Dr. Srinivas Josyula

IIM
भारतीय प्रबंध संस्थान विशाखापट्टणम
Indian Institute of Management Visakhapatnam

1

"The greatest danger in times of turbulence is not the turbulence itself, but to act with yesterday's logic."

– Peter Drucker

*One of the lessons of the pandemic is that we have to put the '**human**' back into human resources*

- Brian Kropp

Chief of Research, HR practice at Gartner.

2

Managing complexity as well as ambiguity will have the single biggest impact on the way we work over the next 10 years.

Head of HR. Energy, Utilities and Mining, India

There will be a major shift away from the thinking that we learn one profession, have one job and stay in it for decades.

Female, voluntary worker, Germany.

Contents

- What is FoW ?
- Megatrends in the Workplace
- Relevance and Importance for HR
- Rapid change in priorities of HR
- Work from Anywhere and Implications
- Organization / Work force Transformation
- Agile HR
- Way forward ?

The New World of Work

- Developments in the world of work have attracted immense attention recently (ILO, 2018).
- Digital revolution: Emerging technologies are converging to fundamentally change the way we work.
- Labour markets are undergoing major transformations due to *ageing population* in developed and developing economies
- Work, Workplace, Workers lives, Digitization, decrease in employment and wages are strategic considerations.
- Organizations need to design a future that is equitable, sustainable, productive and fulfilling.

5

The New World of Work

- New times and new challenges call for innovative forward thinking.
- To step into a better future, we need to shift into more modern ways of being and working, sense changes early and to adapt swiftly and intuitively.
- We must interact with each other differently: with an open mind, listening to every voice, ready to discover whatever is there for us to see.
- We must give ourselves the freedom to act upon what we discover.

6

The New World of Work

- Modernization, *Adoption of Digital Technologies continues to be a priority on the organizational agenda*.
- Fundamental *changes required in leadership and employee talent attributes*, which are far more critical to successfully embark in the digital journey.
- Organizations need to design a future that is *equitable, sustainable, productive, and fulfilling.*

FUTURE OF WORK

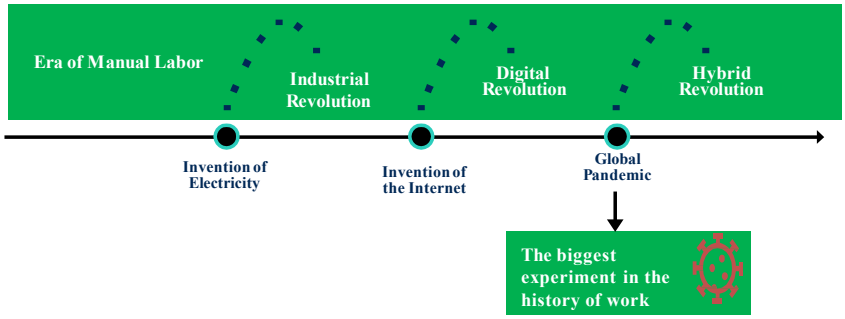
What is Future of Work?

The future of work describes changes in how work will get done over the next decade….

….influenced by technological, generational and social shifts.

Every so often, something seismic happens to the way we work

The pandemic created a sudden shift — with lasting impact.



Source: Gartner 2021

Megatrends in the Workplace

- Accelerated digital transformation
- Data Driven decision making
- Collaboration
- Demographic Shifts - Multigenerational Work force
- The Gig Economy
- New Skills for the workforce
- Business Continuity
- Hybrid Work Environments
- Climate Change
- Sustainability

11

Multigenerational Work force at work

As generations collide, workforces become more diverse, and people work longer; traditional career models may soon be a thing of the past.

Many of the roles and job titles of tomorrow will be ones we've not even thought of yet.

12

12

Future of Work ?

- Labour force Deployment and Development : Baby Boomers to Millennials
- Jobs and Employment : Full time employment to NSE (Non Std forms - Part time)
- Labour force participation
- Shared Economy : (Gig, Platform economy)
- **Job polarization :** is often based on use of machines and increased outsourcing from developed to developing countries (Goos et al. 2014).
- Diversity, Equity and Inclusion
- Quality of Jobs
- Digitalization
- Skill sets of future : Digital
- Wage Inequality
- Social Security

Forces reshaping the workplace

1. Advanced Technologies and Automation : Advances in AI/ML embracing all areas. **Paradigm shift Telling Computer what to do, to telling what you want?**
2. Demographic Shifts – Ageing Population
3. Speed of Change and Constraints : Autonomous Vehicles , Skilling Reqs
4. Impact on employment : Jobs which involve managing people, applying expertise, social interactions less impacted
5. Job Quality and Wage Discrepancies: Nature of Jobs for Unskilled or low skilled workers
6. Increasing Surveillance at Workplace
7. Battle for talent

Business Continuity – Role of HR

- Organizational strategy, growth and objectives, org structure and design, compensation structure, job design, and communications system etc.,
- Understand cultural business differences and strategies for working with a diverse employee group to build effective organizational functions.
- Identify strategies for working with key formal and informal organizational leaders across cultural differences.
- Analyze the effectiveness of HR processes, considering both organizational strategy, cultural norms, and labour laws.

15

Business Continuity – Role of HR

- Manage shocks while trying to sustain the culture of the organization?
- Invest in people and processes required to manage environmental volatilities and external shocks, especially in uncertain times.
- Sustain employee morale in depressing markets while balancing the competitive pressures in a continuously changing environment?

16

Changing Priorities

17

Post pandemic Trends guiding HR

What are the Business priorities? How can teams do more with less? How does HR balance productivity with employee well-being?

1. Prioritizing health, well-being, and psychological safety in a people-first culture
2. Inclusion and belonging become critical to an interconnected, high-performing culture
3. Rethinking reskilling - investing in critical skills versus critical roles
4. Transitioning from business efficiency to business resilience.
5. Flexible, blended work environments that utilize distributed authority.
6. Adopting AI and forward-looking data to turn teams into super teams

Source : Oracle

18

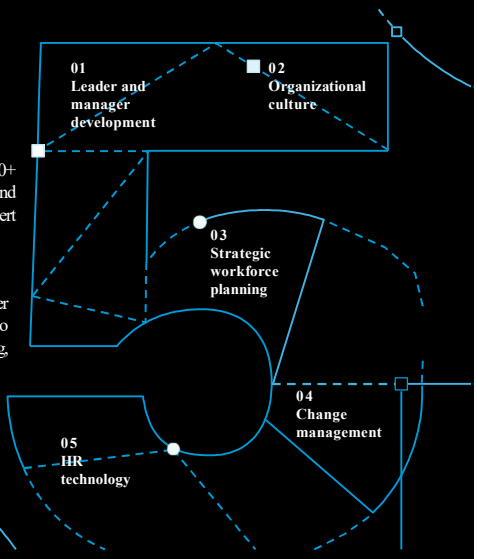
Top 5 priorities for HR leaders in 2025

19

Top 5 priorities for HR Leaders in 2025

Gartner surveyed more than 1,400 HR leaders across 60+ countries and all major industries to identify their priorities and challenges for 2025. Explore the top 5 priorities and get expert recommendations for impactful next steps.

The largest share of respondents put leader and manager development on their list, but many HR leaders will also prioritize organizational culture, strategic workforce planning, Change management and HR Technology



Source: 2025 Gartner HR Priorities Survey

20

What is driving these priorities?

Top 5 Priorities for HR Leaders in 2025

CEOs set sights on growth via transformation

CEOs overwhelmingly selected growth as their top strategic business priority for 2024-2025. To prepare for growth, 79% of CEOs will have their revised postcrisis business strategies ready by the end of 2024.[1]

Growth challenges: Lack of integration

Only **28%** of HR leaders agree that the HR strategic planning process is fully integrated with the business planning process.[2]

Continuous transformation needed

87% of HR leaders agree that shifting business needs requires continuous HR transformation.[3]

[1]Source: 2024 Gartner CEO and Senior Business Executive Survey
[2]Source: HR Score 1Q24 - 2Q24
[3]Source: HR Leaders, 2025 HR Priorities Survey

AI aspirations confront deployment realities

Business leaders expect a 23% improvement in functional productivity in the next 12 to 18 months by generative AI (GenAI).[4]

AI challenges : Workforce uncertainty

47% of employees using AI say they have no idea how to achieve expected productivity gains.[4]

Efficiency impact

77% say these tools have actually decreased their productivity and added to their workload.[4]

[4]Source: Gartner Generative AI 2024 Planning Survey

Labor market shifts put pressure on talent strategies

61% of talent management leaders agree that new demands exceed their capacity to deliver. In fact, 85+ million jobs are projected to go unfilled globally by 2030.[5,6]

Talent challenges

Mismatched skills

23% of global jobs will change in the next five years due to industry transformation, including AI.[7]

Employee demands

62% of candidates say they only apply for jobs that meet the majority of their requirements.[8]

[5]Source: 2024 Gartner Modernizing Talent Management HR Leader Survey
[6]Source: The $8.5 Trillion Talent Shortage, Korn Ferry
[7]Source: The Future of Jobs Report 2023, World Economic Forum
[8]Source: 2024 Gartner Voice of the Candidate Survey (Q2)

01

Leader and manager development

Common challenges for HR leaders:

75% of HR leaders report that managers are overwhelmed with the expanding scope of their responsibilities.

70% of respondents believe that current leaders and managers are not adequately equipped to effectively develop midlevel leaders.

Source: Gartner

02

Organizational culture

Common challenges for HR leaders:

57% of HR leaders agree that managers fail to enforce the desired vision of culture within their teams.

53% of HR leaders report that their leaders don't feel accountable for demonstrating the desired culture.

Source: Gartner

23

03

Strategic workforce planning

Common challenges for HR leaders:

66% of HR leaders agree their workforce planning is limited to headcount planning.

61% of HR leaders agree their workforce planning efforts are limited to a one-year plan.

Source: Gartner

24

04

Change management

Common challenges for HR leaders:

74% of HR leaders say managers arenot equipped to lead change.

73% ofHR leaders agree that employees are fatigued from change.

Source:Gartner

25

05

HR Technology

Common challenges for HR leaders:

55% of HR leaders say their current technology solutions do not cover current and future business needs.

51% of HR leaders agree that they cannot measure the business value delivered by HR technology transformation.

Source:Gartner

26

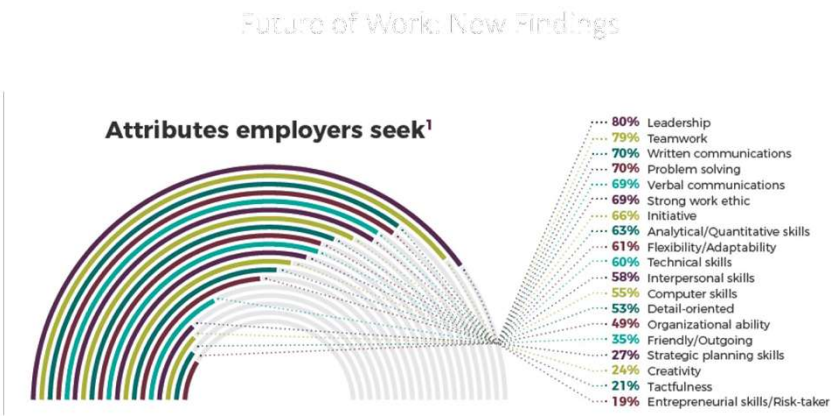
Skills to thrive in 4th IR

According to the World Economic Forum (Gray 2016),

The top 10 skills required to thrive in the fourth industrial revolution are:

1. Complex problem solving,
2. Critical thinking,
3. Creativity,
4. People management,
5. Coordinating with others,
6. Emotional intelligence,
7. Judgement and decision making,
8. Service orientation,
9. Negotiation and
10. Cognitive flexibility

FUTURE OF WORK: Skills in Demand



Source: Gartner

Work from Anywhere

29

"HR has always been important," "but in this new world of flexible work and with new opportunities and challenges, there is an opening in front of us where, professionally, [HR] has to define and develop new skills and processes to optimize what is expected of them—and that's to make sure the human capital of a corporation is seriously engaged and inspired and believing. It's productive to feel joy. We need to find ways to make sure that is happening."

- Albert Bourla,
CEO, Pfizer Inc

30

Workplace Design

- Do we really need to be together, in an office to do our work?
- Are all remote or majority remote organizations the future?
- Is Work from Anywhere here to Stay? for all or part of the workforce?
- What are the Benefits/ Risks
- What is the transition plan to the new model?

Myths of Hybrid Work force model

1. Pretty soon, work will go back
2. Employees are less productive when remote
3. Serendipity is the best driver of innovation
4. Our jobs just can't be done remotely
5. We need in person contact to sustain our culture
6. Hybrid workforce models hurts DEI
7. Hybrid Model is expensive, and needs investments in IT Infrastructure

Benefits

- **For individuals?** – Freedom/ Flexibility/ Quality of Life / Cost of living / Work life Balance / Immigration issues
- **For Organizations?** : Productivity / employee engagement / saving on real estate costs ; secure borderless workspaces; talent on the cloud/ reduction in travel costs and attrition
- **For Society?** : Reverse Brain drain/ environmental benefits/ conservation of natural resources / reduction in carbon emission

33

Concerns

- Communications, Brainstorming and Problem Solving
- Knowledge sharing
- Socialization, Camaraderie and mentoring
- Performance Assessments
- Compensation and Benefits Management
- Information Security
- Data Privacy and
- Regulatory Compliances

34

It's time to banish any remaining hybrid workplace myths

1. The way we have adapted to working during the pandemic has shattered antiquated assumptions about work design.
2. Executive leaders now have a unique opportunity to break from a location-centric model of work designed around industrial-era constraints, and to redesign work around a human-centric model to secure digital-era talent and deliver business outcomes.
3. **Human-centric work design, characterized by flexibility and empathy, makes employees feel more empowered, and increases their productivity and engagement.**
4. It also enables organizations to be more responsive to customer demand, more resilient to disruptions and more productive.
5. The human-centric approach can be a win-win for employees and organizations,
6. Requires executives to commit to leveraging a hybrid workforce strategy by shedding some old assumptions and dispelling myths about what hybrid work models mean and do.

Organization / Workforce Transformation

Org / Work force Transformation

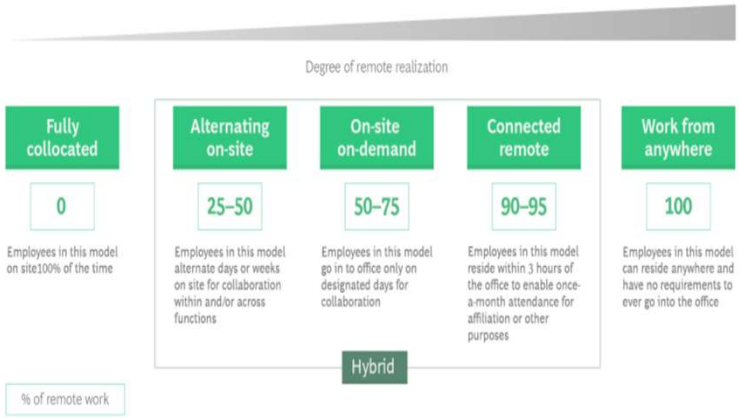
- Advent of Digitalization / E Commerce / Direct to Consumer/ Automation, WFA etc.,
- Organizations know that market demands, expectations and perceptions are changing quickly.
- Organizations have to face inward, and think about how they are going to manage change at a pace and at a rate that would ensure that they could be ahead of the curve in meeting the consumers' needs.
- The paradox organizations have to face into is:
  - How do they change and align with their purpose and objective,
  - Align with their values, but are also quick /effective and
  - Meet the demands of changing marketplace and consumers

Pillars of Transformation

1. Change is an Opportunity - "Change the Way We Change"
   - The old 20th-century way of managing change was either very power-driven or very process-driven. In other words, you either told people, "Change or move on. Go and work for someone else if you don't like it here," which often led to industrial conflict. Or it was very process-driven.
2. "Ignite Lifelong Learning and Critical Skills."
   - Employees need to have a future - fit plan
   - HR should help employees to identify what their purpose is, or how they want to realize their potential in life.
3. "Redefine the System of Work"

- Unilever is several years into a company-wide plan to revolutionize its workforce. Faced with the challenge of selling its employees on change as opportunity, the multinational offers job counseling, retraining, and assistance with career moves— within the company or elsewhere.
- Organizations need to be transparent about coming changes and work with employees, unions, governments, and others to identify mutually beneficial transitions.

Transition Strategy to WFA



Source : BCG

Competing Forces

Three scenarios ('worlds') for the future of work:

1. Large corporates turning into ministates and taking on a prominent role in society.
2. Specialization creating the rise of collaborative networks.
3. The social and environmental agenda forcing fundamental changes to business strategy.

~ PWC Report

Evolving Priorities

Organisations currently grapple with the realities of skills shortages, managing people through change and creating an effective workforce.

The radical change in business models will mean that companies will be facing further issues such as:

1. The need to create ever more sophisticated people measurement techniques to monitor and control performance and productivity.
2. Increasing importance of social capital and relationships as the drivers of business success.
3. The boundary between work and personal life disappearing as companies assume greater responsibility for the social welfare of their employees.

~ PWC Report

41

Hopes and Fears…. of employees

Views of 32500 people :

- Employees reported feeling excited or confident about the future.
- Most said they believe they can meet the challenges of automation — *and they proved it during the pandemic: by learning new digital skills and by quickly adapting to remote work.*
- Yet many people think their job is at risk, and half of all respondents feel they've missed out on career opportunities or training

~ PWC Report

42

42

People are concerned about job security

The pandemic has already disrupted whole industries, contributing to people's anxiety about the future.

- 60% are worried that automation is putting many jobs at risk.
- 48% believe traditional employment won't be around in the future, and that we'll sell our skills on a short-term basis to those who need them.
- 56% think few people will have stable, long-term employment in the future; this jumps to 81% in India.
- 61% feel that their government should act to protect jobs, with that feeling being more acute among 18-34 year-olds (66%) than those over 55 (51%). 39% think it's likely that their job will be obsolete within five years.

As companies accelerate their automation plans and many jobs continue to be remote, employees across every sector will need to acquire new skills that enable them to think and work in different ways.

- The future isn't a fixed destination. We need to plan for dynamic rather than static tomorrows.

https://www.pwc.com/gx/en/issues/upskilling/hopes-and-fears.html

43

43

Employees want to reskill

- In one of the pandemic's positive surprises, people proved they could transition quickly to remote work while keeping productivity high.
- Where access exists, workers are keen to reskill as needed, but disparities in access to training remain.
- Those who most need digital skills are still the least likely to get them and, if this trend continues, we risk widening the digital divide.
- Leaders need to create more inclusive opportunities to upskill.

44

Role of HR

HR has been perceived by many as a passive, service-oriented function.

But given the demands of tomorrow's workplace and business environment, HR is at a crossroads and will have to go one of three ways:

1. With a proactive mindset and focused on business strategy, HR will take on a new wider people remit incorporating and influencing many other aspects of the business.

2. The function will become the driver of the corporate social responsibility agenda within the organization.

3. The function will be seen as transactional and almost entirely outsourced.

~ PWC Report

Thank You