

IOE BRIEF



EXECUTIVE SUMMARY 



International Organisation of Employers
Organisation Internationale des Employeurs
Organización Internacional de Empleadores
The Global Voice of Business

UNDERSTANDING THE FUTURE OF WORK

A woman with long brown hair, wearing a light-colored business jacket, is pointing her right index finger towards a collage of business-related images. The collage includes several photographs of diverse business professionals in various settings, such as meetings, presentations, and group photos. The background is a blurred office environment with large windows. A large, dark blue circle is positioned in the lower center of the image, containing the text 'EXECUTIVE SUMMARY' in white, bold, uppercase letters.

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Industrial and technological revolutions have historically resulted in the growth of economies and productivity, as well as the creation of new jobs. Despite short-term challenges arising from the replacement of manual labour and the need to upscale skills and competencies, the pace of transformation allowed time for education and training to catch up, and to equip low and mid-skilled workers with the new skills and competencies required to function productively.

Today, many studies show that technology is being adopted at an exponential rate, replacing middle-level skills that were once considered uniquely human and placing the world of work in a state of flux. Dynamic processes such as digitalisation, the growth of the digital economy and technological advances, coupled with profound changes in the organisation of work, globalisation, demographic change, environmental challenges, as well as new ways of organising the production of goods and the delivery of services, provide a myriad of opportunities to society while at the same time presenting considerable challenges.

With the new and affordable capabilities made possible by automation, a significant number of new job opportunities and new markets will continue to be created. At the same time, existing jobs or tasks could disappear or be re-designed. These changes in capabilities and skills needs and the transformation in the organisation of work will better cater to the needs of individuals and companies. They will also provide for different work opportunities, accommodate better work-life balance and provide easier access to income opportunities, wherever they arise. But they also pose challenges arising from future forms of employment, the polarisation of skills, the adequacy of existing legal, institutional or social protection frameworks, among others.

TRENDS IN THE WORLD OF WORK

Rather than decisively predicting a future scenario of massive job losses, recent analysis indicates that in general terms new technological changes will not necessarily or directly lead to high unemployment, but will undoubtedly require workers to learn and update skills much more quickly than in the past. The key difference compared with earlier technological revolutions is the speed of transformation enabled by the pace of new learning capacities of machines and the fact that, this time around, automation is affecting the service sector intensively.

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As was the case in past technological revolutions, it is difficult to predict with 100 per cent accuracy which skills will be more in demand in the future. However, it is becoming clearer that vulnerability to automation will not so much depend on whether the work concerned is manual or white-collar, high or low qualified, but whether it is routine. STEM skills as well as the intensive development of certain sectors, like health and social care, are emerging as future drivers of job opportunities. But many future tasks and jobs will also require more emotional and personal skills, such as persuasiveness, creativity, empathy, leadership, teamwork capacities, among others.

The way businesses are operating is also changing; new and innovative companies are already “operating globally without being big”. A powerful online network will make a critical difference to their development and the availability of appropriately tailored services will also be crucial. At the same time, autonomous, output/result-based and project-oriented tasks and jobs could be increasing, allowing people to shape their own career under less rigid structures and divisions and within constantly changing teams and networks.

This, together with the emergence and expansion of the on-demand economy, could mean that the classical employment relationship gives way to a more detached, mutual self-interested culture that is often more transient. In this context, workplace flexibility, both in terms of working time and location, is one of the most salient characteristics of the new world of work.

POLICY RESPONSES

Institutions will need to be much more ambitious in providing enhanced access to lifelong learning and educational opportunities. To inform investment decisions on education and skills, as well as to inform individual career choices in an ongoing challenging environment, it will be essential to rely on more real-time, finely-tuned, holistic and dynamic data. Informal and online learning will grow in prominence and policies should be prepared to channel and stimulate it properly. The education sector will need to work much more closely with business to ensure that programmes are developed and continuously updated to meet future skills requirements.

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Critical to avoiding structural unemployment will be public support for enabling job transitions and mobility. Depending on the geographical context, social protection schemes and benefits may need to be created or developed further to respond to this new reality without creating strains on sustainability or incurring unnecessary costs for business. At the same time, the evolution and penetration of the on-demand economy will need proper follow-up based on the collection of appropriate labour market statistics that provide policymakers with information on recent developments and how these are affecting the employment relationship.

Making progress towards a more globally recognised skills set can facilitate not just mobility, but also access to new opportunities for businesses and individuals worldwide. Maximising the skills development potential of the female workforce will also be a critical driver of success in many geographical contexts.

To harness the momentum of the digital era, many economies will have to improve access to both the internet and new digital tools substantially as they will be drivers of new income opportunities. However, the digital economy also requires a strong 'analogue' foundation of regulations that creates a vibrant business climate and lets firms leverage digital technologies to compete and innovate. It will be key therefore to modernise excessive regulatory burdens, including Employment Protection Legislation (EPL) and administrative regulations that hinder the uptake of income and jobs opportunities in the new scenario.

A remote and dispersed workforce will make working time less relevant as a monitoring tool from a legal and human resources perspective. At the same time, more sophisticated tools to monitor productivity will lead to improvement in overall workplace productivity, but will require careful and smart human resources policies. The intense increase in the amount of data collection at the workplace could also need careful approaches from management.

From an industrial relations perspective, the way workers communicate individually and collectively with management, using digital tools and in a more global labour market, could have significant consequences which call for further reflection. The future role of employers' and business organisations and trade unions in this context will also need to be further thought through, as will the role of social dialogue.

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The IOE is the largest network of the private sector in the world, with more than 150 business and employer organisation members. In social and labour policy debate taking place in the International Labour Organization, across the UN and multilateral system, and in the G20 and other emerging processes, the IOE is recognised as the Global Voice of Business.

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