



Everything you need to know
about the changing world
of work, according to The
Economist

Takeaways from The Economist's Future Works
event and what they missed

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The world of work is undergoing dramatic changes before our eyes. While geographical and industry-specific particularities might exist, the macro shift in today's open talent economy is global and applies to almost every industry sector. It requires employers and employees to come to terms with a new environment, in which flexibility and adaptability have priority over job security and long-term (if not lifelong) employment, structured environments, and standardized roles and responsibilities.

The shift is principally driven by a few trends that are fundamentally changing the structure of talent and work: technological innovation, demographic changes and globalization. Read more about seven trends that are driving the open talent economy [here](#).

In June, [The Economist](#) invited government officials, C-Suite decision-makers and industry leaders to debate and identify solutions to the changing macroeconomic climate, the automation of jobs, the reinvention of the company and how this will affect the future of work, especially in Europe.

a-connect was part of these discussions – here are our key takeaways.

TECHNOLOGY IS (SO FAR) CREATING MORE JOBS FOR SOCIETY THAN IT IS TAKING AWAY

AI, robotics and automation are supposedly threatening the need for human labor. But, according to Tom Standage, deputy editor and digital strategist at The Economist, technology is actually creating jobs for society, rather than taking them away. But in the new world of work, employees need to take more responsibility for keeping their skills relevant and up to date, so that they stay relevant for the employment market. For example, the advent of 3D printing means that we need more designers, and fewer people with building skills.

WAGES DRIVE PRODUCTIVITY, NOT THE OTHER WAY ROUND

We have seen a collapse in productivity in many Western economies, despite technological improvements. Sandra Polaski, former deputy director general for policy at the International Labour Organization, said that this is due to a decrease in technological innovation and personnel training. A key driver of this trend is the decline in worker motivation, sparked by low salaries and a lack of job security, trust and respect. Besides increased private investment (in R&D and technology) and public investment (in infrastructure, health and education), as well as improved organizations (in terms of structure and training), a rise in wages will

encourage higher levels of productivity – not the other way round.

EUROPE NEEDS MIGRANTS, BUT IT ALSO NEEDS MORE TRAINING AND RESKILLING

With Europe's aging population and an increase in skills gaps, the European labor market needs migrants, according to Irene Wennemo, state secretary of the Ministry of Employment in Sweden, and Stefano Scarpetta, director for employment, labor and social affairs at the OECD. But identifying the skills gaps and reskilling employees is more important than the sheer size of the workforce. The Swedish Government, for example, collaborates with private companies to examine and fill skills gaps. Yet training is still biased against those who need it most, with 70–80 per cent of highly skilled workers receiving training each year, compared to only 20 per cent of low-skilled workers.

DON'T GET YOUR GREAT TALENT STUCK IN A HIERARCHICAL SYSTEM

Organizational structures and hierarchies do not attract talent. In a panel discussion about how to respond to the changing nature of work, panelists were in agreement that companies need to be purposeful. Creating an environment to which employees can bring their 'whole self' to work is essential for producing engaged and motivated employees. Panelists also agreed with [recent research from the Google Project Aristotle](#), which said that psychological safety is key to having the best-performing teams. Diane Gherson, chief human resources officer and senior vice president at IBM, gave the example of how IBM remodeled the most-hated performance management program by involving 18,000 staff in the process.

YOU CAN'T DIGITIZE A 'GUT FEELING'

Technology has had a significant impact on recruiting. Digitizing the sourcing and matchmaking processes has changed the way recruiters work and has opened up new possibilities for jobseekers. But according to Jonas Prising, chairman and chief executive officer of ManpowerGroup, recruiting will never be fully automated. It will never be able to capture the company culture and evaluate how a candidate will fit into it – an employer's gut feeling about a candidate will always be the differentiator.

FROM 'ONE SIZE FITS ALL' TO 'ONE SIZE FITS ONE' – OR, HOW TO BREAK HR

The role of HR is undisputedly changing in this new world of work. Francine Katsoudas, chief people officer at Cisco, had to 'break HR' to move from a 'one size fits all' to a 'one size fits one' approach, through a 25-hour 'breakathon'. The panel agreed that organizations need to enable decisions on the basis of knowledge rather than hierarchy, and that the role of an organization's culture is to let talent flow to where it can have the greatest impact. The art is to find a balance between having control, stifling innovation and total chaos.

TOP-DOWN CHANGE PROGRAMS FAIL – THE NEW APPROACH IS OPEN-SOURCE CHANGE

Change is hard, but it is also the 'new normal'. 78% of organizations have gone through a cultural change program in the past five years, according to Clare Moncrieff, human resources principal executive advisor at CEB. With 50 per cent of change programs failing, and 7 out of 10 companies using a top-down approach to change management, CEB recommends using an open-source change approach, which is more about talking than telling. With implementation time decreasing by one third, employee engagement increasing by 38% and intent to stay by 46%, the open-source approach could help change programs have real impact.

DIDN'T YOU FORGET SOMETHING?

Throughout the event, participants discussed how, in the new world of work, the link between jobs and work is breaking down. It was rightfully stated that the focus should shift from job security to employee security. This is part of a bigger trend: a paradigm shift in the way we define work and the workforce. We are all familiar with the classic employment model – companies hire full-time and long-term employees who work 40-hour weeks in a nine-to-five environment. The past several decades have seen a move away from individuals having lifelong careers at single companies, towards the open talent economy, where individuals and institutions make less of a long-term commitment.



We believe it will be crucial for companies to start thinking about how they access and engage with a talent pool that is no longer reachable through traditional recruitment channels, where employers find employees by using specific job descriptions, executive recruiting, and by spending time and effort weeding through an applicant pool to find the 'perfect' employee. This model does not translate easily to the open talent economic model.

Since its inception, a-connect has been helping companies to see and feel the winds of change in the world of work, and enabling leading businesses to discover new ways of connecting with exceptional people, maintaining the core belief that access to talent is more important than its ownership.

If you are interested in discovering how we can help you tackle the challenges in the future of work, [get in touch](#).



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