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2020 vision: future
proofing your business
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Introduction

Ten years ago, there were no social networks. Twenty years ago, there was no internet. Thirty years ago, there were no computers in offices. Imagine how things will look in another thirty years. As the world is changing, work is changing too. Strict corporate hierarchies have given way to flat structures and virtual teams. 9-5 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 — unpredictably and exponentially. And it'll be quicker and more widespread than ever before. So that we and the organisations we work for 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 people will need to react in order to be successful.

We have identified the 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.

1. From west to east

The world's centre of economic gravity is shifting. In 2000, 95% of the Fortune Global 500 companies were headquartered in developed countries. By 2025, 50% of them will come from emerging markets in the East.¹ Between 2010 and 2025, 440 cities in developing nations will generate nearly half of global GDP growth.² Each will contribute more to global growth than Madrid, Milan or Zurich, and you could name twenty more established economic centres that will be overtaken too.

2. The digital revolution

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. By 2020 virtually every book ever printed will be accessible via the web, anywhere in the world. With that kind of access, everyone can be an expert in everything.

The world's fastest computer in 1997, the ACSI, cost \$55million, took up the floor space equivalent to 80% of a tennis court, and used the power of 800 average family homes. Just nine years later, there was a new computer that was significantly faster than the ACSI — the Playstation 3. We constantly underestimate what computers can do.

¹ Richard Dobbs, Jaana Remes, Sven Smit, James Manyika, Jonathan Woetzel, and Yaw Agyenim-Boateng. "Urban world: The shifting global business landscape." McKinsey & Company. Accessed December 11, 2017. <https://www.mckinsey.com/global-themes/urbanization/urban-world-the-shifting-global-business-landscape>.

² Richard Dobbs, Sven Smit, Jaana Remes, James Manyika, Charles Roxburgh, Alejandra Restrepo. "Urban world: Mapping the economic power of cities." McKinsey & Company. Accessed December 11, 2017. <https://www.mckinsey.com/global-themes/urbanization/urban-world-mapping-the-economic-power-of-cities>.

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We are currently entering a new age in computing technology too. Over the next few years the rise of AI, machine learning and deep learning will change the way in which companies understand their customer base, as well as changing the way they operate. The current research and development in quantum computing by IBM, Google and other tech companies will also increase the power of computing in ways we cannot imagine.

3. The population plateau

With life expectancy rising across the world, and pension pots shrinking, for most of us we will have to work later into our lives. Aviva has found that the typical middle-aged worker in the UK has private retirement savings of just £54,000.³ Retiring at 67, this would leave just £3,327 as an annual income. To achieve a minimum wage equivalent pension, we would need four times this amount. Because of this, the majority of the population will need to work way beyond the current retirement age.

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 low birth rates, Japan's population is shrinking. The European Commission expects Germany's working population to shrink by a fifth by 2060.⁴

Fewer workers mean smaller pension pots, increasing financial pressure on governments and an impending pension time bomb.

4. Connected vulnerability

The Butterfly Effect is the phenomenon by which a 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.

Generally speaking, the more connected we are, the better off we are. But there are negative effects of globally connected infrastructure. For example, the 2011 Tōhoku tsunami in Japan caused significant problems for Apple — a company headquartered on the other side of the world. The tech powerhouse faced a sudden shortage of components made in Japan for its iPad 2 and iPhone 4 with demand at its highest.⁵ With companies operating with an ever-globalised supply chain, it is impossible to predict how one event, wherever it is in the world, could impact the supply of goods in another.

³ Tanya Jefferies. "Middle-aged typically have £53k-plus in their pension pot, finds Aviva." This is Money. July 18, 2015. Accessed December 11, 2017.

<http://www.thisismoney.co.uk/money/pensions/article-3165215/Middle-aged-typically-53k-plus-pension-pot-finds-Aviva.html>.

⁴ Stefan Wagstyl. "Germany's demographics: Young people wanted." Financial Times. August 24, 2015. Accessed December 11, 2017. <https://www.ft.com/content/b30c8de4-4754-11e5-af2f-4d6e0e5eda22>

⁵ Dan Frommer, "Apple Supply Chain Temporarily Affected By Japan Earthquake, But 'Demand Stronger Than Ever'", Business Insider, March 17, 2011. Accessed December 11, 2017.

<http://www.businessinsider.com/gene-munster-apple-supply-demand-2011-3?IR=T>

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5. Climate catastrophe?

Man is having an impact on the climate. As time passes, we are seeing an increasing awareness of our environmental impact, weather conditions and the challenge of our carbon-based economy.

The 2015 UN Climate Change Conference in Paris was lauded as a major success in the goal of keeping global temperatures within one and a half degrees of the pre-industrial levels. However, the pledges made by governments in the run-up to the global Paris Agreement would only limit global warming to three degrees centigrade by 2100.⁶

The climate will have an increasing impact on our day to day lives, and from that our work too. Scarcity of resources, minerals, and clean water will drive governments in unknown ways. Countries have in the past gone to war over far less, and investment will inevitably follow new paths.

6. Political uncertainty

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 the UK, France and Belgium, there's been a surge in nationalism that has increased the likelihood of EU break-up. And as to the long-term effects of the UK referendum result, only time will tell.

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.

What difference will these trends make to business?

Creeping competition

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). Car sales in the US are predicted to decline from the 17.55 million sold in 2016 — this despite the fact that the US gained 42 million new residents since 2000.⁷ A combination of driverless cars and lift-sharing will only accelerate this decline.

⁶ Michael Greshko, "Current Climate Pledges Aren't Enough to Stop Severe Global Warming". National Geographic. October 31, 2017. Accessed December 12, 2017. <https://news.nationalgeographic.com/2017/10/paris-agreement-climate-change-usa-nicaragua-policy-environment/>

⁷ Natalie Sherman. "Why are US car sales falling?" BBC News. July 12, 2017. Accessed December 11, 2017. <http://www.bbc.co.uk/news/business-40523171>.

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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 – strengthening the so-called gig economy.

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, raising issues around how to motivate and provide fulfilling roles to an increasingly temporary workforce.

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 [Upwork](#) link companies to a world of qualified, certified experts, all itching for the chance to take on a contract.

A change in focus?

These days, businesses can't afford to manage a sufficiently diverse range of skills to cover all the bases. 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.

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 supplemented by contractors and supply chains.

Chasing 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

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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.

The virtual office

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 online. 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. Platforms like WeWork allow professionals to rent office space or enjoy a drink in the café while they create and collaborate.

Technology – destroyer or creator?

There's no doubt that technology will displace human labour — and in great numbers. Research based on World Bank data predicts that “the proportion of jobs threatened by automation in India is 69 percent, 77 percent in China and as high as 85 percent in Ethiopia.”⁸ There is even a [BBC calculator](#) which assesses 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.⁹ 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.

⁸ Jim Yong Kim. “Speech by World Bank President Jim Yong Kim: The World Bank Group’s Mission: To End Extreme Poverty”. The World Bank. October 3, 2016. Accessed December 2017.

<http://www.worldbank.org/en/news/speech/2016/10/03/speech-by-world-bank-president-jim-yong-kim-the-world-bank-groups-mission-to-end-extreme-poverty>

⁹ Larry Elliott. “Robots threaten 15m UK jobs, says Bank of England's chief economist.” The Guardian. November 12, 2015. Accessed December 11, 2017.

<https://www.theguardian.com/business/2015/nov/12/robots-threaten-low-paid-jobs-says-bank-of-england-chief-economist>.

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Although technology will take over more and more work, machines won't be able to do everything. Jobseekers will 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. Human beings have always adapted to new opportunities and roles arising with advances in technology, and they will do so no matter how advanced technology becomes.

Female power

Over 60% of graduates in the UK are female. The World Economic Forum places "women's economic power" as the second biggest employment disrupter for 2015-2020¹⁰, 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.

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 individual skills

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 progress

Degrees are still relevant. According to McKinsey, there will be three 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.¹¹ You certainly don't need a degree to work out the maths there.

¹⁰ Till Alexander Leopold, Saadia Zahidi, and Vesselina Ratcheva. "The Future of Jobs Employment, Skills and Workforce Strategy for the Fourth Industrial Revolution." *World Economic Forum*, January 2016. http://www3.weforum.org/docs/WEF_Future_of_Jobs.pdf.

¹¹ McKinsey Global Institute. "An economy that works: Job creation and America's future." *McKinsey & Company*. June 2011.

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Nurturing a niche

With competition coming from all conceivable angles, jobseekers will need to focus on what they are good at, becoming experts with knowledge that's an inch wide and a mile deep. But workers can't just stay confined to their niche.

Jobseekers will need to continually build on existing knowledge to shift their specialism, to slide into aligned areas and work collaboratively with experts from other disciplines in order to remain up-to-date — and keep getting work.

Forming a personal brand

These days, everything has a brand. Companies, celebrity couples, political parties. Going forward, everyone will need to build, maintain and protect their brand. It will become increasingly important to be recognised through endorsements, ratings and feedback on work undertaken. The internet and social media make it accessible across the globe, so the world is our oyster.

Interaction & collaboration

Although most people will be working as a specialist, it will become increasingly important not to stay in a silo. Building and maintaining a network will be essential. Tapping up former schoolmates, colleagues and other contacts is one way that will ensure workers always have a steady stream of work. A worker could be the best person in the world at what they do, but it's all for nothing if they don't have anyone else to work with, anyone to complement their skills and help bring them to the fore.

A flexible future

Embrace the flexibility. As a specialist, workers will 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. Anyone with a bicycle or motorbike could deliver Deliveroo food in their evenings. Creatives could increase their earnings by freelancing in their spare time, doing something they love.

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

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seismic technological, social, economic or political change. That's one thing that will always remain the same.

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 are interested in learning more please contact Russell Beck - Head of Consulting, Impellam Group on

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The Impellam Group – *who we are and what we do*

We are the 2nd largest staffing business in the UK and 6th MSP provider 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. We provide Managed Services and Specialist Staffing across the UK, North America, Asia Pacific and mainland Europe. We have 3,100 Impellam people throughout our network of marketleading brands across 220 worldwide locations.

Through our network of 21 brands, we provide candidates with fulfilling jobs at all levels, including doctors, lawyers, accountants, nurses, teachers, scientists, receptionists, drivers, chefs, administrators, engineers, technology specialists, cleaners, security guards, and manufacturing and warehouse operatives. On average, we see 120,000 timesheets processed each week. Our Managed Services businesses optimise the productivity of people by designing, implementing, coordinating, and reporting on the whole staffing process. This frees our customers to focus on their core business. We provide multi-disciplinary recruitment services, including all forms of partial and complete outsourcing. Our Specialist Staffing businesses provide specialist workers in clearly defined talent pools, backed by service promises, for permanent, temporary, contract and fixed-price work.

*as measured by spend under management