



TOP 5 TRENDS FOR THE FUTURE OF WORK

CERTAINTY | INGENUITY | ADVANTAGE

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INTRODUCTION

There is no question that the work environment is evolving at an ever-increasing rate. To stay competitive and remain successful, companies need to evolve as well - or risk being left behind.

Richard Skippon, National Lead & Partner, EY and Antoine Mindjimba, Senior Manager, People, Advisory Services, EY, have been following these transformations, and have identified five trends for the future of work.

As advances in technology and automation converge with economic and social developments, people are demanding enhanced experiences, both as consumers and as employees. Here we investigate the impact these five trends will have on the nature of work, both today and tomorrow.

1 Disruption

While nobody wants to fail at work, lack of experimentation can result in stagnation and falling behind the competition. Today's top companies recognize that when it comes to innovation, they need to "disrupt or be disrupted" and that means giving employees the freedom to try new things, fail without fear of consequences, and learn from these experiences.

Consider these stats:

- > In the 1950s, the average age of a company on the S&P 500 was 60 years. Today, it is less than 20 years.
- > Nearly half of the companies on the Fortune 500 have disappeared in the last 20 years.
- > Forty per cent of companies on the Fortune 500 will be gone within the next 10 years.²

Organizations need to be proactive in addressing the changing needs of the market. Traditional industries are being disrupted more than ever before. To keep pace with these demands, leaders can create a culture of innovation, adopting the "failing fast" concept in which employees are encouraged to take calculated risks rather than always trying for perfection.

"Failure is an option here.
If you're not failing, you're
not innovating enough."
– Elon Musk



② Sharing Economy

The sharing economy can be defined as a business model that uses peer-to-peer activities to acquire, provide and share access to goods and services through online platforms.³

This business model has transformed numerous industries. Some of the most popular examples are Airbnb in the hotel industry, Uber in the taxi industry, and WeWork in corporate real estate. Each of these companies have enabled people to share their assets – whether it be their home, car or an office space – to save on the high cost of renting or owning infrastructure, and all continue to grow.

“The international sharing economy was worth around \$15 billion in 2014, and is on track to reach \$335 billion by 2025.”⁴

Traditional brick and mortar companies are also embracing a sharing model. Instead of continuing to invest in real estate or rent out additional office space, some Canadian financial institutions are taking advantage of technology and mobility to create a more agile work environment.

Rather than assigning each employee a cubicle or office, people keep their belongings in a locker with open desk space available that can be reserved. In many cases, the structure of organizing by department has been replaced with organizing by project, with people from different areas working in teams. Employees are also encouraged to telecommute on certain days to reduce the demand on desks and meeting rooms.





③ Changing Nature of Jobs

The days of “careers for life” are long gone. Not only are people changing companies more often, they are also taking on entirely new roles.

According to the World Economic Forum, “In many industries and countries, the most in-demand occupations or specialties did not exist ten or even five years ago, and the pace of change is set to accelerate. [It is estimated that] 65% of children entering primary school today will...end up working in completely new job types that don’t yet exist.”⁵

In addition, we are in the first wave of automation and the speculation is that jobs will disappear due to artificial intelligence (AI). “Nearly 50% of companies expect that automation will lead to some reduction in their full-time workforce by 2022. ...More than a quarter expect automation to lead to the creation of new roles in their enterprise.”⁶

The changing nature of jobs is expected to result in skills gaps in the not too distant future. “By 2022, no less than 54% of all employees will require significant re- and upskilling.”⁷

“Preparing workers for the future of work will take a very different approach to education, emphasizing skills over knowledge and lifelong learning over front-loaded educational systems.”⁸

Skippon and Mindjimba believe that as AI matures, “soft skills” such as creative problem solving, people management and social intelligence will increase in value. Organizations need to review the skill sets they are hiring for today, anticipate the skills they will need as their business and roles evolve, and prepare training strategies for their workforces.



④ Connected Consumer

Just as people can register for sales and special offers on their favourite shopping sites, they can sign-up for job alerts on websites like Glassdoor and Indeed, even if they are not actively seeking a new position. These sites also make it easy for employees to leave reviews of a company and its leadership – both positive and negative.

Employees in all career stages want more from their careers. “A paycheck, a decent benefits package and paid vacation aren’t enough to win today’s job shoppers anymore. The most sought-after candidates expect (and can get) meaning in their work, a supportive, collaborative environment, and an employer that can match the lifestyle they want to enjoy.”¹⁰

“It used to be that employers selected employees, but today, employees select employers.”⁹

For employers, this is not just about drafting an inspiring mission statement, posting it on their website, and forgetting about it. They have to create a culture that supports that mission, and ensure that all decisions made and how the organization operates is based on that mission.

If a company claims to support a mission statement, but does not live up to this in the day-to-day experience of employees, it can be quickly shared on social media, and could damage the organization’s reputation.

5 Evolving Workforce

Changes in the work environment impact how people communicate and collaborate.

- > **Generations** – For the first time in history, four and even five generations of employees are working together – Traditionalists, Baby Boomers, Generation X, Millennials and Generation Z. Each brings to the table different work styles and motivations.
- > **Technologies** – Cloud technology, collaboration platforms and the variety of mobile devices have made it possible for people to work remotely and with globally dispersed team members.
- > **Employment types** – It is not uncommon for companies to employ full-time, part-time and contract workers across various locations and departments. This can impact the management and retention of knowledge and competencies.¹¹

To manage these changes, companies need to modify the ways in which work is assigned, monitored and delivered. The definition of goals, deliverables and timelines should be clearly outlined, and employees given the freedom to achieve these goals in the manner that best suits them. This can be difficult for some older managers who may not be confident that when employees are working from home, they are actually working.¹²

Leadership needs to change their mindset – the focus should not be about where or how work is done, but the outcomes.

While these trends for the future of work certainly have their challenges, they also present opportunities. Clearly defining the company purpose is the place to start – all transformations in the work environment, job roles and employee engagement and motivation will flow from its underlying *raison d'être*. The decisions companies make today will shape the work of tomorrow.

The future of work begins now.

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Sources:

^{1, 9, 11, 12} Workforce Megatrends: Reshaping the Future of Work (presentation)

² Digital transformation trends to watch in 2019 and beyond

³ Investopedia

⁴ Disrupting business models is not enough. We need tech innovation too

^{5, 6, 7} World Economic Forum: The Future of Jobs Report 2018

⁸ What's after what's next: The upside of disruption - Megatrends shaping 2018 and beyond

¹⁰ Why You Need to Compete for Employees Like You Do for Customers

