THE FUTURE OF WORKFORCES IS STARTING TODAY

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Abstract: Taking into account the new challenges given by nowadays increased rhythm of change, organizations need to be aware of imminent shift inside work processes and within the structure of workforce. This will dramatically affect the competitiveness and even survival of all the organizations on the markets, thus they need to know and to be ready to respond accordingly. In order to be ready to cope with these new challenges, both organizations and their HR departments have to know the sources and the general direction of these shifts. A lot of studies and surveys have been already made in order to anticipate work changes. First, all of these revealed that the changes had already started and identified the main directions that will define the work processes in next decades.

Keywords: workforce, globalization, technologies, skills, mobility

We can see the work process as a conscious activity, manual and/or intellectual, born towards a certain scope, in which people are using their own abilities, knowledge and previous experience. Talking about the role of work in economic system, J. M. Keynes stressed out: "the work is producing everything, supported firstly by something called in the past "art" and nowadays "technique", and secondly by the natural resources which cost nothing or can be obtained against an annuity, depending on whether they are rare or luxuriant. Work processes are as old as the human been and they represent the main part of our lives. Also, the work processes can be seen under a couple of circumstances as:
- the main part of people economic behavior;
- the most frequently used means to satisfy the bear and secondary necessities of people;
- a common production factor from the economic science point of view;
- means of stimulation and motivation of human wishes in terms of progress and development, both at personal and social levels.

At the same time, it is obvious that the work has known fundamental changes throughout the history either we look at the abilities and skills involved, at the instruments used by individuals or work groups, or at the attitude and the energy spent within work. Moreover, we can notice that the work changes were determined almost by the same drivers that generated evolution in economic processes. For instance, in the late 18th century, the factors of change in both economic activities and work processes were development of coal and steam power. But the story was the same during the entire history; just think about the Stone Age, Bronze Age, Iron Age and all the stages of human evolution, each having its own contribution in shaping the work processes.

Nowadays, it is difficult to forecast the direction of work process evolution, because of the speed of changes in the economic system given by the increasing rhythm of technical and technological innovations and discoveries.

On the other hand, modern organizations big or small, are particularly interested in knowing the direction of workforce development because they have to adapt quick and in a proper way to the new challenges in order to keep their competitiveness on the market.

Today, more than any time in the past, the nature of speed of change within work itself, has an extraordinary implication on the people from everywhere by changing their economic behavior.
The experts have already found the main factors that would determine changes in work in the close future. Linda Gratton, management professor at London Business School is considering that now the humanity must separate from the past in terms of work related concepts and labour market. She has identified five forces that have a really potential to reshape the work in the next future: globalization, the need to reduce carbon emissions in the economic activities, technologic advancement, deep changes regarding longevity of people and the radical social changes.

Chart 1. The five external forces that will shape the way we work

Even now, the five factors are radically reshaping the work. Look below for just a few examples:

- the exponential development of technologic capabilities will produce an continuous decreasing in computer prices and they will be smaller and easier to manipulate and transport. Moreover, during the next ten-twenty years, over 5 billion people will be connected through IT networks. This phenomena will cover both” megacities” of the world and country areas, giving the opportunity to reach to a ”global conscience” like never before along the humanity history. The “cloud computing” technology will give anyone the opportunity to link to global networks in order to offer his/her work capabilities whenever they are useful. Also, this processes will speed up the globalization and a permanent increase of the complexity of work environments;
- we can expect the mega-companies and small firms to merge. Also, millions of small companies will merge or sign alliances in order to cope with the threat of big companies;
- also, we can expect that the decades of accelerated economic increase of China and India will produce changes in the distribution of work. Due to fast demographic development, both countries have the potential to dramatically change the areas that concentrate global talents of the world. This phenomena is also increased by the tendency of studying difficult scientific subjects, their educational systems being already able to train specialists who are "hunted" by the biggest companies in the world;
• demographic increase won’t generate a significant increasing number in workforces, because of changes in the structure of human needs and in the attitude about work, but will put an increasing pressure on the demand of goods or services and, finally, on the workforce request.

Beside the environmental factors, people bring in the work processes many of their own qualities as well as psychological characteristics in different combinations and percentages, depending on the nature of work and their own goals. The main internal factors which are shaping the work are: organization, determination, interaction, relationship, vision, self-confidence and the ability of problem-solving.

**Chart 2. The internal factors that are influencing work**

Demographic, economic, technological, sociopolitical and psychological phenomena stay at the basis of the workforce changes in decades, creating a workforce that’s more informed, connected, mobile, and in demand than ever before. These changes are dramatic, and they’re a reality that many employers have not fully understood and acted upon accordingly. The workforce is in the middle of a radical transformation which is taking place right now. According to the latest scientific researches, this is what is actually happening:

• workforce will become under skilled and insufficient. The rhythm of change in technologies requires quick training and preparation at end user level as well as specialist user in the related fields. The educational system doesn’t always cope with the needs of preparing qualified/skilled people with relevant and updated knowledge and
expertise. Early retirements in industrialized countries are diminishing the number of experienced personnel while at the same time, many organizations are spending big budgets on training the young generation of employees;

- workforce is becoming more and more global – as we are talking about a global labor market. This means that the workers have the opportunity to market their skills not only within one country or region. They can now promote their work abilities to organizations based almost anywhere in the world, on condition that they do the job that they are skilled for and required. In the same way, jobs can be also relocated to places that best match company needs in terms of labor, skills, costs or capacity. This process is supported by low-costs for communications and people as well as possibilities to transport goods everywhere in the world;

- workforce is becoming highly virtual – the development of communications is radically changing the concept “to be at work”. This started initially within IT teams who usually work project based, in remote locations, in one place or several ones but it extended to other functions as this is possible and providing even better results than ‘coming to work’. This is supporting work-life balance concept also increasing in importance in the last period of time and at the same time, it is reducing costs from the company on renting spaces. People can work for a company located in the other region of their country, or all over the world without being effective at the work place thanks to the newest communication technologies. Also, they can be accessible to work anytime, are part of a global talent supply chain, participating in virtual teams composed of the best employees from around the world;

- workforce is becoming more and more diverse - the most diverse workforce in history in terms of age, gender, backgrounds, ethnicity, life style, driven by changes in demographics, migration and cultural norms. Now companies develop programmes to integrate disabled at the target percentages within their workforce, they develop programmes to match the needs of various generations at work in one organization, they build on the expertise of ‘expatriates’ in less developed countries and integrate young people through temporary jobs or internships in their early years of activity;

- workforce is becoming more autonomous as employees are taking a more active role in making decisions on their careers: where they work, on what role, for how long and under what conditions. Technological and economic forces are giving them the capacity for greater authority on the job and in the labor market.

These trends are creating a workforce that’s completely different from what employers have known, thus they will need to rethink their approach towards labour practices in the market in terms of attraction and recruitment as well as overall employment branding communication with external stakeholders, including here potential employees as well as redesign people policies within their organizations to better respond to the new challenges in the war for talent, retaining the best.

In today’s information economy, people’s knowledge, skills, and relationships are an organization’s biggest asset and main source of competitive advantage. But people are changing, differences in generations have also become more obvious now, with generation Y relaxing at work on Facebook and changing roles quite soon without going much into the details and job routine required to reach full performance. As the importance of people to the bottom line grows, the rules for managing people are dramatically changing. Unfortunately, not many organizations are prepared to manage this new generation of talent. Many organizations are already struggling to effectively manage next-generation talent. The United Kingdom’s Chartered Institute of Personnel and Development (CIPD) reports that most employers are having difficulties recruiting skilled staff even in a down economy and half of employers are having difficulty retaining employees\textsuperscript{4}.
Human Resources Management (SHRM) surveys revealed that less than one-third of employers are adjusting their talent management policies and practices to the aging of their workforces and 60% of organizations don’t account for workforce aging in their long-term business plans. Recent surveys also indicate that most HR leaders are spending less than 25% of their time preparing for the workforce of the future and that few organizations believe that HR has the skills required to manage a diverse and global workforce.

Talent management would mean in the context of all the changes in the workforce structure and labour market:

Predicting tendencies and making strategic talent decisions, in opposition with today after-the-fact HR measurement and statistic data collection and reporting. This means looking into the future of the organization but also in the labor market for horizons of 10-15 years and anticipating tendencies; as a leader or talent manager in an organization you need to ask yourself what will my workforce structure look like in 10 years time; what will be the age structure, what will be the employees’ replacement ratio, internal vs external recruitment given current turnover and organization business plans, where will we find external talent pools? What is the educational system providing, what are our competitors doing in this respect?

Flexible talent sourcing; going forward, organizations will need to abandon rigid and bureaucratic practices for more flexible, anticipatory talent sourcing strategies; some of the organizations have understood this need and already involve pensioneering employees in training programmes for new, less experienced joiners, others balance their workforce structure among male and female, create flexible working patterns to meet employees work life balance needs. Some organizations use extensively project work as well as work from home approaches wherever the job content is permissive with such approaches.

Customized and personalized rewards and communications. The one-size-fits-all rewards and communications are no longer feasible. Today’s and tomorrow’s workforce is in short supply, empowered to switch jobs, and demographically and lifestyle diverse; this is why workforce needs customized remuneration programmes by categories of employees: key skills vs. the rest of the organization or customization and communication of the packages by level, just two give some examples. Within an allocated budget, many organizations give to their employees the possibility to choose preferred benefits so as to best respond to their needs. Financial and nonfinancial recognition are equally important while benefits vary in shape and diversity from one category of employees to another, the difference being brought by the ages of the employees, by their skills, by the levels they are in the organizations, by their length in service or simply by the family situation and preferences they have in lifestyle on condition that they get most efficiency in the workplace.

Influential leadership. To get the most from a workforce that’s changing as we know it today and see the tendencies for the future, organizations will distribute leadership responsibilities throughout the organization top down, and coach traditional leaders from commanding to influencing. In this context, employees, no matter the hierarchical level, will need to be more structured and be able to provide arguments to back up their recommendations or points of view, challenge others initiatives or results, be firm and decisive in the actions they take. This means that besides technical knowledge and business knowledge, ‘leadership skills’ will need serious improvement in the skills of workforce for the years to come.

Unified and compassionate cultures. Organizations that intend to retain and motivate next-generation of workers will need to build flexible and tolerant cultural environments. Because of the diversity in lifestyles, backgrounds, the dispersion of jobs all over the world, organizational conflicts and increasing job-related stress are potential challenges for the next generation of talent managers and leaders. Organizations will reward based on
results and not on the number of hours worked, so the workweek is changing. Type of contract i.e. employee vs. contractor is just a matter of ensuring flexibility in the workplace; so is full time employment vs. part-time because flexible schedules better respond to employees needs. Organizations will also communicate the business results to the employees in communication sessions trying to diminish job insecurity so that employees remain efficient.

References: