



2020 vision A discussion on the future of work

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Introduction

10 years ago, there were no social networks. 20 years ago, there was no internet. 30 years ago, there were no computers in offices. Imagine how things will look in another 30 years. As the world is changing, work is changing too. Strict corporate hierarchies have given way to flat structures and virtual teams. 9 to 5 is now 24/7.

Local is now global. With no chronological or geographical boundaries, work never stops.

In an ever-kinetic world, the only certainty is that we'll see a great deal more change – unpredictable, inexplicable and exponential. And it'll be quicker and more widespread than ever before.

So that we can adapt and thrive, we need to understand what's changing and how we can change with it. In this whitepaper, we'll look in detail at the trends currently shifting and shaping the world of work, how companies will respond to these trends and in turn, how workers will need to react in order to be successful.

Meet the seismic six

There are six major trends perpetuating that change. Taken individually, each would sit among the largest economic forces the world has ever seen. And they're all happening at once.

From west to east

The world's centre of economic gravity is shifting. As global urbanisation accelerates – creating growth, turning the poor into the productive – so the gap between the developed and the emerging world reduces. Indeed, Asia and the emerging markets are growing at an unprecedented rate.

In 2000, 95% of the Fortune Global 500 companies were headquartered in developed countries. By 2025, 50% of them will come from emerging markets such as Brazil, Russia, India, China, Malaysia and Qatar.



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From west to east cont.

The established order has been disrupted. Soon it will be displaced. It's little wonder when you consider China built 55 airports between 2010 and 2015, while the UK spent most of that time embroiled in political wrangling and petty point-scoring as Heathrow and Gatwick compete for an extra runway. Our first in 90 years.

The technological treadmill

Moore's Law states that computers' overall processing power will double every two years. With developments in cloud computing, the advent of 3D printing and platforms such as eBay and Amazon giving individuals access to a global shop window so they can compete directly with multinationals, technology just keeps on moving.

Only a decade ago, a multi-million dollar research project concluded that driverless cars were "not going to happen in our lifetime." At the 2015 GPU Technology Conference in California, Tesla Motors CEO and future-tech proponent Elon Musk said that autonomous driving's

"just going to become normal. Like an elevator. They used to have elevator operators, and then we developed some simple circuitry to have elevators just come to the floor that you're at, you just press the button."

The population plateau

"When the history of our time will be written from a long-term perspective, it is likely that the most important event historians will see is not technology, not the Internet, not e-commerce. It is an unprecedented change in the human condition.

For the first time – literally – substantial and rapidly growing numbers of people have choices. For the first time, they will have to manage themselves. And society is totally unprepared for it." – Peter Drucker

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The population plateau cont.

Many countries are already feeling the effects of increasing life expectancy – due to improving healthcare – coupled with people having fewer children. With over a quarter of its people over 65 and a very small birth rate, Japan's population is shrinking. The European Commission expects Germany's working population to shrink by a fifth by 2060.

Fewer workers mean smaller pension pots, increasing financial pressure on governments and an impending pension time bomb. There simply isn't enough money to go round to look after the retired population.

Like dominos

The Butterfly Effect is the phenomenon by which a minute localised change in a complex system can have large effects elsewhere. A similar principle applies to the closely interconnected world of today, where changes in trade, capital, finance, people and information can have significant knock-on effects on each of the others.

The more connected we are, the better off we are. EU countries, for example, enjoy the economic benefits of the free movement of people and trade. But the more connected we are, the more vulnerable we are too – as the Greece crisis has shown.

April snow showers

If there were any doubts about the effects of climate change, snow in London at the end of April should probably put those to bed! Along with a scarcity of vital resources and minerals, the climate will have an increasing impact in our day-to-day lives.

PricewaterhouseCoopers estimates that £29.8 billion was invested in the renewables sector in the UK from 2010-13. If we're to meet our 2020 emission targets, we'll need to make a further £70 billion of investment.

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Political unrest

Politics is by far the least predictable factor affecting the world of work. Because no one quite knows what's going to happen. And when it does happen, no one quite knows how it'll affect them. A simple point of opinion can unite or polarise in ways few other aspects of human knowledge can replicate.

As a result of the Syrian migrant crisis and the terrorist attacks in France and Belgium, there's been a surge in nationalism that has increased the likelihood of EU break-up. And as to the effects of the UK referendum result and Donald Trump's victory in the US presidential election, only time will tell.

The corporate counterattack

With all these factors moving the carpet under their very feet, companies will need to keep on moving themselves in order to continue thriving. And as companies change, the nature of work will change with them. The next five years alone are likely to be pretty interesting.

Looking over your shoulder

Both employers and job hunters will need eyes in the backs of their heads when it comes to competition – for it will come from the places they least expect. These days, General Motors and Ford are in direct competition with Google (a technology company) and Uber (an online transportation network). Some estimate that car sales in the US will fall from a peak of 17 million in 2015 to 3 million due to a combination of driverless cars and lift-sharing.

At the same time, smart phones mean that more and more people have access to the entire internet of knowledge, to every book ever published, to courses from LBS and MIT, to Wikipedia – giving everyone the capability to become an expert on any given topic.

Permanently temporary

With global interconnectivity meaning greater volatility in the markets, businesses will be more cautious about making permanent hires and will instead look to use more temporary labour.

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Permanently temporary cont.

According to research from the Staffing Industry Analysts (SIA), companies have more than doubled their non-permanent workforce from 8% to 20% since 2008. This figure will grow by 20% in just two years. Work is becoming transitory and transactional.

Guns for hire

Technology will enable companies to split typical white collar work into its component parts, which can then be outsourced accordingly. Technology will also make it more cost-effective to outsource rather than do a job in-house, meaning remuneration will go from being time-based to results-based.

Platforms like Odesk and Elance link companies to a world of qualified, certified experts, all itching for the chance to take on the contract.

The melting pot of minds

These days, businesses can't afford to manage a sufficiently diverse range of skills to cover all the bases. Technology platforms like Innocentive allow companies to throw their technical problems out to the floor and see if anyone from millions of people around the world can offer a solution.

Accordingly, creativity will become a mass activity, bringing together a diversity of mindset, experience and knowledge that businesses could previously only dream of. They'll have to take advantage of this increasingly connected world and partner with the right people outside the company to be successful.

“Companies have more than doubled their non-permanent workforce from 8% to 20% since 2008.”

***Staffing Industry Analysts**



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The identity crisis

As competition becomes fiercer, companies will have to redefine themselves – their identity, their specialism, their markets – in order to differentiate from their competitors. Their aim will be to achieve dominance of their chosen sector.

As they increasingly focus on a specialist core purpose, companies will be able to decide what work to do in-house and what to outsource. Apple directly employs some 63,000 people, but indirectly employs a further 710,000 people in various outsourced functions, such as manufacturing. Overall, companies will employ fewer and fewer staff directly, with their workforces diluted by contractors and supply chains.

Chasing the talent

Hubs like Silicon Roundabout, Silicon Valley and the Oxford and Cambridge science parks will increasingly suck in all the talent in their respective spheres. Building a self-reinforcing local supply chain, these hubs foster innovation and reduce risk for candidates, who can find another similar role nearby if a job doesn't work out.

Ford, GM, BMW, Honda, Hyundai, Mercedes-Benz, Nissan-Renault and Toyota have all opened R&D centres in Silicon Valley in recent years. Increasingly, companies are realising that the talent will no longer come to them – they will need to go to the talent.

Virtual office spaces

With companies directly employing fewer people and digital advancements making remote working easier and more practical, the very concept of the office will change in the future. Instead of having chats around the vending machine, people will develop virtual relationships in cyberspace. But we are social creatures. We need to engage with other human beings. Relationships are a key part of human health and happiness, particularly when it comes to working environment.

People working on entirely different projects for completely different companies will increasingly congregate at rented locations. At Impellam, we need look literally no further than under our noses. On the floor below our Devonshire Square office, professionals can rent office space or enjoy a drink in the café while they create and collaborate.

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Technology – destroying or creating?

There's no doubt that technology will displace human labour – and in great numbers. In 2013, a study of over 700 job titles by Oxford University found that 47% of jobs in the US, 69% in India and 77% in China will be automated in the next 20 years. There are even calculators available which assess the likelihood of particular jobs being lost to automation.

But the effects of technology are complex and contradictory. At the same time as it displaces jobs, it will also democratise them. It will enable anyone to do a particular role regardless of their skills. Exoskeletons in American naval shipyards will allow people of all strengths and sizes to carry around heavy equipment.

While workers have been laid off from production lines, new jobs have been created elsewhere. But there will come a point when robots become so smart that mid-skilled jobs, not just low-paid jobs, will come under threat. Indeed, the Bank of England has warned that up to 15 million UK jobs are at risk of being lost to robots. Perhaps production line jobs will be replaced by cleaner and more creative occupations that involve operating, maintaining and supervising machines, while they do what we no longer have to.

Here come the women

Over 60% of graduates in the UK are female. Many of the jobs that will be hard to automate, such as therapists and care workers, creative and arts roles or other jobs that require empathy, are typically female-orientated.

Many of the manual jobs in construction, engineering and manufacturing that are most under threat are typically male-orientated.

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The World Economic Forum places “women's economic power” as the second biggest employment disrupter for 2015-2020, behind youth in emerging markets. All the signs are that women are set to play an ever more important role in global business in the future.



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Shifting structures

In what is a microcosm of the changing working world, the way companies structure their businesses and manage their staff will alter beyond all recognition. Their challenge will shift from staff management to partnership management – of suppliers, loaned staff, contractors, joint ventures and outsourced arrangements.

As their work is increasingly done by people who have been brought in specifically for one task, companies will need to consider their workforce more holistically, adapting their attraction, sourcing, measurement, performance and engagement strategies. The very role of HR could be unrecognisable in years to come.

At the same time, workers will be seen more as partners than staff, resulting in increasingly flat corporate structures where the work is as fluid as the people who do it.

Future proofing

A lot is set to happen in the world of work – and this is just in the foreseeable future. But workers don't need to be overwhelmed by what's happening. In fact, there's quite a lot they can do to protect themselves from the barrage of change and continue to be successful.

Educate to accumulate

Degrees are still relevant. According to McKenzie, there will be 3 million permanently unemployed people in the US in 2020 who are educated to High School Diploma level (the equivalent of A-Levels). At the same time, demand for jobs requiring a degree will exceed supply by 1.8 million. You certainly don't need a degree to work out the maths there.

Nuture your niche

With competition coming from all conceivable angles, you'll need to focus on what you're good at, become an expert with knowledge that's an inch wide and a mile deep. But you can't just stay confined to your niche.

You'll need to continually build on your existing knowledge to shift your specialism, to slide into aligned areas and work collaboratively with experts from other disciplines so that you remain up-to-date – and keep getting work.

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Use your people power

Although technology will take over more and more of our work, machines won't be able to do everything. You need to hone those skills that machines can't copy, such as: adaptive thinking; determining deeper meanings; social intelligence and cultural awareness; interdisciplinary awareness; and virtual collaboration.

Brand yourself

These days, everything has a brand. Companies, celebrity couples, political concepts.

Build, maintain and protect your brand. Become recognised by seeking endorsements, ratings and feedback on work you've done. The internet and social media make it accessible across the globe, so the world is your oyster.

Work on your teamwork

Although you'll be working as a specialist, don't stay in your silo. Keep building and maintaining your network. Tap up former schoolmates,

colleagues and other contacts to ensure you always have a steady stream of work. You could be the best person in the world at what you do, but it's all for nothing if you don't have anyone else to work with, anyone to complement your skills and help bring them to the fore.

Get ready to flex

Embrace the flexibility. As a specialist, you'll be a valuable commodity, able to pick and choose which projects to work on, who to work for and when. Anyone with a driving licence could earn extra money as an Uber driver on weekends. Creatives could increase their earnings by freelancing in their spare time, doing something they love.

“Although technology will take over more and more of our work, machines won't be able to do everything.”



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Conclusion

Change is coming. It's coming in all shapes and sizes and from all conceivable angles, as well as some not so conceivable angles. Shifting economic activity, rapid technological development, ageing populations, increasing global connectivity, climate change and political unpredictability are all shaping our world in ways we can barely comprehend.

Quite how these factors will affect our working lives is impossible to say for sure. But what is for sure is that in order to continue growing and developing, we'll need to keep on adapting, keep on shifting our ways of working, hiring and learning – the way mankind has always done when faced with seismic technological, social, economic or political change. That's one thing that will always remain the same.

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About Russell Beck

This whitepaper is based on a seminar delivered by Russell Beck.

Russell is Head of Consulting at Impellam Group plc and regularly delivers seminars on the most pressing recruitment issues. Widely acknowledged as a thought leader in Talent Management, Russell brings an unrivalled level of passion and insight to everything he does.

Highly qualified and with an unrivalled depth of experience across industries and geographies, he thinks differently, challenges norms and envisages better ways of working. He is as comfortable working strategically on end-to-end Talent Management solutions as he is focusing on discrete aspects of the process. Russell is currently delivering this seminar to businesses all over the UK and it can be booked and tailored to suit the specific needs of your business.

If you'd like to arrange for us to come in and host one of our seminars or to discuss any of the other major issues currently affecting businesses in the UK, please contact Russell at:

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Impellam Group



Who are we?

We are the 2nd largest staffing business in the UK and 6th worldwide*. Our vision is to be the world's most trusted staffing company – trusted by our people, our customers and our investors in equal measure.

What do we do?

We provide managed services and specialist staff across the UK, North America, Asia Pacific and mainland Europe. We have over 3,100 Impellam people throughout our network of 21 market-leading brands across 220 worldwide locations.



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