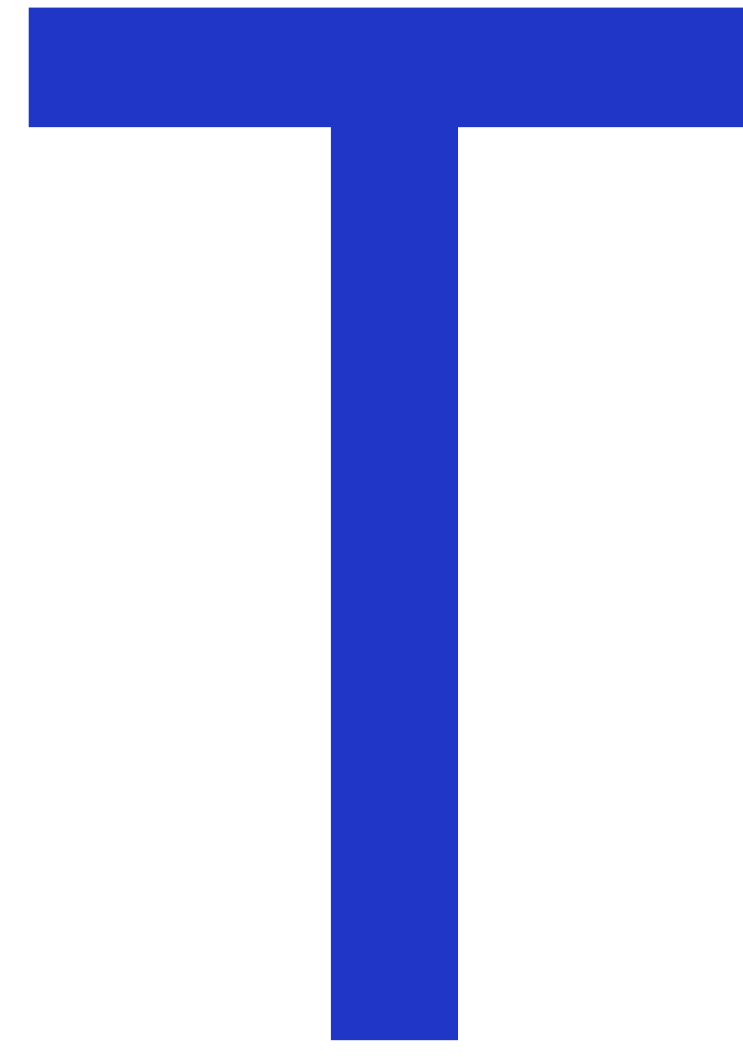




THE FUTURE OF WORK IS FLEXIBLE

Three innovative ideas solving the
challenges of the new world of work...



he Japanese Prime Minister’s warning was stark. We are standing on the verge of whether we can continue to function as a society,” said Fumio Kishida in January, addressing the opening of a new parliamentary session. He was referring to Japan’s declining birth rate – 2022 saw a record low – twinned with one of the highest life expectancies in the world. As its workforce shrinks, there are increasingly not enough people to carry out essential jobs.

The same ‘demographic time bomb’ is ticking elsewhere in the world, from Europe to the USA, and from Asia to Latin America – with only sub-Saharan Africa bucking the trend. Global fertility rates have halved over the past 70 years, while populations keep living longer.

“Demographic changes will have a major effect on how workplaces will operate,” says William R Kerr, D’Arbeloff Professor of Business Administration at Harvard Business School and co-director of its Managing the Future of Work initiative. “There will be fewer workers relative to the population, and those workers will increasingly not only have childcare responsibilities, but also responsibilities for parents at home.”

Employers are already drawing on a diminishing pool of talent. Recent figures from the US showed that the unemployment rate is at a half-century low, with more than 10 million jobs unfilled. In the UK, the latest quarterly Labour Market Outlook by HR professional body, the Chartered Institute of Personnel and Development, noted that “employers are still recruiting and competing for talent, and redundancy intentions remain low”.

Further bracing news turned up in a recent paper co-authored by Kerr, looking at the Great Resignation of 2021, in which large numbers of employees quit their jobs. It found that the rate of workers voluntarily leaving their posts in that year was not an anomaly but consistent with a pre-Covid trend. The report says this was fuelled by a mix of factors including retirement and re-evaluation of priorities that “suggests that American employers will remain subject to high, growing turnover well into the future”.

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↑ Flexible working models have become a critical theme for the 'future of work'.

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Morag Lynagh, Global Future of Work Director, Unilever

In some economies a different, but no less problematic, phenomenon is emerging. In South Asia, Africa and much of Latin South America, there’s an extraordinary shortage of jobs, even for educated youth. In India, a young college graduate is six times as likely to be unemployed as someone who is illiterate. This is forcing those demographics to become self-employed.

These stark shifts are one reason why the ‘future of work’ has become such an urgent conversation. As businesses strive to attract and retain talent, they are reassessing traditional thinking around people and teams. A theme that has become paramount in these conversations is finding ways to make work more flexible.

This is something that workers already value thanks to the Covid-19 experience. “The pandemic meant that a wide cross-section of the workforce experienced work differently and there’s no going back,” says Morag Lynagh, Global Future of Work Director at consumer goods company Unilever. “Flexibility is now important to all generations: millennials and Gen Zers value it above other benefits, and as we live longer, healthier lives we want to work differently at different life stages. And for employers, flexibility is one of the ways you get greater workforce participation, which helps to build better economies.”

Another reason flexibility is already high on workers’ lists of priorities is the pace of digital transformation. It’s been estimated that skills in the tech sector are now becoming outdated every two and a half years on average. Flexible career trajectories are at a premium; demand for reskilling and upskilling has duly soared. In a recent piece of research conducted by Kantar on behalf of Unilever, 94 percent of employees said they would stay at their company longer if they had more learning and development support.

Solving the challenges of this new flexible world of work will require new thinking and new solutions. Here are three innovative ideas already bringing the future to life...

1. EMBRACE THE PIXELATED WORKFORCE

There was a time when a person would get a job, work for the same company all their life, and then retire. Then the internet came along and made it much easier to shop around for new jobs, and more people started to have careers that encompassed full-time stints with a succession of different employers.

But now that model too is changing, as new ways of

working begin to proliferate. The Covid-19 pandemic not only accelerated trends such as four-day weeks and remote arrangements, but also drove growth in the number of people who choose to work independently as contractors or freelancers.

“If you go to most of the tech companies or the retailers or CPG [consumer packaged goods] companies, and ask them what percentage of their actual workforce is contract, sometimes it’s as much as 60 percent,” says Josh Bersin, Global Industry Analyst and CEO of human capital advisory firm The Josh Bersin Company, a leading industry research and advisory firm in enterprise learning and talent management. This growing ecosystem of workers who engage with a company on their own terms has been termed the ‘open talent economy’. Bersin has another name for it: the ‘pixelated workforce’, referring to the way that, just as graphics can be broken down into pixels, jobs can be broken down into their basic constituents, which can then be assigned to individuals or groups either within or outside the organisation.

“The basic idea is that work is deconstructed into its core elements: tasks and activities,” says Ravin Jesuthasan, Global Leader for Transformation Services at consultancy Mercer and author of *Work Without Jobs*. “That allows companies to more efficiently and effectively find the optimal means of completing a particular task and to match them to the required skills.” It could be an employee, or a gig worker from outside, or it could be automation for work that is highly repetitive and rules-based.

As the pixelated workforce gets embraced systematically by established companies, a challenge emerges: ensuring the right external skills and capabilities are connected with the right projects or tasks. This is where technology can play an enabling role. A.Team is one of a growing number of online platforms in the ‘fractional hiring’ sector, connecting high-value ‘gig’ workers – albeit ones looking to take on high-order initiatives often lasting a year to 18 months – with opportunities. It specialises in giving companies access to whole or partial teams of pre-vetted engineering, product, design and marketing talent. Its software combines artificial intelligence with a database called the TeamGraph to put teams together for projects (or ‘missions’, in A.Team parlance), taking into account members’ experience, skills, previous roles and expertise, alongside ratings from other team members and customers.

“No-one had done this before in this context,” says founder and CEO Raphael Ouzan. “We have AI models that are feeding from the TeamGraph, and essentially can recommend not just



↑ _____ We will see a rise in 'pixelated workforces' where jobs can be broken down into core tasks and assigned to workers within an organisation ecosystem.

how a member would work with a particular company on a particular mission, but also how likely they are to work well with another member.”

Other companies are taking a different approach to fractional hiring, finding ways to create new kinds of relationships with existing and previous employees. After all, they already know the workers will be a good fit.

Unilever does this through a programme called U-Work, which seeks to bring flexibility and security to the gig work model. Take 33-year-old Tony Gregg, for example, who was previously in a regular full-time role at Unilever’s Pot Noodle factory in Crumlin, South Wales, where he worked night shifts, running the production and packaging lines. He left that job two years ago and now works for an aviation engine overhaul facility – it had always been his dream to work in the aviation industry.

However, Gregg also remains an employee of Unilever as a U-Work employee. This means he is paid a monthly retainer by Unilever regardless of whether he works for the company that month. He also has access to benefits including pension contributions, and when he works on assignments for Unilever, he is paid for those. Gregg has the time to do this because his aviation job has a five weeks on/four weeks off schedule. He goes back to the Crumlin factory to do shifts when he’s required and it’s convenient – plus he has spare time to indulge his love of coastal walking. Gregg describes the opportunities thrown up by his new-found flexibility as “immense” – and he believes the company benefits, too. “They can tap into a pool of skill that they wouldn’t necessarily have,” he says. “I’ve got quite a bit of knowledge of the factory. If people leave permanently, they lose that knowledge.”

Unilever’s Morag Lynagh says there are indeed wider benefits to the business. “Our U-Work talent pool, which is made up of Unilever employees like Gregg, and recent alumni, is used on a company-wide basis. In factories it’s mainly for covering shifts, whether that’s for sickness or planned absences, and also for planned maintenance. And they also come in to do coaching. By creating pools of people who can work in a different way and have a different relationship with us, we can keep attached to talent who know us and we know them, and they can hit the ground running when they work for us.”

The idea itself was conceived by Placid Jover, Chief Talent and Reward Officer at Unilever, back in 2016. He was struck by data showing that the talent pool available to the company was shrinking and, at the same time, almost a third of its workforce was going to be eligible for retirement within five years. He had



↑ _____ Reskilling and upskilling will be key in ensuring employees are future fit.

also been affected by experiences of supporting talent whose roles at Unilever had become redundant, but who were not confident about re-entering the workforce.

“I refused to believe that someone could be obsolete, or that if a company decides you should get an early retirement, then you are no longer fit to contribute to the world of work and society,” he says. “That made me think, ‘How can we get to keep people for a longer period of time?’”

While initially envisaged as a way of easing employees gradually into retirement while continuing to benefit from their knowledge, U-Work is now used in many different ways. In particular, it has enjoyed traction with employees who want to maintain a connection with Unilever while freeing up time for other things, such as working for someone else, starting their own business, or taking care of a relative. “The key word is flexibility,” says Jover. “Flexibility understood as: I want to own my life, and work is a component of life, not life in itself.”

2. THE RISE OF THE INTERNAL TALENT MARKETPLACE

For workers who want to develop the competencies that will give them a more flexible career path – and for organisations who want to improve retention – a new genre of software known as ‘internal talent marketplaces’ has become a hot topic. These AI-powered platforms, which match employees with opportunities within the company, not only draw potentially overlooked talent through the organisation, they can also enable new managerial models that give staff heightened flexibility over what they work on.

The tech is not the end in itself – it’s about how it recalibrates human behaviour and relationships. For a start, the approach requires managers to think in a different way. “It’s about starting to shift the mindset from, ‘This is my team, these are my people and this is our job’ and being more fluid in your thinking around how you bring in resources,” says Unilever’s Morag Lynagh. “How do you quickly assemble a team and create some sense of belonging and some sense of community within that team, which then disbands, and you have to do it again?”

For workers within an organisation, the talent marketplace is as much about personal development, says Jeff Schwartz, VP of Insights and Impact at the talent marketplace Gloat, which aims to help workers define their own career trajectories. “Based on both your interests and the needs of the organisation, the market will propose different options to you,” says Schwartz. “It can help you to progress in your

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Josh Bersin, Global Industry Analyst and CEO of human capital advisory firm The Josh Bersin Company

3. IS THE ‘SKILLS PASSPORT’ THE FUTURE OF RECRUITMENT?

current division but also to go in a different direction.”

Unilever has its own internal marketplace, FLEX Experiences. This allows employees to do projects alongside their regular jobs, helping them build new skills and gain new experiences, whilst giving managers who need an extra pair of hands.

Patrick Hull, Unilever’s VP of Global Learning & Future of Work, says that the scheme has been deliberately devised to enshrine the idea of ‘purpose’. “There can be a tendency for people to talk about internal talent marketplaces in a paternalistic way: ‘You must reskill or else you’re going to be redundant’,” he says. “But we wanted to start from a place of purpose. By that we mean: what makes that person unique? What is their unique way of approaching work? If we ask them to think about what skills they want to develop in line with their purpose, that’s far more motivational for them to upskill. They benefit and Unilever benefits, because we’re going to get them at their best.”

In the new flexible labour paradigm – where qualifications can quickly become outdated and people work on a greater variety of projects than ever before – skills will be the currency that buys success. Bersin puts it straightforwardly: “Most workers will be selling their capabilities, not their college degree or their grade point average.”

According to the World Economic Forum (WEF), 50 percent of workers will need to reskill by 2025. This is particularly the case in the industrial world, where automation is changing skill requirements at a notably fast rate, and where reskilling is required at considerable scale.

A glimpse into how this may be achieved is offered by the WEF’s Global Lighthouse Network, a programme that identifies cutting-edge factories around the world. Naturally, these factories are deploying the advanced technologies of the so-called ‘Fourth Industrial Revolution’ (4IR), such as robotics, AI and blockchain – and they’re also finding smart ways to develop their employees’ skills.

Federico Torti, Initiatives Lead, Advanced Manufacturing and Value Chains at WEF, says the Lighthouse Network has found it particularly successful when the network co-operates, providing their in-house learning modules on a shared platform. Another approach they value is using ‘low-code’ and ‘no-code’ development platforms. These allow people with either little or no code-writing background to start building



↑ Skill passports offer a way of standardising and validating employee learning and skills.

“The question is, how can we measure learning and badge it, so that anyone can see that Person X has all these verified skills?”

Els Howard-Polman, VP in the Workforce Skills division, Pearson

applications and processes. Torti sees this as a major future trend. “It means you no longer require super-skilled workers to develop simple AI solutions,” he says. “They just need to learn to use a particular tool to develop solutions to their problems.”

This new emphasis on skills is becoming increasingly formalised on an international level. The EU has launched a programme called Pact For Skills, which is based on acquiring ‘micro-credentials’ – mini-courses that teach a specific skill. It aims to have at least 60 percent of adults participating in training by 2030. The global challenge in the future will be how to standardise and validate learning such as this, which will likely happen throughout our lives courtesy of a range of entities from public bodies to private companies. Many experts argue that we’ll need a trusted, globally accepted skills passport.

“The question is, how can we measure learning and badge it, so that anyone can see that Person X has all these verified skills?” says Els Howard-Polman, VP in the Workforce Skills division at the education company Pearson. Digital credentials company Credly, which Pearson acquired at the beginning of 2022, is one of the current leaders in this field. Its Acclaim digital badging platform uses blockchain technology as a tamper-proof level of external verification for both issuers and earners of credentials. “It establishes trust and means the learner can move to other jobs with the credentials that they’ve earned, which will be recognised wherever they go,” says Howard-Polman.

A standardised skills passport that’s globally recognised could make talent pools more diverse, allowing workers – including refugees – to cross borders and easily validate their competencies. It would be one more step in creating a future of work that optimises the abilities and opportunities of all, matching workers to jobs wherever they are.

“The world is in a constant state of flux, and we can’t foresee the next change that will impact either the course of an organisation or what is happening in the talent market. The continued focus on owning talent and skills will not give companies the flexibility they need. It’s not helping talent either, as they may get laid off when things change,” says Jover. “My worldview is different. I believe it’s better to build an ecosystem that allows employers to tap into the right skills when and where we need to in an effective and efficient way, and that gives employees what they need to build meaningful skills and a lasting, flexible career. That means a pivot from ‘owning talent’ to ‘accessing talent’.”

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