



# Five predictions about the future of work

MAY 2017

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Many organisations are struggling to cope with changes in the way work is evolving. The world of work is rapidly changing while they remain stagnant. The longer this goes on, the less likely employees are to be engaged at work and the harder it will be to attract top talent.

However, for those organisations that explore and think carefully about the implications of the future of work, there is a great opportunity to take the lead.

**Mark Johnson**

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*Thank you for taking the time to read this White Paper about the 'Future of Work.'*

*At EGM we aim to be a leader in driving the debate in South Australia about what the future of work looks like, in 5 or 10 years, as we enter the most rapid period of change for organisations and employees ever seen.*

*We want to make sure we are at the forefront of this critical debate; not only so we understand and influence the issues, but so that we can assist our clients and candidates in the best ways possible to prepare for the new world of work.*

*We would like to know what you think and would be delighted to receive your comments so that we build our knowledge.*

Kind Regards,  
Mark



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Australia has one of the strongest economies in the world, with nearly 25 years of consecutive growth. However, it's clear that there are challenges ahead with the make-up of the employment market changing rapidly.

There is a trend for a loss of jobs in manufacturing, agriculture and heavy industry compensated by increases in the service sector. The mining sector, for example, now employs only 2% of the Australian population.<sup>i</sup>

But it's technology and the onset of the digital world that are the real issues. There's no question that things are changing at a quickening pace and it's impacting all of us.

For example, a CEDA research paper explored the high probability that 40 per cent of Australia's workforce, more than five million people, could be replaced by automation within the next 10 to 20 years.<sup>ii</sup>

In addition, a Deloitte survey found that 'organisations are struggling to deal with the people impacts presented by the new world of work. The whole fabric of how successful organisations need to operate is changing, as are the demands on employees.'<sup>iii</sup>

Let's be clear; this isn't completely about technology taking over jobs. Experiences in the 80s and 90s (for example, the introduction of the laptop into the workplace) suggests that jobs aren't lost by the introduction of technology. People's work changes and they need to learn new skills.

This is the important point. When automation comes, people must learn to work differently to survive in the new world of work.

92% of CEOs in the Deloitte survey said they're not confident they are organised correctly or have the leadership skills to deal with the digital economy we are having to operate in.

## The way we are working is changing

Simultaneously, the way we are working is changing. For example, according to global office sourcing company, Instant Office, the supply of flexible office spaces in Australia has increased by 36 per cent in the past year, making it one of the fastest growing markets for this type of office space in the world.<sup>iv</sup>

The pace of this growth puts Australia ahead of the two global powerhouses in flexible office space – London and New York – and on par with Hong Kong and the United Arab Emirates indicating that innovation is not only being accepted but pushed higher onto the CEO's agenda.

This trend supports the idea that, especially for SME businesses, the focus on outcomes outweighs the traditional way that a workforce delivers. In other words, it's not just the amount of time that employees spend at work that counts, it's the quality of the output that matters. For example, Unilever has created Agile working, which allows staff to work anywhere and anytime as long as they achieve their goals.<sup>v</sup>

In addition, a forecast of employment trends by the World Economic Forum identified flexible work, including virtual teams as *"one of the biggest drivers of transformation"* in the workplace.<sup>vi</sup>

This opens opportunities for a more diverse, productive and cost effective workforce as organisations capitalise on the value of managing a contingent workforce and leads to the growth of a 'Gig Economy'.<sup>vii</sup>

## EGM research

EGM undertook research in January 2017 with job seekers to understand their key motivating factors. An interesting observation was that almost 80% of respondents who classed themselves as 'not actively looking' felt that autonomy and flexibility would be more important than salary and other reasons in their decision to move companies.

Respondents who identified as 'actively looking' cited salary and better team culture as their most important motivating factors.

If the future workforce is focussed on securing the best talent in the marketplace, that talent may not be what we labelled as 'actively looking' for their next role.

This means that when securing talent, companies will need to attract employees by offering more autonomy and flexibility; and retain them by, among other things, keeping their promises.

This data indicates that organisations can start to secure their ideal workforce if they offer more flexible working conditions.

## The key drivers

So, what's driving the new world of work? What's the context?

Here are the key developments that we see:

### Technology

Workers are being bombarded by a huge amount of new technology; for example, voice, video, messaging, collaboration platforms and all forms of communication media. Whilst there's not much evidence to suggest that these changes are driving up productivity, there is no doubt they are having a massive impact on the way we all work and behave.

### Data

The amount of data that companies are collecting is huge and there are implications for functions such as HR. Indeed, estimates show that the data collected by organisations in last two-years is nine times greater than previously collected in all of humanity. Companies are using data in many areas; including to predict performance and potential, to identify staff non-compliance and even to show how the pattern of work in one organisation compares to another. Data is even being collected by companies on their employee fitness and health using on-body devices such as Fitbits.<sup>viii</sup>

### Gig economy

The Gig economy is expanding. McKinsey estimate that 20% - 30% of workers in the US participate in the Gig economy.<sup>ix</sup> There is a slow and steady increase in the rise of the contingent worker and the impacts may not all be positive. For example, concerns have been expressed that these workers often receive poorer pay and benefits and the rise could drive income inequality.<sup>x</sup>

### Artificial intelligence

Artificial intelligence (AI) is becoming more important. There have been great leaps in the use of AI recently in medicine, agriculture and finance. For example, it's now possible for an insurance claim to be fully processed end-to-end by computer. We should all take note as big companies are investing big money in this area. Amazon, for example, has 1000 employees working on the Amazon Echo - the voice assisted automated personal assistant<sup>xi</sup> - and many other Global companies such as Apple, Google, Facebook and IBM are investing in AI. Big companies making big bets.

### Diversity and generational differences

Diversity and generational differences are becoming much more important issues in the work place. On diversity, there has been a huge drop in birth rate in Australia - it's now the only marginally above its lowest level in 2001.<sup>xii</sup> Put simply, economies that expand and grow will become reliant on labor from elsewhere. Millennials now make up 50% of the workplace. Many articles have been written on how they have different attitudes and outlooks to previous generations. Interestingly, Millennials don't see diversity as an issue.<sup>xiii</sup>

## Five predictions about the future of work

Here are five predictions about the future of work.

Remember, the future of work is all about people: it's not about technology:

### One: Careers

Careers will completely change. Previously employees joined a big brand company for life. This is so far from the truth today and it will be further from the truth in the future. For example, the new normal is for recent college graduates to change jobs four times within 10-years out of college.<sup>xiv</sup> This means that workers will have to constantly reinvent themselves to deal with the new world of work.

### Two: Facilitated learning

Employers will need to make it possible for staff to reinvent themselves. Successful companies will facilitate learning – and provide a culture and activities that encourage learning. This will increasingly be part of the 'employer brand.'<sup>xv</sup>

### Three: Work-life balance

The danger of workers becoming overwhelmed are greater than ever and this will continue. Some 80% of employers believe their staff are 'overwhelmed' at work<sup>xvi</sup> and employee engagement is at low levels (less than 33% US workers are engaged at work).<sup>xvii</sup> Gallup also found that nearly 40% of employees work over 50 hours per week.<sup>xviii</sup> 53% of employees say a role that allows them to have greater work-life balance and better personal well-being is very important to them.<sup>xix</sup> Most people at work are not keeping up. Companies need to understand this and help them deal with it.

### Four: Employee engagement

Employee engagement, employer brand and culture will become even more important. There is evidence that there is much more investment being made in developing employer brands (what it's like working around here) in the same way as consumer brands. Flooded with new technology and changing jobs, workers are worried and it's the culture at work that binds them together. Nearly 80% of organisations in a recent Deloitte survey rated employee experience as a very important or important issue.<sup>xx</sup> This is all about leadership and investing in the 'human' side of the organisation.

### Five: Team working

Finally, organisations will effectively become a network of teams. Teams will be made up of internal and external staff and will be real and virtual. The trend towards team working will drive a major shift in the way the way people think about work. The conclusion from a recent Deloitte survey on the digital world of work was that it has 'shaken the foundations of organisational structure, shifting from the traditional functional hierarchy, to a network of teams.'<sup>xxi</sup> In the future, leaders will need to learn how to coach teams, assess their people by how they work in teams and compensate people based on their contribution as a team member.

## What can your company do now?

Here are some things that your company can start doing now to start preparing for the Future of Work:

### Step one

Put in place a team of staff of varying experience levels and from different functions to think through what the future of work will look like in your organisation.

### Step two

Give the team the authority to challenge assumptions about the current way of working and to think through new ideas.

### Step three

Circulate the ideas generated and get views from all staff.

### Step four

Experiment with the ideas and new approaches in one part of the organization, say a function or geographic area; for example, with flexible working or real-time performance management.

### Step five

Use team members to champion the ideas that make it to this stage; by communicating them to colleagues and senior stakeholders.

### Step six

Let the team refine the ideas with the feedback received.

### Step seven

Take the successful ideas and replicate them across the entire company.

### Step eight

Track the benefits and find out which ideas work.

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