

TECHNOLOGY AND DEMOGRAPHICS ARE CHANGING THE WAY PEOPLE WORK IN THE ORGANISATIONS. THE CHANGE IS RAPIDLY HAPPENING AND AFFECTING EVERYONE SIGNIFICANTLY

THE FUTURE OF WORK IS HERE

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"People are usually afraid of change because they fear the unknown. But the single greatest constant of history is that everything changes."

—Yuval Noah Harari

We are hard-wired to hate uncertainty. Uncertainty is stressful. Especially in business, we value control above all our other capacities and we congratulate ourselves as we learn to control our personal circumstances. But when we see the future of HR, it looks certainly uncertain. Sudden, radical shifts in technology or socio economic situations are impacting every day - and would do more in the future- the status quo we know.

Understanding this complex situation is the real

challenge. However, in order to focus, two main factors need to be identified that are driving forward these changes in the global labour market: Technology and demography.

In technology, buzzwords as Artificial intelligence, Big Data, Cloud Computing, Blockchain or Deep learning might sound to some of us like science fiction, something our children would need to deal with. But they are already here to stay. Not convinced? Just a couple of facts:

→ The potential contribution to the global economy by 2030 from AI is estimated to be \$15.7tr, creating a boost in GDP for local economies up to 26%. (source: PwC)

→ By 2020, there will be over 50 billion connected devices generating continuous data. (source: IBM)

→ The upper estimate of bitcoin's energy consumption

(Bitcoin is the cryptocurrency based on blockchain technology) in July 2018 was 70 terawatt hours per year. This is the same amount of energy as Austria consumed in 2014 and around 0.35% of total global energy consumption that year. (source: PwC)

On the other hand, demography on a global scale is morphing rapidly. The average age of the labour market is year-by-year higher, with a share of population 65 years old or over also reaching new highs. At the same time, generation Y and millennials are approaching labour market in completely different ways, preferring workspace flexibility and independent work relationships.

What are the main impacts of these two factors on the global labour market? The precise answer to this would change from country to country (for instance, de-



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mographics in India with a healthy share of young population are completely different to the ones in EU or Japan), but on a global level, we could identify three; skill mismatching, skill shortage and a massive cultural change. In companies, we see the consequences already today. Recent research shows that up to 27% of the employers say applicants lack either the hard skills or human strengths they needed to fulfil their roles.

As employers, there are different strategies to overcome this talent shortage. Among others, reskilling our current employees, support mobility (both, domestic and international), collaboration with more and more educational institutions and inter-companies are some of the strategies already in place. All these

initiatives require a clear management vision and recognition that HR is not anymore a 'nice-to-have' function in the company, but a strategic piece for the future strategy.

In parallel, as managers we all can prepare ourselves. People with managerial and operational responsibilities are expected to have flexibility and the ability to execute unpredictable tasks. They should have a strong capacity to learn new things, to be able to be disruptive and develop innovative thinking and to have an ability to see the broader end-to-end process rather than specific single steps. In general, cooperation, collaboration, interpersonal skills and openness to multicultural contexts are fundamental to growth on a professional level.

What would be the role of HR agencies in this transformative environment? First, we need to re enforce our position of labour market experts, by mapping and analysing 'real time' the highly dynamic market trends around us. Second, we need to design and propose workforce solutions together with the relevant market place stakeholders in order to give answers to the challenges ahead. And third, we need to be together with the candidates, orienting, training and supporting them in their professional career.

We are already seeing every day big transformations around. However, rest assure the biggest change at the end would be within us.

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