

Advisory Outlook

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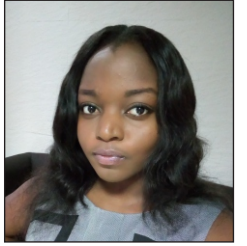
The future of work: Are you ready?



Olusola Adewole

As organisations and managers work towards continuous relevance and increased profitability margins, there is a need to remain aware of changes that will affect the way work will be done and how employees will be managed and retained in the nearest future. To be set to conquer the future, we have to understand this and be ready to embrace it.

This article gives insight into the four possible worlds of work by 2030 as predicted by PwC. This predictions draw on extensive research carried out across 10,000 people in Europe, EMEA and America. Beyond the awareness of the existence of these different worlds, this article is aimed at stimulating the thoughts of business leaders and employees on the effect this will have on the workplace and organisation of the future



Gbemisola Adejoro

The world of work is changing rapidly. Automation and 'thinking machines' are replacing human tasks and jobs, radically changing the skills that organisations need. More fundamentally, the rise of automation is daily setting out new rules for business excellence and market dominance.

The accelerating pace of change isn't towards some 'far future' of work. The change is already happening. Competition for the right talent is fierce. To compound the issues, 'talent' no longer means the same as a decade ago. For example, graduate talent had for decades been primarily identifiable by academic excellence. That too is changing. In the emerging worlds of work, creativity and innovation have become the non-negotiable indicators of differentiated capability.

How can organizational leaders prepare for a future that few of us can define? How will your talent needs change? What does all this mean for businesses and HR?

In 2007, a team from PwC and the Said Business School in Oxford commenced a research into the future of work. A result of ten years of work, the PwC 2017 Workforce of the Future report provides deep insights into the global megatrends shaping the world of work; how we think the workplace will evolve and how organizations may respond.

The Megatrends shaping the Workforce of the Future

Many commentators focus on the role that automation is likely to have on jobs and the workplace. The real story however goes beyond technological innovation. The workforce of the future by 2030 will emerge from a complex interplay of mostly competing forces.

PwC has identified the following megatrends that underpin our scenarios for the emerging worlds of work.

Demographic Shifts

In a little over the next ten years, the world's population will grow by another 1.15 billion people, reaching a total of 8.5 billion by 2030, with 97% from developing countries. Africa's population will double by 2050, while Europe's will shrink. Median ages will also diverge: Japan's median age will reach 53 by 2050, while Nigeria's will be 23.

Africa's big challenge will be to create the right policy conditions to maximise returns from its younger population.

Shifts in global economic power

The rapidly developing nations, particularly those with a large working-age population, will gain the most. Emerging markets will increasingly become the core growth markets for global businesses as is already the case. A growing pool of highly-skilled talent will fuel this emergence.

Increasingly, global multinationals will be led by people from the emerging economies and business culture will become more diverse.

Rapid Urbanisation

Over the next two decades, urbanisation will accelerate across the globe. The real opportunity for business lies in the large cities in Sub-Saharan Africa, whose populations are projected to double by 2030. Our PwC Cities of Opportunity rankings show that state-of-the-art infrastructure attract rich human capital as ambitious people congregate to pursue their goals.

Businesses and governments that seek to lead the pack need to invest in hard (roads, access to power, etc) and soft (schools, technology etc.) infrastructure to cultivate a robust and sustainable economy.

Resource scarcity and climate change

Overall, the world's economic development model is extending beyond the planet's capacity to cope. No country is currently managing to achieve a low ecological footprint and a high score in the Human Development index.

A consistent message coming from business leaders is that sustainability is gone beyond traditional 'CSR'. Key stakeholders are increasingly adopting sustainability measures to decide which businesses to work with.

Technological Breakthroughs

Technology is arguably the biggest disrupting force in the life of today's organisations. The combination of the internet, mobile devices, data analytics, cloud computing and breakthroughs in nanotechnology will continue to transform our world.

As 'digital natives' (persons born after 2000) become the majority population, it is only a matter of time before the world of work in Sub-Saharan Africa gets the full impact of the digital revolution.

The Journey to the Future

Our scenarios approach looks at four potential future worlds in 2030.

The Four Worlds of Work in 2030

The Red World –Innovation Rules

The Red World of work is a perfect haven for innovation. Big businesses will be outflanked in a digital-enabled world of smaller entrepreneurial businesses. Digital platforms will empower serial entrepreneurs to extend their influence and scale. Speed to market is everything in the Red World – any decision-making process or hierarchy that delays innovation is a barrier to success. Nigerian businesses and individuals will need to accept the new digital era and reduce complex structures and processes that hamper innovation. Employees need to develop new core skills and become experts in their respective fields. On the other hand, employers will need innovative ways to attract and retain these scarce yet specialised skills.

The Blue World: Corporate is King

In the Blue World, successful organisations will grow to such a scale, and exert such influence, that some become more powerful than nation states. Exceptional talent will

be in high demand and employers offer superior rewards or engage specialist talent.

The value of human capital at the top level will peak and the upward pressure on reward, particularly for senior executives will be intense. Some will have very high paying jobs while many will have no job at all.

The Green World – The Company Cares

Here, organisations have and show a powerful social conscience. Workers and consumers will show loyalty towards organisations that do right by their employees and the wider world. Companies will begin to push a strong green agenda to save the environment. In the Green World, organisations will include elements on Sustainability and Energy Usage in annual reports. Nigerian organisations need to increase the focus on fostering a sustainable environment as this becomes an attraction for talent, customers and other stakeholders. Organisations will need to find innovative means of communicating purpose and values.

The Yellow World – Humans Come First

In the Yellow World, fairness and social good are dominant. There is a strong emphasis on ethics and fairness in the distribution of wealth, resources and privileges. This ethics-driven world will also be enabled by technology with a balance between automation and the relevance of people. In Nigeria, employees will be more aware of and be more willing to fight for their rights in the workplace. Brand equity will be intensely impacted by employees' feedback on how the organisation treats them.

Message for leaders

- 1) **Act now:** This is not about some 'far future' of work – change is already happening, and accelerating.
- 2) **Own the automation debate:** Automation and Artificial Intelligence (AI) will affect every level of the business and its people. It is too important to leave to IT (or HR) alone. Get a depth of understanding into the changing technology landscape.
- 3) **Focus on people not jobs:** Organisations can't protect jobs made redundant by technology – but they do have a responsibility to their people. Nurture agility, adaptability and re-skilling.
- 4) **Build a clear narrative:** A third of workers are anxious about the future and their jobs due to automation. Anxiety kills the willingness to innovate. Start a mature conversation about the future.
- 5) **Adapt:** One clear lesson arising from our analysis is adaptability – in organisations, individuals and society. Accept new technologies, build relevant skills, revamp old processes and prepare for the new revolution.

The future is here: are you ready? For more insights on the Future of Work, visit <http://www.pwc.com/futureworkforce>

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