



The Workplace of the Future

10 Ways Your Workplace Will Change in 2020

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NATCON 2011, Toronto, ON
February 16, 2011



People: Human Capital

- Improving ‘human capital’ is essential to productivity, competitiveness, and performance of our organizations and communities.
- Human capital is one of *three key drivers* of productivity and organizational performance.
- Other two are financial capital and physical capital – machinery and equipment.



2007 Global Workforce Study

Table 5
2007 Global Workforce Study: Canadian Results
(in order of importance)

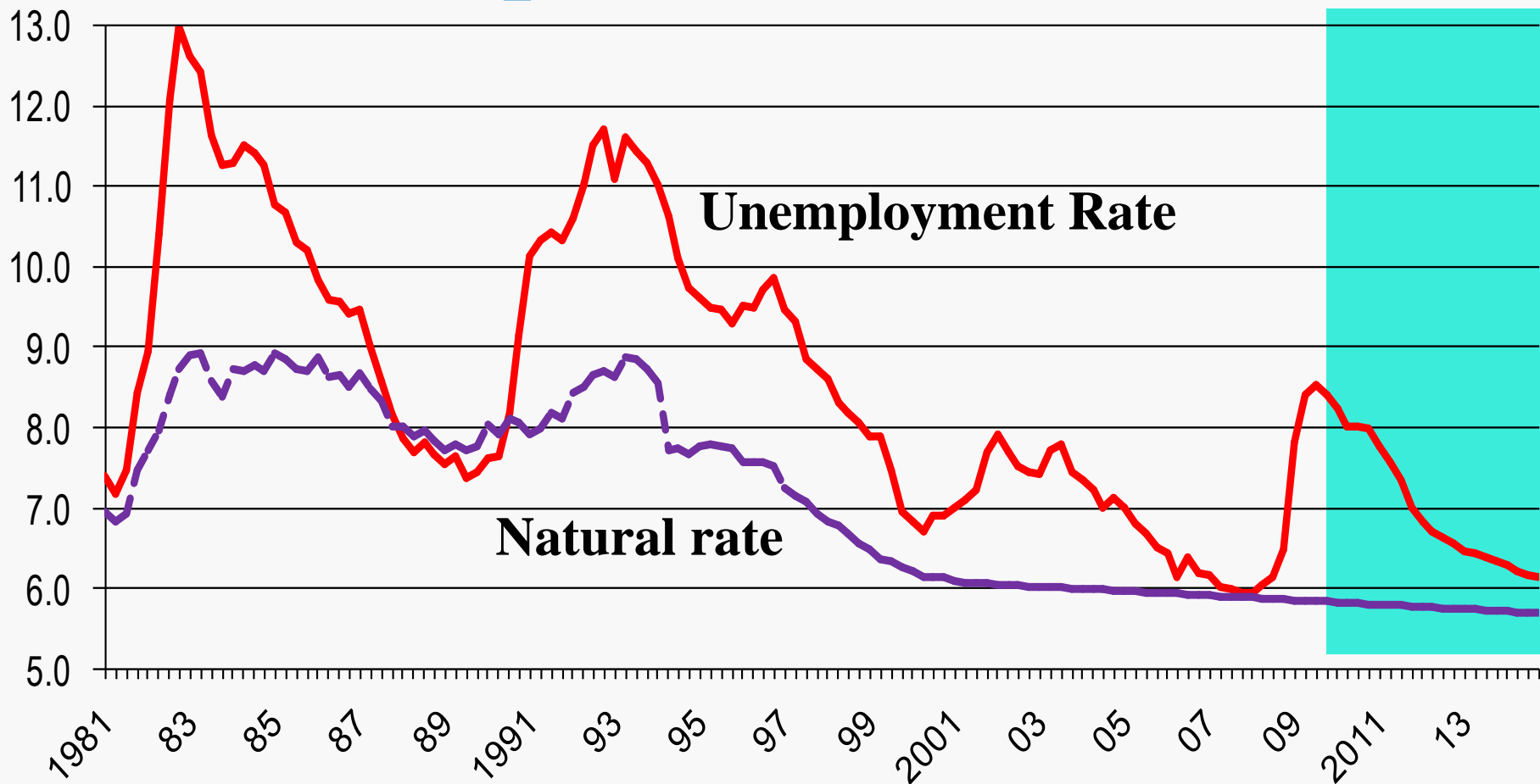
Top attraction drivers	Top retention drivers	Top engagement drivers
Competitive base pay	Excellent career advancement opportunities	Senior management sincerely interested in employee well-being
Vacation/paid time off	Satisfaction with the organization's people skills	Organization's reputation for social responsibility
Competitive health-care benefits	Ability to balance work and personal life	Input into decision making in my department
Challenging work	Fair compensation compared with others doing similar work in the organization	Improved skills and capabilities over the last year.
Career advancement opportunities	Understand potential career track within organization	Understand potential career track within organization.

Source: Towers Perrin, *Closing the Engagement Gap: A Road Map for Driving Superior Business Performance—Towers Perrin Global Workforce Study 2007–2008*.

Source: The Conference Board of Canada



Unemployment Rate vs. Natural Rate (percent), 1981-2015



Sources: The Conference Board of Canada; Statistics Canada.



The Forces of Change: Three Mega-Trends

1. Globalization
2. Demographic Change
3. Technological innovation



Globalization Trends

- Global supply chains, integrative trade, value chains
- Increase in international trade
- Growth of multi-national corporations (MNCs)
- Offshoring of jobs – some to Canada
- Internationalization of workforce



Demographic Change

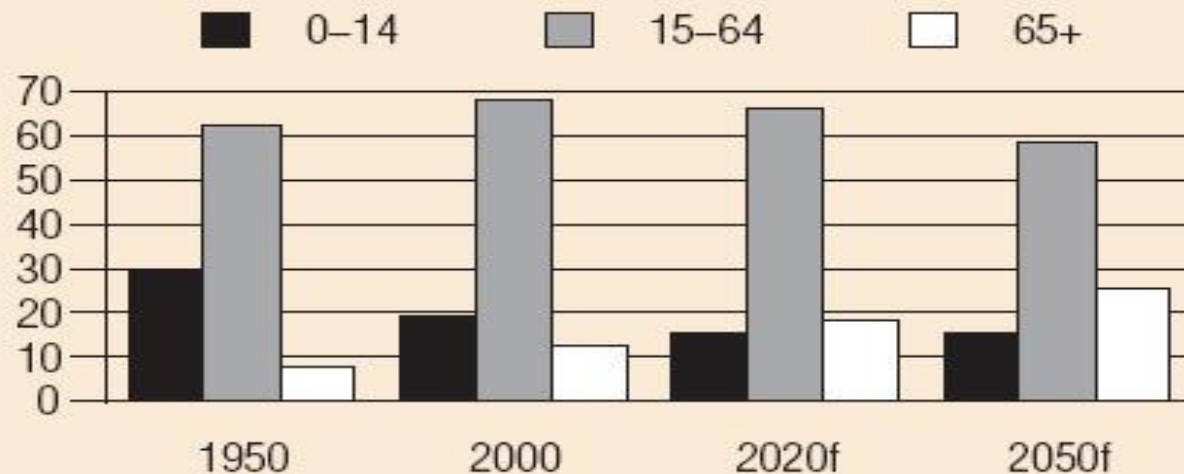
- Aging population – in all developed countries.
- Diversity – generation, VM, culture, gender, education.
- At-risk populations: women, mature workers, immigrants, disabled, Aboriginals, youth drop-outs.
- Lower participation rate in labour force?
- Employee/retiree ratio worsening.



Canada's Population, by Age Category, 1950-2050

Chart 1

Canada's Population, by Age Category, 1950–2050
(per cent)



f = forecast

Source: United Nations, Department of Economic and Social
Affairs, Population Division.

Source: The Conference Board of Canada



Median Age Estimates & Projections

	1980	1990	2000	2010	2020	2050
Canada	29.2	32.8	36.8	40.0	41.6	42.6
United States	30.1	32.8	35.8	37.8	39.0	42.1
Japan	32.6	37.4	41.2	43.8	46.9	49.0
Germany	36.4	37.7	40.0	44.1	46.9	48.4
France	32.5	34.7	37.6	40.3	42.3	43.9
Italy	34.0	37.4	40.6	44.9	49.0	53.2
United Kingdom	34.6	36.1	38.2	41.2	42.7	44.5
Czech Republic	33.0	35.2	37.5	40.4	44.7	53.3
Greece	34.2	36.1	39.4	43.0	46.6	52.5
Portugal	29.1	34.5	37.3	40.5	44.5	50.0
Spain	30.3	33.9	37.9	42.3	46.9	54.3

Source: United Nations Population Division, *World Population Prospects: The 1998 Revision*



10 Trends in the World of Work, 2020

- *Navigating through the Storm: Leaders and the World of Work in 2020* (2010)
- Trends that will affect human capital and reflect changes in the makeup of the workforce



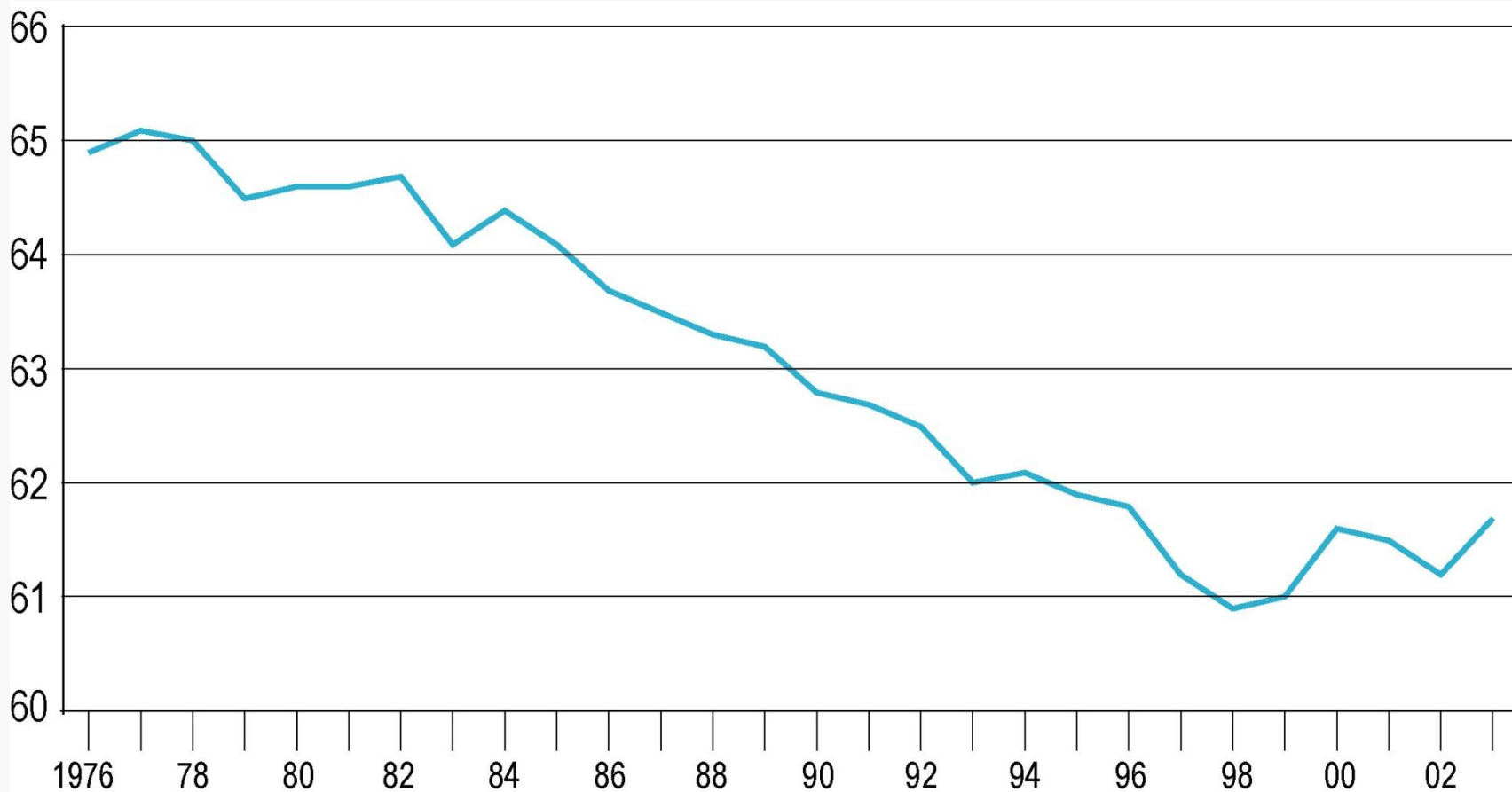
10 Ways Your Workplace Will Change

1. Boomers won't leave. Generations will mix.

- “Generational mixing” will be the norm: aging boomers work longer to earn more so they can afford to retire; changes in gov't. regs. make it less attractive to retire early.
- Successive generations, including the Gen-Xers (born 1966-79) and the Gen-Yers (born 1980-2000)- the young, middle-aged and old will be sharing space, ideas, incomes, job titles.



Average Age of Retirement in Canada (years)



Source: Statistics Canada.

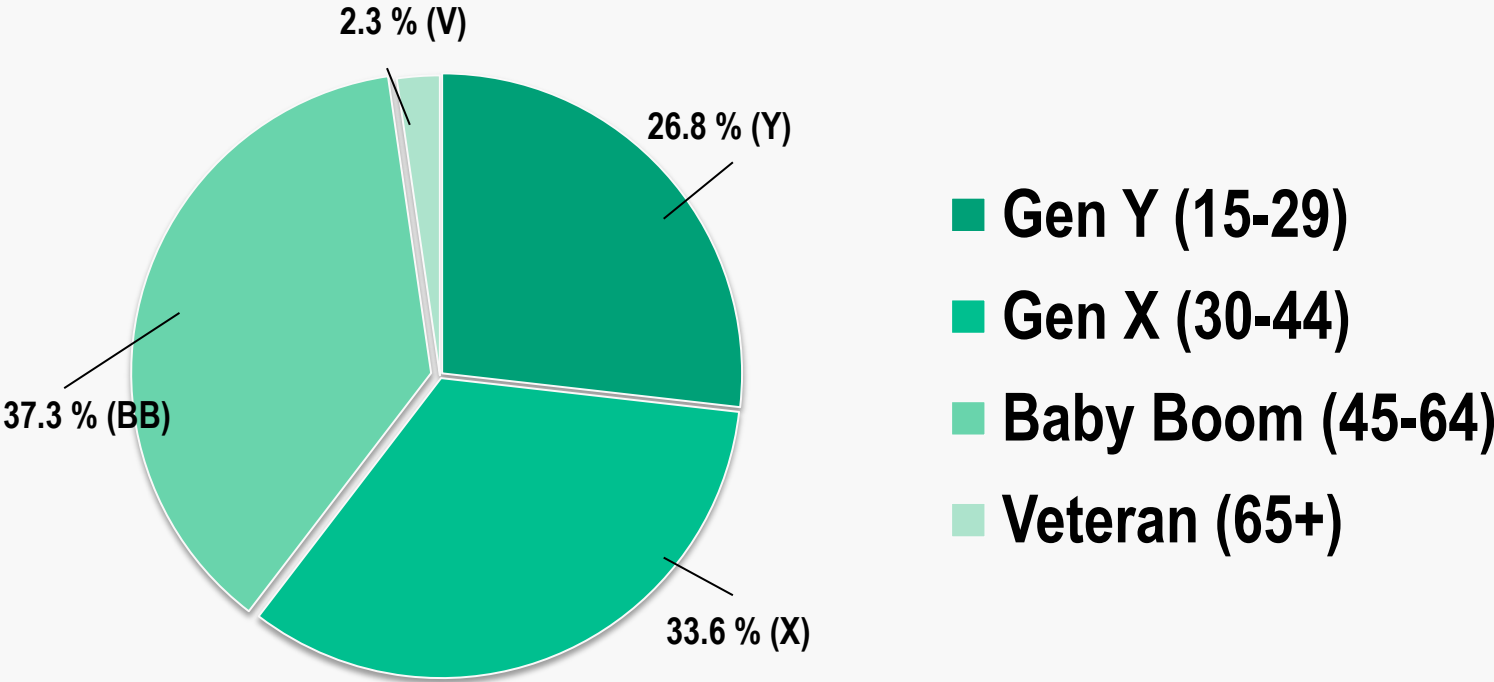


Ave. Retirement Age, Canada, (yrs.)

Year	Private Sector	Public Sector	All (incl. self-employed, home workers)
2003	61.9	59.3	61.7
2004	61.6	59.1	61.8
2005	62.0	59.2	61.4
2006	61.8	59.5	61.5
2007	62.0	59.3	61.6
2008	62.0	59.6	61.4
2009	62.4	60.1	61.9
2010	62.8	60.1	62.1
Overall rise	0.9	0.8	0.4



Proportion of Generations in Labour Force, 2008



Managing Age Diversity

- L'Oréal Canada created a new training program called Valorize Generational Differences.
- Showcases values, myths, and paradoxes for each generation – focusing on Gen Y.
- Gen Y's are happy to learn:
 - why baby boomers are so conservative; and
 - why Gen X doesn't want to share information with them.

Source: Meister & Willyerd, *The 2020 Workplace*, 2010



Managing Age Diversity

- Gen Y's at L'Oréal want to be:
 - Autonomous, yet they want validation
 - Independent, but they like to work in teams
 - Everywhere at once, can't manage priorities
- They practice extensive freedom of speech and are candid, but lack political savvy.
- L'Oréal's program helps Gen Y employees to better understand “who they are” and their behaviours— realizing that their not that easy to manage!

Source: Meister & Willyerd, *The 2020 Workplace*, 2010



Managing Age Diversity

- Diageo, large alcohol producer, added to its performance development process.
- Big Hopes encourages open career dialogue between a Gen Y and their manager.
- Helps to set Gen Y expectations for career development – which tend to be very ambitious and sometimes unreasonable!
- Dialogue forces managers to explain the gaps, make plans, and the Gen Y's know where they stand.

Source: Meister & Willyerd, *The 2020 Workplace*, 2010



10 Ways Your Workplace Will Change

2. The visible minority will be white.

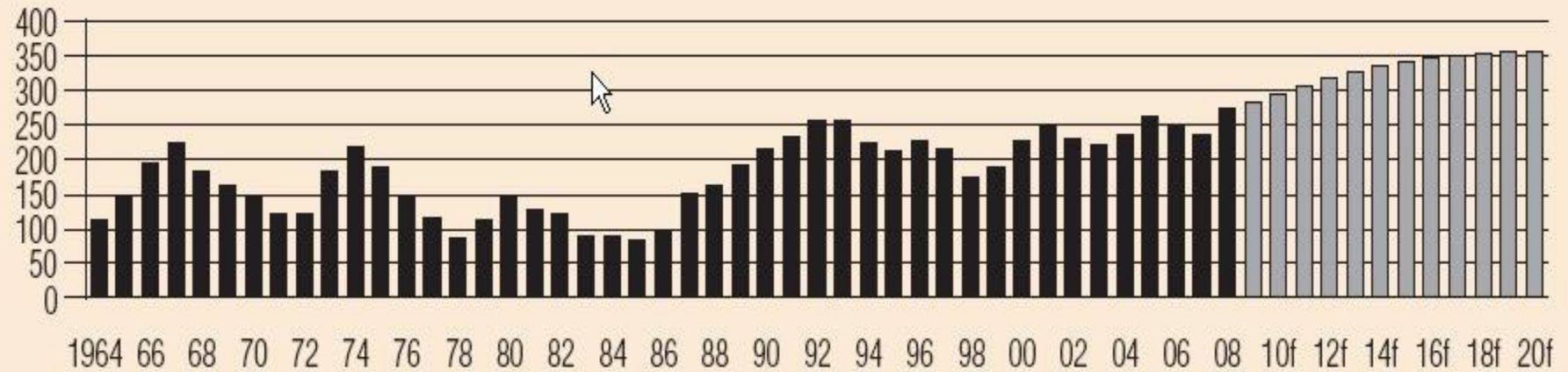
- Falling birth rate, rising immigration will create a truly unique society: majority of urban workforce is not white—already close to reality in Toronto.
- Opens enormous opportunities for new products and services, improved access to global markets: big competitive advantage.
- The challenge? How to integrate visible minorities into every part of working life — especially at the top.



Historical and Projected Immigration to Canada, 1964-2020

Chart 2

Historical and Projected Immigration to Canada, 1964-2020
(000s)



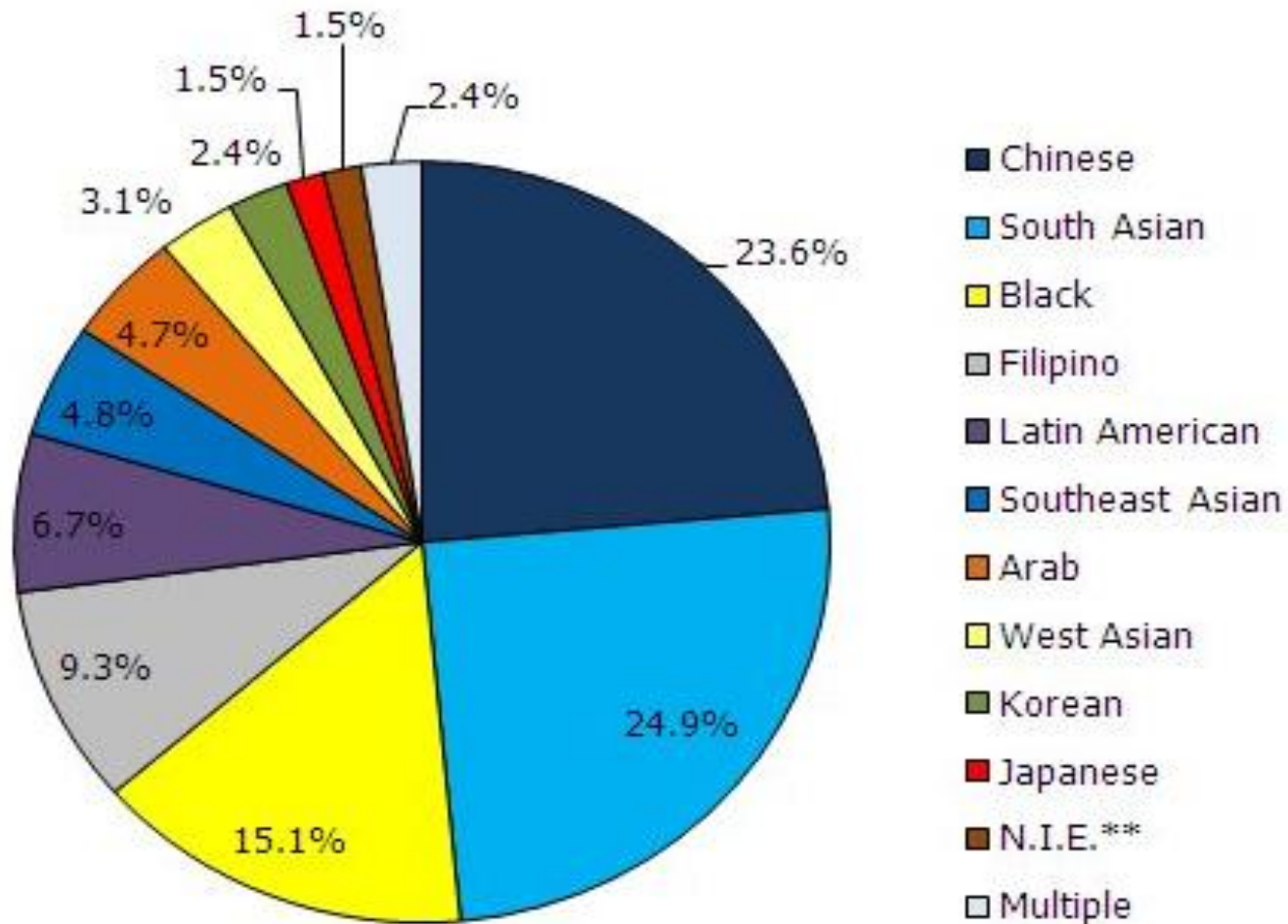
f = forecast

Source: The Conference Board of Canada.

Source: The Conference Board of Canada



Visible Minority Labour Force



Source: Catalyst Canada 2008



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3. We'll all be linked to work 24/7, whether we want to be or not.

- A decade ago, Blackberry's were just starting to tie us to work. iPods, iPhones and iPads didn't exist—trend continues!
- Technology will connect us even more completely a decade from now.
- Need to create boundaries to keep work from storming through our privacy and leisure time—both in for major redefinition.



Interconnectivity Now

- Canadians are among the highest Internet users in the world (16.8 million adults use Internet for *personal* activities).
- Internet is vital to teens and adults: students and pros (Facebook, Second Life, LinkedIn, etc.).
- Internet and digital technologies are embedded across *all* sectors of economy.



Internet Usage – June 2008

Table 1
Internet Usage, Selected Countries and Global, June 2008
(millions; per cent)

World region	Number using Internet (millions)	Users as a per cent of region's population	Per cent of world usage	Overall per cent increase in usage: 2000–08
Canada	28.0	84.3	1.9	120.4
United States	220.2	72.4	15.1	131.5
Oceania/Australia	20.2	59.5	1.4	165.1
Europe	384.6	48.1	26.3	266.0
Latin America/Caribbean	139.0	24.1	9.5	669.3
Middle East	41.9	21.3	2.9	1,176.8
Asia	578.5	15.3	39.5	406.1
Africa	51.1	5.3	3.5	1,031.2
World Total	1,463.6	21.9	100.0	305.5

Adapted from Internet World Stats, "Usage and Population Statistics Table," www.internetworldstats.com/stats.htm.

Source: The Conference Board of Canada



10 Ways Your Workplace Will Change

4. We'll make more of what we consume, where we consume it.

- Consumers today are creating their own books, software games and music. This trend, of producing the products you consume, is called 'prosumerism', and will spread quickly.
- This will spur producers to make their products consumer friendly like never before.



Consumer Dynamics - Prosumerism

- Coined by Toffler and Tapscott: hybrid of words ‘producer’ and ‘consumer’.
- Refers to consumers’ desire to participate directly in generating value from products and services and their preference for interactive experiences.
- Prosumers like to customize and control their consumption experiences.



Shifting Consumption Dynamics

- Aided by technology, consumers are *ubiquitous participants* in imagining, collaborating, locating, selling, exploring, purchasing, investing and more in products and services.
- Demanding consumers inspire products: Apple's iPod and video-on-demand are “supply responses” to those seeking to personalize their experience consuming and contributing to creative content.



10 Ways Your Workplace Will Change

5. The office will be where we say it is.

- Work will be more and more delinked from place (traditional workplace).
- The same technologies that keep us on constant call also let us work productively at a distance—in living rooms, at a Starbucks, on a beach in Florida.
- This can yield productivity gains!



Mobile Devices

- Mobile devices will be the primary connection tool to the Internet for most people in the world in 2020.
- (Pew Research Center , *The Future of the Internet III*, 2008)
- “The mobile phone in 2020 will become our office, our classroom, and our real-time concierge, helping us manage both our personal and professional lives.”
- People can work anywhere at anytime.

Source: Meister & Willyerd, *The 2020 Workplace*, 2010



10 Ways Your Workplace Will Change

- 6. Social media will be the community halls of the future.**
 - They will provide the factory floor and the office meeting room where groups of workers can collaborate on projects the way they now do socially on Facebook and Twitter.
 - Allows distant collaboration and frequent regrouping of teams.



Impact of Social Networking

- Millions of Canadians have accounts on social networking sites (such as Facebook, MySpace, Friendster, etc).
- Community sites provide tools that allow consumers to modify their own web pages and form communities.
- Has created huge potential among employees for application to work.



Impact of Social Media

- Employees are using social media to quickly/easily connect with colleagues, exchange and share, plan and take action.
- In one instance, employees re-surveyed their peers to verify the results of a corporate employee satisfaction survey.
- They create “groups” to raise awareness and provide a venue where voices are heard – big implications for management.



Corporate Uses of Web 2.0, 2010

- McKinsey conducts an annual survey on the use of Web 2.0 in businesses.
- 3,249 executive respondents globally.
- 66 per cent use Web 2.0 and will increase future investments in these technologies.
 - 40 per cent use social networking; and
 - Nearly half of the companies reported that 51 per cent of their employees use it.
 - 38 per cent use blogs.

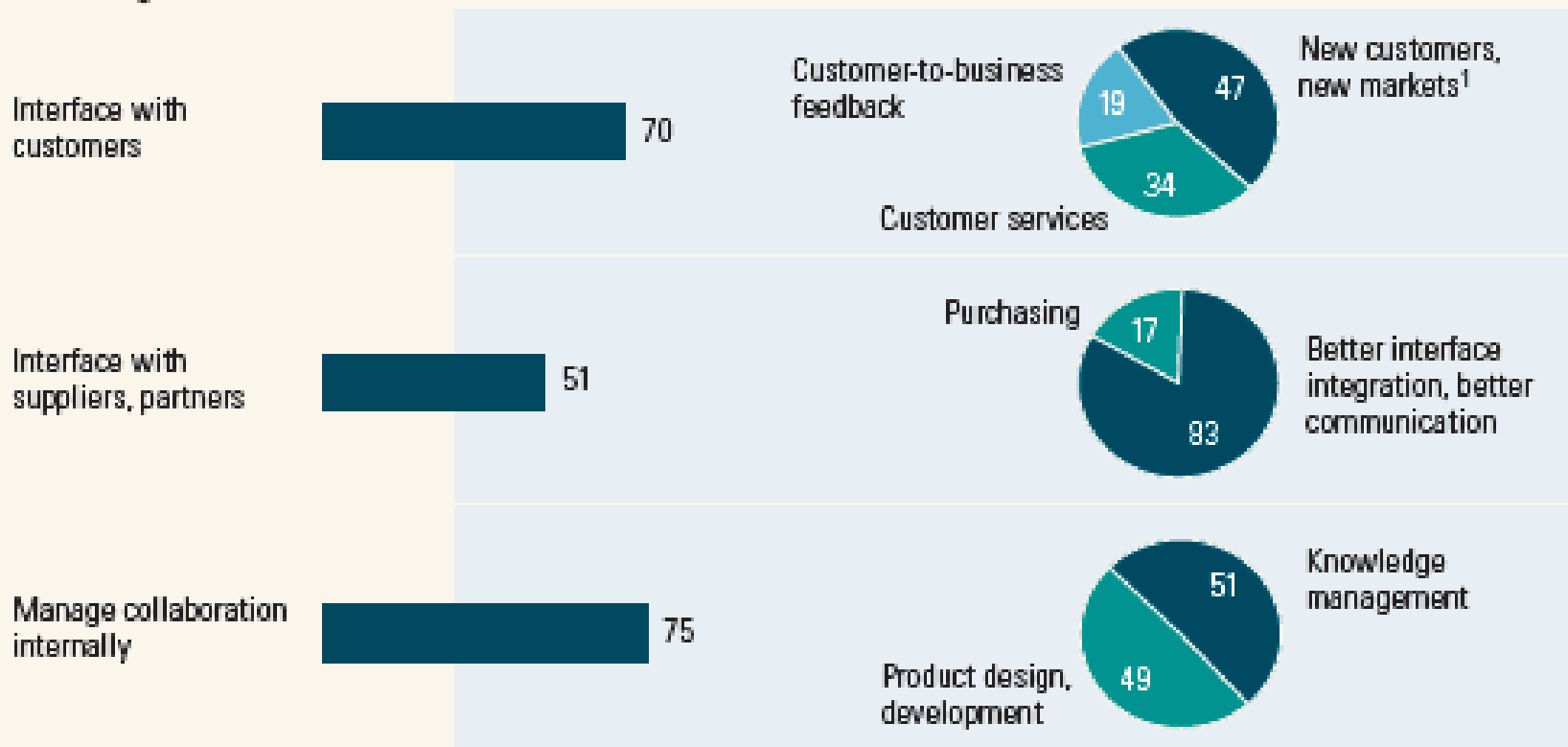
Source: McKinsey & Company, 2010



Corporate Uses of Social Media

% of respondents who report using Web 2.0 technologies

Respondents report using some combination of technologies to ...



¹Sum of responses for entering new markets and acquiring new customers in existing markets.

Source: McKinsey & Company, 2010



10 Ways Your Workplace Will Change

7. Real companies will have virtual locations.

- Some corporations have an online existence as robust, lively and profitable as their presence in the real world.
- By 2020, virtual locations may outnumber bricks and mortar ones, with marketing almost all online—and driving consumers there. Also much more recruiting and training at virtual sites.



Ireland's Tourism Sector & Social Media

- Travelshake.com - free for Irish tourism businesses to use.
- Provides consumers with a simple platform to plan a holiday in Ireland.
- Browse videos, images, social media feeds, and the latest offers in one location.
- Gives businesses an opportunity to reach a worldwide audience.



Travelshake.com

- Customized URL's are used for profile (www.Travelshake.com/Businessname).
- Owners can provide recommendations or peer reviews on other local businesses.
- Over 100 businesses use the website.
- Has 7,000 tourism-related Twitter followers.
- Future enhancements: user itineraries and new iPhone applications.



10 Ways Your Workplace Will Change

8. Management will be pushed down & out.

- Top-down, centralized leadership models will wither as flexible work formations and management systems create highly decentralized workforces – and decisions.
- When workers are out of the office, or sharing jobs or exist only on-line, they are hard to command and control in traditional manner.



10 Ways Your Workplace Will Change

9. Contingent workers will become unconditionally important.

- More part-time, seasonal and contract workers will help companies adjust in advance to quick changes in the type and amount of work that needs to be done.
- But employees will be less loyal and make it harder to enforce a single corporate culture.



10 Ways Your Workplace Will Change

10. Teamwork will be a learned skill, not just a nice attitude.

- More outsiders, faster technology, wider networks, more complex problems – these are all arguments for more teamwork—in increasingly diverse workplaces.
- In the age of mass collaboration, the ability to work on a team, and especially to lead it, will be one of the most important skills in any workplace.



Expand the Skilled Talent Pool: Focus on Under-represented Populations

- 1. Women 15-64 – 12 million +**
- 2. Immigrants – 6 million +**
- 3. Mature (workers) 65+ – 4 million +**
- 4. People with disabilities – 4 million +**
- 5. Aboriginal Peoples – 1.3 million**
- 6. Disengaged youth 16-25 – 1 million**



Immigrants are Good for Business

- Immigrants and internationally educated talent boost our economy by:
 - Adding *skilled workers* to labour force;
 - Bringing a *desire to succeed*;
 - Stimulating *innovation and creativity*;
 - Enriching our *global economic perspective*; and
 - Providing *connections to foreign markets*.





Report Card on Canada: 2010

REPORT CARD		
Innovation		
1	Switzerland	A
2	Ireland	B
3	U.S.	B
4	Japan	B
5	Sweden	C
6	Germany	C
7	U.K.	C
8	Netherlands	C
9	Finland	C
10	France	C
11	Denmark	C
12	Belgium	D
13	Austria	D
14	Canada	D
15	Australia	D
16	Italy	D
17	Norway	D

Note: Data for the most recent year available used.
Source: The Conference Board of Canada.

- Canada ranks 14th among the 17 peer countries on innovation.
- Despite pockets of achievement, Canada has been a consistent “D” performer on its capacity to innovate since the 1980s.





Do Immigrants Make Canadian Businesses More Innovative?



Immigrants and Innovators



Immigrants tend to be:

- Risk takers;
- Entrepreneurial;
- Innovative thinkers;
- They bring new skills, knowledge and contacts.



Worldwide Focus on Innovation



Research Objectives

1. Determine how much immigrants are recognized as “individual” innovators.
2. Demonstrate the value of immigrant talent to Canadian businesses.
3. Understand the relationship between immigration and innovation at a national level.
4. Test whether the relationship is universal (i.e. across countries).



Immigrants: Innovation Outcomes

- Immigrants are associated with innovation, specifically:
 - High Individual Achievements
 - Increasing Canada's trade levels
 - Increasing Canada's FDI
 - More Global innovation
 - Increasing Global FDI

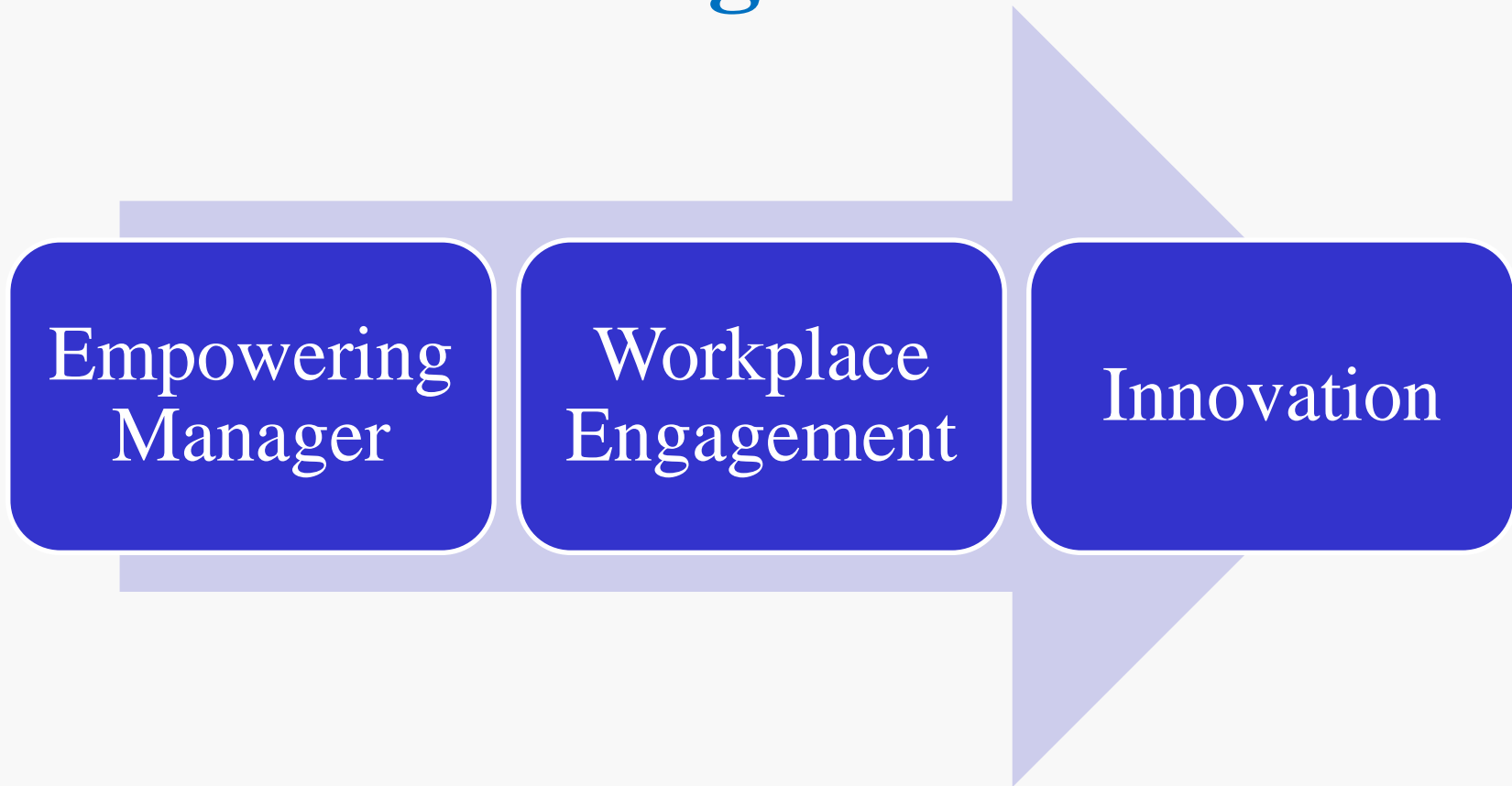


Immigrants and Innovation

1. Create new businesses and employment opportunities in a region.
2. Adapt or market existing sales and services to a wider, diverse audience.
3. Market products internationally—linking to cultural interests etc.
4. Create new product packages for key markets, niche customer groups.



Key Finding: The Pathway to Increasing Innovation



Empowering Innovation

- *Empowering is profitable!* – all employees have capacity to innovate if they are encouraged and recognized for their efforts.
- *Goal:* match workplace change, customer expectations, employee capacity with changing patterns of diversity to create an HR strategy that can build productivity gain through innovation.





- **Upcoming CanCompete Report**
- Knowledge Makes You Smarter:
Improving Corporate I.Q. By
Transferring Tacit Knowledge
- Release Date: May 2011



Knowledge Transfer – Why is it Important?

- Perfect Storm—aging workforce, senior leaders/executives nearing the age of retirement, labour and skills shortages, economic recovery.
- Major challenge to replace senior workers, capture and retain their organizational knowledge, and transfer it to younger generations.



Knowledge Transfer – Why is it Important?

- Over the next decade, knowledge transfer activities will be important to:
 - maintain current levels of operations and productivity;
 - recruit and develop new leaders;
 - attain future growth targets; and
 - gain competitive advantage.



Def.: Tacit Knowledge Transfer

- *Tacit knowledge* (TK) refers to the higher-level knowledge and wisdom that a person accumulates as a result of their experiences, skills, and intuitions.
- It is difficult to identify and capture, and even more difficult to transfer.
- Individuals are often unaware of the TK that they possess and don't recognize its value.



Knowledge Management vs. Tacit Knowledge Transfer

- Many organizations have mastered the transfer of data and information.
- Yet few are able to capture and transfer higher-level knowledge and wisdom among their people, to the same degree.



Tacit Knowledge Transfer

- **Report will feature:**
 - How to capture, transfer and store knowledge.
 - Keys to success.
 - Corporate examples of implementation.



Leadership Skills for 2020

- Team building and alliance making
- Risk taking, entrepreneurship
- Using technology effectively
- Managing diversity – multinational workplaces
- Nurturing diverse talent – and promoting to the top.
- Running global, multi-national operations



Questions for Leaders – Preparing Leaders

- What are you doing to build the skills of your *current* leadership cadre so they can help address the organization's top challenges?
- What type of leader will your organization require in 2020? What skills will they require?



Preparing for 2020

- How are you preparing leaders to manage change, create flexible structures, engage contingent workers, lead diversity, and make the most of new technologies?
- Are you aligning your reward and recognition system to encourage the leadership behaviours you seek?



Taking Action: Four-Step Process

- With the right combination of awareness and skills, the workplace of 2020 can create huge opportunities.
- You can employ a four-step process to figure out a plan of action.



Taking Action: Four-Step Process for Leaders

1. Understand the trends.

- You have to know what's coming, and separate what's big from what just sounds that way.
- This can vary by sector and place - 'one size' does not explain all.



Taking Action:

Four-Step Process for Leaders

2. Clarify the implications.

- Figure out what all this change will mean for your company or workplace.
- Assess which trends *mean the most* to your organization in the next decade and beyond—allows you to prioritize spending your limited resources.



Taking Action:

Four-Step Process for Leaders

- 3. Identify the needs and opportunities.**
 - Not just vaguely, but explicitly.
 - Once you know the organizational changes that have to happen, set the strategies that will enforce those changes and not just react – often too little, too late – to them.



Taking Action:

Four-Step Process for Leaders

- 4. Build and recruit for leadership skills.**
 - Make sure your management team of 2020 has the skills (or is getting them) right now to make the most of these changes.



A Four-Step Action Process For Leaders

Exhibit 1

Four-Step Action Process for Leaders

1. Understand trends.

2. Clarify implications.

3. Identify needs and opportunities.

4. Build and recruit for leadership skills.

Source: The Conference Board of Canada.

Source: The Conference Board of Canada



Conclusion

- The workplace will change fast!
- Premium on flexibility and adaptability.
- People will succeed by 1) reading the trends, 2) finding where they can fit in, and 3) gaining additional knowledge, skills and expertise (through training etc.) to progress in their careers.
- They need professional help—embrace the pace of change, share your insights, and you will help them prosper!

