Survival of the Adaptable

Future of Work 2030

INNOVATION STATE OF PLAY

A report by Flexing It™

Future of Work 2030

Workplaces are constantly changing and tomorrow's workplaces are expected to be very different from existing ones. Increased diversity, application of technology & collaborative tools and increased globalization have meant that workplaces need to constantly evolve to cope with the changing external environment. New work forms such as ***freelancing and virtual working*** will be an increasing reality. Continuous learning will be the norm and organizations will have a flatter structure to enable quicker decision-making and foster innovation. ***Employees will prioritize meaningful work over salaries and job security, underscoring the importance of talent management. Social media recruitment and maintaining a talent management pipeline*** will become new ways of retaining high-priority talent.

New technologies such as ***mobile internet, big data, IoT, artificial Intelligence and machine learning*** are expected to be game changers in the way work will be done in the future and correspondingly, workers need to reskill themselves continuously to avoid becoming irrelevant. New technologies will replace low-skilled routine jobs, but they will create more job opportunities by enabling employees to move towards more high-skilled jobs. However, organizations should not shy away from embracing technology to avail cost benefits and better employee productivity.

Overview

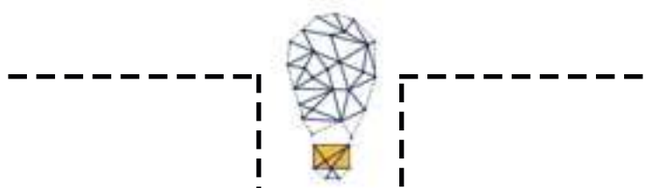
This report discusses the evolutionary factors that have impacted work over the last decade and then proceeds to analyze the emerging trends in work across areas such as; the ways of working, talent management, leadership, organizational structure. Some of the major technologies that have the potential to significantly alter the way in which work will be done in the future are highlighted. The skillsets needed by employees to survive in the new-age workplace are discussed, followed by an analysis of the impact of technology in terms of the job types and the number of jobs in the future.

Diverse workforce

Globally, organizations are increasingly acknowledging that more diverse companies are able to win better talent, improve customer orientation, employee satisfaction and hence provide higher returns.
A 2015 study by McKinsey concluded that companies in the top quartile of gender diversity were 15% more **likely to have financial returns above their national industry median;** and 35% higher returns for companies with racial/ethnic diversity

Hyper-Connectivity

New technologies such as smart phones and collaborative tools such as **Skype, Teleconferencing, IM, Chat systems, shared whiteboards** have ensured more flexible workplaces. Internet speeds in emerging economies such as India are equivalent to those in UK and USA making the workplace **no longer bound by physical barriers**



EXISTING TRENDS IMPACTING WORK

Multi-generational workforce

People are living longer, governments are raising the age requirements for pensions, recent economic downturns; All are forcing people to work at older ages. In parallel, increased migration and the influx of GenY (Millennials) has made the workforce more diverse in terms of demographics. The youthful cohort has a higher propensity to use technology, which is expected to be a game changer in the workplace in the coming decade

Flat and globalized world

A BCG study conducted in 2016 revealed that **60% of "Global Challengers" – were from China, India, Russia and South-East Asia**. Projected GDP growth engines will be India, China and South east asia for at least the next decade. Emerging markets are expected to account for one-third of global consumption by 2020. All these reinforce the emergence of developing economies and a more globalized world

Emerging disruptors in work

Less rigid forms of work

There has been an increased acceptance of non-standard forms of work such as agency work, part-time contracts, freelancing or seasonal work by organizations. Non-standard forms of employment are expected to co-exist with traditional working models and offer better options for balancing work and private life for employees and lower costs for employers.

Job-Hopping

Career Security – a person's ability to move on or up, irrespective of the employer- has taken precedence over job security. For the new generations, the absence of loyalty is clear: 44% are not expecting to stay in a job for more than two years and only 16% of Millennials expect to be in the same job a decade from now

Innovative ways of recruitment/talent management

In the future, people with top-tier skills are expected to drive innovation and hence the market is expected to move from a buyer's market to a seller's market for people with such skills. Future organizations will see value in developing a "start-to-finish" recruitment experience for candidates irrespective of their selection. Building talent pipelines will be more of a norm. There will be a constant emphasis in reaching out to a wide range of talent communities, which will include former employees, retired workers, independent contractors, students, universities etc. Recruitment will be treated more like a branding/marketing tool to attract potential candidates now and in the future. Talent platforms such as Flexing It and Catalant will be the next evolution beyond Facebook and LinkedIn used to source and screen candidates. Big Data and other psychometric evaluation tools will be increasingly used to source candidates who can fit into the organizational culture.

Meaningful work and purpose-driven organizations

Employees are realizing that work is not just about being successful and earning money. They will align more with an organization that is perceived as "Purpose-driven", where work is "meaningful". For example, Unilever's Performance Culture means its employees have three business goals and one development goal linked to the organization's Sustainable Living Plan.

Leadership style in new-age workplaces

In the constantly evolving workplaces of the future, leaders will be chosen more on their ability to empower their employees, asking the right questions, taking calculated risks, encouraging innovation, creating an agile workplace, ability to think global and being data driven.

Flatter Organizational structures

Future workplaces are expected to be flatter, for quicker decision-making and to enable the voices of employees to be heard. Geographic and physical barriers to work will be broken down. For example “Valve”, a USD 4 billion gaming software firm, uses a work model where employees are free to work on any of the company’s projects they may find interesting. The Morning Star Packaging Company, is operated by colleagues without titles or an appointed hierarchy of authority.

Continuous Learning and Development (L&D)

Gone are the days when employees were invited for training sessions and learning was pushed into them. A 2015 study conducted by TrainingMag for U.S companies indicated that 2015 training expenditures were approx.. USD 70 Billion, a 14% increase from 2014. A growing percentage of this involves peer learning. Many companies have evolved new training methodologies for their employees

Changing appraisal and feedback cycle

Cisco’s Transitioning to Workforce 2020 concluded that future workers will no longer be satisfied by an annual conversation about their performance. People used to instant responses on Twitter will want more regular feedback. From an Indian perspective, organizations such as GE, Adobe, Microsoft, TCS, IBM, Accenture and Infosys have abandoned their annual Bell curve model of performance evaluation and have gone for a continuous feedback process. One of India’s oldest companies Tata now has reverse mentors; millennials that mentor senior management on digitization.

Co-working and new age offices

Companies are increasingly preferring co-working spaces to enable employees reduce travel time by working at office spaces closer to their homes, thereby improving office productivity. Not only startups, but even corporates such as GE, Dr Reddy's, Accenture, Digital Ocean, ReNew Power and PayPal are opting for co-working in India

Teva uses ,

JOLT

an online video-based interactive training for its employees.

Organizations are increasingly encouraging employees to actively take up

MOOC

(Multiple Open Online Courses) such as ***Coursera and EdX*** in their areas of interest

Major technologies impacting work

Mobile Internet speeds and Cloud technology

Bring-Your- Own-Device (BYOD) have improved employee productivity and help them stay connected at all times

Tablets will replace paper-based processes, such as insurance underwriting, pharmaceutical sales, construction site reviews or any place where real-time data needs to be captured and/or inventory needs to be checked

Advanced materials, biotechnology and genomics

Material and Life Sciences, Genomics

Recent breakthroughs in genetics could have profound impacts on medicine and agriculture

Manufacture of synthetic molecules via bio-process engineering will be critical to biofuels, pharma, plastics and polymers, new materials and industrial processes

Advanced Computing and Big data technologies

Hadoop, Relational databases, Web Analytics tools

American Express, uses predictive analytical models to analyze historical transactions and forecast potential future churn

General Electric's analytics team crunches numbers from power plants to locomotives to hospital equipment and identify scope for improvements and improve productivity

Artificial Intelligence and machine learning

AI, Machine learning, Automation, Natural user interface (E.g. Common usage of Voice Recognition)

Automating of simple knowledge worker tasks is inevitable

AI tools will help organizations with enterprise wide collaboration tools by reducing noise and providing better insights.

New skills needed to thrive in tomorrow's workplace

Critical Thinking/Sense-making
These are higher-level thinking skills that cannot be codified. For e.g., a computer can beat a human in a game of Chess due to sheer number-crunching force and computational speed, but it cannot distinguish among swimming, financial portfolios or billiards when asked about playing "pool".

Social intelligence
In future workplaces, socially-intelligent employees should be able to assess emotions of larger groups of co-workers to collaborate and build relationships of trust.

Novel and adaptive thinking
As automation and offshoring continue, "situational adaptability" – the ability to respond to unexpected challenges/situations - will be a premium skill in workplaces.

Cross-cultural competency
With organizations increasingly viewing diversity as a driver for innovation, future workers need to be able to communicate shared goals and priorities across diverse cultures and work together effectively.

Computational thinking
Increased amount of data at organizations' disposal means roles requiring computational thinking will be required to make sense of the information. Some examples include simulations, statistical data analysis and data-modelling skills.

Trans-disciplinariarity
The growing complexity of business problems implies that the ideal worker of the next decade should not only have a deep understanding of one subject, but should also have the ability to converse in a broader range of disciplines. This requires a sense of curiosity and a willingness to learn.

New media literacy
The next generation of workers will be more adept at analyzing information from videos, blogs, podcasts and other forms of social media. Skills such as production editing, video/audio making can be critical for engaging and persuading audiences of the future.

Cognitive load management
Data overload in multiple streams and formats will necessitate workers to filter and focus on the more important chunks of information.

Design mindset
Design thinking is a process of identifying new and innovative ideas and solving problems. It involves close observation of existing processes and questioning them rather than taking a theoretical view. Design thinking can be the driver for better-designed solutions for products and services in the future.

Virtual collaboration
Connective technologies such as IM, Yammer, Skype, social networking and microblogging tools will serve as virtual water coolers, helping employees share information and camaraderie across geographies and functions.

Future Jobs

Research studies are almost unanimous in their view that technology adoption has created more, better-paying jobs and will continue to do so in the future.

A UK study by Deloitte conducted in 2015 indicated that technology had contributed to the loss of 800,000 low-skilled jobs over the last 15 years and created ~3.5 million new high-skilled jobs in UK. With each job paying, on an average, close to GBP 10,000 more than the one lost, the report estimated that technology-driven change added GBP 140 billion to UK's economy in terms of wages. Clerical, administrative and manual occupations were majorly hit, while jobs that required higherdexterity and cognitive skills were being created.

Another study conducted by Carl Benedikt Frey and Michael Osborne in 2013 examined the possibility of computerization for different occupations and concluded that workers in transport and logistics (taxi, delivery drivers), office support (receptionists, security guards), sales and functional services (cashiers, counter and rental clerks, telemarketers and accountants) were more likely to be replaced by technology in the future.

Statistics by U.S Federal reserve highlighted the number of routine cognitive and manual jobs remaining stagnant from 1983-2014, while non-routine cognitive jobs have witnessed almost 100% increase during that period

Fears about automation destroying jobs in the coming decade are unfounded as an economist James Bessen quotes an interesting example from the industrial revolution.

Between 2000 & 2015
Technology contributed to
a loss of
800,000
low-skilled jobs & created
~3.5 million
high-skilled jobs in UK

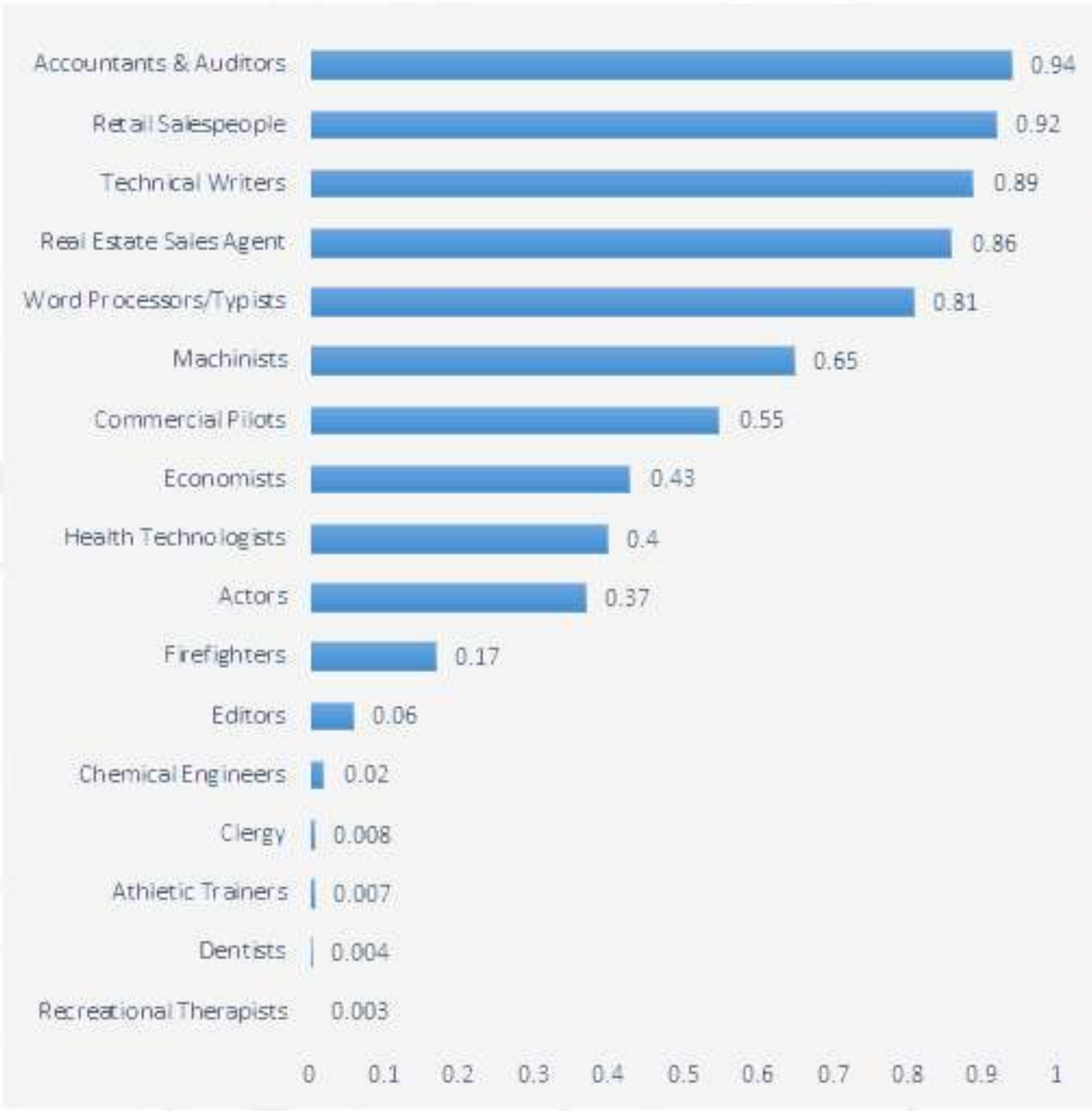
Average increase in
compensation through new
jobs
GBP 10,000

Technology driven change
added roughly
GBP 140 billion
to UK's economy in terms
of wages

During the Industrial Revolution, automation of tasks in the weaving process prompted workers to focus on the things machines could not do, such as operating a machine, and tending multiple machines to keep them running smoothly. This caused output in the 19th century to grow explosively with the amount of coarse cloth a single weaver could produce in an hour increasing by a factor of 50, and the amount of labor required per yard of cloth falling by 98%. This made cloth cheaper and increased demand for it, which in turn created more jobs for weavers, with their numbers quadrupling between 1830 and 1900. Similarly, more computer-intensive jobs displaced less computer-intensive jobs through automation.

In the late 1990s, ATMs in the U.S were expected to remove bank teller jobs by taking over their routine tasks, with their average number falling from 20% per branch in 1988 to 13% in 2004. However, that reduced the cost of running a branch, allowing banks to open more branches to cater to increased demand. The number of urban bank branches rose by 43% over the same period and hence the total number of employees increased.

Jobs in high demand over the next decade may include big data analysts, complex decision support analysts, remote-controlled vehicle operators, customer experience experts, personal preventative health helpers and online chaperones. Un-crewed vehicles can witness the emergence of a new workforce of pilots, drivers and ship captains who do their jobs not from the sky, sea or mine site, but from an office in a remote location. It has to be noted that robots cannot replace humans immediately and the process is a bit long-drawn.



Probability of the job getting replaced in the near future

Looking towards the future

The changing nature of work will necessitate continuous skill updation for employees. “Survival of the adaptable” will be a common theme – both for employers and employees. The need for higher specialization and new skills will result in part-time and freelancing work as a major work theme in the coming decade. Companies should not shy away from automation and gain from the ensuing cost benefits and job creation at a higher level. Business leaders that can rapidly source and lead expertise beyond their relational and geographic domains will thrive in the future.

Workforce Diversity (generational, cultural, gender) will accelerate the existing technology inspired flat and globalized worlds and the way work is being done

Only ***nimble companies*** that accept change and ***adopt technology will survive***, while ***employees must constantly upgrade their skillsets*** to avoid becoming extinct

Future workplaces will reinforce ***talent management*** and feedback, adapt different training and recruitment styles, strive for ***meaningful work and purpose-driven organizations.***

SUMMARY TAKE AWAYS

Technologies will upgrade work styles | Big data, Artificial Intelligence, advanced manufacturing, collaborative tools and Internet of Things (IoT) will significantly alter the working styles of employees in a more diverse workplace

Soft Skills will distinguish leaders - social intelligence, critical thinking, cross-cultural competency, design mindset, computational thinking and knowledge of social media tools will be in high demand among employers, when it comes to choosing the right employee.

For more information visit
www.flexingit.com
write to us at info@flexingit.com

INNOVATION STATE OF PLAY