

The future of work: A guide for purposeful transformation

Leaders need to consider the three 'D's' in adapting to the workplace of the future: Digitalization; De-structuring; and perhaps the most important of all, Diversity.



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Digitalization and globalization were already changing the world of work when the pandemic struck and accelerated the rate of transformation. People's personal and working lives pivoted as organizations digitalized their operations. Disruptive technologies, including artificial intelligence (AI), the Internet of Things (IoT), and nanotechnology, are having a massive impact and will continue to do so at pace.

There are plenty of examples that serve to illustrate the point. Industrial robots are now commonplace in replacing routine manufacturing tasks. Cyber courts with AI-enabled judges are reducing the time spent on cases by up to 60%, while cognitive agents such as Amelia provide services such as tech support, customer care, and procurement processing.

Historically technological revolutions deliver significant economic growth and new employment opportunities. But they also bring the upheaval of social and demographic change and greater labour mobility. The future of work will look very different. Every company must decide how best to embrace the future and remain competitive and attractive in the new digital world. They need to choose between allowing machines to lead the development of their human workforce or using machines to leverage and enhance people's skills and talent.

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3D transformation

It is possible to plan for the transformation that is happening by considering the three 'D's': Digitalization; De-structuring; and Diversity – and examining where the three elements intertwine. Let us take each 'D' in turn.

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3D transformation: Digitalization

Digital transformation is symbolized by the mobile phone. It is more powerful today than all the NASA computers that helped to land a man on the moon. As digitalization rapidly becomes integrated into companies' business models, processes and working methods, it will bring endless opportunities. But it is not all good news. Data security, automation of human jobs, loss of personal privacy, long-term security and personal fulfilment are just some of the emerging threats. The momentous changes to come urgently need channelling towards a positive outcome.

Before the pandemic, companies were cautiously testing remote working technology, assessing the benefits, costs, and risks. With the pandemic and lockdowns, remote homeworking became the new normal within a few days. The technology was easy to install and easy to use. But the impact on leadership and human psychology was grossly underestimated. Leaders had to develop greater empathy, learn to listen, understand more and foster trust through a computer screen.

Similarly, e-commerce retail and supply chains were rapidly transformed. One of the last things I witnessed at IKEA was the installation of external locker spaces for customers to collect their online purchases during the pandemic. It led to inner-city stores being opened for the first time in the company's history.

Retail will always be there. Not all retailers will. Innovators who blend humans and machines to make shopping easy and create a relationship with the customer will flourish. But whether launching products, delivering to customers, or creating fun, educational and in-store experiences to attract footfall, the key is innovating and implementing at speed.

3D transformation: D-structuring

To become more agile, companies need to de-structure and remove old pyramid hierarchies and traditional conventions which are no longer suited to a rapidly changing workplace. As Einstein said, “We cannot solve our problems with the same thinking we used when we created them.”

To respond quickly to continuous change requires creativity and autonomy. Stockpiling resources, people, materials and information stifles flexibility. Using what is needed, when it's needed most, is what's required. Task forces, or departments, will no longer be rigidly bound. People and ideas will ebb and flow more easily across organizations, with teams forming and reforming where and when they are needed. Start-ups, tech companies, and entertainment (media) companies are already leading the change.

3D transformation: Diversity

Connected by digital technology, teams are increasingly global, potentially creating more diverse workforces. Diversity is a kaleidoscope of differences in people's values, competencies, and perspectives from all walks of life. Together they make a cognitively diverse workforce of talent and solution finders.

The pandemic offered us new and more positive horizons for humanity, economically, socially and politically. It has given us a chance to reset the workplace agenda and strive for global prosperity.

Gender equality is central to that change. Among men and women alone, multiple dimensions of age, race, sexual orientation, disability status, educational background, and more, 'intersect'. If organizations can identify that level of diversity and 'intersectionality', they can learn how to build more progressive work environments with equal opportunities for all, wherever they are in the world. It will have a broad and remarkable impact in many fields.

As technology evolves, leaders can choose to simply cast people aside who do not have the digital skills. It's happened with previous technological changes. But this will merely postpone and amplify the shortage of tech-enabled employees. Instead, leaders should choose to help men and women upskill or reskill.

In a world concerned with any organization's social impact, today's leaders are morally obliged to consider how job losses or organizational change will affect their employees, their families and society as a whole. Some companies are already taking positive action.

Bosch is spending €2bn on reskilling workers from legacy to new car technologies, while staff in non-auto departments can learn AI or software skills. Unilever's 'future-fit' programme allows any employee to develop a retraining programme and use Unilever's skills platform for a new career of their choice. Other companies teach new agile ways of working. Such initiatives help create a skilled, more diverse, transformed workforce which is resilient to constant change.

Measuring that transformation is vital to identify gaps, promote investment and follow up on results. Companies are increasingly measuring and reporting on their environmental, social and governance (ESG) KPIs. Mercer reported that 81% of companies claim to measure and improve DE&I, and 50% have formal DE&I targets. But only 36% include gender as a measure of the employees they hire or who leave as part of their KPIs. Most companies need a deeper analysis to create a workforce suited for the future of work.

Creating purposeful transformation

Companies can choose their response to the digital transformation of work. Those choices will be seen by consumers, impacting the company's reputation and its commercial value for better or worse. But if they wish to thrive, leaders will need to think beyond just business benefits. They will need to align the cultural transformation to their purpose because adapting to the complexities of cultural and psychological change is more challenging than adapting to new technology.

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Psychologically people need to lead meaningful lives through having purpose, values and building relationships with others. People want to work for companies they believe in. They want to understand the contribution they make and how it benefits someone or something larger than themselves.

People believe in a company if they share its values, believe in its mission, and see evidence in the organization's behaviour. Today's markets are defined by societal needs, not just business needs, so this is now the work of leaders. And they need to recognize that waiting and planning often cost more than doing and improvising in a constantly changing workplace. Speed and simplicity will deliver change.

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In purposeful transformations, there are three imperatives:

1. Transforming business processes is a must

But vigilance is needed in the rush to automate processes and deliver greater efficiency. The functions that should and should never be replaced by robotic technology must be chosen carefully. People may make mistakes, which can lead to creativity or elements of uniqueness. Automate to replace mundane tasks and create jobs employees value.

2. Putting people first means a holistic approach to developing co-workers

Companies can proactively identify employees' potential and their current skill sets and understand and support people's ability to unlearn and relearn for the future. The workforce will become more resilient, and so too will the company and society.

3. Living and breathing the new way of work

A new digitally connected world of work will require a new kind of working culture, an inclusive, innovative, generous, and courageous working culture. Break down internal silos and create small, diverse interdisciplinary teams with the autonomy and agility to innovate on projects and the freedom to move into new roles.

Leaders should be aware of their roles and responsibilities toward every member of the organization. Their behaviour should show they take their responsibility to heart. And with a commitment to inclusion and gender equality, what will emerge is a whole new culture in which people will work effectively alongside machines. This is transformational leadership.

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