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The Future of Work

Aparna Sharma

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Background

Mark Twain once famously said, “You can’t depend on your eyes when your imagination is out of focus”

The study of the future is bedeviled by the fact that there are no iron laws that govern human history or its cultural development. Studying our possible future can not only enhance our ability to understand and relate to the events that are happening in a wider historical context but also imbue our consequent acts with a greater awareness and a feeling of increased participation. Therefore, future change, or so it would appear, is what a great many human beings continue to live for.

Work serves an important purpose of organizing and giving a meaning to our lives. Both historians and futurists have, over the last few years, attempted to envision the future of work. From Alvin Toffler and Charles Handy to Thomas Malone and Jeremy Rifkin, the predications have been few and far between. One thing is for sure, they and many among the futurists have set up thinking about our individual professional and personal futures as well as how they fit in the foreseeable changes in the world of work.

This paper is the first of a two-part series of articles that attempts to present an overview of the future of work, i.e. underline certain trends in the world of work, which have been identified lately by leading thinkers and practitioners across the world. The paper serves as the first part of the series and will present an overview of the major changes being witnessed in the macro environment that are driving the changes in the world of work. The second part of this series will present the changes taking place in the world of work through certain trends. It will focus more on the aspects of work that are changing over time and those that are likely to continue changing.

In course of highlighting the trends, this paper will answer two key questions:

1. What are the various changes taking place in the macro-environment?
2. How are those changes bringing about changes in the world of work?

Introduction

The concept of work, worker and the workplace have been changing and evolving with time. No longer is work solely a medium of earning, it is increasingly being recognized with the higher-order needs of self-esteem and self-actualization. For some people, it is a goal in itself; for others it is an expression of their self-esteem. A modern day worker has a transactional relationship with his/her organization and is not bound entirely by any timeless duty or responsibility, expect for the “agreed-upon” deliverables. The place where people work, i.e. the workplace has also evolved itself with the changing times. It is evolving into a place where people have the opportunity to use their creativity and add significance to the world.

On the eve of the 21st century, the signs of monumental change are all around us. Chinese capitalists. Russian entrepreneurs. Nelson Mandela the President of South Africa. Inflation at 7% in Argentina. Democratic governance in Afghanistan. Internet connections expanding by 15% per month. Nuclear North Korea. Fiber optics transmitting 40 billion bits of data a second. From government dictators to assembly line workers, everyone seems aware that unfamiliar and unusually powerful forces

are at work. Old structures seem to be breaking down in many areas, with new conditions being created under a process of a geopolitical transformation, the full effects of which are far from clear. The privatization of former state-run, service-industry monopolies is being accompanied by global concentration processes that encompass all sectors of the economy. The new technologies acting as enablers for the distribution of ever-increasing volumes of information with a growing lack of differentiation. The implications of these transformations and transitions have failed to leave the world of work untouched.

Market forces are compelling a structural adaptation. The business is faced with the challenge of creating strategic and structural incentives in order to promote corporate growth and secure innovation in the long run. This has also impacted a continual transformation in the corporate identities and relationships. These events and many more are increasingly becoming the starting point for intercultural discussions today transcending generational boundaries and therefore merit the kind of attention they do.

It is in light of these changes that this paper steps back and observes the changes in the macro-environment to understand the trend in changes at and related to work.

The Forces Driving Change

Most of the trends that promise to bear lasting impact on the 21st century work stem from demographic and technological shifts. Immigration is likely to increase ethnic diversity in developed nations while contributing to “brain drain” in developing countries. As masses of workers retire, some nations will undergo labor shortages. Meanwhile, other nations will experience population “youthing” – a growing number of people under age 20 – that will strain their educational and employment systems. Technology will continue to speed up life, foster the growth of networks, add value to information, and drive divisions, mainly in the developed world. The Internet and free trade will create an increasingly global and networked economy. The value of information will increase as the economies continue their shift from trading goods to trading knowledge and information. Access to information will create a rift between the “haves” – individuals and nations with access to education, technology, and information – and the “have-nots”.

The Future

There are a number of different revolutions taking place, which are each due to reach their separate climaxes in the coming decades. Each of these may be argued to be as important as the previous revolutions that have confronted mankind. Coming together, and being leveraged by the powerful psychological impact of the new era, it is not unreasonable that there will be an accompanying, dramatic series of changes in society.

The first of these revolutions is that which has been most widely described as the IT revolution, though it might now more accurately be known as the Communications Revolution since it is the wider impacts brought about by the dramatically enhanced powers of individual communication which will ultimately have the greatest effect on society. This is a part of a general revolution in technology, which means that we have in hand, albeit not always yet in production, the technology necessary for humanity's development over the next half century. It is very difficult to conceive of

any program of development today, which might be held back because the technology was not available.

Development in IT are actually enabling, if not driving, enterprises to adopt new work practices, new organizational structures, and even new management styles in order to extend their businesses both domestically and abroad. As the pace of business activity increases and markets emerge and disappear almost overnight, different approaches are required to respond to these rapid changes. The traditional industrial model of hierarchical, formal, layered organization may soon be antiquated and replaced by more flexible, dynamic structures. Mature organizations or industries with cultural barriers to such dramatic changes risk falling behind and being unable to compete effectively.

The major impact of the revolution is only beginning now that millions of PCs are being connected to each other. When they connect directly to our brains, as some scientists are predicting, the power of human beings, not just computers, will grow even more dramatically, creating a new stage of evolution. Much has also been said and made of the ability to 'talk' to people on the other side of the globe; telecommuting, among other things; but the real benefit will initially come from the ability to talk simultaneously, and efficiently, to tens of people in the same office as oneself.

The second set of revolutions is in the field of sociology. Although they tend to parallel each other, they can be most meaningfully seen as three separate revolutions. The first of these carries the often quoted title of 'Post-Modernism'. 'Modernism' is now quite well established as a phase in development, the form of society which emerged after the first Industrial revolution, and which has provided the context for most people's lives until recently. In the historical context, Post-Modernism simply is the next stage of development beyond this. The second social revolution, which has been promised by some for a number of decades, is that of 'post-materialism'. This takes as its starting point the fact that many individuals have now reached satiation in terms of the goods they own: the usefulness of the third or the fourth car must surely be a lot less than that of the first. The expected result is that the focus of their purchases will shift to the non-material, towards a more inwardly directed, not to say, more spiritual, life. Whether these hopes of a 'better' society will be realized is questionable, but what can not be challenged is that the society is surely moving away from the acquisition of physical goods as the prime source of demand.

Not least, this is reflected in the shift in patterns of employment to meet the rapidly increasing demand from the service sector.

The third social revolution relates to the patterns of work. It is sometimes referred to as 'post-Fordism'. The symbol of the modern period was the production line, where dehumanized workers were driven by, and almost became part of, the machine. Now, the move to the information society, and the parallel move to service work, means that the individual – using his or her intelligence flexibly – has become the prime generator of added value. Thus, the individual has become the most important investment, especially in the education and training he has received.

The key to these developments is the fact that, for the first time, the resources are now available to achieve almost all that society might want. Those resources are, though, unevenly distributed, and government intervention, international and supranational, will be needed to rectify this, if not altogether bridge the divides. Subject to this redistribution, in general, there is already enough food to feed

everyone, enough mineral resources to supply industry, and enough energy to power it – albeit not at the sort of artificially low prices that led to the wasteful excesses before the 1970s.

Above all, there is now sufficient educated manpower to take advantage of these physical resources. Most countries, including those in the third world as well as those in the developed world, have invested heavily over recent decades to educate their populations to the level needed to create the unlimited future of high stakes, high speed, high power economic and technological growth that the futurists of today envision.

An especially important change is that the emancipation of women is now going beyond mere equality, even to establish a form of supremacy, so that the beginning of the third millennium might be considered to be the age of women. Not merely are the feminine societal values coming to the fore, but the new female stereotype, with its emphasis on education, better fits them for the intellectual demands of the new information society.

The third set of revolution is in the demographics and employment patterns of the world. The world's population has changed considerably over the last 50 years, and will continue to do so. But the demographic trends of the next 50 years will be quite different from those that have been witnessed in the past. The ageing of the populations of developed countries is historically unprecedented. Society will have to adjust to a new set of challenges. To begin with, population growth is expected to slow down. Despite this relative stability in the level of the population, there will be important compositional changes. The average age of the population will increase, and the number of people in younger age groups will eventually decline. Nations will also become more ethnically diverse over coming decades. Finally, migration will have an ongoing impact on the size of the population, its ethnic mix, and other characteristics.

In most nations, the flow of new entrants to the labor market will be considerably less than the flow of retirees out of the labor market. This poses quite a few challenges to these economies, particularly with regard to younger workers. Fewer young people entering the labor market means that young workers will be at a premium and the cost to both society and the economy of wasting their potential increases.

The decline in the flow of the labor market entrants could affect the choice of educational attainment because:

- A smaller cohort faces less immediate competition for jobs, which tends to discourage them from acquiring enhanced qualifications, however;
- The increased earning potential for qualified workers from a smaller cohort will provide a countervailing force.

A greater concentration of skills within a highly educated minority also suggests a potential for considerable wage dispersion.

Older workers will generally make up a growing proportion of the labor force. Between 2005 and 2011, the number of older workers (those aged 45-64 years) is likely to rise. There are both pluses and minuses to an older workforce. Older workers are likely to have higher levels of experience and hence are more productive and generally higher paid. This implies that growth in productivity per worker is likely to be boosted by the higher age mix of the workforce. Higher productivity generally

equates to higher wages and incomes, which in turn implies a greater capacity for society to support its dependants.

However, this positive factor could become a negative as more of these older workers choose to retire, or are forced to retire due to incapacity or discrimination. Improvements in general health mean that older workers are, in general, more physically capable to work at advanced ages than previously. Thus, current and future generations of older workers are (and will be) physically better placed to be economically active for longer periods of their lives than their previous generations. For older workers themselves, while there will be few physical or mental limitations to working longer, keeping their skills up-to-date will be essential. Evidences suggest that modest declines in the relative earnings of older workers would be sufficient to secure employment for them in the future. However, this sidesteps the difficult issue of whether an older workforce will be less adaptable.

Through migration, a continuous exchange of workers is taking place. The implications of this exchange for today's labor force depend on the relative capacities of those arriving and departing, and the speed of integration of new migrants.

The international movement of labor provides both opportunities and threats to nations. Opportunities will arise from the potential to gain skills and valuable links into the global economy. One can now contemplate undertaking projects in various countries without having to compromise on the skills and ability of workers. People now have opportunities to gain experience working in other countries, and the lessons that they learn from this experience can also be spread to their country men should they return to their countries. On the other hand, if prospects in a country are not seen to be very promising, this might encourage skilled people in the country to permanently leave the country and it can make it more difficult to attract new migrants. In the long term, ensuring the quality of labor supply depends upon making each country an attractive place to live and work for skilled immigrants and the country alike.

Interestingly, non-standard employment has been gradually increasing in the world, and, consistent with overseas trends, is becoming a significant feature of the employment landscape. 'Nonstandard employment' is a catchall term for all forms of employment that deviate in some respect from the 'standard' model of permanent, full-time and waged or salaried employment. As such it may be: part-time, self employment, casual, irregular hours or on-call work, seasonal, temporary or fixed term contracts, undertaken as 'homework', undertaken in the 'black' economy, among others.

The growth of these forms of employment has often been seen as a cause for concern. Nonstandard jobs are widely perceived to be of low quality – offering low pay, little security, and few opportunities for training and career development. However, this generalization does not hold for all non-standard work. The expression covers a wide range of employment relationships affecting employees with varying characteristics. Many non-standard workers enjoy good incomes, job stability, adequate protections from health and safety risks, and opportunities for training and development. There are some non-standard workers however, who do not experience such benefits.

Conclusion

The aforementioned is, by no means, a definitive coverage of the trends punctuating the global environment, but they serve as a stepping stone towards deciphering the causes of changes in the workplace, and also towards identifying and understanding the key trends that can be witnessed now and in the years to follow.

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