

What's Driving the Future of Work and Professions and What does it mean for Companies and Professionals?

Description

What does "the Future of Work" mean? The general consensus is articulated from one of two viewpoints. Individuals—employees, contractors, professionals get career advice—how should you manage your career and your future? Will your profession be upended by AI? Will your job be subsumed by automation? How will you make a living and provide for your family and yourself? Will you have to relocate and will you be better off if you do?

Companies, often addressed by the academic press and elite consultancies, get strategy advice tailored for their interests—how do I run my organization in the face of all the oncoming changes and new risks? What does all of this mean with respect to our relationship with existing and prospective customers, partners and members of our workforce?

It is and has been my position that both parties need to understand the contexts and decision frameworks of the other to make well-reasoned decisions about how to go forward.

Evidence of assumptions that inform individuals' thinking are obvious. Striving to attend elite universities and major in STEM or other marketable disciplines clearly indicate that candidates believe that these things are attractive to prospective employers of choice. Focusing job searches in emerging and expanding industries and markets indicates a desire to get in on the ground floor of something that will last, at least for a while. Geographic preferences may be changing to balance candidates' career interests and increasing opportunities to work from anywhere. It seems as if early-stage professionals are consciously weighing career implications against quality of life issues and opting to avoid the crushing expenses of major cities, such as New York or San Francisco. Mid- or later-career workers in off-shored or superannuated industries are being forced to contemplate relocation to pursue employment opportunities that have deserted them. Given that Americans are documented to be way more resistant to relocation than people of other countries, this is notable.

The preponderance of advice to companies that appears on-line and in print is aimed at helping them formulate a strategic plan to position themselves to compete in a rapidly-evolving landscape. How they should prepare themselves to compete for and engage with the people required to make them successful seems something of an afterthought.

I have written in numerous previous articles about Agile Enterprise Risk Management (AERM.) Strategy Formulation and Scenario Analysis, Enterprise and Business Architecture and Business Process Management are important components of it. It is imperative that companies apply these disciplines to the challenges they face to make reasoned decisions. This must take place concurrently with their undertaking a transformation to become a digital company, which will engender profound changes in almost every organization.

For those in the early stages of their careers, understanding the scenarios and strategies that companies are contemplating and preparing to pursue is critical input to good decisions about

positioning themselves for the future. As Wayne Gretzky “skates to where the puck is going,” so too must individuals acquire the knowledge and experience necessary to be viewed as a useful asset to companies taking their own journeys. Understanding where companies are going and identifying how individuals can contribute should inform career decisions and guide self-development.

For mid- and later-career individuals, the same dynamics apply but are in many ways more urgent. Traditionally, people at various stages in their careers had acquired experience and wisdom that could not be replicated by entry-level and earlier-stage workers and, thus, didn’t have to compete with them for positions. As technology advancement accelerated, recent college graduates had, in many cases, acquired state-of-the-art knowledge with which more senior workers had not kept pace. Salary compression, in which newer workers were actually more valuable and more highly compensated than workers with three to five years more experience, ensued.

An illustration may be valuable here. I have a friend whose son is a third-year audit Associate at a major accounting firm. Traditionally, the costs of training Associates is funded by hourly billing rates charged to clients. Financial audits have become cutthroat-competitive and the value of relationships and client-specific knowledge has taken a back seat to cost. Clients are known to dump auditors at any time if they can get another firm to perform the task more cheaply. Audit revenue has declined, the number of Associates required to perform them has been reduced by new efficiencies and processes and firms no longer have the ability to charge fee levels for Junior Associates that support development expenses and provide profits as they used to.

My friend’s son has transitioned from performing audits himself to training and supervising contractors based off-shore, who can be had for a fraction of what a domestic employee with benefits would cost. This is no surprise; standardization of processes and technology have been applied to lower the knowledge level required to perform audits to the point that off-shore contractors can do most of the work Junior Associates used to perform. My guess is that Machine Learning and Artificial Intelligence will soon be applied to scan companies’ transactions *in their entirety* to look for anomalies rather than rely on statistical sampling and intuition to find them. At that point, the role of the Junior Associate and related administrative support personnel could disappear from the audit process almost entirely.

How new technologies and trends impact companies should be observable in their impacts on Enterprise and Business Architectures (see [this article](#) for an overview,) the Products and Services they produce and the Capabilities required to produce them. The Capabilities are supported by Enablers (People, Processes, Technology and Assets,) of which workers’ employees or contractors’ are an important part. Taken together this provides a framework in which to consider how external forces might act on the company and illuminate potential opportunities to contribute.

Two models provide useful frameworks through which to assimilate and understand the evolving environments in which companies and their workers operate: PESTLE and SWOT. PESTLE is an acronym for Political, Economic, Social, Technological, Legal and Environmental, which embody the forces external to a company for which it must account. SWOT is an acronym that stands for Strength, Weakness, Opportunity and Threat and is a useful framework for evaluating a company’s competitive position and help identify a direction to pursue to improve or defend it.

In following articles, I will address how these frameworks can be applied to identify critical skills and experience and guide both companies and individuals toward potential opportunities for better

outcomes.

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