams often set their own Objectives and Key Results (OKRs), which are aligned with the organization's larger goals. For example, <u>Click Mechanic</u> sets company-wide targets every quarter, and the CEO and Head of Operations empower their various teams to set their own targets: "These team targets feed into what the Company wants to achieve, and we believe this separates us from most other companies," says Jeffrey Boadi, PR & Content Manager.

In the end, teams who take ownership of their priorities <u>end up being more</u> <u>productive:</u>autonomy leads to increased engagement, greater flexibility, and higher employee retention rates.

5. Remote working

We can't talk about small and self-managed teams without mentioning remote ones. Being location-independent, a remote company can cast a wide net across a multitude of places, lifestyles, and backgrounds, and hire the best talent regardless of where they are located.

Hotjar has been a fully remote company from the start. We talk about this often (for example, we wrote a piece on <a href="https://www.nemotes

The team at Marketing OG is led by Nigel Stevens, who has visited "20 countries in the past 1.5 years as the company has grown." Though he built a US team because that's where most of his connections were from, "everyone (including myself) can go wherever they want, as long as they get stuff done. Our office is a combination of Lifesize, Hangouts, and Zoom—depending whose meeting it is."

Plenty of other companies are doing interesting things across different time zones, and another one is <u>CXL Institute</u>. Their Content Leader, Derek Gleason, lives in West Africa and communicates daily with the teams in Texas and Estonia.

"It's worth noting that they hired me despite the fact that I live in Sierra Leone," he says. "The company has long had offices in Estonia and Texas, which created a pretty wide tolerance for hiring (almost) worldwide. That reality illuminates a broader one—that the thing we care about most is the standard of the work."

We couldn't agree more.

6. Employee perks

The best forward-thinking companies are paying a lot of attention to their employees' needs, from personal well-being to career development: they know that an internal culture where people care for one another and are taken care of makes it easier for this attitude to get passed onto customers, too.

Training and development

In the digital world, things change overnight, and the best companies work to keep their employees on top of those changes.

Rachel Stephens, SEO & Consumer Behavior Analyst for <u>Totally Promotional</u>, believes that continual learning is a key component of her team's success. "In the marketing department," she says, "we spend time during the regular work week reading and researching what's new in internet marketing. We also go to conferences to continually learn. It's a culture of learning."

Company retreats

Company retreats in interesting places are great for building rapport among staff, whether you come from a remote team or not. At Hotjar, we have two retreats per year, where we've flown our entire team to places like Chamonix (France), Salt Lake City (Utah) and Tenerife (Spain).

<u>Close.com</u> also does regular retreats, and Director of People Operations Mary Hartberg has highlighted what she considers three important elements of a thoughtful, well-designed retreat:

- 1. **Schedule**: Mary shares the schedule two weeks ahead of time, and it's packed with presentations, discussion groups, and fun activities like sailing and axe-throwing (!). Team members also have one-on-one walks with managers and group sessions on all sorts of topics, from parenting to working remotely.
- 2. **Location**: since they spend a full week together, aesthetics and functionality are equally important when it comes to workspace and lodging. The company looks for inspiring workspaces and accommodations within the same building, so everyone can hop back to their rooms throughout the day if they need some rest or solitude. They also select for locations with plenty of restaurants and cafes within walking distance to cut down on transportation time.
- 3. **Meals**: meals represent a special opportunity for bonding. At lunch, everyone splits into smaller groups that receive a topic for discussion. Dinners alternate between all-team dinners and small-group dinners. The retreats also feature two special group dinners, including one for women employees and another for new hires.

"Close team retreats are designed with a high level of care, and we're constantly evolving them as our team continues to grow," says Mary.

Profit-sharing

According to a <u>study published in the Harvard Business Review</u>, companies with profit-sharing plans tend to have more productive and satisfied employees.

<u>Tribe47</u> distributes 20% of their profits as employee bonuses. "Half of the bonus is split proportionally based on each employee's salary, and the other half is split based on community voting," says CEO Ewa Wysocka.

Meanwhile, Ryan Kulp, Founder of <u>FOMO</u>, directly rewards employees who cut costs or boost profits. "Last month, an engineer reduced our hosting bills by \$500, so I added that

savings to his paycheck."

A flexible work week

Here at Hotjar, we encourage our co-workers to work 40 hours per week, Monday through Friday. We consider weekends sacred and work-life balance invaluable, which is why we also do not dictate a rigid 9-to-5 schedule. As long as the work gets done and people can be relied on, everybody can manage their time independently and flexibly. And we're not alone!

Brian O'Sullivan, Head of Growth Marketing at <u>Leadfeeder</u>, agrees: "Although we are a scrappy scale-up, we encourage everyone to limit themselves to 8 hours per day. If you do more, you're free to take that time off again in the future."

7. Fewer meetings in the workplace

Meetings are often a helpful way to brainstorm and hash out ideas, but they can also quickly devolve into a waste of time.

More and more companies are cracking down on unnecessary meetings, and here at Hotjar, we support this mission. In fact, our CEO David Darmanin recently sent out a memo with 7 guidelines for more effective meetings:

- Carefully consider who should be on a call. Asking for someone's time should be a pain in the ass.
- Everyone needs some time in advance to prepare themselves and formulate an opinion. If you're invited to a call and cannot read the materials in time, say 'No!'
- No more than 5 people per call as a general rule.
- Trust and empower each other to make decisions. If someone is speaking less than 10% of the time at a meeting, then they shouldn't be in that meeting. They can get the output afterward in writing.
- Trust and empower each other to make decisions. The opposite, making decisions by committee, can easily be taken to an extreme, and as the company grows it can become painfully slow to get things done.
- If you're done with your objectives early, end the meeting early.

• No meeting should be longer than 1 hour. The default should be 30 mins. If you really need more time, then break the goal down into separate meetings.

Some companies have taken these ideas even further, including Basecamp. In their book, <u>It Doesn't Have to Be Crazy at Work</u>, co-founders Jason Fried and David Heinemeier Hansson write: "We rarely have meetings at Basecamp, but when we do, you'll hardly ever find more than three people around a table. Same with conference calls or video chats. Any conversation with more than three people is typically a conversation with too many people."

The Basecamp founders are big fans of the three-person groups because any disagreements can be solved with a quick vote (odd numbers mean no ties, and they consider five-person meetings crowded). "Three keeps you honest," they write. "It tempers your ambition in all the right ways. It requires you to make tradeoffs. And most important, three reduces miscommunication and improves coordination."

8. Inclusivity

Inclusivity in the workplace is all about making everyone feel welcome regardless of their race, ethnicity, national origin, religion, gender/gender identity, sexual orientation, age, disability status, etc.

The tech industry has had its share of <u>horror stories</u>, but some tech companies have also been true pioneers in this regard: Google started offering a <u>stipend for same-sex couples</u>to compensate for tax breaks they couldn't legally receive as early as 2010; back in 2015, Buffer also led the way by introducing their inclusivity and <u>diversity dashboard</u>.

We predict that more and more companies will make D&I the cornerstone of their growth—and it can all start from something as simple as voluntarily shifting the language used in the workplace. Here at Hotjar, we're working to <u>adopt more gender-neutral language</u>, becoming more inclusive toward *all* our team members and reducing that very human tendency toward implicit bias.

9. Freelancers and contractors

Businesses are <u>hiring more freelancers</u> and contractors these days, and we use our fair share at Hotjar. Freelancers can help startups scale quickly and offer fresh perspectives to established companies, and we believe in treating them well—offering competitive pay and treating them as part of the team.

<u>Matthew MacIntosh</u>, a freelance writer who creates online content for software and marketing technology companies (including Hotjar), believes the shift toward freelancers has worked in his favor—despite the fact that companies like Upwork and Freelancer offer a huge supply of inexpensive labor.

"Sure, someone can offer dirt cheap work, but compare \$1,200 content to \$300 content and the difference is obvious," Matthew says.

To thrive in a world that is growing more and more dependent on freelancers and contractors, people like Matthew work to master industry niches and never just 'pound out' work. "I offer myself up as a strategic consultant, and I take the time to produce content that aligns with my clients' goals," he says. "This approach has given me more work than I can handle from clients who respect what I do and pay accordingly."

Fun fact: a number of remote freelancers and contractors helped us bring this content to life, including a Thailand-based SEO consultant, a freelance writer in Colombia, and a virtual assistant in the US.

But... what about machine learning, robots, and mass unemployment?

All this talk of transparency, autonomy, inclusivity, and remote work may be well and good, but you're probably still wondering... what about those job-killing robots and long-term unemployment?

Some <u>claim the hype is overblown</u>, arguing that new technology will create new jobs (as it did during the industrial revolution). Others are concerned that we'll soon cross a threshold where <u>unskilled jobs will disappear</u> and demand for skilled labor will be greatly reduced. If that happens, it might well leave huge segments of the labor market unemployed or underemployed.

At that point, governments might start taking the <u>Universal Basic Income</u> more seriously, but for now...

What can you do to avoid losing your job to a robot?

All things being equal, skilled jobs seem more secure than unskilled ones, but there may be more to the story. Economist Lucas Puente believes that <u>less routine</u> jobs are the way to go. In other words, while a radiologist's job is cognitively demanding, it might not be nearly as secure as an electrician's job because the electrician's work is less routine (and therefore less easily replaced by an algorithm).

Whatever your profession, flexibility, regular study, and a willingness to be retrained will increase your odds of remaining relevant.

What innovative changes are you seeing at work?

Is your company doing something that's ahead of its time? Tell us about it the comments, and let us know why you think it's a model for tomorrow's workplace.