

# The Future of Work

## Executive summary

- *A white paper commissioned by Esselte Corporation to mark its 100-year anniversary*
- *It examines the current and future world of work and identifies the challenges facing companies and individuals as they face up to the digital age.*
- *Key themes include: Mobile working, Security of information, Blurring of life and work, impact of gender and millennials*

When Esselte was founded, industry was only just coming to terms with office work as we recognise it. There were no calculators, big companies employed large teams of typists, Tippex had yet to be invented, so any errors required starting again from the beginning, carbon copy or the printing press was the only way to create duplicates of documents and the telephone was available only to comparatively few.

Today most of us could not run our working or even personal lives without the internet, 24x7 instant global communication, our laptops, PCs, iPads, tablets, mobile phones and their applications never mind social media. And if you are 25 or under, you have no understanding of a life without the internet and our 'always on' 24/7 way of operating. Recognising the huge impact these changes have already made to the working environment, Esselte commissioned Futures House Europe, a scenario planning company specialising in envisaging the challenges facing organisations, to look at the world of work and its implications going forward for both people and companies.

A full copy of the white paper can be downloaded from the Esselte website at [www.esselte.com/whitepaper](http://www.esselte.com/whitepaper)

What follows is a summary of the themes highlighting some of the key questions and challenges facing organisations as we go forward into the 22nd century.

## 1. The Social Value and Cost of Work

### **Most of us now spend more time working than sleeping**

No-one goes to their grave wishing they'd spent more time in the office but ... today the proportion of people that work at weekends has increased to 35% and few get overtime reward or payment for this additional input.

Although official figures suggest the number of hours worked is in decline the reality for most people in white-collar roles is different.

### **'Always on' – Presenteeism and unpaid overtime**

As 'always on' technology makes everyone available 24/7, the boundaries between work and personal life are becoming increasingly blurred. Soon it will be hard to see where one starts and the other begins.

'Presenteeism' results from company cultures or from fear of not being seen to be important and needed. Both types result in countless additional hours far beyond their contracted hours often in an unsupervised and uncontrolled way. Younger workers adapt better as their lives are increasingly defined by being 'always on' as a result of their media usage. It is more of a challenge for older workers and managers. No one yet knows the long term effects of being 'always on' but recent research among 17,000 organisations worldwide by ComPysch Corp showed that 63% of their sample had high levels of stress at work combined with extreme fatigue and feeling out of control.

**Questions for discussion:** What is the real impact on individuals and companies of this 'new' 24/7 world of work? What is the true cost of their invisible and additional working hours? Are companies quietly endorsing cultures that expect employees to always be available? Is the inevitable result going to be increased staff illness and burn-out of talented and capable staff?"

## **2. Shifting demography - Aging Workforces**

By 2050 over 65's will be the equivalent of around 50% of the working population in most European countries. In 2010 they represented only around 25%.

Increasingly people won't be able to afford to retire early or won't want to retire because of increased health. Countries will have to let (or make) people work longer, incentivise birth rates, relax immigration policies and/or increase productivity to meet demand for workers.

By 2020, companies will have to be multi-generational - ranging from Baby boomers to Millennials; and multi cultural. They will need to adapt to people wanting to stay employed/extend their careers indefinitely

## **3. Shifting demography – Gender: What do working women really want?**

Since 1970 the proportion of women in work in the developed world has risen to 64% from 48%. A recent Economist study estimates that this has benefitted global GDP growth more than rise of China or new technologies. Countries have benefitted from 'hidden growth' often without realising it. Further eliminating the gap between male and female employment would boost GDP by 9% in US, 13% in Eurozone and 16% in Japan (Goldman Sachs)

But significant disparities in opportunities and rewards remain even in countries that apparently espouse equality. For example female graduates outnumber men but are still underrepresented on boards. According to the Institute of Research and Leadership, this is because women set their sights lower from the start, lack confidence - relative to men, are more cautious about applying for jobs and have less desire to move up as they age.

However, the facts are clear many companies' finances would improve with a greater representation of senior women – in a study of Fortune 500 companies, those with three or more women directors outperform those with none by a 46% margin in return on investment. "Companies with high representation of women on the board outperform companies with all male boards by 41% in terms of return of equity.'

**Questions for discussion:** What do working women really want? What is needed to encourage them to want to take up senior roles? Would specific incentives or support mechanisms make a difference? Why does the 'glass ceiling' still seems to remain at the top for women? Is it sometimes self-imposed?

#### **4. Generation Y and Millennials - Only over 25's remember life before the internet**

Companies need to recognise the different needs and ambitions of Millennials and mesh them with other generations in the workforce to prevent generational clashes/differences. Especially as many believe older senior management do not relate to younger workers.

They have more experience of technology than any other generation but their values and approach to work is different from their predecessors.

Pew Research called their study describing Gen Y's in America: 'Confident, Connected. Open to Change' but 'Demanding Change' might be more accurate as a Chartered Management Institute survey of Millennials showed they are very self directed: 68% want to initiate their own learning and to decide how to blend home and work life so they can work where and when they want. They are also more critical, more selective – and less grateful. They expect loyalty – they are not predisposed to 'give it' like boomers.

They often own more sophisticated technology than their employer gives them - and see connectivity in and out of work as norm. They are impatient with what they see as out of date autocratic/paternalistic attitudes that they perceive pervade in many businesses. They want to play by different rules and see their own futures as freewheeling and nomadic. Only 18% expect to stay with their current employer for the long term according to a PWC study and over a quarter expect to have at least six employers or more in their working life.

“The re-emergence of the generation gap at work has serious implications for management style and company culture. We need to find ways of getting the generations working closer, respecting each other’s talents, needs and ambitions. Another area of emerging importance given the technological sophistication of Millennials is the practise of BYOD (Bring your own device...to work). Many of them will increasingly prefer to use their own kit as it will be newer than that which their employer can provide. While this may bring hardware savings companies need to consider the security implications and brand integrity as a result,” highlights Martin Kula, Vice President – Marketing, Esselte comments.

### **5. The Future of Talent - Where will new talent and workforce come from?**

The number of people available for work is now falling in Europe. Global birth rates have peaked and as people have fewer children later in life – the conveyor belt of future generations cannot be relied on.

The Employment Policy Foundation believes the retiring baby boomers will leave a shortfall of 35 million workers by 2020 even with the extended working lives we all face. The World Economic Forum’s ‘Global Talent Risk Study’ suggests the USA will need to add more than 25 million workers to its talent base by 2030 to sustain economic growth and Western Europe will need more than 45 million. The key factor is not the number of people available but the available talent and there are talent scarcities worldwide.

**Employees will increasingly see themselves as a ‘brand’** whose marketing they have sole control over and the portfolio career as envisaged by Charles Handy will be the norm. For those with the right skills the balance of power will shift to the seller, not the buyer.

Companies will be competing in the global marketplace for the right people. Increasingly the top companies will be hunting out the talent early – at universities where they will develop a strong campus presence - like football scouts looking for prodigies. Companies will also want to retain or acquire workers with the right skills or who have the capacity to learn them and the ability to make more efficient use of their time and contribution.

Careers will be multi-company, multi sector and non-linear with employees taking career breaks when it suits them. A gap on a CV will no longer be a source of suspicion but a sign that the individual has found something fulfilling to do outside of work. Individuals will see themselves as having a multi-destination career and value training and personal development as more important than pay alone.

As more routine and transactional roles become automated people will be liberated to think more creatively. We will see the emergence of ‘expert thinkers’ skilled in solving unexpected

problems and carrying out complex communication interactions with people. Intuitive thinking and emotional intelligence will be more important than knowledge as this will be easily accessible.

**Employers will use highly sophisticated personality based software to spot the right sort of talent.** Their values and having personality that matches the company will be as important as experience.

Remote working and mobility will remove traditional boundaries. Jobs will be increasingly global and high level jobs will know no boundaries. It will no longer work to 'import' skills and people to the West as competitive hubs are moving and the concentration of business is changing rapidly. In 2012, 73 Fortune 500 companies were based in China compared to just 16 in 2005.

Traditional job seeking will be replaced by online marketplaces of which LinkedIn with its 200 million members will be seen as a prototype. Similarly, Facebook jobs will fuse social networking and professional development together. Although not relevant to all it has a potential pool of nearly 1 billion users. Sites such as these and glassdoor.com are already showing potential recruits what lies behind company doors so companies will need to be ruthlessly open and honest about what they do.

"The future success of companies rests on making ourselves a destination for top talent. In the short term this means addressing the skills gap. stopping to think locally and acting much more globally in our search for talent," remarks Martin Kula, Vice President – Marketing, Esselte.

## 6. The Rise of Part Time Work

According to OECD data, part time work has grown significantly in Europe with proportion of part time jobs now accounting for an between 20-25% in most European countries with the exception of the Netherlands where it is highest at 49%.

Does this reflect increased number of women in work who have family responsibilities? The rise of the service industries, the desire for flexible hours? Our ageing workforce? Or is it symptomatic of cost-cutting measures in companies where there is a financial benefit in having a proportion of workers on shorter contracts?

Conventional wisdom is that part-time work is lower status but this is going as higher status jobs are being made available on a part time basis. However, there is a significant disparity between training for permanent employees and part time employees.

**Question for discussion:** How can/should part time employees be embedded into the organisation so they share its vision and values?

“Traditionally, people working part time have higher churn rates as their work is temporary and often perceived to be lower status. As a result they can feel less valued and less loyalty to the company – however given opportunities and training on a par with other employees they can and will increasingly be hugely valuable resource,” says Martin Kula, Vice President – Marketing, Esselte.

### **7. Impact of Automation – ‘The AI revolution is doing to white collar jobs what robotics did to blue collar jobs’.**

Automation is increasingly taking a central role in all aspects of the workplace, impacting on administrative and transactional work. As the New Commission on the Skills of the American workforce recently concluded: *“If work is routine, no matter how complex it is, chances are it can be automated.”*

This means not just change but accelerating change with a gradual upwards migration of work. Between 2000 and 2009, three million transactional jobs vanished but 5 million interaction jobs (nursing, law, services) were created.

### **8. Mobile Working - Work is no longer where the office is.**

For mobile workers the office is where they are - whether at home, in the car, at an airport, in a coffee shop or even on holiday. As a result of new technologies, by 2015 almost 40% of total workforce (about 1.3 billion of working population) will be mobile. Ironically the more mobile people become the more ‘mobile’ devices they carry. On average 3.5 in 2012 up from 2.7 in 2011 owing to growth of tablets. However, going forward The Cloud will not just be a storage system for mobile workers but a virtual hub accessed by the company’s mobile semi-structured workforce – perhaps on a single device.

There are savings for companies such as time lost through travel, unnecessary commuting and office costs. Mobile workers also enable them to be more responsive to customer needs inside and outside office hours. Mobile workers get a more flexible working lifestyle but say they lose some of the collaboration and communication benefits of regular contact with colleagues and clients. Mobile workers tend to work more hours, multi-task more and feel less effective as a result. This is borne out in a recent survey by Sheffield University’s Institute of Work Psychology for iPass, which showed that a quarter of mobile workers say they work 15-20 hours extra a week because technology enables (or forces) them to do so.

“Mobile working was supposed to promote a greater work/life balance but it can lead to greater burdens through today’s ‘always on’ culture – companies need to look at ways to offset this,” states Martin Kula, Vice President – Marketing, Esselte.

## **9. What will offices be like in the future? - Harder Working Offices – Send your hologram to work instead**

The traditional office is dying and will only remain relevant where security concerns (i.e.GCHQ) are key or where face to face customer service or personal interaction on the premises remains important. For example in the hospitality and retail sectors although some companies in the Far East are experimenting with robotic waiters.

As more people become mobile workers, offices will be multifunctional places to meet and interact – reflecting new ways of working. They will combine fixed workstations, quiet areas, informal social areas and more formal meeting environments. All office space will have to work hard to merit its existence. Rather than fixed bases in the future large cities will have spaces to provide ‘pop up’ offices where companies can temporarily locate project teams. Technologies will be embedded in the office space. They will be responsive to the moods of employees and adjust lighting, temperatures and ambient noise accordingly. Although everyone will have mobile devices, the office structure will work in plug and play mode so all resources any employee might want are available anywhere in the building. Instead of having to find a fixed meeting or work space literally anything will be capable of being a screen. Desktop monitors etc will disappear in favour of ‘intelligent glass’ or nothing and maybe the 3.5 mobile stack of devices we carry will start to shrink. Telepresence will be the norm and employees working remotely will be able to send hologrammatic versions of themselves to take part in meetings.

“We need to make our offices work harder but at the same time ensure that people working remotely don’t feel and become remote. As mobile working becomes the norm even before we can send our holograms to a meeting - we need to look at the impact of working as virtual presences without the reassurance of physical interaction with others,” warns Martin Kula, Vice President – Marketing, Esselte

## **10. The Future Structure of Work - Is this the end of work as we know it?**

The way organisations are structured is changing. We will see more large interlinked total service companies and more small independent specialists while companies in middle will struggle as they will have neither scale, resource or agility to compete effectively.

Rather than being self-contained, companies will operate more as part of a larger fluid eco-system, arranged around the work they do rather than fitting the work into inflexible structures. Instead of layered management and rigid departmental siloes, there will be greater cross-functional co-operation using the mixture of talents inside and outside company to solve problems and capitalise on

opportunities quickly.

There will be fewer full time employees in most companies and talent will be imported when needed. This will lead to more opportunities for specialist consultancies and individuals hiring themselves out on short-term contracts as higher level temporary staff.

There will be more formal and informal joint ventures – companies, universities and colleges teaming up with like minded organisations for mutual benefit and strategic alliances to generate income.

All of these changes will impact on management and work culture. Importantly, Gen Y and Millennials want to work in collaborative, teamwork and participation based management groups. They will avoid command and control structures. Additionally, many female managers – and millennials want to work in companies that do something they believe in – and this will extend to management style.

*“Employees of future will be judged more by quality of output rather than hours worked”. Productivity will be prized above simply ‘being there’.”* And Companies will manage by results not objectives and productivity above ‘presenteeism’.

Companies will need to come to terms with greater transparency as sites like Glassdoor will make information about culture, conditions and salaries even more widely available. Social media communication will no longer be seen as a personal tool to become central to business to business communication. Internal openness and co-operation will be provided by internal social media innovations helping people work and communicate more collaboratively across functions and geographical boundaries i.e. IBM Social Blue

Martin Kula, Vice President – Marketing, Esselte says; “To cope with these changes we are all going to need to put cultural building blocks in place to be more open and transparent. Another big challenge will be to find ways to evaluate output in the knowledge based structure where creativity and innovation can be subjective terms.”

#### **11. How will companies organise themselves in the future? – Like Film production companies? Workflow co-ordination will be key**

In a creative and knowledge based work environment, access to information and the right skills will be critical. Speed and accuracy will bring competitive advantages. Companies will team up with like minded organisations for mutual benefit in strategic alliances.

Currently people are not efficient. McKinsey estimates that the average interaction worker spends 28% of their working week managing email and nearly 20% looking for internal information or tracking down colleagues to help with specific tasks.

Email is indiscriminate and unwieldy but there is no replacement on the horizon. Twitter prevents detailed communications and Facebook offers business little in the way of a secure alternative or reliable archiving.

Organising people in the office of the future will be far more challenging than it is today. It is fine empowering workers to make their own decision about work flow and place and pace of work, but ultimately this needs to be managed – especially with the increase in part time, freelance and outsourcing.

Resource coordinators will be needed to put together best teams for particular projects from different departments and outside organisations and blend them together. Workflow co-ordination will become a key function and it won't be just people that need organising but their equipment too. Retrieval of information is likely to become harder not easier so the availability of enough digital data storage capacity is vital. Digital filing with information in all its different digital formats will need to be compressed but still searchable. The ideal data storage systems of the future will be both logical and intuitive a bit like a gearbox we can shift from manual to automatic.

“Helping people be organised is our core competence – it is in our DNA. Our earliest product, the LAF was designed to solve an organisational problem. Today our focus remains helping people be organised and be in control by making sure vital documents are secure, adapting desktop tools to the modern environment and providing products which bring paper and digital together such as Leitz Cloud and Leitz Complete to help them run productive and organised companies,” adds Martin Kula, Vice President – Marketing, Esselte.

## 12. How will we safeguard our information in the future?

Just as peoples' work and personal lives have become blurred – so will their professional and personal information – making security a vital concern for all companies. Three key factors are driving this:

**'BYOD'** – or bring your own device is becoming embedded in many companies. Especially with younger workers who probably own more up to date equipment than their employer provides for them and will want to use their own in preference

**Mobile devices** are taking over from computers as a means to access the web but without the same safeguards. (N.B. Mobile phones are the most frequent item of lost property on public

transport globally – making data security problematic)

**The Cloud** will grow in popularity but with reservations and security means we will need to spread our resources and use several Clouds so as not to put all eggs in one basket.

“It’s going to be a tough balancing act for companies to meet the challenge of being open and flexible but also secure. Too much information and intelligence is potentially too readily available to the wrong people and if we are not careful we could be unknowingly contravening local legislature and policies,” highlights Martin Kula, Vice President – Marketing, Esselte.

### **13. Does paper have a future in business?**

There is no evidence of more than a gradual decline in the near future. The paperless Office still a long way off – both paper and digital will co-exist for some time yet. The challenge will be to manage the gigabytes of data and the average 10,000 sheets of paper that each individual office worker produces every year across the USA, UK and Australia.

### **14. The Innovation processes that companies need to start implementing now**

The speed of technology is accelerating and the business world of today will bear no relation to the one of 2020. But the future doesn’t arrive in one handy lump; it comes in drips and drabs. While there can be benefits in being a laggard - (Apple didn’t produce the first MP3 player but they produced the most aesthetically pleasing and the most intuitive) - organisations that sit back and wait for something to happen will find themselves engulfed in a tidal wave of change. The future lies with holistic and collaborative business innovation.

Innovation will no longer be the preserve of the lone boffin or a special team /‘skunkworks’. It will be internally collaborative and something everyone must be involved in. The wider the range of disciplines/backgrounds involved, the more powerful and innovative the concepts that result. In the future forward thinking must be in the companies DNA

More companies will use Open Source to develop products and services using customers and suppliers as participants i.e. The Guardian newspaper’s story around MP’s misuse of expenses – drew on its own readership to help with rapid analysis of the report – the 170,000 documents were reviewed by 20,000 contributors.

Innovation will be more open. Enlightened organisations will share their thinking with channel partners to exploit mutual strengths and innovation will be collaborative with customers.

The focus in the past has been on products. Business model

innovation will become more important and a way for companies to gain competitive advantage. They cannot be as easily copied as products but can be tailored to companies' values and outlook as another extension of its brand behaviour.

Martin Kula, Vice President – Marketing, Esselte concludes; “Innovation is not something companies can dip in and out of. It must be hard-wired into the organisation as a systematic capability. It must be championed by senior management and seen as an essential investment and not something that can be trimmed when the going gets tough.”

**For further information:** A complimentary download of the white paper and an executive summary is available on [www.esselte.com/whitepaper](http://www.esselte.com/whitepaper)

To discuss the implications of this paper with one of the authors and/or Martin Kula, Vice President – Marketing of Esselte please contact:

Lorna Campbell, BLAC PR Consultant : +44 (0) 7836 625 999 | [lornaC@blacagency.com](mailto:lornaC@blacagency.com)

or

Janina Simek, BLAC +44 (0) 20 3640 5956 | [janinas@blacagency.com](mailto:janinas@blacagency.com)

**Esselte contact:**

Esselte Leitz GmbH & Co KG

Carmen Wittmer, Communication & Promotion Manager Europe  
+49 711 8103-293 | [cwittmer@esselte.com](mailto:cwittmer@esselte.com)

**Futures House Europe**

Esselte commissioned **Futures House Europe**, a scenario planning company specialising in envisaging the challenges facing organisations, to look at the world of work and its implications going forward for both people and companies. This the resulting paper was co-authored by Richard Watson, a futurist and author of books such as *Future Files* and *Future Minds* and a regular contributor to “Fast Company” magazine and Andrew Crosthwaite, Richard’s business partner and Planning Director of the London advertising Agency, BLAC. In addition to Esselte, Futures House works with London Business School, Nestle, KPMG, TUI and Save the Children.

**About Esselte** – further information available on [www.esselte.com](http://www.esselte.com)

The Esselte Corporation is one of the world's premier manufacturers of office products with annual sales in excess of \$1 billion and subsidiaries in 29 countries. The company owns many strong brands including Leitz, Rapid, Esselte, Pendaflex, Ampad and Xyron.

In 2013 Esselte is celebrating a century of developing innovative solutions to organise the workplace. Beginning as a collection of printing companies Esselte has responded to market conditions over the years to develop hundreds of pioneering and award winning products in its sector. The current range of new products include the Leitz Complete range of accessories for mobile devices as well as reinvigorating traditional products from Lever Arch Files to laminators for the workplace of the 21<sup>st</sup> century – wherever it may be.