

What's Driving the Future of Work and Professions?

Description

What does "the Future of Work"™ mean? It depends on which of two sides you are viewing it from.

The View from Opposite Sides

Individuals—employees, contractors, professionals—get career advice from various channels: 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 and their executives, often targeted 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 relationships 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.

Targeted Prescriptions for Each Audience

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 desirable prospective employers. Focusing job searches on emerging and expanding industries and markets indicates their desire to get in on the ground floor of something that will last, at least for a while.

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 to receive less emphasis; however, this is changing.

Understanding Companies for Individuals

Understanding the scenarios and strategies that companies are contemplating and preparing to pursue is critical input to decisions individuals will make 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 they will need to be viewed as valuable additions 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.

The impacts of new technologies and trends on companies should be visible in their 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. This framework provides a basis from which to consider how external forces might act on the company and illuminate potential opportunities to contribute.

Individuals must understand the disciplines that companies employ to chart their path and manage their operations. These include Strategy Formulation and Scenario Analysis, Enterprise and Business Architecture and Business Process Management. It's not easy to see what is going on internally within the enterprise from the outside but it is often possible to draw inferences from publicly-available information, such as annual reports and published interviews with company executives. Seeing a company make acquisitions or announce its intent to move into new product lines can point to impending needs for people with specific skills or experience.

Understanding Individuals for Companies

There are a variety of factors that effect companies' desirability as employers and understanding them can inform policies that make it easier to attract the best people. For a company, it is crucially important to be self-aware of how it appears in comparison to others with whom it competes for workers. What is the company's position in its markets? Is it viewed as a leader? Is it known to be forward-thinking and is it staying abreast of the latest technology and trends? Is it fixated on having workers on-site when competitors allow remote work? Has it invested in collaboration technology and creating a culture that supports remote work? Does its location make it attractive for prospective employees? Does the geographically accessible workforce have the range of skills and experience it requires?

For individuals, the need to understand where a company is going and how likely it is to get there is urgent. Transformation required to pursue a company's strategy should imply new requirements for workers and be a strong signal to current and prospective workers about their positioning. However, without accurate information, they cannot assess what they do not know. Open and forthright communications are a hallmark of a desirable employer.

Education and personal development will be crucial to managing individuals' careers. 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 and existing workers began to face salary growth barriers. The lesson in this is that individuals should expect life-long learning to be a necessity and employers that provide and support it may have an advantage.

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 and developing Associates is funded by hourly billing rates on staff-intensive engagements. Financial audits have become cutthroat-competitive and the value of relationships and client- and domain-specific knowledge has taken a back seat to cost considerations. 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 staff development while also providing the profits they used to.

My friend's son has transitioned from performing hands-on work on audit engagements 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; process standardization and technology have lowered 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 intuition and statistical sampling to find them. At that point, the roles of the Junior Associate and related administrative support personnel could disappear from the audit process almost entirely, displaced by data engineers and scientists. The profitability of highly-utilized Junior Associates, which exceeds that of more senior staff with lower utilization rates, will be greatly diminished.

Given this scenario, which is playing out in various ways in innumerable industries, companies must develop intentional strategies for attracting, accommodating, developing and managing the talent they need, whether they hire it or contract for it. It's going to occur in an increasingly complicated and volatile environment.

The Bottom Line for both Sides

The employer-worker relationship will fragment and evolve rapidly and substantially. Any number of factors will drive it from technology to social trends. Companies need to rethink what they are offering workers and, most probably, prepare to offer a range of individualized compensation and benefit options, all while managing their talent requirements in a fluid market. Individuals will have to take more responsibility for charting their own path and look holistically at what they are getting from companies to identify whether different combinations of recompense might make more sense for them in the long run. Both sides will need to understand emerging trends and identify likely changes as input to risk-based approaches to managing their futures.

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 describe six classes of external forces to which companies are subject and for which they 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 determining how 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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