



Research from Hudson

The Hudson Files

From great people to great performanceSM

Collaborative Futures:

Recruitment, work and the changing
Nature of the global organisation.

*A report for Hudson by The Future Laboratory,
August 2004*

Hudson





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1 Introduction

Collaborative Futures looks at the changing nature of work and employment predicting a dramatic change in the ways we work and interact in the workplace in the coming decade and beyond. The research was conducted on behalf of Hudson by the Future Laboratory using a combination of behavioural and qualitative analysis. In addition, The Future Laboratory interviewed 59 panellists from its Futures 100 Group and polled over 100 members of its Global LifeSigns Network - a wide-ranging group of analysts, economists, media commentators, market specialists and authors - for their insights on the changes set to take place, and in many instances already underway, within modern working life. They also consulted 19 leading employers and research houses and drew on over 20 primary reports, research publications and white papers.

Collaborative Futures predicts a radical shift in the way employees and employers interact, forecasting the demise of traditional business hierarchies and the emergence of a new 'organic' workplace. There are two main reasons for this transformation: the shift from product and process-driven economies to knowledge and culturally based ones and the emergence of an increasingly fragmented, individualistic and autonomous workforce. The emergence of both is being boosted by the spread of new technology and an increased emphasis from employees on 'modern' values of innovation, collaboration and responsiveness.

This combination of new technology and changing workplace values has meant a rationalisation is taking place. In some cases this relates to the workforce, in others to antiquated and outmoded work practices. As a result, the modern business landscape is changing. It is becoming more streamlined, more collaborative and increasingly dominated by a need to attract and retain 'talent'.



2 Future Employees

Changing Career Patterns

The changing nature of the workforce is a complex matter linked to fundamental changes taking place at the heart of western culture. As disposable incomes increase, education levels rise and attitudes to class and status diverge, a new work generation is emerging, which is increasingly determined to negotiate its own working patterns and is less likely to stick with a career it is not happy with. These are the new twenty-somethings, the Millennials. For them, the working contract between employers and employees is about negotiation and relationship building. It is also about the right to disagree, to dissent, to challenge and to be 'contrarian'. In the past, these so-called freedoms were awarded as managers and employees rose through the ranks. Now they are expected as standard at all levels.

New Generation Recruits

Our parents' generation changed jobs three times on average, and changed careers hardly ever. But those born in the 1970s and 80s in particular are likely to change jobs between five and ten times in their lifetimes, and experience up to four career shifts – as many as six to ten if they were born after 1984. The impact of this generation on business and how companies recruit will be profound and far-reaching. They will change how we create organisations, speak to customers and transact business. In particular, they will alter how companies assemble teams, manage them and retain 'talent'.

This group see themselves as 'lateral thinkers', 'independent', 'entrepreneurial' and 'keen on opportunity rather than money and security'. They also demand respect from employers and expect to be treated on an adult-to-adult basis. Respect will no longer be viewed as something to be granted as a consequence of position or seniority; it must now be won. For new generation recruits, respect is also linked to a common good that isn't simply about company profits or shareholder value. It involves consideration of the life and career needs of employees, as well as the bigger issues faced by the company within the community it serves. One major impact of this attitudinal shift is that new generation recruits are no longer loyal to a specific business – but they are increasingly loyal to themselves.

Does My Career Look Good In This?

As their talents become more sought-after, rather than wondering what they can do for a business or corporation, the new generation of highly skilled and self-determined workers will ask what a potential employer can do for them.

Although loyal to themselves in the first instance, future recruits are willing to commit to businesses that encourage them to grow and develop. They expect their employers to allow them to nurture talents and skills that are as useful to them personally as they may be to the businesses they work for. This new generation of recruits is motivated by intangibles such as life/work balance. They want to enjoy a more social, ethical and moral approach to living, and to explore the need to develop life skills rather than skills wholly devoted to their career path. They will expect the organisations they



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work for to accommodate these desires and will seek to establish 'life-learning contracts' which guarantee their personal development outside of the work sphere.

Employees no longer believe that working with an organisation will change their lives. This is not necessarily an increase in worker cynicism. Rather it's the emergence of new business etiquette, a shift to a more pragmatic and realistic approach to managing the balance between careers and personal lifestyle. The next generation increasingly sees itself as:

- free agents and 'talent for hire', not always attracted to the highest bidder but to projects, organisations and companies that value a more flexible approach to working.
- automatically empowered to challenge, question and dissent.
- looking for employers with a strong corporate, social and ethical culture.
- positive about self-management, open to debate, dissent and discussion, expecting organisations to share these principles.



3 Future Employers

Birth Of The Creative And Cultural Economy

The world of work is moving away from an Information Age into a new Creative Economy or 'Culture Decade' in which ideas and knowledge are the new workplace currency. In essence, this is an economic model that draws on more conceptual skills, talents and ways of thinking, which are currently regarded with suspicion by some mainstream employers and recruiters. Employers will have to ensure that the role of a new generation recruit brought up on the values of this 'Creative Economy' is based on mutual cooperation, with decisions taken collectively. They will need to make employees part of an organisational hub, rather than a management team or manager-led group. Employers will elect project or team co-ordinators for their abilities to manage a particular project and not on the basis of seniority alone. Team leaders will be assigned on a project-by-project basis, and not appointed automatically or allowed to run indefinitely.

Organic Workplaces

In response to what this new generation of recruits want and expect from the organisations with which they are associated, businesses will become more democratic and open than traditional hierarchical workplaces of old. These shifts will alter the basic structure of companies and create businesses and organisational models that are equally collaborative, connected and networked. *Increasingly, employees will regard themselves as 'associates', partners, or as project-specific freelancers, hired for their creative and knowledge-based skills and their network of contacts – not merely because they are competent company men or women.*

Employers will assess future recruits on the size, scope, potential, and depth of their networks – in both a professional and technological sense. But at the same time, employees will assess the organisations they work for according to their ability to contribute to these networks. The result is the emergence of the 'organic workplace' – an open and democratic work culture in which employees have more control of their own career paths and a larger say on how they will develop within the company structure.

As a result of a widening use of new technologies, remote working and the prioritisation of knowledge-based skills over practical ones, future workplaces will become increasingly 'weightless'. Over the last few decades there has been a shift away from hands on, skills-based activities towards more managerial, logistical and collaborative career-based models. Lighter, more flexible companies and sectors, where the knowledge skills are more transferable and portable, are gaining momentum and more employees. These companies will often have higher levels of ICT usage, rely on more conceptual skills sets and are able to trade in an increasingly global landscape. Employers of the future will be more inclined towards this model; they will increasingly use outsourcing, remote networks and web-based ways of working and operate as virtual offices rather than traditional bricks and mortar headquarters, utilising a number of regionalised hubs and interactive networks.



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The Talent Corporation

As manual, IT, and transactional skills are increasingly outsourced or computerised, recruiting intellectual and creative talent will be the primary requirement of 21st-century employers. Large companies will be more flexible and devolved; they will employ skills and talents as and when, as well as where and how they need them.

In this environment, creative skills will become increasingly valued and sought-after. Terms such as collaborative, connected, networked, flexible, holistic – even democratic – will become the new words used to describe the business of building profitable communities and talent-based corporations.

Some economists refer to this model as the ‘Hollywood Corporation’ – a culture in which talent is key. Taking its cue from the film business, mainstream employers will trade off their own talent pools and use it to gain profile and prominence within their own sector and broader consumer landscape. Organic workplaces are a way of containing and nurturing this talent culture and are a result of employers accommodating the expectations of an ever-demanding ‘talent’ base.

The next decade will witness the demise of traditional hierarchies, vertical career ladders and workplace practices and processes that are confrontational and authoritarian. Workplaces are becoming more suited to negotiation, to collaborative management systems, horizontal career paths and a more democratic view of how employees can be encouraged and developed.

Network, Network, Network

Network building will be crucial to next generation recruits and recruiters. Alliances, contracts, deals and decisions made via collaborative, associative networks will require employees with a new set of intellectual skills and capabilities.

In the 80s and 90s, the work ethic was to encourage the ‘ownership of ideas’, ‘the survival of the fittest’, the notion that employees should be ‘champions’ for an organisation, or see themselves as ‘team players’. For new generation recruits ideas are not owned, but shared and built upon – they want to be inclusive rather than exclusive and are more willing to be flexible and collaborate with fellow colleagues at all levels. Alongside a candidate’s academic record, the industry will increasingly measure their ability to be flexible, to interact with fellow workers and to share their ideas and creativity. Successful future employers will actively endorse this knowledge-sharing culture and seek to recruit employees with wide-ranging personal, social and professional networks both within the workplace and beyond. As a result, they will welcome candidates with more open CVs who can demonstrate a wide knowledge and network base with experience across different sectors and varied disciplines.

Upskilling

Upskilling cannot be underestimated. PDAs, WiFi, digitisation and remote working are just part of this shift towards the creation of a new keyboard class or ‘digerati’ where maths, science, programming and IT skills will be needed alongside those that require workers to be visually literate. This increasing reliance on interactive technology and flexible working will lead to the creation of an entire new nomadic class of workers whose jobs are associated with the web –so-called New Entrepreneurial Nomads.



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Employee Fulfilment

Employers of the future will need to accept and respect the wider needs of their workforces. Life learning and personal skills development won't simply be something done on behalf of the company, but also so that the people inside that company can better understand their own abilities. Managing a democratic office, and the employees that come with it, isn't just a matter of good business sense. It is the fostering of a culture where talent will become all that distinguishes one brand or organisation from the other.

Employees within an organic workplace will be:

- more able to integrate
- more flexible
- more engaged
- more likely to be innovative and embrace change

Employers of the future will also be more conscious of the need to create an enjoyable working environment, conducive to more creative and collaborative working. Office atmosphere is emerging as a key aspect of employment culture and an incentive for future employees. An enjoyable and lively working environment is one of the biggest, yet most underrated reasons for employees choosing to work with the Times Top 100 companies.



4 Report Conclusions

Loyalty to a business is no longer a given. Increasingly, candidates will be appearing with CVs, which will contain as many career changes as job changes. This should not be regarded as negative, but as a demonstration of how flexible and wide-ranging their network and knowledge bases might be.

The new organisational model is a democratic one that engages and encourages debate. Skill sets should reflect this. In a democratic organisation, the minority voices matter. People who facilitate the sharing of knowledge and information are vital, as are those who support a network that is internal and external and lies across sectors that may seem unrelated to the one where they work.

Talent will become increasingly important in a world where all non-essential services can be outsourced or hired on a project-by-project basis. Employers, recruiters and human resources consultancies need to understand and exploit the factors that keep 'talent' coming back for more. Talent stays with companies that inspire. It stays with companies that allow employees to broker their own work contracts and within reason, determine their own work and career pattern. Most importantly, talent must be allowed to develop its own skill sets alongside those required by the company.

The most talented candidates will increasingly ask questions about the ethics and corporate responsibility of the firms they work for. Thanks to recent corporate scandals and publicity around issues such as 'fat-cat' salaries, many next generation recruits increasingly regard business with suspicion. They fear that an organisation's activities will reflect badly on how they are themselves viewed by the market place. Consequently, the most talented will be attracted to organisations that see social, ethical, environmental and moral issues as core to how they deal with customers and employees alike.

Company culture will increasingly be among the attractions for employees. The divisions between career and life are becoming increasingly blurred. Consequently, employees are more concerned about the balance, or lack of it, between work and life outside the office. Companies need to take this on board understand their employees needs, desires and broader aspirations.

For employers who wish to cling to old-style worker management, the outlook may seem bleak. But for those who understand that talent matters, the way forward is profitable indeed. Those who are already running offices, organisations and companies that are organic, collaborative and people-centric are currently reaping the benefits; not just in terms of financial profit, but in terms of retaining and nurturing talent – vital in today's increasingly devolved and intangible business world.